Industry in Focus

Channel Islands Wealth Management Insights 2024

Thriving in a fast-evolving market

pwc

Note: The source of all graphs depicted in this report were generated from findings when the survey was in the field, except figure 5.

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Foreword

The pivotal choices ahead

Wealth managers in the Channel Islands are at a pivotal juncture as the intergenerational transfer of wealth accelerates the shift in investor expectations, market democratisation opens up access to potentially higher yielding asset classes and technology makes it possible to deliver more for less to a broader client base. As a wealth manager, what are the pressing strategic choices you'll need to make? Are you ready to capitalise on the fast-unfolding opportunities ahead?

In September 2024, we carried out a survey of executives from 32 Channel Islands wealth managers, being those firms that provide discretionary investment management, advice, custody or execution. The findings offer valuable insights into their outlook, strategic priorities and ability to realise their objectives. The results have also enabled us to compare costs, capabilities and pricing strategies, with respondents able to benchmark their businesses against market peers.

The findings reveal cautious optimism as the global economy begins to stabilise after the inflationary and interest rate spikes of recent years. But the survey also raises questions about where growth is going to come from and the level of change needed to thrive in a fast-evolving market.

Searching for growth

Most wealth managers are targeting Channel Islands' investors as their primary source of revenue growth. But the high net worth (HNW) domestic client base is a finite market. And it would already appear to be well-served. With higher average levels of investable wealth than local clients, attracting more international investors could offer a bigger boost to assets under management (AuM) and associated fee income. The key question is how to develop a sufficiently clear and compelling value proposition to encourage international investors to switch their mandates to the Channel Islands.

Capitalising on private markets

Meeting the growing investor appetite for potentially higher yielding private equity, private debt and other 'alternative' private markets investments could help to attract new clients as these asset classes become increasingly accessible[1]. With our survey highlighting the currently low levels of private markets allocations among Channel Islands wealth managers, this is an opportunity to seize market share.

Powering up the business

Further questions centre on whether Channel Islands wealth managers are moving far and fast enough to meet client demand for tech-enabled services, especially among a new generation of investors.

Technology could not only improve the ease, speed and intuition of client service, but also help deliver the insights needed to customise solutions and sharpen portfolio management. By cutting the cost of serving individual clients and freeing up time, technology would also allow wealth managers to reach further into the mass affluent market.

Exploring the way forward

In this report, we look at where Channel Islands' wealth managers are now, their plans for the future and strategic decisions they need to make as they seek to keep pace with shifting investor expectations and capitalise on the unfolding growth potential.

We would like to thank the participants for kindly sharing their time and insights. If you would like to discuss any of the issues raised in this report or would like us to benchmark your business against your peers, please get in touch.

Ian Ross
Director and Jersey Banking Leader,
PwC Channel Islands

[1] www.pwc.com/us/en/industries/financial-services/library/capturing-the-retail-alternatives-market.html

1 Key findings

Our key findings are:

Optimism tinged with uncertainty

More than half of the respondents in our survey are somewhat optimistic about the economic environment over the coming 12 months, suggesting that the worst of what has been a difficult decade is behind us. But none are highly optimistic, reflecting continued uncertainty in areas ranging from geopolitical instability and the outcomes of 2024's 'super year' for elections[2] to the timing of interest rate reductions and the UK's downbeat fiscal outlook.

Further uncertainties centre on the UK regulations for non-domiciled investors, which make up a significant proportion of Channel Islands wealth managers' UK clients. Changes could encourage more UK non-doms to choose the Channel Islands, though the local growth potential could be offset by possible reductions in the tax benefits for assets held in foreign trusts.

Seeking out opportunities for growth

Revenue growth is respondents' number one priority, with more than 90% confident about their ability to achieve it – 52% being strongly and 40% moderately confident.

Respondents see the Channel Islands market as offering the greatest revenue growth potential. The question is how achievable this is in an already saturated domestic market. Seeking to attract investors from the UK and overseas could increase the openings for growth. But wealth managers will need to make a convincing case for why international investors should switch their mandates to the Channel Islands.

Figure 1: How would you describe your outlook on the economic environment over the next 12 months?

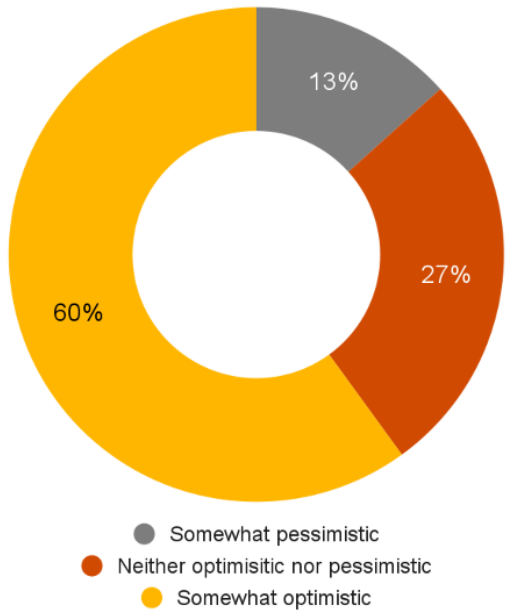
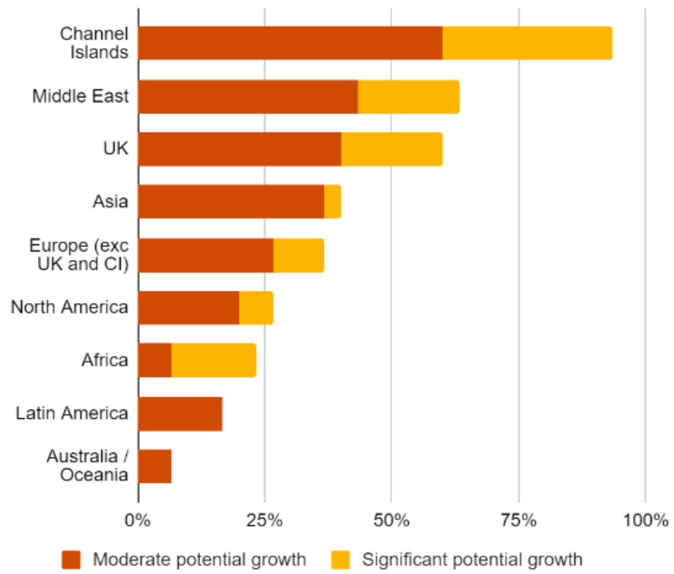


Figure 2: Which markets do you believe offer you the greatest growth potential in your client base over the next 12 months?



[2] www.reuters.com/graphics/GLOBAL-ELECTIONS2024/gdvzmkejkpw/

Diversifying into potentially higher yielding asset classes

Many respondents are targeting a significant increase in private markets' allocations by 2030, along with moves into digital assets. This reflects the importance of these newly accessible asset classes in differentiating their offering and attracting new clients. Right now, however, private markets investment still makes up only a fraction of respondents' AuM. This leaves the field open to wealth managers who can get ahead of the pack, while slower movers could be left behind. The first step may be engaging with investors and regulators to seek their approval for new private markets offerings.

