



Global Asset Management Insights

Insights Partner Report

► For German 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 325 German participants who took part in the study during the period May to July 2023



Summary Insights



Manager performance

DWS (Deutsche AM) was the 1st ranked brand amongst both institutional and retail audiences on NMG's unprompted brand ranking



Thought leadership

Artificial intelligence has emerged as a leading topic for thought leadership across all audiences, followed by ESG-related themes



Asset allocation

Retail audiences are optimistic toward most asset classes outside of real estate. Institutional audiences are oriented to alternatives opportunities and EM/European equities



Key challenges

Institutional investors are primarily concerned with liability matching, while regulation and inflation stand out as key challenges for retail audiences



Value added support

Client reporting and product documentation offer the greatest value-added support for both institutional and wholesale fund buyer audiences

DWS is the leading brand across both institutional and retail audiences; Deka Investments moved into top-10 among retail investors

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



Institutional brand rank (out of 148 asset managers)



Retail brand rank (out of 395 asset managers)

Change in rank vs. 22

DWS improved to be the top brand among institutional audiences. DWS led in domestic/European equity and real estate nominations, and rebounded in recognition for trust

----- ↑

1 DWS (Deutsche AM)

= **1** DWS (Deutsche AM)

↓

2 Allianz Global Investors

= **2** BlackRock

=

3 HSBC GAM

= **2** Fidelity

----- ↑

J.P. Morgan rose to 4th (from 6th) and was one of the few managers that saw an overall increase in their brand recognition based on increased perceptions for global perspective and transparency

4 J.P. Morgan

= **4** Flossbach von Storch

=

5 BlackRock

= **5** Allianz Global Investors

↓

6 Deka Investments

↑ **5** J.P. Morgan

=

7 Union Investment

= **7** Franklin Templeton

↑

8 PIMCO

= **8** ACATIS

↑

9 Amundi Asset Management

= **9** Union Investment

Nordea fell to 10th (from 8th), with drops in recognition for fixed income capabilities and fewer citations for ESG, thought leadership and client focus

----- ↓

10 Nordea

↑ **10** Deka Investments

----- **Deka Investments** lifted to 10th (from 12th) with improvements in unaided awareness. Deka achieved greater recognition for transparency

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 partnership, good service and maintaining a global presence

Lead active manager brand profile (DE, 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. ESG-themes remain top of mind

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



Institutional



Wholesale fund buyer



Financial adviser



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	↓	
2	↑	
2	↑	
2	↑	
1	↑	----- ESG and sustainability related themes remain top-of-mind amongst both wholesale fund buyers and financial advisers
2	↓	
3	↑	
3	↑	
3	↑	
1	↑	
2	↓	
3	↑	
4	↓	
5	↑	

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

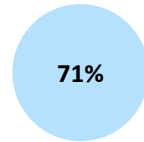
Over half of institutional investors and professional buyers are using AI solutions. Advisers are primarily adopting AI for client engagement

% Using AI tools

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



Institutional



1. Investment research & analysis

“ Introducing and optimizing AI in the investment research process.
Insurer, Germany ”

2. Asset manager due diligence

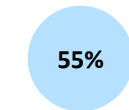
“ Our master provider uses AI a lot for manager selection.
Insurer, Germany ”

3. Internal operational efficiency

“ Use of AI is in planning.
Pension Fund, Germany ”



Wholesale fund buyer



1. Client engagement

“ We are leveraging AI to create chatbots.
Wholesale Fund Buyer, Germany ”

2. Internal operational efficiency

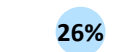
“ Planned for the future for customer communication and internal efficiency.
Wholesale Fund Buyer, Germany ”

3. Asset manager due diligence

“ We plan to increase operational efficiency through AI.
Wholesale Fund Buyer, Germany ”



Financial adviser



1. Client engagement

“ Customer emails, customer conversations, customer communication channels.
Financial Adviser, Germany ”

2. Internal operational efficiency

“ Currently using AI for our chat function on the homepage and internal filtering of calls.
Financial Adviser, Germany ”

