2025 EY Global Wealth Research Report

The better the question. The better the answer.
The better the world works.

Shape the future
with confidence

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Welcome

From EY wealth management leaders

We are delighted to share the latest edition of the EY Global Wealth Research Report. This report is published every two years with a simple goal: to help our clients in wealth management better navigate the challenges and opportunities created by changing wealthy clients' demands and needs.

We aim to provide the most comprehensive global source of customer intelligence for wealth management, covering 30 key markets across the globe. This year, we have significantly improved the breadth, depth and scope of our research by enhancing:

- **Sample size:** Our sample size has increased by 900 participants, bringing the total to approximately 3,600 wealthy clients worldwide – including greater representation of high net worth (HNW), very high net worth (VHNW) and ultra-high net worth (UHNW) clients.
- **Geographic coverage:** Our research now includes five additional markets in Southeast Asia, along with more comprehensive coverage in Europe, the Middle East and India, capturing a broader range of market-specific nuances.
- **Client profiling:** In addition to traditional attributes such as age, gender, occupation, primary residence and investable assets, wealthy clients are now profiled by additional dimensions such as primary sources of wealth, use of onshore and offshore investing, life stages, and behavioral profiles. Respondents were also asked familiarity with various financial products and preparedness to achieve their financial goals.
- **Multiyear perspective:** As in previous editions, we researched client sentiment, needs, preferences and opinions along with clients' actions, plans and intentions – allowing us to track key developments in demand and shifts of assets.
- **Strategic alignment:** This year, for the first time, we intentionally aligned our research with the EY Global Wealth Management Industry Report, focusing on specific key concepts for outperformance. That provided targeted themes – such as alternative investments, wealth inheritance and artificial intelligence (AI) – that we believe are highly relevant to the industry's strategic priorities.

One of our ambitions is to build a data management framework for Wealth Management Customer Intelligence, allowing users to interrogate current and historic information from every possible perspective. In our view, wide variations in wealth management models between markets and client segments mean that focused, detailed data is crucial to developing effective strategies for profitable growth.

Our latest cycle of research has deepened our understanding of the global wealth management industry. We hope that readers find the resulting insights as revealing and valuable as we do. Please contact us to explore how our findings can inform your strategies and improve your client offerings.

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Executive summary

Customer intelligence is a foundational asset for all disciplines in wealth management. Client insights are critical, but wealth managers might not entirely rely on their own research for fully honest client feedback – for sensitive questions, it matters who asks.

The strategic value of customer intelligence lies in the ability to anticipate how clients will think, feel and behave. We believe that the EY 2025 Global Wealth Research Report offers an unrivaled source of insight into the evolving nature of demand around the world.

Our report is divided into six main chapters. The essence of each chapter's key findings are as follows.

On client sentiment:

Client sentiment about wealth management is overwhelmingly positive, but there are reasons for caution too: satisfaction is a prerequisite but not a sufficient warrant of loyalty.

- **Strong satisfaction:** Clients report strong satisfaction with all key dimensions of wealth management. However, specific client clusters are less satisfied, and the relevance of investment performance in driving satisfaction means that there is no room for complacency.
- **Complexity and concern:** Globally, 45% of clients see investing as having become more complex. Clients are deeply worried about volatility, inflation, political uncertainty and other macro factors. One in five say their advisors are not addressing their concerns, and one in three feel underprepared to meet their financial goals.
- **Demand for pricing changes:** Fixed fees have become clients' preferred pricing mechanism for the first time. Performance-based fees come a close second. The underlying need to optimize fee structures is growing stronger.
- **Mistrust about cost:** Despite improvements in transparency, 49% of clients – and higher in regions like Asia-Pacific – are concerned about hidden costs, creating a potentially damaging source of mistrust that wealth managers might want to address.

On client behavior:

Historic assumptions about client inertia are becoming outdated. Clients are increasingly willing to divide their assets – putting firms under financial and strategic pressure.

- **More demanding clients:** Faced with growing concerns, clients – especially in younger and wealthier segments – are contacting advisors more often and increasing their involvement in decision-making. For firms, increasing demands on advisor time will come at a cost.
- **Growing fragmentation:** Multihoming is on the rise, with clients using an average of 2.3 wealth managers and 32% planning to increase that number. The proportion planning to work with an increasing number of providers reaches nearly 50% in high-growth regions such as the Middle East.
- **The Boomer opportunity:** Older investors have fewer providers on average (1.6), and the wealthiest investors are most likely to consolidate their holdings. The next decade could see trillions of dollars of assets in motion – with resulting opportunities and threats for wealth providers.
- **Switching on the rise:** Worldwide, 29% of clients plan to switch their primary provider; the figure is higher among Millennials and in high-growth regions. Clients also expect to move an increasing slice of investments: 45% now plan to shift a quarter to a half of their assets.
- **Rebalancing between providers:** The business model of choice is the full-service bank (21%) followed by private banks and commercial banks (13% each). Selection is increasingly driven by a desire for performance, the availability of products and services, and branding.
- **Digital tools and self-direction:** Most clients (80%) report satisfaction with digital tools, but this is a hygiene factor, not a key driver of switching or selection. On average, 29% of assets are self-directed, and this holds true across age, region and wealth band. Execution-only mandates can be expected to further increase with AI-driven financial tools.

On product preferences:

Access to a wider variety of product choices is increasingly important to investors, making it a vital source of differentiation – and a key defense against competition from specialist rivals.

- **Diversity of demand:** Traditional investment products remain vital, but 51% of clients now have some exposure to alternative investments. Advisors are consistently underestimating product demand; on alternatives, for example, 27% of clients want to know more but only 15% have discussed this with their advisor.

- **Appetite for alternative investments:** Sixty-one percent of clients say it's important to discuss alternatives with their advisor, rising above 75% for the wealthiest segments. Clients want a wider choice of alternatives, too, despite their sometimes limited understanding. Firms should focus on choice, education and suitability to compete with specialist providers.
- **Digital asset interest:** Interest in digital assets and cryptocurrencies is growing – especially among younger and richer clients – but wealth managers seem reticent to discuss them. Firms need coherent approaches to safely introduce these assets into their offerings.

On service preferences:
Tailored, professional advice remains the core driver for client perceived net value. Meeting evolving expectations is key to limiting the impact of multihoming and switching.

- **Unmet demand:** The breadth and depth of services is driving selection, but only 42% of clients are fully satisfied with their provider products and service offering; 43% are moderately satisfied and 11% neither agree or disagree.
- **Enhanced service is a new frontier:** Demand for ancillary services is strong, especially among younger generations. For instance, 35% would like to learn more about healthcare and eldercare advice. Enhanced services are key to connecting with next-generation clients.
- **The tax opportunity:** Tax advice is widely used but is often delivered by third parties. The use of tax advice correlates with higher client preparedness – offering an opportunity for firms to strengthen revenues and engagement by developing stronger tax capabilities.

On wealth transfers:
Firms that fail to prepare donors and inheritors for wealth transfers risk significant asset erosion. On the upside, integrated advice can boost NNA capturing assets in motion.

- **Clients feel underprepared:** Despite the importance they attach to inheritance planning, 50% of clients feel underprepared for wealth transfers – creating a strategic opportunity to engage more closely with first- and second-generation investors.
- **Back to "the kitchen table":** Although four in five clients say they are likely to use the same advisor as the grantors of inheritance, 48% say this is only "somewhat likely." Furthermore, Boomer inheritors – including older women – are less loyal. Closer engagement on this sensitive topic is vital to optimizing client retention.
- **Trust must be earned upfront:** Clients are clear on their plans for inherited wealth, and what it takes for them to stay. Firms need to engage sensitively, build understanding and, above all, build trust. The effort may take years, but long-term rewards drive the case.

On AI:
Sky-high expectations for AI bring both risks and opportunities. Firms must prepare for potentially radical change – but without losing traditional strengths.

- **Soaring expectations:** A clear majority (60%) of clients expect wealth managers to use AI, and not only for processing functions. Even more (71%) either believe or suspect firms are already using AI to manage their wealth. Firms must move fast to meet expectations.
- **Differentiation of trust:** 38% of clients trust AI as much as, or more, than human advisors, and 43% are open to AI delivering financial planning without a human advisor. Trust is even higher among Millennials (less well prepared), and in high-growth markets – with potentially huge repercussions for current wealth management models.

- **Data privacy:** Strong pockets of skepticism about AI remain, and trust in AI is heavily dependent on data privacy. Robust, ethical data frameworks will be key to success – firms should act now to lay foundations for the future.
- **Prepare for transformation:** The future role of AI in wealth management is yet unclear but doing nothing is not an option. Firms can begin to develop transformative capabilities via smart investments in data, technology, talent and client communication.

We hope that these customer intelligence insights covered in the 2025 EY Global Wealth Research Report will help wealth managers to outperform in their search for profitable growth, improved efficiency and – above all – client perceived net value. However, we believe the value of our research is rooted in the details across markets and specific client clusters.

Thus, in the Outlook section, we have set out several options for jointly exploring the underlying data in greater detail, according to the specific interests of wealth management firms. We look forward to our future dialog!

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Setting the scene

In 2024, the EY Global Wealth Management Industry Report examined the essential question of "how to outperform" in wealth management. Based on an understanding of the industry's value-creation mechanisms, it examined the levers of outperformance that allow wealth managers to achieve core strategic objectives: profitable growth, sustainable efficiency and client perceived net value.

In our 2024 Global Wealth Management Industry Report, we have analyzed **10 underlying industry challenges in wealth management**. Wealth managers across a variety of business models, and across markets and regions, face the essential question on "how to outperform" regarding three strategic objectives: Profitable growth, sustainable efficiency improvement and client perceived net value.

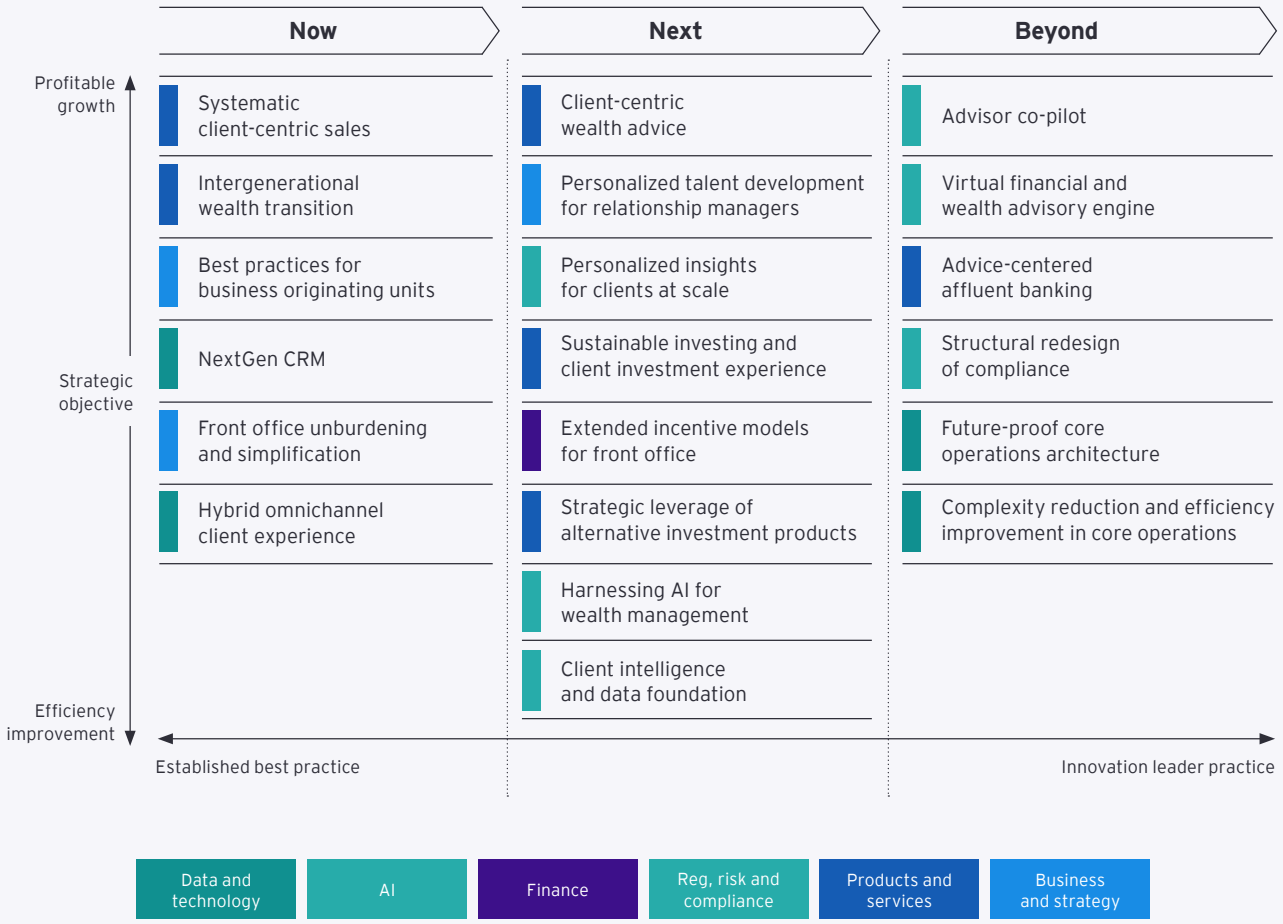
- How can we stand out in the age of personalization? How do we deliver client-centric advice at scale? How do we provide seamless, consistent experiences and synergies with modular offerings?
- How do we elevate relationship management? How do we enable client-facing teams to their full potential? How do we outperform on organic growth?
- How do we overcome complexity in operations and technology? How do we build a future-proof technology and data architecture? How do we rethink control functions?

In addition, we developed **20 key concepts for outperformance in wealth management** targeting both profitable growth and sustainable efficiency improvement ranging from established best practices to industry leading innovation. Each key concept addresses a specific strategic objective (e.g. improvement of conversion rates in client acquisition, activation, development and retention; asset growth in the context of intra- and intergenerational wealth transition, personalized insights for clients at scale) and combines both insights and blueprints for execution. Wealth managers who can harness and successfully implement strategic key concepts most relevant for them will likely be best placed to outperform their current and future competitors – creating the greatest value for clients, stakeholders and society.

10 underlying challenges facing wealth managers

1. Stand out in the age of personalization
2. Elevate relationship management
3. Deliver client-centric advice at scale
4. Create synergies with modular offerings
5. Provide seamless, consistent experiences
6. Redefine the relationship manager
7. Outperform on organic growth
8. Overcome complexity in operations
9. Build future-proof technology and data infrastructure
10. Redesign key control functions

20 key concepts for outperformance in wealth management



It was with those challenges and opportunities in mind that the 2025 edition of the long running series of EY Global Wealth Research Reports was designed. Its aim is to help wealth managers to connect their strategic decision-making with powerful client intelligence. Some of the many questions it explores include:

- What is on the minds of clients, what are their concerns?
- What types of wealth managers are clients choosing, and why?
- Which clients will expand their provider relationships, and which will consolidate them?
- What drives clients to switch, how much capital is in motion and what might persuade them to stay?
- What is the client perceived value of advice – and what are clients' specific preferences?
- Which products and services are clients interested in, and what portfolio shifts are they planning?
- How interested are clients in alternative investments, and what do they know about them?
- What do clients think about pricing and costs, and what would they like to see in the future?
- What are clients' plans for inheritance and wealth transfers, and what assistance do they require?
- How do clients feel about AI, and would they entrust it to wealth management?

Putting these questions to our largest ever sample of nearly 3,600 wealthy clients worldwide has yielded rich findings that can not only be analyzed by age, region and segment but also across an exceptional range of attributes such as "predominant type of mandate," "share of offshore assets" and "readiness to achieve financial goals."

The result of our research is a Wealth Management Client Intelligence Data Mart, which can be queried and customized to meet the needs of wealth managers of varying scale and complexity, targeting end-clients across the wealth continuum. For more information on how this data can be applied to your organization's benefit, please reach out directly to any of the named points of contact in your respective region or market. For more information on our approach, the coverage of markets and the exact specification of wealth bands, please refer to our Methodology.

We acknowledge that the survey was conducted at a time at the end of 2024 when uncertainty over the direction of global economic policy, while still elevated, was somewhat lower than during the global pandemic and the geopolitical shocks of 2022. Even so, the results reveal serious client concerns over market volatility and political instability. Our findings suggest that many longstanding assumptions about wealth management are being challenged by economic shifts, geopolitical fracture and technological disruption. That is only likely to be accelerated by shocks to global economic frameworks experienced in the first months of 2025.

Amid an uncertain environment, investors are in greater need of support, reassurance and expertise than ever from those they rely on to manage their wealth.

CHAPTER 1

Client sentiment

Knowing how wealth management clients are feeling is the starting point for understanding their behaviors, preferences and needs.

1.1. Can the industry improve on already-exceptional levels of client satisfaction?

Wealthy clients are feeling satisfied across all key dimensions of service from their current primary wealth management provider. That includes investment performance (84% of clients either moderately or strongly satisfied), the level of input from financial advisors and relationship managers (81%), access to products and services (85%), access to effective digital tools (80%) and having a clear picture of their overall financial health (80%).

In addition, 70% to 80% of clients worldwide are satisfied with:

- Advisors' explanations of investments, planning and portfolio construction
- Number of advisor interactions
- Value added by financial advice such as annual reviews
- Access to specialists and expertise in tax, legal matters and alternative investments

Satisfaction with services from current primary wealth manager

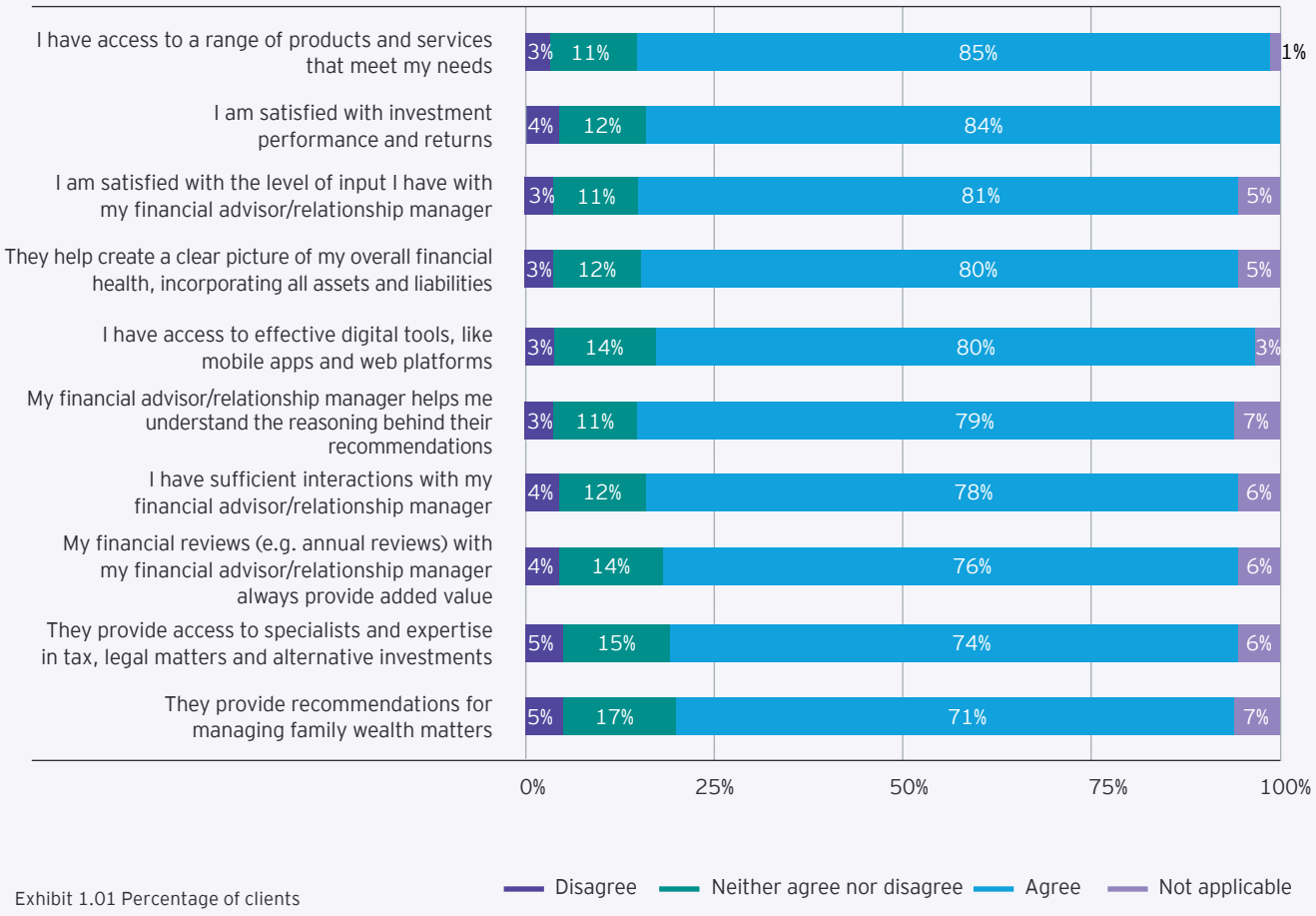


Exhibit 1.01 Percentage of clients

Satisfaction in North America looks especially strong. The region is setting the standard for the industry when it comes to satisfaction in the crucial area of investment performance (87%) but also in other key areas, such as access to products and services (90%). In our view, this is not surprising given the strong performance of US equity markets during the period of the survey.

Furthermore, a closer look reveals more positives for the wealth management industry. Levels of satisfaction are generally consistent across wealth segments, apart from slightly lower satisfaction among affluent clients with a handful of factors such as access to specialist expertise.

Aside from slightly lower satisfaction among Boomers with access to specialist expertise (60%) and advice on family wealth matters (60%), satisfaction with the key dimensions of wealth management is also broadly consistent across age groups.

More variation is apparent among clients who view themselves as "not at all prepared to meet their financial goals." This group reports lower levels of satisfaction with certain service aspects such as access to specialist expertise (58%) and the value added by advice (58%).

Self-directed investors also stand out as being materially less satisfied in several areas. Though self-directed clients are satisfied with access to products and services (83%), access to effective digital tools (79%) and investment performance (76%), they are less satisfied with other key dimensions of service, including:

- Value added by advice (46%)
- Advice on family wealth matters (47%)
- Access to experts (51%)
- Sufficient advisor interactions (53%)
- Their level of input with advisors (58%)
- Overall clarity on their financial health (63%)

This presents an opportunity for wealth managers to propose that self-directed clients consider a core and satellite approach, with highly diversified discretionary portfolio solutions at the core, and value-added advisory solutions to address key areas of specialism as the satellite.

Overall, our findings constitute excellent feedback on the wealth management industry from its client base. And, as we explore later in this chapter, that positive view is backed up by increasing client satisfaction with value for money.

Even so, there is no room for complacency. One-fifth to one-quarter are either actively dissatisfied or feel neutral toward their wealth provider. The size of this concentration applied globally results in a material level of assets at-risk. In the rest of this chapter, we take a closer look at some key areas where wealth managers could do more to improve client sentiment.

> Wealth managers deserve a standing ovation on client satisfaction – although the fortunate context might deteriorate.

Rita Da Silva
EY Oceania Wealth & Asset Management Leader

1.2. Perceptions of complexity and under-preparation call for more, and better, advice

Clients clearly see the management of their investments and financial wealth as becoming more complex. Globally, 45% believe their investing needs are more complicated than two years ago. Clients also see key wealth management processes as becoming more complex, such as:

- Financial planning for taxes (53%)
- Financial planning for inheritance or wealth transfer (45%)
- Financial planning for retirement (43%)
- Capturing a holistic view of their wealth (41%)

The number of clients who experience additional complexity is increasing over time as well. More clients agreed that complexity has increased in the last two years in 2024's survey versus 2022. This is a continuing trend that was first identified in 2022, when compounding perceptions of complexity were also observed versus 2020's survey.

This perception is higher among wealthier clients, particularly where investment management, tax planning and estate planning are involved. Millennials and Generation X (Gen X) also perceive this to a higher degree than Boomers, likely reflecting lower investing experience and greater need for support. As we shall see, these groups are more likely than average to turn to additional providers if their financial needs are not adequately met.

Perceptions of complexity compared with two years ago

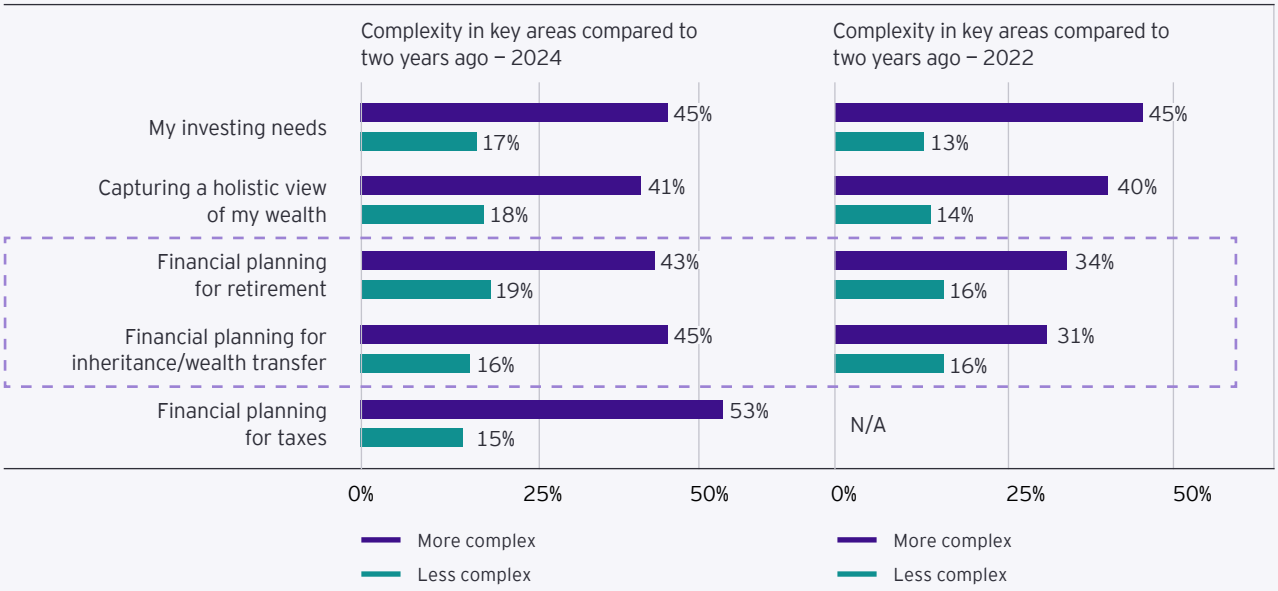


Exhibit 1.02 Percentage of clients

Turning to the lens of preparedness, our survey assessed clients' self-identified preparedness for certain events and outcomes. We considered responses below "very well-prepared" to be underprepared, given the context of having a professional financial advisor. While we acknowledge that this is a high bar upon which to evaluate the advisor/client relationship, the contested value proposition of the human financial advisor must be held to the highest standard to sustain growth.

When asked to evaluate preparedness to meet their financial goals, almost a third of clients (32%) feel underprepared, which is emphasized among Millennials (35%) and in Asia-Pacific (36%). We further assessed preparedness by surveying underprepared clients as to the reasons why.

