

Asset control

Cash rich, but time poor **Sally Percy** discovers why some of the world's wealthiest individuals are turning to private banks to manage their money

Making money is one thing. Managing it is something else – especially if you have a frantic schedule and complicated financial affairs.

Indeed, complexity is one of the main reasons why the world's wealthiest people choose to use the services of private banks, according to Tom Slocock, head of UK wealth management clients at Deutsche Asset & Wealth Management. "As an individual's wealth increases,

the alternatives open to them also increase – sometimes exponentially – and that tends to breed complexity," he says. "So they want to deal with a counterpart who is experienced in dealing with that complexity, which is not something that can be replicated across thousands and thousands of clients. They also want a counterpart who has the ability to pull together all the expertise that is necessary to service their needs."

At Deutsche Bank (www.db.com), an advisor will focus on understanding their client's investment objectives as well as their risk profile. They will then consult the bank's in-house research team to put forward a proposal for allocating the client's assets across different asset classes, such as bonds, stocks and cash, in a way that corresponds to the client's appetite for risk. Meanwhile, the bank's research team provides

its clients with updates on movements in the global equity and debt markets across America, Europe and Asia-Pacific, and it has a special focus on India.

SERVICE GUARANTEED

Personal service is also an important part of UBS's (www.ubs.com) wealth management offering. It describes its approach as "a partnership built on analysis and ideas" and, besides investment support, it helps its high-net-worth clients with succession planning as well as with securing mortgages and business loans.

UBS uses a highly strategic, four-stage 'integrated investment process' with its clients. The first stage consists of research, whereby the banks' analysts help to identify investment

Right: Deutsche Bank judges the client's appetite for risk before deciding on how best to manage their assets Below right: UBS offers an in-depth four-stage investment process for its clients

opportunities as well as market risks. Then economists apply best-case, baseline and worst-case scenarios to these insights in order to highlight important economic trends. After that, investment strategists draw on the research insights and scenarios to come up with investment strategies for the client.

Finally, internal and external experts challenge these strategies in order to



determine their level of robustness. Once all these four processes have been completed, UBS's chief investment officer formulates the 'UBS Wealth Management House View', which is the bank's investment strategy that is based on the analyses and assessments that have been undertaken and vetted throughout the investment process. Thorough? That's one way of putting it. It certainly helps to explain why UBS Wealth Management was ranked top in the world for research and asset allocation in the Euromoney Private Banking Survey 2015.

The dedication to top-notch client service doesn't end there, however. UBS's commitment to serving its ultra-high-net-worth clients is such that it even has its own art competence centre, which offers specialist art-market knowledge to clients who are planning to build up their own art collection and need advice on how to do it.

KEEPING IT IN THE FAMILY

Morgan Stanley's (www.morganstanley.com) private wealth management practice focuses on servicing individuals

and families in North America and Asia. It prides itself on its high level of personal service, limiting the number of clients that each adviser can work with.

"I tell prospective clients, 'We are in the picture with your family doctor; you will need to talk to us about things you won't discuss with anyone else,'" says Jim Moriarity, a managing director in Morgan Stanley's private wealth management division. "Rapport is critical. You will spend a lot of time with your advisor and if you don't enjoy his or her company, you should move on."

A particular focus of Morgan Stanley Private Wealth Management is helping "affluent families address the complex

challenges of managing significant wealth". Its advisers draw on specialists in trusts, insurance and philanthropy in order to help clients to preserve their assets and pass them down to the next generation in a tax-efficient manner.

"The toughest part of the job is the fact that the stakes are so high," comments Moriarity. "The implications of failure won't affect our clients' lifestyles, but they will affect their multi-generational or charitable aspirations. Great advisors think about those consequences of failure when they go to bed at night and wake up in the morning."

Morgan Stanley helps its clients "make informed investment choices" from a wide range of products ➤





Left: Jim Moriarity, a managing director of Morgan Stanley's wealth division provides a highly personalised service (right)
Bottom: BNP Paribas offers bespoke support to entrepreneurs throughout the lifecycle of their business

across every market and asset class. This includes so-called "alternative investments" in assets such as hedge funds, managed futures, real estate, commodities and derivatives contracts.

ENTREPRENEURS AND PHILANTHROPISTS

BNP Paribas Wealth Management (www.bnpparibas.com), which was named Best Ultra High Net Worth Team in Europe at the 2015 WealthBriefing European Awards, uses the slogan: "Your wealth has a voice. Let it be heard."

Entrepreneurs are a particular focus for BNP Paribas, which recognises that an individual's business will be intrinsically linked to their personal wealth. Its

advisers, known as 'entrepreneur private bankers', offer bespoke support to entrepreneurs throughout the lifecycle of their business.

Furthermore, the bank also has a specialised philanthropy department that helps entrepreneurs to realise their own charitable projects. It even has its own philanthropic vehicle entitled the Fondation de l'Orangerie, which is designed to effectively channel donations from its clients to selected charitable projects.

"In our experience, there is no one-size-fits-all when it comes to philanthropy," says Nathalie Sauvanet, global head of individual philanthropy and managing director of the Fondation de l'Orangerie. "Some of our clients are driven by passion – often after a very personal experience related to the cause in question – or by a sense of duty or faith. An entrepreneur is likely to say, 'I've succeeded professionally



beyond my wildest dreams, but now it is time to give back. Where do I start?' Our team of philanthropy experts provides objective guidance and support to our budding philanthropist clients."

FINAL THOUGHTS

According to research published by strategy consultancy Scorpio Partnership, the top 25 wealth management firms worldwide recorded an average percentage growth of 11.3 per cent in assets under management in 2013.

Of course, they owe part of their success to the steady increase in the number of people who have joined the global super-rich list in recent years as stock and property prices have soared. Nevertheless, their rising fortunes are the result of more than just being in the right place at the right time. Ultimately, the world of private banking is sensitive to the fact that our financial circumstances and priorities are as individual as we are. As Slocock puts it: "When someone's personal situation is complex, we arrange the building blocks of their finances to meet their own particular needs." ■

