



Global Asset Management Insights

Insights Partner Report

► For US participants in our Global Asset Management Study

February 2024

Introduction, an independent global perspective



Underlying Research



Summary Insights



Purpose

Annual global research study to inform asset managers and investment buyers of client needs, behavioral drivers and competitive strengths and weaknesses



Approach

Independent structured interviews with investment decision makers within institutional asset owners, asset consultants, retail fund buyers and financial advisors



This report

This report shares findings with the 882 US participants who took part in the study during the period June to July 2023



Manager performance

BlackRock ranked 1st amongst both institutional and retail audiences on NMG's unprompted brand ranking. All managers in the top-10 are US based asset managers



Thought leadership

Artificial intelligence has emerged as a leading topic for thought leadership across all audiences, followed by sustainability focused themes for institutional investors, and inflation for retail audiences



Asset allocation

Investors are optimistic towards US fixed income and most alternatives other than real estate. Pension funds persist with their support for target date funds



Key challenges

Institutional investors are primarily concerned about performance, while growth and economic uncertainty are key challenges for retail audiences



Value added support

Market insights and commentary offer the greatest value-added support for both institutional and retail fund buyer audiences

BlackRock is the leading brand across both institutional and retail audiences; Wellington Management moved into top-3 among institutional investors

Top-10 asset managers brand ranking (US, 2023)



Institutional brand rank (out of 370 asset managers)

Change in
rank vs. 22

Brands in the US asset management industry continue to be dominated by domestic managers

Wellington rose to 3rd (from 5th), with increased recognition for domestic equity (1st) and emerging market equity capabilities, along with high recognition for trusted, ESG, and consistency

Franklin Templeton rose into the leading top-10 managers (from 18th), with uplifts in recognition for multi-asset, global equity, TDFs and for being transparent, innovative, global, and client focused

| | | |
|---------|----|-----------------------|
| ----- = | 1 | BlackRock |
| = | 2 | PIMCO |
| ----- ↑ | 3 | Wellington Management |
| ↓ | 4 | T. Rowe Price |
| ↓ | 5 | J.P. Morgan |
| ↑ | 6 | Fidelity Investments |
| ↓ | 7 | Capital Group |
| ↑ | 8 | Dodge & Cox |
| ----- ↑ | 9 | Franklin Templeton |
| ↑ | 10 | Invesco |



Retail brand rank (out of 688 asset managers)

| | | |
|---|----|----------------------|
| = | 1 | BlackRock |
| ↓ | 2 | American Funds |
| ↑ | 3 | J.P. Morgan |
| = | 4 | Vanguard |
| ↓ | 4 | Fidelity Investments |
| ↓ | 6 | PIMCO |
| ↑ | 7 | Franklin Templeton |
| ↓ | 8 | T. Rowe Price |
| ↓ | 9 | Invesco |
| ↓ | 10 | MFS |

J.P. Morgan lifted to 3rd (from 6th), with uplifts in recognition from retail fund buyers, for domestic equity, along with having industry leadership and being client focused

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 2022 and 2023

2. Overall retail rank is calculated by giving equal weighting to rank in retail fund buyer and financial advisor

3. Arrows indicate the manager's change in ranking (2022 vs. 2023). "=" indicates no change in its rank

Lead managers are regarded for showing leadership, delivering service and being consistent



