Transforming for the new normal

PwC's Wealth Management Insights 2022

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Are wealth managers keeping up with what their progressive clients want?

Welcome to the first report in our new wealth management series, drawing on the research conducted by the PwC Wealth Management Centre of Excellence. Our goal is to address recent developments in today's fast-changing wealth management industry, especially from the perspectives of the clients and regulators influencing this evolution.

Over the following pages, you'll read about how clients' needs are quickly changing, as are regulators' requirements. Wealth managers must ask themselves: are we adapting fast enough and doing so in the most efficient ways?

This report should help you to answer that question. However, feel free to contact PwC if you want to find out more.

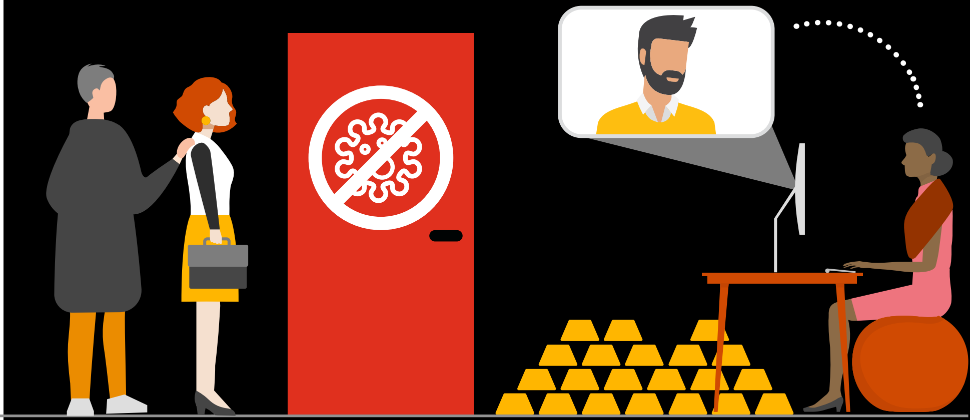
We hope that you find this report insightful.

Beresford Caloia, Global Wealth Management Leader

Patrick Akiki, PwC Switzerland Financial Services Lead

The beginning of a revolution

The wealth management industry is in flux. COVID-19 is changing customer needs at a time when competitive pressure from technology companies is intensifying. This makes it essential to simplify and digitise business models and develop smart solutions for hybrid customer interactions.



New asset classes on the rise

“Digital assets have been a wild ride since the early 2010s, with numerous hype cycles and crypto winters” notes Mark Hussey, Director at PwC Switzerland. Now the tide seems to have turned, with institutional investors following early adopters and bullish investors. Our survey shows that 94% of client advisors believe UHNWIs increased their allocations to digital assets in 2021, while 83% foresee them doing so in 2022.

Are you an ESG strategist?

Our survey results suggest that sustainable investing has become extremely important among UHNWIs. 92% of them have increased investments and 93% reported that ESG factors have become more important in their investment decisions.

Customers know what they want

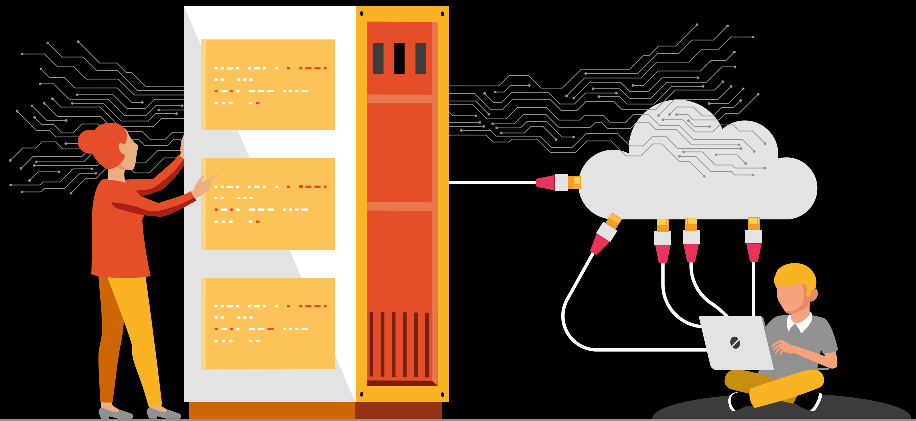
Customers' expectations have changed significantly in recent years. They're demanding more end-to-end digital contact and mobile solutions, as well as self-service and autonomous investment options.

Regulations: turning a burden into an opportunity

Understanding the interdependencies and flexibility in implementation of regulation provides advantages over the competition. In this way, regulation turns from being a burden into an opportunity. This is just as important with sustainable finance regulations that drive new products as it is with more traditional regulations in areas like anti-money laundering.

Time to act

Wealth managers must adapt to equip themselves for today's new normal – wealth management's new era. It's time to develop true hybrid solutions, streamline onboarding, focus relentlessly on the customer and improve IT infrastructure – partly by implementing a cloud strategy. At PwC, we've watched many institutions react to the shocks of the pandemic, yet few have embarked on a long-term transformation process.



Executive summary

After many years of business as usual, the COVID-19 pandemic triggered a transformation that will alter the world of wealth management forever.
But are wealth managers changing fast enough to meet the requirements of their progressive clients?

Our research would suggest that many wealth managers are not reacting fast enough.
By conducting a survey of ultra-high-net-worth investor (UHNWI) advisors and analysing our database of ultra-wealthy entrepreneurs, we know that what clients want is changing, especially as they seek more sustainable investments and crypto assets.

From our experience at PwC, we also see that COVID-19 significantly increased clients' desire for a better digital experience.
They want wealth management's old-fashioned personal touch to be paired with the best of modern technology.

To equip themselves for this new world, wealth managers must adapt more quickly.
It's time to streamline onboarding, focus relentlessly on the customer and enhance technology infrastructure. What's more, all of this needs to be done with the speed of an agile organisation.

For example, compared to the banking payments sector, wealth management has developed at a relatively slow pace over the last year, with less innovation.
At PwC, we believe that the industry must now fully embrace digitalisation and seek out innovative solutions that enhance traditional personal service.

1 New assets for a new age

Our survey shows that clients are looking to new products such as ESG investments and digital assets

Astonishing is the best word to describe how quickly clients' demand for investment products has changed since the onset of the COVID-19 pandemic in early 2020. Our survey of UHNWI advisors reveals a rapid growth in demand for environmental, social and governance (ESG) investments, alongside a greater acceptance of crypto assets.[1] Notably, while ESG investments were previously confined to the fringes of portfolios, they're now moving to the core. Cryptocurrencies, too, are in greater demand, although they appear to remain at the margins.

