

A nighttime photograph of a cityscape, likely San Francisco, viewed from a high vantage point. The city lights are illuminated against a dark blue sky. The FactSet logo is overlaid on the image.

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What HNWI's Expect in a New Era of Volatility  
A FactSet Webcast

Host: Greg King, FactSet

Speakers: Annie Catchpole and  
Tasha Vashisht, Scorpio Partnership

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Webcast Housekeeping

# Building Resilience

Against a context of volatility, one must question whether the existing frameworks for understanding and measuring risk in the advisory relationship are sufficient.



# FactSet & Scorpio Partnership



**Annie Catchpole**  
Director



**Tasha Vashisht**  
Senior Manager



SEEK



THINK



CREATE

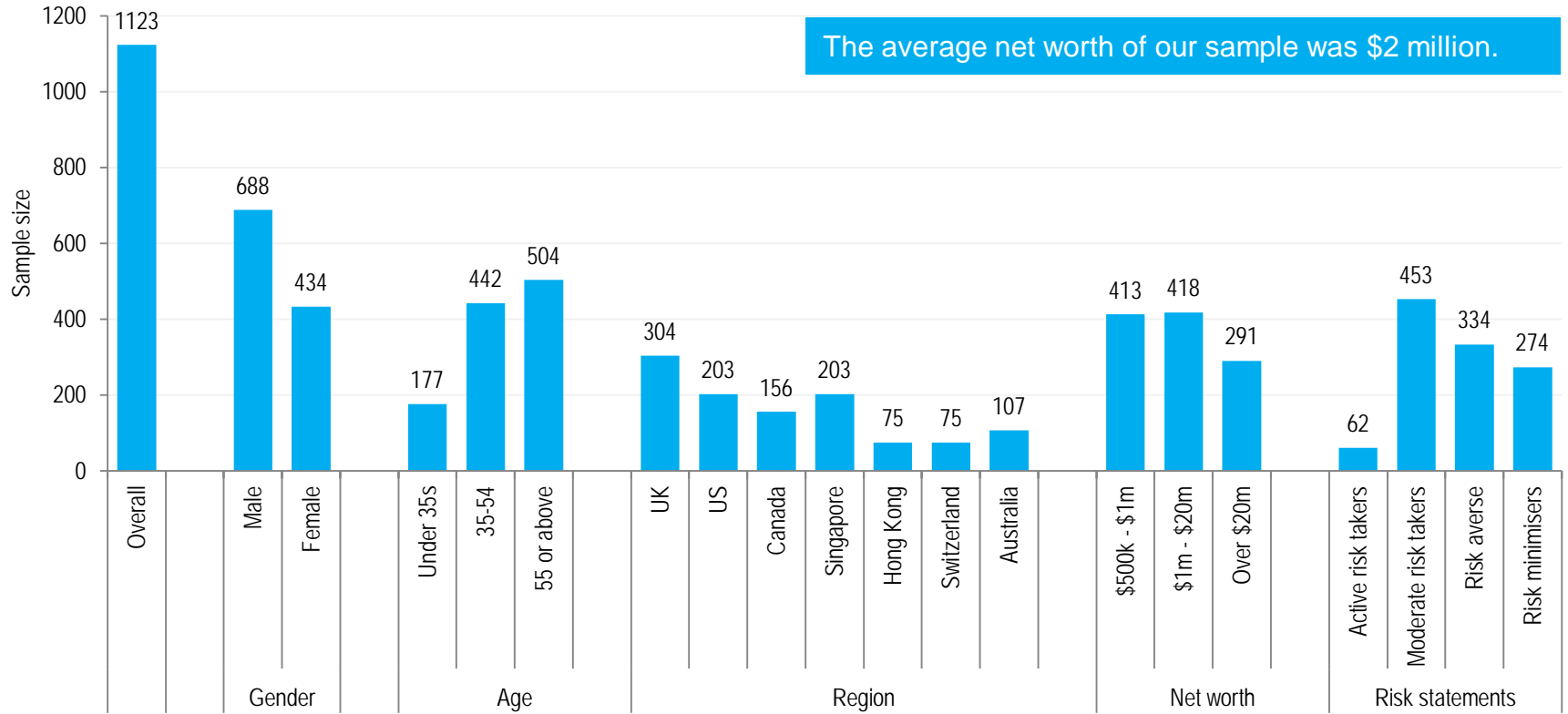


SHAPE



# The research audience

The average net worth of our sample was \$2 million.



