

Deutscher Fondsverband

**BVI**

# **BVI AUTUMN SURVEY**

## **INVESTMENT FUNDS SECTOR**

### **CURRENT SITUATION AND OUTLOOK**

**6 DECEMBER 2019**  
**FRANKFURT AM MAIN, GERMANY**

## KEY FINDINGS



- Investment funds industry regards its business prospects as better than in 2019.
- Investors are motivated by low interest rates and the search for higher returns.
- Asset Manager's consider sustainability to be a mayor growth driver in the industry.
- Margin and cost pressures, as well as the regulatory burden are increasing.
- Greater importance attached to the exercise of shareholders' rights.
- Performance fees are becoming increasingly important.
- Investment companies pursue very different strategies with regard to sustainability.

## KEY FINDINGS

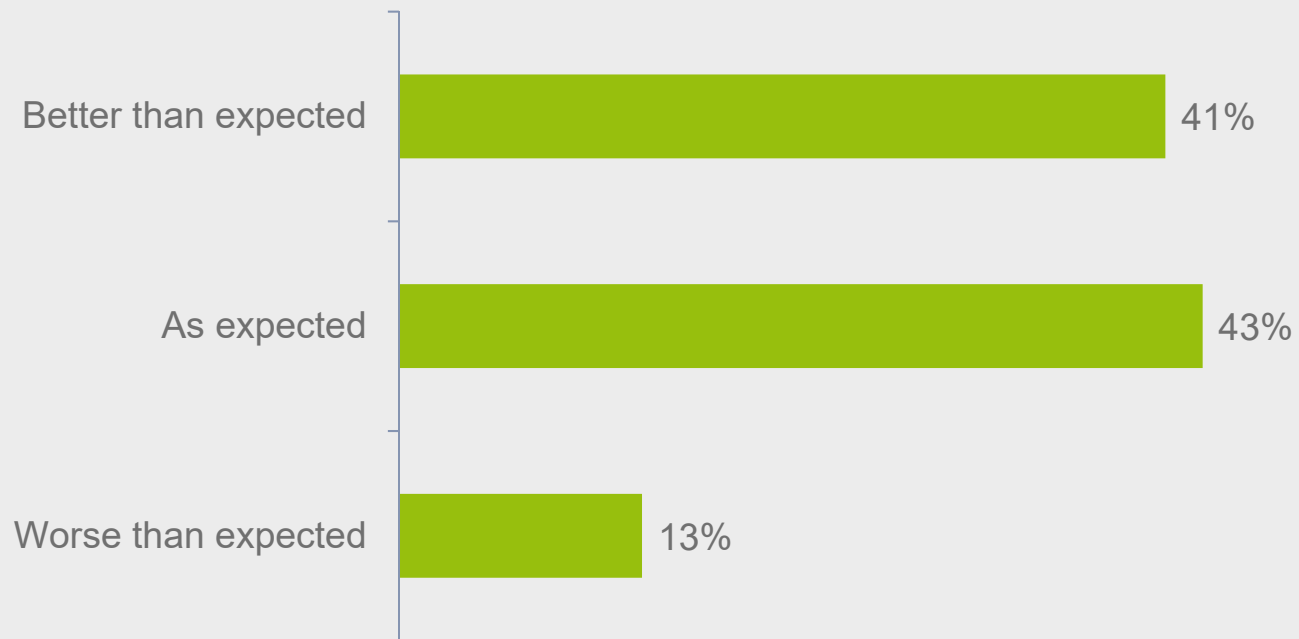


- Launching of sustainable investment funds is motivated by own corporate values; investment companies also want to put their own sustainability values into practice internally.
- Sector intends to enhance digital processes and optimise its IT infrastructure, and is seeking appropriately qualified staff.

# BUSINESS SENTIMENT REMAINS GOOD IN INVESTMENT FUNDS SECTOR



## Assessment of current business situation, as percentages

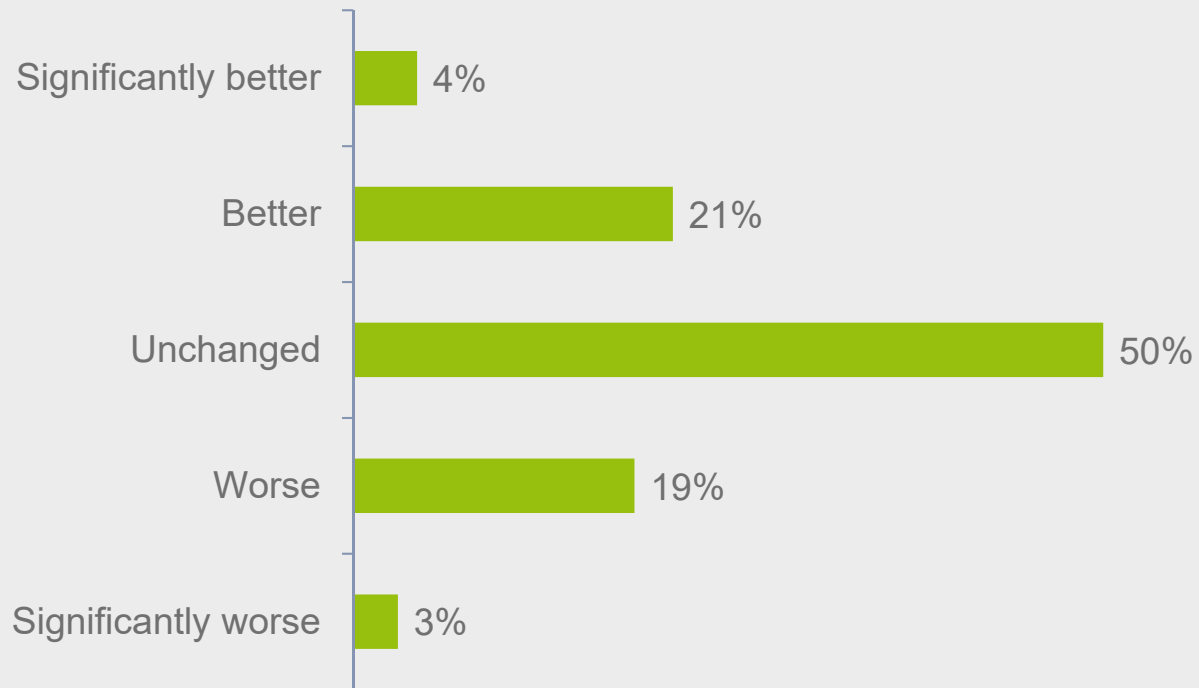


Question 1: How closely did the financial year 2019 meet your expectations? Basis n = 349; no opinion 3%

