



# Global Asset Management Insights

## Insights Partner Report

► For Canada participants in our Global Asset Management Study

June 2024



# Introduction, an independent global perspective



## Underlying Research



### Purpose

Annual global research study to inform asset managers and investment buyers of client needs, behavioural 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 advisors



### This report

This report shares findings with the 276 Canada participants who took part in the study during the period September to December 2023



## Summary Insights



### Manager performance

Top-4 asset manager brand rankings remain stable amongst both institutional and retail audiences on NMG's unprompted brand ranking



### Lead manager profile

Lead managers are regarded for delivering strong, consistent performance and providing a breadth of good products



### Asset allocation

Institutional and retail investors are seeking opportunities in liquid alternatives, domestic fixed income and private debt. There is decreased confidence in real estate



### Key challenges

Asset allocation rose as the leading concern among institutional investors. Growth is a key concern across retail audiences



### Value added support

Insights sharing and business partnership offer the greatest value-added support for both institutional and wholesale fund buyer audiences

# RBC GAM, BlackRock and TD Asset Management are the leading asset manager brands among institutional audience. Fidelity leads with retail audience

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



## Institutional Brand Rank (out of 251 asset managers)

Change in rank vs. 22

The top-4 asset manager brand rankings in the Canadian asset management industry remain stable

**Fiera Capital** fell to 7<sup>th</sup> (from 5<sup>th</sup>), with a drop in recognition for innovation and being a thought leader

**Wellington** rose into the top-10 (from 12<sup>th</sup>), with increased nominations for good value and thought leader brand attributes

----- =	1	RBC GAM
=	2	BlackRock
=	3	TD Asset Management
=	4	PIMCO
↑	5	Mawer
↑	6	CI GAM
----- ↓	7	Fiera Capital
=	8	Connor, Clark & Lunn
----- ↑	9	Wellington
↓	10	J.P. Morgan AM



## Retail Brand Rank (out of 340 asset managers)

=	1	Fidelity
=	2	Dynamic Funds
=	3	Mackenzie Investments
=	4	RBC GAM
↓	5	CI GAM
↑	6	BlackRock
=	7	BMO GAM
↓	8	PIMCO
↓	9	TD Asset Management
↓	10	Manulife IM

----- **Fidelity** maintains their lead position with retail audiences, ranking 1<sup>st</sup> in international & emerging market equities, multi-asset, target date funds, and several brand attributes (consistent, trusted, innovative, thought leader, industry leadership)

----- **BlackRock** rose to 6<sup>th</sup> (from 9<sup>th</sup>), with increased recognition for emerging market equities and target date funds, along with lifts in good value and thought leader brand attributes

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

# Lead managers are regarded for delivering strong, consistent performance and providing a breadth of good products

Lead active manager brand profile (Canada, 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 (Canada, 2023)



**Institutional**



**Wholesale fund buyer**



**Financial advisor**



## 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	↑	
3	↑	
5	↓	
1	↑	----- Wholesale fund buyers are interested in topics surrounding asset allocation and monetary policy
2	↑	
2	↑	
4	↓	
4	=	
1	↑	----- Financial advisors continue to worry about the economy, with inflation, taxation and interest rates staying top of mind
2	=	
2	↑	
4	↑	
5	↑	

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

# Over half of institutional audiences are starting to use AI tools, primarily for investment research & analysis. One-third of retail audiences have adopted AI tools



% Using AI tools

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



**Institutional**

51%

**1. Investment research & analysis**

“ Using external databases for manager research.  
*Pension Fund, Canada* ”

**2. Asset manager due diligence**

“ Using to write commentary in client's monthly reports.  
*State Pension, Canada* ”

**3. Internal operational efficiency**

“ Adding AI as a skill set in operational areas. Expecting investment managers to adapt and tell us about how they are using AI.  
*Insurer, Canada* ”



**Wholesale fund buyer**

36%

**1. Investment research & analysis**

“ Used in investment research and portfolio construction. Use current market price tool through all index for benchmark data analysis.  
*Wholesale Fund Buyer, Canada* ”

**2. Internal operational efficiency**

“ We use AI a little bit for running some of our quantitative work, but they are embedded in our current systems, fortunately.  
*Wholesale Fund Buyer, Canada* ”

**3. Asset manager due diligence**

“ Looking at reporting for client communications, areas including due diligence and clerical terms.  
*Wholesale Fund Buyer, Canada* ”



