



Wealth Management Market Commentary

2021/2022

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SECTION 1: OVERVIEW

- Despite the obvious Covid related challenges throughout the past 18 months, the Wealth Management industry continues to perform strongly, testament especially to the annuity income model that the sector has worked hard to transition to in recent years.
- The definition of Wealth Management continues to broaden, especially as sub-sectors on the fringes mature and scale up.

SECTION 2: PRIVATE INVESTMENT OFFICES

- At one end of the spectrum are family offices. Though still an opaque world, it is estimated that there are 2500 in Europe, each with an average of \$1bn AuM.
- The sector increasingly echoes the growth of the hedge fund sector in the late '90's /early '00's. At that time there was a proliferation of proprietary traders leaving banks and setting up hedge funds, typically very small operations with limited investment strategy and their largest challenge being to raise assets. However, a number of those entities grew into sizeable institutions, competing directly with banks rather than just being prime broker clients for them.
- The success of hedge funds such as Brevan Howard, Man Group, Millenium, Bluecrest and many others brought this sector into the mainstream whereby they now stand shoulder to shoulder with banks and traditional asset managers.
- Today we see similar happening with family offices, both single and multi. These organisations are managed with the professionalism, sophistication and resource to match the best institutions. Their activities extend across public and private markets and real assets, investing direct and using third parties.
- Family offices such as Ikoniq, with \$80bn AuM, will increasingly influence the future direction of the Wealth and Asset Management industry.

SECTION 3: RETAIL

- At the other end of the Wealth sector are Retail and Advice businesses which have an equal impact as they develop and become more sophisticated.
- Historically, these businesses would only loosely be defined as Wealth Managers, if at all. Today, this subsector offers arguably the greatest opportunity for Wealth businesses to scale up and it is where the majority of corporate consolidation is taking place.
- Synergies are being exploited and technology is a key driver of success, more so than in any other subsector of the Wealth industry.
- In 2020 M&G plc brought together Ascentric (the ex-Royal London platform), Prudential Financial Planning, The Advice Partnership (TAP) and the M&G Direct funds business creating a £30bn AuM/A Wealth business.
- Likewise Abrdn created a new Personal Wealth division including its 1825 Financial Planning business, SLA's direct-to-customer propositions including Digital Retirement Advice and their DFM Aberdeen Standard Capital. In 2021 they also announced the acquisition of the platform Interactive Investor with its £55bn AuA.

SECTION 4: UNIVERSAL BANKS

- Universal banks are also exploiting the growth and scale opportunities of their retail and consumer businesses, recognising the synergies with their Wealth and Private Banking divisions.
- The latter were historically more closely aligned with investment banking divisions, the idea being to distribute IB product to UHNW/HNW clients. But future growth comes from distribution through their retail channels.

- Hence new divisions such as Goldman Sachs' Consumer and Wealth Management; HSBC's Wealth and Personal Banking; Citi's Global Wealth (which aligns Global Consumer Banking and the Institutional Clients Group within which sits the Private Bank).
- In essence Private Banking is now structured as a subset of retail Wealth Management within most universal banks as opposed to operating as a separate business line.

SECTION 5: HIRING ACTIVITY

- Demand for talent fluctuated during 2021, as was to be expected. Throughout the year much demand was focused on functional roles such as CTO's, COO's, CFO's. Understandably organisations needed their own houses to be in order and to address structural issues in the shortest timeframe given the stressed environment.
- It was only in September that the green shoots of stability and recovery saw a collective return to hiring client facing professionals with the mandate to onboard new clients rather than the Covid related focus on existing relationships.
- One of the key challenges to successful hiring across the Wealth industry is the lead time to attract and onboard Relationship Managers who can bring client assets.
- In the Private Banking world, the average lead time to attract a private banker is approximately 12 months. In the Discretionary Fund Management (DFM) world the average lead time to court an investment manager is 18 months. Add on notice periods and restrictive covenants and the breakeven to profitability on these senior producer hires is comfortably 3 years.
- The 4th quarter of 2021 saw private banks tripping over themselves in their demand for Relationship Manager talent, especially the 'pure play' private banks.

Candidates willing to consider a move found themselves courted from all sides and inevitably compensation offer levels squeezed upwards.

