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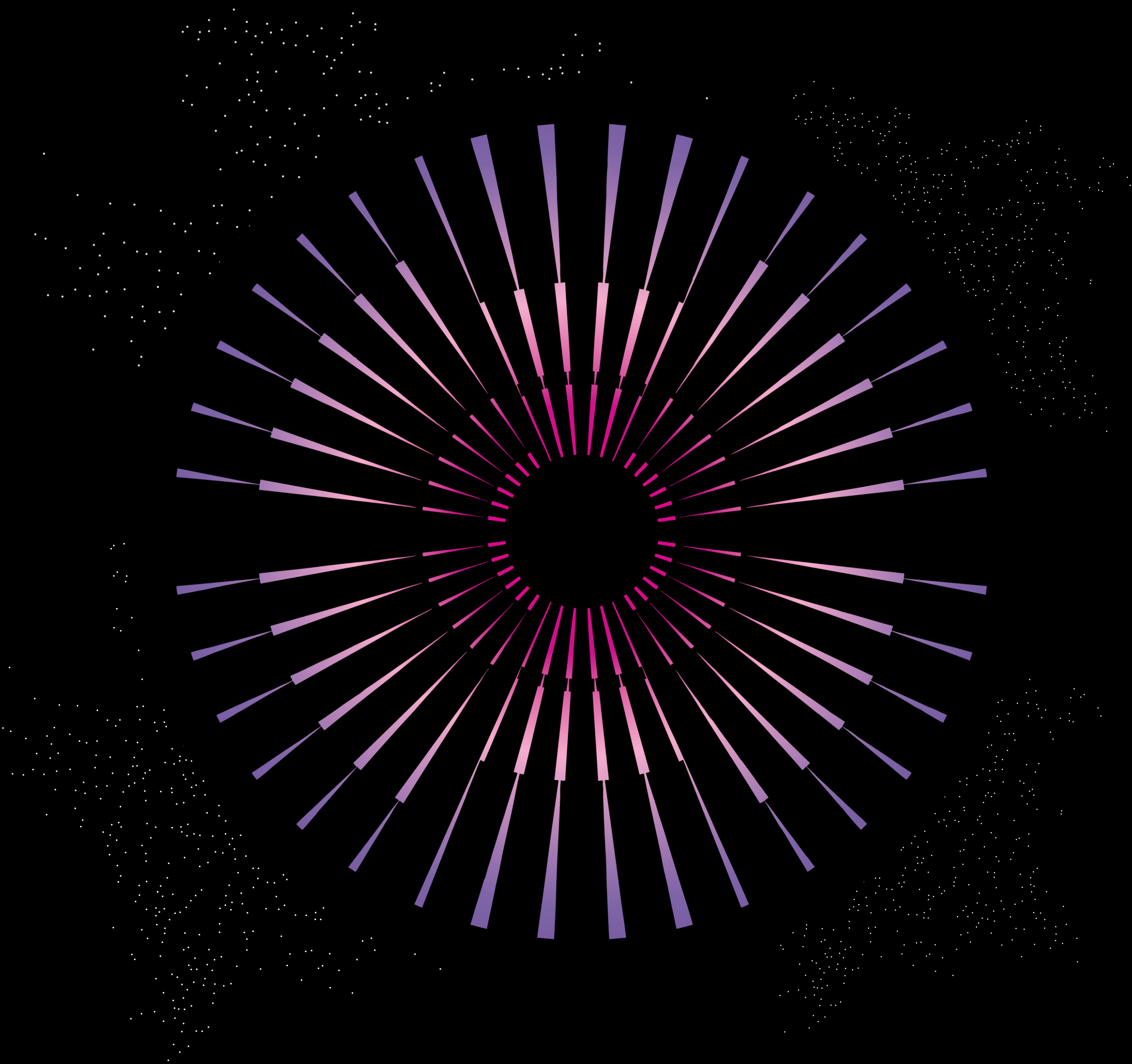

Market Overview Q2 2019

Wealth Management & Private Banking

Contents

LGBTQ

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for the LGBT+ community

Market Update

Key trends and market news in the Wealth Management industry globally

The Wealth-X Billionaire Census 2019

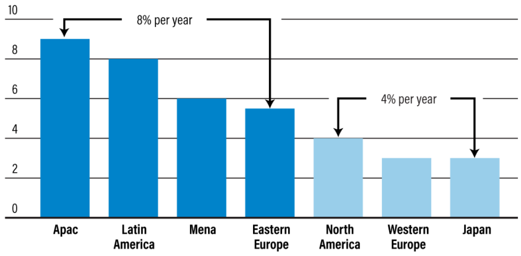
- According to the recently published Wealth-X Billionaire Census 2019, there are 2,604 billionaires in the world and over a quarter of these individuals (705) reside in the US. China, the country with the second-highest number of billionaires, has 285, while Germany has 146 and Russia 102. Following are the UK (97), Switzerland (91), Hong Kong (87), India (82), Saudi Arabia (57), France (55), UAE (55), Brazil (49), Italy (47), Canada (45) and Singapore (39), making these the top 15 billionaire countries. The global billionaire population fell 5.4% in 2018 compared to the previous year, and their worth declined by 7% to $8.6 trillion, as shown in the table below (source: Wealth-X).
- This change is mainly due to heightened market volatility, global trade tensions and a slowdown in economic growth. The report also found that the top 15 billionaire countries accounted for 75% of the global billionaire population and 79% of global billionaire wealth in 2018, up slightly from the previous year. In absolute terms, there were 84 fewer billionaires in the top 15 countries (a total of 1,942) compared with 2017, with combined net worth falling by an annual $489bn to $6.8trn. The full report is available on the Wealth-X website.

	2018		2017		% Change	% Change
Region	Number of billionaires	Total wealth ($bn)	Number of billionaires	Total wealth ($bn)	Change in population	Change in wealth
World	**2,604**	**8,562**	**2,754**	**9,205**	**-5.4%**	**-7.0%**
Asia-Pacific	707	2,228	816	2,440	-13.4%	-8.7%
EMEA	1,005	2,795	1,054	3,007	-4.6%	-7.1%
The Americas	892	3,540	884	3,758	0.9%	-5.8%

APAC and Latin America Leading Global HNW Growth

- Looking at the global HNW population, or those with over $1 million in liquid assets to invest, the growth of this segment is predicted to be greater in emerging markets than in developed countries, at 8% versus 4% per year, according to the latest Deutsche Bank Oliver Wyman Wealth Management Report, "Out of the Pit Stop - Into the Fast Lane" (2019). Asia Pacific, Latin America, Middle East & Africa and Eastern Europe are forecasted to account for over half of global wealth growth over the next five years, compared to a third today.

