

Getting aligned with a longer-term outlook

Providing products and solutions that maximise efficiency and facilitate the delivery of advice will enable SEI Investments (SEI) to maintain its core beliefs about asset management while at the same time to align itself with distributors with strong brands, says Kevin P. Barr.

A slow but steady trend among Asian investors towards greater diversification and a longer-term approach to portfolios gives Kevin P. Barr good reason to be optimistic about his firm's prospects in the region.

perfect alignment with our solutions," he explains. This has been seen, for example, in the shift away from simply looking at real estate as the dominant component of portfolios in Asia, given the volatility.

"Asian investors have become more sensitive to globalised economies, and tying that with more diversified, goals-based investment options."

This is exactly the philosophy of SEI, where Barr is currently head of investment management.

"Asian investors have become more sensitive to globalised economies, and tying that with more diversified, goals-based investment options, it's a

In line with this, advice is becoming more important and therefore sought-after, says Barr, adding that the implementation of a diversified portfolio is aligned with that type of model.

For example, roughly 80% of a typical client's portfolio, all around the world,



KEVIN P. BARR

SEI Investments

consists of balanced implementations as they look at single risk models and align them with a single implementation, or perhaps multiple implementations

of a balanced portfolio. “We promote a scenario where [a wealth manager] needs a proposal and advice process that really focuses on the clients’ needs, which are specific to goals they have within their life,” says Barr.

PLAYING TO ITS STRENGTHS

This goes to the heart of SEI’s core competency – the manufacturing aspect of investment management.

The company’s business model is centred on manager research, with the resources and systems to conduct thorough due diligence, monitor investments and provide insights into what individual managers are doing differently to give them an edge.

“We assign the task of building out asset allocation models and evaluating third-party managers to 120 dedicated people from an investment perspective,”

basis. It leaves the distribution and advice elements to the private banks, based on the view that they have wider networks and broader brand recognition.

“We are not building a big wholesale organisation, but instead are trying to find key partnerships as we have with select clients, build deep relationships with them, identify the complementary areas between both firms, and leverage that capability going forward,” outlines Barr.

“We try to be aligned with clients’ objectives and ensure that we deliver against those during good and bad times in the market,” he adds.

More broadly, the investment manager believes that an asset manufacturing capability is more important than brand identity – which it looks for in its distribution partners. “We are looking for

“We are looking for [distributors] which have strong brand identity and good distribution capabilities, but who are looking for efficient and effective products and solutions that can make the distribution more profitable and more meaningful.”

says Barr. “We are one of the largest global organisations doing research.”

SEI’s motive is based on this concept of asset allocation and behavioural finance, with its implementation tied to measuring progress to goals – rather than looking to sell individual funds or talk about fund performance on a relative

[distributors] which have strong brand identity and good distribution capabilities, but who are looking for efficient and effective products and solutions that can make the distribution more profitable and more meaningful,” he adds.

In Asia, more specifically, SEI’s initial focus has been on Singapore and

More digital connectivity

The scope for robo-advice to play a greater role going forward is growing in line with the greater volatility in the marketplace.

Increasing transparency and desire for more market intelligence is also a symptom of changing demographics in the client base.

“There is a lot of wealth migrating from the baby-boomer generation to millennials, and oftentimes the advisers associated with the former are not the same advisers that the millennials are going to be comfortable with,” explains Barr.

In his view, digital should be looked at from the standpoint of the new levels of connectivity and interaction which are created.

“Everybody now carries hand-held devices, so has instant access to information in their holdings in a transparent manner,” says Barr.

As a result, the digital interaction which now happens between advisers and investors is often much more meaningful.

Hong Kong, where it has already seen some traction. However, the firm is committed to expanding its presence in Asia and is seeking to establish partnership relationships throughout the region. ■