# Our survey highlights four types of risk wealth managers need to address...

## The Market Shock

- Sudden and unexpected market events catch investors off guard
- Clients need confidence and reassurance that their overall plans are robust enough to withstand cyclical movements

## The Blind Spot

- Investor education has missed the mark, despite HNWI's having so much information at their fingertips
- The gap between advisor and client knowledge is growing dangerously wide

## The Weak Link

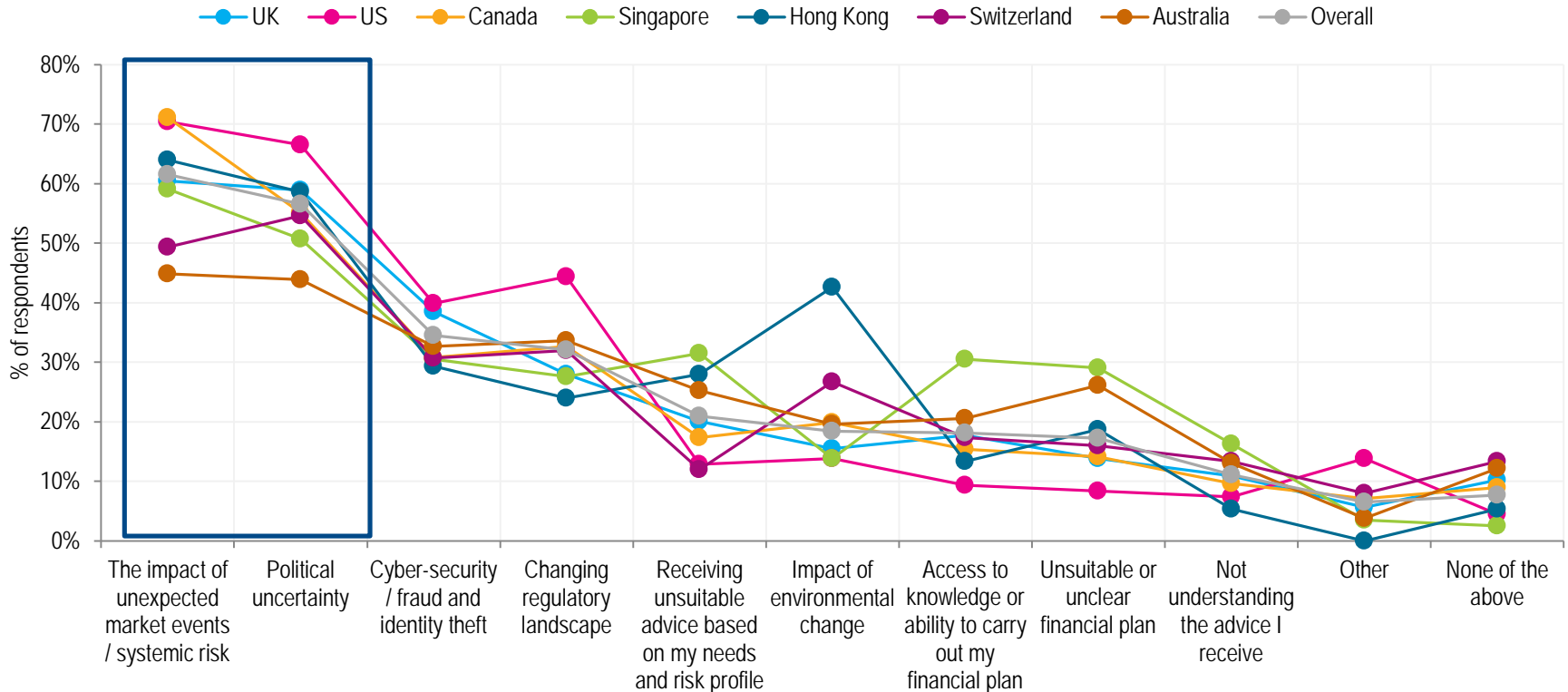
- Many HNWI's are tempted by knee-jerk responses to market events because they do not understand their own risk profiles
- Firms have failed to make their risk profiling processes clear and transparent

