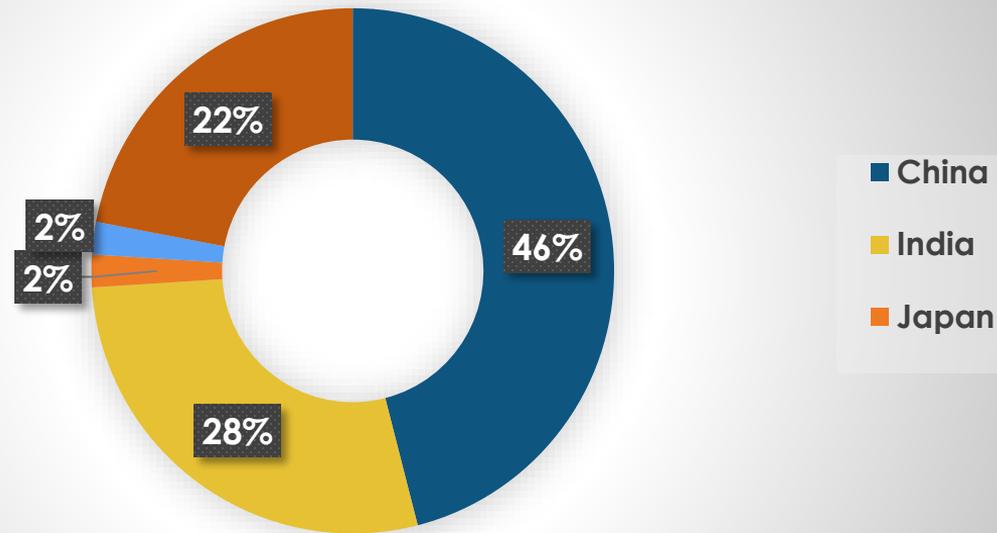


# The Changing Face of Fund Distribution: Evaluating the Impact of Technology and Innovation

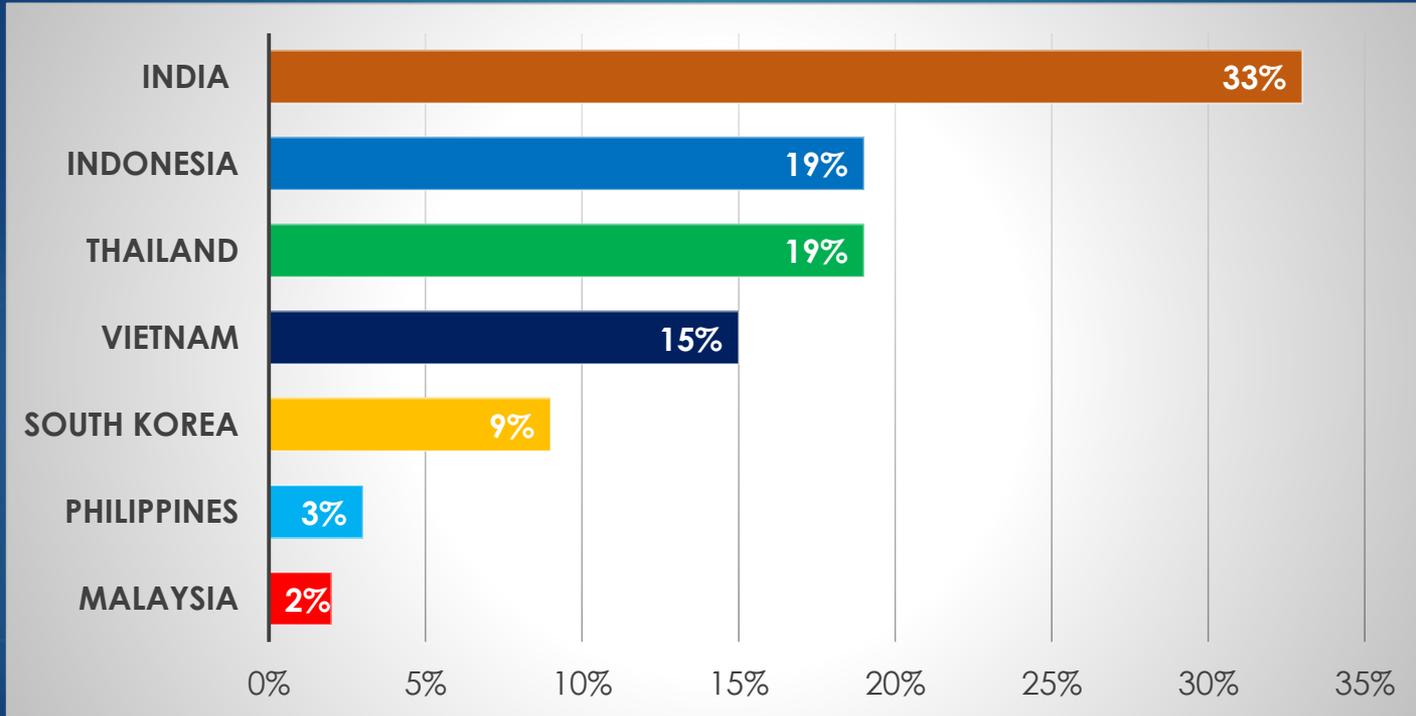
**Bob Currie**, Research Editor, **Funds Global Asia**