**Financial advisor**

29%

**1. Client engagement**

“ Just to help with newsletters to clients and to help with training of internal systems (showing how to do things).  
*Financial Advisor, Canada* ”

**2. Internal operational efficiency**

“ Provide immediate answers to operational and administrative questions.  
*Financial Advisor, Canada* ”

**3. Investment research & analysis**

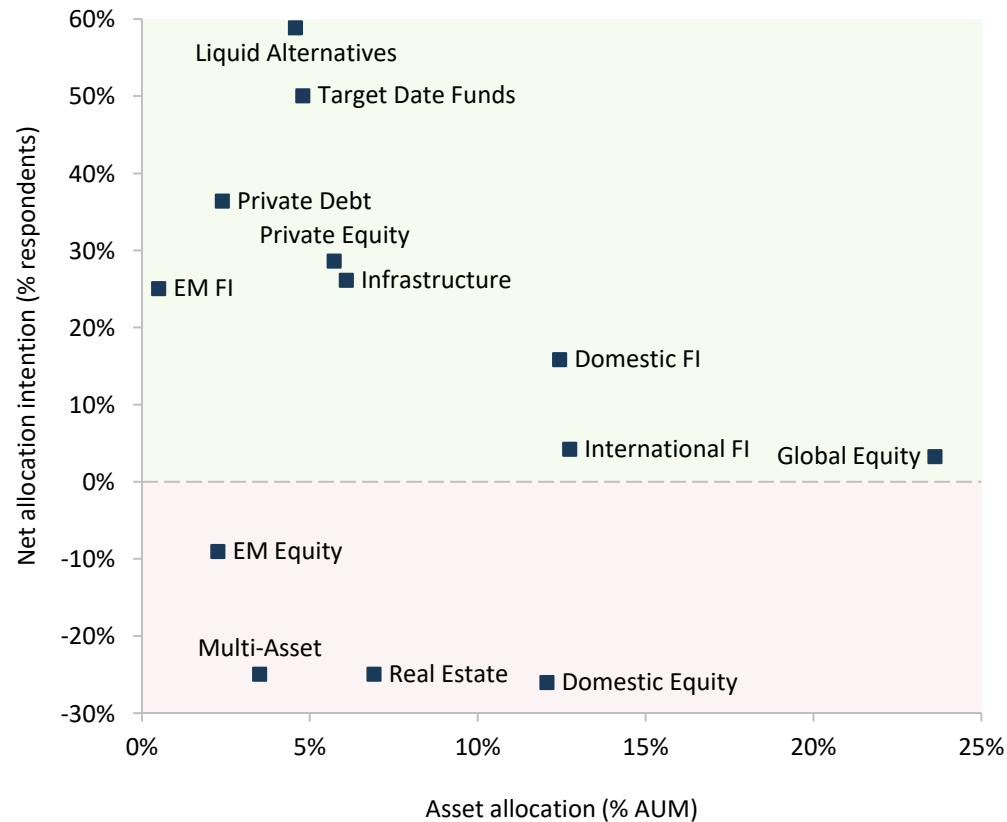
“ A great help in bringing up analysis tools or themes.  
*Financial Advisor, Canada* ”

# Institutional and retail investors are seeking opportunities in liquid alternatives, domestic fixed income and private debt. There is decreased confidence in real estate

