



# The Spotlight

The Spotlight is a regular Q & A feature that showcases our people, their expertise, and trending topics that are on top of our clients' minds directly from the voices of our business leaders.



## Belinda Armenta, Partner, APAC Asset Management

Belinda Armenta is responsible for McLagan's Asia Pacific asset management practice and is based in Hong Kong. Belinda's current role for the APAC region is focused on advising a wide spectrum of firms in the sector, including both local and international firms, traditional asset management firms, as well as alternative asset management firms such as hedge funds, real estate, and private equity businesses. Her work centers on incentive plan design, compensation structure reviews, pay analyses, and market trend papers and studies.

### Questions and Answers

#### **How are you seeing the asset management industry evolve in Asia with the regulatory developments in Mainland China?**

Over the past 24 months, significant regulatory changes are now enabling international asset managers to enter Mainland China. It is strategically important for international managers to embrace this opportunity, given the significant growth opportunity this offers at a time when the global industry faces significant headwinds. Interestingly, we are also observing local asset managers with growth aspirations investing in development outside of their home market.

#### **What do you think is most important for our clients to know about the asset management industry in the Asia Pacific?**

One of the operating challenges that asset management firms face in this region is that there are both developed and emerging markets, which are very different in terms of their maturity and investor base. For example, markets like Australia and Japan vary considerably from markets such as China, India, and Indonesia. Firms need to be cognizant of these differences when they source talent and develop compensation strategies.

#### **If you could describe the Asia Pacific asset management industry in three words, what would they be?**

Evolving, energetic, promising.

#### **As we head into year-end, what is the main focus for firms in this region?**

In 2019, the APAC region has been impacted by a wide range of macro, geopolitical, and local events, creating significant uncertainty and market volatility. As a consequence, where revenues are weakened, we expect compensation pools to be cautious and conservative heading into year-end, with firms prioritizing their top talent and key roles. While market uncertainty exists, we do anticipate firms to continue their focus on growth areas in the region.

#### **How are traditional asset management firms in the Asia Pacific region using technology innovation to evolve their business strategies?**

In some ways, we are still in the early days of technology innovation for asset management firms in the region, but businesses are beginning to shift their focus to digital distribution strategies, either through building their own teams or partnering with technology firms. The Asia region leads the way in terms of digital adoption, with consumers having a large appetite for new technology, and we expect there to be more digital distribution platforms developed for investors in the future.