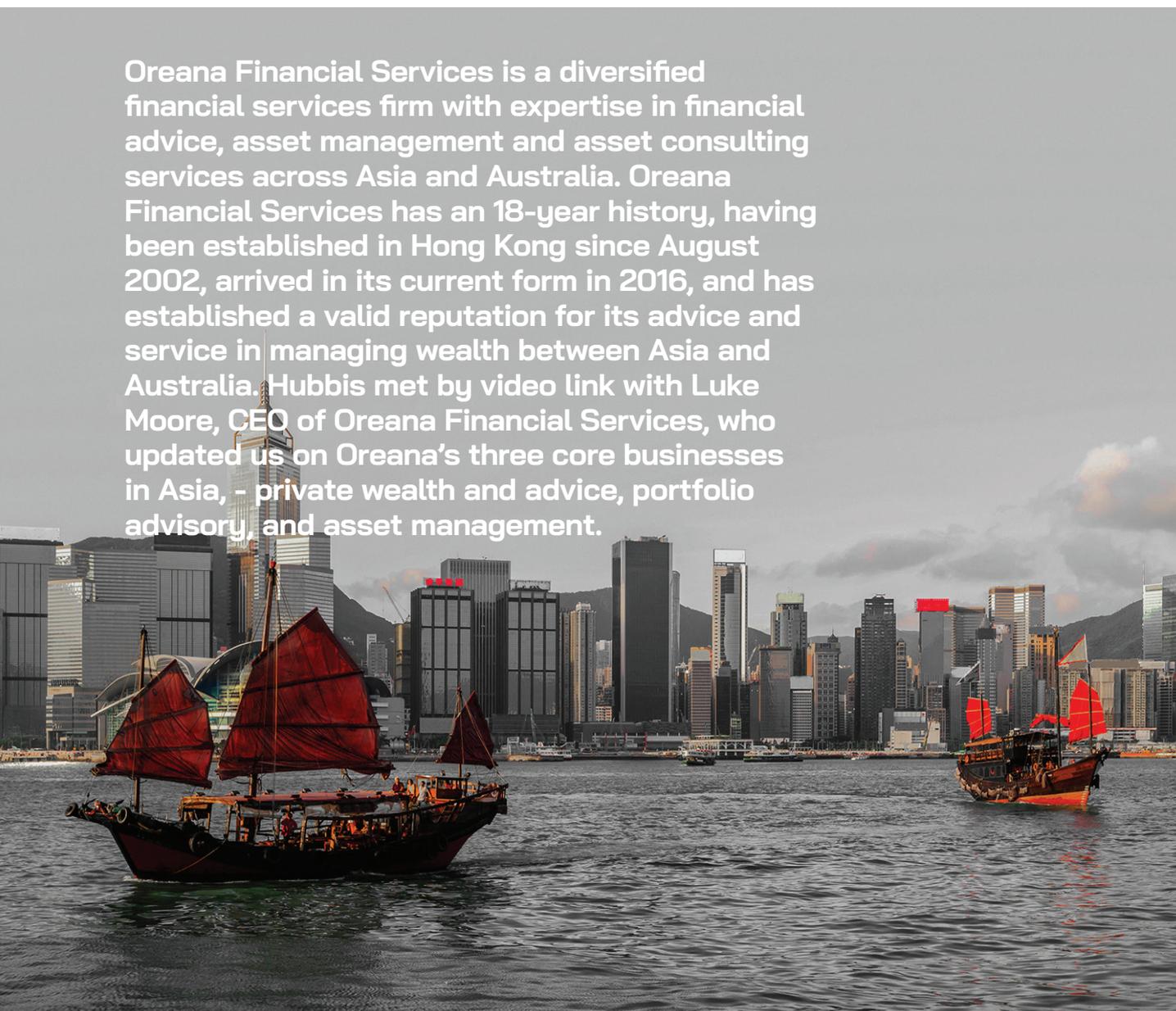


Oreana's Luke Moore on the Proposition and the Dynamic Asian Private Wealth Market

Oreana Financial Services is a diversified financial services firm with expertise in financial advice, asset management and asset consulting services across Asia and Australia. Oreana Financial Services has an 18-year history, having been established in Hong Kong since August 2002, arrived in its current form in 2016, and has established a valid reputation for its advice and service in managing wealth between Asia and Australia. Hubbis met by video link with Luke Moore, CEO of Oreana Financial Services, who updated us on Oreana's three core businesses in Asia, - private wealth and advice, portfolio advisory, and asset management.



Moore begins by explaining that the private wealth business provides strategic wealth management services to expatriate clients, predominantly Australian expatriate clients, but also deals with expats from the UK and other parts of the world, providing those wealth management services from Hong Kong, and also to local clients there and mainland Chinese clients.

The portfolio advisory service is Oreana's asset consulting business, which he says is really the engine that drives the portfolio construction and investment management solutions that they provide to clients.