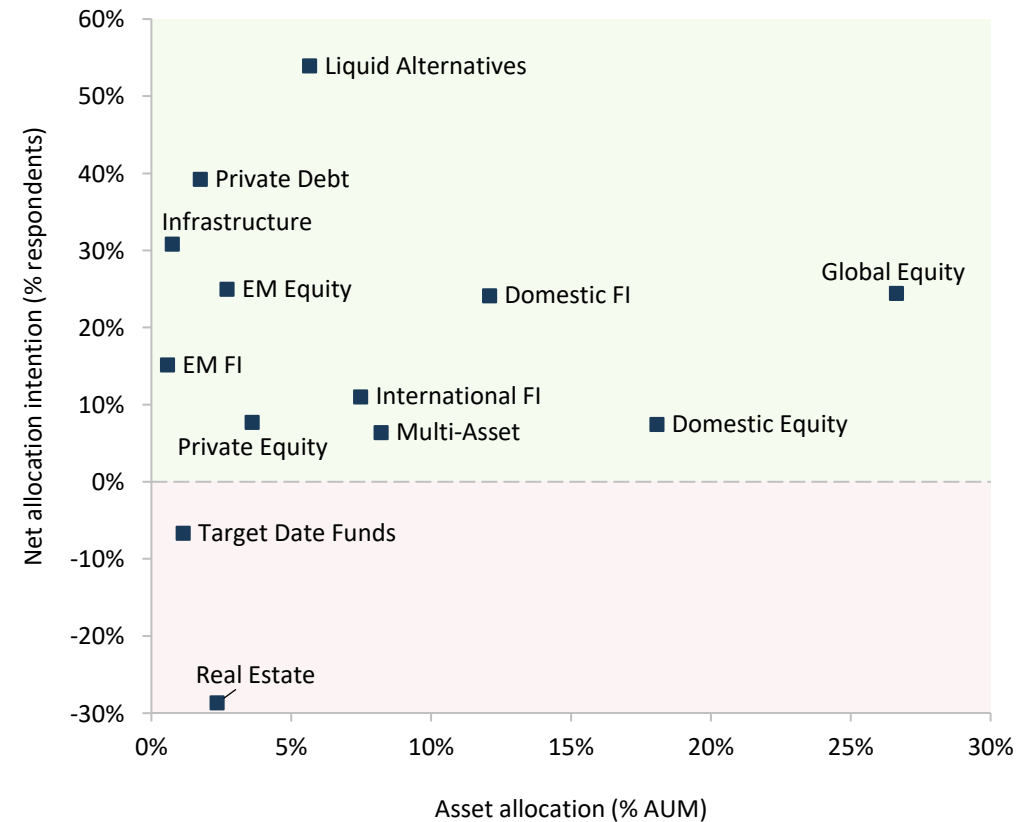
Reported asset mix and asset allocation intentions (Canada, 2023)



## Institutional



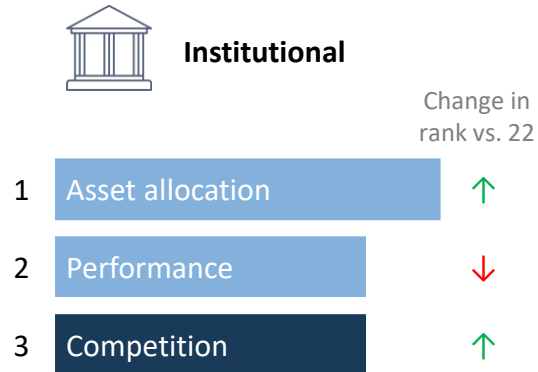
## Retail



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 ○

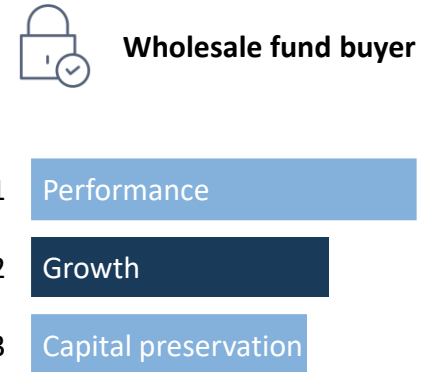
# Asset allocation rose as the leading concern among institutional investors. Growth is a key concern across retail audiences

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



“ Adjusting model portfolio allocations efficiently and effectively to reflect what we see as risky versus non-risky at this part of the market cycle.  
**Asset Consultant, Canada** ”

“ Seeking positive investment returns from alternatives and equities.  
**Pension Fund, Canada** ”



“ Finding new investment ideas that both align with our goals and offer different, better return profiles.  
**Wholesale Fund Buyer, Canada** ”

“ Expanding asset base and avoiding areas which are most likely to take a downturn in public and private markets.  
**Wholesale Fund Buyer, Canada** ”



“ Encouraging clients to invest more during this market as interest rates are making it difficult for some clients to have extra funds to invest.  
**Financial Advisor, Canada** ”

“ Time management on the face of compliance and changes to compensation structure that make it harder to achieve bonus.  
**Financial Advisor, Canada** ”

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 insights sharing and business partnership

