INSURANCE ASIA NEWS

Institutional Asset Management Awards 2021

July 2021

Award-Winning Funds Management Company

- **Insurance Fund House of the Year, Malaysia** (4 consecutive years)

InsuranceAsia News *Institutional Asset Management Awards 2021*

- **Best Investment Management Company, Malaysia**

World Finance *Investment Management Awards 2020*

- **Best Overall Asset & Fund Manager, Malaysia** (4 consecutive years)
- **Best Asset Manager (Fixed Income), Malaysia** (2 consecutive years)
- **Best Fund with the Optimal Information Ratio, Malaysia**

Alpha Southeast Asia *12th Annual Fund Management Awards 2021*

- **Asset Management Company of the Year, Malaysia - Highly Commended**

The Asset *Triple A Sustainable Investing Awards for Institutional Investor, ETF, and Asset Servicing Providers 2021*

- **Best Pension Fund Manager, Malaysia** (3 consecutive years)
- **Best Bond Manager, Malaysia**
- **Best Institutional House, Malaysia**

Asia Asset Management *Best of the Best Awards 2021*

- **Best Bond Fund Family Group Over 3 Years** (2 consecutive years)

Refinitiv *Lipper Fund Awards Malaysia 2021*

AmFunds Management Berhad 198601005272 (154432-A) **AmIslamic Funds Management Sdn Bhd** 200801029135 (830464-T)

AmInvest

Growing Your Investments in a Changing World

aminvest.com | +603-2032 2888

Disclaimer - This advertisement material is prepared for information purposes only and may not be published, circulated, reproduced or distributed in whole or part, whether directly or indirectly, to any person without the prior written consent of AmFunds Management Berhad [198601005272 (154432-A)] and AmIslamic Funds Management Sdn Bhd [200801029135 (830464-T)] ("AmInvest"). This advertisement material should not be construed as an offer or solicitation for the purchase or sale of any units in AmInvest's unit trust fund(s). Investors shall be solely responsible for using and relying on any contents in this advertisement material. AmInvest and its employees shall not be held liable to the investors for any damage, direct, indirect or consequential losses (including loss of profit), claims, actions, demands, liabilities suffered by the investors or proceedings and judgments brought or established against the investors, and costs, charges and expenses incurred by the investors or for any investment decision that the investors have made as a result of relying on the content or information in this advertisement material. Investors are advised to read and understand the contents of the Master Prospectus dated 10 September 2017, including any supplementary made thereof from time to time ("Prospectus(es)") and its Product Highlights Sheet ("PHS"), obtainable at www.aminvest.com, before making an investment decision. The Prospectus(es) and PHS have been registered with the Securities Commission Malaysia, who takes no responsibility for its contents. The Securities Commission Malaysia has not reviewed this advertisement material. Investors may wish to seek advice from a professional advisor before making an investment. The fund's units will only be issued upon receipt of the complete application form accompanying the Prospectus(es). Past performance of the fund is not an indication of its future performance. The fund's unit prices and income distribution payable, if any, may rise or fall. Where a unit split/distribution is declared, investors are advised that following the issue of additional units/distribution, the Net Asset Value ("NAV") per unit will be reduced from pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV. Please be advised that where a unit split is declared, the value of investor's investment in Malaysian Ringgit will remain unchanged after the distribution of the additional units. Please refer to the Prospectus(es) for detailed information on the specific risks of the fund(s). Investors are advised to consider these risks and other general risk elaborated, as well as the fees, charges and expenses involved. While our Shariah-compliant fund(s) have been structured to conform to Shariah principles, investors should seek their own independent Shariah advice prior to investing in any of our Shariah-compliant fund(s). This advertisement material may be translated into languages other than English. In the event of any dispute or ambiguity arising out of such translated versions of this advertisement material, the English version shall prevail. AmInvest's Privacy Notice can be accessed via aminvest.com. The Refinitiv Lipper Fund Awards are based on the Lipper Leader for Consistent Return rating, which is a risk-adjusted performance measure calculated over 36, 60 and 120 months. Lipper Leaders fund ratings do not constitute and are not intended to constitute investment advice or an offer to sell or the solicitation of an offer to buy any security of any entity in any jurisdiction. For more information, see lipperfundawards.com.

INSURANCE ASIA NEWS
Institutional Asset Management Awards 2021

The InsuranceAsia News Institutional Asset Management Awards are now in their fourth year and we are delighted to see that the number of companies entering continues to rise. The fact that so many of Asia's top asset managers participate ensures that we are able to deliberate on some high quality entries.

Despite the business disruptions we have all faced over the last two years, InsuranceAsia News has continued to bring you high quality news and analysis. The insurance sector remains a key area for asset managers. I'm delighted that once again this year we were able to attract such high quality entries for the Institutional Asset Management Awards. Thank you all for supporting this initiative and congratulations to all our winners.

Once again I'd like to thank the team at Insurance Asia News who helped to put the awards together, particularly Richard Newell who managed the awards submissions and the judging process and acted as MC for the online awards presentation. Thanks also to the rest of the 'back room' team for helping to deliver another successful awards function.

Thank you for your continued support of the Institutional Asset Management Awards and for joining us to celebrate your success. Best wishes for the remainder the year and see you all in person, we hope, in 2022.

Y Tharia.

Yawar Tharia
Publisher
InsuranceAsia News

Looking towards a brave new world

The challenges presented over the last two years have forced insurers to show considerable resilience and adaptability across their entire business.

By Richard Newell

The longer-term challenge for insurers is that, despite their recent increase, bond yields are still very low, and a lot of the equity markets are still trading at fairly high valuations.

Insurance company investment portfolios have largely withstood the impacts of the pandemic, though there has been much unforeseen volatility in asset prices. The disruption has actually created investment opportunities for insurers in assets such long-dated credits, emerging market bonds and private markets investments.

Insurers do not generally make tactical portfolio shifts, or try to time markets but with public markets looking fairly or even overly valued in recent times, there has been a higher than normal level of cash building up in many portfolios. Some institutions are clearly de-risking. Others are relying on income from infrastructure, private equity and real estate investments.

Demand for private assets, particularly private debt is at historic highs. Meanwhile the FT reported in July 2021 that private equity firms had their busiest six months since records began four decades ago, striking deals worth more than $500bn and helping to propel global M&A activity to an all-time high.

The longer-term challenge for insurers is that, despite their recent increase, bond yields are still very low, and a lot of the equity markets are still trading at fairly high valuations. The longer this continues, it is increasingly likely that returns for a typical 60/40 equity/bond portfolio over the next 10 years will be significantly weaker than historical returns.

According to Barings' head of insurance solutions, Ann Bryant, expectations for a prolonged period of low investment yields continue to shape the outlook for both life and P&C insurers. "Low rates are likely to amplify the headwind to insurers' book yield going forward, making it difficult to offer attractive pricing, especially for annuity products."

FOR INSTITUTIONAL/WHOLESALE/PROFESSIONAL CLIENTS AND QUALIFIED INVESTORS ONLY – NOT FOR RETAIL USE OR DISTRIBUTION

The path to stronger portfolios for insurers

We manage US$187.4bn[1] of general account AUM across fixed income, alternatives, equities and multi-asset mandates.

We offer **innovative alternative strategies** for insurers that produce attractive and stable income and improve capital and tax-efficiency.

Our deeply resourced insurance fixed income team has a track record of **generating stable cash flows leading** to stable book income and excess return through various market cycles.

The J.P. Morgan Global Insurance Solutions group is a dedicated team of over 70 professionals focused on serving the investment needs of insurance clients. We are a recognized insurance industry leader with expertise in providing a comprehensive suite of advisory services and investment solutions across all major asset classes.

LET'S SOLVE IT.

LEARN MORE AT
JPMORGAN.COM/INSTITUTIONAL/INSURANCE

[1] All figures are as of 31/12/2020 unless otherwise stated.

Investment involves risks and are not similar or comparable to deposits. Not all investments are suitable for all investors. Past performance is not indicative of current or future results. In Asia Pacific, by the following issuing entities and in the respective jurisdictions in which they are primarily regulated: JPMorgan Asset Management (Asia Pacific) Limited, or JPMorgan Funds (Asia) Limited, or JPMorgan Asset Management Real Assets (Asia) Limited, each of which is regulated by the Securities and Futures Commission of Hong Kong; JPMorgan Asset Management (Singapore) Limited (Co. Reg. No. 197601586K), which this advertisement or publication has not been reviewed by the Monetary Authority of Singapore; JPMorgan Asset Management (Taiwan) Limited; JPMorgan Asset Management (Japan) Limited, which is a member of the Investment Trusts Association, Japan, the Japan Investment Advisers Association, Type II Financial Instruments Firms Association and the Japan Securities Dealers Association and is regulated by the Financial Services Agency (registration number "Kanto Local Finance Bureau (Financial Instruments Firm) No. 330"); in Australia, to wholesale clients only as defined in section 761A and 761G of the Corporations Act 2001 (Commonwealth), by JPMorgan Asset Management (Australia) Limited (ABN 55143832080) (AFSL 376919).

J.P.Morgan
Asset Management

Finding an alternative to bonds is still a challenge, as most assets do not have the institutional scale that bond markets offer.

The shift from public to private markets is accelerating. Life insurers are traditional investors into fixed income, but there are some in Asia who feel their ability to add illiquid investments is being constrained by high capital charges.

According to Barings, private assets can offer diversification as well as a potential illiquidity premium while still maintaining credit quality: "As private markets continue to grow in both size and diversity, they offer an expanding set of investment opportunities to help insurers achieve their investment targets. We have already seen this with the continued growth of the direct lending and private ABS markets."

Although Fed action may see rates rising slightly in the next year, the low rate trend is expected to persist. This sets up an ongoing challenge for insurers, between investment return and capital charges. Private equity investments, in particular, carry some of the highest capital charges, as high as 60% of market value.

Pressure is building on financial regulators in Asia to alter the risk charges they impose on certain asset classes, such as private credit, to better reflect current investing constraints.

Pressure is building on financial regulators in Asia to alter the risk charges they impose on certain asset classes, such as private credit, to better reflect current investing constraints.

According to their 2021 insurance market report, Deloitte sees increased competition in APAC among incumbents and new players: "The unique macroeconomic dynamics of the Asian region, as well as insurtech ecosystem innovation, are being further aided by supportive governments and improved regulations. With the continued rollout of various initiatives initiated by the different insurance governing bodies, the industry transformation will continue."

ESG is an increasingly significant factor in portfolio management. Asset owners are starting to integrate climate and corporate governance policy into their corporate frameworks and investment portfolios. There's a wide spectrum of adoption. Some institutions are setting their own sustainable investment policy or limiting investments in certain activities like coal mining. Other are simply setting out expectations for their external managers. Some are doing nothing at all.

In 2020, 82% of Asia Pacific insurers said ESG is one of several considerations when making investment decisions, according to the most recent Goldman Sachs Asset Management insurance report. But only 12% viewed ESG as a primary consideration. It appears to be a regional blind spot, as ESG adoption in Europe and the US is much higher.

