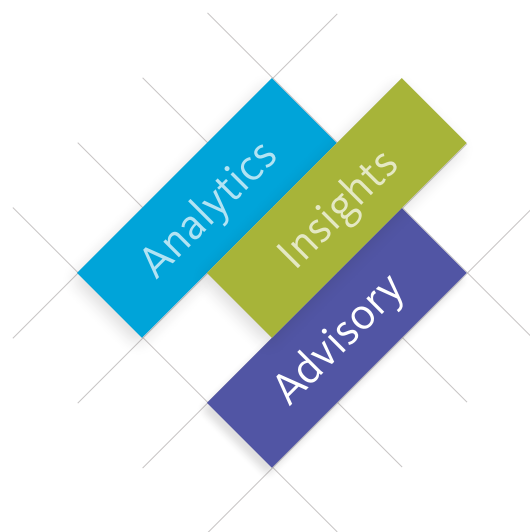


Broadridge Distribution Insight

Powerful insights across the asset management industry



Distribution Insight provides independent research from experts utilising the best analytics in the global asset management industry.

Our Insights services offer in-depth analysis of critical trends in product demand and distribution for both retail and institutional client segments.

INSIGHTS FOCUSED ON

Trend analysis

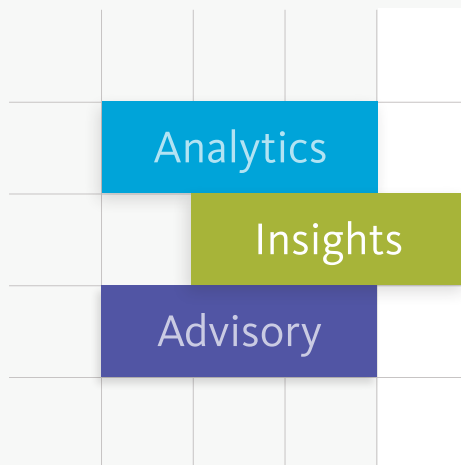
Product demand

Channel dynamics



Broadridge Distribution Insight provides everything you need to make informed decisions

1. Best-in-class global data and **analytics** tools for asset management distribution
2. In-depth, unique, and up-to-date research **insights** on key areas driving asset management markets
3. **Advisory** capabilities from a consultant team of global subject matter experts



THE INSIGHTS MISSION

Discover the key trends separating speculation from fact

Reveal demand hotspots and emerging areas of interest

Understand channels and distribution in key markets

Our Insights services are at the heart of the Broadridge Distribution Insight platform

Insights

Our global research focuses on product and channel — spanning APAC, Europe, LATAM, and US — and covering core trends and topics such as retirement, product innovation, the growth of China, and ESG.

Analytics

Our market-leading Analytics solutions are designed to answer key business questions.

Our Analytics products provide comprehensive global coverage of asset flows and fees; as well as data on product development and sub-advisory relationships.

Advisory

Our expert Advisory team will work with you to design practical and realistic distribution strategies that lead to real world results.

A range of Insights designed to help you identify new market opportunities

Use our five Insights products to explore critical issues.

TREND ANALYSIS



Separate the signals from the noise and inform your retail and wholesale business with a comprehensive, regular source of reliable data and insights.

PRODUCT DEMAND



Helping you build product ranges that are fit for the future while providing support that drives business growth.

Prism

In-depth and cross-channel interpretation of opportunities, product development trends, and competitive dynamics by sub-asset class.

CHANNEL DYNAMICS



Guiding you to market entry or growth opportunities in existing and emerging asset pools.

Navigator

An annual service designed to form the foundation of your business planning for growth in key client segments.

TREND ANALYSIS

Radar is a series of publications that synthesise asset management market intelligence into digestible outputs to inform decision-making.

Radar includes a detailed analysis of:

- What is – and isn't – selling
- Which of your competitors are excelling and why
- What the regulators are planning for the future
- What the outlook is for asset growth and sales flows

PACKAGE OPTIONS:

Europe	APAC	LATAM	USA
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Fund flows in September 2023

Issue: September '23

HIGHLIGHTS

- European long-term sales plummet deeper into the red in September (€42bn), leaving net flows YTD underwater on -€24bn.
- Cross-border flows record their worst month of 2023 (-€28bn), as redemptions YTD hit €47bn, led by €40bn of mixed asset outflows.
- Passive providers ride the wave of redemptions, in particular ETF managers, and DWS once again heads the master group leaderboard.

