

Positioning portfolios for the rest of 2017

Arjan de Boer of Indosuez Wealth Management explains the investment appetite of HNW clients in Asia in the first few months of 2017, and looks at what they should consider for their portfolios for the rest of the year.

The first few months of 2017 have seen bullish markets and positive performance for private banks and clients alike across Asia.

Investors have been actively investing in all asset classes, with a view both to short-term returns as well as their longer term positioning, says Arjan de Boer, head of markets and investment solutions for Asia at Indosuez Wealth Management. "This is a welcome development, especially given the political uncertainty around the world," he adds.

LOOKING LONGER TERM

De Boer remains positive for the rest of the year, too. In terms of equity markets in general, he favours Europe and Japan more than North America. Yet he would like to see clients being a bit more vigilant at this stage of the cycle.

"They should keep a close eye on the markets and their portfolios, and look

at making longer-term investments." More specifically, this means a greater allocation to funds.

In de Boer's opinion, longer term can also mean thematic investments, such as commodities, which he thinks are in an upward trajectory. Private equity is another area for clients to consider, he adds, as a genuinely long-term play.

STRUCTURED PRODUCTS BOOM

Structured products have certainly benefited from client appetite to date in 2017, with demand for structures such as equity-linked, target redemption and fixed coupon notes, plus some interest accumulators and decumulators. Further, de Boer has seen a few innovative ideas come to market, for example in relation to commodities.

Yet he remains unconcerned about this upswing in structures products volume. "We have learned as an industry – and been forced – to look more closely at



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suitability and the sales process. As a result, these processes are stricter industry-wide than pre-2008, to ensure checks and balances in the system. ■