

Intuition – Private Wealth Management Online Learning Course

Private wealth management is the professional provision of specialist financial and banking support to affluent high net worth individuals (HNWIs). Private bankers and wealth managers help their clients to preserve and grow their wealth and assist them with their estate planning and philanthropy. They also provide their clients with basic banking and credit facilities in the ordinary course of their business, as well as access to an array of investment products.

This course describes the business of private wealth management in detail, covering topics such as:

- The development of the industry in recent times and the key business drivers today
- The different types of wealth management client, including ultra-HNWIs and their families, as defined by the wealth “pyramid”
- Client needs and associated risk appetites that drive investing behavior and processes
- The challenges associated with managing the relationships in a client portfolio, including winning new clients while simultaneously retaining and/or growing business from existing clients
- The importance of trust between wealth managers and their clients, and the benefits of trust for both parties
- The role of behavioral finance in understanding the motives and actions of private clients, and the behavioral biases that lead to suboptimal investment decisions
- The key compliance issues in the private wealth industry today, including the customer and employee due diligence process, codes of conduct, investment suitability, and responsible lending

Learner Profile

This course is designed in particular for new recruits to the private banking and wealth management industry as well as incumbent private client executives and relationship managers. It will also be useful for product specialists looking for a broader view of the business, non-client facing personnel requiring an understanding of the business they support, and high net worth and other wealthy individuals.

Tutorial Listing

Private Wealth Management – Clients	75 minutes
Private Wealth Management – Ultra-HNWIs & Family Offices	75 minutes
Private Wealth Management – Client Investment & Wealth Allocation	75 minutes
Private Wealth Management – Client Acquisition & Relationship Management	75 minutes
Private Wealth Management – Becoming a Trusted Advisor	75 minutes
Private Wealth Management – Credit & Lending Services	75 minutes
Private Wealth Management – Scenario	45 minutes
Total 7 Tutorials	495 minutes (8.25 hours)
Private Wealth Management Online Learning – Assessment	60 minutes

Private Wealth Management – Clients

Tutorial Description

Objectives

On completion of this tutorial, you will be able to:

Define the rationale for classifying and grouping wealth management clients

- Recognize the need to define and group clients with like characteristics, and understand the service offerings to each client group in the customer wealth “pyramid”
- Identify the spectrum of client styles and attitudes to private wealth management being a range from the most independent and self-directed person to the client needing a full private wealth management support service

Tutorial Overview

This tutorial focuses on the different types of wealth management client as defined by the wealth “pyramid.” The spectrum of client styles and attitudes to private wealth management are reviewed in detail. The tutorial also looks at the key types and characteristics of client personalities used in contemporary private wealth management.

Prerequisite Knowledge: Private Wealth Management – An Introduction

Tutorial Level: Introductory

Tutorial Duration: 75 minutes

Tutorial Outline

Topic 1: Client Segmentation

- Client Complexity & Wealth Management Services
- Client Segmentation
 - Criteria
 - Risks
- Client Categories & Service Levels
- Client Wealth Classification Pyramid
 - Affluent
 - High Net Worth (HNW)
 - Very High Net Worth (VHNW)
 - High Ultra Net Worth (UHNW)
- Family Offices
- Segmentation Policy & Client Identity

Topic 2: Client Types

- Client Professions & Sources of Wealth
- Executives
- Business Owners & Entrepreneurs
- Professional Athletes
- Entertainers
- Medical & Legal Practitioners
- Expatriates
- Inheritors
- Gatekeepers, Influencers, & Referrers

Topic 3: Client Perspectives, Attitudes, & Orientation

- Family & Business Needs of Clients
- Meeting the Family Needs of Clients
- Client Financial Lifecycles
- Client Wealth Management Attitudes & Orientation
 - Self-directed
 - Collaborator
 - Delegator
 - Philanthropist
 - Trends

Private Wealth Management – Ultra-HNWs & Family Offices

Tutorial Description

Objectives

On completion of this tutorial, you will be able to:

- Recognize the characteristics of UHNW clients and their families
- Identify the key wealth management needs and objectives of UHNW clients and how wealth management firms can tailor offerings to meet these requirements
- Distinguish between the different types of family office, identify the reasons why family offices are founded, and list the functions and services they provide

Tutorial Overview

Ultra-high net worth individuals (ultra-HNWs or UHNWs), those with at least USD 30 million in net investable assets, account for a significant amount of the HNW population. UHNWs have needs and expectations that differ from those of mass affluent and lower high net worth investors. This tutorial looks more closely at UHNW clients, their families, and their related wealth management arm – the family office.

