

# Syfe CEO and Founder Dhruv Arora on Fast-Forwarding Investment Democratisation in Singapore and Beyond



Monetary Authority of Singapore-licensed digital wealth manager Syfe has thus far raised the equivalent of around USD52 million since creation and launch in 2019, and already has a team of close to 120, with roles in Singapore and more lately also in Hong Kong. Syfe's stated mission is to help people invest better and make smarter financial decisions. Creating personalised, professionally managed portfolios takes only a few minutes with Syfe's mobile and web applications, with clients able to access Syfe's human wealth advisors for help, and thereby experience an intuitive investing journey that is low cost and hassle-free, with no minimum investment amounts and a low annual fee, starting at 0.35% - 0.65% percent of the total amount invested. In early September, Syfe launched Syfe Select, Singapore's first fully customisable ETF portfolio builder, furthering the ambitions to democratise mainstream investing and make high quality, institutional level wealth management services affordable and accessible to all. Hubbis 'met' recently with Dhruv Arora, Syfe's founder and CEO, to learn more of the concept, Syfe's mission, the rollout of new opportunities and the significant potential ahead.

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**Syfe is a** MAS-licensed digital wealth manager that aims to help people invest better and make smarter financial decisions. “Grounded in the deep expertise of our financial research team, we offer investment strategies for the most important goals in life,

**“We bring institutional level products and portfolios within their reach, affordably, so someone with perhaps USD10,000 to invest or someone with USD10 million can gain access to the same institutional-level portfolios.”**

from purchasing your first home to retiring comfortably,” Arora explains. “Creating personalised, professionally managed portfolios is remarkably fast, just minutes, with our mobile and online applications. It is low cost, efficient, effective and we are launching new options regularly, for example the Syfe Select ETF portfolio builder we recently launched offers additional optionality for clients.”

### **Next-gen financial solutions**

Arora explains that while Syfe is based in Singapore, the mission is to build the next generation of financial solutions for individuals across Asia. “We bring institutional level products and portfolios within their reach, affordably, so someone with perhaps USD10,000 to invest or someone with USD10 million can gain access to the same institutional-level portfolios.”

Currently operating out of Singapore with some 110 people and with about 10 staff in Hong

Kong, Arora reports that the firm’s AUM grew robustly in 2020 and then quadrupled in the first six months of this year. The firm started its operations in 2018, and officially launched in 2019, and the first customers joined in July that year.

### **Differentiation at the core**

As to differentiation from competitors, Arora explains that there are three core attributes they emphasise. Firstly, the experience should be effortless with Syfe’s proprietary technology building the portfolios and also automatic rebalancing, while the fees are entirely transparent. Secondly, there is what Arora calls ‘optimisation’, as Syfe facilitates fractional allocations, allowing investors to invest any exact amounts they want, allowing reinvestment of any and all dividends, and so forth.

“And thirdly, we are genuinely offering personalisation, and that shines through with Syfe Select, which I believe to be a unique ETF builder, whereby we have cherry picked the top 150 ETFs across the world, giving clients the opportunity to pick and choose and build their own ETF portfolio in a very seamless way,” he reports. “And they can do so at USD100 levels or USD1 million, it is up to them. In short, we are making institutional level

products and services accessible to any investors.”

### **You are not alone...**

Another key element is the human advisor accessibility, even though this is more for guidance through the processes than investment advice.

“Just because we are digital does not mean nobody is home,” he explains. “The way we configure the team is that we are 95% digital and 5% human, so for those who do prefer to speak to an advisor, they can. However, I must explain that these people are not there as investment advisors; they are there as facilitators to help customers understand the platform and see how the products might be better suited to their needs. We do not believe that human advice will overtake the kind of quantitative approach to advice that we practice.”

He explains that as the model is 95% digital, growth comes largely from product innovation. “For example, we built a one of its kind REIT-based portfolio with the Singapore Exchange; it is cheaper than any ETF in the market and that’s even excluding brokerage costs,” he reports. “That has done extremely well, being a passive product that produces robust income and therefore in high demand. Another one is a customised cash management portfolio. The result is that the vast majority of clients are comfortable with the self-directed digital process, the choices and the outcomes.”

