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**Nicolas Duchene, managing director of Reyl Private Office and chief executive officer for Reyl Singapore, talks to Hubbis about the firm's business and growth objectives in the region, plus about the opportunities for clients looking to invest in Asia.**

## How has REYL Group's business developed?

In 1973, Dominique Reyl co-founded CFEG, a Geneva-based portfolio management company which he co-managed until the formation of REYL & CIE in 1988. Dominique Reyl is now the chairman of the REYL Group and is still actively involved with the development of the company.

His son François joined the Group in 2002 when the firm was a traditional independent asset manager (IAM), managing about CHF400 million (US\$427 million). Prior to joining REYL & CIE, François François worked with US law firm Jones, Day, Reavis & Pogue in New York and Paris as an attorney in the M&A Group from 1989 to 1994. In 1995, he joined Credit Suisse First Boston in London, first in the M&A department and, in 1998, he co-founded the LBO coverage group. During this period, he executed numerous mergers, acquisitions, equity and debt capital market transactions, as managing director since January 2001.

When François joined his father, REYL & CIE started to expand its activities, moving away from what was a pure wealth management focus, by setting up an asset management arm and a private office. It also began to expand geographically, opening an office first in Paris in 2004, followed by Luxembourg in 2008, Singapore in 2009, Zurich in 2010 and Lugano in 2012.

Soon the business was separated into three pillars: wealth management, asset management and the private office.

In 2011, the Group launched Reyl Overseas, a stand-alone company benefitting from a US SEC licence offering its investment advisory services to US-declared clients. The team comprises qualified specialists who advise US clients based in the US and internationally.

With over US\$7 billion in assets under management today, the Group continues to expand its business activities and locations.

## What does the private office arm do?

Reyl Private Office is purely advisory-focused. It is a group of dedicated and independent experts whose main role is to implement and manage customised, sophisticated solutions for large estates owned by international clients.

They cover areas including tax and legal advisory, concierge services and managing the coordination of complex structures. Reyl Private Office is also independent from the banking arm: some of its clients of this entity are not clients of the bank.

## Where are you looking to expand next, both geographically and in terms of business lines?

We recently hired a team in Lugano to develop our activities there. There is currently no plan for the opening of an office in the US, but we are expanding in London and soon in the Middle East region.

In 2010, Reyl Asset Management entered into an alternative fund management joint venture with the Samena Group in Hong Kong. Samena Asia Managers focuses on taking an economic interest such as equity stakes in emerging hedge fund managers concentrated in the Samena region with the view to developing and accelerating growth in the managers. It is a hands-on approach to ensure that promising asset managers can benefit from operational synergies and strategic



Nicolas Duchene  
Reyl Gjb[ UdcfY

direction offered by Samena's and Reyl's extensive business networks and investment professionals.

The joint venture has created a powerful combination of intellectual capital and complementary geographies that have increased its ability to seed successor funds, create a bespoke product range and enhance its regulatory infrastructure.

The joint venture acted as a good platform that enabled Reyl Asset Management to readily access the Asian countries to show and market our diversified range of innovative and good performing investment funds, which have been rated 4 and 5 star by Morningstar.

## What opportunities does Asia present for the REYL Group? And what's your value proposition towards Asian clients?

We have major growth plans in Asia, and aim to have at least US\$1 billion in assets

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under management within the next two years. That means fostering strong capabilities and expertise within the entire organisation, so we will be looking to take on more senior-level people with high-level experience.

The wealth in Asia is mainly entrepreneurial wealth – which means first-generation money. Our approach involves managing not only financial assets, but also focusing on family governance (part of corporate governance), and restructuring corporate activities.

As a family-owned company having implemented our own inter-generation leadership transition, REYL & CIE truly understands the various issues and competing objectives that our clients face. We stand alongside our clients and their families to internalise and balance the trade-offs between growth and income, risk and return, spending and security, and wealth transfer and wealth control.

As a trusted adviser, REYL & CIE helps its clients to achieve this balance, to reach decisions and to implement changes, towards providing an efficient wealth planning solution.

For example, I was recently in Beijing to meet with a family looking to acquire an aircraft using their own personal wealth. We discussed setting up a proper structure, considering loans and then finding ways to offset the expense against the income, re-use their corporate tax in their own country, and repay the loan plus the interest with the lease on the charter.

In Singapore, our IAM business is mainly dedicated to entrepreneurs and family businesses. This is where we are most able to assist the client and add value. We offer a holistic approach which includes global consolidation services and reporting, and we also do corporate advisory work, with some core investments.

Within the Reyl Private Office, we offer a wide breadth of services to our clients. Other than

financial assets, we also provide consolidation on non-financial assets; we manage aircrafts, yachts and property and arts for clients, and we deal not only with acquisition but also storage, transportation, VAT issues, insurance, importation, exportation and relocation services.

We also have a full Capital Markets Services license for fund management from the Monetary Authority of Singapore (MAS). As an independent financial services boutique, we are committed to providing quality service and tailor-made solutions that best serve our clients. Part of these services in Asia is to help them to select the right depository banks to fit our clients' needs.

Our value proposition is quite unique in a sense that even though we're licenced as a bank in Switzerland, we manage roughly 20% of our consolidated global assets in third-party banks. We have no issue with relationship managers (RMs) depositing the assets in third-party banks.

### What are the benefits of working for a small, boutique-like firm such as an IAM?

First, the decision-making process is much faster. Secondly, the way people are remunerated within the company, and the fact that some key executives are shareholders in the subsidiaries of the Group, creates an alignment of interests.

RMs are rewarded on income they generated on assets, and not through discretionary bonuses, which is a common practice in many other institutions. As a result, very few RMs leave the company and we are able to attract talent from various backgrounds.

Thirdly, while many larger banks invest a great deal of energy into focusing on product innovation, our RMs mainly manage the

relationship with the client and benefit from the Group's overall expertise across its products and services.

Finally, our RMs have very diverse backgrounds and a broad range of experience, enabling them, for example, to hold discussions on the corporate advisory side, as well as perhaps introducing private equity for example. It has proved beneficial for us to have this variety of disciplines.

### How important to your growth in Asia is offering services to European clients, especially around managing their money in Asia?

For the wealth management business, some European investors are looking to access opportunities in Asia to diversify their portfolios through financial assets or direct private equity investments. But our growth will come mainly from Asian clients as we are confident that our business model and our services will be well suited to the Asian market.

We have specialists in Singapore looking at creating dedicated Asian products and expertise; they are working closely with our team in Geneva and regularly visit the region.

The diversified range of innovative investment funds proposed by Reyl Asset Management is particularly appreciated by institutional investors in Asia. Its chief executive officer Thomas de Saint-Seine has recently visited Singapore and Hong Kong to present our products to professional investors. These initiatives are definitely helping to build REYL's brand across Asia.

Do you have any comments?  
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