

Sustainable Investments Opening New Doors for Asset Management

Harvest Global Investments ramps up efforts to capture the global market with its proprietary ESG investment framework.

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Thomas Kwan
CEO & CIO
Harvest Global Investments



The world has faced unprecedented challenges over the past years, as governments grappled with containing the COVID-19 pandemic and other issues. However, despite the significant headwinds, Hong Kong's asset and wealth management industry has remained amazingly resilient, with business at the end of 2020 amounting to HK\$35 trillion, according to the Hong Kong Securities and Futures Commission (SFC).

Harvest Global Investments (HGI), a wholly-owned subsidiary of Harvest Fund Management (HFM) headquartered in Beijing, was established in Hong Kong in 2008. The company is optimistic of the growth in the industry and is well-positioned to capture the market's extensive opportunities with its unique capabilities and environmental, social, and governance (ESG) strategies.

Global Growth with Vision

Hong Kong has many distinctive advantages, such as the world-class financial system, transparent and internationally aligned regulatory system, low and simple tax regime, and deep market liquidity, which make it a premier fund management hub in Asia. "Hong Kong's geographical and cultural proximity to Mainland China makes the city unparalleled. It serves as a business and investment bridge between the Mainland and the rest of the world," said Thomas Kwan, CEO & CIO of Harvest Global Investments. According to Kwan, "HGI is

an international arm of HFM, providing a perfect gateway for global investors to capture Mainland China's sustainable alpha opportunities. We present our investors with a team of veteran fundamental and quantitative analysts who have profound knowledge of Mainland China's cultural, political, regulatory, and socio-economic regimes, bringing our clients useful market insights and investment advice."

Pioneer in ESG Investing

In recent years, ESG has become an essential element in investment analysis, especially in the European and the US markets. HGI started its journey to embedding ESG lenses into their investment processes long before ESG became the new normal. Kwan elaborated, "We started building a team of ESG experts in 2018 and developed our proprietary ESG investment framework based on extensive research of global frameworks and understanding of material ESG issues and trends in the local market. Other global ESG frameworks may lack the geographic scope and local analyst insights for Mainland China's market. However, our ESG model can be Mainland-specific, which facilitates the decision-making process of asset managers and has been proven to successfully generate excess return to our investors."

HGI steps up its efforts to promote ESG by launching the Harvest CSI 300 ESG Leaders Index ETF in March 2021, which has also been added to SFC's list of ESG-approved funds. "We are delighted to see that the Hong Kong government is refining policies and regulatory frameworks to foster sustainable finance. Apart from the ETF, we have several other ESG strategies in the pipeline to cater to the escalating demand for sustainable investments and support the long-term sustainable development of the society and economy," Kwan concluded.

Harvest Global Investments

- Its parent company, HFM, is one of the biggest Chinese asset managers, with assets under management (AUM) of US\$205 billion as of 31 December 2021
- In 2020, HFM was awarded A+ Rating by the Principles for Responsible Investment in "Strategy and Governance" module

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