



Dear business partners,

Another year gone by, and to say it was an interesting one is probably an understatement. Around the same time last year, the conventional wisdom was that the US would slip into a recession in 2024. One year later, no recession is in sight, and once again experts got it as wrong as in the polls for the US presidential election. Interestingly, the US election was won by Trump not least because of him successfully claiming that the US economy was in the doldrums. The labor market, the stock market, GDP growth suggest otherwise, but the Democrats were unable to “sell” their story. They also forgot to mention that inflation was not a US problem, but a global phenomenon. So I think one can easily argue that the Democrats really dropped the ball.

Staying with politics, 2024 also saw Macron rolling the dice with early elections, which did not go so well, making him a lame duck president. To the East, the German coalition finally collapsed and the United Kingdom is eagerly hoping that Labor can do better than the Conservatives. The bar is low, but that’s not a guarantee for them to do better. Closer to home, we had (once again) a very peaceful transition of government in Indonesia, and Singapore welcomed a new Prime Minister. Still, I can’t remember a time when there were so many weak political leaders in charge across the globe.

The Financial Markets are shaking off all the turmoil on the political front and a further increase of geopolitical risk. 2024 will go into the history books as a rather good year for equity markets and in the bond market we saw a lot of volatility, but in general a decent year as well. But what will happen next year? The outcome of the US presidential elections will no doubt have an impact on the markets in 2025. Trump’s agenda is likely somewhat more inflationary than a Democrat agenda would have been, and hence the Federal Reserve Bank may be cutting interest rates more slowly. Chinese equity markets have been “stop and go”. Hope that the government will finally introduce measures to address the underlying issues (such as the property sector) emerged regularly, only to be doused by lukewarm policy decisions.

So how should investors position themselves? Since we don’t know what Trump will do (he says more than he does), what the path of the rate cuts by the Fed are, what will happen in the Ukraine and the Middle East, we believe it is the prudent thing to remain invested, but well diversified, with a quality portfolio and no leverage. Such a portfolio has on many occasions weathered the most severe storms and will do so again.

The Wealth Management industry in Singapore continued to grow, but the challenges remain manifold: an ever-increasing regulatory burden and spiraling costs particularly in the areas of compliance and IT are the main issues the industry has to deal with. You can read more about these issues in this newsletter. We also expect that smaller players may ultimately throw in the towel and that M&A activity in this sector will increase. We hope to be part of that process.

At HP Wealth Management, we celebrated our 15th anniversary this year. We have come a long way and remain deeply grateful for the support of an ever-increasing number of clients.

I wish you and your families all the very best for the festive season.

Urs Brutsch  
Managing Partner & Founder



Urs Brutsch  
Managing Partner & Founder



## COMPLIANCE IN WEALTH MANAGEMENT

Financial crime is an ever-present danger to all financial services.

And with the nation's largest ever-money laundering case uncovered by the Singapore authorities in August 2023, the industry is once again under scrutiny.

The 1MDB scandal dust has not settled, yet another money laundering case rocked the local banking and wealth management industry with the confiscation of \$3b worth of assets from illicit activities (forgery, laundering profits from organized crime etc) leading to the arrest and conviction of 10 foreigners.

Money laundering is the process of illegally concealing the origin of money obtained from illicit activities. It often involves a deliberate and complex scheme employed by criminals to disguise the origins of their funds.

Thus, the MAS has continuously conducted inspections on Financial Institutions (FIs); especially the FIs that were directly involved. Thereafter, the industry is kept updated of the "takeaway" lessons from the inspections.

The latest "takeaway" lessons were spelt out in the AML/CFT Supervisory Expectations Information Paper October 2024.

### SUPERVISORY EXPECTATIONS IN THE AREA OF:

<b>A</b>	<b>Assessment of customer risk</b> <ul style="list-style-type: none"><li>Consider money laundering/terrorism financing (ML/TF) risks emanating from customers with multiple nationalities (including citizenship and residency by investment schemes) in the customer risk assessment (CRA).</li></ul>
<b>B</b>	<b>Identification of material red flags</b> <ul style="list-style-type: none"><li>Institute guidance to detect and escalate material red flags.</li></ul>
<b>C</b>	<b>Source of Wealth (SOW) establishment</b> <ul style="list-style-type: none"><li>Apply rigor in assessing the plausibility of SOW, commensurate with the level of ML/TF risks.</li></ul>
<b>D</b>	<b>Risk mitigation measures</b> <ul style="list-style-type: none"><li>Take adequate risk mitigation measures (i) post-STR filing and/or (ii) after decision was made to exit the customer accounts.</li></ul>
<b>E</b>	<b>Holistic monitoring of accounts</b> <ul style="list-style-type: none"><li>Share information on customers and their related accounts across different business units to facilitate detection of red flags.</li></ul>

