

How To Find The Right Role In Asset Management



There is much debate about the current state of the investment management industry. Are we approaching a period of market volatility, as indicated by the implosion of a high-profile hedge fund a few months ago? Shifting investor preferences, margin compression and technology advances have certainly contributed to a period of rapid change.

In Hong Kong, there has been a trend of new family offices failing within the first one or two years, with operating capital running out before fund objectives are met and investors see a return.

Despite such examples, the growth potential of the APAC region - indicated by China's relaxation of ownership requirements and the general shift in consumer mentality from savings to personal investment - highlights opportunity for the industry.

Are there characteristics that indicate a firm's potential for success? Asset management companies with a long-term plan and operating model built on distribution agility, local partnerships and transparent products are best positioned to survive the challenges of the evolving market. New funds should have two years' worth of operating capital without fees and a clear plan for organic growth in order to be considered a secure start-up. Candidates looking to make a change or move into asset management, must understand the strategy and direction of the firms they interview with, if they are to be confident in their decision.

The philosophy of the founders and directors must also be clearly understood. Are they taking an aggressive approach? How will that affect their interpretation of analysis and decision making? Is that aligned to your own approach? Due diligence in this area is one of the most important assessments candidates make. The closer scrutiny of the social value of the investment management industry has led to questions about whether investors, asset owners or asset managers are the real beneficiaries of investments. With tighter regulations on the horizon, selecting a firm with transparent policies and international practice standards will pay off in the longer term.

The choice between Chinese and foreign firms is not as clear cut as it once was. Traditionally, foreign firms offer higher salaries, flexible work practices and lifestyle benefits. Chinese firms were thought to be

more political and pay less but offer larger bonuses and attractive job titles. Now we are seeing a renaissance among the tier 2 and 3 Chinese firms. They are becoming flexible in their work practices with home office arrangements. Workplace culture has also evolved with the absorption of talent from foreign banks and hiring those who have studied abroad, particularly with Ivy League and Oxbridge backgrounds. Candidates can therefore be open minded to opportunities within Chinese and foreign institutions but must pay closer attention to the philosophy and leadership qualities of their future managers or directors during the recruitment process, to ensure the right fit.

To discuss current opportunities within asset management, please feel free to contact me at **sng@morganmckinley.com.hk**
