



Global Asset Management Study

2022 Insights Partner Report

► Canada

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



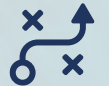
ASSET
MANAGEMENT



WEALTH
MANAGEMENT



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INSIGHTS

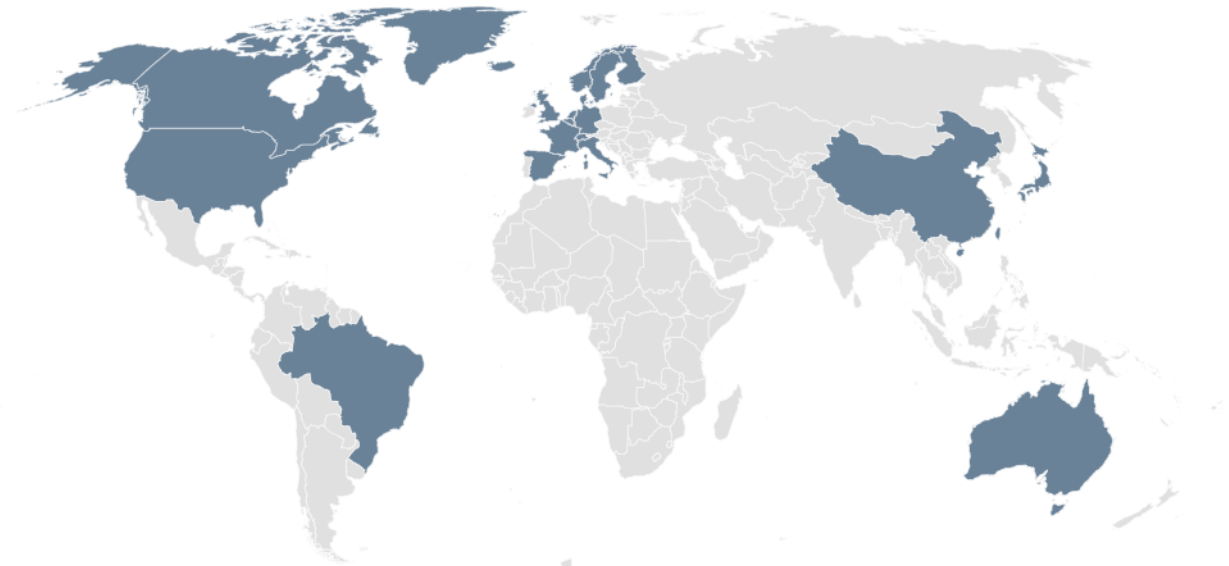


DATA
ANALYTICS

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 282 Canada participants who took part in the study during the period September to December 2022



Summary insights



Manager performance

RBC and Fidelity maintained their top ranking on NMG's institutional and retail brand rankings, respectively in Canada



Thought leadership

Inflation continues to be of interest across segments. Asset allocation with institutional audience, alternatives with retail gatekeepers and retirement with advisers became more important



Asset allocation

Institutional investors intend to decrease allocations in equity, while retail investors remained optimistic in domestic equity. All investors were optimistic across liquid and illiquid alternatives



Key challenges

Performance and inflation were the key challenges faced by institutional audience. Growth, market uncertainty and downturn were they key concern with the retail segment



Investment factors

Long-term performance continues to be the leading investment factor for Canadian institutions and retail advisers. Investment process consistency rises as a leading factor for retail gatekeepers

Royal Bank of Canada and Fidelity Investments were the leading asset manager brands in Canada among institutional and retail audiences, respectively

Top-10 Asset Managers Brand Ranking (Canada)



Institutional Brand Rank
(out of 231 asset managers)



Retail Brand Rank
(out of 286 asset managers)

RBC (Royal Bank of Canada) retained their lead brand ranking with institutional investors as they received recognition for global equity, domestic equity, international fixed income and ESG capabilities

The Canadian asset management market is dominated by domestic managers across both institutional investors and retail audiences