# OUTLOOK: OPTIMISM PREVAILS



## Outlook for business in 2020, as percentages



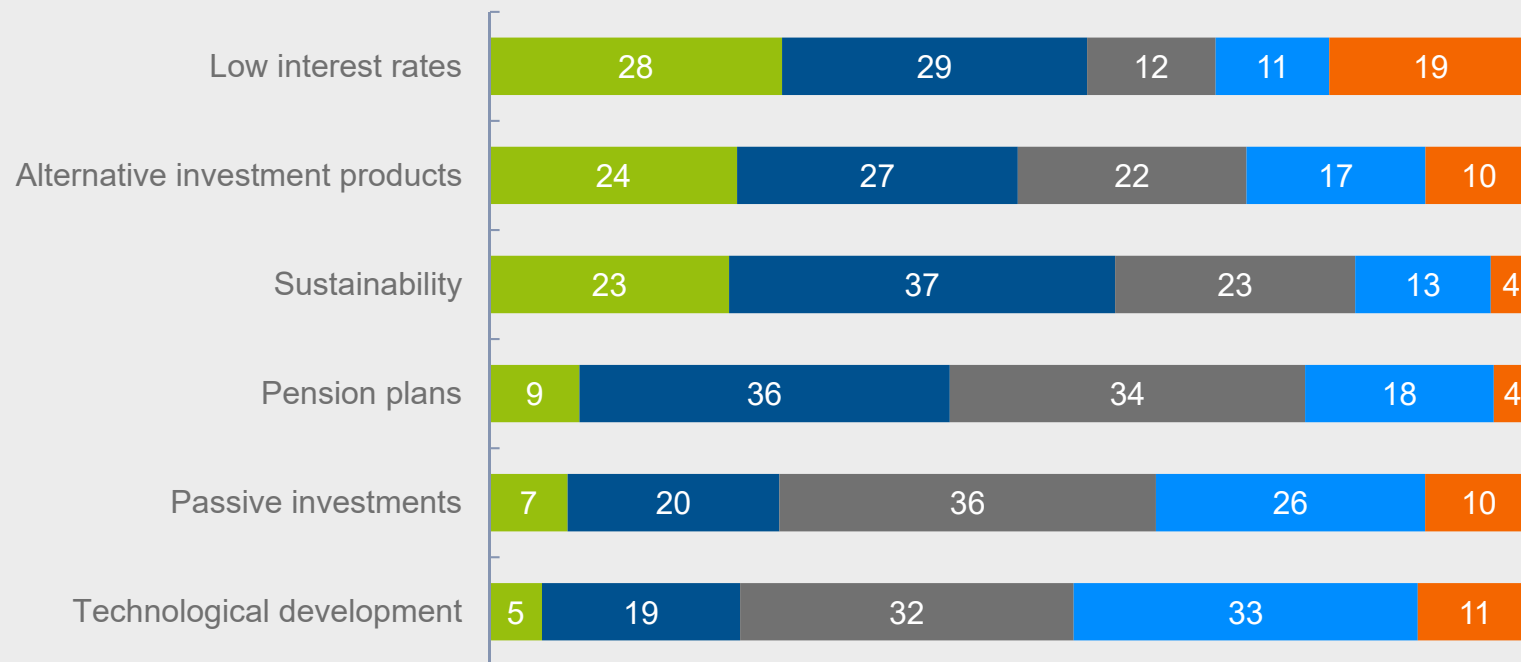
Question 2: What is your assessment of the business outlook for 2020 in comparison with the current year? Basis n= 349; no opinion 2%

# SECTOR IS BENEFITTING FROM INVESTORS' SEARCH FOR YIELD



## The drivers of growth, as percentages

■ very significant ■ significant ■ fairly significant ■ insignificant ■ very insignificant

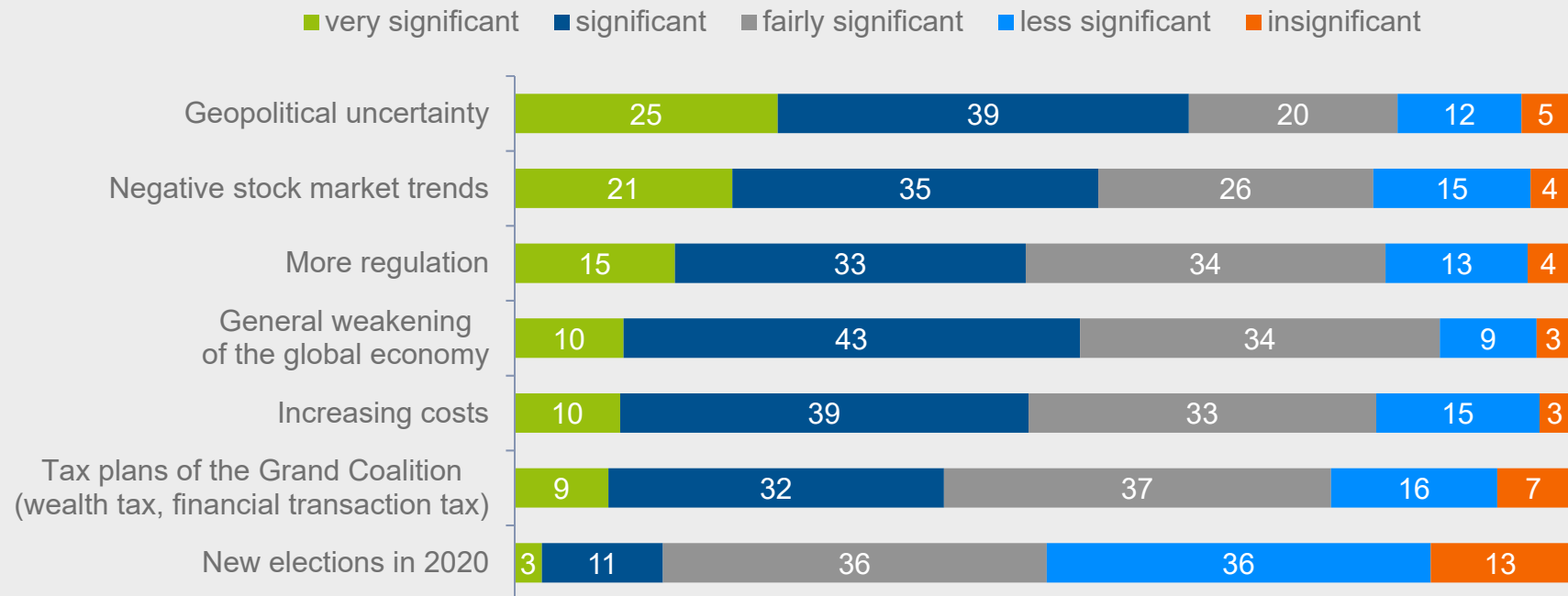


Question 3: What are the drivers of growth in the sector? Multiple answers allowed. Basis n= 349

