

ASSET OWNERS , MOVES

by Joe Marsh | Jan 14, 2014

Billion-dollar family office on expansion trail

Singapore-based Thirdrock is launching an FX-focused hedge strategy, buying into a corporate finance boutique and a hedge fund seeding platform, and eyeing a Hong Kong presence.



Melvyn Yeo (left) and Jason Lai of Thirdrock

The starting point for Singapore's Thirdrock was getting seeded in 2010 by two billionaire family clients to run some \$500 million, meaning it was a substantial family office from the get-go.

The firm – run by Jason Lai as CEO and Melvyn Yeo as CIO – has since taken on more clients and bigger chunks of its original families' portfolios and now supervises more than \$1 billion in assets. It is moving to build out its capabilities and create an institutional-level infrastructure.

Thirdrock obtained a capital market services licence from the Monetary Authority of Singapore (MAS) in October and is now investing into ISSEA Advisory, a corporate finance boutique. The transaction will be completed early this year and, post-deal, Thirdrock's total headcount will be close to 20 people, up from around 10.

The family office is restructuring its business into three business segments, namely corporate finance, asset management and wealth management. It is also speaking with various parties about setting up a Hong Kong office with a view to gaining a foothold in North Asian client business.

The largest and fastest growing area of Thirdrock's investments is private deals, such as acquiring company stakes and real assets, as well as advising families on buyouts, IPOs and mergers & acquisitions. Hence the firm's interest in investing into ISSEA Advisory, Goldman Sachs alumnus Yeo tells *AsianInvestor*.

It is also moving to expand its asset management capabilities, including starting in-house funds. It hired Tan Kuang-Wei and Koh Chee-Sin – formerly portfolio managers at the MAS – to set up a foreign-exchange focused hedge strategy seeded with \$30 million by a client family.

The fund launched this month, says Yeo, and the aim is to build a track record before spinning off the strategy as a separate fund. "The two ex-sovereign executives can't publicise their previous track record, so we're incubating them. Once they have track record and we are ready, we will offer it externally."

Thirdrock is also taking a stake in hedge fund seeding platform Headland Strategic, alongside other investors including [Gottex Fund Management](#) and high-net-worth individuals and families.

Meanwhile, Thirdrock sees bringing more private bankers in as a natural way to expand the business, having last year hired Lim Chee-Hoong and Megan Tan as directors from Morgan Stanley's private wealth division.

The firm already has a dedicated compliance officer – in place since inception – and Yeo says it is targeting institutional-level infrastructure.

One concern he has is that there will be some setups that are less regulation-aware. "The risk about our industry is small outfits with insufficient internal controls," says Yeo. "Our biggest worry is if someone in this space blows themselves up."

Lai, formerly head of China for ABN Amro Private Banking, adds: "This worries us a bit, as this segment of the industry is fairly new in Asia, and compliance and proper corporate governance play key roles in ensuring client confidence in, and therefore the success of, this model."

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