

A Wealth of Opportunity



Digital transformation today goes beyond optimizing the delivery and management of loans, deposits, payments and other transactions. It's making sophisticated areas of banking like wealth and asset management better. A lot better.

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Today's high net-worth individuals (HNWIs) have a lot in common with their predecessors.

Many became wealthy by starting up their own businesses. Many climbed the corporate ladder and made big businesses even bigger and better. Many inherited their fortunes. Many became successful in sports and the arts. And many made really smart investments.

The paths to wealth are largely the same.

But managing that wealth is a whole new ball game these days thanks to technology.

Younger generations, the affluent especially, grew up in the cloud, with everything from booking rides, to buying movies tickets to dating done with the swipe of a finger across a smartphone.

Banking is no different—ask a Gen-Zer about his or her experience waiting in line in a branch office flipping through pamphlets on checking accounts and CDs—you'll likely get confused looks.

Today, modern technology cores and state-of-the art solutions have redefined the concept of banking—it's not something you "do" as much as it is a part of your life, there when you need it.

That's been the trend with payments, loans, deposits and other areas of personal and business finance and today, it's the case with wealth and asset management.

At Temenos, we've noticed several trends that are shaping wealth and asset management today and will continue to do so in the future.

Thanks to COVID, wealth and asset management has gone digital forever. That doesn't mean meetings with financial advisors are over. To the contrary. Wealth and asset managers and their clients now have new tools that can better ensure the success of plans to protect wealth and grow it.

Yes, while economic factors such as fiscal and monetary policies and swings in business cycles will always occupy the center stage in guiding investment decisions, it is important to take note of the technological influences that guide that decision-making.

Temenos has identified seven. Let's take a look.



1

Managing money—the hybrid approach

Customers can expect white glove experience they get from both human beings and from digital channels, while wealth and asset managers will find it much easier to interact with their clients, helping them adjust portfolios and other holdings in person or digitally, a win-win hybrid approach.

2

Cloud and SaaS will drive the sector's digital transformation

As demand for customer experiences that stem from cloud-based and cloud-hosted infrastructure accelerates, more and more wealth and asset managers will blend their seasoned expertise with the power of their data for AI-related applications to improve service, cut costs and increase flexibility.

3

Wealth and asset management will become hyper-personalized

No two success stories are alike. Income streams and currencies are different. Countries of residence are different. Regulations are different. Shareholder demands are different and even personal family needs are different. Technology will optimize the delivery of personalized advice at-scale and across segments. Advisors and portfolio managers manage time, money and processes much better with the power of AI.

4

A massive transfer of wealth from one generation to another is coming

Expect to see a wave of wealthier young adults, when tens of trillions of dollars of wealth will be transferred from one generation to the other in the coming years. Those who modernize their technology now will be better equipped to handle the demands of a very wealthy—and tech savvy—new generation of HNWIs.



5

Younger generations are more attuned to ESG

They will run—and invest in—companies who are dedicated to the sustainable consumption of natural resources, who care about their employees and communities in which they operate, and those who practice sound corporate governance.

6

Digital & alternative assets are here to stay

Digital assets like crypto currencies are no longer hot tips from shoe shiners and cab drivers. They are important components to stored value accounts, payments, remittances and other areas of banking, and they are here to stay. Alternative investments like Private Equity, Private Debt, and Real Estate, will keep outpacing the growth of traditional assets. Plus, the technology behind these assets (think blockchain) may serve broader purposes well. Modern banking technologies are empowering financial institutions to better manage these exciting new investments. Your clients will ask about them.

7

Software and banking platforms will become more streamlined and standardized

A single platform allows wealth and asset managers to better manage all client segments and all stages of the client's lifecycle. Temenos is one of the few platforms that can help deliver an end-to-end solution across segments.



Latin America is due to see growth in the wealth and asset management area of banking.

The Latin America Wealth Management Market size in terms of assets under management value is expected to grow from USD 1.18 trillion in 2024 to USD 1.32 trillion by 2029, at a CAGR of 2.34% during the forecast period (2024-2029).

Let's create a high net-worth individual, a Colombian manufacturing executive named Miguel.

