

TRENDS

■ SINGAPORE

## Wealth management institute to be launched

Singapore is moving forward with plans to strengthen its position in the regional wealth management sector, one of the few areas of growth in the financial services industry. In the last few years, banks and other financial institutions have been busy raising their profile in wealth management. Many of these institutions have been forced to diversify as the regional economic slowdown has affected their lending activities whilst credit quality, too, has suffered.

*Asia Asset Management* understands that the authorities in Singapore will shortly unveil new initiatives to boost the sector. One such is a plan to launch a Wealth Management Institute (WMI) in collaboration with the Singapore Management University (SMU). Funding for WMI is expected to be initially provided by Temasek, the government's investment arm. AAM understands that WMI plans to introduce a master's level degree programme in wealth management for practitioners in the private banking and asset management sectors. It's planned to be a 14-month full-time

onsite degree programme aimed not just at practitioners in Singapore but also to attract others from the region to Singapore. Industry participants can expect to pay up to S\$50,000 to attend the programme on the campus of the SMU, established in 2000. The privately-owned but government funded university is modeled after the Wharton School at the University of Pennsylvania.

The WMI initiative comes nearly a year after a government appointed committee published a set of recommendations to strengthen Singapore as a financial centre. In the paper, wealth management was identified as a sector that could provide good growth potential and competitive advantage for the industry.

"A well-developed wealth management industry, encompassing both institutional and private wealth management, has numerous spin-off benefits. It reinforces capital market and treasury activities and provides business to the suppliers of trust and custody services," the ERC committee said in its paper, published in September 2002.

Confirming the growth potential in wealth management, assets under management in Singapore have been expanding at a steady pace over the past few years. Last year, according to a MAS survey, assets under management expanded by 12% to S\$343.8 billion from S\$307 billion recorded in 2001.

As disclosed, the authorities are keen to build Singapore as an Asian centre for the management of Asian investment portfolios (of both Asian and Western clients) and to manage the global investments of Asia-based investors. On both fronts, Singapore has covered good ground over the past few years although Asian mandates continue to dominate.

According to analysts, with the launch of the WMI, the industry will receive a boost in the deepening of talent and that will be a key factor in raising local standards. Global firms operating in Singapore, too, will stand to benefit from a wider talent pool.

In terms of expanding the range of products in wealth management, private equity and hedge funds are also now being targeted. ■