



Global Asset Management Study

2022 Insights Partner Report

► Australia

June 2023

About

NMG Consulting

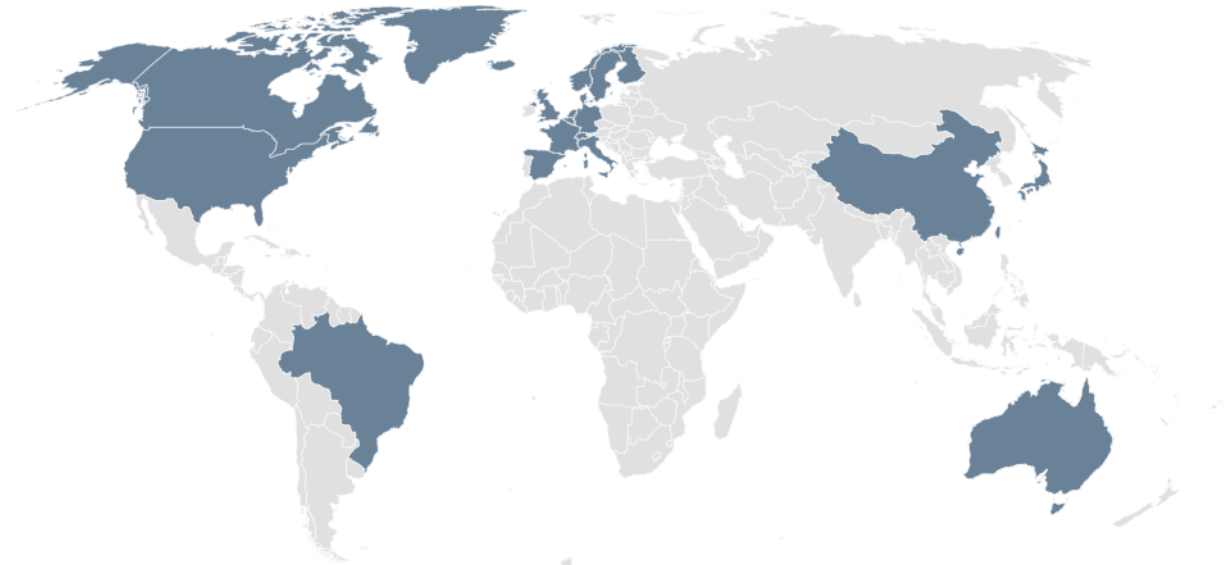
- ▶ NMG Consulting is a specialist multi-national consulting firm focused on investments and insurance
- ▶ Founded in Singapore in 1992, NMG Consulting now has 150+ employees operating from primary hubs in Sydney, Toronto, New York, London and Singapore as well as satellite offices



The Global Asset Management Study

- ▶ The Global Asset Management study was implemented by NMG Consulting in 2015 and runs on an annual cycle
- ▶ Every year, we conduct face-to-face or telephone interviews with more than 1,000 institutional investors and intermediary gatekeepers around the world
- ▶ In addition, over 2,000 retail advisors across the globe participate in the Study annually

Coverage of the Global Asset Management study





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 gatekeepers and retail advisers



This report

This report shares findings with the 302 Australia participants who took part in the study during the period September to December 2022



Summary insights



Manager performance

IFM Investors rose as the leading manager on NMG's institutional brand ranking. Domestic and international managers are equally represented in the top 10 brands in both institutional and retail



Thought leadership

Inflation and ESG are key areas of interest for institutional and retail audiences. Perspectives on investment opportunities in new sectors (e.g., clean energy, DeFi) are of interest with advisers



Asset allocation

All investors intend to lift domestic investments, relative to global. Institutional investors were also positive to greater investment in liquid alternatives



Key challenges

Super-fund consolidation and YFYS were the leading challenges for institutional. Gatekeepers are increasingly concerned with market volatility, advisers face challenges on compliance and costs



