

Lumen Capital Investors CEO Jan Dirkmann on the Rise of the Independent Wealth Model in Asia

Jan Dirkmann, CEO of Singapore-headquartered Lumen Capital Investors, strongly believes in the power of the independent wealth management proposition, assuming it is properly executed. He recently articulated to Hubbis why he believes LCI offers a value-added proposition, how they differentiate from the private banks, and why he sees such strong potential ahead, especially in their core Southeast Asian markets.

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JAN DIRKMANN
Lumen Capital Investors

Lumen Capital Investors

(LCI) is a multifamily office/asset manager, founded 13 years ago in Singapore, and catering to UHNW and HNW clients wishing to avail themselves of the firm's discretionary portfolio management or advisory services, as well as professional guidance around estate and legacy planning. Additionally, the firm manages its own in-house emerging markets bond fund.

An open book

Their model is based largely on management and performance fees, and in some cases retrocessions deriving from the banks LCI works with. "We make it all entirely transparent, and our clients like our formula" Jan reports.

Key Priorities

Jan reports that the first mission must be to build AUM, then to advance efficiencies and automation, and to attract more talent in the form of individuals who are both entrepreneurial but also who buy into the team culture at the firm.

He closes the conversation by focusing on some key positives, especially around the close relationships the firm builds with its clients. "We help them tackle and overcome a number of objectives and also challenges, and they tend to be very open with us," he says. "It is rewarding to have that level of trust and engagement.

The firm's literature states that AUM is now in excess of SGD2 billion, and they have a team of over 25 professionals. They stick to the ASEAN countries largely, partly due to the focus of the firm and their RMs. LCI expanded its geographical reach through a cooperation formed in 2019 with Hong Kong-based Carret Private and, since 2022, with Zurich-based Lumen Capital (Schweiz).

Safety first

Jan reports that LCI sees its first mission as safeguarding client wealth and advising clients with genuine objectivity. "Our practice is to undersell and over-deliver,

and that way, we build and retain trust. On the non-investment side, we have an in-house wealth planner who can help clients look dispassionately at current structures that clients have in place and make recommendations on how to bring them up-to-date and more in tune with all the constantly changing regulations."

Clients also include a number of single-family offices that want to outsource some of their investment management. "We find that quite a number of families with their own SFOs underestimate the costs and complexities and commitment involved," Jan comments. "There

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Managing the challenges

Nevertheless, the costs and complexities are rising, in part due to the ongoing proliferation of regulations. “Scale is required to spread the costs over a bigger AUM pool, and new talent is also vital to help drive AUM forward,” he notes. “That is partly why some private banks, struggling with the exodus of bankers to the independent wealth sector, are pushing back against it. One wonders if they fear a flood of exits ahead.”

He adds that automation is also not the simple task that technology specialists might make it out to be. “For example, it is incredibly tough still to reconcile data and data feeds from different banks and other sources to advance analytics and portfolio management systems or consolidated reporting. In Singapore, there is no single standard, whereas in Europe

there is. It means a huge effort is required for reconciliation, and full automation is still some way off.”

Growth aplenty ahead

His final word is on the evolution of the independent wealth sector, which he believes will prosper and grow significantly in the years ahead. “Clients see

the value proposition, they see the differentiation in quality and objectivity of advice compared with the private banks. And the banks are faced with a dilemma because they then often try to squeeze more out of the clients, which pushes clients further towards the independent sector. We certainly hear that story when interviewing RMs who might join us.” ■

Getting Personal with Jan Dirkmann

Jan hails from Munich, Germany, and later, the family moved to Switzerland, where he studied Business Administration, first in St. Gallen and then in Zurich. “This being Switzerland, it was quite natural to go into banking, and I joined UBS when it was still the old UBS in 1996,” he explains.

He moved to Singapore in 2000 with UBS to help the bank set up the European desk. He then moved to join the UBS Thailand team in 2006 before changing platforms to join Julius Baer’s Thailand-focused team in 2008. In 2010 he was tasked to establish Julius Baer’s team to cater to EAMs in Southeast Asia, which eventually led him to join LCI in 2013. “That was definitely the best decision in my entire career,” he says.

Married with two children aged 12 and 14 and with two family dogs, life is full and settled for Jan. “Switch-off time is often spent doing yoga and traveling with the family when time permits,” he reports. “The last big trip was to South Africa, which was absolutely fantastic. The people and coastline there are truly remarkable.”

