

Children Speak Out: Staying Relevant in the New Age of Advice

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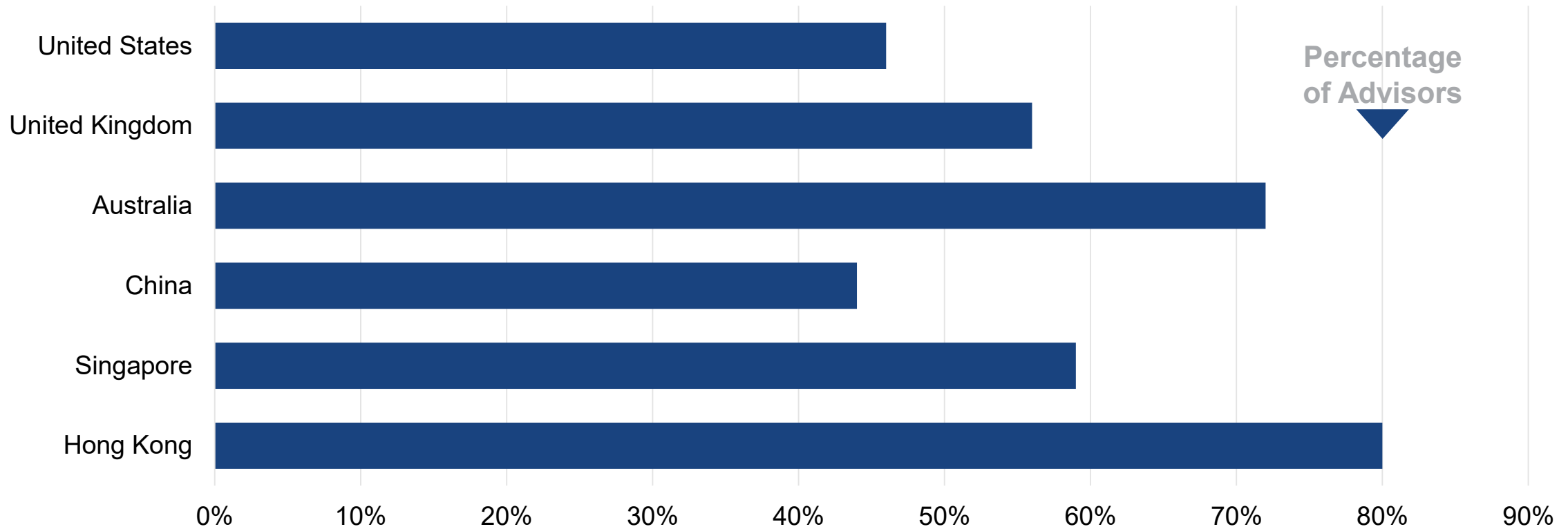
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November 2019



High Dissatisfaction Level Among Millennials

A recent study by Simon Kucher & Partners found that **60% of millennials** are not happy and are not loyal to their current wealth manager.



Source: Simon Kucher & Partners, Strategies to win in the new private banking World, Master the Art of Attracting and Retaining Millennials

Retention of the Family Advisor

Reason for Using A Different Advisor	Head of Household Age		
	Under 50	50 and older	All Households
Used parents' advisor initially but switched to one that better meets my needs	3%	3%	3%
Considered parents' advisor but selected one that better meets my needs	21%	5%	9%
I selected my own advisor without considering the advisor my parents use	76%	92%	88%

Notably, the Under 50 investors seek advisors that serve their needs better while considering their parents' advisors.

However **92%** of the 50 and older investors did not consider their parents advisors.

The next generation of investors are very research oriented and are data driven, socially focused and will seek financial advisors to meet those needs.

Source: The Cerrulli Edge, U.S. RETAIL INVESTOR EDITION, 2Q 2019 Issue #15

Continuing Their Parent's Legacy

As the **Next Generation of Wealth** stands to inherit a large amount of wealth, their families have not communicated what they desire for them to do with that wealth!

How Well Informed Are Your Heirs About Your Desires or Plans For the Wealth You Are Leaving to Them or Others?	Head of Household Age		
	Under 50	50 and older	All Households
Very Well Informed	20%	20%	20%
Somewhat Informed	32%	42%	39%
Not Sure	13%	10%	11%
Somewhat Uninformed	5%	15%	12%
Heirs have no idea of my desires or plans	31%	13%	18%