Investment factors

Long-term performance and pricing increased in importance for institutional investors. Investment process consistency rose in importance for retail gatekeepers and advisers

IFM Investors improved to claim top spot amongst institutional investors; Magellan retains their lead with retail gatekeepers and advisers

Top-10 Asset Managers Brand Ranking (Australia)



Institutional Brand Rank
(out of 232 asset managers)



Retail Brand Rank
(out of 373 asset managers)

IFM Investors rose as the leading institutional brand (from 4th), standing apart in for infrastructure, and improved across select capabilities (consistency, trusted, thought leader, industry leadership)

1	IFM Investors
2	PIMCO
3	Macquarie
4	Schroders
5	BlackRock
6	Pendal Group
7	Baillie Gifford
8	Wellington Management
9	AMP Capital
10	First Sentier Investors

Domestic managers ranked well in Australia, with five managers placed in the top-10 across both institutional investors and retail gatekeepers

1	Magellan
2	PIMCO
3	Macquarie
4	Vanguard
4	Fidelity Investments
6	BlackRock
7	Schroders
8	Perpetual (Australia)
9	Pendal Group
10	Bennelong

Vanguard climbed into the top 5 brand rankings (from 7th) with recognition for capabilities (transparent, industry leadership, good value, ease of doing business, client focused)

Reliability and consistency is a valued characteristic for all investors in Australia; Retail investors also valued good performance

Lead active manager brand profile (Australia)



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

Inflation and ESG remain key topics of interest for thought leadership with institutional investors and retail audiences

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



Institutional



Retail gatekeeper



Retail adviser



Top 5 topics

2022 Rank

Change in rank

1	Inflation	=
2	Interest rates	=
3	ESG	↑
3	ESG integration	↑
3	Fixed income	↑

1	Interest rates	↑
2	Inflation	↓
3	ESG	↓
3	Asset allocation	=
5	Fixed income	↑

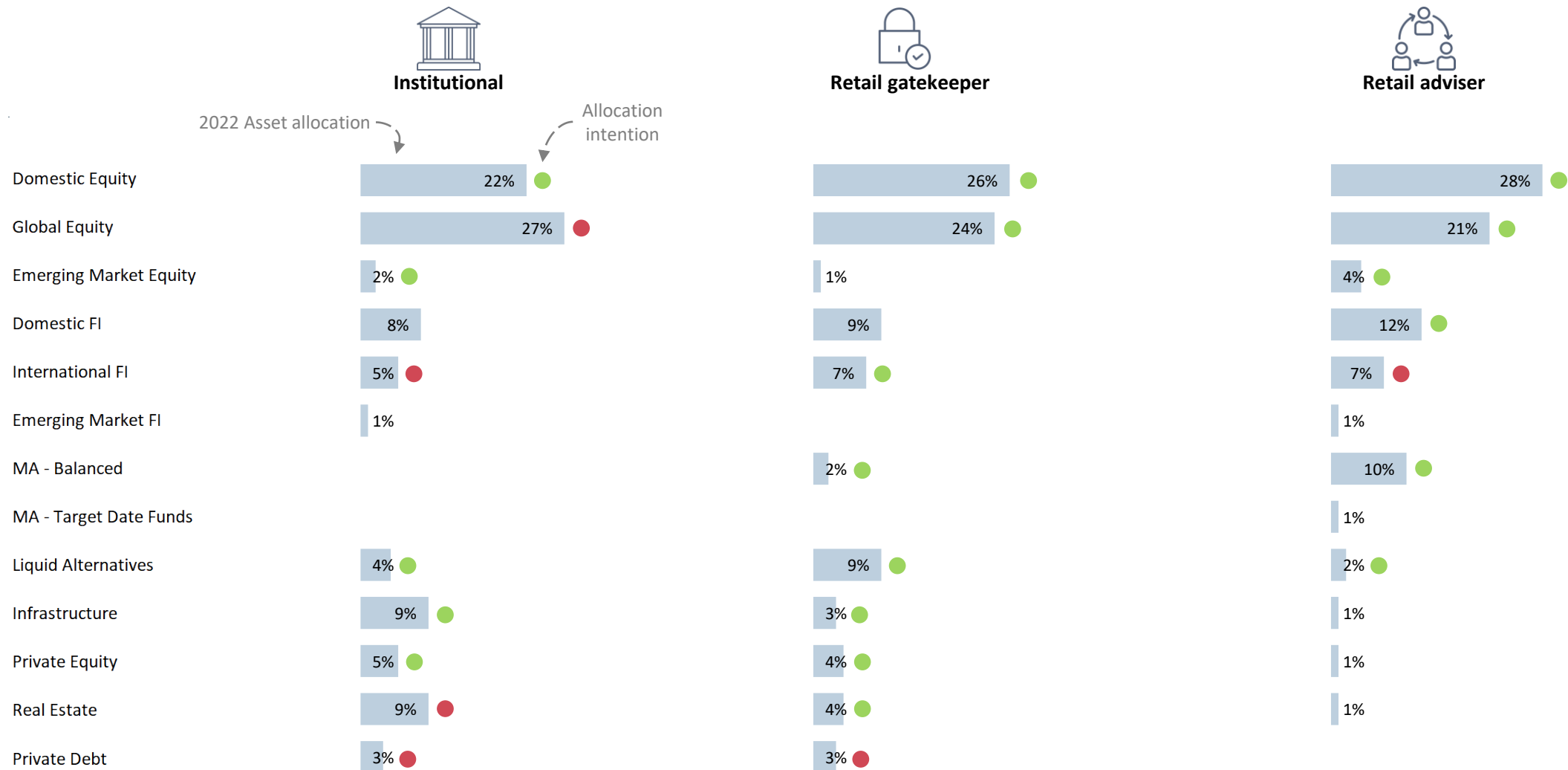
1	ESG	=
1	Inflation	↑
3	Asset allocation	↑
3	Interest rates	↑
3	Investment opportunities	↑