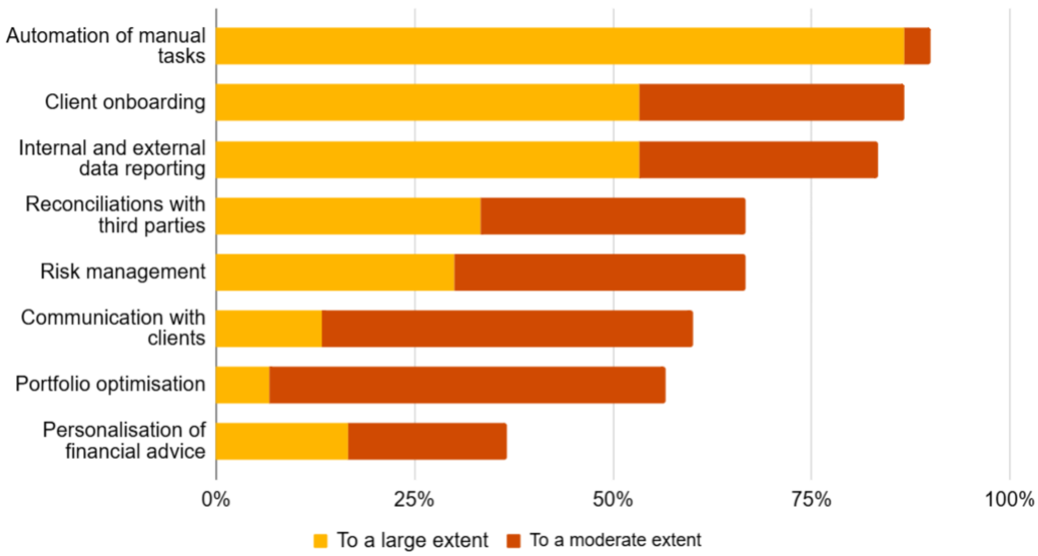
Attracting a new generation of investors

Investor expectations are shifting as wealth is passed through the generations. Respondents highlight the increased importance of market leading tech solutions in attracting and retaining younger investors, along with low costs, greater transparency and access to alternative asset classes. But these younger clients still value personal service[3], with technology augmenting rather than replacing the human touch.

Seizing the tech potential

Technology is the common thread running through all the trends and opportunities explored in our survey. Respondents see strengthening operational efficiency as the greatest potential benefit of emerging technologies. But as technology advances and the shifts in investor expectations accelerate, tech-enabled operational capabilities could quickly become table stakes rather than differentiators. Harnessing technology to deliver a compelling client experience in areas such as more effective communication, enhanced portfolio optimisation and the personalisation of financial advice could help wealth managers to stand out from the pack. But these potential differentiators are at the bottom of the list of respondents' anticipated benefits. This leaves the market open to wealth managers who can get ahead in developing innovative and attractive tech-enabled client offerings.

Figure 3: Where do you anticipate the greatest benefit of emerging technologies?



[3] www.pwc.ch/en/publications/2024/wealth-management-insights-2024.pdf

2 Identifying opportunities for growth

AuM in Jersey[4] now tops £41 billion (no equivalent data is available for Guernsey). This represents a compound annual growth rate (CAGR) of around 10% over the past five years, though this falls to a more modest 4% when the impact of inflation is stripped out.

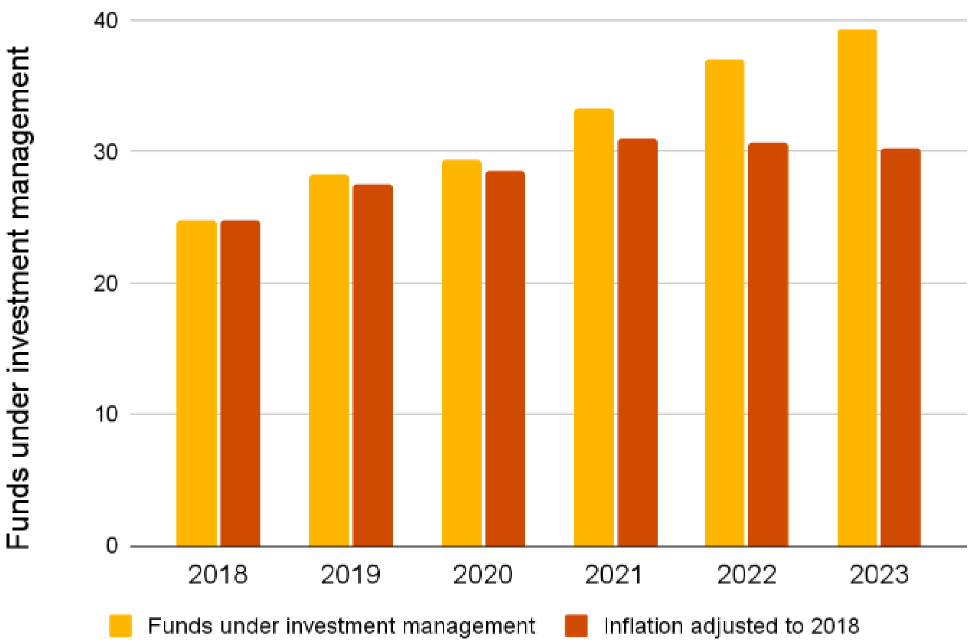
With revenues tied to levels of AuM, wealth managers have a degree of inflation protection. But they can't rely on this to sustain real-terms growth in a finite and already saturated domestic market. Any significant growth may be driven by targeting foreign investors on the one side, potentially via the higher value trust segment. In a market characterised by both heightened uncertainty and unfolding opportunity, wealth managers need to be clear about which particular market segments they're targeting and how.

Domestic versus international

One of the consequences of charging a percentage of AuM in fees is that the clients with the highest levels of investable wealth tend to generate the most revenue. The impact of these economics is especially marked when we compare the clients of Channel Islands-headquartered wealth managers with those of their internationally-headquartered counterparts.

Locally-based wealth managers primarily focus on domestic clients, whose average £590,000 in investable wealth puts them in the mass affluent category. This contrasts with the small number of clients they serve from the UK and Continental Europe, who have an average investable wealth of more than £1.5 million.

