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Headline: Singapore's flourishing family office scene pulls in fresh grads

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A new work-study elective, which matches SMU students with family offices for internships, has attracted considerable attention, reflecting the increasing appeal of wealth management as a career path for recent graduates.

A surge in single family offices in Singapore has caught the attention of not just industry insiders, but also students like Justin Lew, who are interested in a career in wealth management. Citywire Asia speaks to him, and experts about how private banking is emerging as the new 'investment banking' for young professionals.

Singapore has solidified its position as a wealth management hub and demand for family offices is on the rise. There were 1,100 single family offices by the end of 2022 creating around 1,400 jobs for locals, with 900 positions emerging in the last three years alone.

By end 2023, the number of single family offices awarded tax incentives hit 1,400.

'That's what sparked the interest for many of us within my batch,' said Lew, the third-year finance student at Singapore Management University (SMU), referring to the mushrooming single family offices in the city-state.

He said amid the broader finance world, there is a growing emphasis on wealth management and feels there are plenty of opportunities to explore in this space.

'This is something that we're interested in, rather than perhaps investment banking where there's not as much interaction. That's why I decided to give wealth management a try,' said Lew.

This curiosity led Lew, along with Simin Swee and eight others, to participate in a work-study elective offered by SMU, providing a four-month internship opportunity with family offices and family advisory firms.

Swee, equally intrigued by Singapore's thriving wealth management industry, shared, 'If I learn more about this [the wealth management] industry, I feel I have a better career in the future. I was sold by the family office idea, so I was okay to intern at any company.'

A good fit

Kylie Luo, executive director, asset and wealth management tax leader at BDO Singapore, said such electives are important in helping to bridge the talent supply gap in the family office space.

Indeed, while private banks have no dearth of quality bankers, the newer family office space is still finding its feet.

To address the talent gap in Singapore's family offices, GIC and Temasek-backed Wealth Management Institute (WMI) has launched a family office programme to cultivate a pipeline.

WMI has goals to reach 5,000 enrollments into its family office programmes by 2025, with 3,000 in participation of programmes and forums thus far.

BDO Singapore, along with firms like Kamet Capital Partners, IAM Asia Capital, and Lombard Odier, partnered with SMU for this elective.

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'Interns are short in supply and we do have a lot of competition. The elective is a win-win for both SMU and BDO, giving students practical real-world experience,' said Luo.

In the elective programme, students work at least four days a week at the host company. It is held during a regular school term, so students need not take a leave of absence for it.

Split into two phases, interns spend 12 weeks at BDO followed by eight weeks in a family office.

From the students' perspective, Swee shared: 'The internships definitely gave me exposure. Initially, we had three full days of classes where we absorbed all the information.'

'When assigned to different departments, we started learning hands on. You learn how various regulation directly affects clients,' said Swee.

Luo commended the interns' ability to adapt quickly to their work, with the firm providing bite-size training and on-job coaching. However, she stressed the importance of host firms having enough work for interns. '[Otherwise], it is a waste of resources and time for everyone.'

Family offices, typically staffed by senior professionals, can benefit from motivated, adaptable, and responsible student interns to support the lean operating team too, said Associate Professor Kenneth Goh, academic director of Business Families Institute at SMU.

'The smaller set up means that the students will have better access to senior mentors and be exposed to a breadth of experience that they will not get at the bigger banks,' said Goh.

With the tailored training programmes in place, BDO's Luo said family offices will benefit in the longrun.

'If you want to have your share of the resources - the interns - you need to invest effort in training. They are all quite willing because you reap the maximum benefits when the students are allocated to you,' said Luo.

Wealth management as a career?

At BDO, Lew noticed the close collaboration between the team and private bankers to gather relevant client information.

'It's a place that I want to delve deeper into and see if it's a career path I want to take,' shared Lew. Subsequently, he pursued another work-study elective at DBS Private Bank through SMU, and is considering a potential career in private banking.

When asked about his preferred bank, Lew said, 'It's a conversation that I always have with my friends. Most of us are always eyeing for those bulge brackets... but I value the experience more where I can learn.'

Meanwhile, Swee has a different path in mind. 'I'm not going to do an office job. Right now, I'm quite sold on the idea that I will do remote work,' she said. She took on an internship with a venture capital firm in Indonesia last year, sparking a desire to travel more.

However, Swee remains open to joining the wealth management sector upon returning to Singapore. 'I'm always open to it, and I'm leaning towards being a relationship manager because it's about communicating with clients and learning how to serve their needs,' said Swee.

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The next round of the elective programme will commence in August.