

Leveraging an Asian heritage

Jung Ho Rhee of Mirae Asset Global Investments in Hong Kong explains how the Korean-originated firm is looking to grow its active and passive offerings against the backdrop of its Asia-centric investment experience.

Amid the growing interest among investors in getting exposure to Asian equities, Mirae Asset Global Investments in Hong Kong wants to extend its geographic footprint.

This is all part of the plan to build on its offering in the international market, Mirae Asset is using its high-conviction, Asia-centric investment focus to its advantage.

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This will enable the firm to gain greater recognition globally, says Rhee, adding that this is something a growing number of European investors and distributors want to see.

Already, the firm has a wide global network. Other than Hong Kong,



JUNG HO RHEE

Mirae Asset Global Investments

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Key to the value proposition, explains Jung Ho Rhee, president and chief executive officer of Mirae Asset Global Investments in Hong Kong, is being

which serves as its global headquarters, it has a presence in Australia, Brazil, Taiwan, India, the UK, Canada, the US, China, Columbia and Vietnam,

in addition to its home office in Korea. Specifically, it is now looking to expand its operations in both Australia and South America.

ETF PROWESS

On the passive side of its business, Mirae Asset has 192 ETFs at six exchanges globally – with seven ETFs listed in Hong Kong for the time being. And the AUM of the global ETF platform totaled USD11.5 billion as at end-July 2016.

“We are excited the Securities and Futures Commission is considering to approve more ETF products in Hong Kong,” said Rhee at the time of these developments. “As such, we are determined to leverage the expertise across our global network and offer investors with the highest quality ETF products.”

to serve clients in Europe and the Middle East. A broader and more extensive product offering is also on the cards in the active side of the business.

Until now, the focus from Mirae Asset’s private banking clients has been largely on Asian equities, but Rhee explains that the firm is also offering a UCITS fixed income strategy to investors globally.

“Where to help clients find performance is the fundamental question; trying to identify the sector and geography. It’s so important to get this right.”

“The UCITS fixed income fund is an emerging markets-focused and unconstrained bond fund,” explains Rhee. “We will launch several more products this year.”

PERFORMANCE COUNTS

There are three strategies in particular which Rhee says MAPS Capital Management Limited, the hedge fund affiliate of Mirae Asset Global Investments (HK), promotes out of Hong Kong to private clients and family offices: Asian equity long/short; Asian macro trend long/short; and Asian opportunity arbitrage – its flagship strategy. “These are especially relevant in the search for yield,” he adds.

Driving his and the firm’s focus is where to help clients find performance.

It seems that the firm is determined to grow this part of the business too. In June 2016, for example, Mirae Asset became one of the first asset managers to introduce crude oil ETFs in Hong Kong.

ENHANCING DISTRIBUTION

Amid the growing importance of distribution in local markets across Asia, Rhee explains that one of his key priorities is to ensure he continues to look for key distribution partnerships in countries like Thailand, Malaysia and the Philippines. “China and India will drive growth,” he explains, “so investors should increase their allocation to Asia.”

It listed Mirae Asset Horizons S&P Crude Oil Futures Enhanced ER ETF on the Stock Exchange of Hong Kong. S&P GSCI Crude Oil Enhanced Index Excess Return is the underlying index of the ETF, which tracks the price of the West Texas Intermediate (WTI) crude oil futures contracts with different expiration dates.

This also followed the arrival of two senior ETF product specialist in the Hong Kong team: David Quah, from Hong Kong Exchanges and Clearing (HKEx), to lead and oversee the team product marketing strategy as well as investor education initiatives; and Jin Kim, relocated from the firm’s office in Seoul, to take up the role of senior ETF portfolio manager.

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But for the time being, Europe remains the priority, especially as appetite for all things Asian continues to grow. The strategy is underway, with a team of salespeople based in London and Dubai

“This is the fundamental question, trying to identify the sector and geography,” says Rhee.

“It’s so important to get this right.” ■