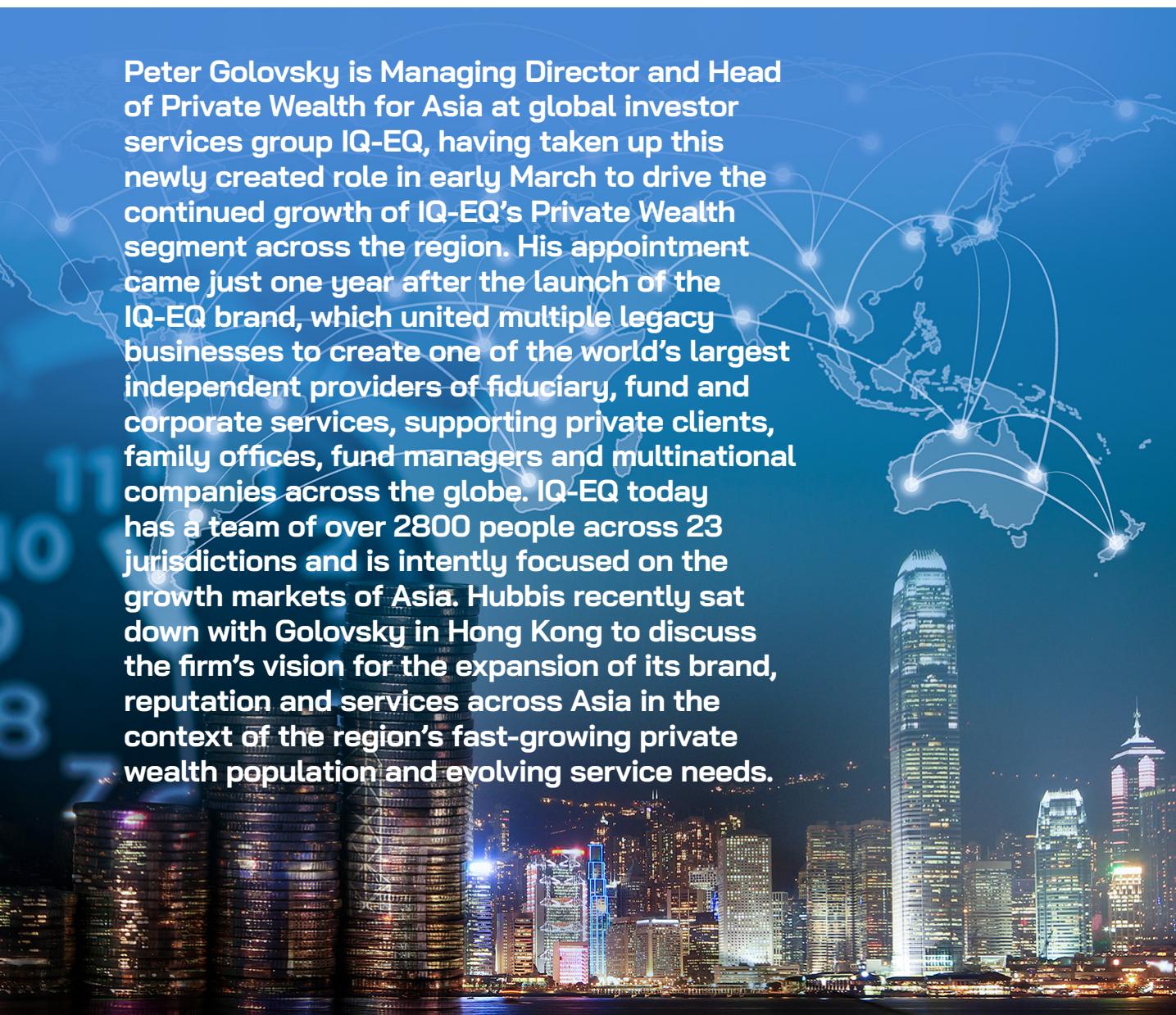


Peter Golovsky's Pan-Asian Vision of Investor Services for Asia's HNW and UHNW Families

Peter Golovsky is Managing Director and Head of Private Wealth for Asia at global investor services group IQ-EQ, having taken up this newly created role in early March to drive the continued growth of IQ-EQ's Private Wealth segment across the region. His appointment came just one year after the launch of the IQ-EQ brand, which united multiple legacy businesses to create one of the world's largest independent providers of fiduciary, fund and corporate services, supporting private clients, family offices, fund managers and multinational companies across the globe. IQ-EQ today has a team of over 2800 people across 23 jurisdictions and is intently focused on the growth markets of Asia. Hubbis recently sat down with Golovsky in Hong Kong to discuss the firm's vision for the expansion of its brand, reputation and services across Asia in the context of the region's fast-growing private wealth population and evolving service needs.



