

Media Release

Rising Political Risks & Security Tensions in Major Economies: Top Concern for Asset Managers in Singapore According to IMAS 2018 Survey

IMAS 2018 Investment Managers' Outlook Survey identifies key themes affecting the industry in 2018

- *Political risks and security tensions, as well as uncertainty in US politics, identified as key concerns*
- *Multi-asset strategies expected to be the top strategy of choice by investment managers in 2018*

Singapore, 24 January 2018 – Rising political risks and security tensions rank as the top concern for Singapore investment managers in 2018, according to the Investment Management Association of Singapore (“IMAS”) annual survey.

Political risks and uncertainty featured highly (58.93%) in the IMAS annual survey that gathered responses from 55 fund managers in Singapore. Rising uncertainty in US politics (35.71%) and further increases of US interest rates (42.86%) also ranked high on the list as top concerns for fund managers in 2018.

With increasing concerns over global political pressures and uncertainty in the US, multi-asset strategies (53.57%) are expected to be the top strategy of choice by fund managers this year, followed by ESG-focused (39.29%) and absolute return strategies (35.71%).

Over a third of the respondents cited risk of business disruptions from new financial technologies as one of the biggest threats to the investment management industry's growth this year in Singapore, while 37.50% are concerned over rising costs of governance – almost a 50% drop compared to 70.2% of responses last year.

More than half of the fund managers rank the rise of financial technology within the fund distribution channels as one of the top future drivers of investment growth in the next 3 years. Improving investment performance and AUM (46.43%) and seeking demand for lower costs products (44.64%) are ranked next on the list.

Approximately 60% of the fund managers anticipate that rising business and regulatory compliance costs would have the most impact on their businesses in the next 12 months.

Nicholas Hadow, Chairman of IMAS, commented: “This year's Survey findings show a different set of challenges to the markets in which we operate. The more everyday economic concerns have given way to worries over the state of global politics; the rise of populism, income inequality and even war. These are the same concerns being reflected at the WEF at Davos this week. It is no surprise, given the broad uncertainty, that we are



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now seeing more interest in multi-asset strategies from investors seeking diversification in their investment portfolios. Technology is also continuing to be both a threat and an opportunity for many. However, against this global backdrop, Singapore continues to offer a stable and resilient investment management center for investors.”

Representing over 100 investment managers with assets under management in Singapore of about S\$800 billion, IMAS aims to contribute towards the development of the industry in Singapore by fostering high standards and professionalism while promoting exemplary practices among its members.

Full details can be found on the IMAS website www.imas.org.sg

For further information please contact:

Charlie Morrow, Liz Asri

Cognito Asia

Tel: +65 6221 7310

Email: IMAS@cognitomedia.com

About the Investment Management Association of Singapore

The Investment Management Association of Singapore (IMAS) was formed on 22 September 1997. It is a representative body of investment managers spearheading the development of the industry in Singapore. It also serves as a forum for members in discussions as well as a collective voice where representation is needed on behalf of the investment management industry, facilitating training for its members, and contributing towards investor education.

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