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Wealth Management Market Commentary

2022/2023

January 2023

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Section 1 – Overview

HELPING INDIVIDUALS AND ORGANISATIONS TO REACH THEIR POTENTIAL

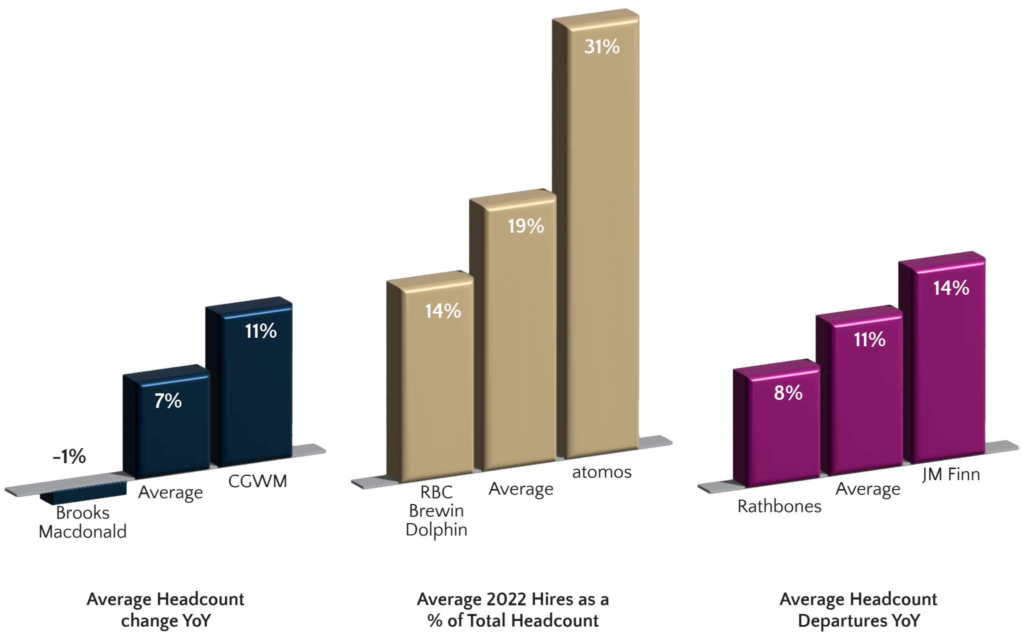
2022 saw significant movement across the Wealth Management sector, reflecting the high activity levels that have been evident since mid 2021, defining the post-Covid era to date. Indeed hiring activity has exceeded that in the immediate years pre-Covid.

The sector, as with most others, faces obvious political and economic headwinds at present. Rising interest rates may offset some of this for the banks, providing an alternative boost to revenues, offsetting falling investments. But banks represent only a portion of the industry. By rights, the Wealth Management sector would be excused for feeling somewhat subdued, given investment losses during 2022 – and yet it does not feel like that at all.

Certainly there are pockets of caution, especially when it comes to costs. A regular comment across the market is that the positive Net New Money figures achieved by most Wealth Managers during 2022 reflected a post-covid bounce initiated in the latter half of 2021. Looking forwards into 2023 the new client pipeline for many companies is somewhat opaque.

Yet overriding all of the above short term influences is an overriding sense of an industry that is in extremely good medium/long term health. One which continues to mature, grow and develop. The boundaries of the sector continue to push outwards and it increasingly touches and interacts with other sub sectors of the financial services industry.

2022 Hiring Activity
Largest 25 Discretionary Fund Managers
(UK)



Today, almost without exception, the title 'Wealth Management' exists at Group Exco level within the universal banks. This applies whether the bank is predominantly Retail, such as an HSBC, or historically leans to Investment Banking such as Goldman Sachs. All Wealth Management divisions have become higher profile and are now seen as key distribution channels for other divisions within these Banking groups.

There is barely a financial services organisation that is not interested in Wealth Management – whether to develop a capability in-house, to partner on an external / distribution basis or simply to invest into the sector.

