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↑ 13926.08  
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6431.76  
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69.65  
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インド (13/4/25)  
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# SEVEN CHALLENGES IMPACTING ASSET MANAGEMENT IN ASIA

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## SEVEN CHALLENGES IMPACTING ASSET MANAGEMENT IN ASIA

**Although the Asia Pacific region boasts many fundamentally attractive markets for asset managers, the industry is not immune from global asset management challenges common in other parts of the world. Depending on the territory, these can include growing levels of competition, revenue pressures, regulatory uncertainty and investor scepticism.**

01

**FIRMS ACROSS THE REGION ARE FACING A RANGE OF LOCAL REGULATORY DEVELOPMENTS.**

For example, Australia is home to a host of industry concerns such as the federal tax system and the ability to compete in the Asia Pacific region and beyond.

The country is not alone. Following similar regulatory action in Singapore, Hong Kong will face new rules in June 2011 requiring investment funds sold and marketed to retail investors to produce a new key facts statement.

These new regulatory moves are in response to the mis-selling securities scandal of 2008, which affected investors in Hong Kong, Singapore, Indonesia and Taiwan.

02

**INTERNATIONAL REGULATORY INITIATIVES ARE ADDING UNCERTAINTY AND COST INFLATION.**

Whatever the source – US FATCA rules, Dodd-Frank or the UK Bribery Act – regulatory changes create uncertainty. The impact of market uncertainty may be hard to measure, but the costs of new regulations are easy to quantify.

These costs begin with the direct requirements of compliance and also include necessary investments to attract and retain skilled employees, technology, compliance, and more – all of which are pushing up asset managers' expenses.

03

**INVESTORS ARE BECOMING MORE DEMANDING, AND SOME FIRMS ARE STRUGGLING TO EXPAND THEIR REVENUES.**

Asset managers in Asia Pacific not only face pressure on costs, but in some cases on revenues. As markets stabilize and fund inflows accelerate, retail and institutional investors are increasingly skeptical, demanding transparency and value for their money.

As in other regions around the world, asset managers in Asia Pacific are experiencing a stronger investor focus on the link between management fees and actual investment returns. Additional revenue pressures include asset allocation trends, heightened competition, and higher standards of risk management and governance.

04

**ASSET MANAGEMENT FIRMS ARE DEVELOPING NEW PRODUCTS AND GENERATING INVESTOR INTEREST THROUGH ENHANCED MARKETING AND COMMUNICATIONS.**

In a push to reinvigorate fund inflows, asset managers in Asia Pacific are refreshing their product ranges. At the same time, the region's wealth and the interest in alternative products is growing.

Passive products that provide equity exposure at a relatively low cost are increasingly popular. Exchange-traded funds (ETFs) are particularly in demand. At the other end of the risk scale, products incorporating some element of guarantee are also increasingly popular.

Beyond product innovation, asset management firms in the region are looking to stimulate demand through better marketing and communication since even firms with strong brands need to tell a good story.

05

**DESPITE INCREASED OUTSOURCING, MANY ASSET SERVICERS ARE STRUGGLING TO TURN A PROFIT.**

As firms in the Asia Pacific region struggle to balance the costs of regulation, risk management and product development with the need to generate value for their owners, outsourcing is returning to the top of the industry's agenda.

This is not always good news for asset servicers since the levels of assets under administration are likely much lower than they were three years ago. Additionally, the practice of discounting fees and investing in significant systems upgrades are raising costs and putting the squeeze on profits.

The resulting pressure on profitability means that, in many markets, only the largest asset servicers are creating value for shareholders.

06

**SOME FIRMS ARE TRYING TO OVERCOME ESTABLISHED DISTRIBUTION PATTERNS, OFTEN LOOKING OVERSEAS.**

In the search for growth, asset managers in Asia Pacific are trying to develop new patterns of retail distribution. In both Hong Kong and Australia, a handful of large banks dominate the market, posing a particular problem for independent asset managers' ability to grow.

Even though they do not face the same distribution challenges, many of the larger traditional firms in Singapore are also looking to develop their distribution networks in the region. As a result, there is a growing industry discussion about the feasibility of achieving rapid expansion in overseas markets.

07

**WHILE THERE IS NO STANDARD APPROACH TO FOREIGN EXPANSION, HIGH-GROWTH MARKETS REMAIN POPULAR OPTIONS.**

Growth potential is the crucial consideration in pursuing overseas expansion. Vietnam and Indonesia are particularly attractive markets that combine strong growth potential with a large population.

Yet, mainland China remains the greatest prize. As a result, many asset management firms in the Asia Pacific region without a point of access to the Chinese market are urgently looking to develop one.

One way they are doing this is by partnering with local firms. Other firms are looking to cooperate with local partners on a product-by-product basis.



## OVERVIEW

This 3 days hands-on course adopts a disciplined strategy for mitigating risks using the multiple-asset class investment approach grounded in the key principles of modern portfolio theory. Renowned Investment, Financial and Wealth Management expert, Will Lawton will demonstrate how adding new asset classes to a portfolio improves its risk-adjusted returns and how strategic asset allocation uses, rather than fights, the forces of the capital markets to achieve financial success.

With more than three decades of experience in managing portfolios, Will Lawton will underscore a broad range of Investment management processes from client profiling through to building and maintaining portfolios. In addition, to traditional investment management approach, the course will also cover the latest developments within the world of Fintech and particularly ROBO advisory and the reasons behind the disruptions within the Wealth industry globally.

# Strategic Asset and Portfolio Management Excellence 2017

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📍 Hotel Grand Millennium, Malaysia 📅 22nd -24th February 2017

## COURSE LEADER



Will Lawton has over 30 years of experience in the financial, asset management and commodity markets across North America, Europe, and Asia. Will's most recent role was as Managing Director & Head of Investment Group for HSBC Private Bank in Singapore managing all discretionary, advisory and investment product services (including Corporate Finance).

Will was with the Royal Bank of Scotland Group for 15 years. From 2005 to 2009 he was the Chief Investment Officer for the Private Bank (RBS Coutts) based in Zurich and was a member of the Executive Committee. During Will's tenure as CIO, he also served as a Board Director of numerous RBS asset management funds registered in the Cayman Islands. Prior roles at RBS included Head of Financial Markets, Singapore; Treasurer of RBS USA and Global Head of Futures and Options based in London. Will moved back to Singapore in 2009 with

Standard Chartered Bank as Group Head of Advisory and Solutions for the consumer bank division.

Since leaving HSBC Will has remained in the Wealth industry and has launched his own Fintech company, Eigencat, which offers a cloud based modular investment platform. Will has also been consulting to the wealth industry within an investment and digital strategy capacity, as well as serving as a non-exec director to the Hedge fund industry.

## Quest Masterclass

Founded in 2002 in Singapore and with 8 offices in Asia, Quest Masterclass is a leading consulting and training company helping organizations and individuals achieve their goals by sharing knowledge and insights gained by experienced Quest professionals and other industry experts. Our Master Class training sessions combine the best in research; expert trainer and excellent delivery thus providing attendees opportunity learn from the practitioners and develop lasting networks with fellow successful professionals.



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