Almost everyone wants to invest sustainably, and they are…

Quite simply, our research tells us that ESG is now essential in the minds of clients and their advisors. Our findings show that 92% of UHNWI clients raised the percentage of assets invested sustainably in 2021. Similarly, 93% of respondents stated that ESG factors had become relevant in investment decision-making, with a third stating they became significantly more important.

When choosing sustainable investments, clients and their advisors are increasingly sophisticated – they mostly prefer assets with high ESG ratings (52%), and a sizable minority seek high ESG impact (32%). Yet there are limits. Just 16% of respondents regarded a direct contribution to the UN's 17 Sustainable Development Goals, a benchmark comparison or lower ESG risk ratings as important.

From an investor's perspective, sustainable investments proved resilient during the crisis (although they have weakened since the geopolitical crisis of 2022). The head of investments at a large Swiss multi-family office said, "Some of them have actually outperformed the market despite the downturn, thanks to a conventional sector bias towards information technology and healthcare, and away from oil-related assets".[2]

Rising interest in digital assets

Digital assets, too, are in greater demand, although they're likely to remain at the margin of portfolios. During 2021, a remarkable 94% of survey respondents raised their allocations to cryptocurrencies. In 2022, 83% of respondents say their clients plan to do so.

Payment cryptocurrencies such as Bitcoin, Ripple or Litecoin are the investment of choice, according to 65% of respondents. Only just under a fifth (17%) favour infrastructure tokens such as Ethereum, Cardano and Solana.

Non-fungible tokens (NFTs) are the new frontier in digital assets. Here, our survey revealed smaller interest so far. In 2022, though, 70% of UHNWIs are expected to raise their allocations to NFTs.

Contact

PwC's view: crypto acceptability grows

"Digital assets have been on a wild ride since the early 2010s, with numerous hype cycles and crypto winters," notes Mark Hussey, Director Blockchain, DLT and Token Business Advisory Lead, at PwC Switzerland. "Now the tide seems to have turned, with institutional money following early adopters and bullish investors. Customers are demanding exposure to digital assets and are unwilling to only have access to established coins and tokens, seeking greater returns from technology and support services as the industry matures, as well as the latest altcoins and meme coins. In addition, the popularity of tokenisation of financial assets is increasing and heading to the next phase of the development of capital markets."

2 Green and crypto as trend setters

The green and crypto industries are generating new wealth, suggesting that investments in these sectors should remain in favour

It's generally difficult to map where UHNWIs earn their wealth, but billionaires' fortunes are relatively easy to track. At PwC, we view billionaire entrepreneurs as trailblazers and trend setters. That means their evolving profiles give a clue to how affluent clients and HNWIs are changing.

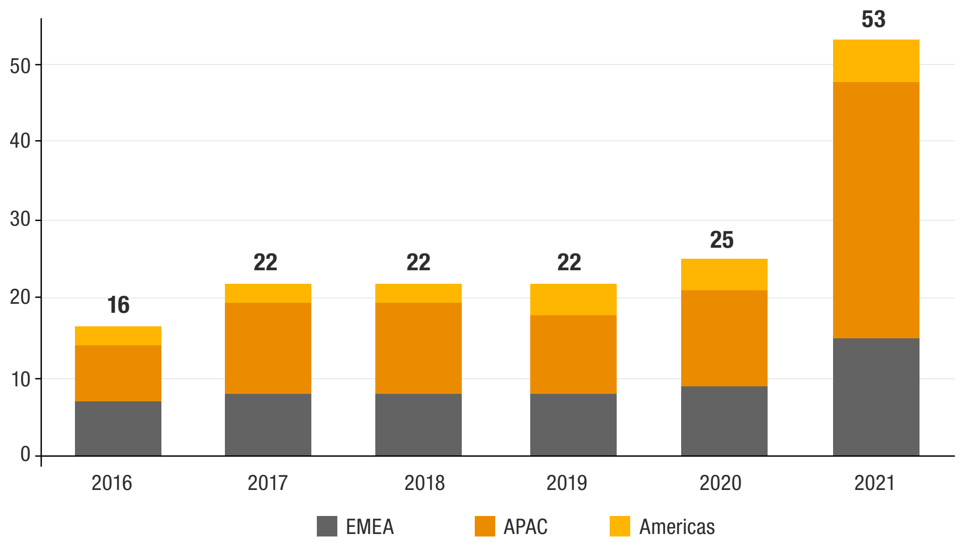
PwC's ultra-wealthy database shows the green sector and cryptocurrencies yielding a new crop of billionaire entrepreneurs.[3] It seems reasonable to assume that the two areas must also be creating significant wealth below this level. And our experience tells us that wealthy individuals tend to be most comfortable investing in sectors they know, which would go some way towards explaining the results of our survey.

Green wealth surges

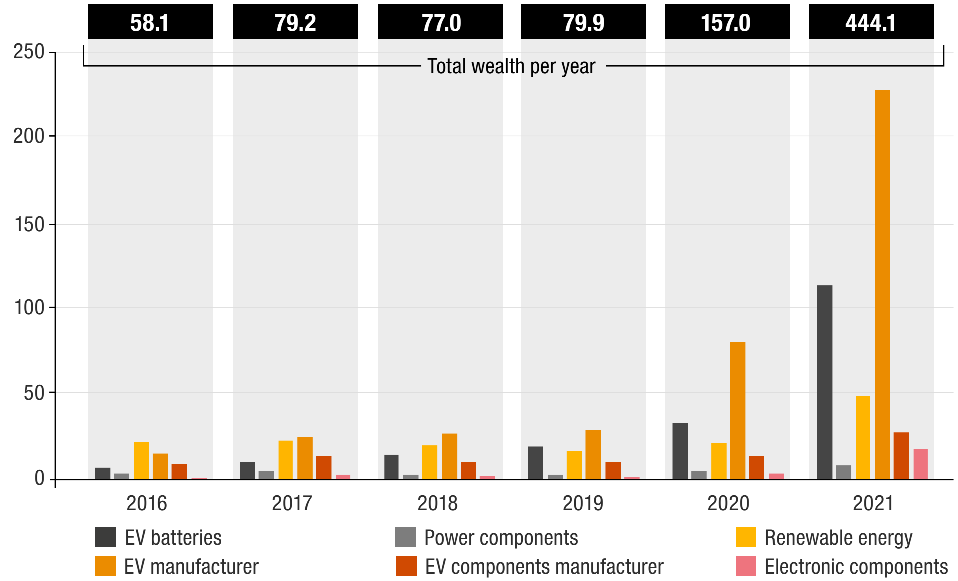
Illustrating our findings, the number of 'green' billionaires proliferated in 2021. Their number grew by 231% in the last five years to 53 globally, with an aggregated wealth of USD 444.1 billion.