Wealth Management companies, and their business activities, vary enormously. At one end are Single and Multi-Family offices (Private Investment Offices) and Private Banks. All focused on HNW/UHNW clients. In the middle sit Wealth Managers and Private Client Investment Managers/Discretionary Fund Managers – typically servicing HNW and high end mass affluent. At the other end are IFA's/ Robo-Advisors, Investment Platforms and Retail propositions servicing mass affluent clients. These Retail propositions can be 'housed' within banks, asset managers, insurance companies or standalone. Many sides to the same coin.

The next frontier will be the neobanks, the digital challenger banks, which will inevitably seek to develop investment / wealth capabilities to diversify from their current banking led propositions. Beyond that lies Retail – the likes of Amazon...

Section 2 - Hiring Trends and Analysis

Hiring activity during 2022 continued to reflect this industry in transition. In the Front Office, we saw further demand for proposition specialists. Individuals who can help build and develop a Wealth Manager's capabilities – whether within the Investment division or the Advice / Planning division.

In the Back and Middle Office, there continued to be significant movement and hiring activity amongst the key business functions. As the Wealth industry develops, so too the need to ensure that HR, Risk / Compliance, Operations, Finance, Technology all remain first class business enablers.

The overriding sense, especially when reviewing Management Committees/Exco's, is of an industry that is maturing and becoming more sophisticated.

CERTAIN THEMES STOOD OUT DURING THE YEAR:

Private Markets | **ESG** | **Human Resources**

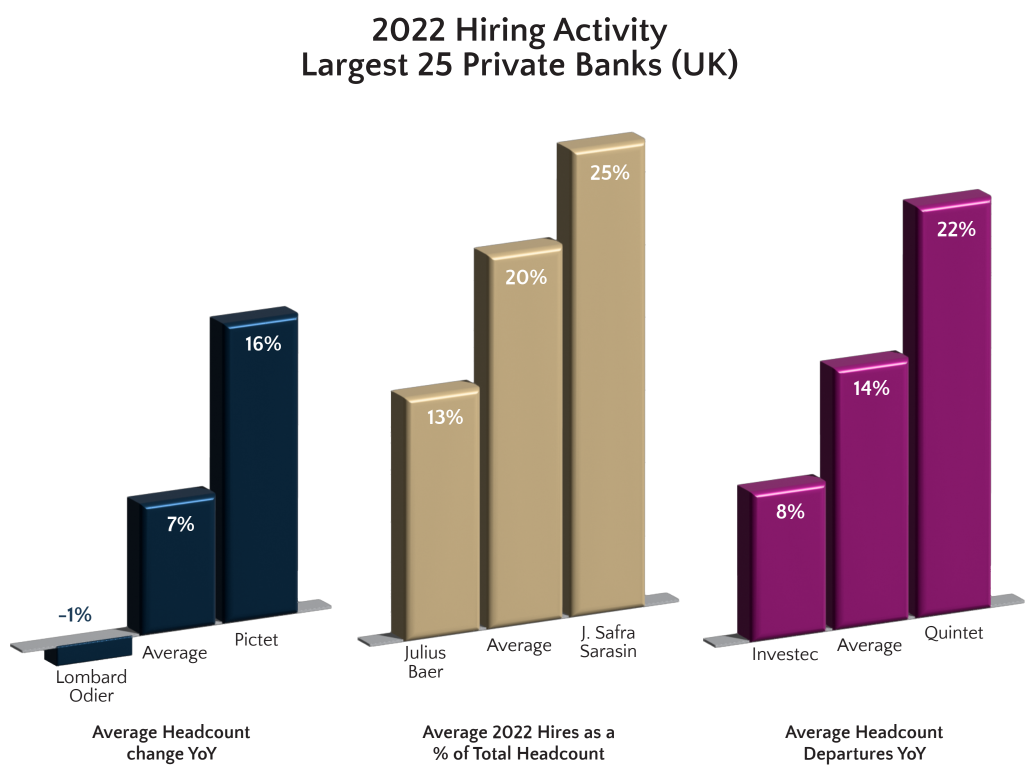
Section 3 - Private Markets

PRIVATE MARKETS HAVE RISEN FOUR TIMES FASTER THAN PUBLIC STOCK MARKETS SINCE 2000

Since 2000, the assets managed by private markets have risen elevenfold — over four times faster than public stock markets. That gap has widened particularly fast since 2018, when a period of market volatility ended with the Fed abandoning a turn to tighter monetary policy. Though many investors are drawn to private funds due to their superior reported returns, those returns are driven by heavy leverage and the valuations are often based not on market prices but on guesstimates by private firms of what the companies they own will be worth years from now. Yet private equity funds raised more than $1tn last year, up a record 20 per cent.

