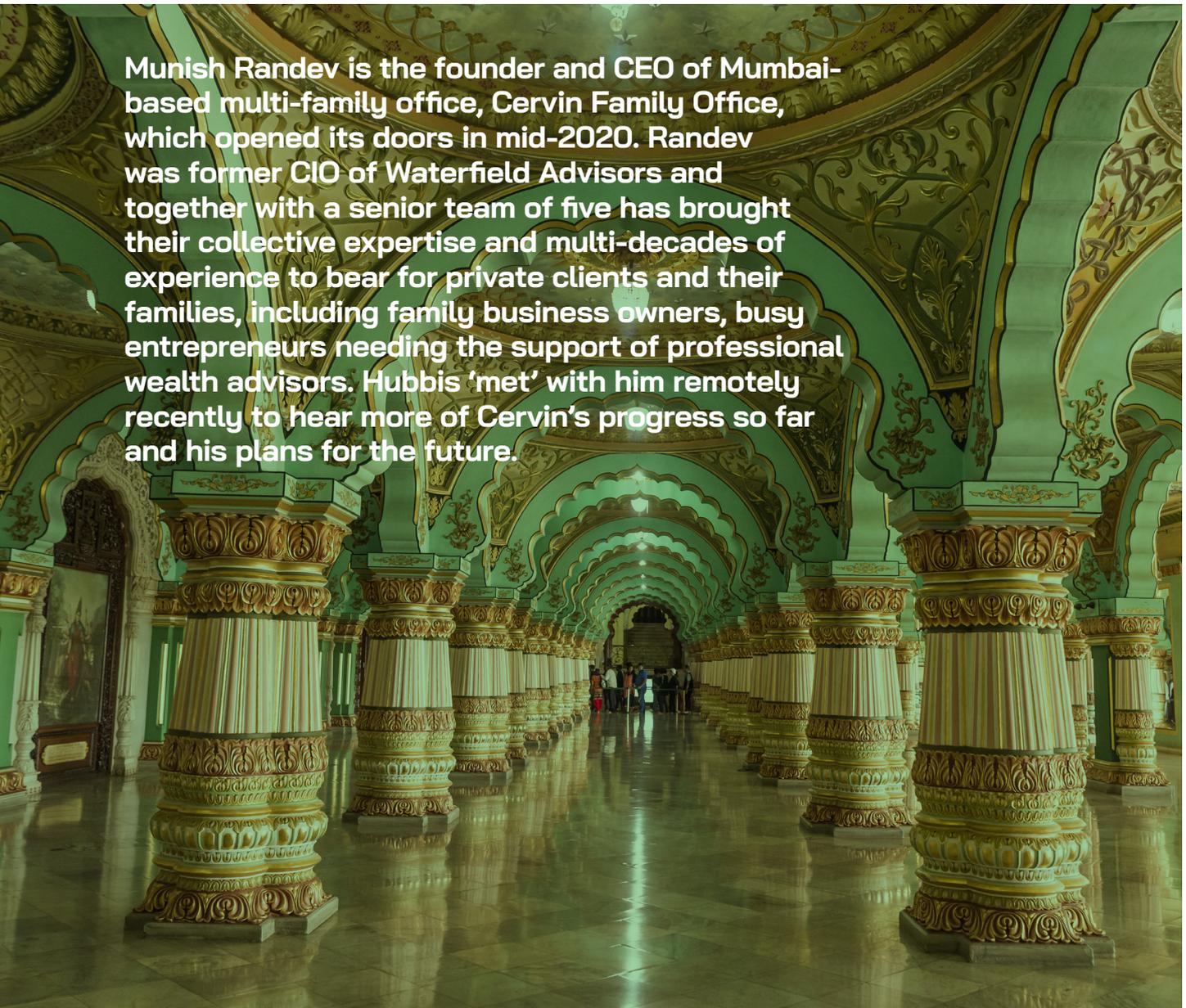


Cervin Family Office Spreads its Message Across India's World of Wealth Management

Munish Randev is the founder and CEO of Mumbai-based multi-family office, Cervin Family Office, which opened its doors in mid-2020. Randev was former CIO of Waterfield Advisors and together with a senior team of five has brought their collective expertise and multi-decades of experience to bear for private clients and their families, including family business owners, busy entrepreneurs needing the support of professional wealth advisors. Hubbis 'met' with him remotely recently to hear more of Cervin's progress so far and his plans for the future.



