



Value Partners and  
the **Discipline** of

Asia-Pacific Asset Management

— An Interview with **Dr Au King Lun**

Chief Executive Officer of Value Partners Group

**惠理與亞太區**

**資產管理的紀律**

— 專訪惠理集團行政總裁 **區景麟** 博士

For Value Partners Group, 2018 marks a low-key 25th anniversary. “We’ve actually minted some coins as souvenirs,” said Chief Executive Officer Dr Au King Lun. But the Hong Kong-based asset management firm will be celebrating in more practical ways with the launch of six new funds.

The firm’s growth reflects the development of Hong Kong over the past quarter-century. “It’s evolved from being just a sales office for global fund managers into a regional sales hub and now a regional fund management headquarters.”

Hong Kong’s asset management industry has become global, he added. “It is much more diversified both in terms of product availability as well as distribution ability. And that’s basically thanks to China.”

In November 2017, Value Partners Group scored an early 25th birthday present when it secured a private fund management licence in China – becoming the first Hong Kong-headquartered asset manager to receive such a licence. “Hong Kong has the proximity advantage so we’re really taking full advantage of that,” said Dr Au.

The licence allows the company’s Shanghai subsidiary, Value Partners Investment Management (Shanghai) Limited, to develop its own-branded tailored investment products for institutional and high-net-worth investors in the mainland. “Chinese investors – and Asian investors as a whole – do tend to invest more in the domestic market,” said Dr Au.

Dr Au said the firm’s corporate strategy was aimed at satisfying a wide spectrum of demand, especially as investors in Asia look to diversify their investments. “We launched our first real estate private equity fund last summer and a fixed income hedge fund last year.”

On June 29 the firm established its China Education Fund, a private equity (PE) fund to be launched in early 2019. “We believe this would be one of the first, if not the first PE fund of this kind, to allow foreign investors to invest in or participate in the fast-growing China education sector directly.”

Value Partners is also in the process of launching a private debt fund. “This is probably one of the largest in Asia, so these are the kind of solutions that we are offering to our clients, and hopefully these solutions will also appeal to overseas investors,” Dr Au said.

Looking back, Dr Au added, “Our product suite has expanded from just a single fund to a wide range of offerings across equities, fixed income, multi-assets, alternatives and quantitative investment solutions. What is perhaps even more exciting is the set of possibilities that lie ahead.”

惠理集團低調度過2018年的25週年誌慶。「其實我們鑄造了一些紀念幣。」行政總裁區景麟博士表示。但這家總部位於香港的資產管理公司將推出六隻新基金，以這種更為實際的方式慶祝。

該公司的增長歷程反映了香港過去25年來的發展。「公司從單單一個環球基金管理公司的銷售辦事處發展成為地區銷售樞紐，現在更拓展為地區基金管理總部。」

他亦指出香港的資產管理行業已進軍全球。「在產品供應和分銷能力方面，它都變得更多元化。這基本上要歸功於中國。」

2017年11月，惠理集團在中國取得私募基金管理牌照，提前收到25週年的生日禮物 — 成為首家獲得該牌照的香港資產管理公司。「香港具有近水樓台之利，所以我們能真正充分利用這一優勢。」區博士指出。

此牌照讓該公司的上海附屬公司惠理投資管理（上海）有限公司可以為內地的機構投資者及高淨值投資者開發特訂的自家品牌投資產品。「中國投資者 — 以至整體亞洲投資者 — 確實傾向投資更多於本土市場。」區博士說。

區博士表示公司的企業策略是滿足多元化的投資需求，尤其正值亞洲地區投資者希望分散其投資。「去年夏天公司推出了首隻房地產私募股權基金及一隻固定收益對沖基金。」

該公司於6月29日成立私募股權基金中國教育基金（China Education Fund），並計劃於2019年初推出。「我們相信該基金即使不是第一隻，也會是首批允許外國投資者直接投資或參與快速發展的中國教育行業的私募股權基金之一。」



## Aiming for the Right Size

With US\$17.2 billion in assets under management (AUM), Value Partners is considered to be of boutique size. While its heft can't compare with the likes of BlackRock (US\$2.1 trillion in AUM) or Man Group, with US\$101 billion), Value Partners remains an important player in the region.

"Our size means we now have the resources to grow our company in terms of product as well as distribution," said Dr Au. "Obviously if we want to develop new product capabilities we require resources and we now, I believe, have that scale."

Value Partners posted healthy results in 2017, with gross management fees rising 14 per cent to HK\$1.2 billion (US\$152 million), driven by strong net flows into our the company's own-branded funds, which have relatively higher margins. "Being a boutique we cannot compare against all of the big firms in terms of resources, therefore it forces us to prioritise," said Dr Au. "So sometimes maybe we miss some opportunities but in the end I think we just have to do our best and try to prioritise our initiatives. We want to grow the firm much bigger but our focus is always on profitability."

