Index

A
ABN AMRO Bank, 36, 58, 87, 114, 154, 165, 168
account minimum, 160, 282, 327
administration and asset fee revenues, 327
advisory mandate, 4, 327
affluent women, 270–271
alpha and beta investment products, see wealth management products and services
alternative investments, see wealth management products and services
American Express Centurion card, 111
American Express, 196, 227
Amex Luxembourg, 254
AMVESCOAP, 37, 183
asset allocation, 2, 4, 36, 41, 50–51, 82–84, 86, 109, 118, 139, 148, 186, 262, 286, 327
asset management
interface design, 216–218
organizational models
asset management integrated, 212–213
independent, 212
manufacturing-distribution model, 213–214
private client integrated, 212
organizational trends, 216
transfer pricing, 218–219
assets under custody (AuC), 327
assets under management (AuM), 4, 9, 26, 29, 33, 55, 142–143, 175, 185, 229, 259, 327
Azimut, 183

B
Bank Leu, 211
Bank of America, 36, 114, 179
Bank of Bermuda, 175
Bank Hofmann, 211
Bank Secrecy Act of 1970, 236
Barclays Premier, 166, 221, 223
Barron’s, 38, 165
basis point (BP), 27, 33, 48, 111, 117, 125, 185, 250, 328
Basle II, 236–237
BBVA, 40
Bessemer Trust, 73
best advice, 49, 328
BGI (Barclays Global Investors), 77
Bloomberg, 38
BNP Paribas, 89, 173, 168, 165, 221
Booz Allen Hamilton, 60, 129
Boston Consulting Group, 3, 6, 8–9, 11–13, 24, 26, 34, 70, 88, 121, 135, 222, 249
business consolidation
best practice implementation, 180–183
consolidation drivers, 179–180
recent activity, 172–179
business system disorders
business model convergence, 169–171
non-core business divestment, 171
value chain disaggregation, 169

C
call option, 85, 88
Capgemini/Merrill Lynch, 8–9, 10–15, 21, 38, 50, 56, 57, 83, 102, 129, 177, 259, 261, 263, 268, 275, 276
capital-guaranteed investments, 328
CCC Alliance, 165
churning, 40, 126, 328
Citigroup Chairman’s card, 111
Citigroup Private Bank, 229, 231, 238, 240–241
Clariden Bank, 156, 211
Clariden Leu, 211, 292
client assets and liabilities (CAL), 328
closed-end fund, 328
co-investment, 102
commission revenues, 328

corporate model, the, see relationship managers

Coutts, 63–65, 111, 118, 146, 156

Coutts’ World Signia card, 111

Credit Agricole, 182

Credit Suisse, 58, 65, 110, 117, 143, 156, 169, 182, 196, 210, 214, 254

Credito Valtellinese, 254

CSPB (Credit Suisse Private Bank), 154

D

Lombard Odier Darier Hentsch, 175

Datastream, 38

Deutsche Bank, 38, 80, 91, 147, 154, 156, 165, 216

Direkt Anlage Bank (DAB), 116

Discount Bank & Trust Company (DBTC), 175

discretionary mandate, 4, 28, 156, 328

Dow Jones Islamic Market Index (DJIMI), 87

Dow Jones sustainability indexes (DJSI)

Dresdner Bank Lateinamerika, 254

DSP Merrill Lynch, 2, 9, 11–13, 37–38, 56, 64, 82

Dubai Islamic Bank, 90

E

E*TRADE’s flagship financial services superstore, 145

Eaton Vance Corp, 183

Eden McCallum, 138

education programmes, for clients and their families, see wealth management products and services

EFG International, 118, 154, 156–158, 182, 188

ethnic groups, 271–272

Etra SIM, 254

exchange traded fund (ETF), 77, 95, 328

execution-only mandate, 3–4, 328

F

family office group, the, see relationship managers

family office services, see wealth management products and services

Fidelity, 37, 148

Fideuram, 183

fiduciary, 311, 328

Financial Action Task Force (FATF) 40 recommendations, see money laundering

Fineco, 183

floor and cap price levels, 88

Forbes, 16–18

forfeiture, 233, 235, 329

Fortis Private Banking, 114, 168

Franklin Resources, 183

fund-of-funds, 101, 117, 159, 176, 329

G

Gabelli Asset Mgmt, 183

generic drivers, of market growth

asset prices, 15

demographic factors, 19

economic growth, 14

wealth allocation, 15–19

gini coefficient, 9–10, 329

global AML guidelines, 238

Global Investor, 38

global wealth management deals, 173–174

Goldman Sachs, 37, 58, 87, 146, 162, 196, 222

Google, 20

Grupo Financiero Banamex-Accival, 23

H

Harpo Productions, 19

hedge funds, 19, 37, 49, 51, 77, 80, 83–84, 87, 90, 92, 104, 112–113, 118, 144, 156, 163, 215, 268, 329

