

# Crossinvest (Asia) Chairman & CEO on Delivering Dedicated Portfolio Expertise & Differentiation to HNW and UHNW Clients

Cem Azak is international by origin and global by inclination. He is a German national with family roots in Turkey and going as far back as to the former Kingdom of Abkhazia (today's Republic of Abkhazia which is between Russia & Georgia). He built his expertise in Investment Banking and then Private Banking working in prominent positions in both Europe and Asia before buying the controlling stake of Crossinvest (Asia) in 2020. Since then, he has been focusing assiduously on expanding the firm's suite of global HNW and especially UHNW clients in his role as Chairman & CEO of the Singapore-headquartered firm. He owns 95% that he bought from Christophe Audergon, who retains a 5% ownership stake in the business. The Audergon family is also the founders of Swiss-based EAM Crossinvest. Before making what was seen as a gutsy move in the early months of the pandemic, Azak had been Senior Managing Director, Market Head International & Member of the Private Banking Council at EFG Bank, and he has since brought in a number of key clients, thereby tripling the UHNW business. Hubbis met with him recently in his office in Singapore to hear more of his plans to keep Crossinvest (Asia) at the cutting edge of independent wealth management in the region. He explained how he believes the firm is a leader in portfolio management, how he has been diversifying the offering into private equity and VC, and how digitisation has progressed, including with the successful rollout of its proprietary Crossinvest Connect app. His wide-angle mission is now to keep building expertise, deliver more differentiation, grow further the AUM and the business to over USD five billion in the next three to five years, and then navigate towards an IPO of the business within seven years.

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**CEM AZAK**  
Crossinvest

**With a heritage** and pedigree that dates back to 1985 in Switzerland, Crossinvest (Asia) is one of the first EAMs to have received a full licence from the Monetary Authority of Singapore for fund management, back in 2005. Crossinvest (Asia) is also a founding member and one of the largest members of the Association of Independent Wealth Managers in Singapore.

When Azak first decided to leave his prominent role at EFG Bank to buy over an EAM, he first bought 19.5% of the firm from Christophe Audergon. The Audergon family is also the founder of Crossinvest Switzerland, which is one of the country's largest EAMs and also a prominent player in Italy. On approval from the MAS, he then bought 95% in total, leaving Christophe Audergon with the remaining 5%.

### **Broadening the proposition**

When Azak bought into Crossinvest, he stated at the time that the plan was to further develop the family office services

for wealth planning through the firm's global network of experts with a view to structuring a wider array of bespoke investment and advisory solutions for the clients' specific objectives and estate planning requirements.

"I said at the time that the plan was to develop wider access to multi-asset class solutions, to offer more private equity and venture capital opportunities for our clients, and that is what we have been doing," he reports. "Our bread and butter business is in managing portfolios for our clients across listed and unlisted markets. And I also mentioned that we would aim to further develop financing solutions

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and investment opportunities for clients and their companies as well, through what I call 'private investment banking'. Again, that is what we have been doing. In summary, we aim to be a 'one-stop-shop' for our clients where they can receive comprehensive advice and integrated solutions for all their needs – from investment needs to business financing needs, from wealth planning to legacy planning."

He explains that he was attracted to buy into the firm due to its long history and its strong track record. "This firm was one of the very first IAMs to obtain the CMS license from the MAS 17 years ago, and we

have clients that date right back to those days," he reports. "When I came in during 2020, I brought new UHNW clients with me, and today the majority of our Assets under Management is from very wealthy clients and families, from Europe, the Middle East, and Asia.

### **Private deals for bespoke clients**

He says the firm has been successfully building out its speciality in VC deals as well, which is a core part of his own background and expertise. For example, Crossinvest and clients invested in a young Singaporean company last year, and a government entity in

Singapore later followed with their own investment.

He explains that the deals they pursue are mostly in the range of USD 50 million to USD 250 million, and sometimes larger. "I was an investment banker for 12 years of my career," he reports, "and based on that experience we have targeted deal sizes that are below the radar for most of the major private and investment banks, and yet they still present unique investment opportunities for our clients."

He adds that his clients have funds of around USD 3 billion to invest in private equity and VC deals. "We



### Key Priorities

Foremost importance for him is to safeguard and protect the wealth of the firm’s clients especially during these turbulent times. But it is also very important for the growth of the firm to, keep costs at bay. “I was trained as an investment banker, and I look at cost/income ratios very thoroughly,” he reports. “We don’t want to hire a bunch of RMs just to grow the AUM because our AUM is also growing organically, and we have an excellent platform. We are still hiring, but judiciously, and aiming to create a more sustainable business; we want to build for the future, and we will make sure that anyone who comes in is a good fit.”

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are highly selective,” he reports. “From 45 deals we looked into last year, we only selected a handful. As a first cut, the company has to be operating for at least three years; we have to see some kind of cash flow, or at least a clear path to profitability, so we are not angel investors, and we need to see a track record and a clear path ahead to achieve the returns for our clients.”

### An entrepreneurial DNA

Azak explains that he comes from a Turkish-German family, which owns a large hazelnut plantation in Turkey. “I have made my own money in banking and investing,” he reports, “but my direct and wider family are all in business.

My cousins own one of the largest soft drinks bottling companies in the whole region, a business established back in 1912.

And to that end, he notes that Crossinvest (Asia) has won over 18 awards for its asset management and other expertise. “I was also attracted to buy into this firm due to its technical expertise and strong track record of achieving good outcomes for clients,” he reports. “We continue to build on this expertise and further expand our horizons.”