Such transparency exists due to the firm being the only asset manager listed on the Hong Kong stock exchange. The firm went public in 2007. "Listing provides full transparency to our clients and obviously our shareholders as well," said Dr Au. "Institutional clients will conduct due diligence on our firm in terms of the investment process as well as our corporate governance and infrastructure, so being a listed company with full transparency on many things helps a lot."

There are obligations that come with a Hong Kong listing, Dr Au acknowledges. "Sometimes that means when we have new product ideas and when we think of new initiatives, we have to follow the listing rules when certain limits are reached," he said. "There is disclosure, and we need to be mindful of that."



惠理現正推出一隻私人債務基金。「這可能是亞洲最大規模的基金之一，這些就是我們為客戶提供的投資方案，希望這些投資方案亦能吸引到海外投資者。」區博士說。

回顧過去，區博士補充道：「我們的產品組合已經從單一基金擴展至一系列產品，包括股票、固定收益、多元資產、另類投資及定量投資解決方案，而未來的其他可能性或許更加令人振奮。」

## 以合適規模為目標

惠理擁有172億美元的管理資產，屬於小型資產管理公司。雖然規模無法與貝萊德（管理資產2.1萬億美元）或英仕曼集團（管理資產1,010億美元）等相提並論，但惠理在區內仍佔有舉足輕重的地位。

「我們的規模意味著我們現在擁有可以在產品和分銷方面發展的資源。」區博士表示：「顯而易見，如果我們想開發新的產品能力，我們需要資源，而我相信我們現在擁有這樣的規模。」

惠理2017年業績表現不俗，管理費總額增長14%至12億港元（1.52億美元），原因在於其享有較高收益率的自家品牌基金錄得強勁的淨投資流入。「作為一家小型資金管理公司，我們在資源方面無法與大公司媲美，這迫使我們要作出優次決定。」區博士表示：「所以有時我們可能會錯過一些機會，但到最後，我認為我們只須盡力而為，嘗試為我們的計劃訂下優次即可。我們希望擴大公司規模，但我們的重點始終是盈利。」

公司於2007年上市，是在香港證券交易所上市的唯一資產管理公司，因此具有高透明度。「上市顯然為我們的客戶，也為我們的股東提供了完全的透明度。」區博士說：「機構客戶會在投資流程、企業管治和基礎設施方面對我們公司進行盡職審查，因此成為一家在多方面完全透明的上市公司大有裨益。」

區博士表示，在香港上市會帶來一些責任。「有時當我們有新產品概念，或者想到新計劃時，我們必須在觸及某些限制時遵守上市規則。」他說：「我們要謹記遵守披露規定。」

## 擴大全球視野

對於區博士而言，惠理是一家具有國際視野的本地小型資產管理公司。「我們已紮根香港25年，在此期間於大中華及亞洲區創造了輝煌業績，就此而言我們可謂獨一無二。」他表示，並指出該集團多年來沿用最佳國際慣例。「一般而言，我認為我們始終以投資者的最佳利益作為決策方針，因此我們一直盡力為客戶獲取最大回報。」

區博士承認，中國的情況有助於推動惠理的發展。「我們具有優勢，可以把握中國開放資本市場的契機。」他說：「就產品和服務質素而言，我們認為我們有機會將公司從一家本地小型資產管理公司提升至一家世界級管理公司。我們相信我們現正處於最佳狀態。」

### Broadening a Worldview

To Dr Au, Value Partners is a local boutique with an international outlook. “We’ve been in Hong Kong for 25 years and we are unique in the sense that we have built a very strong track record for greater China and Asia over that time,” he said, adding that the group has adopted best international practices over that time. “Generally I think that we always make decisions in the best interest of our investors so we always try to maximise return for clients.”

Dr Au acknowledges that events in China have helped drive Value Partners’ growth. “We are in the position to take advantage of China opening up its capital markets,” he said. “We see ourselves having an opportunity to transform the company from a local boutique into a world-class manager in terms of the quality of our products and services. We believe we are in the sweet spot.”

To attain a global reach, Value Partners is extending its geographical footprint. “We have an office in London to cover Europe, and we are opening an office in Boston as well to cover the North American market,” Dr Au said. “We are also setting up an office in Malaysia to broaden our coverage in Southeast Asia.”

Events in Europe have not dissuaded Value Partners away from the United Kingdom, given its 2016 vote to leave the European Union. “The office in London is mainly a sales office,” he said. Our funds are domiciled in Dublin so Brexit does not affect them. In the worst-case scenario in the UK – if somehow it is excluded from the rest of Europe – then we can easily move the sales office to somewhere in Europe. It doesn’t affect our product offering – it’s not just for the UK but for Europe.”

The expansion will require more coordination among Value Partners’ employees. “We have regular team meetings to ensure that everyone sings from the same hymn sheet,” Dr Au said. “In terms of the local markets we are trying to give autonomy to the team and we also work with local placement agents where required, so coordination is quite seamless.”