# GEOPOLITICS AND STOCK MARKET TRENDS REGARDED AS THE GREATEST RISKS



## Risk factors, as percentages

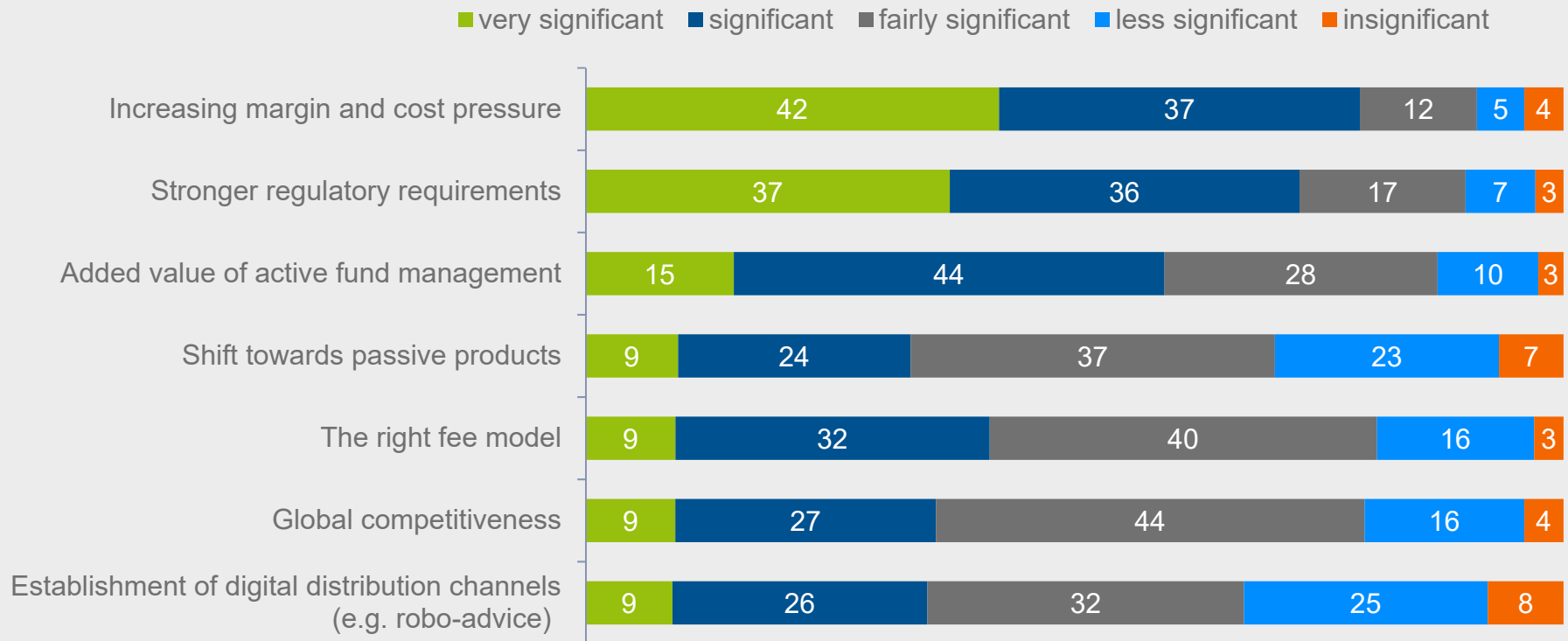


Question 5: What could hold back the growth of the sector in 2020? Multiple answers allowed. Basis n= 349

# MARGIN PRESSURE AND REGULATION ARE A BURDEN



## Challenges for the sector, as percentages



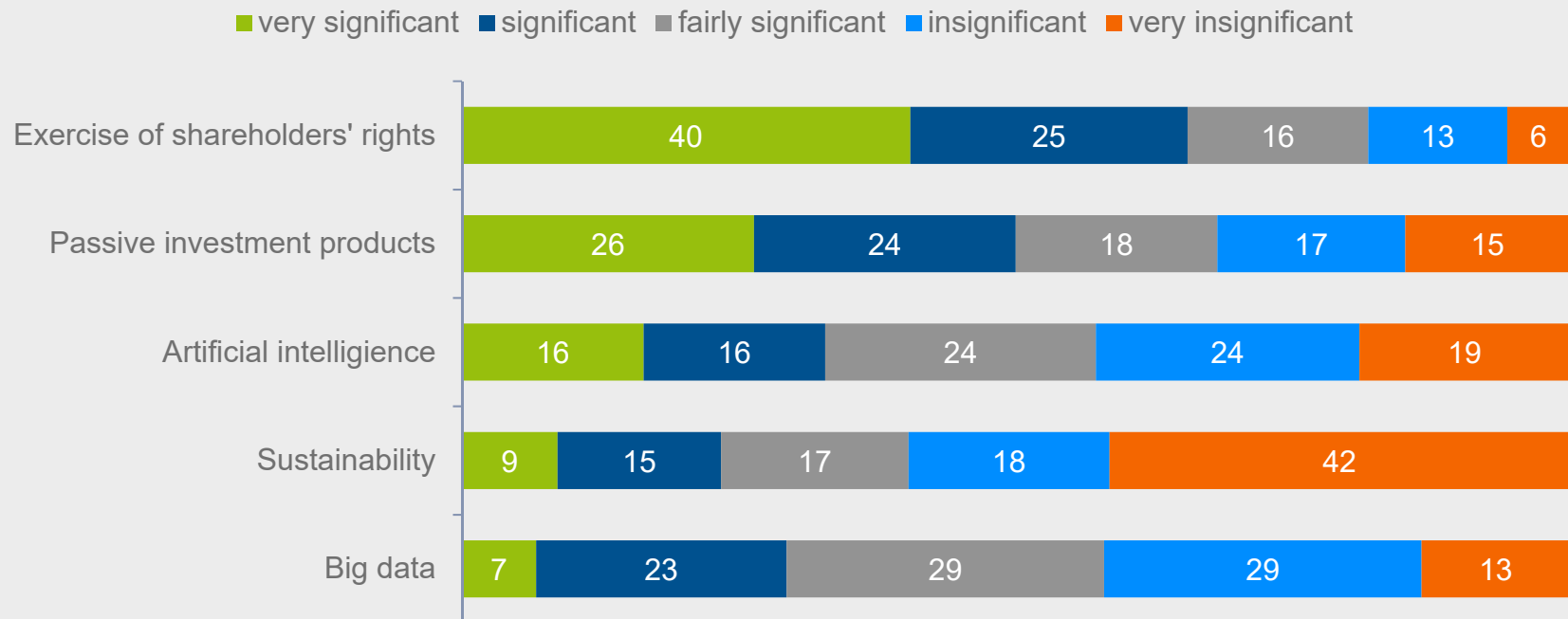
Question 4: What are the greatest challenges for the sector, in your opinion? Multiple answers allowed. Basis n= 349