Time will tell whether private markets genuinely offer long term outperformance compared to public markets. But what is clear is that the focus today is on 'democratising' access to private markets – specifically for Wealth Managers to grow their stable of private market offerings. What is less clear is whether the demand comes from clients seeking to invest in private markets, pressuring Wealth Managers to design suitable products, who in turn work with Private Market investment managers to create suitable wrappers and products. Or is the direction of travel the reverse? The desire of private market investment managers to gather ever more assets, to seek new distribution channels, and their resulting identification of the Wealth Management channel for that purpose.

Perhaps the demand comes equally from both sides. 2022 saw a record number of Private Market appointments across Wealth Management and furthermore a significant number of private market / alternatives specialists jumping sides from private banks to private market investment managers, from where they are positioned to lead Wealth Management coverage, opening up that distribution channel for those businesses.



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Section 4 – ESG

THEMES & TRENDS

The macro environment is beginning to have an impact on ESG hiring within Wealth Management, as it is across the wider Asset Management industry. While there is still a need and demand for experienced ESG leaders and practitioners, the challenging environment is curtailing the volume of hiring.

Compensation demand not being met: Since the summer we have seen a shift in negotiating strategy by businesses seeking to hire. It is no longer quite the candidate 'seller's' market that it was, regarding compensation. Increasingly we are seeing vacancies being left unfilled by firms which are no longer willing to pay "whatever it takes" for talent, though this is more a feature of low and mid level hires.

Real Estate: Sustainable debt and lending experts have been in high demand across real estate over the past 6 months, reflecting a wider trend in the real estate industry towards debt. This poses particular talent challenges as this is a less developed area in ESG. Typically, real estate debt experts come from banking, but banking in many respects is significantly behind the investment world and the talent pool of people with the combination of skills is shallow. Nonetheless, this is another demonstration that ESG talent moves across financial service industries much more freely than other more established roles.

Biodiversity, data & quants: Biodiversity has emerged as the second most important issue in the world of ESG after climate change. Yet the quality and quantity of data is a significant problem, and this in turn poses problems for the methods of refining the data. The large AUM asset managers are beginning to hire quant and data specialists focused on biodiversity in order to come up with their own proprietary solutions and lead the market.

Sector expertise and engagement: With heavily built out ESG analyst and stewardship teams providing the relevant analysis on what engagement needs to happen, ESG leaders are increasingly after senior practitioners who have both the technical sector knowledge and the in-person presence to, when necessary, go toe-to-toe with the senior management of portfolio companies in order to steer them towards more sustainable outcomes.

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Section 5 – Human Resources

TRENDING SKILLS FOR HR LEADERS – PEOPLE ANALYTICS / DATA SCIENCE / STRATEGIC INSIGHTS

For HR the future is Quantitative. HR professionals aspire to a seat at the strategy table. The ticket for admission is credibility, and in 2022 credibility means having the data to defend ideas.

Warren Buffet famously observed that when the tide goes out we see who's been swimming naked. Certainly that was true of HR offices in the worst days of the recent pandemic. Firms that did not have a 21st Century human-resources function—especially in respect to the exploitation of people data—could no long disguise the gap. They found themselves exposed.

For some time HR leaders have aspired to reconceive themselves as commercially focused business partners, professionals with an essential seat at the strategy table. They find allies in this ambition among the leadership of other functions who recognise the criticality of talent to their own success.