The Firm's Compliance practices the rigours of;

- customer due diligence, risk assessment,
- establishment of Source of Wealth (SoW) = the origin of a client's entire body of wealth ie total assets
- establishment of Source of Funds (SoF) = the funds used to fund the specific transaction at hand
- Transaction monitoring

The Management and Compliance continue to be mindful of MAS expectations on FIs like ours.

Maintaining the robustness of AML/CFT controls while being mindful to strike a risk-proportionate regulatory stance underpins the Firm's role in maintaining Singapore's status as a trusted financial centre.

Patricia Goh Head of Compliance and Risk

## HPWM STRENGTHENS IT INFRASTRUCTURE

With HPWM staff strength growing to 30 and to comply with the demanding Technology Risk Management (TRM) requirements by the Monetary Authority of Singapore (MAS), the Management decided to significantly step up the Firm's IT defence environment. Hence, we have moved to a new IT service provider, namely Adventus; <https://adventus.com>.

In the new IT environment, there's the powerful suite of Microsoft firewalls, the usual 2FA protective measures, all work devices registered with MS Intune, equipping all staff gradually with a Corporate laptop, establishing a task force to review various security monthly reports issued by Adventus, limiting access to websites or non-business-related applications just to name a few.

Importantly, to secure a proper self IT defence, internally we ramped up the cyber security risks awareness as humans are usually the weakest link to any cyber security breaches.

The adjustment was smooth but strict as Management has set IT defence a priority.

Cyberthreats have grown more sophisticated, continuously evolving. Besides malware, ransomware, phishing, the emerging new faces of cyber risk include AI, Generative AI, deepfakes and scams.

Thus, we will not rest on our laurels, staying on top is vital.



For the Taskforce and IT wizards - Stephane, Patricia and Jeremy

## HP WEALTH MANAGEMENT TURNS 15

On 1 June 2009 a small team of three embarked on the journey into independence. At that stage, the model of Independent Asset Managers was not very well known in Asia. There were only a handful of companies active when we started our adventure. From a small office in the Singapore Land Tower we moved to Hitachi Tower and in 2012 finally into the current premises. Our staff strength has grown to 30 and we have gradually grown our business. We are very grateful to all our loyal clients who have supported us along the way.

Instead of spending a lot of money on festivities, we decided to celebrate the anniversary with two separate events. In April, in cooperation with the National Parks Board, we planted 15 trees along the Ulu Pandan Park Connector. The second part of the celebration was a staff event, where we combined a team building exercise, where teams had to find specific locations in the Tanjong Pagar area, based on clues provided via WhatsApp. Unfortunately, the weather gods had different ideas and we had to postpone this part of the festivities. But this did not dampen the mood for what turned out to be a sumptuous dinner at The Prince restaurant.



Tree planting at Ulu Pandan Park Connector



Team Dinner at Prince

## HPWM CORPORATE RESPONSIBILITY

Under the initiative and Captainship of Dheeraj, and part of our continuing commitment to CSR and support of the local community, HPWM part sponsored and participated in the Inaugural Charity Pickleball Tournament on Friday October 4th @ Jurong West Sports Centre. The tournament was hosted by the Association of Independent Wealth Managers (AIWM) to raise funds awareness for Marymount Centre's residential homes for children under care in Singapore. The event was a success raising a total of SGD 26,000 with all participants as well as children from the centre, enjoying the day playing what is becoming the fastest growing sport in Singapore.

As for the tournament itself, we placed third out of 10 teams, which for a group of predominantly novice players was a credible showing !



The Successful Pickleball Team



Climate change is a fact, and for a few years now we play our very small part to contribute towards the 2050 goal of "net zero". This year, we recalculated the carbon footprint of our firm and with the help of a service provider in Germany ([www.climatepartner.com](http://www.climatepartner.com)). We found out that we generate every year around 73 tons of CO2. In order to offset our carbon emission, we invested in a combined Climate & Ocean Protection project. Our employees voted among three suggested projects, and we are now allowed to use this label in our communication.

