



Global Asset Management Study

2022 Insights Partner Report

► Japan

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 244 Japan participants who took part in the study during the period September to December 2022



Summary insights



Manager performance

BlackRock and Fidelity maintained their top positions in Japan on NMG's institutional and retail unprompted brand rankings respectively



Thought leadership

Interest rates and inflation rose in prominence as topics of interest for institutional investors. Insights on ESG remained most relevant to retail gatekeepers and retail advisers



Asset allocation

Institutional investors were optimistic towards higher liquid alternatives and private equity allocations. Retail audiences are most positive toward global equity and liquid alternatives



Key challenges

Interest rates remain the key business challenge for institutional investors due to high domestic fixed income allocations. Market downturn was the primary concern amongst retail audiences



Investment factors

Long-term performance remained the top factor across all investors. ESG integration improved in importance for institutional investors and retail gatekeepers

BlackRock and Fidelity Investments maintained leading brand positions in Japan for institutional and retail audiences respectively

Top-10 Asset Managers Brand Ranking (Japan)



Institutional Brand Rank
(out of 123 asset managers)



Retail Brand Rank
(out of 201 asset managers)

Six of the top ten institutional brands in Japan are based domestically

Asset Management One rose to 3rd (from 6th) with institutional investors, aided by recognition for domestic equity, thought leadership, industry leadership and ESG capabilities

1	BlackRock
2	PIMCO
3	Asset Management One
4	Resona Bank
5	Nomura Asset Management
6	Nissay AM (Nippon Life)
7	J.P. Morgan AM
8	Mitsubishi UFJ Trust and Banking
9	Mizuho Asset Management
10	Capital Group

1	Fidelity Investments
2	Nomura Asset Management
3	BlackRock
3	Goldman Sachs (GSAM)
3	PIMCO
6	AllianceBernstein
7	Capital Group
8	Asset Management One
9	Mitsubishi UFJ Kokusai AM
10	Pictet Asset Management

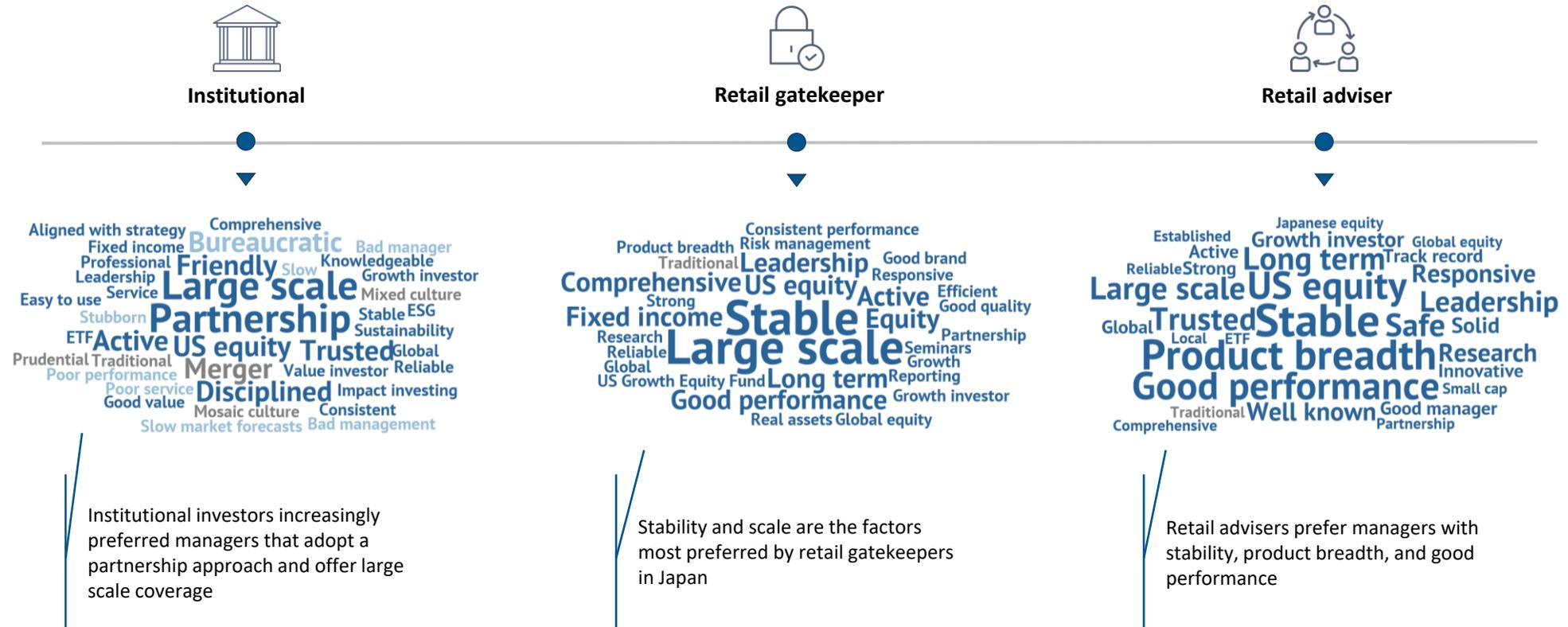
Fidelity Investments maintains their leadership in retail, bolstered by improvements with retail gatekeepers for real estate capabilities, acting as a trusted manager, client focus, and global perspectives

