Module W1.1: Business Models of Private Wealth Management Service Providers

Question 1

Which of the following statements regarding client types is *most accurate*?

A) A retail client normally has assets between USD 250,000 and USD 500,000 and prefers passive investment vehicles.

B) A UHNW individual is likely to have assets of more than USD 30 million and will probably need additional specialized advisers.

C) An HNW client will mostly prefer ETFs and other standard investment options to keep the fees low.

Question 2

A new employee at an investment firm makes the following statements regarding the competitive nature of the industry:

Statement 1: Both buyer and supplier power are high when dealing with retail clients, which puts pressure on margins.

Statement 2: Robo-advisers present an increasing threat of substitutes, putting pressure on margins.

How many of these statements are correct?

A) None.

B) One.

C) Two.