

Independent Wealth Managers and the Delivery of a Client-Centric, Truly Objective Investment Proposition

The clamour for personalised investment strategies and differentiation amongst wealth managers reverberates louder than ever, demanding smart approaches from the independent wealth management community. In an illuminating panel discussion at the Hubbis Independent Wealth Forum in Dubai on March 6, a small group of investment experts shed invaluable light on the art and science of delivering a client-centric, truly objective investment proposition. They dissect the nuances of strategic differentiation and bespoke advisory in wealth management and unravelled a number of complexities that underpin the delivery of tailored financial solutions. From hybrid models merging the agility of boutique firms with the muscle of larger conglomerates to the staunch advocacy for pure, unbiased advice devoid of inherent conflicts, the conversation navigated through the spectrum of discretionary management, the leveraging of unique investment opportunities, the creation of bespoke portfolios, and the irreplaceable value of the human element in relationship management. Most importantly, in a crowded market, they stressed the importance of diverse strategies to align closely with their clients' intricate needs and aspirations.

Strategic Differentiation and Different Approaches

The discussion opened with a wealth manager highlighting their firm's hybrid model, which blends the agility of a boutique with the robust support of a large financial group. This duality is positioned as a strategic advantage, allowing for a more personalised, client-centric investment offering compared to the more product-focused strategies often encountered in larger institutions. His emphasis on flexibility, tailored solutions, and an open architecture investment approach demonstrates their thinking around how they as wealth managers can differentiate themselves in what is a crowded market.

An investor guest responded with a more critical examination of the wealth management industry's promises versus the reality of what they often deliver. He detailed his own diverse and high-risk portfolio, which spans from Venezuelan debt to distressed real estate, using that as illustration of the complexity of wealthy private client investment needs and leading him to critique the limitations often experienced with large banking institutions.

His comments opened a broader conversation on the necessity for wealth managers to offer genuinely bespoke solutions that can navigate the intricate and often unconventional investment landscapes desired by HNWIs and ultra-high-net-worth individuals.

The Case for Bespoke Advice and Independence

Another panellist presented his own approach centred on pure,

Chair:

» Philip Rosenberg

Managing Director and Head of Distribution - Middle East
GAM Investments

Panel Members:

» Jonathan Paul

Co-Founder & CEO
Adatos

» Arjun Mittal

Founder & CIO
Abbey Road Investment

» Tommaso Leodari

CIO
Index & Cie

» Fadi Barakat

Chief Investment Officer
REYL Intesa Sanpaolo



unbiased advice, free from the conflicts of interest inherent in product-driven models and retrocessions. He advocated for a strategy that disaggregates traditional bundled financial services, leveraging technology and access to information to tailor bespoke solutions directly addressing client needs. This perspective emphasises the importance of aligning closely with client interests, suggesting that independence from financial product sales can facilitate more authentic and effective wealth management offerings.

Exploring Discretionary Management Strategies

The discussion then drilled down into the value (or lack of) from discretionary portfolio management. Panellists presented varying views, from outright rejection of the model in favour of a more collaborative, bespoke approach to a nuanced defence of discretionary management when carefully aligned with client goals and risk profiles. The discussion hinged on differentiated and diversified approaches within the wealth management market (especially amongst independent providers) regarding how best to serve clients' interests and manage their wealth effectively.

Identifying and Leveraging Unique Investment Opportunities

Panellists then shared their methodologies for uncovering and evaluating exceptional investment opportunities, particularly in private markets and niche sectors. The conversation revealed the

Expert Opinion

"I like fixed income now. I think with the cycle where it is today, the risk-reward balance is very interesting, so we are probably overweight credit, and slightly underweight equities, where we tend to focus mostly on value, looking for companies that have solid profiles including the right pricing and being able to weather a downturn."

"We source our investment ideas mainly from our head office, where we have a team of about 10 people looking at each asset class, looking at different alternative investments, looking at private equity, looking at fixed income funds, so on and so forth. With this capability, we can deliver a comprehensive and analytical proposition to our clients covering most of these key investments."

"In our business, we take no retrocessions of any kind from any financial provider; we only get paid by the clients. And that hopefully means we're on your side when we curate our advice and propose products and solutions. When you go to a financial provider, they bundle four products – advice, product, execution, and custody. But we believe that with today's technology, and easy access to information, you can unbundle and get the best of all four while having a very efficient proposition for yourself."

"We stopped thinking about asset allocation 60-40 a decade ago, and we are much more concerned with liquidity and correlations."

"We are independent, and from my perspective, on your side means that we're open to everything that can add value to your wealth and risk management profile, including private markets, public markets, real estate, equities, and bonds. We have great connections across the world and across the board with many different types of institutions and firms. We also conduct our own research and are strong on idea generation. The result is we receive a lot of inbound inquiries."



value of a sophisticated and in-depth process of due diligence around funds, managers and products, deep market analysis, and strategic foresight, all aimed at identifying investments with the potential for outsized returns. They stressed the need to deliver a model that will guide their clients through complex investment landscapes, balancing risk and reward to achieve optimal portfolio performance.

