AMG FINANCIAL GROUP

The Will to Act

ARNOLD YEUNG

Chairman and CEO of AMG Financial Group.

CONSTANTLY lauded for excellence and exceptional dedication to clients and industry, the leading wealth management and financial advisory services provider takes each opportunity to further demonstrate its commitment, shares ARNOLD YEUNG.

Fiscal security is no small concern to individuals and enterprises. This is to no lesser extent truer than with purveying financial services companies, which need to stay afloat and competitive in order to make good on their propositions. Now more than ever are their assistance and counsel in great demand, but at a trying time, in a stifling practice environment and on the brink of even more sporadic market behavior. Yesterday's shocks can be tomorrow's norm, and vice versa, but only until the next wave of unsettling change.

What remains firm is duty to clients. Regardless of circumstance, a company only exists to fulfill the promises towards it was built. In this spirit, AMG has endured 15 restless years of Hong Kong's recent history with considerable success, developing multiple noted platforms of business to address the growing needs of clients from the middle class to high-net-worth individuals.

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The Role of Teacher

"One of the key values of the financial services industry is in educating the client," says Chairman and CEO Arnold Yeung.

As the ageing population of Hong Kong continues to face rising cost of living, those of a disillusioned younger generation are skeptical of their chances of ever owning a small apartment. It is the awareness of a need for financial preparation and protection that Yeung hopes the industry can instill in the greater public, if participating companies are truly concerned. In a way, it bears more importance than investment.

Yeung agrees that most of Hong Kong's public sees its Mandatory Provident Fund as an insufficient tool for a decent retirement. It may provide some support but in general, the MPF cannot meet the amount needed for a decent retirement life, especially after a certain period. "Most people don't worry about medical expenses during employment, but after retirement it becomes a big concern," he says, stressing the significance of securing health insurance. While this is regarded as common knowledge, there remain many without a policy, some even in their forties.

On the other end of the spectrum are the new investors. Empowered by technology and generally better informed, such individuals are actionable, but many lack the deeper comprehension and composure to conduct themselves properly in the market. This makes them easily swayed by the overflow of information, impulsive, and prone to panic. "Sometimes the market goes up and down depending on people's beliefs and expectations," says Yeung; such a conjecture only places greater emphasis on providing proper guidance.

Stepping Up

The matter however may not be top priority among industry participants. Independent financial advisers have become wary of the recent change of regulation that may lead to tightening on companies' cash flow. It was set in place on the grounds of industry enhancement, A lot of industry participants are capable of handling the changes in terms of market and new regulations. The question is if you are willing to deal with it.

which is great, but has at the same time inadvertently affected IFA companies' revenue streams and somewhat curbed competitiveness with giant financial institutions. The tightening on cash flow has made a number of industry participants cautionary, a portion of which is considering scaling down business. With new regulation taking effect, this should be a sound move.

In contrast, AMG is scaling up.

Throughout the years, the company has grown gradually and organically. Currently under its banner are about a hundred professional advisers, trained regularly and rigorously with high standards. While others are at such time thinking more conservatively about how to manage their organizations, Yeung has decided that the time is ripe for further expansion, counting AMG among the very few IFAs who have decided to do so, at least for the moment.

"Consistency and commitment is even more important due to new regulation. As industry standards will be much higher, it is a time to see who really is committed to the market and its clients."

Yeung speculates that in light of the change of regulatory environment, a number of financial advisers may be looking for alternative platforms to carry on their business. A company's commitment is among professional financial advisers' main concerns. For this reason, AMG will demonstrate its commitment to the industry, clients as well as professional financial advisers by scaling up the business including but not limited to continuously investing in its supporting systems and personnel.

"When you run a financial institution, your job is not just to focus on how to make new business, but also to practice good corporate governance, and comply with regulations. I believe this industry can really do good things for the public – to provide sound financial advice to clients and to select the suitable products on behalf of the client, rather than sell on behalf of any specific provider. If this basic concept is correct, why can't AMG expand?"

Another advantage AMG has is its longevity. Its record of achievement and history of success are hard to dispute; they cannot be bought, and can only be paid for with years of reputable service. "I think we are one of the companies who have participated in the industry long enough for there to be any question of commitment and capability."

Built on Trust

Apart from safeguarding assets, clients are routinely on the lookout for financial instruments of reduced risk and greater returns. Yeung cautions against seeking such a silver bullet, saying it is best to practice discernment when courted with "too trendy" products. While advising on suitable financial tools is a large part of their work, educating clients on how to evaluate their own financial situations can be more valuable.

"It's not practical for a product provider to structure a precise promise of return. What constitutes a best course of action greatly varies from client to client. It is highly dependent on particular situations and must be determined as early as the planning stage and reviewed from time to time, placing immense significance on communication and understanding."

Yeung relates that some clients are very "private", and tend to omit information. It is then the burden of financial advisers to continue asking the right questions and cultivate a healthy relationship to facilitate a more protected financial future for their clients. Breaking this barrier is much easier said than done, but if the company demonstrated its commitment and professionalism, it would likely raise the trust between parties.

Within the industry, building coveted trust means demonstrating expertise, professionalism, and a genuine interest in client welfare. Gaining such confidence assures continued business, wins patrons and gives brands substance, as AMG has.

"A lot of industry participants are capable of handling the changes in terms of market and new regulations. The question is if you are willing to deal with it. The environment will almost certainly be tougher than before. We are willing to do it." ■

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