

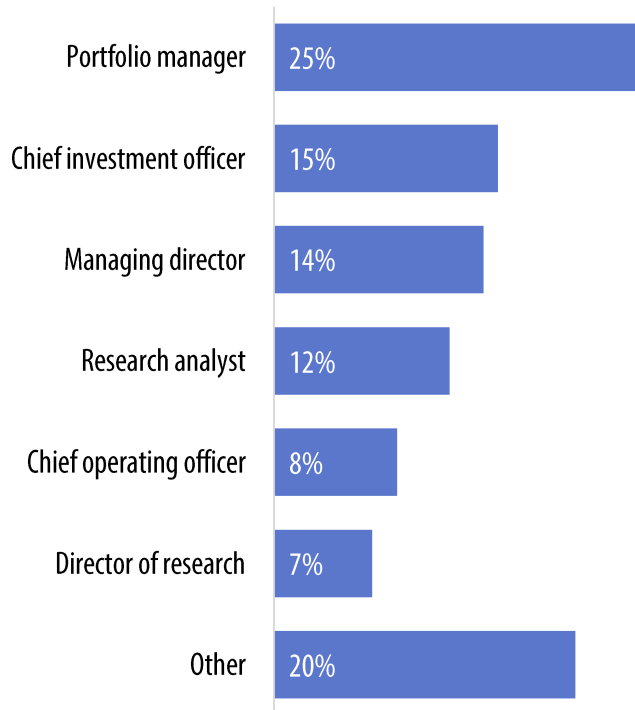
FUTURE OF THE INVESTMENT PROFESSION

GLOBAL SURVEY RESPONSES

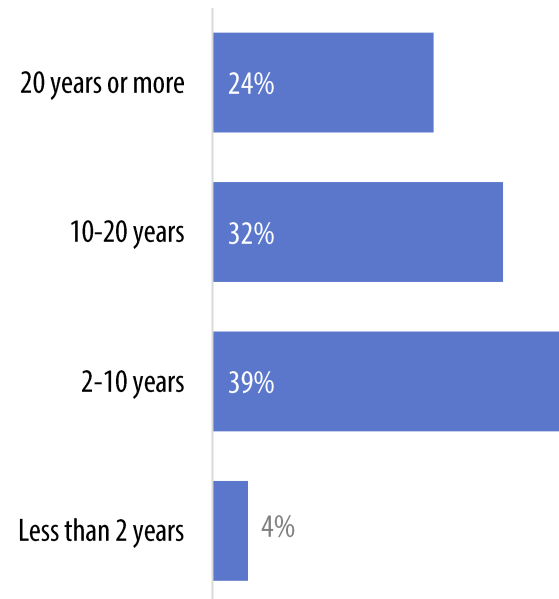


RESPONSES FROM 1,145 SENIOR INVESTMENT DECISION MAKERS WORLDWIDE

What is your title?

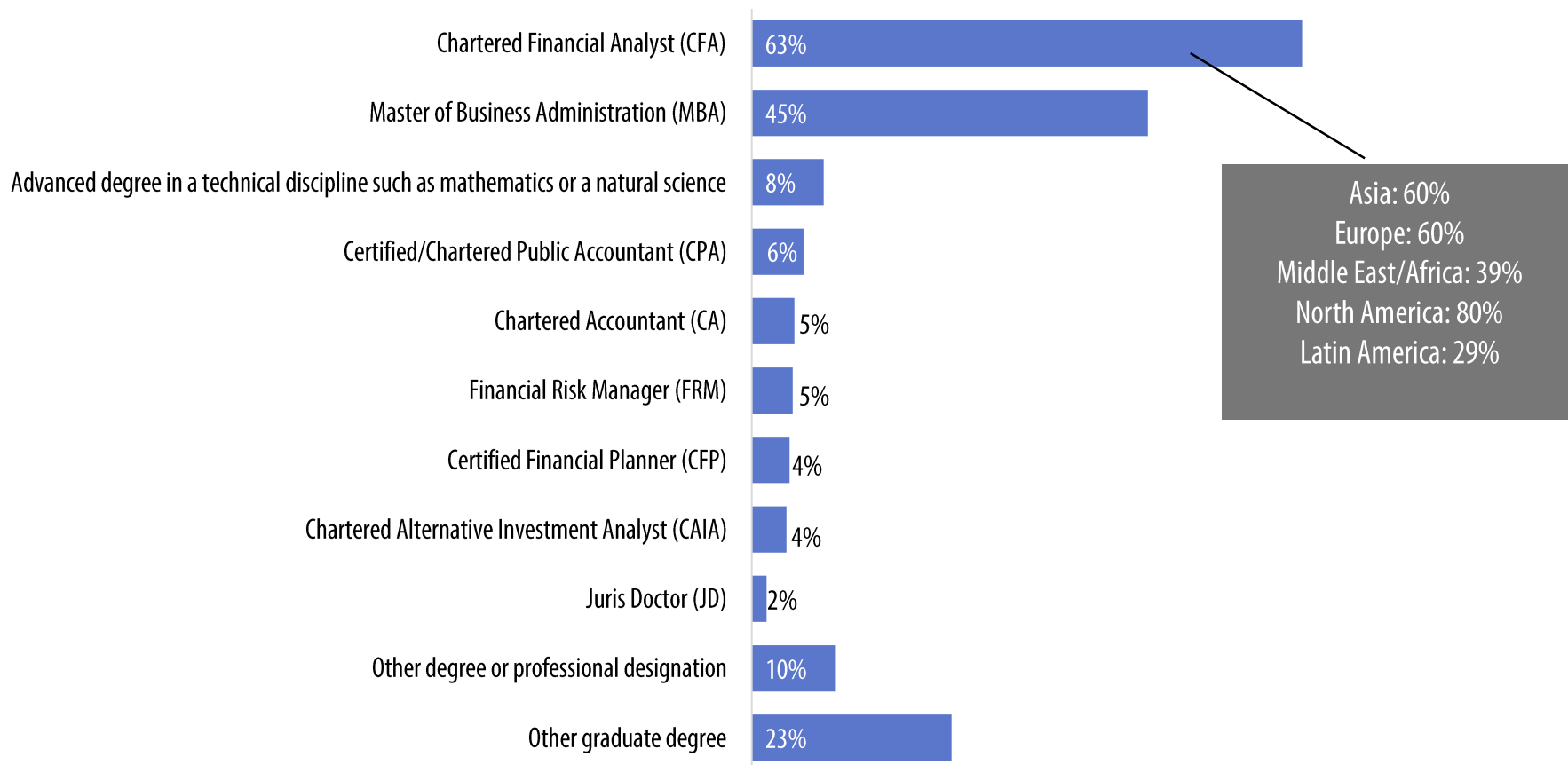


For how many years have you worked as an investment management professional?



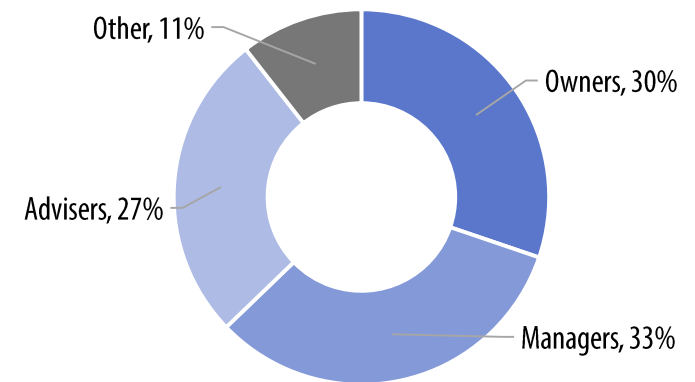
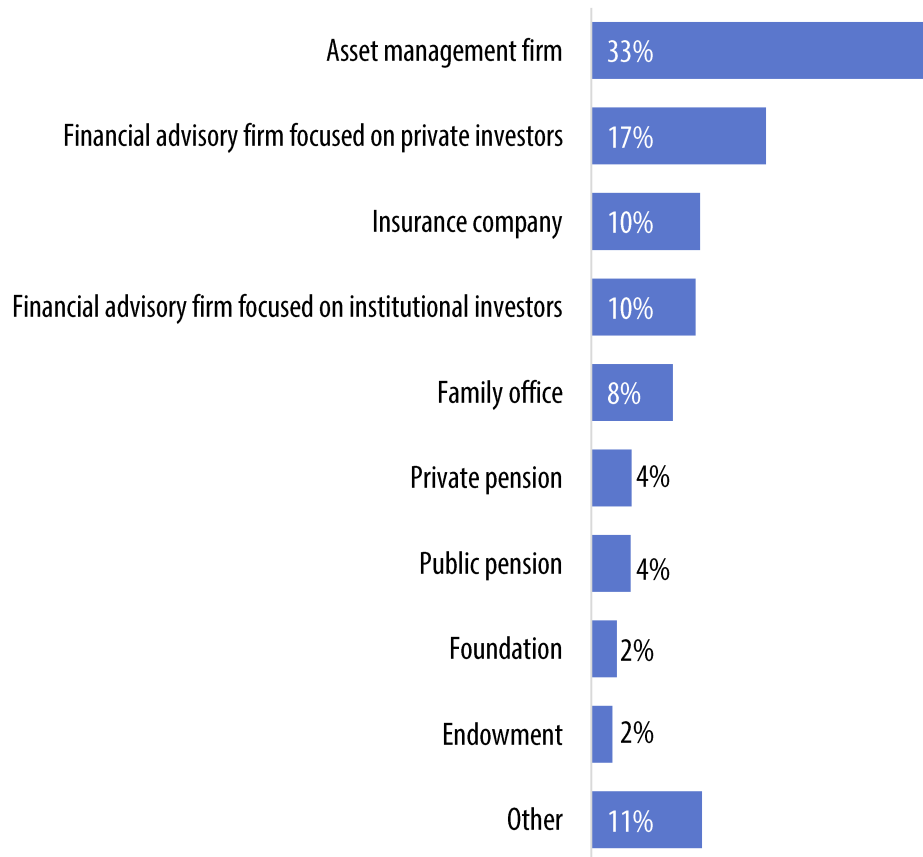
STRONG REPRESENTATION FROM CFA CHARTER HOLDERS

Do you hold any of the following credentials?



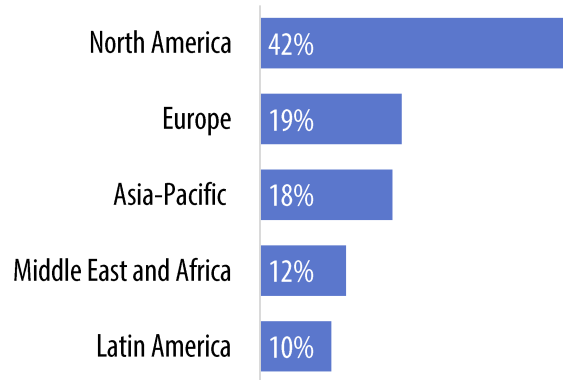
BROAD RANGE OF INSTITUTION TYPES

What type of institution do you work for?

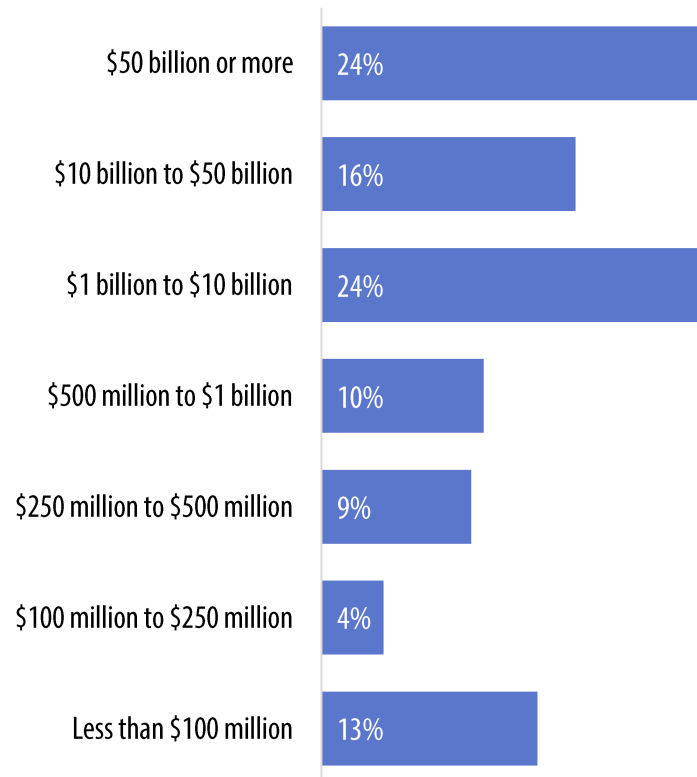


GLOBAL COVERAGE, DOMINATED BY NORTH AMERICA

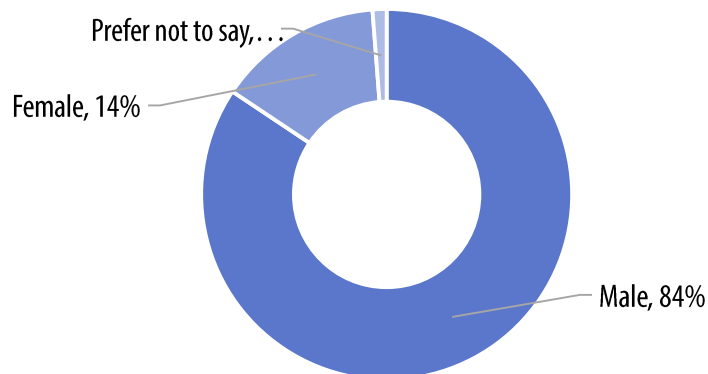
Where is your position located?



What are your institution's assets under management (in USD)?



Are you female or male?