### **The mass affluent market**

Arora comments that Syfe is not chasing the private banking client, theirs is the mass affluent market,



**DHRUV ARORA**  
Syfe

or perhaps the lower or early stage HNWI, both of which are not in the private bank's radar.

As to the progress and the expectations of shareholders, Arora reports that they have strong and supportive partners, the largest of which is Valar, one of Peter Thiel's private funds. "They backed TransferWise, for example, back in 2011 and they will IPO this year, so a 10-year horizon is well within their vision. For us, our near-term concept of success over the coming few years is to ensure we cover the majority of the wealth needs of the mass affluent segment in Singapore, and in a couple other geographies across APAC."

### The go-to platform of the future

Arora says they are an early mover, and that wealth management will get extremely commoditised in the decade ahead. "So, for me, success would be growing users, growing AUM, and becoming the platform that people go to without needing any other platform, at least as far as managing their wealth is concerned," he reports.

### Getting Personal with Dhruv Arora

Arora comes originally from Mumbai, where he grew up and attended university to study chemistry at the Indian Institute of Technology. His first job in 2008 was in Hong Kong and he was soon a director at UBS at the tender age of just 27, covering ETFs, portfolio trading and global equity finance, and where he for six years running he was ranked 'Outstanding Performer', an accolade reserved for the top UBS employees firm-wide. While at UBS, he was also chosen for the elite 'ASCENT' Program, an intensive 12 month by-invitation programme for individuals identified as high-potential future leaders, a programme he reports is reserved for only about 2% of all directors.

But entrepreneurial intent was deep in his blood from early on. In 2015, he left UBS to join Grofers to head the Product, Growth, Design and Digital Marketing teams. "With five million+ users in 17 cities, Grofers is India's leading start-up for e-groceries and is backed by Softbank, Tiger Global, DST and Sequoia," he reports. "It was a great opportunity, and I learned a lot, joining at the Series-A stage and then within about eight months we moved from series A to Series-D, so that was truly hyper-growth."

He says the ability to thrive in that kind of an environment where the company accelerates from USD2 million in valuation to USD400 million valuation in only eight months was an incredible challenge and a great journey. "I am really proud to have been part of," he reports. "That definitely provided the confidence and platform for me to then start Syfe in 2018."

He lives with his fiancée and the couple has two cats, but as yet no children. "Syfe is my offspring for now," he quips. "My fiancée is from the UK, and we are targeting April 2022 for the marriage. For now, we enjoy a nice life at home in Singapore, where one of my hobbies is collecting vinyl records, something I have been able to focus on finally since lockdown. I have already assembled a collection of 300-plus pristine vinyl records, played through real hi-fi turntables and high-end valve amps. That equipment is the real thing, the sound is incredibly authentic and engaging."

Despite being a digital technology exponent, Arora says the natural sounds of vinyl records played through top-flight turntables, hand-made valve amps and the right speakers is truly inspiring. "It is more of a physical than a functional musical experience," he reports. "The sound quality is remarkable better. Imagine a truly fine or collectable wine compared to an average to good wine, then you can understand the difference. And it is the process, as vinyl is very tactile and involving. It brings me a certain calm and real pleasure."

He also enjoys basketball and used to play in a local league in Singapore before the lockdown, but now shoulders around just with a few friends, or in numbers as permitted by the latest government rules.





### Key priorities

Arora explains that the first mission is to expand the product offerings, but to achieve this the firm needs to drive its financial and technology complexity further, in order to devise excellent solutions and seamless execution and support.

The second priority would be to repeat the success that Syfe has enjoyed to date in Singapore, in Hong Kong. And the third objective is to hire more high-performance leaders in the company. “We have done well in our talent building, but we also realise that to take it to the next stage, we need to attract a very different set of talents. We have the financial backing to attract a wide variety of key people at the right income levels and that will address some of the skills that we believe we will need to take us to the next stages of growth. That is really a key focus for myself in the year or so ahead.”