COMPOUND ANNUAL GROWTH RATE OF PRIVATE HIGH-NET-WORTH WEALTH BY REGION: 2018 - 2023



Source: Olive Wyman

- Global high-net-worth wealth growth grew to $70 trillion at a decelerated rate of 4% in 2018. Private high-net-worth wealth in the Middle East & Africa region is expected to grow by 6% annually until 2023, while Asia Pacific is expected to reach a high of 9% and Latin America 8%, compared to rates of 4% in North America and 3% in Western Europe. Global private banks and wealth managers will have even greater opportunities to grow their asset base from emerging markets in coming years.

Swiss Private Banks Ranking 2018

- The Swiss private banking landscape, largely dominated by mergers and acquisitions in most recent years, continues to be a very competitive market, with banks contending for the wealth of the super-rich, while keeping an eye on the largest independent wealth managers, which have been fighting for a share of the pie as well. Below is the AuM ranking of the top 5 Swiss private banks, recently reported by Private Banker International.

BANK	AUM 2018 (USD billion)
UBS	2,260.00
Credit Suisse	770.00
Julius Baer	379.10
Pictet	213.60
J. Safra Sarasin	151.70

Switzerland Tightening Rules on Residential Borrowing

- The Swiss banking industry is planning to tighten the rules on residential housing borrowing (which includes some 30% of all mortgages), as Finma is concerned about risks associated with the boom in this asset class. The decision followed a stress test carried out at the end of last year at 20 major Swiss banks to evaluate their resilience to a real estate crisis. The Swiss National Bank is trying to reduce their exposure, should this happen. The market boomed in recent years as investors sought low-risk alternatives to government bonds after the central bank cut interest rates below zero.
- Banks seem to favour a change in how much an investor can borrow as a percentage of a property price. Currently, the maximum is 80% and the Swiss Bankers Association is said to suggest a reduction to 75% of the total price. In addition, banks will enforce a reduction in the number of years it takes the borrower to pay off their debt. Concrete proposals for these changes are expected in Q3 2019

CFA UK Launching New ESG Qualification

- The CFA Institute has launched a new qualification in ESG (Environmental, Social and Governance) investing, which will be available for investment professionals later this year, making it the first formal qualification on ESG investing in the UK. The certification is recognised and supported by the Principles for Responsible Investment (PRI), an international network of investors working together to put principles of responsible investment into practice. This follows an ever-increasing interest in ESG from investors in recent years and will help to meet the investment sector's increasing demand for further education, guidance and standards around ESG. Investment professionals in all roles, from asset management to sales and distribution, as well as students seeking a career in the investment sector will be able to enrol from September, with the first exam taking place in December 2019.

Luxembourg Imposing New Sanctions

- Luxembourg is the first European country to officially announce sanctions against jurisdictions designated by the European Union as 'non-cooperative' for tax purposes. Companies resident in Luxembourg must now state in their tax return if they have entered into transactions with 'related enterprises' in jurisdictions included on the EU blacklist, starting from the 2018 tax year. This refers to an enterprise that participates directly or indirectly in the management, control or capital of another enterprise; or where the same individuals participate directly or indirectly in the management, control or capital of two enterprises. Tax authorities will apply ‘reinforced control’ to companies that rely on tax structures or arrangements involving non-cooperative jurisdictions for tax purposes that are included in the EU blacklist.

Italy Offers Expats Willing to Relocate Up to 70% Tax Relief

- Italy is making its special tax regime for newly resident workers more appealing from 2020, increasing the tax exemption from 50% to 70% for the first five years after relocation, and opening it to any workers who did not live in the country in the last two years. Until now, the tax exemption was restricted to qualified professionals, managers, executives or high-prestige entrepreneurs. Now it is open to any workers who commit to residing in Italy for at least two years and who perform their work mainly in Italy, making this a very appealing relocation package in a country where the progressive rates of income tax vary from 23% to 43%. Taxable income is further reduced for those who transfer their residence to the southern regions of Italy. The regime can be extended for a total of 10 years, subject to additional conditions (i.e. a residential property is purchased or there is an underage child).

UAE Launches Permanent Residency System

- Sheikh Mohammed bin Rashid al-Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, has officially launched a permanent residency system for investors and professionals in the fields of medicine, engineering and science. The first permanent visas, or “Golden Cards”, are being issued to more than 6,800 foreign investors whose total investments into the country exceed $27bn (AED 100bn). The cabinet of the UAE approved the regulatory framework in January for the issuance of long-term residence permits to investors and entrepreneurs who have settled in the country, granting visas for five and up to 10 years.
- The UAE hopes that a large influx of foreign capital will bolster the country’s economy. The decision comes as a few other GCC member states have taken an opposite direction, such as Oman, which has banned the issuance of new visas to reduce the number of expats living in the country. Similarly, Saudi Arabia is boosting a “Saudisation” of its economy.

Private Banking in Africa: A Growing Market

- New wealth continues to be generated in Africa, through a rising entrepreneurial class that is fuelling the growth of African private banking, which has been rapidly expanding since the early 2000s. The growth comes as a rising tide of tech-savvy entrepreneurs and local business owners are transforming their companies into larger, better-established businesses, and the countries are trying to diversify from relying on commodity exports. The top 10 African countries per number of millionaires are listed below.

COUNTRY	# OF MILLIONAIRES	% GROWTH (2006 – 2016)
South Africa	40,400	8
Egypt	18,100	-15
Nigeria	12,300	40
Kenya	9,400	93
Angola	6,100	82
Morocco	4,600	-10
Algeria	4,500	-18
Mauritius	3,800	230
Namibia	3,300	21
Ethiopia	3,100	219

- According to the Africa Wealth Report (2017) by New World Wealth on behalf of AfrAsia Bank, individual wealth in Africa totalled $2.2 trillion at the end of 2016, of which $800 billion is held by a total of 145,000 high-net-worth individuals (HNWIs), with net assets of $1 million or more. On top of access to high-quality financial services and products, such as cash-based investments, investment in government-issued securities and broad-based equity mutual funds, demand for offshore banking and family office services is broadly expanding across the continent. The study also found that the countries that have been minting the most millionaires over the past 10 years are, in order: Mauritius, Ethiopia, Rwanda, Uganda and Kenya. Growth is set to continue over the next 10 years in each of these countries.