IQ-EQ has grown

exponentially in recent years, combining strong organic growth with a series of significant international acquisitions. Having established a robust platform in Europe, focus is now on continuing the group's growth journey in Asia as well as the Americas. With over 200 staff already based in Hong Kong and Singapore, the arrival of Golovsky signifies an important next step in IQ-EQ's Asian growth journey. His position as Head of the Private Wealth segment in Asia is new to IQ-EQ, bringing with it a broad mandate to lead and drive continued business growth with particular focus on supporting Asian entrepreneurs, family businesses and family offices in areas of succession, governance, cross-border planning, inter-generational wealth transfer and philanthropy.

MISSION: ASIA

IQ-EQ's strategic focus on Asia is reflective of the significant business opportunities opening up as wealth continues to grow at a pace throughout the region. Continuing to build scale in the key markets of Hong Kong and Singapore is considered of particular importance, given the extent of the wealth in those jurisdictions and the opportunities they present to Chinese and other Asia-based families. Golovsky notes, "Asia has seen by far the most dynamic expansion of GDP and private wealth creation in recent years. In fact, the latest Billionaires Insights report from UBS and PwC reveals that China's entrepreneurs are now the second largest billionaire group in the world, overtaking Russia."

Moreover, given the relative 'newness' of this wealth, Golovsky highlights that 85% of Asia's

Peter's Priorities

As the world waits and wonders how the Covid-19 crisis will play out, there is, of course, the expectation that some type of normality will be restored before long. In anticipation of that time, Golovsky has been refining his key priorities for his new role at IQ-EQ.

"We have a tremendous and fairly new brand in IQ-EQ, but we also offer the combined longevity of our legacy businesses and global expertise across our three main business segments," he comments. "The first priority is to really build awareness of the IQ-EQ brand across Asia and to articulate our capabilities to more and more of the region's UHNW clients and families."

Hand in hand with this, his second priority is to uphold and hone his team's emotional intelligence and client understanding. "We must zoom in on the families and family businesses in transition," he reports. "There is going to be a significant inter-generational wealth transfer amongst families and family businesses across Asia, particularly in China. We must keep building strong relationships, becoming a trusted partner for our clients on these pivotal journeys. That also means further building out our network of intermediary partners, so we're always able to collaborate with the right experts in legal matters, accounting, insurance, private equity, investment migration, tax and other key areas."

The third priority is a natural extension of the first and second. "We want to be the provider of choice for Asian families as they increasingly globalise their assets and businesses. This evolution plays to our strengths as we can leverage our extensive cross-border capabilities." A particular focus will be supporting those major Asia-based families with a US nexus, which Golovsky refers to as the Asia-US corridor.

His fourth priority is to build out the skills base in the firm, bringing in new talent, nurturing existing talent, and helping build greater connectivity between the talent pools in each of the firm's three core business segments. And his final priority will be to utilise his previous inorganic growth experience and continue to build through deals and acquisitions across the region, to supplement and complement the organic growth ahead.

Golovsky concludes, "Through these priorities, the ultimate goal is to build a sustainable private wealth services business in Asia that is recognised as one of the leading providers to Asia's major UHNW families and their businesses."



PETER GOLOVSKY
IQ-EQ

billionaires are still the founders of their family businesses; the first-generation wealth creators. As such, Asian families are on the cusp of the largest and most significant transition of wealth between first and second generations – and navigating this effectively will require professional support.

