

How to spur growth of independent asset managers

In a video interview, Steve Knabl of Swiss Asia and AIAM Singapore says the independent segment will see faster growth if there is more communication and collaboration with private banks – and by reaching out more to end-clients.

Around 10 years since the first independent asset management firms appeared in Singapore, the relatively slow growth of this industry segment has largely been due to a tougher regulatory environment.

On the one hand, this has been good, to clean the market and give an opportunity to some of the larger players to gain economies of scale.

Indeed, says Steve Knabl, chief operating officer and managing partner of Swiss Asia, and also president of the Association of Independent Asset Managers (AIAM) Singapore, a critical mass is needed to be able to survive today. As a result, the model of one- or two-person independent firms is no longer really viable, nor even practical, given compliance obligations.

OPENINGS FOR GROWTH

Knabl believes that more cross-industry communication and collaboration is needed to accelerate growth in the

independent sector. “Banks also need to understand that they can work together with independents when their private bankers leave.” For example, better negotiations are needed between the individual and the bank before any move, to smooth the transition and work for everyone.

Many private banks are trying to adapt their business models and look at technology to deal with a new operating landscape. This potentially provides an opportunity for independent firms to compete, to offer private bankers an environment in which they can operate with their clients and still be well remunerated, says Knabl. This highlights the importance of being able to communicate what the independent model offers, he adds – in terms of the independence to the banker and more value for their clients from greater product access.

HNW clients are also increasingly aware of the model and its benefits



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– and are willing to test it out. So the AIAM needs to spend more time focusing on communication to them too, adds Knabl. ■