Hong Kong Topping the List of Prime Real Estate Prices

- Once again, Hong Kong continues to be the city with the most expensive prime residential prices in the world, with London and New York City in second and third place. According to property consultancy Knight Frank, an average prime price in Hong Kong was $4,251 per sq. ft. ($45,760 per sq. m.) in 2018. The firm also outlines that prices continued to rise over a five-year period, although the top price ever achieved in Hong Kong was in 2016, when a home on The Peak sold for $28,154 per sq. ft. ($303,051 per sq. m.) for a total of $38.3 million. Since then, the top price for a home in Hong Kong has dropped by 16%. London and New York average prime prices stand at $3,022 and $2,989 per sq. ft., respectively.

- The most "affordable" market of those analysed by Knight Frank is Dubai, with an average price of $625 per sq. ft. ($6,729 per sq. m.), representing only 15% of the average price in Hong Kong. Despite this, Dubai has seen some of the highest price premiums over the past five years. In 2014 a house sold at $3,976 per sq. ft. ($42,796 per sq. m.).

Women Leading China's Wealth Management Industry

- Hong Kong has many more women in leadership roles within wealth management compared to other parts of Asia and Europe, and as many as 50% of private bankers with a managing director title are women. The ratio in the rest of Asia is below 30%, while in Europe it drops to a much lower average of 10%. According to a recent Bloomberg interview with Amy Lo, Co-Head of Wealth Management Asia Pacific at UBS Hong Kong, more than 40% of wealth management staff with a managing director title or higher in the bank are women. She cited the bank's desire to meet diversity goals, as well as a push to capture the growing wealth of female clients in the region as the main drivers of this impressive gender diversity in high-ranked positions. On top of that, Chinese clients tend to be more comfortable with women bankers due to their attention to detail and, for female clients, their ability to relate to themselves. According to a 2018 UBS & PwC report, China mints two new billionaires a week and the number of female billionaires in Asia rose more than 20 times since 2005, making up 8% of all billionaires in the region in 2017.

Assets Shifting Out of Hong Kong

- Hong Kong's $1 trillion wealth management industry is starting to be at risk, as wealthy individuals are in the process of moving money out of the city due to the new proposed Extradition Bill, a local government plan to allow extraditions of suspects to face trial in China for the first time. According to a recent Credit Suisse report (2018), the city-state has 853 individuals worth more than $100 million, just over double the number in Singapore. The bulk of wealth held by these individuals has historically been kept in the city. Although shifting assets is not an easy or speedy process, many of the super-wealthy have already started moving assets out of Hong Kong, as the bill could eventually become law despite the numerous recent protests taking place to stop it.

- According to senior private banking figures in the region, Singapore is the preferred destination for these assets, although a good share of the money is moving away from Asia completely and shifting towards Europe, into Switzerland and the UK mainly. Private bankers in Hong Kong have said clients are increasingly inquiring about the impact of the bill and growing more concerned about it. A number of bankers and product specialists are also being relocated from Hong Kong to Singapore as banks' headcounts are expected to be gradually transferred out or cut due to this shift.

Singapore Improving Banking Conduct Standards

- The Monetary Authority of Singapore (MAS) and the Association of Banks in Singapore (ABS) have recently announced the establishment of the Culture and Conduct Steering Group (CCSG), a new initiative to promote and improve conduct standards among banks in Singapore. It is chaired by Shee Tse Koon, Singapore Country Head at DBS Bank, and is comprised of members from 12 other banks in Singapore with responsibilities in business, risk management and compliance. These standards aim to strengthen ethical business practices that safeguard customers' interests and ensure fair treatment, as well as reinforce prudent risk-taking behaviour and robust risk management that support banks' safety and soundness.
- The CCSG is aiming to provide a platform for industry-wide dialogue among banks in Singapore, aiming for a healthier banking industry based on identifying best practices in the area of culture and conduct and sharing these with the wider industry as well as monitoring trends and identifying possible conduct and culture issues within them.

Bahamas Legislating Cryptocurrency Framework

- The Securities Commission of the Bahamas (SCB) has released a draft Digital Assets and Registered Exchanges Bill, 2019 ("DARE Bill, 2019") aimed at regulating the issuance or sale of digital tokens in the Bahamas and how sellers and intermediary service providers conduct themselves. The draft legislation, currently in a preliminary phase of industry and public consultation, lays out a procedure for registering such offerings and informing authorities and investors on the details of a token sale. Once the consultation phase is over, the document will be passed to the government and then to parliament and may be passed as early as this autumn.

Banks & Wealth Managers News

Structural changes, M&A activities, expansion and hiring trends by institution

SEVEN Investment Management

Seven Investment Management (7IM) has **cut fees for investors with larger sums on its platform** to make it one of the most competitively priced platforms for HNW clients and families. Investors with balances between £2mn and £5mn will see their fees fall from 0.15% to 0.08%, while those with more than £5mn will see fees drop from 0.15% to 0.05%. This will apply to both existing and new business.

Azura

Ali Jamal, former Managing Director and Head of Key Clients Emerging Markets at Julius Baer, has launched a new Multi-Family Office called Azura, with offices in Monaco and London. Asian offices are expected to be launched in the second half of 2019. Azura **already has $2bn in AuM** - a record-breaking number for a new MFO - and caters to the **global UHNW and mega-wealthy community**, both from developed and emerging markets. Billed as a "21st century merchant bank", the firm takes full care of client requirements, offering family office and investment advisory services, as well as access to alternative investment (private equity and club deals) and corporate finance solutions. Additionally, it will offer other services such as wealth planning, concierge, trust and estate services.

Ali Jamal's partners at the new venture are Karim Lari, who is credited with co-founding the modelling and analytics group at Credit Suisse, as well as Ben Leung, former head of trading and macro research at Broadpoint Asset Management and a Credit Suisse alumnus. Azura has also **secured further senior bankers to their business** who come from top-tier private banks, though details are yet to be announced.

Prior to setting up Azura, Ali Jamal spent six years with Julius Baer, where he and his immediate team were amongst the best-performing teams in the emerging markets, a success underpinned by long-term client relationships. Previously, he was with Credit Suisse and BSI. He is a former officer in the Kuwaiti army.

