

The Insider

HP Wealth Management Newsletter - Issue 7, February, 2019



What A Year!

Dear business partners,

The world seems to be turning at an ever increasing pace. I don't think getting older is the only explanation. The constantly evolving social media and information landscape makes everything instant, and 24/7. Everything is urgent and we expect an immediate reply to our emails. So at the beginning of the New Year, we would like to pause for a moment and update you on a few developments at HP Wealth Management.

But first, let's look back to 2018, which was a very eventful year: the financial markets were most unkind to investors. Most asset and even sub-asset classes had negative returns. Diversification did not really reward investors, as there was almost no place to hide. A number of factors contributed to this: the trade war between the United States and China, geopolitical tensions in the Middle East (what's new?), interest rate hikes by the Federal Reserve Bank. But let's not forget that this comes after a bull market of nine years in equities, and a multi-decade bull market in fixed income. As such, it is important to remind ourselves that financial markets are not one-way streets.

Most analysts expect 2019 to be another difficult year. But that widespread pessimism gives me some comfort that perhaps things will not be as bad as they may look today. For sure, the major risks remain. However, it now looks more likely that the Fed will slow down its rate hikes, and there is reason to believe that the US/China trade war will not escalate further. While we don't expect a comprehensive resolution of the issues, my guess is that both sides will agree on some form of a "deal", and kick the can down the road.

At HP Wealth Management we will be celebrating our 10th anniversary in June. It's fair to say that it was an enjoyable run thanks to the support of all our business partners. **We continue on our path to build the business, adhering to our core principles: transparency, independence and honesty.** We will continue to manage assets entrusted to us sticking to what we know. We will not succumb to the temptation to take undue risks (such as Bitcoin) for our clients. I believe that return expectations have to be lowered for the next few years and we see our principal objective in the preservation of capital, rather than taking outsized risks to (perhaps) outperform a certain benchmark. A solid understanding of one's risk, an appropriate strategic asset allocation and discipline in the execution are key.

In this issue of The Insider we introduce you to Catherine Kuek, our office manager. We also highlight ClearMacro, an automated tool which (hopefully) helps us in making better asset allocation decisions.

Last, but not least, I am also pleased to inform you that Rosemary Liang has joined HP Wealth Management on 1 January 2019. She works closely with Jose Camacho in our Private Market team.

I take this opportunity to wish you, on behalf of all of us at HP Wealth Management, and your families all the very best for 2019. Let us hope that the year of the pig will be one with good health, luck and prosperity for all.

Urs Brutsch
Managing Partner
HP Wealth Management (S) Pte Ltd



PS: As every year, instead of sending out physical greeting cards, we will support a good cause in the region. This year we have decided to support The Smiling Gecko, a charity focusing on providing support to needy Cambodians (<https://www.smilinggecko.ch/en/>)

Featuring...Catherine Kuek!



Member of HPWM, since August 2009

Personal Assistant to Managing Partner,
HR and Office Administration

What do you enjoy in your current role?

I enjoy being involved in different aspects of work such as HR, office administration, working with auditors, corporate tax consultants, office renovations, etc.

With the HR aspect, I have the opportunity to work with all colleagues on official (and personal) matters. Additional diversity arises from the office administration role dealing with various external parties on premises, tax, down to that very pen you're taking your notes with or snacks you are having (so, yes, I get to do shopping during office hours! :-)).

You were working in large banks prior to joining HPWM. What are the advantages and disadvantages of working for a small company?

There are certainly more advantages than disadvantages!

A small organization promotes more personable and closer interaction amongst colleagues. It reduces the bureaucracy generally found in large organization. Lastly and very importantly, everyone is visible as an individual, unlike the case of many fishes in the ocean; everyone's work can be seen and is a valuable contribution to the organization.

As we know, most of us spend more time at work than at home, so the office environment and atmosphere is very important. I look forward to coming to work every day in HPWM because of the camaraderie, helpfulness, care and warmth of my colleagues (including all the bosses), which make it feel like a second close-knit family.

As for the disadvantages, there are no more fancy Dinner & Dance and all those attractive lucky draw prizes! Well, Dinner & Dance can be boring and what people mostly yearn for are the elusive top prizes..... so Bosses, you can wave your magic wand and turn this disadvantage to a positive dream-come-true by introducing solid good lucky draw prizes at our annual year end company dinner? As the PA, I can get that order executed very efficiently!

What are you passionate about outside of work?