September 2023 AT A GLANCE

NET SALES TRENDS

	Sep '23	Δ vs Aug '23	YTD
Bond	-€9.4bn	-€2.6bn	€81.8bn
Equity	-€11.6bn	-€4.6bn	-€10.3bn
Mixed	-€13.5bn	-€7.1bn	-€80.3bn
Other	-€7.3bn	-€7.5bn	-€15.5bn
TOTAL	-€41.7bn	-€21.8bn	-€24.3bn

INDUSTRY PROGRESS

- Subdued investors still have appetite for target maturity bonds, making it the best-selling sector YTD with net sales of €50bn.
- Cross-border's woes continue as September's €28bn of outflows lift losses YTD to €47bn.
- Fund launches almost double in September, from just 82 to 156, while sales total €5.1bn, near twice the €2.8bn raised in August.

CUMULATIVE NET SALES, LAST 6 MONTHS

BEST AND WORST SECTORS – NET SALES

	Jul '23	Aug '23	Sep '23
1	Eq Global	Eq NA	Eq Global
2	Bd TM	Bd TM	Bd TM
3	Eq North America	Bd EUR Gov	Bd EUR Gov
203	Eq UK	Asset Allocation	Real Estate
204	Asset Allocation	Bonds Flexible	Asset Allocation
205	Asset Alloc Alt	Bd Em Markets	Bonds Flexible

ACTIVE/PASSIVE

NET SALES BY THEME, EM

ASSET CLASS	ACTIVE	PASSIVE	ABSOLUTE RET.	ALTERNATIVE	INCOME	SRI
Bond	-0.831	455	-2.265	-2.465	-	-2.519
Equity	16.856	5,271	-967	1,679	-1,237	-8,335
Mixed Asset	-13,442	-16	-3,084	-3,753	-813	-5,788
Other	-5,030	-1,887	57	-3,780	-	-480

ABBREVIATIONS:
 EM: Emerging Markets
 TM: Target Maturity
 CDF: Corporate High Yield
 CIG: Corporate Investment Grade

PRODUCT DEMAND

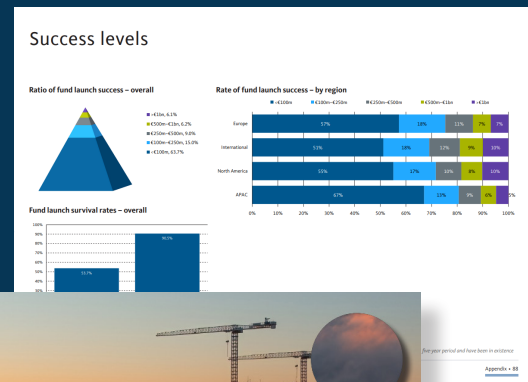
Product Innovation Perspectives enables a deeper understanding of the drivers behind successful product launches, equipping product teams with clear, incisive indicators and an in-depth analysis of clients' changing demands.

What's included?

- Ten key strategy questions for product teams to consider
- Examination of industry trends through cross-border, regional, and global lenses
- Success metrics: What managers and strategies are winning business, and why?
- Regional and international innovation successes
- Selectors' future innovation needs
- Multimedia access points including six monthly in-depth reports
- Monthly market barometer and webcasts

PACKAGE OPTIONS:

Global



Prism

PRODUCT DEMAND

Prism is the definitive source of in-depth asset class intelligence.

It offers a unique cross-channel examination of opportunities, product development trends, and competitive dynamics by sub asset-class (e.g. thematic equities, emerging markets debt, and direct lending).

Each of the asset class services offers quarterly reports, which include one special topic deep dive per quarter. We cover 16 special topics a year in the Prism series, one topics each quarter in each asset class.

Summary Private Debt

We analyze a market with US\$1.5trn in assets under management globally

Opportunity analysis

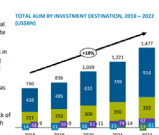
- Amid increasing interest rates, reinvestment of traditional sources of lending, and continued market volatility, private debt has seen strong expansion in 2022 and 2023 so far.
- In the US, the failure of several small to mid-sized banks in early 2023 has exacerbated an already tightening lending market, driving increasing numbers of companies to seek private financing.
- Europe has continued to see a reduction in bank lending as regulations increase, and European companies are increasingly comfortable with raising on private lenders.
- APAC remains a smaller private credit market, but the lack of public debt markets in many countries will act as a growth driver in the region.