A Funds Global Asia survey in partnership with Calastone

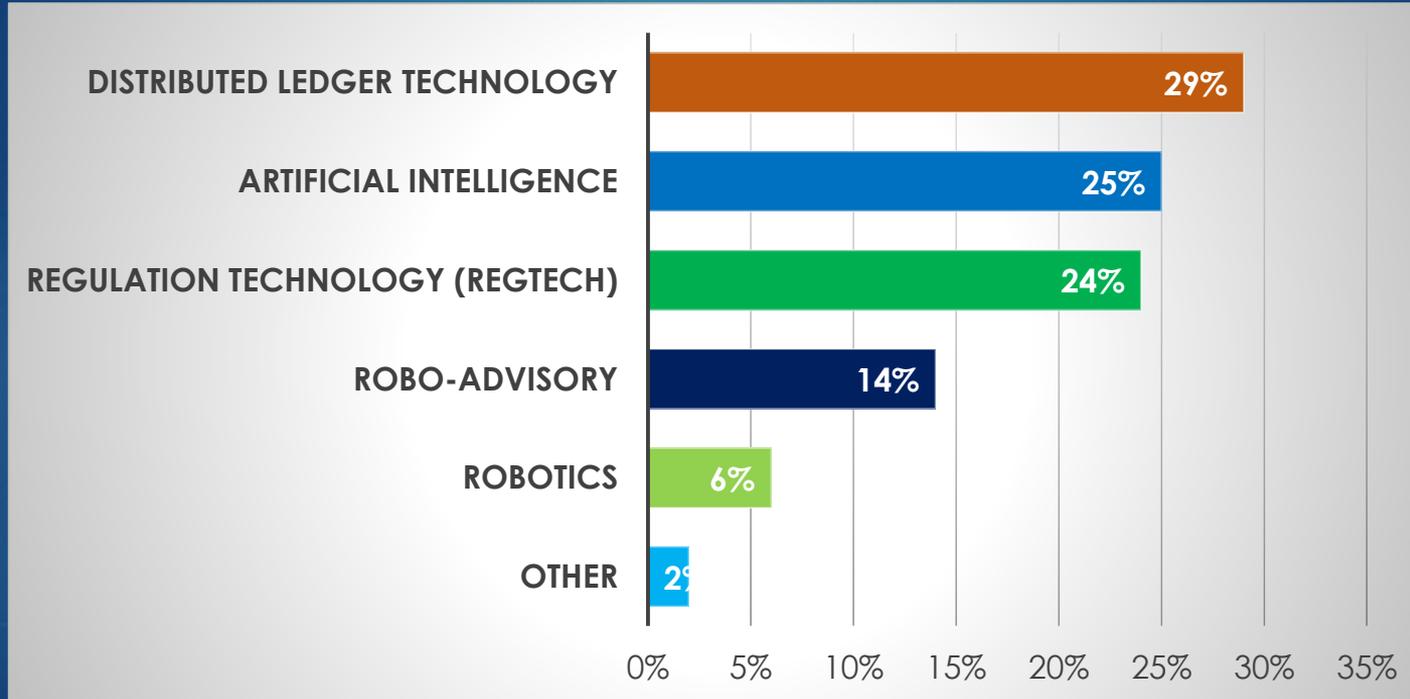
# Where will we see most growth in cross-border fund distribution in Asia in the next five years?