Prerequisite Knowledge: Private Wealth Management – Clients

Tutorial Level: Introductory

Tutorial Duration: 75 minutes

Tutorial Outline

Topic 1: UHNW Clients

- Overview of UHNWs
- UHNWs vs. Institutional & Retail Investment Management
 - Time Horizon & Risk/Return Objectives
 - Taxation Management
 - Control & Oversight
 - Tailored Solutions

Topic 2: UHNWs & Wealth Management

- UHNW Wealth Management Services
- UHNW Client Objectives & Expectations
- Client Return Objectives & Cost Pressures
- The Impact of Inflation on UHNW Wealth
- Charitable Investment Management
- Generational Attitudes to Wealth
- Business & Wealth Succession Management
- The Wealth Manager & UHNW Clients

Topic 3: Family Offices

- Overview of Family Offices
- Purpose of a Family Office
- Rationale for a Family Office
 - Liquidity Event
 - Business Succession
 - Professional Wealth Management
 - One-Stop Support
 - Cost Savings
 - Bespoke Services
- Functions of a Family Office
- Family Office: Circle of Influence
- Multi-Family Offices
- Hybrid Family Offices & UHNW Client Choices
- Strengthening the UHNW Client Relationship

Private Wealth Management – Client Investment & Wealth Allocation

Tutorial Description

Objectives

On completion of this tutorial, you will be able to:

- Identify the differences and weaknesses of MPT in relation to private client investment portfolios
- Recognize how the investment allocation behaviour of HNW clients is based on complex considerations with different allocations based on risk appetite and stage in lifecycle
- Recall how client personal and financial needs, aspirations and risk appetites change over time and how this impacts portfolio construction and client investment product preferences

Tutorial Overview

This tutorial focuses on the client needs and associated risk appetites that drive client investing behaviour and processes. The wealth-lifestyle objectives of the client and investment allocation decisions used to meet these objectives are also examined in detail.

Prerequisite Knowledge

Private Wealth Management – Ultra-HNWIs & Family Offices

Tutorial Level: Introductory

Tutorial Duration: 75 minutes

Tutorial Outline

Topic 1: Modern Portfolio Theory (MPT) & Private Client Needs & Risks

- Overview of Private Client Investing & MPT
- MPT & Client Portfolios
- MPT & Challenges in Wealth Management
- Overview of Client Needs
- Funding Client Needs
- Client Risks
 - Market Risk
 - Liquidity Risk
 - Lifecycle Risk
 - Event Risk
- Client Tax Management

Topic 2: Client Asset Allocation & Investment Choices

- Overview of Client Asset Allocations & Investment Choices
- Client Needs & Investment Allocation
 - Example
- Managing Client Risks
- Lifecycle Investing & Human Capital
 - Example

Topic 3: Client Investment Allocation Framework

- Overview of the Client Investment Allocation Framework
- Asset Allocation vs. Risk Allocation
- Dimensions of Risk
 - Personal Lifestyle
 - Relative Lifestyle
 - Aspirational Lifestyle
- Asset Allocation & Wealth Objective Matching
 - Example
 - Risk Management
- Asset Allocation & the Private Wealth Manager

Private Wealth Management – Client Acquisition & Relationship Management

Tutorial Description

Objectives

On completion of this tutorial, you will be able to:

Identify the challenges faced by private wealth managers in servicing a portfolio of clients

- Recognize the importance of growing the client base as well as retaining and protecting existing clients and the key ingredients to achieving success in this area
- Identify the process of acquiring new clients and recognize how the wealth manager can handle client objections and concerns

Tutorial Overview

This tutorial focuses specifically on the challenges associated with managing the relationships in a client portfolio, including winning new clients while simultaneously retaining and growing business from existing clients.