## The Achilles' Heel

- Regulation and margin compression have intensified the context in which wealth firms operate
- Advisors are considered susceptible to slip-ups of communication and judgement

# In an uncertain era, investors are starting to believe change may be the only sure bet...

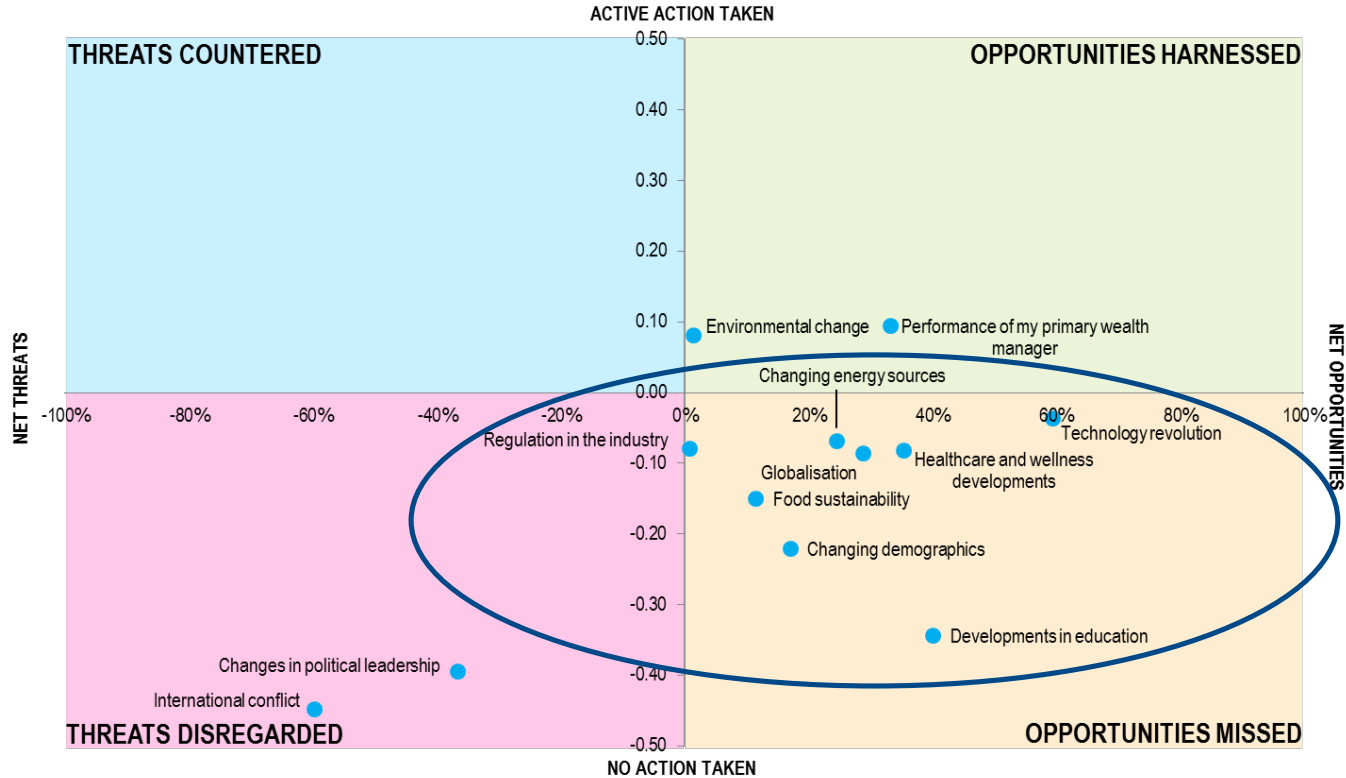
Q: Do you have any major concerns about being able to grow your wealth?