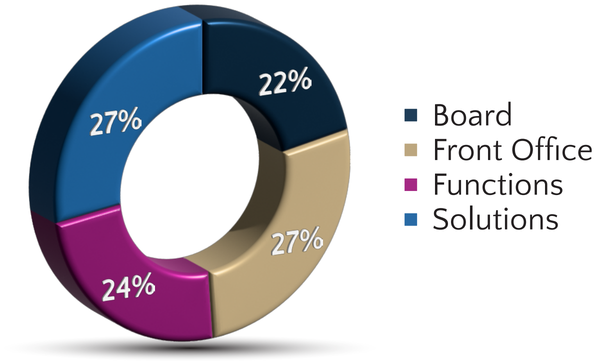
But the immediate problem to bridge is the gap between the ambition for a reimagined HR profession and the reality of inadequately developed data skills. For HR, the future is quantitative and dramatically more analytical than it has ever been.

An HR leader in 2022 needs more, and different, skills than the role required even ten years ago. This refers specifically to deliberative thinking, people analytics and data science. For many experienced HR teams this is a big ask. It is such a new way of working, such a new way of imagining their roles.

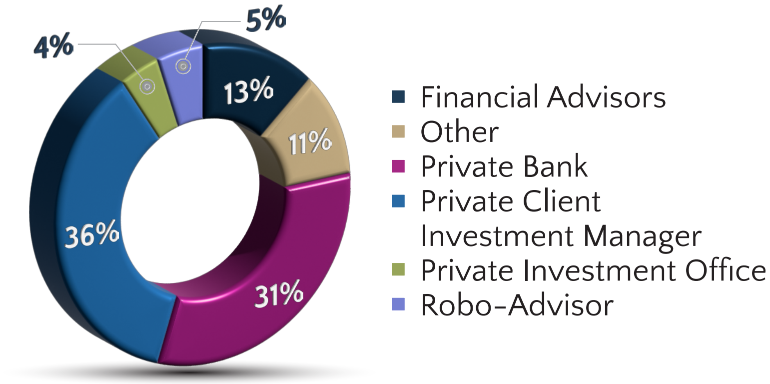
It is also a large opportunity to tee up a broader conversation about the HR function's untapped capacity to contribute to strategic formation. Data drives commercial outcomes. That puts HR at the strategy table in a way it was not able to be before now, becoming the last piece of the puzzle in strategy development and execution.

Section 6 – Key People Moves

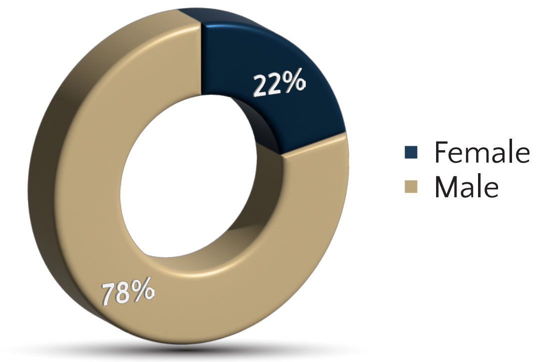
2022 Senior Hires By Role



Hiring By Subsector



Gender



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NOTABLE KEY PEOPLE MOVES

Alan Mathewson
Caroline Connellan
Chris Allen
Dirk Klee
Eddy Reynolds
Lisa Francis
Michael Morley
Paul Feeney
Richard Charnock
Stephen Ford
Ben Waterhouse
Penny Lovell
Marcus Brookes
Sarah Deaves
Rob Gardner

Section 7 – People Moves

KEY EXECUTIVE MOVES – BOARD

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Adelheid Coudenhove-Kalergi		LGT Wealth	NED
Alan Mathewson	Brown Shipley	TBC	Ex-CEO
Alexandra Innes		Waverton	NED
Bruce Sinclair	Standard Bank	Stonehage Fleming	Trustee Director, Jersey
Caroline Connellan	abrdn	TBC	Ex-CEO, Personal Weatlh
Chris Allen	HSBC Private Bank	Quintet	Group CEO
Dirk Klee	Barclays Wealth	Bitcoins Suisse AG	CEO
Dominic Sheridan	Omnis	Schroders Personal Wealth	CEO, Authorised Corporate Director
Eddy Reynolds	Standard Life Aberdeen	Close Brothers Asset Management	CEO
Glyn Barker	Quilter	TBC	Ex-Chair
Glyn Jones	Quilter	TBC	Ex-Chair
Helena Morrissey	AJ Bell	TBC	Ex-Chair
Jacob Stott	Quintet	TBC	Ex-Group CEO
James Edgedale	Vermeer	Church House Investments	Ex-Co Chair
Jane Millar	Investec	Weatherbys Private Bank	NED
Kjersti Wikund		Evelyn Partners	NED
Laurence Forrester	Cazenove	Sorbus Partners	Partner
Lisa Francis	Barclays Private Bank	TBC	Ex-CEO, UK Private Bank
Mark Rayward	Veritas Investment Partners	TBC	Ex-CEO
Mark Howlett	EQ Investors	TBC	Ex-Co CEO