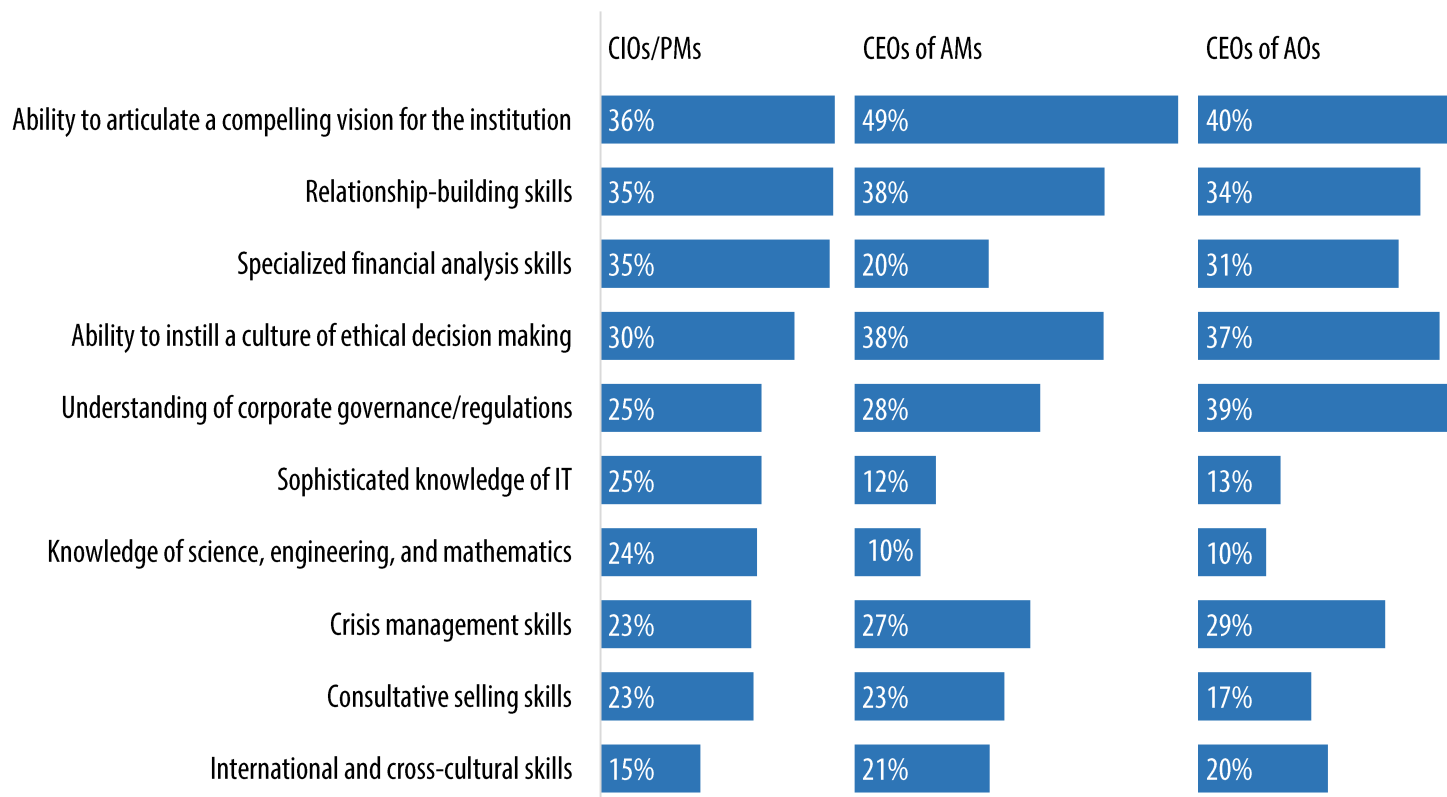


SKILLS FOR THE FUTURE

SKILLS TO DETERMINE EXECUTIVE SUCCESS

Which of the following skills will be more important for the success of institutional leaders in 5-10 years?

Skills that will be most important for the success of...



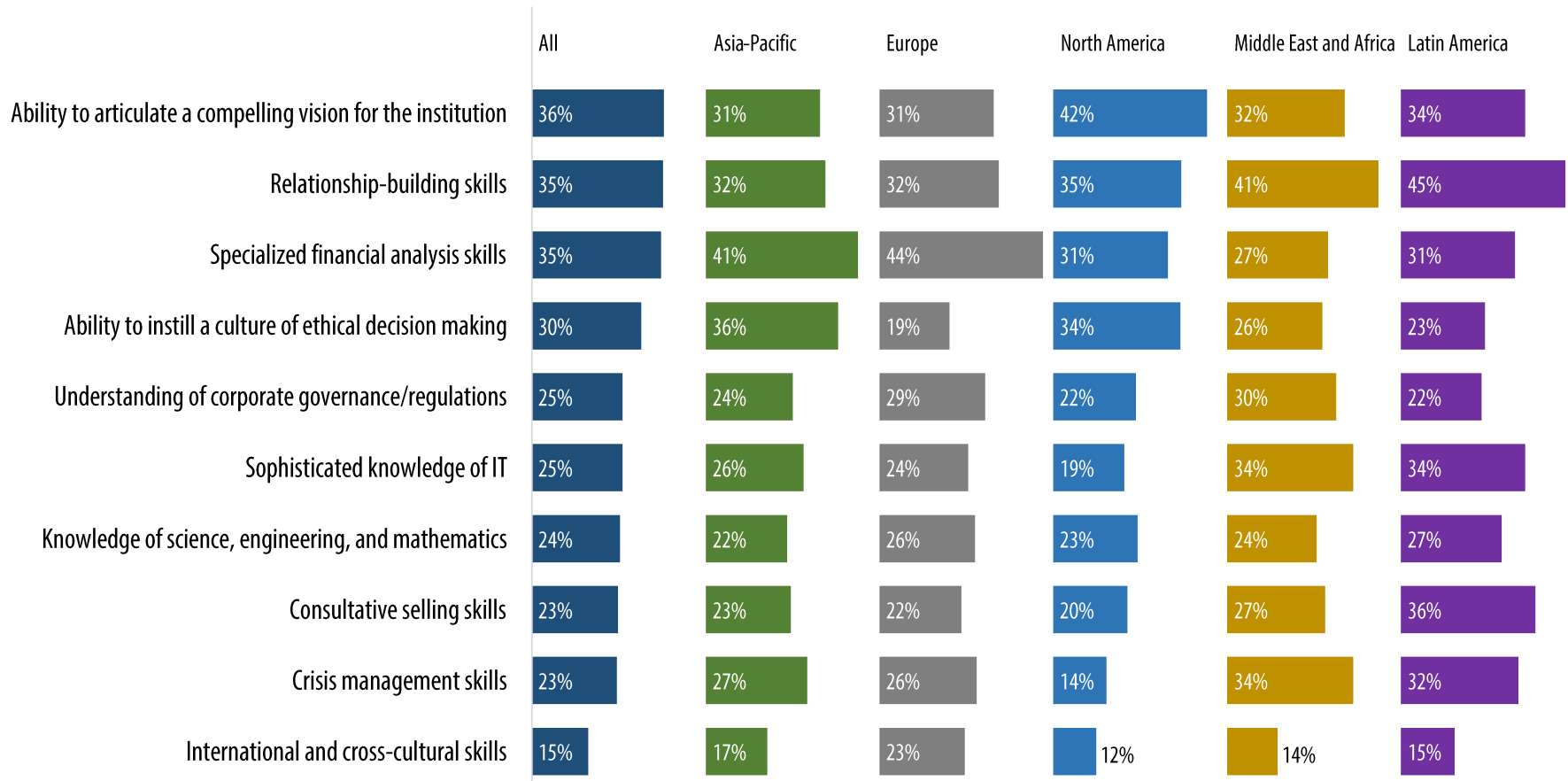
SOFT SKILLS EMERGE AS SOURCES OF EXECUTIVE SUCCESS

Which of the following skills will be more important to the success of institutional leaders in 5-10 years?

	CIOs/PMs		CEOs of AMs		CEOs of AOs	
	Rank	%	Rank	%	Rank	%
Ability to articulate a compelling vision for the institution	1	36%	1	49%	1	40%
Relationship-building skills	2	35%	2	38%	4	34%
Specialized financial analysis skills	3	35%	8	20%	5	31%
Ability to instill a culture of ethical decision making	4	30%	3	38%	3	37%
Sophisticated knowledge of IT	5	25%	9	12%	9	13%
Understanding of corporate governance/regulations	5	25%	4	28%	2	39%
Knowledge of science, engineering, and mathematics	7	24%	10	10%	10	10%
Consultative selling skills	8	23%	6	23%	8	17%
Crisis management skills	9	23%	5	27%	6	29%
International and cross-cultural skills	10	15%	7	21%	7	20%

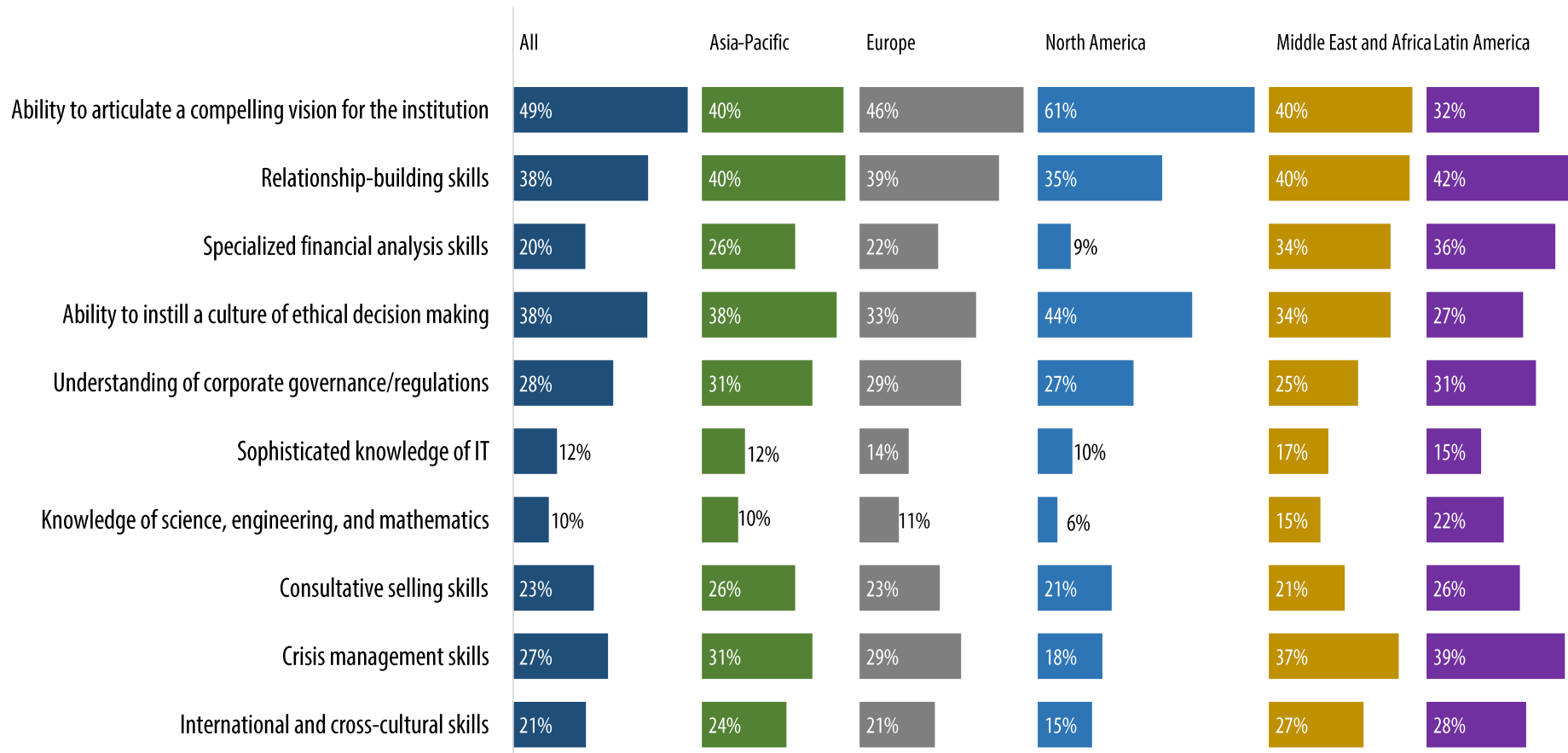
SKILLS FOR CIO/PM SUCCESS—THE REGIONAL VIEW

Which of the following skills will be more important to the success of CIOs/portfolio managers in 5-10 years?