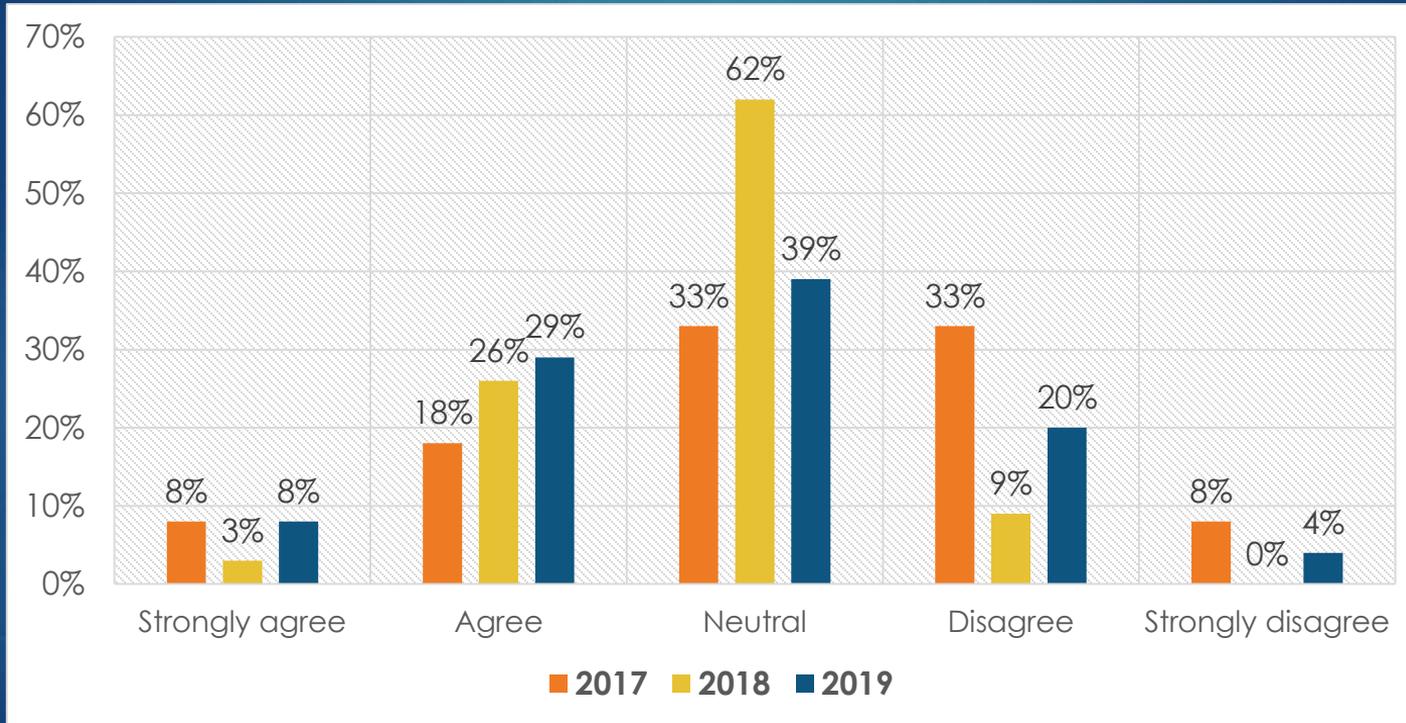
# Which emerging fund centres offer asset managers most opportunity for business growth?



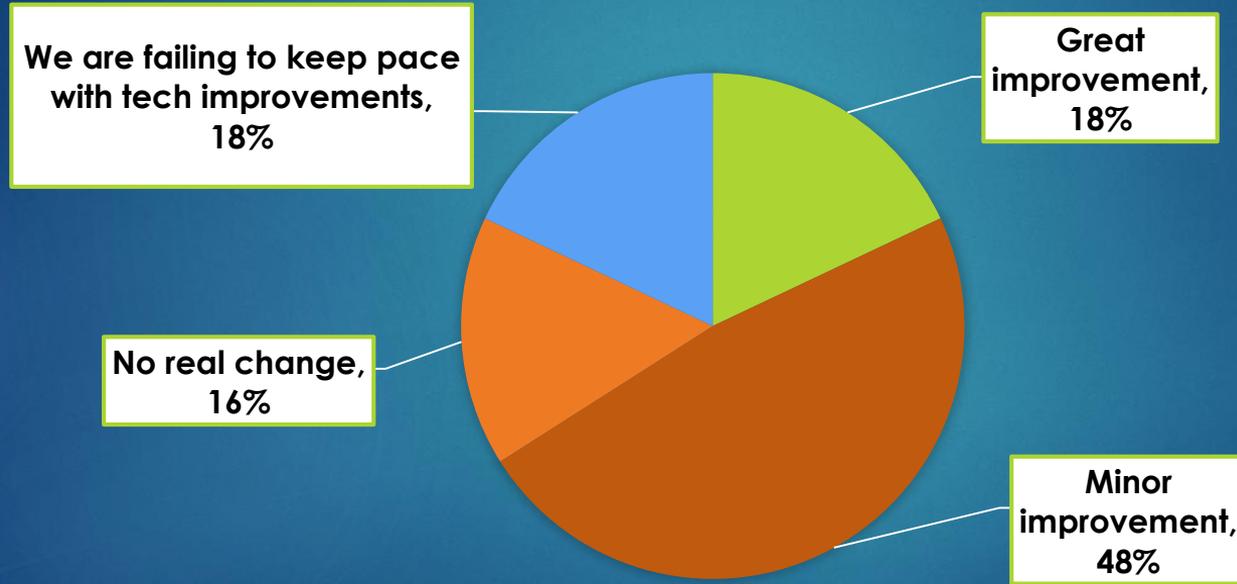
# Which emerging technology will have biggest impact on the funds industry ?



