

Middle East Wealth Management Forum 2018

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At the Hubbis Middle East Wealth Management Forum 2018 in Dubai on January 24th, 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.

Akhil Chaturvedi

Motilal Oswal Asset Management

We are looking at Middle East as a strategy to attract people to invest back in India. I think Indian markets have been doing pretty good. Our funds have done pretty well in the last few years. We feel now is the time that we come in these markets and bring the story, and bring in funds, and make people invest there. I think this is a absolute great opportunity, a great platform to meet people from various banks. I've already lined up few meetings for tomorrow. Thank you so much. It's great. It's the first one for us participating in a conference out here. So I would say it's a great opportunity.

Anthony Jaganathan

Emirates NBD

One of the reasons why I like coming to this forum is I think this forum brings in the right people from the industry, particularly around wealth management. The main topic right now is it's very relevant in the wealth management space is digitalization, regulated technology. This is something that I look after for wealth management and I found the engagement and participation from various organizations, vendors, and banks quite engaging.

Very interesting topics, particularly around the digitisation area. I spoke about digitisation last year, but this time, obviously things have improved in terms of the subject matter. The level of understanding that I had on the subject at the same time marketers move. I find our session today very engaging. A lot of new concepts and ideas out there.

I look forward to my continuing engagement with Hubbis as we go along. Thank you very much for the opportunity.

Damian Hitchen

Swissquote

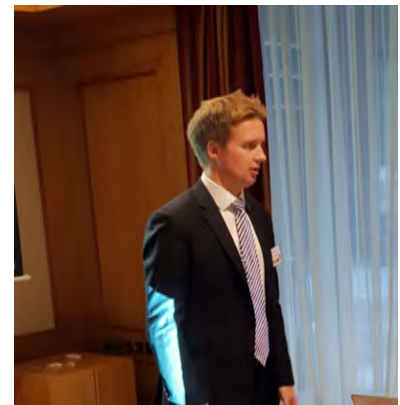
One of the challenges that wealth managers have, whether they be a banking RM, or private banking RM, external asset manager, IFA is quite often they can only sell what's put in front of them, which means it's the only products they can access. I think how technology's driving that, take ourselves and many other wealth management platforms as examples of that, is that we allow access to smaller firms to have a wider investment universe which therefore means they can give more independent advice to their clients, which means their clients should benefit from that access to an independent platform, rather than a traditional model which arguably has been very focused on internal products for the various providers.

As always in the middle east it's a challenge for the wealth management conference together and keep people here. There's the usual faces here. I've seen some new faces. I've met five, six people from Asia, which has been very positive for me and what we're looking to do going forward, but it's not an easy conference to put on, so congratulations Michael.

David Russell

Outer Temple Chambers

I'm glad to say that the industry, particularly the banks, are taking digital improvements ahead. Long overdue and I think we really need to catch up digitally because certainly I know my children and even my grandchildren who are under 10, are way, way ahead of a lot of other people.





That will undoubtedly help us I think as a firm, that our future is more online, getting initially customers there, interacting with them online so they don't have to necessarily have a meeting or nearly so many meetings. One can review online and that will help us.

It will mean that we'll need less consultants, and getting good consultants is a problem, so the less the better.

Deepak Ahuja
Rakbank

There's some exciting times for the wealth management industry here. Obviously, these are times of new regulation, some changes happening on the insurance side as well as the securities side. I think the exciting bit is here, if you're ready for the future and you plan yourself well, there's more business coming in. Obviously, there's a digital strategy that the bank is looking at as a next step for us where we can interact with more customers.

There's fintech on our cards that we are very very excited about, because today, if you look at the way customers are interacting with the banks, you need to find some space

where there'd be a lot of disruption. You should be ahead of the game. I think combined with this and the new avenues for increasing revenues, I think these are very very exciting times ahead for the banks who are future ready.

Deepak Mehra
Commercial Bank of Dubai

I think the big theme right now is the equity markets. The equity markets continue to go up in one direction. We are in the ninth year of a bull market. Clients have been hesitant for the last many, many years to get into the equity markets. The participation level from our clients is very low.

But the big question is, do they get into equity markets now or since they've waiting so long continue to wait? The exposure levels have been low so far as I said. And it's getting scarier by the day. Because the markets seem to be very choppy. The way our clients are reacting to others I don't see too much money moving into equity markets at this stage, though I personally feel, and our view is that the equity markets are well supported by

the central banks for a while. Our clients are reacting to it by moving into the alternative space. Because money has to be invested, but at this stage big money cannot go into equities. We are looking at income generating alternatives. Specifically, hard assets, real assets, real economy investments. That's how we see clients reacting to this current market.