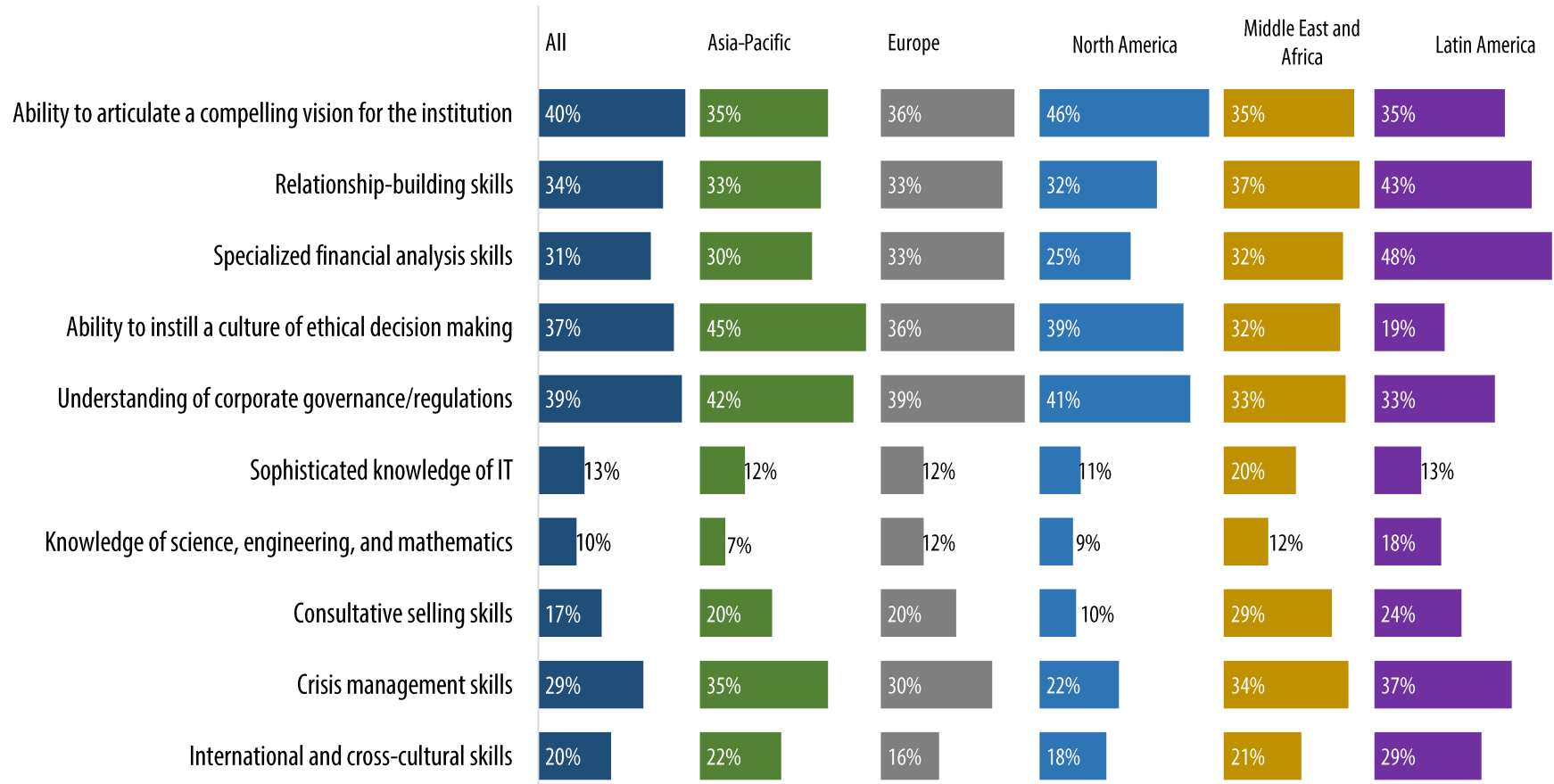
SKILLS FOR ASSET MANAGER CEO SUCCESS—THE REGIONAL VIEW

Which of the following skills will be most important to the success of CEOs of asset management firms in 5-10 years?

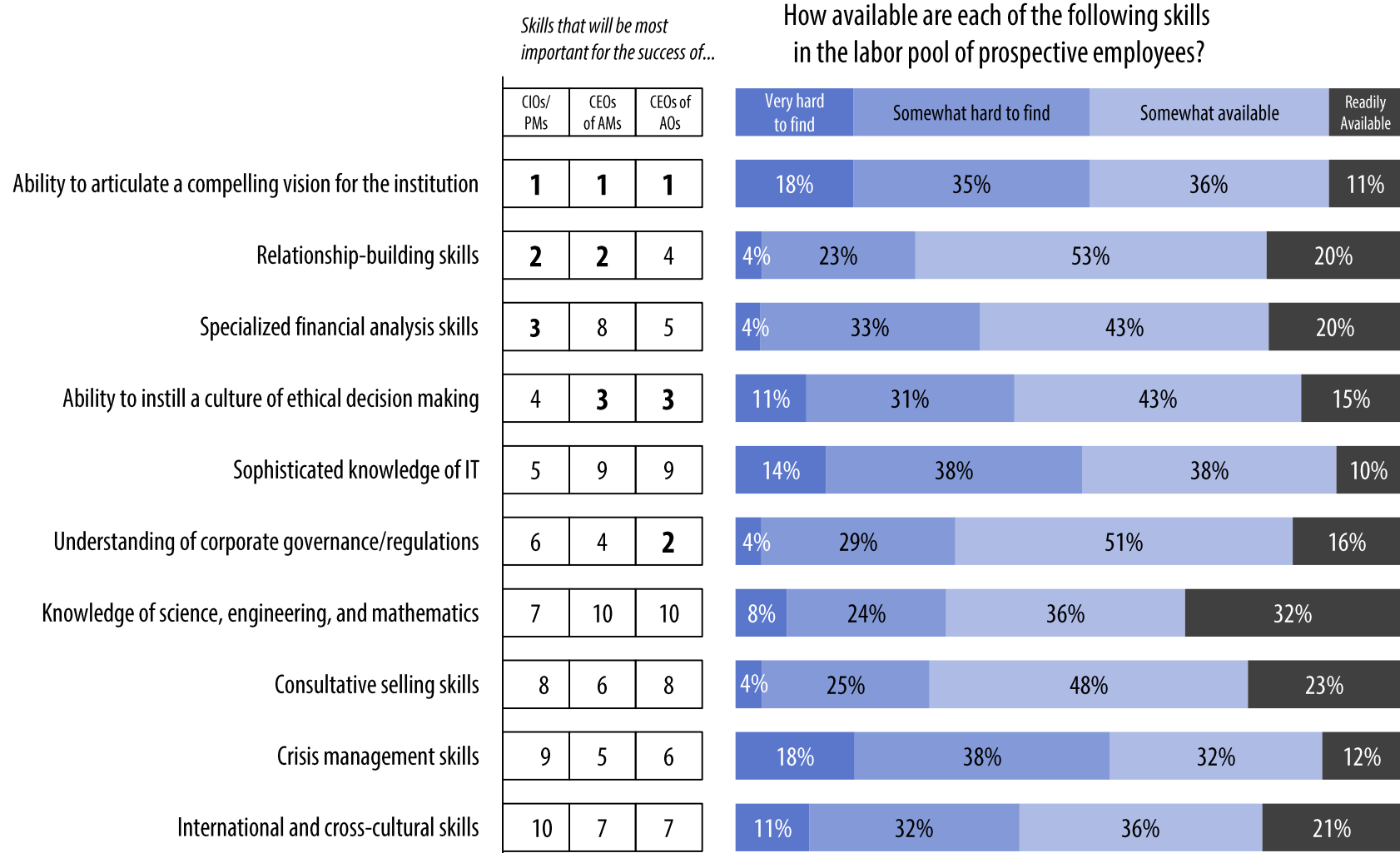


SKILLS FOR SUCCESS FOR ASSET OWNER CEOS—THE REGIONAL VIEW

Which of the following skills will be most important to the success of CEOs of asset owning institutions in 5-10 years?

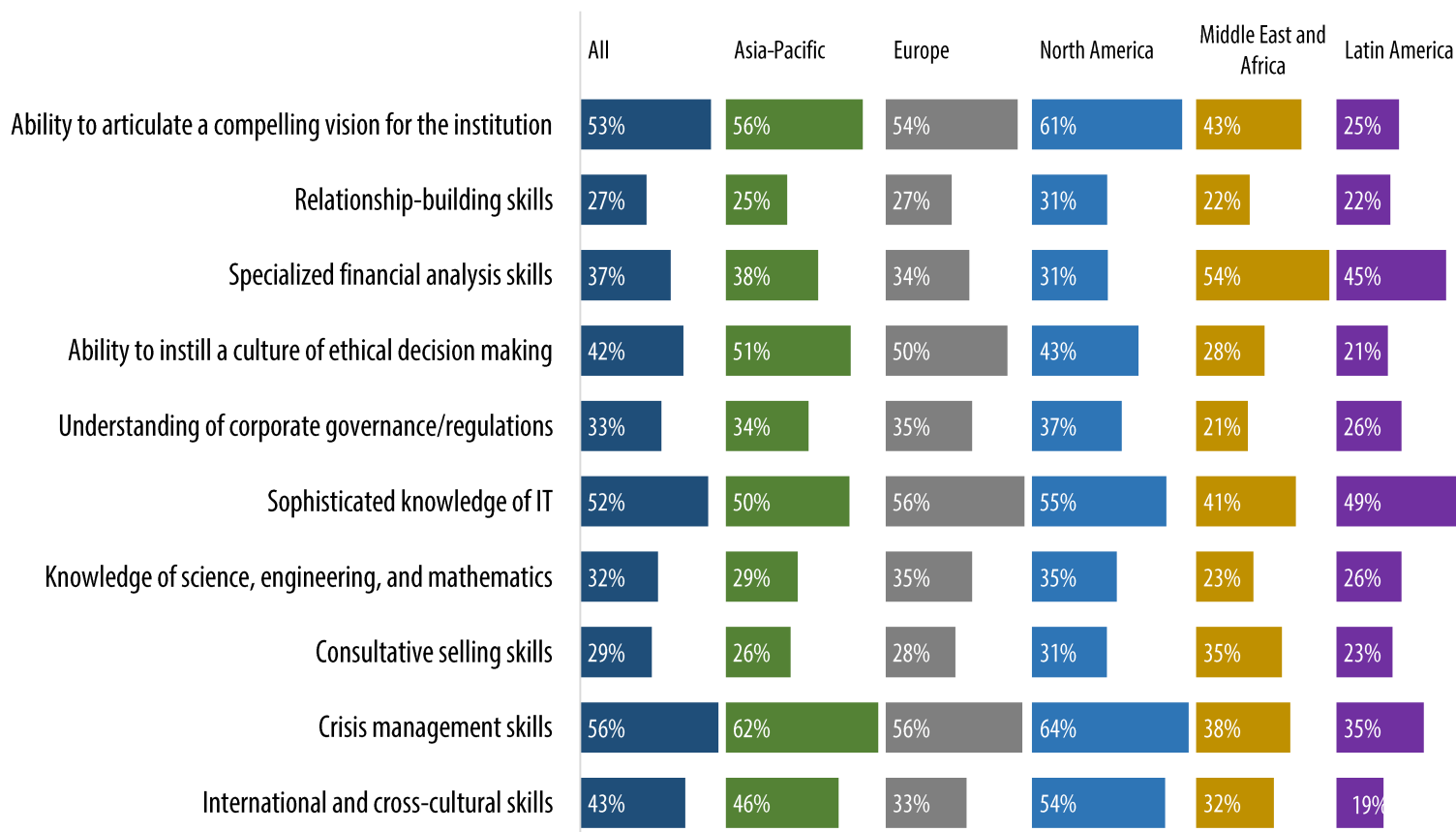


MOST IMPORTANT SKILLS ARE OFTEN HARD TO FIND



MOST IMPORTANT SKILLS ARE OFTEN HARD TO FIND—THE REGIONAL VIEW

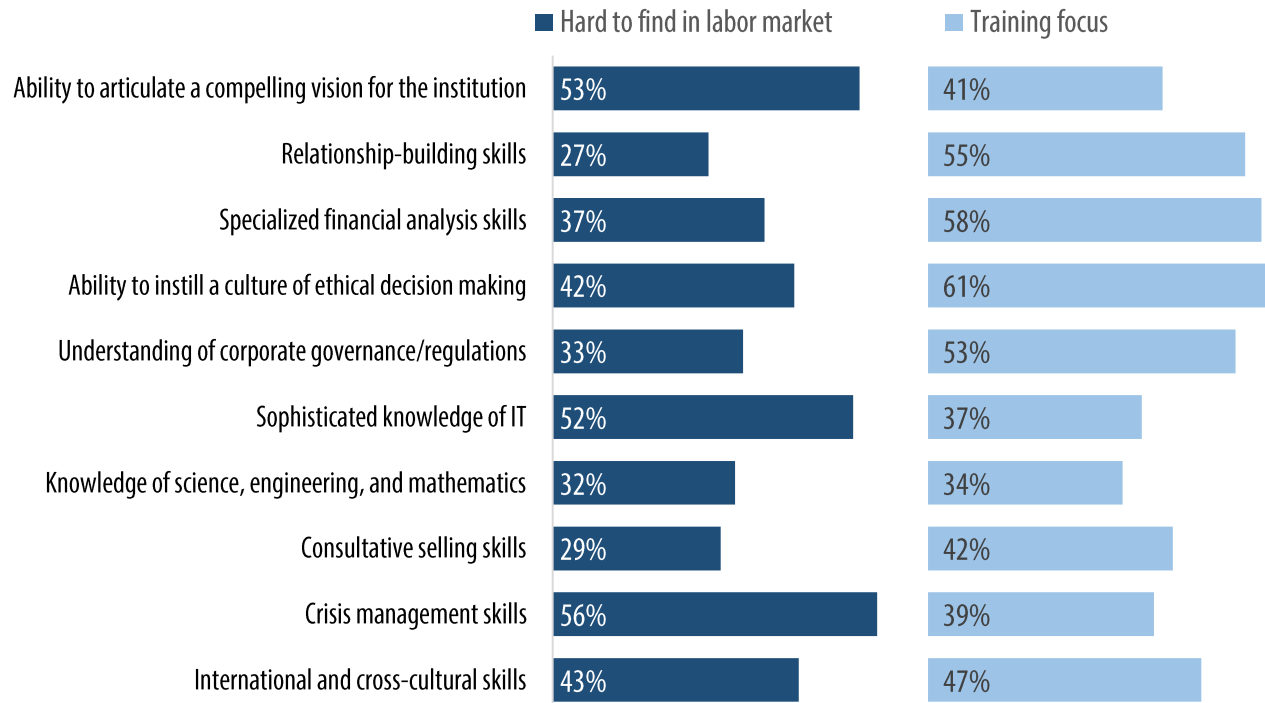
How available are each of the following skills in the labor pool of prospective employees?



