

Malaysian Wealth Management Forum 2018

video highlights

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At the Hubbis Malaysian Wealth Management Forum 2018 in Kuala Lumpur on July 5th, 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.

Yap Ming Hui

Whitman Independent Advisors

I can see there are more and more companies who now try to embrace the advancement of technology. They have been trying to figure out how they can apply technology, especially internet technology, or mobile technology, or maybe big data, artificial intelligence into their business practices. Maybe many players have not been able to get it right yet, but I believe it's a matter of time, we'll get it right and they'll take our wealth management industry to the next level. On our firm level, we continue to see more and more clients inquiring for our services and we're happy with the service. I believe, I also see there are one or two new players coming on the show to provide fee for service as well, so there is very positive development to the industry. I hope more player can see the opportunity and let's play this game together.

Shan Saeed

IQI Global

Great to be here at Hubbis event. Excellent platform for networking. In the last two or three years, what I've observed that more and more Malaysian, sophisticated and sagacious are investors moving into tangible asset classes. When I say 'tangible asset classes,' we are talking about real estate, we're talking about gold and silver, we're talking about agriculture, vineyards, luxury arts, we're talking about cobalt, that has taken significant interest with investors. I see more and more sophisticated investors moving into tangible assets, and they're moving away from asset classes like equities and bonds, which are quite volatile in the current regime when interest rates are going up. I think tangible assets will have more attraction, not only from retail

investors, but also from institutional and sovereign wealth funds.

Lin Wein Khoo

Maybank

Malaysia is developing its own products to compete with the financial centres like Singapore and Hong Kong. We have developed foreign currency loans, loan back financing. We've also developed our domestic universal life issued out of Labuan. We are bringing products from Singapore and Hong Kong so that we can better serve our clients, up to about 75%, 80% of what Singapore and Hong Kong can do. I think there are two things - one is the new government, so the people feel more confident about parking their money domestically, because the businesses are here, the growth is higher than in

Singapore and Hong Kong. Secondly, also because of CRS. If there's an off-shore tax on their assets abroad, they may want to bring back their assets. We want to be here to provide them with the services, should they decide to repatriate their money.

Dominic Volek

Henley & Partners

Always good to be back in Malaysia at the Hubbis Wealth Management Forum. The Malaysian market is one that's really growing for us on the residence and citizenship planning side. I think more and more people are understanding the reasons for having a second citizenship or alternative residence, and we're looking forward to a really good event with a lot of people. There seems to be a lot of registrations and we're looking



forward to getting into action. From our perspective what are our clients doing here? The focus has really been on Europe, so we're doing a lot of citizenship by investment in Cypress and Malta that's unlocking various opportunities to our high net worth and ultra-high net worth clients here in terms of their children's ability to go to school, to work, retirement, and for them to easily move around Europe and stay there as long as they want.

Kimmi Pun

VP Bank

I'm very delighted to be in Malaysia. It is a great opportunity to see a country with so many talents and also the resources. Malaysia is part of the grow strategy in our Asia expansion, so I'm very happy to see Hubbis here having such footprint and I am part of it. In the presentation, which I'm going to make at the Hubbis Wealth Management Forum, I'm going to talk about the Asia expansion and also what would be the trend in private banking plus there will be the future investment trend, that we will be able to envision.

Pramod Veturi

Standard Chartered

Three things that I think are changing for the better as far as Malaysia is concerned: The first one is around the customer sentiment. I know that the markets are volatile, but customers are getting a little more comfortable with the volatility and they are getting comfortable making investment decisions, despite volatility. I think this was not so three, four years back, there's always a step back whenever the market's going volatile. Now I see customers looking at taking opportunities of getting in when the markets are going down. The second, I think there's an improvement in the overall transparency and the desire for information. Customers are looking at more diversification

around their own asset classes. When I came into Malaysia five years back, a typical portfolio of a client would have one or two products. Today the same set of customers are really getting very comfortable with the whole notion of a centre location and diversifying their portfolios, which is good because it protects them in the long run. The third, I think, is the opening up of the market for a new range of wealth management products and services. An important one, which from a standard charter standpoint, we've seen the benefit of is around opening up to foreign currency assets in a big way. We see a lot more availability of international funds and in multi-currency classes. Malaysians are moving beyond just Ringgit into diversifying their portfolios into GBP, into Euro, into Sing Dollar, Aussie Dollar. I think that's again, a very important and a positive movement in order to enhance the profile of the wealth management industry in Malaysia.

Robert Foo

Well, the Malaysian wealth market, I think there are a number of important developments are coming. Number one is that I think at the retail level, I think the institution like EPF is really trying to see how they can allow the contributors to actually take their money out directly and invest and stuff like that. That's the retail side. I think that would be quite a major change in Malaysia because quite a lot of the EPF money, it's just a lot of money is being invested through agents and stuff like that, so now the individual Malaysians can actually invest directly. That will probably happen, I understand, around next year, middle of next year. There's a development that I've been looking at for many years and is going to happen. The other thing that's happening is





from the product point of view, you've got insurance companies that are trying to ... They're actually being forced by the regulators to distribute their product directly through the internet rather than going through the traditional interview duties, like agents and stuff like that. That's actually a major change. I think quite a lot of things are changing. I think with the change of the new government, I think definitely the new finance minister is going to see how to make sure that the industry is more competitive and I hope to be actually involved in that discussion.