Figure 4: Funds under investment management in Jersey (£ billion)



Source: Jersey Financial Services Commission

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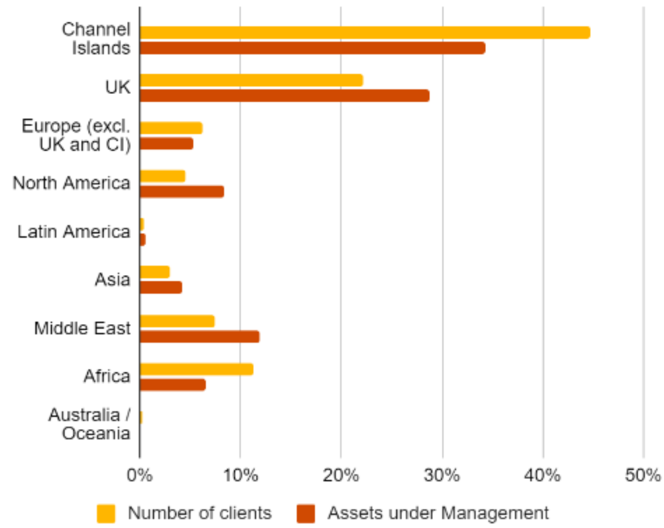
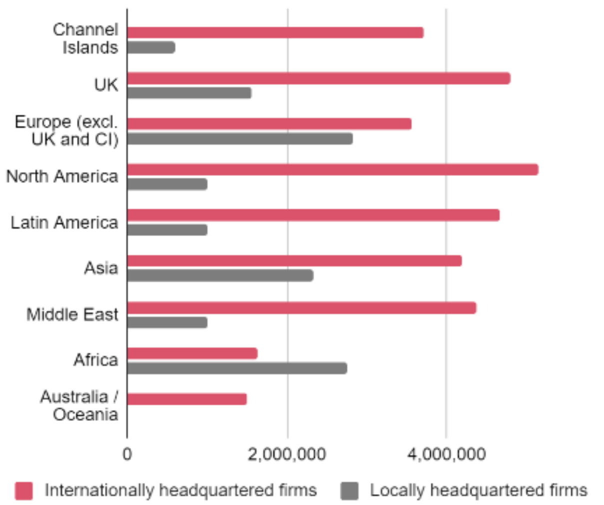
4 Jersey Financial Services Commission, Data on funds under management, accessed 7 October 2024 (www.jerseyfsc.org/industry/sectors/investment-business/investment-business-statistics/data-on-funds-under-investment-management/)

Figure 5: How many clients do you have and what is the AUM of those clients, split by the residency/ source of wealth of the client, if known?



Investable assets per client



International firms have been able to attract wealthier clients, both from the UK (average of £4.8 million per relationship) and the Channel Islands (average of £3.7 million per relationship). The average for clients in other territories including the Middle East, Asia and Africa is between £4 million and £5 million on average.

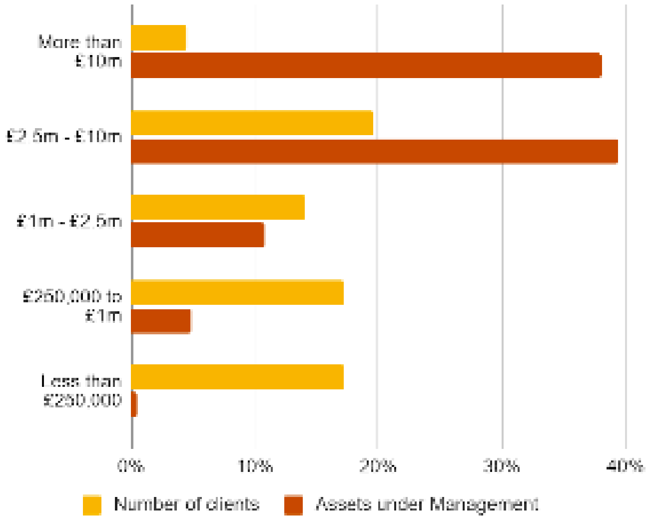
The Channel Islands remains a key market for growth. As a well served local market, a clear strategy is required to achieve this growth.

Size of relationship

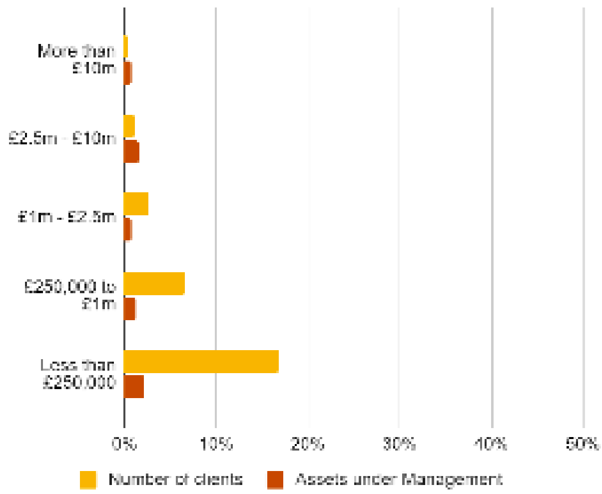
The contrasting wealth to revenue ratio is also evident when we compare HNW (£2.5 million to £10 million in investable wealth) to Ultra HNW (over £10 million) investors. The respondents in our survey have four times more HNW than UHNW clients, but AuM is broadly the same between these two categories. So while UHNW clients might require higher service levels and a more bespoke approach, they deliver much higher revenue per client.

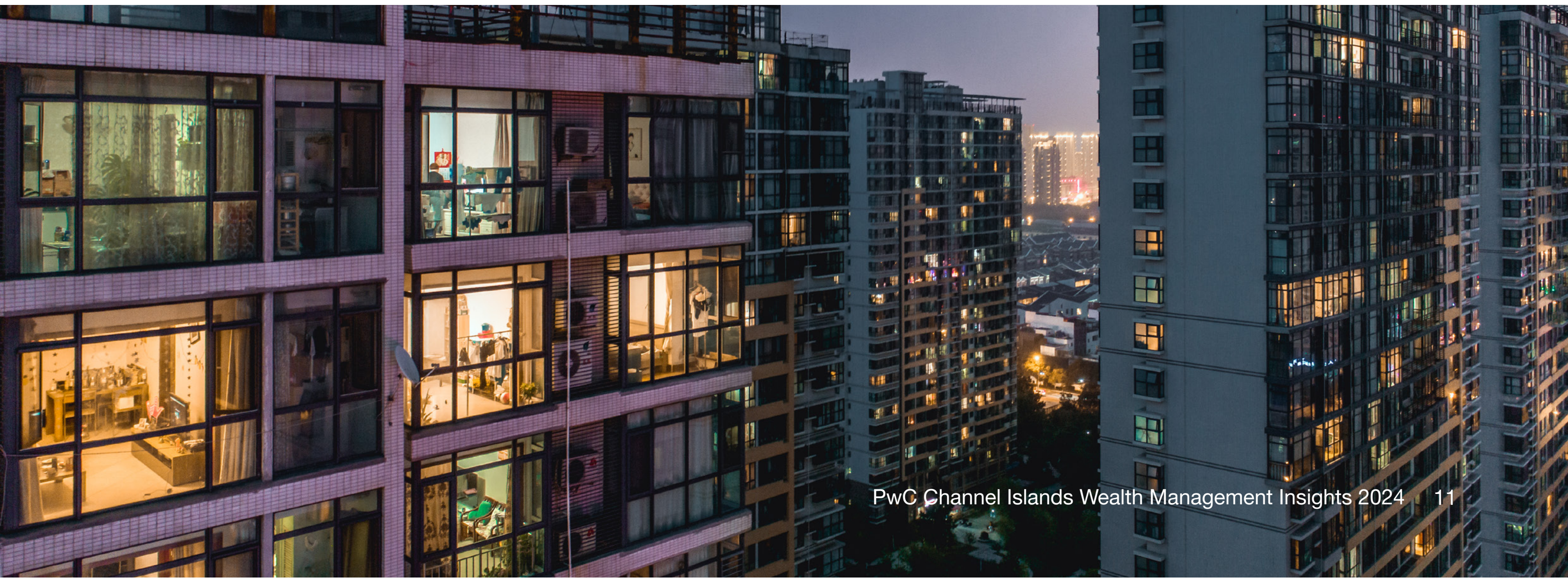
Figure 6: How many clients do you have and what is the AUM of those clients, split by the AUM invested by that individual client?

