



Global Asset Management Study

2022 Insights Partner Report

► Hong Kong

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



PROTECTION



CONSULTING



INSIGHTS

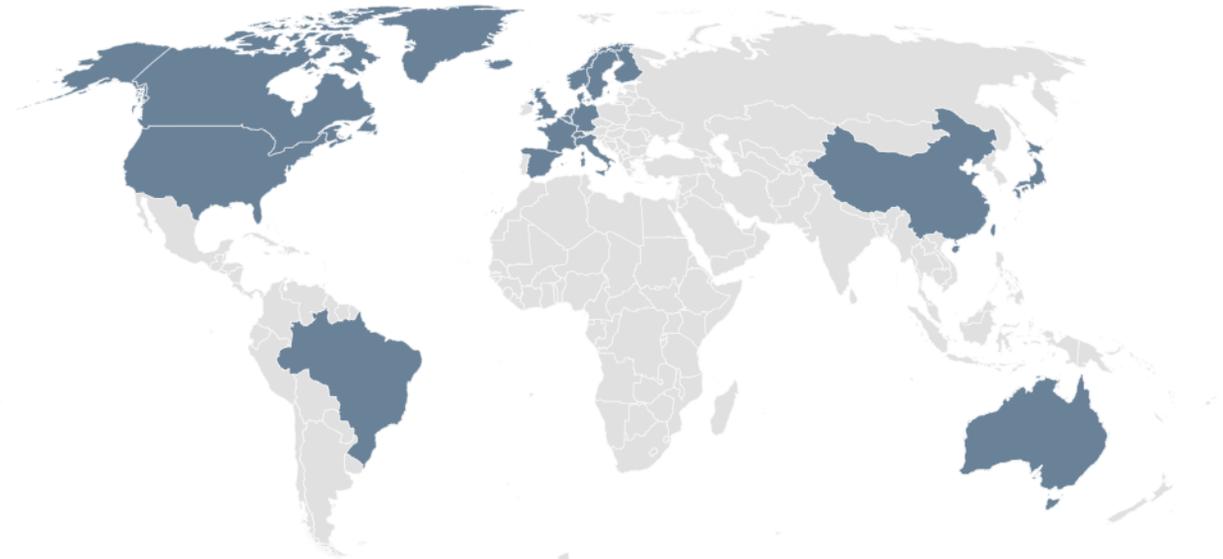


DATA
ANALYTICS

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 124 Hong Kong participants who took part in the study during the period September to December 2022



Summary insights



Manager performance

BlackRock maintained leadership on NMG's institutional brand rankings and shared the top position with J.P. Morgan AM across the retail audience



Thought leadership

Inflation, ESG and asset allocation are key areas of interest for thought leadership across all Hong Kong investor types



Asset allocation

Hong Kong audiences expect lower EM equity allocations and higher global equity and alternative placements. Retail audiences also intend to increase allocations to multi-asset balanced funds



Key challenges

Geopolitical tension was a rising concern across all client types. Inflation is a leading challenge for institutional investors while retail audiences are concerned about market downturn



Investment factors

Long-term performance remained the lead investment factor across all investor types. Retail audiences valued portfolio managers relatively more compared to institutional investors

BlackRock maintained lead brand rank amongst institutional investors; J.P. Morgan shares the top spot with BlackRock across retail audiences

Top-10 Asset Managers Brand Ranking (Hong Kong)



Institutional Brand Rank
(out of 107 asset managers)

1	BlackRock
2	Fidelity Investments
3	J.P. Morgan AM
4	PIMCO
5	Schroders
6	Goldman Sachs (GSAM)
7	Invesco
8	HSBC GAM
9	Amundi Asset Management
10	Allianz Global Investors

The leading top five managers in institutional remained stable over the past few years

Allianz Global Investors climbs into the top 10 brand rankings (from 15th), recognised for being client focused and delivering good value



Retail Brand Rank
(out of 222 asset managers)

1	BlackRock
1	J.P. Morgan AM
3	Fidelity Investments
4	PIMCO
5	Schroders
6	UBS Global Asset Management
6	Franklin Templeton
6	Allianz Global Investors
9	HSBC GAM
9	Blackstone

The top ten institutional and retail brands are dominated by international managers

J.P. Morgan AM rose to 1st (from 2nd) with retail investors, aided by increased brand recognition with retail advisers for global equity and private equity capabilities

Blackstone improved to 9th (from 12th) across retail investors for brand ranking, lifted by improved recognition for real estate and private equity capabilities amongst retail advisers

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.

