

36

IAN HENSLEY

Stellar Elite's director says less is more for adviser survival post RDR



AFTER THE CUT

Where should BP income investors go now?



TROUBLE IN THE WORLD'S FACTORY

Chinese inflation is a serious threat to global recovery, argues First State's Angus Tulloch

THE LAWYERS WEALTH MANAGERS SHOULD KNOW

We profile the legal professionals who can help you grow your business

THE NEWCITS KID

RWC's hedge fund star Ajay Gambhir launches a European absolute return fund



FRANÇOIS REYL

30

Reyl & Cie's chief executive on taking the family business global

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EXPERIENCE
THE FREEDOM
TO MOVE



TO THE BEST
PERFORMING ASSET
CLASSES.

MOVE TO THE BACK PAGE

WEALTH MANAGER PROFILE

Reyl & Cie's chief executive on taking the family business global

FRANÇOIS REYL

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François Reyl is in London running a rule over the UK market. The eponymous chief executive of Swiss financial services group Reyl & Cie joined the family business in 2002 and has since overseen a period of expansion that has resulted in its assets growing fifteenfold in the past eight years.

The firm received its fund management licence for its Singaporean subsidiary this month and expects to enter the UK market in the next year.

It is a far cry from the company's roots. François's father, Dominique Reyl, founded Compagnie Financière d'Etudes et de Gestion (CFEG) in 1973 as a small Geneva-based portfolio management company – which became Reyl & Cie in 1988 – and he continues to chair the firm.

François Reyl's decision not to initially join the family business was a conscious one, and he only came on board after building a distinguished career

that saw him work in high-profile roles on both sides of the Atlantic.

'I don't believe in nepotism and early on I knew that if I did join I wanted to have had some experience outside of it beforehand. I always wanted to be trained abroad and exposed to very competent professionals in different fields,' he says.

'It will be the same with my two sons. If they ever want to join, I would expect them to achieve success at a high level elsewhere first. It is a romantic idea that the firm will pass down the generations but we are not building a dynasty and are certainly not dogmatic about it. If someone is promoted just because of their name, it demotivates the rest of the staff and the firm's success has not been just down to the family,' he adds.

True to his word, after initially studying law at the Université de Genève, he went on to complete a masters in comparative jurisprudence at New York University. He graduated in 1989 and stayed in the

Big Apple, working as an attorney at Jones, Day, Reaviss & Pogue before moving across to its Paris office and its merger and acquisitions team. Reyl's next move saw him hop over the channel to London where he joined Credit Suisse First Boston and co-founded the firm's European Leveraged Buyout Coverage Group. As a managing director of the business he oversaw a number of mega-mergers as well as executing finance raisings, initial public offerings and acquisitions.

By the time he joined the family business as head of development in 2002, he had built up a wealth of business experience across multiple jurisdictions and immediately set about putting this into practice at Reyl Group.

'I joined the family business with a view to diversifying it and building a platform for growth,' he explains.

His first move, the following year, was to set about harnessing the private bank's investment expertise with the launch of three Oeic umbrellas

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WEALTH MANAGER PROFILE

domiciled in Luxembourg, Ireland and the Caymans and a range of underlying funds, including global, European equity and alternative strategies. These were formally incorporated into Reyl Asset Management in 2007 and its remit was broadened to service institutional clients as well.

In 2006, he set up Reyl Private Office – a provider of non-financial, concierge-style services to high net worth individuals.

'This gave us three pools of activity and we can exploit the synergies between them,' Reyl says. 'It is very important to us to retain our independence, however, and so at the private bank we have open architecture and there is no prerequisite that clients of the private office are clients of the bank.'

'We did not want to follow the traditional model, which often sees loss-making subsidiaries being propped up by other parts of the business. We want them all to be profit centres.'

Reyl, who became CEO in 2008, says the core values of the private bank delivering a highly personalised service are replicated across all of its different businesses and it is clearly something both Reyl the man and Reyl the company take pride in.

Nowhere is this more important than in the private office, which often deals with sensitive issues and the stereotype of Swiss banks' discretion certainly rings true here.

'We recognise that our clients have a range of needs and we offer a range of sophisticated tax and legal advisory services through our team of six in-house advisers,' he says. 'We can do anything for them from helping them acquire a yacht to buying art or setting up a family foundation even down to just providing secretarial services, such as real estate administration. We have a solid set of skills in most areas.'

When the firm does not have the specialist knowledge, such as in art, it will bring in independent experts to assist with valuations and transportation.

Again highlighting the discretion of the service, Reyl says the firm has bought numerous paintings for clients at auctions, which under Swiss law the bank can do in its own name thereby protecting the owner from coming under the public glare. It will then charge a flat fee for its role as an intermediary.

The fact that Reyl is large enough at \$3.5 billion (£2.4 billion) assets under management to have some clout, but small enough to not be a one-stop shop clearly has its advantages.

'We do aircraft finance, but the difference with us is that if you went to a big bank it would just refer you through to their aircraft finance department, whereas we will put three or four banks in competition to ensure we get the best deal for our client. The saving we get is generally higher than our fee,' Reyl adds.

