

# Fintech: are IAMs investing the right way?

*The right systems and tools seem to be inevitable even at the independent end of the wealth management spectrum, given a market landscape where survival depends on staying up-to-date with the many reporting, risk management and disclosure obligations.*

Some of the key areas where technology solutions are helping independent asset managers (IAMs) and multi-family offices (MFOs) – and therefore justify the spend – are regulations, risk management and reporting.

This is key for those independents which are serious about growing their business in a compliant way.

One way to do this, for example, is to build a system to sort all the data from the custodian bank, and then slice-and-dice this to be able to measure all the relevant risks – both per client and by individual relationship managers (RMs).

This can help a firm to monitor if the RM is operating within the mandated guidelines, say business leaders.

Having systems that can do all of this automatically is essential, despite it inevitably being expensive and time-consuming to put in place.

As a result, scale has quickly become a key ingredient to being able to automate the offerings.

These were among some of the take-aways from a discussion involving several key independents at Hubbis' 5th annual event in Singapore for Asia's community of IAMs and MFOs.

## SELECTIVE INVESTING

An important consideration for IAMs and MFOs when looking to develop their platforms is to be able to build something with enough flexibility, say practitioners.

A modular approach which enables firms to implement their own ideas and goals, for example, is critical.

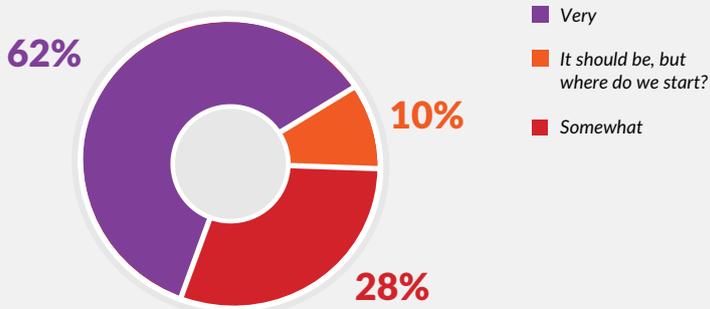
## Panel speakers

- **Steve Knabl**, Chief Operating Officer, Managing Partner, Swiss Asia
- **Martin Young**, Chief Executive Officer, Farrington Asset Management
- **Julian Kwan**, Chief Executive Officer, InvestaCrowd
- **Frank T. Troise**, Managing Member, SoHo Capital LLC
- **Will Lawton**, Co-Founder, Eigencat



Steve Knabl  
Swiss Asia

TO WHAT EXTENT IS THE DIGITAL REVOLUTION IMPORTANT OR RELEVANT TO YOU?



Source: Hubbis Independent Wealth Management Forum 2017, Singapore



Will Lawton  
Eigencat

This ties back to the focus that all independents need to have on deciding what they are best at – either raising money or managing money.

They are then more likely to be able to get into a position where they can select the right vendors and platforms which offer the tools they need.

**Being able to outperform in terms of investments is also key – and doing things via digital can meet this objective**

**ADDITIONAL VALUE-ADD**

The relationship with clients is a key contributor in terms of the value an IAM or MFO brings to its client.

Yet being able to outperform in terms of investments is also key – and doing things via digital, say practitioners, can meet this objective.

Taking such an approach also creates consistency and reliability in the offering, with the benefit of 24/7 oversight.

One of the most important elements is also being able to engage the end-client in a way which clients a better experience overall.



Julian Kwan  
InvestaCrowd

And industry experts believe this will become even more important as the second and third generations grow in number.

A lot more clarity can also be given to clients if they use tools which are essentially connected to issues they need to address in relation to financial planning.

For example, say practitioners, many wealthy Asians send their children to be educated in one of four or five Western countries. This brings with it a certain amount of FX exposure and risk, as well as the need to plan monthly spending.



Martin Young  
Farringdon Asset Management

**Many of the forward-looking robo-advisers are evolving.... They are adding capabilities in terms of research, multi-product and platforms with a more rigorous investment process**

### GETTING IT RIGHT

Yet delivering an effective and client-friendly digital offering is easier said than done.

For example, say practitioners, despite a lot of good user interfaces existing, any robo-advisers and other platforms lack a robust or well-thought out investment process behind them.

Further, it is difficult to integrate these with many legacy systems, creating stumbling blocks at the implementation phase.

Many of the forward-looking robo-advisers are evolving, however.

For instance, they are adding capabilities in terms of research, multi-product and platforms with a more rigorous investment process.

Another challenge that many IAMs and MFOs have continued to grapple with is getting the right data from their custodian banks.

And the more banks an independent firm works with, the more complex the undertaking in terms of multiple data feed to integrate into one system. ■



Frank T. Troise  
SoHo Capital