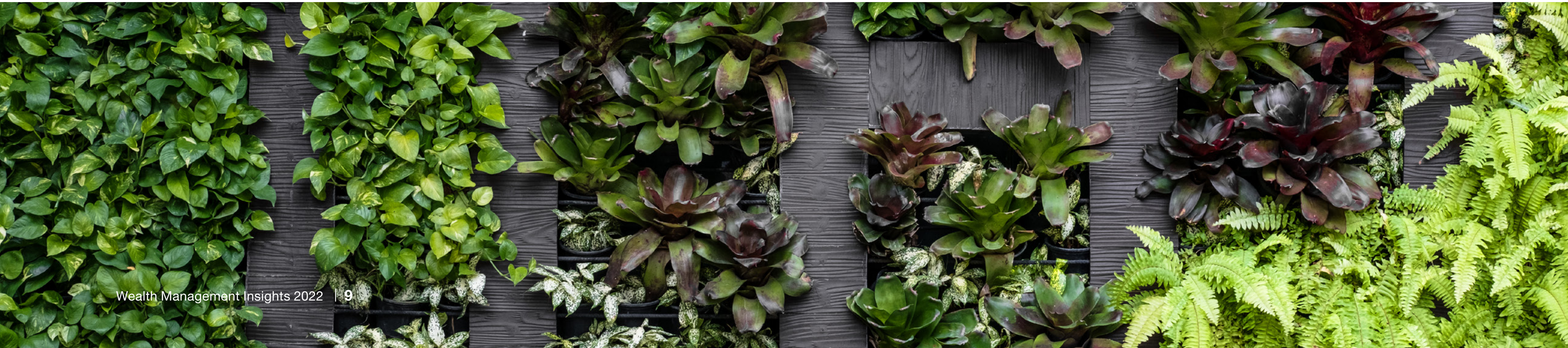
Taking a closer look, entrepreneur billionaires making electric vehicles drove the greatest wealth increase in 2021 (an annual growth of USD 147 billion, making up 51% of the total green increase), followed by their colleagues in the electric vehicle battery industry (annual growth of USD 80.5 billion, some 28% of the total increase).

Number of green billionaires per region



Wealth of green billionaires split per industry





Are you an ESG strategist?

When it comes to ESG investments, PwC characterises wealth management as having four ‘personas’.

- **The sceptic** who sees sustainability and ESG as overrated and aims to do the bare minimum to comply with mandatory reporting obligations.
- **The pragmatist** who hunts for quick wins and integrates the topic carefully into the operating model.
- **The idealist** who sees the topic as the main driver of company purpose.
- **The strategist** who sees ESG and sustainability as part of the company’s purpose, fully reconciling business and ESG strategy, operating model and performance management.

Most industry professionals are pragmatists.
But PwC believes to compete you need to be a strategist.

A clear ESG strategy that is reconciled with the business strategy is essential and should cover four areas:

- How to increase sales through ESG-optimised client journeys.
- Training and upskilling employees to ensure sustainable outcomes, measurability and benchmarking.
- Management of ESG throughout the wealth manager’s operations.
- ESG data and reporting.

To quote one US investment banker who participated in our survey: “From a risk and return perspective, the financial importance of ESG issues to clients and fiduciaries is too great to ignore. I bet in ten years we will not be calling it ESG. It will just be the way things are done – it will just be the look and feel of a successful investment portfolio.”[2]

Sceptic

- Sustainability = an overrated and (foreseeable) regulatory burden.
- Does not consider sustainability in strategy development (or even targets inefficiencies in the sustainability context).
- Integrates sustainability exclusively into reporting and risk management.
- Controls the business on the basis of regulatory minimum standards.

Sceptical rejection

Pragmatist

- Sustainability = a factor that influences the (financial) performance of the company.
- Integrates sustainability into the business mode – ‘carefully dosed‘.
- Aims for quick wins to meet stakeholder requirements.
- Delegates the responsibility for sustainability to the company management.
- Takes partial account of sustainability KPIs in corporate management and the incentive system.

Pragmatically going-along

Strategist

- **Sustainability = part of the company purpose (key to long-term success).**
- **Integrates sustainability fully into the business model.**
- **Defines ambitious self-set sustainability targets.**
- **Anchors responsibility/accountability for sustainability at board level.**
- **Integrates sustainability KPIs into corporate management and assigns strong weight to the incentive system.**
- **Main quantile of insurance market**

Strategically benefit-driven

Idealist

- Sustainability = main driver of the company’s purpose.
- Focuses exclusively on business that is in line with the purpose.
- Expands regulatory and other assessment frameworks through own goals and ambitions.
- CEO responsible for sustainability.
- Aligns business with purpose by managing on the basis of sustainability KPIs.