AllianceBernstein improved to 6th overall amongst retail investors (from 14th), receiving recognition from both retail advisers and gatekeepers most notably for global equity

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 prefer partnership and scale for managers; Retail audiences favour stability and good performance

Lead active manager brand profile (Japan)



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 interest rate related content was a topic of interest across all investor types; Demand for ESG thought leadership remained high for retail investors

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



Institutional



Retail gatekeeper



Retail adviser



Top 5 topics

2022 Rank

Change in rank

1	Interest rates	↑
2	Inflation	↑
3	Fixed income	=
3	Market commentary	=
3	Risk management	=

Given current market conditions, interest rates and inflation rise as topics of interest for institutional investors and retail investors

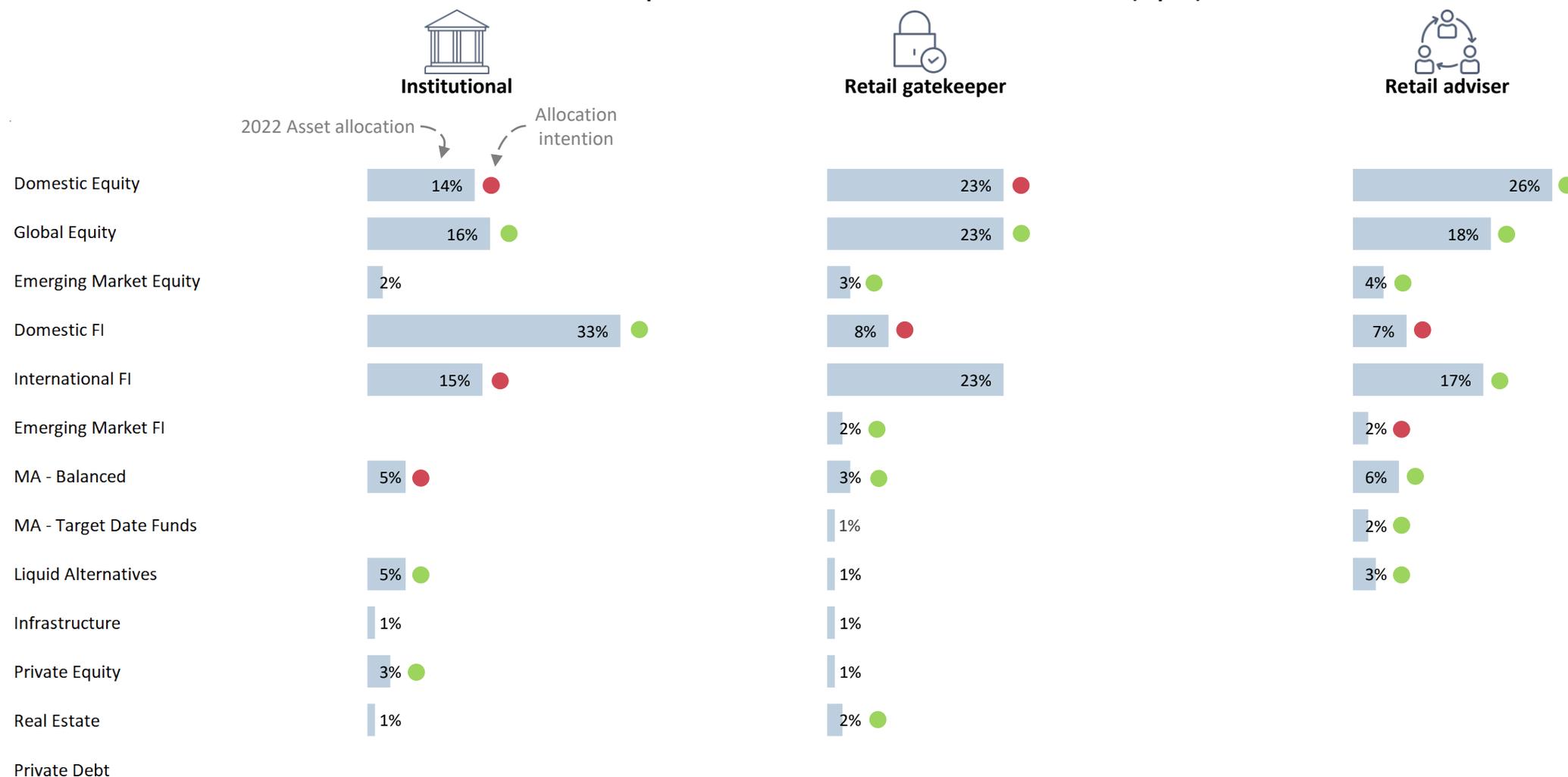
1	ESG	=
2	Interest rates	=
2	Market commentary	=
4	Monetary policy	↑
5	Inflation	=