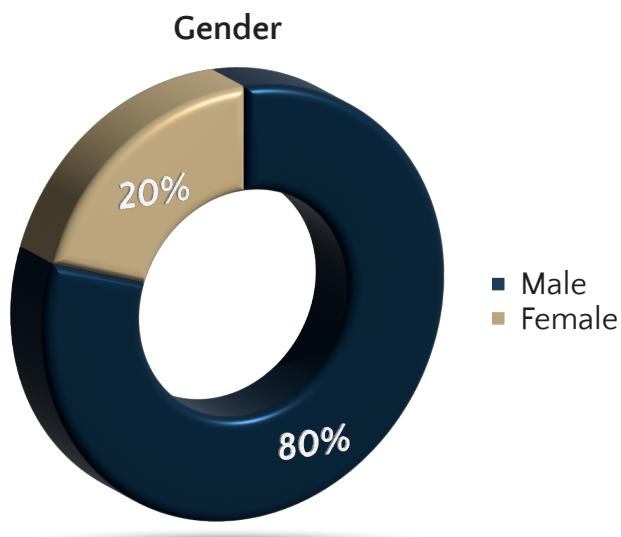
- But just as there was demand to hire people, with many businesses chasing their tails and the limited pool of candidates to do so, it has also become imperative to retain good people.
- The extent to which banks sought to 'buy back' their employees at resignation reached levels we have not seen for 15 years. The statistics are bleak in terms of the sense in doing this.
- Across the Financial Services industry 85% of candidates who are persuaded by their current employer not to go through with their resignation will have left their company within the next 18 months – either through their own decision or due to being pushed out.
- HR teams know this and generally push back against line managers' desire to deploy counter offers. But in 2021 the overriding priority was to put out the short-term fires caused by potential resignations, regardless of the longer term impact to the business and individual by doing so.

SECTION 6: RETENTION AND SUCCESSION PLANNING

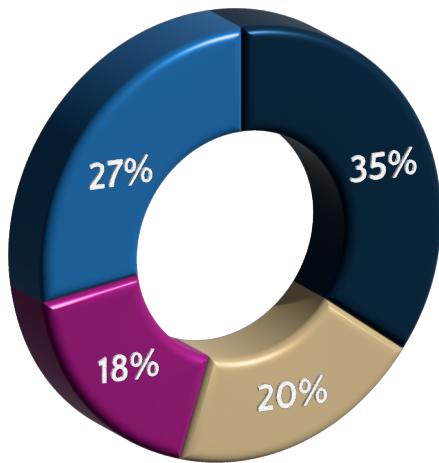
- Across the Wealth Management industry headcount increased by approximately 3.5% during 2021, with headcount turnover per company averaging 12%.
- In turn this means that approximately 15% of headcount within Wealth businesses are new to each company in 2021.
- It has never been more important to develop leaders to ensure a company's success, having the right people in the right place to deliver results.