Percentage of respondents selecting “very hard to find” or “somewhat hard to find”

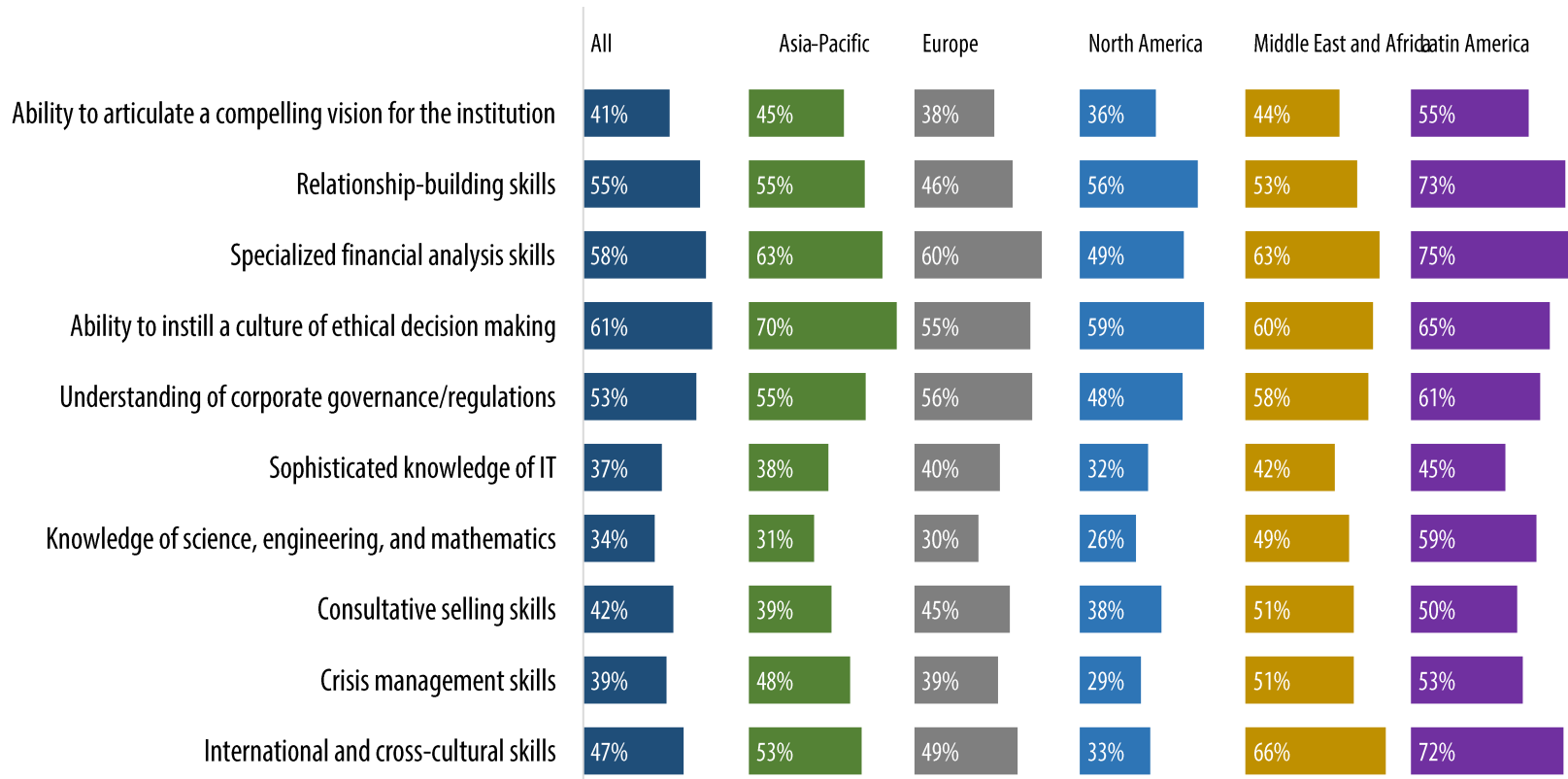
A SOLID MAJORITY CALLS FOR INCREASED TRAINING ON ETHICAL DECISION MAKING

Over the next 5-10 years, which of the following skills should employers cultivate through structured training programs with their new employees?



TRAINING PRIORITIES—THE REGIONAL VIEW

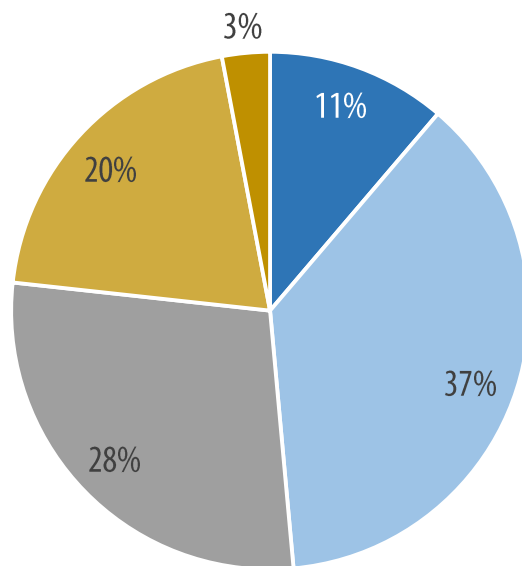
Over the next 5-10 years, which of the following skills should employers cultivate through structured training programs with their new employees?



STRATEGIC THREATS AND OPPORTUNITIES FOR THE INDUSTRY

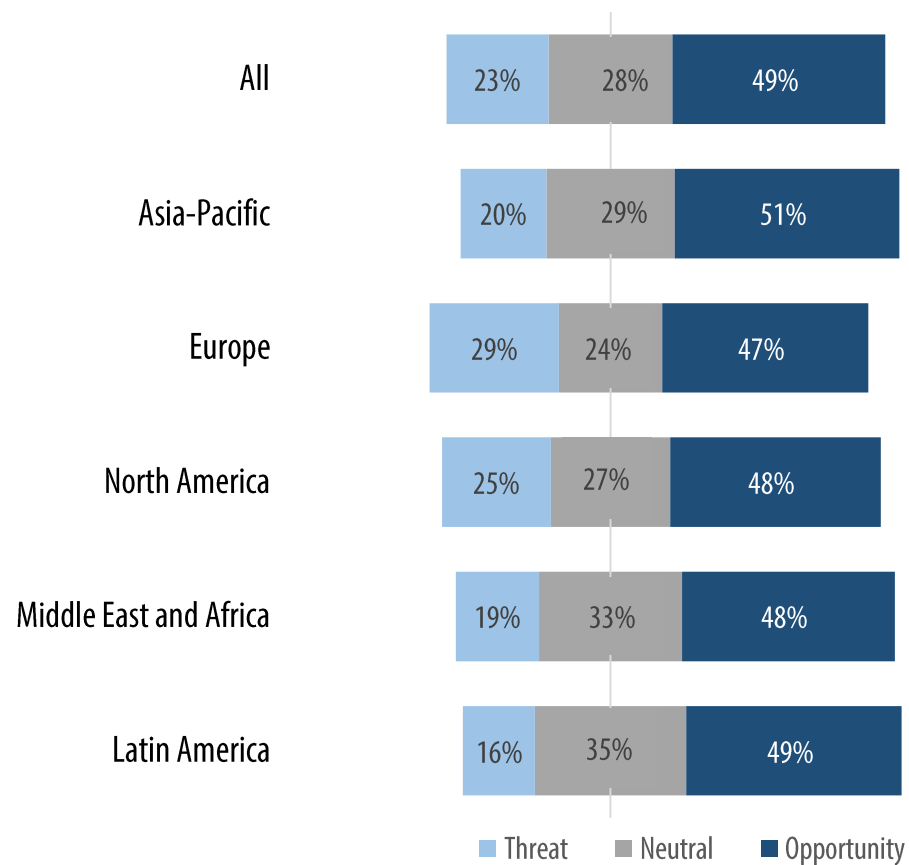
RESPONDENTS HAVE A POSITIVE VIEW OF TECHNOLOGY'S EFFECT ON THEIR CAREERS...

In the next 5-10 years, new information technology in the investment management industry will ...



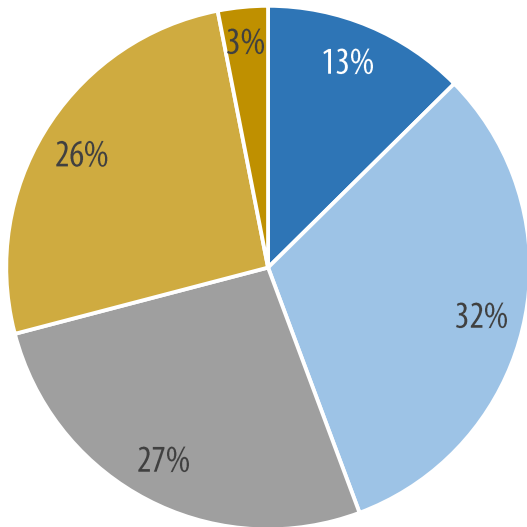
- Offer new opportunities for professionals like me (5)
- 4
- Neutral (3)
- 2
- Pose a threat to the employment of professionals like me (1)

New IT poses a professional threat or opportunity?



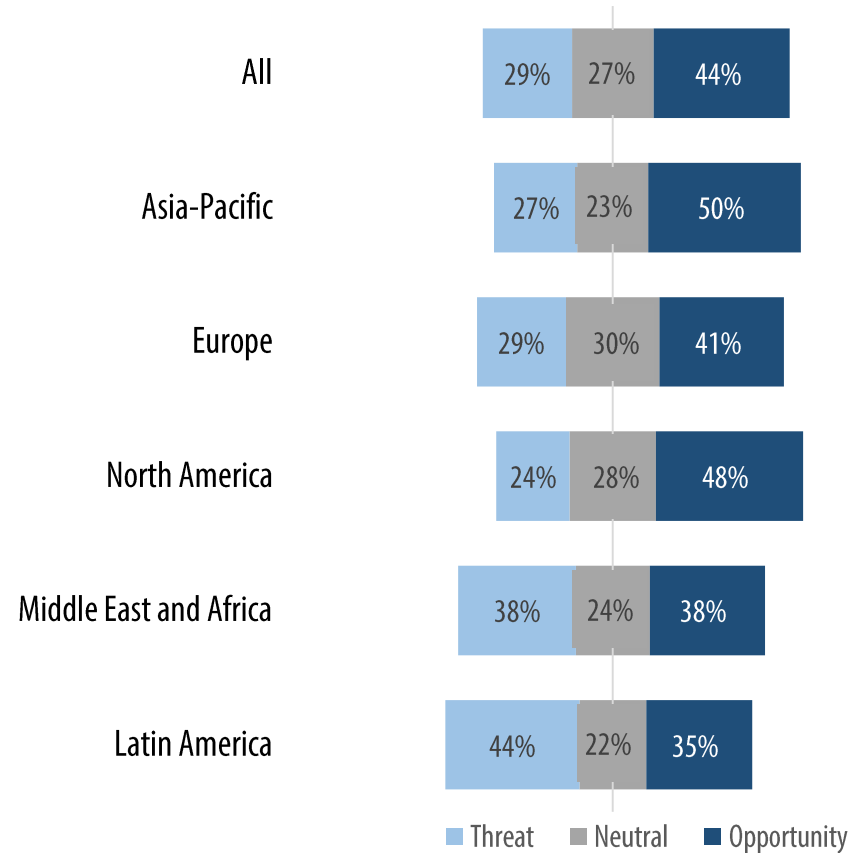
...AND ON THEIR FIRMS

In the next 5-10 years, new information technology in the investment management industry will ...



- Offer strategic opportunities to financial institutions like mine (5)
- 4
- Neutral (3)
- 2
- Pose a strategic threat to financial institutions like mine (1)

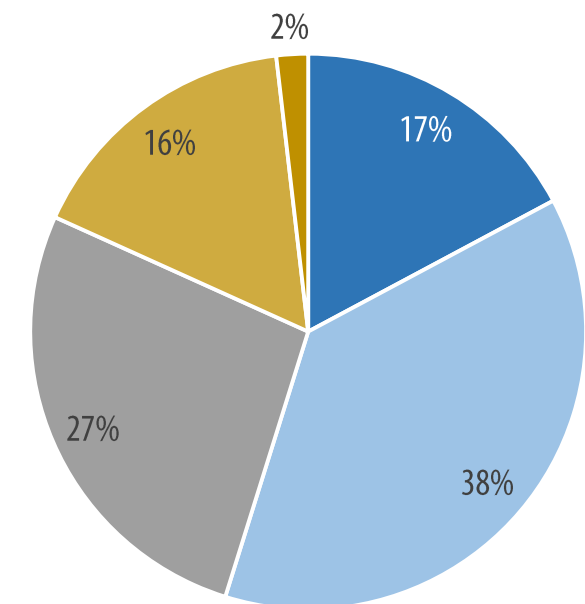
New IT in the investment management industry poses a strategic threat or opportunity to firms?



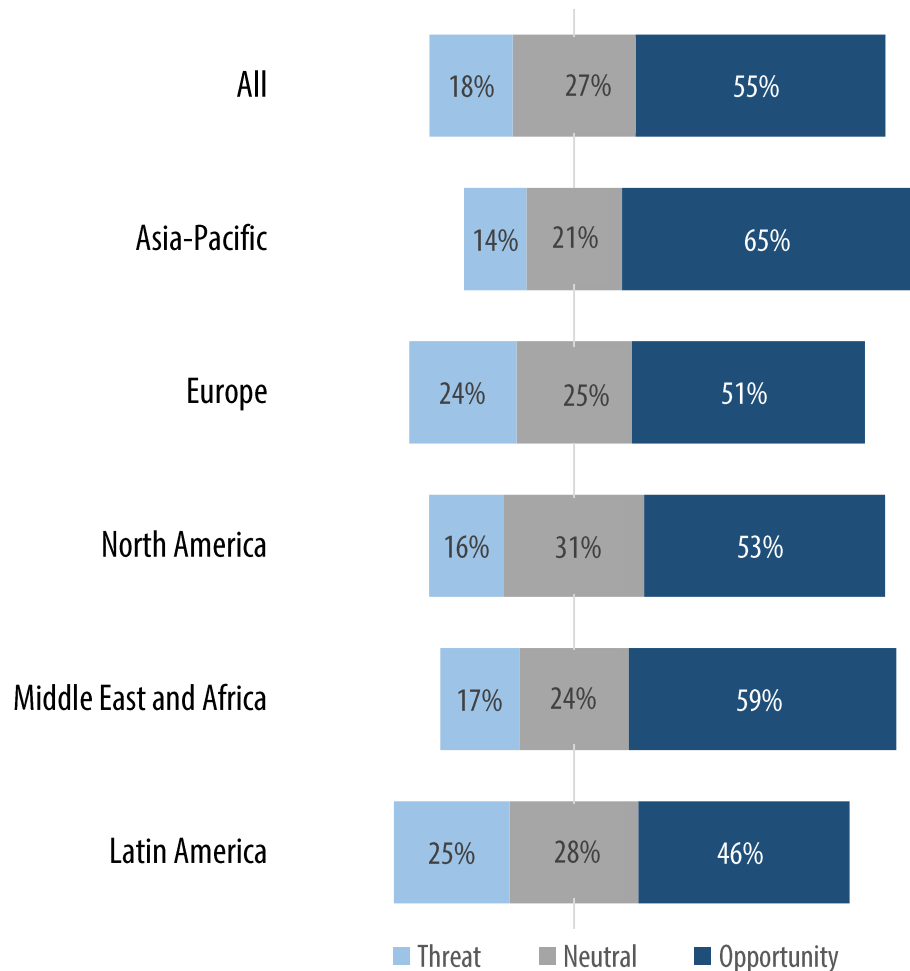
RESPONDENTS HAVE A POSITIVE VIEW OF GLOBALIZATION'S IMPACT ON THEIR PROFESSION...