That coordination at Value Partners, he added, is due to a clear product focus. “We know exactly what we want to market. Hong Kong is the servicing hub and the product-manufacturing hub you could say. It’s a hub and spoke arrangement.”

### Looking to the Future

Dr Au is upbeat about the Asia-Pacific markets going forward, and the firm’s value strategy means investing in sometimes overlooked



為了拓展全球業務，惠理正擴大地區版圖。「我們在倫敦設有辦事處，能顧及歐洲市場。我們也將在波士頓開設辦事處，以覆蓋北美洲市場，」區博士說：「我們亦會在馬來西亞設立辦事處，以擴大我們在東南亞的業務。」

英國於2016年進行公投決定退出歐盟，但歐洲的事件並未驅使惠理撤出英國。「倫敦辦事處主要是一個銷售辦事處。」他說：「我們的基金於都柏林註冊，因此並未受英國脫歐所影響。即便英國陷入最糟糕的情境 — 例如被排除在歐洲其他地區之外 — 那麼我們可以輕易地將銷售辦事處遷移至歐洲其他地方。這不會影響我們的產品銷售 — 我們的產品並非只為英國而設，而是為整個歐洲。」

為應付擴張，惠理員工亦加強了協調。「我們定期舉行團隊會議，確保大家理解一致。」區博士表示：「在各地市場，我們力求給予團隊自主權，我們還在必要時與當地配售代理合作，因此協調工作可謂相當暢順。」

他補充說，惠理之所以能夠成功協調，是由於產品重點明確。「我們清楚知道我們想要推銷什麼。香港可以說是服務樞紐和產品製造中心。這是一項輻射型安排。」

### 展望未來

區博士對亞太區市場的未來持樂觀態度，在該公司的價值策略下，會投資有時被忽視的市場（例如日本）。有些投資者或許認為成熟市場受到人口結構和人口減少限制，惠理卻看到機遇。他表示：「在日本，我們對物流建築進行了多項不俗的投資，這些投資的收益率超過9%。」

他指出日本即將進入上升期。「日本目前有許多主題：他們會於2019年9月舉辦世界盃欖球賽，2020年則舉辦東京奧運會。」他還指出，隨著日本7月20日立法通過容許賭場開業，將為該國帶來更多機會。

markets, such as Japan. Where some investors see a mature market limited by demographics and population decline, Value Partners sees opportunities. "In Japan we have made a couple of good investments in logistics buildings and those investments are generating very good yields of more than 9 per cent," he said.

He said Japan is on the cusp of an uptick. "There are lots of stories going on in Japan: they have the Rugby World Cup in September 2019 and the Tokyo Olympics in 2020," adding that the imminent opening of casinos after a July 20 passage of legislation would unlock more opportunities.

Singapore is another area of interest for the firm, said Dr Au. In June, Value Partners became a cornerstone investor in the IPO of PropNex, Singapore's largest homegrown real estate agency. "Singapore and Hong Kong have different focuses, and I would call it a friendly rivalry, but I see the two as complementary to each other," he said. "Singapore probably has a more Asia tilt to it, but in Hong Kong definitely we have a very strong China story."

Dr Au said he believed that Hong Kong's position as a financial centre – requiring infrastructure, talent and fund flows – was vital. "I believe Hong Kong's middleman role, as the conduit in and out of China, will remain for many years to come," he said.

Value Partners, he said, was ensuring that it adopted the latest technology to maintain its edge. "We were the first local manager to have introduced smart data ETFs to Hong Kong and since then our quantitative investment solutions team has become an integral part of our investment process."

The firm is in the process of setting up a research lab with Hong Kong University of Science and Technology to study big data finance research. "We do see smart data as a very efficient tool for asset allocation so therefore we are expanding that capability to complement our fundamental approach," he said. "It's a matter of giving clients a choice." **M**



區博士說，新加坡是該公司另一個感興趣的地區。在6月，惠理成為新加坡本土最大房地產代理商PropNex首次公開招股的石基投資者。「新加坡與香港的焦點各有不同，我會視之為良性競爭，但我認為兩者可以互相補足。」他說：「新加坡可能較為傾向亞洲，而香港當然以中國為重。」

區博士表示，他認為香港的金融中心地位至關重要，這需要基礎設施、人才及資金流。他說：「作為進出中國的渠道，我認為香港在未來許多年將繼續扮演中間人角色。」

他表示，惠理將確保採用最新科技來保持優勢。「我們是第一家將智能數據ETF引入香港的本地資產管理公司，自此，我們的量化投資方案團隊已成為我們投資過程中不可或缺的一環。」

該公司正與香港科技大學籌建一所研究實驗室，進行大數據金融研究。「我們的確認為智能數據是一種非常有效的資產配置工具，因此我們將擴展這項能力，以配合我們的基本部署。」他說：「這關乎到給客戶多一個選擇。」 **M**

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