Institutional investors and retail gatekeepers prefer managers that demonstrate reliability; Advisers favour managers with industry leadership and global scale

Lead active manager brand profile (Hong Kong)



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, ESG and asset allocation are key areas of interest for thought leadership across Hong Kong investors

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



Institutional



Retail gatekeeper



Retail adviser



Top 5 topics

2022 Rank

Change in rank

1	Inflation	↑
2	Interest rates	↓
3	Asset allocation	↑
3	Economic downturn	↑
5	ESG	↓

↑
↓
↑
↑
↓

Given the current market environment, inflation increased as a thought leadership topic of interest for both institutional investors and retail advisers

1	Asset allocation	↑
2	ESG	↑
3	Economic downturn	↑
4	China	↑
4	Investment opportunities	↑

↑
↑
↑
↑
↑

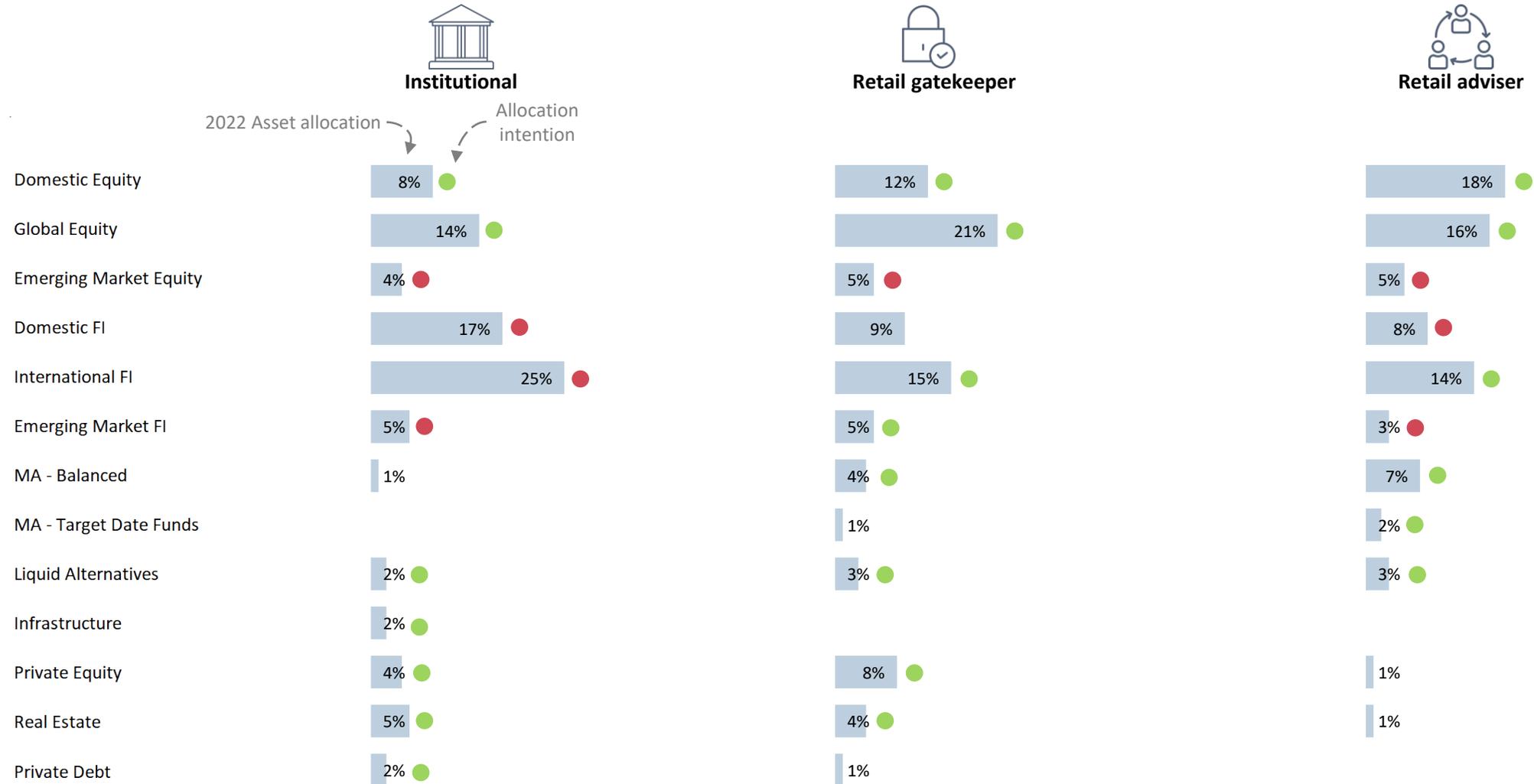
Retail gatekeepers and advisers demonstrated a strong interest in asset allocation amidst the economic conditions, China and the geopolitical environment

