



Global Asset Management Study

2022 Insights Partner Report

► UK

November 2022



Study Overview



Purpose

The purpose of the study is to objectively inform asset managers and investment buyers of client needs, behavioural drivers and competitive strengths and weaknesses



Approach

An annual independent study built on structured interviews with investment decision makers within institutional asset owners, asset consultants, retail fund buyers and retail advisers



This report

This report shares findings with the 286 UK participants who took part in the study during the period June to July 2022



Summary insights



Manager performance

While the UK is laden with domestic managers, the leading brands were BlackRock amongst institutional investors and Fidelity Investments amongst retail audiences



Thought leadership

ESG and inflation are prominent topics of interest for continued insight amongst UK investors



Asset allocation

Institutional investors expressed positive allocation intentions towards alternatives. Retail audiences intended to lift allocations in equity classes



Key challenges

Inflation was top of mind as a business challenge across all client types. Regulation remained top of mind with retail fund buyers and advisers



Investment factors

Long-term performance was the most important investment factor in the UK. ESG integration has increased in importance over the last three years

While the UK is characterised by strong domestic asset managers, BlackRock and Fidelity Investments led brand rankings in institutional and retail, respectively

Top-10 Asset Managers by Brand Ranking (UK)



Institutional Brand Rank
(out of 208 asset managers)

1	BlackRock
2	Legal & General
3	Baillie Gifford
4	Schroders
5	Insights Investment
6	J.P. Morgan
7	PIMCO
8	Aviva Investors
9	Goldman Sachs (GSAM)
10	abrdn

Aviva Investors stood out for improvement in institutional via strength in multi-asset solutions, ESG and greater recognition for ease of doing business



Retail Brand Rank
(out of 283 asset managers)

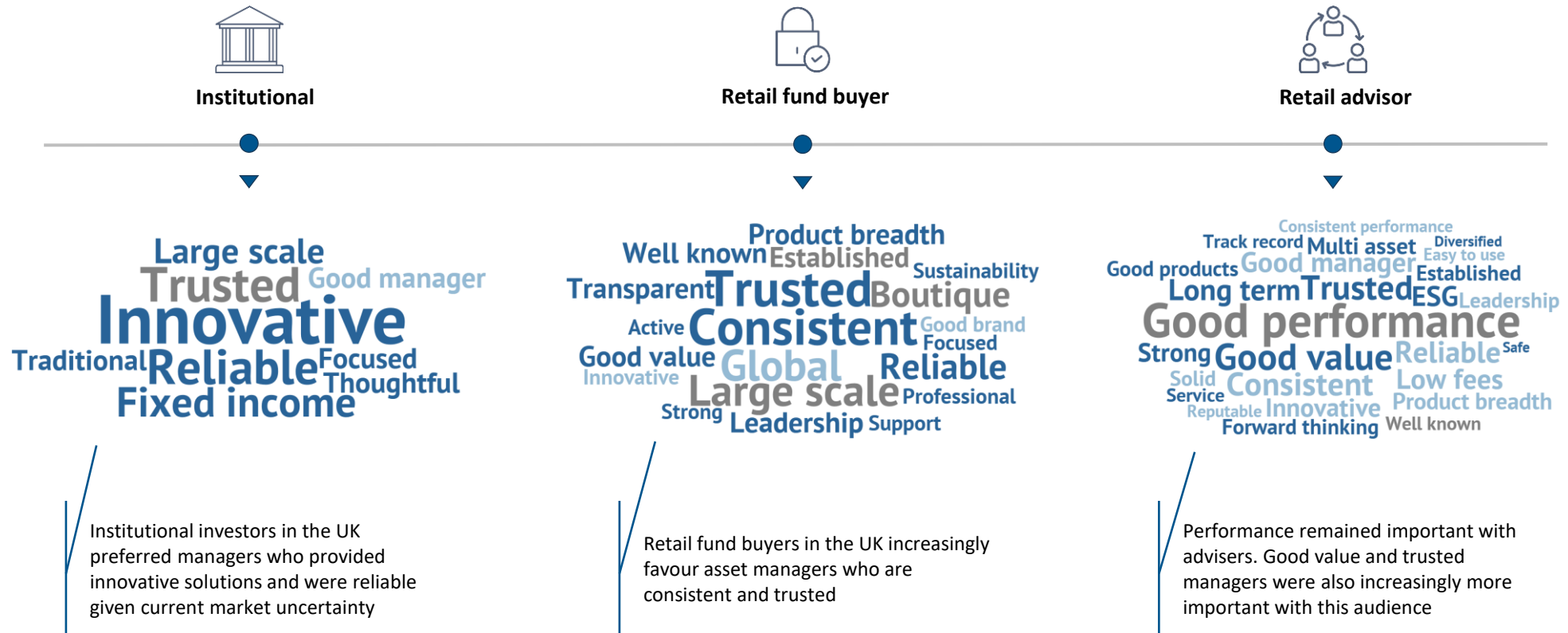
1	Fidelity Investments
2	Liontrust
3	Baillie Gifford
4	M&G Investments
4	Schroders
6	Royal London AM
6	Vanguard
8	BlackRock
9	J.P. Morgan
10	Fundsmith

