

VIDEO

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Focus on Funds: A View of Global Asset Management Trends

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Global fund managers soon will have to adapt to several key regulatory developments in Europe. In the August 11, 2017, edition of *Focus on Funds*, David Semaya of Nikko Asset Management details the challenges ahead.

Transcript

Stephanie Ortvals-Tibbs, media relations director, ICI: What are the chief concerns of global asset managers these days? At ICI's recent General Membership Meeting, leaders from asset managers in Asia, Europe, and the US got together and talked about what's on their agenda.

David Semaya, executive chairman and representative director, Nikko Asset Management: Obviously, more and more regulation. We see this coming out of Europe, especially. We also see the impact on regulatory decisions—and I'll go back to, for example, RDR [the Retail Distribution Review], and we see regulators in Asia talking to the UK about RDR and their implementation. And so the effect on, for example, distribution in Japan or Australia is affected by decisions that come out of a region 7,000 or 8,000 miles away. And that combined with MiFID [the Markets in Financial Instruments Directive], the unbundling of commissions, and a decision that has come to us very quickly, we have to implement very quickly and make some very, I think, strategic business decisions. It all questions our business model.

Ortvals-Tibbs: And of course, Brexit is a significant issue.

Semaya: Those that have limited presence in London or in Europe, I think would be thinking about the same things that we're thinking about. How do you think about your current footprint, your distribution business, your investing? What a lot of people haven't really talked about—we're invested in the markets in Europe and what that decision did to our investment thinking.

Europe has been used by a number of Asian managers—London, specifically, and Luxembourg or Dublin—as a hub for business throughout not only the European region, but, if there's any business in Africa or the Middle East. London has the ecosystem that's built up over 20, 30, 40, 50 years—some would argue 150 years. To snap one's finger—because

two years, when you think about 150, is the snap of your finger—to dismantle that is really a very challenging time. We're working through it. We have the resources. We know this will cost us more. We'll have to move people. But Europe is a huge market, there's a lot of fantastic human capital, depth in the capital markets, fantastic companies to invest in, and we need to be there.

Additional Resources

- [*ICI Viewpoints: Industry Leaders Highlight Opportunities Presented by Industry Change*](#)
- [*ICI Viewpoints: Geopolitics and Global Business: What the Future Holds*](#)
- [*Focus on Funds: Sweeping Changes for Global Funds*](#)

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