

# A symbiotic relationship within independent wealth

*In a video interview, Ernest Ong of Mercer discusses the need for Asia's independent asset managers (IAMs) to collaborate with the wider wealth management industry.*

The foundation of a healthy, symbiotic relationship is about working together and understanding one another, according to Ernest Ong, senior consultant at Mercer.

His firm believes it is okay to go against the grain of dreaming big and, instead, to think small – which means, explains Ong, focusing on the fundamentals.

These would include addressing the complexities that clients face, as well as having more flexibility in meeting compliance requirements.

In Ong's view, collaboration is all about understanding the strength of each member of the ecosystem. "At Mercer, we work closely with IAMs. We provide the delegated solutions for their alternative asset allocation business."

## PREPARING FOR THE FUTURE

The history of independent wealth management in Asia is relatively new;

the industry in Singapore, for example, is just over a decade old.

However, the growth has been tremendous in such a short span of time.

Yet with 2020 being only three years away, the law of diminishing marginal returns is bound to hit at some point, says Ong.

"The constraints that will potentially affect the growth would be the regulator's lukewarm approach to the markets, customers still remaining demanding and discerning, and operational costs continuing to rise."

One way to tackle these within Asia is to build capacity within the industry, he adds. This includes having a target skill in mind and strategising to acquire it.

"It is very much about working backwards," explains Ong. "Each player should understand the 'right size' they



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aspire to be and then try to achieve that. That is the way to manage capacity going forward." ■