

# Independent Wealth Management Forum 2018

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**At the Hubbis Independent Wealth Management Forum 2018 in Hong Kong on October 30th, we interviewed leading industry experts. Want to know what you missed - [click here](#) to view the highlights.**

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**Carmen Chang**

**Quantifeed**

We are the first in Asia, being we are offering separately managed accounts. The most attractive item is we offer up quite compelling, low minimums. I believe Asian market lacks this type of solution. It's a huge solution in the US market and I think it's about time Asia caught up with it.

**Damian Hitchen**

**Swissquote**

These events are extremely well attended. So we've got all the movers and shakers in the EAM industry and the wider wealth management industry. From our perspective as a product provider, the global custodian and execution platform, it's really important that we're here to showcase, raise awareness, get our brand out there. In my perspective, it's been a very rewarding day so far and I look forward to meeting more people this afternoon.

**Fred Wong**

**Old Mutual International**

We heard a lot of speakers today, talk about transparency and how to grow their business. I think nowadays, client demands more transparent not only on fees, but how the solution works for their difficulties or providing suitable solution. I think insurance can take part as a compatible solution, to client in wealth management. I would love to see in the future, more collaboration between EAM, fiduciary service trustee and also insurance company. Because I think in the compact world, client need, not only a commoditized solution, it will be more tailor-made. I think for participant in the wealth management company, we should work better together.

**Ian Sosso**

**Monte Carlo Capital**

I'm here today at the Independent Wealth Management Forum, in Hong Kong. I founded Monte Carlo Capital, about 10 years ago. We are now one of the most active group of these essential. In Europe, we invested in exciting start-ups around the world. We have a group of co-investors based anywhere from Europe to Monte Carlo to London to Switzerland. We had a very big IPO sale, very recently. We're working on massive exits and we're looking to keep building our business and we're starting things in Hong Kong. Thank you very much.

**James Russell**

**First Names Group**

The interesting thing about CRS, is that whilst many in the industry

are looking at it as a challenge. I think you can turn it around and make it a kind of opportunity. Two reasons really. Firstly, I think CRS is going to drive clients towards a more positive need, for high quality service providers. Providers that will back them up when they're home tax authority start asking questions about the information, they've just discovered. But I think also it gives us, just an opportunity to thoroughly understand our clients, understand what it is that they're up to and what they're doing and allow clients basically to self-filter whether what they're doing is properly, before they reach us. The need for advisors to be able to document things properly, evidence things properly, is only going to be good for the wealthier



management industry in Hong Kong, generally. Because it's going to enable the wealth management industry in Hong Kong, to move up the market, in terms of the quality of service they're providing.

**Jaydee Lin**  
**Raffles Family Office**

For sure, that this industry, the independent asset management model will definitely grow. Because if you compare Switzerland to Asia, the independent asset manager, penetration written in Switzerland study, based in west, in Singapore and Hong Kong is only about 5%. So I think that definitely, we believe that this industry will definitely grow. For that to happen, we need more bankers to come out and then to join in, to become independent. Why should they become more independent? Because right now, clients are more sophisticated. Clients know more. Whereas, if you compare to a banker now in 2018 and you compare to a banker back in the 1990s - a banker in the 1990s, because they are in the bank, they have this information advantage over the rest, because at that point in time, information is not so fast as compared to now. Right now in 2018, everybody has a smart phone. So if there's a new modification, it'll be pushed through your smartphone. So what is really the advantage of a banker? At this point of time, it is to provide more services for the clients. I'm not saying that within the bank, the banker would not be able to provide that. But for sure, the big independent, representing multiple banks and across different restrictions, the independent asset manager can do more, definitely. That's for sure.

**Jennifer Lai**  
**Henley & Partners**

I come from Henley & Partners. We're the global leader of the resi-

dence citizenship planning. We assist the private clients, in terms of the resident citizenship planning. In the industry of residence citizenship planning. It's very important to find reliable, professional experts, in the industry to provide advisory services that are actually tailor-made for the clients. I think this is the challenge that we see a lot for the clients. Now they can find such kind of professional platform, to serve them according to their needs. A real global citizen, for example nowadays, a lot of clients are looking for different options. The criteria is for example, for better education, more movement, travel freedom. So I think those also for proper planning for succession, wealth and tax. I think being a global leader in the industry and being able to provide such professional services, I think this is something a lot of clients should look for.

**Jon Dingley**  
**CBH Asia**

The fact that, there a hundred more people here today then there were this time last year, is just indicative of the fact that, the independent wealth management business is growing and there's more interest in the space. But it's relatively still in it's infancy. It's coming from a low base, but without question, it's growing. As people become more and more aware of the industry and how it works and that it's an alternative to the private banking space. At CBH Asia as we are the wealth management arm of CBH Private Bank in Geneva. Essentially, how we operate here, is we're fortunate to have our own booking platform in Hong Kong. In addition to that, we work as an independent asset manager with our parent in Geneva. So we can book money with them and they treat us as an EAM. On that note, we have certain flexibility. If it is a requirement for a client





to use a big name bank, then we have relationships with some big name banks, so we can keep hold of that relationship. Even though all their money might not be with us, as such.

#### **Kenneth Ho**

##### **Carret Private Capital**

The independent wealth management market in Asia, is going to grow tremendously. Particularly in North Asia, where the wealth coming out of the greater China region, is growing exponentially. We're going to see a great amount of bankers interested in IAM setups. Simply because, as the big banks get bigger and compliance regimes get tougher, there's not going to be any smaller banks. There's going to be a great need for boutique, wealth management firms and IAMs are going to fill that niche.

#### **Mario Bassi**

##### **Orbium**

So, I definitely think that the market continues to grow.

