

New APAC CEO at Investor Services Group IQ-EQ on Scaling up the Global Proposition in the Region

The rapid growth in IQ-EQ's penetration of the APAC region continues was underlined recently with the September 9 announcement of Michael Marquardt as the new Regional CEO to spearhead growth in APAC, and especially China, where business potential is particularly robust. Marquardt brings 30 years of experience to the company, with a deep understanding of the business as he was formerly COO for many years at Blackrock in APAC. He is also very well versed in APAC, having lived and worked in the region for more than 15 years. IQ-EQ is already a significant force in the region, offering fiduciary, private wealth and corporate services across offices in Japan, Singapore, Hong Kong, and mainland China, and with more than 800 employees in APAC. China is also a major growth target, with IQ-EQ recently having opened its offices in Shanghai and Shenzhen to focus on China's immense potential in private equity, real estate and private credit, as well as family offices and private wealth. Hubbis 'met' with him recently and found someone who is evidently excited by the opportunity IQ-EQ represents, determined to deliver quality solutions and services, eager to build talent and expertise, to further leverage technology, and at the same time encourage a collegiate and committed working environment across the many offices in the region.

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IQ-EQ is a leading investor services group that brings together what the firm believes is a rare combination of global technical expertise and deep understanding of client needs. They promote themselves as having both the know-how and the 'know you' to provide a comprehensive range of compliance, administration, asset and advisory services to fund managers, multinational companies, family offices and private clients operating worldwide.

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IQ-EQ now boasts more than 3600 employees globally across 24 jurisdictions and has assets under administration (AUA) exceeding USD500 billion. As a pointer to their global penetration, IQ-EQ today counts 15 of the top 20 global private equity firms.

Fit for purpose

Having lived and worked in Europe, the United States and Asia, and after having held the reins as COO at Blackrock in APAC for many years, Marquardt is clearly well placed to lead IQ-EQ's on-going expansion, including growth into the Chinese market. His expertise and industry know-how in investments and wealth management make him a prominent figure in the sector, and his expertise and long-standing network will certainly help the firm build its presence and effectiveness in APAC.

“Our goal in the region is to provide the full scope of services that we offer globally,” he reports. “The immense expansion of private wealth in the region and the transfer from older generations to younger generations is vast. We are immersed across these major developments, to ensure we provide the quality of service and expertise required to facilitate these changing needs. We are building a pan-APAC business across all business segments and key jurisdictions from India

to Japan to Australia. We know that the global engine for growth ahead will be APAC and we plan to deliver this at scale.”

Deep understanding of wealth management

He also notes that Blackrock works not only with sovereign wealth funds and numerous huge pension companies, but also closely with some of the largest UHNW families worldwide.

“I understand of the gravity of fiduciary responsibility and the focus on return and preservation in the private wealth community,” he explains. “My background is very much in achieving returns and preserving wealth, so I understand client needs and expectations. We provide the services to help clients achieve their goals of wealth preservation, returns, diversification, governance, and estate and legacy planning.”

Building the brand worldwide

The IQ-EQ group is now a worldwide operation, and the expansion in APAC will, the team believes, drive an important portion of the future growth. The IQ-EQ name itself dates back to March 2019 when the former SGG Group re-branded itself after a spate of acquisitions worldwide that saw the group consolidate its reach and visibility worldwide, bringing together a global suite of investor services companies and technical expertise, along with a deep understanding of the needs of IQ-EQ's clients. A key mission since the re-branding has been to build the name recognition, and to identify the brand with all supporting services for solutions for the wealth industry.

Shortly before that re-branding and reorganisation, Mark Pesco had become Group CEO and was already plotting a rapid upscaling of capabilities and presence across APAC. He had arrived at IQ-EQ in December 2017, when SGG had made a major purchase of the First Names Group, a private client practice, of which Pesco was then CEO and which roughly doubled SGG's headcount to 1500.

