



Global Asset Management Insights

Insights Partner Report

► For UK participants in our Global Asset Management Study

March 2024

Introduction, an independent global perspective



Underlying Research



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, wholesale fund buyers and financial advisers



This report

This report shares findings with the 292 UK participants who took part in the study during the period May to July 2023



Summary Insights



Manager performance

BlackRock and Fidelity hold 1st rank positions in the institutional and retail segments, respectively, on NMG's unprompted brand ranking



Lead manager profile

Institutional investors and wholesale fund buyers regard their lead managers for their support, global scale, innovation and consistency. Financial advisers favour consistent performance and trustworthiness



Thought leadership

Artificial intelligence has emerged as a key topic of interest for thought leadership



Key challenges

Institutional investors are concerned with inflation and ESG, while regulations were nominated as the key challenge for retail audiences



Value added support

Thought leadership and portfolio commentary offer the greatest value-added support for both institutional and wholesale fund buyer audiences

BlackRock maintains its lead with institutional audiences, while also breaking into the top-3 for the retail segment

Top-10 Asset Managers Brand Ranking (UK, 2023)



Institutional Brand Rank (out of 217 asset managers)



Retail Brand Rank (out of 299 asset managers)

Institutional brand rankings in the UK asset management industry remain stable

Legal & General remains in 2nd but had reduced recognition for domestic fixed income capabilities

M&G Investments rose into the top-10 (from 11th), driven by greater recognition for fixed income and infrastructure capabilities. Respondents also noted improved client focus

Change in rank vs. 22

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1	BlackRock
2	Legal & General
3	Baillie Gifford
4	Schroders
5	Insight
6	J.P. Morgan
7	PIMCO
8	Aviva Investors
9	abrdn
10	M&G Investments

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1	Fidelity
2	Schroders
3	BlackRock
4	M&G Investments
4	Liontrust
6	Vanguard
7	Royal London AM
8	Baillie Gifford
9	J.P. Morgan
10	Jupiter Asset Management

---- **BlackRock** rose to 3rd (from 8th) with increased recognition for liquid alternatives, emerging market equity and good value

---- **Baillie Gifford** fell to 8th (from 3rd), with a drop in international equity recognition and decrease in brand attributes including consistency and client focus

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 wholesale fund buyer and financial adviser

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

Lead managers are regarded for their global scale, support, innovation and consistency

Lead active manager brand profile (UK, 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 top topic of interest

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



Institutional



Wholesale fund buyer



Financial adviser



Top 5 topics

2023 Rank	Change in rank vs. 22	Notes
1 ESG	=	----- ESG remains top of mind for both retail and institutional audiences
1 Alternatives	↑	
1 Artificial intelligence	↑	----- Artificial intelligence ranks as a leading thought leadership topic for the first time, with interest in how it will aid or disrupt work in the industry
4 Inflation	↓	
4 Biodiversity	↑	
1 Artificial intelligence	↑	
2 ESG	=	
3 Inflation	↓	
3 Consumer Duty	↑	
5 Strategy	↑	
1 ESG	=	----- Retail audiences are increasingly interested in thought leadership addressing regulatory challenges
2 Inflation	=	
3 Consumer Duty	↑	
4 Market commentary	↓	
5 Interest rates	↑	

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

AI tools are being explored by all audiences for investment research and to improve operational efficiency. Retail audiences are examining AI for client engagement

% Using AI tools

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



Institutional

50%

1. Internal operational efficiency

“ Pensions administration teams use it to deal with member enquiries (e.g., automated telephone messages).
Pension Fund, UK ”

2. Investment research & analysis

“ Used for underlying portfolio analysis.
Pension Fund, UK ”

3. Asset manager due diligence

“ Assisting in due diligence.
Pension Fund, UK ”



Wholesale fund buyer

39%

1. Client engagement

“ AI tools are used to create draft information pieces for use on social media and for generic information production for reports.
Wholesale Fund Buyer, UK ”

2. Internal operational efficiency

“ Productivity tools (e.g., Autopilot by Microsoft). Not used on the investment side.
Wholesale Fund Buyer, UK ”

3. Investment research & analysis

“ Programming code in python to help with fund analysis and process building.
Wholesale Fund Buyer, UK ”



Financial adviser

15%

1. Client engagement

“ Would consider for generic client communications, however, currently unnecessary as it is available via the compliance hub.
Financial Adviser, UK ”

2. Internal operational efficiency

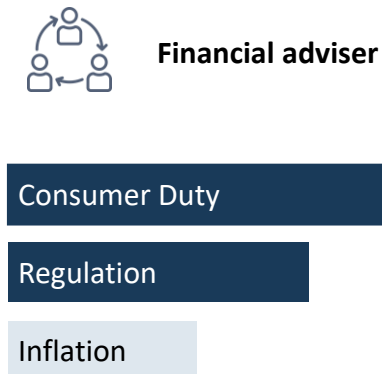
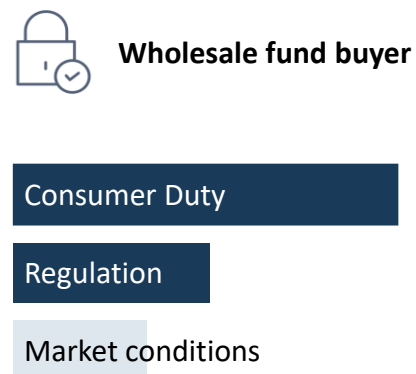
“ We actively look at ways that AI can be used to speed up some work tasks.
Financial Adviser, UK ”

