



Market Update is a “internal” information letter on news and events in our market.

This is based on articles in newspapers and other input.

July 2005

More High Net Worth Individual (HNWI).

Økonomisk Rapport 30th June 2005.

Number of HNWI has increased in 2004, according to study done by Cap Gemini and Merrill Lynch. HNWI is a person with a financial value of more than 1 million USD, house, flat and property not include.

HNWIs are accounting for 30 billion USD of fund under management, in the world. 2004 was the best year for HNWI ever, according to the study.

The break down is:

- Africa, increased by 13,7 %
- North America by 9,7 %
- Europe by 4,1 %
- Norway by 5,4 %

In UK alone there are 750 000 HNWI, and in the world 7.7 million by end of 2003.

This is the first year since 2001 there were more HNWI in North America than in Europe.

For FinanceCube this is good news, as this is our market.

IT Companies lack of communication.

Financial Adviser 12th may 2005.

IT Companies must work harder to build a trusting relationship with IFA's, according to financial adviser – CTO software online survey.

However for the quality of the software, the user was positive, with IFA's grading software for client management as good overall.

64 % said IT companies put profit before customers.

IFA's prepare for online.

CBI financial survey.

CBI and PriceWaterhouseCoopers reports more firms are planning on investing in information technology next year. 65 percent in the survey said more than 10 % of business are online and raising.

HNWI and client reporting.

Client reporting is becoming increasingly prominent on the radar, especially as the competition deepens among wealth managers and advisors.

According to a study by PriceWaterhouseCoopers almost 54 % of wealth managers said their systems was neither flexible, accurate nor capable. 71 % emphasised the important of high quality client service of clients and reporting to distinguish themselves from rivals. HNWIs are using multiple managers, more complex investment instruments and getting more advanced in fund management. On the same time regulatory is demeaning more compliance reporting and more time is spent on compliance.

IFA spend time on “non advice”

Financial Adviser 31. march 2005

IFAS spend 80 % of their time with clients offering non-product-specific advice, according to research by Personal Finance Society.

The breakdown:

- 10 % why customer seeking advice
- 10 % establish client goal
- 30 % gather information from customer
- 20 % identify options/product types
- 20 % specific product advice

Online takes lead.

Financial Adviser 28. april 2005

IFA's are conducting more business online than any other distribution channel. 43 % of transactions are done online. In the life and pension market online increased by 61 % in 2004.67 % of those surveyed said depolarisation would increase electronic transaction volumes in 2005.