The Crucial Role of Relationship Management

The panel acknowledged the vital importance of the personal relationship between wealth managers and their clients. Through personal anecdotes and reflections, panellists highlighted how trust, reliability, and a deep understanding of client needs and preferences are foundational to successful investment offerings and, more broadly, a great wealth management proposition. They reinforced the value of the right talent in achieving a genuinely client-centric client-advisor relationship, which they agreed can significantly impact investment outcomes and client satisfaction.

Final Thoughts

This discussion highlighted that there is no one-size-fits-all approach to investment management and curating the best offerings. 'Vive la difference' as the French say, and in this context, that can mean that there is value in a considerable diversity of approaches and strategies. By dissecting the strategies, philosophies, and approaches of these different wealth managers and investors,

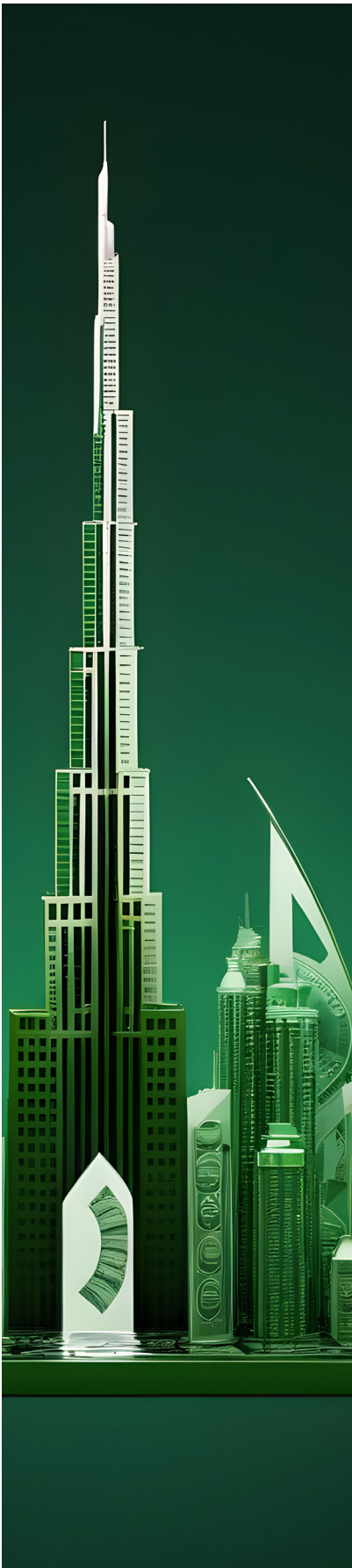
Expert Opinion

"In our approach, we craft a nuanced strategy focused explicitly on the allocation of capital into quality stocks and companies. By 'quality,' I refer to a distinction that transcends the conventional notion of 'value' as broadly interpreted in the market. We adhere to a more refined definition of value investing, akin to the perspectives championed by the likes of Warren Buffett and the late Charlie Munger. Our methodology embodies this distinct outlook, operating with a degree of market agnosticism that extends even to geographical considerations. This is predicated on the conviction that investing in quality provides the most robust safeguard against market volatility while simultaneously positioning us optimally to capitalise on the upside when economic fundamentals are strong. In essence, our belief in quality over mere value is foundational, guiding our investment strategy to navigate and thrive in the complexities of the financial landscape."



considerable light was shed on the challenges and opportunities inherent in managing substantial private wealth. The discussion underscored the value of a par-

ticular blend of analytical prowess, strategic foresight, differentiation, and personal touch required to navigate the intricate needs of affluent clients successfully. ■



Expert Opinion

"In the world of investing, we embrace the art of crafting tailored financial strategies. Forget about being boxed in by equities and bonds or the traditional notion of diversification; it's about absolute gains, not relative comparisons. We navigate the financial landscape with you, adapting and reshaping your balance sheet as the world evolves. No to discretion, yes to bespoke collaboration—because the only category we believe in is success, jointly achieved with our clients."

"Our approach is distinct in that unlike fund allocators, we don't channel client capital into third-party funds. The responsibility rests solely with us. We pride ourselves on our independence, underpinned by rigorous in-house research and quantitative optimisation, focusing on investments where we perceive the most favourable upside-to-downside ratio. The task of exploring the world for top fund managers or emerging industries, though valuable, demands resources and a level of commitment that exceeds our scope and intellectual curiosity. Our commitment isn't to cast a wide net based on trends or third-party insights over which we have no direct control or clear insight. Instead, our strategy is laser-focused on actively positioning and safeguarding your capital, ensuring it's primed to seize growth opportunities while maintaining a protective stance against potential downturns."