3. Investment research & analysis

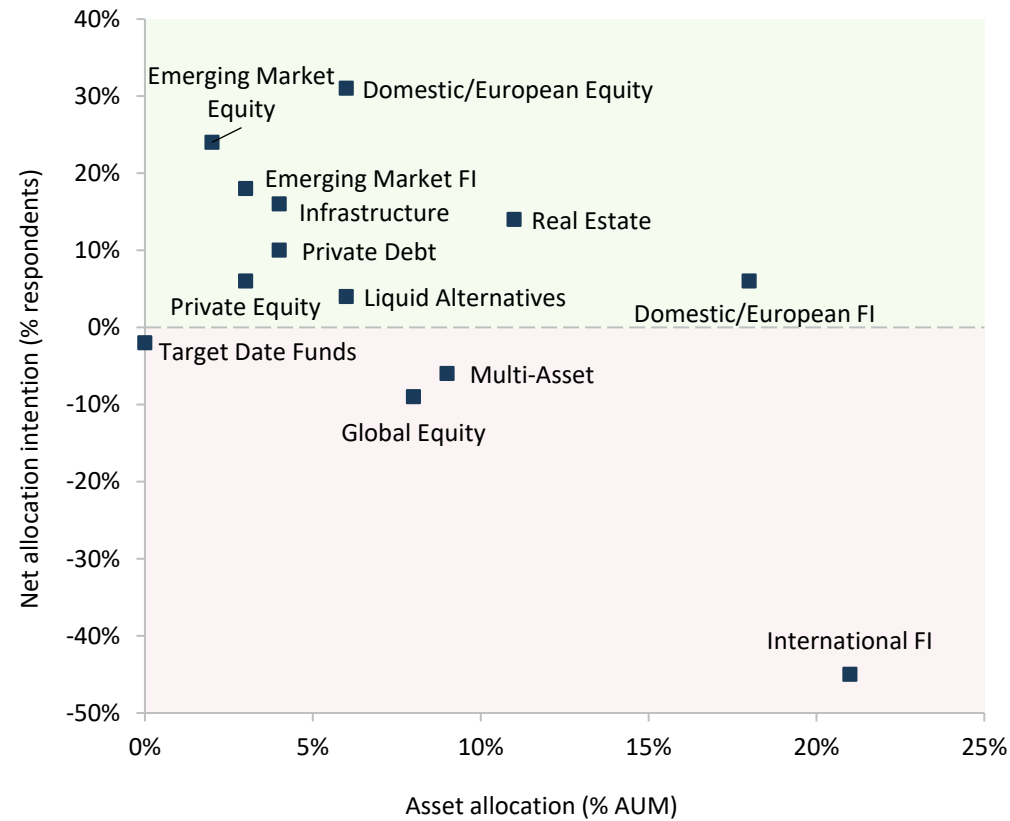
“ I only use ChatGPT for formulations or research and out of curiosity.
Financial Adviser, Germany ”

Retail audiences are optimistic in all asset classes except real estate, while institutional audiences are optimistic about alternatives and European equity

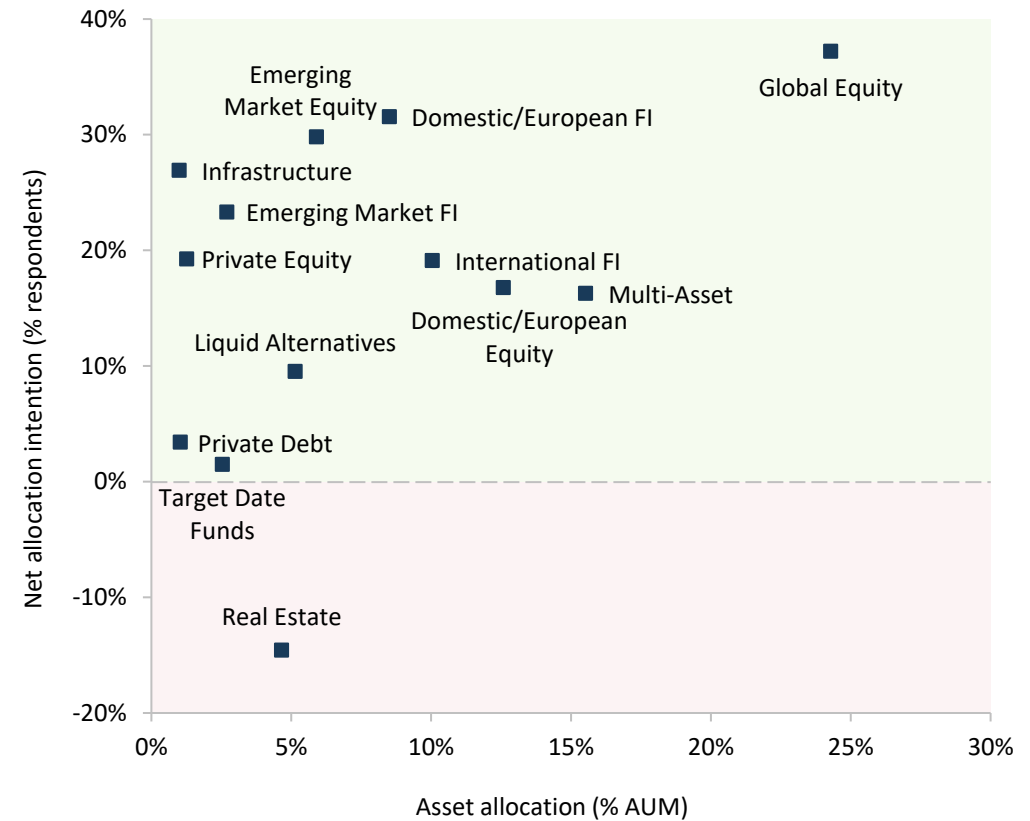
Reported asset mix and asset allocation intentions (DE, 2023)