# GREATER IMPORTANCE ATTACHED TO THE EXERCISE OF SHAREHOLDERS' RIGHTS



## Topics, as percentages

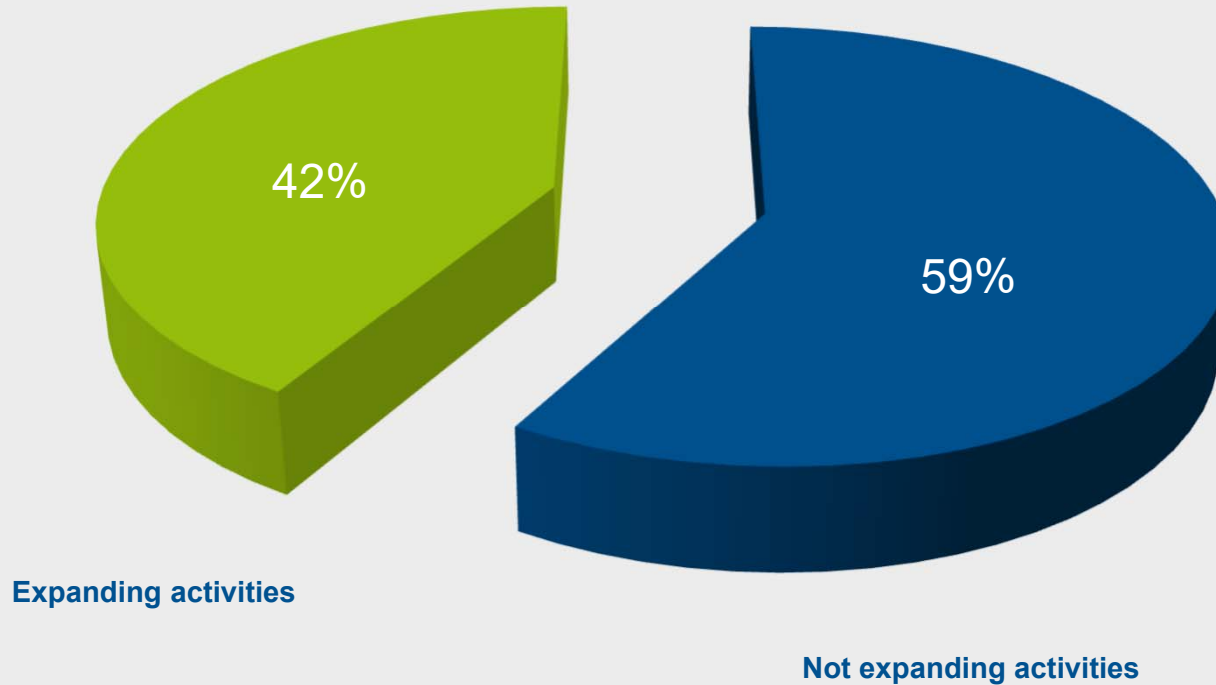


Question 7: What developments will bring the most change to portfolio management? Multiple answers allowed. Basis n= 349

# INVESTMENT COMPANIES PLAN TO EXPAND THEIR SHAREHOLDER ENGAGEMENT



Degree of shareholder engagement

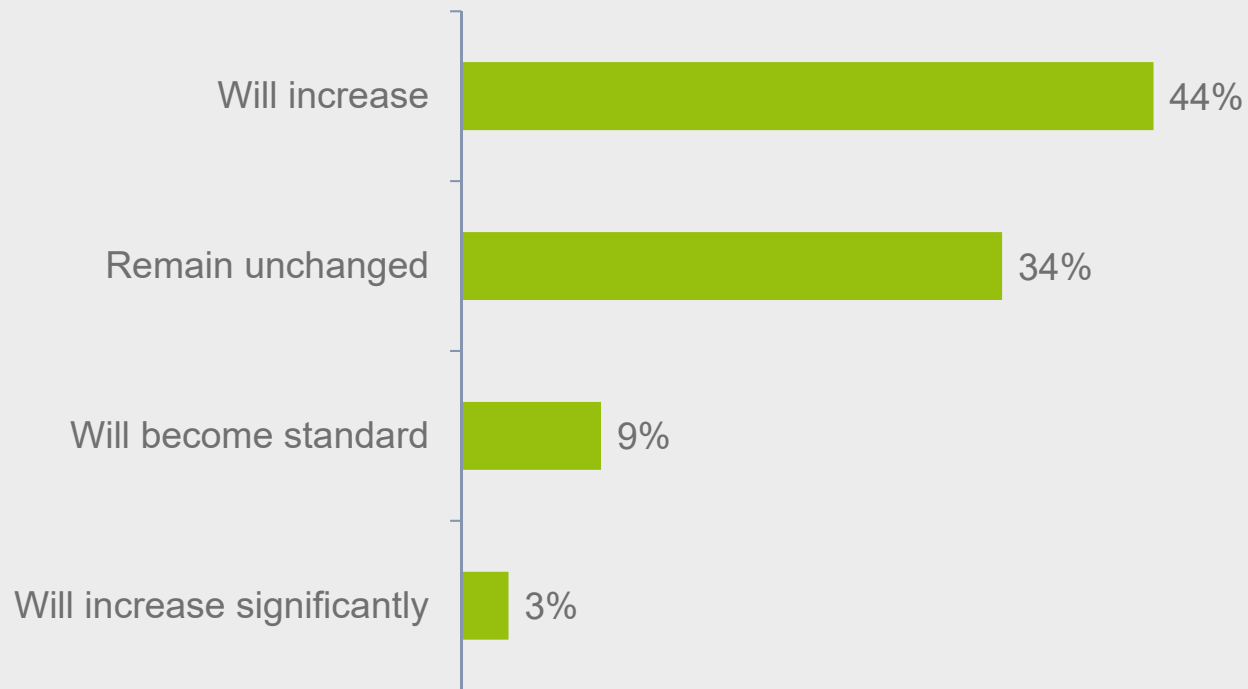


Question 11: Shareholder engagement is increasingly being expected of investors. To what extent does your firm plan to expand its activities in shareholder engagement? Basis n= 349