So what is the oddest request the private office has faced? Reyl is perhaps predictably tight-lipped on specifics. A lot of the work can be laborious, requiring a lot of legwork, such as helping a family relocate to another country or set up a business.

One example he does give – a client who wanted the firm to buy an aircraft for him – does, however, really show that Reyl is willing to go the extra mile for its clients. 'We assisted him in the process of selecting it, right down to going down to the factory and bringing in a high-end designer to decorate the interior,' he says. 'We even interviewed pilots and the air crew. We get everything from highly personal, confidential requests to others that can be quite eclectic in what is otherwise a very serious business.'



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Although some clients employ the private office for a single 'mission', such as setting up an office in Switzerland, many pay an annual retainer – with Reyl admitting that its services are not cheap. The level of trust that is built up through the private office naturally sees many of these clients move their assets over to the private bank, although this is not a prerequisite.

'We do not discount our fees in the private office if the client is also with the private bank. We may discount the private office fees, but we do not want to subsidise our different businesses or create conflicts of interest,' he stresses.

There certainly seems little need for this as business is apparently booming across all channels.

Reyl Asset Management is on a strong growth trajectory with its flagship European equity fund having outperformed its benchmark since 37% since launch. In recent years the fund range has been broadened with the launches of European low-volatility, emerging market equity and debt mandates as well as multi-manager alternative products.

Reyl is excited about the distribution opportunities that the group is looking to access both in the UK and Asia. On the UK front, the group's initial entry into the market will be through its funds arm, with Reyl in town to strike up relationships with key discretionary, fund of fund and private client wealth managers.

'The plan is to open a presence in London as a platform for fund management over the next 12 to 24 months,' he says. 'We have our European Equity, North American Equity, Emerging Market Equity, European Opportunities and Emerging Market Debt Opportunities funds approved for distribution in the UK.'

'We intend to start with these five funds as they have reached critical mass in terms of size and have great performance track records. So far we have only used third-party distribution but this is an area we want to be more aggressive in the months to come.'

If the operation is successful, Reyl does not rule out hiring in fund management teams and running more products out of London but that is obviously something to be decided further down the line.

Similarly, the decision of whether to open an office for its private bank in the City is still under consideration. The group now has a presence in Luxembourg and Paris, along with its Geneva base, but the cultural fit is much easier in these French-speaking countries, he admits.

'London is obviously a very international city and we do want to acquire private clients here, but our initial focus will very much be on the funds side,' Reyl adds.

The company's move into Asia is already under way, however, on both the fund management and private banking side. The Singapore subsidiary, Reyl Singapore, has the Capital Markets Services licence of fund management required under Singapore law that enables the group to distribute its products throughout the region.

Charles Bok has been named as chief executive of the business and, in keeping with Reyl's culture of attracting and retaining staff, has been given an equity stake in the business.

Reyl is clearly excited about the prospects in the region and it is easy to see why. The Asia Pacific region has more than 2.5 million high net worth individuals and more than 18,000 of ultra-high net worth status.

'Singapore is a fascinating market and a great platform from which to distribute our products into the region. Asian private banking is not so well developed because the culture is more geared to entrepreneurship and people re-investing in their businesses,' he says. 'This is very much the case in China, for example, but this will change and people will want their assets managed, so I think that we are moving into the region at a very interesting time from a long-term view which, as a family office, we take.'

'It is like Russia 10 years ago and now they are looking to diversify their portfolios.'

Reyl has personally been out to visit the office several times and although based in Geneva, he travels extensively between the private bank's offices across Europe.

London is set to become a more regular port of call for him in the coming months as the firm looks to build a presence on our shores. ■

REYL GROUP CHRONOLOGY



1973

Compagnie Financière d'Etudes et de Gestion (CFEG) founded by Dominique Reyl

1988

CFEG becomes Reyl & Cie

1999

Reyl & Cie obtains the status of Securities Dealers and Asset Managers

2002

François Reyl joins Reyl & Cie

2003

Reyl & Cie launches three collective investment vehicles: Reyl (Lux) Global funds; Reyl (Ireland) Alternative Strategies; Reyl (Cayman) funds

2004

Reyl & Cie (France) SAS, newly created, is approved as a portfolio management company by the AMF (French Financial Markets Authority)

2005

Foundation of Reyl & Cie (France) SARL, a life insurance broker in the French market

Launch of the Reyl (Cayman) Absolute Return fund, a long/short European equity fund

2006

Launch of a range of institutional funds

Setting up of Reyl Private Office

2007

Foundation of Reyl Asset Management

Launch of Reyl (Lux) Tactical Allocations, a mutual fund of asset allocations

2008

Reyl & Cie sets up office at 62, rue du Rhône in Geneva

Launch of the Reyl Europe Low Vol and Reyl European Opportunities funds

2009

Reyl Funds expands its range of bond, money-market and alternative funds.

Reyl Private Office opens an office in Luxembourg

Launch of the Reyl Emerging Debt Opportunities fund

2010

Reyl Group opens a new subsidiary in Singapore, Reyl Singapore, which is granted the Capital Markets Services licence under Singaporean law