Given the current market environment, inflation and interest rates were the top two thought leadership topics of interest for both institutional investors and retail gatekeepers

Retail advisers expressed increased interest in exploring new investment opportunities as economic conditions persist

All audiences were positive to higher domestic allocations. Institutional investors were also positive to greater investment in liquid alternatives

Reported asset mix and asset allocation intentions (Australia)



Note: 1. Allocation intention shows the 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

Consolidation and YFYS performance tests are key challenges in institutional. Volatility was a concern with gatekeepers, and compliance with advisers

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



Institutional

Rank	Challenge	Change in rank
1	Merger	↑
2	YFYS	↓
3	Inflation	↑
3	Retirement	↑
5	Performance	↓

“Your Future, Your Super. Fund consolidation and competition, and retirement outcomes.
Pension Fund, Australia



Retail gatekeeper

Rank	Challenge	Change in rank
1	Volatility	↑
1	Growth	↑
3	Performance	↓
3	Asset allocation	↑
5	Regulation	↓

“How to manage portfolio through 12-18 months, how to access quality managers.
Retail Gatekeeper, Australia



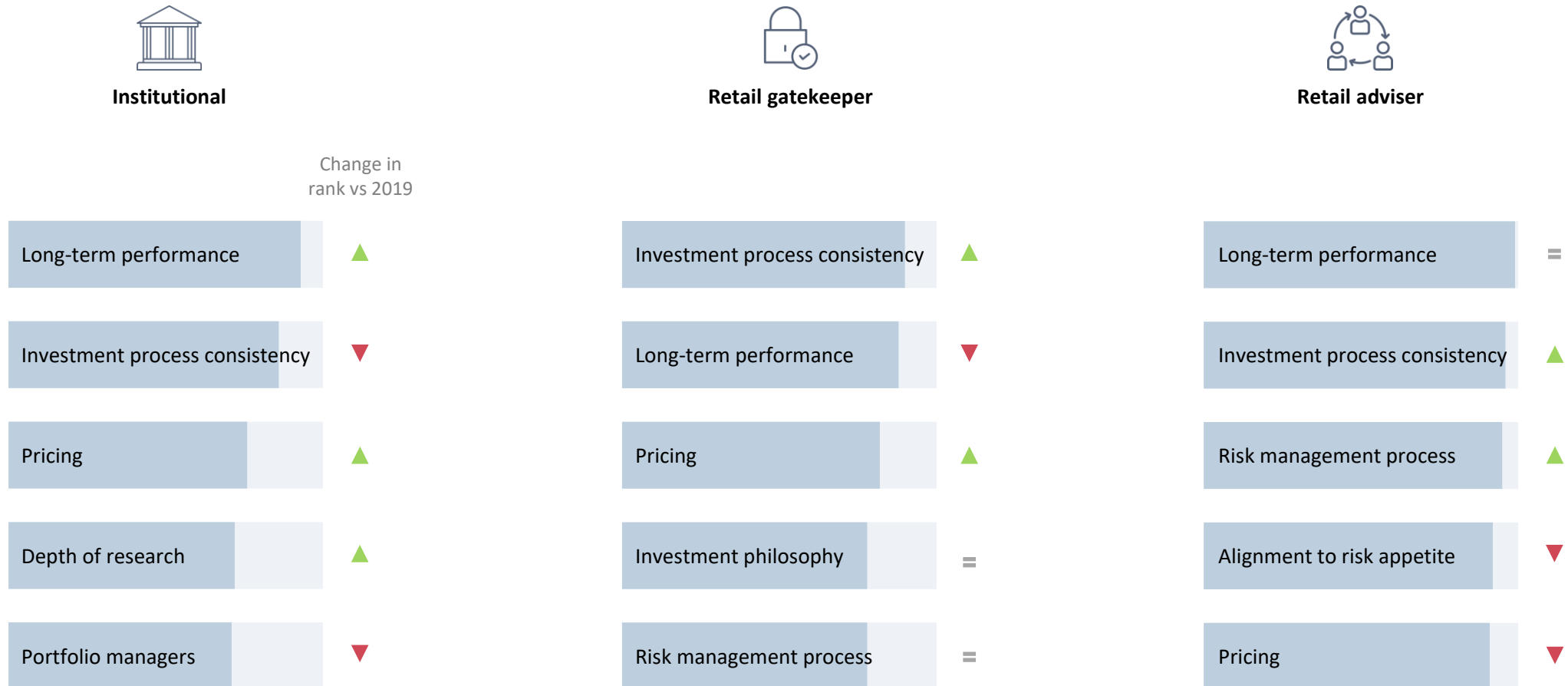
Retail adviser

Rank	Challenge	Change in rank
1	Compliance	=
2	Cost management	↑
3	Client acquisition	↑
4	Volatility	↑
5	Regulation	↓

“Managing the ever-changing compliance regime and particularly servicing lower fee-paying clients in a compliant and profitable manner.
Retail Adviser, Australia

Long-term performance and pricing rose in importance for institutional investors; Investment process consistency increased as a factor for retail audiences

Top 5 most important investment factors (Australia)



Note: 1. The top 5 investment factors are based on the proportion of respondents who stated this was important in 2022
 2. Arrows to the right of the bar graph show the change in their rank from 2019. Note Active ownership is a new factor added in 2022: ▲ Increase ▼ Decrease = Stay the same

One third of professional investors had attended a conference in person. 'Topics of interest' and 'networking' opportunities are leading drivers to attend in-person

Attending conferences in-person (Australia)



Institutional

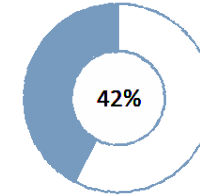
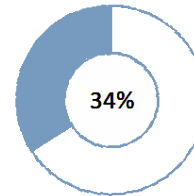
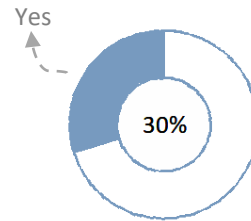