1	ESG	=
2	Inflation	↑
3	Asset allocation	↓
3	Geopolitics	=
3	Technology	↑

=
↑
↓
=
↑

Institutional investors continue to seek alternative investments, while retail audiences are expected to allocate more to multi-asset products

Reported asset mix and asset allocation intentions (Hong Kong)



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

Geopolitics was a rising concern across all audiences in Hong Kong. Inflation, rising interest rates and economic/market downturn were also highlighted as challenges

Top 5 greatest challenges expected in next 12 months (Hong Kong)



Institutional

Rank	Challenge	Change in rank
1	Inflation	=
2	Performance	↑
3	Volatility	↓
3	China reopening	↑
3	Geopolitics	↑

“ Investment risk in a volatile market. Might have to write off risky assets but insurance business is doing well. Next year might have a recession in the US and affect the economy.
Insurer, Hong Kong ”



Retail gatekeeper

Rank	Challenge	Change in rank
1	Geopolitics	↑
2	Economic downturn	↑
2	Rising interest rates	↑
4	COVID-19	↓
4	Growth	↑

“ The ability to travel into China to network with prospects and the inability of clients to get listed in US. Bond defaults.
Retail Gatekeeper, Hong Kong ”



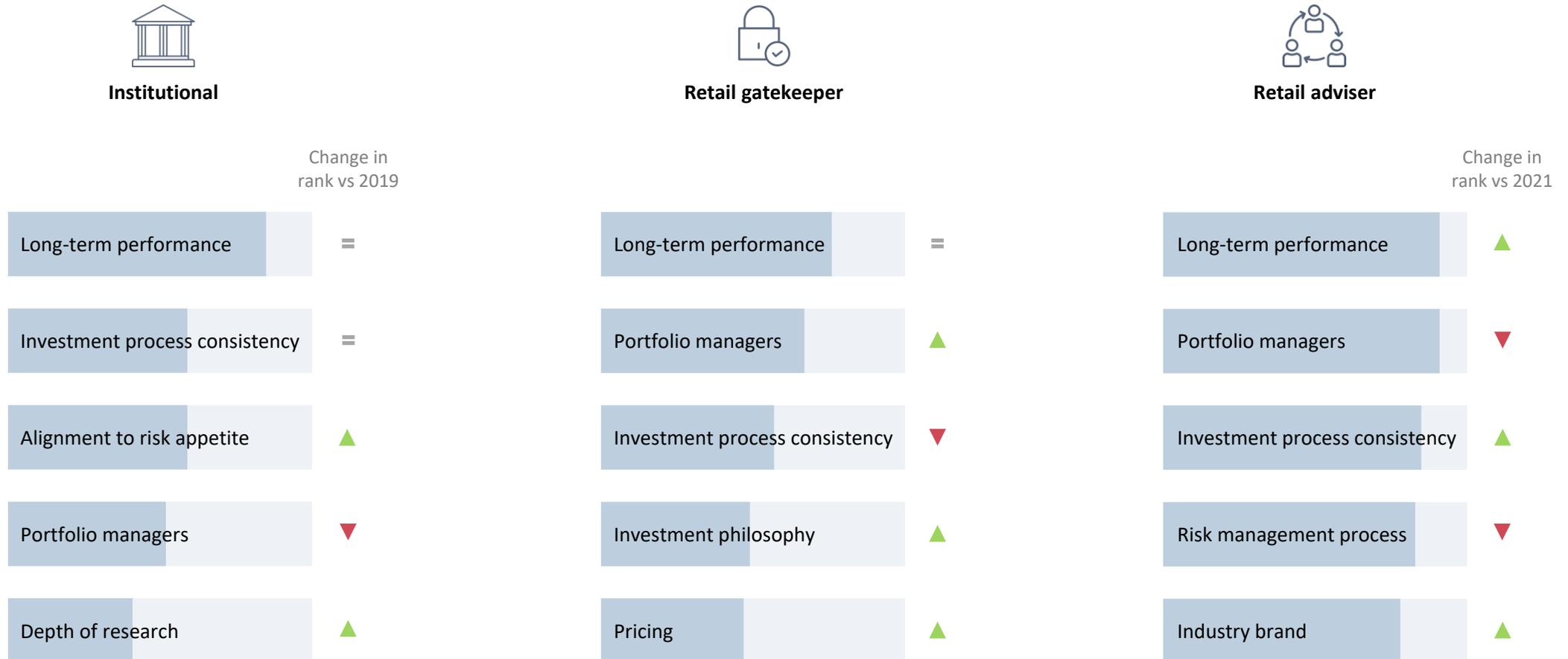
Retail adviser

Rank	Challenge	Change in rank
1	Market downturn	↑
2	Rising interest rates	↑
3	COVID-19	↓
3	Client sentiment	↑
3	Geopolitics	↑