Internationally-headquartered businesses



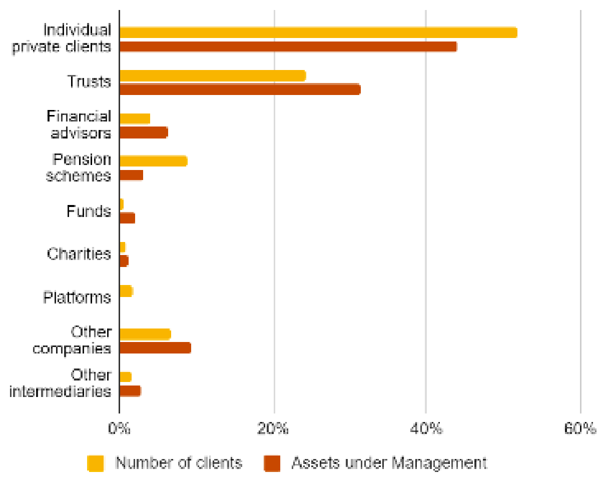
Locally-headquartered businesses



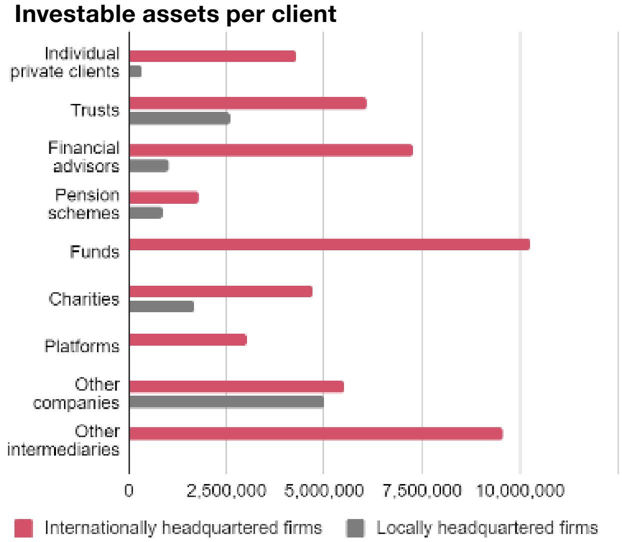


Individual private investors make up the bulk of the client base, with average investable wealth of £2.75 million. Trusts are the next largest by number, with £5.5 million per client. While few in number, the other types of investors also provide high levels of investable assets.

Figure 7: How many clients do you have and what is the AUM of those clients, split by the nature of the client?



Investable assets per client



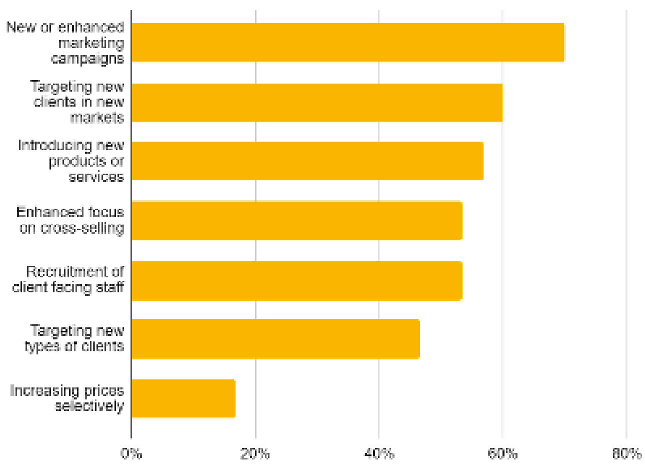
Options for boosting revenues

Moving upmarket by targeting clients with higher investable wealth could boost AuM and hence revenues. In this respect, trusts and other corporate structures are the most valuable prize on offer. There are also opportunities to attract more clients from the UK, Europe and overseas. But most already have wealth management relationships. The challenge is therefore how to develop a value proposition that would encourage them to switch, particularly to a wealth manager based in the Channel Islands, where clients may not have existing relationships.

Respondents see marketing as the most important way to attract new clients. But even with the Channel Islands' high levels of stability and expertise as a foundation, marketing may not be enough on its own. Enhanced offerings in areas such as asset diversification, tech-enabled innovation and non-financial services in areas such as tax and estate planning could therefore be decisive.

Crucially, wealth managers don't necessarily need to move upmarket to boost revenues. By harnessing technology and outsourcing to reduce the cost-to-serve, there are also opportunities to move deeper into the mass affluent market, while maintaining profitability.

Figure 8: Which of the actions below are you taking to improve revenue in the next 12 months?



3 Meeting the expectations of a new generation of investors

Right now, respondents believe that clients still favour the traditional wealth management attributes of personal relationships, quality service and standout investment performance. But as the ‘great wealth transfer’ gathers pace, they see a shift in expectations ahead.

Alongside tech-enabled solutions, cost of service also rises up the rankings, suggesting a less loyal and more competitive playing field ahead. Cyber security is also high up the changing priority list, highlighting both the risks of increasingly digitised operations and the heightened challenges of gaining and sustaining trust.

Figure 9: What are the three priorities you consider your clients value the most from your business and relationship?

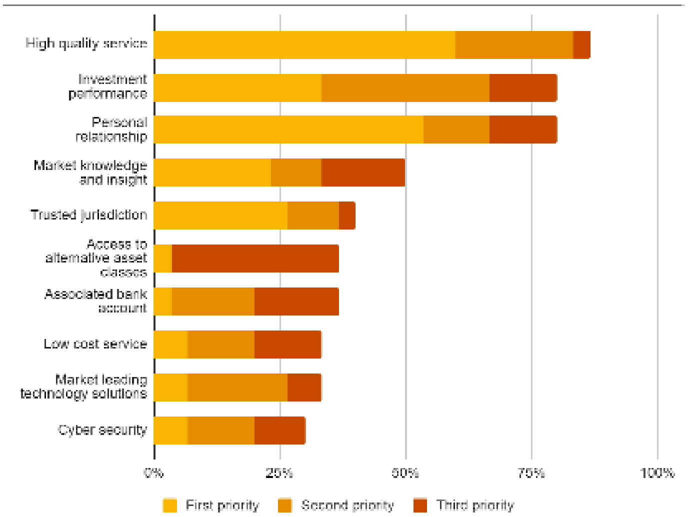
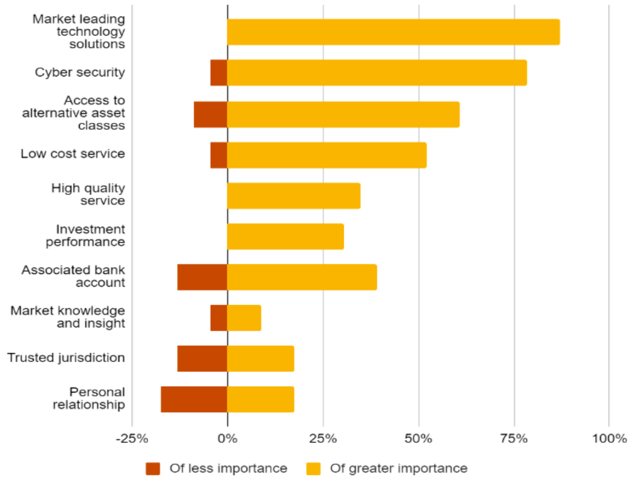


Figure 10: How do you anticipate these priorities changing, with the anticipated “great wealth transfer” and growth in the numbers of younger investors?