Idealistic-emotional

Technology's part in ESG management

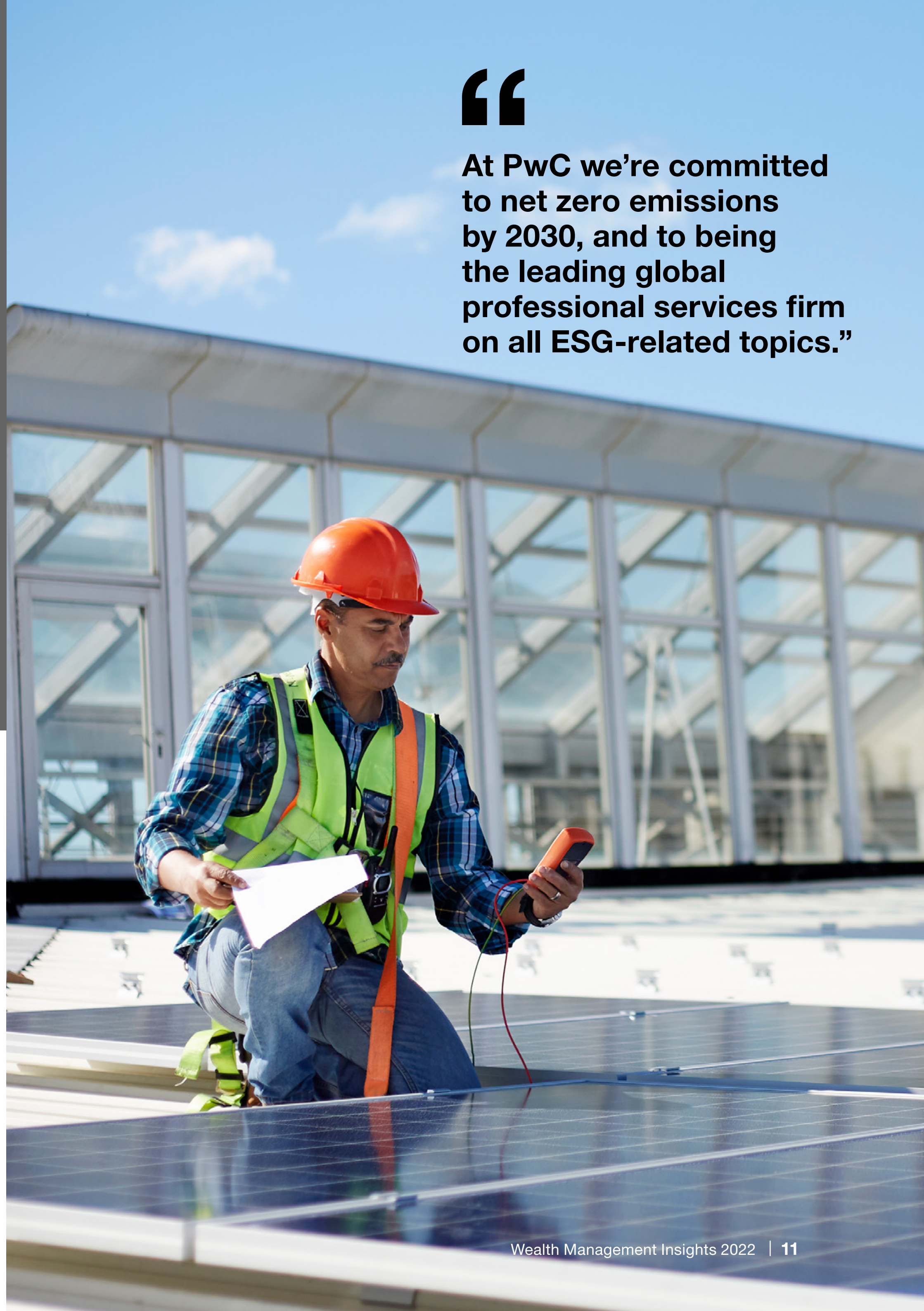
"ESG issues such as climate change, diversity, well-being, poverty and business ethics are now among the highest priorities of most wealth managers," explains Antonios Koumbarakis, Director Sustainability & Strategic Regulatory at PwC Switzerland. The driving forces behind shaping the agenda are usually regulatory requirements, significant changes in energy availability or global resource scarcity, which have a clear and obvious link to ESG, either as an investment and financing opportunity or as a risk to be managed. As the management of such issues also depends on the availability of information and data, it's now becoming clear that the key to moving towards a sustainable future also lies in creating more transparency and increasing the ability of companies and their systems to serve this purpose.

"Our work with many clients shows that they are all striving to improve automation, find smart ways to use technology, and in the process provide much better information to the financial services sector."

"Do you know how good the ESG numbers you are currently using are? Have you looked at optimising and streamlining the use of such data? Are your current systems and applications helping to achieve a streamlined ESG data process?"

Contact

In the banking and asset management industry we see a trend of more and more companies signing up to net zero alliances such as the NetZeroBankingAlliance (NZBA) or the NetZeroAssetManagersInitiative (NZAM) which are also being recommended by significant banking organisations like SwissBanking. Are you looking at joining too and would like to have a discussion about how to engage the base lining / benchmarking and target-setting exercise?



Crypto as a wealth-driving force

In 2021, there were at least 11 crypto billionaires,[4] as they rapidly rode the rise in crypto assets. For reference, as recently as five years ago, in 2016, there was just one crypto billionaire.

For simplicity and ease of analysis, we've divided these 11 entrepreneurs into three categories: crypto investors, crypto exchanges and blockchain integration.

They commonly partner with blockchain companies to increase transparency, increase regulatory compliance or introduce multi-level payment protection.

1

Crypto investor:

Invest in crypto projects, such as Ripple.

2

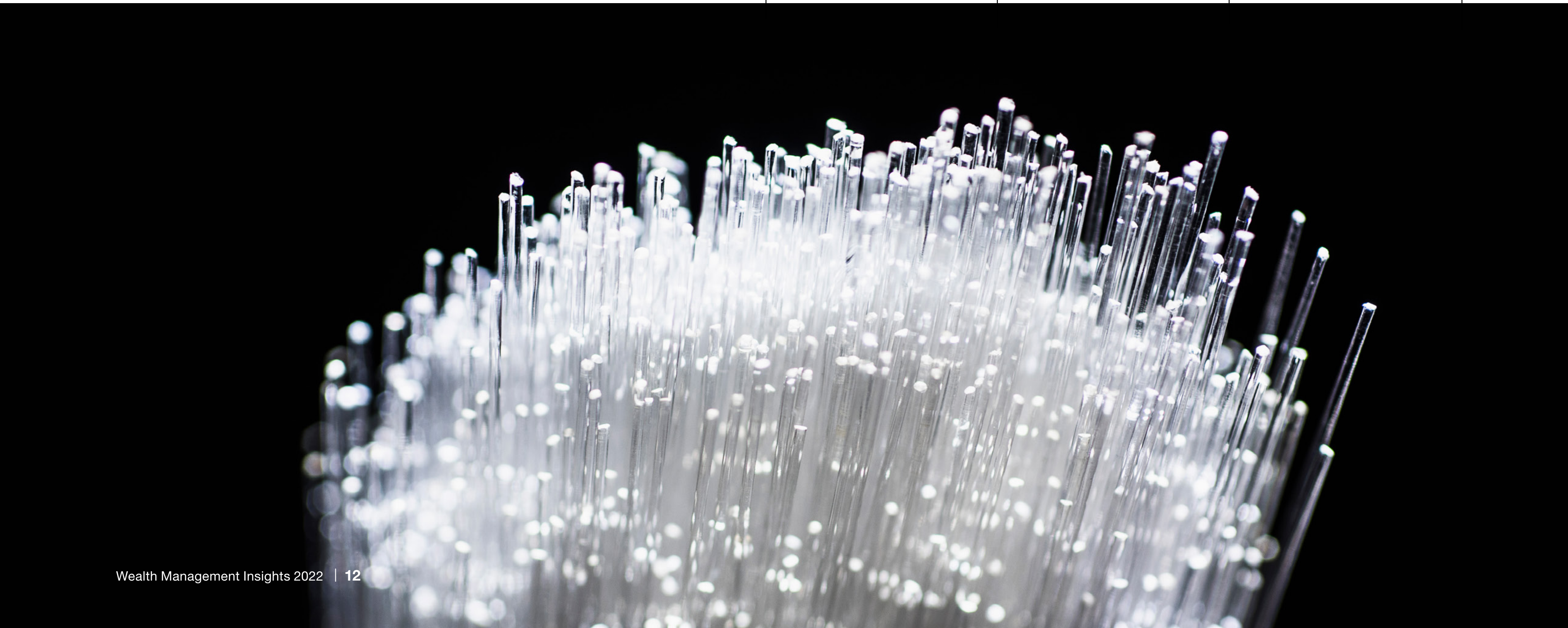
Crypto exchange:

entrepreneurs behind infrastructure offering direct access to the asset class, such as FTX.