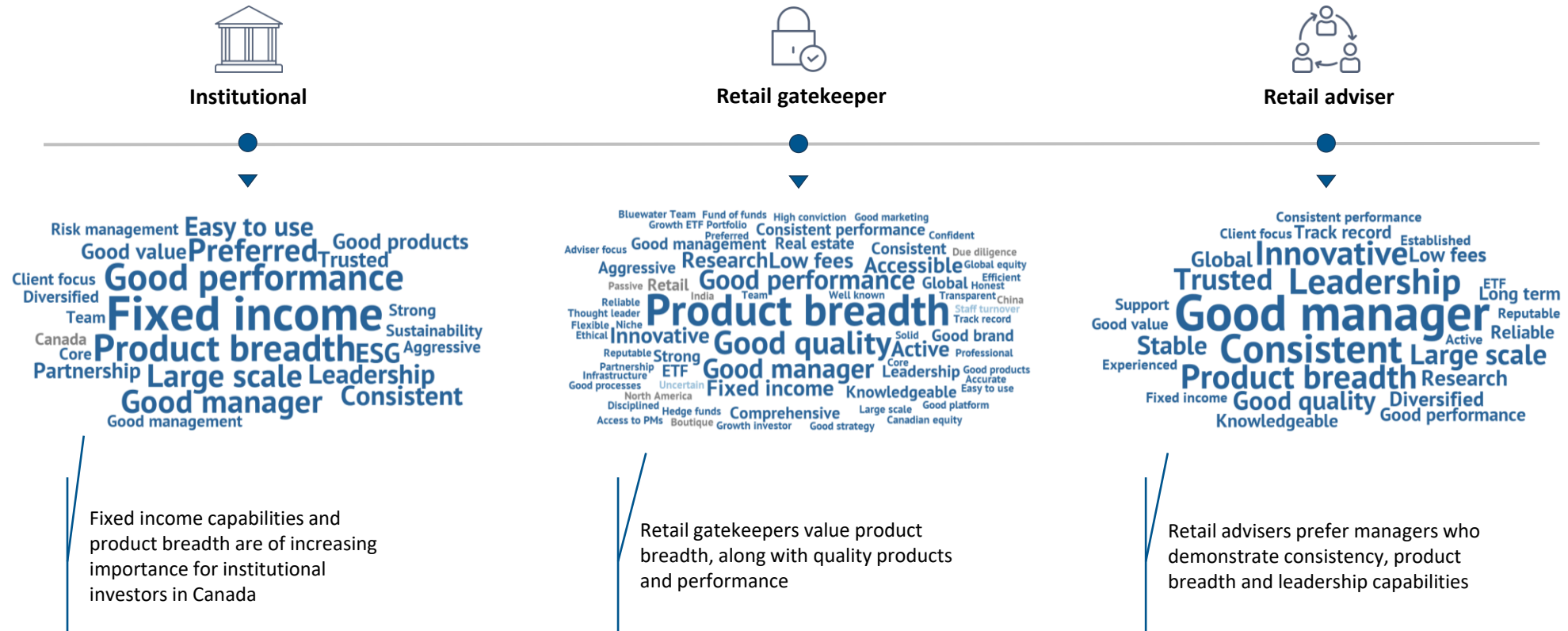
Fidelity Investments maintained lead brand ranking with retail investors, bolstered by capability recognition, where they rank 1st across most attributes including thought leader, innovative, global perspective, and good value

Rank	Institutional Brand Rank	Retail Brand Rank
1	RBC (Royal Bank of Canada)	Fidelity Investments
2	BlackRock	Dynamic Funds
3	TD Asset Management	Mackenzie Investments
4	PIMCO	CI Global Asset Management
5	Fiera Capital	RBC (Royal Bank of Canada)
6	Mawer	PIMCO
7	CI Global Asset Management	BMO Global Asset Management
8	Connor, Clark & Lunn	TD Asset Management
9	J.P. Morgan AM	Manulife
10	Fidelity Investments	BlackRock

Notes: 1. Brand ranking is determined based on top of mind nominations for the asset managers across overall brand awareness, asset class offerings, and capabilities, averaged over 2021 and 2022.
2. Overall retail rank is calculated by giving equal weighting to rank in retail gatekeeper and retail adviser.