Prerequisite Knowledge:

Private Wealth Management – Client Investment & Wealth Allocation

Tutorial Level: Introductory

Tutorial Duration: 75 minutes

Tutorial Outline

Topic 1: Client Segmentation & Relationship Strategies

- Wealth Management & Client Portfolios
- Client Segmentation: Value & Revenue
- Client Value Matrix
- Competitive Analysis
- Client Relationships & Time Management

Topic 2: Client Portfolio Management

- Overview of Client Portfolio Management
- Building Client Trust: Personal Attributes of the Wealth Manager
- Retaining & Growing Clients
- Identifying Client Needs (Prospecting)
- Positioning

Topic 3: Client Acquisition

- Overview of Client Acquisition
- Acquiring New Clients
- Sourcing New Clients
 - Online
 - Face-To-Face
- Prospecting, Qualifying, & Winning New Clients
- Overcoming Client Objections

Private Wealth Management – Becoming a Trusted Advisor

Tutorial Description

Objectives

On completion of this tutorial, you will be able to:

- Identify the role of trust in wealth relationships and list the various stages of the trust spectrum from the perspective of the wealth manager and of the client
- Recognize the role of the trusted advisor and the key skills required to nurture trust
- Appreciate the importance of continuous improvement and client feedback in building trust

Tutorial Overview

This tutorial looks at the importance of trust between the wealth manager and the client and the benefits of trust for both parties. The skills and phases involved in becoming a trusted advisor are also examined in detail.

Prerequisite Knowledge

Private Wealth Management – Client Acquisition & Relationship Management

Tutorial Level: Introductory

Tutorial Duration: 75 minutes

Tutorial Outline

Topic 1: Building Client Trust

- Overview of Trust
- Trust Selling
- Building the Trust Relationship
- The Wealth Manager as Trusted Advisor
- Trusted Advisor: Grades of Trust
- Earning & Enhancing Trust
- Offering Advice

Topic 2: Skills of the Trusted Advisor

- Developing a Trust Relationship
- Trusted Advisor Skills
 - Listening
 - Clarifying
 - Reality Checking
 - Getting Commitment

Topic 3: Nurturing Trust in Private Wealth Management

- The Need for Continuous Improvement
- Asking the Client for Feedback
- Getting Client Acceptance
- Cross-Selling

Private Wealth Management – Credit & Lending Services

Tutorial Description

Objectives

On completion of this tutorial, you will be able to:

- Define the general environment for lending to private wealth clients, and regulatory and compliance issues related to such lending
- Identify the key types of personal loan to HNW clients
- Recognize the main commercial lending structures used in the private wealth management industry
- Identify other types of credit extended to private wealth clients

Tutorial Overview

This tutorial provides an overview of the key loan types and structures used to extend credit to private wealth clients. The tutorial also explores the general lending environment in the private wealth management industry and regulatory and compliance issues associated with such lending.

Prerequisite Knowledge

Private Wealth Management – An Introduction

Tutorial Level: Introductory

Tutorial Duration: 75 minutes

Tutorial Outline

Topic 1: Extending Credit to Private Clients

- Overview of Private Wealth Credit
- General Environment for Lending to Private Clients
- Legal & Compliance Environment
- Loan Processing & Structuring
- Client Issues

Topic 2: Personal Lending

- Overview of Personal Loans
- Home Loans
- Personal Loans
- Credit Cards
- Other Types of Personal Loan
 - Low Document (Low Doc) Loans
 - Specialist Residential Loans
 - Self-Employed Mortgages (Contractor Loans)
 - Relocation & Bridging Loans
 - Building & Renovation Loans
 - Reverse Mortgages
 - Nonresident Lending/Overseas Mortgages
 - Collateral Loans (Lombard Loans)

Topic 3: Commercial Lending

- Overview of Commercial Lending to Private Clients
- Structuring Commercial Lending Applications
- Real Estate & Development Finance
- Trade & Receivables Financing
 - Equipment Finance
 - Motor Vehicle Finance & Secured Transactions
 - Hire Purchase (HP)

- Leasing
 - Operating Lease
 - Finance Lease
- Cross-Selling Opportunities
 - Risk Management Issues

Topic 4: Other Types of Lending

- Other Types of Private Client Lending
- Mezzanine Finance
- Venture Capital (VC)
 - Providers
- Capital Markets
- Indemnity Guarantees
- Exotic Finance
- Alternative Financing Techniques

Private Wealth Management – Scenario

Description

Overview

This scenario explores how various private wealth management concepts are used in practice. You will observe a situation where a private banker manages a relationship with a client, with support from other personnel. The client is interviewed by the private banker as part of a regular portfolio review and you will follow the line of discussion around needs analysis, risk and reward, due diligence, and the concerns of the client.

Prerequisite Knowledge

A basic understanding of wealth management products and services as well as the key aspects of client relationship management is assumed.

Level: Intermediate

Duration: 45 minutes