

Wealth Management Trends in 2021



Acceleration of Sustainable Investments

27% of HNW Investors are interested in ESGs and have planned to invest an average of 46% of their portfolios in sustainable products.



Fee Compression Set to Continue

Larger competitors like BlackRock and Vanguard are cutting their fees, thereby putting pressure on smaller asset and wealth managers alike. Since 2019, fees at publicly-traded U.S. traditional asset managers declined by 6.1%.



Rapidly Evolving Investor

Investors plan to increase their use of anytime, anywhere, any device access (52%), transfer investments to organizations with better services (37%), and work more with wealth providers offering specialized advice (37%).



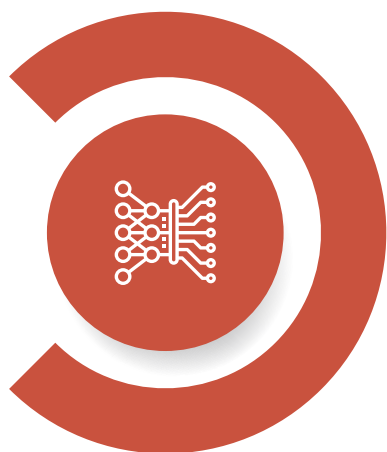
Regulatory and Compliance Burden Likely to Increase

With increased compliance and regulatory demand, 64% of managers plan to leverage new technologies like process automation and AI to manage rising regulatory costs.



Industry Consolidation Trends Likely to Accelerate

Over a medium to long term period, we expect the industry to consolidate a little differently, in a barbell shape, with prominent players on the passive side benefiting from market operations through scale.



Focus on Stronger Data Foundation

85% of the firms look forward to actively applying Analytics and AI in their Investment process. Asset research leads the way in leveraging Machine Learning, followed by reporting & distribution.



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