

ACCLAIM

RECOGNISING LEADERS ACROSS THE GLOBAL WEALTH MANAGEMENT INDUSTRY
THROUGH THE **WEALTHBRIEFING** AWARDS PROGRAMME

EXCLUSIVE
2020 WEALTHBRIEFING
MENA AWARDS WINNERS

December 2020

NINE WINNING YEARS IN THE MIDDLE EAST

Arnaud Leclercq, Partner Holding Privé, Lombard Odier and **Soumaya Hissoussi**, Senior Private Banker, talk to **Tom Burroughes** of *WealthBriefing* about the success of his institution and the qualities driving it.

Lombard Odier is proud to have won "Best Shariah-Compliant Wealth Management Offering" and "Most Innovative Investment Proposition by a Private Bank" at the MENA *WealthBriefing* Awards 2020, crowning a nine-year winning streak in the region.

They highlight the impressive advances made in our Islamic investment offering in the last eighteen months, and reinforce our commitment to the Middle East, where we have been serving clients for over half a century.

Best Shariah-Compliant Wealth Management Offering

In 2018, our Shariah discretionary mandate was officially certified as "Shariah compliant" by the Shariah Supervisory Board of Amanie Advisors, an eminent Shariah advisory firm. In 2019 we won our first Islamic finance award and in 2020 our profitable Islamic investment franchise has continued to expand, with new clients and a healthy growth in assets under management.

"We are proud to win this award, which celebrates the strength of our Islamic investment offering," said Arnaud Leclercq, Partner Holding Privé, Lombard Odier. "There is evidence to suggest that our Shariah mandates preserved clients' capital in a superior way during the crisis."

Our balanced Shariah mandate saw a smaller drawdown in the mid-March 2020 lows than our conventional US dollar-based mandate, and has since recovered more robustly. It had returned 9.46% year-to-date at the end of August.

Most Innovative Investment Proposition by a Private Bank

This award celebrates the innovative nature of our offering. Our Shariah mandates are bespoke, fully customisable solutions, which sets them apart from other products available in the sector. The mandates are a holistic offering (not a fund), which gives clients seeking Islamic solutions access to the full capabilities of a global wealth manager, on a truly personalised basis.

These mandates form the basis of our Islamic offering called Lombard Odier Assayil™, which we are now seeking to develop and grow, including via collaborations in the Middle East region.

"The natural symbiosis between Islamic finance and responsible investing fits well with Lombard Odier's long-standing commitment to sustainability," Leclercq said. "We continue to grow and enlarge our Islamic offering, reflecting our ethos of adapting to a changing world and creating fresh perspectives for our clients."

This year has also seen us deliver innovative sustainable investment solutions including the

Climate Transition Fund, and further embed sustainability analysis into all our investment decisions, as we support the economic transition to a model that is Circular, Lean, Inclusive and Clean (CLICTM).

Previous awards in the region

Lombard Odier's previous *WealthBriefing* awards include *Best Overall International Private Bank* and *Best Shariah Compliant Wealth Management Offering* in 2019, *Best Overall Gulf Cooperation Council (GCC) Private Bank* in 2018 and 2017, and *Best UAE Private Bank (International)* in 2016 and 2015.

Other notable achievements/progress in the MENA region

In April 2019, we opened a new branch in Abu Dhabi, growing our existing UAE footprint and allowing us to serve clients onshore with bespoke, local solutions. After just over a year in the Abu Dhabi Global Market, our branch has now moved to new, larger offices, allowing it to meet its growing client base in a setting of greater security and confidentiality.

How has 2020 been for your clients?

Leclercq: "It's not been the year we envisaged, but paradoxically it may have brought us even closer to our clients. Crises focus the mind on what matters: our families and loved ones. Fundamentally, our role is to advise and accompany our clients and their families, and to invest their life-savings, for the long term. Clients had more time to reflect during lockdowns. They spent more time talking to us. Video calls brought us right into their homes, sometimes for the first time. At times, bankers were providing daily updates."

"At the peak of the crisis, we communicated our outlook: stay firm, there will be a short-term recovery. Our analysis proved to be right. In general, client portfolios for the GCC region have recovered from March lows; most are now in positive territory. Lombard Odier has weathered more than 40 financial crises in its two-century history. We represent strength and stability, a fact highlighted when Fitch reaffirmed our Group's AA- credit rating this past March. As one of the world's strongest-capitalised banking groups, investors' flight to safe havens has benefitted us, particularly in the Middle East."

How has your Islamic finance approach fared during the pandemic?

Hissoussi: "There is some evidence to suggest that our Shariah mandates are preserving clients' capital in a superior way. Our balanced Shariah mandate saw a smaller drawdown in the mid-March lows than our conventional US

dollar-based mandate, and has since recovered more robustly. It had returned 9.46 per cent year-to-date at the end of August.

I think that the symbiosis between Islamic finance and sustainability is also worth underlining. Islamic equities have had a strong year, reflecting in part the exclusion of financial services, but mainly the bias towards quality firms with strong fundamentals and solid balance sheets. Our broader sustainability analysis also looks beyond business practices to assess companies' business models. How adaptable are companies? How prepared are they for challenges, whether that's a sustainability challenge, or a pandemic and supply chain challenge? This year has shown how important that analysis is."

What do you expect for the final months of 2020?

Leclercq: "We expect an ongoing recovery, albeit at a slower pace than in May/June, as the 'easy' part of the process is behind us. Covid-19 cases are accelerating in the US and notably in Europe, where governments are increasing restrictions, albeit in a more targeted fashion than in the spring. This leaves Asia as a major demand driver for the global economy. The partial nature of the reopening means economies will not regain full capacity until the virus is eliminated. Within client portfolios, we have been adapting our strategic asset allocation to a post-pandemic future, with a new standalone allocation to China; allocations to thematic trends including demographics, climate change and digitalisation; to real estate; and to gold. We believe these will help us capture the investment opportunities of tomorrow, without necessarily increasing risk." ■



¹ Best Islamic Wealth Management Proposition' at the Islamic Business & Finance Awards.

² Past performance is not a reliable indicator of future returns.

³ USD portfolios, across all risk profiles, as of end-September.

⁴ Past performance is not a reliable indicator of future returns.