Top reasons for being underprepared overall were consistent across demographic and psychographic criteria, though while wealthier segments show less concern, they have more established consensus as to why. When surveyed about reasons for feeling underprepared, clients cited the following factors most commonly:

- Impact of market conditions and volatility – cited by 55% globally (and 64% of VHNW)
- The erosion of wealth by taxes – cited by 36% (and 44% of VHNW)
- Uncertainty about the effect of alternative products on financial plans – cited by 26%
- Uncertainty about how accounts at other providers impact financial plans – cited by 23% (and 45% of UHNWs)

Preparedness in achieving financial goals

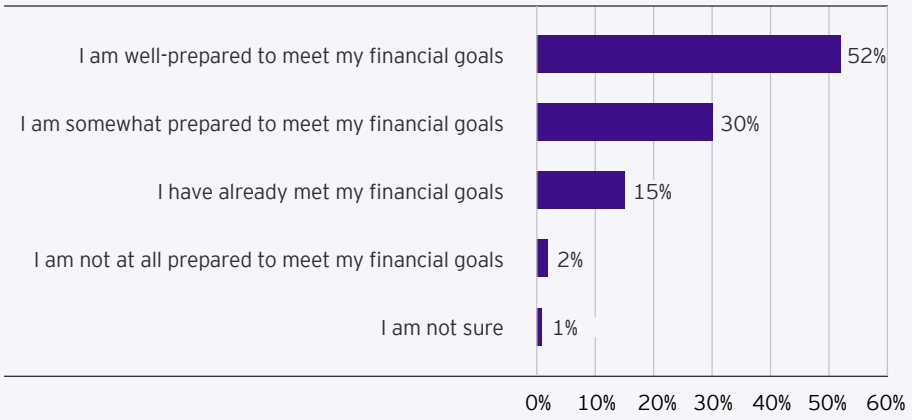


Exhibit 1.03 Percentage of clients

Reasons for not being prepared to meet financial goals

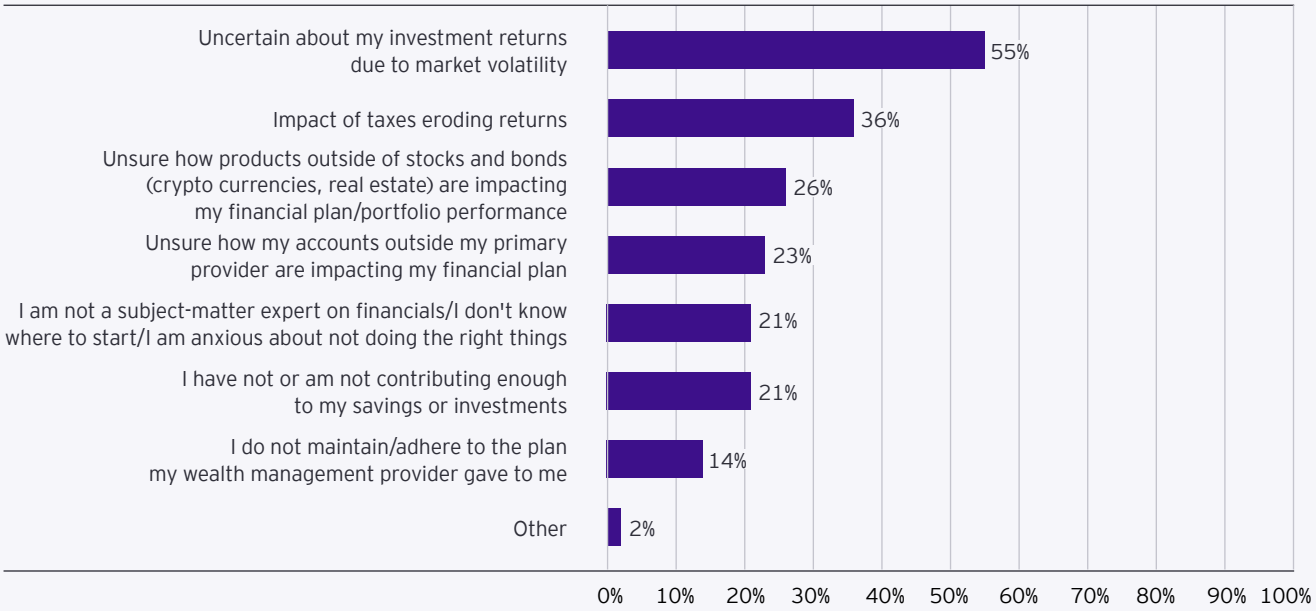


Exhibit 1.04 Percentage of clients

Clients rated their preparedness for specific events as well, consistently citing relatively high levels of under-preparedness:

- Political instability (57% not at all or only somewhat prepared)
- Market volatility (52%)
- Inflationary risks (51%)
- Economic downturn (50%)

Independently from their level of preparedness, clients share six pressing concerns that all represent "big picture" issues influenced by external factors. These macro concerns are a global phenomenon that cut across markets, levels of wealth, levels of financial preparedness, and discretionary mandates:

- Economic downturn, including recession risk (55% are concerned)
- Impact of inflation (52%)
- Market volatility, including the threat to corporations from AI (45%)
- Geopolitical risks, including trade wars (43%)
- Changes to regulation, policy and tax (41%)
- Interest rates, including their impact on yields and borrowing costs (39%)

How well wealth managers are preparing clients for areas of concern

		Region					Wealth level				Age group		
		North America	Latin America	Europe	Middle East	Asia-Pacific	Mass affluent	High net worth	Very-high net worth	Ultra-high net worth	Millennial	Gen X	Boomer
Regulation and policy changes (changes in tax policy)	51% / 43%	36%	35%	48%	42%	44%	44%	41%	45%	39%	44%	40%	44%
Interest rates (cost of borrowing and lending, impact on yields)	46% / 46%	41%	34%	48%	56%	49%	46%	45%	46%	43%	46%	46%	44%
Economic stability (recession risk, economic downturns)	41% / 50%	44%	54%	54%	61%	51%	48%	50%	54%	54%	51%	52%	46%
Market volatility (corporate earnings, threat of AI on corporations)	41% / 52%	44%	54%	55%	60%	57%	55%	55%	43%	52%	54%	54%	47%
Inflation (erosion of purchasing power, cost-of-living pressure)	40% / 52%	48%	51%	53%	64%	52%	50%	51%	56%	59%	54%	51%	48%
Geopolitical risks (political instability, uncertainty due to elections, trade wars)	35% / 57%	54%	57%	60%	69%	56%	57%	47%	57%	57%	55%	59%	56%

Preparing me very well — Preparing me somewhat and not at all

Exhibit 1.05 Percentage of clients

Concerns when managing investments and financial wealth

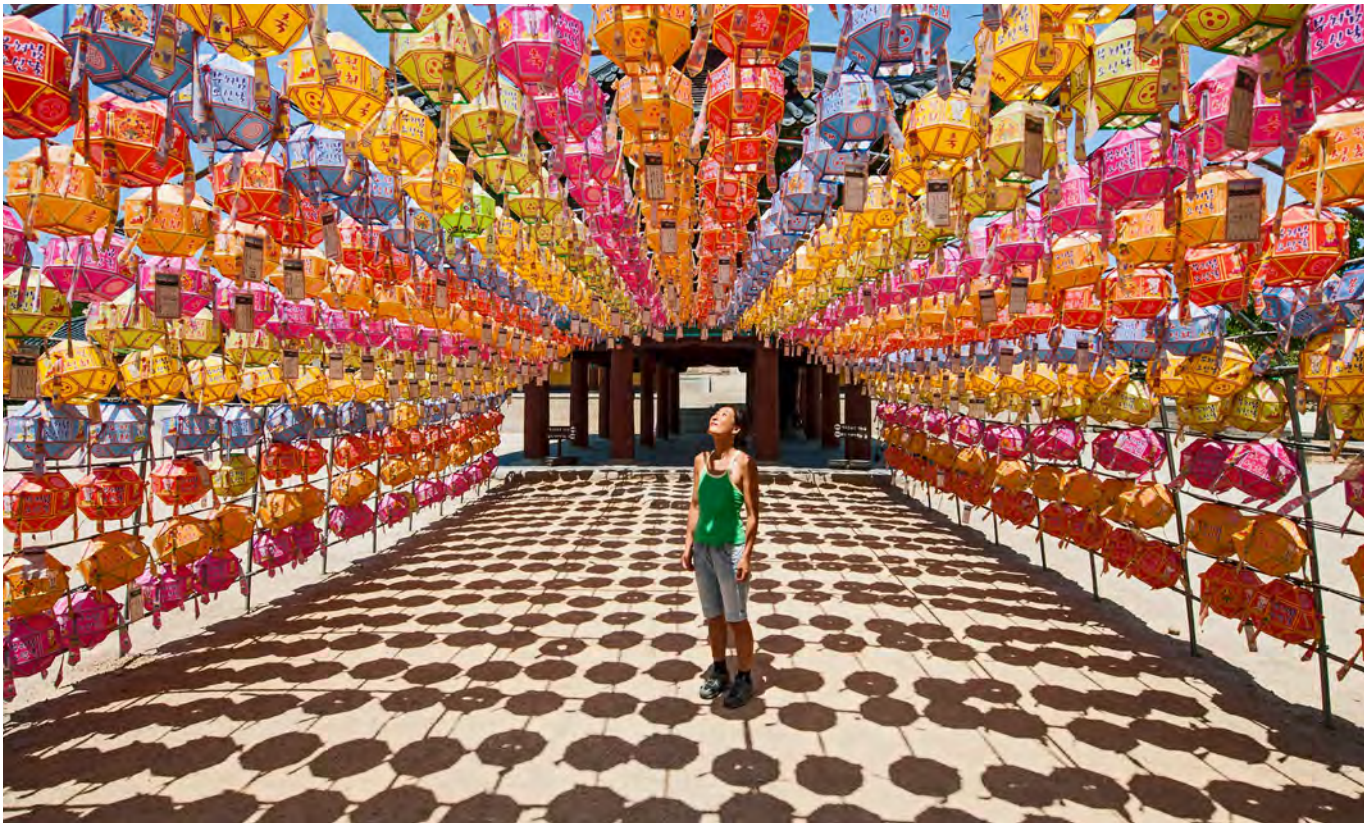
		Region					Wealth level				Age group		
		North America	Latin America	Europe	Middle East	Asia-Pacific	Mass affluent	High net worth	Very-high net worth	Ultra-high net worth	Millennial	Gen X	Boomer
Economic stability (recession risk, economic downturns)	55%	54%	56%	51%	59%	60%	57%	55%	54%	62%	54%	56%	56%
Inflation (erosion of purchasing power, cost-of-living pressure)	52%	56%	52%	45%	56%	53%	56%	52%	46%	43%	50%	53%	53%
Market volatility (corporate earnings, threat of AI on corporations)	45%	45%	39%	39%	50%	52%	39%	46%	51%	59%	47%	47%	41%
Geopolitical risks (political instability, uncertainty due to elections, trade wars)	43%	43%	43%	43%	44%	45%	42%	44%	45%	47%	40%	44%	47%
Regulation and policy changes (changes in tax policy)	41%	40%	38%	42%	45%	42%	32%	44%	48%	55%	41%	45%	37%
Interest rates (cost of borrowing and lending, impact on yields)	39%	37%	37%	38%	28%	43%	42%	37%	40%	36%	44%	40%	31%
Investment products acumen (understanding product differences)	22%	15%	23%	25%	16%	27%	18%	23%	26%	24%	27%	22%	17%
Family matters protection (multi-generational planning, estate planning)	20%	17%	19%	22%	21%	22%	18%	19%	25%	27%	24%	18%	19%
Housing affordability (cost to purchase, cost of borrowing)	16%	14%	14%	16%	10%	17%	17%	15%	19%	11%	22%	15%	8%
I don't have any concerns	4%	7%	1%	5%	2%	3%	7%	4%	2%	1%	2%	3%	9%

Exhibit 1.06 Percentage of clients

Advisors have a pivotal role to play in helping clients to navigate uncertainty and preparing them for these events. When clients lack peace of mind, they look to advisors not only as a trusted sounding board but as a source of practical advice, support and solutions. As we explore in Chapter 2, firms must equip financial advisors with the tools and insights they need to provide tailored responses to client concerns – helping them to feel more confident about achieving their goals.

> We're clearly hearing a call from wealthy clients, and the data backs it up: there is a strong need for support because complexities are piling up.

Boudewijn Chalmers Hoynck van Papendrecht
EY Netherlands Wealth & Asset Management Consulting Leader



1.3. Wealth managers face a growing dilemma over pricing mechanisms

Data suggests that pricing has become increasingly important to clients over the past decade too; 34% of clients see lower fees as a key driver for switching advisors, ranking ahead of several factors such as access to specialists, guidance on achieving financial goals and relationships with individual financial advisors or relationship managers.

Certain specific pricing methods are rising in popularity:

- Fixed fees have become clients' preferred pricing mechanism for the first time (preferred by 23%) and are the leading choice of affluent investors.
- Performance-based fees come a close second (22%) and are preferred more frequently by VHNW (33%) and UHNW (29%) investors.
- Ad valorem fees based on assets under management (AuM) are slightly less popular (15%), except for clients in the Middle East (27%).

There are notable generational differences too. For example, performance-based fees are much more popular among Millennials (preferred by 23%) and Gen X clients (25%) than among Boomers (16%).

Preferred way to pay for wealth management services

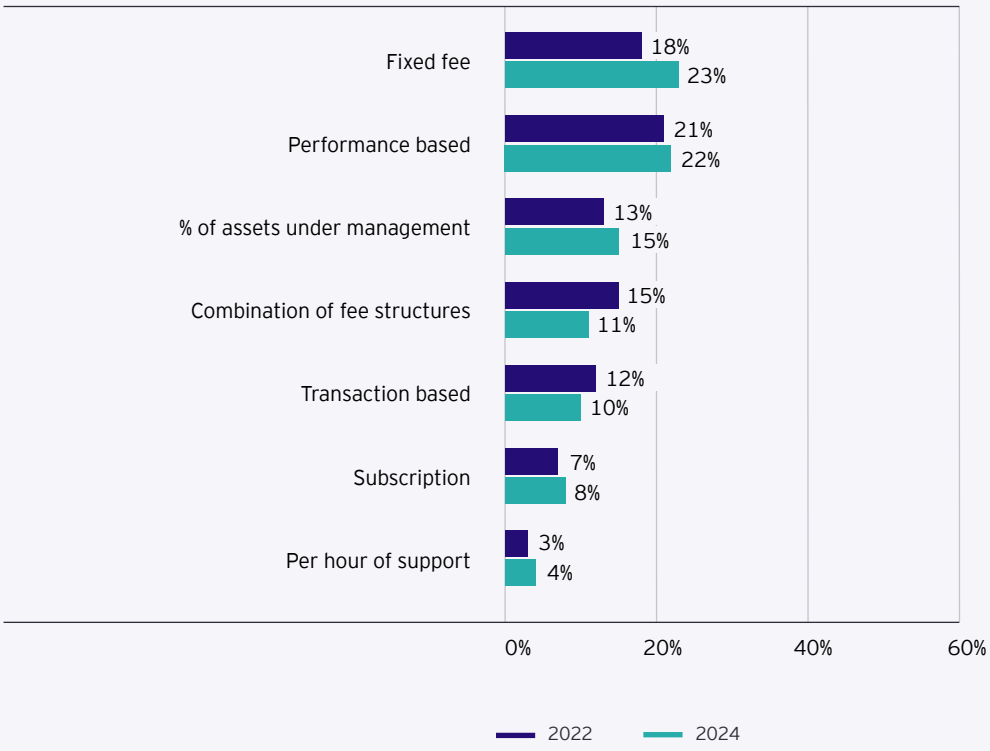


Exhibit 1.07 Percentage of clients

A closer look at specific markets reveals further nuances to pricing preferences. For instance, in markets where private banking and wealth management are still undergoing development, there is a materially higher preference for performance-based fees. The fact that clients' own businesses are often the leading source of wealth in these markets may be a factor leading to this preference.

There are notable outliers among more mature markets too. In Luxembourg, for example, fees based on advisor hours are the preference of 34% of respondents, compared with a global average of just 4%. With wealthy clients becoming increasingly international in their outlook, it might be worthwhile for private banks and wealth managers to consider investigating local preferences when considering pricing models aligned to regional client concentrations.

The good news for wealth managers is that 76% of clients view firms as having improved their transparency over fees and performance during the last three years. In addition, 83% of clients are satisfied that the service they receive represents value for money. That is substantially higher than the figure of 70% recorded in 2022.

Aligning directly to client preferences may not be a realistic option, given the difficulties of negotiating effective flat fee models in higher net worth segments and implications for business models that would arise from a wholesale shift to performance-based fees. Instead, wealth managers could do more to harness client intelligence and align pricing structures with client preferences according to their age, location, complexity of needs and source of wealth.

Satisfaction with value for money

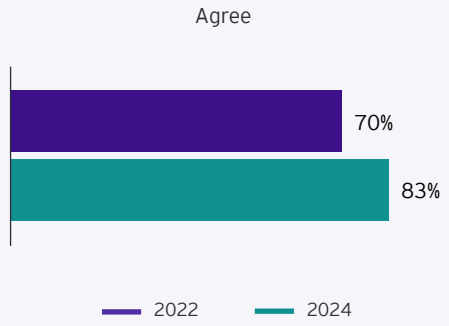


Exhibit 1.08 Percentage of clients

> Wealth managers risk "leaving money on the table" and eroding client relationships by failing to align pricing structures to local market and client cluster pricing preferences.

Emerson Morelli
EY LATAM and Brazil Wealth & Asset Management Leader

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1.4. Concerns about hidden costs risk undermining trusted relationships

Perceptions of fee transparency have improved, too, with 83% of respondents understanding what their fees pay for, compared with 73% in 2022. The proportion of clients who trust their wealth manager to charge them fairly has also risen notably to 83%, up from 71% two years ago.

Despite this, hidden costs remain a significant concern. Globally, 49% of clients agree that they are concerned about hidden costs when working with their wealth manager or advisor. While clarified fee structures have decreased this slightly from 2022 (54%), they have not significantly alleviated concerns around hidden fees.

Concerns about hidden costs are more prevalent among VHNW (58%) and Millennial clients (59%) and in fast-growing regions such as Asia-Pacific (57%) and Latin America (59%).

Some additional details that may be of particular interest:

- Higher levels of financial preparedness seem to correlate with lower concerns about hidden costs. Only 37% of those who have already met their financial goals are worried about hidden costs, compared with 65% of those who are not at all prepared.
- Sentiment about hidden costs varies relatively little between clients following discretionary (45%) and execution-only (49%) discretionary models of wealth management.
- Clients in several market clusters, including the Nordics (Denmark, Sweden, Norway), France and Luxembourg, and the Middle East (Qatar, UAE and Saudi Arabia), report higher-than-average levels of concern.
- Regulatory intervention in the UK does not seem to have reduced worries about hidden costs (where 46% of clients are concerned).

Lingering mistrust over hidden costs is highly counterproductive for wealth managers; it creates a negative emotional context that will inevitably affect client decision-making as they weigh practical factors such as fees, performance and products.

More needs to be done to address concerns over hidden costs, which represent an important deviation from otherwise very positive client sentiment around transparency, fees and value. A continued effort to make careful and reasonable improvements in cost transparency —without triggering negative tradeoffs — looks to be a wise strategy. Furthermore, openness on costs will help to increase overall satisfaction with fees, performance and value.

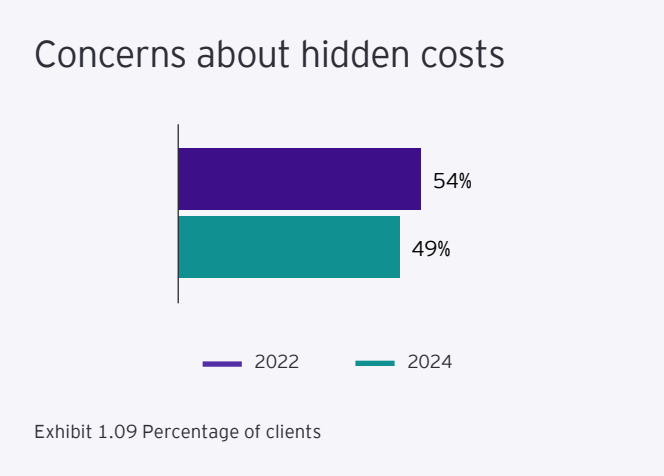


Exhibit 1.09 Percentage of clients

> Where transparency ends, trust begins to erode — and in wealth management, perceived costs often weigh heavier than actual ones.

Meghna Mukerjee
EY Global Wealth & Asset Management Analyst Lead — Insights

Chapter summary

Overall, client sentiment about services and value provided by the wealth management industry is overwhelmingly positive. Even so, there are several reasons for firms to be cautious.

First, our survey identifies several areas where client sentiment looks much more half-hearted. These include weaker satisfaction among self-directed clients; a sense of being underprepared for the challenges of the 2020s; changing preferences around pricing; and concerns about hidden costs.

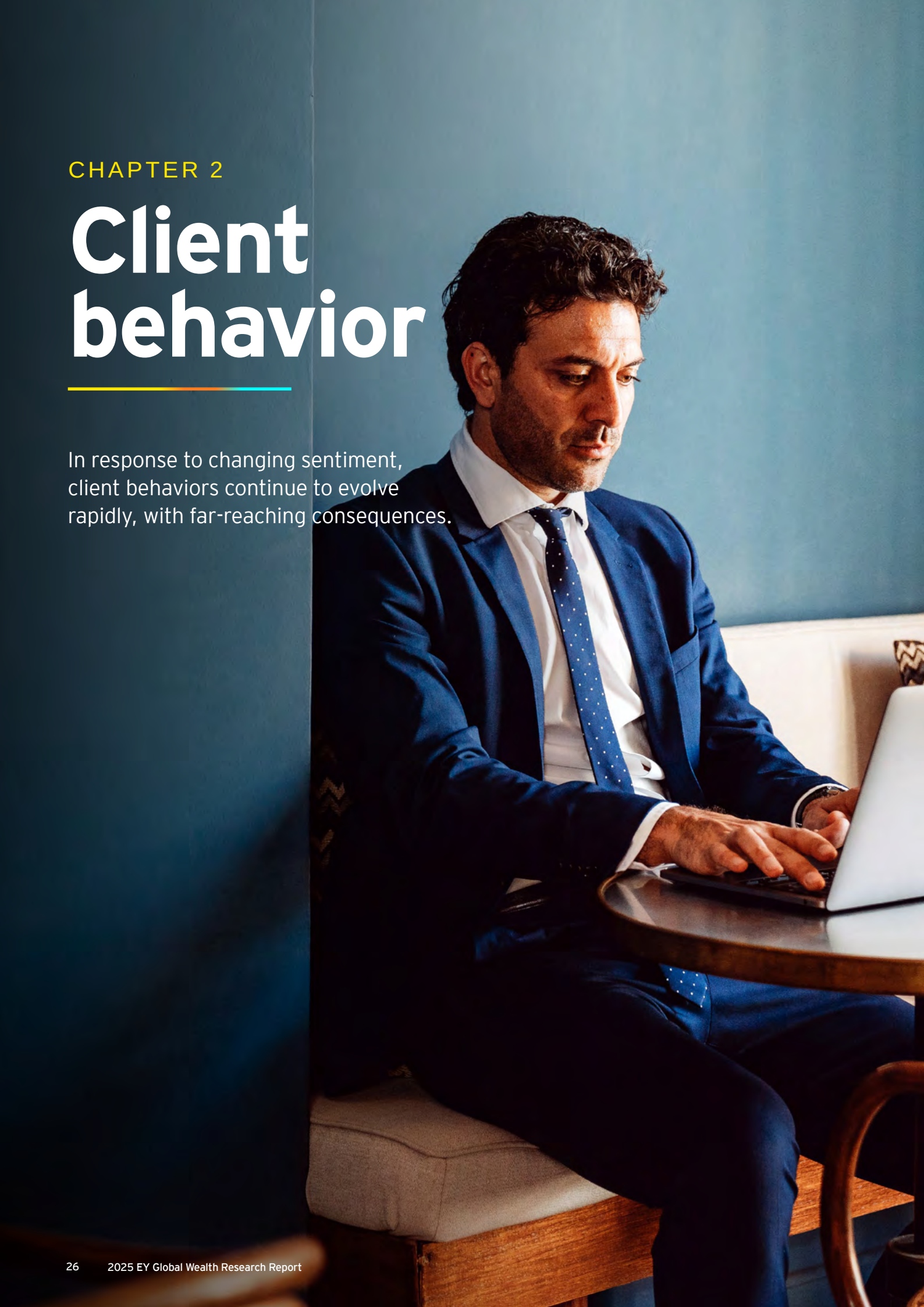
Second, we know from experience that strong investment performance can boost satisfaction with other aspects of wealth management – and that periods of underperformance can have a negative effect on sentiment. In recent years, it's become harder than ever to separate investment performance from electoral cycles and geopolitics, and our survey was conducted before the market disruption of February and March 2025. In a more volatile world, managing client expectations about performance will be more vital than ever (see Chapter 2).

Finally, we believe that client satisfaction alone is not enough to create strong loyalty. It may reduce the tendency to switch, but it does not prevent clients from being alert to the potential benefits of change. In the next chapter, we examine clients' growing proactivity in portfolio management, their increasing willingness to divide assets between firms, and their growing appetite to switch between primary wealth managers.

CHAPTER 2

Client behavior

In response to changing sentiment, client behaviors continue to evolve rapidly, with far-reaching consequences.



2.1. Investors are more defensive, more proactive and more demanding of advisors

Clients are actively increasing their engagement with financial advisors and relationship managers. They are initiating more conversations, consulting more widely about market events and seeking more help to navigate increasing challenges and complexity. In response to market volatility:

- 52% have contacted their advisor to discuss the impact of market events on their portfolio.
- 44% have increased the number of planning meetings with their advisor.
- 44% have exercised more control over their investment portfolio.

These trends for greater engagement, reassurance seeking and proactive involvement – especially among younger and wealthier investors – will continue to push up levels of demand on relationship managers' time and resources.

Increased demand for advisors' time will come at a cost for firms, and it is critical that these conversations be aligned to areas of concern and importance to the client. This is another area where investigating client intelligence at the subsegment and cluster level may pay dividends for firms seeking to react. Wealth management firms should ensure that advisors engage proactively with clients and that they have the knowledge, skills, incentives and support to deliver personalized guidance and coaching – fostering long-term financial health and stability.

Actions taken in response to market volatility

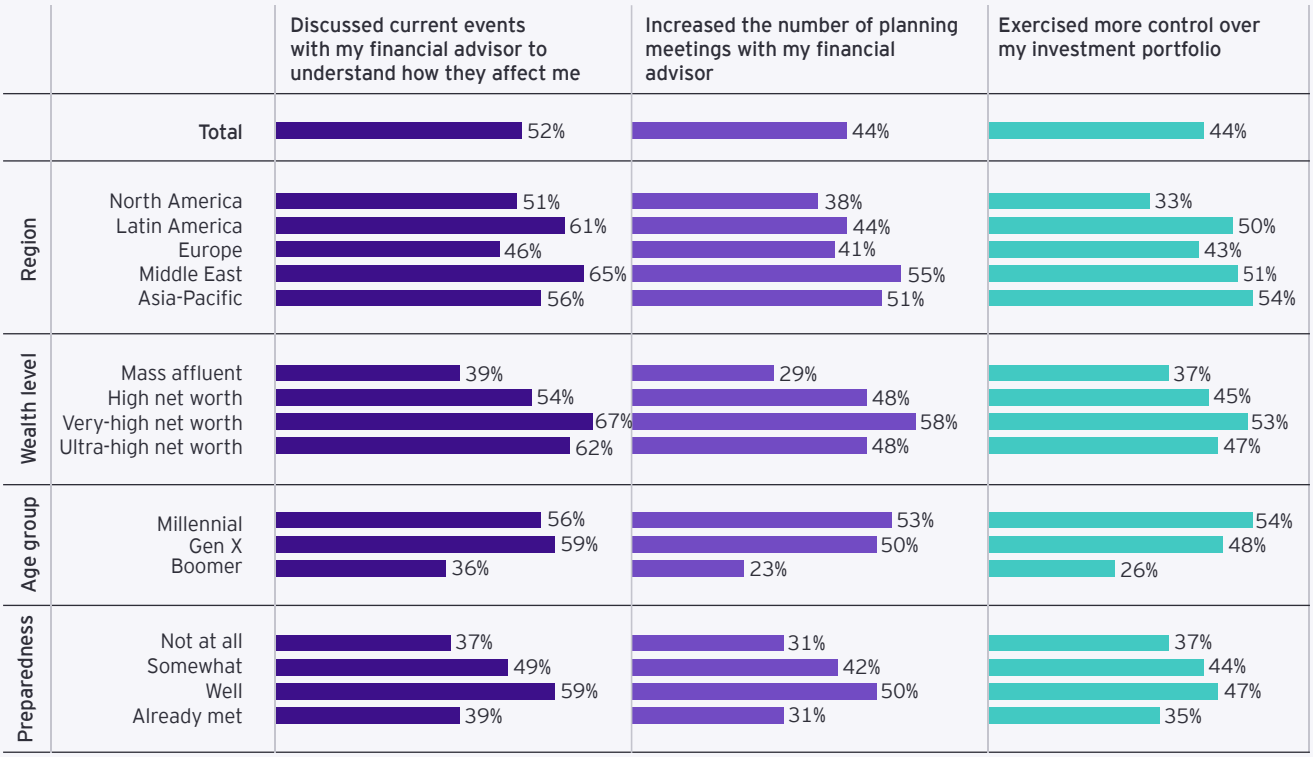


Exhibit 2.01 Percentage of clients

The survey assessed key topics and priorities for advisor conversations in multiple contexts including by primary provider type and external events. Clients expect advisors to cover a breadth of topics and activities, most importantly:

- Preserving and protecting their wealth (86% of clients view this as "extremely" or "very important")
- Selecting investment strategy and portfolio allocation (79%)
- Reviewing progress on a financial plan (75%)
- Preparing for retirement (74%)
- Reducing tax burden (72%)

Client discussions in response to political instability or uncertainty typically include the following subjects:

- 44% of respondents discuss the implications of events on their personal situation.
- 38% of respondents request to exercise more control over their investment portfolio.
- 35% of respondents request additional planning meetings with advisors.