# IMPORTANCE OF PERFORMANCE-BASED FEES INCREASES



## Expectations, as percentages

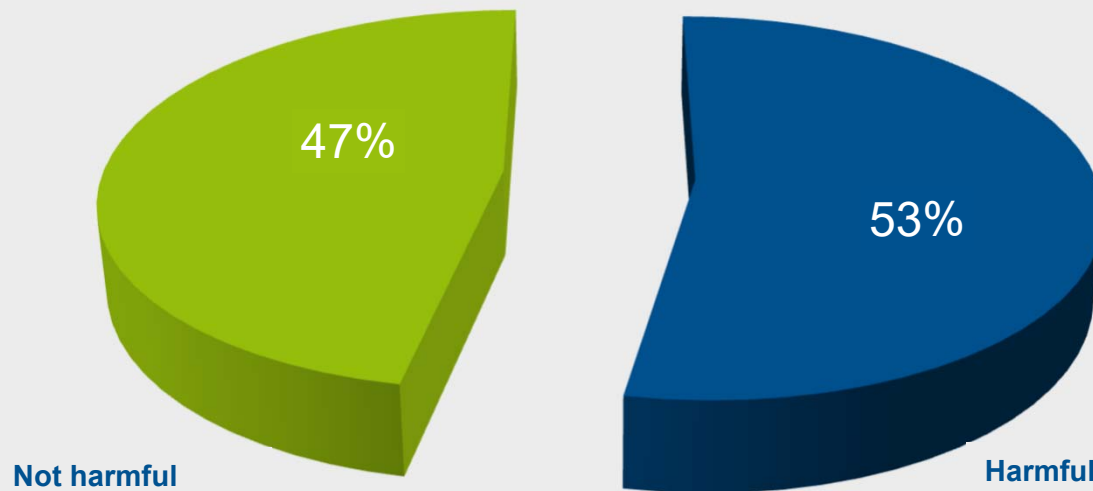


Question 6: Will performance-based fees structure for retail funds more prevalent in the future? Basis n= 349; no opinion 9%

# INDUSTRY VIEWS GOVERNMENT TAX PLANS AS HARMFUL



Results, as percentages

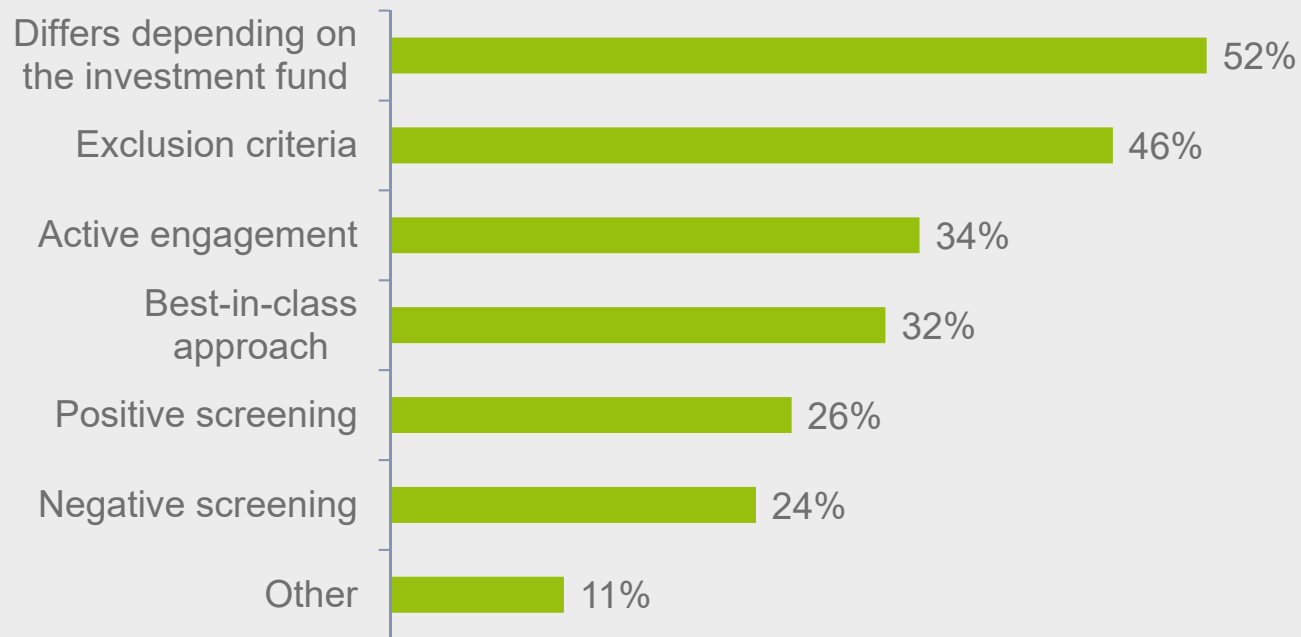


Question 12: How harmful do you believe the tax plans of the German Grand Coalition government (property tax, wealth tax, financial transaction tax, abolition of flat-rate withholding tax on interest income) are for the capital market and for Germany as a financial center? Basis n = 349

