

# GLOBAL FUND MANAGEMENT

## 2018-2022 OUTLOOK

Unlocking fund distribution around the world

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BUSINESS INTELLIGENCE  
COMPETITIVE ANALYSIS  
INDUSTRY INSIGHTS

For product development,  
distribution, and strategic  
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- Key forces reshaping the fund industry
- Forward-looking perspectives on opportunities and challenges
- Distribution potential across Europe, Asia, North America, and Latin America
- Top selling funds: What investors are buying and how demand is changing
- Innovation and fund design: Success stories and new ideas
- Where active managers can find the most asset potential
- Index, ETF, and smart beta trends
- Growing potential in Asia and China
- Robo-advisory and fintech initiatives
- How Fintech is a door to China's promising market
- Sub-advisory business in Europe and Japan
- Regulatory impacts: MiFID II, pension reforms, and more
- ESG, sustainable funds, and impact investing
- 2018-2022 AUM and net sales forecasts by region and globally
- 83 pages with 51 data-rich tables and charts
- Report comes with strategic advice, presentations, and personalized support

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# GLOBAL FUND MANAGEMENT

## 2018-2022 OUTLOOK

### How managers can adapt to a rapidly changing industry that will surpass \$50-\$60 trillion in 2022

Investors expanded their commitments to exceptional levels during 2017, with flows to long-term funds soaring to \$1.6 trillion worldwide, triple the amount in the previous year and well above the \$1 trillion peaks seen during the last decade. Europe and cross-border funds accounted for half of the global inflow, with actively-managed vehicles capturing 74% of gains in those markets.

Meanwhile the business of fund management and distribution is transforming around the world. Regulatory action plays a significant role, including MiFID II in Europe, pension reforms in China and other countries, and a global shift towards greater transparency, lower costs for customers, and eliminating conflicts of interest.

Competition and market-driven changes, along with regulation, are reshaping investment solution design, fund distribution economics, and competitive outcomes for managers and intermediaries. The industry continues to gravitate towards fee-for-advice programs, index funds and ETFs, asset allocation and outcome oriented-solutions, model portfolios, wrap programs, and target-risk/target-date vehicles.

Vertical integration among wealth managers – supported by cost and margin considerations – is changing the balance of third party fund distribution, proprietary offerings, and sub-advisory. It is also influencing sales and relationship strategies for asset managers.

The industry will look different in five years, but assets should surpass \$50-\$60 trillion worldwide by 2022, if no major adverse events materialize and economic tailwinds persist. We suggest three economic and financial market scenarios, with asset and flow projections across the globe and for each major fund region.

The report offers an extensive data-driven analysis of recent developments in the global fund industry, with forward-looking perspectives on opportunities, challenges, and potential competitive outcomes. It includes details on the top selling managers regionally and worldwide, highest cash flow funds, evolving opportunities in Asia and China, unique views on Europe, and globally relevant trends from the US market.

The commentary also addresses major forces shaping core and emerging areas of the business, including active fund management, index funds and ETFs, factor-based investing, sub-advisory, ESG, technology, and robo-advisory.

Active managers captured \$0.8 trillion in 2017. What are the prospects looking forward?

Will innovative client solutions built around asset allocation and risk-based outcomes change the dynamics of the industry?

New funds account for half of flows. Which strategies are in demand, and what are the priorities for development?

How will the adoption of performance fees by Japan's GPIF influence institutional pricing?

What forces are driving ESG, sustainable investments, and impact funds?

Can digital 'super-platforms' support fund investment solutions in China?

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The report is a foundation for Impactvesting LLC's consultative approach to supporting asset managers in expanding their businesses globally.

Clients also receive:

- Presentation and discussions with insights tailored to their business needs
- Deeper dives into topics beyond those covered in the report
- Q&A and follow-up with additional research

### Who will benefit?

- Asset management CEOs and senior executives making decisions on business strategy
- Sales, distribution, business development, marketing, and relationship management professionals
- Market research, product development, and strategic planning leaders at investment companies

### Accessing the analysis

- Color Printed Copy and PDF
- Strategic advisory and consulting

Consulting includes client presentations, conference calls, custom analytics, new research on related themes, and distribution support.

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### IMPACTVESTING LLC

Impactvesting enables asset managers to access the fastest growing segments of the global investment industry. Combining data-driven analysis with insights to support business expansion, Impactvesting specializes in international fund distribution, sub-advisory opportunities, product innovation, alternative investment strategies, sustainable investments, and ESG integration.

### EASTEDGE ANALYTICS

EastEdge Analytics helps asset managers better understand the asset and wealth management industry in Asia. The company provides data-driven and insight-led business intelligence with a focus on China, Japan, and cross-border fund markets (Hong Kong, Singapore and Taiwan), supporting clients in market entry, product and distribution development, regulatory impact assessment, fintech innovation and implementation, and other critical business issues.