Globalization in the investment management industry poses a professional threat or opportunity?

In the next 5-10 years, globalization in the investment management industry will ...

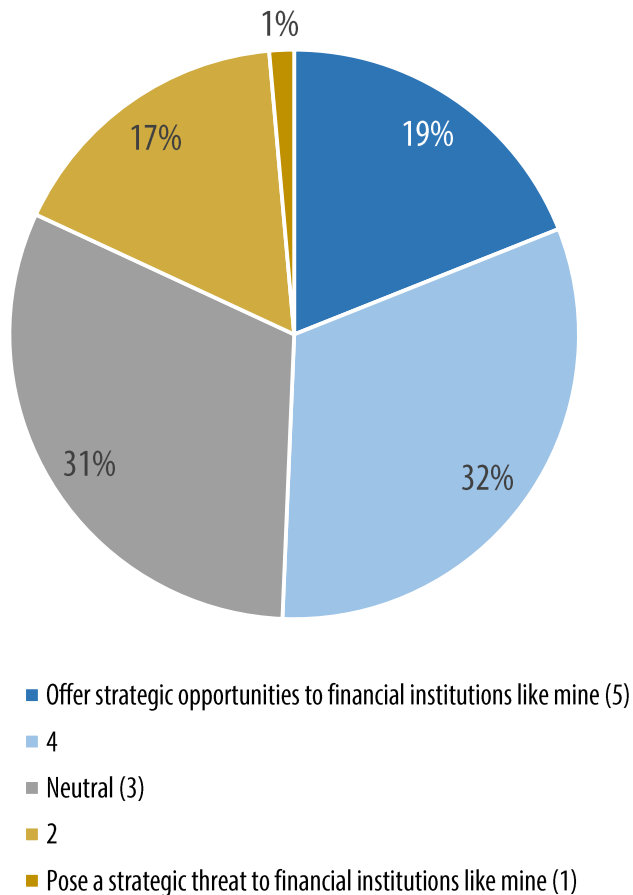


- Offer new opportunities for professionals like me (5)
- 4
- Neutral (3)
- 2
- Pose a threat to the employment of professionals like me (1)

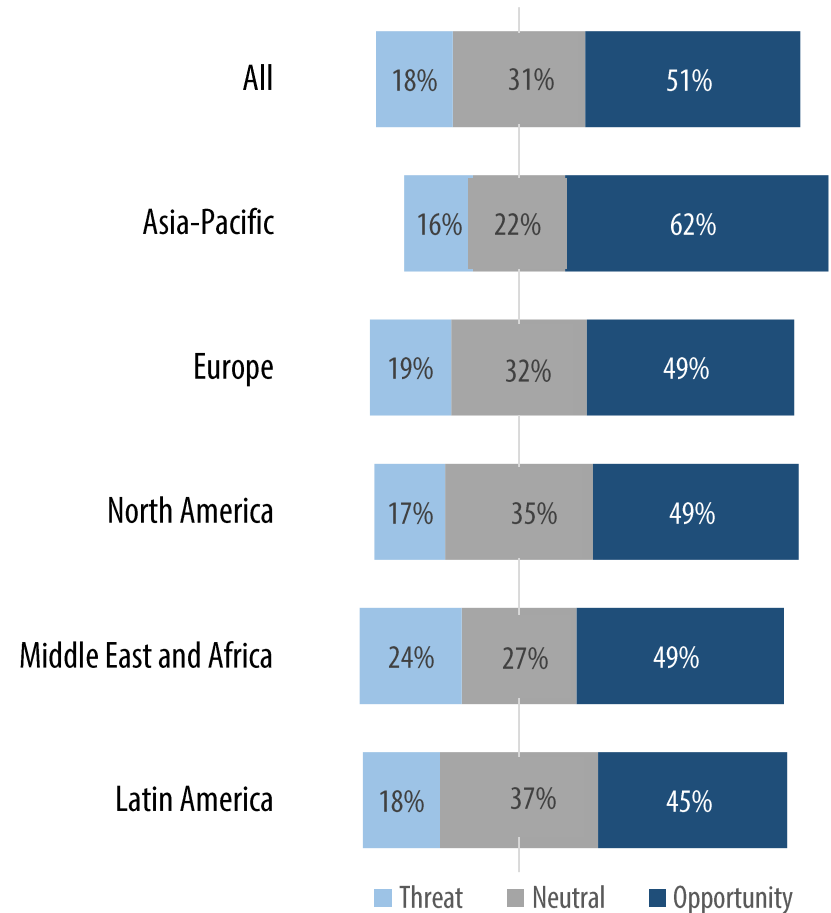


GLOBALIZATION WILL ALSO BENEFIT FIRMS

In the next 5-10 years, globalization in the investment management industry will ...

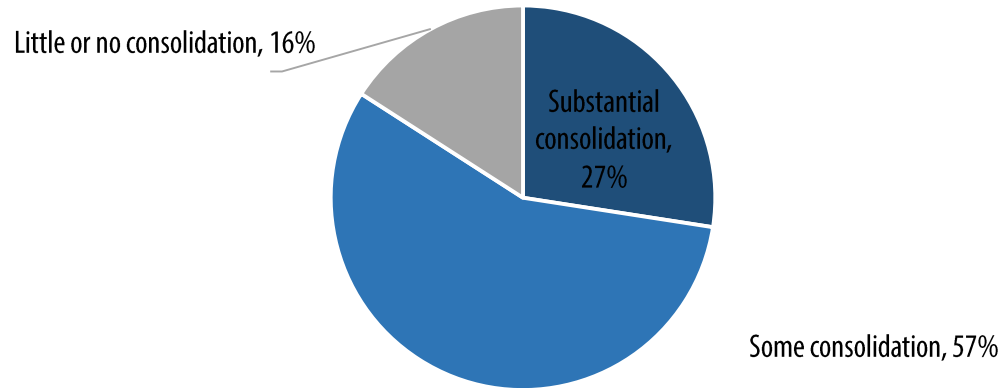


Globalization in the investment management industry is a threat or an opportunity to firms?

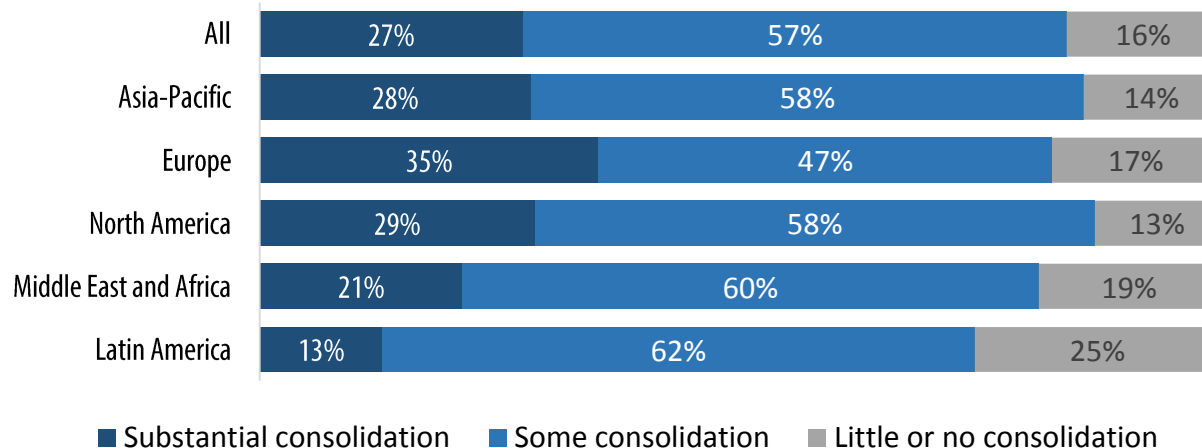


CONSOLIDATION, NOT FRAGMENTATION, OVER THE NEXT 5-10 YEARS

In the next 5-10 years, I expect _____ among my institution's peers and competitors

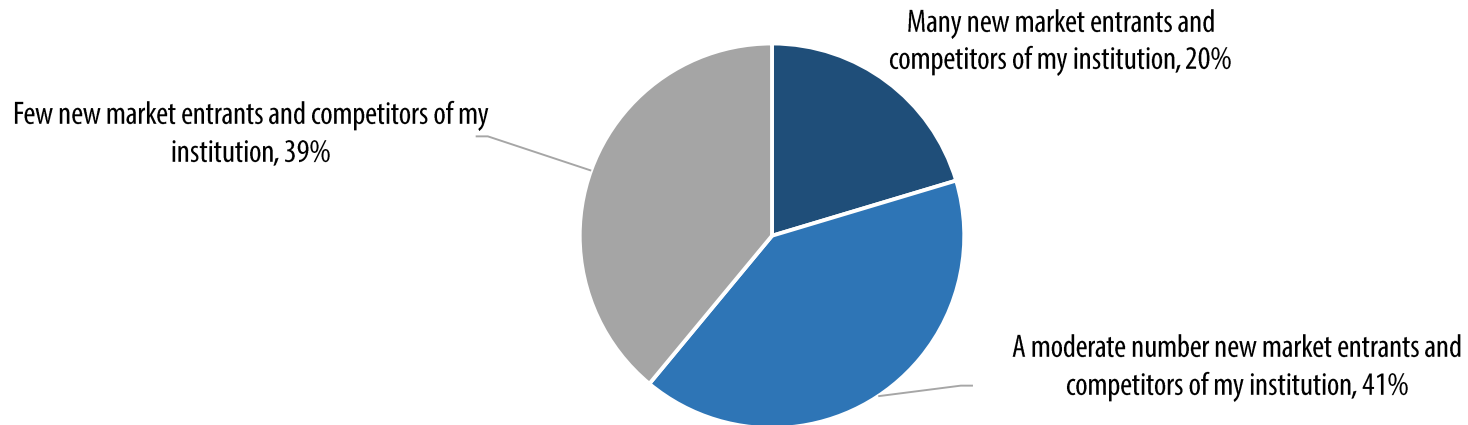


Outlook for institutional consolidation

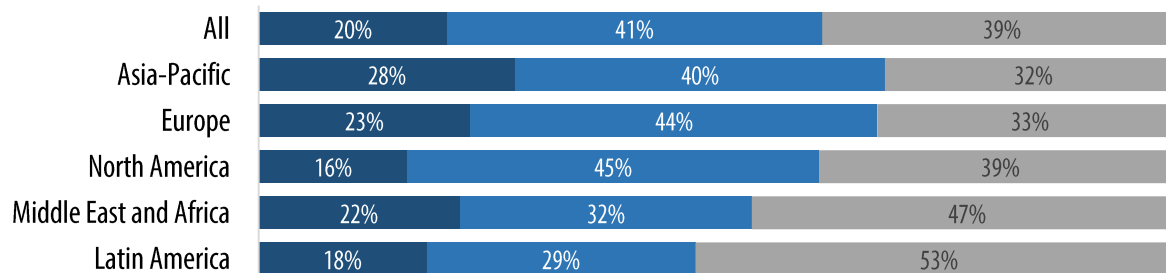


AMID CONSOLIDATION OF INCUMBENTS, FEW NEW MARKET ENTRANTS

In the next 5-10 years, I expect...