SECTION 7: HIRING ANALYSIS

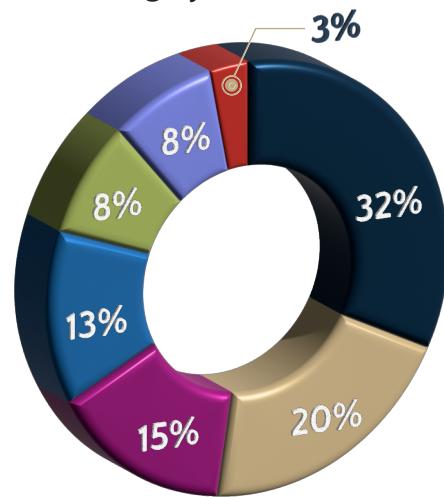
People Moves



Hiring by Role

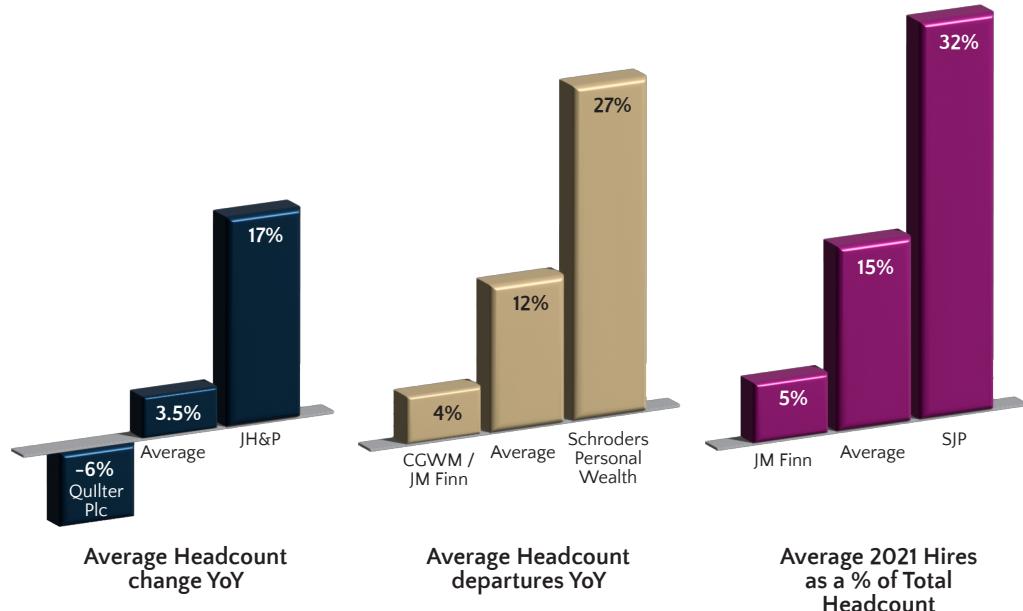


Hiring by Subsector

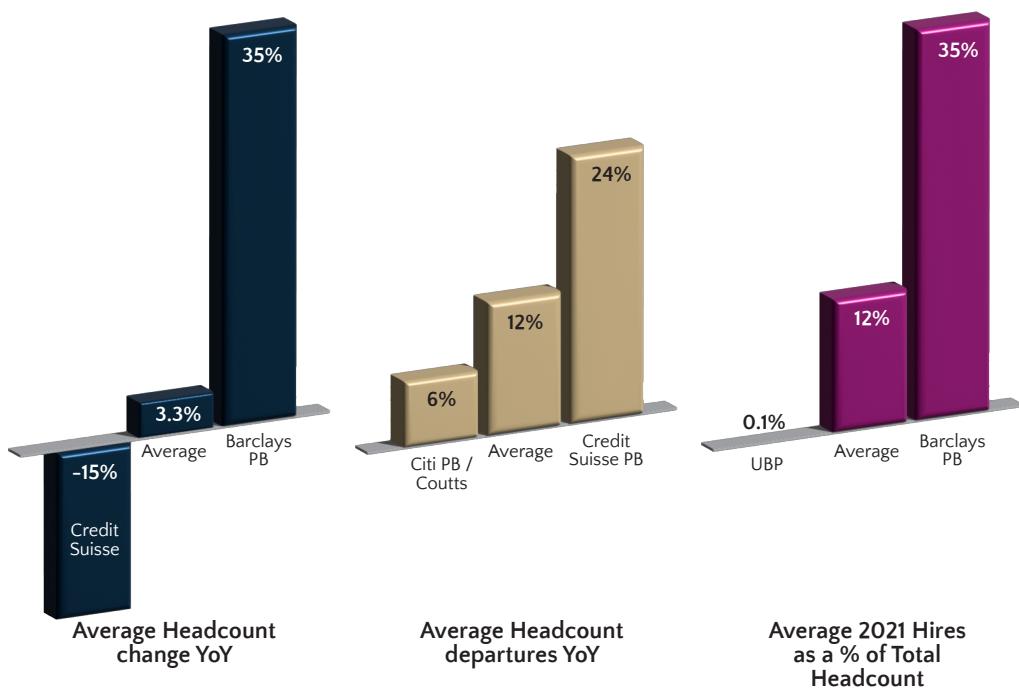


Hiring/Headcount Activity

Largest 25 Discretionary Fund Managers (DFM)



Largest 25 Private Banks (UK)



