



Global Asset Management Insights

Insights Partner Report

► For Brazil participants in our Global Asset Management Study

July 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 advisers



This report

This report shares findings with the 137 Brazil participants who took part in the study during the period October 2023 to February 2024



Summary Insights



Manager performance

Itau AM (Itau Unibanco) ranked 1st amongst institutional audiences and XP Investimentos ranked 1st with wholesale fund buyers on NMG's unprompted brand ranking



Thought leadership

Interest rates, ESG and inflation are key topics of interest among institutional investors and wholesale fund buyers. Advisers are interested in topics surrounding the macro economy, Brazil and China



Asset allocation

Investors are diversifying away from domestic fixed income and are seeking opportunities in domestic and global equities



Key challenges

Growth and performance are leading concerns among all audiences. Competition and client acquisition are top of mind with retail audiences



Value added support

Portfolio commentary, business partnership and market commentary offer the greatest value-added support for institutional and wholesale fund buyer audiences

Domestic managers dominate the top-10 brand ranks across audiences

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



Institutional Brand Rank (out of 148 asset managers)

Change in rank vs. 22

Change in rank vs. 22	Rank	Asset Manager
=	1	Itau AM (Itau Unibanco)
---- ↑	2	BTG Pactual
=	3	SPX Capital
↓	4	XP Investimentos
↑	5	BlackRock
↑	6	JGP
---- ↑	7	BB AM (Banco do Brasil)
=	8	Kinea (Itau)
=	9	Vinci Partners
↓	10	J.P. Morgan AM

BTG Pactual rose to 2nd (from 4th), driven by greater recognition for domestic equity and multi-asset (1st) capabilities, along with greater perceptions of innovative and client-focused (1st)

BB AM (Banco do Brasil) rose to 7th (from 38th), driven by increased recognition for domestic fixed income and liquid alternatives (1st), along with multiple brand attributes (trusted, industry leadership, client focused, transparent, ease of doing business, thought leader)



Retail Brand Rank (out of 256 asset managers)

Change in rank vs. 22	Rank	Asset Manager
=	1	XP Investimentos
=	2	BTG Pactual
↑	2	Itau AM (Itau Unibanco)
↑	4	Kinea (Itau)
↓	5	Verde Asset Management
↑	6	BlackRock
=	7	J.P. Morgan AM
↓	8	Ibiuna Investimentos
↓	9	SPX Capital
↑	10	Kapitalo Investimentos

BlackRock lifted to 6th (from 10th) with greater recognition in international equity and emerging market equity (1st) capabilities, along with increased perceptions of having a global perspective (1st), ESG and industry leadership

Kapitalo Investimentos lifted to 10th (from 14th) with increased recognition across brand capabilities (consistent, transparent, innovative, thought leader)

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 having global capabilities and establishing solidity through trust, transparency and consistency

Lead active manager brand profile (Brazil, 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

ESG and interest rates are leading topics with institutional and wholesale fund buyers. The macro economy, Brazil and China themes are of interest with advisers

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

Top 5 topics



Institutional



Wholesale fund buyer



Financial adviser



2023 Rank

Change in rank vs. 22

1	ESG	↑
1	Interest rates	↑
3	US interest rates	↑
4	Inflation	↑
4	US	↑

----- Interest rates, ESG and inflation are key topics of interest with institutional and wholesale fund buyers

1	Interest rates	↑
2	Macro economics	=
2	ESG	↑
2	Emerging market	↑
5	Inflation	↓

----- Emerging market themes are also of interest with retail audiences

1	Macro economics	↑
2	Brazil	↑
2	China	↑
4	ESG	↑
5	Emerging market	↑

----- Advisers are primarily interested in the macro economy, Brazil and China

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

Retail audiences report a higher AI adoption rate than institutions, using AI for client engagement, internal operational efficiency and investment research & analysis



% Using AI tools

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



Institutional

23%

1. Internal operational efficiency

“ Using AI for faster and more widespread access to corporate and market information.
Pension Fund, Brazil ”

2. Asset manager due diligence

“ We use it more in building reports and AI builds the texts. We are also going to invest in using AI for investment analysis.
Asset Consultant, Brazil ”

3. Client engagement

“ It's important, it optimizes several routines and saves time.
Pension Fund, Brazil ”



