

WORLD WEALTH REPORT 2019

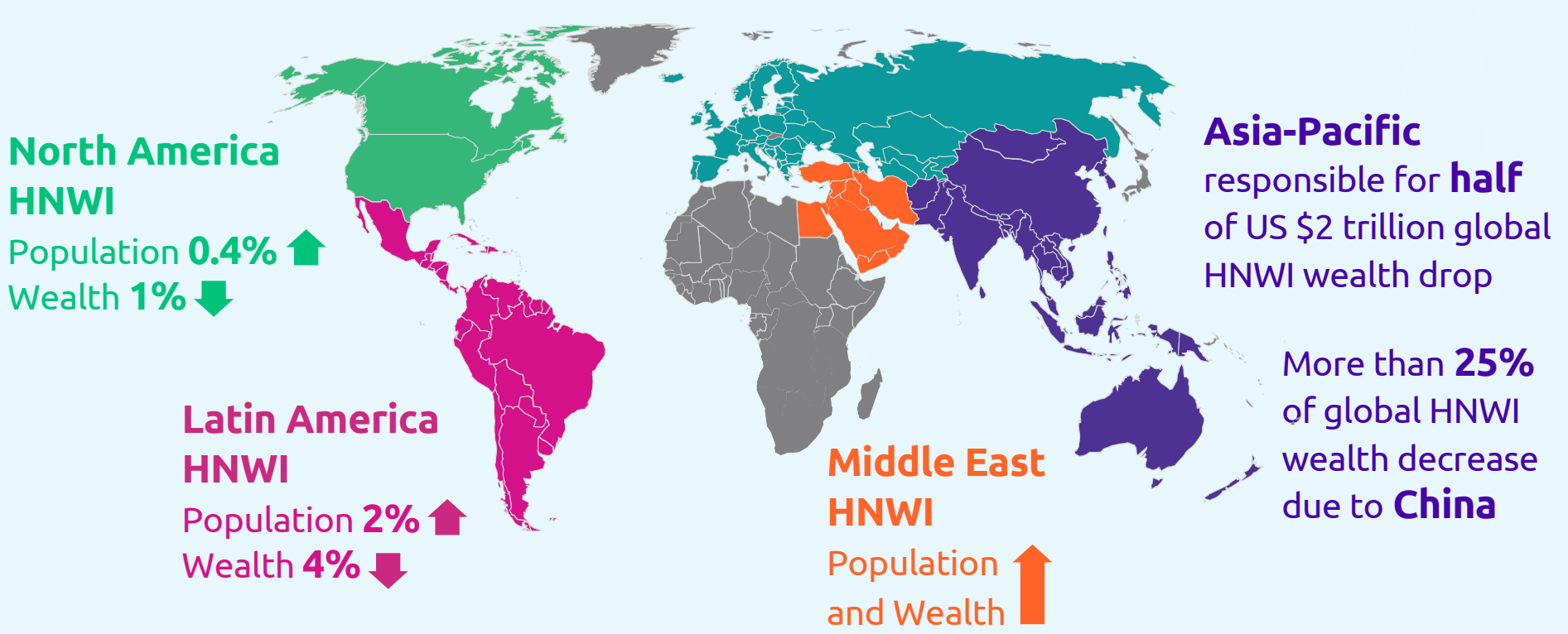


HNWI¹ satisfaction high despite HNWI wealth decline in 2018

After 7 years of growth, Global HNWI Wealth **3%**

Slowing economies and equity market performance drove the decline

24% of global HNWI wealth decrease due to **Europe**



Ultra-HNWIs² → 1% of HNWI population accounted for 75% of global HNWI wealth decline

Declining wealth caused a significant shift in asset allocation



Cash overtook equities, which decreased 5 percentage points from Q1 2018

HNWI trust and satisfaction with wealth managers and firms remained strong

Wealth management firms' agility and technology improvements delivered a better customer experience

	Trust	Satisfaction
Wealth manager	79%	69%
Wealth management firm	82%	68%

HNW clients have growing expectations



How will firms prepare for impending disruption?

Wealth managers' top 3 factors impacting the industry in near future

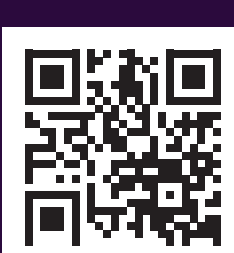
- ▶ Increased data and analytics innovation
- ▶ Entry of BigTechs
- ▶ Fee structures/pressures

Next-gen capabilities and enhanced personal connections between wealth managers and clients is vital

AI and Analytics will have a high impact across 4 core transformation pillars	Personal connection leaders ³ outperform their peers
<ul style="list-style-type: none"> ▶ Managing and serving clients ▶ Enabling wealth managers ▶ Bringing operational efficiencies ▶ Complying with evolving regulations 	<ul style="list-style-type: none"> ▶ 26% more likely to get recommended ▶ Almost twice as likely to get net new AUM⁴ inflow ▶ Likely generate \$1.5 million more in fees per billions of AUM

The way firms deliver value to clients will be crucial as the wealth industry evolves and HNWI expectations shift

1 HNWI – High Net Worth Individual
 2 Ultra-HNWIs – have net worth of US \$30 million or more
 3 Connection Leaders – firms ranking in the top 25% for strong personal connection
 4 AUM – Assets Under Management



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