Edward Lopez
JHC Financial

Really what we're seeing from a tip from a wealth perspective, is really taking wealth from the traditional services that were provided to the new services that need to be provided for the new wealth. We talked about wealth transformation and wealth movement between parents and children. We talk about the new wealth that's coming up through the millennials. What that means is a new challenge, it's really different from the challenges of the past, of personal relationships and really understanding deep face to face conversations.

Because a lot of the new wealthy are just dependent and used to technology and tools and that are digital and digitalisation.

We talk about the new wealthy being tech savvy. It's not really tech savvy, it's just what you're used to today. Everybody has an iPhone, everybody's got their Android phone, and we've got to watch, everybody has got a tablet. The challenge that the wealth providers are seeking or trying to address is how do they modernise without going out of business? Because they don't just need to keep the lights on but they need to transform or they will just slowly die away.

It's been a great day so far we're looking forward to the rest of the session. The turnout has been excellent. From as far as the level of the individuals attending as well as the firms that are attending which is great. For us, the Middle East is an extremely important part of our growth strategy. We've just opened up our office here in November. One of the reasons we're here is to really help launch

that process, and it's been a great day in doing that.

Some of the things that we think that we bring to the region and why we came to this region is because of the experience that we have in Europe and the UK. Particularly around compliance and regulatory review, is going to eventually come to the area. Some of the speakers spoke about that this morning, the enhancing of the regulatory oversight we're going to be able to help the firms in this region

Graham Morrall
Hansard International

From our point of view, obviously we're busy working on our unit insurance distribution. That's going very well. We're very pleased with the progress we've had with that. And of course, the backdrop of everything to do with the UAE right

now is around regulation, which is in the background. We find that many distributors are just getting on with life. At the same time, people are waiting for decisions to be made and to see how those decisions affect them. At the same time, we've got VAT, which is interesting. At the end of the day, things don't change, you have a business to run, you have clients to attract, you have product solutions and services to offer and I think in the main, that's how the market's going right now.

Jennifer Hansen
Saxo Markets

What was interesting for me today is to really see how people are unbundling the customer journey, and really starting to stop talking about partnering but actually doing it. We were fortunate to have a number of good people on our panel from different pieces of the wealth management industry, and everybody is really taking a stand on



what part of my business is core to me and I want to own the client and what other pieces of the journey should aggressively partner with others.

This region is extremely interesting for Saxo, because it is one of the more technology forward and certainly mobile embracing jurisdictions worldwide. This idea that people want to have seamless interaction with their financial services provider on a mobile device in a simple anywhere anytime fashion, is something that feeds directly into Saxo's DNA.

One of the things I really like about the Hubbis events is the range of senior executives that come to these forums. It's a terrific opportunity for senior executives to engage how they're unbundling these challenges and coping with them. Whether it's like a traditional financial services company, a challenger bank or a thought leader in legal and compliance. It is just a terrific rich forum of individuals.

Karim Ghandour
LegacyLine Family Office

One of the things I found interesting in our panel is that we're approaching the families from a different perspective than just financial. We're looking at structuring the wealth, taxes becoming very relevant for the Gulf families, likewise for the governance. Again, that's a hot topic and it will be for the next three years. Most families here are not used to either family governance or tax planning.

From the overall conference perspective, I enjoyed the digitalised segment, it's an eye opener and something to keep an eye on in terms of the future, how this is evolving especially things like the Robo-Advisor, it's all very informative. I came for the panel. I've been here for like a few hours. The crowd is very nice. It's very distinguished and I like the participation, the quality of the participants.

Laurence Black
Asiaciti Trust

I think the region really requires more understanding, both from the client and the adviser's point of view that's both cultural and from the legal aspect of solutions. This is demonstrated by the growing sophistication of the services that are offered by financial advisers, lawyers, accountants, and the banks in the region, and the development also of all of the local solutions through the financial centres. The challenges that clients face in the region are two-fold. One is dealing with their cultural issues and again, the legal issues. Often, I think that the solution is going to be different for their foreign assets, and that's where we, at Asiaciti Trust can assist them on tried and tested solutions in the western domain, and then assisting them with other advisers, legal, and service providers locally to look at the developing solutions that are local and how they can address their need of the huge amount of assets that are currently in the region, looking for better succession solutions.



Nick Savastano
Invesco

It's been really interesting today to understand, especially how technology will play out into the wealth space. This question about real good advice and whether execution if only legislation is important, how that will play out. Regulation and the way that regulation will impact on the wealth management space has been interesting from both an end consumer perspective as well as how that impacts be on a B2B, fund distribution side.

What we've seen is a slight change in our distribution in the sense that we are doing more in the international private banking space. We're seeing a move to multi-asset liquid alternatives. Some of the institutional clients though are looking at real assets and how that differs then between what's happening in the IFA space rather than the private banking space.