SECTION 8: KEY PEOPLE MOVES

KEY EXECUTIVE MOVES – SENIOR LEADERSHIP

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Alex Montgomery	7IM	James Hambro & Partners	Partner, Head of Scotland
Alistair Conner	Credit Suisse	Bank of Ireland	Strategic Advisor
Andrew Fisher	Towry	Skerritt Consultants Ltd	Non-Executive Chairman
Andrew Fleming	Waverton IM	Saltus Asset Management	Chairman
Andrew Moore	Quilter Private Client Adv	TBC	Ex-Head, Quilter Private Client Adv
Annabelle Bryde	Bank Vontobel AG	Barclays Private Bank	Head UK Bank and Crown Dependencies
Anne Fairweather	Nationwide	Hargreaves Lansdown	Head of Government Affairs and Public Policy
Bill McNabb	Vanguard Group	Tilney Smith & Williamson	Non-Executive Director
Boris Collardi	Pictet	TBC	Ex-CEO
Brett Lankester	Union Bancaire Privée	Hanover Investors	Role not specified
Caroline Connellan	Brooks Macdonald	abrdn	CEO, Personal Wealth
Chris Grigg	British Land	Tilney Smith & Williamson	Chairman
Clemmie Vaughan	Ruffer LLP	TBC	Ex-Chief Executive
Clive Bannister	HSBC Private Bank	Rathbones	Chairman
David Austin	Cazenove Capital	Irwin Mitchell	Non-Executive Director
David Nicol	Brewin Dolphin	Julius Baer	Non-Executive Director
Ed Dymott	Aegon (Benchmark Capital)	Schroders	Managing Director, Wealth
Edward Bonham Carter	Jupiter Fund Management	Netwealth	Chairman
Gabriel Aractingi	UBS Group	Goldman Sachs	Managing Director, PWM MENA
Gabrielle Branson	Kleinwort Hambros	EFG Private Bank	Deputy Chief Executive Officer
Gordon Wilson	William Hill	Interactive Investor	Chairman

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Heinrich Adami	Pictet	TBC	Ex-CEO
James Edgedale	JM Finn	Vermeer Partners	Joint Head of the Board
Jon Bendall	Deutsche Private Bank	Luna Executive Consulting	Managing Director
Kenneth 'Buzz' West	Kingswood	TBC	Ex-Non Executive Chairman
Mark Nicholls	Rathbones	TBC	Ex-Non Executive Chairman
Martin Andrew	Close Brothers Asset Mgt	TBC	Ex-Chief Executive
Michael Gabbitas	Standard Chartered	Bank of London & Middle East	Head of Private Banking
Nick Allen	Deutsche Bank	Rhone Trust & Fiduciary Serv	Group Chief Executive
Patrick Goulding	Kingswood	Ardmore Partners Llc	Managing Partner/ Founder
Robert Suss	Goldman Sachs	Pictet	UK Chief Executive Officer
Stuart Alexander	Hampden & Co	Zafiro Consulting Ltd	Director
Stuart Bates	JAR Capital Limited	Mirabaud	Chief Executive Officer
Tom Street	Investec Wealth	TBC	Ex-Group MD
Warwick Newbury	Sandaire	Rothschild & Co	Non-Executive Director

KEY EXECUTIVE MOVES – CLIENT FOCUSED

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Alex Dean	EFG Private Bank	IQ-EQ	Head of Private Wealth
Dan Stokoe	Schroders Personal Wealth	Perspective Financial Group	Principal Designate, North West
David Muncaster	Bordier IM	Canaccord Genuity Wealth Mgt	Head of Distribution
Jeremy Hippolite	Charles Stanley	Canaccord Genuity Wealth Mgt	Head of Professional Services Sales
John Alexander	Tilney Group	Castlefield	Head of Client Engagement
Kris Barclay	Charles Stanley	7IM	Head of Private Clients, Edinburgh
Laurence Stoppleman	Citi Private Bank	JP Morgan	Head of Israel
Louise Hall	Investec Wealth	TBC	Ex-London Head
Matt Sullivan	Brewin Dolphin	Quilter Cheviot	Head of Professional Services
Nandu Patel	Rothschild & Co	Barclays Private Bank	Head of Charities and Asset Consultant Relns
Natasa Williams	LGT Vestra	Freelance	Freelance Investor
Paul Bagatelas	Aviatrans	Coutts	Managing Director & Head of International
Philipp Larmaltschouk	Julius Baer International	Brown Shipley	Head of Financial Intermediaries Market (FIM)
Rupert Cecil	Union Bancaire Privée	Brown Shipley	Head of Charities and Philanthropy
Sarah Lord	Succession Wealth	Cooper Parry Wealth	Chief Growth Officer
Scott Stevens	Quilter Financial Planning	St James's Place	Establishment Commercial Director
Tim Clark	Loyal North	M&G Wealth	Recruitment and Aquisition Director
Tim Eastwood	Credit Suisse	Rothschild & Co	Head of Midlands