### Keeping friends and partners close

Despite being a top producer at the banks he worked in, he says that the timing for his departure

from brand name private banking made sense in his position.

"In recent years, even very successful private bankers are engulfed in more and more administrative obligations as well as restrictions," he reports. "That was the major reason for me to move to the Independent Asset Management side in order for me to add more value for the clients. However, we maintain strategic and valuable partnerships with the Private Banks.

And Azak explains that his vision of an IPO of the firm within seven years is eminently realistic. "We believe in the numbers, we believe in our profitability, which has improved tremendously since I came in, we believe in the future and longevity of our business, as we know clients are willing to give us more AUM to manage," he reports. "We prefer to retain a majority stake for the family; we won't be selling up and heading off. We are in this for the long term."

### **Elevating the proposition**

His final comment is to expand on these remarks about the firm's investment capabilities. He explains that they run their own proprietary algorithms and also have five very talented people on the investment side to then manage the portfolios.

"We also leverage the banks' institutional research capabilities, we also pay for several sophisticated data & research firms, which are used by governments and central banks to make important macroeconomics decisions," he reports. "We are very data driven, and highly disciplined. Some might

### **Digitisation is also important.**

He explains, for example, that they have their proprietary Crossinvest Connect app, which allows clients to operate through a secure, direct connection to the RMs, and to the portfolio managers, as well as to the firm's management.

"Clients can also make secure telephone calls or arrange secure video chats, as well as use the app for secure document signing, access to research and portfolio reviews " Azak reports. "There is growing cyber risk in our business, so we continuously invest in our clients' data security. We need to offer the maximum cyber-security we can to our clients without compromising user convenience and communication efficiency.

He explains that the MAS is a tough but very fair and forward-thinking regulator, which is supportive of sensible digital advances to make lives easier for the wealth industry and the clients, providing this is achieved securely.

Another key objective is to keep the quality of the portfolio management and the investment returns ahead of the competition.

"We have the ability that our clients can log into our own portfolio management system, where they can see their returns, where they can review their wealth aggregated across multiple accounts and banks; we can even include their real estate assets, private equity, venture capital investments, and so forth, which no single bank currently provides," he reports. "And we are remarkably analytical. For example, when Russia invaded, we rapidly analysed what had happened in many similar geopolitical or financial crises throughout history as well as factors which drove the dynamics of different types of asset classes, to determine where markets might be in the three to 12 months ahead, and that has helped temper and guide our investment decisions."

think we are very conservative to the point of being boring with the incredibly rigorous approach we take. But I would say that such discipline and conservatism are the essence of our success."

### **Confident in the future**

In this regard, he says that since taking control of the firm in 2020, his confidence in the firm's skills and its history has been both reaffirmed and also enhanced.

"Even with this track record the firm has always preferred to remain grounded and focused on our clients and our growth," he says. "But I am absolutely sure from what I see of our past and current performance in terms of portfolio management that we are ahead of the pack. We are further enhancing our profile, and we are confident that we will continue to serve our clients on the highest levels. ■

## Getting Personal with Cem Azak

Cem Azak was born in Ludwigshafen, Germany, which is perhaps best known for being the HQ of giant German chemicals group BASF. He then grew up in Frankfurt, where his father was a managing director of a large media and printing corporation. His family originates from the former Kingdom of Abkhazia which is in the Caucasus region. The family moved later to the Ottoman Empire now Turkey.

He studied law at Mainz University, but realised he wanted a more dynamic career and says he somewhat 'stumbled' into investment banking.

"Credit Suisse First Boston as it was known back then was in Frankfurt and employed students to help them with Pitch presentations and Excel modelling, and then the MD I worked for made me an offer to join his team moving to Barclays Capital, where I went through their graduate programme, got promoted and moved to London."

Fast forward to the period after the worst of the global financial crisis, and Azak was offered to move over to the wealth management and private banking side of Barclays Bank, known as Barclays Wealth, as a team lead, first based in London, then in Zurich. He was later approached to move to Singapore with DBS as their Executive Director, Head of Europe, Middle East and Africa (B) for the private banking business. In 2015, he was hired by EFG Bank, where he stayed for five years as Senior Managing Director, Market Head International, and, he reports, became their biggest producer.

He has two sons studying in Germany and has also an 18-month-old daughter. Hobbies include collecting fine watches and racing horses.

"My family, who have hazelnut plantations in Turkey, have long enjoyed horse breeding and horse racing, and I have racehorses at the Turf Club here in Singapore," he reports. "My watch collecting began during the lockdown, but I am still trying to convince my wife they are a good investment."

He says he had not realised horseracing in Singapore was so prominent until a friend took him along. "As I had a family history with horses, it did not take much convincing to have a horse in Singapore as well. Perhaps it was beginners' luck, this first horse, which was brought in from Australia, won its maiden race and several after. I also bought my wife a racing horse as a wedding gift, and this horse won a race the evening before the big day. But for me it is actually more about the love for these beautiful and highly intelligent animals. I always tell my friends that it is not a recommended investment.

As to his watch collecting, he became fascinated with the precision engineering and the stories behind the creations particularly of some of the Rolex Sports Models, so he has added the steel versions to his collection. When asked which other pieces he liked, he mentioned his Blancpain Fifty Fathoms, as well as the Patek Philippe World Timer his wife gave him for their wedding. "One of my favourite watches is a Swatch I bought when I was a teenager, a special model for the James Bond movie From Russia with Love," he reports. "It cost me 64 Deutsch Mark at that time, and it is now somewhat of a collector's item."

