

Investing in Asia - Markets that are simply „too big to ignore“



"A Beacon of Light - Asia leads the way" is the title of the new Portfolio Manager Conference Series which is taking place from April to June 2021 and organised by Scope Analysis GmbH, a company based in Berlin and Frankfurt am Main among other places. The leading European provider of credit ratings as well as fund and risk analyses began offering web conferences with portfolio and fund managers approximately one year ago. FondsTrends interviewed Scope's Barbara Claus, Director Mutual Funds Analysis, and Manqing Sun, Investment Analyst, about the main highlights of the new event series as well as emerging developments and lucrative opportunities arising in the Asian region.

FondsTrends: Ms. Claus, Scope is considered to be one of the leading rating and analysis agencies in the financial sector. What exactly does Scope Analysis do in the field of asset management? Who are your clients and can you please share some reference examples with us and our readers?

Barbara Claus: Scope Analysis has a history of more than 20 years in fund selection services and fund ratings, partly within Feri EuroRating Services which was taken over by Scope in 2016. At Scope Analysis, our aim is to help investors make better investment decisions, by offering them quantitative and qualitative ratings for mutual funds as well as alternative investments and fund selection services. Investors can find all fund information and research on our portal ScopeExplorer. Scope Analysis creates regular publications on multiple the-

mes, for example a monthly rating update report or regular content on ESG themes including a quarterly review of the green bond market. Scope Analysis focuses on institutional clients like banks, asset managers, investment companies and financial service providers.

FondsTrends: You started offering portfolio manager conferences on your website [scopeexplorer.com](https://www.scopeexplorer.com) almost a year ago. Can you tell us more about the focus of the new series „A Beacon of Light - Asia leads the way“?



Barbara Claus

Barbara Claus: Yes, we have started offering Portfolio Manager Conferences about a year ago to provide investors with deep insights into different investment themes. The aim is to focus on delivering high quality content, therefore we invite fund managers with proven expertise in their respective fields and have seasoned analysts lead these conversations and challenge the managers. As Asia has gotten in the spotlight of investors due to its rising global influence and by doing exceptionally well during the challenging year 2020, we have decided to launch a dedicated webinar series where we will have multiple webinars on different regions, asset classes and strategies within Asia. I am looking forward to it. With Manqing, who has taken over the lead on this series, we do not only have a great analyst in our team but also a dedicated expert on Asia.



Manqing Sun

Manqing Sun: This special series is dedicated to our investor audience who wishes to look outside Europe/US and allocate in Asian capital markets. Purpose of the event is to give ears to as many voices as we possibly can and to provide a comprehensive overview through various perspectives from well-round profiles of guest speakers. The series is designed to capture the macro landscape and outlook of the Asian capital markets, explore opportunities across different asset classes and clarify some of the concerns and confusions International investors normally have when it comes to invest in the region.

FondsTrends: As the programme for the series of events has already been finalised - where do you see the highlights and what can the participants particularly expect from the series of events?

Manqing Sun: We are thrilled for the kickoff roundtable. We are honored to have three experts with profound industry experience from global top asset managers join the segment. The panel will anchor a great start for this event with conversations on geopolitical topics, technical and fundamentals of the capital markets. The speakers will also elaborate on Asia

as part of a multi-asset portfolio focusing on some of the most discussed sectors and trends. A special segment of the event is called “A tale of two cities” including a dialogue between two guest speakers from one International asset manager and one local asset manager in Asia. The audience will have the opportunity to embrace ideas through the lens of both sides over case studies such as local heroes companies. Hopefully, our audience will leave better informed and excited about the opportunities in Asian capital markets.

FondsTrends: According to results of your ESG Quarterly Q1 2021, 249 ESG-compliant funds were launched in Germany last year alone. This is the sixth year in a row this number has increased and confirms the current ESG trend in Germany. The topic of ESG has only gradually come into focus in the Asian market, but awareness of sustainability is growing. What slowed down the development in the area of sustainability in Asia so far and where do you see the main drivers leading the current race to catch up?

Manqing Sun: It is not a secret that Europe is relatively well-established in ESG investment, be it regulations or investor awareness. For the past few years, we see that more and more governments, especially in Asia, are getting the message and gear up to facilitate the ESG investment concept. China, for example, has this carbon-neutral target by 2060 and set eyes on the green technology in its 14th Five-year plan. Ping An Insurance group, one of the largest Chinese investors in the equity market, has started to build a China-specific ESG rating system. HK exchange has tightened the ESG rules, etc. Unfortunately for ESG, there remains a lack of universally accepted reporting standards. And historically, EM has been weaker on the transparency and accuracy of data disclosure. However, we see efforts from both sides: while funds are working with their holdings to better disclose data and understand future risks through their engagements, companies in Asia who have great ESG stories to tell are also in the process of practicing to tell their stories nice and right.

FondsTrends: In this respect, to what extent is it profitable, especially for professional investors and potential investors to glance towards Asia?

Manqing Sun: 2020 has been an eventful year in its actual sense and witnessed some of the toughest social, economic and political challenges in recent times, during which Asia was brought to the spotlight. Not only because its exceptional resurgence from the COVID-19 crisis, but also because of how the region is set to be the engine of global economic growth in the years ahead. Asian capital markets have been significantly expanded and delivered superior risk-adjusted returns over the past decades yet are still largely underrepresented in global investor portfolios. With its increasing inclusion into global main indices, the simply “too large to ignore” markets have become a core asset with superior long-term growth characteristics, which provides huge investment opportunities for our investors.

FondsTrends: Please allow us to conclude by posing some more personal questions for both of you. How has the Corona pandemic changed your work and what have been your personal learnings? How do you manage to integrate the private and professional?

Barbara Claus: Corona has been a tough challenge for all of us for more than a year now and I hope that we can end this pandemic over the course of the year by achieving herd immunity through vaccination. I am grateful that at Scope we were already set up to be able to work from home before the pandemic. For me personally, working from home has its positives and negatives: While I miss live interaction with my colleagues in the office and live meetings, I can concentrate better on difficult tasks at home. My work-life-balance has also improved due to not having a long daily commute anymore as I live in the countryside. Before the pandemic, it was already possible at many companies in the financial industry to work from home for one or two days a week, so the transition went rather smooth in our sector. In my view, at Scope this has not affected productivity negatively at all.

Manqing Sun: The pandemic is unfortunate. I have not been able to visit my family for over a year now. With strong faith in science and seeing expanded vaccine availabilities, I believe we are approaching the light at the end of the tunnel. I am also grateful that Scope started the digitalization process long before COVID-19, so we were quite well-equipped without much technical disruption. Although I miss nice coffee breaks and lunch-out with colleagues, working from home will be the “new normal” for an extended period of time.

FondsTrends: Ms. Claus, Ms. Sun, many thanks for the interesting interview. We wish both of you the very best and much success with the conference series!

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