Warwick Economics Society

Divisional Starter Packs – Wealth Management

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Wealth Management:

What is wealth management?

Wealth Management is the practice of managing an individual or family's total finances, combining investment management with financial planning, tax, estate and sometimes private banking or lending advice for certain companies. It focuses on preserving and growing a client's wealth in line with their personal goals, rather than purely chasing investment returns. It is one of the most relationship driven sectors of finance and requires heavy emphasis on communication and trust building skills.

Typical client base: individuals and families, ranging from affluent to ultra-high-net-worth (UHNW)

Main goal: Protect, grow, and pass on client wealth in line with their life goals, risk tolerance, and family circumstances.

How wealth managers get paid:

Advisory / AUM fees

- A percentage of assets under management or advice, typically charged annually
- Usually ranges from around 0.5% to 1.5%, often tiered down as assets grow

Planning and transaction fees

- Flat or hourly fees for financial planning, tax or estate advice
- Brokerage or transaction fees charged per trade in advisory (non-discretionary) accounts

Product and referral fees

- Commissions or fees on certain investment, insurance or lending products
- Cross-selling banking, lending or trust services alongside core advice

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Types of Wealth Management:

Private Banking	High-touch banking, lending and investment services bundled together for wealthy clients
Financial Planning	Holistic planning covering retirement, tax, education and cash-flow needs for individuals and families
Discretionary Portfolio Management	The manager makes day-to-day investment decisions on the client's behalf within an agreed mandate
Advisory Wealth Management	The manager recommends trades and strategy, but the client approves each investment decision
Family Office Services	Bespoke management of investments, tax, estate and succession planning for ultra-high-net-worth families
Trust & Estate Planning	Structuring assets through trusts and wills to manage inheritance, tax and succession

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Day to Day

- **Client meetings –** understanding a client's goals, risk tolerance, family situation and any life changes
- **Portfolio review –** reviewing performance against goals and rebalancing where needed
- **Financial planning –** building and updating retirement, tax and estate plans for clients
- **Research –** keeping up with markets, funds, products and changes in tax or pension rules
- **Compliance –** completing KYC and suitability checks and keeping client records up to date
- **Business development –** networking, generating referrals and growing assets under management
- **Client reporting –** preparing performance updates and wealth reports for clients

The wealth management process:

1. Client onboarding and fact-find (goals, risk profile, family circumstances)
2. Financial planning and goal setting
3. Asset allocation and investment strategy design
4. Portfolio construction and implementation
5. Ongoing monitoring and rebalancing
6. Regular client review meetings
7. Reassessment following life events (e.g. inheritance, retirement, sale of a business)
8. Reporting and relationship management

Skills:

Technical

- Financial planning knowledge (tax, pensions, estate planning)
- Excel
- Investment and product knowledge

Commercial

- Market awareness
- Regulatory and tax awareness
- Relationship-building and business development

Soft skills

- Communication and empathy
- Trust-building and discretion
- Attention to detail
- Patience and long-term relationship management

Career pathway:

- **Client Service Associate / Graduate** (0 - 2 years)
- **Client Adviser / Associate Wealth Manager** (2 - 5 years)
- **Wealth Manager** (5 - 9 years)
- **Senior Wealth Manager / Director** (9 - 12 years)
- **Partner / Head of Wealth Management** (12+ years)

Firms, jargon, and resources:

Example firms:

Global firms

- UBS Global Wealth Management
- Morgan Stanley Wealth Management
- Merrill (Bank of America)
- J.P. Morgan Private Bank
- Goldman Sachs Private Wealth Management

UK / European firms

- St. James's Place
- RBC Brewin Dolphin
- Quilter
- Rathbones
- Evelyn Partners

Family office & boutique specialists

- Stonehage Fleming
- Sandaire

- Cazenove Capital

Debunking Jargon:

HNW / UHNW	High Net Worth / Ultra High Net Worth - client wealth tiers, each with different asset thresholds
Discretionary Mandate	An agreement letting the manager trade on the client's behalf without asking permission each time
Advisory Mandate	An agreement where the manager recommends trades but the client approves each one
KYC (Know Your Client)	The process of verifying a client's identity, source of wealth and risk profile
Suitability	The requirement that any recommendation matches a client's goals, risk tolerance and circumstances
Fact-find	The process of gathering a client's full financial picture, goals and family circumstances
AUA (Assets Under Advice)	The value of assets a firm advises on, whether or not it manages them directly
Model Portfolio	A pre-built portfolio used as a template across many similar clients
Risk Profiling	Assessing how much investment risk a client is willing and able to take
Estate Planning	Arranging how a person's assets will be distributed after their death
Trust	A legal structure that holds assets for beneficiaries under agreed terms
Rebalancing	Adjusting a portfolio back to its target allocation as markets move

Resources:

News

- Financial Times
- Wealth Adviser
- The Economist

Interview Prep

- CISI and CFA study materials (useful even before formally
- enrolling)
- Firm-specific research: client segments, services offered and recent press
- Practise talking through how you'd build a financial plan for a sample client