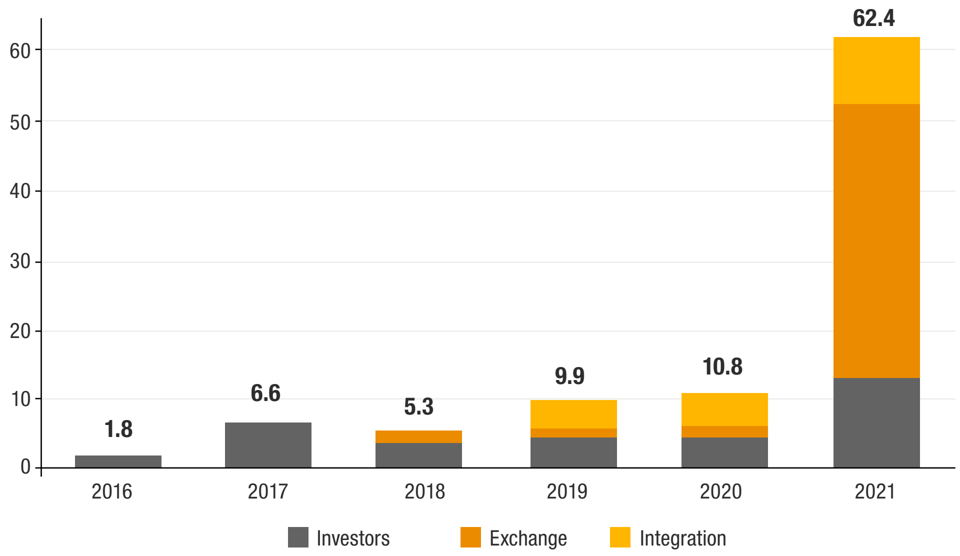
3

Blockchain integration:

Are a newer group of entrepreneurs who were already billionaires, and have recently integrated blockchain technology into their business.

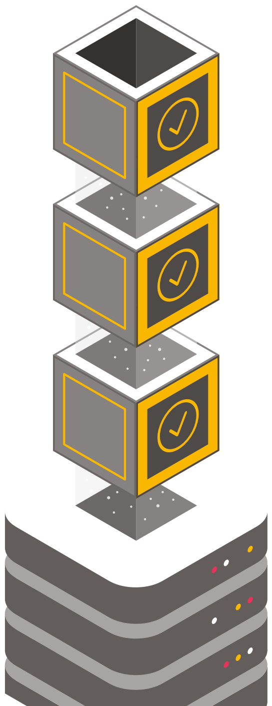


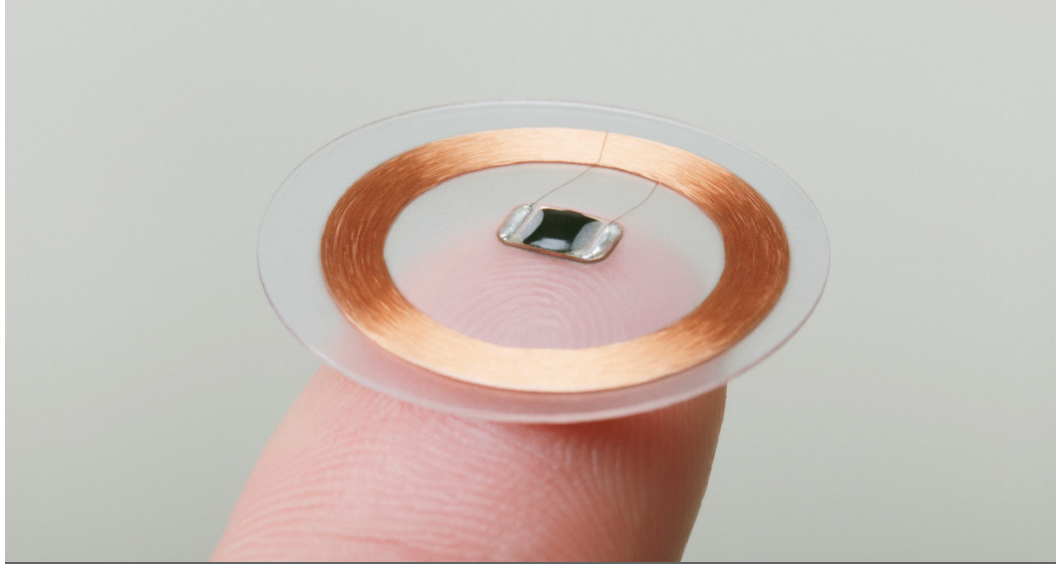
Number of crypto billionaires split per type



At the end of September 2021, the total wealth of crypto billionaires totalled USD 62.4 billion (+478% in 12 months). Approximately half of this was accounted for by Americans (USD 36.1 billion), whose wealth expanded by 315% in the 12 months.

Entrepreneurs with interest in crypto exchanges prospered most. Their aggregate wealth grew by USD 39.5 billion: a dramatic increase of 3,850% since 2020.





Pave your way into digital assets

Decentralised finance (DeFi), tokenisation and NFTs are evolutions of distributed ledger technology. As the technology improves, so they are increasingly popular. In fact, they have the potential to disrupt sectors such as financial services through the development of secure and transparent systems that displace traditional intermediaries.

While still at an early stage, DeFi has the potential to provide decentralised financial services at scale. At PwC, we're helping a number of firms to develop solutions for trading, investment management and lending.

We believe that the wealth management industry should respond to the development of digital assets in three ways:

1. **Provide access**
   Those wealth managers remaining resistant risk seeing their share of wallet from younger clients shrinking.
2. **Educate your staff about the opportunities and risks**
   Only relationship managers with a strong knowledge of digital assets, supported by the latest decision-support systems, can advise clients about investing into them.
3. **Prepare your offering**
   Channel choice (broker vs. direct), management of the product area, managing the investment risk and pricing are just a few of the aspects to consider.

3 The beginning of a hybrid revolution

PwC's experience shows that customers want new products along with digital delivery – meanwhile regulators are establishing the frameworks

Just as wealth management clients want new types of investment products, so COVID-19 accelerated the shift to digital interaction with clients: a hybrid of digital and personal service. It's notable, too, that regulators have created frameworks for digital solutions, acting as another catalyst.

Alert to the demand for digital services, Fintechs and Big Tech are seizing the opportunity to compete for clients in niche areas, while generally raising the bar for quality in digital services.

Yet wealth managers still have an edge: the high-quality personal service that has been valued for hundreds of years. Without this, they are nothing more than a tech platform.

So, what's changing? And, how can you respond to the hybrid revolution?