BANKOFSINGAPORE

Bank of Singapore has **officially opened a subsidiary in Luxembourg**, called BOS Wealth Management Europe, as a base to cater to European clients. The bank took office space in Luxembourg in March last year and won a licence in July. It is led by Anthony Simcic (ex HSBC Private Bank). The bank had previously served European clients through the London office of parent company OCBC and its Singaporean headquarters. London is now a branch of the Luxembourg entity, led by Liz Bottomley, ensuring that the bank can continue to sell services across the EU in case of a hard Brexit.

Bank of Singapore is set to expand into Malaysia following its **deal to acquire Pacific Mutual Fund Bhd,** an investment firm in the Southeast Asian nation, for RM35.6mil (US$8.5mil). The transaction will allow the bank to deepen its access to rich Malaysians, whose wealth grew more than 7% to US$469bn in 2017, according to a report published last year by Capgemini.

BB Bellevue

Swiss bank Bellevue is **acquiring Adbodmer, a boutique specializing in mid-cap mergers and acquisitions,** run by Adriana Ospel-Bodmer, wife of former UBS Chairman Marcel Ospel. Adbodmer will continue as an independently run subsidiary of the Swiss bank. With the acquisition, Bellevue aims to diversify its revenue into a wealth management niche. Ospel-Bodmer will take a prominent role at Bellevue and her Adbodmer partner, Jan Kollros, will also remain with Bellevue following the deal. He is to join the bank's top management and run the private equity unit.

Bellevue Group has confirmed it is talking to potential buyer as it is **thinking of selling its banking unit**, whilst the group is reviewing various strategic options for the bank. It is understood that KBL European Private Bankers recently submitted a non-binding offer to purchase the unit.

bradesco

Brazil's Banco Bradesco SA is **buying BAC Florida Bank for approximately US$500 million** to try and close the gap with Brazilian rivals, marking its first-ever international acquisition. Based in Coral Gables, BAC Florida is controlled by Grupo Pellas, which was founded in 1877 in Nicaragua, and focused on HNW individuals. With the acquisition, Bradesco **aims to expand in the United States**, **but also in Latin America as a whole**, as BAC has clients throughout the region (around 20% of BAC Florida's clients are Brazilian; only 9% are American). Bradesco has confirmed that it is not seeking to build a retail base outside Brazil, but wants to boost its private banking business, which currently manages nearly US$50 billion in assets. BAC Florida ended 2018 with total assets of US$2.2 billion and net income of US$29 million. One of its main business segments is real estate financing.

1762 BREWIN DOLPHIN

Brewin Dolphin has announced its expansion in Bath, UK, with the **acquisition of the assets of Epoch Wealth Management, an IFA firm based in Bath**. After the deal completes, Managing Partner Barry Newbury and his 37 colleagues from the financial planning firm will transfer to Brewin Dolphin along with the firm's clients. This increases Brewin Dolphin's footprint to 31 offices.

The firm has also sealed a €44 million (£37 million) deal to **buy Investec's Republic of Ireland wealth business.** Headquartered in Dublin, Investec Capital & Investments (ICI) controls €2.9 billion in assets and will be combined with Brewin's existing Irish business. Following the merger, Brewin will rise to the top three wealth managers in Ireland, with €4.6 billion in assets under management, overseen by a 33-strong investment team covering around 5,000 client relationships. The deal is boosting Brewin Dolphin's presence in Ireland, following its 2011 purchase of Dublin-based Tilman Asset Management. Total funds under management rose to £42.4 billion at Q1 2019.

BROWN SHIPLEY

Brown Shipley has **acquired NW Brown & Co, a Cambridge-based firm with £1 billion in assets**, as well as an additional office in Norwich, in a bid to boost its footprint in the region. The acquisition will bring Brown Shipley's total assets under management to £9 billion. NW Brown Chief Executive Oliver Phillips will continue to lead the business post-acquisition, while the firm's 74 employees will move to Brown Shipley. The price paid for the business was not disclosed.

Butterfield

The Bank of N.T. Butterfield & Son Ltd., an offshore bank and trust company headquartered in Bermuda with significant operations in the Cayman Islands and Channel Islands, has **entered into a definitive agreement to acquire the banking business of ABN AMRO Channel Islands** through its wholly owned subsidiary Butterfield Bank Guernsey. The aggregate purchase price is approximately £161 million (US$208 million) in cash, subject to adjustments. With a presence in Guernsey for over 35 years, ABN AMRO Channel Islands offers banking, investment management and custody to trusts, private clients, and funds, with £2.9 billion in deposits and £3.5 billion in assets under management and custody at the end of 2018.

Global asset manager Schroders has joined forces with Citi to unveil a **digital tool for the bank's wealth management clients across EMEA and Asia**. InvestIQ was developed by Schroders alongside behavioural scientists and will soon be available to Citi's clients with assets around $100,000 up to $10m in Singapore, Malaysia, UAE, the UK, Thailand, Indonesia, Philippines and Poland, with more Asian locations being rolled out in the second half of 2019. The tool will enable investors to **explore the impact of emotions in investment decision-making**, providing them with strong educational content to help them set proper investment goals. The tool combines the science of behavioural finance and investment education, enabling Citi's clients to better understand how their personality could impact their investments.

An external asset manager founded in 1974 with offices in Lugano, Zurich and Geneva, Colombo Wealth Management has **merged with Lugano-based boutique Heron Asset Management** to create Colombo Wealth. The merger will combine individual portfolio management, family office services, fund and asset management services, and will be led by Dario Colombo, CEO of Colombo Wealth Management. Alberto Tocchio, CEO and CIO of Heron Asset Management, will be CIO of the new entity.

Crédit Agricole and Santander have signed a **Memorandum of Understanding to combine their custody and asset servicing operations** in a bid to achieve scale without the complexity of a full merger and to save costs. The new entity would combine CACEIS, the custody and asset servicing business of Crédit Agricole SA, and the Spanish, Brazilian, Mexican and Colombian activities of S3, Santander's custody and asset servicing business. The new business will have around **$3.8 trillion (£2.9 trillion) of assets under custody,** making it one of the largest European custody players behind BNP Paribas, HSBC and SocGen. Crédit Agricole will own 69.5% of the merged unit, which will keep the brand name of Agricole's existing asset management arm, Caceis. Santander will hold 30.5%.

