

Manulife ups the ante in wealth management offerings

| BY LOH CHEN-YI |

Financial crises and recessions have made the business of managing wealth trickier than ever over the past few years. Interest rates are at record lows while volatility has increased. Longevity rates are also increasing across the board in many countries, adding to the complexity of retirement funding. It's a time of both challenge and opportunity for many players in the wealth management space.

Insurance firm Manulife Singapore has stepped up to the plate, to marry its traditional expertise in long-term portfolio management with the needs of a growing base of customers looking to secure a post-retirement income. In October, it launched a retirement planning product known as ManuRetire Secure aimed at addressing these concerns. Before the month was out, it also announced the second offering of its Manulife Income Series of funds, a multi-sector bond fund known as the Strategic Income Fund. Both products, as well as the Manulife Income Series — Singapore Fund launched earlier this year, are key components of Manulife's strategy to play a growing role in Singapore's wealth management space.

According to Kwok Keng Han, chief of wealth management at Manulife Singapore, the insurer is out to combine the traditional strengths of its old business with the dynamic requirements of the new business line. "As an insurer, we are one of the early movers in terms of looking into the wealth management area and marrying the capabilities of both to provide customised solutions for the marketplace," he says.

To be sure, Singapore is an increasingly competitive and crowded market for wealth management firms. Kwok, however, believes there is always room for firms such as Manulife, which can leverage its multiple strengths to provide holistic solutions. "We have the insurance company balance sheet, insurance product manufacturing capabilities, an asset management ability through Manulife Asset Management and, where we can't find in-house solutions, we can go for third-party customised solutions," he says. "It's a multi-channel and multi-manager solutions platform because at the end of the day, it is the clients' needs that count."

As Kwok sees it, looking after the multi-faceted needs of clients means that other industry players such as banks and independent financial advisor firms should not be viewed solely as competitors, but rather as "partners in growing the wealth management industry". For instance, the ManuRetire Secure product was designed and launched in conjunction with Citibank Singapore to provide a first-of-its-kind investment-linked insurance plan that guarantees returns at 80% of the highest achieved unit price of the underlying fund. This underlying fund, in turn, tracks an index fund developed by Citigroup Global Markets that offers upside exposure to market trends while limiting the downside loss for investors.

Kwok also discloses that Manulife is in the advanced stages of preparing an international array of global fund offerings for sale to the local market. "We are



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bringing our Luxembourg-domiciled range to Singapore, which should be ready in the next few months," he says. Known officially as the suite of Manulife Global Funds (MGF), this is as an open-architecture fund umbrella of which more than half the available funds is managed by its Manulife Asset Management subsidiary and the rest by third parties.

According to Kwok, the fund umbrella is now used by Manulife to distribute to its non-US global markets, whether it is to non-resident Americans living abroad, or to the Singapore market where the MGF umbrella is in the process of registration for sale to the general public. Manulife will start with three of its more popular funds in Singapore dollar share classes from the MGF umbrella that will be available through a variety of channels in Singapore. "This is the plan we have for wealth management, working in partnership with all the different channels," stresses Kwok.

That is not to say, however, that Manulife will be heavily dependent on these partnership channels like many special-

ist fund managers who simply focus on managing money and rely on other parties to sell their funds. Kwok indicates that there are about 1,000 financial planners belonging to 28 branches of its tied agency force in Singapore. "All our agents and financial planners are fulltime as we want to move towards a professional agency force," says Kwok. "And what we have also planned is a wealth management academy to train them properly in this area." This academy will begin operating in 2013.

One thing that Kwok and the rest of Manulife's management team are particularly proud of is the high rankings achieved by its financial planners in customer surveys conducted by the Singapore Management University. According to the SMU Customer Satisfaction Index of Singapore 2011, Manulife was top in the categories of "Trust" and "Satisfaction" among insurance firms operating in Singapore. "Client experience is one unique differentiator," says Kwok. "If we can continue to keep our clients happy, there will be repeat customers." ■