Hasham Esmail Piperdy
Mercer

It's such an exciting time for wealth management in Malaysia. The mood of the country after the election, there's so much positivity. There's actually a lot more money in people's pockets, and they're spending. I think car sales at the highest levels in many years just because of the abolition of GST. Looking in terms of the new government, the hope, the optimism that's come in, what we need is more stability. In terms of the policy level, there's still a lot of uncertainty about what's going to happen, but on the wealth management side,

there's a lot of value in the market at the moment. Malaysia is less volatile than other Asian markets. We have the big stabilising funds coming in. Lots of opportunities there in the blue chip stocks at the moment. Also, in terms of the distribution channels, the market's right for shake up. The central banks, SC have been talking about digital and shaking up the distribution channels for a while, and I finally see that coming to fruition. It's a really great time to be putting your money into Malaysia.

Dominic Gamble
Wealth Dynamix

Two big challenges that wealth managers are facing: cost pressure internally, increasing cost income ratios, and a consumer that's getting a lot more digital savvy. On both of those fronts, adopting technology, what we call front to back, across the chain from client acquisition all the way through to digital portfolio management, digital advice, digital operations, saves money, makes delivering services more efficient. But on the other side, which is really interesting, the consumer is demanding more and more of a digital experience, an experience that starts to match a lot more of their day-to-day online shopping, online

retail. They've got to invest in improving the touch points with the consumer, otherwise the consumer is going to disengage even more. We find that disengagement is really one of the biggest issues that banks have. Bringing in prospects is expensive, converting them to clients costs money, but getting the client stimulated to actually do things with the bank or the wealth manager is an even harder process.

Alvin Lee
MSCI

For our presentation from MSCI today, we'll be covering several, what we believe are, innovative techniques that can be considered to be embedded into the portfolio advisory process. A few things including looking at funds and to what extent funds offer a smart beta-like behaviour, which is a hot topic nowadays. Of course, we're also looking at stress scenarios and event risk. Most recently, of course, there's been a lot of talk about trade wars and what that will do to markets. We'd like to walk through the participants here, how to think about these kinds of events in a structured way. Another hot topic of late has been impact and sustainability. To what extent can a client, through their investments, have exposure

to impact and sustainability themes and be more broadly ESG aware. There's quite a lot of research talking about how to do that, and we'll share some of these ideas with the audience.

Namit Khanna

Finantix

Some of the challenges that I see wealth management forms facing now is how do they deepen the relationship of the RMs with their customers, because in an essence, wealth management is a complex space. It is multidisciplinary, so technology and RMs or people, our connection, is going to solve the problem eventually. Banks understand that, wealth managers understand that, and this is exactly the space where we are coming in and filling the gap to enable the RMs and give them tools to make sense of the information that is going around the world these days. Then making sense of it for their end customers.

Martin Huxley

INTL FCStone

I run the precious metal activities of INTL FCStone in the region, and some of the things that we're seeing at the moment is a growing flow of gold bullion - a west to east flow of gold. We're also seeing an increasing trend of investments by high net worth individuals in precious metals and gold in particular. INTL FCStone offers a full precious metals service

offering, and we're here to try and talk to people how we can assist them and help their clients gain access to both physical and paper gold investment.

David MacDonald

Hubbis

I've just spent a fast and furious 20 minutes just sharing some headline ideas with the participants and the audience today. They've heard a lot this morning about the progression of banking. It's in the news, it's in the industry news every day about LOBO advice this, hybrid advice that, the advent of human-contact-free wealth planning, et cetera, et cetera. I'm there with very much a strong belief that humans are a necessary part, for the time being anyway. Also I was sharing thoughts that we've got to be very consciously aware of what it is the human can do that the robo-adviser, the algorithm, or the artificial intelligence cannot, and find out from our clients, of those things, what they value and make sure that we're delivering on that. Because if we simply aim to do what clients can do without us, then we certainly do have a limited shelf life.

Irene Lee

Hawksford

I'm here at the Malaysia Wealth Management Forum organised by Hubbis. It's been a wonderful time, I spoke about Asia in general, auto-

matic exchange of information, what we as wealth management professionals need to do to advise our clients in order to enable them to make informed decisions. At this event, it is a wonderful time, and as always, I love wealth management.

Michael Chang

RHB Asset Management

I'm here today because I'm going to talk about bonds. I'm going to talk about fixed income investments. I'm going to talk about how global markets have changed thus far this year. It has been quite challenging for fixed income markets, but we hope to offer some insights into what we can do with the bond market as well as the other instruments that we can actually complement to give the best results.

Felix Kan

Appway

Hi, my name is Felix, I'm here today at Hubbis Wealth Management Forum Malaysia to share our experience in technology and customer experience. One of the common challenges today for wealth manager is how to stay compliant and at the same time offer best-in-class customer experience. In my view, you need a very versatile digital banking platform to help you to build your bank for the future. Connect people, data, system together. Connect the disconnected. ■

