

# Independent Wealth

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# Management Forum 2017

## video highlights



At the Hubbis Independent Wealth Management Forum 2017 in Hong Kong on November 16th, we interviewed leading industry experts. Want to know what you missed - [click here to view the highlights.](#)

You can also read the transcripts in this document - and click on the name of the person to view their individual comments.

**John Berry****Asia Plantation Capital**

Independent officers to myself would be a step beyond private banking. It's actually looking after the clients while looking after the conflict of interest that actually occurs within banking as we have at the moment. That would be a breath of fresh air. Being able to look at other assets apart from what the bank is trying to sell you. Therefore, no product pushing and be able to scope around for alternative assets whether that be property, whether that be agriculture, whether that be modern installation and impact investing in the proper way.

**Stuart Dowding****First Names Group**

I think that's a real growth in the independent market space, I think it's really brilliant. I think that's absolute base for their banking model and I think there's also a tendency for that market to become very comfortable and almost a bit too relaxed. I think with the independent market coming through, it's really driving and challenging the traditional markets, which is exactly what it's going to do.

First Names being an independent trust company, we're not associated with any banking trust companies which means that we can look at alternative assets. We don't need to be looking at the traditional assets of the portfolio's, we can look at the artwork, for instance, cars, planes, you name it.

**Steve Knabl****AIAM Singapore**

Today's event is very well attended actually. I've seen a lot of wealth managers in the room. It seems to be a lot of interest for the independent space. It's probably one of the best models out there to cater to high net

worth individuals. It's independent, it's truthful and it just also demonstrates trust between the adviser and the client.

**Peter Dietrich****Morningstar**

Morningstar's very much a strong believer in the growth of the independent adviser. We think that the fee-based business model very much aligns the adviser with the investor, and it seems to align their long-term goals more strategically. We hope it continues to grow both in Hong Kong and Singapore and we want to support that model going forward as well.

From research and data at our core, we very much provide software

tools, historically in the U.S where there's over 200,000 financial advisers that use our software on their desktop for their decision outsourcing. We're taking some of those experiences in a new cloud-based format, cloud-based software experience in Asia within 2018.

**Andrew Hendry****Westoun Advisors**

Incredible turnout today at the Hubbis event. It shows the element of dynamism and enthusiasm for the independent wealth model here in Hong Kong. The alignment of client interest, the dynamism of the parties here, whether it's the service variety supporting the industry or indeed the wealth managers themselves, it gives an incredible positive movement for





what wealthy individuals in Asia-Pacific can look to in terms of managing their money.

**David Friedland**  
**Interactive Brokers**

The opportunity for independent managers is exceptional right now simply because the tools are available at very low cost. You can form a business if you have a good idea at a very reasonable overhead. We do all the regulatory, we do all the software, we do all the reporting. So if you have good investment ideas, the sky is the limit. And for us, we're just putting the tools out there and we believe the technology speaks for itself. We're a little bit ahead of the curve right now and our aim is just to keep one step ahead.

**Damian Hitchen**  
**Swissquote**

Today's been extremely useful in terms of reaching the network of independent asset managers and buyers in the market. We are new to this marketplace, Hong Kong in particular, less so in Singapore. So first, it's a great event to come down here and meet and greet some people, to showcase our products. In terms of the independent asset management networks, it's a sweet

spot for us, it's a large part of our business we're looking to grow, as we've been doing in the Middle East over the last four or five years. We've got a very transferrable model that can work here that can help the industry out, particularly in that segment and we look forward to doing it.

**Mark Smallwood**  
**Confidentem Private Office**

I see big opportunities for the Independent Asset Management community in Hong Kong. One of the issues they have to deal with is to be able to provide holistic solutions. That's very much where Confidentem sees its positioning: to support them in providing holistic solutions to their clients' need, in particular in the wealth planning space.

I think the Independent Asset Managers are well placed to provide a much broader range of services to their clients and to act as a focal point for coordination of specialist services which they can't necessarily provide.

Their competitive edge with the large banks is that they're not constrained so much by the operational risk issues within these large

organisations; they have the flexibility to adapt to their client needs.

**Joshua Rotbart**  
**J. Rotbart & Co.**

I talked about a couple of things: first of all, why buying gold is a great tool to protect wealth in time. Second, how to do it easily and efficiently? What everyone needs to know about buying physical gold and storing it. It is growing because the banks cannot compete in this field. Clients want more options, they want independent advice, and they are not getting it with the big players.