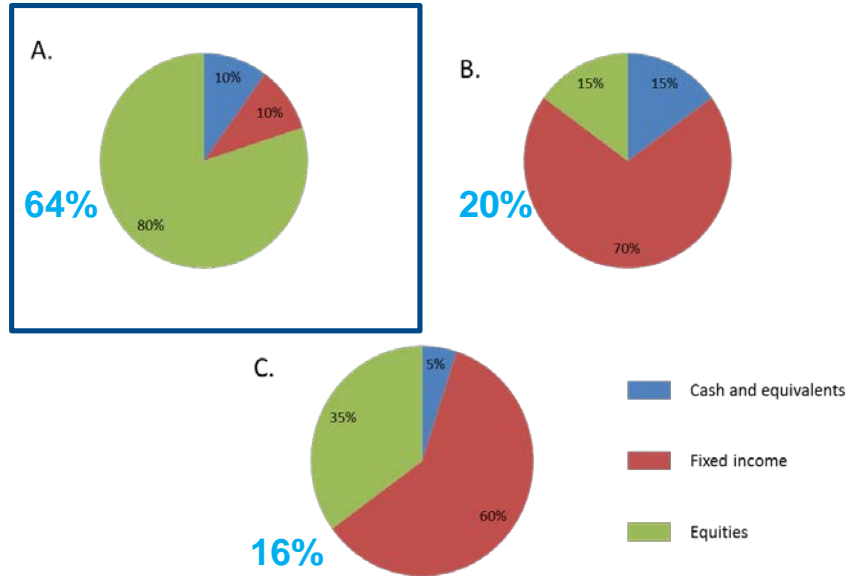
# ... With decision paralysis the most common response to wealth creation opportunities

Q: How are you responding to these opportunities / threats in the context of your investment portfolio?

