

Quantifeed's John Robson: How Robo-Advisory Solutions can Drive the Democratisation of DPM in Asia Pacific

Quantifeed has been a busy FinTech in recent years. In March, the Hong Kong based developer of digital wealth management solutions announced a new partnership with Mitsubishi UFJ Morgan Stanley Securities to launch Mirai Value, a smartphone-based discretionary investment service targeting the mass affluent and powered by Quantifeed's robo-technology, thereby offering easy access to globally diversified portfolios. This was the latest in a series of notable scores for Quantifeed, which has now developed customised digital wealth propositions for leading name banks, brokers, insurers and wealth planners across Asia. These include the DBS 'digiPortfolio' in Singapore, Cathay United Bank's 'CathayRobo' in Taiwan, China CITIC Bank International's 'Robo 360' and Everbright Sun Hung Kai's 'EBSHK Direct AI-Portfolio Investing' in Hong Kong, as well as the 'Phatra Mandate Service' of Kiatnakin Phatra Securities in Thailand.

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All this has been accomplished in the past eight years since inception, as Quantifeed has successfully deployed its solutions with clients in Asia who have demonstrated the common drive to enhance their digital offerings across their markets to cater to the gigantic private wealth market in the region, estimated by some to be worth in excess of USD45 trillion. Under the banner of 'Wealth-care', Quantifeed provides digital wealth management platforms and full end-to-end solutions to fill certain gaps that a financial institution perceives are lacking. At the heart of the technology is the firm's quantitative and financial software engineering expertise, driven by its constantly evolving 'QEngine' platform. John Robson is Chief Commercial Officer and Head of Strategic Partnerships at Quantifeed, as well as being a stalwart for Hubbis in recent years as part of our drive to track and explain the digitisation of the Asian wealth markets in recent years. Hubbis 'met' with him via video call recently to hear his updates and his latest vision of the future for the firm and for Asia's wealth markets.

In Brief

The pace of expansion of the Hong Kong-based robo-advisory FinTech Quantifeed has been accelerating, with new solutions delivered recently to Mitsubishi UFJ Morgan Stanley Securities in Japan and to other leading players elsewhere across the region to add to big 'wins' for clients such as DBS, Cathay United Bank, China CITIC Bank International, Thailand's Kiatnakin Phatra. The firm now employs more than 70 across the region, and AUM through robo-advisory solutions created for the partner banks and firms surged ten-fold in 2020 to more than USD1 billion and is growing apace today.

Seismic changes are taking place as banks and wealth managers across the region seek to leverage their client bases, leverage the data they hold and external data and deliver client investment advisory and solutions at scale that are effortless and convenient and delivered personalised to customers' needs and personas. Quantifeed is at the cutting edge of helping them achieve that through digital advisory and DPM solutions tailored to customer requirements and powered off its continually evolving 'QEngine' platform.

The potential of digitised DPM was most visibly demonstrated through Quantifeed's work with DBS to roll out its digiPortfolio solution, which brought DPM advisory to anyone with north of USD1000 to invest, whereas previously the private banks would only be able to deliver DPM to really wealthy investors with several million to play with, due to the huge costs involved. And Cathay United Bank's 'CathayRobo' as well as China CITIC Bank International's 'Robo360' add further evidence that DPM can be delivered at scale and digitally to the retail and mass affluent markets, which are both vast and rapidly expanding in Asia. And Quantifeed is due to make more announcements ahead to further demonstrate its capability of providing the digital tools to automate the curation, trading, monitoring, and rebalancing of portfolios at scale.





JOHN ROBSON
Quantifeed

Quantifeed was founded

as a Hong Kong-based company and today also has presence in Singapore, Australia and Japan. The company delivered its first platform in 2015, and perhaps its most famous coup to date has been to drive the now well-known DBS digital investment platform called ‘digiPortfolio’.

“We are the established player out here in Asia,” says Robson, opening the discussion. “We have now delivered to many financial institutions, and we have built a deserved reputation for successful deployment. Our mission is simple, really, as it is to enable financial institutions to serve the wealth management needs of all customers. The Japan deal with MUFG is the latest in a great series of partnering deals we have been fortunate enough to roll out.”

