

Capital Partners spells out its long term wealth growth and preservation

Capital Partners arrived on the wealth management scene as a start-up in early 2017. Armed with partners with many years of experience in Asia, the firm has been making solid inroads to build a committed HNW clientele. Harmen Overdijk, the firm's founding partner, explained Capital's philosophy and key attributes.

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CAPITAL PARTNERS BEGAN LIFE in January 2017 and presents itself as a full-service wealth advisory for global citizens, helping families plan their long-term wealth strategy and with a specialisation in helping clients with US assets or citizenship.

Independent... and proud to be so

“We are owned by the partners, not a bank or product provider,” Overdijk told the attendees of the Hubbis Independent Wealth Management Forum on November 16, 2017. “Our fees are transparent. We are not tied to any platform, service or product provider, which allows us to make decisions based on each



HARMEN OVERDIJK
Capital Partners

client's best interests. We pay for independent research that comes from the best brains in the business. Additionally, we are a fiduciary, focused on the best interests of our clients without bias towards any investment products."

Core services include: managed investment portfolios; investing for retirement; goal-based financial planning; and investment advisory services. Other services include tax planning, personal financial modelling, cross-border estate planning and estate planning.

Global citizens

Overdijk explained what the firm means by global citizens. "People who live and work overseas and build wealth, one might call them traditional expats, but it also includes the wealthy people in Asia who have assets in other countries. Four of the more difficult countries in the world for tax reasons are the US, Japan, Australia and the UK and that is where we get lot of our clients from. There are also many Asian clients with assets in the UK and the US and sometimes the clients do not even realise what they get themselves into."

As an independent, Capital Partners believes in the creed of transparency when it comes to fees. "We

chose to become a so-called 'fee only' firm," he explained. "Clients only pay us like a lawyer, one pays a lawyer to act in your best interests, we are that kind of firm. This is a trend in Asia, but so far it is not yet well established. However, in the next five years we expect to see a pronounced change in the way wealth management is conducted in Asia."

Another key point Overdijk highlighted is that the firm has signed up to PRI, or the six principles of responsible investment, a United Nations backed initiative. "Sustainable investment portfolios are a small part of our business but we see increasing demand for sustainable, or Green, investment."

Overdijk explained the six key investment principles. "We do not expect investors to rigorously follow these principles, but we try to take a broader view of fiduciary duty to investors and to society as a whole, hence we are a positive signatory of those principles."

Taking the long-term perspective

Overdijk then highlighted the firm's approach to advisory. It is essential, he said, to focus on what the client can control, their risk tolerances and diversification.

"We focus on creating an investment plan to fit the client's needs and risk tolerance, then structuring a portfolio around dimensions of returns, diversifying broadly, keeping expenses low and minimising taxes."

He then explained that markets, over time, have consistently rewarded disciplined investors. "A disciplined investor looks beyond the concern of today to the long-term growth potential of markets," Overdijk noted. "A well-diversified portfolio can emphasise market areas offering higher expected return potential."

He also explained that academic research can be used to identify equity and fixed income dimensions that point to differences in expected returns. "These dimensions are pervasive, persistent, and robust and can be pursued in cost-effective portfolios," he said.

He added: "Chasing the short term 'promise' of better returns from inflated cost, active managers will likely only lead to long term disappointment. We believe in long-term strategic investing, based on the findings of Nobel prize winning academics, then tilting portfolios towards empirically proven sources of higher expected returns." ■

MANY OF THE GREATEST ADVANCEMENTS IN FINANCE HAVE COME FROM ACADEMIA