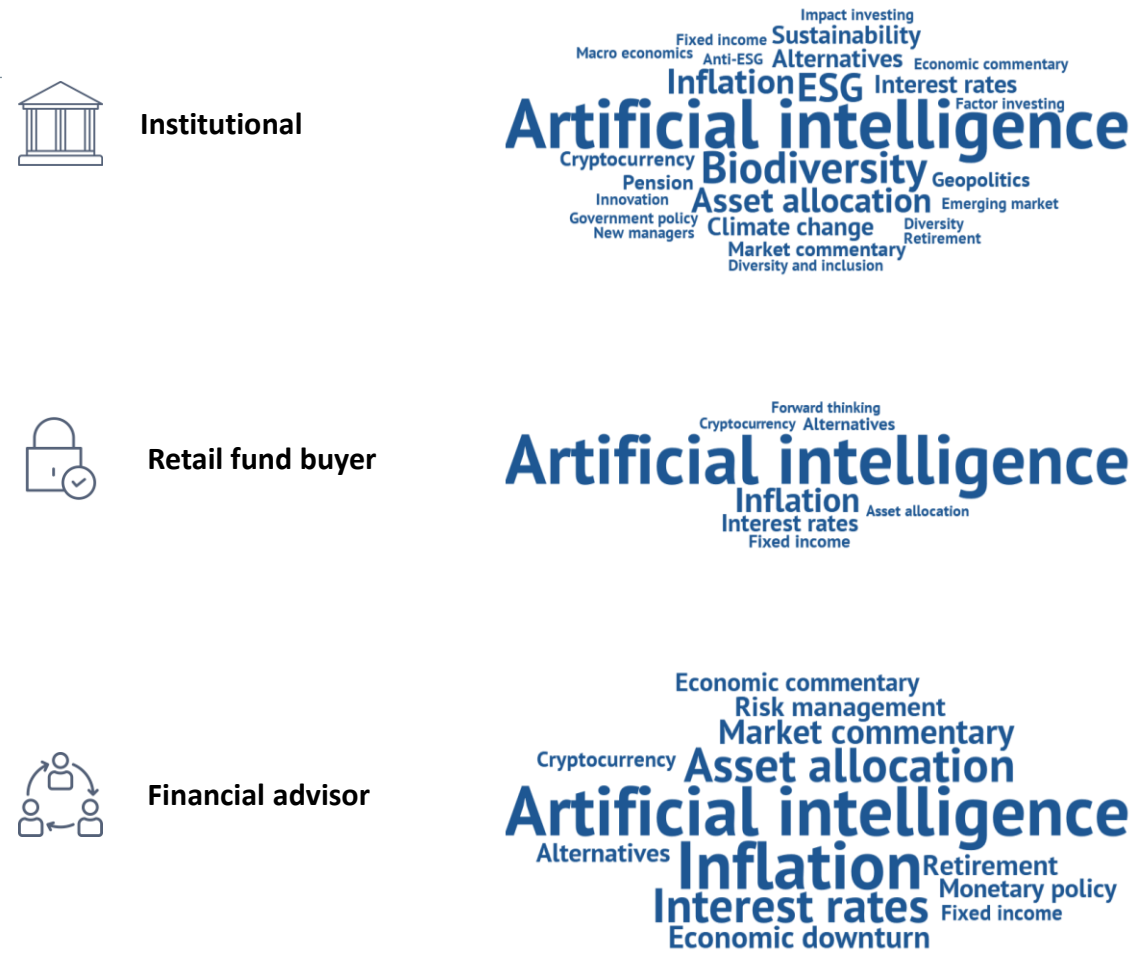
Lead active manager brand profile (US, 2023)



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

Artificial intelligence has emerged as a leading topic of interest

Thought leadership topics of interest in the next 12 months (US, 2023)



Top 5 topics

| 2023 Rank | Change in rank vs. 22 | |
|-----------|-----------------------|---|
| 1 | ↑ | ----- Given current technological advancements, all audiences would like to learn more about artificial intelligence, and how it will aid or disrupt work in the industry |
| 2 | ↑ | |
| 3 | ↓ | |
| 4 | ↓ | |
| 4 | ↓ | |
| 1 | ↑ | ----- Retail audiences continue to worry about the economy, with inflation and interest rates staying top of mind |
| 2 | ↓ | |
| 3 | ↑ | |
| 4 | ↑ | |
| 4 | ↑ | |
| 1 | ↑ | |
| 2 | ↓ | |
| 3 | ↓ | |
| 3 | ↑ | |
| 5 | ↑ | |

Note: 1. Arrows indicate the topic's change in ranking (2022 vs. 2023).

