

DIAM Takes 5% Stake In U.K. Fund Manager Impax Group

TOKYO (Nikkei)--DIAM Co. has bought a 5% interest in Impax Group Plc of the U.K., joining the growing ranks of Japanese asset management companies that have tied up with foreign firms to tap their expertise in emerging-market and environmental technology funds.

DIAM has paid 400 million yen for the stake in Impax Group, which is known for its strength in investing in environment-related companies. The fund management firm, whose shares are traded on the London Stock Exchange's AIM market for start-ups, now manages roughly 270 billion yen in green investments for customers around the world.

DIAM hopes that the partnership will help it deepen its knowledge in environment-related investments, with an eye toward setting up new environment-themed funds in the future. The major Japanese asset management firm plans to send several of its employees over to Impax Group.

Meanwhile, Nikko Asset Management Co. has taken a stake in a Chinese fund management firm. And Mitsubishi UFJ Securities Co. is working toward setting up a fund management joint venture in Singapore with Kim Eng Holdings Ltd., a major brokerage in that Southeast Asian city-state.

"Most Japanese asset management companies have yet to accumulate sufficient know-how to manage emerging-market and other funds on their own," an official at a major asset management firm says.

With the popularity of environmental and emerging-market funds growing among their customers, many Japanese asset management firms have been offering such funds by relying on foreign companies to manage them.