

# ZEDRA: Expanding their global range of services to the private wealth clients in Singapore and the region

Wendy Sim, Managing Director and Head of Singapore at ZEDRA, oversees a team of 23 people, most of whom work on private client related work. She explains that the scope of the work has expanded, now covering traditional trusts and newer types of structures that are created to be more pertinent to these times. Most importantly, the family office scene has also been exploding in Singapore, buoyed by the country's smart regulatory environment and thereby drawing in rising numbers of Asia's super-rich HNWI's and families.



WENDY SIM  
ZEDRA

**“S**INGAPORE,” SIM BEGINS, “IS IDEAL FOR ALL THE KEY AREAS THAT ZEDRA

focuses on and is benefitting from the trend to regulatory propriety and from the proactive approach of the Singapore authorities.”

“We have excellent and sound legislation,” she adds. “There are attractive tax and other incentives, for example for family offices and fund structure, and clients derive some comfort from the regulatory situation here. There are plenty of advantages, especially if they are setting up various structures for the family business or for collective investments.

Aside from trusts, its core business, the ZEDRA Singapore office also handles corporate services and areas such as special purpose vehicles (SPVs) for direct private equity investments that some of the firm’s private clients want to do outside of their trusts.

And ZEDRA also offers private fund administration, for example, where families want to set up their own private fund, for example a Section 13X fund, in Singapore, or simply a private fund as an ownership structure as it may be more conducive for certain families.

### Supporting active wealth

She reports that ZEDRA’s focus is on active clients in Asia, private clients who may have already built their wealth and while they have legacy and succession planning requirements are usually looking for the next opportunity at the same time.

“They tend to have perhaps several investment portfolios with the private banks and in addition to those, they also like to diversify to direct private equity investment,” she observes, “so we help them with the structures they require to do so, including their corporate investment ventures, or single-family offices, or private funds for various family members that we then administer for them. They might also have co-investments with their business associates, or with their friends that need to be conducted through the relevant joint ownership structures.”

As well as the typical, traditional trusts, Sim also sees interest in structures such as private trust companies (PTCs), and pre-IPO Trusts coupled with employee benefit trusts. Sim also notes that clients are increasingly interested in the Singapore Variable Capital Company, the SVCC, which is soon to be available. This offers another alternative in investment vehicles in some ways similar to what is available, for example, in the Cayman Islands SPCs, or the Jersey special purpose vehicles. “Plenty of professional advisers and fund managers are certainly looking at this for the future,” she remarks.

### The rise of the family office

There is a major trend towards single-family offices, largely for those wealthy Asian families with upwards of USD100 million to invest. She points to a recent



Monetary Authority of Singapore observation that details how single-family office numbers have increased exponentially in the last two years.

“Why now, you might ask,” she says. “Because private wealth accumulation has reached a certain level and the founders are ageing, and there will be a massive transition of that wealth within the next 10 years from one generation to the next,” she reports.

### The trend towards professionalism

She adds that the second and younger generations are formally educated and have as much exposure as their Western counterparts, and their awareness and networks are different from the previous generation.

The families are then staffing these single-family offices with external professionals, perhaps led by a retired private banker for example, who can help them across the board with the private banks they will work with, the platforms, the funds, the performance monitoring, the trusts, the family members, the beneficiaries, the estate planning, alternative investments, especially venture capital and private equity, and a host of other areas.

A family office might oversee coordination of many corporate investments across the globe; the client might, for example, have 20 to 30 offshore vehicles, five Singapore companies, all of which need to be administered and filings completed, and regulations adhered to. “Economic substance rules must also be carefully considered nowadays,” she notes, “that is a key focus of attention.”

And either the single-family office employs their own legal or accounting staff person, she adds,

or they have a global firm that the family again coordinates with.

“And recently we see more family offices coordinating a client’s charitable giving intentions and their initiatives in philanthropy, boosting their CSR,” Sim reports, “so we might help them create some form of a charitable foundation, charitable trust or other appropriate entity.”

### A logical step for super-rich families

Sim explains that from her perspective, the founders create the family office for coordination, consolidation, and time efficiencies. “A single entity then has oversight of everything that the family does both on the personal side, as well as an understanding of the ownership structure regarding the corporate side, but usually does not involve itself in corporate management and transactions or business dealings.”

