



Robo-Advisors, Partnerships and Inorganic Intelligence to Drive Future of Wealth Management Industry, According to Broadridge, Aite Report

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LAKE SUCCESS, N.Y., June 7, 2017 /PRNewswire/ -- A new wave of robo-advisors, an increasing number of partnerships between wealth managers and widespread usage of inorganic intelligence will drive significant change and opportunities for the wealth management industry in 2017 and beyond, according to a new report developed by Broadridge Financial Solutions, Inc. (NYSE: BR) in association with Aite Group.

The report, "The Digital Revolution Reshaping Wealth Management and the Future of Financial Advisors," was released at a Broadridge panel discussion addressing key strategic industry questions and designed to help clients solve for today's business challenges and be ready for tomorrow's. According to the report, client assets on digital advice platforms are projected to more than double from \$65 billion in the first half of 2016 to \$160 billion by the end of 2017. The sharp rise is expected to come as many wealth managers roll out new offerings to prevent the potential erosion of assets following the implementation of the Department of Labor's Fiduciary Rule later this week. As a result, the robo-advisory market is projected to cross \$400 billion in assets by the end of 2018, with the majority of assets managed by online brokerages and full-service wealth management firms.

"Those firms that leverage digital advice to attract the next-generation of clients, segment their existing client base by behavior or profitability, and ultimately, bring a high-end wealth management brand to the mass-affluent marketplace are the ones that will ultimately harness the competitive advantages of these innovative platforms," said Alois Pirker, Research Director of Aite Group's Wealth Management practice.

The report examines the major trends that are reshaping the wealth management industry right now, identifying the technologies and the evolution of business models that firms both need to be aware of and adapt to in order to stay relevant.

As wealth managers continue to grapple with balance sheet pressures, strict regulatory requirements, industry consolidation, financial advisor attrition, and other competitive challenges, inorganic intelligence – including artificial intelligence, machine learning, among other advanced technological capabilities – will continue to emerge as a key differentiator that enables firms to digest various forms of data, analyze investor sentiment and weigh potential behavioral probabilities.

"The future of wealth management is one in which investors will increasingly demand that their financial advisors can quickly and easily access and leverage technologies that will enable them to analyze large data sets and provide actionable insights," said Steve Scruton, President of Broadridge Advisor Solutions. "Predictive analytics will play a key role in helping advisors to learn more about their clients and provide the appropriate products and services at the right time."

Other key findings from the report include:

- Wealth managers will seek previously unheard of working relationships with competitors amid the increasing sophistication of the market, regulatory risks, the benefit and opportunity from greater focus and specialization, and the continuing arrival of sector-focused technologies and technology-enabled competition.
- Clients will increasingly have a far greater say in the products and services they want, where the products come from, how the products are delivered, and how they are charged.
- Successful firms will focus their efforts on finding the sweet spot between high-tech and high-touch services, providing clients with a hybrid advice model that is a diversified business model.

About Broadridge

Broadridge Financial Solutions, Inc. (NYSE:BR) is a leading provider of investor communications and technology-driven solutions for broker-dealers, banks, mutual funds and other corporations. Broadridge's investor and customer communications, securities processing and managed services solutions help clients reduce their capital investments in operations infrastructure, allowing them to increase their focus on core business activities. With more than 50 years of experience, Broadridge's infrastructure underpins proxy voting services for over 90% of public companies and mutual funds in North America and processes on average \$5 trillion in equity and fixed income trades per day. Broadridge employs approximately 10,000 associates in 16 countries.

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