Research[5] carried out by PwC in the US underlines the need to respond swiftly and decisively to these changing expectations. Nearly half of HNW investors taking part in the US survey are planning to change wealth managers or add new wealth management relationships in the next 12 to 24[6] months. This underlines the reduced loyalty and increased readiness to switch among newer investors.

Human-led, tech-powered way forward

Technology is clearly a key part of the way forward as wealth managers look to capture the growth potential from new investors coming into the market.

For wealth managers that want to reach into the mass affluent segment, tech-enabled capabilities would allow them to serve more customers for the same fixed cost. This could be aligned with a move to a subscription fee model. By using technology to perform routine analysis and reporting, wealth managers serving HNW and UHNW clients would be able to devote more time to quality client interaction.

Looking specifically at younger and other digital native investors, tech-powered capabilities would enable wealth managers to connect on digital platforms and deliver the always-on interaction and real-time reporting they expect. The latest advances in data analytics and Artificial Intelligence (AI) could also take personalisation to the next level. This includes making it easier to customise and regularly update portfolios rather than simply matching clients to a particular risk, reward and time-horizon managed portfolio service (MPS) strategy. Further openings include using emerging technologies to provide personalised investment advice based on goals and risk tolerance levels, along with portfolio optimisation by examining large volumes of financial data and recommending the best asset allocations for the portfolio. In the back-office, these new technologies are strengthening risk insight and management by simulating various market scenarios and identifying potential risks.

5 www.pwc.com/us/en/industries/financial-services/library/asset-wealth-management-trends.html

6 PwC Next in asset and wealth management 2024 (www.pwc.com/us/en/industries/financial-services/library/asset-wealth-management-trends.html)

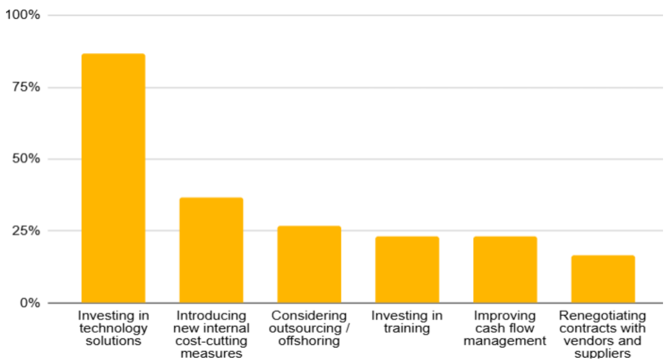
But research carried out by PwC Switzerland's Wealth Management Center of Excellence highlights the extent to which investors – young and old – still value personal service[7], with technology augmenting rather than replacing the human touch. This underlines the importance of a hybrid advice model that combines digital and in-person engagement. Technology could also open up cost-efficient ways to offer the kinds of tax, legal and estate planning advice that would once have been the preserve of UHNW clients to investors with lower levels of wealth.

To achieve operational excellence and enhance client interactions, wealth managers need to plan for the acceleration of technological change as part of their long-term strategy. While emerging technologies have immense potential, a gradual evolution from legacy to future state would provide a pragmatic way to adapt and enhance infrastructure and workflows.

Where are wealth managers now

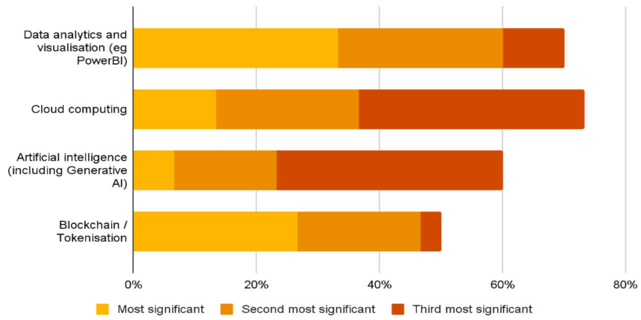
The wealth managers in our survey are stepping up investment in tech solutions. Yet digitisation is the area where respondents feel least confident about their ability to achieve their goals.

Figure 11: Which of the actions below are you taking to improve profitability in the next 12 months?



When asked about the benefits of emerging technologies, respondents put automation of manual tasks at number one, with other operational efficiencies close behind. Portfolio optimisation and personalisation of financial solutions were at the bottom of the list, despite the openings for innovation and differentiation as investor expectations evolve.

Figure 12: In a ranking from most significant to least significant, which of the following technology trends do you expect to have the most significant impact on your business?



Respondents see data analytics as likely to have the greatest impact on their business. In a clear sign of the potential, we've been able to harness the latest tools to analyse the findings of this survey in far greater depth and at far greater speed than would ever have been possible before. Advances in visualisation and interaction have in turn helped us to draw richer insights from the data.

Looking at AI, and generative AI (GenAI) specifically, none are beyond the explore and pilot stage and some are still only at the starting line. This highlights the opportunities for fast-movers to get ahead of the curve. Cloud adoption can accelerate transformation by providing a fast, accessible and scalable plug-and-play entry point for a range of emerging technologies and advances in data analytics.

Business-led transformation

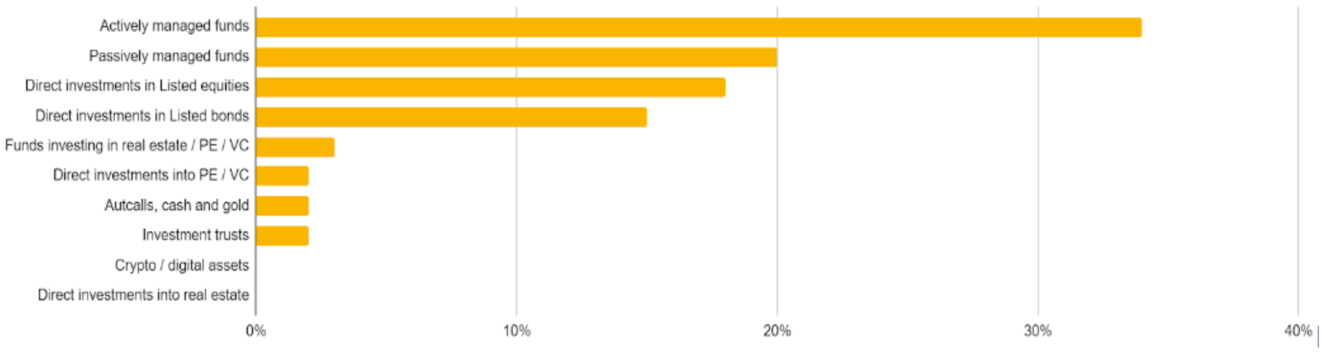
Who are the likely sinkers and swimmers as tech disruption gathers pace? As we've seen in other sectors, the key to success is treating digital transformation as a strategic rather than just systems issue, with boards and business teams identifying the openings and setting the agenda. The impact won't just be seen in the back-office, but also in how wealth managers engage with their clients and manage their portfolios. While developing standout capabilities may stretch resources, especially for smaller Channel Islands-based wealth managers, they can still drive innovation by tapping into the growing ecosystem of fintechs and managed service providers.

