Independent Wealth Management Forum 2018 video highlights

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At the Hubbis Independent Wealth Management Forum 2018 in Singapore on March 8th, 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.

Rainer Michael Preiss
Taurus Wealth Advisors

On the investment side, we increasingly try to look, have a very holistic view on client portfolios. Also, increasingly look at incorporating new and other uncorrelated asset classes. Because, I think, the biggest risk in 2018 is the belief that potentially bonds and stocks could come under pressure at the same time.

What are the offsetting asset classes and portfolio strategies can you include in client portfolios? I think, risk management increasingly is becoming very important closer to the end of the bull market. Then, in reverse we got to that, we also are trying to help clients with consolidation of different accounts to have a holistic overview on the total portfolio.

Anthonia Hui
AL Wealth Partners

With the MAS trying to impose on a creditor-investor reclassification, I think being the EAM we are only allowed to deal with a creditor-investor. We have to be conscientious, be careful how we should be conducting our business and have certain clients. I think also as a statement of the business, we need to reiterate our message to MAS. How and what kind of classification would be appropriate especially addressing to the trust kind.

Which I think the MAS is still too overbearingly protecting towards the unknown beneficiary. Which are both to the provider, the EAMs, the bankers and even perhaps to the trustee. I think that needs to be revamped and at least reveal. We hope to be able to achieve a meeting with MAS to further discuss this issue for the EAM statement.

Jeffrey Fang
CapBridge

CapBridge is a shared co-investment platform. We believe that the power of sharing will accelerate on investor's abilities for more returns. We encourage a lead and co-investment model. Through the platform investors can follow expert lead investors who has done their due diligence on quality deals. They are pre-IPO.

Investors such as the credited investors, family offices, multifamily offices will be able to follow these lead investors in quality deals and hopefully accelerate their returns as well. The companies on board our platform are all qualified and in a growth stage. They have determined exit pathways. That means that investors are able to have clarity when it comes to when they can unlock the potential returns. For us, CapBridge is about the power of sharing, the power of intelligence and the power of shared technology that accelerates your returns. We're here today in this Hubbis event because this is the place where the people will matter to us. The investors, the wealth managers, they all gather to learn about the best in industry, what's trending, what's leading and what would help the do their jobs better. We're very happy to be here to support Hubbis and we look forward to being a partner to Hubbis in the years to come.

Simon Lints
Schroders Wealth Management

Michael, I think there's a huge opportunity for operations like ourselves. We're a bit of a hybrid, in that we're small operation currently, growing quite quickly, but we're also part of a much bigger group.

We are able to tap into that global resource and expertise of the Schroders Group, which considerable helps us. We keep the operation lean here, as a focus. As a consequence of that our focus is very much share client facing.

It means my RM's and my client facing team can spend a whole lot more time actually working hand in hand with the clients, spending time with them, rather than filling in compliance forms and other admin and stuff.

The benefit that we have is that we're small but we're part of a bigger group. We can piggyback on that. The opportunity's enormous and we're taking full advantage of it.

Damian Hitchen
Swissquote

As we see wealth management extending into the EAMs, traditional private bankers, senior bankers setting up their own firms, in order to be able to execute that, they need a lot of platform and technology help. That's where really where we sit in the B2B space. We can offer a global multi-asset class markets, platforms to EAMs for them to be able to execute on behalf of their clients. The value proposition is that we give access to global markets. We do it very quickly. They've got direct access to the platform. From a cost perspective, we are significantly more competitive than the traditional incumbents, custodian banks.

Anshu Kapoor
Edelweiss Global Wealth Management

The potential is immense, as the wealth increases in India, the complexity of the needs also increase of the clients. Clients will increasingly see more global solutions. As I was mentioning in the conference, all our clients are global in nature. They have global businesses. They have global needs. These needs will only grow in the future.

Singapore from a regularity perspective, from what you call a booking center perspective or access to market is a fabulous place. All the infrastructure is there. Solutions are there. The advise is there. If you got all of that together it is a great great place for anyone to access India from. That's the opportunity.

Julian Kwan
InvestaCrowd

InvestaCrowd is a real estate investment platform. We focus on global key markets where the investment products that we bring specifically appeal to the high net worth market. We're real estate people. One of the biggest challenges in the wealth management world is that there's a lot of bankers as well as finance people. We have a lot of the right types of clients. We go custom make the right type of product for our B2B private bank and wealth management partner.

Steve Knabl
Swiss-Asia Financial Services

At the industry, as usual, we always say that it's growing, more and more importance, but one thing that I have to say is we need more support from the banks as well to grow this industry and for them to be - not from the EAM invest perspective but more from the private bank perspective to be much more

supportive of a transition of a private banker into the private wealth manager's space at the EAM side. Frankly speaking, I think it's much more of collaboration between us and the bank.

Have more interaction with the private banks in order to understand for the better and trying to work together better in order to promote the EAM industry within the bank as well because I truly believe there's a positive for both sides. All the private bank to develop this industry and of course, for us as an industry. Today's event was surprisingly interesting because we've seen an overwhelming attendance.

An overwhelming attendance of different people, different EAMs that actually weren't here before and that have all of a sudden appear. Now, thanks to Michael that actually is going out there and bringing them all in for us. I think what I need to do as well or what the association as such, needs to do is to reach out more to these EAMs, these new EAMs that are not yet members of the association and to include them into the association. The association itself could be more inclusive as well.