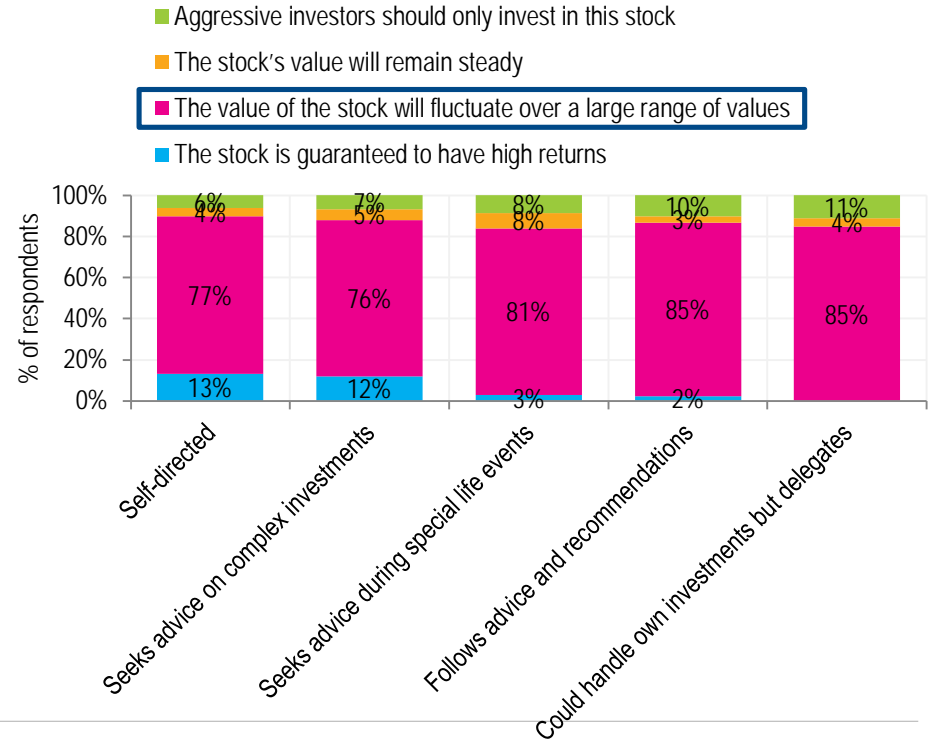


# Advisors have overlooked a Blind Spot – HNWIs are confused by basic investing terminology

Q. Firstly, we'd like to determine how you assess risk in the context of a portfolio. Which of these portfolios carries the most risk?

