

# Coming to Bahrain – investing in Asian growth with a lion's roar



Singapore-based asset manager Lion Global Investors (LGI) is bringing its award-winning range of funds to institutions and wealthy individuals in the Middle East. The firm which is owned by Singapore's OCBC Bank, the second largest financial services group in South East Asia, is known as the 'Asian Asset Specialist' and aims to share this expertise with Middle East investors looking to get exposure to Asia.

Leading institutional investors and banks in Bahrain have become familiar with the LGI brand following a recent marketing visit by a third-party associate who made a number of presentations highlighting the asset manager's range of benchmark funds.

LGI which was established in 1986 has S\$ 29 billion (US\$ 23.6 billion) in assets under management as of the end of August 2012. It offers Asian equities and Asian fixed income funds to institutional and retail investors globally, managed by its experienced team of around 50 investment professionals – making the LGI team one of the largest in Asia. The firm manages a total of over forty funds covering a diverse range of equity, fixed-income and alternative strategies in Asia.

According to Gerard Lee, the Chief Executive of LGI, the company's commitment to investment excellence begins with a team-based and research-intensive approach, combining in-depth market insights with comprehensive sector knowledge. Since 1999 to date, LGI has garnered an impressive total of 127 awards and its parent, OCBC Bank, has been ranked by Bloomberg as the world's strongest bank for the last two years.

LGI's plans to market its funds to investors in the Middle East focusing on the countries of the Gulf Cooperation Council (GCC) are well under way. The asset manager has been conducting a soft marketing exercise in the

region, getting feedback from leading investors and establishing the LGI name and its unique selling points. If take-up proves to be successful there is the possibility of opening a permanent office in the region.

As Simon Flood, the Chief Investment Officer of LGI explains: "We are promoting five key strategies in the region including our flagship Asia High Dividend Equity Fund which has returned 35 percent since inception in June 2010. The other strategies in focus on are the Singapore Fixed Income Fund, which benefits from the fact that the Singapore Dollar is considered a safe haven currency, the Singapore Short-Duration Bond Fund, the Asian High Yield Bond Fund and LGI's Asian Local Currency Bond Fund."

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The main sales targets for LGI in the Middle East are institutional investors such as the sovereign wealth funds, regional banks and the investment arms of leading family businesses that want to expand their investment footprint to include the Asian markets. Lee stresses that the fact that LGI is owned by OCBC is a great advantage as investors are familiar with the name and its reputation for financial strength.

Flood admits that there are many international banks with asset management operations in Asia but maintains that the OCBC Group is the only financial services group in Asia with a clear wealth management strategy. In particular LGI benefits from synergies with life insurance subsidiary Great Eastern Holdings, Bank of Singapore, the private banking specialist, and OCBC Securities, the brokerage division of OCBC.

"As an Asian firm with over 25 years of experience behind us we have a cultural affinity with local companies, and LGI has spent some time assembling an experienced and diverse investment team, many of whom have global experience and all of whom are focused on the creation of value for clients," says Flood. He adds that the Asia investment case is compelling and that there is interest coming from investors in a number of markets, including from the sophisticated investor base of the Middle East.

Lee quickly seconds this adding: "while other banks and asset managers are descending on Asia because of

the tremendous possibilities we are doing the reverse and exporting our brand – and our expertise – to the rest of the world. Since money is migrating to Asia from Europe, the Middle East and the United States, we are going to the source of that money and to that end have set up a number of UCITS funds which is the gold standard for commingled funds."

According to Flood, at LGI there is a stringent performance culture which is focused around adding value to clients through very specific performance targets. "We trust our approach to investing and are consistent with the investment process that we articulate. We think of ourselves as locally based but internationally competitive and that is what we want to bring to potential investors in the GCC."



Simon Flood, Chief Investment Officer at LGI

Although LGI does not plan to target retail investors directly in the GCC, it does plan to work with local banking units that deal with high-net-worth investors and it will market its funds on a white label basis. "These banks are best placed to distribute our products through their branch network, KYC expertise and wealth management strategy," explains Lee.

In the global economy there is a preference for Asia as an investment destination. The domestic economy is strong, and it will benefit from the eventual pick-up in the global economy. The GCC will also benefit from any upswing, as the region is a supplier of energy which is cyclical and is expected to rebound on the back of global growth. By that time LGI will have established itself in the region and should be well positioned to benefit from greater liquidity and investor confidence. ■