Product breadth is an area of key importance for investors in Canada; Leadership, innovation and consistency are valued characteristics

Lead active manager brand profile (Canada)



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 rose as a key topic of interest. Institutional audience and gatekeepers also valued views on asset allocations and investment opportunities

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



Institutional



Retail gatekeeper



Retail adviser



Top 5 topics

2022 Rank

Change in rank

1	Inflation	↑
1	Asset allocation	↑
3	Sustainability	↑
4	ESG	↓
4	Fixed income	↑

Inflation and asset allocation are growing topics of interest for institutional investors

1	Alternatives	↑
2	Inflation	↓
2	Investment opportunities	↑
4	ESG	↓
4	Interest rates	↑

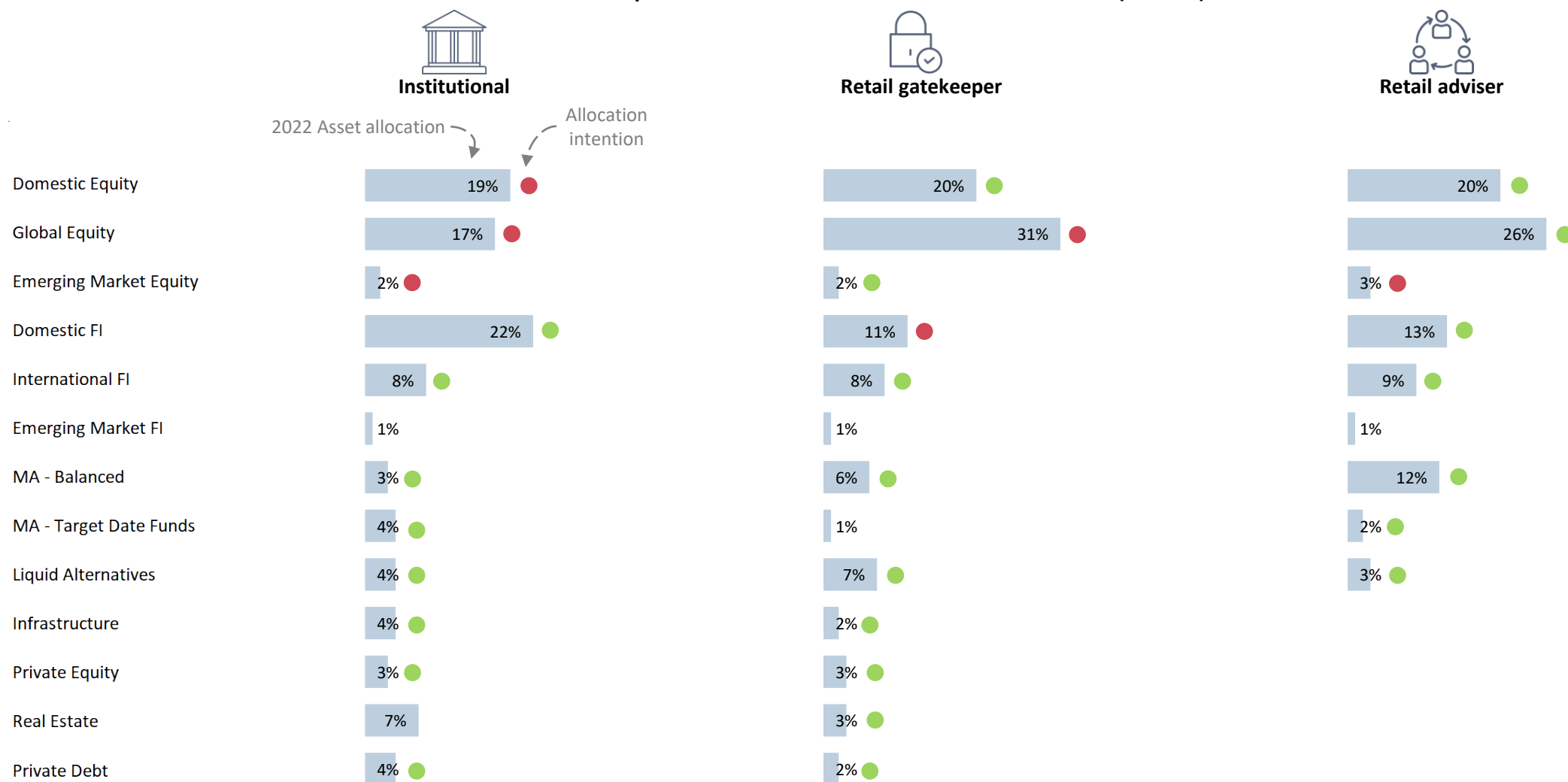
Retail gatekeepers were increasingly interested in alternatives and investment opportunities as volatile market conditions persist