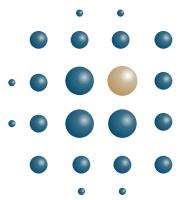
KEY EXECUTIVE MOVES – FUNCTIONAL

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Amy Stirling	Virgin	Hargreaves Lansdown	Chief Financial Officer
Charles Sparrow	7IM	Skerritt Consultants Ltd	Chief Financial Officer
Chris Shelley	Goldman Sachs	Stanhope Capital	Chief Financial Officer
Colin Tate	Sainsbury's Bank	Hampden & Co	Chief Operating Officer
Jon Millam	Equiniti	Kingswood	Chief Financial Officer
Jun Seki	Seedcamp	Rosecut	Chief Technology Officer
Ken Coveney	Corona Corporate Solutions	Titan Wealth Holdings	Chief Financial Officer
Kenneth McLeish	JP Morgan AM	Barclays Wealth Management	Chief Information Officer
Mayank Prakash	Uber	Tilney Smith & Williamson	Group Chief Operations Officer
Michael Alabaster	Close Brothers Asset Mgt	Investec Wealth	Head of Private Client Strategic Comms
Mili Pavitt	UBS Wealth Management	Artorius	Head of Marketing and Communications
Nuno Tarrana de Sousa	Pictet	Saranac Partners	Chief Operating Officer
Paul McCafferty	EFG Private Bank	TBC	Ex-Private Banking Chief Operating Officer
Philip Johnson	Hargreaves Lansdown	TBC	Ex-Chief Financial Officer
Philip Tremble	HSBC	Quintet Private Bank	Group Chief Risk Officer
Rahul Sen	Consultant	Beryllus Capital	Chief Operating Officer
Rehana Hasan	Tilney Group	Brown Shipley	Head of Legal
Sasha Dabliz	Schroders	Waverton IM	Head of Marketing
Simon Jackson	Saunderson House	WH Ireland	Chief Financial Officer
Suzanne Collins	CBRE	Close Brothers Asset Mgt	Head of Marketing

KEY EXECUTIVE MOVES – PRODUCT

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Adam Russ	Goldman Sachs	Deutsche Private Bank	Co-Head EMEA Lending
Bambos Hambi	Quilter Investors	TBC	Ex-Chief Investment Officer
Brendan Martin	BOS Wealth Mgt	Brown Shipley	Head of Deposits
Charlie Edwards	Caledonia Investments	Alteri Investors	Partner
Dan James	ConneXXion Markets	Charles Stanley	Head of Asset Management
David Pederson	Brown Shipley	Charles Stanley	Director, Investment Mgt Serv
David Tiller	Standard Life Aberdeen	Quilter Plc	Commercial and Propositions Director
Emma Turner	Barclays Private Bank	TBC	Ex-Director, Philanthropy Service
Gareth Thomas	Union Bancaire Privée	Artorius	Head of Investment Management
Gerald Moser	Barclays Private Bank	LGT	Head of Investor Services for Europe
Geraldine Appert	Lombard Odier	Goldman Sachs	EMEA Head of Family Office
Giles Parkinson	Aviva Investors	Close Brothers Asset Mgt	Global Funds Managing Director
Helge Kostka	Maseco	TBC	Ex-Chief Investment Officer
Jacky Ng	Kleinwort Hambros	Shard Capital	Chief Investment Officer
Jennifer Ollerenshaw	Credit Suisse	Lombard Odier	Head of Wealth Planning
John White	Sanlam	Hurst Point Group	Head of Financial Planning
Jonathan Webster-Smith	Brooks Macdonald	Bowmore Asset Management	Chief Investment Officer
Juliet Agnew	Impact Squared	Barclays Private Bank	Head of Philanthropy
Kieron Launder	Schroders	Growthdeck	Chief Investment Officer
Marco Malagoni	Cazenove	Waverton IM	Head of Wealth Planning
Marcus Brookes	Schroders Personal Wealth	Quilter Investors	Chief Investment Officer
Rob Dornan	Brown Shipley	Charles Stanley	Director of Inv Mgt Services Strategy

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Shanti Kelemen	Brown Shipley	M&G Wealth	Chief Investment Officer
StJohn Gardner	Sandaire	Brewin Dolphin 1762	Chief Investment Officer
Tom Carroll	Sanlam	Rathbone Unit Trust Management	Chief Investment Officer
Uwe Ketelson	Coutts	7IM	Head of Portfolio Management
Victoria Hasler	Square Mile Inv Consulting	EQ Investors	Head of Fund Research



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