Important topics to discuss with advisor

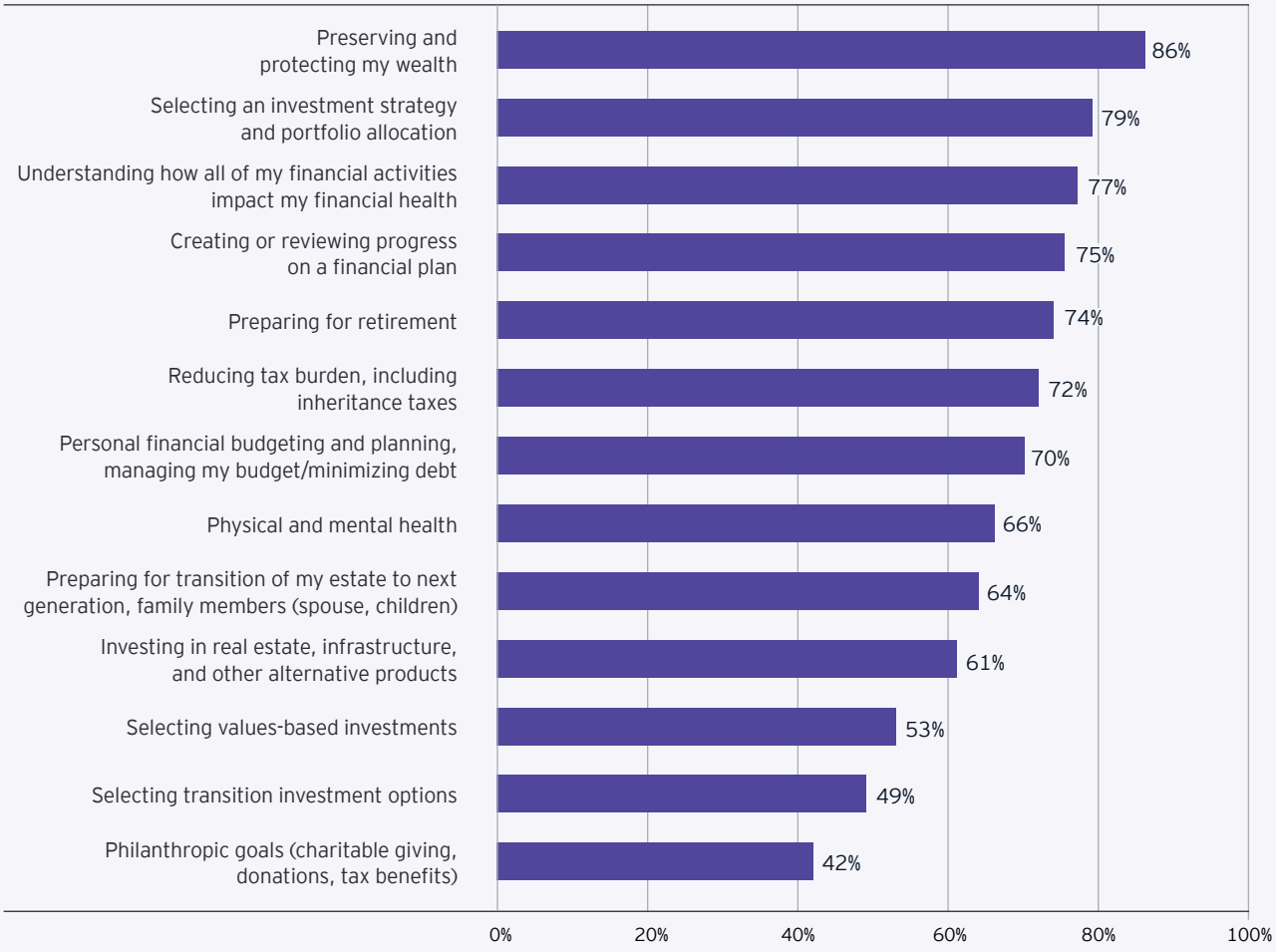


Exhibit 2.02 Percentage of clients

For multi-regional private banks and wealth managers, it is especially relevant to note that:

- Engagement varies by region: In reaction to market volatility, investors arranged far more meetings with advisors in the Middle East (55%) and Asia-Pacific (51%) than in North America (38%).
- Developing market clients are more proactive: For example, between 65% and 80% of investors in ASEAN markets, such as Vietnam, Indonesia and the Philippines, exercised more control over their portfolios in response to volatility, compared with 31% in the US, 44% in the UK and 46% in Hong Kong.

In addition, firms should be mindful of heightened demand for advice among younger and wealthier investors. More specifically:

- Younger investors: In response to market volatility, 53% of Millennials increased the number of meetings with their financial advisor, compared to 23% of Boomers. Similarly, 54% of Millennials have exercised more control over their portfolio, versus 26% for Boomers.
- Wealthier clients: HNW clients are more likely to seek out additional support and reassurance than affluent investors. Among the VHNW, 67% have discussed the impact of current events compared with 39% of the mass affluent, while 58% of VHNW clients have increased the number of advisor meetings compared with 29% of affluent investors.

In addition to being more proactively involved in portfolio management, clients are making defensive changes to their portfolio allocations. For example, 28% of clients have responded to market volatility by reallocating more of their portfolios onshore, and 34% have responded to political instability and uncertainty by seeking out more inflation-protected assets.

Clients seeking greater input and control over their portfolios require greater efficiency on the behalf of the firm in the provision of advice. This also makes it vital for advisors to view every request for service as an opportunity for activation and development – a chance to engage more closely with clients on their issues of concern, for example by steering their desire for action in a constructive way that helps them to prepare for major life events.

> Clients' evidently increasing engagement will become both a challenge for wealth managers and an opportunity for client development.

Takashi Hasegawa
EY Japan Wealth & Asset Management Leader

Actions taken in response to political instability

		Region					Wealth level				Age group		
		North America	Latin America	Europe	Middle East	Asia-Pacific	Mass affluent	High net worth	Very-high net worth	Ultra-high net worth	Millennial	Gen X	Boomer
Discussed current events with my financial advisor to understand how they affect me	44%	43%	41%	42%	51%	46%	36%	46%	50%	48%	49%	48%	32%
Exercised more control over my investment portfolio	38%	26%	44%	38%	42%	47%	32%	39%	43%	37%	48%	40%	22%
Increased the number of planning meetings with my financial advisor	35%	30%	38%	33%	41%	39%	23%	37%	49%	40%	43%	39%	17%
Sought out more inflation-protected assets	34%	26%	39%	33%	41%	43%	30%	36%	36%	34%	44%	33%	25%
Reallocated more of my portfolio to cash	22%	18%	16%	20%	18%	30%	20%	23%	24%	22%	25%	22%	20%
Reallocated more of my portfolio onshore	18%	12%	15%	15%	22%	26%	13%	19%	23%	14%	25%	19%	8%
Reallocated more of my portfolio offshore	17%	6%	14%	16%	16%	28%	11%	18%	23%	18%	26%	17%	6%
None of the above	17%	27%	10%	17%	12%	10%	27%	15%	9%	9%	7%	13%	36%

Exhibit 2.03 Percentage of clients

2.2. Multihoming between wealth managers is rising sharply

When asked specifically about wealth management relationships, clients worldwide report an average of 2.3 provider relationships. Despite the high levels of satisfaction highlighted in Chapter 1, clients are choosing to spread their assets across multiple providers. A few key variations include:

- Regionally, US clients tend to use fewer providers (1.7 relationships on average) while Latin America (2.7) and Asia-Pacific (2.9) are at the higher end of the spectrum. We believe these differences are explained by a combination of underlying factors, including each region's predominant business models and investment behaviors.
- The average number of provider relationships increases with wealth, ranging from 1.8 for the mass affluent to 2.8 among the UHNW.
- Younger cohorts use more providers than older clients. The average number of relationships is 2.8 for Millennials, 2.3 for Gen X and just 1.6 among Boomers.

Banks – whether full-service, private or commercial – are most likely to be clients' choice of primary wealth management provider (47% of clients in total). They are followed by independent advisors (12%), asset managers (11%), brokerage firms (11%), and alternative investment managers (8%). Digital asset platforms and FinTechs are primary providers for 3% and 2% of clients, respectively.

A closer look at the data reveals some interesting insights, such as:

- There has been a 13% fall in the number of clients working with brokerage firms and a 10% decline in the use of asset managers.
- Since 2022, there have been small but material increases in the number of clients using digital platforms (+4%), FinTechs (+3%) and alternative investment firms (+2%).
- Millennial and Gen X clients are more likely than Boomers to use alternative investment firms, digital asset platforms and FinTechs, but their primary wealth management provider is more likely to be a bank or asset manager.

Types of wealth manager currently used

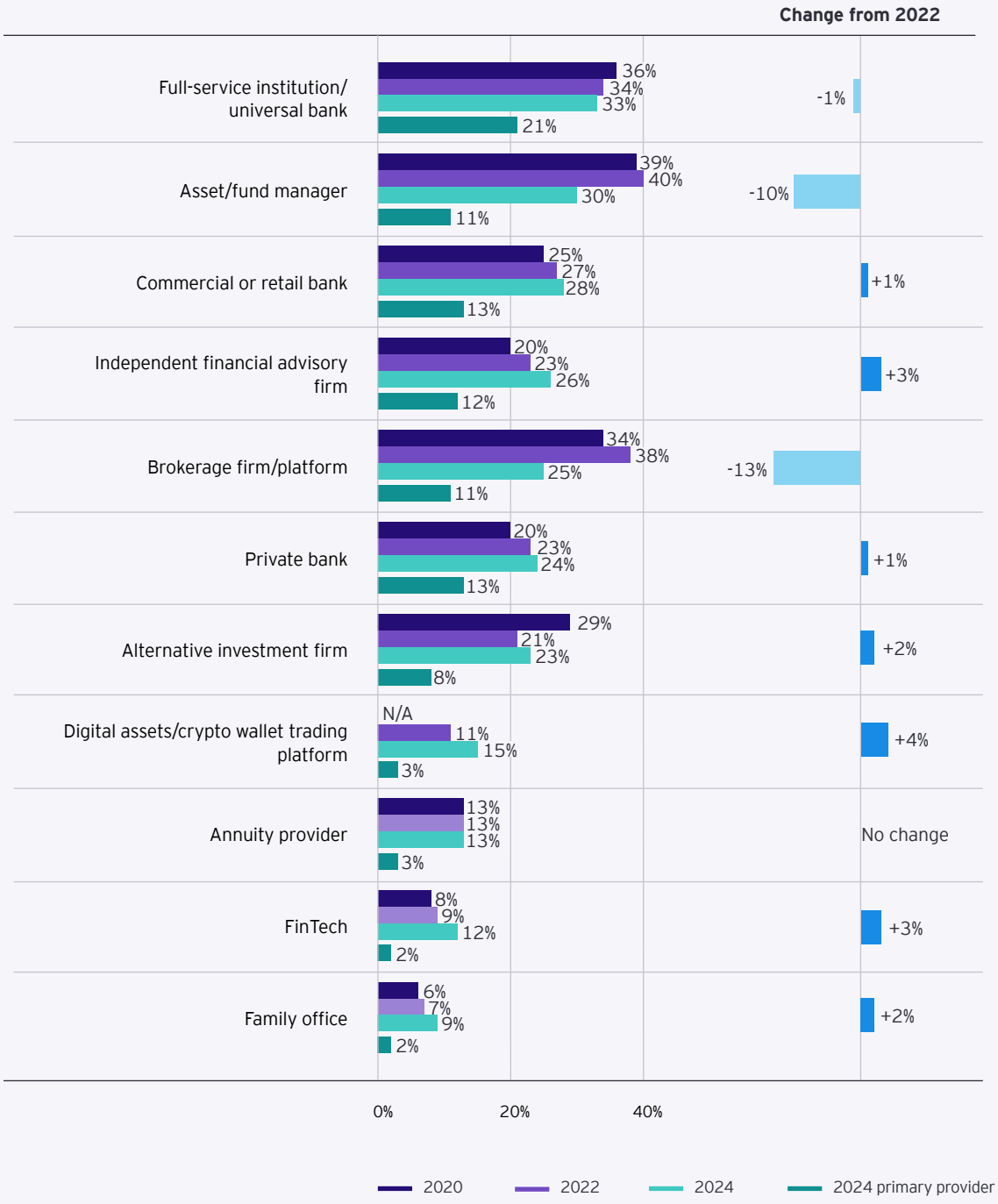


Exhibit 2.04 Percentage of clients

When it comes to selecting their primary wealth management provider, each individual's weighting of selection criteria is unique. However, the most important driver for clients is investment performance (50% rank this as a top three factor), followed by range of investment products and services (31% in top three) and brand reputation (28% in top three). The latter two factors both gained more than 10% higher prevalence in response as a top-three option versus 2022.

It's also worth noting that Millennials are more likely than average to make their selection based on non-financial factors, such as value-based investing, transition investment options, diversity of the firm, philanthropy advice and social media content.

Looking ahead, 32% of clients worldwide expect to increase the number of wealth management providers they work with over the next three years. In the US, almost a quarter (23%) expect to increase their number of relationships, 36% in the Middle East, 37% in Latin America and 43% in Asia-Pacific.

Clients' appetite to seek out high performance and work with more firms is entirely consistent with their growing demand for advice and increasing involvement in portfolio allocations during distressed markets. We've already seen that younger and wealthier clients are especially proactive; the same groups show exceptionally high intentions to work with more firms in the future (44% of VHNW clients and 49% of Millennials).

In short, fragmentation is here to stay. Clients already have more active wealth provider relationships than two years ago, and the trend is set to accelerate.

This situation provides wealth managers with an opportunity to establish new relationships with attractive long-term value. However, it also creates obvious financial pressures from lower wallet share, reduced revenues and increased costs to serve. Squaring this circle will require firms to overcome a range of operational challenges, such as achieving proper segmentation with smaller invested assets, providing holistic advice on assets held elsewhere and fostering the consolidation of client assets.

> Fragmentation is here to stay – wealth managers cannot be everything to everybody; the race for clients is about relevance and differentiation.

Alexander Sapone
EY Wealth & Asset Management, Manager
Ernst and Young LLP

Number of wealth management providers

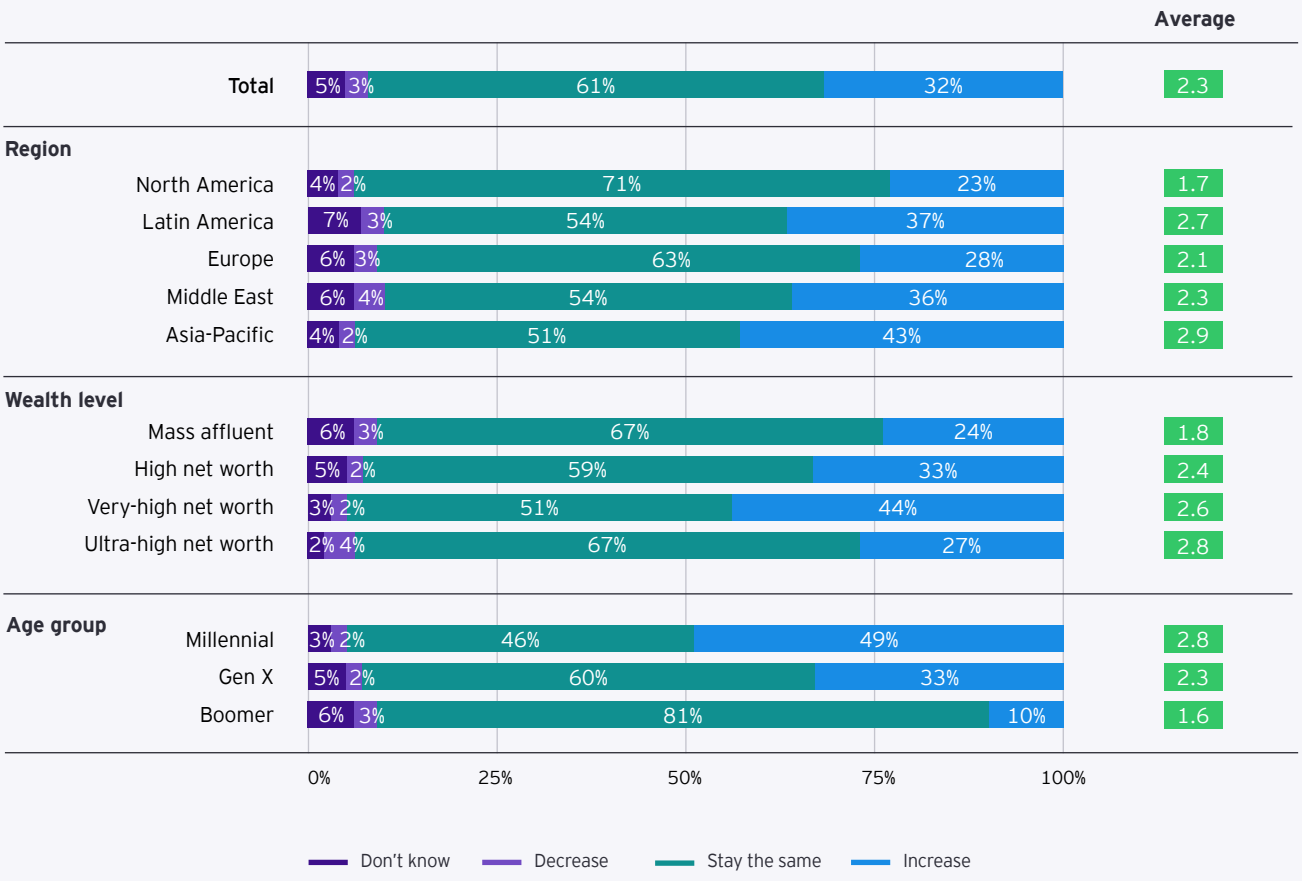


Exhibit 2.05 Percentage of clients

2.3. Boomers asset-gathering business opportunity

This section is a POV from the EY Global Center for Wealth Management

Boomers are far less likely than younger clients to divide their assets between multiple wealth managers. The average number of wealth manager relationships among Boomers (1.6 per client) is far lower than for Gen X (2.3) and Millennials (2.8). Furthermore, while 32% of all clients and 49% of Millennials plan to increase the number of wealth providers they work with, the figure for Boomers is just 10%.

These findings imply that a material number of Boomers may have had more provider relationships in their younger years – and that older investors may have further to go in concentrating their wealth. If so, the years ahead could see trillions of assets in motion. That poses both an opportunity and a threat for wealth managers.

One underlying driver of this process could be the tendency of VHNW and UHNW individuals to streamline financial relationships as their focus shifts from asset accumulation to decumulation and inheritance. Another factor could be the natural desire of senior investors to simplify decision-making and reduce complexity as they get older.

The inclination to prioritize fewer trusted wealth manager relationships over advisor diversification makes Boomers an attractive prospect for wealth consolidation. On average, older clients are also commercially attractive targets, owing to:

- Higher average levels of AuM than other age groups
- Lower costs to serve and less frequent requests for advisor engagement
- Greater tendency to use high-margin services, such as discretionary mandates

In short, a systematic, client-centric approach aimed at fostering asset gathering and consolidation among Boomer clients has the potential to be very rewarding.

So which types of wealth managers are best positioned to benefit from these potential opportunities? The answer varies significantly between different client segments. A geographic breakdown of Boomers' primary wealth managers shows that brokerage firms are the leading choice of older investors in North America (31%), private banks are very popular in Europe and Latin America (23% each) and 44% of Boomers in the Middle East prefer to use commercial banks.

Perhaps more importantly, full-service banks are strongly positioned among UHNW (42%) and VHNW (33%) investors; private banks are also very popular among UHNW clients (33%). Outside North America, it looks as though universal and private banks are in pole position to capture a larger slice of Boomers' assets.

However, Boomers' criteria for wealth manager selection also vary significantly between regions and individual markets. Globally, older investors' selection criteria are comparable with those of younger investors: investment performance ranks first (cited by 63%), followed by product offering and fee structure (both 50%), branding (45%) and personal relationships (43%).

In conclusion, our data shows that Boomers are far from being homogenous. Wide variations between geographic markets and wealth segments mean that a "one size fits all" asset-gathering campaign simply will not work. Different wealth managers have comparative strengths in different markets, making targeted and differentiated value propositions essential to success. This is a case that perfectly illustrates the value of specific and detailed customer intelligence to strategy development.

> Asset gathering and consolidation for Boomers is one of the strategic opportunities in wealth management globally.

Daniela Mandacaru
EY UAE Global Center for Wealth Management Leader

Primary provider types: Boomers by region

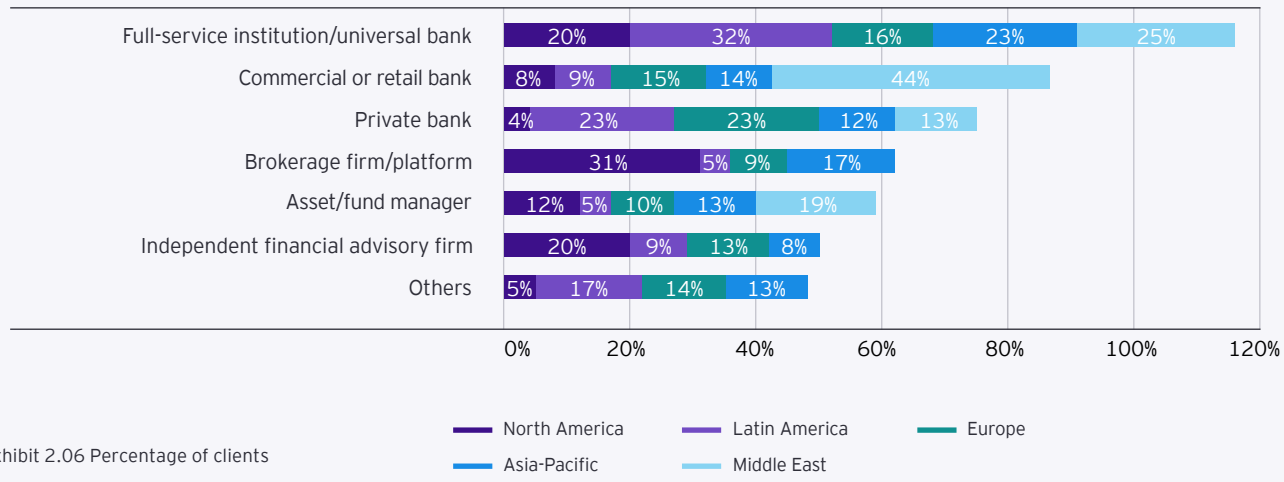


Exhibit 2.06 Percentage of clients

Primary provider types: Boomers by segment

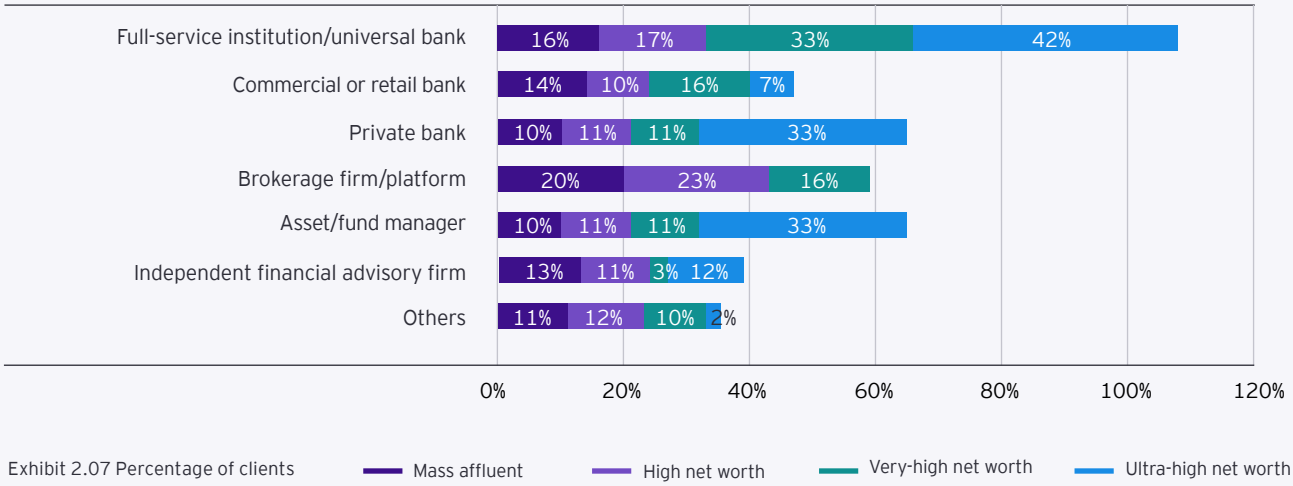


Exhibit 2.07 Percentage of clients

2.4. Clients more likely to switch – and to move a larger share of assets

From a primary provider perspective, changes can be expected in the near future. Globally, 29% of clients plan to switch their primary wealth management provider in the next three years. The proportion of assets that clients plan to move is also increasing. Historical data suggests that 25% to 50% of a typical client's assets are at risk of being moved to another firm. Our survey reveals that:

- 45% of clients now say they are likely to shift more than a quarter, but less than half of their assets within the next three years.
- 17% of clients are considering moving 51% to 75% of their assets – up from 8% in 2022.
- On average, at-risk clients indicate that up to ~40% of their assets are liable to be moved in the next three years.

Within this overall picture, clients' propensity to switch between primary wealth providers varies according to several dimensions:

- Generational variations are marked, with 46% of Millennials planning to switch their primary provider compared with just 13% of Boomers.
- Regional differences are significant too, with clients in less mature markets showing a greater interest in switching. In North America, 19% of clients plan to switch, but this rises to 36% in the Middle East and Asia-Pacific and more than 50% in mainland China.

Turning to the drivers of switching, and consistent with previous editions of the Global Wealth Research Report, the promise of better investment performance remains the leading reason for clients to switch or move money away from their primary provider (a leading factor for 50% of clients). This is followed by better access to investment products (40%), better experience of digital tools and technology (35%), lower costs or fees (34%), better access to specialists (33%), clearer guidance on achieving financial goals (31%), and (single or multiple) changes in assigned relationship managers (28%) or a better focus on family wealth advice (28%).

Likelihood to switch or move money fom your current primary provider within the next three years

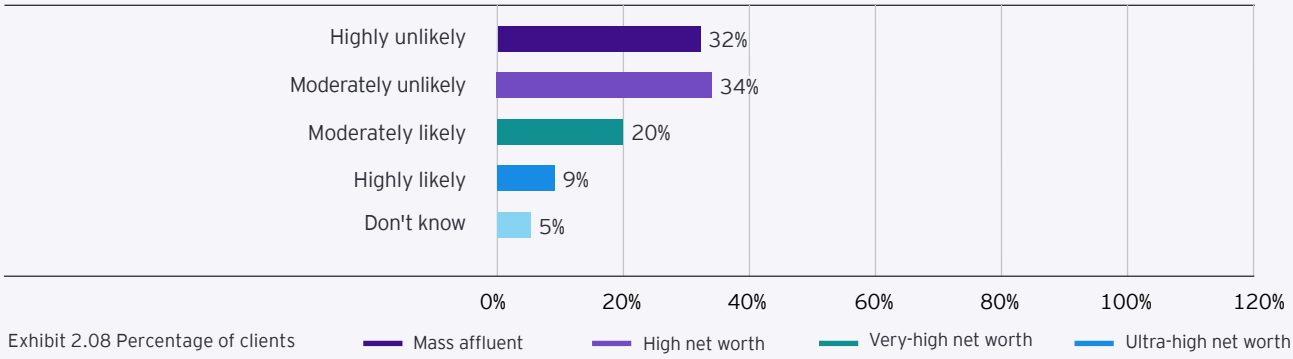


Exhibit 2.08 Percentage of clients

Portion of portfolio to be switched

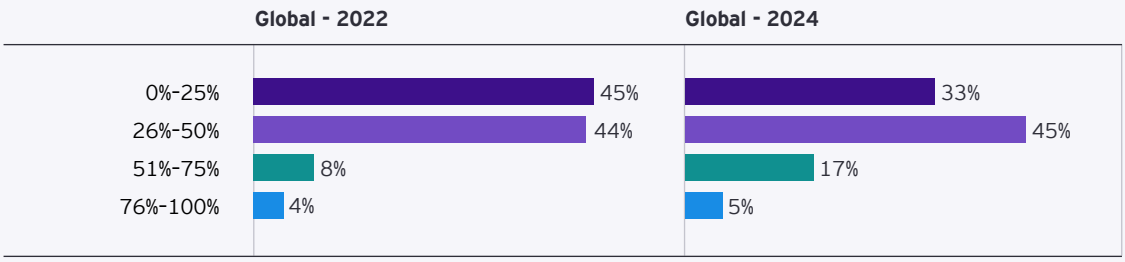


Exhibit 2.09 Percentage of clients

Reasons for switching

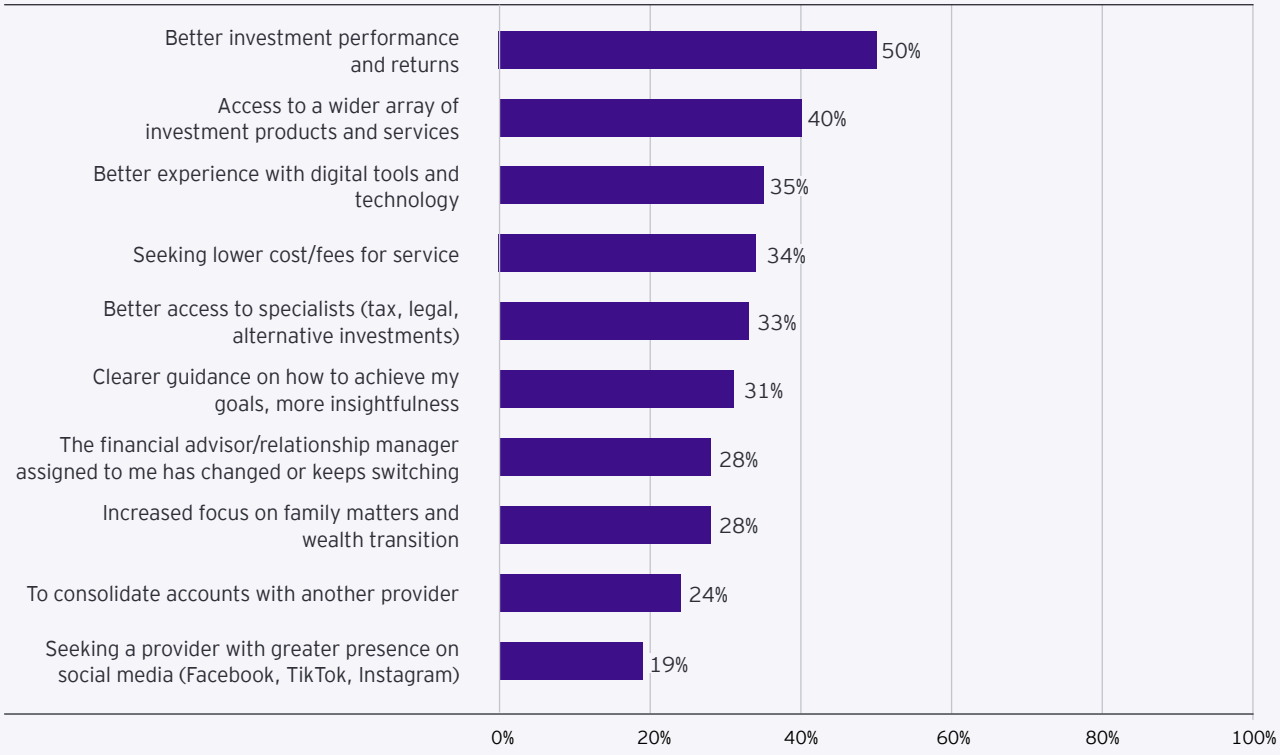


Exhibit 2.10 Percentage of clients

The desire for better investment performance ranks consistently as the number one driver for switching across generations, genders, regions and wealth segments. In addition, a drill down into the data reveals some more interesting findings:

- **By age group:** The switching drivers of Boomers clearly deviate from those of younger generations. For example, Boomers view lower costs as their #2 motive and rank a change in their assigned advisor at #3. Better digital tools are only the #5 factor for this group (cited by 21%). In contrast, Millennials rank cost savings at #6 but put better digital tools at #3 (cited by 42%).