Leading from the top

Pesco himself recently commented as follows on the hire of Marquardt to head the APAC business: “He will be leading the Asian business through an exciting period of expansion and opportunity. Michael will bring his commercial expertise to lead a team of investment experts on the ground. He joins an expanding cohort of senior hires in Asia. We are committed as a business to growing our footprint and service offering in Asia.”



MICHAEL MARQUARDT
IQ-EQ

The hires Pesco refers to include new talent such as Andrew Ho, the new Head of Private Wealth in Singapore, Clare Chang, coming in as Business Development Director, Funds in Hong Kong, Goldie Ko, Business Development Director, Funds in Shanghai, Jerome Kong, Associate Director, Private Wealth in Shanghai and Arlen Yuan, Business Development Director, Funds in Shenzhen.

Across the board

IQ-EQ today offers a worldwide and comprehensive range of services across all asset classes, including secure title and custody, asset transaction management, debt administration, treasury, bookkeeping and accounting, financial statements, NAV reporting and performance monitoring. And they cover clients’ consolidated reporting needs via their online visual multi asset class platform, IQ-EQ Cosmos. Moreover, regarding the luxury assets and lifestyle assets of the very wealthy, IQ-EQ assists with the establishment and administration of holding structures for all luxury assets, including cars, yachts, aircraft and art. And they also provide personal concierge, lifestyle and property care services in London.

Getting Personal with Michael Marquardt

Marquardt hails from Boston, Massachusetts, later studying at Clark University, and then attending graduate school at Boston University. “I am a true Bostonian at heart,” he reports, with pride.

He points to three highlights in his career. After obtaining his MBA, he joined American Express Bank, covering the Asian subcontinent out of London, and in the process first engaging deeply with Asia. He then joined Barclays Global Investors in San Francisco in 2000, soon after that moving to Tokyo to become COO for Barclays Global Investors, where the firm was the largest foreign asset manager in Japan, and during his tenure there raising AUM to USD220 billion. “It was a wonderful and dynamic time and experience there,” he recalls, enthusiastically. “Great business, people, place, great time to be there.”

And he was then hired in to become the Asia-Pacific COO of BlackRock. “BlackRock is an experience because you learn so much, and they’re very progressive in how they use technology, how they think about investments, how they interact with clients.,” he reports. “I learned every part of the business, from family offices, to operating funds, private equity, real estate, private credit, so on and so forth, to the point where I might not be expert in each but I know my way around the subjects and can have decent conversations with the experts, or know people who can do so. Oh, and I also learned how to work 16 hours a day!”

He is married to a Japanese lady, and they have an 11 year old daughter. They are soon to move from Hong Kong to Singapore, where he is currently staying while he takes up the IQ-EQ reins and hunts for a family home. “I must say it is a bit lonely without the family here, especially weekends, but Singapore is an excellent place for us in the future. For the moment, I am enjoying walking the island, racking up maybe 30000 steps on a weekend, and stopping off for lunch in some nice local neighbourhoods. It is nice.”

His final comment is that although from a family of six children, from a mixture of French, German and Irish blood and the furthest away from Boston, he still hankers for the sights, sounds and lifestyle of Boston. “I just love being in Asia, so I am an American at heart, an American in Asia, and I respect being here and remembering and being true to my roots as well.”



Key priorities

Marquardt says he will at this stage focus on two key missions. One is to continue to deliver the service quality that the firm delivers for its clients of today and tomorrow. And as part of this, he plans to pursue a sensible, thoughtful growth strategy, expanding only when the firm knows it can deliver on time and with the high levels of quality required. “Without that all in place, you lose reputation, and that is what we want to preserve and continue to build,” he says.

Technology is also core to the future for the firm. “I want a pan-APAC business where we can service our clients wherever they want to be in , and globally, and to do so we will further leverage the best of technology, for internal delivery and for client user-friendliness.”

“I come from asset management and deeper in the past I was a private banker, so folding these various experiences into this new role is exciting. We want to deliver in a more empathetic manner that’s aligned to our clients, to ensure we are not product pushing but delivering valuable solutions and added-value.”