We appreciate that no process is perfect, and that our contribution is a drop in the ocean. But as someone said "the ocean is made up of drops", so we are quite proud to play our part.



# MEET DHEERAJ WADHWANI, SENIOR RELATIONSHIP MANAGER



Dheeraj Wadhvani  
Senior Relationship Manager

## Tell us about your professional career?

I joined HP Wealth Management (HPWM) in December 2020 as Director / Senior Relationship Manager. My role at the firm is focused on both the acquisition of new clients as well as advising them on broader asset allocation and individual security selection in line with their risk profiles and I currently advise these clients across asset classes with a specialization in fixed income and equities (both direct lines and collective investment vehicles). Prior to joining HPWM, I spent 10 years with UBS AG an Investment Advisor initially in SG covering the NRI segment and latterly in HK covering the broader SEA Markets. Prior to this I was based in India for 8 years initially working as a DPM in a local brokerage company before joining Credit Suisse India again as DPM. Before moving to India, I worked in the HF space in boutique firms in London, Hong Kong, New York, and Philadelphia.

## You have lived in different continents, what is it that you like about Singapore?

I think the ability to get things done efficiently is a major plus from both a professional and personal perspective. Also, as someone who travels a fair amount, although much less so post Covid, Singapore represents a very good base from which to travel to other countries in SE and South Asia. Not much of a “foodie”, but I would still say that Singapore does offer some of the best dining options (both “hawker” and “fine dining”) across cuisines and on this metric, I’d put it at least on par if not higher with the other cities I’ve been fortunate enough to live in.

## What has attracted you to join HP Wealth Management?

After working for just under 15 years in MNC banks, I think that the freedom and flexibility offered by the firm and the EAM space appealed to me. Freedom to advise clients in a transparent manner which best aligns decision making to their goals probably would be the number one factor.

## What could the firm improve to make your life and that of your clients easier?

The firm does a good job in enabling their relationship managers to manage portfolios in a manner that they feel best suits client needs and provides a robust support structure to be able to do this, whether this be CIO, IT and OMS, Compliance as well as Ops. From a purely personal perspective and this will differ from one RM to another, where I probably could use some further assistance would be in asset book development / new client acquisition.

## What is your wish for 2025?

From a professional perspective, continue to provide clients with sound advice in line with their goals, make more “right” investment calls than “wrong” ones and build the asset base under my coverage in a sustainable way. From a personal perspective: Temperance in thought and action both for me and others. Also, and most importantly, for the pride of North London (Tottenham Hotspurs) to win a trophy and India to trounce the Aussies in the upcoming Test Series down under.

## Tell us something few people know about you?

1. I used to be a part-time English teacher in 2 schools in Mumbai
2. I ran an after-school sports training company in Delhi which is now run as a non – profit in Mumbai
3. I once swam / waded down an expressway during a flood
4. I once beat a World Championship gold and Olympic silver medalist in an athletic event, albeit not the one he was famous for.

## IN OTHER NEWS

### HP WEALTH MANAGEMENT CONTINUES TO SUPPORT GOOD CAUSES LOCALLY AND OVERSEAS

During 2024 we continued our support of an SMU student, Marymount Centre as well as Child's Dream (Thailand) and Smiling Gecko (Cambodia). The management of HP Wealth Management has decided to double the contributions to charitable causes from 2025 onwards.



### HP WEALTH MANAGEMENT AT HK UNIVERSITY

The University of Hong Kong offers a Masters in Family Wealth Management. As part of the course work, the participants reviewed the case study which SMU had done on HP Wealth Management in 2021. This was followed by a very interactive conversation between the students and Urs Brutsch on the occasion of a Zoom call in November. It was fascinating to see the interest of the students in Wealth Management generally, and HP Wealth Management in particular.



### NEW STAFF AT HPWM

We are pleased to welcome the following new colleagues who have joined us recently:

- Ms Loh Hwui Chooi, Senior Portfolio Manager, Head of Equities
- Ms Goh Kai Lin, Head Operations
- Ms Jasmine Lee, Executive Associate

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 client's assets, bankable and non-bankable. We work with experts in the field of finance such as 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.

PUBLISHER  
HP WEALTH MANAGEMENT (S)  
PTE LTD  
137 Telok Ayer Street #08-05,  
Singapore 068602  
T: +65 6603 9790 F: +65  
66039791