Reasons for switching by generation

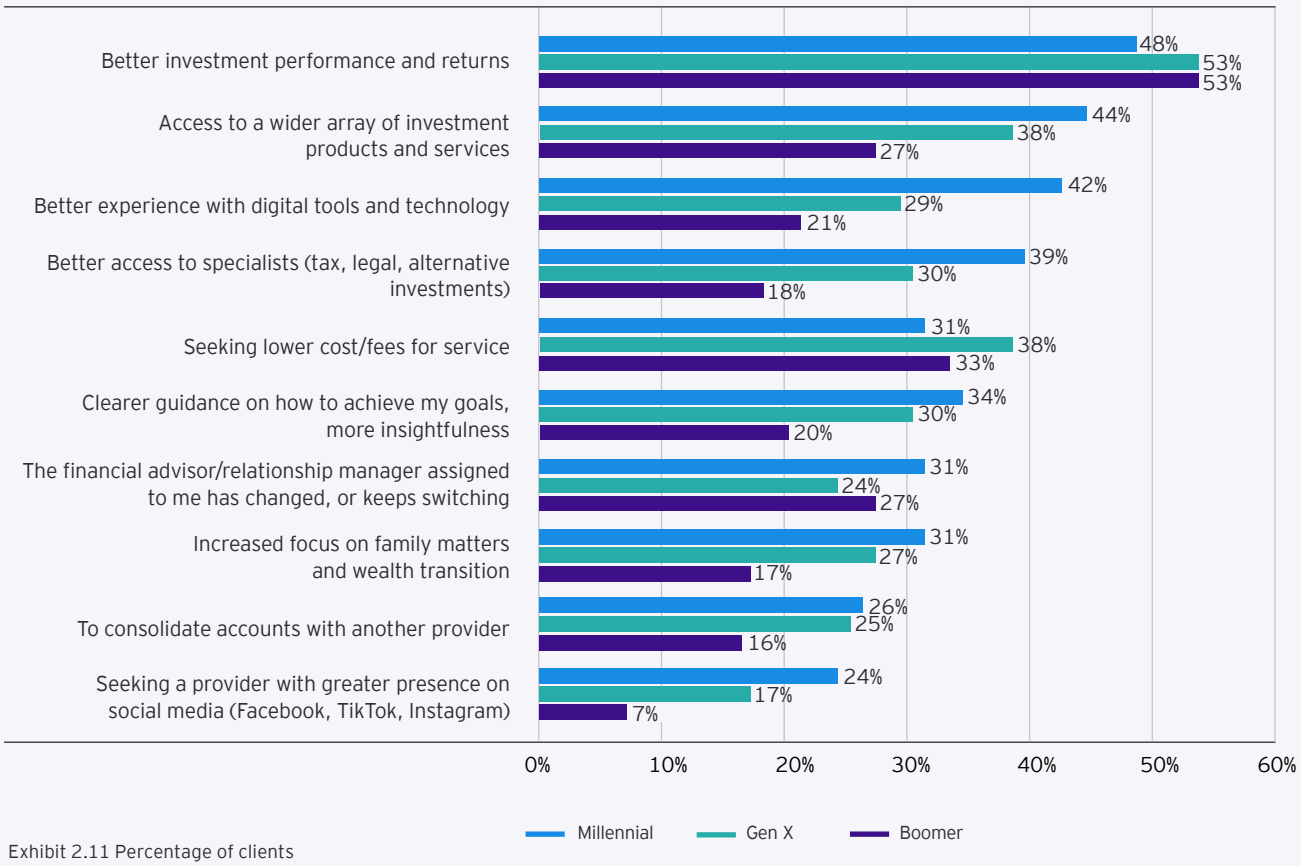


Exhibit 2.11 Percentage of clients

- **By wealth segment:** Clients in the ultra UHNW segment place an above-average weighting on better investment performance as a driver of switching (57%). However, they are less motivated than average by better digital tools (30%), lower costs (23%) or better access to specialists (13%).

Reason for switching by wealth segment

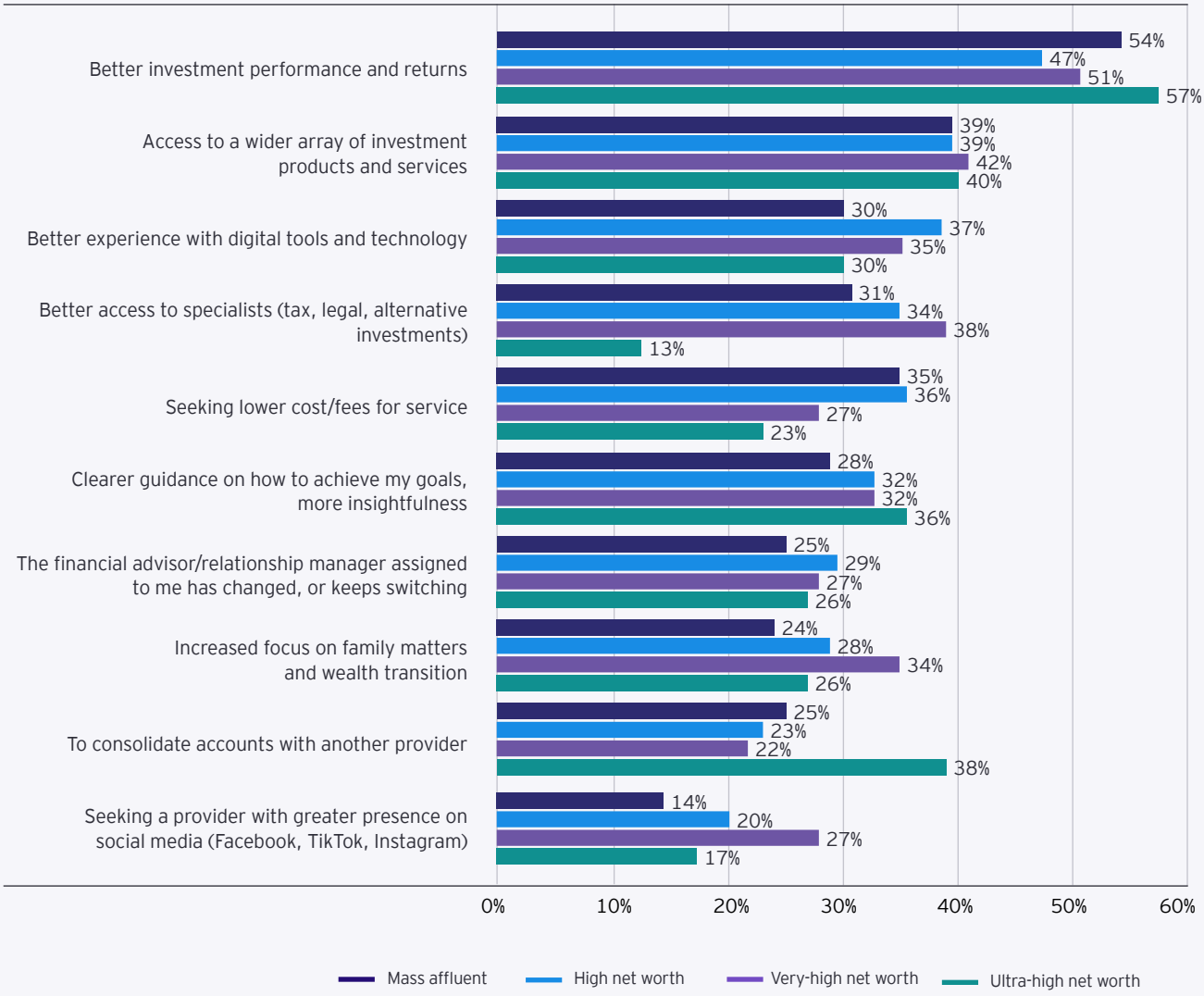


Exhibit 2.12 Percentage of clients

- **By geography:** Regional data about drivers of switching is far from consistent, and the picture becomes even more diverse – and interesting – if we look at individual markets. For instance, clients in the US, India, Italy and the Middle East are overweight on investment performance; while those in Luxembourg, the UAE, Saudi Arabia and Denmark place above-average emphasis on access to products. Other examples of overweight switching drivers include:
  - Singapore, the Netherlands – better family wealth advice
  - Canada – lower costs or fees
  - Nordics – more consistent advisor relationships
  - mainland China, Germany – more insightful advice
  - UK, Korea, Thailand – better experiences with digital tools
  - Hong Kong, Japan, Philippines – better access to specialists tax, legal or product expertise
  - Switzerland, Brazil, Australia – consolidating assets with another provider

Balancing fee sensitivity with investor pressure to have more facetime with their advisors is a key area for firms to focus on. Customer intelligence and a detailed understanding of the preference for certain client clusters will be needed to effectively manage priorities competing between client demands and cost to serve.

Reasons for switching by region

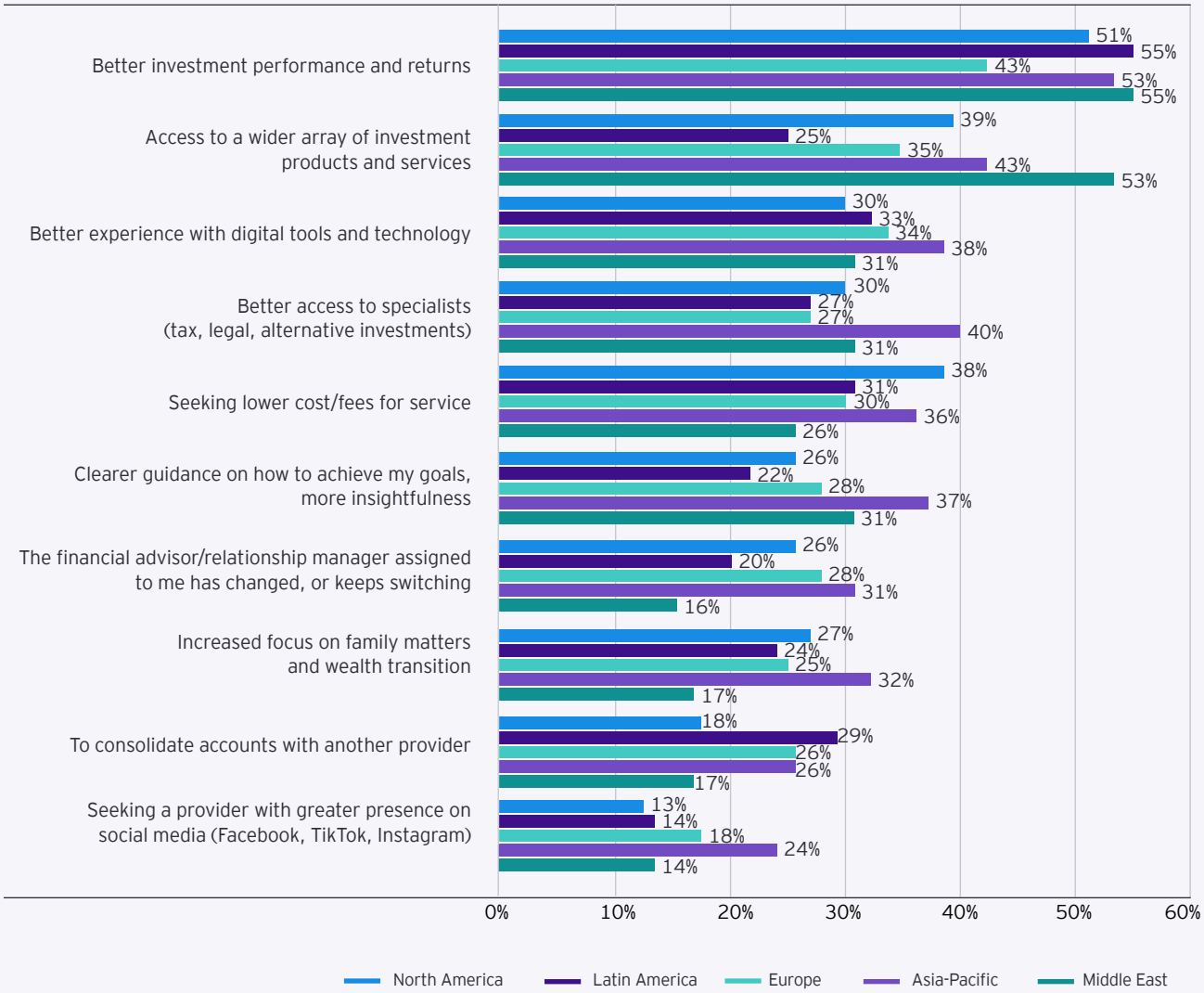


Exhibit 2.13 Percentage of clients

2.5. Closing the chasm between expectation and reality is key to reducing attrition

Beneath the ebb and flow of client assets across markets, asset classes and generations, underlying tectonic shifts in wealth management business models are taking place, with different business models gaining and losing competitive strength.

Our research shows growing use of independent advisors, WealthTech firms and digital asset platforms – offset by a continuation of the declining numbers of relationships with brokerage firms and asset managers that has been occurring for several years.

It's also important to note how switching dynamics are affected by local context, including the popularity of business models in different markets. For example, while 11% of clients globally use brokerage firms as their primary provider, in North America, it's 21%. While private banks are the primary provider for 13% of clients worldwide, 30% are in the Nordics and 34% are among UHNW investors.

At a global level, the most popular business model selected by clients as their primary wealth management provider is clearly the universal bank or full-service institution, chosen by 21%.

This may reflect the competitive advantage of being better able to offer clients a comprehensive value proposition across a broad range of products and services rather than seeking differentiation via a best-in-class offering in a single aspect of wealth management.

Returning to switching behaviors, investors identify performance as the primary factor in selecting their primary wealth manager. In our view, performance is not a realistic differentiating factor between firms and no one firm structure provides outperformance among another. Instead, focusing on inhibiting and taking advantage of switching decisions influenced by behavioral factors is the key strategy for firms seeing real loss of market share.

That includes elements such as:

- Guidance on wealth planning that targets clients' financial goals
- Professionalism on asset allocation
- Excellent support in volatile markets, drawing on client interactions informed by behavioral science
- Effectively managing client expectations related to performance
- A strong fiduciary mindset toward client assets

In other words, high-quality advice can allow wealth managers to improve client perceptions of investment performance with outperformance relative to competitors. Focusing on factors important to investors can help to fight attrition by closing the gap between expectations and reality.

Reasons for selection of wealth management provider

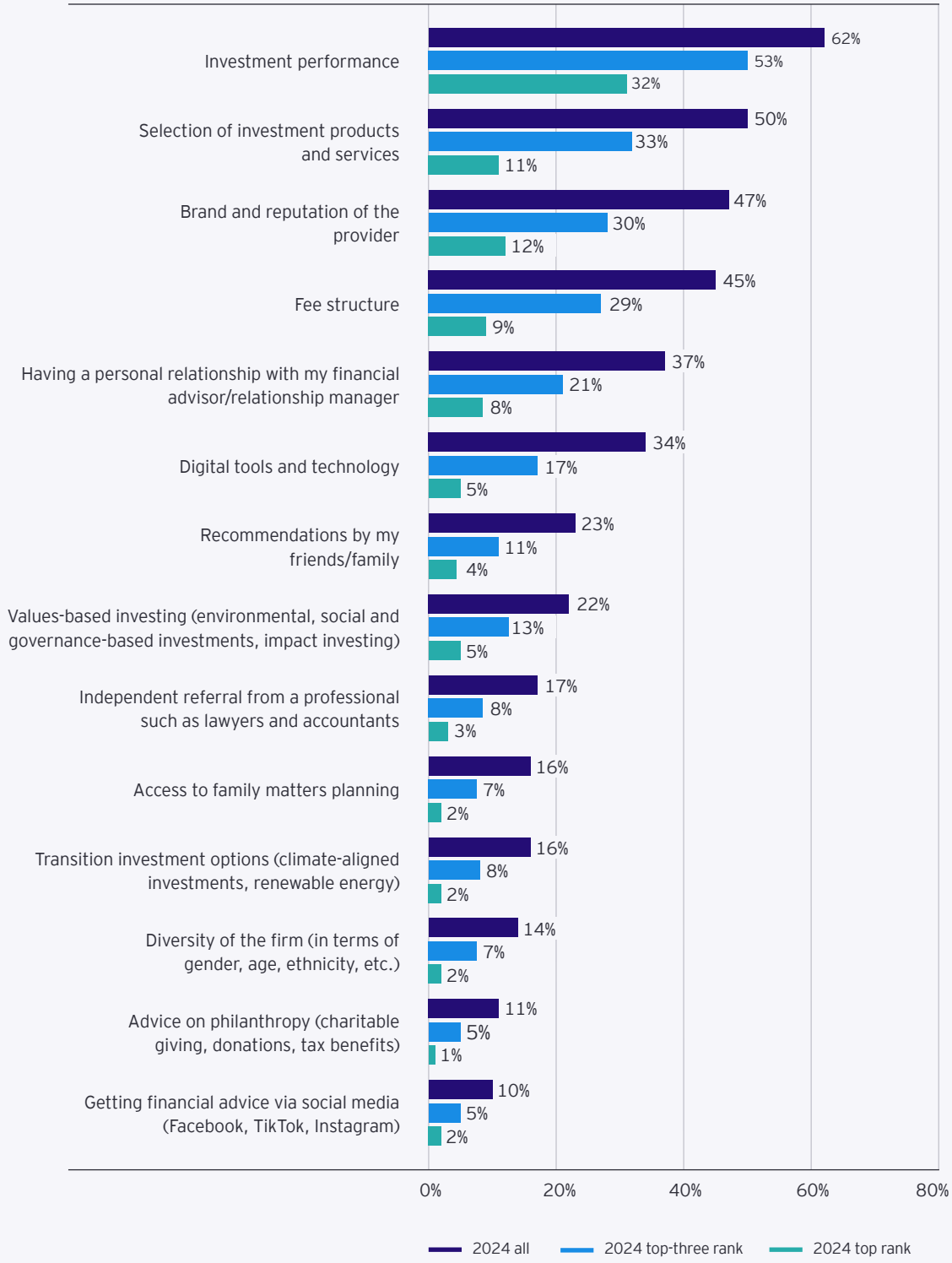


Exhibit 2.14 Percentage of clients

Wealth managers can use excellent service to improve client perceptions of other switching criteria too. One example comes from product selection, which has climbed the rankings of client preferences significantly since 2022, driven in large measure by growing demand for alternative investments. Although some client clusters are highly motivated by differentiated product offerings, we still believe that high-quality advice can improve client perceptions about product choice.

Other potential differentiators, such as brand reputation, digital tools, access to specialists, value-added advice and continuity of advisor relationships, are equally relevant since they are all areas in which wealth managers can sharpen their value propositions through exceptional advice and client management.

> Sharpening the value proposition requires an in-depth understanding of clients' needs, wants and decision logic.

Patrick Stoess
EY Germany Wealth & Asset Management Leader

2.6. Digital tools are fueling the continued rise of self-directed clients

This section is a POV from the EY Global Center for Wealth Management

Due to the rapid acceleration of digitization and the emergence of low-cost self-directed trading tools, self-directed investing is an increasingly popular choice for wealthy investors. Across our global survey sample, respondents hold an average of 29% of their assets in execution only mandates.

This is aligned to similar research across the industry, which also shows that a growing portion of wealthy individuals are opting for a self-directed approach. Our findings expand on this observation, adding context to three commonly held perceptions about self-directed investors:

- Self-directed investing does not decrease with age. The average level of self-directed assets changes little between Millennials (30%), Gen X (28%) and Boomers (27%).
- Self-directed investing is not only for mass affluent investors. Although levels of self-directed assets decline with increasing wealth as a portion of total assets, the correlation is weak outside the UHNW segment. Affluent investors, likely seeking to reduce fees, have slightly above-average self-directed asset allocations (+5%), while HNW clients are in line with average and VHNW clients are slightly below average (-5%). Ultra-wealthy investors keep an average of 17% of investments under their direct control.
- Self-directed investing is a global phenomenon. The use of execution only wealth management is often viewed as especially pronounced in the US, where there is a vibrant discount brokerage industry. However, our research shows fewer regional differences than many would expect, with clients in Asia-Pacific managing a slightly higher proportion of their own assets (31%) than those in North America (27%).

Firms should also expect self-directed investing to increase as a reaction to uncertain markets. That investors increase control as a reactive measure may indicate a missing link from services offered by the financial advisor. The fact remains:

- 44% of investors exercise more control over their investments in response to volatility.
- 38% of investors exercise more control over their investments in response to political uncertainty.

The rise of AI-driven financial tools and AI agents designed to dispense financial advice, whether sanctioned by financial institutions or not, further pressures clients to feel empowered to take control of their own portfolios. As we explore in Chapter 6, our research reveals that clients' appetite for AI and willingness to rely on AI for investment advice indicates willingness to experiment with these tools.

Desire for greater control of the investment portfolio, coupled with the effects of rapid global digitalization and developments in AI, indicate further appetite for growth among execution-only mandates and a clear expectation that self-directed investing will be an important, permanent feature of the wealth management ecosystem.

> The continued rise of the self-directed client requires wealth managers to find innovative ways for client development.

Giovanni Andrea Incarnato
EY Italy Wealth & Asset Management Leader

Chapter summary

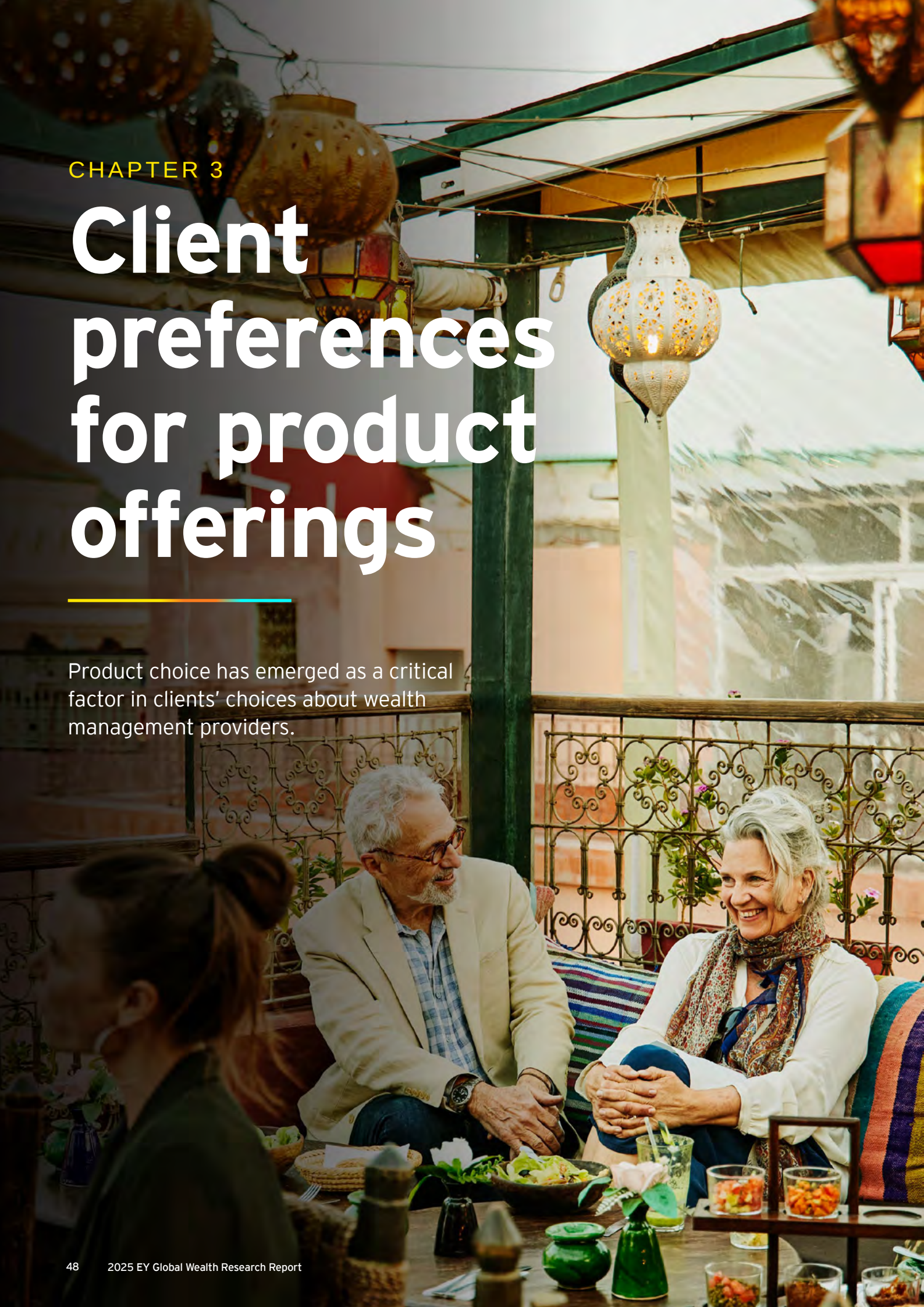
Our research shows that in an increasingly uncertain world, even the wealthiest clients feel less prepared to achieve their goals – and are more willing to act in response. Unsettled by volatility, clients are dividing their assets between a growing range of advisors. Their expectations for performance, product choice, digital capabilities and value are climbing. They also show a growing appetite for self-direction, and even for wealth management by AI.

This puts wealth managers in a challenging position, squeezed between increasing competition on one hand, and the need to strengthen their capabilities on the other. Firms need to respond by building on their strengths, broadening their proposition and differentiating themselves through high-quality advice. In the following chapters, we take a detailed look at a range of areas where wealth managers should adapt to evolving demand while remaining focused on their core purpose.

CHAPTER 3

Client preferences for product offerings

Product choice has emerged as a critical factor in clients' choices about wealth management providers.



3.1. Wealth managers need to broaden the product shelf – and engage more with clients

Wealthy clients view breadth and depth of product choice as a critical driver of provider selection, second only to investment performance and ahead of branding, digital tools and advisor relationships. The importance of products has increased dramatically in the past two years, with 50% of clients identifying it as important compared with 36% in 2022. Clients across every wealth segment are making a concerted effort to gain exposure to a growing range of investments, including real estate, private credit and digital assets.