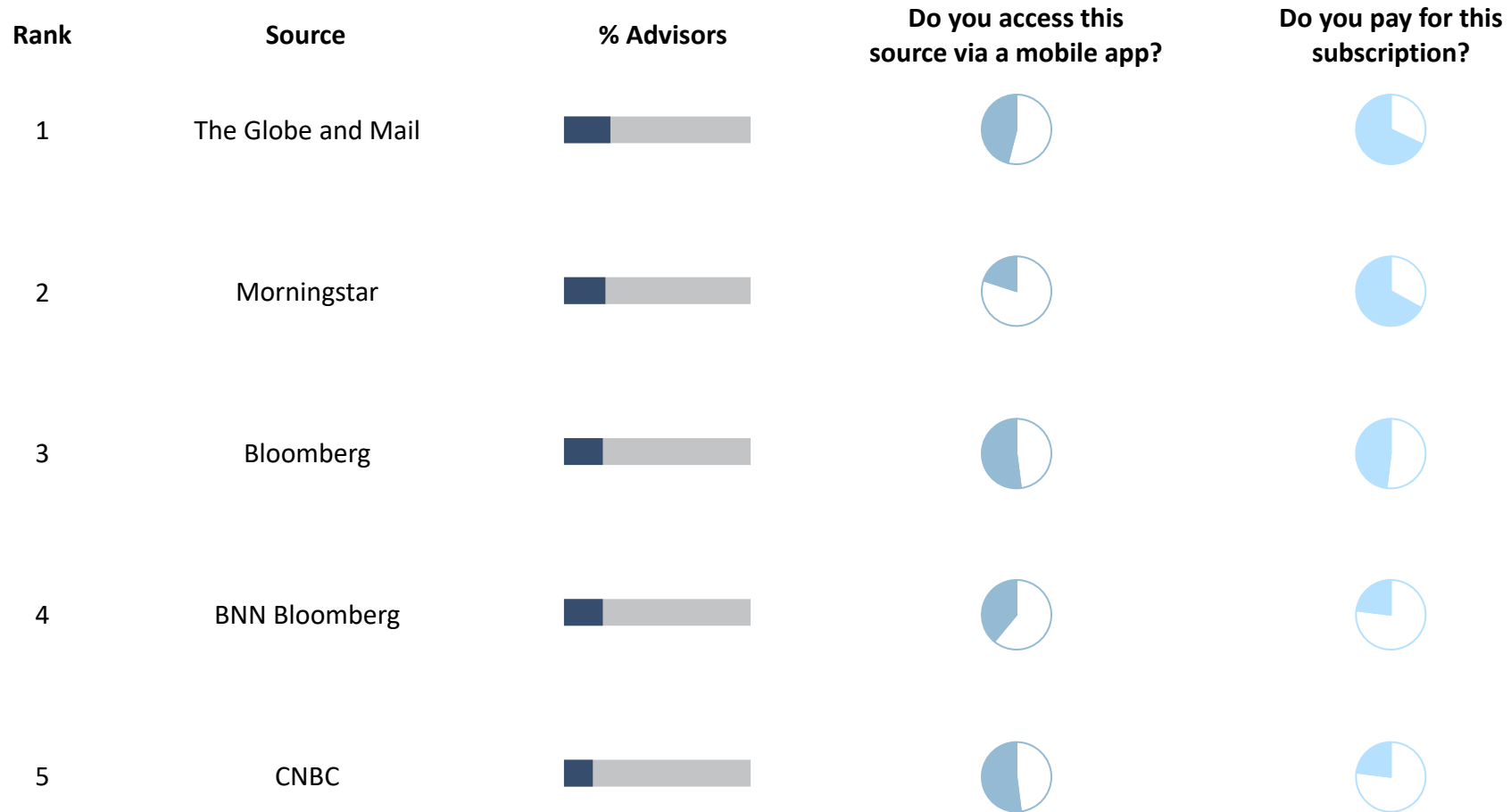
## Top 3 stated value-added support drivers (Canada, 2023)

Institutional			Wholesale fund buyer				
		Change in rank vs. 2022					
1.		Thought leadership	↑	1.		Market commentary	=
2.		Market commentary	=	2.		Business partner	↑
3.		Business partner	↑	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

# Financial advisors use a variety of North American digital sources for obtaining information on investments

Regular digital sources for investments information (Financial advisor, Canada, 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

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For more information about NMG, visit [www.nmg-consulting.com](http://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](mailto:karen.lau@nmg-group.com)