Randev brings in over 25 years' experience in investment management and family offices. He has advised over 65 families with over USD3.2 billion in financial assets and has also worked with many business families in structuring their family governance platforms. Well known in the Indian investment industry for his unique expertise and ethical standards he has been part of many family investment committees and family office boards. He is a postgraduate in Management (Finance) and graduate in Economics & Mathematics.

He explains that Cervin Family Office derives its name from the French nomenclature for the iconic Zermatt mountain in the Swiss Alps, offers advisory, governance, strategy and financial planning services. He chose the name as he has long been an avid trekker in the Alps on holidays over many years.

"Cervin is a famous peak that is incredibly recognisable and seems to represent permanence, independence and is an ideal connection for the type of wealth management institution we set about creating for India's wealthy private clients; resolute and standalone. We also represent teamwork, as only in a team can one conquer the peaks, so we are a team internally and we work as a team with and for our clients."

Independence and integrity

He adds that both independence and stability are at the core of Cervin represents. "We set out to offer our clients an appealing and totally professional alternative to working with the private banks & wealth management companies," he reports. "We are entirely aligned with their interests; we offer the optimal

advice and solutions and products based on objectivity and open architecture. Integrity is at the heart of what we do, what we represent. And the three peaks on our logo represent expertise, experience & integrity. We believe that Expertise gets honed by Experience but without Integrity none of it has any value for our clients"

Randev explains that Cervin is working with families that are either still very active with their family businesses and also those that have cashed out. "In both cases," he says, "our mission is to ensure that the wealth does not lie idle, that the families remain together and free from conflicts, and that the investible wealth is properly invested across multiple asset classes and in best-of-class products and opportunities."

"We are entirely aligned with their interests; we offer the optimal advice and solutions and products based on objectivity and open architecture. Integrity is at the heart of what we do, what we represent. And the three peaks on our logo represent expertise, experience & integrity. We believe that Expertise gets honed by Experience but without Integrity none of it has any value for our clients"

Covering the bases

He reports that Cervin offers a core set of services to its clients, including investment advisory, governance, strategy, wealth structuring, financial planning, and even family philanthropy. "We always work extremely hard to keep the families informed and communicating," he reports, "as this is a vital part of our skills and service and essential for family continuity. Our value

is to be entirely agnostic as to products and entirely focused as to objectivity and the quality of our advice.

Selecting your role

As an aside, Randev explains that since the Indian regulator SEBI split the world of wealth management between distribution and advisory – from 2013 gradually tightening so that today SEBI does not permit both to take place for the same client– it is not permissible to offer advisory in any form unless holding the relevant investment advisory license, and the client who signs up for advisory must be mandatorily segregated as an advisory client, thereby barring any product distribution for that same client.

"There is no cross categorisation," he elucidates, "so if the husband in a family is an advisory client, the same financial group cannot provide distribution to the dependent wife. The industry therefore has to decide on which side of the fence they operate, they cannot offer the same client both worlds, advisory and distribution. For us, we do not come into this conflict as we come with a model that only provides advisory and we will offer top flight investment advisory to our clients."



MUNISH RANDEV
Cervin Family Office

Implications for the industry

He also explains that the industry has been witnessing drops in distribution fees placing increasing pressure on firms and their RMs that rely on distribution fees, which he says have been collapsing from previously highly generous levels. "There is fallout from this as firms try to cut corners or fall by the wayside," he reports. "But for us, we see this as positive as we can see that only truly serious advisors will survive and thrive. In our industry, which is a multifamily office space, there are very few competitors with our experience, so we can stand out clearly from the rest."