Although traditional asset classes have the highest levels of client penetration, a wide range of alternatives are gaining traction. With volatility and uncertainty making it harder to achieve financial goals, investors are seeking investment upside and risk protection wherever they can find them:

- 70% of clients use cash equivalents, underlining the importance of liquidity and short-term safety.
- 68% of clients use actively managed funds, showing that appetite for professional investment management remains strong.
- 66% of clients use life insurance or risk protection products, both for downside mitigation and as part of inheritance planning.
- 53% of clients use passive products such as index funds or exchange traded funds (ETFs), with a further 29% interested in these products.
- 51% of clients use alternative investments such as hedge funds, private markets and real estate, although we believe that many clients are under-allocated to alternatives.

Our findings also suggest that advisors are missing opportunities to bring new investment ideas into client conversations. That is especially true for more specialized asset classes and investment strategies, for example:

- Value-based and climate-aligned investments: 39% of clients are interested in value-based investments (e.g., environmental, social and governance (ESG) impact investing), and 42% are keen to learn about transition investments (e.g., climate-aligned or renewable energy assets). However, only 20% say their financial advisor has discussed value-based investments and 19% say transition investments have been discussed. Advisors should broaden discussions around investment goals and philanthropy to understand clients' guiding motivations – helping them to invest empathetically and express purpose through their choices.
- Specialized investments (e.g., IPOs, private placements): 33% of clients don't use these investments but are keen to learn more about them; however, only 15% say their financial advisor has discussed the topic with them. Specialized products are intrinsically idiosyncratic, so educational materials can help to meet client interest while conveying the importance of not over-allocating to specific assets.
- Digital assets (e.g., cryptocurrencies, non-fungible tokens): 31% do not currently invest in digital assets and would like to learn more about them, but only 18% have discussed this with their advisor. The high volatility of many digital assets, overlaid with political and regulatory complexity, mean that clarity between advisors and clients over investment objectives and risk appetite is critical. Advisors must educate clients – and themselves – on digital investments (see **Breakout: Digital Assets**)

Current usage and interest of using alternative investment products

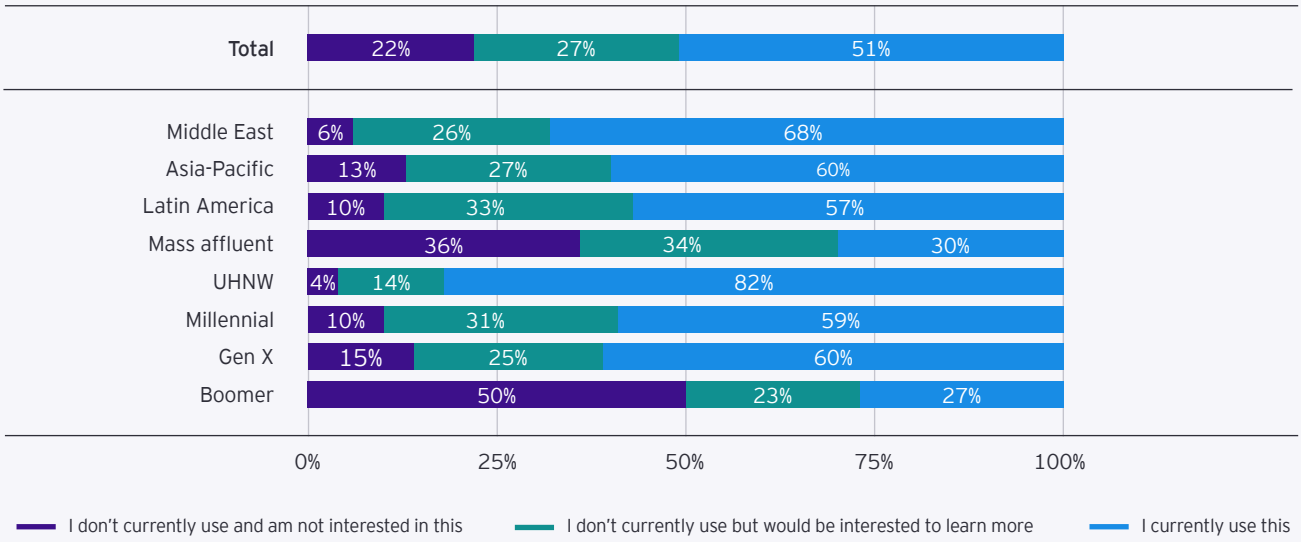


Exhibit 3.01 Percentage of clients

Engagement from financial advisors on products that clients want to discuss

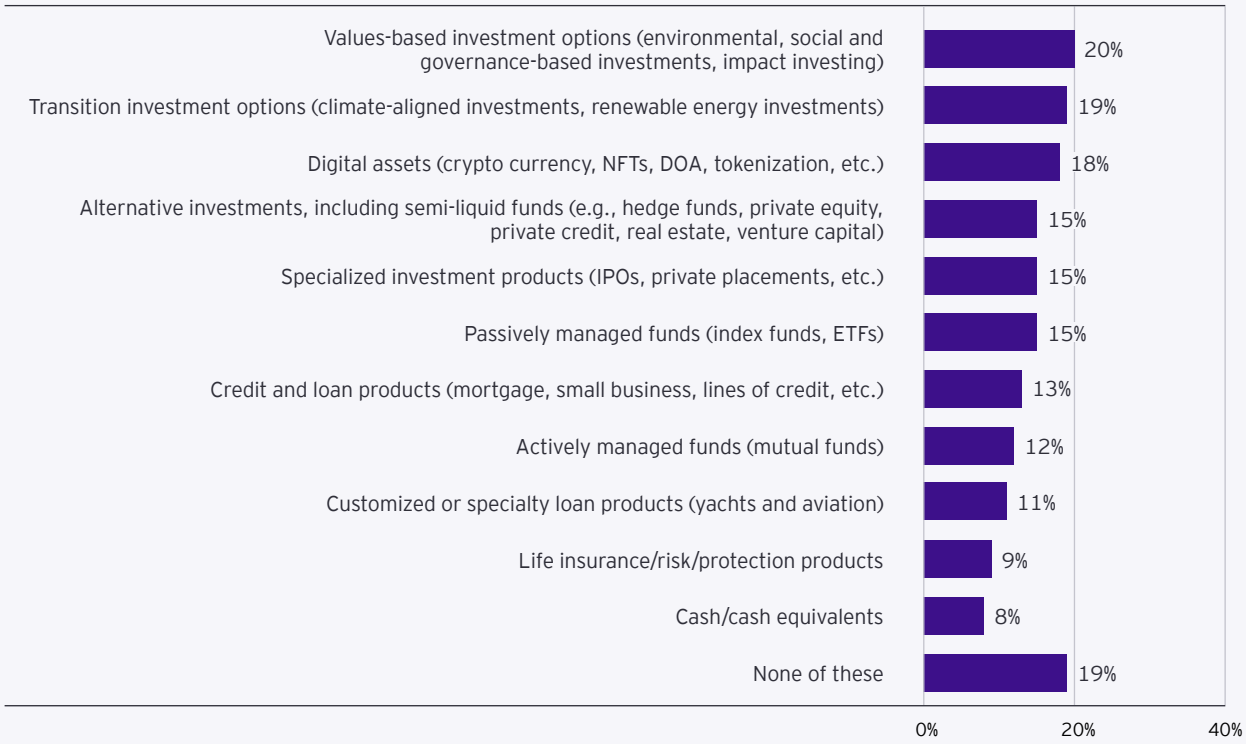


Exhibit 3.02 Percentage of clients

The importance of product choice to clients, together with shortfalls in advisor engagement, points to a strategic opportunity for wealth managers to boost client retention, satisfaction and recruitment from a more diverse and well-communicated product offering.

In an era of digital information, clients are increasingly informing themselves about the latest investment innovations, even if their understanding may often be incomplete. The challenge for wealth managers is to complement clients' education with risk-informed guidance – backed up by a range of products that will meet client needs effectively, efficiently and appropriately.

> The evidence for a widening gap on product offerings requires wealth managers to both rethink their offering strategy and build product-specific know-how on advising and selling.

Kristin Bekkeseth
EY Nordics Wealth & Asset Management Leader

3.2. Alternatives are "table stakes" to integrate into advice-led propositions

Alternative investments have a pivotal role to play in meeting clients' growing demand for investment choice. Globally, 51% of clients already make some allocation to alternatives, and this rises to 76% among VHNW and 83% among the ultra UHNW clients. Above-average levels of investment are also reported among Millennial (59%) and Gen X investors (60%) and by clients in the Nordics (58%), Latin America (58%), Asia-Pacific (61%) and the Middle East (69%).

Even so, our research shows that wealth managers are a long way from meeting client demand for alternatives. Forward-looking indicators suggest that demand will only continue to grow:

- 30% of all clients plan to increase their allocations to alternatives, and intentions are even stronger among VHNW (43%) and UHNW (40%) clients.
- 61% of clients view alternative investing as an important topic to discuss with their financial advisor, rising to 76% for VHNW clients and 83% among UHNW clients.
- In addition to the 51% of clients with some exposure to alternatives, another 27% would like to learn more about these assets. However, financial advisors have only discussed alternatives with about half of this group (15% of clients).

Clients don't just want more exposure; they're also seeking a wider range of alternatives. Demand is especially strong among the wealthiest investors:

- **Widely held alternatives:** Globally, the most widely held alternative investments include real estate (held by 58% of clients), private equity (44%), infrastructure (36%) and venture capital (35%). However, allocations to these assets are far higher among the wealthiest clients. For example, levels of UHNW investment in real estate, private equity (PE), infrastructure and venture capital are 90%, 72%, 65% and 56%, respectively.
- **Less widely held alternatives:** Current investment rates are lower in newer or more specialized asset classes, but demand from VHNW and UHNW clients is at its highest in these areas. For example, VHNW clients are far more interested than the mass affluent in investing in digital or crypto assets (42% vs. 22%), global macro hedge funds (39% vs. 28%) and secondary private market funds (34% vs. 26%).

Specialist providers of alternative investments are stepping up their efforts to attract capital from individual investors, including, where permitted by regulation, in the affluent segment. They're also taking advantage of innovative solutions to make alternative assets more accessible. In the Breakout: Alternatives, we take a more detailed look at growth, innovation, competition and critical success factors in the alternatives arena, drawing on the 2024 EY Global Alternative Fund Survey.

Alternative investments are not suitable for every portfolio. The findings of this survey and those of the EY 2024 Global Alternative Fund Survey show consensus between providers and clients themselves about the potential drawbacks of investing in alternatives:

- **Risk and return:** 49% of clients are concerned about high risk, 38% cite a lack of clarity around risk and return profiles, and 31% are worried about inconsistent returns.
- **Liquidity:** 31% of clients are concerned about a lack of liquidity; 48% of alternative investment managers also view liquidity as a potential concern.
- **Cost:** 38% of clients are concerned about high fees.
- **Data:** 26% of clients worry about unclear and opaque valuations; 46% of alternative investment managers have concerns about data availability around risk, suitability and performance.

Clients' primary concerns relating to alternative investments

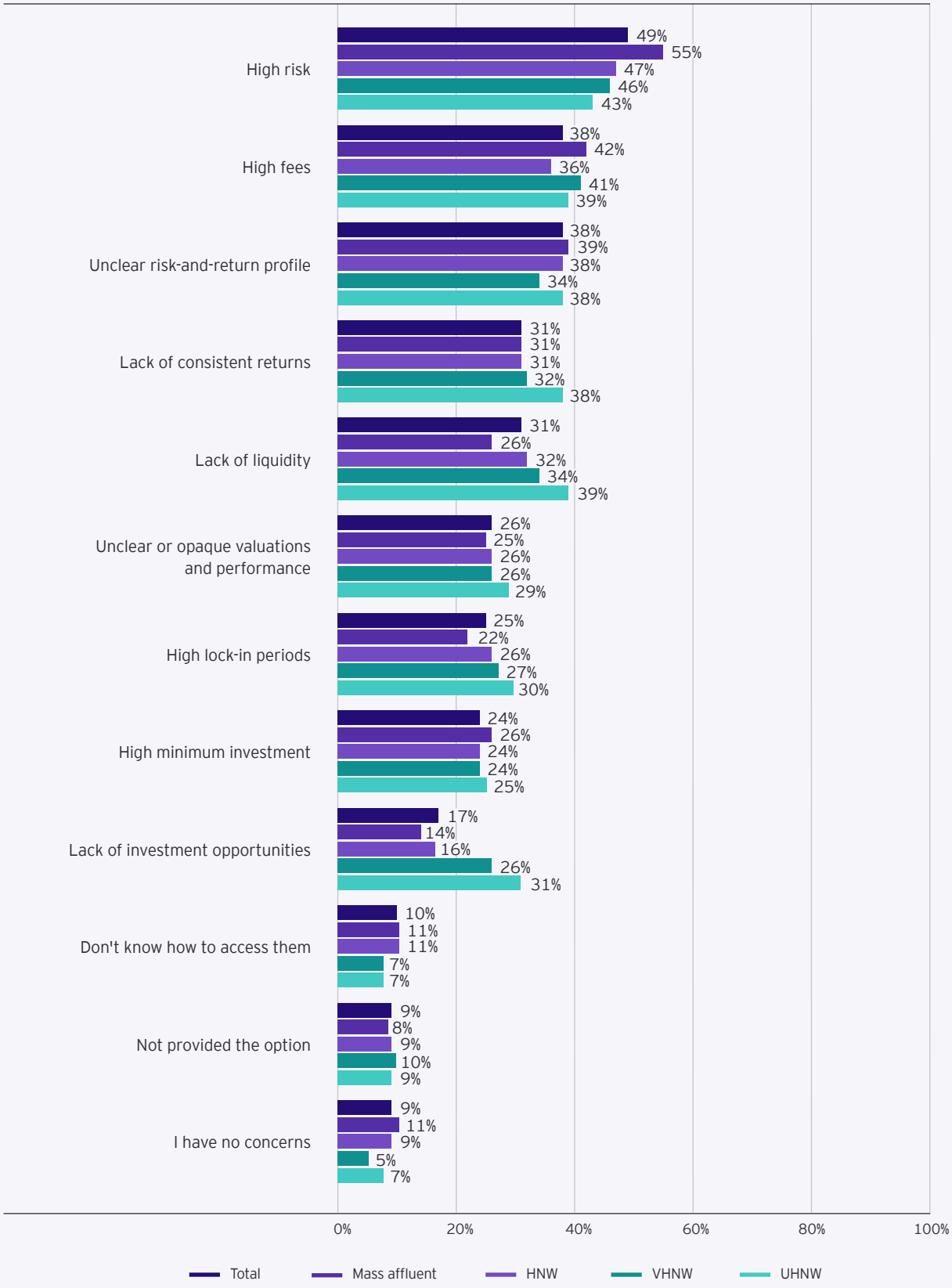


Exhibit 3.03 Percentage of clients

The answers to these concerns lie in education, understanding and suitability. Wealth managers need to ensure that clients' product choices are aligned with financial planning – helping them to feel more confident about achieving lifetime goals.

This will be challenging, given that many clients – and wealth managers – rely on specialist providers for alternative investment expertise. Our research shows that 23% of clients feel unsure how investments not managed by their primary provider affect their ability to meet financial goals. Among UHNW clients, this rises to 45%, indicating a significant opportunity for firms to better incorporate alternatives into wealthy clients' primary wealth provider relationships.

Ultimately, the goal for wealth managers is to integrate specialist products smoothly into client propositions. Instead of pursuing choice for choice's sake, they should develop modular offerings that combine the best of in-house and external products into a customizable suite – while empowering advisors to ensure that alternative allocations are suited to clients' investment objectives, risk tolerance and tax profile.

3.3. Breakout: Increasing complexity and competition in alternative investing

This section is a POV from the EY Global Center for Wealth Management

Growing demand for alternatives from wealthy clients is matched by increasing supply from alternative investment managers. The 2024 EY Global Alternative Fund Survey shows that alternatives providers view wealthy individual investors as a new paradigm for growth and are directly targeting this group. Appetite is particularly strong among private equity firms, which have often seen fundraising constrained by higher rates and subdued IPO activity in recent years.

The routes that alternatives providers are taking to target wealthy clients include:

- Direct approaches to wealthy individuals, assisted by the accelerated hiring of business development specialists
- Partnerships with wealth managers and private banks, supported by dedicated teams covering education, sales, monitoring, capital calls and asset servicing
- The use of third-party platforms, structures and service providers able to reduce end-to-end friction for investors across the investment lifecycle

The availability of alternative investments to wealthy clients is being given an additional boost by financial and regulatory innovation. Investment platforms providing secondary liquidity and semi-liquid structures like interval funds are growing, especially in the US. The advance of tokenization (see Breakout: Digital Assets) has the potential to further reduce barriers to entry. And regulated vehicles for alternative investing – such as the UK's LTAF, the European Union's (EU) revised ELTIF, Luxembourg's UCI Part II funds and Switzerland's L-QIF – are proliferating.

Time is limited for wealth managers to help clients introduce alternative assets into their portfolios. It's striking that only 10% of clients say they don't know how to access the alternative exposures they want. Globally, 23% of wealthy clients already use alternatives specialists; those with three to five providers are more likely to work with specialists (39%) and those with over five relationships are highly likely to do so (78%). Competition from specialist providers is strongest among very wealthy investors; 41% of VHNW clients and 34% of the UHNW already work with alternatives managers.

The danger for wealth managers is that alternative investment specialists will attract a growing slice of client assets by offering easier access to a wider variety of investment options. That will accelerate the growth of multihoming – increasing fragmentation and inefficiency and limiting consolidation opportunities for full-service wealth managers.

However, there are also opportunities for wealth managers that can provide the right alternatives to the right clients in the right way. Our Alternative Fund survey suggests that four critical success factors will be:

- **Trust:** Openness, clarity, education, suitability and reporting all help to build client trust in wealth managers' alternative investment products and services.
- **Transparency:** Clear and effective communication and reporting, underpinned by joined-up technology and data frameworks, is essential.
- **Technology:** Robust and flexible tech platforms, supplemented by using AI, are key to delivering high-quality advice and meeting regulatory requirements.
- **Talent:** Appropriate training, incentives and technology are needed if advisors are to have the confidence to incorporate a full range of alternatives into client portfolios.

3.4. Breakout: Digital assets are key to engaging and retaining young investors

This section is a POV from the EY Global Center for Wealth Management

Demand for digital assets is growing rapidly. Our research shows that 33% of clients already have some holdings of virtual, digital or crypto assets, with a further 31% interested in learning more. But that is only half the story; demand is strongest among younger and richer investors:

- On average, 26% of Gen X and Boomer clients hold digital assets, 28% would like to learn more and 46% are uninterested. In contrast, 48% of Millennials hold digital assets, 38% would like to learn more and only 14% declare no interest.
- The proportion of investors holding some digital assets rises to 39% in the VHNW segment and 48% among UHNW clients. Less than a quarter of these segments (21% and 24%, respectively) have no interest in the asset class.

Wealth managers are not discussing digital assets as much as clients would like, perhaps due to reticence about entering this loosely regulated space. Nearly a third (31%) of clients would like to learn more, but less than a fifth (18%) have discussed this topic with their advisor. Among Millennials, interest in learning about digital assets is even higher (38%), but rates of engagement are virtually unchanged (21%).

Recent research by EY-Parthenon and Coinbase into institutional investor sentiment (Growing enthusiasm and adoption of digital assets) shows that investors seeking direct access to cryptocurrencies are strongly drawn to newly launched exchange traded products (ETPs), with 87% of institutional investors expecting to make investments in spot crypto or spot crypto ETPs in 2025. Other investors are interested in companies exposed to digital assets, both directly and through private equity or regulated funds.

This comes at a time when digital assets look poised to move further into the financial mainstream. Our digital assets survey shows that industry participants expect active support from the new US administration to catalyze additional investor interest in digital assets. Looking further ahead, ongoing investment and innovation in decentralized finance (DeFi) frameworks could boost demand from wealthy individuals for:

- **Tokenized assets:** 57% of respondents to our digital assets survey are interested in tokenized assets. Tokenization has the potential to democratize the investment landscape by providing fractionalized ownership of asset classes, such as private credit or infrastructure that traditionally pose high barriers to individual investors.
- **Stablecoins:** 84% of institutional investors either hold stablecoins or are interested in them, with the primary motives of yield generation (73%) and transactional convenience (71%). Growing use of stablecoins could eventually transform payments, clearing and value transfers, and is highlighted as an area of potential investment for wealth managers.

Of course, digital assets have their risks. Institutional investors say leading concerns are regulatory uncertainty (52%), volatility (47%) and security of asset custody (33%). The last issue has been the focus of intense regulatory and political debate in the US.

However, this is a field where advances can occur suddenly – adding to the pressure on mainstream wealth managers to keep up with specialized rivals. Wealth managers need to acknowledge their clients' interest in digital assets and develop coherent strategies for integrating these products into their offerings – building on their own expertise to integrate digital assets into advice-led propositions within the limits of local regulation.

Chapter summary

A wide product shelf is a stronger differentiator than ever before, especially among richer investors and younger clients – the industry's current and future engines of profitability.

Wealth managers that can integrate a full range of alternatives into propositions stand to gain an immediate competitive advantage in terms of client satisfaction, retention and provider selection. In the longer term, firms that can capitalize on further innovation in alternative investments and decentralized finance will maximize their chances of countering threats from portfolio fragmentation and specialist competitors.

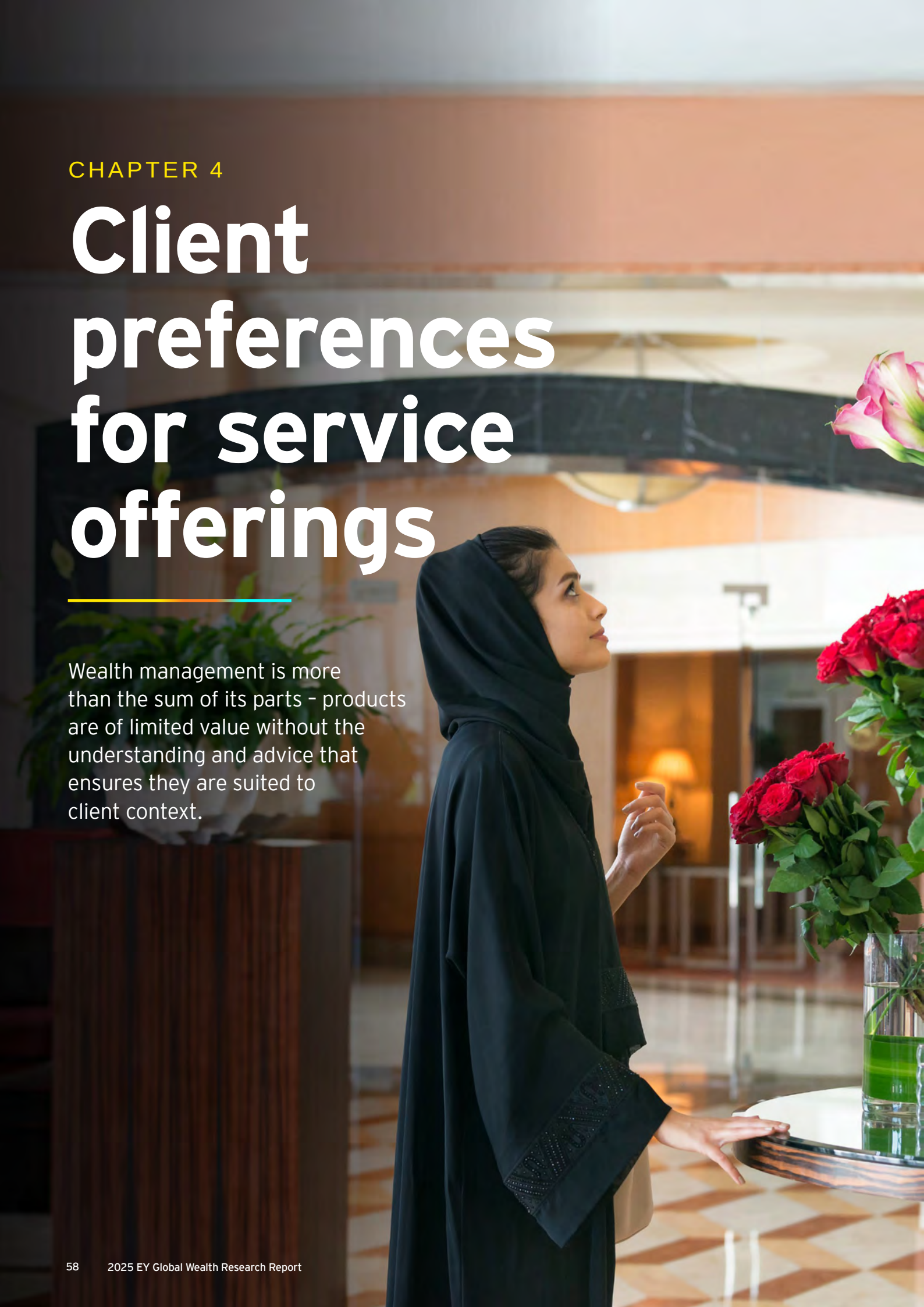
Firms need to move fast to keep up with the pace of innovation and match the speed of their nimblest competitors. However, they also need to guard against the layering of costs. In many cases, partnering with specialist providers may offer the best combination of speed and affordability.

Investment products are a means to an end. The key to lasting success is not only to provide a full product shelf but to put it to work in achieving clients' financial goals. Ultimately, it is the service wrapper – both personal and digital – that brings relevance and meaning to products.

CHAPTER 4

Client preferences for service offerings

Wealth management is more than the sum of its parts – products are of limited value without the understanding and advice that ensures they are suited to client context.



4.1. There is untapped potential to meet client appetite for core and enhanced service offerings

Alongside product choice, wealthy clients view the breadth and depth of services as a vital factor when selecting a wealth management provider. The proportion identifying this as a leading factor has grown from 36% to 50% in two years, and access to a wider array of services is also seen as a leading driver of switching.

Clients' increasing focus on services is evidenced by several factors, including:

- Greater demand for advisor touch points and reassurance in response to market volatility and political uncertainty
- Higher interest in access to specialty expertise as the accessibility of specialized investments increases
- Rising interest in non-financial outcomes, pushing up demand for guidance on values-based investment factors

As a result, clients are looking to wealth management providers for more than just core investment advice. To maintain the value of their proposition, wealth managers need to elevate their role beyond financial planning and portfolio management by positioning themselves as a holistic financial and non-financial professional service provider.

On the financial side, our research shows there is room for firms to increase the reach of core investment advice:

- Basic financial planning: Only two-thirds of clients (65%) take advantage of basic financial and retirement planning services, 52% among mass affluent investors. Twenty-two percent of clients don't use financial planning services but would be interested in doing so, rising to 27% among the mass affluent and 29% among Millennials. The prevalence of self-directed investment could be one factor behind adoption, along with fee sensitivity for separately charged financial planning services. Focusing on understandability, relevance and guiding the client toward conformity to the financial plan are core strategies to driving further penetration into basic financial planning services.
- Managed accounts: On average, half of clients (52%) use managed accounts, ranging from 34% of mass affluent clients to 77% of UHNW investors, and another 24% are interested in learning more.
- Multi-generational planning: Less than half (42%) of all clients currently take advantage of multi-generational planning advice, but almost as many (34%) are interested in exploring this possibility. As we examine in Chapter 5, there is significant scope for wealth managers to engage more closely with first- and second-generation clients on this critical topic as global wealth transfers accelerate.