growth of, 93

largest global, 94

types of, 96–98

multistrategy hedge funds, 118

high net worth individuals (HNWIs), 2, see also wealth management products and services; wealth management distribution channels

asset allocation of, 83–84

hedge funds, 92–93

Islamic banking, 90

regional differences, 53

ultra, 56–58

Hoare & Company, 118, 155

HSBC, 38, 58, 91, 110, 116–117, 147, 150, 154, 156, 160, 165, 173, 175, 182, 196

hub-and-spoke model, see relationship managers

I


IBM, 54, 193

IMF, 11

Independent Orchestrator Banks (IOBs), 169

index trackers, 84

related instruments

accelerated trackers, 85

bonus trackers, 85

discount trackers, 85

reverse trackers, 85
INDEX

ING, 146, 168
initial public offering, 15, 20, 27
insurance services, see wealth management products and services
insurance wrapper products, see wealth management products and services
international accounting standards, 239
Isis (F&C), 183
Islamic private banking, 25, 90–92
Islamic Sharia principles, 91

J
Janus Capital Group, 183
JP Morgan Chase, 36, 58, 112, 115–116, 118, 147, 163, 216, 229
Julius Baer, 117, 154, 166, 171, 176–177, 182–183, 188, 190, 254
Jumbo mortgage (US), 110, 329

K
Kleinwort Benson, 177–178
know your customer (KYC), 129, 231, 233–236, 238, 241, 243–244, 329
KPMG, 173, 180–181

L
La Roche, 188
Laing & Cruikshank (Credit Lyonnais), 254
law practice model, see relationship managers
lean principles
just right service, 199
lean performance management, 200
right first time quality, 199
supply and demand matching, 199
Lehman Brothers, 37, 163
life-cycle tax planning services, see also wealth management products and services
Lloyds TSB, 159, 254
lombard loan, 329
Lombard Odier Darier Hentsch, 175, 187

M
Man Group, 183
managed fund/product, 3, 9, 83, 87, 119, 284, 329
market neutral arbitrage, 95
Märki Baumann, 187
mass-market ‘customer’, 6
McKinsey & Company, 5, 25, 29, 34, 90
McKinsey Global Institute, 11
Mellon Financial, 147, 177
Mercer Oliver Wyman European Wealth Management Survey 2004, 66, 189
Mercer Oliver Wyman, 38, 68, 71, 141
Merrill Lynch, 58, 110, 134, 147, 160, 167, 170, 196, 199, 216, 225, 254
Met Circle, 165
Mitsubishi Tokyo Financial Group, 168
money laundering
anti-money laundering programme, components of, 244–245
vision, 244
contributory factors
culture of discretion and secrecy, 228–229
culture of fax anti-money-laundering controls, 229
powerful clients, 228
private bankers as client advocates, 228
strong competition and profitability, 229
regulatory initiatives
anti-money laundering, pre and post 11 September, 233–235
costs of, 245
FATF recommendations, 231, 235, 310
financial intelligence unit (FIU), 236
financial system, 311–315
international cooperation, 315–317
national legal system, 310–311
official forums, 231
recommendations to combat terrorist financing, 231, 318–319
US PATRIOT Act, 236
Wolfsberg anti-money laundering principles, 238, 320–325
Morgan Stanley, 77, 88, 99, 147
multi-manager, 48, 117, 155, 169, 271, 329
fund structures, 117–119
myCFO.com, 160

N
net interest income, 329
net investment assets (NIA), 330
niche marketing, 134
non-financial asset acquisition, finance and management, see wealth management products and services
Northern Trust, 77, 183, 182

O
offshore financial centres, 4–6, 232–236
Old Mutual, 37
open product architecture, 39, 45, 156, 169, 194, 330
open-ended fund, 330
Oprah Winfrey, 19