Credit Suisse Group has been **granted a banking license in Saudi Arabia**, approved in April by the Council of Ministers led by Saudi Finance Minister Mohammed Al-Jadaan. The bank joins competitors like Citi, JP Morgan and HSBC doing business in the richest Middle Eastern economy. The move comes after CEO Tidjane Thiam travelled personally to Saudi Arabia to file the application in July 2018.

In Hong Kong, Credit Suisse has **established a unit focusing on family office services for clients in Greater China,** due to the increasing demand by wealthy Asians seeking to set up private investment vehicles and plan family succession. The bank has appointed Tan Mae Shen, senior specialist, family office services Asia-Pacific with Credit Suisse since 2017, as head of the new wealth planning services unit.

Credit Suisse is also **upgrading its services for external asset managers in Asia** by collaborating with Hong Kong-based Privé Technologies, a digital wealth management solutions platform provider for financial institutions. The platform provides upgrades in content generation, risk profiling and suitability, order management and execution capabilities. This builds on the 2017 partnership with fintech company Canopy to make an automated account aggregation platform and reporting solution accessible to clients.

Swiss non-governmental organization **Public Eye recently filed a criminal complaint against Credit Suisse over million-dollar tuna bonds in Mozambique**, which follows a lawsuit filed by the South African nation against the Zurich-based bank last month. The country defaulted last year, after it emerged that some funds intended for tuna-fishing boats allegedly went towards military equipment instead. The Swiss bank denies knowing of any wrongdoing in the scandal.

Deutsche Bank Wealth Management is **launching a new unit aimed at UHNWIs and family office clients, called Institutional Wealth Partners (IWP),** with the aim to offer wealthy clients various "institutional quality" services, including tailored lending, investing and corporate finance. IWP will be available to clients around the world. The team is led globally by Todd Stevens, with Dan Kaiser serving as the head for the Americas. Deutsche Bank hired Alan Brody from JP Morgan to serve as head of IWP Americas' investments.

In the UK, the bank has rolled out **new residential mortgages for private banking clients**, available for those who want to borrow £3 million ($3.8 million) or more for mortgages in the UK. It will later be available in nine other jurisdictions including France, Italy and Spain. The service covers mortgage refinancing and equity release, as well as preparations for dry lending, offering large mortgages without requiring assets under management for clients wishing to build a wider wealth management relationship.

The bank's **Swiss branch has started automating some front-office banking tasks** on top of its global back-office automation project, hoping to free up more of its RMs' time by relieving them of daily paperwork and administrative work. The automation includes sending account statements to clients as well as digitally consolidating some 150 different risk control reports.

In Asia, Deutsche Bank has **rolled out dbXpert, a wealth advisory offering that "bridges the gap between transactional advisory and wealth discretionary mandates"** by giving clients control over their portfolios while charging a fixed fee for investments. It provides clients with an asset allocation framework, scenario analyses and health checks for their portfolios. The platform will be available to clients in Hong Kong and Singapore with a minimum portfolio of $2.2mn.

Dolfin has **completed the acquisition of Falcon Private Wealth in the UK** (London office). The deal added 300 clients worth $800mn in assets to Dolfin, increasing the firm's total assets to more than $3bn. The sale follows a number of exits that Falcon UK suffered in 2018, including that of long-standing senior banker Bryan Wang, who left as a Managing Director & Head of Greater China for J. Safra Sarasin in London. Fourteen Falcon employees, including senior wealth managers, have moved to Dolfin as part of the deal.

Edmond de Rothschild has announced a n**ew private equity fund for energy and environment, launched in partnership with Pearl Advisory.** Called Pearl Infrastructure Capital SCA, the investment strategy will have a positive environmental impact in European environmental infrastructures, aiming to face the increased financing needs of industrialists and local authorities to modernize old infrastructures and meet growing environmental limitations. The fund receives support from two strategic investors, the European Investment Bank (under the "Juncker Plan") and Caisse des Dépôts et Consignations, each worth €30 million, along with other French institutional investors and the Edmond de Rothschild Group. The fund is **aiming for a total commitment of €250mn** raised by the end of the year.

As part of its 2019 - 2022 strategic plan, EFG International is **enhancing its global offering for External Asset Manager clients**, expanding its existing services to include a new multi-custody platform launching in Q3 2019. The platform is being developed with AM-One AG, a subsidiary of fintech company Expersoft Systems AG, and will provide EAMs with an automated custodian data feed from all EFG booking centres as well as access to the bank's extensive investment solutions service and product offering.

EFG announced the **opening of an advisory office in Lisbon,** Portugal, as a branch of its Luxembourg entity, expected to be fully operational by 1 September 2019. Pedro Rego has appointed as the new head of the office; he was previously managing financial, corporate and real estate assets at an independent asset manager in Portugal and held roles and BNP Paribas and Credit Lyonnais Portugal prior to that.

The bank continues to **strategically hire senior and entrepreneurial bankers** who fit into their CRO-centric model well, pushing for expansion through acquisition of both individual CROs and teams, especially in their Swiss and UK offices.

Falcon Private Bank's **losses have deepened in the last year,** according to its reports. Its annual loss stood at CHF 31.8 million ($31.5 million), a further CHF 3.4 million on the year, representing the third net loss in a row for a bank which was hit hard in 2016 by the 1MDB scandal. Falcon's revenues continued to drop, while its **assets fell below CHF 10 billion,** due to client withdrawals and market swings. The bank is also behind on cost-cutting and continues to suffer exits of private bankers through to mid-2019. With CEO Martin Keller, the bank tried to differentiate itself by reinforcing its crypto offering and allowing clients to transfer cryptocurrencies to and from wallets held directly at the bank and convert their crypto holdings into fiat. Keller wants to hire as many as 20 new private bankers this year, although in current conditions it may be quite a challenge.

FosterDenovo

UK advisory firm Foster Denovo has **entered an agreement to acquire London & Capital's UK wealth business.** London & Capital has £3 billion in assets under management and offers a range of wealth and asset management services to private and institutional clients. The value of the transaction and amount of assets acquired by Foster Denovo have not been disclosed. Two financial advisers will move across as part of the deal, and the servicing of client portfolios will also be transferred to Foster Denovo. The advice business said there would not be any immediate change to clients' portfolios or their charges as a result of the acquisition.