Half of institutional investors and professional buyers are using AI solutions, typically for operational efficiency. Advisors are adopting AI primarily for client engagement



% Using AI tools

Top 3 uses of Artificial Intelligence techniques by firms (US, 2023)



Institutional

54%

1. Internal operational efficiency

“ System integration and learning from content in the organizational management software systems.
Endowment, US

2. Asset manager due diligence

“ We use it for transactional support to help automate processes.
Pension Fund, US

3. Investment research & analysis

“ We are trialing generic analysis in the investment process and contracting process in private assets.
Pension Fund, US



Retail fund buyer

47%

1. Internal operational efficiency

“ Computers are blocked in-house, no access. AI could be helpful in automating manual tasks such as information gathering/sorting.
Retail Fund Buyer, US

2. Investment research & analysis

“ Used ChatGPT for economic analysis but limitation as data only goes to 2021, so not accurate.
Retail Fund Buyer, US

3. Client engagement

“ We use AI to help write client communications. However, AI is limited and it's useless for anything current events
Retail Fund Buyer, US



Financial advisor

31%

1. Client engagement

“ We just began using ChatGPT to assist in creating content for our website.
Financial Advisor, US

2. Internal operational efficiency

“ Great for coding projects as well to help workflow and make automations.
Financial Advisor, US