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Michael Morley	Deutsche Private Bank	TBC	Ex-CEO, UK
Michel Longhini	Edmond de Rothschild	TBC	Ex-Head of Group Private Bank
Michelle Ryan		Jersey Finance	NED
Nath Papadacis	EQ Investors	TBC	Ex-Co CEO
Neil Alexander	Nutmeg	TBC	Ex-CEO
Paul Feeney	Quilter	TBC	Ex-CEO
Richard Charnock	Abrdn	TBC	Ex-CEO, Discretionary Investment
Rob Allen	RBS	Independent Wealth Planners	Group CEP
Rob Gardner	St. James's Place	Start up	Ex-Director of Investments
Robert McKillop	Abrdn	BennBridge	CEO, UK and Europe
Rupert Dickinson	Quilter	Schroders Personal Wealth	NED
Sophie Hutcherson		Bellecapital	NED
Stephen Ford	WH Ireland	TBC	Ex-Head of Wealth Management
Stuart Haire	HSBC Wealth and Personal Banking	Skipton Building Society	CEO
Susan Ward	UBS	LGT Wealth Management	NED
Tim Sargisson	Sandringham Partners	TBC	Ex-CEO
Tony Pitcher		Jersey Finance	NED

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KEY EXECUTIVE MOVES – FRONT OFFICE

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Adam Benimra	Brooks Macdonald	Jersey Finance	NED
Adrian Keane-Munday	Brooks Macdonald	Quilter	National Sales Directory
Alexandra Mclnnes	Praxis	Julius Baer	Head of Guernsey
Ben Waterhouse	Barclays Wealth	Schroders Personal Wealth	Chief Client Officer
Ben Staniforth	Chase de Vere	Close Brothers Asset Management	MD, Midlands & Southwest
Birgit Snow	UBS	Barclays Private Bank	Head of Family Office
Dan Reinhold	KPMG	Barclays Private Bank	Head of Family Office
Danny Knight	Quilter	TBC	Ex-Head of Investment Directors & Client Services
David Mellett	Santander Private Bank	Close Brothers Asset Management	MD, North
Fernanda Neumann Rosset	Goldman Sachs	Rothschild	Head of Client Strategy, UK Wealth
Gabriel Castello	Quinet	HSBC Wealth and Personal Banking	Head of Private Bank, EMEA
Greig Townsend	Santander Private Bank	Barclays Wealth	Regional Head East of England
Hannah Berridge	C Hoare & Co	Hampden & Co	Head of Professional Partnerships
Hannes Hofmann	JP Morgan Private Bank	Citi Private Bank	Global Head, Family Office Group
Helen Rynhoud	James Hambro & Partners	Kleinwort Hambros	Head of Business Development
James Blashfield	Barclays Private Bank	Brown Shipley	Client Adviser
James Marti	UBS	Tribe Impact Capital	Wealth Manager
Jason Khan	Santander Private Bank	Cater Allen Private Bank	Head of Relationships Managers
Joss Mitchell	GAM	RBC Brewin Dolphin	Wealth Director
Kevin Adams	WH Ireland	Quilter	Investment Manager
Kim Webb	Barclays Wealth	C Hoare & Co	Banking Team Leader

