

# Why Cryptos Can be a Genuine Portfolio Diversification Opportunity for Private Clients

There are many banks, brokers, advisors, asset managers and investors in the world of mainstream finance who have engaged with digital assets and are learning the ropes, some in the case of FTX the hard way. And there are also many who still shun cryptocurrencies, and who consider fractionalisation and tokenisation untried, untested and to be avoided, at least for now. So, how can crypto markets exponents, regulators and others work together to boost engagement and participation? Hubbis assembled a panel of experts to offer their views at the Hubbis Digital Assets Forum on November 30 in Singapore. Aleksey Mironenko, Managing Director and Head of Investment Solutions at EAM Leo Wealth was one of the experts on the panel. He explained why after careful consideration, he and colleagues began working with clients in the crypto space several years ago, applying their professional wealth management approach to the market. He told guests why they continue to help clients in this space today, despite weak crypto prices and the FTX debacle.

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**Aleksey Mironenko**  
Leo Wealth

### Aleksey first explained

that Leo Wealth is a roughly USD4 billion EAM whose business is equally split between Asia Pacific and the US.

“We began in crypto assets about three or four years ago,” he reported. “Our goal was not to dramatically increase sales of crypto assets, but as somewhat crypto sceptics to learn about the market and ensure that clients did crypto in a considered way instead of haphazardly gambling.”

He said they saw an opportunity to expand coverage for their clients, and to promote best practices in terms of transactions, reporting, storage and so forth.

“I recall some clients had these assets in cold wallets, some had the keys written down on a notepad,” he told delegates. “One person thought he was very smart by putting the key in a safety deposit box but did not check the quality of the paper and some years later found it had faded. So, we felt that we had a duty and responsibility as well to help our clients in these areas, and we have been doing so ever since.”

### A Short Note on Aleksey Mironenko

Aleksey is Global Head of Investment Solutions at Leo Wealth, an independent global wealth advisor with assets under management of around USD4 billion.

Based in Hong Kong, Aleksey is responsible for constructing client portfolios and overseeing the firm’s investment function. He is a strong believer in cost-efficient portfolio construction and asset allocation as the primary drivers of investor returns and thrives on achieving meaningful results and providing considered counsel to clients.

Prior to Leo Wealth, Aleksey was Partner and Chief Distribution Officer at Premia Partners, a Hong Kong ETF provider. During his time there, Aleksey helped build the fastest growing ETF provider in Hong Kong, taking the firm from inception to 8th by assets in Hong Kong in 3 years. Before Premia, Aleksey held various leadership positions at iShares, including Head of APAC Fixed Income and Head of Asia ex-Japan Institutions.

Before moving to Hong Kong, he was based in BlackRock’s London, Tokyo and New York offices, helping institutions invest globally.

Aleksey earned a Bachelor of Science degree, magna cum laude, in Finance and General Accounting from the Leonard N. Stern School of Business at New York University. He is an avid rower, runner and traveller, and, most importantly, he says he is lucky to be “father to two beautiful girls and husband to my awesome Australian wife.”

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He explained that it took some time to work out who clients should work with. “Anyone who manages money knows that clients do not like yet more forms for account opening and custody accounts and so forth,” he said. “That actually impairs relationships much more than I think a lot of the crypto native custodians and brokerages realise. And it is a major exposure

for us if we recommend particular vendors, as the amount of due diligence that I have to do on them is incredible compared to leading mainstream financial institutions and banks; that is not something that any fiduciary minded wealth manager should be doing.”

He explained the second problem is somewhat more esoteric. “There

is so much misinformation and so much dubious advertising, telling people that they can make 50% a year with no risk," he said. "I saw an ad on a Hong Kong tram promoting crypto portfolios available for retail investors at a 25% return guaranteed. But of course, we have conversations with clients where we advise them that they might lose 100% instead. So, there is a massive bridge to fill between what look like false claims and the actual investment benefit."

Aleksey added that they spend a lot of time and effort working with clients in the pricing issues around such investments. "There is a world difference between a good asset and a good asset at a good price, and the falls in crypto prices this year has allowed more clients to start adding exposure, vs the all time highs printed in 2021."

He then added another controversial point, noting that he is talking about crypto currencies and not any other digital assets. "Frankly we



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He closed his observations by remarking that for Leo Wealth this is part of a broader conversation about the role of crypto and any

other asset class in broader portfolios, and then more particularly around the client's risk appetite. "Some clients put a price on Bitcoin where they will buy back in, others state they will re-enter when the right momentum appears," he told guests. "But generally, I can say that Bitcoin today at around USD16,000 [November 30] is much better than Bitcoin at USD60,000 from our point of view." ■