[7] www.pwc.ch/en/publications/2024/wealth-management-insights-2024.pdf

Reaching into new asset classes

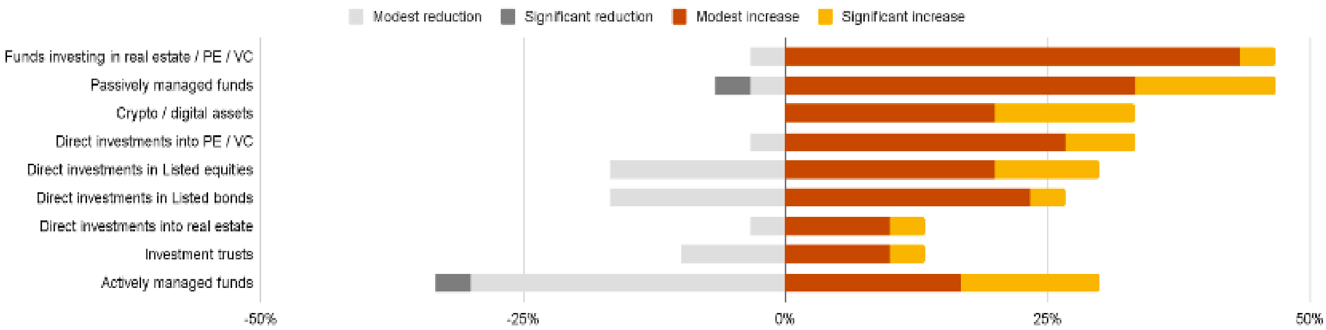
Despite the ongoing debate about whether actively managed funds outperform their passively managed counterparts, when adjusting for fees, they remain respondents' favoured asset allocation at 33% of total AuM.

Figure 13: What is your current approximate asset allocation by AUM, whether this is through managed portfolio services or otherwise?



While private markets investment makes up a minimal share of allocations now, the wealth managers in our survey are planning to build up their presence, both directly but more predominantly through funds investing in these assets.

Figure 14: How do you anticipate your asset allocation evolving by 2030?



Diversification into new asset classes could help to attract and retain clients across all wealth management segments, including mass affluent investors in an increasingly democratised market. The benefits include potentially higher yields. In what looks set to be a higher for longer interest rate environment – markets expect the UK base rate to settle at around 3.4% by the end of 2027[8] – the consistent income and interest rate protection of private debt and the historically strong returns from private equity offer particular attractions that would until recently only have been accessible to clients with exceptionally high levels of investable wealth.

Diversification would also increase the size of the investable universe. There are around 35,900 mid-size private companies in the UK[9], compared to just 1,900 firms listed on the London Stock Exchange[10]. Many of these private companies are fast-growing, innovative enterprises that have often struggled to attract home-grown finance in the UK. Although it may be harder to identify the best investments within this private cohort, they offer potentially higher returns. They also offer lower short-term volatility compared to listed products given less frequent valuations, which may suit longer-term investors

The limited liquidity of private markets investment has often deterred wealth managers. But more liquid secondary market opportunities are opening up. Developments such as tokenisation are also making these assets more accessible to investors with lower levels of investable funds.

Tech-enabled profiling can help to match the level and types of private markets investment with client investment objectives and risk appetites. The longer-term challenge is how to manage the complexities and reporting demands of new types of investments, which may require specialist third-party support.

Further openings include an increasingly broad range of exchange-traded fund[11] (ETF) products, which now include digital assets such as cryptocurrencies. Guernsey[12] led the way with the regulatory launch and approval of Europe's first bitcoin ETF in 2021[13], though this has only been available to professional investors. The successful launch of a number of spot bitcoin ETFs in January 2024 in the US marked a further milestone for digital assets. In addition to being relatively low cost when compared to active management, ETFs could offer a more transparent and less volatile way to access new and unfamiliar asset classes. By offering these kinds of products, wealth managers can provide mainstream access to crypto assets.

For those firms targeting growth in overseas markets, a compelling narrative will be critical in convincing overseas investors to use a wealth manager based in the Channel Islands.

[8] www.pwc.co.uk/economic-services/ukeo/documents/ukeo-july-2024.pdf

[9] Business population estimates for the UK and regions 2022: statistical release (HTML) - GOV.UK (www.gov.uk). Medium sized companies here defined as those with 50 to 249 employees.

[10] Multiple 'firsts' for Guernsey regulated Bitcoin Fund, Guernsey Finance, 16 August 2023

[11] www.pwc.com/gx/en/industries/financial-services/publications/etfs-2028-shaping-the-future.html

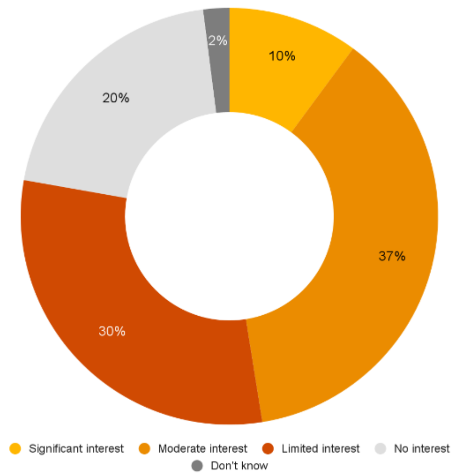
[12] www.guernseyfinance.com/industry-resources/news/2023/multiple-firsts-for-guernsey-regulated-bitcoin-fund/

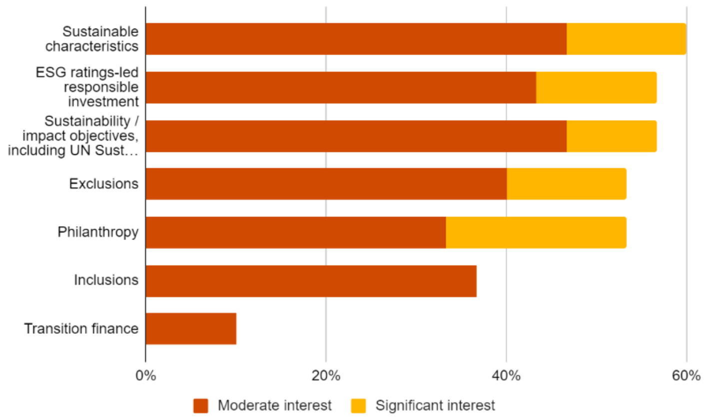
[13] Number of companies on London Stock Exchange 2023 | Statista

Sustainable investment holds its own

As the urgency of the climate and nature crises becomes ever more clear and the majority of people support action[14], it is no surprise that environmental, social and governance (ESG) orientated investment continues to prove attractive to investors. More than 50% of respondents report that their clients have significant or at least some interest in ESG or sustainable investing. Nearly a quarter of their AuM (22.5%) is held in funds with an impact, sustainable or ESG focus, albeit most firms have a more modest 10% allocation. The results show clients are becoming more informed and sophisticated, with demand now diversified across a range of preferences from exclusions and philanthropy through to more specific sustainability characteristics and objectives.