Gluskin Sheff

Canadian private equity firm **Onex has agreed to take over 10% of Toronto-based wealth management firm Gluskin Sheff + Associates** for nearly US$331.4m. Gluskin Sheff, set up in 1984, caters to HNW private clients as well as institutional investors. According to Onex chairman and CEO Gerry Schwartz, by combining Gluskin Sheff's public securities investing platforms with Onex' private equity and private debt platforms, the clients of both firms will have greater investment options. Gluskin Sheff will retain its brand and management team following the acquisition.

Goldman Sachs

Goldman Sachs, which currently works with UHNW and mega-wealthy individuals with over $25 million in net worth, is **acquiring United Capital in a bid to reach more HNW individuals in the US,** with $1 million to $15 million in assets. The purchase price is set at $750 million in cash, with the acquisition scheduled to complete in Q3 2019. United Capital has more than 220 advisers and $25 billion in assets under management. It also offers advisers a digital platform, FinLife CX. The Goldman Sachs PWM group manages $427 billion.

In Europe, the bank is keen to get a larger share of the wealth management segment, currently at a single digit. Goldman **remains open to acquisitions,** should there be a suitable match to build upon its current network of 13 offices providing wealth management services in the region.

Hampden & Co.
BANKERS

Hampden & Co, a UK private bank that started operations in 2015 with offices in London and Edinburgh, **raised £9.8 million from prior investors in April following a £15 million funding round last year.** The bank recorded £5.6 million in losses in 2018, following a £6.4 million loss in the previous year, though it stated that "losses are entirely in accordance with the business plan and are to be expected by a new bank". The bank will soon launch a mobile banking interface.

Investec

Investec has launched a new initiative to connect wealthy clients, appointing Deborah Sayagh to the newly created role of Head of Strategic Partner Relationships, with the aim of **creating a platform to link clients to each other and initiate wealth creation opportunities.** The bank's clients typically have an income of over £300,000 and assets of £3 million. In her new role, Sayagh will also connect clients with third-party specialists and experts across Investec's wider international group.

J. SAFRA SARASIN
Sustainable Private Banking since 1841

J. Safra Sarasin is **buying Lombard Odier's private banking business in Gibraltar,** which includes transferring clients and their relationship managers to J. Safra Sarasin, which has been operating in Gibraltar since 2001. It also expanded in 2016, when it acquired Credit Suisse's operations in Monaco and Gibraltar. Financial details have not yet been disclosed. J. Safra Sarasin said it was committed to Gibraltar as a financial centre, while Lombard Odier said the sale was in the best interest of clients now able to join a franchise for which Gibraltar was a strategic market. The deal is set to close by mid-year pending regulatory approval.

Julius Bär

Julius Baer International has officially **opened a Belfast office** at Bedford House, making it the first Swiss business to set down roots in Northern Ireland. This is the company's fifth office in the UK and comes 20 years after it launched its first Irish operation in Dublin. The office is headed by Jonathan Dobbin, former Barclays employee, who hired an initial team of two relationship managers and a senior wealth planner.

The bank also expanded its onshore presence in Spain, having **opened an office in Barcelona** following the launch of its Madrid office in 2013, which now employs a 60-member team. With the new office, the bank aims to lure wealthy Catalans. It has appointed four senior private bankers to the new office, who come from UBS and Credit Suisse.

In Italy, the bank has taken a change of strategy and has **prepared to sell asset management company Kairos**, after having raised its stake in the business to 100% in January 2018. Sources advise that two bidders are still in the game: US private equity company Ta Associates and Italy's Mediobanca. It is understood the asking price for Kairos is €400mn for approximately €10bn in assets under management.

MERKUR BANK

Munich-based private bank Merkur is **in discussions with Bankhaus Schilling to take over its banking business** headquartered in Hammelburg, Germany. Merkur, founded in 1959, is an owner-managed private bank active in the business areas of financing and investments. With this move, the bank intends to pursue its onshore growth strategy in Germany. Details of the transaction are yet to be disclosed, though it is understood that fundamental cornerstones have been agreed by both parties.

MIRABAUD

Genevan private bank Mirabaud made a profit of CHF 59.6 million in 2018, up 47% from the previous year, while revenues increased 12% to CHF 342.3 million, signalling growth for the institution. The bank continued to internationalize its business last year and is **preparing to open business in Uruguay and Brazil**, where it acquired an asset management firm last December. Mirabaud also plans to open a branch in Abu Dhabi.

Mirabaud Asset Management recently announced a **collaboration with CONINCO Explorers** in Finance, a Swiss leader in **sustainable investment solutions,** to take a stronger, more proactive engagement approach to socially responsible investing. Mirabaud Asset Management will bring stock-picking expertise to investors, while CONINCO will take the engagement lead with the underlying companies in the portfolio, showing them the long-term benefits they can unlock while improving their ESG practices.

Morgan Stanley

Morgan Stanley attracted a few relationship managers to its Asian offices over the first half of the year, having hired bankers from Julius Baer in Hong Kong. The bank **plans to hire 50 relationship managers in Singapore and Hong Kong over the next three years,** pushing through the Chinese and Southeast Asian wealthy community. After exiting its European wealth business in 2014, the bank's international appetite has mainly been geared towards Asia.

Morgan Stanley is planning to **shut down its Russian banking business in Q1 2020** due to US and European Union sanctions imposed since 2014, which have made it hard for Russian businesses to access international capital markets. Morgan Stanley is planning to keep a consulting business in the country, which will not require a license.

According to Q1 2019 results, the bank increased its wealth assets under management by 4% in the past year, with client assets rising to $2.48 trillion as of March 31, up from $2.37 trillion a year earlier.

PICTET 1805

Pictet has detailed **plans to hire more bankers in its Asian hubs** to grow the firm's business in the region. Under the guidance of Partner Boris Collardi, the bank is planning to expand its Hong Kong office to serve and acquire more clients from China, Hong Kong and Taiwan, as well as hire in Singapore to lure more Southeast Asian clients, mainly Indonesians. Pictet currently employs 52 bankers in the region.

ROCKEFELLER CAPITAL MANAGEMENT

Rockefeller Global Family Office announced the **opening of an office in Los Angeles (CA) to serve individuals and families in Southern California.** Nathan Crair will join the Rockefeller Global Family Office from Merrill Lynch as a Managing Director, with responsibility for recruiting and managing Private Wealth Advisors in the region. The new office will bring the Rockefeller Global Family Office network to 14. Rockefeller is a privately owned financial services firm offering global family office, asset management and strategic advisory services to UHNW individuals and families, institutions and corporations.