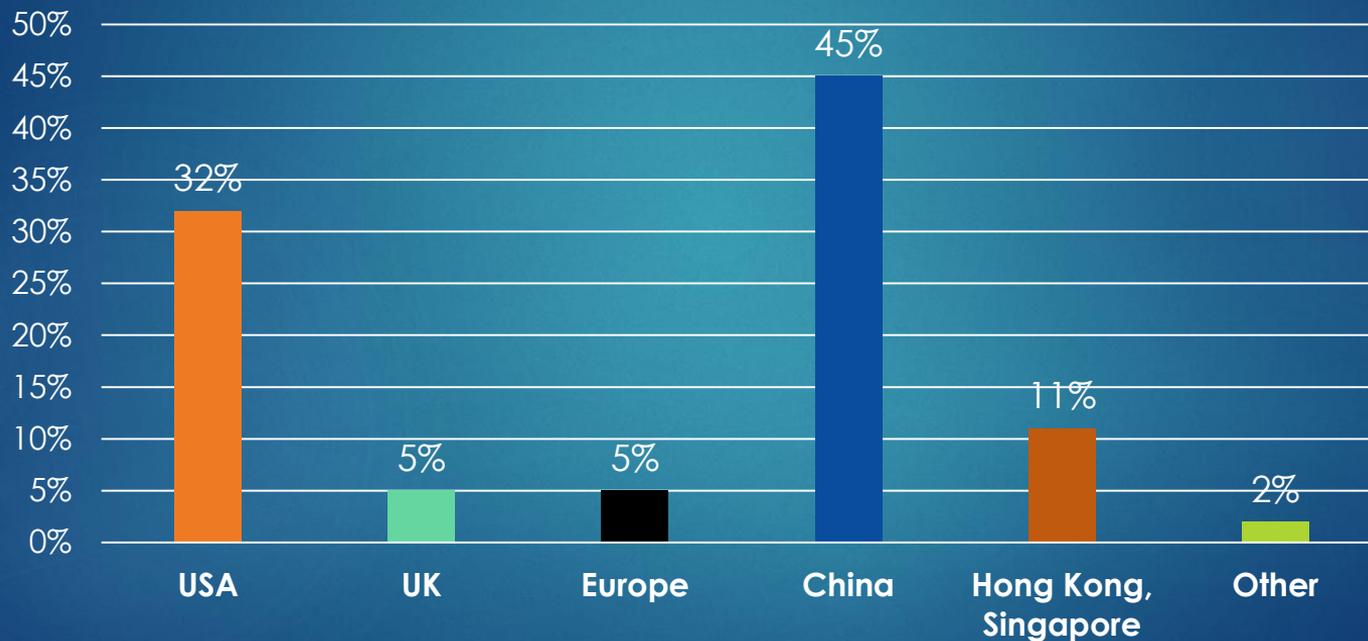
# Do you think the industry is good at adopting new technology?