ASIA & EMERGING MARKETS

A different perspective

At FSSA Investment Managers we believe that to consider the future, you need to understand the past. We believe that preserving capital is the most important aspect of growing it.

And we believe that looking at things differently is more important than looking at things too closely. With this distinct perspective, we aim to back good people running good businesses who can deliver sustainable long-term growth.

Learn more at
fssaim.com/perspective

FSSA
Investment Managers

Part of the First Sentier Investors Group

Important Information: For professional / institutional investors as defined in Hong Kong and Singapore only. Investment involves risk. This material contains general information only and does not contain or constitute investment or investment product advice. In Hong Kong, this document is issued by First Sentier Investors (Hong Kong) Limited and has not been reviewed by the Securities and Futures Commission in Hong Kong. In Singapore, this document is issued by First Sentier Investors (Singapore) whose company registration number is 196900420D. This advertisement or publication has not been reviewed by the Monetary Authority of Singapore. First Sentier Investors and FSSA Investment Managers are business names of First Sentier Investors (Hong Kong) Limited. First Sentier Investors (registration number 53236800B) and FSSA Investment Managers (registration number 53314080C) are business divisions of First Sentier Investors (Singapore).

Most insurers are looking to eventually get the bulk of their people back to the office.

While there are indications that the different facets of ESG are becoming more integrated, analysts question whether there was real engagement between global institutional investors and the Asia-Pacific listed companies in which they invest.

The Asian Corporate Governance Association has highlighted that "the volume of engagement between institutions and companies has significantly increased across the region over the past five years". But if companies are to be resilient and sustainable, "boards need to anticipate and address material ESG risks and opportunities," said Jamie Allen, secretary general of the ACGA.

Blackstone's president Jon Gray said, "We are big believers in the migration of almost everything online, the revolution in life sciences, the shift to sustainable energy, a shortage of housing since the global financial crisis, the global travel recovery and the continued rise of the middle class in China and India."

Disruption of the world of work may have the greatest impact on insurers in the long term. As Deloitte notes, "the speed of change and a much greater reliance on connectivity and remote access may generate a host of new exposures for carriers and their policyholders, particularly in terms of cyber risk and business interruption."

Most insurers are looking to eventually get the bulk of their people back to the office. However, with the risk of periodic surges in Covid-19 infections and uncertainty around large-scale vaccine availability, many workers may be concerned about potential health and safety risks.

Indeed, 74% of Deloitte's survey respondents felt their organisation's success post-COVID-19 may be hampered by employee fear of returning to the office. Compounding this, those who have acclimated to remote work may question the need to return to an office, regardless of Covid-19's status.

Insurers have opportunities to further reduce liability and enhance safety by utilising adaptive technology. For example, they could require employees to download a mobile app regulating access to office facilities, while tracking intra-office activity and interaction if contact tracing is required.

All of these factors have ultimately been disruptive to the nature of investment selection. Remote work will not disappear. Likewise, the trend toward online purchasing has accelerated. Business hotels could continue to lag while leisure hotels will likely benefit from pent-up demand. As prices have shifted in public and private markets, active management will be the key to unlocking the potential of an unknown future.

INSURANCE ASIA NEWS
AWARDS FOR EXCELLENCE
2021

Recognising Asia's market talent

Entries Now Open

https://insuranceasianews.com/awards/awards-for-excellence-2021/

For Professional and Institutional Investors only.
Further distribution of this material is strictly prohibited.

The importance of active management

Rossen Djounov

Mike Biggs

As a specialist active manager, GAM gives its investment professionals freedom to develop ideas, with the backing of a global operations and risk framework. There is no 'house view', but instead the investment teams are encouraged to have their own philosophies and processes, spanning a wide range of global and thematic investing strategies.

The group's equity capability is actualised by 35 investment professionals across the globe, managing long-only and non-directional strategies.

"Active management is coming back. It has a place in clients' portfolios because in these times of considerable dislocation and subsequent normalisation in markets, active managers can deliver significant excess returns for clients," said GAM's Head of APAC, Rossen Djounov.

GAM also has a particular way of looking at top down macro trends. There have seen several secular trends occurring in recent times, according to Matt Williams, GAM's Head of Equity Investment Specialists.

"What we're seeing is a general structural trend where new business models are coming to the fore. Listed markets are not always great at recognising the demise of a business model. So even when you see companies that are not working, they can float around in indices for a long time, and they'll still be included in passive portfolios.

"Other companies in that space may deserve far more than their benchmark weight, in terms of their ability to generate meaningful amounts of replicable client alpha – and it therefore follows that there are competitors in the space that are going to suffer."

Clearly, the key in this rapidly changing world is to identify the very best new companies with the most attractive valuations. The effects of the Covid pandemic have only served to turbo-charge those existing structural trends; working for home, online shopping, digital payments and suchlike.

GAM group's Mark Hawtin, Investment Director and a 30-year veteran of fund management focused on growth companies which disrupt the status quo, believes that the intelligent deployment of technology across sectors is key. Hawtin has observed the accelerating speed at which some companies move to market dominance. When you look at the modern business model, you can very quickly reach 50 million users. The pace of adoption of new applications is so rapid and the network effect so massive, it is easy to be seduced by the next new thing.

But technology is not a sector that is immune to hype and it takes an experienced head like Hawtin's to assess its potential.

"You need to adopt a very disciplined approach to valuation", said Matt Williams.

In the last two years, fund managers have witnessed a massive dispersion of returns across the global equity universe. The disruption caused and accelerated by Covid has created new dynamics, when we take into account apps like Zoom and the establishment of home working as a norm; not to mention the disruption in healthcare. There have also been some fairly sharp and violent market rotations because of the potential rise of interest rates.

Some fund managers have been caught out by these sharp rotations, but GAM has seen success in being able to tilt nimbly and avoid the worst effects of this.

"You need to be able to tilt and therefore you need to be active," said Williams.

Another major trend accelerated by the global pandemic affecting everyone is the increased focus on environmental, social and governance (ESG) considerations in the investing process. According to Bloomberg Intelligence, ESG assets under management could climb to more than a third of the projected $140.5 trillion global total by 2025, the equivalent of one in every three dollars invested.

GAM's role as active long-term investors means engagement and integration of ESG factors is fundamental to the investment process. GAM's stewardship focuses on using its influence to create long-term, sustainable value and better outcomes for clients, society and the environment. These actions not only build the teams' understanding of the businesses they invest in, but also help to establish standards, facilitate the disclosure of material information and influence companies' decision making. GAM believes that in many cases, the engagement and stewardship enabled by active management may have greater impact than simply divesting.

GAM is focused on delivering differentiated and impactful sustainable solutions and in 2020 hired Stephanie Maier as Global Head of Sustainable and Impact Investment to lead ESG strategy and strengthen the firm's ESG proposition for clients.

Best Alternatives Manager

GAM has built a strong reputation among institutions in Asia Pacific for its alternative investments. This includes helping investors access alternative income strategies, delivering risk-adjusted returns suitable for insurance companies and those with capital charges and similar requirements.

On the surface, for example, the emerging markets local currency bond markets have none of the stable yielding qualities that an insurer would be looking for. It has bond like returns for equity like risk.

As GAM strategist Michael Biggs says, "the

volatility of EM local is only a little bit more stable than the S&P 500 and it's certainly more volatile than US high yield or EM hard or EM credit."

GAM believes that it is possible to take a very volatile asset, EM local, and make it a more stable asset that can be attractive to insurers.

The firm utilises the concept of the 'credit impulse', which provides a framework for determining whether the world is going through an expansionary phase or contraction, when selecting securities.

GAM believes that after one has established which countries are in favour and those that are not, one can then look to hedge any specific risk, such as Covid, before looking to hedge more general risks.

"If you understand the volatility, you can hedge it in a very effective and cost-efficient way," said Biggs. "It's not that the bond prices in local currency terms are more volatile. The volatility of EM local all comes from the foreign exchange side."

While it is possible to hedge any EM FX risk direct, that effectively means paying away the 6% carry on the underlying asset. Performance analysis shows that most of that risk is coming from the dollar side. "It is possible to hedge that dollar risk by going short the developed market currency, and since developed market currencies are very low yielding, you don't pay away the carry," said Biggs.

"So typically what one could consider doing is to fund yourself out of Canadian dollars, Australian dollars and Euros. With a hedge on right from the start, your volatility can fall and suddenly EM local becomes much more stable than US high yield, EM hard or EM credit - and it should be only fractionally more volatile than US investment grade."

One key tool the emerging market debt team at GAM applies is their proprietary 'crisis cycle filter'. The logic behind this is that there is no single variable that is very highly correlated to a crisis. This crisis cycle filter considers countries based on nine variables ranging from balance sheet and current account deficit to the relative stability of its banking sector and fiscal situation. The output from this filter is key in identifying strengthening and weakening in developing economies.

"Things can be going very poorly and then suddenly the country responds by hiking rates aggressively, so their real rates become positive. The minute they do that, the credit to GDP ratio starts to come down, demand weakens and the current account balance starts to stabilise. If real rates are high enough, the capital outflows stop and the reserves stabilise. And when all of that happens, we consider changing a position from being short to being long, which can be value-accretive, even though growth in that country will still be weak."

Is GAM saying it can out-forecast the consensus from a growth perspective?

"Rather, we say that the consensus does not understand the relationship between credit and GDP, said Biggs. "As a result, it makes systematic errors and we believe that we can out-forecast the consensus at those turning points in the cycle. You've got to see things differently from the consensus."

Matt Wiliams

Important Legal Information: The information herein is given for information purposes only, without taking account of any particular investor's objectives, financial situation or needs, and does not qualify as investment advice and does not constitute an offer or a recommendation to enter into any transaction. The terms of any investment will be exclusively subject to the detailed provisions, including risk considerations, contained in the offering documents. When making an investment decision, you should rely on the final documentation relating to the transaction. The value of an investment and any income form it can go down as well as up. This has not been reviewed by any regulatory authority. Opinions and assessments contained in this document may change and reflect the point of view of GAM in the current economic environment. No liability shall be accepted for the accuracy and completeness of the information. Past performance is no indicator of current or future trends. Any forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect. Any mentioned financial instruments are provided for illustrative purposes only and shall not be considered as a direct offering, investment recommendation or investment advice. Reference to a security is not a recommendation to buy or sell that security. Any securities listed were selected from the universe of securities covered by the portfolio managers to assist the reader in better understanding the themes presented. Such securities included are not necessarily held by any portfolio or represent any recommendations by any portfolio managers. A prospective investor should, before making any investment decisions, consider the appropriateness of the information in this document, and seek professional advice, having regard to the investor's objectives, financial situation and needs.