SANDAIRE

Multi-family office Sandaire has l**aunched a dedicated private equity business, Sandaire Private Equity**, headed by Michael Mowlem, who joins the firm as a Managing Director from LGV Capital. The proposition was developed to broaden the offering to Sandaire's clients and will provide the opportunity to invest in unquoted businesses across the spectrum of growth to buyout, through funds, co-investments, direct and underwriting investments.

The firm has also launched **Sandaire Real Eastate**, a further new offering dedicated to providing strategic portfolio, transaction and asset management of properties and portfolios to new and existing clients. The international multi-family office recently expanded its offering with the launch of a corporate finance business as well. Sandaire appointed Chris Horler from private bank Arbuthnot Latham and Robert Stokeley from LSH Investment Management to run the real estate business.

Sanlam

Sanlam UK is **acquiring Thesis Asset Management,** a move that will boost its UK private client discretionary assets under management to £4.2bn. Under the deal, Thesis' private client business, distribution network, direct support teams and Pallant, its financial planning business, will operate under the Sanlam UK brand, subject to regulatory approval. The deal does not include the Tutman business, its fund administration arm. With a UK-centric strategy, Sanlam has been in an acquisition mood, having recently acquired Newcastle-based Blackett Walker in 2019 and Yorkshire-based financial planner Grennan Advisors in 2018. In total, Sanlam UK manages £12bn in assets under management or influence, including £2bn for its wealth planning business and £2.7bn for its discretionary fund management business.

Schroders

More than 500 Lloyds and Schroders employees have transferred over to the **new financial planning venture Schroders Personal Wealth.** Schroders confirmed that its personal wealth business will be available to current Lloyds customers from this summer and to the wider market later in 2019. Current clients will remain with their existing personal wealth advisers. Schroders also confirmed the service will offer ongoing advice. All clients and advisers will migrate to its Benchmark Fusion platform from July. It has been confirmed that clients wanting access to Schroders Personal Wealth would need to have a minimum of £100,000 investable assets. Lloyds owns 50.1% of the joint venture, with Schroders owning the remaining 49.9%.

SOCIETE GENERALE

Société Générale Bank & Trust has expanded its private banking business in Germany, having recently **opened a representative office in Frankfurt.** The team will be led by Petra Mennong, who was head of the Frankfurt office for online asset management firm LIQID and is a UBS, Vontobel and Safra Sarasin alumna. This follows a European onshore expansion strategy, succeeding the opening of a representative office in Milan in 2017.

Standard Chartered

Standard Chartered **agreed to a $1.1 billion fine** after a US criminal investigation found it had been conducting business with people linked to Iran and other nations, including Sudan and Cuba, which had been outlawed. It could also face a new $1.2 billion fine for breaking US sanctions against Iran after a civil case was filed by whistle-blowers.

The bank has partnered with Dutch asset management firm Robeco to train staff in ESG skills through the **rollout of its Robeco Sustainability Investing Essentials** to its employees in Hong Kong, Singapore, Dubai and the UK. This includes a series of e-learning modules that gives background information and insights on areas such as sustainable investing, driven by StanChart's clients who are seen to be looking to get more involved in sustainable investing.

ST. JAMES'S PLACE
WEALTH MANAGEMENT

St. James's Place has **broken the £100bn mark**, as its funds under management totalled £103.5bn at the end of the first quarter of 2019, increasing by 8% from £89.91bn in the previous year. North American equities accounted for £21.6bn, while UK equities for £18.7bn. Fixed interest, European equities and Asia Pacific equities added £18.5bn, £11.3bn, and £10.8bn in funds respectively, while alternative assets accounted for £8.1bn of funds. The firm has been dominating the mass-affluent wealth management market in the UK in recent years, which Schroders and Lloyds' new joint venture may challenge.

Succession Wealth, a UK-based independent wealth manager set up in 2009, has taken its **assets under management past the £8bn mark** with the acquisition of six financial advice businesses in Scotland, the west of England and Buckinghamshire, bringing 16 financial planners and 2,100 clients to the wealth management and financial planning group along with £800m AUM. The acquired firms are: Ellaby Pollard in Bristol, Killermont Investments in Glasgow, Mackenzie Investment Strategies in Inverness, Warwick Butchart Associates in Cheltenham, Winter Financial Services in Marlow, and a second Glasgow business where the deal remains subject to regulatory approval. Succession was set up in 2009.

UBP

Union Bancaire Privée (UBP) has **partnered with Rothschild & Co to launch an equity fund for both private and institutional clients** in order to diversify their portfolios in the private equity market. UBP will benefit from Rothschild & Co's experience in the space, and the new strategy developed through the partnership will give UBP's clients access to a diversified portfolio of small and medium-sized companies through four private equity approaches (Primary, Direct Secondary, Late Primary, and Direct). The new fund will be managed by Rothschild & Co, with the experts of UBP's Direct Investments Group team acting as investment advisors. This builds on a cooperation with private equity firm Partners Group, established in 2017, and the acquisition of independent wealth manager ACPI in 2018, which give UBP's clients a diversified range of private debt solutions.

UBS

UBS is **launching a new venture in the US that will merge capital markets teams across wealth management and the investment bank**, while creating a single trading platform for all clients in the Americas. The new venture will be supervised by Mark Sanborn, head of investment platforms and solutions for wealth management in the Americas; Reinhardt Olsen, Americas equities chief; and Dylan Roy, head of Americas foreign exchange, rates and credit.

The bank has signed a strategic **wealth management partnership with Japanese banking group Sumitomo Mitsui Trust Holdings** (Sumi Trust Holdings) to form a joint venture. Around 51% of the JV will be owned by UBS and the other 49% by Sumi Trust Holdings. It will open UBS clients to a full range of Japanese real estate and trust services, while Sumi Trust Holdings' clients will be able to access UBS's securities trading, research, and advisory capabilities.
UBS Group's profits dropped 27% for the first quarter to $1.1 billion, from $1.6 billion the year before, as revenue from its investment bank tumbled, its wealth arm struggled, and a tax credit fell away. A 6.5% percent cut in spending wasn't enough to offset a 16% tumble in revenue. At the private bank, **profits dropped by 22%**, mainly due to challenging market conditions and a drop in commissions due to less trading activity. Despite that, clients brought $22.3 billion (4% growth) in new assets to the wealth arm, with the bulk coming from Asia, mainly China.