Liontrust rose to 2nd (from 4th) with recognition across select capabilities (consistent, ESG, thought leader, innovative, and client focused)

Baillie Gifford dropped to 3rd (from 1st) in retail given performance challenges, but continues to be a strong retail brand with a foundation in capabilities (consistent, thought leader, transparent, good value)

UK investors elevate managers that are reliable and trusted partners to help them navigate the current market uncertainty

Lead active manager brand profile (UK)



Notes: 1. Change from prior year: ■ Increase ■ Decrease ■ Stay the same
 2. The Active Leader is defined as the most important asset manager for active for a given respondent

ESG and inflation are leading topics of interest across investment audiences in the UK

Thought leadership topics of interest in the next 12 months (UK)



Institutional



Retail fund buyer



Retail adviser



Top 5 topics

2022 Rank

Change in rank

1	ESG	=
2	Inflation	↑
3	Climate change	↓
3	Interest rates	↑
5	Illiquid investments	=

1	Inflation	↑
2	ESG	↓
3	Impact investing	↑
4	Asset allocation	↑
4	Market commentary	↑

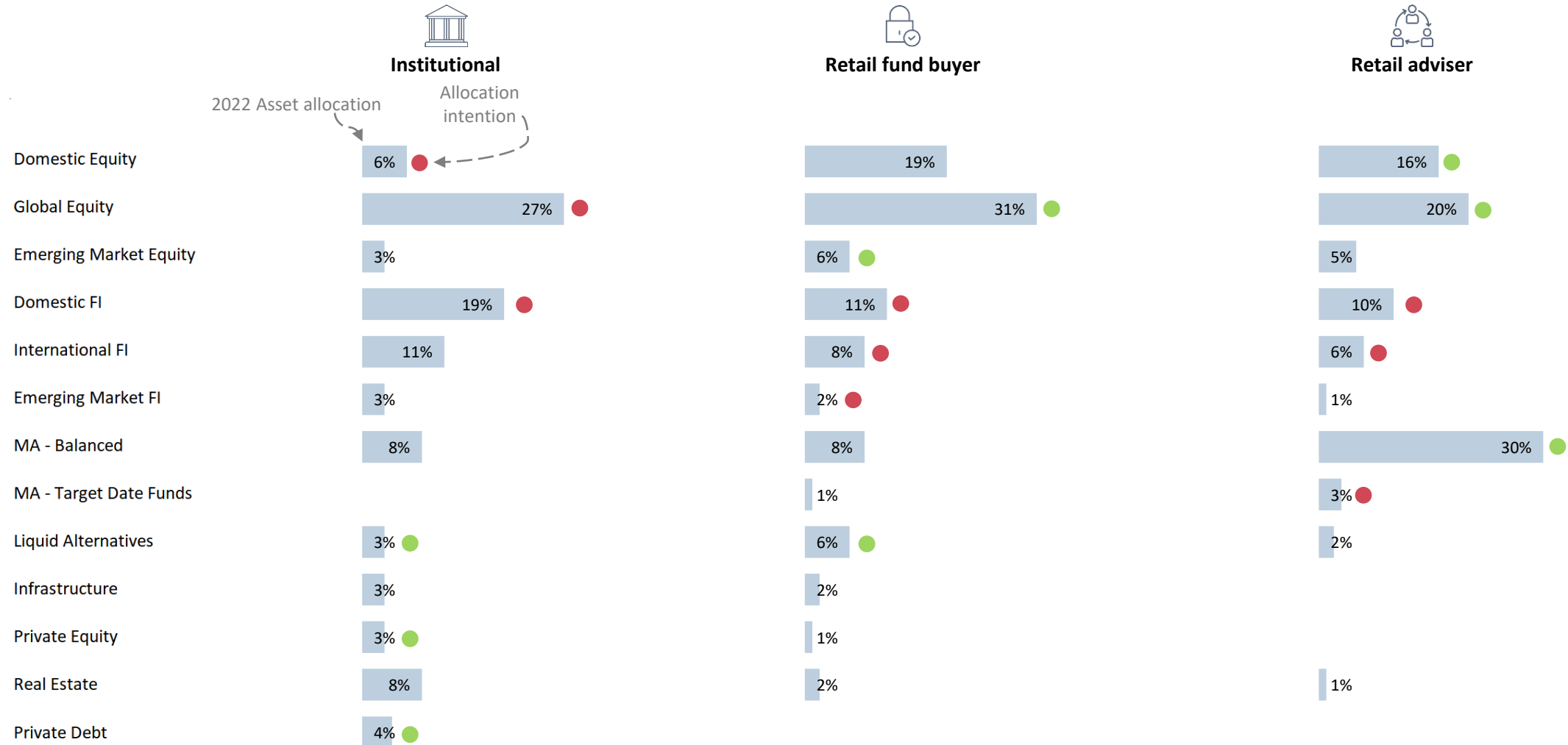
1	ESG	=
2	Inflation	↑
3	Asset allocation	↓
3	ESG integration	↑
3	Income solutions	↑

Apart from general ESG-related content, more specifically, institutional investors also demanded pieces around climate change and net zero

Aside from inflation, other topics surrounding current market conditions and asset allocation trends were also top of mind with both retail fund buyers and retail advisers

In a year of turbulence, UK institutional investors remain positive to alternatives, and retail audiences signalled continued focus on equities and multi-asset

Reported asset mix and asset allocation intentions (UK)



Note: 1. Allocation intention shows the top 3 asset classes with the highest proportion of respondents who intend to increase/decrease allocations to in the next 12 months (allowing for an allocation of >1%): ● Increase ● Decrease

Inflation is a leading business challenge for all audiences, while regulation continues to be top of mind for retail audiences in the UK

Top 5 greatest challenges expected in next 12 months (UK)



Institutional

Rank	Challenge	Change in rank
1	Inflation	↑
2	Performance	↑
2	Volatility	↑
4	Market conditions	↑
5	Interest rates	↑

“Concern around inflation and resilience of portfolios. The portfolio review underway now may see a change in strategies.
State Pension, UK”



Retail fund buyer

Rank	Challenge	Change in rank
1	Regulation	=
2	Inflation	↑
3	Volatility	↑
4	Cost management	↑
4	Market conditions	↑

“Increasing costs and ever-increasing regulatory burden.
Retail Fund Buyer, UK”