1	ESG	=
2	Inflation	=
3	Retirement	↑
4	Taxation	↑
5	Forward thinking	↑

While ESG and inflation remain important for retail advisers, retirement and taxation topics rose in importance

Institutional investors are looking to Canadian FI, international FI & alts to manage volatility. Retail audiences were optimistic towards domestic equity & alts

Reported asset mix and asset allocation intentions (Canada)



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

Performance and inflation were the key challenges faced by institutional investors. Growth, market uncertainty and downturn were the key concern with retail segment



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



Institutional

Rank	Challenge	Change in rank
1	Performance	=
2	Inflation	↓
3	Competition	↑
3	Cost management	↑
5	Asset allocation	↑

“ We are still keeping an eye on all the geopolitical tailwinds that have plagued markets for most of 2022, so we’ll see what happens.

Asset Consultant, Canada



Retail gatekeeper

Rank	Challenge	Change in rank
1	Growth	=
2	Market uncertainty	↑
2	Performance	↑
4	Volatility	↑
5	Regulation	↑

“ Markets are a massive challenge due to the environment and uncertainty; Competitive landscape and fee pressures.

Retail Gatekeeper, Canada



Retail adviser

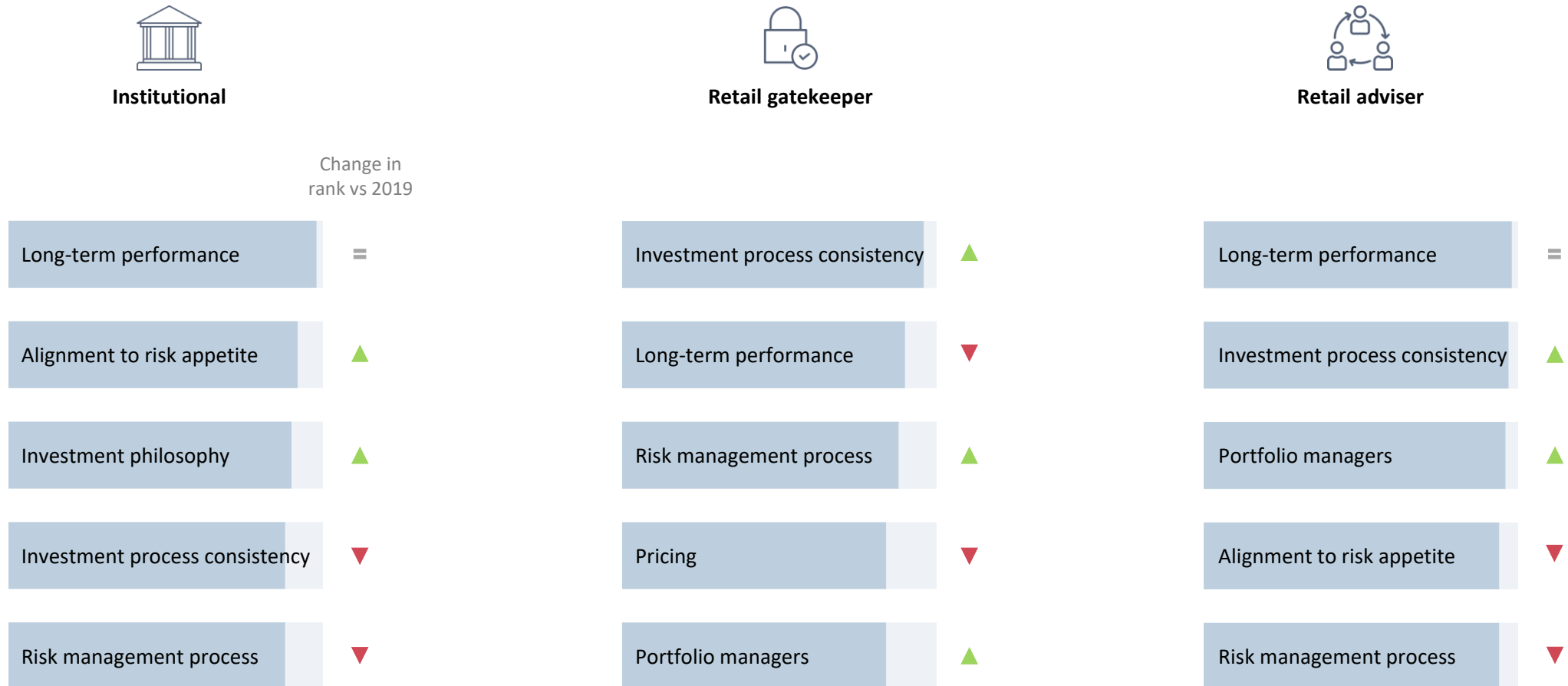
Rank	Challenge	Change in rank
1	Market downturn	↑
2	Client reassurance	↑
3	Volatility	↑
4	Inflation	↑
5	Growth	↑