Overall, UBS has plans to **cut a further $300 million in spending,** mainly through stretching out technology projects, slowing hiring, reducing contractors, and pruning travel and entertainment costs.

UNIGESTION

Swiss asset manager Unigestion, currently managing $24bn in assets under management through nine offices globally, is planning a **push into the UK wealth management space.** It has until recently confined itself to serving the UK's institutional market, with a primary focus on pension funds and local authorities, but saw its first fund enter the Investment Association (IA) universe in May. Its Uni-Global Cross Asset Navigator fund is now the second best-performing fund in the IA Targeted Absolute Return (TAR) sector over a three-year period, returning 30.9%.

UOB

United Overseas Bank Malaysia has l**aunched a three-pillar, Shariah-compliant wealth management solution** mainly targeted at affluent clients and an increased demand for this type of investment. It comprises Shariah-compliant savings and fixed deposit accounts, Takaful wealth protection plans, as well as global and domestic Islamic unit trust investments. These solutions have also been designed for customers who prioritise ethical and socially responsible investing.

Vontobel

Vontobel has **completed the acquisition of Lombard Odier's US-based private client portfolio,** through which CHF 730mn of assets under management and two senior relationship managers have been transferred to Vontobel Swiss Wealth Advisors (VSWA), an SEC-registered subsidiary of Vontobel. VSWA has also taken over all of Lombard Odier's private clients who opted to switch from their previous brokerage mandate to an advisory or wealth management relationship as part of the transaction. Financial details have not been disclosed.

In total, Vontobel now manages around CHF4.5bn of assets for North American wealth management clients. The two banks have also entered into a **cooperation agreement,** under which Lombard Odier will recommend VSWA as the preferred partner for private clients based in the US.

The bank is **expanding its coverage of Latin America,** with special interest in Mexico and Brazil. It is looking to hire more relationship managers to cover these markets from its Zurich office in 2019, as well as evaluating the opening of a representative office in Mexico.

Swiss President Ueli Maurer recently paid a visit to China, including the headquarters of China Construction Bank (CCB). On that occasion, together with Herbert J. Scheidt, Chairman of the Board of Directors of Vontobel and the Swiss delegation, CCB and Vontobel **launched a financial product in Beijing as part of the Belt and Road Initiative (BRI),** tracking stock performances of companies that are likely to benefit most from the BRI.

woodford

Neil Woodford has been at the centre of attention in the UK over the past couple of months, after taking the extreme measure to **suspend dealing in his flagship equity income fund** on June 3 following a notice from Kent County Council to withdraw its £250mn investment. This was a massive blow for the fund, which suffered a £4.3bn outflow, shrinking to £3.7bn at the time of the suspension. Woodford took this measure to "protect investors and give it time to sell off investments, including in private companies".

Key Movements

Key appointments for the period Q2 2019

A&G Private Banking

EMEA

Ignacio Estevas-Guilmain, Pictet, Director, Private Banker, Madrid, is joining as Senior Private Banker in Madrid

Arbuthnot Latham

EMEA

Barry Grieve, Coutts, Director, Private Banker UK HNW, Manchester, has joined as Senior Private Banker in Manchester

Azura

EMEA

Ali Jamal, Julius Baer, Managing Director, Head of Key Clients Emerging Markets, Monaco, has joined to set up Multi-Family Office Azura and assumed the role as Founder & Chairman

Karim Lari, former Managing Director, Deputy Head of Quantitative Strategies at Credit Suisse, London, has joined as Partner, Group COO & UK CEO, London

Benjamin Leung, former Head of EMEA Macro Investor Product Training at Credit Suisse, London, has joined as Partner in London

Banco do Brasil

AMERICAS

Sonia Martire, Senior Private Banker Brazil, Rio de Janeiro, has left to join Multi Family Office Monet Investimentos in Rio de Janeiro

Bank of America Private Bank

AMERICAS

Therese Vita, Senior Private Banker Brazil, Rio de Janeiro, has left to join Multi Family Office Monet Investimentos in Rio de Janeiro

For a complete list of key movements in over 100 wealth management and private banking institutions across EMEA, Asia Pacific and Americas, please get in touch with Rahul Sen or Giovanni Donati.

About Us

Rahul Sen, Partner, Financial Services
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Rahul is a financial sector specialist with an extensive global network in private wealth management. He has placed senior executives in Asia, the Middle East, Europe and the US. He has lived in Asia and the UK and is a former banker having worked as a Relationship Manager in the banking industry. This experience and understanding of the markets has earned him the respect from top candidates, having worked on their side of the fence.

He has a comprehensive knowledge of the Private Wealth Management Industry in Asia, the Middle East, Europe, the UK, Switzerland and New York and has originated and executed senior mandates in each of the locations.

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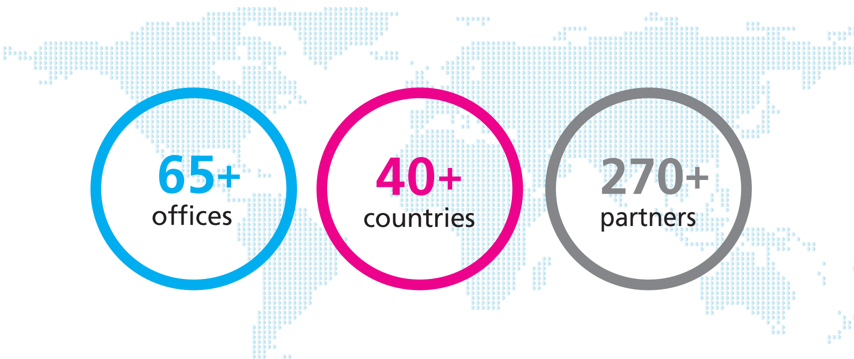
During his career in Executive Search, Giovanni developed strong connectivity and relationships within the wealth management and private banking industry, with a focus on EMEA and Emerging Markets, and executed mandates from junior positions up to senior management roles.

Prior to joining Boyden, he worked for a top ranked Executive Search boutique in London, covering research and execution of assignments in Private Banking and Investment Banking.

About Boyden

Boyden is a premier talent advisory and leadership consulting firm with more than 65 offices in over 40 countries. Our global reach enables us to serve client needs anywhere they conduct business. We connect great companies with great leaders through executive search, interim management and leadership consulting solutions. The Financial Services practice across the firm work closely together creating a globally well connected business.



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