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Singapore's Lion Global rationalises fund range

By Heather Dale April 24, 2012

Lion Global says it has established footholds in the U.S., Europe, Japan, South Korea and China following the appointment of third-party marketers. The company is continuing to hire “good people” in Singapore, and it is rationalising its fund range, according to its CEO, Gerard Lee.



Gerard Lee, Lion Global Investors

Singapore-based Lee says his primary objective when he took over the reins of the asset manager in [October 2010](#) was to distribute Lion’s products into the developed world.

“We have established footholds in the U.S., Middle East, Europe, Japan, Korea and China in the last 12 months. We have done this by using third-party marketers, except for China, where we have hired people to go into the country,” Lee says.

The company, which had US\$22 billion in assets under management as of December 2011, has been awarded a small fixed-income mandate by a European client and an equities mandate by a Middle Eastern client, he adds, without naming them.

“Our mission is to sell Asia products to the developed world, and we are encountering the hurdle that U.S. and European investors have already farmed out mandates to European or U.S. asset management companies,” adds Lee.

Lee says Lion Global’s products “have not sold in a big way” because the company is still in the “prospecting stage”.

He adds: “We need to introduce ourselves, our track record and the process.”

To be attractive to investors in the developed world, Lee says managers must have a “value proposition”. The proposition is weaker “if you are all things to all people”, he says.

Lee says the company is “narrowing” its product offering as it only wants to specialise in Asia fixed income and Asia equities.

“We have selectively closed funds and are still in the process of rationalising the funds that don’t fit,” he says.

Other challenges Lion Global faces when expanding into developed markets is that business is “gate kept and brand names do well”, he says.

Lion Global launched two fixed-income funds and one equities fund, all domiciled in Luxembourg, in the second half of last year, which serves as its range for investors outside of Singapore.



Lim Say Boon, DBS Bank

Lim Say Boon, Singapore-based chief investment officer for group wealth management and private banking at DBS Bank, believes Asian asset managers and private banks should be launching specialist products within Asian fixed income and equities, [as reported](#).

Responding to questions regarding whether or not Lion Global would launch such products, Lee says the company would not launch such products because they are “faddish”.

He notes: “We prefer to look for mainstream products”.

Speaking at Terrapinn’s Private Banking Asia 2012 conference in Singapore in March, DBS Bank's Lim said there was now a compelling investment case to launch niche products as companies within the universe are growing at a rapid pace.

Asian fixed income

There has been a spate of global assets managers, such as [Western Asset Management](#) and Aberdeen Asset Management, bolstering their Asian fixed-income teams.

Lion Global’s Lee does not believe that the market is crowded, however.

“The pie is growing; bigger countries are beginning to open markets,” he says.

Lee believes Lion Global has an advantage over other players as “Asian fixed income is a resource-intensive activity”.

He adds: “The amount of assets under management isn’t a lot, so [having a large team] is not productive. We have a lot of captive-insurance money, which is an advantage over our competitors.”

Three-quarters of Lion Global’s assets are captive-insurance monies.

Lee says Asian fixed income is a growing market. Growth has been restricted in the past as larger economies in the region, such as China and India, had not opened up.

“Most of the fixed-income [investments] have been restricted to smaller Southeast Asian countries, in Northeast Asia, such as Korea and Hong Kong. These are not markets that allow for investors of size,” he says.

People

Lee says Lion Global is also focusing on having “good people”.

“We have spent the last 12 months improving the team in terms of experience, diversity and making sure the team is representative [of its investor base].”

Lee says it has increased the diversity of the nationalities of its staff, from five countries to nine.

The company has a headcount of around 150 people, including around 50 investment professionals, 20 business development people and 80 back-office employees, Lee says.

“We re-strategised our business, and we have had to hire new people and have ‘managed out’ some people,” he says.

Jan de Bruijn, previously Gartmore’s head of Asian equities, joined Lion Global in June last year as head of Asian equities ex-Japan, replacing Janet Liem, who left, [as reported](#).

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