

Reaping the benefits of cross-regional connectivity

Embracing international links is helping Swiss independent wealth manager Finaport meet the needs of established clients at home and emerging ones abroad, say founding partners Alex Borissov and Hellmut Schümperli.

Not every overseas wealth manager meets unqualified success when entering an Asian market, and not every Western investor has unqualified knowledge of opportunities in places such as Singapore. Despite these challenges, Finaport's partners hold great store in interconnectivity between these two parts of the world.

Looking West-East, Alex Borissov notes, many clients are looking for non-financial instruments to invest in. This is because of concerns about countries in Europe and North America introducing taxes on their citizens' global assets. "It has inspired them to look at assets which are not bankable, more illiquid and long-term investments, for example land and resource redevelopment," he says.

East-West, Finaport helps put clients in touch with businesses across the world, including through a Singapore-based private equity practitioner.

Mexico is a good example of opportunities for Asian entrepreneurs to tap growth elsewhere, according to Hellmut Schümperli: "A client can get to know top Mexican entrepreneurs and make an investment in one or two companies."

EMBRACING CONNECTIVITY

For Asian clients who are also entrepreneurs, this enables Finaport to satisfy investment and business needs. "Clients can have an opportunity to substantially expand their own businesses. For wealthy investors these direct investments and the exchange of entrepreneurial power represent a good opportunity," Schümperli adds.

However, both he and Borissov are well aware clients will not ask Finaport to provide such services unless it has proven investment performance in more traditional investments. "Clients will only trust you on more sophisticated matters if you bring solid



ALEX BORISSOV
Finaport

performance on a yearly basis," says Borissov. "That is when they will come and ask you to look after their other interests."

He appreciates other players in the market can offer a similar experience to Singaporean clients, but suggests Finaport's independent status, and Swiss background, can help it compete.

"They have family offices with the same ideas, but they appreciate we are independent and have objective views," Borissov adds. "We know clients will be happy [with us] if we deliver [performance] and manage their expectations."

The firm is committed to broadening its footprint in Singapore, and Asia, but the partners believe it can only do this by tapping into local expertise.

"If you don't understand [the Asian market] as a Swiss institution you will find it difficult," notes Schümperli. "We are on-boarding a person in Singapore which we believe will be a breakthrough for us. If we can succeed [with him] more people will follow. We want this Asian expertise in our group."

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There are already signs of this strategy bearing fruit. Borissov notes that Finaport's Singapore office initially had more international than domestic assets, this is gradually reversing.

EVOLVING THE OFFERING

Finaport, established in 2007, provides investment advice and discretionary asset management and execution via a

network of global banks, as well as wealth structuring including tax and estate planning, trusteeship, foundation management and philanthropy support.

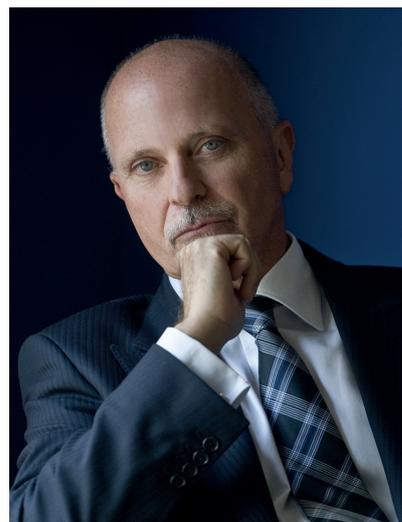
In areas where it does not have in-house expertise, the company uses a range of external providers including banks, trust specialists, fund managers, and corporate finance and M&A experts.

Technology is another area of focus for the firm. It has developed a platform that not only streamlines its own business, but also gives Swiss external asset managers (EAMs) the opportunity to focus on their core expertise.

Internally, Schümperli says, this digitalised, automated platform takes care of what he calls "the fabric" of the firm, which includes day-to-day issues such as regulation and risk management.

This leaves a "pure front office" through which Finaport is able to cater to clients'

needs. Externally, the platform has substantial appeal for EAMs, as it can ease the pressure of regulation, processes and an ever-growing mountain of paperwork. "EAMs are trying to find a solution to take them away from these issues," Schümperli says. "If you can take this away from them they can take care of the parts of the business they enjoy."



HELLMUT SCHÜMPERLI
Finaport

The next step will be enabling EAMs to run client portfolios across a multi-custodian platform, although this might be more difficult to address, according to Borissov.

"The banks all work on their own systems, and we want to create a platform for EAMs to manage assets by consolidating information," he explains.

"This means that after taking an investment view they will be able to access five different banks at once rather than at the same time."

Ultimately, the partners believe, advances in digital platforms will mean EAMs, and banks, will need to have only a very limited physical presence.

"They will need only one branch in Zurich where they can host clients and close the rest," concludes Borissov.

"You will just need the licenses and can make your bank out of an iPad." ■