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Luke Powell	JM Finn	EQ Investors	Head of Sales
Mark Flynn	Barclays Wealth	Brown Shipley	Head of Scotland
Michael Bishop		WH Ireland	Head of Wealth Management
Neil Lewis	Barclays Private Bank	Kleinwort Hambros	Head of Key Clients
Nick Toubkin	Strabens Hall	Stonehage Fleming	Director
Oliver Tucker	Nomura	Credit Suisse	Head of Wealth Management Investment Banking Advisory UK
Penny Lovell	atomos	Citi	Head of HNW
Peter Stiles	Brown Shipley	Luna Investment	Investment Director
Richard Kelly	Brooks Macdonald	Charles Stanley	Head of Strategic Partnerships
Robert Kalff	JP Morgan Private Bank	HSBC Wealth and Personal Banking	Head of Family Office, UK & International
Roelof Botha	Stonehage Fleming	Sutton Place	MD, Client Advisory
Ruchir Rodrigues	Barclays	Hargreaves Lansdown	Chief Client & Commercial Officer
Rupert Phelps	Evelyn Partners	Peppard Advisors	Founder
Sean O'Flanagan	Charles Stanley	Evelyn Partners	Investment Director
Shawn Mofidi	Citi Private Bank	JP Morgan Private Bank	MD, MENA & Turkey
Simon Burnett	Walker Cripps	Raymond James	Truro Regional Head
Sven Stephan	HSBC	Credit Suisse	MD, International Wealth Management Germany
Timothy Townsend	Standard Bank	Alexander Forbes Offshore	Head of Wealth Management & Corporate Consulting
Tom Braithwaite	Barclays Private Bank	Lincoln Private Investment Office	Partner
Vanda Cox	EQ Investors	Atrorius Wealth	Business Development Director
William Thomson	Brewin Dolphin	Castlefield	Investment Manager
Zane Hunter	7IM	TBC	Ex-Private Clients, Scotland

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KEY EXECUTIVE MOVES – FUNCTIONS

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Adrian Lowcock	Architas	Evelyn Partners	Investment Communications
Andrew Cork	7IM	Hargreaves Lansdown	Head of Compliance Advice
Annabel Kerley	FCA	Evelyn Partners	Head Fraud & Financial Crime
Francesca McDonagh	Bank of Ireland	Credit Suisse	Group COO
Graham Bastin	Barclays	Schroders Personal Wealth	CTO
Grant Hotson	Abrdn	Openwork Investor Services	Commercial Finance Director
Ian Catherall	Barclays	Multrees Investor Services	Head Change & Proposition Management
Jana Sivanthan	Brooks Macdonald	7IM	Chief Risk Officer
Jason Spivey	Lazard	Kleinwort Hambros	Chief HR Officer
Jerome Desponds	Mirabaud	KPMG	Partner, Risk Management
Jonathan Peake	Standard Bank	Hampden & Co	CFO
Mark Kiddell	Mercer	Wealth Wizards	Chief Commercial Officer
Matt Cochayne	Yapily	Nucoro	Chief Revenue Officer
Max Clarke	Schroders Personal Wealth	TBC	Ex-Chief Operational Officer
Michelle Pearce-Burke	HSBC	Wealthify	Chief Strategy Officer
Nick Davis	Permira	Shard Capital	CFO
Niral Parekh	Capco	Atomos	COO
Nuno Tarrana de Sousa	Saranac Partners	Deutsche Bank Private Bank	Deputy COO
Patrick Goulding	Kingswood	One Four Nine Group	CFO
Paul McCafferty	EFG Private Bank	Rathbones	Client Strategy & Insight
Paul Burleton	BNY Mellon	Delio	COO
Paula Eddery	Atomos	Evelyn Partners	Head of IFA Integration

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Ray Dhirani	World Wildlife Fund	Tribe Impact Capital	Head of Impact Management
Richard Pike	Brewin Dolphin	Hawksmoor	Interim Head, Investment Management
Rob Deverell	Hawksmoor	JM Finn	COO
Rosanna Holt	Brooks Macdonald	Titan Wealth	Head of Commercial Operations
Sarah Taylor	EFG Private Bank	C Hoare & Co	Head of Financial Performance
Sean Ingram	Pretium Consultants	Schroders Personal Wealth	Chief Marketing Officer
Simon Jackson	Saunderson House	WH Ireland	CFO
Simon Vella	Profile Pensions	Ascot Lloyd	Chief Marketing Officer
Stuart Harding	Attivo Group	One Four Nine Group	COO
Stuart Daun	Kleinwort Hambros	TBC	Ex-Head, Business Management
Toby Walter	HSBC Wealth and Personal Banking	Lowell	Chief Transformation Officer
Zoe Phillips	Quilter	Solomon Capital Holdings	Acquisitions & Integration