Wealth management services currently used

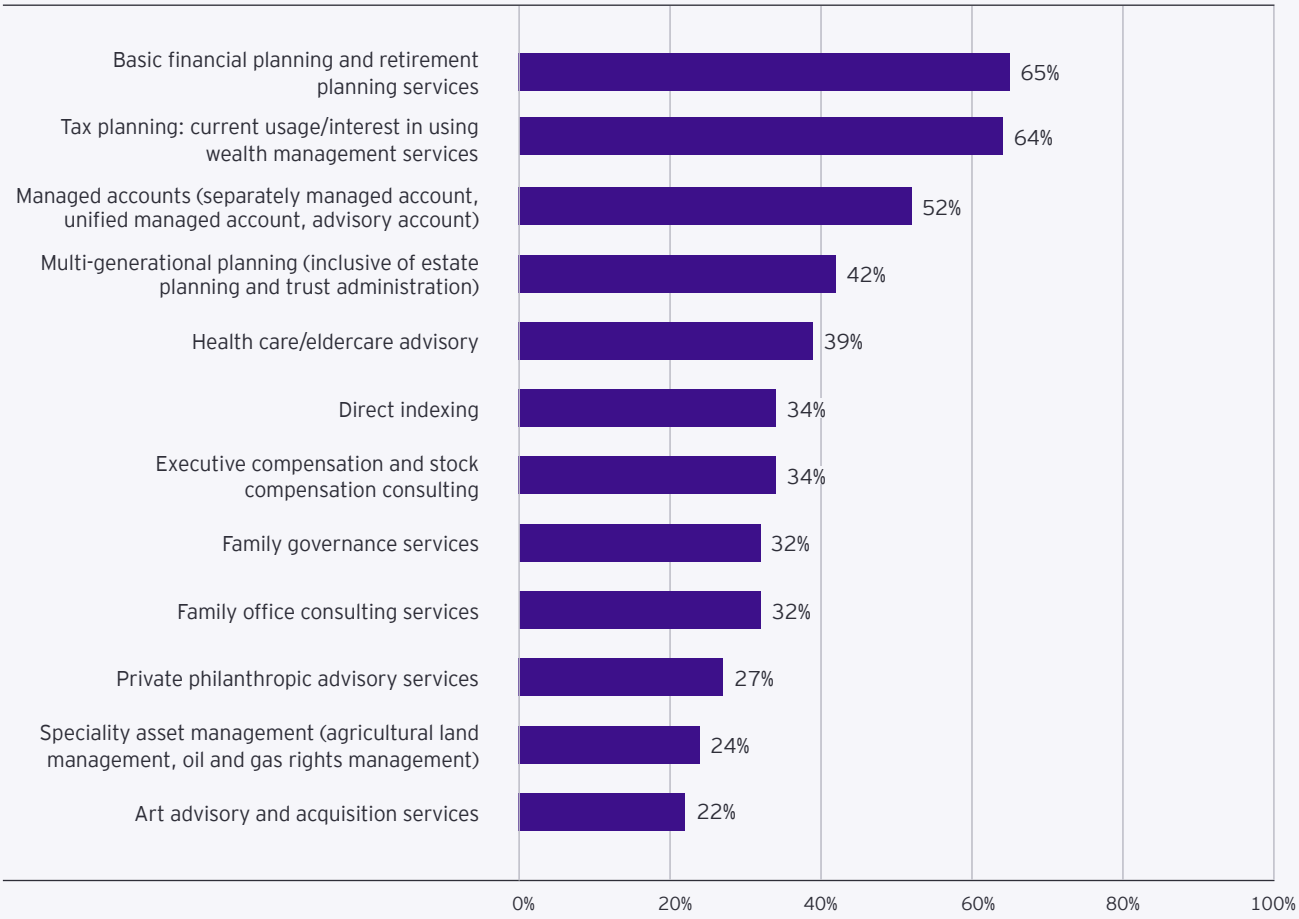


Exhibit 4.01 Percentage of clients

4.2. Holistic, collaborative and expert advice is key to closing client expectation gaps

As set out in Chapter 1, about half of clients worldwide feel underprepared to address their greatest concerns:

- 57% of clients feel not at all or only somewhat prepared for political instability by their primary wealth manager.
- 52% feel not at all or only somewhat prepared for market volatility.
- 51% feel not at all or only somewhat prepared for inflationary risks.
- 50% feel not at all or only somewhat prepared for an economic downturn.
- 46% feel not at all or only somewhat prepared for interest rate risks.

How well wealth managers are preparing clients for areas of concern

		Region					Wealth level				Age group		
		North America	Latin America	Europe	Middle East	Asia-Pacific	Mass affluent	High net worth	Very-high net worth	Ultra-high net worth	Millennial	Gen X	Boomer
Regulation and policy changes (changes in tax policy)	51% / 43%	36%	35%	48%	42%	44%	44%	41%	45%	39%	44%	40%	44%
Interest rates (cost of borrowing and lending, impact on yields)	46% / 46%	41%	34%	48%	56%	49%	46%	45%	46%	43%	46%	46%	44%
Economic stability (recession risk, economic downturns)	41% / 50%	44%	54%	54%	61%	51%	48%	50%	54%	54%	51%	52%	46%
Market volatility (corporate earnings, threat of AI on corporations)	41% / 52%	44%	54%	55%	60%	57%	55%	55%	43%	52%	54%	54%	47%
Inflation (erosion of purchasing power, cost-of-living pressure)	40% / 52%	48%	51%	53%	64%	52%	50%	51%	56%	59%	54%	51%	48%
Geopolitical risks (political instability, uncertainty due to elections, trade wars)	35% / 57%	54%	57%	60%	69%	56%	57%	47%	57%	57%	55%	59%	56%

Preparing me very well — Preparing me somewhat and not at all

Exhibit 1.05 Percentage of clients

In response, our perspective is that firms should focus on additional, ancillary servicing opportunities to better reach clients who feel underprepared by their advisors. Serving the "whole client" is key, and ancillary services can help clients prepare to navigate the growing complexity and volatility they face.

Our data indicates that clients expect their advisors to take a holistic view of a broad range of topics:

- 77% of clients say it's either very or extremely important to understand how all their financial activities affect their financial health.
- 74% say it's either very or extremely important to discuss preparations for their retirement, including healthcare, aging and decumulation.
- 64% say it's either very or extremely important to discuss preparations for the transfer of their estate to other family members.

Important topics to discuss with advisor

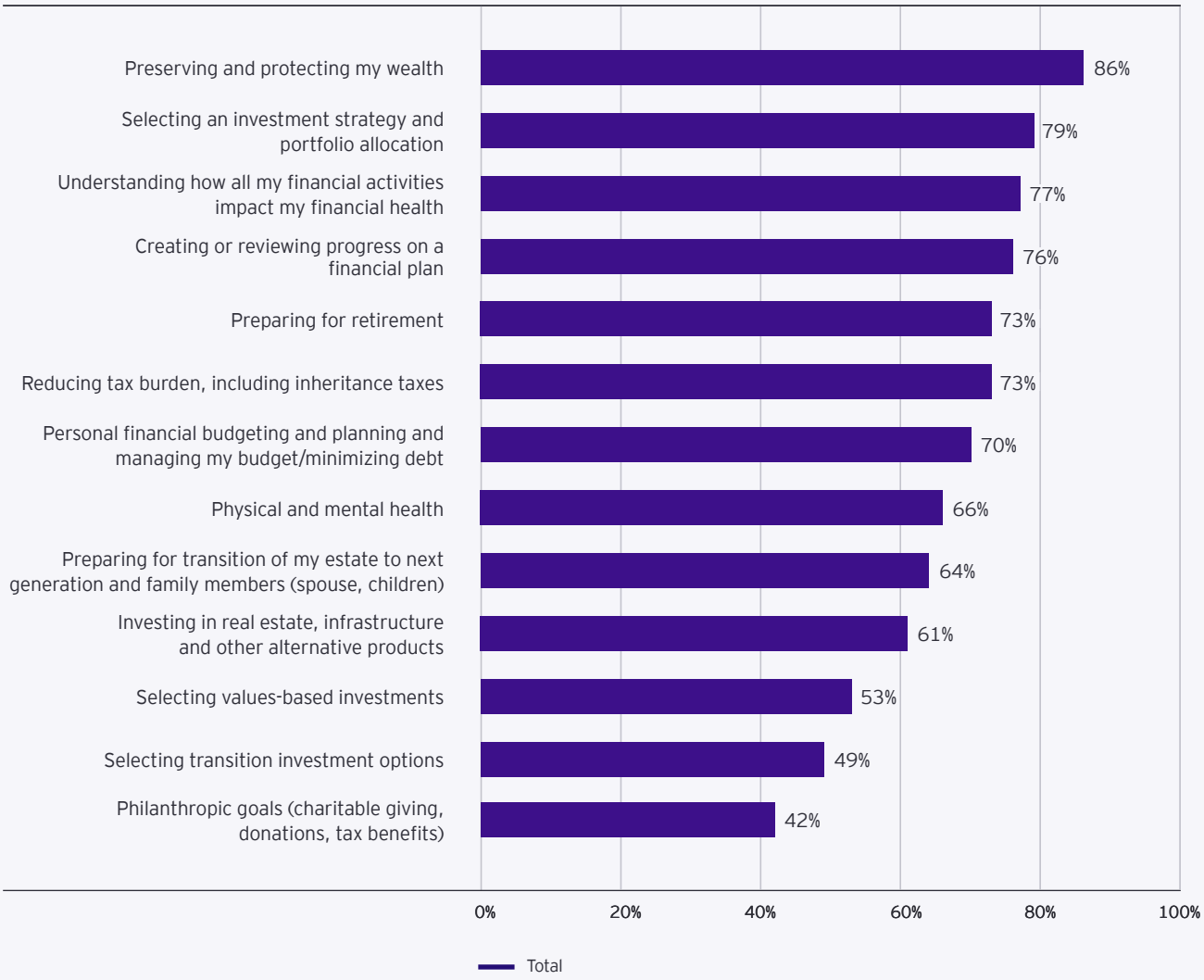


Exhibit 4.03 Percentage of clients

Among inheritors especially, servicing opportunities appear to have a direct correlation with propensity to switch advisors at the time of asset transfer. Clients expecting to receive an inheritance indicate that they are more likely to retain their benefactor's advisor when satisfied with core and ancillary wealth management services:

- 27% more stayers than switchers are satisfied with their access to tax, legal or investment experts (84% vs. 57%).
- 27% more stayers than switchers are satisfied with the recommendations they receive for managing family wealth (82% vs. 55%).
- 25% more stayers than switchers are satisfied that financial reviews with their advisors always add value (84% vs. 59%).
- 23% more stayers than switchers are satisfied with the level of input they have with their financial advisor or relationship manager (88% vs. 65%).
- 19% more stayers than switchers say their advisor helps them to understand the rationale for their recommendations (86% vs. 67%)

There is a clear strategic opportunity for firms to develop offerings more intentionally designed to serve clients comprehensively. These offerings should be founded in sound investment advice, delivered through a robust product shelf and supported by complementary services designed to service the investor holistically. Key opportunities for the services component of this package include:

- Enhanced basic and advanced financial planning
- Tax planning services
- Multigenerational family planning and family governance services

A more comprehensive offering founded in sound advice, delivered with a strong product shelf and supported by complementary services can be a key differentiator for advisors.

Ryan Sutton
Manager, Wealth & Asset Management
Ernst & Young LLP

4.3. Tax planning represents a key opportunity to boost revenues and engagement

This section is a POV from the EY Global Center for Wealth Management

According to our survey, investors who engage tax planning services are more than twice as likely to feel prepared to meet their financial goals, with 70% of tax-advised investors expressing full confidence vs. 30% feeling underprepared.

While the adoption of tax planning services (64%) is nearly as high as that of basic financial planning (65%), these services are often delivered separately, with limited collaboration between professionals managing each component. This separation places the burden on clients to bridge communication gaps and align two distinct strategies, resulting in less effective outcomes.

Integrating tax planning into a holistic wealth management offering can be a meaningful differentiator for firms. Beyond preparedness, our research indicates tax planning results in more effective preparation for wealth transfers, with 69% of those who feel well-prepared to transfer wealth saying they use tax planning services vs. 43% among those who are underprepared.

Compelling tax advice propositions also provide an opportunity to target specific client segments:

- Wealth accumulators: Wealth accumulators are far more likely to use tax services (67% of Millennials, 70% of Gen X) than those nearing or in retirement (51% of Boomers).
- Wealthier investors: Wealthier client segments are already active users of tax advice (81% of VHNW, 91% of UHNW), while the desire to explore tax services is stronger among mass affluent (32%) and HNW (24%) clients.
- Regional focus: Investors in some high-growth regions report a higher usage of tax planning services (Middle East 73%, Asia-Pacific 68%). Unmet needs are highest in Latin America (32%).

Firms can realize new revenue opportunities by incorporating tax planning services into client fee structures. However, successful monetization requires careful positioning to avoid triggering fee sensitivity. Communicating tax service fees as offsetting broader professional service costs and tailoring pricing strategies based on data-driven insights into client preferences can enhance acceptance and client satisfaction.

Investors using tax services are twice as likely to feel prepared to achieve their financial goals. Firms seeking to differentiate on client experience and outcomes should incorporate tax offerings into their core value proposition to remain competitive.

Keith Brabec
Partner, Wealth & Asset Management
Ernst & Young LLP

Chapter summary

The borders of wealth management must expand beyond products, which provide the building blocks for positive outcomes, but which create the greatest client value when accompanied by tailored, specialized services and advice.

Wealth managers are working toward more holistic propositions that include advice on investment products, professional services like tax planning, ancillary advice on topics such as healthcare and even expertise in specialized areas such as art or agriculture.

Our findings suggest that many wealth managers have more to do to meet clients' evolving expectations of their service offerings. Firms who meet this challenge stand to gain a critical source of differentiation and a robust defense against multihoming and client switching.

CHAPTER 5

Wealth transfer

As clients prepare for wealth transitions, proactive planning becomes essential, influencing advisor engagement and ensuring asset preservation across generations.

5.1. Clients feel underprepared for intra- and inter-generational wealth transfer

The transfer of family wealth, both within and between generations, is an issue of unprecedented size and complexity. The scale of assets in motion between generations – and institutions – is astonishing. It may already be the leading mechanism for the creation of wealthy individuals, and we estimate the total value of inherited wealth transfers over the next 20 to 25 years at approximately US$80t.

In Chapter 1, we outlined the extent of clients' underlying need for advice in this area. As a reminder, the number of clients who view financial planning for inheritance or wealth transfer as becoming more complex has grown to 45% from 31% in just two years, reflecting the impact of market volatility, political instability and inflation.

This finding is reinforced by the fact that 34% of respondents who don't currently use multi-generational wealth-planning services are interested in doing so. Added to this, two thirds of all clients (65%) view "preparing for the transition of my estate to the next generation" as either very or extremely important.

The 2024 EY Global Wealth Management Industry Report examines how the transfer of wealth via legacies presents wealth managers with a uniquely nuanced retention challenge – but also with a profitable growth opportunity for firms that can implement best practices in this area.

It's concerning, therefore, to find that 50% of clients feel their family is underprepared to transfer wealth across generations (including "not at all prepared," "only somewhat prepared" and "unsure"). That exceeds the 44% who feel well-prepared. It's also worth noting that 6% have already transferred wealth across generations.

There are some material regional differences in the data. For example, levels of under-preparation are at their highest in Asia-Pacific (55%), slightly lower in Europe (53%), below average in North America (43%) and notably low in the Middle East (34%). In the latter case, this may reflect distinct legal and cultural frameworks, and the structure of family businesses.

Despite these geographic variations, in most other respects, clients' lack of confidence about wealth transfer is remarkably consistent. For example:

- One might expect preparedness to vary between potential donors and inheritors, but it does not. In fact, Boomers feel no better prepared than younger generations despite their greater familiarity with the topic.
- Greater wealth does not denote better preparation for wealth transfer (although these clients have already completed more transfers). The proportion of clients feeling "somewhat prepared" for wealth transfers is consistently between 37% and 39% for mass affluent, HNW, VHNW and UHNW clients alike.

Complexity of planning for inheritance/wealth transfer

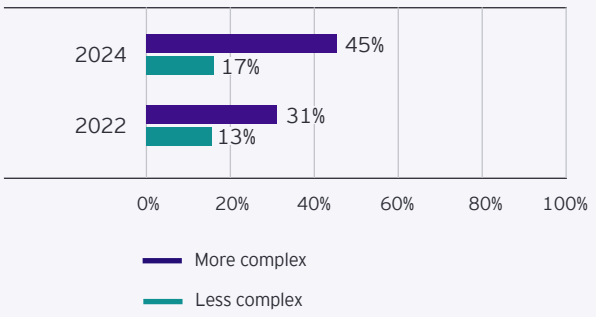


Exhibit 5.01 Percentage of clients

Interest in multi-generational planning services

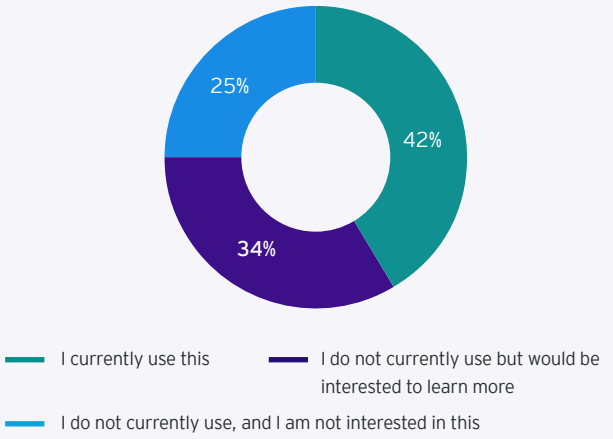


Exhibit 5.02 Percentage of clients

Importance of discussing preparation for transition of my estate

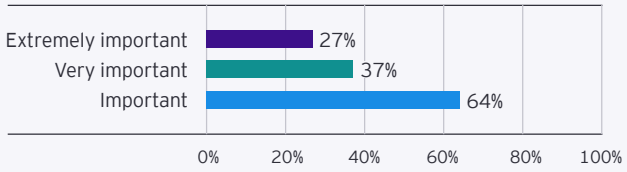


Exhibit 5.03 Percentage of clients

Clients underprepared to transfer wealth across generations

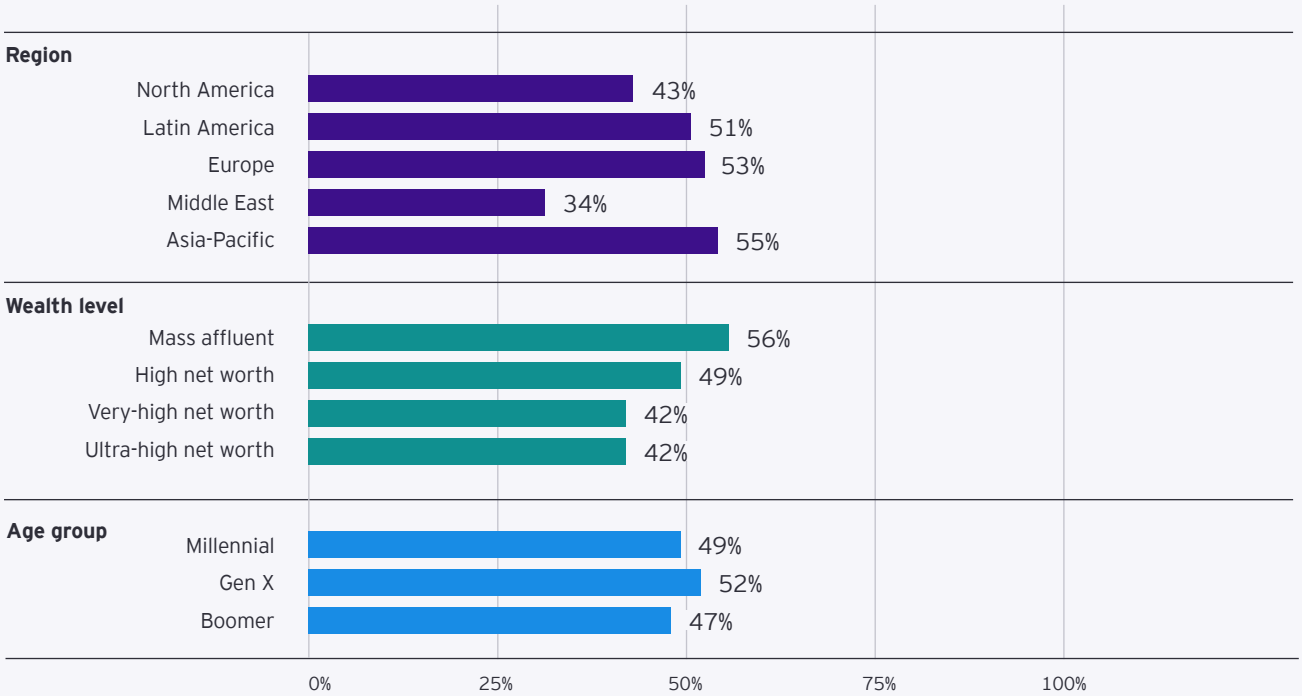


Exhibit 5.04 Percentage of clients

A closer look at more detailed aspects of wealth transfer preparation reveals some areas where relatively few clients feel well-prepared for wealth transfer, specifically:

- 28% of clients see their family as being well-prepared for eventual transfers of wealth.
- 31% feel strongly that a clear succession or legacy plan has been documented.
- 28% report that a family member has had good engagement with an advisor on the issue.

Although one might expect Boomers to be intimately involved in family discussions about wealth transfer, it's interesting that in three of the above areas, the older generation feels less well-prepared than younger cohorts. For example, just 21% of Boomers report high satisfaction with advisor engagement on this issue, compared with 26% of Gen X and 36% of Millennials.

Evidently, wealth managers face a significant challenge to better support wealthy families in preparing them for one of their major life events. The good news is that:

- Clients have a definite need for support and express a clear desire for advice on this issue. That creates scope for firms to retain large volumes of assets and build perceptions of long-term value among the next generation.
- Underwhelming levels of client confidence suggest that many competitors are not doing very well on this issue – providing an opening to consolidate assets and capture new clients.

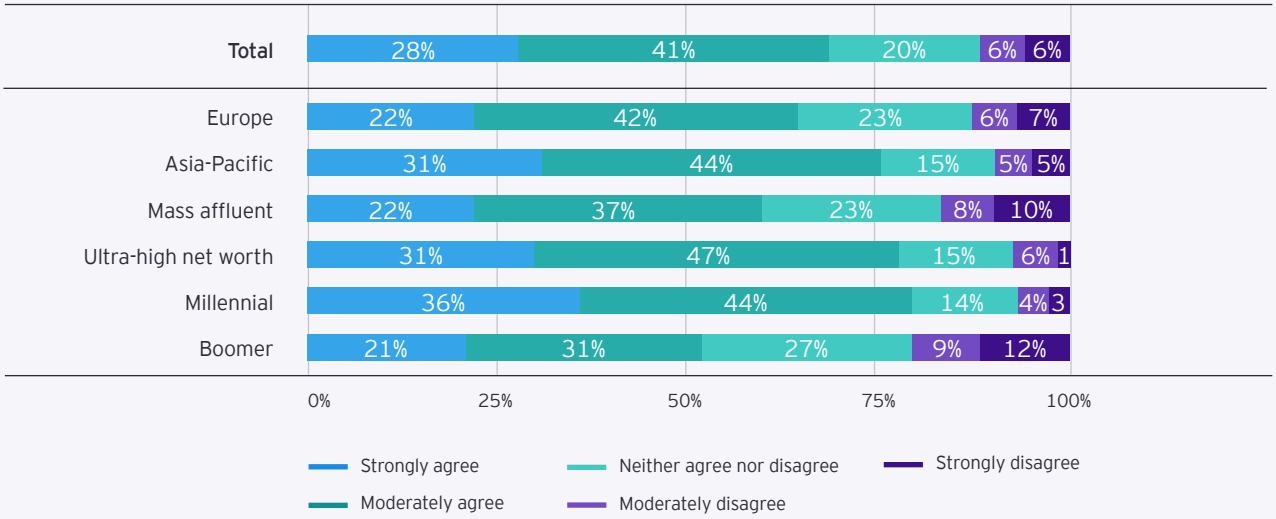
Set against that, wealth managers cannot afford to be complacent about this vital topic. There is no guarantee that the 44% of clients who feel well-prepared for wealth transfers will remain with their primary wealth manager, especially among inheritors. Moreover, a failure to make 50% of clients feel well-prepared for wealth transfer represents a major unforced error that risks the loss of valuable relationships.

Firms need to start early, with a focus on both more and less well-prepared clients. Wealth transfers take years, or even decades, to plan and execute. It will be too late to build a trusted relationship with inheritors during or after a transition event.

> Every client, with the exception of the small group of 6% who have already transferred wealth, should be a priority for wealth managers.

Sam Farage
EY Hong Kong Global Center
for Wealth Management Leader

Sentiment about intergenerational wealth transfers of select client groups



My or one of my family member's financial advisor/relationship managers has adequately engaged with our family in financial planning matters: agreement with intergenerational wealth transfers

Exhibit 5.05 Percentage of clients

5.2. To retain inheritors, advisors must get back to fiduciary basics – and "the kitchen table"

We have seen that 50% of clients, with high consistency across key segments, rate themselves as underprepared for wealth transfer – despite the importance they attach to this issue. We've also seen that 34% of clients don't receive advice on multi-generational planning but are interested in doing so – rising to 39% in Latin America and 48% in the Middle East.

But what do clients who already use these services think? Globally, levels of satisfaction are good, if not stellar, with 41% strongly agreeing they are satisfied and a further 40% reporting moderate satisfaction. In other words, clients both need and value advice on preparing for wealth transfer, and yet a significant proportion of them do not receive this service.

This leads us to a critical question for wealth managers – that of client retention. How likely are inheritors to stay with their donor's wealth management provider after a wealth transfer?

At first glance, our survey's retention data looks encouraging for wealth managers, with four-fifths (82%) of clients saying they are either very likely (34%) or somewhat likely (48%) to use the same advisor or manager as the grantor of their inheritance.

Our experience suggests that actual rates of retention are rarely this high and can vary widely depending on idiosyncratic features, including local custom, individual preference, inheritors' investment plans and the effectiveness of individual advisors' engagement with key individuals. Offshore wealth is particularly difficult to retain for long after inheritance, and anecdotal evidence suggests that onshore wealth providers often see post-inheritance outflows materially higher than the 14% of our respondents who are unlikely to remain with the same wealth provider.

Satisfaction with recommendations on managing family wealth

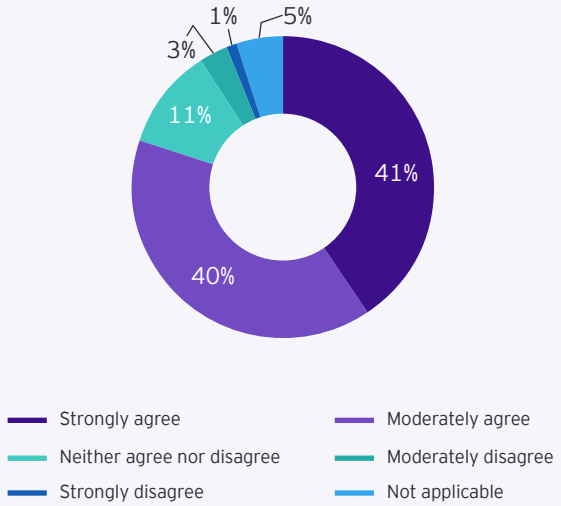
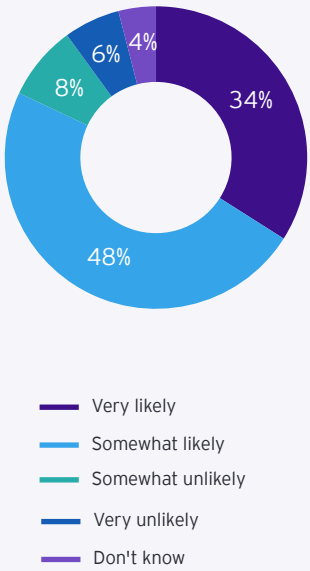


Exhibit 5.06 Percentage of clients

Likelihood of using same advisor or manager as grantor of inheritance



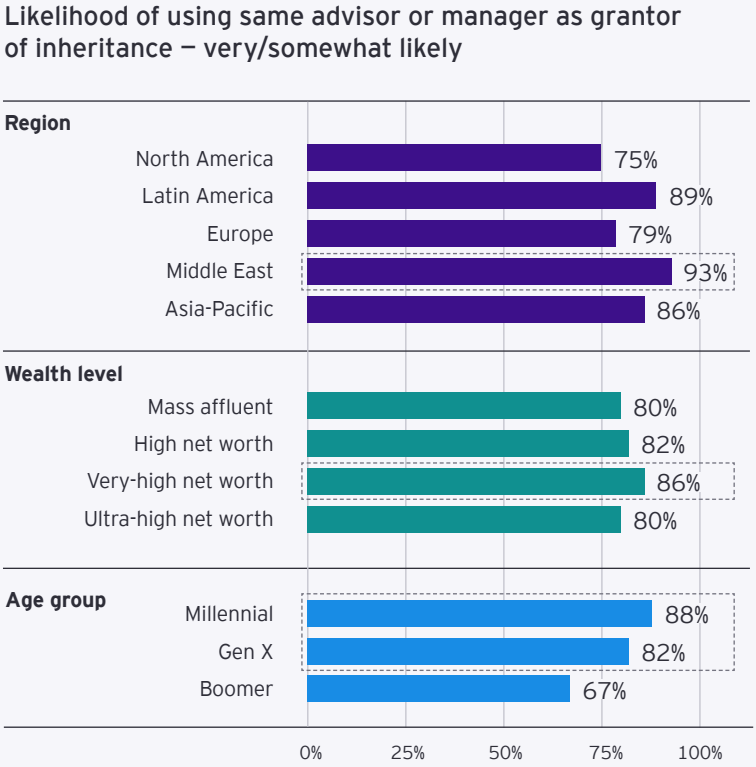


Exhibit 5.07 Percentage of clients

This contrast suggests that shortcomings in relationship management could be causing firms to lose valuable clients who might be persuaded to remain with their donor's wealth management provider. A closer look at clients' views on retention suggest that the explanation for this may not be straightforward:

- Our survey data on retention rates is affected by Millennials, 88% of whom say they are either very or somewhat likely to use the same advisor as the grantor of their inheritance.
- Expectations for retention are slightly lower among GenX (82%) and significantly lower among Boomers (67%). This is highly significant, given that these cohorts are likely to receive the bulk of wealth transferred through inheritance in the coming decades. In particular, we estimate that Boomers could be the beneficiaries of up to 50% of global wealth transfers over the next few years, with women statistically more likely to receive a legacy. [In Cerulli Associates 2024 report, The Cerulli report - US High-Net-Worth, they estimated that female Boomers could receive inter-spousal transfers of US$40t in the US alone.]
- This picture is not greatly affected by differences in clients' gender, level of wealth, or region – but some individual markets do demonstrate variations.
- Levels of financial preparation correlate positively with levels of retention. More than half (53%) of clients who feel they have achieved their financial goals are "very likely" to use the same advisors as the grantors of their inheritance, far higher than the global average of 34%.