Figure 15: When discussing ESG or sustainability objectives with clients, please categorise these sustainability preferences in order of current client interest:





In recent years, capital flows into ESG funds have been strong. ESG-focused investments have also outperformed traditional funds and ETFs by some distance – 12.6% versus 8.6% median return in 2023[15]. We expect interest in sustainable investing to continue to rise for two main reasons. First, the sustainable investment universe is expected to continue to grow and diversify, with more clarity and consistency globally about product labelling and the expansion of new asset classes such as transition finance. Second, client demand is expected to continue to grow as wealth moves to younger and often more socially and environmentally conscious investors. With ambitions to be a leading centre of sustainable finance, this is an opportunity for the Channel Islands to stand out in the global wealth management market. Wealth managers may need to develop new tools, partnerships and insights to support their clients in aligning their portfolios with these sustainability values.

[14] https://ourworldindata.org/climate-change-support

[15] Institute for Energy Economics and Financial Analysis, ESG investing: Steady growth amidst adversity, 10 June 2024 (https://ieefa.org/resources/esg-investing-steady-growth-amidst-adversity)

4 Comparing pricing strategies

Our survey underlines the extent to which discretionary management and the bespoke option within it generates the highest revenues per AuM.

Figure 16: Revenue generated by each service

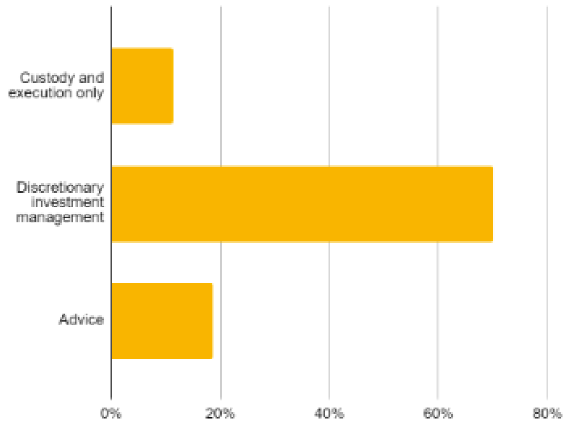
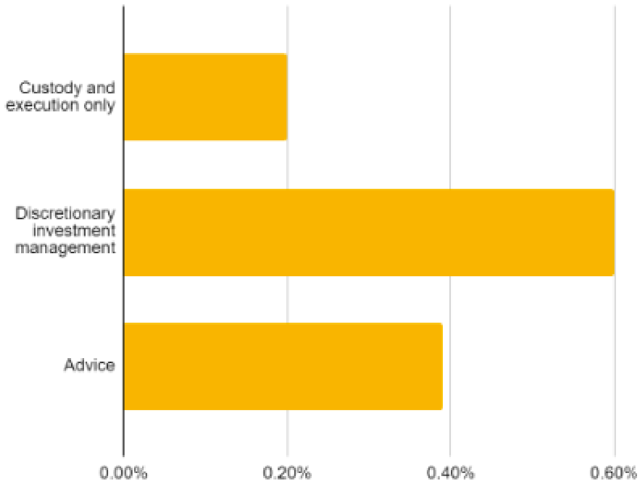


Figure 17: Average revenue yield based on AuM



There is a roughly even split between all-inclusive and annual management fees plus recharges of expenses. Discretionary investment management is by far the largest service offering across both Jersey and Guernsey, but also the highest priced, by an average yield of 60 bps of AUM. Advice and custody and execution service offerings have similar AuM across the respondents in our survey. But advice yields 39 bps of AuM, whereas custody and execution only 20 bps.

Variations in discretionary pricing

Behind the headline fee average, the survey reveals a large variation in discretionary management charges depending on the investment approach and the nature of the client. Fully bespoke for direct clients is highest priced at 84 bps on average, then fully bespoke for intermediated clients, excluding IFA-introduced at 75 bps.

As expected, in-house MPS is progressively lower priced, in a 70 to 80 bps range for direct and intermediated clients. When investing funds on a third-party MPS platform, prices become more competitive in the 45 to 60 bps range.

5 Developing competitive scale

The ultimate question facing wealth managers in the Channel Islands is whether their business will continue to be viable in the pivotal decade ahead. Along with strengthening client offerings and tech capabilities, futures depend on growing revenue, cost-competitiveness and profitability.

Figure 18: Revenue and expenses

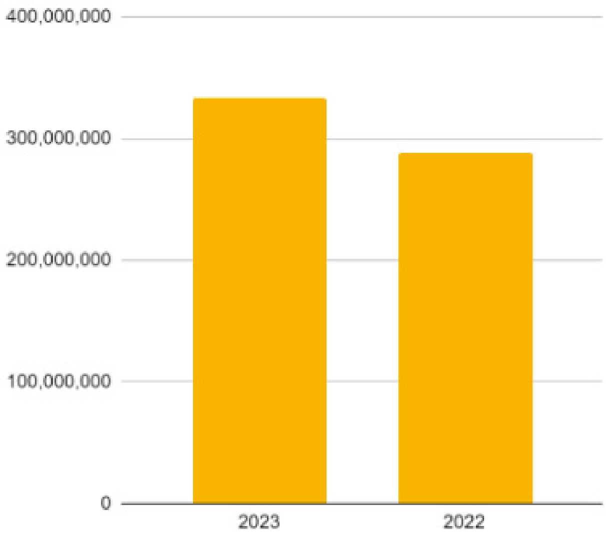
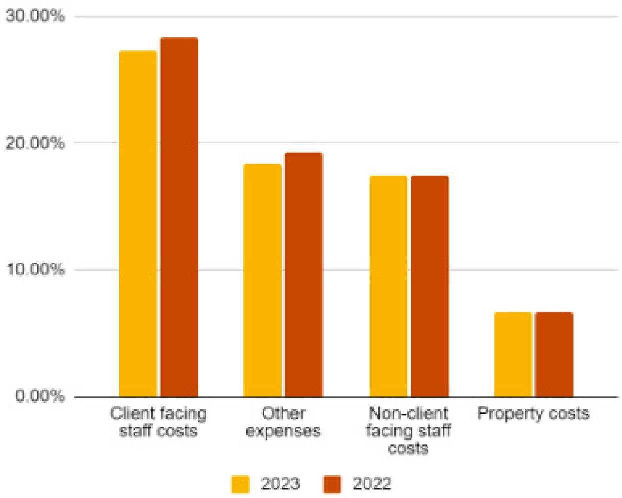


Figure 19: Expenses as a percentage of revenue



Similar to the growth in industry AuM, revenue has grown amongst the firms surveyed by a couple of percentage points beyond inflation. The ratio of the number of support to client-facing staff is around three to one on average, and the average cost of paying client-facing staff is around 30% of revenue, while non-client facing staff costs are much lower at 18%.