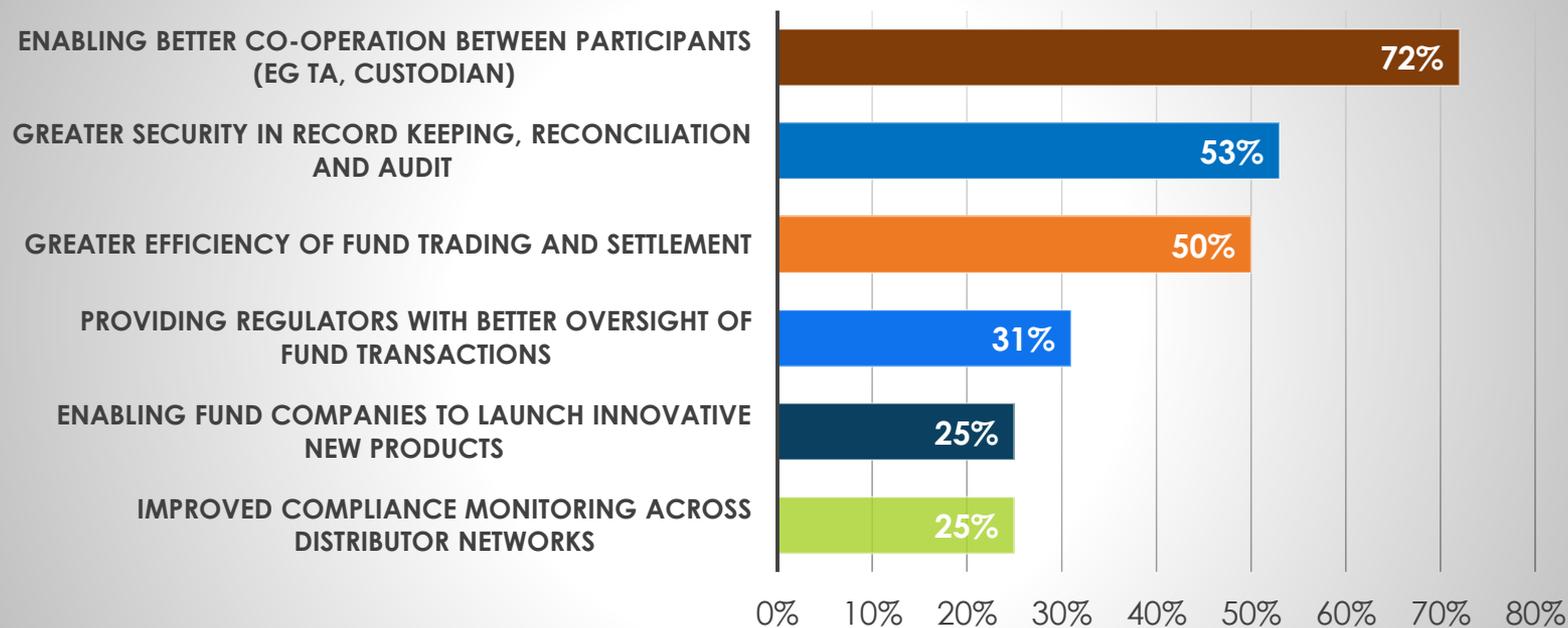
# Has technology adoption improved over the past three years?



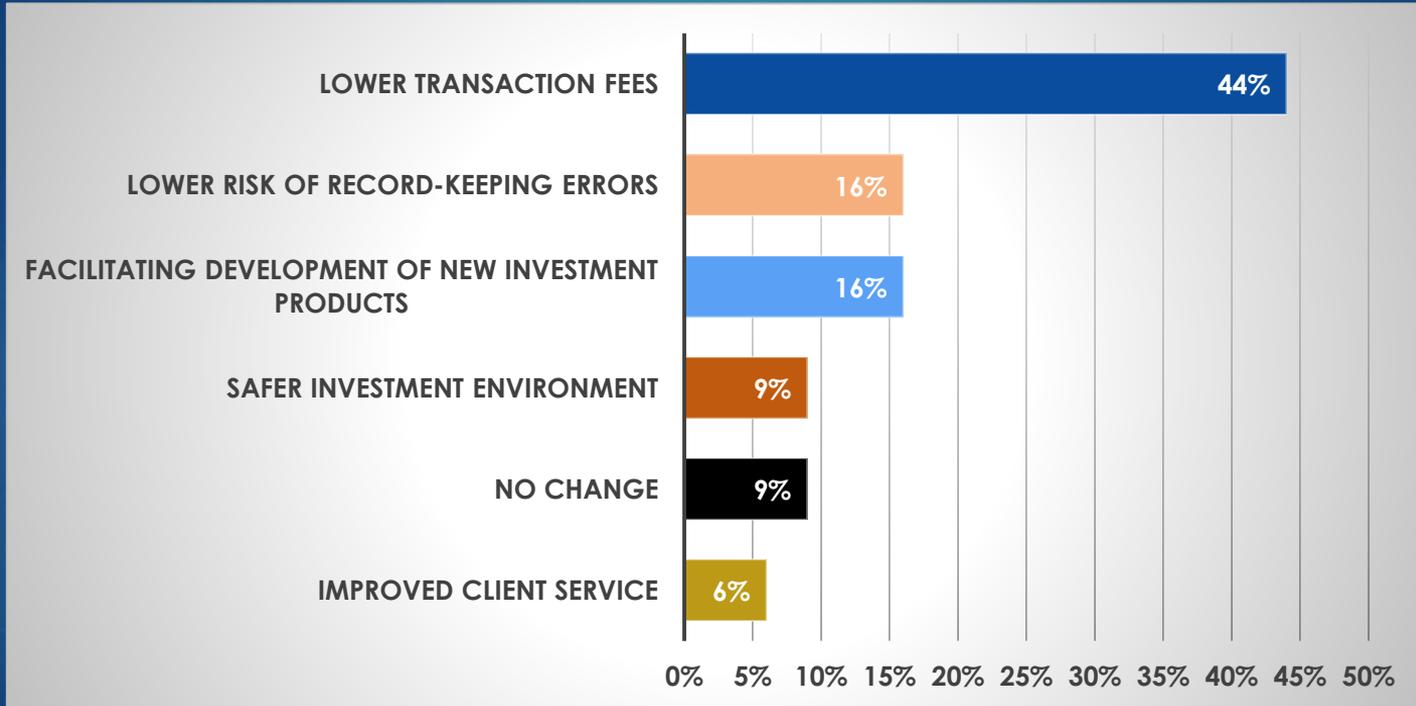
# Where will innovation in fund technology come from?