Seismic changes taking place

Robson has spoken regularly at Hubbis events (in the pre-pandemic universe) at which he emphasised how a seismic change has for some years been taking place in financial

services, driven largely by customer expectations. The thesis he expounds on is that clients want an experience that is both effortless and convenient and delivered personalised to customers’ needs and personas, leveraging the data the banks and wealth managers have along with external data.

“People are increasingly inclined to seek an experience around financial advice and investment that is really effortless, where their savings and their investments are really becoming part of their whole lives and livelihoods,” he comments. “Digitally-enabled wealth management providers can cater optimally to the HNWI and

“What 2020 taught us more than anything else is that investing for your own portfolio and getting it is incredibly difficult, with volatility and the complexity of products and markets to contend with. In Europe, there is now a long-standing preference to let professionals manage the portfolio, but as we know, Asia still lags quite far behind in this.”

professional investors, but also all the way down to someone starting out his or her working career and setting out to invest for their future.

Quantifeed’s solutions are driven by the ‘QEngine’ platform, which has been packaged into a suite of readily available applications. These applications are used by different user groups in each financial institution and contain core modules of Investment Products, Investment Advisory and Trade Management.

Democratising DPM

Robson zooms in on the rollout of digitised DPM in the region,

first championed by DBS. “What 2020 taught us more than anything else is that investing for your own portfolio and getting it is incredibly difficult, with volatility and the complexity of products and markets to contend with. In Europe, there is now a long-standing preference to let professionals manage the portfolio, but as we know, Asia still lags quite far behind in this.”

But he reports that things are changing, and wealth management banks and others now want to extend DPM beyond the typical HNWI and UHNWI clients, where until now they have employed mainly labour intensive and rather

cumbersome processes and not very user-friendly solutions.

Advice at scale

“This has made it really tough for them to offer at scale to lower segments of wealth, and it is exactly in this void that Quantifeed operates, as, for example, our first big breakthrough was enabling DBS to offer discretionary portfolios at scale, in fact, with as little as USD1,000 to invest,” he elucidates. “This means that we can partner with financial institutions to scale their businesses to a much broader audience. To achieve this end, we are providing the digital tools to

automate the creation, trading, monitoring, and the rebalancing of these portfolios at scale, and at the same time, to deliver to their end customers a seamless service to allow them to access information on their portfolios.”

Seizing the opportunities

“There is really a great need for this out there,” he adds. “Kiatnakin Phatra in Thailand is a good example, as the firm was formerly offering DPM only to clients with several million dollars equivalent to invest and today, armed with our technology and partnership, they offer this to anyone with USD50000 to invest. There are many other financial organisations in the region who could take a similar route.”

He refers to a survey the firm commissioned in Hong Kong in 2020, which sought insights from investors in the Hong Kong market. The very clear findings were that a vast number of people feel that planning for their financial future is critical, but they’re not necessarily able to have access to good financial advice, he reports.

Effortless and personalised

Banks and wealth firms across the region are really looking to create the type of advice, or recommendation engine

that efficiently delivers useful information to customers and achieves operational efficiency. It is not always about changing their models, but of unlocking new growth opportunities, so for example, if they have the advisor-led model, Robson explains this is about enabling advisor efficiency through better tools or possibly broadening their services to include a new self-directed offering.

“It started quite slowly but is snowballing, and I have absolute confidence that digital wealth management will be crucial to the wealth management and financial market advice in the future. Like the travel industry and how we now book air tickets, hotels, rental cars and so forth, once you do it digitally, you are comfortable and keep doing it. That will drive innovation and ever better digital solutions and delivery in our industry.”

To grasp the digital revolution, make good choices

He describes the birth of digital wealth management and the democratisation of wealth management through digital wealth management and robo-advisor platforms as one of the most exciting themes he has witnessed during his working life.

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With this in mind, Robson closes the discussion by reiterating how Quantifeed not only provides solutions but actually delivers on its promises and does so at speed. “The wrong choice of partner in these vital endeavours can be hugely expensive in terms of both time and money,” he cautions. “We have proven over the years that we not only promise, but we truly deliver. There is no time to be lost, and there is immense potential to be grasped.” ■