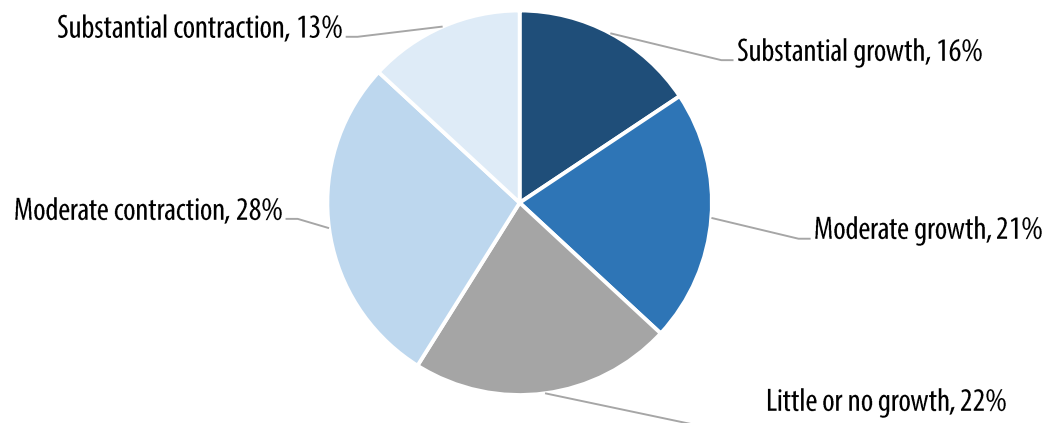
Outlook for market entry



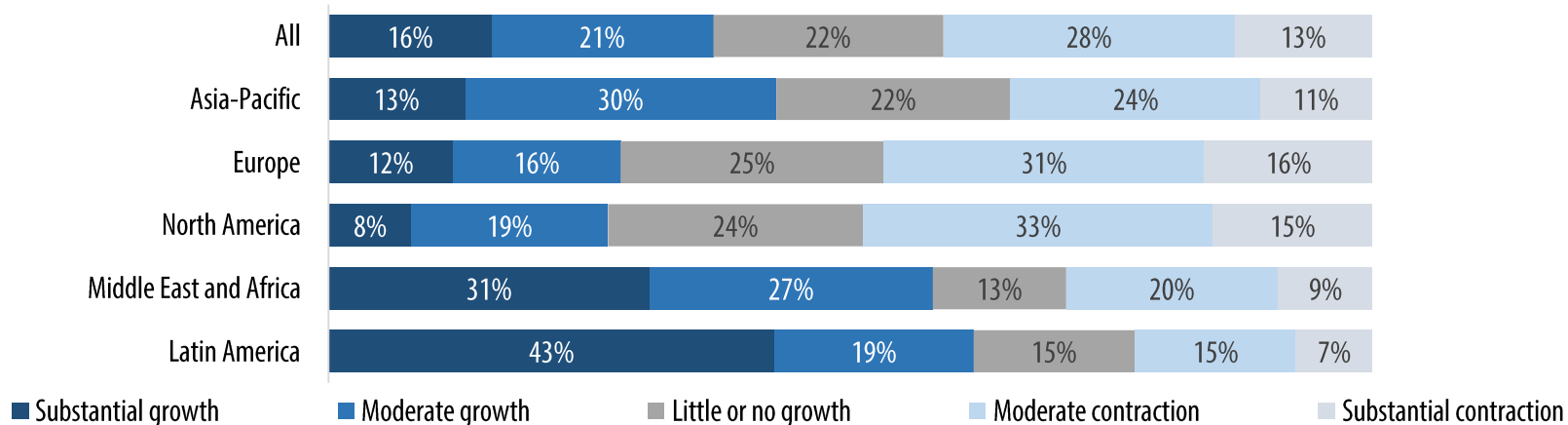
- Many new market entrants and competitors of my institution
- A moderate number new market entrants and competitors of my institution
- Few new market entrants and competitors of my institution

MORE THAN 60% OF RESPONDENTS FORESEE FLAT OR CONTRACTING MARGINS AT ASSET MANAGEMENT FIRMS

In the next 5-10 years, I expect _____ in profit margins among asset management firms

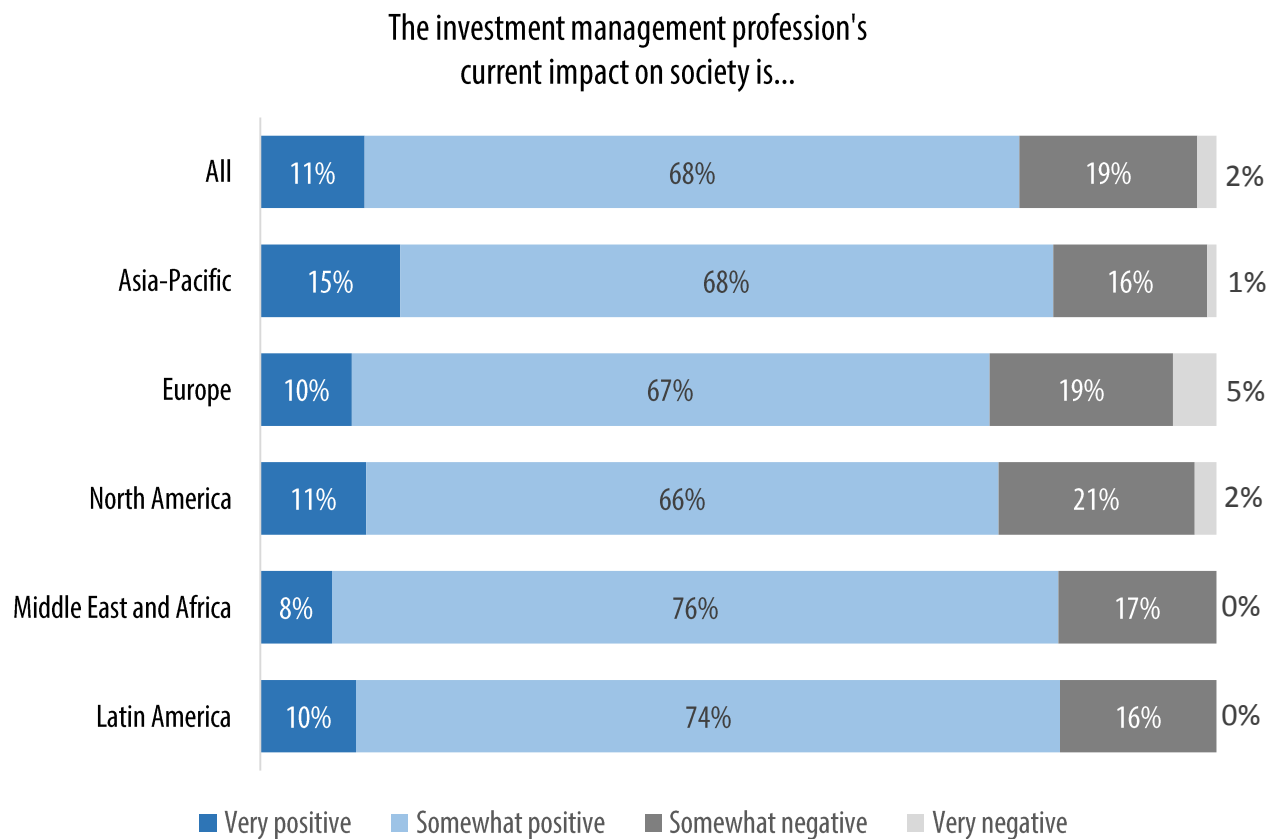


Outlook for asset manager profit margins

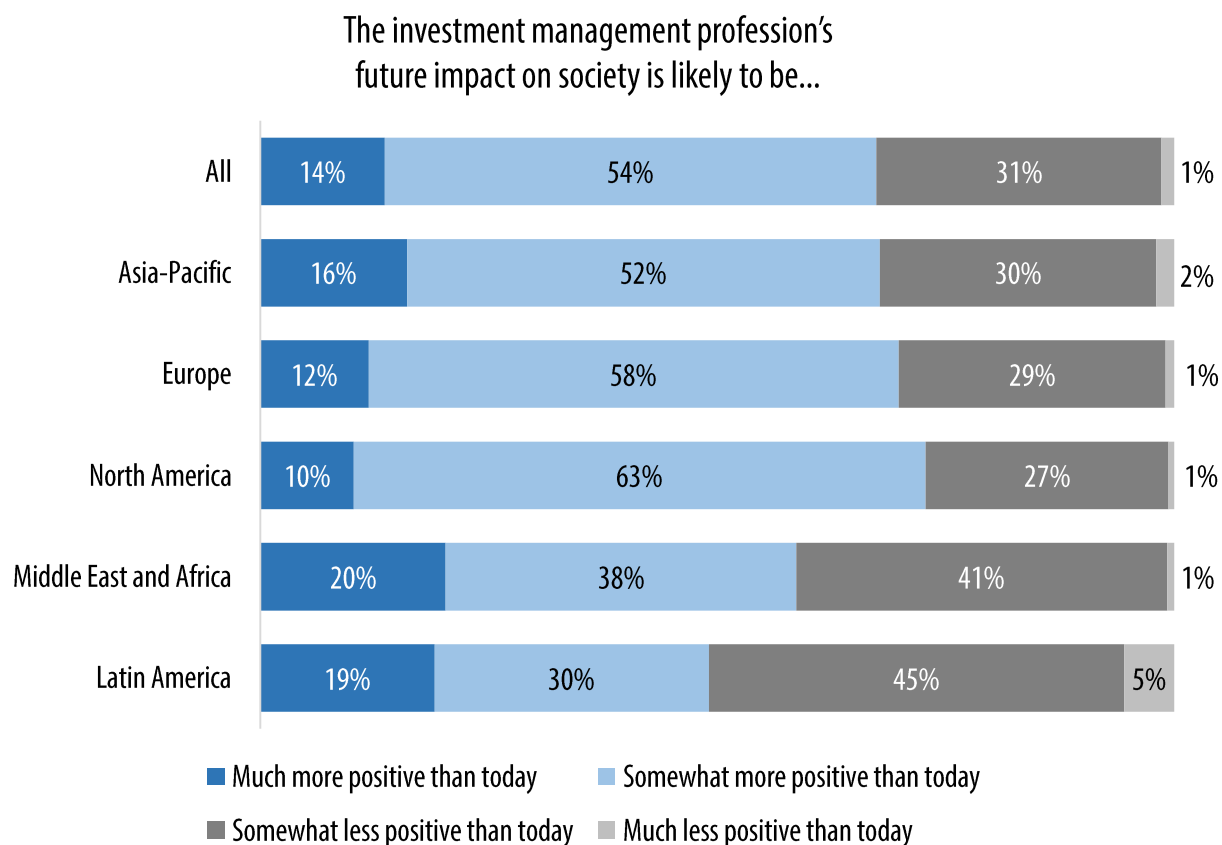


THE BIG PICTURE

RESPONDENTS SEE A MILDLY POSITIVE CONTRIBUTION FROM THE PROFESSION TODAY

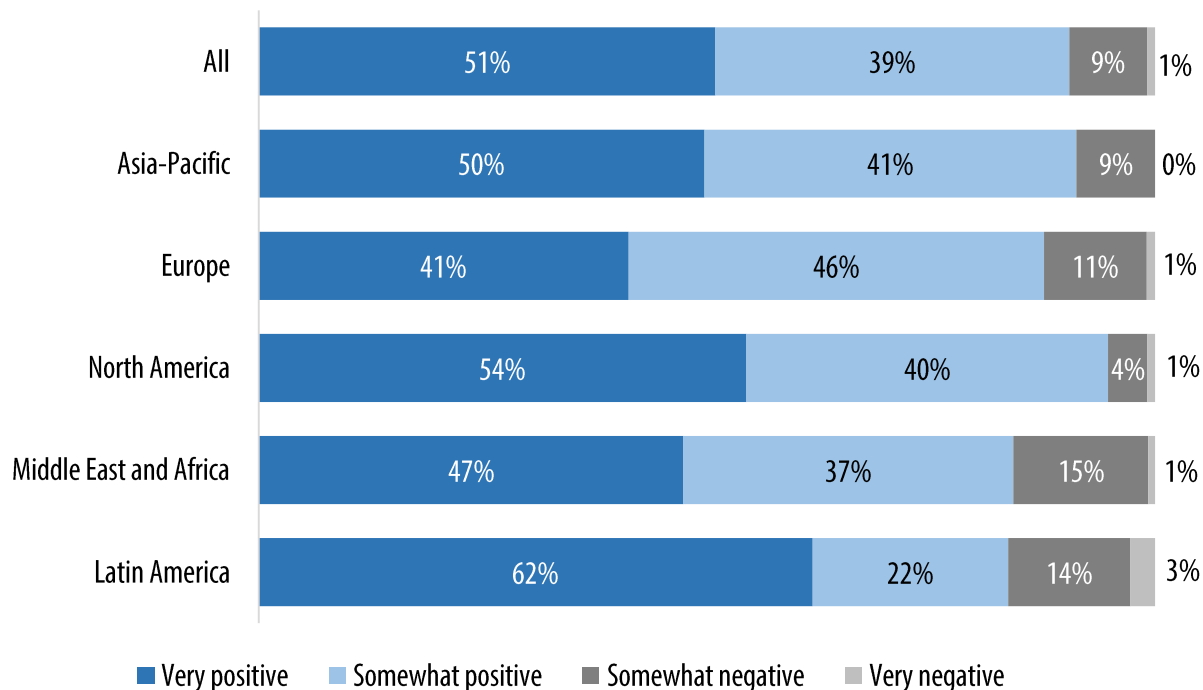


THEIR OUTLOOK FOR THE PROFESSION'S CONTRIBUTION IN THE FUTURE IS MORE POSITIVE...