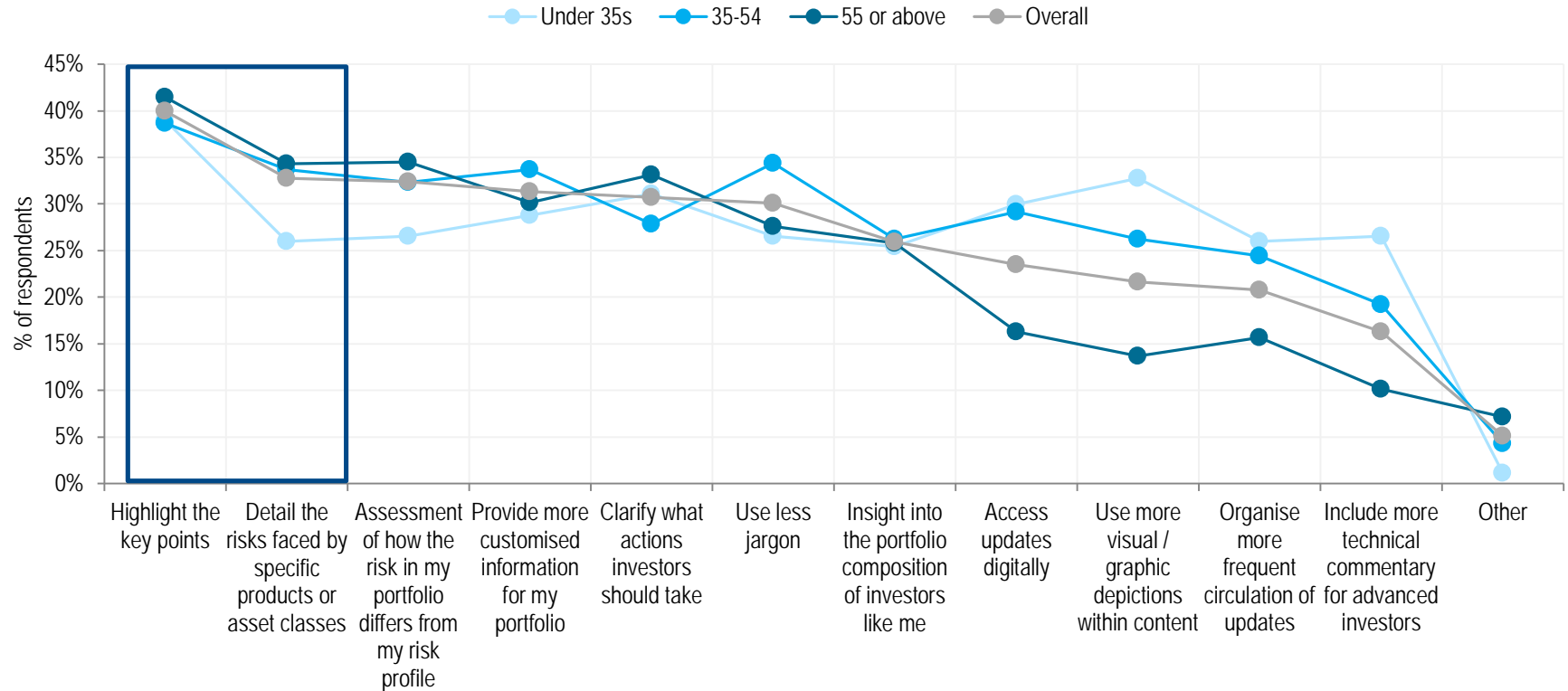


Q. If a stock has 'high volatility', what does this mean?



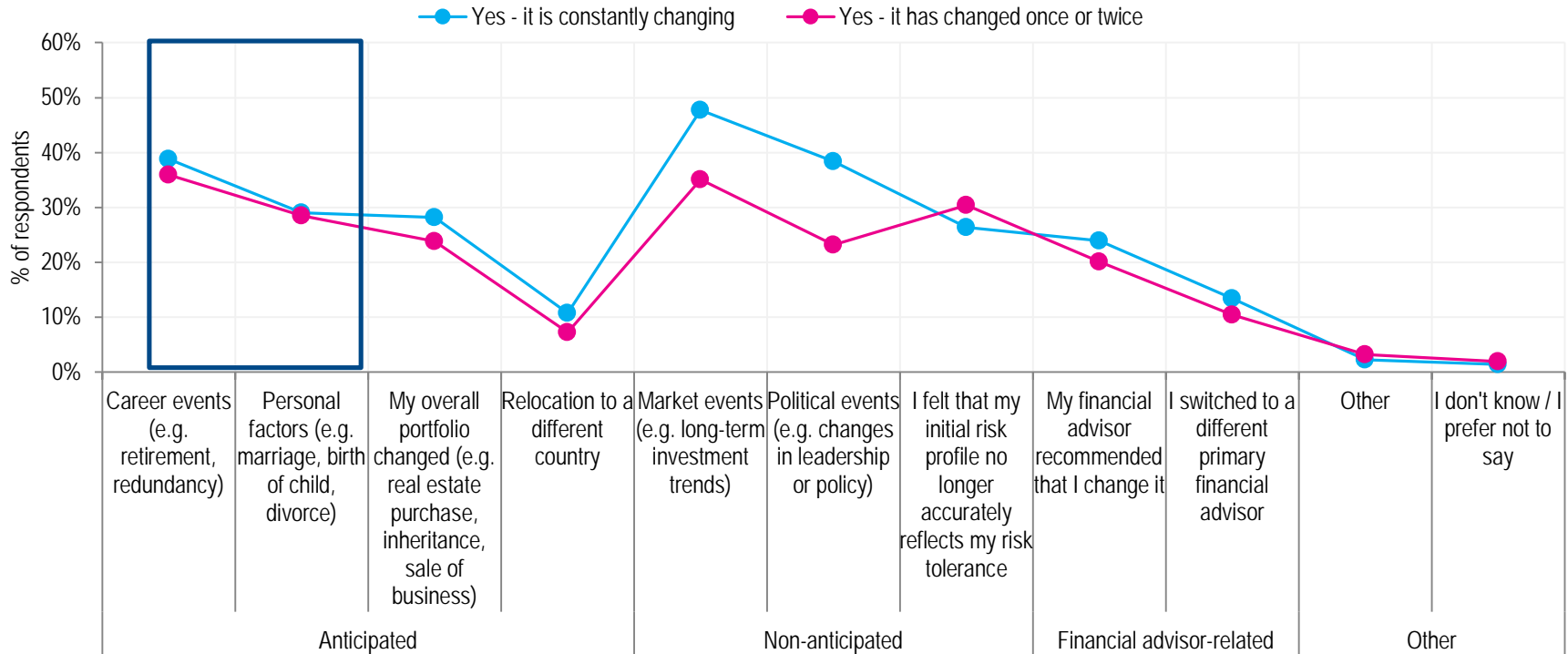
# Investor resources should use less jargon and highlight key actions to improve understanding

Q: How could the information on risk provided to you by your wealth managers be made more useful?



