

How StashAway Is Disrupting the Wealth Management Landscape In UAE

How is wealth management in MENA evolving? With a rapidly growing population of mass-affluent investors, what are the emerging gaps in the market and how are new fintech entrants addressing their unmet needs?

These were the questions put forth during the inaugural Hubbis Independent Wealth Forum in Dubai on March 15, 2023. Joseph El Am, General Manager of StashAway MENA, shared his views on how the digital wealth management platform is serving the growing needs of investors by leveraging technology to enable them to make more informed financial decisions.

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How StashAway is redefining wealth management

Headquartered in Singapore, StashAway first launched in 2017 to offer investors diversified portfolios at a low cost and without any minimum deposits. Since then, StashAway has raised over 74 million USD and expanded to serve investors across 5 regions, including Dubai since November 2020.

StashAway started out by delivering institutional-level asset allocation sophistication to investors through its proprietary investment strategy, ERAA® (Economy Regime-based Asset Allocation). ERAA® uses macroeconomic data to keep each client's risk profile constant while maximising returns throughout every economic cycle, enabling clients to build a well-balanced and diversified portfolio tailored to their individual risk appetite.

StashAway has since evolved to offer a more holistic suite of products, which includes ESG investing, thematic portfolios focused on areas like healthcare innovation or consumer tech, and cash management solutions. Last year, StashAway also partnered with global asset management group BlackRock to offer four globally diversified multi-asset model portfolios built by BlackRock's analytics and ETFs, which are easily accessible to clients through the StashAway app. More than that, investors have the option to invest in a single portfolio, or they can build a set of diversified portfolios that best suit their risk appetite and investment preferences.



StashAway's commitment to delivering sophisticated investment solutions at an accessible and transparent fee has since attracted many high-net-worth Individuals to its platform. Building on this, it launched StashAway Reserve in 2022 to better serve Accredited Investors (AI). On top of dedicated wealth advisory services, StashAway Reserve provides access to private market investment instruments, such as private equity, venture capital, angel investing, and crypto, that are not easily accessible to most mass-affluent investors. For instance, while market minimums for PE or VC funds can range from USD250,000 to USD1 million per fund, StashAway lowered the barrier to entry significantly to allow clients to build a portfolio of 5 to 7 funds for as little as USD50,000.

Investing with technology at its core

As an intelligent wealth management platform,

StashAway takes a tech-driven and data-centric strategy to make financial decisions.

Commenting on StashAway's investment strategy, Joseph said, "We leverage technology to disrupt the wealth management space with access to diversified and personalised portfolios with low cost, no minimums, and no lock-in periods. Our investment framework, ERAA® uses macroeconomic data to minimise risk and maximise portfolio returns regardless of the economic cycle."

Additionally, StashAway takes pride in providing a seamless user experience that begins from the moment a client signs up on the app, all the way to making their first deposit. Creating a hassle-free user experience includes ensuring a fast account opening process and curating personalised investment portfolios to suit clients' needs. Joseph explained that at the onboarding stage, StashAway



Joseph El Am
StashAway

assesses clients' risk appetite and investment preferences by asking personal and financial questions such as the number of dependents, employment status, and income and expenses. The app will then recommend

portfolios suitable for the client's time horizon and financial goals.

"Based on their risk rating, every client will have a pre-constructed portfolio that they can invest in, and ideally for the long run. There can also be customisation around

selecting ETFs and even stocks and funds," he reported.

Joseph explained that despite being a digital-first company, StashAway understands the importance of human interaction. "If a client writes in with any questions, there is a client experience team ready to assist him or her. If investors feel lost or uncertain about what portfolios to invest in, we have a wealth advisor to support them in making informed financial decisions. This way, we build and retain trust with our clients, even though we do not provide face-to-face advisory," he said.

He closed his remarks by stating that StashAway is here to empower individuals to build and protect their long-term wealth. With inflation proving sticky, he believes everyone should have access to investment options to help them stay invested through the ups and downs of the economy and get closer to their financial goals. ■

