



'Digital disruption' is driving Thirdrock's key business decisions

By Ishika Mookerjee / 28 Aug, 2017 at 04:02



Digitalisation is changing the wealth management landscape in Asia, and for Jason Lai, CEO of external asset manager Thirdrock, it is increasingly defining partnerships and business strategy.

The external asset management industry in Asia, which manages approximately 5% of the wealth in the region, is growing and private banks in the region are trying to

capture the business of these intermediaries by setting up desks, providing dedicated relationship managers and digitalising services for greater operational efficiency.

‘One area where custodians can make a big impact is investing in state-of-the-art IT platforms to ensure execution efficiency, process integrity and quick response to market trends,’ Lai told *Citywire Asia*. ‘Take for example, real-time online platforms with consolidation and ad-hoc reporting features.’

Typically, EAMs book their assets under private banks, which take care of the custody and brokerage, focusing on providing non-tied advice to high net worth individuals and families.

While the choice of custodians is led by client preferences at Thirdrock, the availability of technology platforms and digital tools are significant for Lai when advising clients.

Private banks in Asia have been digitalising their relationship manager tools and client platforms for their customers over the past three years, and their intermediaries business is undergoing similar changes. UBS Connect, for example, provides EAMs e-banking services including monitoring of asset performance and order processing and status updates.

‘Improved execution services like transparent pricing, and ease of retrocession calculation are also areas to consider,’ said

the former ABN Amro Private Bank executive, who founded Thirdrock in 2010.

Service levels, including the availability of an EAM desk, flexibility in pricing models and product offerings and innovation are some of the other factors that drive Lai's decision on the choice of custodian. The Singapore-based firm works with 12 financial institutions and service providers for support, execution and custodian services.

Lai looks to technology as the key growth driver for his own business as well, believing that it is 'the key to the scalability and sustainability of the business'.

Thirdrock has a 'fintech lab' that is being developed as a key business vertical. The EAM has invested in a Singapore-based provider of digital wealth management and fintech solutions, which provides multi-dealer multi-product electronic dealing as well as client advisor mobility and workbench tools.

Thirdrock began as a multi-family office in 2010, developing its services from wealth management to include corporate advisory, providing strategic advice on M&As, private equity, corporate finance and capital raising in 2014.

It also has a funds platform, launching a number of hedge fund-like strategies, fixed income strategies and multi-asset discretionary portfolio mandates since 2014. With the growing demand for private equity, Thirdrock has established a pipeline of

private investment deals that span sectors, geographies, capital structures and real assets such as real estate.

The group has close to 40 employees, including an investment team of 20, and manages assets of over \$2 billion.

‘Technology is being built into all aspects of the firm,’ said Lai. These include client acquisition, customer relationship management (CRM), trade execution, portfolio consolidation and reporting, risk monitoring, analysis and compliance surveillance. The platform also includes its partner custodian banks, information providers and investment managers.

‘Our early focus on fintech, we believe, will put us in good stead to ride the wave of digital disruption sweeping through the industry,’ said Lai.

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