Catering to Chinese investment appetite

Ashley Dale of Harvest Global Investments discusses some of the trends in terms of investment habits and demands from mainland Chinese investors, and how to deliver products to meet it.

As the Chinese economy continues to evolve at a fast pace, understanding the rate of change is key to servicing investment and buying appetite.

For example, wealthy consumers are no longer just spending their money by going to Hong Kong to buy luxury goods. They are now travelling around the world and are consuming a wider variety of products and services.

More specifically in terms of investing, there is greater sophistication among these individuals when it comes to buying product – beyond just a simple Chinese equity or fixed income fund, explains Ashley Dale, chief business development officer and chief marketing officer for Harvest Global Investments.

And with money held offshore, Chinese investors are increasingly looking to diversify their risk, as well as seek the kinds of returns they used to get in the past, he adds. This includes via real estate and developed market equities, for example.

DEALING WITH VOLATILITY

With the mainland's financial markets being volatile for the last 12 months or so, most allocators have gone underweight China.

But this doesn't impact the Harvest strategy. "In many ways, this shows where and how we can make a difference," says Dale. "We have 200 investment professionals on the ground, so we see the trends early, as well as the sectors and areas of differentiation."

From a product perspective, the firm can beat the broad market indices on a relatively consistent basis, he adds. Harvest is also taking advantage of the various government initiatives between Hong Kong and mainland China.

Further, in addition to traditional product, the firm is looking to develop

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more tailored offerings. ESG is appealing to Chinese investors, for instance, given the spotlight on the environment, says Dale. ∎