The typical family office client, Randev reports, might be first generation, incredibly busy running and building the business and in need of utterly reliable external financial advisory. Or they might be second, third or even fourth generation, some of them involved in the family business, some entrepreneurs in their own right, some passive shareholders, but all potentially in need of professional external advice.

Getting Personal with Munish Randev

Randev comes from a small city in North India called Dehradun, which is located at the base of the Himalayan mountain range, some 250km north of Delhi. "It's a hub of the Indian military and houses the Indian Military Academy," he reports, "as well as being home to many public sector organisations and many defence related bodies. Moreover, some of the more famed schools in the country are in the region."

He later graduated in Economics and Mathematics and obtained his MBA in Finance.

"I started work way back in 1993-94, long before we had even a booming mutual fund market in the country," he recalls. "I have worked for major multinational brand names and also Indian domestic companies, but in whichever organisation I worked I believed in continuously learning, in uprooting myself from my comfort zones and taking on new challenges. Comfort zones to me are the deathbeds of many dreams."

He worked for ABN-AMRO bank and rose during the six years there to head the wealth management business. "But instead of going further with them, perhaps to a regional Asian role," he explains, "I disrupted myself by moving to an asset management role when Fidelity was setting up shop in India, which offered me a great learning experience, spending time in the UK expanding my knowledge and experience. I also uprooted myself from the advisory head role at Avendus Wealth and took on the challenge of a CIO role with a newly setup multi family office back in 2014. And that was another step along the road for me; I have enjoyed some great mentors along the way, and here I am today with Cervin and excited about the future."

He says he married a bit later than many of his contemporaries and has a three-year-old daughter. "So, as you can see, along with Cervin, here we are with two of my babies," he jokes, amiably.

When time and pandemics permit, he loves travelling and calls Switzerland his favourite de-stress zone, as that is where he most loves trekking & hiking in the Alps. In his younger days he has trekked in the Indian Himalayan ranges with elevations up to 20000 feet.

"And I am a technology enthusiast," he reports, "I have loved coding in my college days and I love the FinTech world, and when a FinTech comes to speak with us, I enjoy it as I can really speak their language and get to the roots of what their proposition might be and learn even more of this fantastic space."

Preservation first

“These families must make sure that their family well-being is taken care of if their businesses continue to be incredibly successful, or even if the businesses don’t succeed for so many years ahead,” he comments, “so preservation of family wealth is of paramount importance. Secondly, they need proper legacy and succession planning for their businesses and for their assets, and this includes effective family governance to ensure family

the wealth and the families away from friction.”

He explains further that the investment function for Cervin is core to its being and can never be outsourced to any party.

“We may outsource some legal services or wealth structuring services, but investment for us will always be the core. Family governance is part of everything we do, and families recognise that the professionalisation of their businesses and their wealth should, indeed must, take place.”

“The reason a family office exists is to help segregate, protect and grow the family wealth,” he says. “If there is no family wealth, family offices are not required. Accordingly, the core function to safeguard wealth, to grow it and help keep the wealth and the families away from friction.”

continuity and stability. This is especially important as we know that the wealth of families that avoid conflicts endures far better than those that are at conflict. Additionally, these families must focus on the future growth, to ensure that family members are nurtured and that those family members who either can or want to take the reins of the businesses can do so in the years ahead.”