**Riccardo Lehmann**  
**Swiss-Asia Asset Management**

I think the independent model in Hong Kong will still be the same as it is today. There will be not a big paradigm shift, I would say. Some people have different opinions, but we will still be the same, we will still grow. The shift comes with all the new technology.

"What are the different needs of clients?" That's what needs to be in the forefront of what we do: what are the needs of clients, how are our partners in the ecosystem adapting to the future, and we need to adapt our business models as well.

### **Richard McGillivray**

#### **CFA Institute**

CFA Institute is committed to raising professional and ethical standards across the industry so that it serves the greater good of society. In the private wealth space, of course, that is very much the front end of the investment industry interacting with the public. We are interested in what professionalism looks like beyond technical capabilities. Thinking about what it looks like in terms of trust, what the foundations of building trust are, an interest in behavioral finance and how that is influencing the industry. An understanding of what it is that clients are really looking for from investment managers and how what it is that they're looking for ties into their objectives as people and ties into their goals and dreams.

Really, that is the benefit that the investment management profession brings to society. Apart from the growth of economies, it's about serving the interests and needs of

people and their commitment to clients is what underpins our commitment to professionalism.

I think the key issue within independent investment professionals is just that it's about independence and professionalism. So I think that central to building trust in that role is a client's ability to understand and an investment professional's ability to evidence their independence.

So the advice that they're giving and are being paid for, how is that advice separate from the vehicles that their clients end up being invested in. That for me is a critical issue.

Certainly, in Hong Kong, we've had long decades of layered fees, of lack of disclosure on fees, and at last, the industry's waking up to that. That we need to be demonstrating our independence through a paper trail, if you like, that separates the vehicles from the advice that people are given in order to end up in them.

### **Harmen Overdijk**

#### **Capital Company**

The independent firms are more in tune with some of the changes that are happening in the wealth management needs of the bigger families actually, both in Hong Kong and obviously also in other countries like China. You see a move towards sustainable, responsible investing which in itself also drives a move towards discretionary portfolio management. There is much more need for estate planning, tax planning, especially across borders.

In this current climate, banks are less and less willing to provide that type of advice. What I see happening is a lot of the independent firms are moving more in that space. Also, if I look at our own firm, the biggest growth of new clients initially comes in through some really specific advice they would need on their family wealth in a personal situation because most wealth in Asia is international.



From there on I think it evolves into asset management. I do see the appetite changing for discretionary portfolio management. What I see among the banks is they still offer the same type of offering which is not working well enough for them to really change the behavior of their advice with clients into more long-term strategy.

**Harold Kim**

**Neo Risk Investment Advisors**

Highlights from today: it was very interesting to see the evolution of the independent wealth management business in Asia, whether it's ranging service providers, platforms, some of the legal in tax types of issues, new asset classes like cryptocurrency or old asset classes like gold. It's an exciting time to be in this industry in Asia. We look forward to a lot of growth going forward.

In terms of our approach in Neo Risk, as our presentation made clear, we are very focused on the risk elements of investing. Successful investing is a marriage between risk and return. Interestingly, to us, most people think about the return side of

the business which is the harder side to understand. Our focus in Neo Risk is working with a range of investors including family offices and high net worth individuals as well as institutional clients and also as a fund manager, to help educate and help people understand how risk can be used in the investment process.

We've launched our first fund. It's approaching one year as of next month and returns have been quite good so far.

**Joel Teasdel**

**Dimensional Fund Advisors**

This is a tremendous opportunity for advisers and asset managers and anyone involved in wealth management in Singapore, Hong Kong to make a huge difference for their clients if they're running a fiduciary model business.

It's a licenced industry here in Singapore and Hong Kong. The benefit is you've got the world's third and fourth largest financial service and very, very few options of people to go and get independent fee-based advice. Benefit for the participants

is we got decades worth of an understanding of how to do that well.

There's huge opportunities for practitioners in Singapore and Hong Kong to take advantage of that and serve their clients well. We're very, very positive about the prospects for the development of the industry. Clients should know what they're paying and why, and what they're getting for it. We're all about transparency.

Secondly, in terms of gravitating to a longer-term approach, when you have a fee-based model and you have advisers working in the best interest of their clients, I tend to focus on the success of goals that are important for the families.

It's all about what's the highest probability way of affecting that outcome for the family, so they could achieve everything they want in life. When you focus on a longer term you tend to be more scientific about it. We're seeing more of that because that investment solution is more in line with the model, rather than short-term chain support every quarter. ■

