



First Citizens
WEALTH MANAGEMENT

Emerging Risks in the Fiduciary Environment

FIRMA Breakout Session

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5/1/2023

Agenda

1 Evolving Expectations of HNW

2 Workflow Challenges

3 Regulatory Complexity

4 Fraud

5 Pricing Pressures

Expectations of HNW/UHNW Clients Evolving

Risk Overview

24% growth in UHNW segment in 5 years



Increased focus on legacy as UHNW segment continues to grow



Trusts remain a preferred option to achieve legacy goals



Increased demand and complexity have put additional pressure on traditional service models

Solutions



Digitize sales and services



Straight through processing



Alternative investments

Workflow Shortage

Risk Overview



Shortage of officers



Next gen employer incentives



Alternative careers



Outsourcing

Solutions



Outsourcing



Incentives for younger professionals

Regulatory Complexity

Risk Overview

As new regulations come online, there are many moving pieces to keep track of.

 Secure Act 2.0

 Tax uncertainty

 Conduct risk

 PTE IRA rollover

 Customer complaints

 State and Federal requirements

 Conflicts of interest

Solutions



Scalable tech platforms



Data integrity

Fraud

Risk Overview



Wire processing



Phishing



Elder exploitation



Compromised emails

Solutions



Data integrity

Pricing Pressures

Risk Overview



Downward pressure



New players to the market

Solutions



Segmentation and analytics



Outsourcing



Enterprise approach

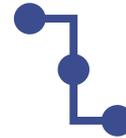
Addressing Emerging Risks Through These Solutions



Align scalable tech platforms with business strategy



Outsourcing



Straight through processing



Alternative investments



Enterprise approach



Digitize sales and services



Segmentation and analytics



Data integrity



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