Wholesale fund buyer

34%

1. Client engagement

“ It exists only to filter and direct customer service.
Wholesale Fund Buyer, Brazil ”

2. Internal operational efficiency

“ Very positive to gain scale and efficiency and reduce operational cost.
Wholesale Fund Buyer, Brazil ”

3. Investment research & analysis

“ Sometimes we need to make an information filter and then we use AI for that, so it's more like an initial polish.
Wholesale Fund Buyer, Brazil ”



Financial adviser

50%

1. Client engagement

“ More interesting language for high-income customers.
Financial Adviser, Brazil ”

2. Investment research & analysis

“ Assist in programming internal market research solutions.
Financial Adviser, Brazil ”

3. Internal operational efficiency

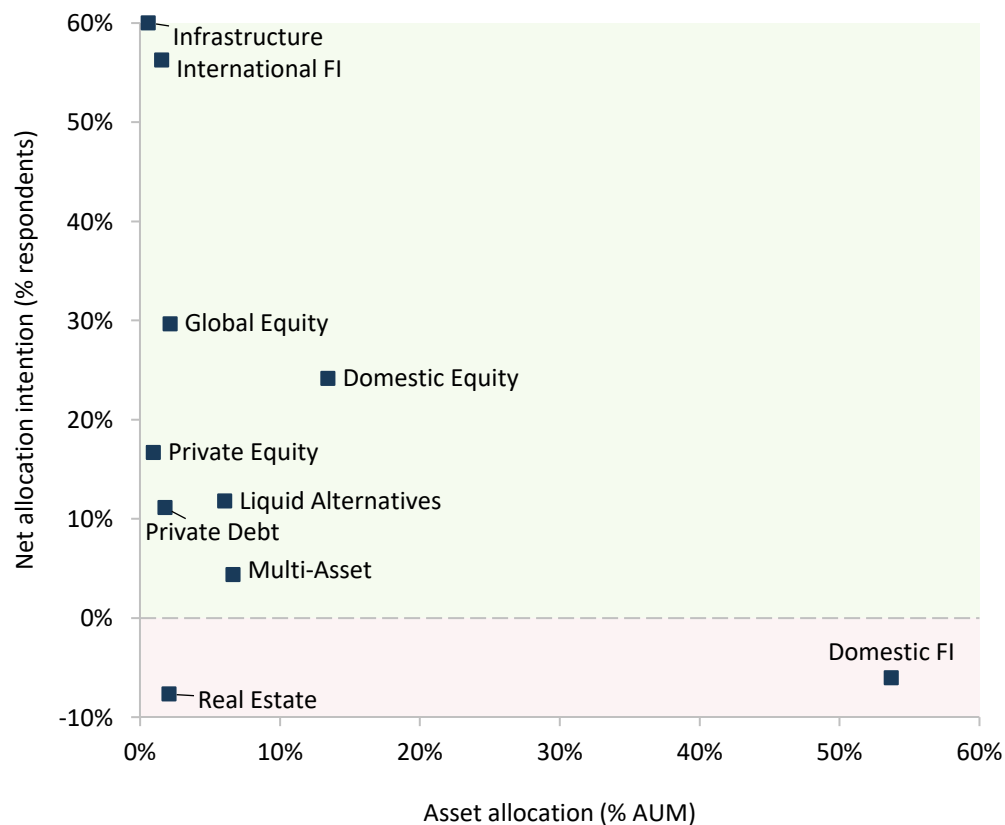
“ Content creation (communication and marketing) and research to optimize routines.
Financial Adviser, Brazil ”

Investors are seeking to diversify away from domestic fixed income. They are seeing opportunities in domestic and global equity

