

AI & the modern wealth manager

How artificial intelligence is creating a
personalized investing experience in APAC

Read the full Temenos/Forbes Insights report [**AI and the Modern Wealth Manager**](#)

As artificial intelligence (AI) technologies increasingly find their way into the hitherto traditional world of wealth management, a new balancing act has emerged that will define the future of the industry: an advisory service that blends man and machine to give a better service and improved results for increasingly tech-savvy high-net-worth individuals (HNWI) and newly affluent clients.



To better understand how AI is playing out on the ground and where the technology is leading, Temenos and Forbes Insights surveyed 310 wealth managers and high-net-worth individual investors across the globe about their acceptance and use of AI in wealth management. Of the total number of respondents, 25 per cent came from the APAC region. The clear message from the study shows that with the growing deployment of AI solutions for wealthy clients a new type of wealth manager is emerging, with APAC leading the way.

Just two years ago, the [2016 Forbes Insights/Temenos survey](#) showed palpable hesitation among wealth managers - only a quarter surveyed viewed the digitization

of wealth management services as essential. Today, that percentage has jumped to 52 per cent on a global level, a major leap, and executives resolutely see digital technologies as essential to the successful delivery of enhanced client experiences. Wealth Managers in APAC appear to be particularly optimistic and are the most open to digitization from amongst all the regions. A persuasive 70 per cent believe that digitization is essential to them to do their job and help them enhance their client experience (Figure 1).

Note: total percentages may not add to 100% due to rounding for various of the graphs in this article.

Figure 1: Which statement best expresses your opinion on the digitization of wealth management services?

	Middle East	North America	Asia Pacific	Europe	Latin America
It is essential - "I need a virtual platform to do my job and enhance my client's experience"	27%	38%	70%	63%	46%
It is good overall, but it frustrates my traditional clients	55%	46%	22%	28%	35%
It frustrates me because I spend so much time wrestling with technology	18%	14%	7%	4%	17%

The results of the 2018 Forbes Insights/Temenos survey show that wealth managers are keenly aware of the importance of technology — particularly AI — across key areas of their organizations. In APAC, a significant portion is already seeing improved results in everything from cybersecurity to portfolio returns and client communication as a result of implementing these technologies (Figures 2 and 3).

Figure 2: APAC - How significant is your use of technology in pursuing the following business goals?



2018



91%

Operational efficiency



91%

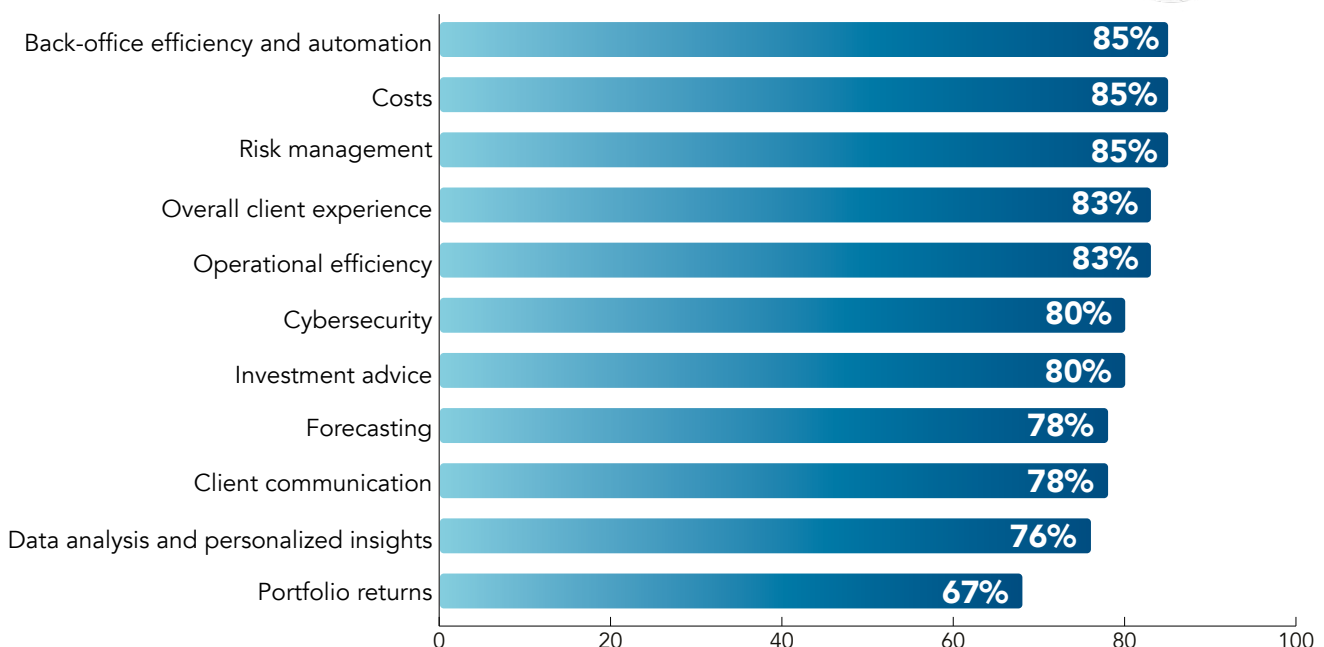
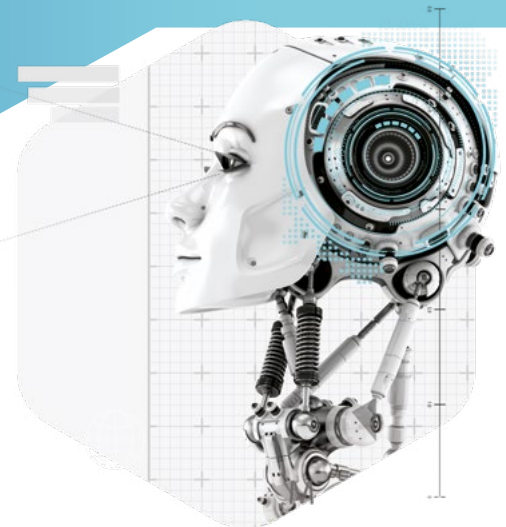
Product/services innovation



