



FOR IMMEDIATE RELEASE

## **CGS-CIMB begins offering ADDX's private market deals to all its high-net-worth clients**

*Through the partnership with ADDX, CGS-CIMB has expanded its private market product offerings to include all ADDX products*

**GLOBAL, 19 DECEMBER 2022** – Securities brokerage CGS-CIMB Singapore has switched on its connection to the private market exchange ADDX, giving all individual accredited investors<sup>1</sup> on its platform access to ADDX's offerings.

Through the partnership, CGS-CIMB was able to expand its shelf of private market products considerably. The brokerage can now distribute to its high-net-worth clients a full suite of deals on ADDX, including private equity, private credit, venture capital, hedge funds, real estate, fixed income products like bonds and commercial papers, as well as structured products. Previously, CGS-CIMB was more focused on the public markets.

The partnership is part of a new service called ADDX Advantage that was rolled out earlier this year to serve wealth managers, which includes private banks, brokerages and external asset managers. By end-2023, ADDX aims to onboard as many as 10 wealth managers.

Wealth managers using the service get an instant plug-in to ADDX, which has listed more than 50 deals to date. They avoid having to originate and negotiate deals with each issuer or fund manager separately, which can be a time-consuming process.

The use of blockchain and smart contracts by ADDX enables the fractionalisation of investments down to as low as US\$5,000, from the US\$1 million typically required when going direct to issuers. Blockchain technology also enables secondary trading, which is not available through traditional channels. The lower barriers to entry and exit enable wealth managers to help end-clients manage risk by spreading capital across a more diverse variety of products and the added ability to rebalance portfolios regularly.

ADDX Advantage enables the performance of lifecycle management of securities on behalf of wealth managers, covering actions such as subscriptions, dividend payments, redemptions and secondary trading. As a sub-custody partner, ADDX also allows wealth managers to retain custody of their clients' assets.



At the launch of ADDX Advantage in April 2022, CGS-CIMB was among the first to sign up for the service<sup>ii</sup>. Since then, the two companies have completed steps essential for the service to go live, including onboarding end-investors.

Wealth managers can choose either to enable end-investors to manage their own holdings on ADDX or to have their relationship managers create and manage sub-accounts for them. The platform is designed to adapt to wealth managers with different business models and regulatory requirements. The relationship managers will then execute trades and perform fund transfers on behalf of clients, ensuring a more seamless experience for investors.

**CGS-CIMB Managing Director and Group Head, Strategic Innovation Elgin Ting stated:** “As part of our mission to provide clients with an extensive suite of financial services, CGS-CIMB is always scouting for new offerings that can add value to our investors' portfolios. Through our partnership with ADDX, CGS-CIMB’s high-net-worth investors now have access to private markets and opportunities that were historically accessible only to institutional players. We are excited to see the technology and innovation ADDX is bringing to the financial markets and look forward to working with them.”

**ADDX CEO Oi-Yee Choo said:** “Returns from a classic 60/40 portfolio mix of public stocks and bonds are at an all-time low<sup>iii</sup>. Against this backdrop, we have observed growth in investor awareness and appetite for private market products over the past two years. Globally, private market assets under management are forecast to nearly double, from US\$9.3 trillion in 2021 to US\$18.3 trillion in 2027<sup>iv</sup>. Individual investor allocation to these alternative assets is likely to rise faster than allocation by institutional investors because technology is democratising access for individuals. Our solution for wealth managers provides maximum flexibility, fulfilling the different needs wealth managers have, while empowering them to help their end-clients build diversified private market portfolios. Serving wealth managers will be a key pillar of growth for us in 2023. Our priority is to optimise the user experience for wealth managers, as well as to increase the breadth and depth of offerings on ADDX.”

**She added:** “CGS-CIMB is a leading brokerage and financial services provider in Asia, and for them to have given their high-net-worth clients access to ADDX represents a strong endorsement. Since the partnership went live, CGS-CIMB clients have contributed as much as 30% of investment volume for new fixed income issuances. In this economic environment, wealth managers that can offer their clients access to previously out-of-reach investments will have a competitive advantage over their peers.”

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**About CGS-CIMB**

CGS-CIMB Securities (CGS-CIMB) is a leading integrated financial service provider in Asia. It is a joint venture between China Galaxy International Financial Holdings Limited, a wholly owned subsidiary of China Galaxy Securities Co. Ltd., and CIMB Group Sdn Bhd.

Through a network of local offices, branches, and strategic partners, we have a direct global presence in over 20 countries and territories, providing a truly Asian perspective. We are well-positioned as Asia's leading financial gateway with a core focus on deep-dive research and in-depth analysis on equities and financial products. We are a customer-centric firm and focus on value creation for clients, offering a suite of investment and financial solutions for retail and institutional clients. Our businesses include retail broking, institutional equities, derivatives, prime services, equities research, wealth management and online broking.

Backed by an award-winning research team, we have one of the most comprehensive research coverages of over 1,000 stocks. Our strong research capabilities form the backbone of our product and service offerings, connecting clients to opportunities.

**About ADDX**

ADDX is a global private market exchange headquartered in Singapore. The company is on a mission to make investing fairer by democratising private markets. Through its parent company, the full-service capital market platform has raised a total of US\$140 million in funding since its inception in 2017. It raised US\$50 million in its Series A round in January 2021 and US\$78 million in its Pre-Series B round, which kicked off in May 2022 and was extended in November 2022. Investors include Singapore Exchange (SGX), the Stock Exchange of Thailand (SET), Temasek subsidiary Heliconia Capital, the Development Bank of Japan (DBJ), UOB, Hamilton Lane, Tokai Tokyo Financial Holdings and KB Securities, which is a subsidiary of Korea's largest banking group KB Financial Group.

Asset classes available on the ADDX platform include private equity, venture capital, private debt, real estate, hedge funds, and structured products. To-date, ADDX has listed more than 50 deals on its platform involving blue-chip names such as Hamilton Lane, Partners Group, Investcorp, Singtel, UOB, CGS-CIMB, as well as Temasek-owned entities Mapletree, Azalea, SeaTown and Fullerton Fund Management.

With the efficiency gains from digital securities, issuers benefit from lower fees, a lower minimum fundraising threshold, faster speed to issuance and less uncertainty. The access companies get to a larger pool of investors and capital allows them to stay private for longer, giving them the freedom to focus on long-term growth, rather than the short-term profits required by the public markets.

ADDX has been approved by the Monetary Authority of Singapore (MAS) as a recognised market operator (RMO). It also has a capital markets services (CMS) license to deal in securities and collective investment schemes as well as to provide custodial services. ADDX currently serves individual accredited investors from 39 countries spanning Asia Pacific, Europe and the Americas (except the US). ADDX also serves wealth managers and corporate investors.

For more information, visit [ADDX.co](https://addx.co) or <https://linkedin.com/company/addxco>.

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<sup>i</sup> The Singapore regulatory regime that ADDX operates under defines an accredited individual investor as an individual whose net personal assets exceed in value S\$2 million (or its equivalent in another currency), or whose financial assets (net of any related liabilities) exceed in value S\$1 million (or its equivalent in another currency), or whose income in the preceding 12 months is at least S\$300,000 (or its equivalent in another currency).

<sup>ii</sup> See: [ADDX Launches Private Market Services For Wealth Managers; StashAway, CGS-CIMB Among The First On Board](#)

<sup>iii</sup> See: <https://www.reuters.com/markets/europe/global-markets-flows-urgent-2022-10-14/>

<sup>iv</sup> See <https://www.preqin.com/future>