These mixed views on retention support the overall impression that most wealth managers struggle to anchor relationships with likely future inheritors, especially in the HNW, VHNW and UHNW segments.

To improve retention after wealth transfers, it's essential to have a good understanding of inheritors' plans for the wealth they expect to receive. Our research suggests that clients already have very well-developed ideas in this regard; only 1% say they do not yet know their intentions.

The two most common intentions of inheritors promise to keep levels of AuM relatively stable:

- 50% expect to remain invested, but to change asset allocations.
- 42% expect to retain assets in their current investment strategy.

However, many of inheritors' plans differ from the accumulation goals of donors, and will inevitably lead to material reductions in total invested assets:

- 36% expect to use assets to purchase a home or investment property.
- 29% expect to use assets to fund their retirement.
- 27% expect to use assets to fund the education of family members.
- 20% expect to use assets to supplement or replace income.
- 16% expect to donate to charity.
- 10% expect to pay off debt.

Expected use of inherited financial assets

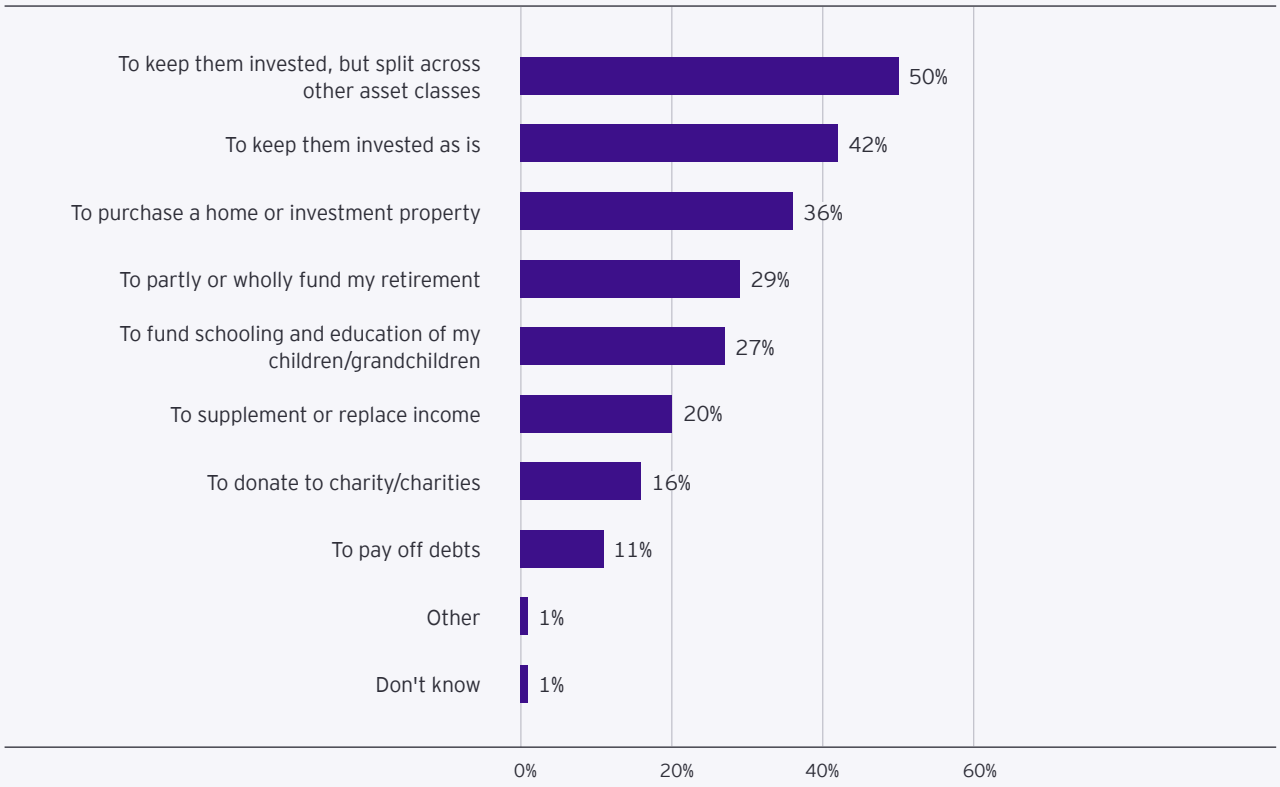


Exhibit 5.08 Percentage of clients

> Only if relationship managers are close both to donors and to likely inheritors will they be able to provide relevant value-add and retain the relationship – advisors should aim for a seat "at the kitchen table" of wealthy clients.

Olaf Toepfer
EY Global Center for Wealth Management Founder & Leader

On the upside, wealth managers that can deliver flexible advice, including a full suite of products and services, have an opportunity to create perceived client value among inheritors.

However, the fact that 50% of inheritors plan to change asset allocations poses an opportunity for specialized competitors – especially where incumbents do not enjoy trusted relationships with inheritors. The challenge for existing advisors will be to realign the wealth planning they provide to inheritors before they decide to withdraw funds.

A synthesized look at our survey findings makes the scale of the potential threat apparent. To recap, the most likely inheritors (Gen X and Boomers) anticipate an average retention level of 74% to 75%. That implies a client churn rate of 25%. Added to this, asset levels will be eroded by drawdown – pushing clients down the hierarchy of service levels and ending relationships.

Wealth managers with best-in-class inheritance propositions have a double opportunity to boost long-term retention with both younger and older clients. However, anything less than excellent service will leave a huge slice of assets at risk of erosion. For wealth managers, ensuring strong retention of inheritors is a strategic imperative.

5.3. Time and effort will be required to earn trust and craft relevant, tailored advice

Clients attach undeniable importance to preparing for wealth transfers. Discussing inheritance plans with advisors is seen as "extremely important" by 27% of clients and as "very important" by 37% (64% together). The total goes up to 85% if clients who view this as "moderately important" are included, and this picture is highly consistent across age groups.

For wealth managers, the perspective is more complicated. Retaining assets after the transition of wealth is arguably the most complex challenge for relationship managers – besides cold relationship acquisition. They need to meet the needs of donors and multiple likely inheritors; to navigate family governance and interpersonal relationships; and to build trusted relationships across generations.

The topics of transition and legacy are also uniquely sensitive. Wealth managers – even those with intimate client relationships – can be understandably reluctant to ask elderly investors about aging or ill health, not to mention how they should engage with inheritors for a transition event.

Our survey provides wealth managers with a valuable source of frank, anonymized client opinions obtained via a third party. It sheds light on what (self-declared) likely donors and (self-declared) likely inheritors believe wealth management providers should do to encourage continuity of advisory relationships after an inheritance event.

When we asked donors what wealth managers should do to encourage retention by beneficiaries after a wealth transfer, the results were as follows:

- 52% – Build trust through open, honest communication
- 46% – Offer personalized, tailored financial strategies
- 45% – Have a clear and transparent fee structure
- 44% – Show a strong understanding of individual financial goals and needs
- 42% –Demonstrate expertise in wealth transfer and estate planning
- 38% – Understand family dynamics, values and relationships
- 37% – Engage early with spouse, children and heirs to build trust
- 31% – Show a track record of successful client outcomes
- 28% – Propose a financial advisor or relationship manager whose profile meets my expectations

Importance of discussing preparation for transfer of my estate

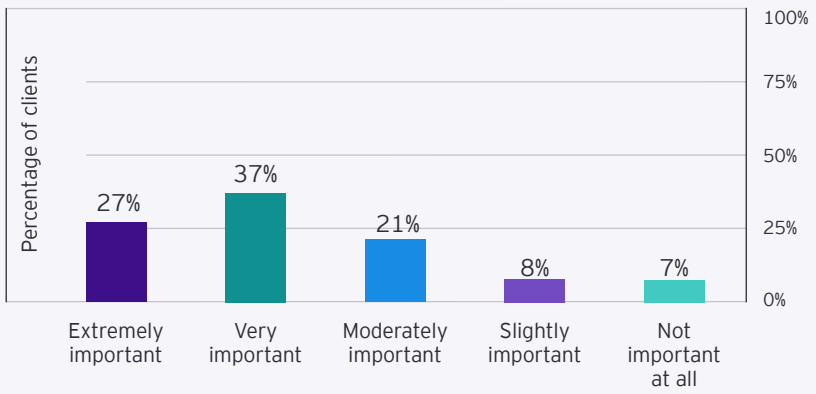


Exhibit 5.09 Percentage of clients

How advisors can encourage inheritors to continue their relationship (Donor POV)

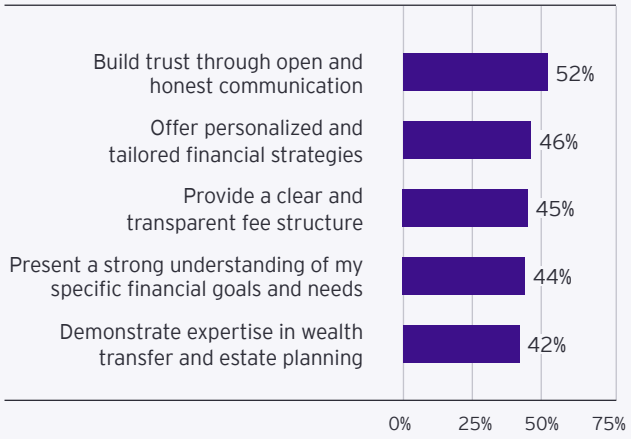


Exhibit 5.10 Percentage of clients

How donor's advisor can encourage relationship to continue (Inheritor POV)

Exhibit 5.11 Percentage of clients

The first and most self-evident insight this provides is the vital importance of trust, honesty and openness. In our view, this has two important implications:

- Family wealth transition is not a minor issue – advisors must earn clients' trust. In this context, trust has a double aspect – personal trustworthiness and institutional capability. Advisors need to prove that they are acting with integrity and motivated by clients' best interests; they must also provide evidence that they're able to provide effective assistance.
- Trust goes both ways, and clients are open to discussing inheritance planning. There is no indication in our data that donors (especially those aged 70 or above) view this topic as off-limits, providing it is raised in a sensitive manner. Narratives should focus on family protection, peace of mind and personal legacy rather than assets or succession.

After trust, clients' next four priorities are explicit "must have" prerequisites. Knowing clients' personal goals and needs, providing them with tailored solutions, demonstrating expertise, and engaging on fair and reasonable terms are ranked very closely together.

The following two priorities (understanding family dynamics and engaging with individual inheritors) may not be rated quite so highly by donors, but they are important to justifying donors' trust and delivering truly effective multi-generational advice. They also illustrate the need for painstaking, sensitive engagement by advisors – often over many years.

Similar considerations may explain the fact that only 28% of donors would want to use a different advisor from the one they know. This seems remarkable at first, but it makes sense in the emotional context of inheritance: After all, it could take months or even years for clients to judge if the individual is trustworthy.

Finally, it's worth noting that answers to this question were among the most consistent of the entire survey across client locations, profiles and attributes. Albeit indirectly, the question essentially asks about the meaning of wealth to individuals and their families.

What about the beneficiaries of inheritance? When asked what wealth managers should do to retain their relationship after a wealth transfer, inheritors' views are:

- 51% – Build trust through open, honest communication
- 50% – Show a strong understanding of individual financial goals and needs
- 48% – Offer personalized, tailored financial strategies
- 47% – Have a clear and transparent fee structure
- 40% – Demonstrate expertise in wealth transfer and estate planning
- 40% – Understand family dynamics, values and relationships
- 38% – Show a track record of successful client outcomes
- 28% – Propose a financial advisor or relationship manager whose profile meets my expectations

At face value, these responses look strikingly familiar. The most important message – that a trusted relationship is the keystone of collaboration on transition planning – is the same as from donors.

Although ordered slightly differently, the next three factors are the same too: Understanding individual goals, providing tailored advice and being clear about fees. And the following "important but not critical" factors of demonstrating expertise, understanding the family and providing evidence of capability, are also very comparable.

For wealth managers, perhaps the best news is hidden further down the list. The fact that "only" 28% of inheritors express interest in working with another financial advisor is a key indicator that, in principle, most inheritors are happy to maintain the relationship with their donors' current advisor.

A deeper dive into respondents' views reveals some important additional insights:

- Inheritors' views show much more geographic variation than those of donors. For example, fees are given above-average weight in the US, Latin America and some European markets; inheritors in less mature wealth management markets often put more stress on expertise and track record; and understanding family dynamics is especially important in the Nordics, the Middle East and other markets, including India and Hong Kong.
- Inheritors who expect to retain the same advisor place particular value on ESG capabilities (+9% above average), the availability of philanthropic advice (+6%), digital tools (+5%) and referrals from friends or family (+5%).
- Our research suggests that integrated offerings could inspire greater loyalty among younger inheritors. Individuals planning to retain the same advisor as the grantor of their inheritance make greater use of specialized services, including eldercare advice (14% more than average), philanthropic guidance (+13%) and the management of specialized assets, such as agricultural land or natural resources (+13%). At present, very few wealth managers offer such a wide range of services.

In essence, the message from clients is a simple one. To earn a seat at the table in discussions about wealth transfers, first earn my trust. Then understand my goals, tailor your advice and be fair on pricing.

The challenge for wealth managers lies in the need to build meaningful relationships with diverse inheritors – many of whom they currently do not know and cannot serve. As hard as it may be, investing time and effort in the systematic conversion of existing clients' family members is likely to be far more profitable than trying to establish entirely new relationships.

Weak engagement over wealth transition is a key driver of the significance of asset outflows.

David Hurd
EY Canada Wealth & Asset Management Leader

Chapter summary

Wealth managers have a major strategic opening to better prepare clients for intra- and inter-generational wealth transition–boosting satisfaction, retention and perceived value. The key elements of this opportunity are a high level of importance and demand; concerning levels of under-service and under-preparation; and the chance to improve retention through better advice.

To understand the scale of potential gains, our survey measured the proportion of clients that expect to receive – and to bequeath – a financial estate. The results show that:

- 47% of clients expect to receive an inheritance, and 46% do not expect a material transfer of wealth (with 7% preferring not to say).
- 81% of those surveyed expect to leave an estate to their surviving spouse or children.

This apparent mismatch is not unexpected, given the likelihood of many legacies being divided between multiple beneficiaries. However, it's striking that a drill down by geography shows no obvious country-by-country correlation between donor's and inheritors' expectations. The highest expectations for inheritance occur in markets including Korea, Japan, Vietnam, Saudi Arabia, the UAE, Philippines and Indonesia – reflecting a combination of cultural, legal and socioeconomic factors.

Developing comprehensive advice propositions may require significant investment by wealth managers, and firms will need to strike a balance between short-term cost growth and long-term gains in loyalty and revenues. That will call for complex judgments and intelligent prioritization. Whatever their chosen operating model, wealth managers should base their inheritance-related offerings around an enriched role for advisors, underpinned by specialized training, appropriate incentives and AI-powered co-pilots.

Do you expect to receive an inheritance from family members?

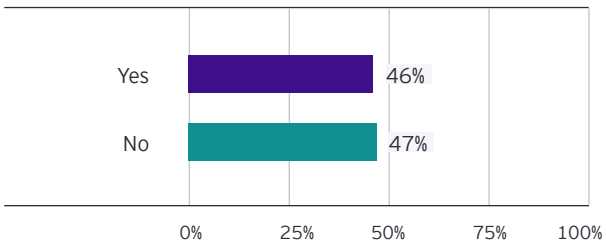


Exhibit 5.12 Percentage of clients

Do you expect to leave an estate to your surviving spouse or children?

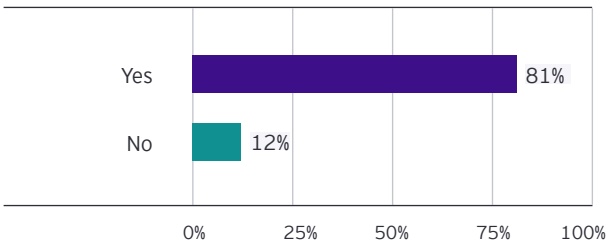


Exhibit 5.13 Percentage of clients

CHAPTER 6

Strategic implications of AI

Our survey probed clients' trust, concerns and expectations for AI; its effect on advisor relationships; and its implications for the industry's business models.

6.1. Soaring client expectations mean that AI needs to be harnessed quickly

Most wealthy clients worldwide (60%) actively expect wealth managers to incorporate AI into their core activities. Only one-fifth of clients have no expectation for wealth managers to use AI. More specifically:

- Expectations are far higher among Millennials (75%) and Gen X clients (62%) than among Boomers (36%). The older generation is much likelier to be "unsure" about AI (38%, compared with 10% of Millennials) and is probably underestimating the extent to which wealth managers could use AI to create value on their behalf.
- Expectations among VHNW clients (68%) are materially higher than among the mass affluent (49%), and VHNW investors are also happier than the average client for AI to be involved in financial advice (+12%) and monitoring (+13%). These responses challenge simplistic assumptions that wealthier clients always need high-touch human advice. That may surprise wealth managers focusing their client-facing AI investments on lower wealth bands.
- There are notable regional variations in expectations for AI, ranging from 48% in North America to 71% in the Middle East and 72% in Asia-Pacific. Consistent with that picture, individual markets in high-growth regions such as Singapore (74%), Hong Kong (68%) and Brazil (68%) show the highest level of anticipation.

Expectations of wealth provider to use AI

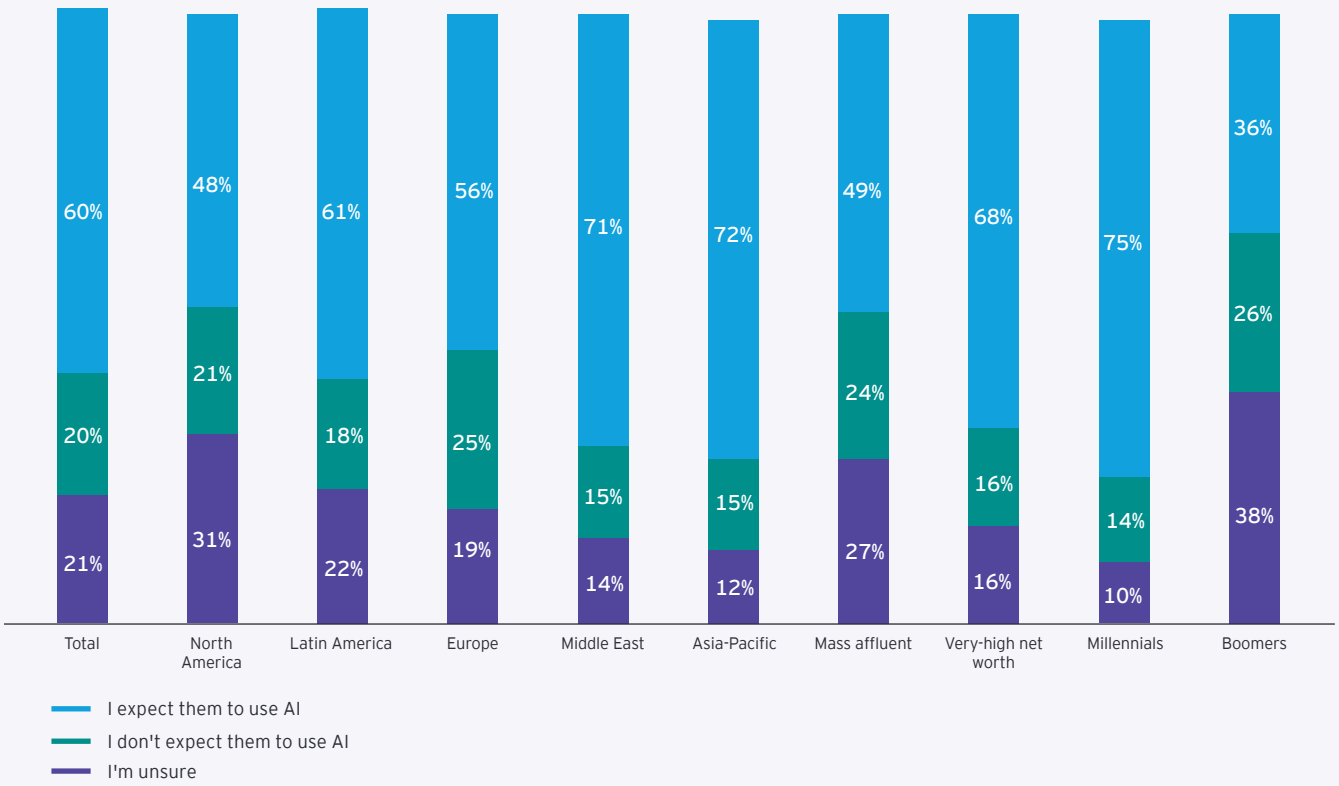


Exhibit 6.01 Percentage of clients

It's clear from these findings that there is a real belief among clients – including the richest investors accustomed to receiving highly bespoke, personalized service – that AI will substantially improve the value of wealth management advice and services.

It could be argued that these views are a function of excessive hype about the capabilities of AI. Be that as it may, there is a strong likelihood that AI applications will continue to advance rapidly right across the global economy. As client experiences of AI in the "real world" accelerate, wealth managers who fail to embrace AI risk creating a dangerous gap between what clients expect and what they can deliver.

Illustrating this, 71% of clients either believe or suspect that their wealth management providers are already using AI to manage their wealth (37% are aware AI is being used, 31% think it may be, 18% are unsure and 11% say AI is not in use). Again, younger investors have above-average expectations, with 88% of Millennials and 76% of Gen X thinking that AI is already, or may be, in use.

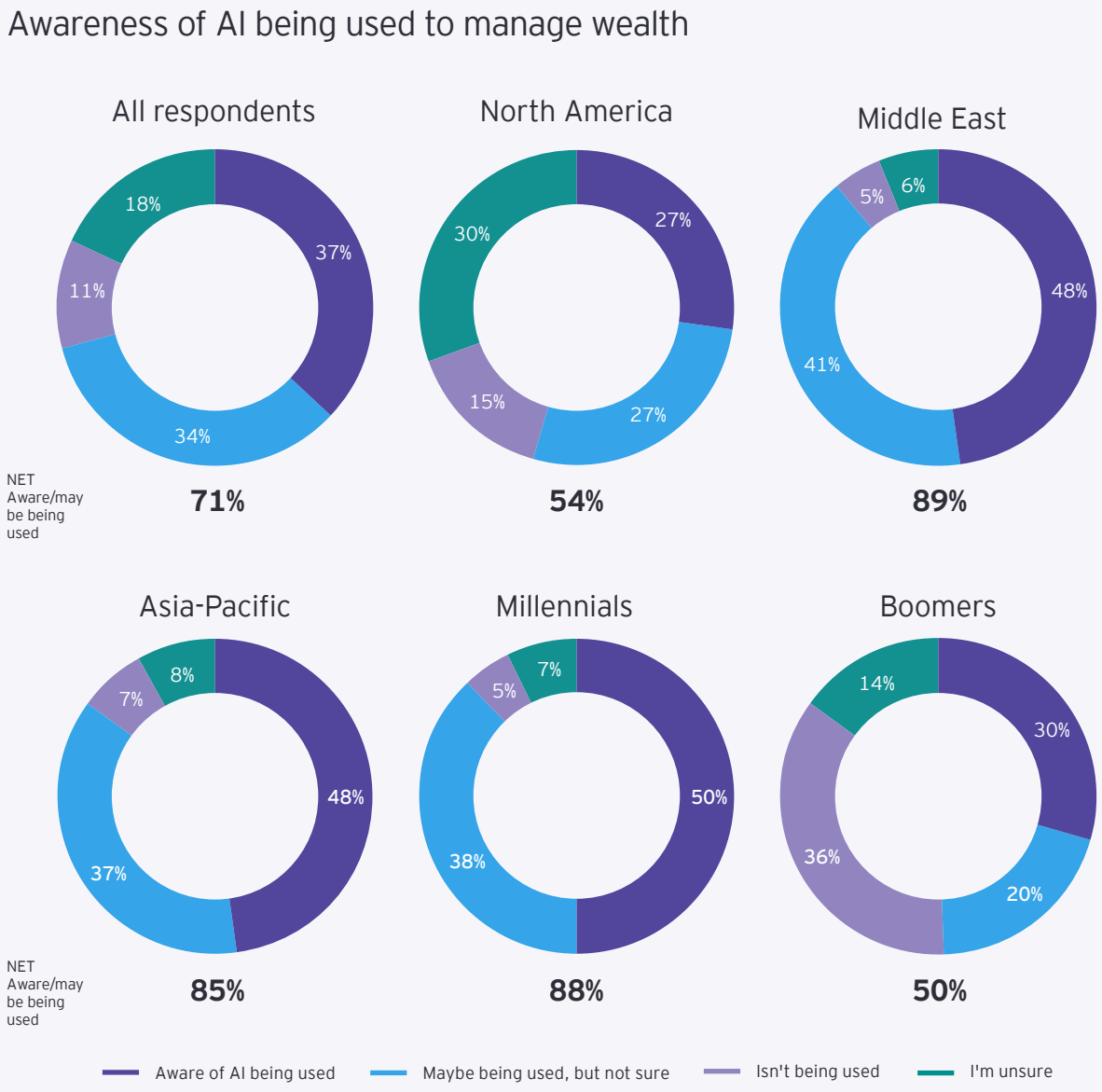


Exhibit 6.02 Percentage of clients

In reality though, we believe that most wealth managers around the world are not yet applying AI in ways that add tangible value for clients – at least, not to this extent.

The fact that clients not only anticipate AI to be used but also believe it is already being implemented is certain to drive up expectations for additional value from advice, services and even investment performance. The implication is clear: effective expectations management will be key to achieving perceived success with AI. That is especially true in fast-developing wealth management markets where clients' expectations are at their highest.

> Managing the expectations of clients on AI will become a key challenge for wealth managers, especially in growth markets.

Sinisa Babcic
EY Global Center for Wealth Management Leader

6.2. Clients' willingness to trust AI raises fundamental questions for current advice models

Despite its relative novelty and unfamiliarity, clients' willingness to trust AI with the management of their personal wealth is already surprisingly high. Our survey shows that 28% of clients trust AI-driven tools as much as human advisors, with another 10% trusting AI more than humans – figures that roughly correlate with the 29% average level of self-directed assets quoted by respondents.

However, it's important to note that levels of trust vary strongly between client clusters:

- Over 50% of Millennials trust AI as much (35%) or more (17%) than human advisors, compared with 35% for GenX and 28% for Boomers.
- One might expect trust in the abilities of AI to decrease with higher levels of wealth and greater complexity of needs. In fact, the proportion of clients who trust AI as much as human advisors is very consistent (between 27% and 30%) across all wealth segments.
- The proportion of clients with a high level of trust in AI is greater in fast-growing regions (Latin America 16%, Asia-Pacific 15% and Middle East 13%) than in more mature markets (North America 6% and Europe 9%).
- A close look at some variations in the proportion of clients who trust AI more than human advisors suggests that it may be particularly appealing to clients who feel less well-served by traditional wealth management models:
  - 33% of the financially non-prepared vs. 8% of the well-prepared
  - 19% of African American clients vs. 6% of Caucasian (US data only)
  - 13% of women vs. 9% of men
  - 17% of Millennials vs. 5% of Boomers

Trust in AI-driven tools vs. human advisors

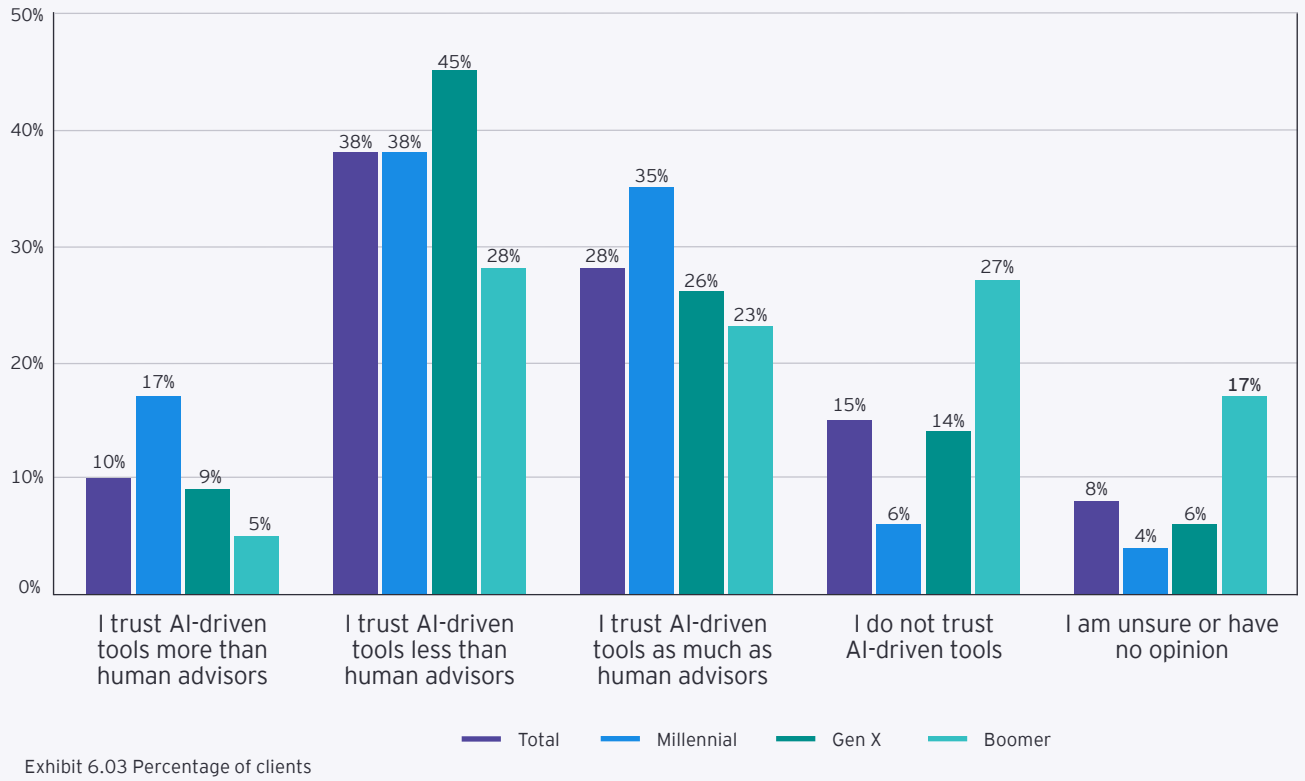


Exhibit 6.03 Percentage of clients

Many clients are not only happy for AI to be used in back-office functions; they are also content for AI to contribute to financial advice. Our survey shows significant openness to several AI use cases:

- 66% are open to AI providing processes such as reporting and monitoring (26% strongly agree, 40% moderately agree).
- 62% are open to AI acting as a key component of investment advice in the background (25% strongly agree, 37% moderately agree).
- 52% are open to AI listening to and augmenting conversations with advisors (21% strongly agree, 31% moderately agree).
- 43% are open to AI delivering financial planning without a human advisor (17% strongly agree, 27% moderately agree).