INSURANCE ASIA NEWS
Institutional Asset Management Awards 2021

Full List of Winners 2021

Best Institutional Asset Manager
J.P. Morgan Asset Management

Best Active Asset Manager
FSSA Investment Managers

Best Passive Asset Manager
China AMC

Best Global Equities Manager
GAM

Best Emerging Markets Equities Manager
Franklin Templeton

Best Global Fixed Income Manager
Conning Asia Pacific

Best Emerging Markets Debt Manager
Aberdeen Standard Investments

Best Alternatives Manager
GAM

Best Multi-Asset Manager
J.P. Morgan Asset Management

Best Multi-Asset Fund House (Balanced)
Conning Asia Pacific

Best Quantitative Solutions Manager
BNP Paribas Asset Management

Best China Equities Manager
Schroders

Best Japan Equities Manager
FSSA Investment Managers

Best ETF Manager
J.P. Morgan Asset Management

Best ETF Index Provider
China Securities Index

Best Infrastructure Manager
HSBC Global Asset Management

Best Index Provider
MSCI

Best Risk Management Firm
Conning Asia Pacific

Product Innovation Award
BNP Paribas Asset Management

Best Insurance Consultancy Firm
EY

Smart Beta Solutions Provider
Lion Global Investors

Best ESG Strategy
Amundi

Best Sustainable Investment Policy
Robeco

Best Climate Change Strategy
J.P. Morgan Asset Management

Best Investing Product/Strategy
Franklin Templeton

Insurance Fund House of the Year – China
Invesco

Insurance Fund House of the Year – Hong Kong
DWS

Insurance Fund House of the Year – Singapore
Lion Global Investors

Insurance Fund House of the Year – Malaysia
AmInvest

For Professional and Institutional Investors only.
Further distribution of this material is strictly prohibited.

Adapting portfolios to the post-pandemic world

Desmond Tjiang, Managing Director, Senior Portfolio Manager, Conning Asia Pacific Limited

Conning has been working closely with clients around Asia, to ensure their risk management processes have adapted effectively to the pandemic environment. Conning's long history of strong performance and deep understanding of insurance regulations across Asia have helped it meet and maintain its clients' objectives during the most turbulent of times.

The impact of Covid-19 on markets over the past 18 months has been dramatic. Coming as it did into an environment of already low rates, the pandemic affected not only asset values while spiking volatility, it increased the skewness of return distributions. This had many investors scrambling to to adjust their portfolios.

Now the focus is turning towards redefining investment strategies that can weather increased tail events in the longer term whilst still being positioned to take advantage of recovery.

Conning's vast experience in modelling capital markets and non-standard investments is enhanced by its proprietary and sophisticated risk modelling software. Conning focuses on achieving long term enterprise level objectives through thoughtful and robust investment strategies and seeks to provide stable growth and mitigate portfolio drawdown.

As a reflection of the unpredictable developments and uncertainty due to the global pandemic, Desmond Tjiang, Senior Portfolio Manager for Conning's Multi-Asset strategy observed that "2020 saw a substantial rise in market volatility levels and changing asset correlations. At Conning, our quantitative investment solutions capability has significantly helped us enrich our multi-asset investment process and risk control to navigate through this unusual period."

Conning is unique among the leading providers of economic modelling software in that it also manages large amounts of money for institutional investors across the globe.

One of the key challenges clients faced in 2020 was when and where to reallocate risk, given the uncertainty due to the global pandemic. Tjiang said, "In addition to our macro scoring framework and country allocation model, Conning uses a blend of implied volatility and realised volatility as an ex-ante risk measure. This helps us incorporate our tactical asset allocation decision and allows our investment managers to detect early macro triggers and to make pro-active decisions, despite changing market conditions."

Conning's Tactical Asset Allocation (TAA) strategies are designed to integrate with the broader asset classes in the insurer's portfolio, so that the strategies support and enhance the insurer's strategic asset allocation. Conning's framework and modeling tools allow the automation of management reports, covering customised metrics such as the probability of requiring shareholder injections.

Conning's Allocation Optimizer™ software uses stochastic optimisation, integrating asset-liability interaction, regulatory requirements, accounting standards, and internal investment constraints to assist customers in establishing a risk-adjusted optimisation of their portfolios.

"With traditional relationships and correlations breaking apart from what has been observed historically, we have also introduced correlation shocks to quantify the risk of over or underestimating correlations in measuring tracking error," said Tjiang.

As an example, Conning's Risk Solutions' framework helped resolve a client's portfolio situation. A large Japanese insurer wanted to invest in overseas fixed income, despite being benchmarked against Japanese government bonds. Conning's proprietary framework allowed them to offer the insurer an asset allocation solution with awareness of the tracking risks against the JGBs, and translate this into a tailor-made investable portfolio.

Conning is unique among the leading providers of economic modelling software in that they also manage substantial amounts of money for institutional investors across the globe. Conning's GEMS Economic Scenario Generator (GEMS ESG®) is a state-of-the-art multi-period, multi-currency stochastic simulation platform. GEMS ESG generates probabilistic distributions of possible future states of the global economy and financial markets, including the unexpected but plausible outcomes that are critical to assessing risk.

"The economic model calibrations combine the quantitative expertise of our financial engineers with the market views of investment professionals," said Tjiang. Conning constantly reviews and updates this methodology and in 2019, they launched GEMS Expert View Parameterization which is specifically designed to be in tune with the latest data and economic climate.

"The realistic and empirically validated economic dynamics of GEMS ESG provides clients a superior understanding of market risk and allows business models and investment strategies to be tested stochastically under a wide variety of economic conditions."

GEMS ESG generates a thorough and internally consistent set of financial, economic and macro-economic variables, including sovereign yields/bonds, corporate yields/bonds, multiple correlated common stock indices, alternative investment classes, mortgage-backed bonds and CMOs, U.S. municipal bonds, real estate, actual and expected multiple inflation indices, nominal and real GDP growth rate, foreign exchange, and unemployment rates, as well as a rich set of derivatives on interest rates, equity, inflation and foreign exchange.

The Global Multi Asset Balanced Strategy (MABS) is adaptable to different asset allocations. As asset allocation for insurers has changed in recent years, Conning has adapted the MABS approach to help deal with this.

CONNING®

"Due to the disruption to economic and financial markets caused by the global pandemic, we are currently in a very low-yielding environment with much shortened market cycles, to a matter of quarters if not months," said Desmond Tjiang.

"More insurers are facing the question of where to allocate assets, given the mounting yield pressure amid low rates. As such, we believe there is higher demand from insurers for strategies that focus on Dynamic Asset Allocation and Tactical Asset Allocation, without introducing significant skews on the overall strategic asset allocation over time."

These strategies from Conning can capture the shorter cycle alpha more efficiently without distorting their longer-term asset allocation, he added.

"The biggest challenge in dealing with this strategy is forming and sizing the DAA/TAA views. Conning's multi-asset investment approach aims to overcome these challenges by supplementing views with a data-driven and systematic macro process that can react faster, as well as sizing our positions appropriately using risk-based portfolio construction tools, to adapt to changing volatility and correlation dynamics."

Conning's Global MABS seeks to generate stable absolute total returns with low volatility across market cycles. With a dynamic asset allocation framework driven by an asset allocation committee and a predictive asset allocation model, the firm captures the most attractive return opportunities at the right time.

Conning believes that the combination of a diversified strategy that generates attractive returns and low volatility would be a strong proposition. Conning's MABS strategy was designed to distribute predictable, smoothed monthly income to the tune of 3-5% per annum. The MABS has delivered attractive risk-adjusted returns and demonstrated successful upside/downside participation since inception. Returns outperform individual asset classes as well as a neutral multi asset balanced benchmark.

MABS is also capable of replicating individual asset class income generation. Since inception (August 2014) it has delivered a return of 63.99% (gross of fees), with an annualised performance of 8.02% against a customised benchmark of 6.05%, as of December 31, 2020*.

The global pandemic has significantly affected everyone's approach to investing in financial markets, with the attendant increase in volatility and shifts in correlation. Conning's software have adapted to this change by using a blend of implied and realised volatility and incorporating correlation shocks, to make the portfolios more robust. Conning's enhanced quantitative solutions and asset allocation model, based on macro and volatility indexing, allow them to provide clients with further clarity on investment strategy, despite changing regional and cross-asset variances.

Whether clients contract Conning to perform objective-oriented fund management or financial analysis on their behalf, or use the systems themselves for their internal modeling, they benefit from the depth of Conning's professional expertise. The fact that Conning is one of the leading insurance asset management companies in the world is a unique advantage that helps them model better representations of real world phenomena, especially when adapting the global experience to Asia.

**Past performance is not indicative of future results.*

Conning's enhanced quantitative solutions and asset allocation model, allow them to provide clients with further clarity on investment strategy.

INSURANCE ASIA NEWS
Institutional Asset Management Awards 2021

Best Institutional Asset Manager
Best Multi-Asset Manager
Best ETF Manager
Best Climate Change Strategy

J.P. Morgan Asset Management

This year, J.P. Morgan Asset Management "JPMAM" wins InsuranceAsiaNews's marquee award "Best Institutional Asset Manager" for the second time. Congratulations to the firm for another formidable year and an impressive awards submission. JPMAM won individual awards for Best Multi-Asset Manager, Best ETF Manager and Best Climate Change Strategy. They were runners-up in a few other categories too.

Daniel Watkins
CEO, J.P. Morgan Asset Management, Asia Pacific

Best Multi-Asset Manager

Within Asia, the Multi-Asset Solutions (MAS) team at JPMAM managed around USD31 billion, of which over USD5 billion was for insurance companies across the region, as of end-December 2020.

The team leverages the capabilities of the JPMAM platform and works closely with the Global Insurance Solutions team to provide strategic asset allocation (SAA), capital charge solutions, insurance product support and asset liability management analytics.

The MAS team, headed by John Bilton, drives the firm's qualitative view on asset classes. The team includes eight investment professionals, based in London, New York and Hong Kong.

The portfolio solution integrates four key components: strategic risk/return framework, strategy selection, active asset allocation and risk management.

The team uses quantitative models to identify a number of relative value long-short positions that seek to add pure alpha, without increasing portfolio risk. The process seeks to identify uncorrelated pair-wise relative value exposures, each of which may be short-lived or sustained.

In 2020, JPMAM won a multi-asset solutions mandate from a Tier-1 insurer in China, the first time this insurer had outsourced overseas mandates. The client required a total return objective in RMB terms. Based on this requirement as well as the client's preference on currency hedging tenor, JPMAM designed a three-year tenured USD/RMB hedging program.

Powerful analytic models enabled JPMAM to perform multiple SAA refreshes with same-day turnaround during the process, and throughout the COVID-19 pandemic.

In 2020, JPMAM was awarded a large outsourced-chief-investment-officer (OCIO) mandate. The OCIO mandate was the client's first mandate across both public and private markets, with comprehensive investment constraints on return, risk, volatility and risk-based capital.

Powerful analytic models enabled JPMAM to perform multiple SAA refreshes with same-day turnaround during the process, and throughout the COVID-19 pandemic. The complex structure of this OCIO mandate included a sizeable allocation to a number of private alternative funds.

In Taiwan, the MAS team managed a total of USD2.7 billion in investment-linked policy (ILP) mandates as of December 2020. Given the extreme market turbulence in 2020, the volatility control strategy gained a particularly strong interest within the ILP market.

JPMAM's proprietary volatility control strategy aims to identify adverse market environments, control the volatility experience of the portfolio, and dynamically adjust exposures accordingly. This is particularly relevant to insurance companies as it helps to reduce the hedging cost for the guaranteed type of insurance policy.