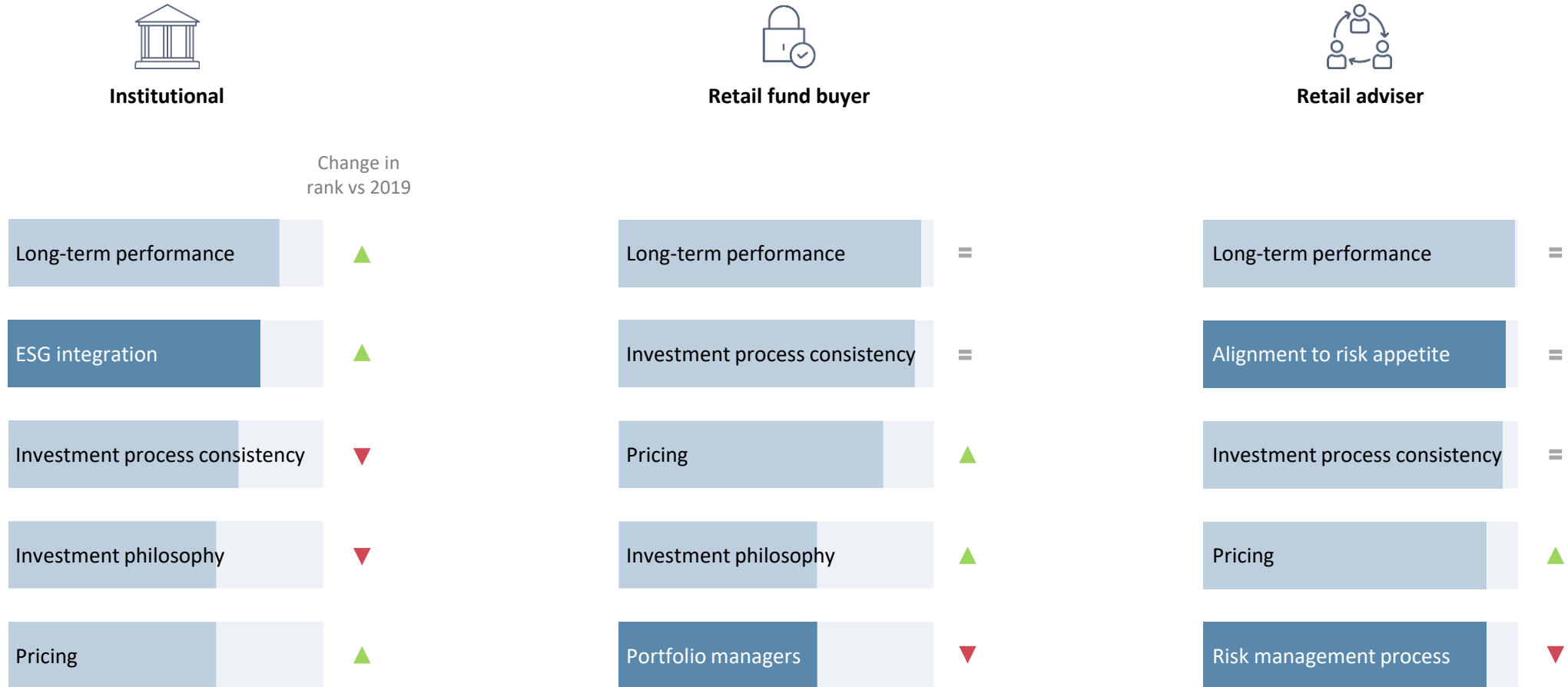
Retail adviser

Rank	Challenge	Change in rank
1	Regulation	=
2	Inflation	↑
3	Volatility	↑
4	Performance	↑
4	Russia-Ukraine conflict	↑

“Continuing to service all clients in line with the ever-changing regulations. Keeping up to date with new HMRC/FCA rules.
Retail Adviser, UK”

Long-term performance is a prominent selection driver in the UK across all audiences; ESG integration rose notably in importance with institutional investors

