

Lion Global Investors

Facing the future

By Nicky Burridge



Gerard Lee

Lion Global Investors is innovating to ensure it is future-ready and able to meet the evolving needs of its clients.

The group is combining the latest technology with curated services and an emphasis on sustainable investment to differentiate itself from the competition. Gerard Lee, CEO of Lion Global, says: “If we do not make Lion Global future-ready, we risk

being disrupted by new players. I don’t want to face a Kodak moment.”

Lee has identified five key areas of focus to enable Lion Global to achieve its aim, which he dubs the A, B, C, D and E of future-readiness.

The A stands for artificial intelligence (AI), with Lee explaining that machine learning is being incorporated into Lion Global’s investment process. While he does not expect AI to completely replace his portfolio managers, in the next few years he expects the company to offer three investment processes, namely a traditional one, an AI-driven one, and a hybrid enabling clients to combine the two approaches.

“If AI produces better investment outcomes, more assets under management will veer towards using it,” he says. Lee adds that Lion Global plans to launch its first machine learning driven product for retail investors later this year.

The B in the strategy stands for (smart) Beta. Lee explains that as a small company, using smart beta, or factor investing, helps to level the playing field with larger asset managers.

“If you manage a portfolio using smart beta, it is not dependent on having boots on the ground doing company visits and attending conferences, it is about number crunching and data analysis. We have decided to manage a global portfolio of disruptors using smart beta from Singapore,” Lee says.

Curated services

Another area in which Lion Global differentiates itself from the competition is the services it offers, with the C in the future-ready strategy standing for curation. The company not only offers investors access to its own funds, but it will also put together a portfolio of other institutions’

funds, a service that is traditionally only offered by private banks.

The D is for digitisation, which covers both internal processes and the client journey. Lee emphasises that the latter must be seamless, straight through and available on any gadget customers want to use, particularly smart phones.

Lion Global has also established a Digitisation and Communications team, led by its Chief Investment Strategist, to ensure up-to-date content is regularly made available to investors through social media.

Finally, the E stands for Environmental, Social and Governance, as well as ETFs. “The world has become a lot more sustainability conscious. If we don’t incorporate ESG considerations into our investment processes, no one will buy our funds,” Lee says.

Lion Global has recently launched a new low-carbon ETF on the Singapore Stock Exchange. He explains that it opted to focus the fund only on the environment part of ESG because this element is clear cut and less influenced by philosophy and biases. “Going forward, more and more of our funds will be offered under the ESG platform,” he says.

Lee adds that while he initially resisted offering ETFs, they are a good way to make investments accessible to retail investors. Lion Global also tries to differentiate itself in this area by offering ETFs in areas in which larger players are not active, with its first ETF focusing on Singapore REITs.

Overall, Lee believes the future-ready strategy will enable Lion Global, which won Best Institutional House (Singapore), Best ETF Manager (Singapore), and Best Digital Wealth Management (Singapore), as well as Japan Large Cap Equity (10 years) and Asian Bonds (10 years) in the *Asia Asset Management Best of the Best 2022 Awards*, to continue to meet customers’ needs.

“This means delivering a good performance, net of all fees. Offering an enjoyable journey that is as seamless as possible. And, most importantly, keeping people at the cutting edge of what is out there in terms of both technology and investment ideas. People don’t invest only for returns but also for status. They want to be seen to be progressive. We offer a premium product that is within reach of the man on the street,” he says.

Lion Global had S\$70.7 billion (US\$52.4 billion) in assets under management as of December 31, 2021, more than 90% of which is from institutional clients located in Asia and Europe, including sovereign institutions, insurance firms, endowments, corporates, charities, foundations, and family offices. ■