Best ETF Manager

JPMAM is expanding rapidly in the ETF space. It is looking to grow its China ETF offering and plans to integrate its partner China International Fund Management (CIFM) into JPMAM, upon receiving regulatory approval for 100% ownership of CIFM.

Assets under management in actively managed ETFs totalled around USD21.5 billion by the year end. In September 2020, the flagship JP Morgan Ultra-Short Income ETF (JPST) became the largest active ETF in the US market, and the second largest in the world[1].

JPST was launched in May 2017 with a net expense ratio of 18 basis points, one of the lowest price points in the category. It has quickly become a popular investment option because it delivers income opportunities and reduces sensitivity to changing interest rates. As of December 2020, the AUM of JPST stood at USD15.6 billion.

Active strategies such as JP Morgan Global Research Enhanced Index (REI) and JPMAM's strategic beta emerging markets sovereign bond strategy gained traction in Asia in 2020. Strategic beta ETFs can help passive investors enhance the return potential of broad market portfolios, thus reducing market cap risk biases, while seeking exposure to the uncorrelated sources of return generated by style investing and alternative risk premia.

JPM's Global Index Research group have developed a total 22 indices and tradable strategies using ETFs/ETNs, credit and commodities. These index products, alongside research, provide analytics to evaluate clients' portfolios in a more efficient way. It helps to define and increase the visibility of the asset classes they represent and provide a useful tool to measure the performance of the asset class.

Best Climate Change Strategy

In 2020, JPMAM launched a thematic Carbon Transition strategy which is in line with the EU Carbon Transition benchmark, leveraging JPMAM's proprietary framework that identifies companies better positioned in the transition to a low carbon economy.

In November 2020, JPMAM launched the JPM Carbon Transition Global Equity UCITS ETF (JPCT). The sustainable ETF uses a proprietary research framework to identify which companies are most aligned with the transition to a low carbon economy. JPCT offers investors at least 30% less carbon intensity than the MSCI World index, and a year-on-year decarbonization target of at least 7%, in line with EU Climate Transition Benchmark (CTB) framework for sustainable investing.

[1] ETFGI, as at 30.09.2020, https:etfgi.com/news/press-releases/2020/10/etfgi-reports-assets-invested-active-etfs-and-etfs-reached-new-record

INSURANCE ASIA NEWS
Institutional Asset Management Awards 2021

Best Global Equities Manager

Best Alternatives Manager

GAM

GAM Investments has gained a solid reputation for its active equities and alternative strategies. They cater very well for institutions such as pension funds and insurers, who need access to new sources of return but are wary of the increased risk.

Rather than compete as just another global equities manager, GAM focuses its attention on the areas where specialist expertise and strong conviction can have a real impact. This has helped it curate a collection of highly differentiated strategies with high active share and diversified risk designed to generate client alpha.

GAM's approach is based on attracting and empowering the brightest minds to provide investment innovation and sustainable thinking.

GAM's approach is based on attracting and empowering the brightest minds to provide investment innovation and sustainable thinking. Its equity capability comprises 35 investment professionals globally, managing 23 global and emerging market strategies, long-only and non-directional.

The portfolios also embrace thematic strategies focused on disruptive growth and technology, luxury brands and healthcare, for example. GAM's equity strategies enjoyed particularly strong performance in 2020, with many in the top quartile relative to their peer groups across time periods. This includes its Asia and China growth equities, technology and disruptive growth, Japan equities and European equities offerings.

GAM's Mark Hawtin, Investment Director for disruptive growth and technology, sees increasing focus on more industrial themes – the internet of manufacturing, the network effect in healthcare or digitalisation in transportation to name a few. At the same time, the team sees the debate continuing to rage on the value of digital currency and the deepening use of blockchain in franking assets.

At times of pivotal change, investors often remain stuck in the trades that have been successful over time, relying on old ways and established stocks, particularly when those investments continue to deliver growth. Hawtin takes the view that while this may continue to yield positive returns, there is greater potential to generate strong alpha in a portfolio built around the next wave of disruption. Yesterday's winners will not necessarily be tomorrow's, he says.

Paul McNamara
Investment Director

Best Alternatives Manager

GAM is also known for its non-directional and macro-driven emerging market debt strategy which attempts to capture the bulk of the positive returns to local currency government bonds, while aiming to protect against the downside. GAM saw significant client interest in the strategy in 2020 as assets doubled over the 12-month period.

The strategy, developed by the emerging markets debt team led by Paul McNamara, is designed for investors who find local currency EM yields attractive, but would like some downside protection against EM FX risks. GAM views the bulk of the volatility in EM local currency debt as being driven by the FX component, which in turn is due largely to movements in the USD. GAM considers that investors can potentially hedge this USD risk by funding a share of the debt exposure out of other DM currencies such as the AUD, CAD and EUR.

GAM considers that security selection should be performed based on the philosophy that EM local currency debt is largely a top-down macro

GAM works closely with top tier insurers in Taiwan, which invest across multiple GAM active investment strategies.

asset class, but that significant opportunities may be found in shorting currencies of countries that are at risk of financial crisis and holding them again during recovery periods. This macro view is developed using the ‘credit impulse’ framework, and countries at risk of a crisis are identified using the firm’s proprietary ‘crisis cycle filter’.

GAM works closely with top tier insurers in Taiwan, which invest across multiple GAM active investment strategies. Through such long-term partnerships, GAM has developed a deep understanding of their individual needs and constraints. GAM’s active investment philosophy is consistent and transparent and in its regular portfolio reviews, GAM clearly illustrates the rationale for its investment decisions, and how it contributes alpha to clients’ portfolios. While clients trust GAM’s portfolio managers to make the investment decisions, the firm recognises the importance of keeping investors informed, especially in times such as these, where world events have an impact on their investments.

INSURANCE ASIA NEWS
Institutional Asset Management Awards 2021

Best Investing Product/Strategy

Best Emerging Markets Equities Manager

Franklin Templeton

The Franklin Equity Group had a great year in 2020. With strong performance of its US Opportunities strategy, it gained significant inflows and the strategy size reached over $14.1bn in asset under management.

Senior vice president and portfolio manager Grant Bowers and his team follow the familiar Franklin template of research-driven, fundamental investing while pursuing an all-cap growth strategy. The fund invests across the entire market cap spectrum.

The strategy is managed by lead portfolio manager Bowers supported by the resources of the investment team responsible for the Franklin U.S. Opportunities strategy, which includes the Franklin U.S. Small Cap Growth Investment Team. Members of the Franklin U.S. Small Cap Growth Investment Team each have specific industry research responsibilities, focusing on companies with market capitalisations lower than US$1.5 billion.

As a well-diversified, multi-cap, multi-industry portfolio, the strategy invests in over 35 industries and in companies of various market caps in leading growth fields, such as technology, biotech and communications.

As of December 31, 2020, the team managed $7.6 billion in the Franklin U.S. Opportunities Fund, which is the flagship fund of the strategy. The fund has delivered annualised gross USD returns of 45.2%, 25% and 20.2%, outperformed the S&P 500 Index by 26.8%, 10.8% and 5% for the 1-year, 3-year and 5-year periods respectively.

The strategy's mandate is to provide investors with exposure to leading companies in their respective fields that meet stringent growth, quality, and valuation criteria. The strategy's managers identify and invest in companies that exhibit the potential for long-term revenue growth, superior profitability, and sustainable and meaningful competitive advantages, such as proprietary intellectual property, barriers to entry and strong company leadership along with consistent execution.

Grant Bowers, Senior Vice President, Portfolio Manager, Research Analyst, Franklin Equity Group

Investing in the world's largest and most resilient equity market has its advantages of course, but the Franklin team have certainly made the most of it. The strategy has exposure to multi-cap U.S. equities representing financially sound U.S. companies with solid fundamentals.

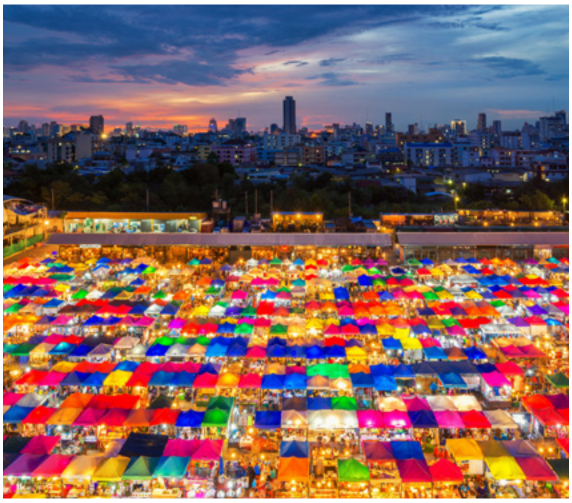
As a well-diversified, multi-cap, multi-industry portfolio, the strategy invests in over 35 industries and in companies of various market caps in leading growth fields, such as technology, biotech and communications. The managers seek the best trade-off between growth opportunity, valuation, and business and financial risk.

Best Emerging Markets Equities Manager

For many investors, the Franklin Templeton name is synonymous with emerging markets, having been a pioneer of the sub-asset class during the first great EM boom in the 1990s. That pedigree continues with the current Franklin Templeton Emerging Markets Equity team managing a range of EM portfolios run as long-term oriented bottom-up stock picking funds.

The team aims is to invest in companies with sustainable competitive advantages and growth trajectories that are available at a discount to their intrinsic worth.

Naturally, China is a big focus for them, particularly in the technology area. They believe disruption in innovation and technology continues to support "the powerful long-term structural case for investing in EMs".



The managers are positioned in companies who are collaborating with larger technology companies and leaders in their area of expertise. These include hardware distributors and consumer electronics supply chain manufacturers, internet companies and e-commerce businesses. These companies are benefiting from disruption, digitalisation and new energy trends as well as the stay-at-home culture borne out of the COVID-19 pandemic.

Solar is one opportunity Franklin Templeton has identified within this theme. Advancements in technology and innovation are allowing more sunlight to be converted into energy, and the scope for future growth is considerable.

In China, President Xi has set a target for the country to be carbon-neutral by 2060 and for 25% of the energy mix to be from renewables by 2030. China is a world leader in solar production and has the two largest players.

Another major theme in EMs is consumption, which Franklin Templeton believes is not only a story of superior demographics and increased product penetration. While they expect to see continued structural growth in demand for goods and services considered staples in developed markets, ‘premiumisation’ is the next natural transition as growing middle-class populations, urbanisation and increasing affluence spur demand for higher-end products.

Franklin Templeton has established a recent pattern of outperformance that marks it out as a manager with the vision and depth of research to derive long term benefit for emerging markets exposure.

Franklin Templeton Emerging Markets Equity Team aims to invest in companies with sustainable competitive advantages and growth trajectories that are available at a discount to their intrinsic worth.

INSURANCE ASIA NEWS
Institutional Asset Management Awards 2021

Best Risk Management Firm
Best Global Fixed Income Manager
Best Multi-Asset Fund House (Balanced)

Conning Asia Pacific

Dan MacKenzie,
Managing Director, Risk Solutions
Conning, Inc.