It's been it's been an interesting year, we did really well in 2017. I think you'll get momentum in the equity markets in 2018 and that will keep going, will would be good for the overall wealth management space. It'll be quite interesting to watch how cryptocurrencies work and how that will change in 2019.

Philip Cernik
Friends Provident International

What do I feel that the industry needs in order to make strides going forward? Well, let's start with the customer. We absolutely welcome the focus by regulators here, the insurance authority on improving customer outcomes.

We've seen that from our own studies that customers really appreciate transparency and simplicity from providers and they also appreciate good quality professional advice from advisers. It's clear that the regulator doesn't think that we've reached that point yet as an industry and despite many good positive efforts I think from the industry, this will be the catalyst that takes the industry forward, in my view.

Shiraz Habib
National Bank of Abu Dhabi

A lot of exciting opportunities. Asset allocation is at the top of our mind with our clients, so that's a great opportunity for us to talk to our clients about diversifying their assets. They are very keen on equities, which has been great for us. Because 2017 was a great year, and I think that's actually helped build the momentum into the equity space. We see that that trend to continue.

That also helps us diversify our clients outside of fixed income, but also to give them more opportunities to grow their wealth. That's been a fantastic trend for us.

Additionally, clients are also very much focused on how their profile is changing. That's very opportunistic for us to sit with them and encourage them to see how we can help them improve their positions across their wealth solutions.

Philip Story
Investors Trust

Challenges at the moment with Investors Trust? I think the main challenge is actually the growth that we're going through. Just trying to find the right people to bring on board to support that growth from a team perspective, and making sure we focus on what the clients are looking for and developing the right product in that space there. Tweaking the ones we've got just to get them just right for each individual market, obviously challenges like that nowadays. But it's great having those sorts of challenge when you're growing so fast, obviously is a good challenge to have rather than a bad one.

As you probably heard, regulation in the whole region here is developing pretty quickly for once which is great. Obviously from our point of view that direction of travel is what we want to see. We work with probably some of the best brokers here in the region. We can see them getting qualified, the advisers getting qualified and learning to change their business models as well. We're very happy to work with those guys in changing their business models to a much more longer-term income stream than they probably did in the past. That's something we've been doing for 15 years now. It's what we believe in.



Sofia Mota

re/think

We talked about lots of things going on the RegTech space. There are obvious wins such as anti-money laundering, fighting fraud, reinforced transaction monitoring. There's also an ability to improve outcomes of advice that is given to clients. We've talked about how we can use AI, big data, internet of things to effectively improve customer experience and providing suitable advice. It's been a fascinating morning.

Tariq Bin Hendi

Emirates NBD

Regionally what we're experiencing is that the appetite for risk has changed immensely. I think that if you look at the generational divide between what it is that one generation is comfortable with in terms of risk, versus the newer generation, you'll see that the appetite has completely changed. The legacy investors are all looking for the typical asset classes to invest in, the newer investors are all looking for the newer assets to invest in. There is a massive divide between what the old generation and the new generation are looking for. But again, that presents a lot of opportunities for us.

We have various avenues. We're not attached to one sector or asset class per se. We have a lot of data on our clients now because they provide us with a lot of this insight. They allow us to dive deep into what it is that they do on a day to day basis, in terms of what they own, in terms of what they're looking at. Really the conversation always ultimately revolves around, how is it that you preserve capital? How do you grow it? But how do you preserve capital? And how do you make sure that not only are you growing this capital for the generation that is about to inherit most of it before the generation that comes after that and then hopefully the generation after that?

Timothy Searle

Globaleye

The Middle East has always been an exciting region for everyone here. Whether you look at it on the positive or the negative side, naturally in the world there's a lot of conflicts and disruption going on and the Middle East is no different to that particular here in the GCC.

At the same time, some of that disruption comes opportunity and where we're seeing at the moment with that opportunity is places like the regulatory framework where there's advances in business happening here. The new platforms that are coming out with us and technologies for us to engage our clients in a better way.

That sort of new stuff that's coming through is actually quite exciting indeed. I think the Middle East, certainly here in Dubai, represents a sort of pinnacle of that stuff going for.

Walter Jopp

Zurich International Life

I think we're going through a period of significant change in this market and that's not slowing down. I think it's for companies throughout the wealth management industry to adapt themselves to support the regulation, and to improve the market as a whole.

I think what we are seeing is the market need where customers are demanding greater transparency and it's for providers to offer solutions where the customers understand what they're buying and what the charges are and how they really work.

We're moving towards a world where advisors are going to have to be more qualified. They're going to have to be able to demonstrate true value to the end customer. In order to do so, they'll be able to earn the relevant fees that goes along with that.