# INVESTMENT COMPANIES PURSUE DIFFERING SUSTAINABILITY STRATEGIES



## Type of sustainability filter, as percentages

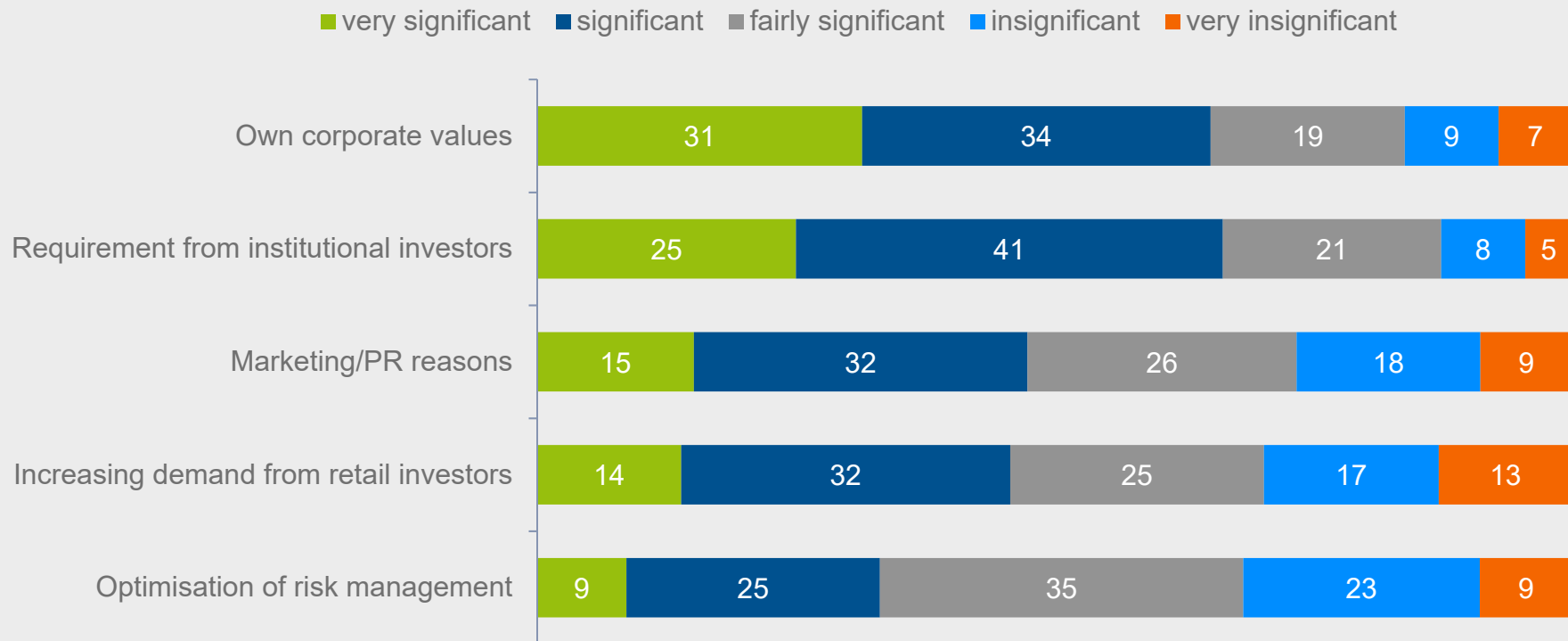


Question 9: What is the main sustainability filter used by your firm for your ESG investment funds? Multiple answers allowed. Basis n= 349

# THEIR ENGAGEMENT IN SUSTAINABILITY ISSUES COMES FROM A SENSE OF CONVICTION



## Motivation for investment, as percentages

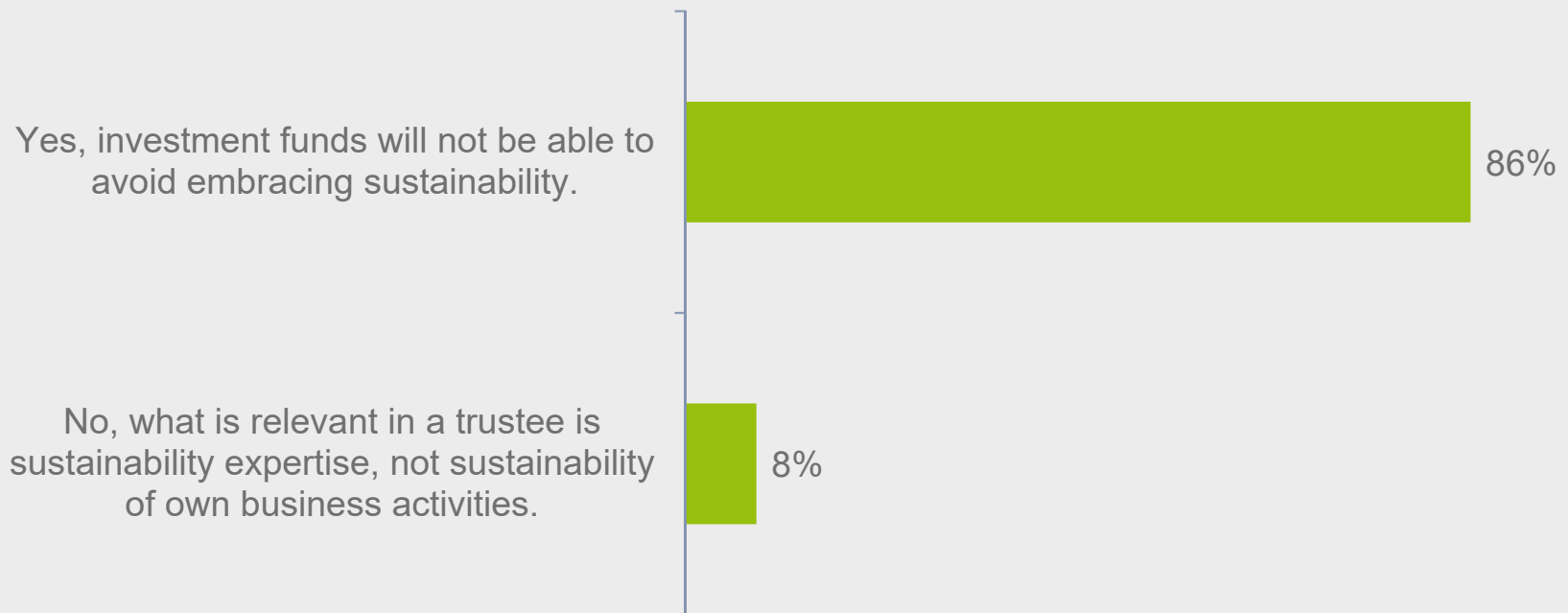


Question 8: Sustainability is currently *en vogue*. For what reasons does your firm offer sustainable investment funds? Multiple answers allowed. (Scale of 1 to 5 – low to high) Basis n= 349