Conning's capabilities, processes and decision support tools are built to provide the highest quality investment solutions that translate directly to the specific performance and risk metrics insurance companies focus on.

With the current impact of the COVID-19 global pandemic, insurers are more than ever in search for sophisticated investment tools that allow for maximal return with minimal loss. Conning's Risk Solutions team specialises in applying stochastic modelling to insurance companies. It is a distinctive service, able to incorporate the philosophy of an insurer's strategic asset allocation framework within a sophisticated risk-modelling approach.

The risk-modelling software decomposes the market into the key drivers of return and risk. Conning then optimises over those key components before translating them back to an asset allocation. The strategies are focused on maximum diversification, leading to tail risk mitigation and ultimately maximal long-term investment return.

Having a robust process that incorporates sophisticated financial modelling and stress testing has become crucial as insurance regulations advance and the range of investment tools expand.

The stochastic modelling framework allows insurers to analyse the relationship between asset classes and the risks they face from extreme market events. The software is sensitive to many assumptions and will position portfolios to maximise diversification and leverage uncorrelated return opportunities. This is important as the dynamics of the market shift.

The recent market developments, as well as past crises, have shown the importance of simulating extreme events that simultaneously affect multiple asset classes across various economies. Conning's capabilities, processes and decision support tools are built to provide the highest quality investment solutions that translate directly to the specific performance and risk metrics insurance companies focus on.

Insurance research at Conning has been working with insurers for more than 50 years, offering an array of insurance industry research and consulting services. Their team of analysts has a wealth of experience in all segments of the insurance industry. Conning's insurance industry clients benefit from ongoing surveys, proprietary data, forecasts and models; and from its in-depth analyses of insurance industry performance data.

Best Global Fixed Income Manager

Corporate credit is the largest fixed income sector for the majority of Conning's clients, making it one of the world's largest credit managers with a corporate credit AUM of US$73 billion invested as of December 31, 2020.

Its unique combination of asset management, investment solutions and insurance research services has allowed it to develop some innovative investment strategies.

Conning has a long history of strong performance and a deep understanding of insurance regulations across Asia. Its experience in modelling capital markets and non-standard investments is enhanced by its propriety and sophisticated risk modelling software.

Conning has extensive depth and expertise in credit analysis and dedicated teams focused on corporate bonds, municipal debt and structured securities. The firm has a strong global orientation with analysts located in Asia, Europe and the U.S. It has been investing in US credit

Conning's macro scoring framework and country allocation model uses a blend of implied volatility and realised volatility to incorporate a tactical asset allocation decision and allows investment managers to make timely pro-active decisions, despite changing market conditions.

Siew Mee Yeo, CIO Asia
Conning Asia Pacific Limited

Desmond Tjiang,
Managing Director,
Senior Portfolio Manager
Conning Asia Pacific Limited

since 1983 and has been active across the global credit space since 2003. Over the past 5 years total assets under management has grown 57%.

Best Multi-Asset Fund House (Balanced)

Conning has around US$199 billion in global assets under management as of March 31, 2021 and has a long history of working with the insurance industry. One of their key differentiators is not only performing well in bullish markets, but also in preserving clients' capital during more adverse periods of market fluctuation.

Conning's Global Multi Asset Balanced Strategy (MABS) seeks to generate stable absolute total returns with low volatility across market cycles.

The Conning strategy was designed to distribute predictable, smoothed monthly income to the tune of 3-5% per annum. The MABS has delivered attractive risk-adjusted returns and demonstrated successful upside and downside participation since inception. Returns have consistently outperformed individual asset classes, as well as a neutral multi asset balanced benchmark.

Their vast experience in modelling capital markets and non-standard investments is enhanced by its propriety and sophisticated risk modelling software. Conning focuses on achieving long term enterprise level objectives through thoughtful and robust investment strategies, seeking to provide stable growth and mitigate portfolio drawdown.

Its quantitative investment solutions capability has added significantly to insurance clients' investment processes and risk controls. One of the key challenges clients faced in 2020 was when and where to reallocate risk, given the volatility and uncertainty caused by the global pandemic. Conning's macro scoring framework and country allocation model uses a blend of implied volatility and realised volatility to incorporate a tactical asset allocation decision and allows investment managers to make timely pro-active decisions, despite changing market conditions.

Conning invests globally in equities, high grade credit, high yield credit and government bonds. Its optimisation system provides diversification and limited correlation to individual asset classes, with alpha generation from asset allocation, security selection and downside risk.

The investment process integrates a dynamic asset allocation framework with bottom-up security selection and theme identification to drive portfolio construction. The integrated top-down and bottom-up investment process dynamically allocates between asset classes which delivers strong volatility-adjusted and consistent compounded total returns. The strategy invests up to 20% in ETFs, 30% in high yield credit and 90% in equities at any point in time.

INSURANCE ASIA NEWS
Institutional Asset Management Awards 2021

Smart Beta Solutions Provider

Insurance Fund House of the Year – Singapore

Lion Global Investors

Since inception of the fund in 2017, an annualised return of 22.2% as of 28 Feb 2021.


Gerard Lee

Asian specialist Lion Global Investors (LGI) has harnessed the radical changes taking place in the world of work within its Disruptive Innovation Fund.

Going beyond virtual work meetings and home-based learning, the global pandemic has accelerated digital transformation. LGI sought to capture the growth potential of this disruption across a wide range of innovations and sectors, in line with investors' desire to invest in a sufficiently diversified portfolio of potential disruptors with strong growth prospects.

The premise of the smart beta product is to target a specific sector or style the managers believe would outperform in the long run, also known as passive factor investing. Through its coverage across different sectors in the equity space, LGI identified 16 disruptive trends they believe will outperform the broad market. These trends include artificial intelligence, virtual reality, blockchain, drones, e-commerce, electric vehicles, fintech, precision medicine, gaming and social media.

The five factors are chosen from well-known systemic factors that are most relevant to a disruptor, namely 1) market capitalisation, 2) price to sales ratio, 3) Three-year earnings per share growth forecast, 4) Three-year sales growth forecast and 5) 90-day price volatility.

Since inception of the fund in 2017, AUM has an annualised return of 22.2% as of 28 Feb 2021. In terms of the Morningstar peer ranking report as of 31 December 2020, the performance of the fund has placed it in the 1st quartile consistently across all time periods.

Valuations of disruptors have certainly increased with the rally in equity markets last year but investors are concerned about increased volatility in 2021. Lion feels it is difficult for investors to time the market and this smart beta strategy means investors can stay invested. By doing so, the investor ignores the short-term cyclical moves and participates in the secular growth of the disruptive companies.

With LGI's purpose beyond profit philosophy, LGI is well equipped to continue growing its book of business with new product launches and innovative ideas.

Insurance Fund House of the Year – Singapore

Lion Global Investors is a Singapore-based asset manager, majority-owned by Great Eastern Holdings (GE) and a member of the OCBC Group, with core competencies in Asian fixed income and Asian equities.

Besides GE, LGI manages investment solutions for other non-affiliated insurance companies and together they account for over 80% of the firm's total assets under management.

The synergy between LGI and GE goes beyond product and investment advisory. On the risk and regulatory front, constant changes mean that it is imperative to proactively monitor new changes and respond effectively in ensuring that policyholders' assets are carefully managed.

With the introduction of the new Risk-Based Capital 2 requirements by the Monetary Authority of Singapore, LGI is constantly engaged with GE to provide advice on the implementation of initiatives that would help improve capital efficiency at an organisational level.

This collaboration with GE enables LGI to truly understand the needs and expectations of other insurance companies and provide investment solutions that cater to the specific requirements of the insurance sector.

Despite strong headwinds brought about by the Covid-19 pandemic and at a broad industry-wide level, Lion's book of business grew by more than S$8.1 billion in 2020.

Single Premium Endowment Plans

A competitive landscape where a wide variety of investment offerings exist, coupled with a low-interest rate environment, means that there is a constant need to innovate to differentiate and meet investors' needs. GE leveraged LGI's investment expertise and ability to customise solutions to launch the GREAT205 Single Premium, an endowment plan that provides an attractive yield and capital-guaranteed feature, that generated great interest among retail insurance clients and industry veterans. The product attracted more than SGD1 billion in investments. It has paved the way for several successful similar product launches.

Lion Dynamic Portfolios

An important initiative by LGI in 2020 was the inception of its Curated Portfolios Team (CPT). This is in response to demand for bespoke, open-architecture portfolio solutions which are tailored to the specific risk and return expectations of the individual investor. While such solutions were previously only available to institutional clients as well as high net worth individuals, LGI has now provided the mass affluent and retail investor segments, including insurance clients and partners, with access to these solutions.

Dynamic portfolios represent a globally diversified fund-of-fund solution that invests across multiple asset classes including a) Equities; b) High yield, emerging market, government and investment grade bonds; c) Money market instruments, cash, short-term liquidity instruments and government-related securities and d) Commodities and alternatives. Unlike traditional multi-asset ILP funds, the Great Eastern Dynamic Portfolios provide the following value proposition:

Dynamically Managed: In addition to optimising the strategic asset allocation of the portfolios, tactical shifts to asset allocation are also made depending on the market environment. This may provide for a smoother ride for a client's investment journey and potentially further maximise risk-adjusted returns.

With LGI's purpose beyond profit philosophy, LGI is well equipped to continue growing its book of business with new product launches and innovative ideas.

INSURANCE ASIA NEWS
Institutional Asset Management Awards 2021

Best Quantitative Solutions Manager

Product Innovation Award

BNP Paribas Asset Management

BNP Paribas Asset Management builds on the findings of its in-house research team to create a fully systematic investment process; while continuously monitoring for structural changes in the markets as part of its quantamental approach to investing.

Paul Sandhu,
Head of Multi Asset, Quant and Solutions Asia Pacific,
BNP Paribas Asset Management

Combining quantitative techniques with fundamental insights has proved an effective method of boosting the value of active management. This is especially true in the current market environment, where rapidly changing market norms means that quant techniques alone are insufficient to ensure outperformance.

Since the late 90s, BNP Paribas Asset Management's Multi Asset, Quant and Solutions (MAQS) team has managed multi asset strategies for an international client base of retail and institutional investors by leveraging on its well-structured and disciplined investment processes.

The strong quantitative element of the MAQS 'quantamental' approach combines quantitative expertise and fundamental research capabilities, with risk management at the core of its investment philosophy. The process includes a strong ESG component and is applied across the firm's multi factor funds. The portfolio's carbon footprint is now 50% lower than its benchmark and the ESG score is 20% higher than the benchmark's score.

MAQS utilises cutting-edge technology and a proprietary research methodology, underpinned by active risk management, in order to meet the dual requirements of return and downside protection for most of its clients who are now paying particularly close attention to risk-adjusted returns.