One day, Miguel checks his holdings through his mobile app, and he grows a little worried about his exposure to tech stocks. He contacts his advisor immediately on his phone through that app and gets through immediately. They have access to his holdings on the phone and can discuss seamlessly, even if Miguel goes home, he examines his trading platform and account summaries on his computer. That's a successful engagement.

On the front office, the advisor analyzes Miguel's portfolio and proposes a rebalancing to reduce exposure to tech stocks. Miguel agrees with the proposed rebalancing and the advisor executes the related transactions.

On the middle and back office, automation solutions ensure a smooth flow of very complex workflows. Temenos's core is extremely robust and therefore supports some of the most intricate workflows and all their requirements.

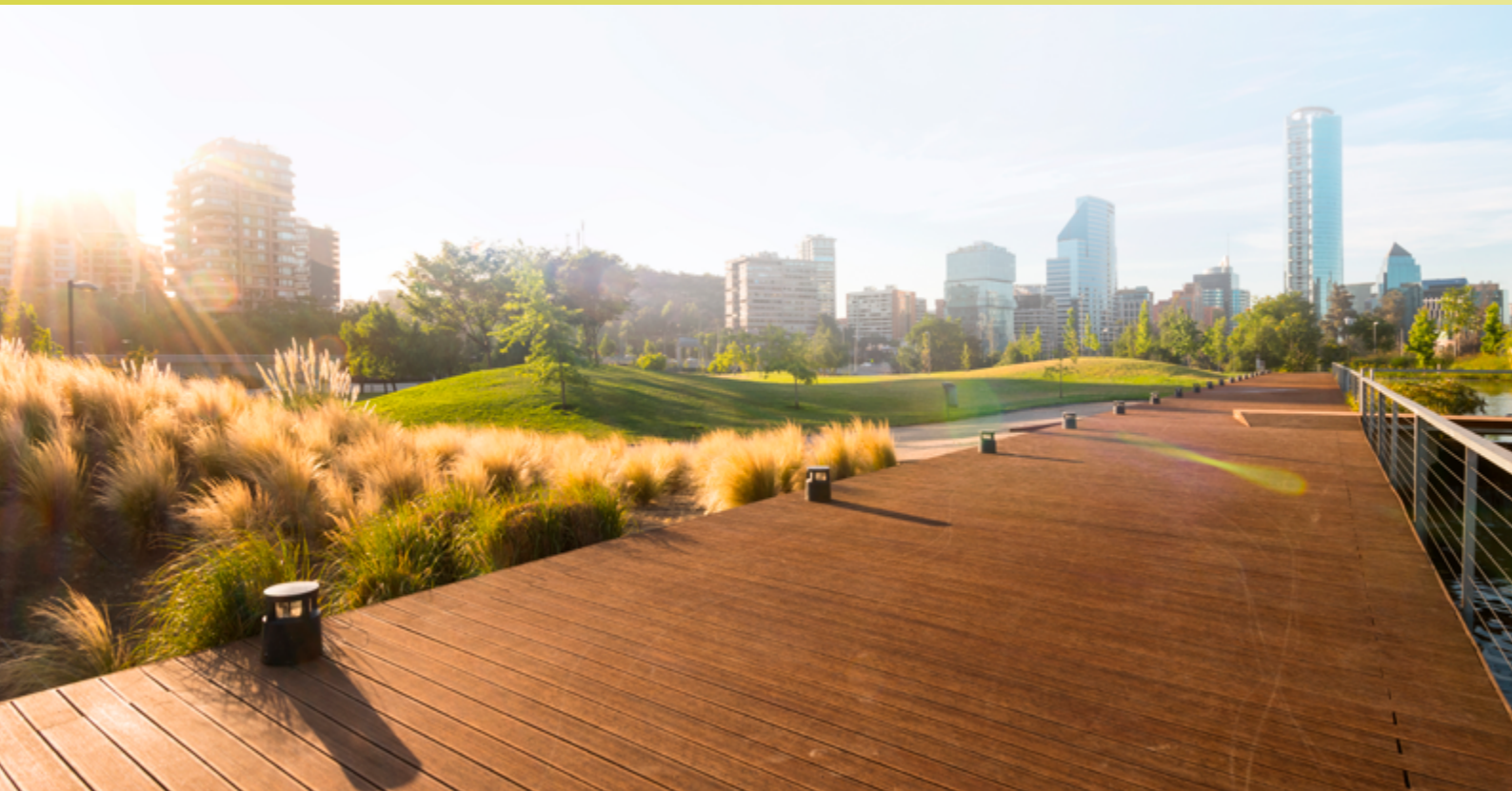
And thanks to modern technology, the wealth advisor and the portfolio manager who oversaw those trades can make the most of the data gathered internally and externally to support Miguel's future decisions and use that experience to strengthen ties to other clients.

