



## 2021 Wealth Management Trends

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Developments that made the past 12 months a watershed year for wealth management are set to transform the industry in 2021. These include fractional share trading and direct indexing strategies enabled by the adoption of zero-commission trades. ESG represents another trend with implications for the economics of the business.

Some wealth managers, like TD Ameritrade in 2020, will teeter in the face of commoditization. Others will overcome high fixed costs by rethinking their propositions in a way that speaks to client needs. A first step is to understand the trends—social and economic, in the first order— that are levelling the wealth management landscape.

Already, the acceleration of the digital learning curve sparked by the COVID-19 pandemic has upended the contract between client and advisor. Understanding will shift further as firms rethink approaches to segmentation and servicing. The real game changer will be the ascendance of a new generation of affluent clients, for whom technology will be a critical lever to connect. As this report sets out, the ability to deliver a personalized (and thus, digital) client experience will emerge as the element that differentiates among wealth managers.

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