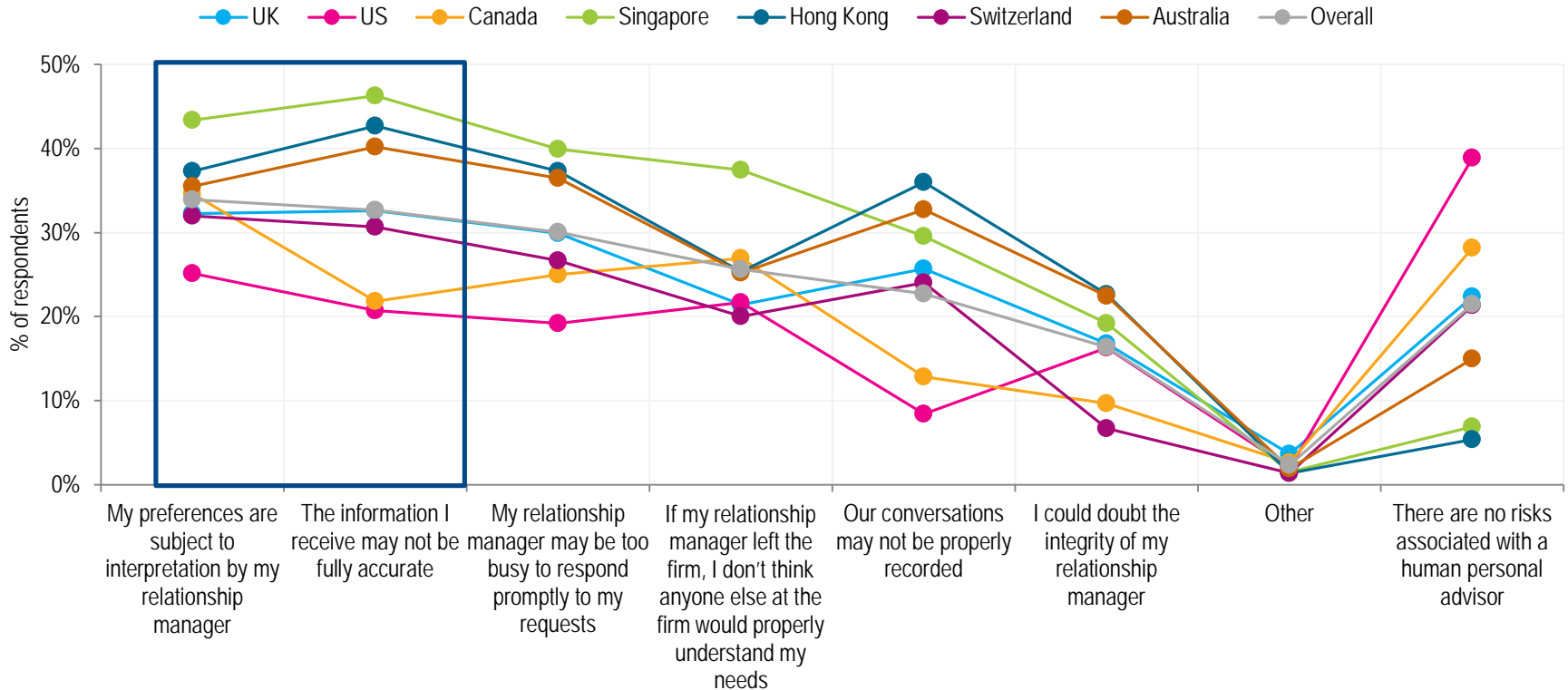
# Many HNWI's do not fully understand the significance of the risk profile assigned to them

Q. Has your risk profile changed since your initial risk profiling assessment? / What has prompted the change(s) to your risk profile?



