

Giving digital advice a boost

With more sophisticated technology powering its bespoke investment platform, called Navigator, Aviva believes its winning proposition will drive strong growth from Singapore's advice market, says Warwick Young.

After upgrading its integrated investment platform, Navigator, Aviva's next goal is to boost business through this offering.

"My immediate priority is to help the revamped platform gain traction in the Singapore market," says Warwick Young, chief executive officer of Navigator Investment Services.

The platform, the wholly-owned investment portfolio administration service of Aviva in Asia, helps both investors and financial advisers structure a suitable portfolio through an extensive range of funds.

It aims to work in a very user-friendly way. Once the investment appetite and objectives of an investor are determined, the financial adviser will create a recommended portfolio, from which the investor can decide which unit trusts to pick. Navigator does the rest – from assembling the portfolio of

funds, to offering investment tracking, to reporting.

While there are, admittedly, several online investment platforms in the Singapore market, Young points out that Navigator was one of the first to debut.

However, over the years, efforts to promote Navigator slowed as the focus shifted to other parts of the business.

Now, the spotlight is back on Navigator, especially as Young believes the revised pricing structure is highly competitive for both the end-client and the financial advisory (FA) firm. "We think we have a winning proposition... And with our technology revamp, we believe [FA firms] will continue to support us."

OFFERING FLEXIBILITY

In 2016, Aviva announced it would move its adviser platform to the more sophisticated FNZ technology, which powers a number of similar platforms



WARWICK YOUNG
Navigator Investment Services

in the UK. At the time, Aviva said it would spend a significant sum to upgrade Navigator.

This is expected to be complete in the first half of 2017 – enabling the platform to be much more flexible while also improving client experience, says Young. “There is much more scope now to scale up. One of the main reasons we upgraded was to ensure that any future changes can be made with ease and swiftly; under the old system, any change required a lot of time.”

For instance, adding new managers should be relatively easy going forward. “If we receive a particular request from a firm, we can add a fund manager reasonably quickly, subject to due diligence being carried out,” points out Young.

Accredited investors can access an even wider range of funds managed by reputed asset managers, as well as alternative investments.

“It is open architecture in the true sense – even the fees are entirely decided by the financial adviser,” says Young.

FEE FREEDOM

Another key aspect to the platform, says Young, is that it is a transparent system, under which advisory firms know exactly what they will get.

With the way the platform is structured, for example, FAs can decide the fees

by investors. “Every time a financial adviser advises on rebalancing a portfolio, the investor is the one who has to make an active decision on whether that rebalancing is required or not.”

Unlike discretionary models, where the investor needs to place trust in the manager on all and any future changes to the portfolio, the investor using Navigator is always aware of the changes being recommended or made.

These are important features too. Given the competition in the Singapore market or AUM, platform providers need to provide a variety of services to ensure they are first choice among investors and financial advisers.

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Some of Navigator's partnering FA firms at this stage include: AAM Advisory, Finexis Advisory, Financial Alliance, Manulife Financial Advisers, Philip Capital, and PIAS. Aviva also launched a wholly-owned FA firm in July 2016, which is licensed to advise on a full range of life, health, general insurance and investment products. It also uses the Navigator platform.

The flexibility of the platform more broadly is a key feature for advisers and clients alike. “I believe model portfolios are gaining a lot of traction in Singapore. With our platform, FA firms can create multiple models and maintain them with ease,” adds Young.

The platform also provides the option for users to make changes to portfolios at any time. Investors can adjust the content to match evolving risk tolerance, time horizons and financial goals.

Further, irrespective of how many of the 720 (current) unit trusts are held, the investor is charged on the basis of a consolidated portfolio and not at individual fund level.

they want to charge. “The fee is completely negotiable between the adviser and the client; there is no pre-determined fee,” explains Young.

From Navigator's perspective, it doesn't earn money as a cut of the adviser fees. “Effectively our revenue stream is from the platform and any rebates we receive from the fund managers,” he says.

The firm then shares this with FA firms and, recently, as part of a revised pricing model, it has set a consistent percentage across the board.

MORE INVOLVED

Young also points out that the platform currently requires an active involvement

Young says there are three key considerations in the decision to choose a platform: the ease of use; the range of funds available; and the financial dynamics for the investor and financial advisor.

Despite the growing discussions about the rise of robo-advisers in recent years, and their impact on the investment landscape, Young believes there is room for all players in the market – and the consumer will decide which format will win in the end. “It boils down to trust – do you trust the computer or do you trust the person sitting in front of you?” ■