“ Keeping clients brave and ignoring the noise. We are likely in for a repeat of 2022 volatility. Hopefully landing on higher market levels.

Retail Adviser, Canada

Long-term performance and investment process consistency are among the leading manager selection drivers for institutional and retail investors in Canada

Top 5 most important investment factors (Canada)



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

Topics of interest and quality of speakers were leading drivers to attend in-person conferences

Attending conferences in-person (Canada)



Institutional

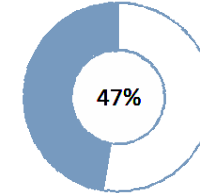
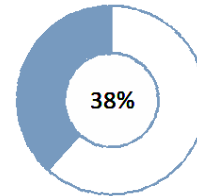
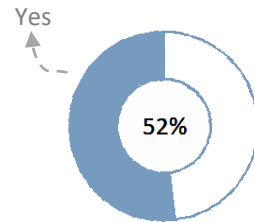


Retail gatekeeper



Retail adviser

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



Top 2 reasons for attending in-person

- The topics were of interest
- The quality of speakers

- The topics were of interest
- The conference was easy to travel to

- The quality of speakers
- The topics were of interest

89% of retail advisers used social media on a consistent basis, and 3 platforms on average. Platforms most commonly used were LinkedIn, Facebook and YouTube

Social media platforms – Retail adviser (Canada)

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



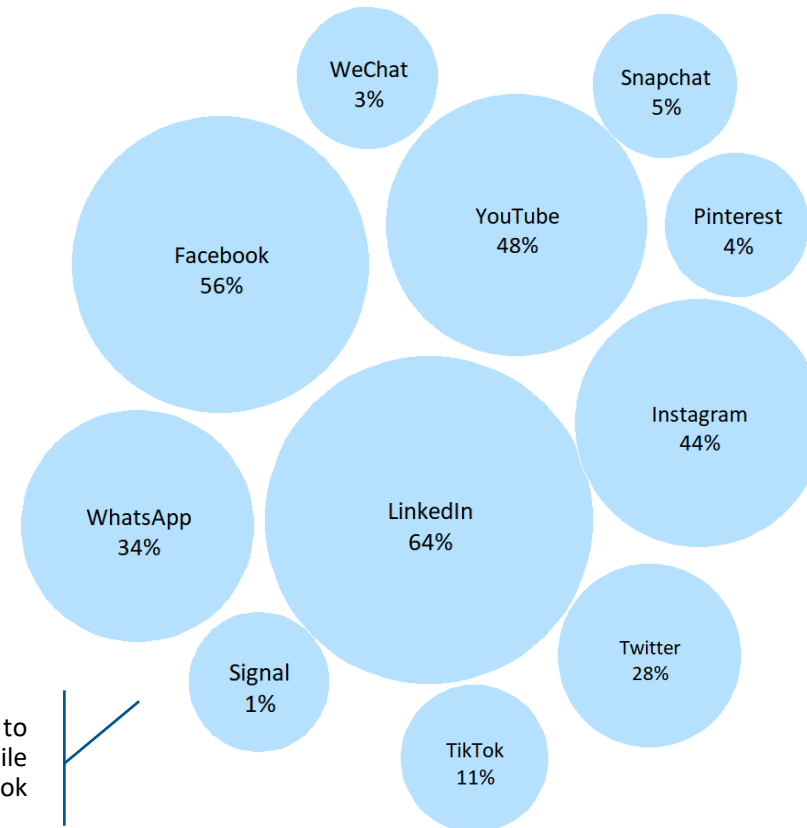
89%

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, advisers expect to increase usage in LinkedIn and YouTube while decreasing usage in Facebook

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