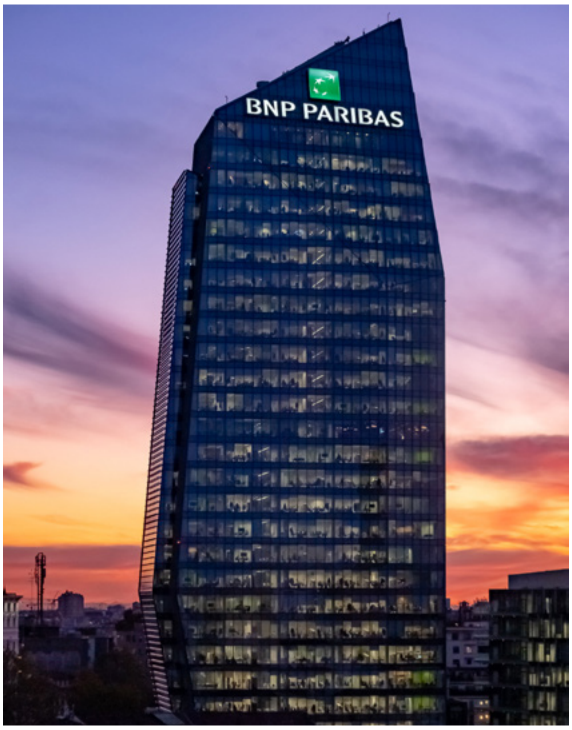
Ultimately, key attributes that add value to its clients and push the industry standard higher include the publication of regular quality industry thought leadership, quant analysts and investment specialists dedicated to quantitative solutions and a recognized capacity to build innovative quantitative solutions tailored to specific client needs.

The MAQS team manages portfolios using a research based approach, via- dedicated, in-house research team that constantly work to ensure that its portfolios and solutions are created based on a combination of its own quantitative research. The team then creates a fully systematic process with human supervision to run portfolios – which includes continuously monitoring for structural changes in the markets as well as conducting research on existing strategies.

In 2020, BNP Paribas Asset Management launched a multi-asset mandate for a Chinese insurer. This insurance mandate was created with the client's asset class restrictions in mind. With capital protection as a key goal in mind, the MAQS team also added two customised features to the product. A smart currency hedge is included in the solution to manage currency risk and potentially provide alpha. It takes advantage of FX movements by dynamically adjusting the hedge ratio, which is based on macro factors and integrated carry and trend factors.

Another way that MAQS uses its quantitative expertise is through its smart beta solutions, called the BNP Paribas Easy Smart Beta ETFs.

BNP Paribas Easy Smart Beta ETFs offer an exposure to 4 major equity factors: Value, Quality, Low Vol, and Momentum. The investment process is driven by the maximisation of the exposure to each factor while constraining the risk of concentration, the turnover and the variability of the alpha in order to optimise the risk return profile, and this is rebalanced monthly. Each index is part of the Thematic Equity Indices family of BNP Paribas and provides single factor exposure.



As a solution for clients saving for retirement, and potentially unwilling to see large fluctuations in their portfolios, the solution has a volatility cap mechanism, to limit downside as well as the volatility of the product.

Product Innovation Award

MAQS is built around a full and innovative range of investment products and solutions, and one of its primary goals is to help meet the growing needs of investors seeking innovative solutions in an environment of uncertainty and polarising demand between low-cost management such as indexed products, and high value-added products.

In 2020, BNP Paribas Asset Management launched a new global, multi-asset fund-of-funds for a Singaporean distributor, that invests globally in the best-of-breed funds around the world.

The Singaporean distributor identified a product gap within their wealth planning lineup; they were looking for a fund designed for capital building for their clients, which allows them to build up capital during their working life, before switching to income focused funds in retirement.

BNP Paribas Asset Management is able to leverage on the expertise of two specific departments within the company to come up with this unique solution for the client.

MAQS is in charge of overall portfolio management, and utilising the 'quantamental' approach to create the asset allocation and actively manage it as well as creating and implementing a customised risk management overlay for the client.

For the underlying instruments, MAQS is able to rely on the expertise of the in-house fund selection experts - namely FundQuest Advisor – who is the fund selection gatekeeper and specialises in third party fund selection for the group's entities, such as the private bank, as well as third party clients.

Unlike many funds-of-funds, this fund is not restricted in terms of domicile or fund manager, and aims to only choose the best funds from around the world.

The fund can invest in both active and passive funds, investing in active funds in areas where active management can provide value, and investing in lower cost passive funds in areas where it is hard for active management to generate alpha, in order to create a cost efficient, diversified portfolio that provides the best of both active and passive investment.

As a solution for clients saving for retirement, where investors are likely to be unwilling to see large fluctuations in their portfolio, the solution also has a volatility cap mechanism, which reduces the risk exposure of the fund as volatility hits the cap. This helps to reduce downside as well as limit the volatility of the product.

The combination of these factors create an innovative, risk aware product created with the end investor in mind, hence offering them expertise from two specialist teams in fund selection and asset allocation, investing in global best of breed funds and combining the best elements of both active and passive investments.

INSURANCE ASIA NEWS
Institutional Asset Management Awards 2021

Best Active Manager

Best Japan Equities Manager

FSSA Investment Managers

A large part of the Japan portfolio today is invested into purely domestic companies with high earnings visibility, many of which have actually benefited from the tailwinds brought forward by the pandemic.

FSSA Investment Managers are specialists in Asia Pacific and global emerging markets equity strategies. They are bottom-up investors, operating with a strong ESG focus across all portfolios.

The firm makes good use of ESG analysis to distinguish quality companies from the rest. Through active engagement, FSSA believes it is able to raise legitimate concerns and persuade management to address the issues at hand, thereby adding to portfolio performance.

The firm adopts a conservative approach with an absolute return mind-set. It believes that the Asia Pacific region has plenty of quality companies. Spurred by low penetration rates for goods and services, and barriers to entry which protect profits and cash flow, these companies – often consumer, financial and industrial businesses – have a good track record of compounding earnings and creating long-term value for stakeholders.

Many Asia Pacific and global emerging market countries are under-invested in healthcare compared to the global average. As these economies become richer, FSSA expects healthcare and health-related spending to rise.

And as the world becomes smarter and more connected, Asian technology firms should benefit from strong end demand and a growing market. Taiwanese semiconductor foundries and equipment manufacturers, as well as Chinese internet giants, are among the leaders in their fields globally.

HDFC Bank is India's largest private bank and a good example of the region's potential, say FSSA. With more than half of India's population still unbanked, the way customers interact with banks is changing. The vast majority of transactions now take place through digital channels instead of at bank branches.

By investing in digital ahead of peers, HDFC's platform enjoys the highest number of mobile banking transactions, compared to peers.

Sophia Li
Portfolio Manager

Best Japan Equities Manager

Despite the challenging environment last year, the FSSA Japan Equity Strategy delivered superior alpha and attracted substantial net inflows. Managed by Sophia Li, she attributes the strategy's resilience to the team's investment philosophy of investing in companies with strong franchises and management teams, and those which can deliver high ROIC and sustainable growth over the long term.

Over the past year, the strategy has enjoyed significant flows. The indiscriminate sell-off across all sectors earlier in the year meant that even the high-quality, well-managed companies were sold off, which created both challenges and opportunities for the strategy.

As bottom-up investors, FSSA took the crisis as an opportunity to look at how the behaviours of consumers and corporations and started to identify companies in the portfolio that would deliver resilient earnings even in a lockdown scenario, or may even accelerate their mid-term earnings growth thanks to tailwinds brought by Covid-19.

Despite Japan boasting one of the largest annual IT expenditures globally, the pace of digital adoption there has been slow. However, with tailwinds brought about by Covid, companies are now picking up

the digital pace.

FSSA believes this will benefit the internet services and software-as-a-service companies owned in the FSSA Japan strategy. M3 is one such example. The company provides digital marketing services, connecting pharmaceutical companies to doctors on its web-based platform. More than 80% of Japanese doctors are now active members on the M3.com website.

In the midst of economic instability during Covid, a recurring theme amongst consumers is the 'quality value for money' trend. In 2020, Gyomu Super, a leading discount grocery franchise operated by Kobe Bussan, enjoyed an exceptional 16% same-store sales growth, driven by stay-at-home demand and products sold cheaply in bulk.

Similarly, Workman, a specialty retailer of private-label outdoors and athleisure clothing, recorded 18% same-store sales growth over the fiscal year (FY) 2020.

In Japan, 'cheap' products used to be viewed with suspicion, though that perception has slowly changed as more customers in the middle-income bracket now visit the likes of Gyomu Super and Workman. Consumers actively identify and promote these quality labels through social media, and recipes made with Gyomu Super ingredients or outdoor styling with Workman clothes have been highly effective in raising awareness of these two brands.

A large part of the Japan portfolio today is invested into purely domestic companies with high earnings visibility. This includes drugstore operators and discounted retailers that offer daily necessities, and software and IT solutions providers that generate a recurring annual income. Most of these companies have actually benefited from tailwinds brought forward by the pandemic, which has accelerated the adoption of their products and services.

FSSA considers market volatility or mispricing as an opportunity, thanks to the strong conviction that they have built up amongst the companies they own. Another challenge would be the sector or style rotation in Japan. However, because of its benchmark agnostic investment philosophy and the high active share of the strategy, this did not pose a huge challenge for them.

As the world becomes smarter and more connected, Asian technology firms should benefit from strong end demand and a growing market.

INSURANCE ASIA NEWS
Institutional Asset Management Awards 2021

Best China Equities Manager

Schroders

The combination of a distinctive investment process and a team-based approach are the key to the consistent pattern of outperformance by Schroders's China equity funds.

The judges recognised the pedigree of the Schroders China equity team, led by the highly experienced Louisa Lo. The qualities of excellent research and local market knowledge have served their China equity portfolios well. The breadth of coverage of the China team and a long-established and proven investment process has produced consistent outperformance.

In the China equity space, the Schroders team's strong on-the-ground presence and ability to draw investment insights from the local market nuances has been one of its key strengths. Excellent proprietary research that is conducted by an extensive team of experienced analysts has also been critical to investment success.

The combination of a disciplined investment process and a team-based approach is key to the consistent outperformance by Schroders's China equity funds. Louisa Lo, Deputy Head of Investments for Asia ex Japan Equities and also Head of Greater China Equities, has been covering these markets at Schroders for over 20 years. She now leads a team of 18 locally-based investment experts covering Greater China. Louisa manages a series of Greater China portfolios and mandates in addition to an Emerging Asia portfolio.

On the back of the team's strong track record, total assets of the Greater China equities portfolios have increased by nearly 80% over the past three years. The total AUM of Greater China equities stood at $21 billion at the end of 2020.

With China's ongoing financial liberalisation, Schroders believes the offshore and onshore markets will continue to grow. Over time, international investors are likely to see Chinese equities as a single market and potentially, a standalone asset class. As such, Schroders is one of the pioneers of an All-China strategy.

Sustainable investment principles are central to their approach to investing across the entire equity platform. Equity analysts are required to address material and relevant ESG risks within their fundamental research. These views around the sustainability of a business directly impact the fundamental view on the company and affect the size of positions held in portfolios.

The Schroders Institutional Investor Study of 2020 found that 71% of institutional investors in Asia Pacific said they expect sustainable investing to be significant, if not very significant, in their decision making when it comes to building their long-term portfolios. This is actually ahead of the global average of 66%.