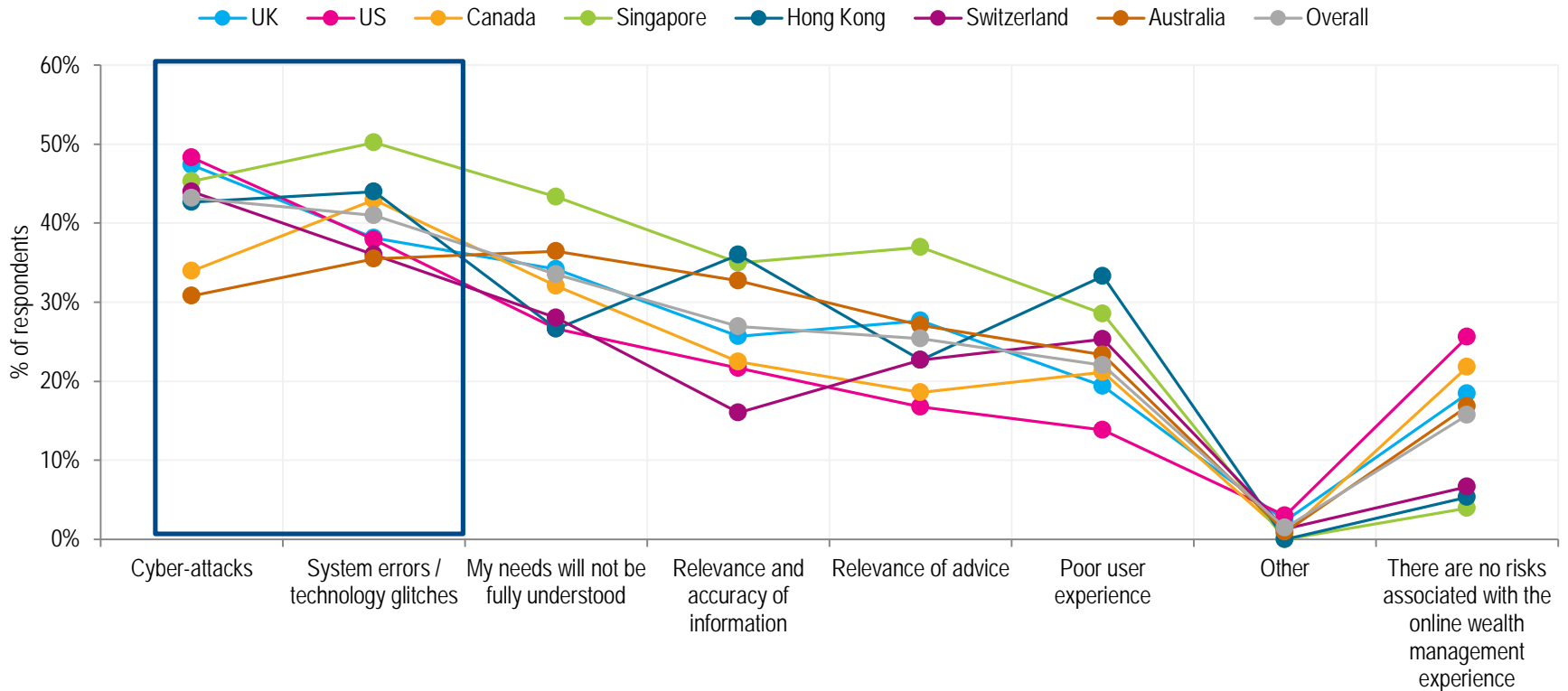
# Financial technology could help Wealth Managers augment their advisory relationships...

Q: What risks do you associate with working with a human financial advisor?



# ...But they must also reassure clients that technology solutions are robust and secure

Q. What risks do you associate with your online interactions with your wealth management firm?



# 10 Ways to Build Resilience in Wealth Management

1. Deploy digital solutions to stimulate investment execution
2. Use technology to complement KYC efforts
3. Clarify the significance of risk profiling for investor activity
4. Address investor blind spots through interactive education
5. Customize content to demographic demands
6. Demonstrate that wealth plans are shock-resistant
7. Provide full visibility of portfolio composition
8. Harness systems that can quickly communicate the “house view”
9. Introduce behavioral data to understand client sentiment
10. Proactively initiate discussions of investor concerns

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Questions?





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Thank-you