Especially as now, there is more awareness in the market of clients, of this independent model and obviously the banks still trying to get the model right. Now how we help the market to grow, it's definitely an infrastructure business. We need a strong, robust infrastructure to manage your clients' assets and that's what we do with our systems and make it work and deliver client experience, at its best.

#### **Michael Olesnicky**

##### **KPMG**

The big issue, that we're facing now with China, is the new tax forms. We've got clarification about how offshore assets, offshore trusts, are going to be taxed in future. It's going to impact on every Chinese, who has these types of structures. Admittedly, we don't have all the details. But it's quite clear that for legacy structures, they do have to be reviewed. It's also quite clear, that for structures coming up in the future, there has to be a lot more bespoke tailoring to ensure

that these structures are not really tax motivated. Because at the end of the day, there are other reasons for setting up these structures and to the extent that we can demonstrate, that structures are being setup, not for tax avoidance purposes, but for the more legitimate uses of trusts, like family successions, family governance, asset protection. Those structures will continue to survive. But the big message is, tax is no longer a commoditised issue. There is no longer, a one size fits all solution. Everything has to be tailored to the individual family consumer.

#### **Nigel Rivers**

##### **Capital Solutions**

The challenges that wealthy Chinese families face today, are many-fold. First of all, there's a quickly changing environment in terms of taxing compliance, not just in China, but throughout the globe. Keeping pace of those changes and insuring there is compliance, is a change. Many professionals are up to speed with the changes and there are still

many, many solutions for welfare structuring transition of wealth, that suit Chinese families and meet the needs of the current compliance laws. And diversification of their wealth is key. Wealthy Chinese families have a significant wealth within China, their businesses originated in China, they will have a portfolio in China, they have real estate in China. Diversification of that wealth into other jurisdictions, is a challenge. Of course there are controls that restrict the free movement and investment of wealth outside of China. But within that, from a business model perspective, of course there are opportunities for diversification to invest in foreign countries, with their businesses and in that way, to diversify their wealth and their approach.

**Oliver Balmelli**

**EFG Bank**

We are obviously, very supportive of Hubbis and the EAM business, in Singapore and in Hong Kong. We have centralized our business in Singapore and Hong Kong. So we provide our private banking platform, but special-

ize for the EAM business. The EAM business is very promising in Asia for two reasons. First of all, the penetration of the independent asset manager, is very low compared to other more mature markets. So it's still in infancy and second, we are in the region, with the highest gross of wealth. So combining these two factors makes it very attractive for us to be in Singapore and in Hong Kong. We provide the holistic solutions to our external asset managers. So not only after the brokerage, but with us, we provide also credit solution, financial planning solutions, so a 360 platform for clients and for the independent asset manager.

**Peter Golovsky**

**Cone Marshall**

We hear a lot about tax compliance and CRS and the challenges this presents. CRS is not new and CRS is here to stay. When I talk to Chinese families, this is now well understood and is an absolute given, in terms of a level playing field for tax reporting and compliance and making sure that one's assets and income, are reported

in their home country of origin. The conversation actually, can be in fact, turned around for groups like Cone Marshall, who is working with some of the largest families and family businesses in China. We start with a conversation about family governance, we start with a conversation around succession, intergenerational wealth transfer. This is where the opportunities are, for those providers that are able to have those conversations with families, which then leads to a very different conversation about the types of structures and solutions that they need.

**Riccardo Lehmann**

**Swiss-Asia Asset Management**

Clients see that it's necessary. Clients want to be seen, that someone takes care of their needs. They want to be not ripped off anymore. Clients want to see that they can steer where they want to go and what they want to do and I think more and more clients will realize that only by joining an independent asset manager, letting their clients' money managed by an inde-



pendent asset manager, they can really achieve that that independence and lack of conflict of interest.

### **Rohit Bhuta**

#### **Crossinvest**

The thing is, we need to ask ourselves, why is it that the industry evolved in the first place? It evolved because, there was a need and there still is a need for an independent space or offer a new space dynamic cover growth management services and proposition, the way it used to be done before. So the need hasn't gone away. The only thing that's happened is more and more players have entered the independent space. But that introduced fragmented models and solutions. I think invariably, what will happen, is there is going to be a consolidation and the independent space will start offering a proposition that's not like a private bank. It will be a different proposition altogether.

### **Tariq Dennison**

#### **GFM Asset Management**

I think, as with any independent business, versus large consolidated

businesses, you're going to see some clients, who are going to be happy with the biggest, grandest, cheapest, most mass produced solutions. Whereas others are going to want things that are a little more individualised. So they're going to want something that's different then what Black Rock will offer, different then what HSBC will offer. They like the fact, that say when they talk to me, they get my straight answers. I'm not giving answers that have been approved by a big bureaucratic department and have been covered by lots of CYA. I think ultimately, it's the lack of CYA, which is where independence shines the most.

### **Urs Brutsch**

#### **HP Wealth Management**

I remain very bullish for the independent wealth management industry, post for Singapore and Hong Kong and I think there's tremendous upside. There's only very few players in Hong Kong and a few more in Singapore. But I think clients will see

through all the problems they get at the bank, in terms of hidden fees and not so good advice, not so honest advice and I think that's a big role for guys like us to play. In terms of value proposition, I think there's no right or wrong. But for us what we did from day one, is that we worked for the client, we get paid by the client, we don't take any retrocessions, we have very few performance fees. So it's really boring and I think our business is boring and boring is good in my opinion. We just work for the client and make sure he stays rich.

### **Werner Schlossmacher**

#### **Credit Suisse**

It's quite important for the industry to move up a little bit to understand how their business model will develop. We have significant opportunities as an industry to make the independent market extremely more successful. That's by collaborating with each other. So among the custodian banks, as well as among the various IAMs, by providing technology solutions to them, so they can propel the business to the next level. ■