Product development

- As access to senior debt and unsecured interest rates have risen, mezzanine financing forms of private debt are making a comeback, accounting for 27% of total private debt in the past 12 months.
- Aligned with other private asset classes, managers have begun to seek real time BlackRock, Ares Management and BlackRock-Focused strategies in recent years.

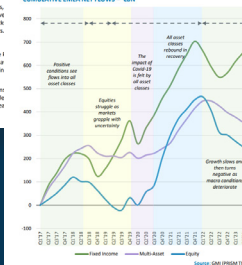
Competition

- Traditional managers (Fidelity, T. Rowe Asset Management, etc.) have begun to enter the private debt space in recent years, mainly in the US.
- However, the difficult market conditions 2023 have brought investors closer to us to have solidified their positions and secure concentration.



The Quarter in Perspective

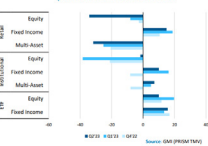
CUMULATIVE EMEA NET FLOWS - €Bn



TAKING A MACRO VIEW

- The hawkish stance assumed by central banks and persistently high inflation, coupled with recessionary fears are primarily responsible for the continuation of equity redemptions. Both retail and institutional investors withdrew from the asset class, resulting in a net outflow of €20bn in Q2 23. It remains a bright spot, attracting €10bn in flows in Q2 23.
- Investors continue to reduce their fixed income, led by higher yields in the higher-for-longer rate environment; the asset class posted continued inflows of €65 bn across all three observers.
- Institutional multi-asset remained positive in Q2, attracting €1bn in flows, in contrast, retail investors had the asset class at par, recording redepositions of €20bn in Q2 23.

QUARTERLY FLOWS BY CLIENT TYPE - €Bn



Summary EMEA equity

This report analyses €6.45trn of EMEA equity AUM as of Q2 2023

Our equity coverage of €6.45trn can be segmented several ways:

- With 55% of AUM, the retail channel is the main equity client type. On the institutional side, pension funds dominate, and they account for over 18% of overall AUM.
- Segregated mandates make up 56% of institutional AUM. Retail is predominantly an active story, with only 12% of retail AUM in passive equity strategies. In the institutional space, passive is more popular, accounting for 56% of assets.
- We include cross-border ETFs, although we cannot see the underlying client type in this analysis. This accounts for 12% of assets and is shown below as ETF.

COMPOSITION OF EMEA EQUITY AUM ANALYSED THROUGHOUT THIS REPORT - Q2 2023



distribution 360

CHANNEL DYNAMICS

Distribution 360 (D360) provides guidance for market entry or growth opportunities across existing and emerging asset pools.

D360 consists of quarterly regional reports designed to support business-strategy planning for achievable growth in complex Asian markets. D360 Europe is now available as the Radar Europe Quarterly Distribution Supplement (QDS).

Both reports includes a data file that supports analysis; including unique data-measuring pools of assets that are accessible to third-party groups, as well as distribution channel metrics.

PACKAGE OPTIONS:

APAC

Europe

Summary

APAC sizing, accessibility and outlook

APAC's total fund and ETF AUM hit US\$7trn in 2022 and is expected to grow to US\$12trn by 2027

Executive Summary

Sizing and outlook

- Sizing: APAC's total fund and ETF AUM hit US\$7trn in 2022 and is expected to grow to US\$12trn by 2027.
- Outlook: China is expected to continue leading regional growth at a CAGR (ex-ETF) of 14.2% in the next five years, followed by India at 14.0%.
- Addressability: Some 78% of APAC's US\$5trn in long-term funds is third-party accessible. Markets with higher cross-border fund presence, such as Singapore, Hong Kong and Taiwan, score higher in terms of asset addressability, whereas markets with a significant share of proprietary distributed assets are harder for global managers to break through. Nevertheless, sub-advisory and exclusive partnership arrangements have significantly improved the overall asset addressability in the region.

Channel analysis

- Sub-advisory remains an attractive opportunity: Sub-advisory assets are estimated to reach US\$540bn by end-2027. Going forward, yield-driven investments and income-generating strategies will continue to drive demand, and momentum in ESG is expected to sustain.