“ Increases in interest rates will lead to high volatility in the US stock market.
Retail Adviser, Hong Kong ”

Long-term performance is the lead investment factor across all investors; Retail audiences value the competency of portfolio managers

Top 5 most important investment factors (Hong Kong)



Note: 1. The top 5 investment factors are based on the proportion of respondents who stated this was important in 2022
 2. Note Active ownership is a new factor added in 2022. Hong Kong retail advisers was added as a segment in 2021
 3. Arrows to the right of the bar graph show the change in their rank from 2019 for institutional and retail gatekeepers. Arrows to the right of the bar graph show the change in their rank from 2021 for retail advisers:
 ▲ Increase ▼ Decrease = Stay the same

Topics of interest are the leading driver for institutional investors and retail advisers to attend conferences in-person. Retail gatekeepers value networking

Attending conferences in-person (Hong Kong)



Institutional

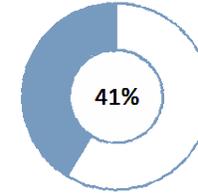
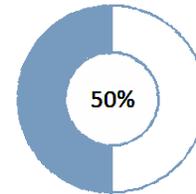
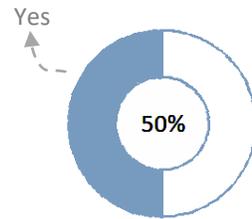


Retail gatekeeper



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
- To network with colleagues and peers

- To network with colleagues and peers
- The quality of speakers

- The topics were of interest
- To network with colleagues and peers

Retail advisers use social media regularly, across a broad range of platforms including, Facebook, YouTube, Instagram, LinkedIn and WeChat

Social media platforms – Retail adviser (Hong Kong)

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



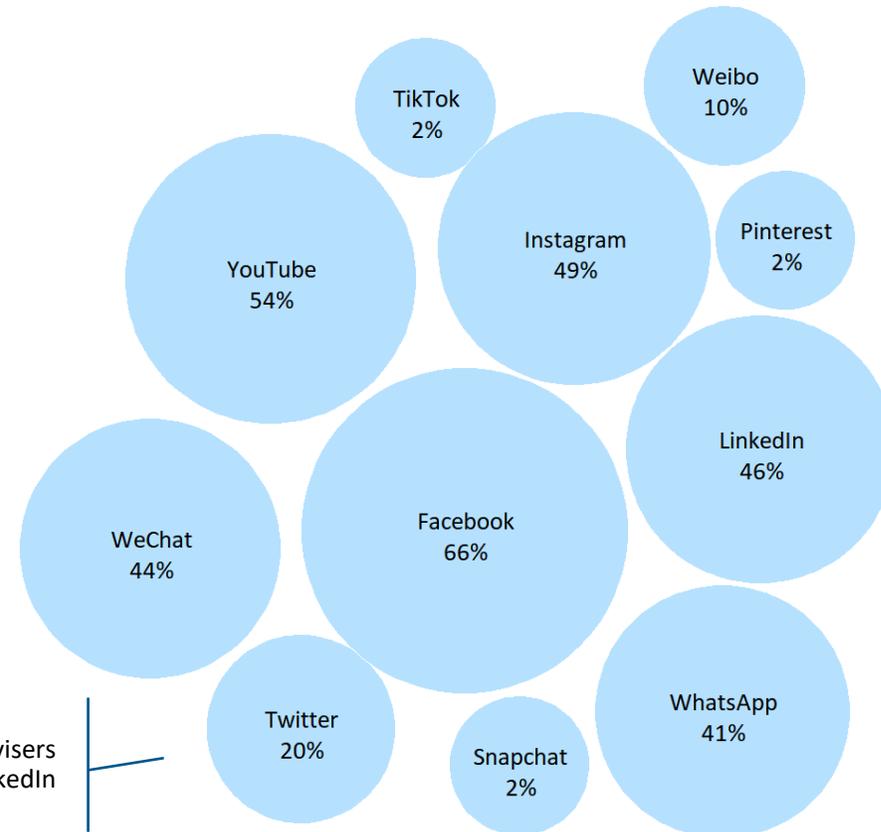
100%

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, more advisers intend to lift their usage of LinkedIn

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

