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Focus on Funds: New Trends Reshape Global Fund Management

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Leaders of global asset managers shared their views on how the industry is responding to new changes and challenges during a panel discussion at ICI's recent General Membership meeting. In the July 6, 2018, edition of *Focus on Funds*, ICI Global Managing Director Dan Waters summarizes the trends.

Stephanie Ortbals-Tibbs, ICI director of media relations: For asset managers in the US and around the world, there were new threats and opportunities to respond to. And at ICI's recent General Membership Meeting, we got a few of some of the key megatrends affecting asset managers not only in the US, but around the world. Here's a summary from ICI Global Managing Director Dan Waters.

Dan Waters, ICI Global managing director: The first one, I think, is the threat of deglobalization, but it arose specifically in this group in the context of the discussion of Brexit, and in particular, the threat of delegation being conscribed—delegation under the UCITS model.

UCITS has been a hugely successful brand for investors and for funds. I think the panel felt that this was a temporary or kind of a circumstantial thing that's happening right now—but not strong enough to overcome the overall trend in the direction of continued globalization, continued awareness of the value of cross-border capital flows and investments for investors and economies worldwide.

Ortbals-Tibbs: There was a lot of talk about long-term thinking and longer-term investment. The other way that seemed to come up is this whole discussion around both ESG [environmental, social, and governance] investing and SRI [sustainable, responsible, and impact] investing [also known as *socially responsible investing*], which were different critters, according to the panel.

Waters: Yes, and that's the third area I would bring out. I think [that is] the focus on ESG investing: sustainability, more broadly writ. And there, I think the panel felt that the Europeans are kind of in the lead, conceptually, on this, at least beginning to think about definitions—a lot of interest in "what are we talking about?" And that's really pretty important, and I think all of the panel felt that.

[There was] some sense that the US is in a different position, slightly, from the Europeans—based on a slightly different place—[that] there's a lot of market-driving forces going on in the US. You see it coming to the fore.

Also, discussion of SRI, which is socially responsible investing, which I think the panel was thinking about in terms of that it's a bit more bespoke; it's judgmental; it's maybe client-cohort specific. So you're looking there at something that's not necessarily as widespread as the concept of sustainability from the ESG perspective. But it's something that's part of the suite of offerings that the market's bringing forward right now.

Additional Resources

- *Focus on Funds:* General Membership Meeting Takes on the Biggest Industry Trends
- GMM Highlights