

INSURANCE ASIA NEWS

Institutional Asset Management Awards
2024
★★★★★

Best Asset Consultant Best Use of AI Best ETF Manager Best Insurance Fund House – Singapore Lion Global Investors

Lion Global Investors has shown it is well-positioned to help insurance clients grow their book of business in an increasingly competitive landscape.

Lion Global Investors (LGI) has more than two decades of experience in serving insurance clients. It is one of the largest asset managers in Southeast Asia with US\$52.6 billion of assets under management, as at 31 March 2024.

Backed by Great Eastern, the oldest and most established life insurance group in Singapore and Malaysia, LGI's experience with insurance clients has spanned more than three decades. This sector continues to be LGI's strategic area of focus over the long term as it presents the firm with a unique opportunity to nurture and tailor investment solutions, risk management frameworks and scalable technology specifically for insurance companies.

Well-resourced with 59 investment professionals across all asset classes, LGI's portfolio managers have on average 24 years of investment experience. In particular, LGI has established a robust competency in Fixed Income. The team manages over US\$ 39 billion of assets and is made up of a team of highly experienced fixed income portfolio managers with an average of 28 years of experience. LGI is one of the top counterparties for brokers, endowing them with advantages of pricing and allocation, and this is critical as insurers look to bonds as an integral asset class to meet liabilities.

Making a Difference

As insurance regulations and standards evolve in Singapore, LGI understands the critical role it has to play in helping clients to transition and be aligned to these new terms. Over the last year, LGI has helped insurers match adjustments and manage their asset-liability risk as they dealt with portfolios impacted by RBC2's (Risk Based Capital) C2 asset risk requirements. Another impactful effort during the year saw LGI utilising its longstanding insurance expertise to work with insurers to address the changes in the International IFRS 9 Accounting Standard via the development of LGI's robust automated checking system to produce and maintain a defensible audit trail.

LGI remains committed to its environmental, social and governance (ESG) responsibilities, understanding the impact that ESG has on the risks and returns of its clients' investments. It has invested time and resources on this front to ensure this is aligned with its clients' needs and its business strategy in the long run by embarking on two approaches to improve ESG governance.

LGI started its foray in ESG by joining the Principles for Responsible Investment (PRI) as a signatory in January 2020, reinforcing the commitment to deliver long term sustainable risk-adjusted returns, incorporating material ESG considerations and adopting an active ownership approach.



Since then, it has made great strides and achieved several ESG milestones. An ESG team was setup to report directly to the Chief Investment Officer (CIO), working with both the investment teams as well as various departments across the organisation on ESG matters. This includes ESG analysis and reporting for investment portfolios, ensuring compliance with regulatory requirements, and other ESG-related initiatives. In 2023, LGI expanded its working capabilities in stewardship knowledge, participating in the Asia Investor Group on Climate Change (AIGCC) through the membership of Great Eastern.

Investment Innovation

On the product front, LGI has established itself as a pioneer of innovative ETF products. Launching Singapore's first low-carbon ETF and Singapore's first Active ETF. The firm has significantly enriched the dynamism and diversity of the ETF marketplace in Singapore, enhancing the financial landscape and providing investors with sustainable and forward-thinking investment options.

With the increasing ability to harness technology, the firm expanded its investment capabilities by expanding its Artificial Intelligence of Investments (AIOI) team. Its machine learning and AIOI engine was designed with performance enhancement features, resulting in a reduction of human biasness and the identification of factors that can be weaved into investment decisions at each portfolio rebalance.

Significant AIOI progress was made in the past year which culminated in the alliance between Lion Global Investors and Nomura Asset Management. The fruit of this alliance is the Lion-Nomura Japan Active ETF (Powered by AI). As Singapore's first actively managed ETF and Singapore's first AI-powered ETF, it uses proprietary AI models to evaluate hundreds of factors to select companies with strong growth potential. The active ETF was listed on the SGX on 31 January 2024.

Lion Global Investors continues to deliver on its solutions, offering its complete suite of time-tested investment solutions backed by an effective risk management framework, ESG commitment and value-add creation via the use of technological advancement. Future ready and well positioned, LGI will continue to leverage its insurance expertise to help clients grow their book of business in an increasingly competitive landscape and be the leading insurance fund house in Singapore.

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