# ...AND THEY WANT TO MAKE SUSTAINABILITY AN INTEGRAL PART OF THEIR OWN BUSINESS PRACTICES



## Assessment of corporate policy, as percentages

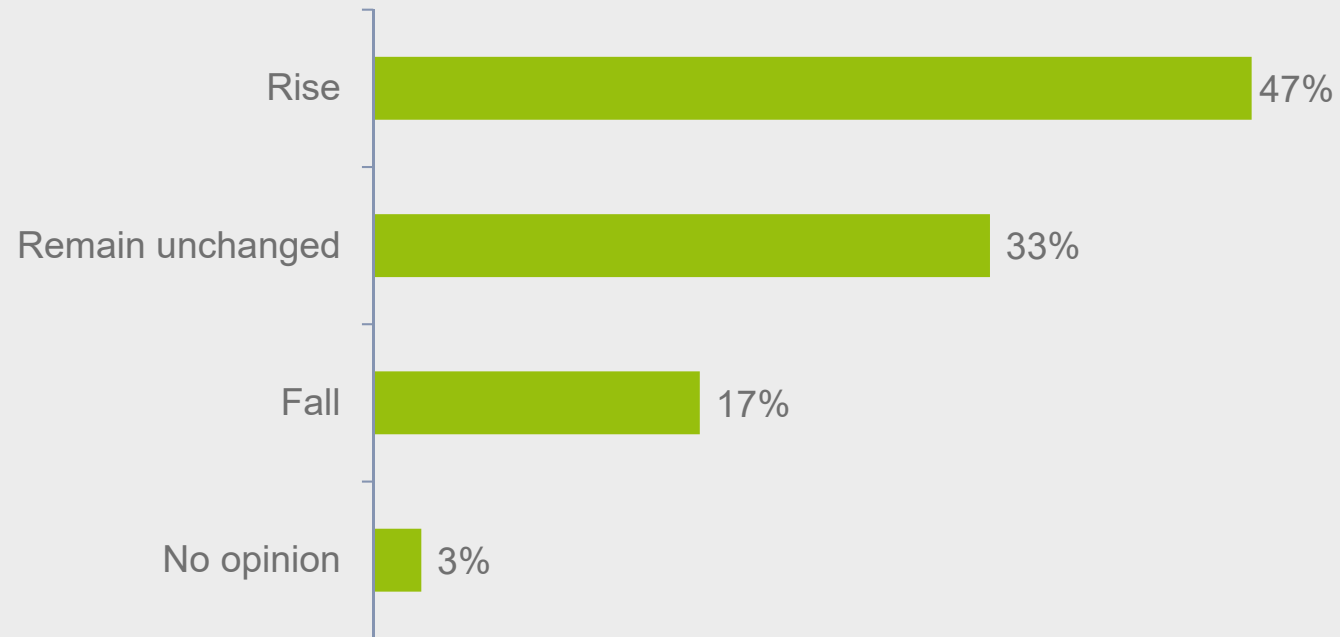


Question 10: Do you think that it will become more important for investment companies to make their own business operations more sustainable?  
Basis n = 349; no opinion 6%

# SECTOR IS LOOKING FOR STAFF



## Staffing changes, as percentages



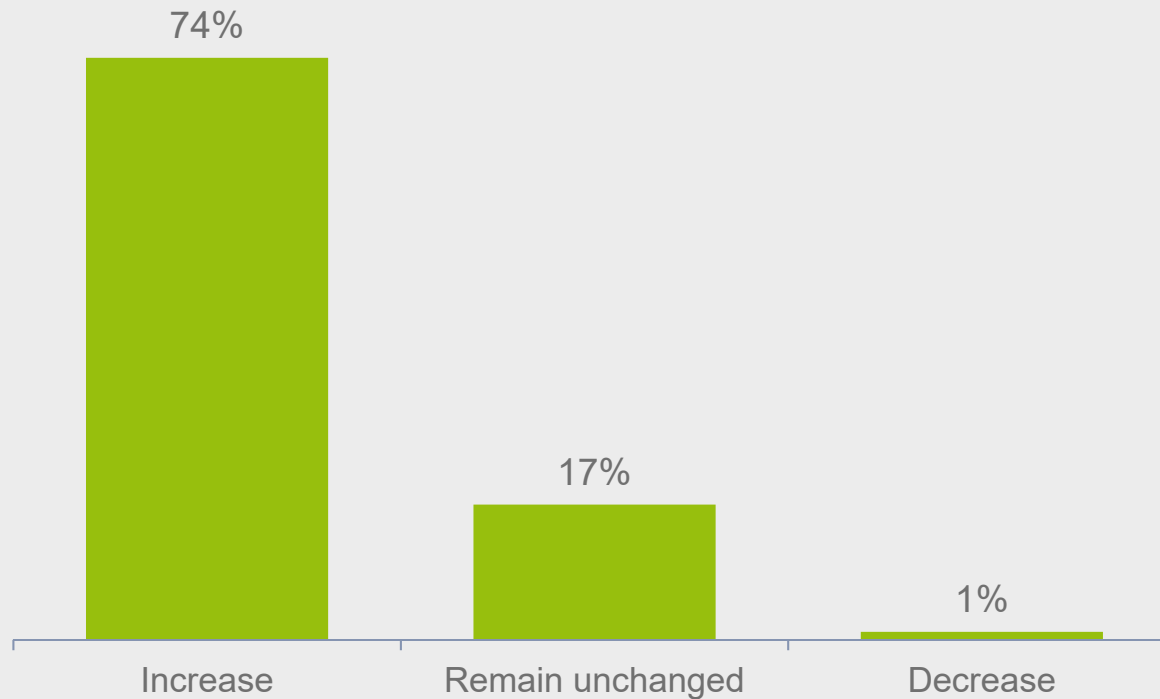
Question 13: In the coming year, the number of staff in the sector will...? Basis n = 349