Source: The Cerrulli Edge, U.S. RETAIL INVESTOR EDITION, 2Q 2019 Issue #15

The Future of Inheritance

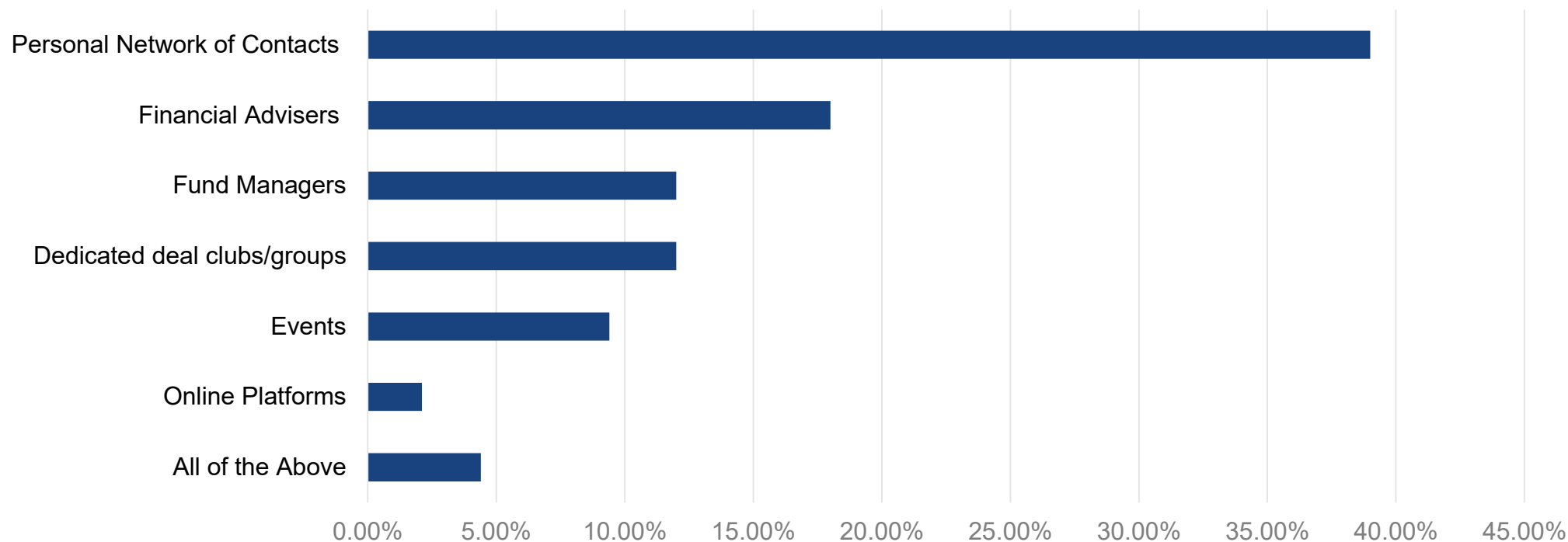
Plans for Future Inheritance Funds	Head of Household Age		
	Under 50	50 and older	All Households
I'll move the funds to be managed with my existing investments	33%	64%	48%
I'll maintain the same relationship with the advisory firm	23%	12%	18%
I'll manage the funds myself with an online brokerage account	17%	17%	17%
I'll use the funds for the purchase of something specific of my choice	20%	13%	16%
I'll leave the funds in a trust	21%	6%	13%
I'll use the funds for something they are earmarked for (i.e. education account)	14%	10%	12%
I'll use the funds to be managed by a new advisor/platform	13%	10%	12%
I'll hold the funds without investing	14%	7%	11%
Other	6%	8%	7%
I'll move the funds to a robo-advisor	10%	1%	6%

Source: The Cerrulli Edge, U.S. RETAIL INVESTOR EDITION, 2Q 2019 Issue #15

Doing it on their own

Recent survey done by UBS suggests that **4 in 10 of wealthy individuals** source deals through their personal connections and less than one in five use financial advisers.

Finding Direct Investment Opportunities



Source: The UBS/Campden Wealth Global Family Office Report 2018

Your Opportunity as an Advisor

- Connect with the family across generations to build deep relationships beyond the monarch or matriarch
- Help family members build a plan to educate future generations on nurturing a legacy
- Provide advice and strategies to involve future generations in money management decisions
- Guide the monarch or matriarch on how to respond to mistakes future generations may make with their money management decisions
- Advocate for an independent expert to work with them and you on estate planning vs. selecting a family member
- Help your client keep the lines of communication open across generations to provide transparency

A Closer Look: Insurance Solutions in Asia

Life insurance solutions offer a variety of advantages for wealth and estate planning helpful to families as they transfer wealth.



- **Underwriting Wealth**
- **De-leveraging and De-risking Family Businesses & Assets**
- **Flexibility**
- **Advantages on Compliance & Reporting**
- **Provision of Cash to Settle Tax Bills in the Event of Death**

Source: Transferring Wealth to the Next Generations – Making the Most of the Opportunity, Hubbis August 2019

So, how do you stay relevant?

New opportunities have presented themselves as you build relationships with the next generation



- **Financial Planning Education**
- Pointing clients to the **best mortgage providers and rates**
- **Identifying** appropriate retirement savings plans
- **Guidance on paying off debt** (the next generation has amassed more debt)
- **Offer Concierge Services** that are attractive
- **Add estate and tax planning services**

Source: New Age Advice: How to Stay Relevant with Next-Gen Clients, Pershing 2019

WOW Factors for Millennials



- **24/7 Access** – anytime, anywhere
- **Transparency** – no hidden fees
- **ME!** – exclusive services, loyalty programmes
- **Making an Impact** – local economy, climate
- **Personal** - no spam
- **Super-Like my RM/Advisor** – their choice
- **No Hassle Choice Selection** – triple click
- **TMI** – make it simple

Source: Simon Kucher & Partners, Strategies to win in the new private banking World, Master the Art of Attracting and Retaining Millennials

In Conclusion:

85% of Asia's **Billionaires** are first-generation and are due to transfer US \$2.1 Trillion to their Heirs over the next 20 years!



- Continue to **develop strategies, services and offerings** to serve this next generation.
- Think **electronic** and **efficient!**
- **Develop relationships across the generations** of the families you serve.

Source: Facing the Future: How Wealth Advisory Firms Must Strategise and Adapt to Attract NextGen Clients, Hubbis May 2019

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