

# Funds firepower and localisation drive Old Mutual in Asia

*Old Mutual Global Investors is pursuing a dedicated growth strategy for Asia Pacific, aiming to leverage its UK heritage with recent local hires of key fund managers to partner with private banks, retail banks and insurance companies across the region.*

It has been a busy few months for Old Mutual Global Investors (OMGI) in Asia. A string of senior hires on the fund management side of the business indicates the firm's commitment to the region, both in presence as well as performance and consistency of returns.

A key part of the strategy has been getting the necessary regulatory ap-

The message from chief executive officer Julian Ide at the time of the announcement left no doubt as to the firm's intent. "Outside the UK, [Asia] is our second home and we have ambitious plans."

The objective – after having a presence in Asia for over a decade now – is to reveal to those distribution partners it

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provals to set up a local equities team in Hong Kong, led by ex-BlackRock portfolio manager Joshua Crabb. In short, this gives OMGI on-the-ground product capabilities in the region for the first time.

is trying to woo, a modern and proactive firm, explains says Carol Wong, managing director for OMGI in Asia Pacific, who joined the firm around the time that the serious strategic planning for this regional expansion started.



**CAROL WONG**  
Old Mutual Global Investors

## GROWTH DRIVERS

Wong has an important role in spearheading this. Tasked with building the business in Asia, she wants to leverage

what she considers is an-already strong team with solid distribution partners, combined with its earlier mutual funds rebranding from Skandia. She can then position the offering in a way that stands out within today's ever-more competitive marketplace.

More specifically, that means providing the right products to big and mid-sized private banks alike. Citi, Barclays, UBS, Morgan Stanley, Deutsche Asset & Wealth Management, Coutts and DBS are among those institutions with which she has either already partnered and gained some traction, or is looking to collaborate with in the near future.

To broaden her distribution firepower, Wong has also begun building connectivity with some retail banks and insurance companies.

She says she wants to grow OMGI's reach in the region and expects to be able to provide them with more relevant products soon.

The firm's ambition is also evident in terms of its geographic reach, not just partners. So while it continues to focus on Hong Kong, Singapore and Taiwan as core, Wong has an eye on China, Malaysia, Thailand and Korea, too.

Passporting schemes in South-east Asia and mutual fund recognition between Hong Kong and China, for instance, offer synergies that she says will help accelerate OMGI's growth in those types of locations.

## PERFORMANCE AND CULTURE

Underpinning its determination and recruitment drive over recent months, is the fact that this UK fund manager has consistently delivered over the years on performance targets.

"We're very proud of our performance," says Wong. "As of 31 Dec 2014, around 70% of our funds are in the top quartile and 84% are above median. Performance which is so consistent across the board is very difficult to achieve."

This sets a high bar for new arrivals such as Crabb. But they have the benefit of seeing how other high-profile recruits have risen to the challenge. In the UK, for example, since Richard Buxton joined OMGI from Schroders in June 2013 to run the UK Alpha Fund, its AUM has grown from around GBP 100 million (US\$158 million) to over GBP 1.8 billion as of 31 Dec 2014.

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OMGI is eager to repeat such successes in Asia, requiring scale with the right people who also appreciate the importance of client servicing – not just performance. This translates into individuals who are approachable and interactive. "Our fund managers are very client-centric," explains Wong.

That is critical given today's turbulent markets, with product and fund gatekeepers wanting to be able to reach out directly to fund managers if performance goes off-track at any point, or when investors have specific questions about market fundamentals.

## CATERING TO ASIAN APPETITE

With the need for a greater range of products to support the firm's growth

plan for Asia, an important element of this is ensuring that what gets created and offered matches what locally-based investors want.

Investment horizon is one of the main areas of difference in comparison with Europe, explains Wong. With the shorter-term focus in Asia, a slight rise in volatility or a dip in the value of net holdings, for example, makes investors uneasy, she says.

Further, many clients in this time-zone tend to judge funds based on their dividend pay-outs. "Investors compare returns with bank deposits in such cases

and ignore the fact that it often hurts their net holding," she adds.

These characteristics are further evidence of why a local commitment to the region has been such a priority for Wong and other senior management.

In early 2015, OMGI put a further key component in place, by hiring Simon MacKinnon as its strategic adviser for Asia, with the aim of crafting the right operating model locally, and identifying and supporting the recruitment of future senior appointments. "There is a very big opportunity in the market for high performing British asset management houses that have on-the-ground investment and distribution capabilities," he said upon arrival. ■