Three ingredients of change

Regulators

- Regulations support digital interactions
- Open banking, to access value-added services
- ESG regulations support increasing demand for sustainable products

Wealth Management industry

- Increased agility against pressure form Bigtech / Fintech
- Allow your clients to be more autonomous investors
- The WM industry goes cloud
- Need for mobile first solutions with a hybrid banking approach
- Enhancing IT infrastructure to respond to market demands and customer needs

Customers

- Increasing need and aim for self-service and digital interactions
- Increasing aim to conduct self-driven investment preferences
- Increasing interest in new asset classes (ESG and crypto products)
- From omnichannel to mobile first

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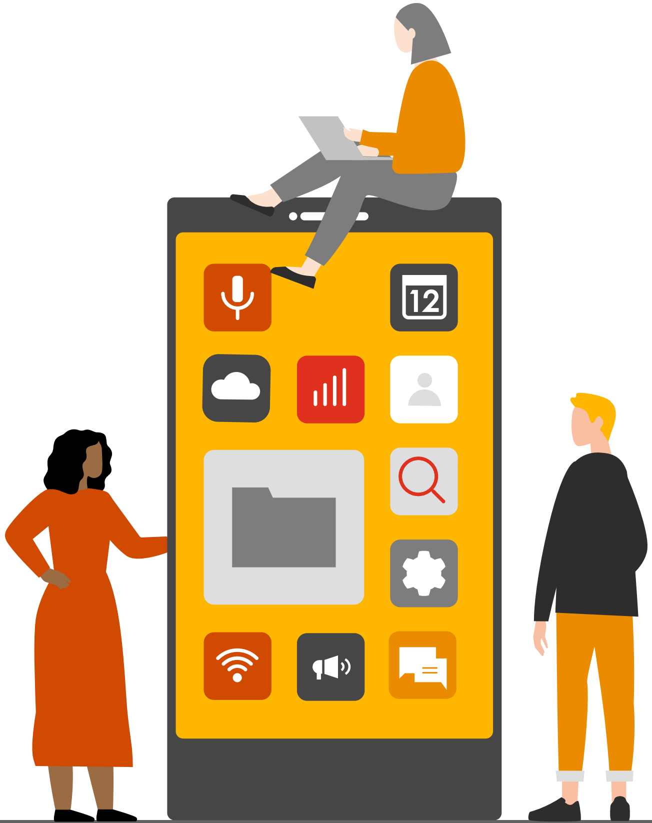


PwC's view: make customer journeys end-to-end and broaden product offerings

"Next-gen customers are driving the four key trends the wealth management industry must adapt to," asserts Thomas Schmid, Senior Manager PwC Switzerland. "Customers expect seamless access to digital mobile portfolio information and hybrid interaction channels to exchange with their wealth management investment experts. On the supply side, they demand access to ESG and crypto products."

Customers know what they want

We would summarise customers' changing requirements in four broad points:

Seamless digital interaction:
Customers want end-to-end digital interaction, starting from onboarding, and extending to credit application and investment execution. Yet wealth managers typically cannot fully provide this. While the pandemic forced wealth managers and their customers to interact virtually, digital onboarding and e-signature contracting that meet regulatory requirements (e.g. eIDAS[5] in the EU or ZertES [6] in Switzerland) remain far from common. Yet technological solutions are available such as super-apps and wallet solutions that can reduce onboarding costs significantly. Turning to family offices specifically, there's a growing need for system access. Family office portfolio managers need this access to manage and review portfolios.

Self-service:
Anecdotal evidence suggests that if digital self-service improves customers' experience, then they tend to switch platforms. For evidence of the popularity of self-service systems, look no further than the US trading app, Robinhood: investors with no previous trading experience have flocked to its mobile app, attracted by its convenient access, no-commissions, and gamified incentives. Similarly, wealth managers' clients want the option of self-service, selecting products and assets across regions, themes and management styles – albeit mixed with high-touch personal advice.

ESG investments and crypto assets:
As our survey shows, demand for ESG investments and crypto assets is rising. Data gives further confirmation. In 2021, sustainable investments exceeded USD 35 trillion,[7] while the total crypto market capitalisation reached USD 2.9 trillion.

Access through all channels:
Just like in other areas of life, customers want day-to-day access to their accounts by mobile first, backed up by other channels. Face-to-face client meetings happen more rarely. Globally, across all areas of life, more than 55% of all website visits came from mobile devices in 2021, far more than desktop computers (42%) and tablets (3%).[8]

Regulators: driving and defining change

While customers are demanding change, new regulations are paving the way towards that change. As they construct regulatory frameworks, so they are defining the future for digital interaction and new investment product areas.

Supporting digital interaction

The necessity of connecting remotely during COVID-19 has heightened the importance of e-identity and electronic trust services. The EU's eIDAS has determined the framework for Europe's digital future, setting standards for features like e-identity/e-signatures on a three-pillar level of trust approach, as well as forging the ground rules for e-wallets and seamless digital end-to-end interaction. Switzerland follows a similar approach with its ZertES law for electronic signatures and governmental e-ID. Reflecting the reality of the pandemic, the EU has allowed video onboarding since January 2020 based on eIDAS and its AML directive.

For its part, FINMA in Switzerland updated its circular 2016/7 in June 2021 to allow scanning chips, which are embedded in biometric identity documents. As this feature is standard for ID cards and passports in most countries, it signals a breakthrough for digital client identification.

Launching open banking

New regulations allow consumers to securely grant third-party service providers – such as apps and websites – access to their banking data. Regulations such as the revised European Payment Service Directive establish the foundations for standard interfaces supporting innovation and value-added services. For banks and wealth managers this development is both a threat and an opportunity.

Framing ESG

With increasing demand for sustainable investment products, EU regulations are defining the sector. The Sustainable Finance Disclosure Regulation and new ESG changes to MiFID II focus, respectively, on the classification of sustainable funds and assessment of clients' sustainability preferences.

