

U.S. Private Banks & Trust Companies 2020

Unifying the Wealth Management Experience

OVERVIEW & METHODOLOGY

The annual private bank and trust report evaluates the continued developments in the bank trust channel, including current and projected marketshare, portfolio construction and product trends, services, technology, advisory fees, and platforms. As banks continue to adapt to an evolving fiduciary environment, more firms have looked to centralize their advisory platforms to streamline operational and investment functions. Asset managers looking to get their solutions approved on a bank's platform need to ensure they are providing relevant strategies that align with the bank's home office and investment committee, as they ultimately have the greatest influence on client portfolios. Meanwhile, as banks struggle to keep up with competition from independent registered investment advisors (RIAs) and direct providers, they will need to evolve their technology and advisory platforms to provide a more unified wealth management offering.

USE THIS REPORT TO

- Understand the implications of banks unifying their advisory platforms in an evolving fiduciary environment
- Explore private bank and trust channel sizing and marketshare projections
- Analyze advisory fees, services, and technology offered by bank wealth managers
- Evaluate the distribution opportunities that exist for asset managers
- Gain insight into banks' portfolio construction and product use trends

QUESTIONS ANSWERED

- Which bank channels are best positioned to grow in the coming years?
- How are banks adapting to an evolving fiduciary environment?
- How can banks successfully approach wealth transfer dynamics?
- How are banks evolving their technology offerings amidst the COVID-19 pandemic?
- How are asset managers adjusting their distribution approach as banks move toward home-office portfolios?



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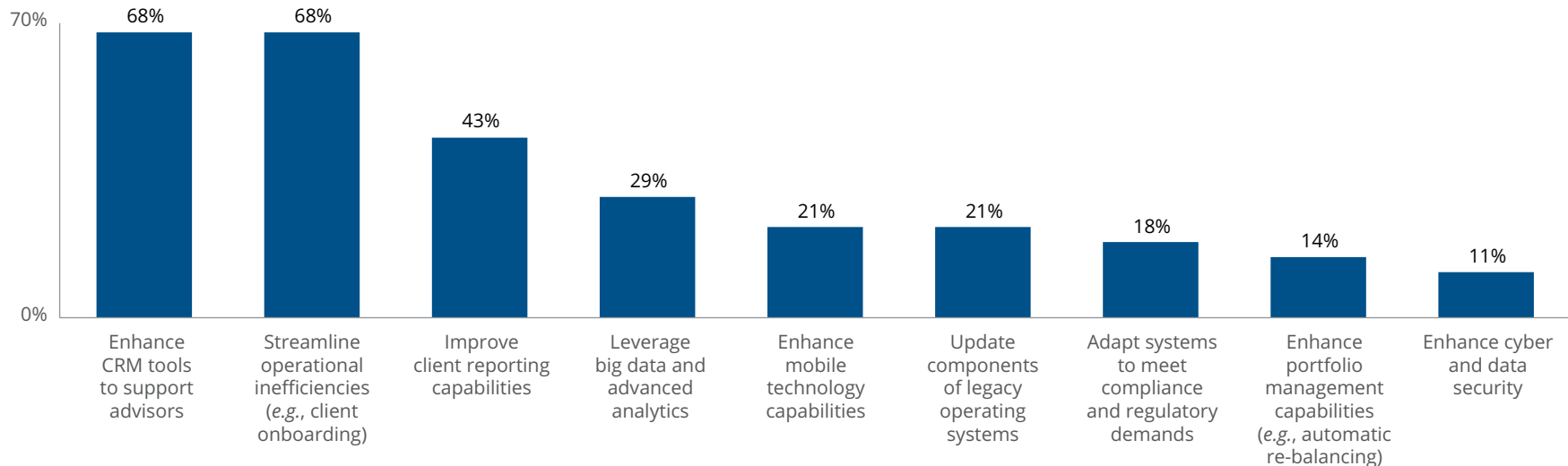
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- **Bank Segment Projections:** Analyze asset forecasts for various bank segments with customizable capital market and organic growth rates.
- **Fiduciary and Related Assets and Distribution Strategies:** Review current and historical data on the share of managed vs. nonmanaged fiduciary and related assets by business line within a given bank channel. Compare distribution coverage among the largest U.S. banks, including key account and wholesaler distribution strategies.
- **Private Bank & Trust Advisor Profile:** View the number of advisors per practice, advisor age, years of experience, and number of clients segmented by practice assets under management (AUM) and core market.
- **Client Engagement:** Understand private bank and trust executives' most-effective ways to engage the next generation of clients, primary reasons for clients leaving the practice in the past year, and methods of sourcing new clients.
- **Wealth Management Services and Fees:** Compare banks' wealth management service offerings, associated fees, and required asset minimums.
- **Portfolio Construction Comparison:** Explore a side-by-side comparison of portfolio construction processes between advisory practices by core market and practice AUM.
- **Product Mix Comparison:** Compare current and expected product usage between advisory practices by core market and practice AUM.

Exhibit 6.06**Private Bank & Trust Executives: Most Important Technology Initiatives, 2020**

Source: Cerulli Associates

Analyst Note: Respondents were allowed to select up to three initiatives.



- More than two-thirds (68%) of surveyed bank and trust executives indicate enhancing CRM tools and streamlining operational inefficiencies (e.g., client onboarding) as their top technology initiatives.

Key Implication: Technology has redefined client expectations with regard to the control, access, and convenience. Particularly among younger clients, the rise of online, direct and do-it-yourself (DIY) platforms (e.g., Betterment, Acorns, Robinhood) has put pressure on banks to increase their digital capabilities. While many firms still have very fragmented legacy systems, bank executives recognize the need to enhance their client-centric technologies (e.g., CRM tools, video conferencing) and streamline operational functions (e.g., performance reporting, account opening/onboarding). As the COVID-19 pandemic persists, banks will need to make significant investments in both front- and back-office technologies aimed at driving greater operational efficiencies across the organization. Executives should take advantage of this opportunity to integrate technology and instill best practices across the firm, as advisors currently have no choice but to adopt technology in order to do their everyday job and communicate with clients. If done correctly, modernizing technology platforms will help banks develop deeper client relationships, and create operational efficiencies that will be a catalyst for continued growth well beyond the pandemic.

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