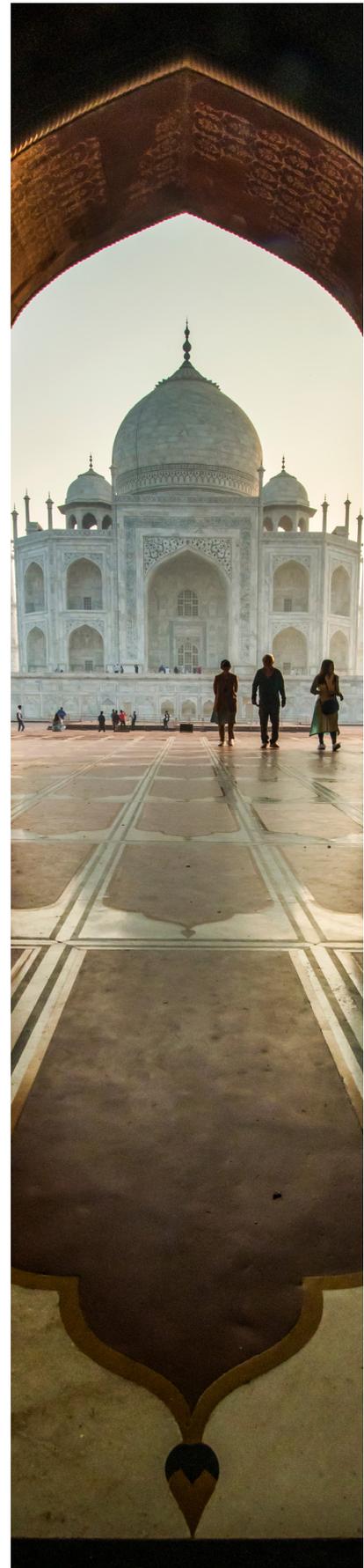
Deep understanding

The understanding of these motivations and realities is at the heart of how Cervin works with these families. “The reason a family office exists is to help segregate, protect and grow the family wealth,” he says. “If there is no family wealth, family offices are not required. Accordingly, the core function to safeguard wealth, to grow it and help keep

Collective expertise

Randev reports that he and his team have worked together for more than six years already, and collectively has worked with more than 75 families representing USD3.5 billion of wealth. This vast experience across different family offices make the team possibly the most experienced in the industry.

“Our investment team has an average experience of 15 years in the industry, and average experience of around for five years exclusively managing family offices,” he reports. “Right now, we are at an age where the family office industry in India is truly gaining momentum, as many more family offices are now open to an idea of paying fees for an advisory expertise and service that is entirely non-conflicted. We have therefore launched with the





tailwinds of regulation supporting us, and anticipate rapid expansion of our client base in the months and years ahead.”

Alignment with the clients

He adds more detail on the avoidance of conflicts. “We do not intend to create internal products, a broking license, a PMS license, or allow any form of conflict of interest in-house in the company. This is what we all signed up for, for us everything is driven by the family that we’re working for and their portfolios, we deliver an open architecture platform, we work with anyone and everybody in the industry if they provide the best products or solutions, it is that simple.”

Key Priorities

Randev’s biggest priority is to build a team with the right attitude and personality mix. “In India,” he says, “you don’t get readymade financial family office experts from the market, sort of off-the-shelf. The team that I have today took me almost two to three years to mentor because they also came from distribution or banking backgrounds. I also came in from an investment, wealth management background. So, over the next 12 months, we want to build the right skills and the right types of people to grow with us.”

His second priority is to continue building the team’s depth of expertise, its depth of ability to create insights for the clients, build further analytics expertise and capabilities, better risk management skills, and so forth.”

And all this, he explains, must be approached with sensitivity, as

Cervin is managing family money and working with individuals who have multiple demands, expectations, and hopes.

Mentors and guides

“Sometimes we become more of mentors to our clients, working with them on a very personal level,” Randev comments, “so the third priority is to really expand the softer skills we offer with regard to the family’s future, especially the family business. This is not about investments, nor wealth structuring, nor succession planning, but truly guiding and helping these family members in all aspects relating to the future of the family business. Hence, family business advisory is our key third priority, as this encompasses all these key areas and is a natural extension of our family office services; the softer aspects of the whole family business enterprise are essential, and we are ideally positioned to extend our services into this broad and fascinating sphere.”

Bringing EQ as well as IQ

Randev closes the discussion by commenting that launching a new start-up in the family office space is all about leveraging all the expertise and experience he and the team have built over many decades. “For me this is not about being the cleverest person on the street, it is about EQ more than IQ,” he says. “Working with families is all about integrity, trust, sensitivity, empathy, as well as bringing our collective expertise to bear. Our ability to advise families well with absolute levels of integrity is our differentiation, our USP, and it is that which will see us to a very positive future.” ■