

Fireside Chat – WealthTech

While fintech has emerged as an established sector in which finance and technology are combined to change the way people and companies spend and receive money, wealthtech brings together wealth and technology to provide digital solutions for wealth management and investing. The three speakers at this Fireside Chat session are already ahead of the game having gone into wealthtech during its infancy.

Moderator Mr Richard Chow opens by talking about the difficulties established banks and financial institutions have experienced in understanding how wealthtech works, and describes the three speakers as visionaries in their ambitious drive to open up the Wealthtech sector, and how their companies have taken the sector forward.

Mr Alex Medana, Co-Founder and CEO of FinFabrik, said his three-and-a-half-year-old company works on the creation of assets and products using blockchain technology and its distribution. His vision is to have everyone in the world invest at least one dollar in anything over the next five to 10 years, and he visualises a future of investing through capital and private markets.

Mr Mathias Helleu, Chairman and Founder of 8 Securities, said his company serves the high-end millionaires' market and the younger generation of investors in Hong Kong. He said that almost everyone in Hong Kong is interested in investment, but once they open a brokerage account and buy stocks they do not move forward.

"Eighty-one per cent of investment ideas come from friends and family, especially for that [younger] generation" said Mr Helleu. "What next? The whole idea is, how do we serve the millionaire better? It has to be simple and it has to be cheap. The entry level needs to be very low. What wealthtech does is offer diversification. So we use technology and Artificial Intelligence to help young investors to invest in what they want in a very simple and affordable way."

Mr Kelvin Lei, CEO and Co-Founder of AQUMON, said his company, which opened in Hong Kong four years ago with a staff of around 100, creates an investment engine comprising an algorithm within an IT system that gives financial institutions in China, Hong Kong Singapore and Japan access to the best asset allocations at a low cost and via automation.

Mr Helleu summarised the session, saying that wealthtech is very much a new concept, although it is starting to change how people invest, and that many of the once wary major institutions are now opening their doors to wealthtech.

"We were told 20 years ago, online brokerage, forget it," said Mr Helleu. "People want to speak to a broker. Ever since we started, we hear, particularly from private banks, that it is not for us; our customers need a personal touch and don't mind paying the fees. It takes time to penetrate the market; it takes time for people to adopt this system, and education plays a key role.

"It is a case of persuading customers that you are on their side and not trying to rip them off. While we always need personalised services, a lot of it can be done online for a much cheaper price and I think that's the way to go. Just like we have transformed brokerages, we can transform the wealth manager."

Quotes about Hong Kong and China

"The Greater Bay Area (Hong Kong, Macau and Guangdong) is a place that can grow [in wealthtech] and we are ready to rock and roll. It's amazing." Mr Alex Medana

"What is important for Hong Kong is hardcore technology. There are a lot of companies doing something similar to investment banks. What we do is build up our technology, our algorithm, from scratch. Our own database — we built it up with our own hands. We have four years' track record in Hong Kong; we have brilliant global asset allocation." Mr Kelvin Lei

"The GBA is a good one. We still don't know what GBA means, but when we do it will be great. The market size will be multiplied by 10; we take our first steps in China and that would be brilliant." Mr Mathias Helleu