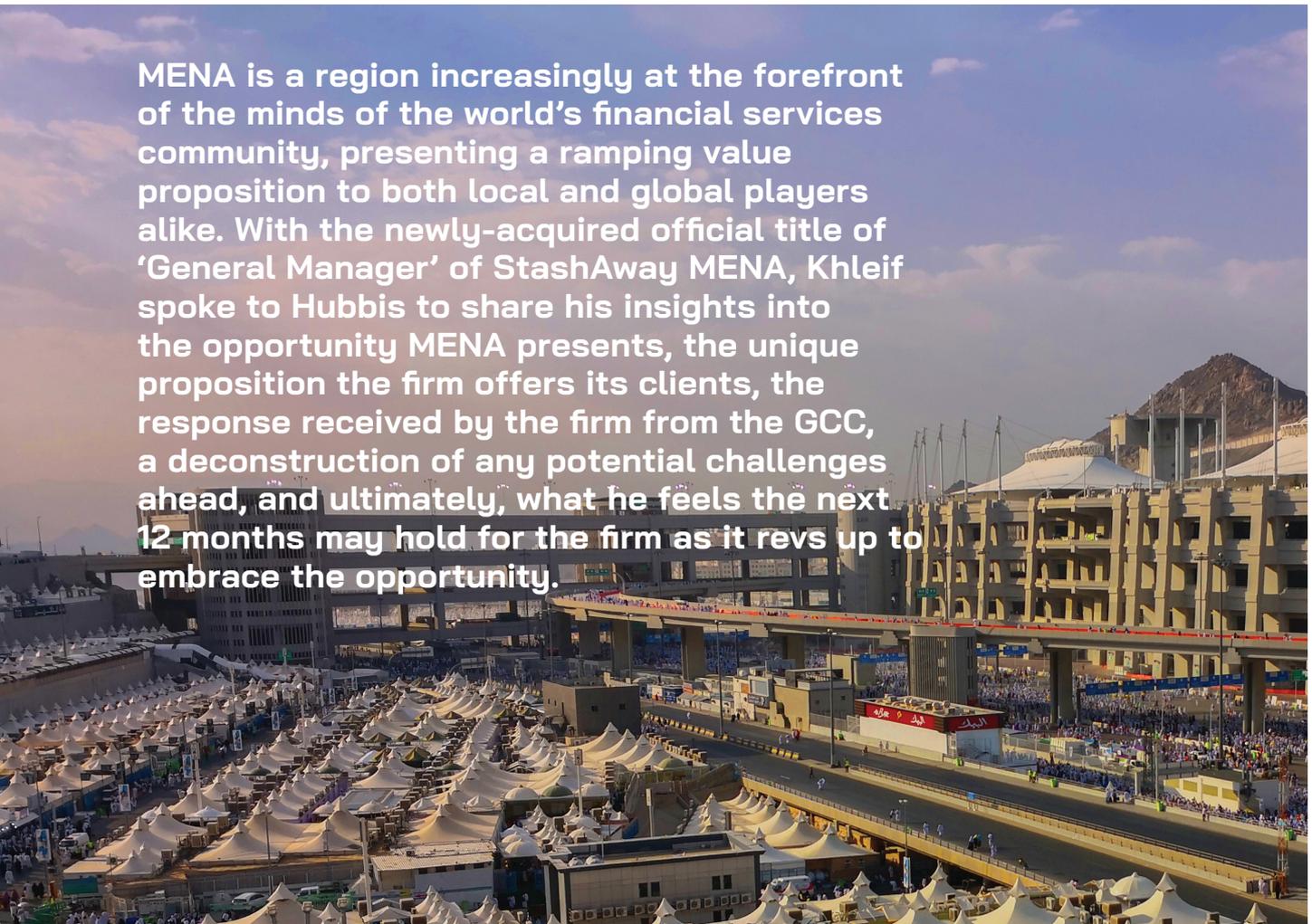


StashAway's General Manager on the Unique Manifesto Materialising in MENA

MENA is a region increasingly at the forefront of the minds of the world's financial services community, presenting a ramping value proposition to both local and global players alike. With the newly-acquired official title of 'General Manager' of StashAway MENA, Khleif spoke to Hubbis to share his insights into the opportunity MENA presents, the unique proposition the firm offers its clients, the response received by the firm from the GCC, a deconstruction of any potential challenges ahead, and ultimately, what he feels the next 12 months may hold for the firm as it revs up to embrace the opportunity.



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RAMZI KHLEIF
StashAway

“The reason we decided to launch StashAway now, is because we felt that the market has matured greatly over recent years. Nowadays people can accept and understand solutions such as ours - a simple and effective platform that provides transparent and tailored investment plans.”

Why did StashAway set up in the UAE? How would you explain the opportunity?

In the MENA region, around 45% of the total wealth is in cash, which is a very high percentage. This goes to show that there is huge amount of money sitting in bank accounts doing nothing, and more importantly not generating any returns. For us at StashAway, we saw a big gap in the market for local platforms to help facilitate investing cash easily and effectively, without having to look to international investing platforms, which can result in higher fees.

