

**Client Relationship Management for Private Clients & Wealth Management**

**Batch 1 23 July to 27 July 2018 / Batch 2 30 July to 03 August 2018 at Labourdonnais Hotel**

**Global Finance Mauritius in Collaboration with Mauritius Bankers Association and the Human Resource Development Council**

*An exclusive interactive empowerment workshop*

**5 days' Workshop with 35 CPD Points**

**Daily Timetable**

<b>Time</b>	<b>Details</b>
<b>08:30 – 09:00</b>	<b>Registration</b>
<b>10:30 – 10:45</b>	<b>Mid-Morning Break</b>
<b>12:15 – 13:15</b>	<b>Lunch Break</b>
<b>14:45 – 15:00</b>	<b>Mid-Afternoon Tea Break</b>
<b>16:50 - 17: 00</b>	<b>Closing Remarks / End of Day</b>

**Contents**

**Day One: Private Clients and Wealth Management Today (7 hours)**

**Session 1 – Major Trends Shaping Private Clients and Wealth Management Today**

- Generational shifts in private clients and wealth management.
- MIFID II and the evolving regulatory landscape
- The rise and rise of entrepreneurial wealth
- The growing dominance and importance of ETFs and passive investing
- The rise and rise of robo-advice and robo-advisors
- The lasting impact of fintech on private clients and wealth management

**Exercise: What the major trends mean for your organisation**

## **Session 2 – Profiling the Client and Client Segmentation**

- KYC – Know Your Client
- Safeguarding privacy
- New approaches to profiling the client
- The 5 dimensions that make up an individual’s investment profile
- Client profiles, model portfolio and benchmarks
- Preservers, Builders and Maximisers
- Delegators, Participators and Selectors
- Overview of segmentation criteria
- Private client needs analysis – daily banking needs, business needs, retirement planning, life-long investing

### **Case Study: Profiling your client**

## **Session 3 – Understanding the Private Banking Process/Wealth Management for Private Clients**

- Factors that determine the client’s decision-making preferences
- Levels of delegation and involvement – none, partial, full
- From self-directed clients to Investment advisory and discretionary mandates
- The advisory process and individual client solution preferences
- Establishing the client’s financial objectives
- Matching client needs to products and services
- Identifying the most important constraints
- Life cycle analysis and life cycle issues
- Monitoring recommendations
- Revising recommendations

### **Case Study: The Discretionary Vs Advisory Decision**

## **Session 4 – Compliance: The New Business Environment**

- The Global Compliance regime for private banking
- The new regulations that private bankers need to know about
- The offshore and onshore dimensions to compliance and regulation
- Anti-money laundering rules; Black and grey lists

----- End of Day 1-----

## **Day Two: Asset Allocation and Portfolio Structuring for Private Clients and wealth management (7 hours)**

### **Session 1 – Asset Allocation and Portfolio Structure**

- Phases and cycles in asset allocation
- Matching asset classes with wealth levels and income needs
- Factors affecting individual investors' asset allocation decisions
- Determinants of individual investors' asset allocation
- The influence of investors' actions and market outcomes on investor satisfaction
- Market cycle analysis – Factors influencing asset prices in different phases
- Individual investor behaviour and insights from behavioural finance
- Individual investor satisfaction and utility analysis
- An integrated approach to asset allocation decision making for private clients
- Strategies for maximisers, builders, and preservers
- Strategies for “satisficers”

### **Case Study: Modelling Investor Satisfaction and Utility Analysis**

### **Session 2 – Model Portfolios and Benchmarks**

- Setting the strategic benchmark for the client
- Factors to consider in setting a strategic benchmark
- The link between the benchmark and the strategic asset allocation
- Model portfolios and benchmarks for clients with different risk/return profiles
- Factors that determine the risk/return orientation of private wealth clients
- Relative, absolute and unconstrained profiles and benchmarks

### **Case Study: Designing a Model Portfolio and Benchmark for a High Net Worth Client**

### **Session 3 – Asset Allocation Rebalancing in Response to Market Movements**

- Principles of asset allocation rebalancing
- Advantages and disadvantages of rebalancing
- Scope of rebalancing
- Asset allocation rebalancing approaches
- Critical success factors in rebalancing
- Choosing a rebalancing approach to match the client's risk tolerance

### **Case Study: Matching the Rebalancing Approach to the Client Profile**

## Session 4 – Multi-Asset Solutions

- The rationale for multi-asset investing
- Why multi-asset solutions have become important
- Setting up a multi-asset investment platform
- Core-alternative-satellite portfolio structures
- Core-explore portfolio structures