Temenos is one of the few providers capable of supporting almost all wealth and asset management experiences from A to Z.

Do not take our word for it alone.

In fact, Temenos was recently recognized in the WealthTech100 list for 2024.

The WealthTech100 is an annual list of 100 of the world's most innovative WealthTech companies selected by a panel of industry experts and analysts.



¹ Source: <https://www.mordorintelligence.com/industry-reports/latin-america-wealth-management-market>

According to the WealthTech100:



After three decades in operation, Temenos has become a leading provider in the WealthTech sector. Temenos distinguishes itself by consistently investing in product development, ensuring the solutions remain cutting-edge and future-proof. Temenos offers a comprehensive and flexible end-to-end wealth solution without redundancies, minimizing integration efforts for clients. With a broad presence across various financial sectors and regions, Temenos facilitates the exchange of ideas and technologies, enriching its offerings globally."

Our world-class solution **Temenos Wealth** provides an integrated portfolio management and securities trading platform for wealth managers and private bankers. It is also pre-integrated into Temenos Digital to provide a seamless front-to-back wealth solution which is applicable:

- To any type and size of bank or wealth manager, across multiple entities and geographies
- Across all customer markets, from mass affluent to ultra-high net worth (U/HNW) individuals
- Via multiple innovative channels, consistently and in real-time

The solution is divided into four main pillars, covering client engagement with **Digital Wealth**, portfolio management with **Wealth Front Office**, middle/back office processing with **Core Banking & Securities**, and data processing with **Market Data Management**.

Those four best-of-breed components can be implemented standalone or fully integrated to provide a full End to End solution.





Building on our success

Temenos Multifonds, is a single, global platform catering to fund administrators, asset managers, insurance companies and pension funds.

Multifonds synergizes investment and fund accounting activity with a single, global platform that combines sophisticated and highly automated workflow processes to drive enhanced scalability and efficiency while reducing operational risk.

Like in other areas of banking, wealth and asset management customers today demand user experience that is engaging and adapts to their needs. And experiences like those only come from a core and solutions that allow for functionality, scalability, and flexibility to address the demands of investors and the asset management industry today and tomorrow.

Asset management is a unique area of the financial services world, and fortunately, Temenos can handle its functions, including:

Investor Servicing:

- Investor registration
- Transactions
- Cash management
- Fees and taxes
- Rebates
- Performance and incentive fees
- Fund series
- Partnership accounting

Investment Accounting:

- Transaction processing
- Cash management
- Capital events
- Pricing and valuation loading
- General ledger
- Fees and expenses
- Net Asset Value (NAV) generation
- Taxes

Personalized attention will always take center stage in wealth and asset management. It is an industry based on trust. But it is an industry that will see technology redefining how business is conducted, how securities and funds are traded, how fortunes are protected or positioned to grow and how they will be left for new generations.

In the banking and asset management sectors, technology expenditures are predicted to rise across all regions and tiers in 2024, in efforts to increase speed and agility, more efficiently adhere to compliance and regulatory requirements, and move forward with product enhancement and innovation.

In the wealth and asset management sectors, expenditures will focus on strengthening data analytics & insights, alternative investments, ESG solutions, Digital account opening & onboarding and omnichannel advice.

Those tools assist wealth and asset managers to achieve what they have done for years—build trust.

Build trust with your clients, with your knowledge of financial markets and their vast intricacies and opportunities.

Maintain that trust with the right technology that gives the agility and flexibility to meet your customers' needs, no matter what the markets have in store.



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About Temenos

Temenos (SIX: TEMN) is the world's leading platform for composable banking, serving clients in 150 countries by helping them build new banking services and state-of-the-art customer experiences. Top performing banks using Temenos software achieve cost-income ratios almost half the industry average and returns on equity 2X the industry average. Their IT spend on growth and innovation is also 2X the industry average.

For more information, visit www.temenos.com

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