

Threadneedle plans new funds in Singapore, HK

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ASSET management group Threadneedle Investments aims to launch new funds in Singapore and Hong Kong, as it seeks to further expand its presence in Asia.

The firm recently announced a re-branding of its business as Columbia Threadneedle Investments by the first half of this year.

Threadneedle chairman (Asia-Pacific) Raymundo Yu says the firm's expansion in the region has so far exceeded his expectations. "I am very pleased with the pace of expansion... We have been successful in showing our manufacturing capability. This has resonated with sovereign wealth funds, central banks and large corporates," he said.

The group does not give any geographical breakdown of its assets under management. Columbia Management has AUM of US\$358 billion as at end-September 2014, and the combined AUM with Threadneedle was US\$505 billion. Both firms are owned by US-based Ameriprise Financial.

Since Mr Yu joined Threadneedle in 2010, he has sought to beef up the

firm's regional presence. The office in Singapore, for instance, was previously a service office with just two people. Today it has around 35 with investment professionals in equity and fixed income.

The Hong Kong office was set up in 2011 as well, and Taipei in 2013. Offices in KL and Seoul were opened last year. The group plans to make the Malaysian office a "centre of excellence" for Islamic products that can be marketed in Indonesia and the Middle East. The senior hires in the last couple of years include Clifford Lau as head of Asia fixed income and Ng Soo Nam, who joined in 2013 as head of Asia equity.

The group launched new products in Singapore last year, including the Developed Asia Growth and Income Fund; Asia Contrarian Equity Fund and the Flexible Asian Bond Fund. The Asia Contrarian Equity fund aims to invest in undervalued plays. The Flexible Asian Bond fund invests in bonds issued by Asian governments and corporates, using derivatives.

New products in the pipeline include a fund based on the Columbia Adaptive Risk Allocation (CARA) strat-



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egy, which was developed by Jeffrey Knight, Columbia global head of investment solutions and asset allocation.

The CARA strategy is a multi-asset portfolio designed to participate when markets trend up, and to protect investors' capital when markets turn down. The strategy identifies four market environments and dynamically reallocates assets according to the risk profile created for each environment.

The strategy has been "well received" among institutional clients, said Mr Yu. "We're starting to see how we can put this strategy into the retail market so retail clients can get a good institutional product."