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To achieve this, Arora says personalisation is also central to the mission. “The typical clients have certain characteristics,” he observes. “The first user is somewhat financially savvy, and enjoys to be self-directed, they know what they want, they just need a platform. The second segment is financially savvy, but they don’t have the time, finance and investments are not their priorities in terms of time spent. And the third segment is where they’re not financially savvy, but

they understand the need for an external party to manage their money. Our market is the second and the third segment, by and large, people who either value the comfort, ease and the quick time management, and then those who don’t know anything, but they need a starting point or some way to get into the habit of investing.”

### Core and satellite

As to portfolio formation, Syfe champions the core and satellite strategy. “We direct customers to

core portfolios comprising ETFs largely that build cost-effective exposures to equities, bonds, gold, and so forth. Thereafter, if they have any specific themes they want to follow, let's say electric vehicles or ESG, we can offer that through the satellite investments. This approach appears to resonate with the market, as they can achieve this

with very low sums to begin with and of course at very low upfront and ongoing costs. And the exposures are through the core-satellite approach, personalised and even hyper-personalised."

### Ready for the future

His final comment is that Syfe is today probably the best

capitalised player in this segment after the last funding, and well set for the future. "We are putting all the pieces for this project in place to accelerate the growth and potential in the years ahead," he says. "This is an exciting time to be doing this for our teams, shareholders and of course the customers out there." ■





## Syfe Select

Syfe Select Offers Investors Low-Cost, Customisable Access to a World of Selected ETFs and a Handful of Key Themes

Syfe Select, Syfe's new customisable ETF Portfolio Builder that was announced publicly in September allows users more than 1 million combinations to build wealth their particular way. It introduces thematic ETF portfolios across ESG & Clean Energy, Disruptive Technology, Healthcare Innovation, China Growth and Global Income.

"Syfe Select is Singapore's first fully customisable ETF portfolio builder," Arora reports. "With this, we move one step further in our mission to democratise investing and make high quality, institutional level wealth management services affordable and accessible to all."

With Syfe Select, investors are now able to construct their own portfolios from scratch, choosing up to 8 ETFs from over 100 best-in-class ETFs managed by leading asset managers and curated by Syfe's investment team based on factors such as low fees, high liquidity, and tracking their benchmarks closely. Alternatively, investors who prefer ready-made portfolios can explore Syfe Select Themes, a collection of five thematic portfolios identified to capture the potential of long-term structural shifts which are shaping the world today. The thematic portfolios currently include ESG & Clean Energy, Disruptive Technology, Healthcare Innovation, China Growth and Global Income.

Syfe Select portfolios have no minimum investment, no lock-ups, automatic dividends reinvesting and low fees of 0.35% to 0.65% per annum.

"This represents a new era where the best of wealth management solutions are no longer just exclusive to the top 0.1%. Our newest ETF portfolio builder will allow users to fully personalise their investments according to their unique life stage, investment goals and beliefs, and express themselves through their portfolio," Arora reports. "With no minimum investments, we are truly democratising investing by bringing institutional-level portfolio customisation to everyone, so that all can participate in building wealth in own particular way."

Each portfolio allows users to invest in a curated set of ETFs aligned to a specific trend. With the ESG & Clean Energy theme, the focus is on stocks championing ESG, clean energy, and water sustainability. Disruptive Technology centres on companies focused on innovations such as robotics, artificial intelligence and cloud computing. Healthcare Innovation garners investments focused on healthcare advancements such as genomics, biotechnology, and pharmaceuticals. China Growth gathers in stocks aligned to companies in China's growing tech and consumer sectors. And finally, Global Income assembles investment-grade and high-yield corporate and government bonds that offer high yields.

"With this new initiative, we are expressing and delivering what we consider to be the beauty of Syfe Select," Arora concludes. "No matter what your beliefs are, or your individual investment goals, we are enabling you to build something that is tailored to your needs, and allows you to also express interest in and commitment to some fascinating themes dominating our world today."