She observes that increasingly, the families ZEDRA works with tend to have younger generations who are proud of what their founder generations have achieved and who now want to help professionalise the whole family’s asset management and succession planning. “I would say that the second-gen we work with are very motivated to either continue the legacy or see what else they can do add to add to the family legacy for the future, to carve out their own activities as well as support the wider family efforts and organisation.”

Sim also points to new programmes, for example, the Singapore Management University now has a Business Families Institute. “There are more and more programmes now that actually formalise education in these areas,” she explains. ■



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## Asia's HNWI's - Putting their Trust in ZEDRA's Corporate and Fund Services

ZEDRA is an independent global specialist in corporate, fund and 'active-wealth' services. The foundations for ZEDRA's culture of independence and innovative thinking were laid in 2016 when the core of the current business was acquired from Barclays by an independent investor group with a significant combined history of trust, corporate and fund industry experience. Under family ownership, ZEDRA defined its strategy, ensuring it always brought fresh thinking to client challenges, no matter how complex.

Based in key jurisdictions across Asia, Oceania, the Americas and Europe, ZEDRA's team today comprises nearly 550 industry experts offering bespoke solutions to the regional client base, which includes high-net-worth individuals (HNWIs) and their families, international corporations, institutional investors and entrepreneurs seeking diversified active-wealth solutions. The principal business lines include corporate clients and business owners, family wealth, employer solutions, and fund solutions.

After the ZEDRA business emerged out of the Barclays stable, the firm has enjoyed a solid history and pedigree going back to the 1960s. Since the buyout, the firm roughly doubled the business, with some 90% of the 550 people working on the trustee and private client businesses.

Recognising the potential that ZEDRA's unique approach offered, late last year Corsair Capital, one of the longest-standing private equity firms focused on the financial services industry, purchased a majority share of the business.

With Corsair's significant financial backing, the business is now well-positioned to embark upon the next phase of its planned growth. The characteristics of ZEDRA which appealed most to Corsair included its differentiated value proposition, blue-chip client base, and long-term prospects, all of which will continue to be delivered through Corsair's backing of ZEDRA's existing ambitious management team.

On March 25 this year, ZEDRA also announced a new alliance with AIA Hong Kong to launch a trust referral service for AIA Hong Kong's selected HNWI customers.

AIA has the highest number of insurance policies in Hong Kong, serving over three million customers and is the first insurer in Hong Kong to offer the referral services of 'Standby Trust' and 'Tax & Legal Advisory' for its HNWI clients. The new trust referral service is designed to support the legacy planning requirements of these clients.

The 'Standby Trust Referral Service' will be offered to selected premium customers of AIA Hong Kong and ZEDRA will assist eligible customers by setting up and administering a Hong Kong Law governed Standby Trust for the family or provide other trust planning solutions as needed. The

move is especially relevant as it addresses particularly prevalent succession planning needs amongst HNWIs clients in Hong Kong and further afield in the region.

When Bart Deconinck, Deputy Global Chairman of ZEDRA, sat down with Hubbis in April this year he emphasised ZEDRA's commitment to delivering bespoke solutions to clients, as well as anticipating their evolving needs to help ZEDRA expand and strengthen the services the firm can offer. ZEDRA, in fact, defines itself today less as a trust and corporate services firm and more as a service provider for people with active wealth, Deconinck explained, at the time.

"Asia's HNWIs and their families and businesses are now also more willing to recognise that a certain level of fees are appropriate for these services," Sim explains. "They are increasingly focused on evolving their protection and management levels from straightforward structures, such as an offshore company, into family governance structures, and focus on areas such as investments, alternatives, estate planning, asset protection, family constitutions, wealth transmission, philanthropy, and so forth."

Sim adds that the core of the ZEDRA business lies in the strong commitment and long track record of a highly experienced team, and the firm is dedicated to building trusted relationships.

"We are a service provider for people with active wealth," Sim concludes, "and by that we mean business families and private clients with both financial assets and with active investments in real estate, cross border businesses, private equity, and so forth. That is where ZEDRA aims to make its core difference, in areas which are complex and where sophisticated solutions are required." ■