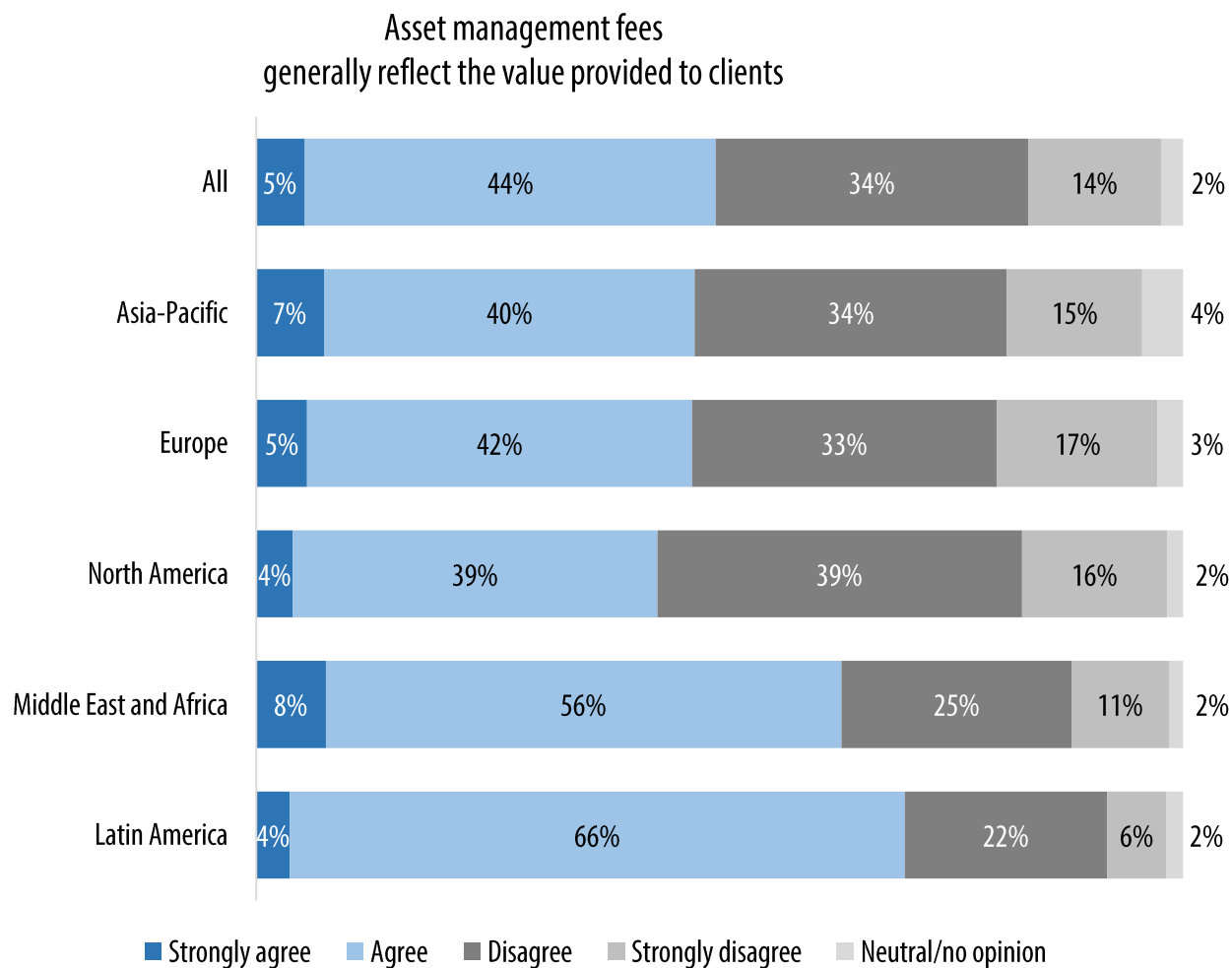
...CONTINGENT ON “INCORPORATING HIGHER PRINCIPLES.”

The investment management profession's potential impact on society contingent on incorporating higher principles could be...



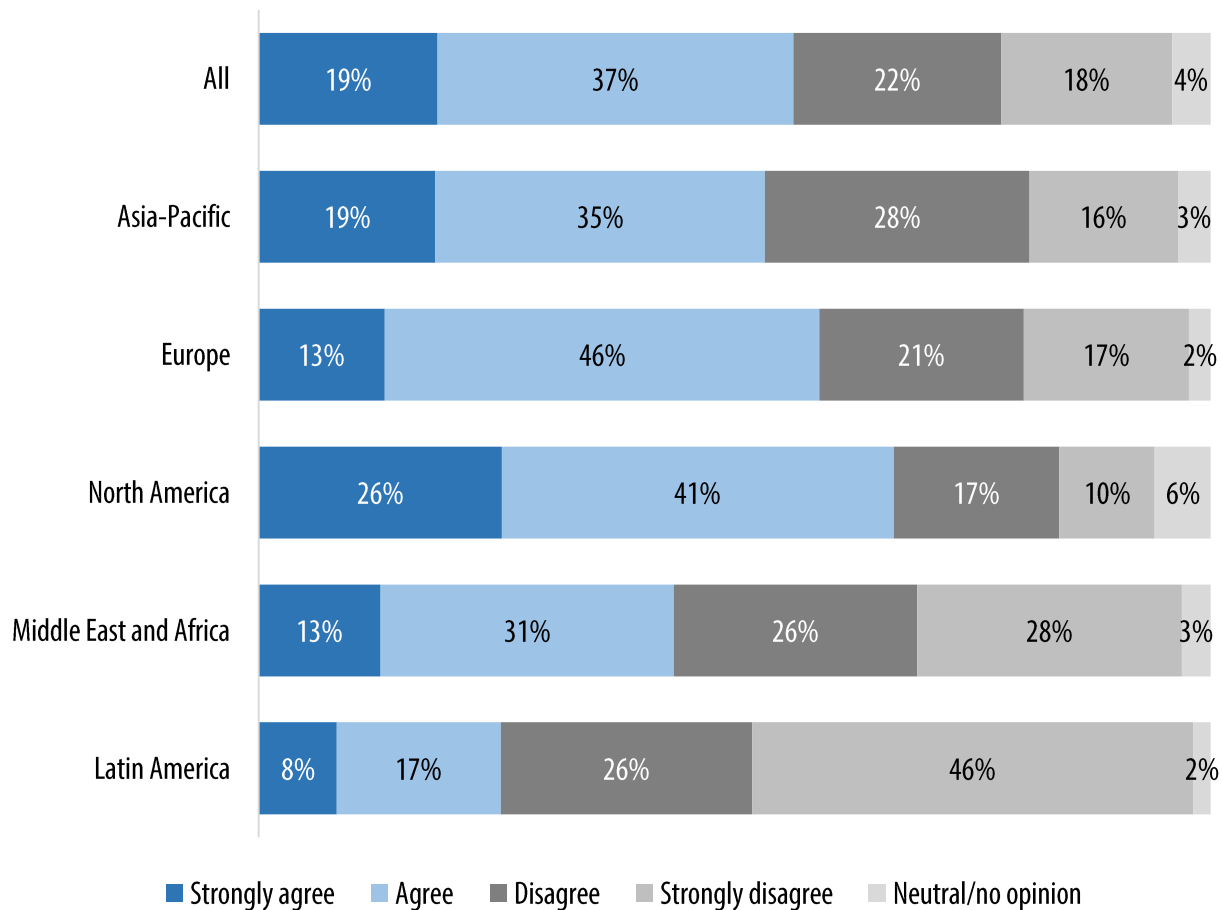
THE ROAD AHEAD

NEARLY ONE-HALF OF RESPONDENTS QUESTION THE VALUE DELIVERED IN RETURN FOR ASSET MANAGEMENT FEES



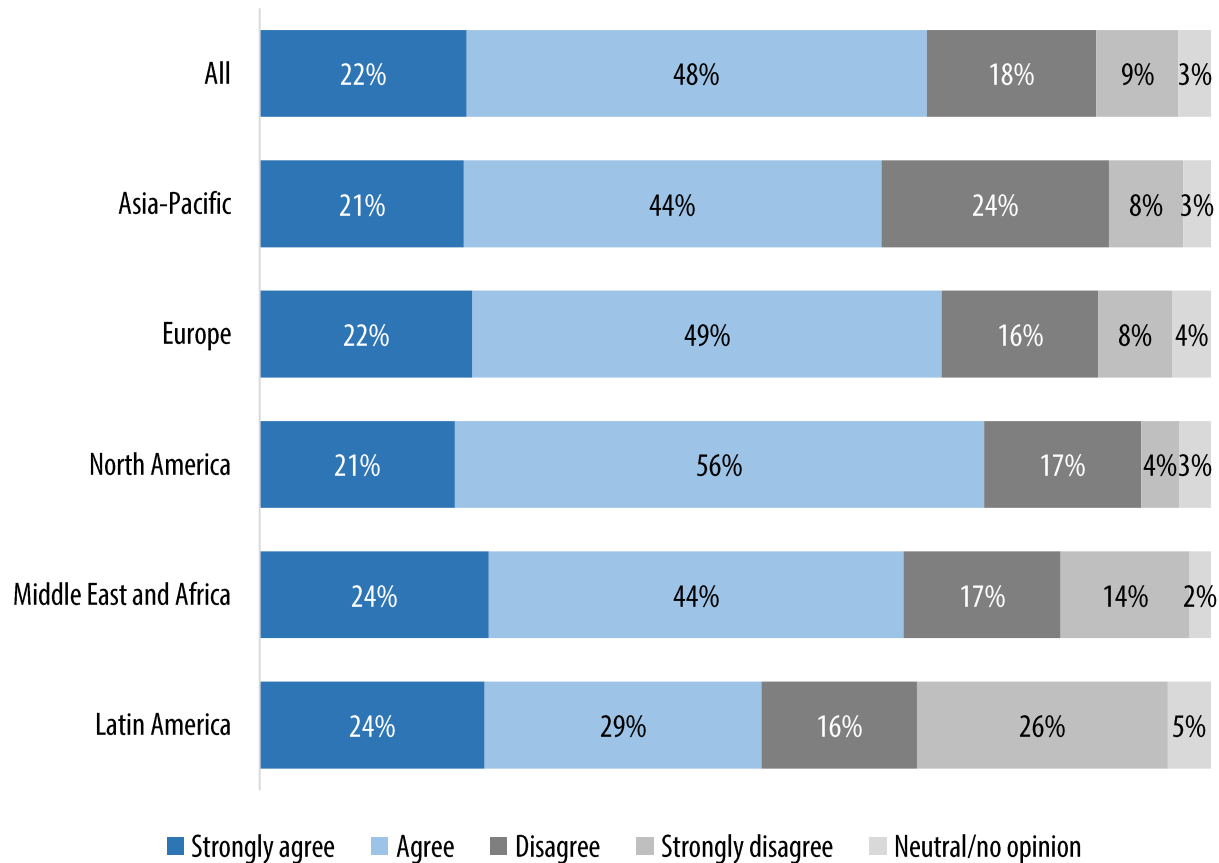
THE SALE OF INAPPROPRIATE PRODUCTS IS COMMONPLACE

Clients are often sold inappropriate financial products



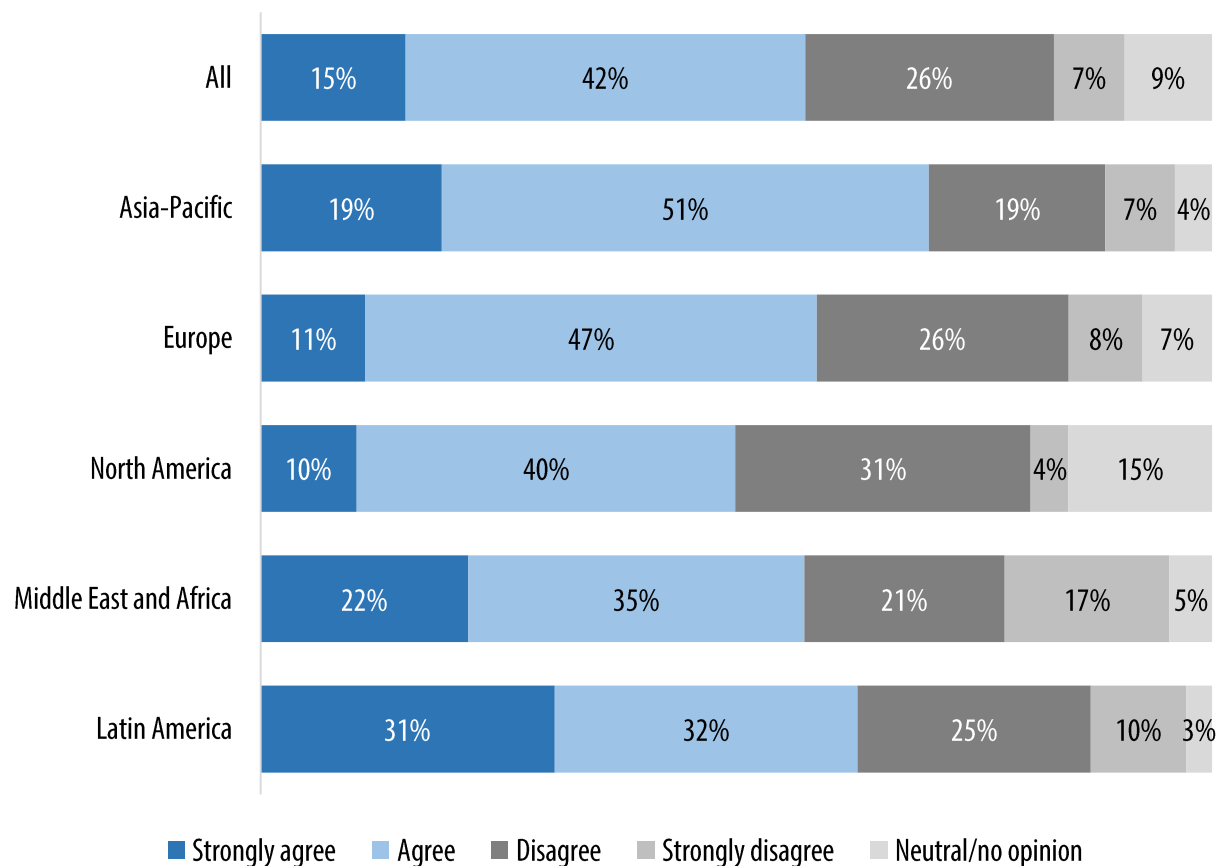
MIGRATION TO PASSIVE INVESTMENT STRATEGIES IS LIKELY TO CONTINUE

Investors will continue to increase their allocations to passive investment vehicles over the next 5-10 years



