

Family offices in Asia seek greater customisation

Family offices are increasingly seeking greater customisation of mandates to regain control over management of their portfolios and private bankers that can offer tailored investment ideas and how best to execute those ideas would be key.

Many private bankers need to be re-educated to improvise on the type of services they can offer and deliver a product that suits the specific needs of the investors, Roxanne Davies, MD at Parly Singapore Pte. said at a wealth management forum in Singapore. "Customisation and making things more bespoke I think that's the trend."

"For family offices, we can invest anywhere. So as a family office professional, you have to have a broad understanding, you're a jack of all trades. The most valuable thing for me is people that can help me process ideas and in a very short period of time explain to me what's the differentiating factor."

Davies said that customised mandates may increase the operational costs of a family office but the plus side is greater control. "It's a very complex and complicated world, the macro environment is changing. It's risk on and risk off, how do you actually navigate."

In addition to wealth management, families in Asia are also concern about passion investments and family offices now typically need "T-shaped" bankers, said Cheong Wing Kiat, Director at single family office Wen Ken Group. "You may be very focused on wealth management, but at the same time you must be able to leverage on other disciplines, whether it's corporate banking or investment banking, so that you can give a total banking service to the family office."

"But this isn't enough. Because a family office in Asia is a basically a transformation from a business family and the key word is business. So the professionals that provide the advice, you have to know about my business, my industry and at the same time you also need to know about my family."

The family must first know what it wants to execute and must have the planning in place, said William Chan, Chairman and CEO at multiple family office Stamford Management Group. "Fee is not the issue, it's more of the whole approach. Some banks do well and some banks go into their niche. The local banks have their strengths and the global banks have theirs too."

Chan added there's going to be continual synergies between family offices and the banks. "Increasingly, the more senior bankers are taking the effort to understand the family, to understand the new clients and to show less selling pressures.

"Response is very important and the ability to be very bespoke, to meet the exact requirements that we need right now."

(Source: Investment & Pensions Asia, 14 Sep 2012, By Wing-Gar Cheng)