Philipp Piaz
Finaport

The independent movement, as you call it, is certainly growing. We see a lot of bankers who are interested in doing something that is outside of what they are used to in the banks.

Having said that a lot of them are not aware of what that entails. The regulatory environment, the financial commitment, the various difficulties in setting up a shop that involves activities and knowledge that goes beyond what, let's say, the average mainstream RM has been through in his banking career are obstacles which clearly make it a little bit more difficult than we would all want it to be.

Tuck Meng Yee
JRT Partners

The growth in wealth in China means that the rise of investing out of China to the rest of the world is something that Singaporeans can actually help. The industry here is much more developed. It is a neutral jurisdiction. The rise of China really will help the rise of Singapore itself as an after effect. Very, very bullish in that respect.

Given the size of China's population and the wealth that's already there, yes, the substantial offshore investments should actually increase subject to government fiat. As we all know currently, the government is substantially restricting investment outflows, but over time are reflecting China's status. Those outflows would be material over the long term. We are still bullish.

Arnulfo de Pala
TriLake Partners

Well, at Trilake Partners, we try to add value to our clients by enhancing the investor experience. We recognize that the investor experience is suboptimal because of the practices that we've had forever.

Historically, customers have always viewed investing as a shopping exercise and we try to get away from that by distilling the requirements of the clients, quantifying these as much as possible. Simplifying the process for them, not making it easy but making it simpler. Investing is not ever going to be easy but having done that, we can then enhance the customer experience by telling them how investing really ought to be done, leave the driving to us, judge us by the total return, the total risks, not by what products or how sexy the portfolio looks on paper, but what the results are.

Rohit Bhuta
Crossinvest

Independent wealth managers are indeed becoming more relevant. This is only immersed in the last few years. I think it's because of a pull and a push factor. The pull factor is that the investors are now realizing that they do need to invest for the future and for the medium to long term. What has transpired over the last few years and perhaps even longer is that banks have primarily focused on short-term investment strategies. A number of reasons.

The first reason, of course, being that their revenue model is based on the number of transactions that the clients enter into. As a result of that, it gets very difficult, I think, for banks to advise on a portfolio-based as a delegation strategy. The independence, on the other hand, did revenue models very different. They are able to step back and establish a portfolio-based advisory model which works really well for clients where you want to focus on capital preservation and capital growth.

Craig Swanger
Revolver Capital

The main thing for me, seeing the Asian market develop over the last 10, 15 years and watching it to go through that phase, a lot of structured products, then the equities faced and now on corporate bonds, the one thing that's still missing is private assets, unlisted assets. Whether it's a startup for a later stage or a pre-IPO company are all private debts. They're the past of the portfolio that the family offices are actually getting access to, but directly. There's no asset consultant to help them. There's no wealth manager to help them. I'm here with Crossinvest as part of their service to their clients around private assets.

They're pushing that out. As we talk to different family offices or multi-family offices or the other independents, they want to get part of it as well. We're getting a real snowball effect around this private assets business.

Martin Huxley
INTL FCStone

Yes, we're here today because we've seen increased opportunities and growing interest in gold and physical gold within the private wealth management sector. I think people see that because gold is not really correlated to any other asset clause. It provides a good diversification for one's portfolio. We're seeing now people that really want to move part of their wealth outside of the financial system. Physical gold is the ultimate insurance whereby they can store it on a bilateral basis. They can go and see it, they could feel it, and they can access it whenever they like. Us, we offer a full service offering across the precious metal business in the last 6 to 12 months. We launched a physical platform that allows clients to access the physical markets and view

billion in varying amounts, pick a brands, forms at locations around the world. They can also request specific proposal for something that is tailor-made for their needs.

We came tonight to showcase that because we think it will be revolutionary for this market in driving efficiency and transparency.

Tariq Dennison
GFM Asset Management

Well, we were talking about whether wealth managers really create true value for their clients. We obviously had a panel of people from different sides of it, from the TIP wealth managers as well as from larger banks. We were talking about things like fee transparency which is one of those things which I kind of wonder why we're even debating it. It should be obvious. You go into a store, you see the price of something.

In this part of the world, I think people had gotten too used to getting free advice and investing in products rather than paying for a real investment service. I do quite like coming to these events because I feel every time, I do get to meet people from a lot of different parts of the industry as well as with many different points of view. I always like it when we have a little bit of controversy and Michael, of course, is a great moderator making sure that he eggs two edges of the question on to get the audience not falling asleep.

I definitely feel that I'm building it. I've been trying to change it myself. I myself, I'm trying to move the industry more towards-- It's the only transparent model, one which has been argued that the industry here is not ready yet for it, but I think it's just the clients need to realize that this is what the way. It's already being done in the US and this is the future of asset management. It's not just about robots and technology, it's about having standards that technology make possible for us to see.

You think how many years ago it was that our asset management was only a firm. We could see it. We could work it. We sow it, we grew on it. Our asset management fees, we're hiring people to work on that firm. Somewhere along the 20th century, we got used to the idea that we would pay fund managers that we've never met, few sitting in a faraway office, to do things that we didn't understand. I don't think that was something that was going to be very sustainable. ■