Retail gatekeeper

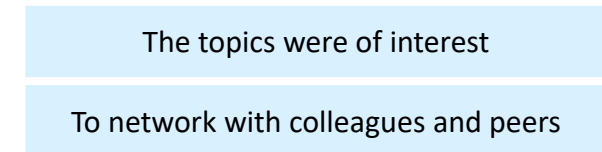
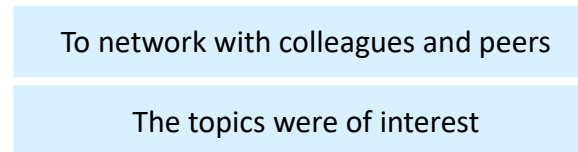
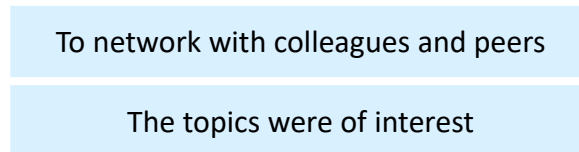


Retail adviser

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



Top 2 reasons for attending in-person



83% of retail advisers used social media on a consistent basis, most commonly Facebook, LinkedIn and YouTube

Social media platforms – Retail adviser (Australia)

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



83%

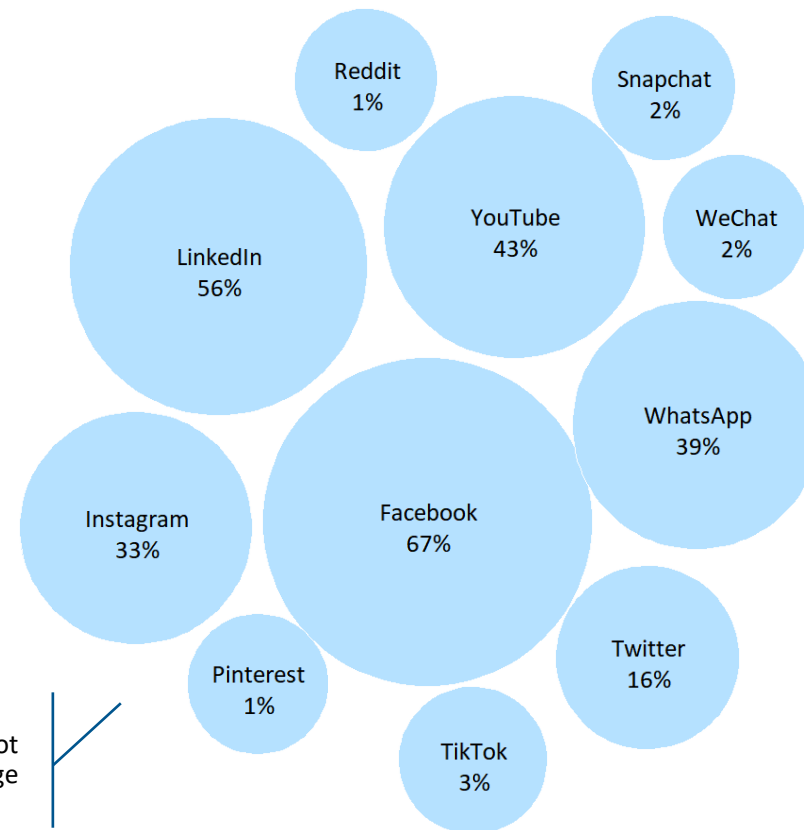
of Retail advisers leverage social media platforms regularly (weekly basis) for personal or professional use



3

Platforms are used by retail advisers on average

Over the next 12 months, most advisers do not expect changes to their social media usage



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 Will Fraser at Will.Fraser@NMG-Group.com