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KEY EXECUTIVE MOVES – SOLUTIONS

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Alena Kosava	Ascot Lloyd	AJ Bell	Head of Investment Research
Alex Spreckley	Handelsbanken	Saltus	MD, Financial Planning
Alex Jeffries	Nedbank Private Wealth	Hawk Group	MD, Wealth Services
Annerien Hurter	Quintet	Citi Private Bank	Global Wealth Lending Head, EMEA
Ben Hampton	Abrdn	Wealth Wizards	Chief Product Officer
Calum Brewster	Julius Baer	Brown Shipley	MD, Private Bank & Client Solutions
Charles French	Newton	Impax	Deputy CIO
Dan Ellis	RBC Wealth Management	Charles Stanley	Investment Management Services
David Kilshaw	Rawlinson & Hunter	Rothschild	Head, Private Client Wealth Solutions
Derren Nathan	Hybridan	Hargreaves Lansdown	Head of Equity Research
Dougy Watt	Openwork	Schroders Personal Wealth	Head of Client Insights & Experience
Edward Coyler	Scottish Widows	Schroders Personal Wealth	Head of Product and Proposition
Haig Bathgate	7IM	atomos	Head of Investments
Hayley Burton	Santander Private Bank	Kingswood Holdings	MD, Head of Wealth Planning
James Rae	Charlotte Square Investment Managers	Charles Stanley	Head of Inheritance Tax Service
James Lawlor	Aviva	Stanhope	Partner, Head of Real Estate
Jenny Davidson	abrdn	Quilter	Head of Strategic Propositions
John Williams	Nedbank Private Wealth	Citi Private Bank	Head of UK Wealth Planning
John Butters	Weatherbys Private Bank	Family Business	Investment Manager
Jon Cunliffe	Charles Stanley	B&CE	MD, Investments
Ken Davidson	Adam & Co	Anderson Strathern	Financial Planner
Marcus Brookes	Schroders Personal Wealth	Quilter	CIO

INDIVIDUAL	MOVE FROM	MOVE TO	ROLE
Marisol Hernandez	United Nations	Quilter	Head of Responsible Investment
Muriel Danis	HSBC Alternative Investment	Deutsche Bank Private Bank	Global Head, Product Platform & Solutions
Neil Buckland	Octopus Investment	Fidelius Group	Head of Commercial
Nick Reeves	Deutsche Bank Private Bank	Evelyn Partners	Partner, Financial Planning
Nick Keenan	Barclays Wealth	Cazenove Capital	Wealth Planning Director
Paul Craig	Quilter	TBC	Ex-Senior Portfolio Manager
Paul Titterton	Field Ready	abrdn	Head of Digital Solutions
Paul Gordon	MacArthur Gordon	atomos	Medical Specialist Wealth Planning
Richard Berger	HSBC	Lombard Odier	Head of Open Architecture
Rob Mullane	HSBC	Goldman Sachs	Co-Head, Platform & Client Strategy
Ruben Lubowski	Environmental Defence Fund	Lombard Odier	Chief Carbon & Environmental Markets Strategist
Sarah Ackland	Liontrust	Brooks Macdonald	Global Head of Distribution
Sarah Watters	JP Morgan Private Bank	Bellecapital	Head, UK Portfolio Management
Sarah Deaves	Schroders Personal Wealth	abrdn	Head of Financial Planning
Shayan Ratnasingam	Liontrust	Winterflood Securities	Head of Alternative Investment Research
Simon Davis	Brooks Macdonald	SS&C Technologies	Client Centric Design & Wealth Solutions
Stefan Flachsmann	UBS	Stonehage Fleming	Group Head of Financial Services
Steven Ward	HSBC Alternative Investment	Start up	Founder
Syed Raza	Barclays Private Bank	TBC	Ex-Head of Credit
Tom Macpherson	LGT Wealth	Titan Wealth	Head of Portfolio Management
William Morris	Oxford Risk	Weatherbys Private Bank	Head of Investments

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