

Investing through alternative assets

Stuart Dowding of First Names Group discusses how alternative assets can help clients in managing their wealth.

Alternative assets can range from horses and cars, to artwork and whiskey – essentially, anything a client deems to be a valuable asset, explains Stuart Dowding, managing director for the Hong Kong office of First Names Group.

While many people think of ‘assets’ as cash or property, for example, it is in the alternatives space where his firm is seeing growing interest from clients.

Dowding believes it is all about diversity. “Alternative assets help diversify a portfolio away from just being in cash, stocks and properties, for instance.”

TRENDING ALTERNATIVES AS INVESTMENTS

With alternatives, however, he says clients need the right drive and appetite to want to go into these markets in the first place.

Yet they can certainly play a key role in investment portfolios, depending on

what the asset is and how the client wants to structure it. The firm can structure such assets so that they can be held in whichever type of structure is required, he explains – ranging from a trust to a foundation to a family office to a corporate vehicle, for example.

“Alternatives might be an asset class which clients want to pass on to the next generation, so it is about having a vehicle to ensure the assets get seamlessly passed on [in the manner intended],” explains Dowding.

But, he adds, the firm does not give any tax or structuring advice. Instead, it collaborates with other intermediaries within the market to get the best solutions for its clients.

The advantage of being a part of a large group, he adds, is that the firm can achieve this globally. “As trustees, we cannot be experts in every area, so we engage [third-party] professionals.”



STUART DOWDING

First Names Group

In general, transparency is also key, says Dowding, who adds that the firm is used to dealing with matters such as the Common Reporting Standard (CRS). ■