# For the funds industry, what benefits will DLT deliver?



# For the investor, where will use of DLT deliver most benefit?



# Which company types have potential to be useful partners of asset managers?

Company types	Ranking					
	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>
Online retailers (eg Alibaba, Amazon)	29%	13%	21%	26%	0%	11%
Fund platforms (eg Allfunds, UBS)	29%	21%	11%	13%	15%	11%
Market infrastructure	16%	26%	16%	8%	24%	11%
Technology companies (eg Google, Microsoft)	5%	16%	24%	13%	32%	11%
New entities we don't know about yet	16%	11%	16%	13%	5%	39%
Social media (eg Facebook, Twitter)	5%	13%	13%	27%	24%	18%

# Which company types have potential to disrupt asset managers' business models?

Company types	Ranking					
	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>
Technology companies (eg Google, Microsoft)	24%	32%	18%	13%	8%	5%
Online retailers (eg Alibaba, Amazon)	34%	16%	18%	16%	8%	8%
New entities we don't know about yet	26%	8%	13%	18%	16%	18%
Fund platforms (eg Allfunds, Cofunds)	8%	18%	16%	11%	26%	26%
Market infrastructure	3%	18%	16%	11%	26%	26%
Social media (ie Facebook, Twitter)	5%	8%	18%	21%	24%	24%

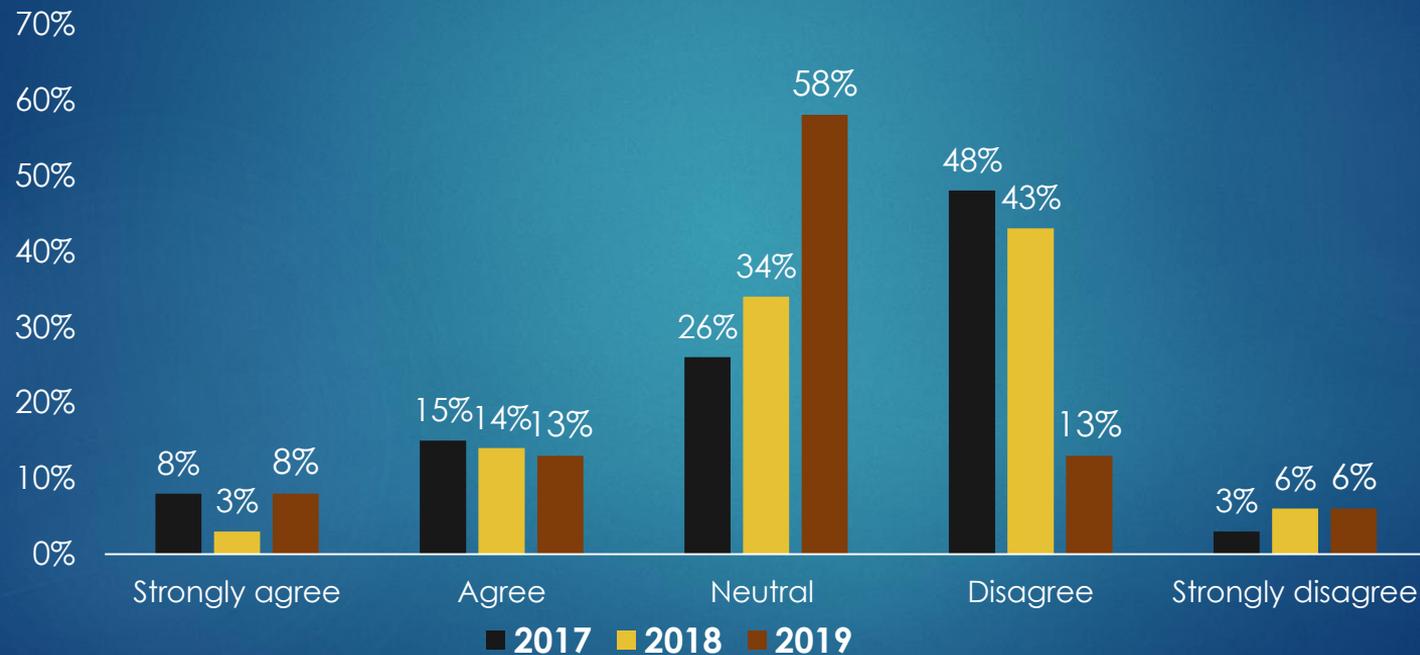
# Which distribution channels are most important in your country or region?