Levels of comfort with the integration of AI into wealth advice

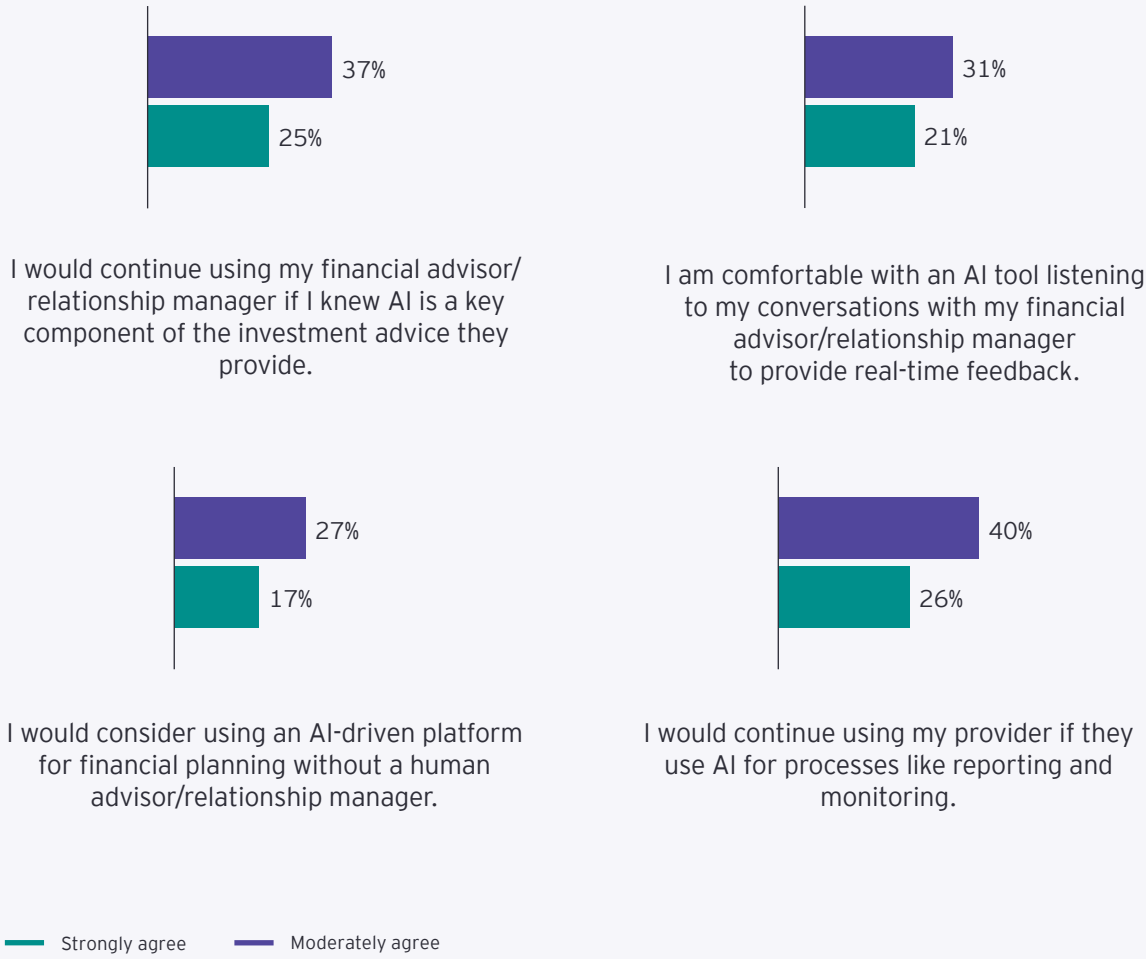


Exhibit 6.04 Percentage of clients

Openness to specific AI use cases is higher among younger clients, the financially less prepared and in fast-growing wealth management markets. In addition, it's striking to find that openness to AI's involvement in core wealth management activities is consistently greater in the highest wealth bands than among mass affluent clients.

These variations suggest that wealth managers seeking to implement AI rapidly should prioritize specific use cases of interest to particular client segments. This will maximize the impact of investment and help to avoid alienating more skeptical investors. Two examples could include:

i. Next-generation financial planning for younger investors

- A remarkable 63% of Millennials are open to putting their trust in AI-driven financial planning tools without the involvement of a human advisor. This generation is also the most open to sharing information about financial goals and investment preferences.
- That implies huge potential for new models to use digital technology to align goals-based planning and financial outcomes in a personalized, iterative, adaptable and holistic manner.
- However, it's essential to understand that this proposition would not be welcomed by the entire client population. For example, while 62% of global clients worldwide are open to some involvement by AI in financial advice, a significant minority of Boomers (23%), North Americans (19%) and mass affluent (20%) clients do not want this.

ii. AI-powered financial concierge service for HNW entrepreneurs

- Above-average levels of VHNW (74%) and UHNW clients (69%) are happy for wealth management providers to use AI as a key component of their investment advice.
- Entrepreneurs and executives in these wealth bands could be especially likely to welcome always-on, highly personalized advisory insights and investment monitoring provided by AI as part of a differentiated wealth management value proposition.
- Not all wealthy clients would like this, however – 20% of Boomers and 15% of North American do not want their wealth management provider to use AI for reporting and monitoring.

Investing in any new technology brings a degree of risk. For wealth managers, however, the dangers of inaction far outweigh the benefits of caution. With appetites for the use of AI already high – especially among younger and wealthier clients – firms cannot afford to let rivals establish a competitive advantage that would be costly and difficult to eliminate.

Besides, AI offers major scope to improve scalability and reduce costs to serve. At a time of elevated political uncertainty and market volatility, the benefits of using AI-enabled tools to field inbound inquiries and provide real-time, actionable insights can hardly be overstated. Easing pressure on overstretched advisors would boost their ability to acquire, activate and develop client relationships.

AI could also be a significant driver of retention. Among clients likely to switch their provider within three years, 71% say they would continue to use their existing provider if AI was a component of their investment advice.

Yet, it is impossible to say how AI will ultimately affect wealth management models. What seems certain is that traditional approaches to wealth management are unlikely to retain their historic appeal – at least not with most clients. Firms will need to recalibrate their technology, their business models, and the roles of financial advisors and relationship managers.

> Sixty percent of Millennials would consider using AI tools for financial planning – without human interaction.

Julien Galabert
EY Europe West Global Center for Wealth Management Leader

6.3. Transparent, ethical data frameworks are key to creating value from AI

The potential for AI to have a transformative impact on wealth management is dependent on trust. We've already seen that a remarkable 38% of clients trust AI either as much as, or more than, human advisors and that appetite for its use is especially high among younger investors. Set against that, there are strong pockets of skepticism too, not least among older, more financially secure, clients – especially in North America. Globally, 38% of clients trust AI-driven tools less than human advisors and 15% don't trust AI at all. That poses potential problems for some of the use cases we covered in our survey:

- Fully AI-driven financial planning – although most Millennial clients like this concept, it's opposed by 35% of all clients, 50% of Boomers and 50% of those in North America, which is consistently the most AI-skeptical region.
- Using AI to monitor advisor conversations – a significant minority (26%) of clients are uncomfortable with this idea, rising to 37% in North America and 40% among Boomers.

Developing AI applications that appeal to many clients without deterring the significant minority of skeptics depends on addressing clients' worries about the technology. After all, just 6% of our survey respondents have no concerns at all about AI.

Levels of trust in specific use cases are intertwined with data privacy and security. Concern about data security is widely shared, with only modest variations between client segments. Regardless of age, 51% of clients have doubts about AI's use of personal data, and concerns are even more prevalent among female clients (55%), the very and ultra HNW (55%) and investors in the Middle East (60%). Added to this, the misuse of data is cited as a worry by 47% of clients.

Other concerns about the use of AI – all of which are inseparable from questions of trust – include:

- 46% – the accuracy of AI
- 42% – absence of human touch
- 35% – dependence on technology
- 28% – lack of emotional context
- 26% – integrity

For wealth managers to enjoy lasting success with AI, it will be essential to build solid data foundations – including ethical principles, policies, governance and risk controls. Compliance with often diverging regulations across multiple jurisdictions will be a challenge, especially in fragmented regions such as Asia-Pacific. Above all, firms need to actively educate clients about AI and its use, and to clearly communicate the practical and ethical safeguards that will ensure client data is used securely and responsibly.

These findings are a reminder that data is the industry's most valuable asset. Safeguarding privacy and using data in the interests of clients must be leading priorities. Of course, data brings valuable opportunities, too. Despite their privacy concerns, many clients would share personal information with AI in exchange for more personalized services or insightful recommendations. Almost half of clients are open to sharing data about their financial goals (47%) or investment preferences (46%), underscoring the potential for AI to enhance investment experiences and add perceived net value.

Concerns about the use of AI in wealth management

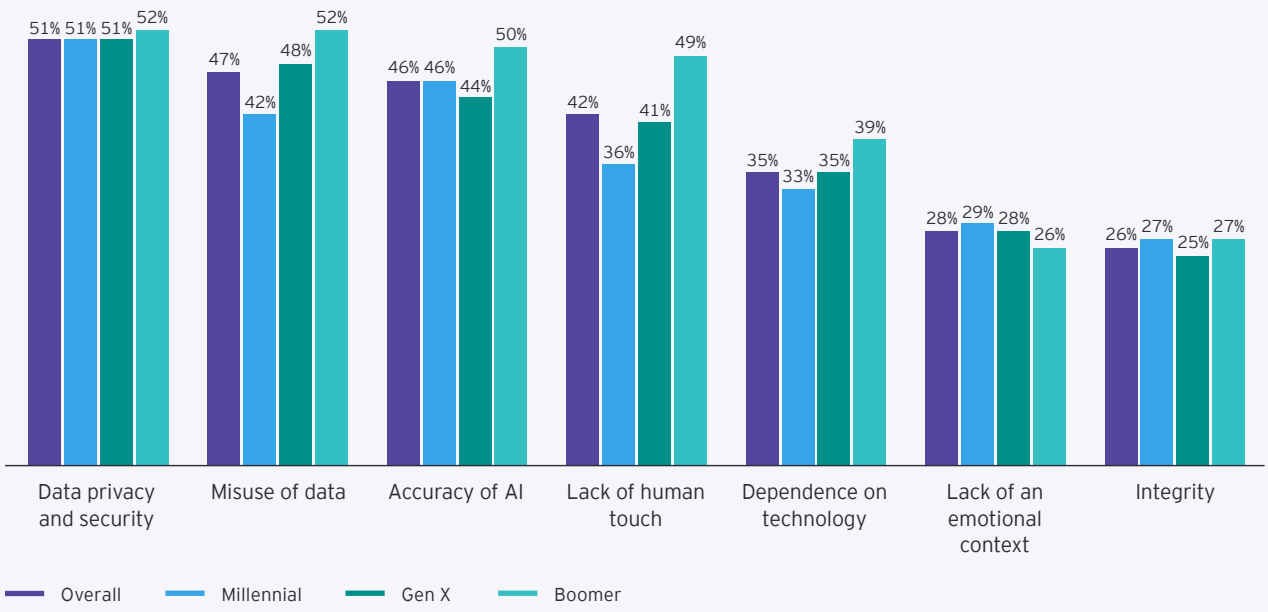


Exhibit 6.05 Percentage of clients

Types of data clients are willing to share for use by AI

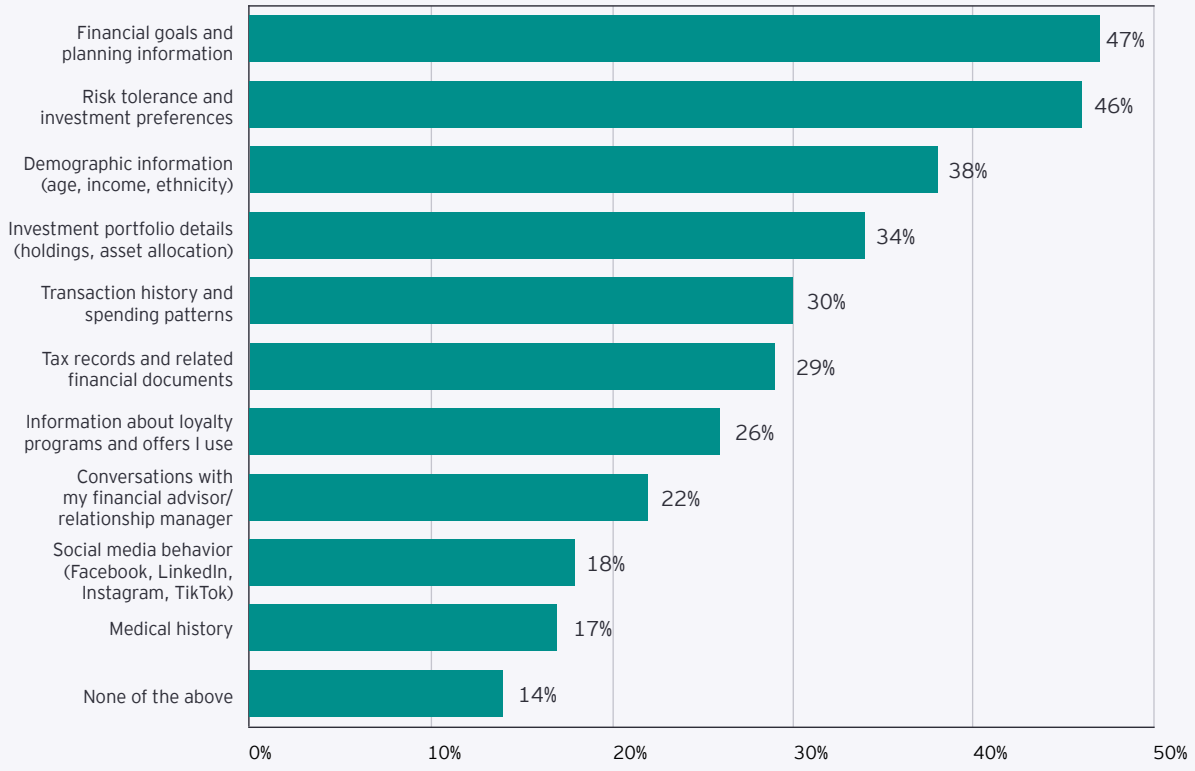


Exhibit 6.06 Percentage of clients

All in all, clients' enthusiasm about the potential of AI means that current levels of hesitancy are unlikely to be permanent. Younger cohorts are especially ready to put their trust in AI, and this sentiment will only become more prevalent as client cohorts mature and confidence in AI increases.

It's not too late for wealth managers to harness the power of AI, but they need to move fast if they're to leverage data safely, build trust in AI and catch up with clients' fast-growing expectations.

> Today's concerns about AI provide incumbent wealth managers with breathing space, not a free pass.

Dan Hall
EY UK Wealth & Asset Management Leader

6.4. Wealth managers must act fast to lay the foundations for transformation

Our findings show there is huge potential for AI to transform wealth management propositions, if firms can use it at the right time, with the right clients, in ways that overcome hurdles around trust and data.

It's too early to know which approaches to AI implementation will work best for which wealth managers. The speed of AI's development means that there is no single, defined future state for firms to work toward. Nonetheless, fast-growing demand and the willingness of many clients to switch to AI-powered alternative models mean that a "wait and see" approach is not an option.

Based on our survey findings, wealth managers might benefit from concentrating on use cases that leverage AI's streamlining capabilities – for example, client reporting or initial financial planning – while minimizing any sense of alienation among clients concerned about the technology.

Clear communication, both as to the purpose of using AI and the controls that address client concerns, will be indispensable. That should include the following elements:

- **Secure, ethical use of data:** Personal data must be protected and used for the benefit of clients, who should retain ultimate control over its use. As AI regulation evolves, firms must ensure compliance and accountability, building client trust.
- **Flexible, robust oversight:** Firms need effective safeguards around experimentation, development and rollout, ensuring AI tools are transparent and explainable. This will require iterative testing, approval, monitoring and improvement.
- **Education and engagement:** Clients should not only be kept informed on the evolving role of AI; actively involving them in app development will build trust and maximize impact, ensuring AI can deliver tangible improvements in perceived value.
- **Hybrid flexibility:** Firms must give advisors the training, incentives and confidence to harness AI's power. Whatever blend of human and AI clients prefer, the "north star" should always be to increase the quality of advice. While hybrid models will suit most clients, firms should explore AI-driven options for self-directed investors that complement traditional models.

Aligning AI-enabling investments in data, technology, talent and processes around a strategic vision for the future will lay the groundwork for lasting success with AI. A strong foundation will position wealth managers to quickly capitalize on the most compelling AI applications as they become available – developing transformative capabilities that can provide the building blocks for differentiated, compelling client propositions.

> AI in wealth management is not about a technology – it's about the way we step up the performance of wealth managers front-to-back.

Gurdeep Batra
EY Global and EY Americas Wealth & Asset Management Consulting Leader

Chapter summary

There is no suggestion in our survey data that AI will fully replace human advisors, or that wealthy clients will cease to consult expert advisors when considering complex matters such as inheritance.

Even so, our research shows remarkable and fast-growing expectations for AI in wealth management, especially among younger investors, the wealthiest clients and in high-growth markets. Traditional business models face a potential "cliff edge," but there are huge potential gains too, from enhancing scalability to empowering advisors to better serve their clients.

It's far too early to guess the full implications of AI for the wealth management industry. In the future, will clients rely entirely on independent AI models acting as their personal wealth advisor? Will they use AI-driven tools provided by wealth managers? Or could we see a web of virtual interactions between personal and institutional AI applications?

To prepare for transformation, wealth managers need to establish a foundation of ethical data frameworks and AI governance. The right frameworks and processes will be vital to addressing client concerns, building trust, ensuring reliability and meeting best practices for the responsible use of AI.

CHAPTER 7

Outlook

This Global Wealth Research Report highlights the most eye-catching findings from the latest iteration of comprehensive EY global research into the wants, needs, sentiments, expectations and intentions of wealthy investors.

The report draws on a rich data set, generated from a truly global sample of nearly 3,600 wealthy respondents, including detailed client profiling (see Methodology). It examines key industry themes, intentionally linked with wealth managers' strategic objectives. EY wealth and asset management leaders have also contributed their analysis, generating key takeaways for the leaders of wealth management firms.

However, this report in no way covers all the insights that can be drawn from our database of client intelligence. Exploring the data through targeted perspectives – including geography, age, wealth segment, investment style and financial acumen – generates much deeper and more nuanced insights for strategic decision-making.

We therefore invite wealth management clients to explore our research further in a tailored, confidential setting. Some of the possibilities include:

Point of view presentations

- Tailored presentations to management teams or Boards of Directors, highlighting key data points and insights focused on the topics, geographies and client segments of greatest interest to you. Data can be customized using multiple client characteristics such as age, gender, location, wealth segment, financial preparedness and investment approach.

EY wavespace™ working sessions

- For clients seeking in-depth analysis focused on their strategic priorities, specific initiatives or topics of interest, EY can deliver a bespoke workshop session, providing a detailed walk through of the data that's most relevant to your strategic challenges.
- An EY wavespace session can be held in one of our dedicated facilities or at your premises, leveraging innovative technology for an extended group of senior leaders or project team members. The session, typically of half a day, is based on focused data analysis linked directly to your priorities, supplemented with strategic insights from senior members of our Global Center for Wealth Management.

Please reach out to your local EY wealth management contact, or to anyone from the Global Center for wealth management listed in the Contacts section, to discuss these or other approaches.

In closing, we want to place on record our deep appreciation for all our clients, especially those among the leading rank of global wealth managers, who have contributed to this research by providing us with upfront input – including their most challenging questions and pressing requests for investor intelligence.

We very much hope that readers find the insights in this report to be unique, valuable and relevant. We look forward to further conversations with industry participants about the future of wealth management.

CHAPTER 8

Methodology

EY has conducted the Global Wealth Research Report on a biennial basis for the past decade. The objective of the current research remains the same: to survey wealthy clients in the spectrum from entry to ultra HNW investors on their wants, needs and expectations for the firms that manage their wealth.

8.1. Objectives and rationale

EY global leadership identified the following macro-trends to survey in depth:

- Intergenerational wealth transfer and "family matters"
- Alternative investments
- Value and quality drivers for advice
- Client switching behaviors and client/advisor relationships
- Acceptance of GenAI [co-pilot]
- Anticipated shifts in portfolio allocations
- Transparency and pricing

8.2. Survey design

The EY organization worked with market research consultancy Savanta to conduct an extensive survey of nearly 3,600 wealth management clients across over 30 geographies. The survey was in market from October 30, 2024 to December 24, 2024.

The questionnaire included the following sections:

1. Screening
2. Market perceptions and volatility
3. General
4. Switching and assessment
5. Overall perceptions and value of advice
6. Intergenerational wealth transfer
7. Investment products and services
8. Artificial intelligence
9. Transparency and pricing
10. Demographic profiling

The survey was conducted using a mixed-methods approach, utilizing both quantitative and qualitative techniques. It was structured to facilitate ease of response while allowing for in-depth exploration of specific topics.

Finally, the content of this report was developed through a systematic process that included data validation, comparisons with existing literature and the gathering of insights into coherent narratives – with the aim of providing a valuable resource for industry stakeholders.

8.3. Sampling strategy and participants

The analysis covers age demographics, gender ratios, management style preferences, and financial preparedness levels among different wealth groups across the surveyed regions.

The report presents a detailed audience profile overview, highlighting the distribution of wealth across various groups, including:

Wealth segment (assets):

- Mass affluent (US$250k to US$1m) – this includes all sub-segments of the affluent market all the way up to high-net-worth investors
- HNW (US$1m to US$4.9m)
- VHNW (US$5m-US$29.9m)
- UHNW (US$30m+)

Age (age bands in line with Savanta):

- Millennials (25 to 41)
- Gen X (42 to 57)
- Boomers (58+)

Generation breakdown

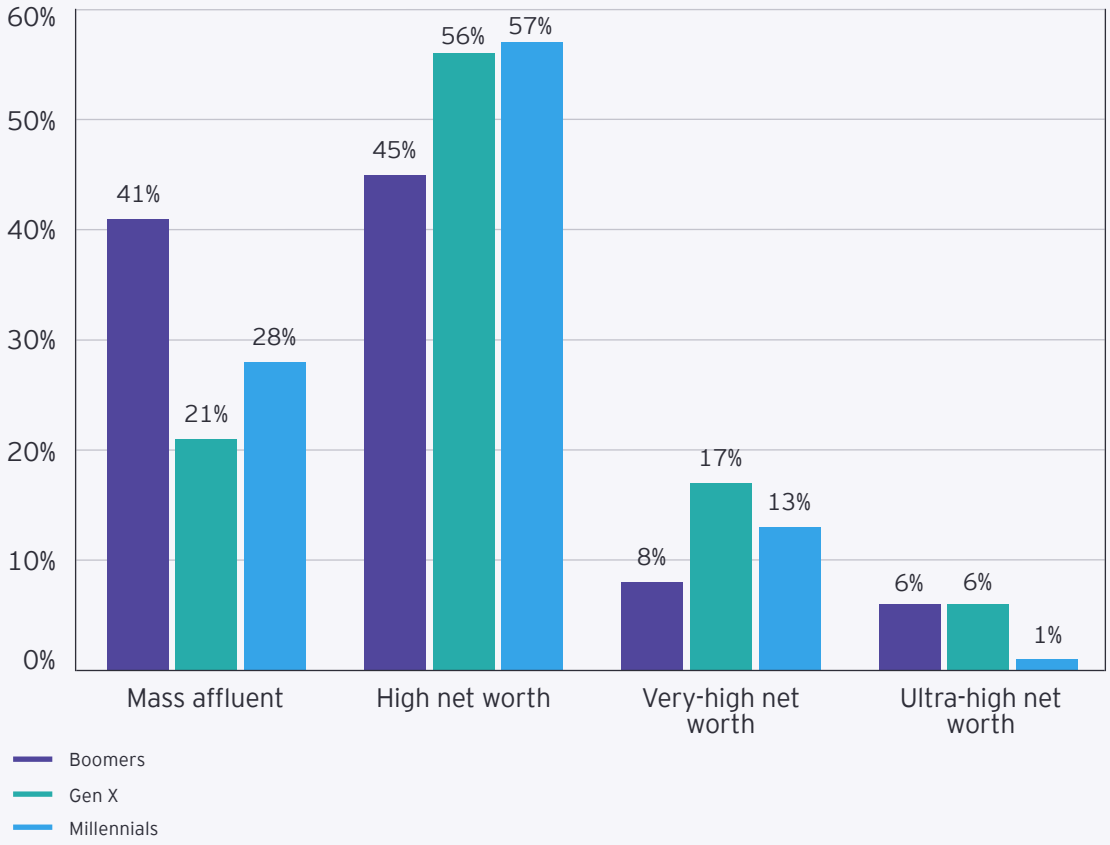


Exhibit 8.01

Geographic coverage

- North America, including the US and Canada
- Latin America, including Brazil, Chile and Mexico
- Europe, including France, Germany, Italy, Luxembourg, Netherlands, Switzerland and the UK
- Nordics, including Denmark, Norway and Sweden
- Middle East, including Qatar, Saudi Arabia and the UAE
- Asia-Pacific, including Australia, mainland China, Hong Kong SAR, India, Japan, Republic of Korea and Singapore
- ASEAN, including Indonesia, Malaysia, the Philippines, Thailand and Vietnam

Regional breakdown

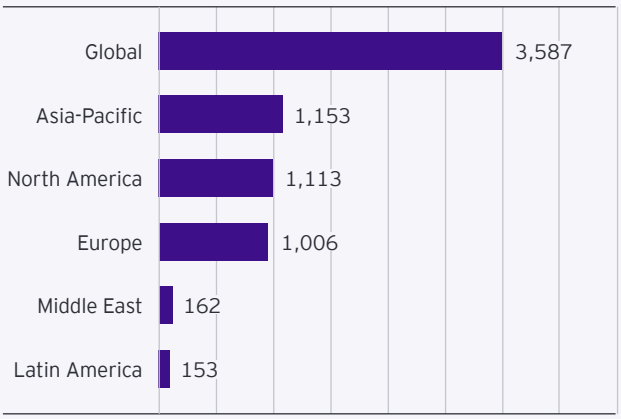


Exhibit 8.02

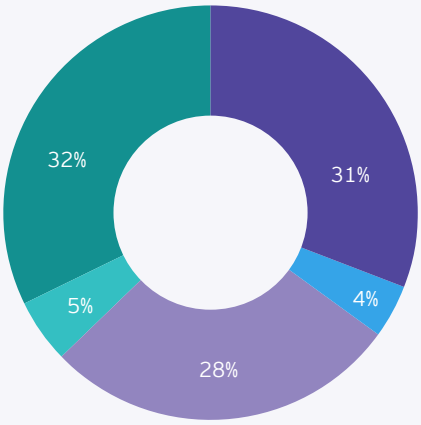


Exhibit 8.03

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