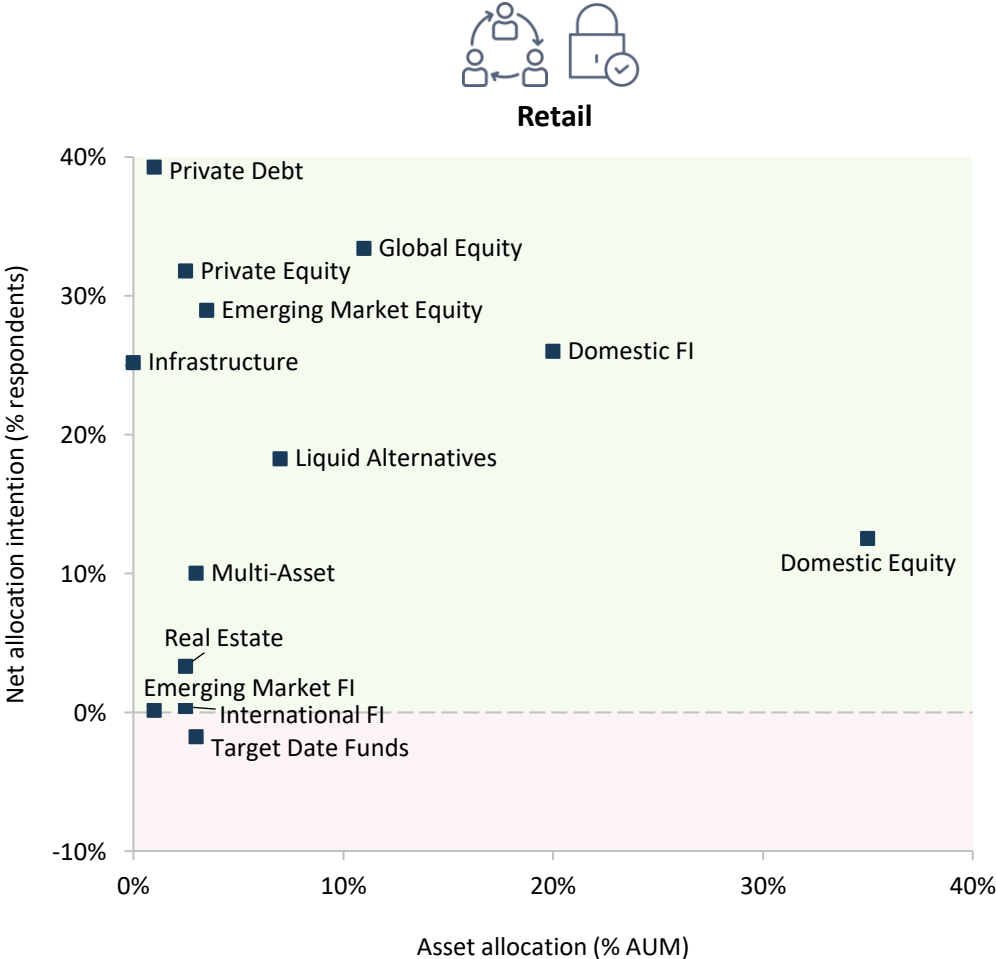
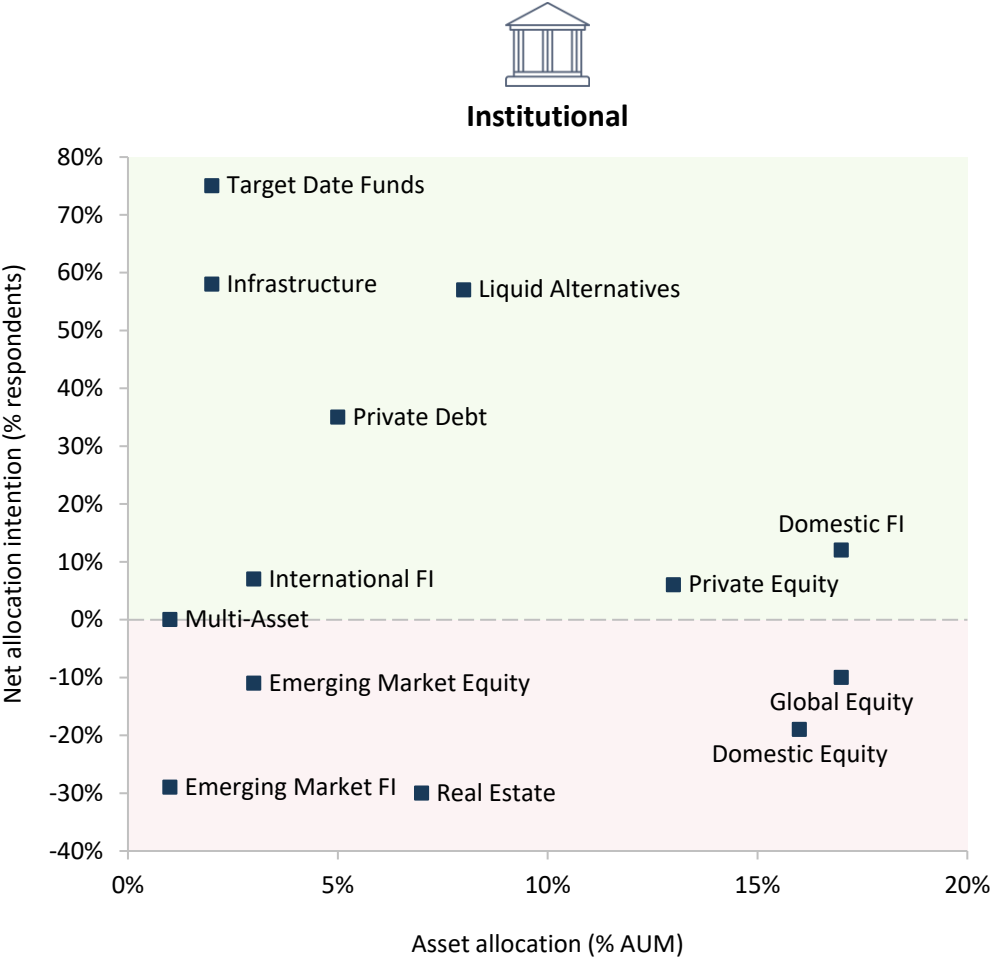
3. Investment research & analysis

“ We are using AI tools for market projection analysis.
Financial Advisor, US

Investors are optimistic in allocations towards US fixed income and alternatives (except real estate). Pension funds persist with their support for target date funds