ESG continues to be a top thought leadership area of interest for retail gatekeepers and advisers as they seek to better understand products and growth potential

1	ESG	=
2	Inflation	↑
3	Long term	↑
3	Strategy	↑
5	Interest rates	↑

Institutional investors are positive towards liquid alternatives and private equity. Retail audiences are most positive to liquid alternatives and global equity

Reported asset mix and asset allocation intentions (Japan)



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

Interest rates remain the top challenge cited by institutional investors due to fixed income relationship. Retail audiences are concerned with market downturn

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



Institutional

Rank	Challenge	Change in rank
1	Interest rates	=
2	Fixed income	↑
2	Hedging	↑
2	Pension	↑
5	Asset allocation	↓

“Quite a large portion of our investment is fixed income. The direction of interest rates is a key risk. We need to focus on designing fixed income portfolios
Insurer, Japan



Retail gatekeeper

Rank	Challenge	Change in rank
1	Market downturn	↑
2	New products	=
2	Inflation	↑
2	Interest rates	↑
2	Staff management	↑

“Deterioration of the environment in the credit markets, especially in the operation of the leveraged finance sector
Retail Gatekeeper, Japan



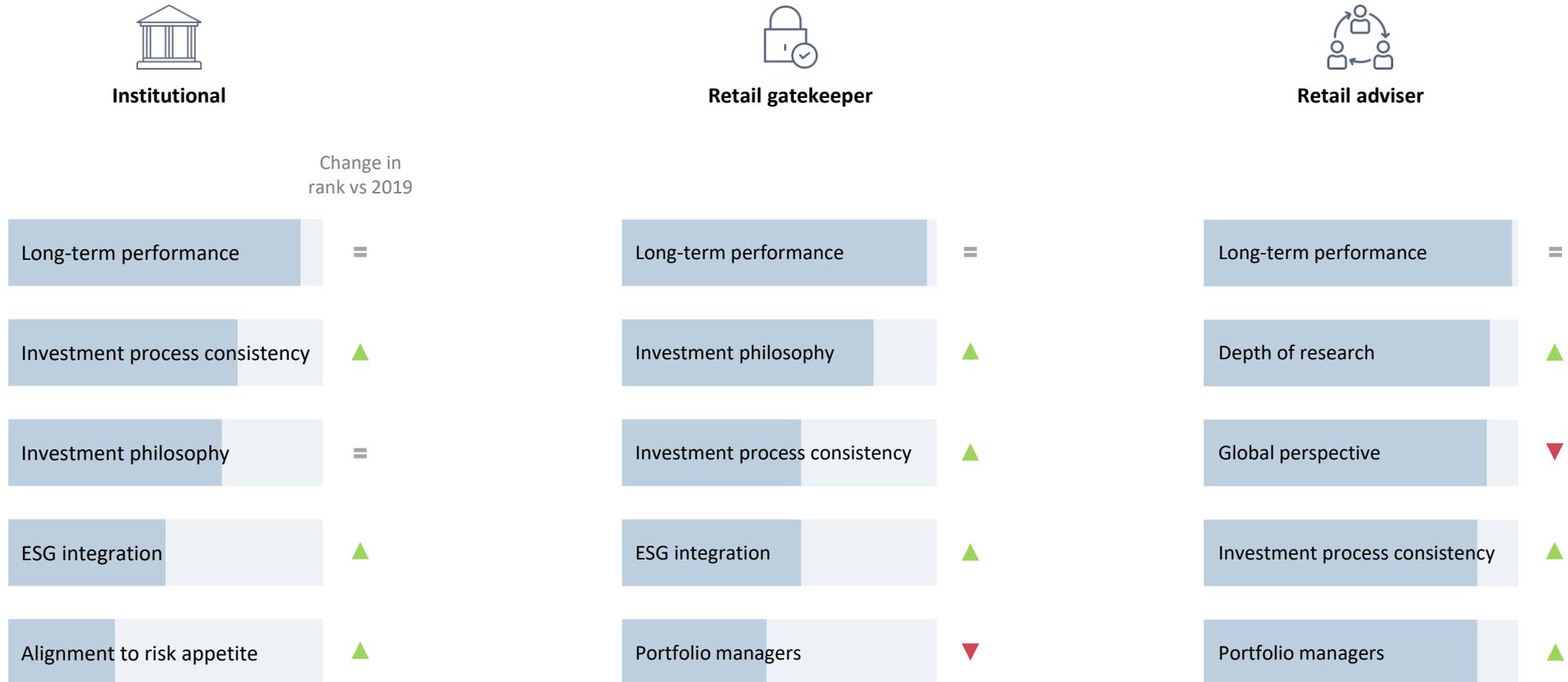
Retail adviser

Rank	Challenge	Change in rank
1	Market downturn	↑
1	Performance	↑
3	Client acquisition	↑
