

Amundi's Experts on Delivering Diversified Investment Strategies and Bespoke Solutions for Asia's Private Clients

In a panel discussion at the Hubbis Thailand Wealth Management Forum, two Amundi leaders in Asia offered their insights into delivering investors diversified and bespoke investment solutions amidst the global market and geopolitical turmoil. Marie-Pascale Bonhomme, Deputy Managing Director at Amundi Thailand and Melissa Treloar, Head of Marketing & Product for South Asia at Amundi Singapore combined for a lively and insightful commentary, fund hosting, liquid alternative investments and on Amundi's specialist fund distribution services.

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Marie-Pascale Bonhomme
Amundi

The rising demand for alternative assets and the need for risk mitigation and liquidity

Marie-Pascale Bonhomme opened the panel by reporting that alternative assets have suffered from a lack of liquidity and transparency, while also being excellent assets for inflationary or difficult environments.

“Hedge funds often do not like to explain what they do, why and how they do it,” she said. “But for investors, you want to make sure that the fund you invest in is doing exactly what it had promised in its investment strategy. Accordingly, Amundi and Lyxor – a firm we acquired last year - have developed a managed account platform, the key benefits of which is the full transparency in the underlying hedge fund investments, as we make sure that they are complying with all the stated investment guidelines.”

She also noted that Amundi had developed a UCITS managed account platform. “As this fits the UCITs guidelines, this means you in the wealth community can offer diversification for your clients but

still be protected by the robust UCITS framework, which also brings liquidity. In our UCITS managed account platform, you have much better liquidity, so for those investors that are ready to diversify, but for which liquidity remains important, this is a good solution.”

She summarised by stating that the solutions help mitigate risk, improve liquidity, bring operational control, and safeguard the valuation points. “It is a safer way to invest in alternative assets,” she reported, “and for boutique hedge funds, it is an ideal opportunity to get access to different investors, so it is a win-win on both sides, and it is all within the remit of Amundi’s ecosystem as a global asset manager.”

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Fund Hosting and open architecture solutions – their appeals and benefits for Asia’s private clients

Melissa Treloar then offered her summary of fund hosting, which she said is a partnership between the manager and the fund hosting service provider, the latter of which brings to the manager operational and administrative infrastructure, including governance, compliance, risk management and legal support.

“The fund hosting service provider can also help to set up

investment funds, and across the wide range of asset classes and financial instruments, they will also have in-depth knowledge of the fund structures, domiciles, operations as well as regulatory requirements,” she explained. “All these will actually help the manager to focus on the core competencies and the goals of investing and generating returns for investors without having to worry about all these issues associated with running a fund.”

She expanded on these comments, noting that the fund hosting service provider can help to set up investment funds and allow the manager to distribute the funds across borders.

“Within Amundi we have the operational presence in leading European domiciles, such as Luxembourg and Ireland for cross border distribution,” she explained. “In fact, fund hosting is actually a dedicated business line within our company, and we also have readily available umbrella funds for clients to plug and play, shortening their time to market. Fund hosting is very often more cost-effective because the service providers already have the fund vehicle in place and has the experience to guide the clients. And last but not least, solutions are also fully customisable according to client specifications.”



Melissa Treloar
Amundi

Fund hosting cases from Amundi’s global experience

Melissa offered delegates some real-life examples. She explained Amundi had worked with the largest bank in the Southeast Asia region to provide a fund format to implement their CIO flagship multi-asset income strategy. The first project was to set up a Singapore domiciled fund for accredited investors to access the strategy via the fund.

“This project proved very successful, and we recently completed a second fund hosting project with them, this time setting up a Luxembourg domiciled fund, because the client wanted to democratise wealth management and extend the strategy to the retail investors across Hong Kong and Singapore, she reported. “So, both funds are managed by Amundi and advised by the client, and the funds are exclusively distributed by the client via their own distribution network. We also collaborated on fund launch campaigns, advertising and marketing, as well as a press release, branding

through to factsheet design. And in this case, the client selected us because of our superior trading and operational infrastructure, competitive pricing as well as flexible arrangement and the client has a very good journey with us and raised over USD 1.5 billion.”

The second project is a new project with a private bank in Singapore. In this case, they set up a range of Luxembourg domiciled funds with different risk-return profiles for retail clients across multiple jurisdictions.

“It is a global effort,” she said. “Our team in Paris provides multi-asset fund selection investment expertise, supported by our Asian colleagues giving the proximity to clients. And our Luxembourg team provides the regulatory as well as fund establishment expertise.

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And given that the client is based in Singapore, and we have local presence there, we were able to provide client services as well as marketing support on the ground. The key message here is that fund hosting involves a wide range of services and requires a significant player to more adequately support the needs of the partner.”

The one-stop solution for greater effectiveness and simplicity

Marie-Pascale explained that due to the complexity she had

mentioned earlier of having to identify, analyse, and do due diligence on each and every asset management company and every fund that a provider might want for their clients, a better solution than doing that alone is Amundi’s one-stop-shop solution, whereby the banks or wealth firms can partner with a fund selection platform.

“That,” she said, “will enable them to fully concentrate on investments rather than on the operational button. This is especially valuable for Thailand, where the local asset managers tend to mostly focus and manage local assets, but increasingly want to select the right foreign funds and offer genuine foreign expertise to their clients. To do that themselves is immensely challenging and very time-consuming. But working with Amundi, we can achieve this rapidly

and effectively for these customers through our one-stop fund platform. We take care of the whole due diligence, the KYC for each asset management company, we do the due diligence on an annual basis for each firm, and we also do the operational due diligence.”

The results, she said, include better terms due to their strong negotiation power, a far more rapid rollout of products and solutions for the end clients, and all at a cost-effective level. “The platform could provide sufficient

information on a daily basis such as the flows and fees. You end up being able to focus on your clients your market views, to propose the right investment solutions to your clients. That is the one-stop Amundi shop - one point, one contract, and access to asset classes, and the right asset management companies across the world."

In short, she said the one-stop fund distribution platform delivers simplicity, speed, control, risk management, and optimal outcomes for the customers and their end-clients. "And that is why we have grown this sector of the business to some EUR330 billion of AUM," she stated.

Thailand's evolving market, clients' changing needs and the rise of ESG

Marie-Pascale told delegates that what Amundi see in Thailand is that the market is shifting. "The growth is coming from the era of product push to providing investment solutions to clients, advice to clients, asset allocation, discretionary portfolio management, and service is becoming a key be it digital, be it personal," she said. "There is more digital, and it is all more regulated and more professional."

She also commented on the rise of ESG. "In Europe, there are new regulations, new rules, and new

obligations in terms of disclosing information to your clients for asset management companies and the wealth industry in general," she said. "This means there is a lot of work to do in terms of tools, in terms of portfolio management tools, including ESG criteria in portfolio management. This is something that we started 15 years ago, and it is coming increasingly to Asia. This is a new trend that we are seeing in Thailand, and that we do already include in the fund distribution platform, because of course ESG funds are included. In short, all the ESG information that you may need to select funds for your clients are also included in our tools." ■

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