

Success in funds sales

Dennis Quah of Amundi Singapore explains what it takes to provide the type of service that distributors want, both at private banks and retail banks.

It is common to hear that product gatekeepers and relationship managers at private and retail banks in Asia want more support from asset managers.

Even though each distributor has a different product platform and needs, as well as varying approaches, they tend to look to fund houses to help communicate the right messages for a particular fund to end-investors. “Our job is to make complex product(s) simple to understand and the mundane story, interesting,” says Dennis Quah, who covers both private and retail banks in his role as head of distribution for Amundi in South-east Asia.

After helping the distributors understand how the strategies work from a technical and risk perspective, the key is to provide them with relevant, easy-to-digest materials so they can present benefits of the fund as a solution to meeting client’s various financial needs and investment goals.

SUCCESS WITH DISTRIBUTORS

According to Quah, private banks tend to be a lot more focused on the details of an individual product when assessing a particular fund.

For example, they are keen to understand the asset allocation value which an individual solution can offer to their existing product platform, in other words, “how do I use this fund”.

“It is often about how the fund fits into the bigger picture of what the bank is trying to achieve in totality rather than it being a one-off product,” adds Quah.

Being more system-led, structured and well-resourced, typical questions that private banks will ask relate to the correlation of a particular strategy to existing solutions on their platform.

They would also focus on the flexibility of the strategy, its tracking error, and whether it would adversely impact the



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risk profile of the overall portfolio or deviate from their core objective and/or market view. “The salesperson [of the fund management firm] needs to

be knowledgeable enough to have conversations around holistic investment strategy and portfolio building with the private banks,” explains Quah. “They cannot just talk about the marketing elements of individual funds.”

In relation to the after-sales service requirements, there is an expectation of a very quick turn-around. “Private bankers need information quickly because they might be stepping into a meeting with a client who is an existing investor in the fund, so we need to know how we can get them what they need. Speed is of the essence.”

Meanwhile, according to Quah, the service that retail banks require [from fund managers] is essentially different. Retail banks are mainly concerned about sales experience, in terms of providing stock-related stories which can paint a clearer picture.

“This is especially the case when we talk to individual retail bankers,” Quah says. “They want us to provide them with relevant stories to tell their customers.”

Such information would help illustrate the overall investment approach of the fund and to make the strategy “come alive”, he adds.

DIFFERENTIATION BY SERVICE

Given the increasingly large number of competitors in the Asian asset management space, Quah believes no asset managers can ever find a “secret recipe to success” in the market. However, he has no doubt that one key way for Amundi and his team to stand out comes down to quality of service.

“We believe client experience counts above everything else. It is essential to

provide a quick turnaround, good-quality information and accurate data.”

At the same time, he also acknowledges that the influence of both investor demand and regulatory pressures - in terms of putting a spotlight on the need for simplification, predictability and reliability of products - are equally important when offering products to retail banks.

DOING THE RIGHT THING

As an industry veteran, Quah thinks “doing the right thing for a client” is non-negotiable.

Starting his career in financial planning, he spent six years at a Singapore-based independent advisory firm.

Now, eight years into his role as a fund salesperson, over four of which have been at Amundi, he still points to interacting with his clients as what he enjoys most about his role.

PICKING THE BEST

A good fund is highly qualitative, says Quah. One in favour is a strategy that is of full-cycle and not very sensitive to market movements. Such a fund can be sold at any point in time. The success of multi-assets funds in recent years is an example.

Also, the fund must be relevant to investors over time, have a good track record, employ a robust investment process and be managed by a professional, credible team.

When discussing equities funds, Quah points to the First Eagle Amundi Income Builder as a flagship product he is proud of. New York-based First Eagle Investment Management jointly own the SICAV with Amundi through a long-term

partnership. Key attributes of this fund include its strong heritage and, most importantly, its philosophy of putting investor’s concerns first.

The team is focused on wealth preservation and capital growth over the long term, apparent from the track records of funds they manage.

“The reason for its success is rooted in its approach, which investors can easily understand. It is deep value, conservative and picks up good-quality companies with good management and quality assets. It also has high visibility on cash flow and revenue,” says Quah.

By investing in both equities and credit, this Fund seeks to deliver a stable 5% per annum payout, on a monthly basis.

On the fixed income side, Quah highlights the Amundi Fund Bond Global Aggregate. While not yet well-known in the market, it has beaten some of the bigger and better-known funds in its peer group.

He refers it as a “Goldilocks” fund, given it is neither too big nor too small, with AUM of around USD7.4 billion, as at end June 2015. It is a fund that has been commercially successful and has a good team behind it, he explains.

As a firm, according to Quah, Amundi Singapore will continue identifying suitable, relevant funds and solutions to private banks and retail investors in South-east Asia.

The company is launching a suite of products in second half of 2015.

He is confident in this, saying he remains committed to building the distribution team to service clients in the region. ■