Not only that, it also showed us that people in the UAE didn't have many platforms easily accessible to help educate them on what the benefits are, and the best way to manage and invest funds. Many might have long term financial goals that they want to achieve such as retirement plans, purchasing a house or even have funds ready to send their child to higher education. Parking money into bank accounts is a way of saving, but people need to understand that they can grow their money rather than it staying stagnant.

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What is your USP? What is the investment offering?

Our investment model is very sophisticated, and our strategy, ERAA® (Economic Regime-based Asset Allocation) simply enhances Modern Portfolio Theory (MPT, a Nobel Prize-winning theory) by addressing external economic forces, which ultimately drives asset class' returns, volatility, and correlations. ERAA®'s three pillars, Economic Regimes Determine Asset Allocation, Risk Shield, and Valuation Gaps, together deliver a macroeconomic portfolio management strategy that minimises risk and maximises returns for personalised portfolios across any economic environment.

We have a very competitive management fees structure that varies from 0.8% for investments below 25,000 USD and 0.2% for investments above 1,000,000 USD. In addition, we offer a sharia compliant asset management portfolio (StashAway Simple) that yields at around 1.2% p.a., while most banks have savings deposits with lock-up period for only 0.2-0.5% p.a. returns.

StashAway invests only in Exchange traded funds (ETFs). We use ETFs because they are exchange listed products with deep liquidity, high trading volumes, and have very low expense fees. We look at a wide range of criteria before selecting our ETFs, such as the underlying market size of assets larger than half a billion USD; (Funds at this size are liquid and highly tradable because there is a lot of market participation in the funds).

We also look at the cost-efficiency, and simplicity, meaning no leverage, and no inverse payoff. Preferably these will be funds at least 3-10 years of track record for the fund itself or the underlying index credibility, as well as reputation of fund managers.

What are your priorities for the next 12-months?

Our goal is to build on this momentum and to continue to provide the best experience for our clients by innovating and coming up with new investment

How are clients responding to the digital wealth offering in GCC?

We have received an overwhelming amount of support since the launch. It clearly shows the

charge their clients around 2% of management fees for very basic investment strategies and advices. At StashAway we have combined a state of the art investment framework with a low cost and accessible platform for all to start their investment journey, and this was well perceived by the market.

“There is a lack of accessible platforms that can help educate people on what the benefits are, and the best way to manage and invest funds. Some financial institutions charge their clients around 2% of management fees for very basic investment strategies and advices. At StashAway we have combined a state of the art investment framework with a low cost and accessible platform for all to start their investment journey, and this was well perceived by the market.”

products; As well as helping our clients navigate the fluctuating markets. We want to build our reputation and be recognised as the leading digital wealth manager in the MENA region, reaping the market’s success.

importance of such offering in the GCC market. Also, there is a lack of accessible platforms that can help educate people on what the benefits are, and the best way to manage and invest funds. Some financial institutions

What are the challenges to growing the platform?

The main challenge for us is the financial literacy of the local market. As mentioned above around 45% of the total wealth in the MENA is in cash. As part of our efforts to spread financial knowledge, we have developed what we call The Financial Wellness Programme that is designed to support employees from any company with the financial acumen necessary to make empowering short-term and long-term financial decisions. The programme is completely free, non-commercial and aims to educate people on the importance of investing and how to best manage their savings. ■

Getting Personal with Ramzi Khleif

Ramzi Khleif is the General Manager for the newly launched FinTech, StashAway MENA, which is a digital wealth management platform that offers investment and cash management portfolios for both retail investors and professional clients. StashAway was founded in Singapore in 2016, and is the leader in digital wealth management in all of APAC. Ramzi joined the team in July 2020 to lead StashAway’s expansion and success in the MENA region.

Leveraging StashAway’s market leadership in Singapore and the APAC region, Ramzi is responsible for developing and executing strategies to quickly establish StashAway as the leading digital wealth advisor in the MENA region. That includes providing advisory services for Professional Clients, and leading business development, sales, and marketing operations across the region.

Tight regulation in FinTech is key in ensuring the protection of consumers, and Ramzi worked closely with the DFSA to ensure that StashAway not only met but surpassed their requirements of a FinTech. This ultimately

resulted in StashAway being the first digital player to receive a license for investment advisory and asset management services from the DFSA.

Leading StashAway MENA, Ramzi brings with him more than a decade-long career in finance, consulting, private equity, and strategy. Prior to StashAway, Ramzi held the position of Head of Corporate at Careem, where he led the redevelopment of their corporate sales business in Saudi Arabia, and defined a multi-market corporate growth strategy across more than 10 countries. He also led a number of organisation wide strategic projects, including developing a financial and operational plan that supported the consumer demands in the Egyptian market.

Before joining Careem, Ramzi worked as a management consultant with Strategy&, formerly Booz & Co., where he led various strategy and finance focused projects. Previously, he was an associate at a leading private equity firm, NBK Capital, based in Kuwait.

Ramzi holds an MBA from the Wharton School, at the University of Pennsylvania, USA, as well as a Bachelor of Commerce with a Major in Finance from McGill University, in Montreal, Canada.