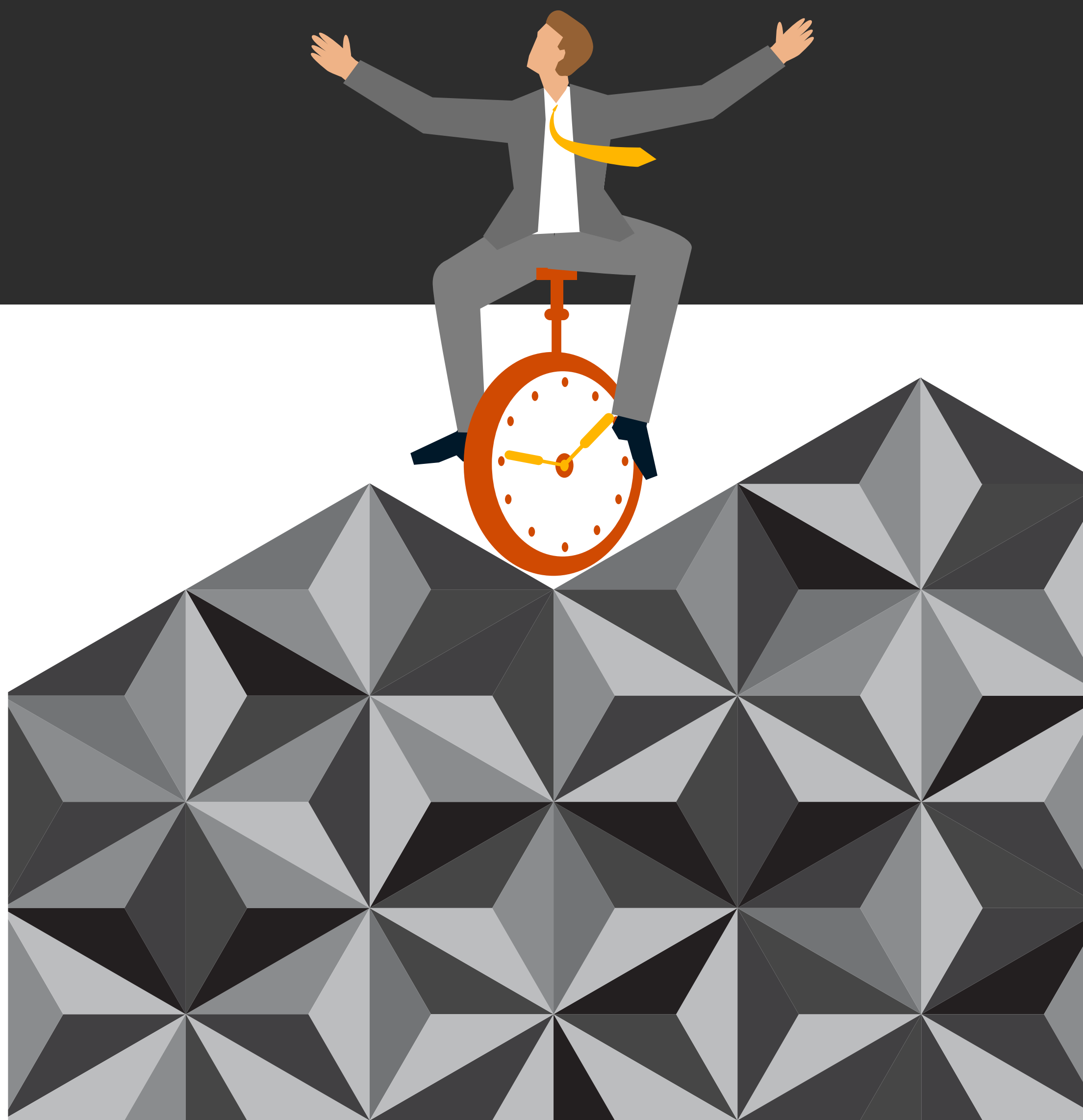
Contact

PwC's view: regulations are at the heart of change

"For wealth management, regulation is at the core of every business activity – be it as a driver for services or a limitation that needs to be respected," explains Michèle Hess, Partner and Head of Advisory Compliance and Regulation, PwC Switzerland. "Understanding the dependencies, as well as flexibility in implementation and using it to drive advantages in the client proposition in comparison to the competition, turns regulation from a burden into an opportunity. This is relevant in ESG driving new products, just as much as it is in more traditional regulation like anti-money laundering, where the required information on the client allows for a deeper understanding of cross-selling opportunities.

My focus is on supporting our clients with a deep understanding of the risks and opportunities buried in regulation and how to bring them to life. This covers assessments of the current situation as much as developing and implementing new processes and services."

4 | Time to act



Speed and agility are key as wealth managers raise their digital games, sharpen the focus on customers and transform their infrastructures

COVID-19, changing client needs and the increasing competitive pressure from tech mean there's an urgent need to simplify and digitise business models, and to develop smart solutions for hybrid client interactions.

At PwC, we've watched many institutions respond to the shocks of the pandemic, but few have actually embarked on a long-term transformation process. It's time to act, and it all starts with a clear vision of where you are and what you want to achieve. In this chapter, we'll look at what are the key elements to create the competitive advantage needed for future successes.

Prepare the new digital onboarding experience

Onboarding is the entry point of the customer's journey and the first tangible experience of interaction. Currently, for many organisations onboarding is based on legacy, complex and siloed IT landscapes, with disjointed processes that often ask for more information from the client than regulations stipulate. In simple terms: a steeplechase for the customer that results in high dropout rates.

Achieving streamlined processes and seamless digital experiences should be the critical goal. This can be achieved by reviewing and redesigning the onboarding process, initially identifying barriers and gaps.

Any new process should harness new technologies, especially video onboarding and digital signatures. New customer onboarding technologies cut completion time, reduce redundant data, and increase the accuracy of risk and compliance assessments.

Digital onboarding not only improves the customer experience but also relieves relationship managers and financial advisors of administrative tasks. This enhances profitability, as they have more time to spend with customers and generate more revenue. Finally, simplified and automated processes will also reduce base costs.

Focus relentlessly on the customer

There are two main ways that technology helps the customer: hyper-personalisation and advanced user experience (UX).

Hyper-personalisation:
With the help of AI, the wealth manager can construct a customised profile of clients based on location, demographics, previous investments and browsing activities. When adjusting to clients' changing investment requirements, the wealth manager can make recommendations based on accurate analytics.

Illustrating the potential, a French bank has developed an AI methodology to generate investment recommendations. Clients receive push notifications and investment suggestions on their smartphones tailored to their risk profiles. They can respond directly to investment decisions or speak with their advisors. Solutions like this allow customers to be more involved in making investment decisions.

By using emerging technologies, it's possible to discover customers' interests. Defining personas helps to create user journeys. By gathering and analysing this information, wealth managers can provide customers with tailored recommendations.

User experience as a game-changer:
Customer engagement comes not only in the form of selected technologies, but also through a UX strategy aimed at attracting and retaining customers. Defined UX is differentiating many industries and slowly making its way into wealth management.

UX considers how the user interacts with products, systems and services. At PwC, we've created the BXT framework, with the following elements:

- **Business:** how do you build value?
- **Experience:** what do people remember?
- **Technology:** how do you make it real?

B	X	T
Knowledge to transform	Imagination to create	Capability to deliver
Business The business change required to shift the way an organisation operates and generates profit.	**Experience** The human-physical-virtual interface required to create a useful and engaging experience.	**Technology** The tech required to embed the new solution and create scale.