# SECTOR CONTINUES TO INVEST LARGE AMOUNTS IN INFORMATION TECHNOLOGY



## Relative importance of IT infrastructure, as percentages

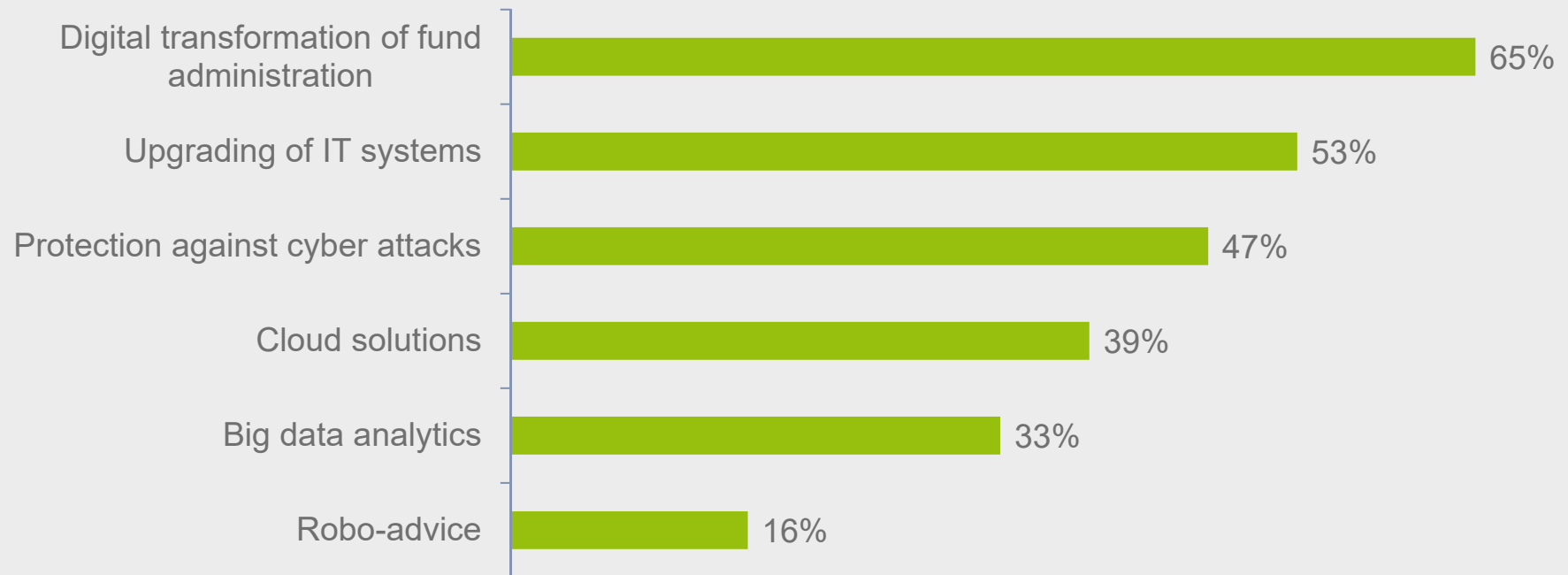


Question 16: During 2020, investments in IT infrastructure will...? Basis n = 349; no opinion 7%

# SECTOR'S DIGITAL TRANSFORMATION EFFORTS MAINLY FOCUS ON PROCESSES



## Investment objectives, as percentages

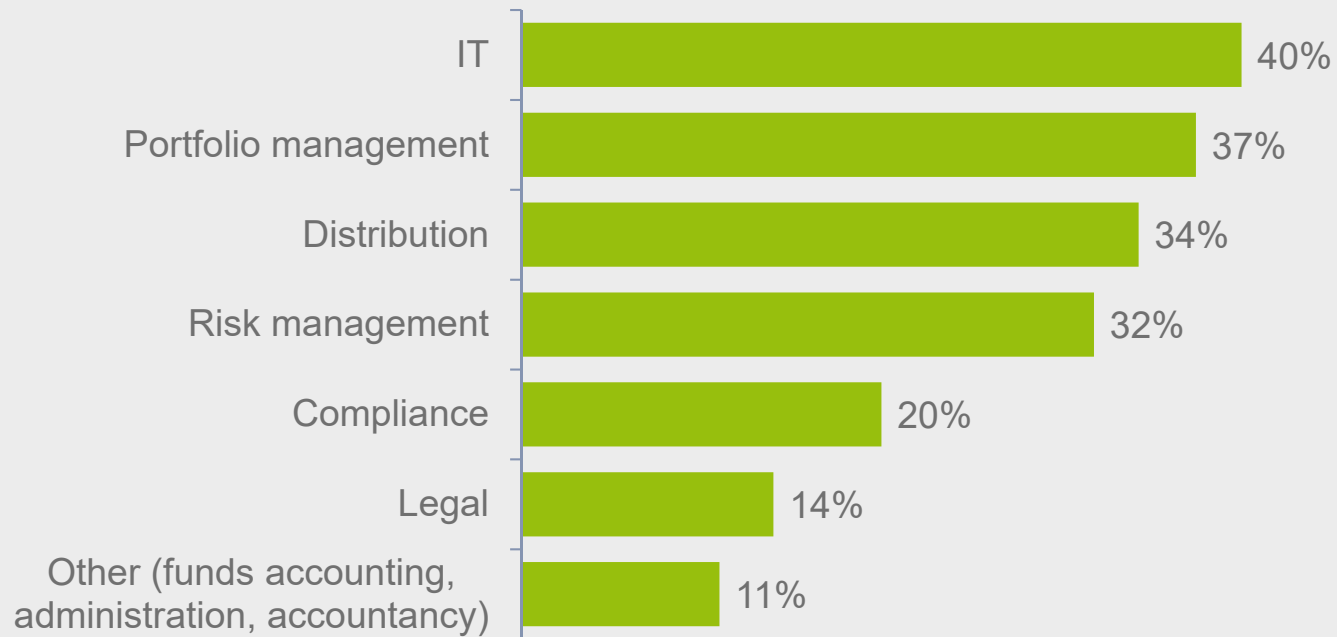


Question 17: If investment in IT infrastructure is stepped up in the coming year, what area will you invest in? Multiple answers allowed.  
Basis n = 320; no opinion 16%

# IT EXPERTS IN PARTICULARLY HIGH DEMAND



## Staffing changes, as percentage



Question14: If you intend to increase your staff numbers in the next year, what are the areas for which you plan to recruit them?  
Multiple answers allowed. Basis n = 283; no opinion 26%

## KEY DATA RELATING TO THE SURVEY



- This analysis is based on 349 answers; around 90 percent of these came from senior management in the investment funds sector.
- The respondents were members or associated members of BVI.
- The survey was conducted in the period from 15 to 25 November 2019.