89%

Talent retention/acquisition

Figure 3: APAC - How important is AI in delivering results in the following areas?



The global survey results also show that such sentiment defines the industry today. More than a third of wealth managers globally are actively deploying AI and are 'all-in'; a quarter are testing AI solutions; and 35 per cent are 'extremely interested.' In APAC, the industry appears to be furthest ahead with its implementation plans. **According to the survey, 78% of wealth managers in the region plan to deploy AI in the next year with 22% from them in the coming six months.**

How Wealth Managers Around the World View AI

Survey results among wealth managers in various regions of the world – Europe, Latin America, North America and Asia-Pacific – show different levels of acceptance and understanding of AI.



Digitization

70% of wealth managers in Asia-Pacific say digitization is essential, versus 63% in Europe. This compares with a global average of 52%.

Understanding

80% of Asia-Pacific wealth managers are testing or deploying the use of AI in their companies, followed by 67% of those in Europe, 50% in North America and 44% in Latin America.

North American companies are less likely to be engaged in AI initiatives (50%) and those in Latin America are the least likely to be taking steps in that direction (56%).

Approach

European and North American wealth managers are the most likely to consider AI a “game changer” (41% and 30%, respectively).

Asia-Pacific wealth managers are more likely to see AI as an enabler to help their firms deliver better client experience than as a game changer (71% vs. 24%).

Latin America wealth managers are more conservative: Just 26% say AI will be a game changer.

Robo-advisors

Two years ago, the emergence of robo-advisors, which automate asset allocation and portfolio management, was a radically new technology in wealth management. Today, almost 87% of wealth managers surveyed in the APAC region view robo-advisors positively - and they’re acting accordingly.

How AI is affecting high-net-worth individuals

Wealthy clients are becoming more sophisticated in their use of technology, a secular trend that will only gather steam as millennials and younger generations age into the bedrock segment of the business with 75 of HNWIs positive about the use of AI and 67% of them supportive of their wealth manager adopting some level of AI immediately (figures 4 and 5).

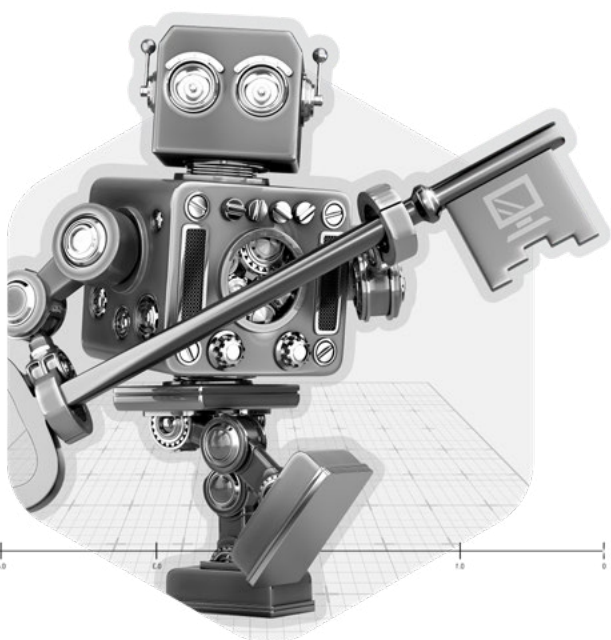


Figure 4: APAC - What attitude do you have about the use of AI technologies in your investing experience?



41%

Interested but waiting to see results

34%

Extremely interested about its use or the prospects of its use



Figure 5: APAC - Percentage of HNWIs surveyed who agree or strongly agree with the following:

83%

My wealth manager should adopt some level of AI immediately

69%

The use of AI will be a key differentiator – and it will determine whether I remain with or leave my current wealth manager

79%

My wealth manager needs to be fully prepared to capitalize on AI

59%

Wealth managers that don't embrace AI will ultimately not survive

Given the inevitability of an integrated AI experience driving better service and results, any wealth manager that ignores or delays testing and deployment of the technology risks falling behind. That virtually every executive in the 2018 Forbes Insights/Temenos survey sees AI as an essential tool in their practice is more than a telling indication of where the industry lies right now — it's notice to take action.

As the investor Ed Gogel notes:

Clients are going to demand AI because they're already saying, 'If my car can drive itself, why can't my portfolio manage itself?' When you have a very good wealth manager, the returns that you can see are amazing if it's actively managed with an AI strategy.

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