And the asset management division builds specific products for our clients who are looking for exposure to particular asset classes or areas out of Australia where the firm has expertise, with a particular focus on providing clients with Australian property debt expertise.

Building the platform

Moore first moved to Hong Kong seven years ago with National Australia Bank with the mandate to grow NAB's wealth management capability across Asia. But NAB later made the strategic decision to exit Asia, which gave birth to Oreana Financial Services. "I always liked the connectivity between Australia and Asia and the fact that the rising wealth in this region and their outward investment and diversification offers us great potential in terms of advice and services," he comments. "We have for some time now seen that investors and clients are becoming more sophisticated in their decision making, they are looking for greater transparency and better outcomes from their portfolios and

Luke Moore's Key Priorities

Moore reports that his first priority is to drive greater efficiencies and better engagements with clients through the use of technology. "That's something that we are spending a lot of time thinking about how can we be more efficient to continue to scale our business, how can we utilise technology to better engage with our clients via more meaningful and timely communications in the mediums through which the clients want to receive them. We also want to offer greater choice of custody to our clients, open architecture, and to be able to invest our client's wealth without constraint."

He adds that the markets are evolving very quickly in this space and service providers are becoming much more open in their technology and the services that are available. "It is something we are spending a lot of time thinking about and working on in terms of broadening the suite of platforms and solutions that we can make available to clients and it is part of that tech stack that we are very much focused on and we are expecting to be able to make some fairly significant move in that space over the coming 12 months to continue to deliver better outcomes."

The second strategy is around scaling the business and that will really be driven by driving greater brand recognition of Oreana, who the firm is, what they do, what value they can add to clients. "As part of this, we want to also grow our business inorganically via acquisition and we have aspirations to acquire businesses that we feel are aligned to us and our way of managing money for clients that we can help to scale," he reports.

The third mission is making the portfolio advisory service and asset consulting service available to the market across Asia. "We have been very successful in Australia making our asset consulting solution available to business clients in Australia," he explains, "and we see a great opportunity to do the same in Asia via providing that solution to other IFAs, family offices, or institutional clients who may not have the size or scale to be able to deliver these services internally. We can make them available to those businesses to deliver better outcomes to their clients while utilising our intellectual property and capability around portfolio management and construction."

An additional priority is to execute on the Singapore strategy. "We want to get up and running there as quickly as we can but doing it in the right way," he explains. "That is the really the last pillar of our Asian strategy, linking Hong Kong, Singapore, and Australia, and then providing the services that I mentioned to our consumer and business clients across those three geographies."



LUKE MOORE

Oreana Financial Services

their investments and all that ties very nicely into the way that we run our business and the background that we have in providing that transparent strategic wealth management services to clients.”

Oreana Financial Services was formally launched in April 2016 following its purchase of the Hong Kong-based advice business, NAB Private Wealth Advisory Limited (NPWA). Now a division of Oreana Financial Services, NPWA was later re-named Oreana Private Wealth.

As the former Head of NPWA, Moore, is now a Director of the group business and CEO of Oreana Financial Services. He explains that as Oreana originated out of NAB, they opened on day one with a core platform and clientele.

Getting it right from day one

“We have been profitable from inception, and with our partners who have seen a long-term future,” he explains, “they have also helped further capitalise the business to help us grow and be competitive in the years ahead. We are in a very fortunate space where we are profitable, we are

Getting Personal with Luke Moore

Born, raised and educated in delightful Melbourne, Australia, Moore studied Commerce at Deakin University.

“I have been really fortunate in my career choice and path,” he reports. “I landed in NAB’s asset management division, which in many ways was a similar strategy to what we are doing at Oreana, namely institutional style framework and services and institutional backing within an entrepreneurial framework. With five years doing that, I learned a lot about the power of an entrepreneurial edge within an institutional framework and that’s really driven my decision making and my thinking for the Oreana business, bringing high quality experienced institutional people into an entrepreneurial framework and allowing them to get on with delivering great outcomes to clients.”

He recalls that in the time that he spent at that NAB business, it grew from start up to some AUD150 billion under management. “It was a time of phenomenal growth,” he reports, “providing a great experience and a lot of fun. As time moved on and the NAB machine took more control, we lost the entrepreneurial edge, and that was another lesson for me. At Oreana we want to be large and meaningful enough to clients, but not so large that we become institutionalised and bureaucratic in our processes.”

Married, and with one daughter, the couple has another child due in October. Unusually, he plays lacrosse, a very niche sport in Australia and he also finds an outlet for this sport in Hong Kong, with an expat team. He has taken lacrosse seriously enough for many years to have even played in the US. “I must say it is a real passion of mine,” he says. “Other outdoor activities might be skiing, for example in Japan, or snowboarding, at least until things started to turn ugly with Covid-19.”

“We are in a very fortunate space where we are profitable, we are growing, and we have very patient investors – our partners - who strategically continue to invest in our business.”