Today clients demand higher levels of transparency, outstanding personal service, an engaging client experience and the ability to interact via digital devices. A highly personalised smart app that responds to the defined UX gives competitive advantage.

Gamification also offers great benefits for both customer retention and user experience. It can be as simple as offering reward points for customer transactions and activities to create competition. Of course, in return for the sense of satisfaction created by games and competition, the goal is to achieve specific business benefits.

Enhance your infrastructure

In today's world, companies need to build operating models that can adapt quickly to change, are scalable and cost-effective. "Technological efficiency, technology-enabled asset allocation tools, sophisticated data and visualisation systems, alternative data sources and lean back-office operations must be all part of forward-looking business models to create business value," asserts Patrick Akiki, Partner and Financial Services Management Consulting Lead at PwC Switzerland.

As a starting point, wealth managers can simplify their processes before further improving their technology infrastructure. There are many different emerging technologies that can contribute to greater efficiency. This leaves more time for following up on leads, onboarding clients, creating quotes and fine-tuning advice.

Increasing the flexibility of IT infrastructure aids efficiency. This flexibility takes solid data governance and a progressive cloud strategy that clearly outlines which data should be stored in the cloud. Ten years ago, wealth managers would not allow critical data to be stored in the cloud, but cloud solutions have become more secure and widely used. As a result, customers have greater trust in the technology.

Another form of infrastructure is mobile apps. Customers want powerful mobile apps that give access to their accounts and portfolios.

A vast number of wealth tech suppliers supports the industry, most operating mainly in the cloud (SaaS/PaaS). In the past two years we've seen an unprecedented appetite for progressive green field approaches in the industry to overcome the costly and inflexible legacy architecture and increase flexibility.

Contact

Minimising the risk of cybersecurity

As digitalisation increases, so does the need for security. Cyber resilience is now one of the top priorities for many, not just wealth managers, including their clients and regulators.

Technology alone does not guarantee security. At PwC, our experience shows that the solution lies in collaboration – from the technology and governance departments to the boardroom. Fabian Faistauer, Head of Cyber Compliance Monitoring at PwC Switzerland, notes: "Wealth managers should ask themselves the following questions. Is your business secure? How do you know if you are securing your business against raising cyber threats and risks? How well do you manage your third-party risks and their impact on your supply chain?

Answering these questions is the key to fortifying your business against cyberattacks and ensuring yours and your customer data is protected."

Concluding thoughts

Closing the gap between client demands and the wealth management industry offer is crucial

The wealth management industry is in flux. Just as clients seek regular digital access to accounts and new investment products, so there's the danger of competitive pressure from tech companies. Wealth managers still have an edge – traditional high-touch service – but they must evolve.

In this paper, we shed some light on the main areas that we believe wealth managers must focus on to maintain and sharpen their competitive advantage.

Investing in a true customer-centric model, with digital user journeys that enable seamless digital interactions and serve the individual needs of each customer, will be key. Achieving this requires a modular IT infrastructure that leverages the cloud and third-party intermediaries, as well as having intelligent open banking strategies. Making such a transformation quickly takes agility across the entire organisation.

Turning to investment products, digital customer journeys must be accompanied by the new products that your customers want. ESG and crypto assets are in growing demand, as our survey results at the beginning of this paper show.

PwC is at the forefront of the wealth management industry, its trends and technologically-driven innovation. We've successfully advised many clients as they adapt to today's changing market. If you'd like to discuss anything in this paper or need advice, please don't hesitate to contact us.

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We'd especially like to thank all the contributors to this new report for their support:
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Digital asset strategy and approach to market

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ESG through technology and NetZero banking

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Market-differentiating customer engagement

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Compliance and regulation opportunities

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Minimising risks in cybersecurity

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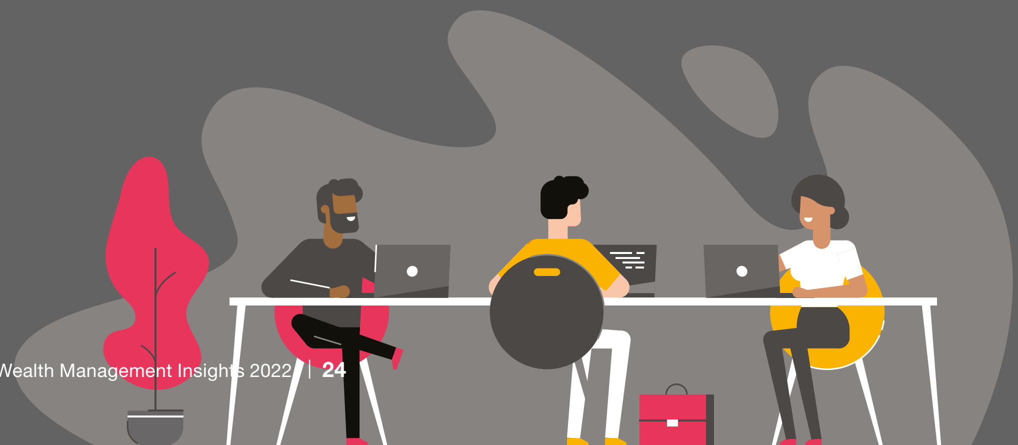

Survey research methodology

We conducted a survey of UHNWI advisors between November and December 2021 to discover how their clients' demand for investment products is changing. Consisting of 12 questions, the survey was sent to over 100 wealth advisors and 40 investment advisors worldwide, including CEOs and CIOs.

Ultra-wealthy entrepreneur research methodology

To understand how green technologies and crypto assets are generating UHNWI wealth, we analysed PwC's ultra-wealthy research database. Our database covers more than 2,600 billionaires from 43 countries in the Americas, EMEA and APAC. It includes the 43 largest markets, which account for around 98% of global billionaire wealth. Our cut-off date for data collection was 21 September 2021.

The analysis framework took a multi-layered approach to identifying green and crypto billionaire-controlled companies.

PwC advises a large number of the world's wealthy and has unique insights into their changing fortunes and needs.

Endnotes

1 For a summary of our research methodology, please see page 25.

2 Quotes collected between September and December 2021.

3 For a summary of our research methodology, please see page 25.

4 Crypto billionaires include founders of companies that facilitate virtual currency transactions, issuers of cryptocurrencies, investors, entrepreneurs who integrate blockchain technology into their businesses, or investors in blockchain-related companies.

5 The EU regulation on electronic identification and trust services, established in 2014.

6 A Swiss Federal law that regulates the conditions under which trust service providers may use certification services with electronic signatures. Approved into law in 2003.

7 https://www.reuters.com/business/sustainable-business/sustainable-investments-account-more-than-third-global-assets-2021-07-18/.

8 https://gs.statcounter.com/platform-market-share/desktop-mobile-tablet.

www.pwc.ch/wealthmanagement