3	Asset retention	↑
5	Growth	↓

“Risks of stock market decline and U.S. dollar weakness in transition to the markdown phase of the market
Retail Adviser, Japan

Long-term performance remained the top factor across all investors; ESG integration increased in importance for institutional and retail gatekeepers

Top 5 most important investment factors (Japan)



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' is the leading driver to attend conferences in-person. For advisers, 'ease of travel' is an important consideration

Attending conferences in-person (Japan)



Institutional

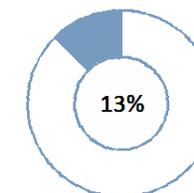
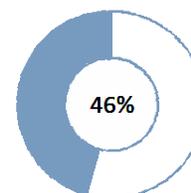
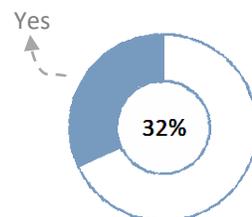


Retail gatekeeper



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 asset managers

- The topics were of interest
- Speaker or had a role at the conference

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

The vast majority of advisers use social media regularly. YouTube, Twitter, Instagram and Facebook were most widely used

Social media platforms – Retail adviser (Japan)

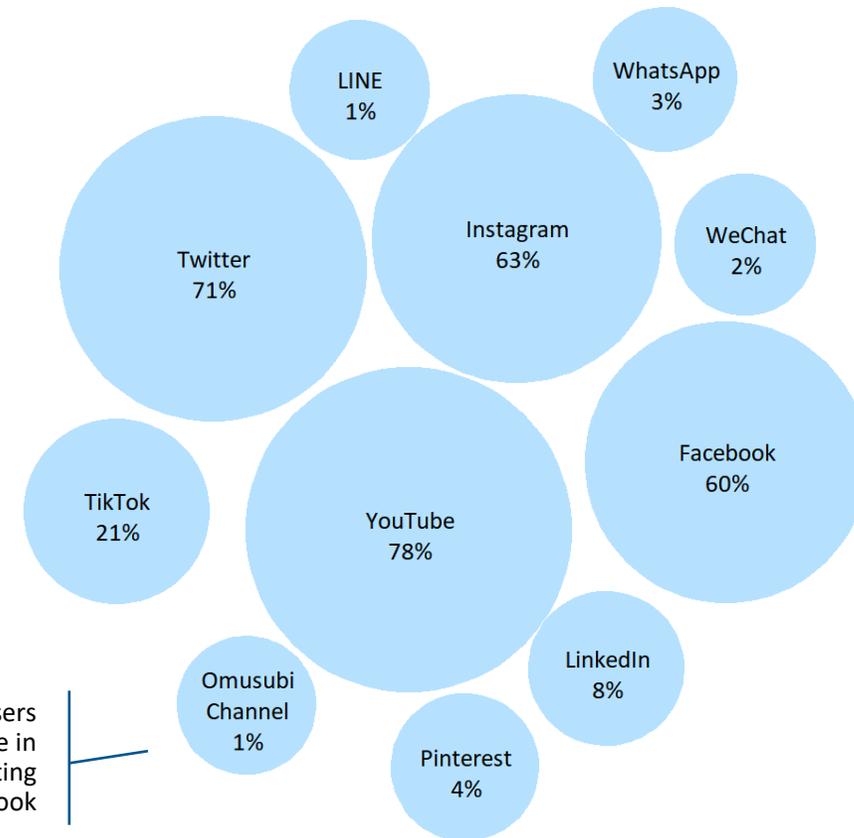
Social media platforms regularly used
(% of respondents who use social media)



98% 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 expect to continue to use or lift usage in YouTube, Twitter, and Instagram, shifting away from 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 Will Fraser at will.fraser@nmg-group.com