Company types	Ranking					
	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>
Banks	56%	12%	9%	12%	6%	6%
Insurers	5%	47%	18%	12%	6%	12%
Independent Financial Advisers (IFAs)	3%	12%	35%	23%	18%	9%
Fund platforms	3%	12%	29%	29%	23%	3%
Direct-to-consumer	24%	9%	0%	12%	29%	26%
New entrants to the market	9%	8%	9%	12%	18%	44%

# Which distribution channels will be most important in five years' time?

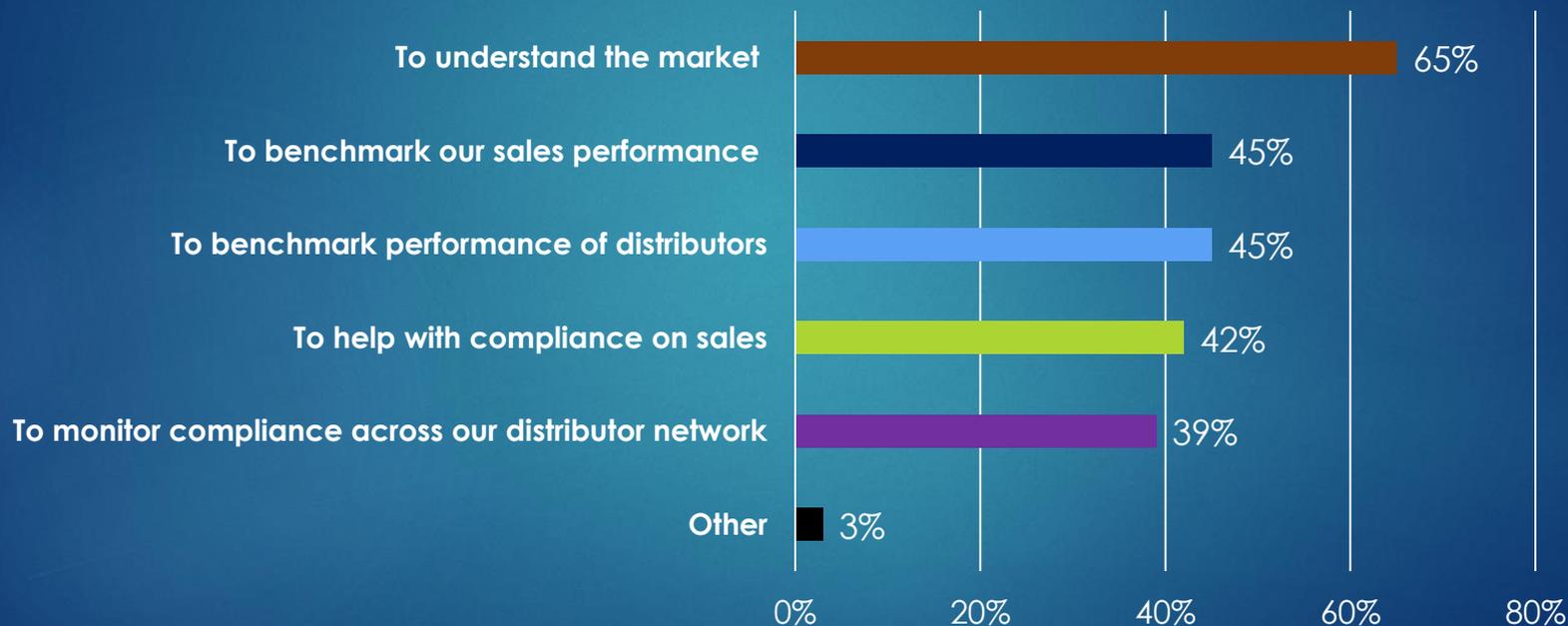
Company types	Ranking					
	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>
Fund platforms	24%	18%	24%	20%	3%	11%
Banks	29%	12%	21%	12%	17%	9%
New entrants to the market	23%	15%	15%	15%	15%	17%
Direct-to-consumer	3%	12%	29%	29%	23%	3%
Insurers	24%	9%	0%	12%	29%	26%
Independent financial advisers (IFAs)	9%	8%	9%	12%	18%	44%