P
PaineWebber, 254
petrodollars, 25
performance measurement, 108–110
philanthropic planning, *see* wealth management products and services
Pictet, 36, 58, 90, 188
Piketty and Saez, 17
Pimco, 77
portfolio manager, 146, 212–213, 216–218, 330
portfolio turnover, 113, 330
pricing, 123–126
PricewaterhouseCoopers Asia-Pacific Private Banking/Wealth Management Survey 2002/2003, 224
Pricewaterhouse-Coopers Global Private Banking/Wealth Management Survey 2005, 46, 60, 72
principle protected products
factors affecting structures, 86
new structured products
actively managed structured products, 87
commodity linked notes, 87
foreign exchange linked notes, 87
hedge fund linked notes, 87
precious metal linked notes, 87
property linked products, 87
Sharia linked notes, 87
structured deposit accounts, 87
private banking, *see also* wealth management products and services
client segments, 2, *see also* wealth management clients
practices
fee levels, 48
rebates, 48
private equity fund, 37, 56, 100–101, 104, 330
investment vehicles of
closed-end companies, 101
direct investment, 101
fund-of-funds, 101
limited partnerships, 101
participation options in, 104
private investment corporations (PIC), 230, 330
professional alliances, 134
professional sports players, 65

Q
qualified intermediary (QI), 246–247, 331

R
Rabobank, 175
Rahn & Bodmer, 188
Raiffeisen Group, 187
Raiffeisenbank, 173
Rathbones, 183
Real estate advisory, *see* wealth management products and services
REITs and real estate investment, *see* wealth management products and services
relationship managers, 31, 40, 42–44, 54, 62, 64, 66, 71, 81–82, 103–104, 124, 331
Republic New York, 175
retirement planning and trust services, *see* wealth management products and services
retraction, 117, 331
Riggs Bank, 242
Rothschild, 58, 87
Royal Bank of Scotland Group, 63, 221

S
Safra Republic Holdings, 175
Sarasin, 173, 175, 182–183
Sauerborn Trust, 254
Sherbank, 167
scalping, 331
Schroders, 183
Schumer Box, 48
Scorpio Partnership, 36
Scott Goodman Harris, 254
Securities and Exchange Commission rules, 93
separately managed account, 93, 331
service level agreement (SLA), 188, 206
Shell corporation, 230
SICAV, 74, 331
single-stock hedges, 88–89
situational teaming, 134
six sigma techniques, 197–198
Smith Barney Private Wealth Management, 147
socially responsible investing, *see* wealth management products and services
Société Générale, 154, 182, 241
State Street, 77
straight through processing (STP), 198
Stratus card, 111
Swiss Banking School’s International Private Banking Study 2005, 31
systematic advisory process
agreement and implementation, 82
client profiling, 81–82
investment proposal and solution, 82
review, 82

T
T. Rowe Price, 183
tax amnesty, 251–252, 286, 293, 331
tax expertise, 113
tax initiatives, 246
European union savings directive, 248–250
international tax amnesties, 250–251
OECD project, 246–247
US qualified intermediary regime, 247–248
TIGER 21, 164–165
### U
- ultra high net worth individuals (UHNWIs), 56–58
- Union Bancaire Privée (UBP), 175
- US PATRIOT Act, *see* money laundering
- US Securities Industry Association, 40
- US wealth dynamics, 16–18
- utility model, 187

### V
- Valiant Privat bank, 187
- value funds, 95
- Vanguard, 77
- venture capital fund, 332, *see also* private equity fund
- Vontobel, 154, 171, 182–183, 187–188, 190

