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Chinese asset managers arrive in London

Madison Marriage

Two Chinese asset management companies have consolidated their presence in London, ending months of speculation over whether China's fund houses would enter the UK market.

Nord Engine Asset Management, a subsidiary of Chinese private equity firm Nord Engine Group, which has RMB17bn (\$3bn) of assets under management, opened its first UK office in the City of London last month.

Harvest Global Investments, the \$55bn Chinese asset manager, which said last September that it wanted to become the first Chinese house to open a base in London, also received its license from the UK regulator last month.

Chinese asset management companies have been rumoured to be interested in building a presence in the UK since 2013, but until now there was little evidence to suggest that this had led to tangible developments.

Nord Engine has one employee in London, but the company said it plans to recruit an investment team of 12 staff over the next three years.

The team will have £700m at its disposal to invest in small and medium-sized businesses in the UK, primarily in the clean-technology sector. This includes companies operating in areas such as recycling, renewable energy and electric cars.

Cissy Li, London-based analyst at Nord Engine, said that although the UK was home to many specialised technology businesses, their growth potential was limited due to "the relatively small market size here". "We believe that the Chinese market has great potential for the application of these technologies," she said.

Ms Li said that the company chose to set up in London as it is a "global financial hub". "The recent depreciation of the euro [pushed] us to develop in the European market at a faster pace," she added.

Harvest opened an office in the Broadgate Tower, a skyscraper in the City of London, in January and plans to hire 30 UK employees over the next three years.

A spokesperson for the UK's Trade and Investment Association, the government body

attempting to lure a series of Chinese asset managers and banks to London, said: “The key thing here is that efforts to attract these asset managers, particularly from Asia, is bringing results.”

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