

# No room for complacency in distribution

*In the face of volatility stemming from China's markets, Brexit and global economic headwinds, Alison Brown explains how HSBC's funds division is positioning itself for growth across the entire landscape of wealth management distributors.*

Expanding and diversifying its universe of distributors in Hong Kong and China has been a key goal for HSBC Global Asset Management – and the strategy has had an increased focus since Alison Brown came on board in mid-2015 to run sales for the wholesale business in Hong Kong and China.

The aim has been to expand beyond HSBC's retail banking and wealth management business – albeit this remains the foundation distributor and integral to the business. “We understand the benefits of broader distribution via third parties,” explains Brown.

Today, it is about working with more of a cross-section of firms within retail banking, with an eye to insurance companies as well as third-party platforms.

Plus, to capitalise on China's opening, developing the cross-border business is another key goal. Last but not least is servicing the private banks. “We work

with HSBC's private bank, which is also important to us, and we are slowly expanding our presence in this segment,” says Brown.

## BEING RELEVANT

Despite the access that Brown's business has to HSBC's retail banking and wealth management, she knows never to become complacent.

In line with this, the past 12 months have been dedicated to servicing the bank in a way that can add more value to it.

This goes beyond simply rationalising the product range, which is commonplace at the moment among her competitors. The funds also need to be competitive, and give the distributor what it – and its customers – want at a particular point in time, in order to fill gaps they have identified.

China has been an obvious example. For example, becoming one of the top three



**ALISON BROWN**

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foreign providers of funds to service the inbound and outbound flow of wealth is an important ambition for HSBC in the coming years.

“We have an established network and an advantageous position with HSBC’s presence in the retail space in both Hong Kong and China, and work very collaboratively with our joint venture partner HSBC Jintrust in China,” says Brown. “This plays to HSBC’s strengths because China has a high awareness of the bank’s brand, particularly in the Pearl River Delta.”

This objective was given a boost in December 2015 when HSBC Global Asset Management announced its first Mainland fund in Hong Kong under the Mutual Recognition of Funds between the Mainland and Hong Kong. It subsequently launched its second fund in late June 2016.

The first offering, HSBC Jintrust Large Cap Equity Fund, invests in Mainland China large-cap blue chips; the second fund, HSBC Jintrust Dynamic Strategy Mixed Securities Fund, is a multi-asset fund which invests in mainland assets including stocks and bonds through dynamic asset allocation.

### **SERVICE UPGRADE**

In addition to product development, Brown and her team have been working on enhancing key components of the service offering. These include: speeding up the fund house’s response time to client enquiries, the quality of the documentation, providing timely and targeted updates, and giving clients access to product specialists and portfolio managers.

These features, combined with the flexibility and willingness to provide alternative strategies, has created momentum with third-party distributors especially.

Brown says this is important since there is a time and a place for different funds

and fund managers, and as the firm wants to be well-positioned irrespective of the market environment. “If we can do a decent job in explaining our investment strategies and positioning our funds in comparison to competitors, we have got more chance of being considered in a portfolio.”

For example, HSBC’s capabilities on the fixed income side have enabled the asset manager to buck the trend of many competitors finding it difficult to attract net inflow in today’s volatile environment. The flagship HSBC Asian Bond fund celebrated its 20th birthday in July 2016.

### **RELATIONSHIP DRIVEN**

Brown is very aware of the need to win over fund gatekeepers as well as relationship managers within HSBC’s target distributors.

“If you have good information and are positioned well, they understand the value we can add,” she explains.

This requires her to maintain a sharp focus on continuing to up-skill her sales people, and ensure that what they give gatekeepers is relevant and consistent.

It has also been important for Brown to re-arrange the structure of the sales team, to ensure that business development people are trained in all aspects.

So even if one of them leaves the organisation, the team structure enables others to have a clear understanding of existing relationships with a particular distributor.

They can, therefore, ensure that gatekeepers aren’t subject to being approached by yet another individual and then having to start a conversation from scratch.

“The team’s objective is to expand distribution across retail banks, insurance companies and also on platforms that are emerging,” explains Brown.

“We already have the advantage to be able to leverage HSBC’s extensive network in Hong Kong and China, and are looking to develop other distribution channels to maximise our reach to customers,” she adds.

The firm’s investment in its recent marketing campaign, ‘Let Dreams Fly’, also helps in Brown’s distribution of funds in Hong Kong.

People can understand more who HSBC is as an asset manager – a disciplined, dependable, international and sustainable manager which is committed to investing clients’ money with care, and in line with their needs and expectations.

With an objective to build awareness of HSBC Global Asset Management, the campaign positions the firm as stewards of imagination, where the asset manager inspires people to imagine their future and invest to make it possible – whether the future imagined is their own, that of their business or of their clients.

“Our greatest strength is our client focus: our first objective is to meet our clients’ expectations,” says Brown.

“To do this, return is obviously important, but just as important is how we manage our clients’ money. We are one of the few global managers with the ability to understand and support ambitions of individuals, corporations and institutions with a full range of financial services products, services and advice that encompass today’s needs as well as future plans.” ■