----- End of Day 2-----

## Day Three: Investing for the Short and The Long Term (7 hours)

### Session 1: Liquidity Needs and Money Market Instruments

- The diverse liquidity needs of private clients
- Why money market instruments are best suited to match short-term liquidity needs
- The main drivers of return and what impacts short-term interest rates
- The risk-return profile of money market instruments
- The main money market instruments – time deposits, certificates of deposit, treasury bills, commercial paper, banker’s acceptances
- Money market funds and ETFs

### Case Study: Money Markets Case Study – A Conservative Client

### Session 2: Bond Market Instruments and Strategies for Private Banking Clients

- The role of bonds
- The main drivers of return and what drives long-term interest rates
- About the yield curve and what it tells us about the economy
- The main bond market instruments and their contribution to performance in diverse market environments
- Some popular bond market strategies
- Bond portfolio risk management

### Case Study: Bond Market Case Study – A Balanced Client

### Session 3: Equity Market Strategies

- The equity cycle and how it interacts with the economic cycle
- Asset, sector and style performance at each phase of the cycle
- Momentum and growth-based equity strategies
- Valuation and value-based equity strategies
- Behavioural factors for private bankers to consider
- Overview of the main behavioural biases exhibited by private banking clients in equity markets

### Case Study: Equity Market Case Study – A Dynamic Client

#### **Session 4: Implementation Vehicles – ETFs and Mutual Funds**

- What influences the choice of implementation vehicle
- Why ETFs and mutual funds should be seen as building block to achieve objectives
- ETF applications for private clients
- Mutual fund application for private clients
- Structured product applications for private clients

----- End of Day 3-----

#### **Day Four: Alternative Assets and Financial Engineering for Private client and Wealth Management (7 hours)**

##### **Morning Session**

#### **Session 1: Structuring- Types of structure used by Private clients**

- Private Pension scheme
- Family office
- Succession Planning
- Asset protection

##### **Afternoon Session**

#### **Session 2: The Alternative Asset Menu**

- Alternative assets in the post-credit crunch environment
- Are alternative assets more important today
- Features and benefits of the following alternative asset classes
- Hedge Funds
- Private Equity and Venture Capital
- Infrastructure
- Farmland and Forestry
- Commodities
- Emotional assets
- Sustainable/Environmental assets

#### **Case Study: Choosing from the Alternative Asset Menu**

#### **Session 3: Selecting the Appropriate Mix of Alternative Assets**

- Client suitability checklist
- How alternative assets can help to make a portfolio more efficient
- Volatility and correlation relationships
- Structuring the portfolio for an alternative asset allocation

## **Case Study: Designing an Alternative Investment Programme**

### **Session 4: Building Blocks of Financial Engineering for Private Client Managers**

- The basic building blocks
- Some common structures found in practice – spreads, volatility structures, arbitrage structures, exotics
- How to lock in an absolute return when achieved
- Downside protection Vs Upside return potential

## **Case Study: Designing Simple Structures to Match a Client’s Views and Risk Tolerance**

### **Session 4: Risk Reduction and Return Enhancement Opportunities and Strategies**

- Risk reduction and return enhancement opportunities:
  - Currency markets
  - Equity markets
  - Bond markets
  - Credit markets
- The structured product menu:
  - Commodity linked notes
  - Credit linked notes
  - Currency linked structures
  - Equity linked notes
  - Interest rate linked notes

----- End of Day 4 -----

## **Day Five: Consultative Selling, CRM and Account Development Skills for Private Bankers and wealth managers (7 hours)**

### **Session 1: Customised CRM for Private Bankers and wealth managers**

- The Wealth Management Loop
- Developing a systematic way to think about clients
- Identifying new opportunities within a relationship
- Different types of client-advisor relationship
- Characteristics of relationship levels and indicators of success
- Understanding customer lifestyles and the sales process
- Moving towards customised relationship management

## **Case Study: Customer Lifecycles and the Sales Process**

## **Session 2: Estate Planning**

- Holistic wealth analysis
- Geographical and legal constraints
- Tax optimisation
- Retirement planning and pension provisioning
- Succession planning and wealth transmission

## **Case Study: Estate Planning Needs Analysis**

## **Session 3: Customer Tiering and Account Analysis**

- What is strategic tiering of customer relationships?
- Customer tiering concepts – buying centres, wallet size, share of wallet
- Old, new and emerging customer buying centres
- Assessing the potential of your accounts
- Steps in the account analysis process
- Strategies for moving clients to a higher tier

## **Case Study: Moving Clients to a Higher Tier**

## **Session 4: Devising and Structuring a Relationship and Development Plan**

- Understanding the different phases of the sales cycle
- Identifying which phase of the sales cycle you are currently in
- Assessing the potential and problems in an account
- How to devise and structure a relationship and development plan

## **Assessment**

## **Course Conclusion: Account Development Plan Preparations and Presentations**

----- End of Day 5 -----