3. Investment research & analysis

“ I run the odd unwieldy paragraph through ChatGPT / Bard / Bing to see if they can tidy it up a bit.
Financial Adviser, UK ”

Institutional investors are concerned about inflation, while new regulation is a prominent challenge reported by wholesale fund buyers and financial advisers

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



“ Real returns with inflation.
Pension Fund, UK

“ Consumer duty Implementation. Regaining confidence in the markets for clients.
Wholesale Fund Buyer, UK

“ Consumer Duty. Regulations are nice to have, but where is the real value/benefit for advisers and fund providers?
Financial Adviser, UK

“ Making sustainable investment decisions. Net zero commitment. Active stewardship of the whole portfolio.
State Pension, UK

“ Increased regulation from an external perspective. Central Bank policy.
Wholesale Fund Buyer, UK

“ Market volatility, interest rates, and regulation.
Financial Adviser, UK

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

In periods of volatility, quality portfolio commentary is highly valued

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

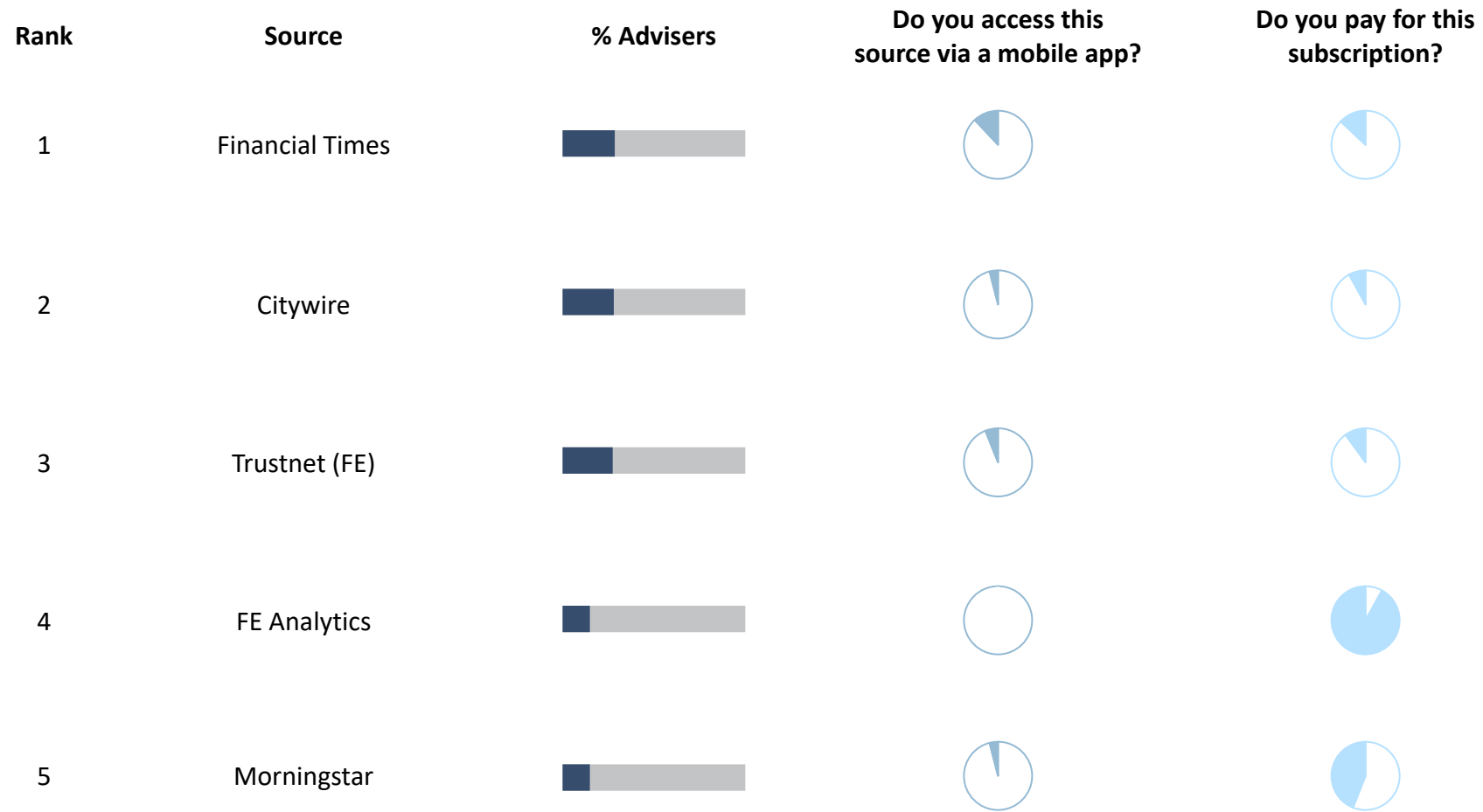
Institutional			Wholesale fund buyer		
		Change in rank vs. 22			
1.		Thought leadership =	1.		Portfolio commentary =
2.		Portfolio commentary =	2.		Thought leadership ↑
3.		Client reporting ↑	3.		Market commentary ↓

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

The Financial Times is widely viewed by advisers for investment information, though they are more likely to have a subscription with FE Analytics and Morningstar



Regular digital sources for investments information (Financial adviser, UK, 2023)



Note: 1. % Advisers 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

