

## **IMAS 2023 INVESTMENT MANAGER'S OUTLOOK SURVEY**

# **2023 KEY MARKET HIGHLIGHTS**



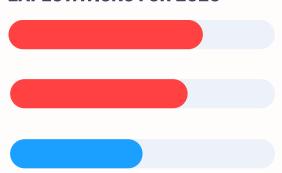
**RENEWED OPTIMISM IN ASIAN EQUITIES, LED BY** CHINA, AND FIXED **INCOME PRODUCTS** 





STRONGER **ASIAN CURRENCIES** (SGD & CNY) **AGAINST USD** 

#### **EXPECTATIONS FOR 2023**



**73**% Inflation remains sticky at high levels (US PCE above 3%)

> The world economy enters a recession (Global growth + 1.2%)

China's growth recovers (China GDP 5.5% or above)

## **KEY BUSINESS HIGHLIGHTS**



In this new era, product innovation and ESG concerns are key considerations for the industry. Asset managers who prioritise these areas will be better positioned to gain new market share going forward, and also in the fast-growing client segments, such as the millennial group. Jenny Sofian, Chairman of IMAS

**67**%

**50**%

#### **DRIVERS TO INVESTMENT GROWTH**



investments

45%

An increase in demand for innovative products

45% Growth of millennials as investors

#### **TOP STRATEGIES**



ESG or Impact-focused





**25**% Income



Private markets (e.g. real estate and infrastructure)

### **BUSINESS DIFFERENTIATORS**



**62**%

Developing business lines around sustainable finance/ESG



Incorporating new asset classes (private/digital)



Regional expansion

#### **ESG STRATEGIES**



**46**%

New launch of best-in class/impact strategies

**37**% Aligning to ESG regulations (e.g. EU SFDR)

#### **CHALLENGES IN IMPLEMENTATION**



**62%** Lack of Data Standardization



Changing Regulations



# THREATS TO GROWTH



**87**% **Economic** uncertainty keeps investors from investing their

**68**% Poor investment returns in 2023

**60**% Further margin erosion

### **DEVELOPMENTS** WITH MOST **BUSINESS IMPACT:**





Increasing regulatory obligations and rising operational costs

> **56**% Rise of alternative investments

## **BUSINESS FUNCTIONS** LIKELY DISRUPTED BY TECHNOLOGY