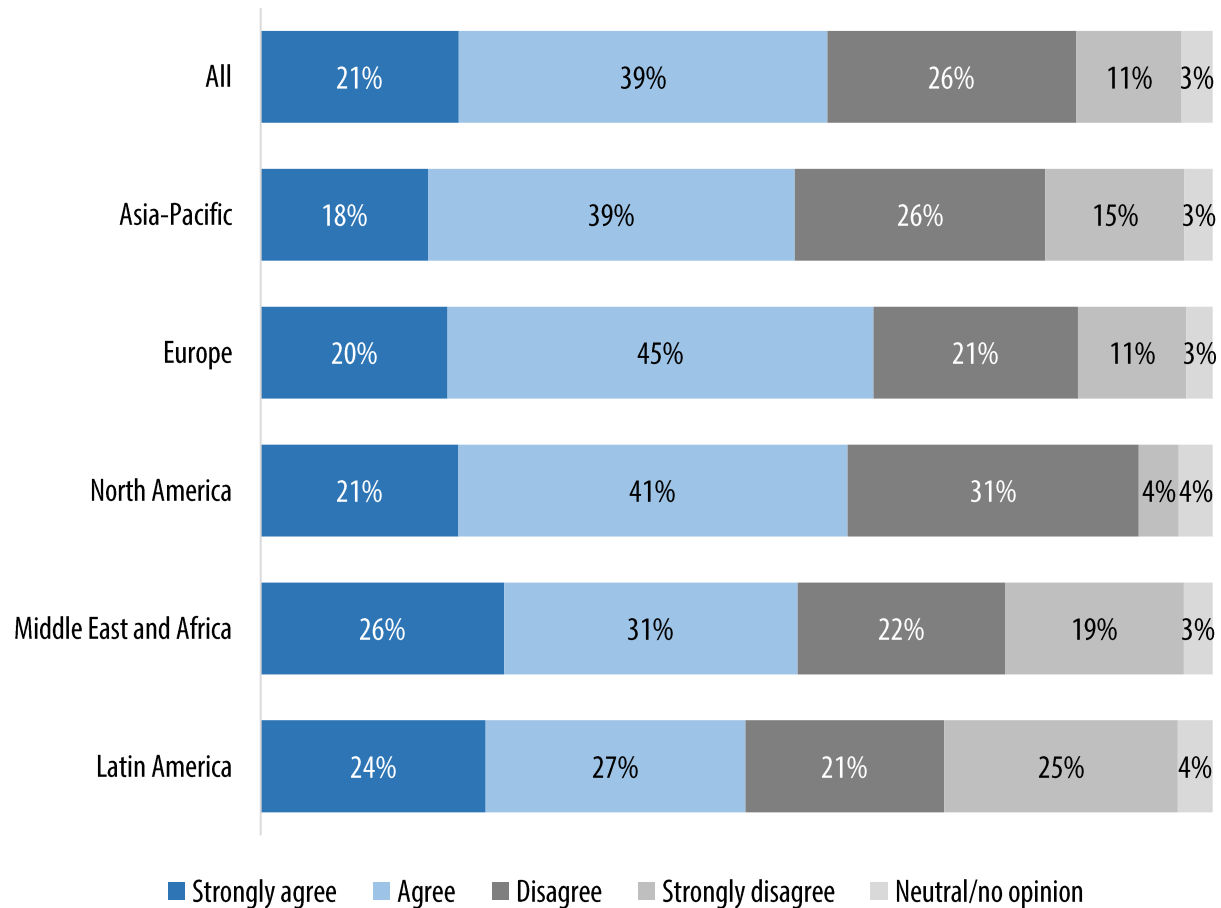
INSOURCING INVESTMENT MANAGEMENT MAY POSE A THREAT TO ASSET MANAGERS

Institutional investors will look to reduce costs by insourcing more investment management activities



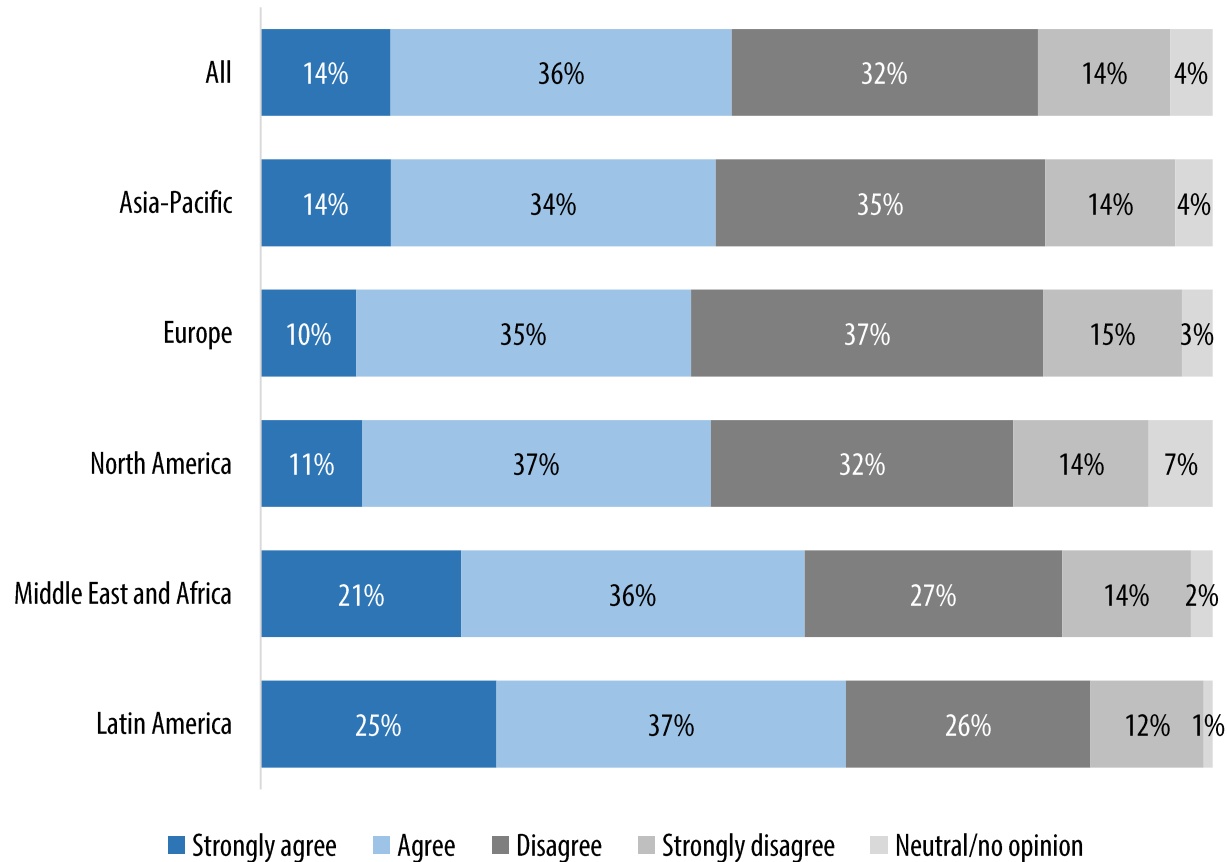
RESPONDENTS ENDORSE CURRENT REGULATORY SCHEMES

Financial markets/investment management are being regulated effectively



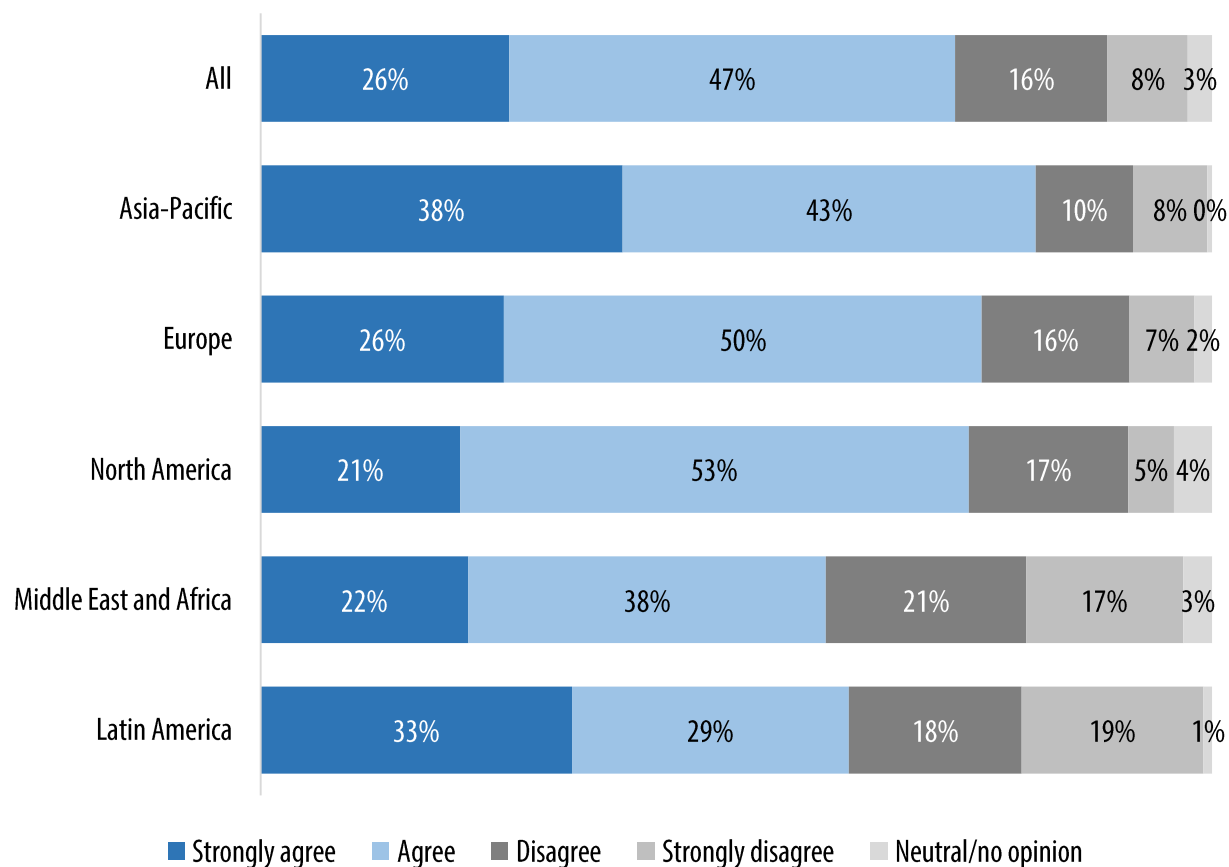
RESPONDENTS FROM THE MIDDLE EAST, AFRICA, AND LATIN AMERICA EXPECT POSITIVE CONTRIBUTIONS FROM FINANCIAL MARKET ACTIVITY

Over the next 5-10 years, financial markets and capitalism will contribute to increasing economic equality



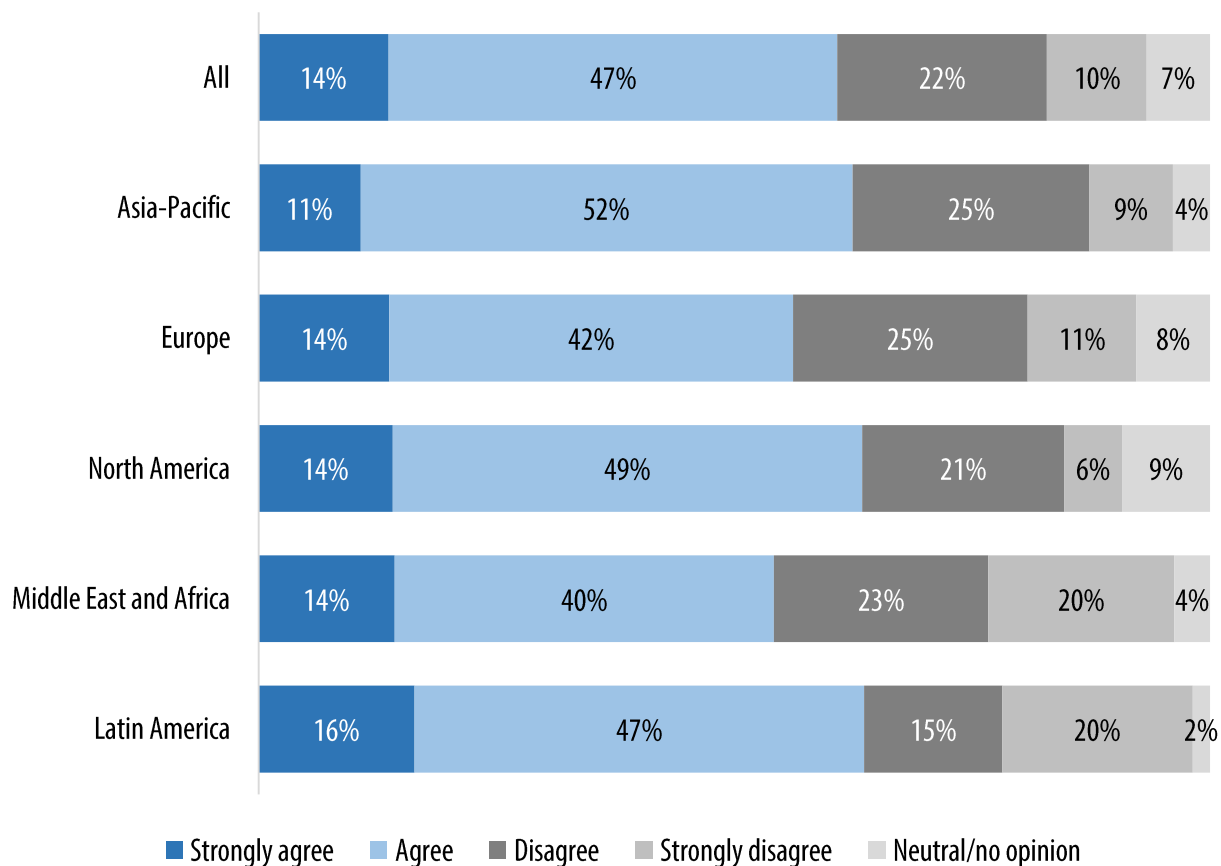
ESG FACTORS WILL BE INCREASINGLY IMPORTANT TO INVESTORS IN THE YEARS AHEAD

Environmental, social, and governance factors will become increasingly important to investment decision makers in the next 5-10 years



THE RETURN TO A MORE NORMAL ECONOMIC ENVIRONMENT WILL BE GRADUAL

Meaningful increases in interest rates, economic growth, the equity-risk premium, and other macroeconomic indicators will occur in the next 5-10 years



ASIA'S INFLUENCE IS EXPECTED TO GROW IN THE NEXT 5-10 YEARS

Financial centers in Asia will have increasing influence in the investment industry in the next 5-10 years

