

## INSURANCE ASIA NEWS

Institutional Asset Management Awards  
2024  
★★★★★

### Best Emerging Markets Fixed Income Manager Insurance Fund House of the Year – Hong Kong

**abr dn**

**The managers are comfortable investing in non-benchmark issuers, reflecting the strong conviction and differentiation of its credit research.**

**Awarded for the firm's considerable experience and capabilities in capturing the income and growth opportunities in emerging markets.**

abr dn has over \$156 billion of AUM (as at 31 December 2023) across Emerging Markets Debt, Investment Grade and High Yield. Within fixed income, EM sovereign and corporate bonds is an area where the firm has significant expertise.

Its distinctive investment approach is steered by a highly-rated global credit team that has been able to add value from smaller and less-researched markets (including frontier markets). It also has a strong track record of avoiding defaults.

#### Low correlation

Its Select EM Bond Fund is a 3-star Morningstar rated fund with a long track record of over 23 years and ranking first quartile across different time horizons. The fund achieved a yield of 9.6% at end of December vs 7.6% for US high yield, supported by an allocation to higher yielding hard currency sovereign bonds and local currency government bonds.

The ability to invest in EM corporates and local currency bonds reflects abr dn's conviction and differentiation in its credit research and that helps provide a low correlation to other fixed income asset classes.

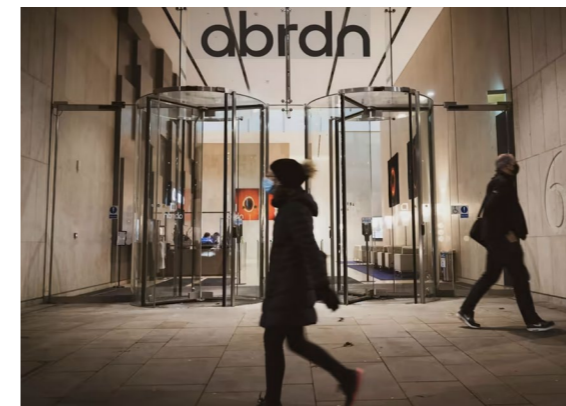
At the heart of abr dn's investment approach is a focus on fundamental research. By combining its in-depth proprietary research, thematic thinking and extensive on-the ground analysis and especially a solid base in Asia, it is able to identify sustainable and compelling investment opportunities across the globe.

#### Corporate bond expertise

Another option within the abr dn emerging markets debt stable of funds is the Luxembourg SICAV Emerging Markets Corporate Bond Fund. With AUM of \$864mn as of June 2024, the EM Corporate Bond Fund has a 3-star Morningstar rated fund with a long track record dating back to 2011.

The fund has displayed strong performance relative to its benchmark and peers and is ranked first or second quartile across different time series, all measured on a cumulative basis.

In its award submission, abr dn highlighted some notable achievements of the Emerging Markets Corporate Bond Fund, in terms of how the strategy was managed throughout 2023, its net flows over the eligibility period, considering its Sharpe Ratio, Standard Deviation, ROI, etc. to ensure it remained aligned with its investment objectives, while also responding to the volatile and uncertain market, macro and geopolitical landscape.



**Investors need to incorporate scenario insights beyond identifying tail risks or providing benchmarks for net-zero alignment. To be effective, solutions need to include companies that are helping in the transition and looking to develop their business models.**

#### Insurance Fund House of the Year – Hong Kong

abr dn makes the most of its insurance heritage and know-how as an insurance company (formerly Standard Life pre-merger with Aberdeen) turned asset manager. Its track record as an insurance asset manager, combined with a commitment to developing proprietary investment tools and initiatives in thought leadership, are what set it apart.

This insurance know-how is integrated across its client management, solutions and portfolio management teams – with capabilities diversified across fixed income, multi-asset, equities, private markets, alternatives, real assets, quantitative and liquidity strategies.

The evolution of the risk based capital (RBC) regime in Asia means that insurers are now having to tailor their investment strategies with this in mind. abr dn's innovative approach to RBC optimisation for insurers is founded on incorporating capital efficiency. From accounting objectives to capital constraints to regulatory reporting, abr dn knows that investing for insurers isn't just about investing.

This underlines abr dn's unique understanding of insurance investing, which has its roots in an ability to optimise portfolios under Solvency II, but which can be tailored to any RBC regime. This is highly valued in APAC markets, where RBC regulations are highly fragmented.

Across its institutional client base, abr dn is witnessing a global phenomenon and an industry-wide interest in climate change as a critical investment consideration. Investors need to understand the energy transition on a far more granular basis.

abr dn has invested significant resources into understanding the complexities of climate change and its potential impact on investment portfolios. It believes a granular approach is key, as a purely exclusion-based investment process won't address the challenge of energy transition.

Investors need to incorporate scenario insights beyond identifying tail risks or providing benchmarks for net-zero alignment. To be effective, solutions need to include companies that are helping in the transition and looking to develop their business models.

abr dn's industry-leading climate scenario and analytics framework provides investment insights that are missing from standard approaches. Its bespoke scenario design, macro and micro integration and realistic assessments of the effects of a wider range of probable climate change scenarios differentiates us from competitors.

These innovations help to identify more realistic climate-related risks and opportunities – enabling clients to build more resilient portfolios, encourage positive change at investee companies through improved engagement and generate better long-term returns.

abr dn expects this versatile and multi-faceted approach to evolve and engage with more institutional clients as we move towards a more sustainable world.