Top 5 most important investment factors (UK)



Note: 1. The top 5 investment factors are based on the proportion of respondents who stated this was important in 2022. Factors shaded in darker blue represent those which are more important for this specific audience type
 2. Arrows to the right of the bar graph show the change in their rank from 2019: ▲ Increase ▼ Decrease = Stay the same

Networking was the leading driver for institutional and retail fund buyers to attend conferences in-person in 2022. Advisers valued relevant topics and ease of travel

Attending conferences in-person (UK)



Institutional

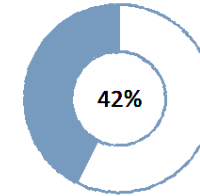
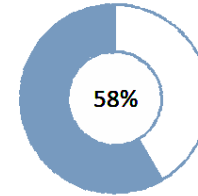
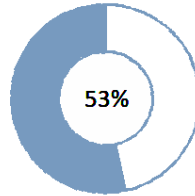


Retail fund buyer



Retail adviser

Proportion of investors who attended a conference in-person in the last 6 months



Top 2 reasons for attending in-person

Investor Type	Reason 1	Reason 2
Institutional	To network with colleagues and peers	The topics were of interest
Retail fund buyer	To network with colleagues and peers	The quality of speakers
Retail adviser	The topics were of interest	The conference was easy to travel to

80% of retail advisers in the UK regularly use social media, on average using three platforms. WhatsApp, Facebook and LinkedIn the most common

Social media platform adoption (professional and personal) – Retail adviser (UK)

Social media platforms regularly used
(% of respondents who use social media)



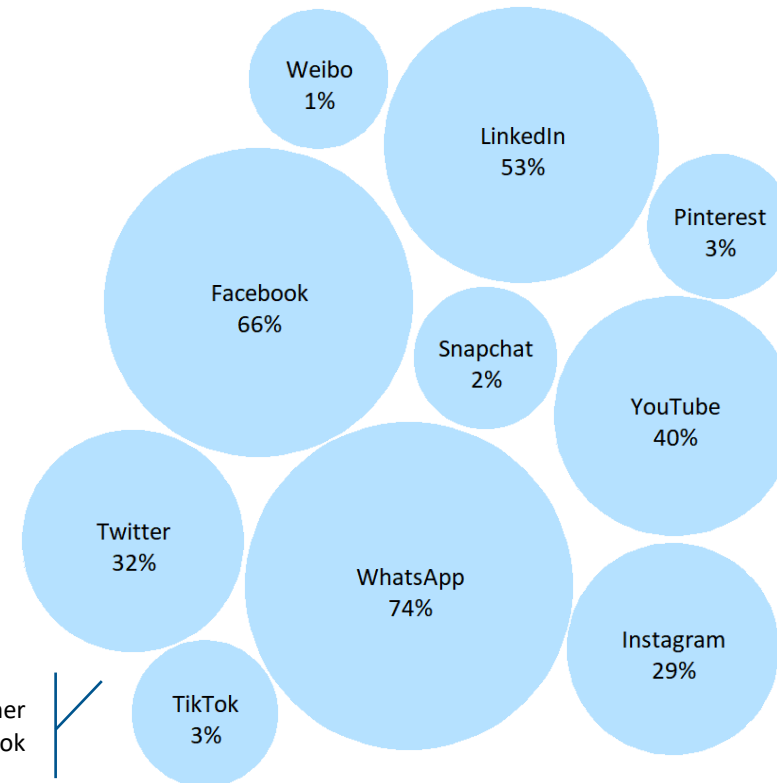
80%

of Retail advisers leverage social media platforms regularly (weekly basis) for personal or professional use



3

Platforms are used by retail advisers on average



In the next 12 months, there is a higher intention to increase the use of TikTok

Thank you

For more information about NMG, visit www.nmg-consulting.com

For more insights or further information on our Global Asset Management Study, please contact Karen Lau at karen.lau@nmg-group.com