Product analysis

- ETFs: ETF assets to grow at a 13% CAGR over the next five years. In most markets, while the share of institutional holdings remains significant, we have observed a rise in retail adoption across multiple markets.
- ESG: ESG fund assets to grow at a 17% CAGR over the next five years. There is much evidence of ESG investments gradually gaining traction across all jurisdictions in APAC. However, ambiguities still exist in terms of ESG labelling and greenwashing. Regulators are expected to continue to address these issues.

APAC long-term mutual fund AUMs, 2017-2027 forecast, US\$bn

Long-term mutual fund asset accessibility, Apr-23

LTMF assets¹, Apr-23 (US\$bn)

Sub-adv² 8%

ETF 16%

Open-end 10%

Other 66%

1/ Non-accessible 2/ Accessible

Q2 2023 highlights from this edition

Instant insights

- The Italian market remains tightly controlled by local distribution networks, with the majority of big Italian fund managers benefitting from vertical integration. The share of cross-border groups has been growing since open architecture took off in the early 2000s, with cross-border funds claiming 45% of local assets.
- In our round-up of European regional distribution trends in this edition, we cover a shake-out in German boutiques, a €928m reallocation of the Swedish government pension system, why nominally accessible French institutional assets remain in reality very closely held, and take a look at Austrian fund influencers.
- Europe remains a patchwork of regulation when it comes to property funds, but across the continent, fund selectors are calling for more ways to access illiquidity premiums and real assets via daily-dealing funds. As real estate markets melt down, we ask if fund groups can ever square this circle.

DATA HIGHLIGHTS

Accessible assets market and type, 2023 (€bn)

Source: Broadridge EIP accessible assets

Italy is among Europe's most open markets but local managers are increasingly competitive. See page 18

Best-selling German boutiques in H1 (€m)

Source: Pro BoutiqueFunds

A mixed asset sales slump and market rotation have shaken up Germany's top boutiques. See page 18

Open-ended European property AUM (domestic, €m)

Source: Broadridge GMI Funds

The very obvious decline of the formerly significant UK property fund market is clear from AUM numbers. See page 26

Independent research and expert analytics provide leading insights into the global asset management industry

A UNIQUE VANTAGE POINT

Utilise the best data

Assets, flows, and fees for retail and institutional globally – GMI.

Understand your clients

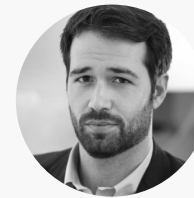
1,000s of fund selector and asset owner interviews per year to add qualitative understanding.

Tapping a wide knowledge pool

Country, regional, and global experts on a wide range of topics such as European distribution, China, and ESG.

A GLOBAL TEAM OF OVER 30 EXPERTS

Europe



Will Mayne



Chris Chancellor



Barbara Wall

Asia



Yoon Ng



Evonne Gan



Bryan Liu

Americas



Andrew Guillette



Jag Alexeyev



Jeff Tjornehoj

Design a bespoke programme for your unique needs

INSIGHTS SERVICES

Our global Insights business provides a comprehensive suite of annual services designed to help you grow through top quality information and expert insights.

All services can be selected as a standalone subscription, or combined to form a multi-report and/or multi-year discounted package. Our recommended approach is our 'Tailored Programme'.

	Trend Analysis	Product Demand	Channel Dynamics
Europe	Radar Europe	PRISM European Equity PRISM European Fixed Income PRISM European Multi Asset	Navigator UK DC & Retirement Income D360 Europe
APAC	Radar APAC		Navigator China D360 APAC
Americas	Radar US Radar LATAM		Models US
Global		Product Innovation Perspectives PRISM Private Markets	

A TAILORED PROGRAMME

We want to work with you for the long term, but we understand that your business priorities will change and that this sometimes makes multi-year package commitments difficult.

That is why we developed our tailored Insights programme. It offers our best rates while preserving flexibility to choose the right services for you each year.

EXAMPLE – A 2 YEAR, 4 SERVICE TAILORED PROGRAMME

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PRISM European Equity

Navigator China

Radar US

YEAR 2

Radar LATAM

Models US

PRISM European Fixed Income

D360 Europe

Pick any four reports each year – and get the best discounts

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Please contact insights@broadridge.com to inquire about pricing and access to any of our Insights products.

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