Institutional



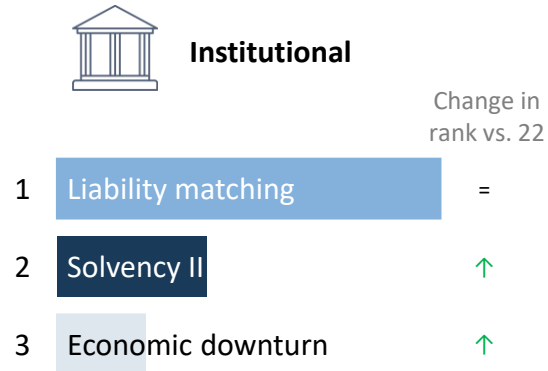
Retail



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 ○

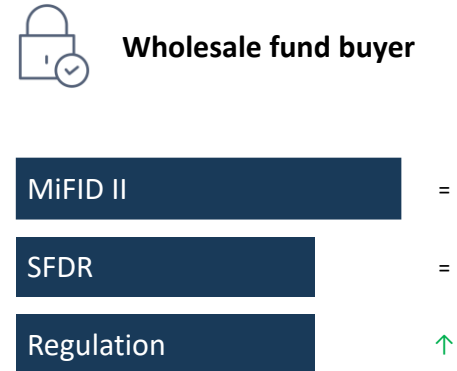
Institutional investors are primarily concerned with liability matching, while regulation and inflation remain top-of-mind challenges with retail audiences

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



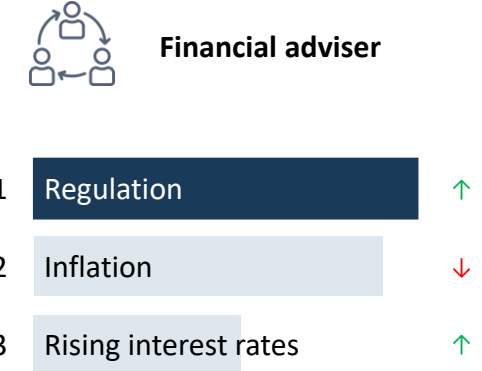
“ Matching liabilities and keeping premiums inflow as end clients terminate contracts more than average, level due to high-inflation.
Insurer, Germany ”

“ Matching liabilities and Solvency II requirements. Recession risk in US and globally.
Insurer, Germany ”



“ MiFid II, SFDR, Basel III + IV. Inflation and recession outlooks show no clear sentiment. We must be careful how we position ourselves.
Wholesale Fund Buyer, Germany ”

“ All regulations that we face and are distracting us from helping our clients and give them good advice. We are overregulated.
Wholesale Fund Buyer, Germany ”









“ Regulatory requirements. Digitisation and the rapidly changing interest rates which are inverting on the yield curve, squeezing margins.
Financial Adviser, Germany ”

“ Advise investors in the face of rising interest rates, high inflation, economic recession and convey a positive outlook.
Financial Adviser, Germany ”