BALANCING IQ WITH EQ TO MEET THE NEEDS OF ASIAN FAMILIES

Naturally, certain teething challenges remain in the way of ensuring that the next generation can take over smoothly. Golovsky references the Global Family Office Report by UBS and Campden Research, which reveals that less than half (49%) of wealthy Asian families have succession plans in place – 5% lower than the global average, which itself is already disconcertingly low. Obstacles to effective family succession planning in Asia include a lack of trust of younger generations within the family, a lack of separation between business and personal, and reluctance to involve external professionals.

In leading IQ-EQ's Private Wealth segment in Asia, Golovsky is very

Getting Personal with Peter Golovsky

Peter Golovsky is the recently appointed Managing Director and Head of Private Wealth, Asia at IQ-EQ. Taking the reins of what is a completely new role for IQ-EQ, he is spearheading a core element of the firm's global growth strategy. He brings very considerable expertise and experience to the table.

He is a chartered accountant by training and has built up more than 25 years' experience in the financial services industry, including eight years in the fiduciary sector in Hong Kong, during which he has worked closely with major Asian families, their family offices and their international business operations. Prior to joining IQ-EQ, he was Global Head of Fiduciary Services and Head of Asia for an international legal, accounting and fiduciary services firm with offices spanning from the US to New Zealand.

An Australian native, Golovsky spent his formative years in Sydney before earning a Bachelor of Commerce from University of New South Wales, followed by a Master's from the Macquarie University Graduate School of Business.

Golovsky is married with two children of 14 and 11 and he and his family have called Hong Kong home since early 2012. His love of home and family life extends to considerable time spent encouraging his son to play rugby and his daughter to enjoy hiking. Out of lockdown, he usually spends some of his spare time coaching juniors at Hong Kong's Sandy Bay Rugby Club, as well as refereeing.

He enjoys keeping fit and says he has few excuses not to with a fairly young and active family, and with Hong Kong's Victoria Peak right behind the family apartment.

His enjoyment of the great outdoors also includes a passion for hiking, once in fact to the top of Mount Kilimanjaro, Africa's highest peak and the world's tallest free-standing mountain. And he once rafted down the wild white waters of the 'Kicking Horse River' in Alberta, Canada; the stunning glacier-fed river, which is coloured a stunning turquoise, is a major tourist draw from May through September each year.

In more sedate moments, he also enjoys helping the community. He was appointed recently as the Hong Kong Chair of a major global philanthropic group, WinThisFight, which focuses on addressing the human trafficking of women and children.

"This role actually links also to what I see happening amongst Asia's very wealthy families," he comments, "as there is a growing focus on the importance of philanthropy and charitable giving, through foundations and other entities. This is part of my personal journey and increasingly part of the journey that Asian families want to achieve as part of their legacy."

much focused on understanding and working closely with the family patriarchs and matriarchs in order to be able to tune in to their particular family and business dynamics so as to improve their wealth management set-up and help them skilfully navigate through major milestones such as international expansion, diversification, and the transition of wealth between first and second generations.

This approach is in line with IQ-EQ's group-wide ethos of combining technical expertise with a deep understanding of each client's individual needs. "Wealthy families want a provider who not only has the necessarily technical knowledge, but can also work with them as people, listening carefully and understanding what makes them tick," Golovsky comments. "Each family is unique and requires solutions based on the complexities of the individual and collective situations of the family members."

IQ-EQ also aims to differentiate itself by adopting a philosophy of working across each of its three core segments (Private Wealth, Funds, Corporate) to assemble intelligent, multi-faceted solutions that deliver what ultra-high-net-worth (UHNW) families are looking for. Golovksy explains, "These families want a firm that can support them holistically and look after their entire wealth picture, including both their personal and corporate affairs, while achieving quality, transparency, privacy and security. Our ability to tap into our group's integrated corporate, fund and trust capabilities as families seek more sophisticated, cross-border solutions to manage and protect their wealth is a major advantage – especially in Asia

where families and businesses are closely linked, even today."

SUSTAINING FAMILY WEALTH

Clearly – and this is a topic about which Hubbis has written numerous articles – one of the key areas of concern for Asian UHNW families is their ability to sustain their wealth across multiple generations. In the context of market volatility, increasing international regulation and an aging population of wealth creators, a systematic and institutionalised method of transferring wealth to next generation is no longer optional, it is essential.

