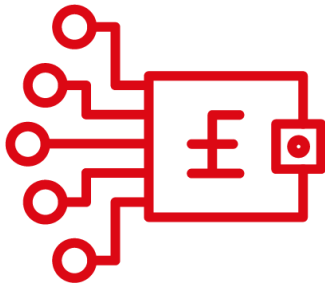


# PUT SIMPLY

## Wealthtech

### What is wealthtech?

Wealth technology, commonly shortened to wealthtech, is a subsection of fintech that focuses on providing focused technology solutions to companies who provide products and services to wealthy individuals or directly to the individuals themselves.



Mainly used in the private wealth, asset management, and pensions sectors, wealthtech helps to improve the management of an individual's wealth, assets, or investments, to increase an individual's wealth. The depth of solutions varies from dedicated mobile apps and reports, to using increased market data to enhance decisions, artificial intelligence driven analysis, and automated investment approaches for clients.

Wealthy and younger clients wanting to use greater levels of technology as part of managing their wealth are demanding wealthtech solutions more than ever and the emergence of new solutions is opening up the wealth management market to more and more individuals. Wealthtech can reduce cost and time allowing companies to make more of their products and services available to a greater number of individuals than ever before.

## What can wealthtech do?

### Information

By using modern technology, wealth management companies can obtain and provide more up-to-date and accurate information. For example, firms are able to use real time currency exchange rates or share prices to provide their clients with information immediately and show fluctuations to an investment portfolio or pension.



### Communication

Technologies such as mobile apps and client portals provide individuals with around-the-clock access to information on their wealth. Many solutions also provide the individual with a way of securely contacting their wealth managers with queries and instructions.

### Investments

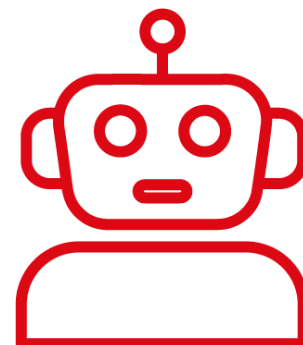
Greater levels of information allow for new products to be created that target specific industries or sectors. The use of artificial intelligence has allowed for companies to develop automated wealthtech solutions that can automatically act upon an individual's instruction. Firms can also provide tools to model the impact of fluctuations in items such as exchange rates, share prices, or asset valuations on investment portfolios which provides a way of modelling actions before taking them.

## What wealthtech solutions are there?

New wealthtech solutions are being launched all the time, the current main wealthtech solutions are:

### Robo-advice

Automated services which use artificial intelligence to search huge amounts of information to offer investment advice to individuals. A robo-advisor can be configured to find certain types of investment or automatically act when an event happens, for example, 'if the share price of a company falls below



£100, buy more shares.’ Automating activity helps to reduce the cost of providing the service allowing for more individuals than ever to manage their investments.

Robo–advice can be fully automated with no wealth manager involvement, or the robo–advisor can assist a wealth manager with information and recommendations for their client. This is often called a hybrid or augmented solution where the client gets the benefit of computer powered analysis and human intuition and is the most common form of robo–advice provided in Jersey.



### **Micro–investment**

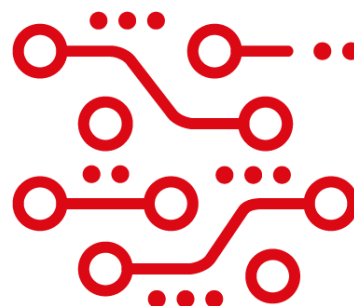
These wealthtech solutions provide a platform for individuals to invest small amounts of money, frequently and over a long period of time to build up larger savings over time. Usually these are app only solutions that have no human wealth manager support for investments made. Some platforms take a small percentage fee for using the platform whereas others offer trading with a fixed monthly fee payable.

### **Portfolio management**

Subject to the client allowing access to their data, some companies allow portfolio management wealthtech companies information feeds to provide a portfolio wide but single consolidated view of an individual’s wealth and investments e.g. their shares, pension, and bank deposits. These solutions often come with reports and analytics and some solutions allow the individuals to look back at investment performance and model future portfolio performance.

### **Digital brokerage**

In traditional financial services a broker is a go–between who can match a client need to a company providing a solution such as mortgages, insurance, or the trading of stocks and shares. Digital brokers are online platforms that identify products and services and present these to allow individuals and companies to undertake their own transactions. Examples include price comparison sites for insurance, credit cards, mortgages, and savings rates.



Digital brokerages for the trading of stocks and shares have proved a popular wealthtech solution. These platforms allow individuals to make the trades directly and some also offer the ability to ‘follow’ an investor by copying the same trades but at different prices.

### **Where can I find more information?**

For more information on wealthtech or fintech visit our dedicated [fintech page](#).