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

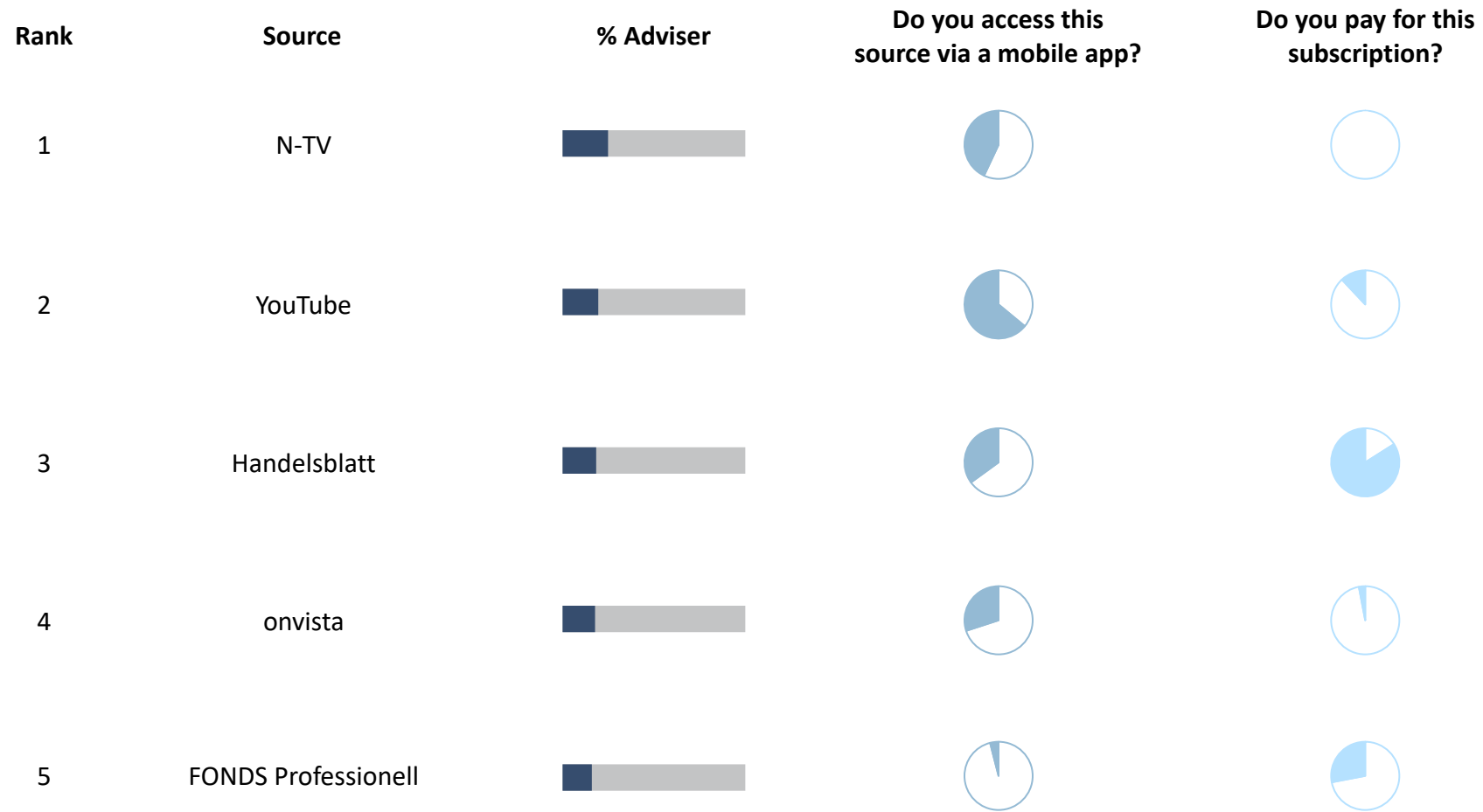
Client reporting and product documentation are key marketing and support drivers for both institutional and retail audiences

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

		Institutional					Wholesale fund buyer		
			Change in rank vs. 22						
1		Client reporting	=	1		Client reporting	=		
2		Product documentation	=	2		Product documentation	=		
3		Portfolio commentary	=	3		Business partner	=		

N-TV and YouTube lead the sources utilised by advisers, but they are most likely to have a paid subscription with Handelsblatt

Regular digital sources for investments information (Financial adviser, DE, 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