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Moore reports that the mindset and approach of Oreana is one of institutional quality, but delivered within a more entrepreneurial

framework. “We were part of a major corporation, and our management team also comes from a range of very large institutions, so we have been utterly professional in approach and infrastructure, but we can deliver within an entrepreneurial framework, which is ideal for the clients.”

Two desks

He explains that from Hong Kong, the firm operates two desks, for expats and for locals. Within the expat desk he reports the firm is in a fortunate position of having its Australian advisors dual-licensed, as they sit under the firm’s Australian financial services license as well as the Hong Kong SFC license.

“Some clients prefer to pay on a commission basis, so we can start trading that way if they so wish, whilst some clients also are looking for a flat fee engagement or one-off engagement to provide a specific type of advice, and we can also provide that. It is really around having options that are made available to clients so that our fees could be levied in a fashion that suits them well.”

“This,” he reports, “means we can offer two-way advice for the clients, thereby offering a holistic approach to advice for those clients, and then maximising the outcomes around tax planning, retirement planning, repatriation planning. This means we not only help them manage the wealth that they have today, but also build wealth for their retirement from a compliant and efficient perspective.”

A holistic viewpoint

He believes this to be a really powerful proposition and relatively unique in the marketplace in Hong Kong. “What

we find with many other expat providers of financial advice is that they don’t have an Australian financial services license, so they can only provide solutions on an offshore basis and that leaves a very large gap in being able to deliver holistic solutions to Australians living abroad.”

Moreover, he adds that because of Oreana’s size back in Australia, it means that they can also negotiate better terms with product providers in Australia to provide a broader range of solutions that may not otherwise be made available to expats offshore. “We negotiate those discounted rates and lower price

points of those products and we pass those savings on to the end client,” he explains.

Keeping things local

On the local side of the desk, Moore reports that it is more focused on investment solutions and investment strategy planning where the firm spends a lot of time to understand what the client needs and then builds portfolios accordingly. “Sitting behind all of this is the quality of our investment capability, the portfolio advisory service,” he reports. “We have invested heavily in this over the previous two years

and we leverage the expertise of our CIO, Dr Isaac Poole, to build institutional quality portfolios for our retail clients to give them the side experience of an institutional client would get in the design and delivery of their outcomes.”

Moore explains that Oreana is a fee for service business, typically charging clients an upfront implementation fee and then an ongoing management fee for the services they provide to clients.

“But having said that,” he reports, “we do have some flexibility around the way that the client’s pay fees. Some clients prefer to pay on a commission basis, so we can start trading that way if they so wish, whilst some clients also are looking for a flat fee engagement or one-off engagement to provide a specific type of advice, and we can also provide that. It is really around having options that are made available to clients so that our fees could be levied in a fashion that suits them well.”

Asia still the driver of growth

Hong Kong, he reports, has been and still is a great base for the business in Asia. Most referrals have been word of mouth, and now the firm wants to build its brand in the region, build more clients, build a greater share of wallet, and expand further across the region. “Myself as CEO, Isaac as CIO, and our new hired Flemming Helbo as our new MD for Asia, will be driving this forward.”

Singapore is a key target market and where the firm had been expanding already before the Hong Kong unrest. “We are now establishing a formal presence in Singapore,” he reports, “although the slowed

somewhat due to the pandemic. We will however soon have a permanent presence on the ground there in the not too distant future.”

Building and expanding

Moore reports the firm currently has 25 staff in Hong Kong, with strong growth in recent years in the investment division. “The biggest constraint that we see to growing the advisory team – we added three in the past 18 months – is finding like-minded advisors, people whose views align with ours. We are also utilising technology and service providers to scale the investment business without necessarily having to grow back and middle office numbers, and we will continue to selectively add front office people as we can identify them and we are always scouting for acquisitions of other IFAs.”

As to key trends ahead, Moore firmly believes the enhanced client

expectations and sophistication must be matched by greater expertise and quality amongst the advisory community.

“Wealth managers, if they are going to stay relevant and survive, must upgrade the capability that they provide to their clients and provide more transparent and timely outcomes to their clients. That’s creating a great opportunity for us because we have gone through that process of building that infrastructure within our business. It was there as a starting point from day one, given that we are Australian and bringing our Australian expertise and professionalism into the solutions.”

He also adds that many IFAs and others don’t have the size or scale to be able to build and deliver these solutions internally. “We are therefore making those solutions available to the external market under a white label scheme, or

similar means, so those IFAs can provide greater and better services to their clients under the guise of those being internally-derived solution. That is a great step forward for those businesses and the way that they can continue to stay relevant and grow their profitability and it helps us also grow our profitability by providing those services indirectly to those types of clients.”

The best is yet to come

Moore closes the discussion by looking through the mists of the pandemic to the underlying drivers of private wealth creation across Asia. “This is a hiatus that will be over, sooner or later,” he comments. “Meanwhile, we retain our faith in the region, and in the growth ahead, and will continue to focus our efforts on building our capabilities, brand and presence out here. Exciting times lie ahead, we believe.” ■

