

Investment Managers' Outlook Survey



2025 MARKET HIGHLIGHTS



EXPECTATIONS ON ASIAN MARKETS DIVERGENT, BUT INVESTORS REMAIN POSITIVE IN THE LONGER TERM

77% respondents believe Asian growth is hindered by increased trade tensions and a weaker China.



SOFT LANDING OF GLOBAL ECONOMY AMIDST GEOPOLITICAL RISKS

01 Fund managers foresee a rise in geopolitical conflicts, projecting significant impact on global economy and financial markets.

02 Expectation for central banks to achieve "soft landing", with majority consensus for up to a 0.75 percentage point reduction in the US Fed Funds Rate.



90% expect **MSCI Asian Ex Japan** to remain broadly unchanged or stronger by 10 to 20%

84% expect **MSCI China Index** to remain broadly unchanged or stronger by 10 to 20%

KEY BUSINESS HIGHLIGHTS

"The survey offers a critical lens into the evolving landscape of asset management, identifying key drivers and risks that will influence decision-making in 2025. Amidst geopolitical uncertainties and shifting market dynamics, firms must adapt their strategies to remain competitive while capitalizing on emerging opportunities. This includes leveraging technological advancements, embracing innovative investment solutions, and addressing evolving client demands. As the global economic environment becomes increasingly complex, it is imperative for the asset management industry to demonstrate resilience, agility, and foresight in navigating challenges and driving sustainable growth."

- Jenny Sofian, Chairperson, IMAS



TOP 3 DRIVERS OF INVESTMENT GROWTH



01 An increase in demand for innovative products (alternatives/digital assets)

02 Growth of Millennials as Investors

03 Increased Demand for Private Assets

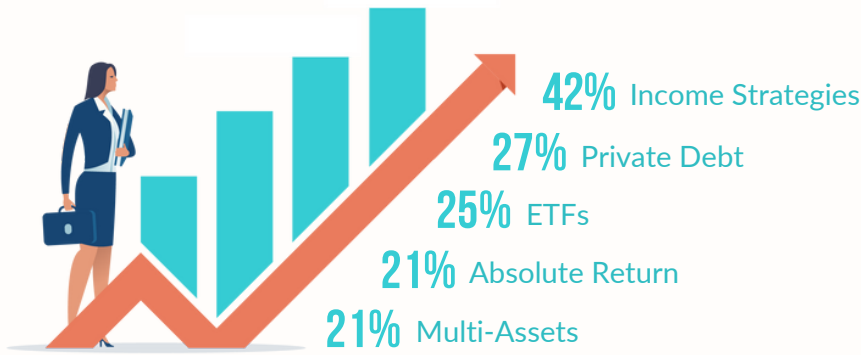
BUSINESS DIFFERENTIATORS

Fund managers to focus on incorporating new asset classes while diversifying into new client sectors, as they overcome the challenges posed by passive solutions and margin pressures.



TOP STRATEGIES

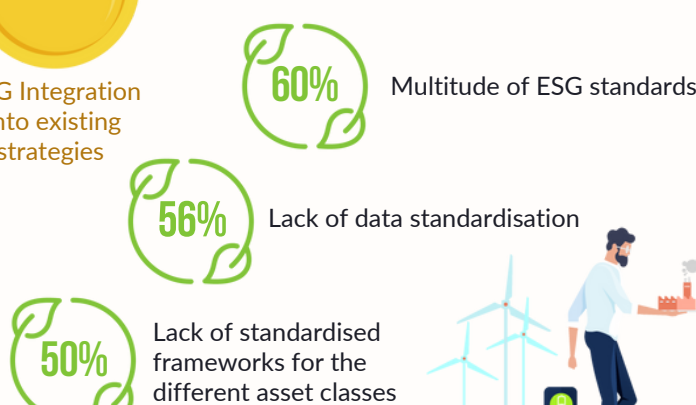
Income strategies ranked as the top strategy that will grow in popularity for 2025. ETFs, absolute return & multi-assets strategies observed a climb in rankings also.



ESG STRATEGY



CHALLENGES IN ESG IMPLEMENTATION



INTEREST IN FINTECH INNOVATION

Advanced analytics, Machine Learning (ML), Artificial Intelligence (AI), and Generative AI ranked as the #1 area of interest by fund managers.

01 Advanced analytics, ML and AI - including Generative AI

02 ESG datasets and tools, impact to the investment process, transparency and reporting

03 Digital assets, decentralized finance tokenization and other blockchain-enabled innovations

BUSINESS FUNCTIONS LIKELY TO BE DISRUPTED BY TECHNOLOGY