Underlying considerations include whether employees are using their time in the most productive way. On average, each client-facing member of staff looks after 96 relationships and £134 million of AuM. But the number of clients served by each member of the client-facing team is significantly higher in Channel Islands-based businesses (133 on average), while AuM is lower at £84 million. Client facing staff in international businesses look after 58 relationships on average and £184 million of AuM, demonstrating that the higher-prized, high value clients typically place their assets with international businesses.

Tackling resource challenges

When asked about resourcing challenges, respondents see recruiting skilled and experienced talent as the most significant issue, followed by retaining key talent. The size of the islands means that the pool of talent is finite. Outsourcing and offshoring are surprisingly low down respondents' list of actions to profitability. Yet outsourcing and offshoring could help to address resourcing demands, especially among firms that lack critical mass in areas such as compliance, tax and operations, along with technology and data analytics as a service. Partnering would not only ease recruitment challenges, but also provide access to the latest systems and in-depth technical expertise. But almost half of respondents don't outsource or offshore any functions. Interestingly, locally-based firms are the least likely to embrace outsourcing, whereas international firms are largely benefitting from in-house expertise provided in other parts of the wider group.

Buy or be bought

Acquisition would offer a fast and effective way to build market share and reach into new segments. It would also provide the critical mass needed to boost tech investment and reduce the ratio of support to client-facing staff.

The recent upturn in dealmaking is reflected in the sizeable appetite for acquisition revealed in our survey. There is also reasonable alignment between the number of wealth managers planning acquisitions and those open to being bought across a variety of time horizons.

Figure 20: Please rate your expected challenges in terms of resourcing over the next 12 months?

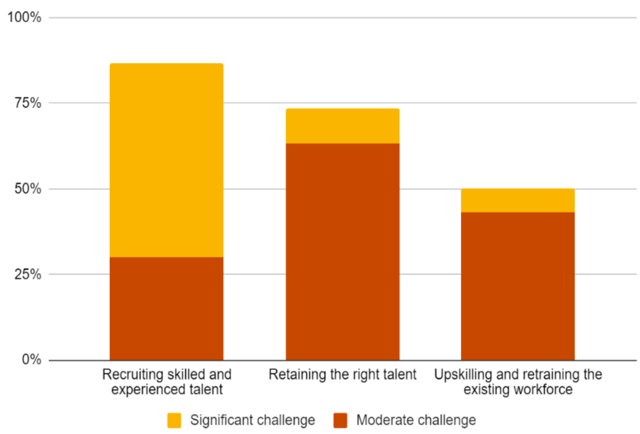
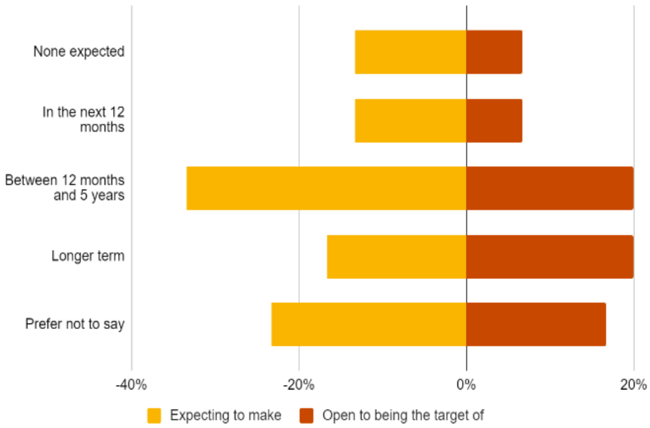


Figure 21: Are you considering making, or are you open to being the target of, a business acquisition in the future?



The varied range of firms within our survey sample – differing sizes, client bases and service offerings across advice, discretionary management and custody and execution only – highlights the opportunities for both consolidation and vertical integration. Value-driven deals are there to be done, if the buyers and sellers can find each other.

All to play for

As our survey findings underline changes and challenges are coming up fast. But as wealth managers compete to attract a new generation of investors and human-led, tech-powered innovation opens up ways to transform capabilities, there are also opportunities to boost revenue and market share in an increasingly open playing field. With all to play for, the biggest differentiator is likely to be a readiness to embrace change and turn it to advantage.

If you would like us to benchmark your costs, price structure and AuM per client-facing personnel against your peers or discuss how to enhance your competitive potential, please get in touch.

How can PwC help

Covering both strategy and execution, our global and local teams have wide-ranging experience of helping wealth managers keep pace with fast-changing investor expectations and accelerate transformation in areas ranging from portfolio construction to the development of standout talent and technology:

Evaluate offerings

Building on the strategic imperatives outlined in this report, we can help you assess your offering and identify areas for enhancement. This includes evaluating changing client preferences and benchmarking your services, capabilities, costs and prices against industry standards and best practices.

By identifying gaps in their current offerings, wealth managers can ensure they are meeting the comprehensive needs of their clients. Our expertise in market analysis and client needs and satisfaction assessment can help pinpoint these gaps and develop strategies to address them.

Talent and technology

Developing the talent and technology to deliver your business strategy. This includes assessing and implementing the latest tech capabilities and equipping your workforce to make the most of the potential.

Outsourcing strategy

Helping you to pinpoint the strengths and differentiated capabilities that need to be retained and enhanced in-house, while identifying the non-core operations that would be better outsourced to a best-in-class provider. We can not only help you select and manage outsource providers but also provide flexible, value-enhancing managed service options in areas such as tax, compliance and technology.

Three ways to get ahead in a fast-evolving market

Drawing on the findings from our survey and work with wealth management clients, we've identified three ways to get out in front in today's fast evolving market:

1

Articulate your USP

Develop a clear rationale for why international investors should choose a wealth manager based in the Channel Islands.

2

Power up tech capabilities

Accelerate your technology strategy from operational to transformational to reach out to a new generation of investors, not only through increased productivity and lower costs, but also more customised, adaptable and higher performing wealth solutions.

3

Meet the demand for diversification and higher yield

More and more investors want access to private markets. But this is a largely untapped market for private investors, especially the mass-affluent segment. Providing a credible investment route will be key in attracting and retaining investors.

About this survey

In September 2024, we surveyed executives from 32 Channel Islands wealth managers. The wealth managers we surveyed cover almost half of the wealth managers in the local market, with stronger coverage of the larger businesses.

Over 80% of respondents were managing directors or equivalents. 60% of wealth managers taking part are international businesses and 40% are locally based. 30% are bank owned.

The information provided in this report was based on an aggregation of the survey responses and some limited data cleansing. We do not take any responsibility for the accuracy or completeness of the information provided.

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional data cleansing advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers CI LLP, its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

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