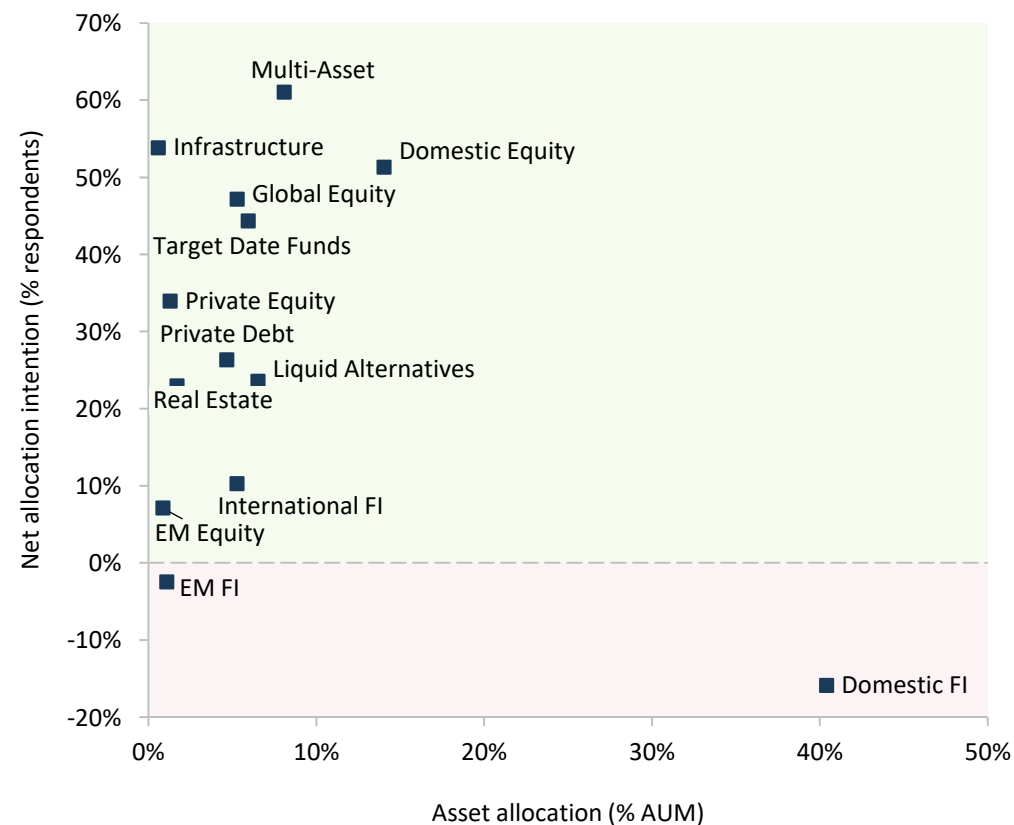
Reported asset mix and asset allocation intentions (Brazil, 2023)



Institutional



Retail

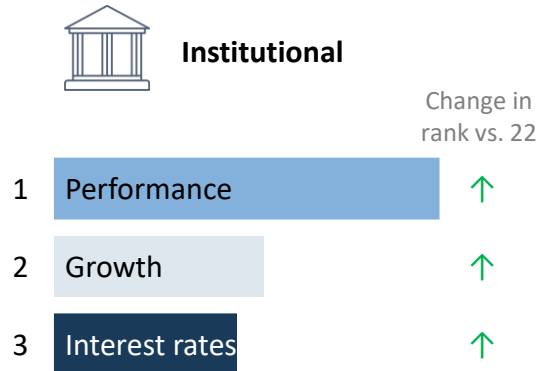


Note: 1. Net allocation intention (% of respondents) denotes the proportion of respondents who quoted an expected increase less % of respondents quoting a decrease

2. Increase in allocation ○ Decrease in allocation ○

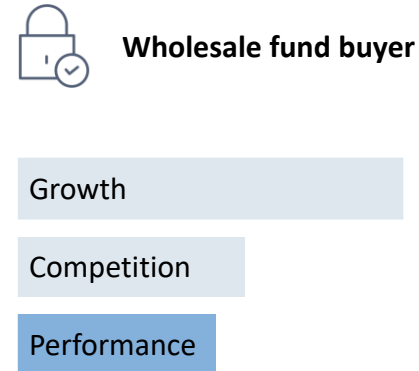
Growth and performance are leading concerns among all audiences. Competition and client acquisition are also top of mind with retail audiences

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



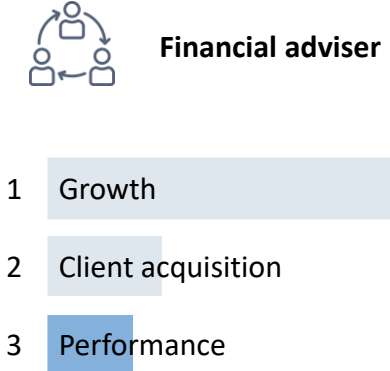
“ Adjusting your performance to your actuarial goal.
Pension Fund, Brazil

