

Making the most of the China opportunity

In a video interview, Eleanor Wan of BEA Union Investment discusses how regulatory changes and industry developments are increasing opportunities for asset managers to invest in China.

The first few months of 2017 have been good for most asset managers in Asia. "With the low interest rate environment, clients are hunting for yield. They are seeking our expertise within the Asian equities and Asian fixed income markets, which is encouraging," says Eleanor Wan, chief executive officer of BEA Union Investment.

At the same time, the firm is prioritising setting up its business in China via its wholly foreign-owned enterprise (WFOE) project. "We hope to start the project this year, pending approval," she adds.

CHANGES SUPPORTING GROWTH

Wan believes the ongoing regulatory changes in China are leading to the development of the industry, in turn posing a big opportunity for asset managers.

In the past, firms have had to partner with a local player via a joint venture. But with the establishment of a WFOE, Wan is excited that BEA Union Invest-

ment can have its own company in China, focusing initially on private funds.

Further, amid a swathe of regulatory changes in the mainland, asset managers like Wan are awaiting further details on Bond Connect – a new initiative for mutual access between the Hong Kong and mainland bond markets through a cross-border platform. "If Bond Connect starts, it will mean that fund managers or financial institutions can invest more quickly and efficiently into China's bond markets," adds Wan.

What this means for firms like BEA Union Investment with local expertise, she explains, is that it can potentially serve as a bridge for, or work with, asset owners outside Asia who might want to access China.

At the same time, a long-term view is essential. "Investors should be aware that while there might be some volatilities within this emerging market, they



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should take a longer-term view and invest through experienced professionals with local expertise to help them with the opportunity," says Wan. ■