### W
- Wachovia Corporation, 114
- wealth management clients
  - key characteristics
    - advice, 50–51
    - buying behaviour, 51–52
    - regional differences, 53–54
    - relationship fragmentation, 52
    - sophistication, 49
  - segmentation
    - multiple criteria, 61–62
    - new segments and subsegments, 62–66
    - other criteria, 55, 59–61
    - wealth pyramid, 54–55
  - value management, 67
    - client acquisition, 70
    - client development, 71
    - client retention, 72–76
    - process steps, 69
- wealth management distribution channels
  - emerging channels
    - broadband technology, 150–151
    - online, 149–150
  - multichannels, 151–152
  - relationship managers, 127
  - organization and structure, 132–135
  - personnel retention, 140–144
  - roles, 128–132
  - sales effectiveness, 135–140
- traditional channels
  - branches, 145–146
  - client reporting, 146–148
  - referral agents, 144–145
- wealth management economics
  - components of
    - assets, 28
    - costs, 28
    - fees, 28
    - leverage, 28
  - factors
    - growth metrics, 26–27
    - intragroup synergies, 28
    - market rating, 27
    - profitability, 27
    - revenue generation, 27
  - key performance indicators
    - asset price changes, 30
    - business models, 31–34
    - economies of scale, 30–31
    - other factors, 34
  - value drivers
    - assets under management, 29
    - net profit margin, 29
  - wealth management insourcing, 193
  - wealth management market, *features of*, *see also* wealth management economics
  - challenges, 39
    - channels, 44–45
    - clients, 40–42, *see also* wealth management clients
    - pricing, 43–44, *see also* wealth management products and services
    - products, 42–43, *see also* wealth management products and services
  - client relationship, 267–269
  - client segments, 2, *see also* wealth management clients
  - emerging, 270–272
  - competition and business models, 45–47
  - European model, 35
  - North American model, 35
  - definition, 1
  - external environment, 47–48
  - future industry structure, 274–278
  - investment performance measurement, 108–110
  - market growth, factors driving
    - generic, *see* generic drivers, of market growth
    - regional, 20–26, *see also* social and economic indicators, of countries; wealth market, in countries
    - market size, 6–8, 12–13
  - wealth measurement methodologies, 9–11
  - new sources of growth
    - new geographic areas, 259–262
  - onshore versus offshore management services, 4–6
  - private banking, 1
  - product range, 2, 269–274
wealth management market, (cont.)
recent trends in, 258–267
success factors, 278–281
transformation of, 258
wealth management players, different, see also
wealth market, in countries
asset managers, 37
direct banks, 37
family offices, 36, 163–164
financial advisors, 36, 161–162
investment banks, 37, 162–163
other players, 37
product specialists, 37
pure private banks, 36, 153–154
regional players, 165–168
retail and universal banks, 36
stock brokers and wirehouses, 36–37
type of players, 153–161
trust banks, 36
universal banks, 155–158
wealth management products and services
aim, 77
new products and services
advisory process, 81–84, see also systematic
advisory process
alternative investments, 92–104, 327
lending services, 110–112
other products and services, 112–115
property and real estate, 105–110
structured products, 85–92
tracker related products, 84–85
pricing models, 123–126
active advisory fees, 126
wrap account pricing, 126
private banking products, 77
product sourcing and management, 115–123
product management discipline, 121
wealth management value chain, 186
wealth managers, 3, 31, 35, 38, 155–158, 182, see also
wealth management market, features
of; wealth management products and services
attributes of, 5
back office assessment, 186
business unit interfaces
asset management, 212–219
investment banking, 222–224
retail banking, 219–222
international dimension, 224–225
investment mandate, 3
advisory mandate, 4
discretionary mandate, 4
lean operations
benefits, 200–201
four lean principles, 199–200
implementation, 201–202
and money laundering
credit extension, 230
fund movement, 230
multiple accounts, 229
regulatory initiatives implications, 238–246,
251–255, 265
secrecy products, 230
offshore-oriented, 252–254
onshore-oriented, 255
operational excellence and cost management
operational redesign, 205–207
organizational structure, 209–210
smart operational sourcing
operational outsourcing, 188–194
technology transformation, 202–204
value-added services, 204–205
wealth market, in countries
characteristics
Australia, 300
Belgium, 293
Brazil, 305
Canada, 285
China, 297
Czech Republic, 295
France, 289
Germany, 286
Hong Kong, 299
India, 302
Israel, 308
Italy, 288
Japan, 263–266, 296
Netherlands, 291
Russia, 294
Saudi Arabia, 306
Singapore, 304
South Africa, 309
South Korea, 301
Spain, 290
Switzerland, 292
Taiwan, 298
UK, 287
United Arab Emirates, 307
USA, 284
wirehouse (US), 36, 332
withholding tax, 232, 247–252, 332
World Bank, 9
X
Xelion, 146
Z
Zenit Bank, 167
zero-premium collar, 88
Zuger Kantonalbank, 187