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PRESS RELEASE

By 2021, Market Shifts Will Drive Massive Wealth Creation, but Disrupt the Investment Landscape

Half of investors will switch providers if their growing expectations are not met

NEW YORK, NY—September 21, 2016 – Technological, economic, and demographic shifts will transform the wealth management industry by 2021, according to research released today by Roubini ThoughtLab, a thought leadership firm. These shifts will unlock tremendous global wealth, but also raise investor expectations for new advisory and digital solutions that some investment providers are not yet prepared to offer. If their new needs are not met, 48% of investors declared that they will switch providers.

The new report, Wealth and Asset Management 2021, is based on a survey of 2,000 investors and 500 investment providers across 10 major wealth markets, in-depth interviews, and economic modeling led by noted economist Dr. Nouriel Roubini. The study was produced in conjunction with a diverse coalition of sponsors, including Bank of Montreal, Broadridge Financial Solutions, CFA Institute, Cisco, eToro, Schroders, SEI, and State Street.

The changing investor landscape

The Roubini analysis foresees huge wealth creation across changing investor demographics over the next five years:

- **Household assets will rise $89 trillion** in 25 top markets, with the biggest gains coming from emerging markets, such as China, Mexico, and Poland.

- **More than $50 trillion in investment** will flow into the wealth industry from the rise in household assets in these markets alone, increasing the pool of investors.

- **Millennials, Gen X, women, and emerging market investors will see their wealth climb** and their investments grow. Even those with small savings will invest more thanks to greater market access through technology.

The technology gap - wealth management firms fall short

Changing demographics and digital usage will transform client expectations over the next five years, faster than some wealth providers can cope:

- **Investors will expect more from wealth providers,** including more customized solutions (72%), access to wider investment options (64%), greater cybersecurity (63%), and the use of the latest technology (62%). They will also demand more from personal wealth advisors: responsive 24x7 service (51%), advice that delivers high returns (40%), digital proficiency (37%), broader financial and life-planning advice (36%), and lower fees (35%).

- **While wealth providers are moving fast to adapt, some are not as prepared as their clients think.** For example, 63% of investors believe their providers are prepared to ensure cybersecurity, versus 48% of providers who say they are. Similarly, 64% of investors think their investment providers can offer options across asset classes and global markets, but 47% of firms say they are prepared to do so.

- **The digital imperative is not just from millennials and the mass affluent,** but from across generations and wealth levels. For example, forty-one percent of millennials expect to use anytime, any device access over the next five years, but 49% of Gen X and 50% of baby boomers expect to do the same. Similarly, 54% of ultra-high-net-worth investors want their investment providers to use the latest digital technology, versus 39% for the mass affluent.

The Winners: Large institutions, trusted brands and digital leaders

The research also shows that financial technology will disrupt the industry from within. Unlike other industries, such as retail, which experienced external disruption from digital startups such as Amazon and eBay, fintech solutions will become widely adopted by incumbents with trusted brands.

"The winners in this new playing field will likely be large full-service institutions, mutual funds companies, and trusted names in wealth management," said Lou Celi, CEO of Roubini ThoughtLab and the Program Director. "These organizations may be better equipped to meet the rising demand for specialized expertise, responsive 24x7 service, and wider investment and financial services."

Key findings from the research show that:

- **A top priority of 59% of investment providers is to build, partner or acquire fintech capabilities.** This product strategy will resonate with investors: 37% said they would only work with a fintech associated with a trusted brand, and 45% said that fintech solutions can be very valuable when used with traditional investment services.
- **To stay competitive, most wealth firms are developing new digital capabilities,** such as "anytime, anywhere, any device" access (55%), omnichannel customer experiences (48%), technology-enabled planning tools (45%) and improved performance analytics (41%).
- **Universal banks and mutual fund firms are more digitally advanced than other providers.** More than two-thirds of these organizations have already set up in-house teams and incubators to drive digital transformation. They are also ahead in setting a digital vision and adapting products and business models, aligning the front, middle and back offices, and ensuring close coordination between IT and business units.
- **Smarter technologies will set wealth management firms apart.** With SMAC technologies (social, mobile, analytics, and cloud) now becoming table stakes, in the future wealth firms will target smart technologies that can provide greater differentiation. These include virtual reality (set to grow 130%), artificial intelligence (128%), web analytics and sentiment analysis (77%), telepresence and web collaboration (68%), and Blockchain (43%).

Wealth Industry to Completely Transform by 2021

The research indicates that wealth companies will transform their strategies, products, and business models to become fully integrated, digitally driven businesses by 2021. Digital leaders—firms in advanced stages of digital transformation—report that last year they increased assets under management by 7.2%, profitability 6.8% and productivity by 9.4% through the use of technology. The ultimate goal for these firms is to become "omniproviders," able to serve customers seamlessly across all channels. By 2021, 57% of digital leaders surveyed plan to be fully integrated omniproviders.

Crucially, the research reveals five key pathways to success used by today's digital leaders: invest adequately in new technologies (41%), make the customer central (37%), nurture an innovation culture (33%), develop an effective transformation process (32%), and bring the right talent on board (31%).

"Even in normal times, wealth executives face a complex set of global economic, market and regulatory challenges. But, these are hardly normal times," says Lou Celi. "Many investment providers in our survey do not appreciate just how fast these changes will happen—and the profound impact they will have on their business."

