

How Cazenove caters to a niche for discretion

Simon Lints explains Cazenove's focus on doing the basics of wealth management well, plus leveraging the brand and reputation of Schroders to deliver a focused but high-end offering out of Singapore – led by sound client service and advice.

In an environment of excessive regulation and volatility, both in terms of the business and investment markets, simple products and clear advice is a much sought-after commodity.

This goes to the heart of the philosophy of Cazenove Capital Management. As the wealth management arm of parent company Schroders, profitability and sustainable operations are big priorities. This also caters to the direction which the more sophisticated HNW and UHNW clients in Asia are starting to move in.

The upshot of this is a strategy for Cazenove which focuses on the areas in which it knows it can deliver – especially discretionary portfolio management (DPM) as a core offering.

This approach has been reinforced since Simon Lints came on board as chief executive officer in Singapore in mid-2016. “I took a long, hard look at the

business, to see where the strengths were. Essentially what we have been doing has worked extremely well so far.”

Rather than going down a misguided path of trying to be everything to everyone, he is adamant about steering clear of building a big lending book or being overly-focused on trading. This plays to the relatively niche size and scale of the local operations.

“We appreciate that a lot of clients are going to be banking predominantly with the big Swiss players, or doing most of their trading with other platforms. But we play a real role in satisfying clients’ multi-banking requirements,” he explains. Further, on the discretionary side, the firm is also not greedy, but rather realistic about the share of wallet it is likely to get.

CLEAR OBJECTIVES

In general, Lints is focusing his business on three fronts. One of these is about



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doing more in the existing markets where Cazenove has been operating successfully to date – namely, Indonesia, the Philippines, Malaysia and Hong Kong.

In practise, this simply means asking for more business and referrals from those clients who are happy with what they have been getting.

The second element of the firm's strategy is to up the ante in its home market of Singapore. This has involved strengthening the profile of the office, teams and overall offering.

An event in October 2016, for example, saw around 120 clients, prospects and intermediaries come together for this purpose. Through this and other specific hosted events he has seen an uptick in the number of people now coming and speaking to him and his colleagues. The third objective for Lints is working increasingly with

This is tied to the increasing acceptance of discretionary as opposed to advisory as a much bigger part of the future for wealth management in Asia. (The firm also offers advisory services, charity fund management, and banking and treasury services.)

Lints started to see this even more clearly after starting to engage with his colleagues around the world following his arrival.

His interactions with colleagues in the London, Zurich, Geneva, Frankfurt and Channel Islands offices, among others, have indicated this to be the case.

At the same time, Lints has made it part of his remit to get closer to Schroders,

ously, UBS. "I see the big banks increasing their minimum thresholds, which can have the effect of depersonalising relationships [with smaller existing accounts]," he explains. "A lot of this is being driven by the focus on bottom-line profitability."

By contrast, Cazenove looks to have a smaller number of clients but being more hands on with each one. "My relationship managers are all very experienced, and they work extremely closely with the investment team, including doing a lot of joint meetings and calls."

Already, Lints says he has seen that marrying a hands-on, professional service from a boutique bank in Cazenove, but under the umbrella of the Schroders name and fire-power in Asia, is starting to pay dividends. "The numbers are certainly coming through strongly."

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AN EYE FOR GROWTH

This should all lead to a boost to the current SGD2 billion in AUM in the Singapore business – Lints' biggest priority for 2017. With this will come the desired increase in revenue.

He says the firm is also in the early stages of looking at some potential acquisitions to drive growth.

"We have an appetite for this because I believe we have a very good platform, and it's relatively straightforward to add an operation that can bring in some AUM."

He also reveals that Cazenove is considering potential joint initiatives in some of the territories where it already deals with local players; this includes Indonesia, the Philippines and Singapore. ■

family offices from Europe. And he sees this as a client group with more and more potential.

"The elections this year will add to the uncertainty in Europe," he explains. "We are finding that family offices in Europe are very keen to deal with brand names as solid as Cazenove and Schroders, and they are opening up accounts with us here in Asia with meaningful AUM as they look for geographic diversification, as well as local presence and expertise."

PLAYING THE LONG GAME

These priorities are aligned with the long-term vision that Schroders has for the business.

working on various joint initiatives and sourcing introductions via the fund house's well-entrenched connectivity, especially in some local markets such as Indonesia, where Schroders is a market leader.

"We are also working with Schroders in Asia to look after some smaller institutional money which might fall below the firm's threshold," he adds.

The opportunities which he sees for Cazenove out of Singapore also stem from a structural trend he has witnessed in private banking over the last decade or so, during which time he has worked with both Credit Suisse and, previ-