Louisa Lo

INSURANCE ASIA NEWS
Institutional Asset Management Awards 2021

Best ETF Index Provider

China Securities Index

Suyuan Lu
General Manager of CSI

CSI (China Securities Index) is committed to becoming a technology-driven company focusing on index business and offering a wide variety of services to customers.

In Asia, there are 293 ETFs tracking CSI-managed indices, one-third more than last year. The aggregate AUM is USD 103 billion, nearly 20% over last year. The total number of CSI-managed indices has reached 1818 (counting only price indexes), about 10% more than last year*.

CSI continued to expand its range of portfolio benchmarking, technology thematic investing□bond investing and ESG in 2020, reflecting changes in China's financial market.

Among the benchmark developments, the SSE Science and Technology Innovation Board 50 (STAR 50) Index was launched in July 2020, consisting of 50 securities with the largest market capitalisation and good liquidity listed on SSE Science and Technology Innovation Board. By 2020, four ETFs tracking the Index have been successfully launched in mainland China.

Technology thematic investment has grown ever faster. CSI has developed a dozen new technology thematic indexes in 2020, mainly focusing on 5G, artificial intelligence, cloud computing and electronics. By end 2020, there had been 3 ETFs tracking the CSI 5G Communication Index in Asia, including an ETF listed in mainland China with a massive USD 3 billion of AUM.

With Chinese and global investors increasingly interested in the China onshore bond market, bond index products are gaining momentum. CSI continues to be the dominant index provider for bond ETFs in China's onshore market. By the end of 2020, there were 16 ETFs tracking CSI bond indices in Asia, with an aggregate AUM of USD 2 billion.

ESG is also becoming popular in Asia and CSI keeps developing its own ESG framework, adapted to China's local business environment. The formal CSI ESG Ratings methodology was released in December 2020. CSI has launched 25 new ESG indexes as of June 30 2021, of which 15 are indexes using its own ESG Ratings methodology. There are currently 5 funds tracking CSI ESG indices with a toal AUM of USD 2.3 billion, and another 13 are to be launched. CSI continue to further promote the development of global ESG and provide diversified and professional services for ESG investment.

CSI continuously reviews its business from the IOSCO and BMR perspective. After becoming the first Asian administrator under the EU Benchmark Regulation (EU BMR) in 2019, CSI has also become a member of UNPRI and the Index Industry Association (IIA). All these moves reflect CSI's commitment to the highest standards in benchmark administration.

*Data as of December 31, 2020

INSURANCE ASIA NEWS
Institutional Asset Management Awards 2021

Insurance Fund House of the Year – Hong Kong

DWS

DWS's work has focused mainly on specialised local strategies and cross-border fixed-income solutions.

Asia Pacific has been identified by DWS as a key growth area for the firm and in recent years it has positioned itself to deliver increased investment strategy and advisory resources to insurers in this part of the world.

The global fund manager can now count a number of leading insurance companies in the region as strategic partners and clients. As the third-largest manager of insurance general account assets globally, it has a wealth of experience to call on.

As a firm, DWS has $945 billion of assets under management, of which approximately 30% is managed for insurers. The assets managed for Asian insurers has doubled in the last three years to $12 billion, representing an impressive compound annual growth rate of 26%.

Asia Pacific insurers are now further exploring broadening their investment portfolios and looking to extend risk into asset classes typically overlooked.

One such insurer, for example, engaged DWS to work with both their investment and finance teams to conduct a review of their strategic asset allocation plan, under different scenarios and outcomes, and construct an appropriate investment proposal. The types of analysis included full optimisation for risk and return, as well as capital consumption under local insurance regulations.

The building block for this exercise was the DWS Long View, its proprietary long-term return expectation across asset classes. The DWS team worked closely with the insurer across multiple iterations of the analysis to produce a portfolio that maximised return for the insurer's target volatility and Value at Risk parameters.

In parallel, DWS applied its understanding of local market regulations to analyse the impact of the new portfolio on capital consumption. This allowed the investment team to fully understand, as well as communicate internally, the impact of the proposed portfolio across several facets – return, volatility, tail-risk and capital consumption. The end result was a solution that was entirely unique to the insurer and its policies.

In a second situation, DWS constructed a bespoke hybrid fixed-income and derivative strategy to help combat low domestic yields which forced insurers to seek sources of income offshore. However, investing offshore leaves insurers exposed to high hedging costs and increased capital consumption.

DWS worked directly with the insurer's investment team on a solution that enabled them to "flexibly toggle" between various bond categories and make adjustments depending on market conditions, such as yields, hedging costs, derivative costs, and steepness of the curve - to maximise returns and yield while minimising capital consumption for the client.

INSURANCE ASIA NEWS
Institutional Asset Management Awards 2021

Best Index Provider

MSCI

MSCI is a partner to many of the largest asset owners in Asia for their index strategy and has been increasingly helping them with ESG integration.

In December 2020, following a public consultation, key MSCI ESG indexes underwent a significant change. The decision was made that MSCI SRI Indexes will explicitly exclude fossil-fuel companies and MSCI ESG Leaders and ESG Focus Indexes will screen out companies involved in thermal coal and unconventional oil and gas activities.

Based on November 2020 data, the weighted average carbon intensity of the MSCI World ESG Leaders Index will decline by more than 30%. The MSCI Emerging Markets SRI Index's 3.4% exposure to companies with fossil-fuel reserves will be fully eliminated.

The indexes are constructed using MSCI's climate metrics and models, including data from its enhanced climate value-at-risk transition and physical risk models, with comprehensive emissions capture and green revenue data; low carbon transition score, scope 3 emission data and companies' carbon emission reduction targets.

MSCI also promotes ESG transparency across the investment value chain by making publicly available its ESG ratings of the most commonly-owned companies worldwide, as well as methodologies for determining ESG company ratings and constructing ESG indexes.

By the end of Q1 2021, there was a 266% growth year on year in ETF assets tracking MSCI ESG indexes.

MSCI works with many of the top insurers and pension funds in Asia, as an index provider but also as a source of research and analytics. Most recently, MSCI was working with a large Japanese asset owner on expanding ESG investing more broadly across asset classes and more deeply into each asset class.

MSCI has been a leader in factor investing for over four decades through the origination of MSCI's Barra Risk Factor Models in 1975. Its most recent innovation is a dynamic factor index performance scorecard that displays the daily performance of factor indexes. There is also an interactive digital portal that helps investors understand the drivers of risk and return in their portfolio.

In May 2020, MSCI expanded its megatrend index suite with the launch of five indexes focused on disruptive innovation. Additionally, it has also released series of insights that aim to capture the consequences of the pandemic on some of the current megatrends.

In November 2020, MSCI created a suite of China Tech Indexes, which aim to represent the performance of a set of companies that are expected to derive significant revenue from the development of new products and services from technology innovations.

In May 2020, MSCI entered into a licensing agreement with Hong Kong Futures Exchange to introduce 37 futures and options contracts in Hong Kong based on a suite of indexes in Asia and Emerging Markets. MSCI is fulfilling regional demand and helping global investors strengthen their risk management capabilities in Hong Kong – home to the world's largest structured products market.

The indexes are constructed using MSCI's climate metrics and models, including data from its enhanced climate value-at-risk transition and physical risk models, with comprehensive emissions capture and green revenue data; low carbon transition score, scope 3 emission data and companies' carbon emission reduction targets.

INSURANCE ASIA NEWS
Institutional Asset Management Awards 2021

Best Sustainable Investment Policy

Robeco

Robeco's APAC business has grown significantly over the last three years, with a major part of the growth coming from sustainable investment solutions.

Insurance asset owners have started to integrate sustainability in their investments by setting their own sustainable investment policy. These policies may include an exclusion policy based on controversial sectors, an ESG inclusion strategy across the entire investment portfolio, an impact investment policy targeting specific UN SDGs or commitments to reduce the carbon reductions of the asset portfolio.

Robeco's longstanding commitment to sustainability justifies the recognition it has gained for its leadership in this area. Given this extensive experience, Robeco is able to provide customized discussions with institutional and wholesale clients when it comes to implementing sustainable investing strategies.

Robeco has a dedicated sustainable investing centre of expertise that combines Robeco's knowledge, expertise and experience on sustainability that is applied within the investment domain. The centre drives sustainable investing leadership by delivering expertise and insights to clients, the investment teams, the company and the broader market.

Robeco believes that education is key in helping our clients navigate the complexity of sustainable investing. It regularly publishes a variety of whitepapers as well as organizes educational program tailors for different clients and industry participants on topics such as decarbonization, sustainable investing 101, SDGs investing, active ownership & engagement, etc.

In addition to educational events, Robeco also rolled out the Robeco Essential, an educational platform for all investment professionals with different modules such as sustainable investing and SDGs, these learning modules are now part of the staff training for some of their key strategic partners.

One of which is AXA Singapore. In April 2021, as part of its sustainability ambitions, AXA Singapore included RobecoSAM SDG Credit Income strategy to their investment-linked plan fund offering. AXA Singapore believes it is vital for their distributors to be well versed in the essential of sustainable investing and they have adopted the Robeco Essential e-learning module which walks through how ESG information is integrated, trends and misconceptions, as well as performance and results using case studies.

Robeco's APAC business has grown significantly over the last three years, with a major part of this coming from increased interest in sustainable investment solutions. In 2020, 70% of the institutional RFPs that Robeco was working on included sustainable investing requirements. These demonstrate Robeco's work on sustainable investment solutions resonates well with institutional and wholesale clients across the entire APAC region.

INSURANCE ASIA NEWS
Institutional Asset Management Awards 2021

Best Insurance Consultancy Firm

EY

EY's global reach allows it to provide the widest range of advice and guidance to its Asian clients. Globally, EY has almost 300,000* professionals working on consultancy projects, with more than 19,700 focused on insurance. The firm has significant coverage in mature markets and presence in most emerging markets.

In 2020, EY teamed up with one of its ecosystem partners to achieve IFRS-17 compliance efficiently, the biggest change in the insurance industry in a lifetime. One of its ecosystem partners selected EY for the depth of its actuarial and accounting knowledge, to complement the system developers' technical skills.

The EY team were able to provide specialist advice to the client and to the developers to enhance the product and significantly improve the testing and documentation under an extremely tight deadline. This was critical to the success of the insurer and the delivery of the system ahead of competitors to allow roll out to the other countries in Asia.

EY's Global NextWave Insurance initiative comprises three waves (Personal lines and small commercial, large commercial and reinsurance, and life and retirement), it describes the major forces reshaping the insurance market and how they would manifest during the next ten years. It also contains profiles of the customer segments and business models that would prevail in 2030.

On the auditing side, EY handles 25% of insurance companies listed on the Forbes 2000, being #1 in auditing life and health insurers (32%) on this list and it is #1 in terms of Insurance company audits among the Big Four on the US Russell 3000 list.

Its partnership with a major life insurer in Australia and New Zealand accelerated the digitisation of their core insurance business processes. The project leveraged the latest automation and artificial intelligence tools to re-define the overall technology, digital, intelligent automation and data and analytics strategy, thereby increasing revenue growth and reducing holistic risks.