The executive briefing and full white paper can be downloaded at http://www.roubinithoughtlab.com/wealth2021 (requires email).

About Roubini ThoughtLab

Roubini ThoughtLab is a trend-setting thought leadership consultancy providing fresh management thinking and decision support to help business and government leaders cope with transformative change. By applying the latest analytical tools, predictive models, and expert opinion, we provide actionable insight into future megatrends and their impact on the world. We specialize in creating 360° thought leadership that sits at the intersection of visionary thinking, analytical insights, and cross-media outreach.

An agile, collaborative enterprise, Roubini ThoughtLab draws on the diverse skills of its in-house team, global expert network, and alliance partners to fill any or all thought leadership needs—from surveys, interviews, and advisory boards, to analytical tools, indexes and econometric models, to white papers, social media, and infographics.

Roubini ThoughtLab is a joint venture with Econsult Solutions, a leading economic consultancy with links to academia. It was founded in 2015 by noted economist Dr. Nouriel Roubini and Lou Celi, a pioneer in thought leadership and digital publishing. For more information on Roubini ThoughtLab, please visit www.RoubiniThoughtLab.com.

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About Bank of Montreal

Established in 1817, BMO Financial Group is a highly diversified financial services provider based in North America. With total assets of $692 billion as of July 31, 2016 and over 46,000 employees, BMO provides a broad range of retail banking, wealth management and investment banking products and services to more than 12 million customers and conducts business through three operating groups: Personal and Commercial Banking, Wealth Management and BMO Capital Markets. For more information, visit www.bmo.com.

About Broadridge
Broadridge Financial Solutions, Inc. (NYSE: BR), is the leading provider of investor communications and technology-driven solutions for broker-dealers, banks, mutual funds and other corporations globally. 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 over 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 14 countries. For more information, please visit www.broadridge.com or contact Brett Philbin, + 1 212 704 8263, Brett.philbin@edelman.com.

About Cisco
Cisco (NASDAQ: CSCO) is the worldwide leader in IT that helps companies seize the opportunities of tomorrow by proving that amazing things can happen when you connect the previously unconnected. For ongoing news, please go to http://thenetwork.cisco.com. For more information, please contact Kristen Palazzolo, +1 408 525 7974, krpalazz@cisco.com.

About SEI
SEI (NASDAQ:SEIC) is a leading global provider of investment processing, investment management, and investment operations solutions that help corporations, financial institutions, financial advisors, and ultra-high-net-worth families create and manage wealth. As of June 30, 2016, through its subsidiaries and partnerships in which the company has a significant interest, SEI manages or administers $707 billion in mutual fund and pooled or separately managed assets, including $269 billion in assets under management and $438 billion in client assets under administration. For more information, visit seic.com, or contact Dana Grosser, +1 610 676 2459, dgrosser@seic.com.

About CFA Institute
CFA Institute is the global association of investment professionals that sets the standard for professional excellence and credentials. The organization is a champion for ethical behavior in investment markets and a respected source of knowledge in the global financial community. The end goal: to create an environment where investors' interests come first, markets function at their best, and economies grow. CFA Institute has over 147,000 members in 158 countries and territories, including 140,000 CFA charterholders, and 147 member societies. For more information, visit www.cfainstitute.org, or contact Robert Dannhauser, +1 212 705 1723, bob.dannhauser@cfainstitute.org.

About eToro
eToro is the world's leading online social trading network, with over 5 million registered members from 140 different countries and thousands of new accounts opened each day. eToro's mission is to revolutionise the way people access the financial markets and make their trading experience more social, simple, enjoyable and transparent. A global social platform, it allows members to communicate, copy and follow each other to harness the wisdom and success of others. The community element is the first of its kind, making trading transparent and open, unlike traditional solitary trading platforms. eToro is regulated by both CySEC in Cyprus and the FCA in the UK. For media information, visit https://www.etoro.com/, or contact Joey Ng, +44 207 973 5941, Joey.ng@hkstrategies.com.

About Schroders plc
Schroders is a global asset management company with £343.8 billion (€413.7 billion/US$459.6 billion) assets under management as at 30 June 2016. Our clients are major financial institutions including

pension funds, banks and insurance companies, local and public authorities, governments, charities, high net worth individuals and retail investors. With one of the largest networks of offices of any dedicated asset management company, we operate from 37 offices in 27 countries across Europe, the Americas, Asia, Middle East and Africa. Schroders has developed under stable ownership for over 200 years and long-term thinking governs our approach to investing, building client relationships and growing our business. Further information about Schroders can be found at www.schroders.com.

About State Street

State Street Corporation (NYSE: STT) is one of the world's leading providers of financial services to institutional investors, including investment servicing, investment management and investment research and trading. With $28 trillion in assets under custody and administration and $2 trillion* in assets under management as of June 30, 2016, State Street operates in more than 100 geographic markets worldwide, including the US, Canada, Europe, the Middle East and Asia. For more information, visit State Street's website at http://www.statestreet.com/, or contact Lauren Willington, +44 20 3395 6701, Lauren.willington@statestreet.com.

* Assets under management include approximately $40 billion as of June 30, 2016, for which State Street Global Markets, LLC, an affiliate of SSGA, serves as the distribution agent.