Reported asset mix and asset allocation intentions (US, 2023)



Note: 1. Net allocation intention (% of respondents) denotes the proportion of respondents who quoted an expected increase less % of respondents quoting a decrease
2. Increase in allocation ○ Decrease in allocation ○

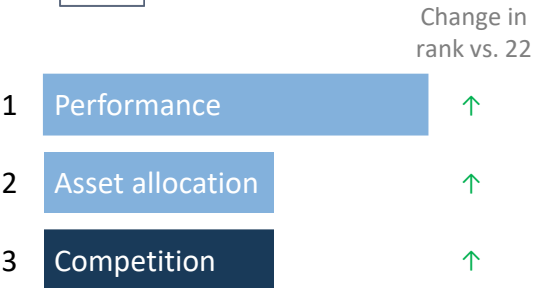
Performance challenges are top-of-mind for institutional investors, while client acquisition and growth are key challenges cited by retail fund buyers and advisors



Top 3 greatest challenges expected in next 12 months (US, 2023)



Institutional

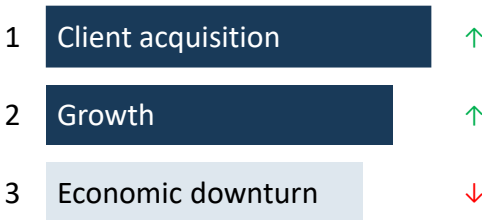


“Continuing to generate performance and proving worthiness of sustainable and responsible investing through short and long-term results.
State Pension, US

“Competition is always the biggest challenge. Business development is always a struggle.
Asset Consultant, US



Retail fund buyer

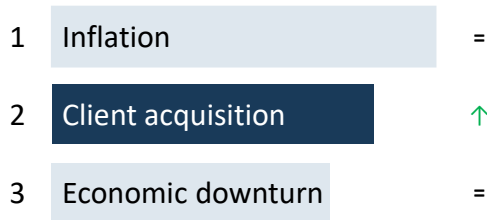


“We don’t have a lot of new clientele coming in. Younger generations don’t use our services.
Retail Fund Buyer, US

“Governmental uncertainty and new regulations affecting the economy negatively. Inflation and rates. Domestic and international unrest.
Retail Fund Buyer, US



Financial advisor











“Managing volatility and uncertainty with interest rates and inflation and using that to rebalance portfolios.
Financial Advisor, US

“Finding more clients that fit our account minimums and belong to our preferred niche.
Financial Advisor, US

Note: 1. Top challenges are colored into the following categories: Fund performance: ● Business growth: ● Economy: ●
2. Arrows indicate the challenge’s change in ranking (2022 vs. 2023). “=” indicates no change in its rank

High value marketing and support services from asset managers are thought leadership, market-related commentary and portfolio outlooks

Top 3 stated value-added support drivers (US, 2023)