# Are asset managers good at making decisions about their distribution supply chain?

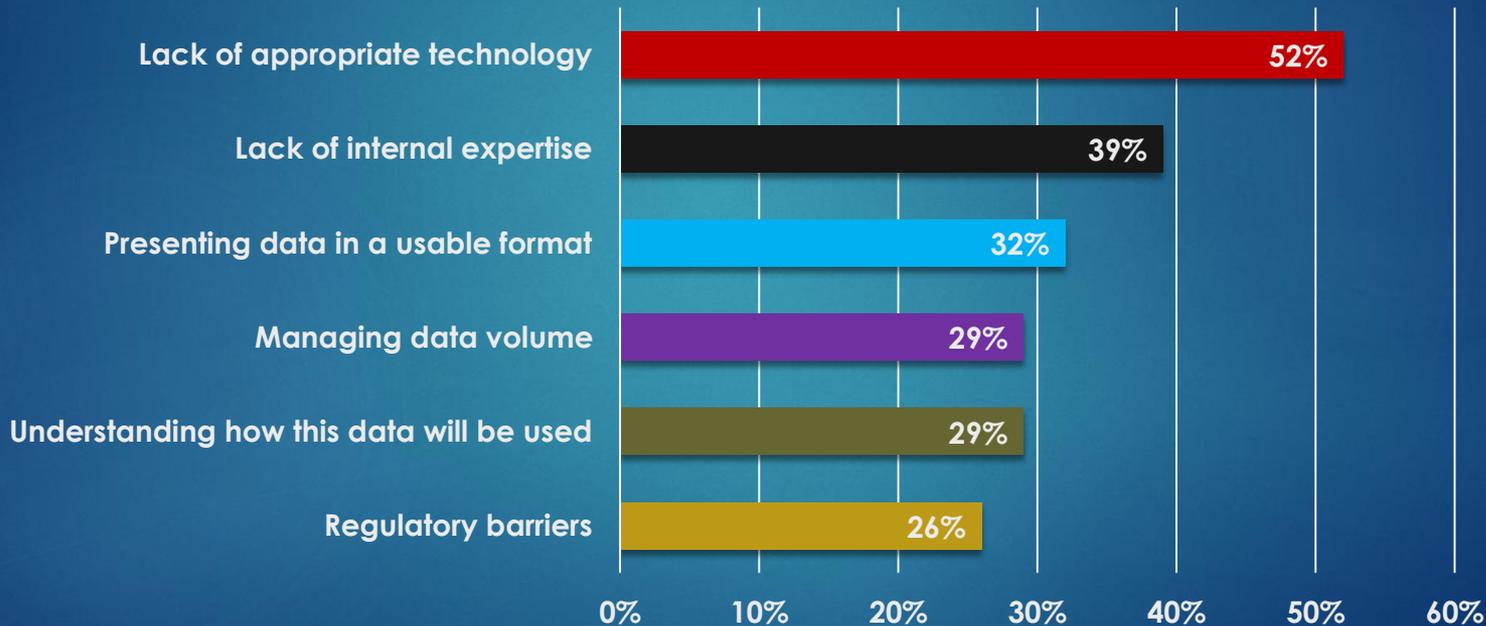


# Why do you require data?

(you may select more than one answer)



# What challenges do asset managers face in accessing data about end investors?



# Concluding thoughts

- ▶ Respondents have growing confidence in the ability of technology to deliver improvements in processing efficiency and cost management
- ▶ Distributed ledger technology and artificial intelligence will have greatest impact on the asset management industry
  - ▶ Including natural language processing, robotic process automation, application of AI to computer security and threat detection
- ▶ Respondents believe:
  - ▶ The industry is getting better at implementing new technology and making use of data around its distribution supply chain
  - ▶ But is constrained by skills shortages, lack of budget, failure of decision makers to understand competitive advantages and benefits to customers