Golovsky expands on this from his viewpoint, commenting that UHNW families are increasingly open to professionalising their wealth, whether this means setting up a formalised single-family office (SFO) or becoming part of a multi-family office (MFO). When combined with other governance and succession tools such as private trust companies and funds, professional family offices provide greater oversight and risk mitigation, and allow family members – in particular the next generation – greater involvement in investment decision-making. Alongside this move towards professionalisation, Asian families are also striving to enhance the coordination and communication amongst family members, so as to more effectively manage wealth preservation and succession within the family unit.

"Progress is being made, but there are many areas to address," he observes, "including the difficulty of holding an open dialogue between family members, the reluctance of the older





generations to relinquish control, the disinterest or inability of some of the younger family members to manage the family wealth or business, and so forth."

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Golovsky believes that IQ-EQ can help Asian families overcome these specific hurdles. "Given the unique challenges facing Asian family offices, they need support from external experts that have local presence and experience as well as a well-rounded view of family office best practices globally," he asserts.

IQ-EQ'S FOUR PILLARS OF FAMILY WEALTH SERVICES

In delivering this support, Golovsky highlights four key areas of expertise that IQ-EQ harnesses to help Asian families and their businesses.

The first 'pillar', or capability, covers a diagnostic phase, involving extensive and consultative dialogue. Here the focus is on identifying key family and business triggers, such as changes to the business strategy, any planned business acquisitions or divestments, an IPO, or passing the reins to the next generation, amongst others. Having a proper understanding of these triggers and associated objectives is key to being able to guide the best way forward, particularly when

addressing such fundamental changes. "Our business will not move forward by simply pulling products and solutions off the shelf," Golovsky says.

The second core capability focuses on articulating for the family what future governance and succession solutions are needed in light of the family's specific dynamics. "At this stage," Golovsky explains, "IQ-EQ sits down with key stakeholders to identify and prioritise what governance structures, processes and policies are needed." Generally during this step, consensus is reached with all stakeholders on the required changes to be implemented. Typical discussion themes include: planning for the separation of private assets from the business; which jurisdictions the family needs to be in as it expands operations internationally; what vehicles are needed to support the capital raising requirements of the business; how to involve family members and the next generation in future stewardship of the business; and how to create a lasting legacy for the business and whether there is a role for philanthropy.

The third capability focuses on entity formation, structuring and implementation. Golovsky explains, "We help with the selection, coordination and implementation

of required governance solutions, straddling aspects such as group restructuring and rationalisation, reviewing existing structures and assessing required changes, setting up required fiduciary vehicles (which can be a combination of trust, fund and corporate structures), and coordination of any tax, legal, accounting and compliance services."

Discussing structuring options in more depth, Golovsky also highlights some of the key developments taking place in the financial sector in Singapore, with its forward-looking set of incentives and regulations to entice international investors. "Quite simply," he says, "they are ahead of the game in this region, and with newer offerings such as the variable capital company (VCC), there are enticing solutions that

often fit neatly with the objectives of our private wealth clients."

Last but not least, IQ-EQ's fourth capability is ongoing guidance, monitoring and review of the governance framework, including business and investment performance and asset allocation, as well as ongoing risk, compliance and regulatory assurance.

TIME TO REFLECT

Golovsky closes the main discussion by commenting that while the world is, in certain respects, on pause due to the Covid-19 crisis, IQ-EQ remains fully operational and continues to support clients across the globe. In addition, the firm is using this time to work on further enhancing its offering to continue meeting the needs of its clients, particularly in a post-coronavirus world.

"This is also a great time for families to spend more time with each other, and to further their own discussions on the various aforementioned challenges and milestones that they will be facing. As mindsets increasingly shift from wealth creation towards wealth preservation, now is the time to re-evaluate legacy structures and put a suitable framework in place for the future. None of this is easy, of course, whether viewed from an emotional, personal or structuring perspective. Both a family's hopes and expectations and the professional services available to them require time to define and deliver. At IQ-EQ we are ready to keep building our operations in Asia, but it will be hand-in-hand with our clients. We will grow with them." ■