“ Maintaining the 10% growth ratio in the next year.
Insurer, Brazil



“ Growing AUM without losing quality for our established base, delivering positive results for clients.
Wholesale Fund Buyer, Brazil

“ Probably the biggest challenge will be keeping our margins, due to competition I do not think this will be possible.
Wholesale Fund Buyer, Brazil



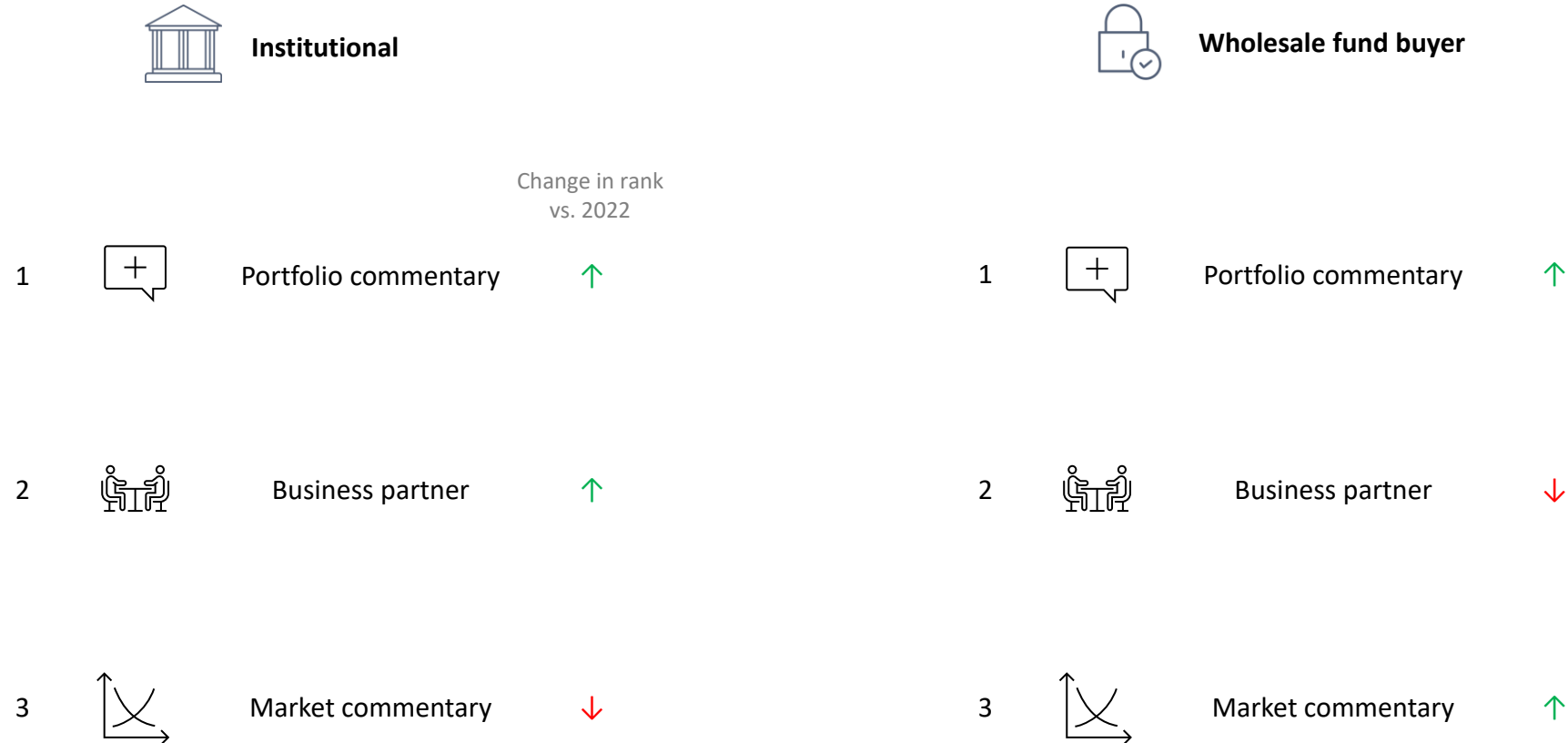
“ Raising new funds and profitability of managed funds.
Financial Adviser, Brazil