The global network of EY wavespace centres brings together the EY experience in disruptive technologies. In Asia-Pacific, EY run wavespace centres in Hong Kong, Beijing, Shanghai, Singapore Sydney and Tokyo.

EY considers that innovation is not just about adapting to and implementing new technology – it's about enabling a business and its people to act and operate at the same pace as the world around us. EY wavespace centres act as supporter to strengthen the innovation capabilities of Asia-Pacific businesses, and also demonstrate how EY is transforming from a traditional professional services organisation to a leading technology organisation that offers digital solutions to help companies compete across Asia-Pacific.

EY considers that innovation is not just about adapting to and implementing new technology – it's about enabling a business and its people to act and operate at the same pace as the world around us.

*All figures are as at 2019/20

INSURANCE ASIA NEWS
Institutional Asset Management Awards 2021

Best ESG Strategy

Amundi

Jean-Jacques Barberis, Head of Institutional Clients Coverage & ESG

Elodie Laugel, Chief Responsible Investment Officer

Currently, Amundi is the largest responsible asset management in the world with €452 bn AuM under articles 8 and 9 of SFDR.

Amundi has built a solid and recognised ESG analysis process and has launched innovative initiatives to promote investments with powerful environmental and social impacts. Amundi's responsible investments now represent $828bn, making it the largest responsible asset manager in the world.

On the back of the success of the $1.4 billion Amundi Planet Emerging Green One portfolio, developed in partnership with the IFC, in 2020 Amundi launched the Emerging Market Green Bond, as an open-ended fund available to retail and institutional investors.

This initiative was developed in association with the Asian Infrastructure Investment to mobilize climate action in emerging markets, based on a holistic climate change investment framework.

Under usual capital asset pricing models, climate change risks and opportunities remain potentially underpriced by the market. While there is considerable interest from investors to align their portfolios with the Paris climate change agreement, there has been a lack of a holistic framework to accomplish this. The AIIB-Amundi Climate Change Investment Framework represents a first step in this direction.

The framework provides investors with an issuer-level assessment of both climate change risks and opportunities, in line with the three objectives of the Paris Agreement: climate change mitigation, adaptation and financial flow alignment with a low-carbon transition.

This was followed in January 2021 by the launch of the $300 million Asia Climate Bond Portfolio, which is an EM corporate debt strategy focused on real economy issuers of green bonds, leveraging on the Amundi Climate Change Investment Framework.

Currently, Amundi's Emerging Markets team manage more than $2 billion in EM Green Bonds. Green bond analysis is performed by a dedicated team of 5 Green bond analysts, who are part of the ESG Research team of 23 analysts.

The Amundi Funds Emerging Markets Green Bond, investing mainly in green bonds and a limited proportion in sustainable bonds, benefits from the various partnerships the group has forged with AIIB, IFC and others. They are among the most experienced investors in emerging market green bonds, utilising a research-driven process, which leverages on the skills of Amundi's proprietary ESG and credit analysis teams.

Amundi has a strong proven record in demonstrating an ability to advise clients on integrating ESG factors into their investment processes. Currently, Amundi reports the largest AuM under articles 8 and 9 of SFDR: €452 bn for a total of 656 products. Through the firm's various product initiatives, institutional investors can gain easy access to this fast-growing asset class, estimated at around $200 billion, with issuances from new countries and sectors picking up rapidly to support portfolio diversification.

INSURANCE ASIA NEWS
Institutional Asset Management Awards 2021

Best Emerging Markets Debt Manager

Aberdeen Standard Investments

Unlike a traditional approach to fixed income investing, ASI adopted a flexible range of target duration.

Jeremy Lawson

Richard Dunbar

In its work with insurance company clients during 2020, Aberdeen Standard Investments (ASI) noted that insurers were mainly concerned about portfolio resilience to the effects of the global pandemic. In response, ASI has proactively supported insurers in identifying portfolio risks and swiftly executing large-scale tactical opportunities.

Some of the investment actions taken involved the ASI research teams - under the leadership of Jeremy Lawson, Chief Economist, Research Institute and Richard Dunbar, Head of Research - providing insurance clients with regular macro-economic updates, Covid-19 scenario analysis and likely associated asset price impacts.

ASI also carried out portfolio downgrade analysis. This hit-list enabled clients to consider the potential solvency impact that would arise in the event of downgrades and to consider management responses. As well as the hit-list facilitating management actions, ASI collaborated with clients to identify and implement alternative asset allocation options. Repositioning actions included making relative value switches, including selling dollar credit for sterling credit, to take advantage of the dislocation between the markets.

As part of an offshore multi-asset mandate for one of the largest Chinese insurers, ASI designed a unique absolute-return solution where the yield portfolio consists of a bespoke emerging markets debt portfolio, with a heavy tilt toward Asian exposures.

ASI believes this approach offers more attractive risk-adjusted returns than government bonds in developed markets, thanks to supportive monetary policy and improving credit rating. In addition, ASI also allocated to other diversifying asset classes based on strategic and tactical views, such as ABS investment grade.

The mandate's safety net consists of a bespoke developed market credit portfolio that offers income from low duration and high-quality credit and sovereign exposures.

Unlike a traditional approach to fixed income investing, ASI adopted a flexible range of target duration. This allowed them to help the client navigate the challenging market conditions in 2020 by rotating toward assets that play specific roles in different market environments.

One of the largest insurers in Taiwan asked ASI to conduct an asset liability management study and to optimise the investment strategy for the existing book of business.

In light of the transition to a RBC framework, the client asked ASI to design an optimised liability-aware investment strategy for an existing US dollar product. The work, which went through six months of interactive exchanges and iterations, resulted in three notable implications to the client's asset allocation:

1) Diversification into new asset classes, such as equities and below-investment grade bonds.

2) Improved matching of the liability cash-flow profile, which may allow the client to benefit from capital relief by ensuring alignment with the middle bucket alignment under ICS 2.0.

3) Improved interest rate matching of the long-dated liabilities, which may allow the client to benefit from reduced capital charges and ALM economic risk.

About InsuranceAsia News

Published from Hong Kong, InsuranceAsia News offers leading-edge commentary, opinion forming features and in-depth interviews for Asia's insurance market.

InsuranceAsia News will explore how Asia's leading corporations, their brokers, insurers and reinsurers cope with and transfer risk. It also looks at the concerns and challenges facing senior executives within insurance and reinsurance companies.

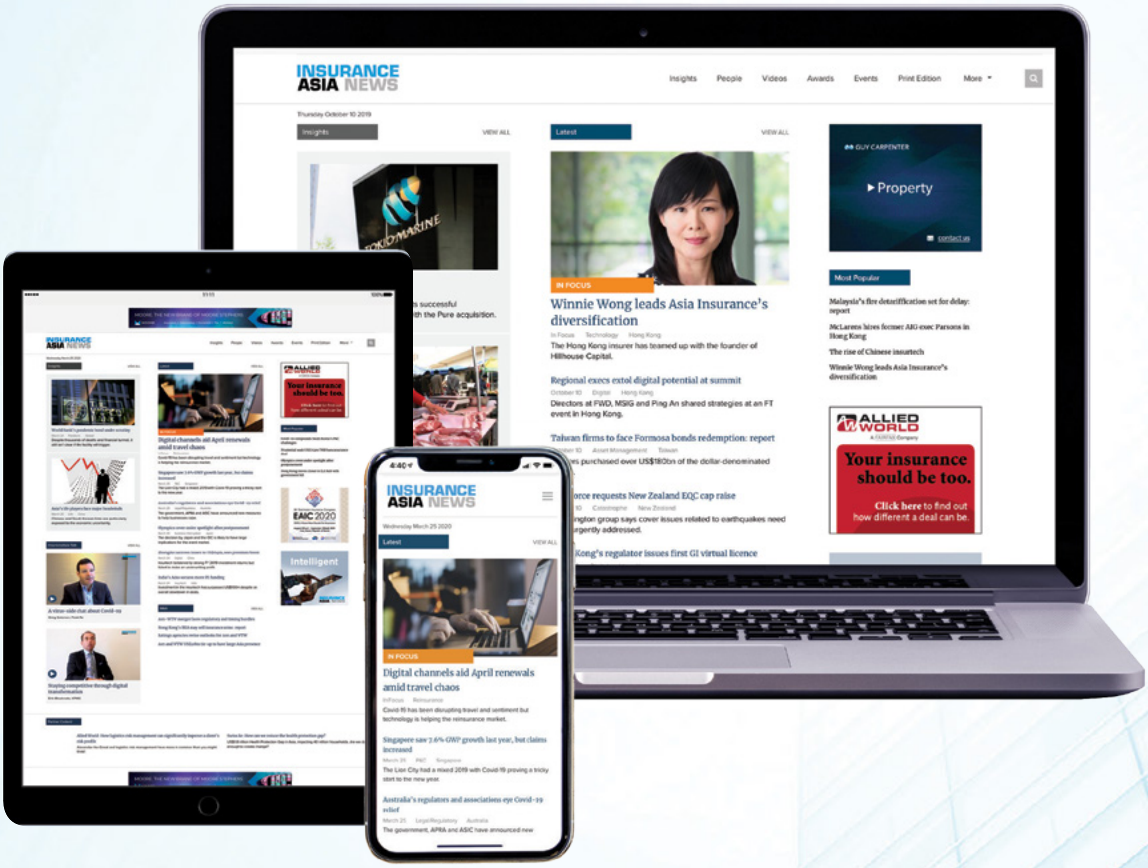
InsuranceAsia News will publish frequent rankings and league tables of insurers, reinsurers, cedants and brokers. It will also examine the legal and regulatory issues facing these companies. InsuranceAsia News will provide invaluable insights into Asia's insurance industry and keeps its leaders up-to-date with current events.

Across the areas of emerging risks, technology, convergence, alternative risk transfer etc., we will provide an essential take on the news of the moment and where possible, interpret the news in terms of its impact for markets in the future.

There is a clear demand for objective, independent and authoritative analysis. At a time of immense market change, and through the convergence of the insurance and banking sectors, the editorial coverage provided by InsuranceAsia News will be valued and trusted by our readers.

We will be a key resource used by primary insurers, reinsurers, brokers, corporates, banks and service providers. InsuranceAsia News will provide accurate, insightful and reliable coverage of Asia's Insurance market.

INSURANCE ASIA NEWS



ASIA (RE)INSURANCE COVERED

www.insuranceasianews.com

contact@insuranceasianews.com

©2021 Conning Asia Pacific Limited. All Rights Reserved.

In expert hands, simple tools create masterpieces.

It's the same with multi-asset investment. Anyone can paint a picture, but it takes expert hands to create masterpieces of depth and complexity. At Conning, we're experts in the art of developing sophisticated, multi-asset allocation strategies for institutional investors. We can create holistic, dynamic strategies that capture evolving market opportunities and limit downside risk. Drawing on a global network of investment centers, our unique objective-driven and client-centered approach enables us to deliver solutions integrated across a wide range of asset classes.

LEARN MORE ABOUT OUR MULTI-ASSET INVESTMENT CAPABILITIES AT CONNING.COM.

Asia | Europe | North America

CONNING®