

# The Evolution of Value-Added in Private Wealth Management and the Asset-Liability Management Approach

An exclusive presentation of the results of an EDHEC-Risk Survey of European Private Wealth Management: advanced scenario analyses, best practices and an overview of Private ALM solutions



April 20th, 2011 – EDHEC-Risk Institute – London



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Private wealth managers generally see customised advice as a key source of their value added. However, there is no systematic research that assesses how private wealth management practice addresses different investor objectives and risk definitions. The academic literature on asset allocation provides insights on a range of factors that affect investors' optimal portfolios including consumption and bequest objectives, background income, time horizon, and risk aversion. However, implementation of customised asset allocation models remains a challenge in practice.

Since there is no comprehensive evidence to date on how investment strategies in private wealth management are designed, how client objectives are taken into account and what role the various financial tools play in the investment process, EDHEC-Risk Institute decided to conduct a comprehensive survey of the practices of European private wealth managers. A detailed analysis of the results allows for an assessment of the extent to which the knowledge created through academic research spreads to practice. The results also provide a useful benchmark of European industry practices in private wealth management that may serve as a reference point for wealth managers that wish to compare themselves to their peers.

It is our pleasure to invite you to an early-evening seminar in London. The seminar given as part of the "Private Asset-Liability Management" Research Chair at EDHEC-Risk Institute, a chair endowed by Ortec Finance, will be held on Wednesday 20th April 2011 on the premises of EDHEC-Risk Institute, 10 Fleet Place, Ludgate.

As well as presenting the results of the EDHEC-Risk Survey of European Private Wealth Management Practices launched in May 2010, this event will include a focus on understanding the application of the Asset-Liability Management (ALM) methodology in Private Wealth Management (PWM). In addition, representatives from Ortec Finance will present Ortec Finance solutions developed for Private ALM for different client segments ranging from retail to private banks.

Conducted by Felix Goltz, Head of Applied Research, and Noël Amenc, Director, EDHEC-Risk Institute, this seminar will be a unique opportunity to discuss the challenges in private wealth management and take a detailed look at the landscape of Private Wealth Management in Europe.



## Programme

**5.00pm - 5.30pm: Registration**

**5.30pm - 6.00pm: Overview of Solutions from Retail to Private Banking**

Ronald Janssen, *Managing Director Private Wealth Management, Ortec Finance*

**6.00pm - 6.30pm: The Evolution of Value-Added in Private Wealth Management and the Asset-Liability Management Approach**

Noël Amenc, *Director, EDHEC-Risk Institute*

**6.30pm - 7.30pm: Presentation: The EDHEC-Risk Survey of European Private Wealth Management Practices**

Felix Goltz, *Head of Applied Research, EDHEC-Risk Institute*

- > Challenges in Private Wealth Management: Responding to Client Needs
- > The EDHEC-Risk Survey: A Detailed Look at the Landscape of Private Wealth Management in Europe
- > Insights for Market Participants: Benchmarking Industry Practices

## Participation

Please register with Laura Pensato before April 6.

Tel.: +33 493 187 855 - [laura.pensato@edhec-risk.com](mailto:laura.pensato@edhec-risk.com)



Ortec Finance is a global provider of technology and advisory services for risk and return management. Established in Rotterdam in 1981, Ortec Finance has over 160 employees who combine mathematical ability, business awareness, and practical application to deliver innovative and pragmatic solutions. Our client base operates in the pension, investment management, insurance and private wealth management markets, and is long-standing and global.

Over 4,000 advisors in The Netherlands and other European countries including Belgium, Luxembourg and Switzerland use Ortec Finance solutions for Private Wealth Management (PWM). These professionals work for more than 20 asset managers, family offices and (private) banks, but also include independent financial advisors and financial and wealth planners.

Ortec Finance offers customised solutions for each market segment composed of consultancy, software models and training.

**Ortec Finance**  
Boompjes 40  
3011 XB Rotterdam – The Netherlands  
Tel.: +31 (0)10 700 50 00

**Ortec Finance Switzerland AG**  
Poststrasse 4  
8808 Pfäffikon SZ – Switzerland  
Tel.: +41 (0)55 410 38 38

**Ortec Finance Ltd United Kingdom**  
23 Austin Friars  
London EC2N 2QP – United Kingdom  
Tel.: +44 (0)20 3178 3913



EDHEC-Risk Institute is part of EDHEC Business School, one of Europe's leading business schools and a member of the select group of academic institutions worldwide to have earned the triple crown of international accreditations (AACSB, EQUIS, Association of MBAs). Established in 2001, EDHEC Risk Institute has become the premier European centre for applied financial research. In partnership with large financial institutions, its team of 47 permanent professors, engineers and support staff implements six research programmes and ten research chairs focusing on asset allocation and risk management in the traditional and alternative investment universes. The results of the research programmes and chairs are disseminated through the three EDHEC Risk Institute locations in London, Nice and Singapore.

EDHEC-Risk Institute validates the academic quality of its output through publications in leading scholarly journals, implements a multifaceted communications policy to inform investors and asset managers on state-of-the-art concepts and techniques, and forms business partnerships to launch innovative products. Its executive education arm helps professionals to upgrade their skills with advanced risk and investment management seminars and degree courses, including the EDHEC-Risk Institute PhD in Finance and the EDHEC-Risk Institute Executive MSc in Risk and Investment Management.

**EDHEC-Risk Institute**  
393 promenade des Anglais  
BP 3116 – 06202 Nice Cedex 3 – France

**EDHEC Risk Institute—Europe**  
10 Fleet Place – Ludgate  
London EC4M 7RB – United Kingdom

**EDHEC Risk Institute—Asia**  
1 George Street  
#07-02 – Singapore 049145

[www.edhec-risk.com](http://www.edhec-risk.com)