

## VIDEO

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# Focus on Funds: Funds and Their Investors Are Going Global

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In the July 3, 2014, edition of Focus on Funds, ICI Global Managing Director Dan Waters discusses the increasingly global perspective of funds and their investors, and the most relevant issues facing the industry worldwide.

### Transcript

Stephanie Ortbals-Tibbs, ICI Director, Media Relations: Welcome to Focus on Funds, the Investment Company Institute's weekly roundup of industry news, ICI activities, and research findings.

Funds of all sizes and varying strategies are increasingly going global. I spoke at ICI's General Membership Meeting with ICI Global managing director Dan Waters. He went through with us what industry leaders at the meeting were talking about in terms of global trends, and what is important for the industry.

Dan Waters, ICI Global Managing Director: This is a global world. And the asset management business in the U.S. is part of the bigger picture, and we no longer make decisions here without regard to what's happening internationally, and that is a hugely important driver then of the regulatory policy and the direction of the business of the U.S. industry.

Stephanie Ortbals-Tibbs: Also, as part of that, there were themes that came up again and again in the discussion about global work. What did you hear?

Dan Waters: A number of important things. First of all the opportunities in Asia. And not just China. It's many of the Asian economies. They are growing, they are young, and there is a big future for funds there. We see that there. That's very clear. It's true for big global asset managers, but it's also true for smaller ones who are just emerging onto the global stage. Indeed, many of the ICI Global members are just like that.

Stephanie Ortbals-Tibbs: So then, one of the other things they talked a lot about was this issue of pensions worldwide, worldwide and in Asia. Tell me about that particular of the conversation.

Dan Waters: That emerges as a big part of the opportunity especially in Asia but also in the United States and in indeed in Europe. And that is, what is the role of funds and what role can they play in shoring up the long-term security of savers around the world. I mean, many investors think of something the government is supposed to do for you, or something a bank would do or something like that. But actually there's a new challenge there for funds. The agenda of ICI Global, of course, is all about fostering that dialogue between policymakers and regulators and academics and industry experts in order to advance the role that funds can play.

Stephanie Ortals-Tibbs: What they also talked a lot about is there's a lot of complexity involved in the pensions discussion worldwide, particularly in Asia, as they begin to pick up this up.

Dan Waters: Yeah, one of the challenges in particular in some of the jurisdictions in Asia is that investors there think savings means bank deposit and investment fund means speculation. Short-term return, the search for yield, something quite different from savings. So I think one of the big challenges for the asset management industry in seizing the opportunities in Asia is investor education. It's that kind of mindset that says, "Wait a minute. My fund, my fund portfolio is part of my long-term savings approach." We know that's the way investors think in the U.S., we know that's the way some investors in Europe think as well. That's a big part of the future.

Stephanie Ortals-Tibbs: That's this week in funds. See you next week.

## **Additional Resources**

- [ICI Global Policy Priorities](#)
- [Video from ICI's General Membership Meeting: What It Takes to Lead a Global Investment Manager](#)

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