Evolving with the wealth market

As to the now-ubiquitous focus in the wealth industry on ESG and philanthropy, the firm has huge experience with ESG reporting and can provide oversight of charitable foundations, endowments or any other type of charitable structure. They can assist in the due diligence, monitoring and coordination of advisors, as well as through their unique reporting platform, IQ-EQ Cosmos, can track the ESG metrics of clients’ alternative investments. And of course, risk management, compliance and reporting expertise covers the entire spectrum of assets.

“We also combine our many years of wealth, estate, succession and alternative investment structuring experience with our deep global network of advisors, which we partner with in all areas of law and taxation,” Marquardt reports.

He adds that governance and structures are key to the proposition, so IQ-EQ provides professional trustees, directors and officers for trusts, companies, foundations, funds and all types of asset holding structures, along with proper record keeping and document security management. All these are linked to the broader family governance structure and family strategy of clients.

Call us if you need help...

“In short, anyone wanting to set up a company or structure in APAC can call us and we can set up it up, provide directors, do the accounting, file the taxes, do everything except run the company,” Marquardt reports. “We are also building our capital markets business, but perhaps more pertinent to this conversation, our growing wealth business supports HNWIs and UHNWIs anywhere with global solutions and services.”

And it all links together, so for example a UHNWI heading towards an IPO often needs structures, trusts and associated services to handle the holdings, the cash generated, their subsequent investments, and even areas such as employee benefit trust as some people later sell their companies. “A very wealthy individual has numerous strands to their lives and wealth,” Marquardt comments. “They have generally built a very successful business, have operations, assets, homes, and family worldwide, and need support to help manage all of those, and keep them informed and compliant.”

Family fortunes

Core to the proposition in APAC is the expansion of the family office scene. “We are seeing tremendous growth in the family office space across the region, and certainly in Singapore, where I will be located,” he reports. “IQ-EQ can provide all sorts of advice, services, directors, and support to make sure the family office is effective and efficient.

Some clients like us to help them set it up the right way and then they run it and we go away. Others want us to help them run the day-to-day operations, reporting, regulatory issues and so forth, thereby freeing them up to focus on investments, expanding the family wealth, and so forth. This is a huge growth area for us.”

He elaborates on the need to get the family office structure and operations correct at the outset. “If you do not, you are leaving yourself at risk, and in our view, there are too many people coming out here, rushing things and leaving themselves potentially vulnerable to criticism, or worse,” he comments. “There is huge downside in getting it wrong and potentially not benefitting from those tax advantages or not being able to get the employment pass for key employees or family members. We are seeing people cut corners, and that is highly inadvisable. Spend the right money, take the right steps, and remember that relative to the assets of these family offices it’s actually not a lot of money.”

Differentiation – quality first

As to how IQ-EQ and Marquardt will differentiate themselves in APAC, he concedes it is early days in his tenure, but in his view, the firm’s service levels help it stand out from the competition, and those service levels are driven by people.

“We might be owned by private equity, in the form of Astorg Private Equity, but the focus is not on the

short-term, in fact, I was attracted to the opportunity as the drive is very clearly on growth and investment, not on cost-cutting and boosting margins in the short-term,” he comments. “The focus is on producing growth, building capabilities, improving the client experience, achieving scale.”

“I see great opportunities in this space, and I love building businesses,” he says. “I come from asset management and deeper in the past I was a private banker, so folding these various experiences into this new role is exciting,” he says. “We want to deliver in a more empathetic manner that’s aligned to our clients, to ensure we are not product pushing but delivering valuable solutions and added-value.”

A committed, convincing and contented work culture

His final word is that he has come to take up the reins in the region after a long career and wants to enjoy the role and fulfil on the mission. “I want to enjoy it here, and I want our teams across the region to enjoy it too,” he says. “It will also help with hiring the right talent, and to that extent I am well connected in the region and hope to help considerably in that regard. In short, the deeper we engage with the clients and the industry at large, the better our quality and our delivery, and the more enjoyable and rewarding it is for all of us. I have even enjoyed this conversation!” ■