“ Attracting new advisers and new clients.
Financial Adviser, Brazil

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

Portfolio commentary, business partnership and market commentary offer the greatest value-added support for institutional and wholesale fund buyer audiences

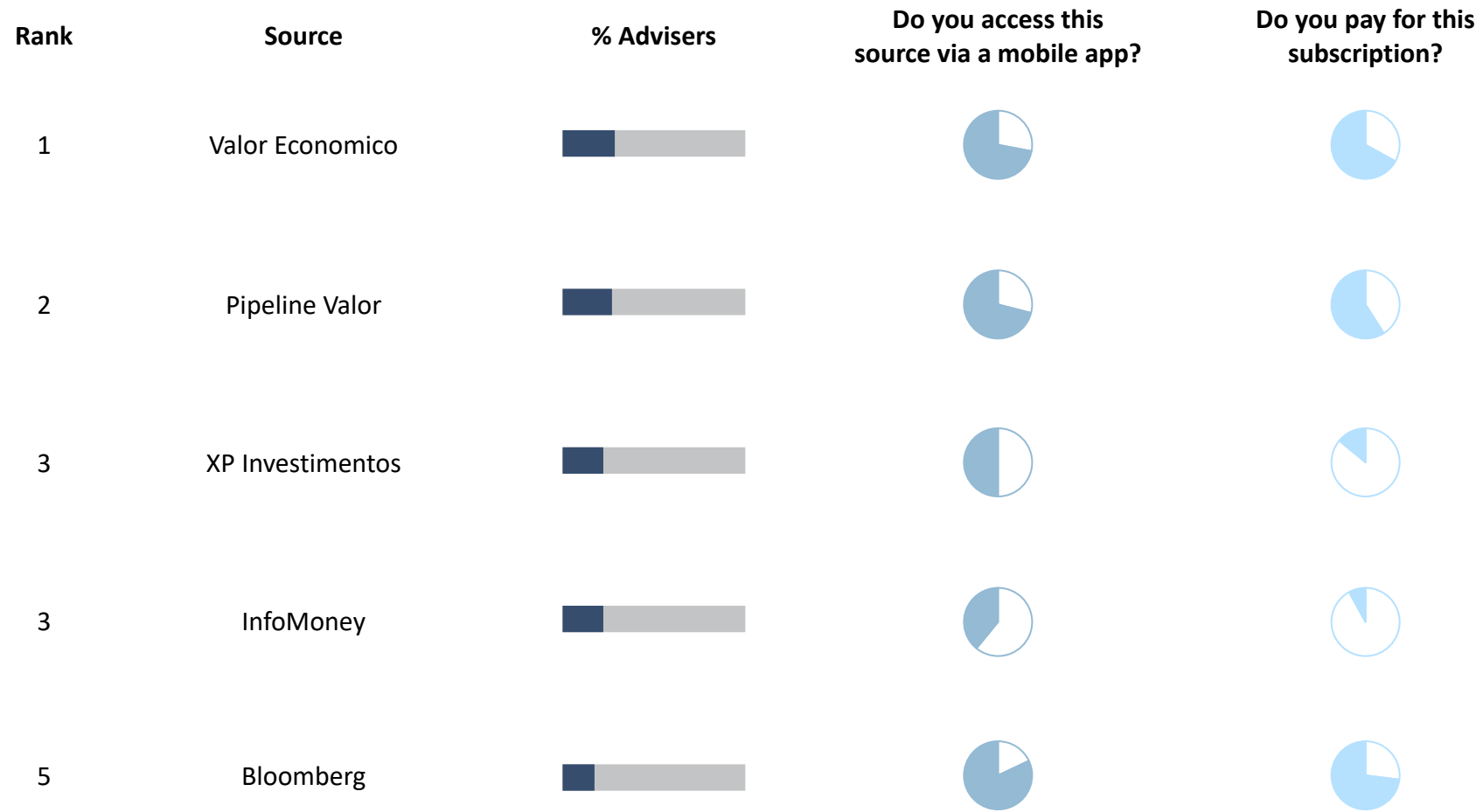
Top 3 stated value-added support drivers (Brazil, 2023)



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

Valor Economico and Pipeline Valor are the key digital investment information sources with financial advisers

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