Spending time with my new bundle of joy - my granddaughter Eleanor, and helping out in church snack corners to raise funds for Welcome Gift Packs (daily essential items) for new international students coming to Singapore for theological studies.

Tell us something even your colleagues at work don't know about you!

I love to keep recipes from magazines. Yes, keep only.....

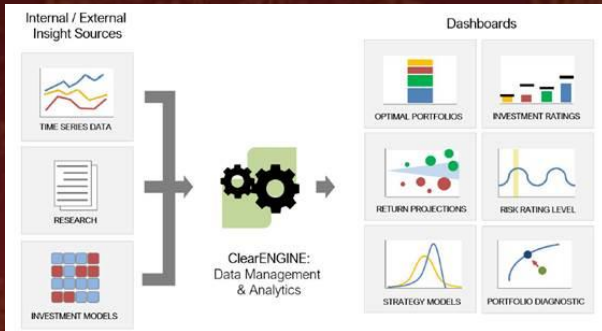
Introduction To FinTech Tool: ClearEngine

Volatility has returned to the financial markets in a big way. How do we make sense of all the noise in the markets and make investment decisions in a rational and objective manner without being influenced by emotion? We decided that we needed an investment tool that would provide us with a systematic framework to guide us in our decision making.

After months of researching and evaluating different system providers, we decided to go with ClearMacro which is a UK-based fintech company focused on providing bespoke asset allocation services, portfolio analytics and a suite of integrated research services to institutional buy-side professionals around the world. It essentially integrates high-performance computing (HPC), artificial intelligence (AI), big data, and intuitive user interfaces to generate forward-looking global, multi-asset class insights.

ClearMacro derives signals from its library of global economic/financial data sets in a robust and consistent approach that overlays human analysis and sophisticated processing. The outputs of its engine (ClearENGINE) are the multi-horizon risk matrices and investment ratings for the different asset sub-classes. What it does is reconcile noisy data to "one investment view" across different time horizons. It gives us a structured, disciplined and coherent tool box for investment decision-making at our monthly Investment Committee (IC) meetings.

We envisage that this approach of utilizing systematic data signals based on rigorous quantitative models and overlaying it with the collective investment experience of our IC will result in superior risk-adjusted investment returns in the long run. It is this successful integration of man and machine that we think will be the future of the investment management industry.



Interview With Urs Brutsch By CityWire

Urs, the co-founder, and Michael Foo started HP Wealth Management in Singapore as atypical Swiss-model independent asset manager (IAM) in 2009, managing segregated accounts for private clients and using different custodian banks. In 2012, Stephane Schmid joined as a partner and he started to develop the family office offering. Currently, HP Wealth Management are almost like two businesses: an IAM and a multi-family office!

Read the full article and find out more about HPWM at <http://iam.citywireasia.com/2018/11/urs-brutsch/>

The HPWM Team Wishes You A Happy Chinese New Year!

HP Wealth Management (S) Pte Ltd ("HPWM") is an independent wealth management firm founded in 2009 to provide independent and professional investment advice, tailor-made investment management as well as family office services to high net worth individuals and families.

At HPWM, our focus is on managing clients assets, bankable and non-bankable. We work with experts in the field of finance such as banks and specialised fund managers. We work with a large network in the field of trust, insurance, corporate providers, lawyers in order to ensure that our clients get the best in class.

Featured In The News: CityWire

Singapore IAM expands private markets team

By Ishika Mookerjee, 10 Jan 2019



Independent asset manager (IAM) HP Wealth Management has expanded its private markets team with a new hire, Citywire Asia can reveal.

Coming from UBS Singapore, Rosemary Liang has joined the Singapore-based IAM as senior investment manager. Liang was previously part of the direct investments and corporate finance team at UBS for more than seven years. Prior to that, she worked at Malaysia's CIMB Bank and DBS Bank Taiwan. At HP, she is responsible for strengthening the firm's expertise, execution capabilities and access to quality transactions for private market investments. Liang will work closely with Jose Camacho, who leads the private markets team.

'The interest for private markets among our UHNWI [ultra-high-net-worth individual] clients is increasing and with the expanded team I am confident we can deliver,' said Urs Brutsch, HP's managing partner and founder. HP was founded in 2009, and manages money on a discretionary and advisory basis for wealthy individuals and families predominantly based in Asia. Like its peers, the IAM is building its in-house capabilities in private equity and debt investments on the back of growing demand from clients.

Brutsch said the firm has also built a network of institutional partners, including private equity funds and family offices, to be able to participate in more proprietary deals.

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