


# Maximizing Returns Through Efficient Post-Trading Services: Strategies for Wealth Managers



Lukas Conrad, Regional Head of Securities Services APAC, is responsible for market intelligence, relationship management, customer support and sales of international custody services at SIX, the Swiss and Spanish Financial Market Infrastructure Provider. He offered delegates at the Hubbis Malaysia Wealth Management Forum on April 12 some insights into how SIX helps customers with optimised post-trading services. SIX helps investors enhance returns by improving portfolio performance through automated tax reclaim services. And these customers can also enter global markets through SIX as a highly reliable intermediary, with ease of access to a variety of diversified investment funds and other asset classes.

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**Lukas Conrad**  
SIX

**Lukas Conrad is** Regional Head of Securities Services for APAC at SIX, and is responsible for market intelligence, relationship management, customer support and sales of international custody services. He has been in the securities services industry since the beginning of his career, which started in 2007 at Credit Suisse where he led several teams in the area of Operations, gaining his initial experience in Asia.

He joined SIX in 2016 as a Senior Relationship Manager, and in 2021 he was appointed to his current role and relocated to Singapore to build up the office for SIX's Securities Services in APAC.

### Supporting the wealth industry

Lukas first told delegates that a key mission for SIX is to strengthen the competitiveness of their clients in the domestic and international markets through top-class services and innovation.

"We provide and operate stable and secure infrastructure services for the Swiss and Spanish financial centres," he explained. "We ensure the best

access to the capital markets and the flow of money and information between financial participants."

He said SIX has four client-facing business units. They operate the Swiss and Spanish stock exchanges and support clients with listing and trading. "Thanks to our international reach in over 50 countries, and our on-site servicing capabilities in Asia, in securities services, we are ideally positioned to minimise counterparty risk and optimise the post-trading area. As a global provider of financial information, we deliver high-quality reference, rate and corporate action data, and we also deliver indices and regulatory services."

**"Thanks to our global reach and our on-site servicing capabilities in Asia, in Securities Services we are ideally positioned to minimize counterparty risk and optimize the post-trade area," he reported.**

### Helping you to help your private clients

He said the primary goal of wealth managers is to support their clients in achieving their financial goals, and one way in which SIX helps those banks and other wealth management firms maximise returns is through the delivery of the best post-trading services.

Lukas said he would focus on three key strategies - secure market access, access to a variety of investment funds, and tax reclaim optimisation.

With the global economy becoming increasingly interconnected, secure market access is more important than ever, to ensure that clients have access to a wide range of

markets in order to diversify their investments and achieve their financial goals.

### Secure access is vital

"By using a regulated financial market infrastructure, a secure access to international markets can be guaranteed," he elucidated. "Such access through a well-reputed intermediary is key because wealth managers are responsible for safekeeping the assets and records of securities transactions on behalf of their clients. Their custodians must ensure that assets are protected properly from theft, fraud and other risks, and that the transactions are recorded accurately and in a timely manner."

Accessing global markets through a reliable intermediary is paramount. Custodians play a critical role in ensuring market access by reducing counterparty risk and providing efficient and accurate settlement of trades, Lukas explained. This allows market participants to trade with confidence and it helps to maintain trust in the securities market as a whole.

### Avoiding errors

This also helps banks and wealth firms to deliver investor confidence to work in the market, reducing the risk of errors that could occur and lead to financial losses, and at the same time helping to ensure that the firm is



compliant with all the regulatory requirements. Digitised access and records reduce the risk of manual intervention that can so often lead to other operational costs.

"In summary, the market access model of your company has a direct impact on your risk management, the confidence, stability and efficiency you can provide to your investors, the costs, as well as the speed of flow of information and bookings," he reported.

### Selecting the best from an open architecture platform

He shifted his attention to the second of his topics, namely the value of access to the full scope of investment funds. "Diversification is key, as it helps to spread the risk across different asset classes, sectors and geographical regions," he observed. "From our small and midsize clients, we understand that they often face difficulties in

selecting the best fund provider, and moreover funds often have different tax implications."

He explained that different companies may be willing to accept trailer fees, whilst others, based on their jurisdictions, may not be allowed to receive such retrocessions. "For us, open architecture is the key. We recognised that we need to make sure that proper relationships with different fund houses are established, based on performance, credibility and due diligence. "By having access to a wide variety of high-quality fund houses and execution providers, investors and wealth managers can choose the setup that suits them best which may help to optimise returns."

### Reclaim Tax and optimise returns

He then highlighted the importance of tax reclaims

from authorities, for example on dividend tax withheld when actually the investor should be due the dividend payment gross. The process to try to work with banks and wealth management providers to obtain all the right information and processing support is highly cumbersome. But SIX offers the banks and firms the avenue to submit all the relevant data through an online portal, after which SIX takes care of everything around the tax reclaims.

"We reach out to the tax offices, we reach out to organise the certificate of residency, we take care of the whole process," he explained. "As long as there is a need for such a reclaim, we are here and providing the solution to make sure that the money is flowing back to your clients and does sit idle for months and years at the tax offices." ■