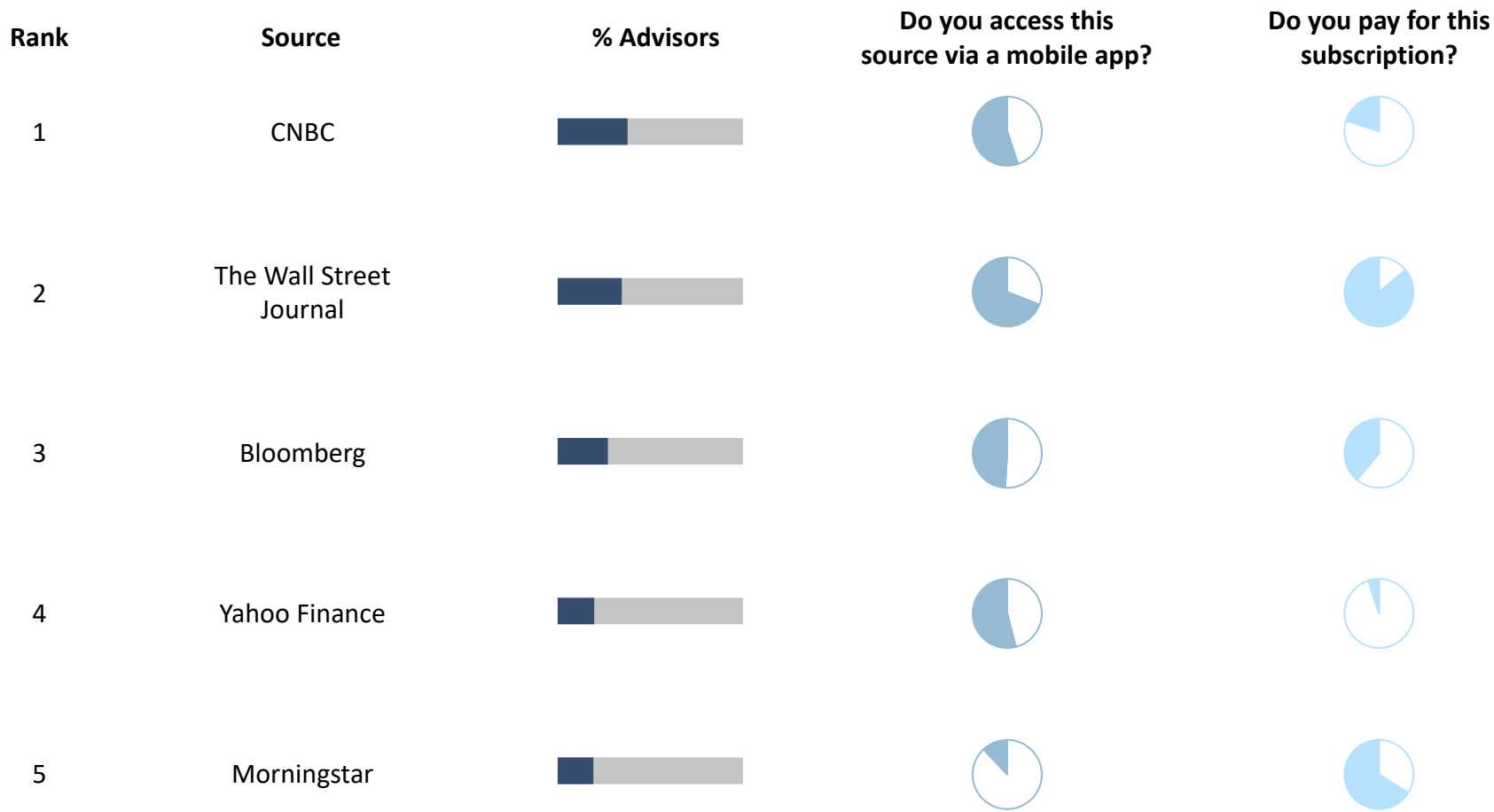
|  Institutional | | |  Retail fund buyer | | |
|---|---|----------------------------|---|---|------------------------|
| | | Change in rank vs. 2022 | | | |
| 1 |  | Thought leadership = | 1 |  | Market commentary ↑ |
| 2 |  | Portfolio commentary = | 2 |  | Thought leadership ↑ |
| 3 |  | Market commentary = | 3 |  | Portfolio commentary ↓ |

Note: 1. Stated importance ('what they say') is based on what the respondents state are the most important value-added support drivers
2. Arrows indicate the factor's change in stated importance ranking (2022 vs. 2023). "=" indicates no change in its stated importance rank

CNBC is widely viewed by advisors for investment information, but advisors are most likely to have a paid subscription with The Wall Street Journal & Morningstar



Regular digital sources for investments information (Financial advisor, US, 2023)



Note: 1. % Advisors shows the # of citations for the respective source out of the number of respondents responded with a source
2. Shaded portion of the pie chart represents the number of respondents who answered “yes”, out of all respondents who provided an answer to the question

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

