

European Accessible Assets up 17 percent to over €3.4 trillion, According to Broadridge's Newest Distribution 360 Research

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NEW YORK, July 16, 2018 /PRNewswire/ -- Distribution 360, the latest European study from [Broadridge Financial Solutions, Inc.](#) (NYSE: BR), reveals growing opportunities for asset managers selling in Europe. Despite increased complexity and disruptions in the region's fund markets, Europe's pool of accessible assets has reached €3.4 trillion.¹

Broadridge Distribution 360 offers asset managers an independent guide to the European fund landscape, navigating firms to accessible opportunities as well as revealing the relative importance of different distribution channels from country to country – critical knowledge for firms defining or honing their European distribution strategy.

The key findings from the study include:

- **The European opportunity is enormous and growing.** The market that independent asset managers can realistically address is estimated to be €3.4trn – up 17 percent on 2016, thanks to a combination of rocketing sales and asset growth. Growth was registered in all key European markets.

The top-five markets by accessible assets:

1. UK
2. Italy
3. Switzerland
4. Germany
5. France

- **European savers maintain very high allocations to cash** with only 9 percent of Eurozone households owning a mutual fund despite compelling reasons to invest in funds at present.
- **One size doesn't fit all.** Europe's core fund markets exhibit disparate characteristics in terms of product preferences, distribution channels, selector behaviour and – crucially – openness to cross-border products.
- **Europe's distribution landscape is moving towards its most important phase of development**, a phase that will be characterised by a greater focus on asset managers' marketing, service and brand characteristics – the key elements of differentiation, rather than simply product.
- **Usage of sub-advisory arrangements continues to blossom**, with core equity or flexible mixed asset strategies the primary areas of activity.

"Europe continues to represent a great opportunity, and regulatory initiatives such as the Capital Markets Union (CMU) and the Pan-European Pension Plan (PEPP) could boost the uptake of third-party funds," said Mark McFee, Director of Broadridge EMEA Insights. "But anyone serious about tapping these opportunities needs to understand what is driving change in the distribution landscape as a whole, and what makes each market tick. The markets that appear most attractive on first glance can represent significant challenges too, be it due to a strong bias towards locally domiciled products, for example in the UK, a highly competitive environment in terms of the sheer number of funds present, such as in Germany, or relatively short fund holding periods, as is the case in Italy."

Much of the analysis in Distribution 360 is based on MackayWilliams' proprietary 'accessible assets' data. The completion of this research follows Broadridge's recent acquisition of MackayWilliams, which extends Broadridge's ability to offer clients a combined view of global institutional and retail data analytics with qualitative insights into the global funds industry.

About the research

Distribution 360 is an annually updated online solution, based on analysis of data from multiple sources, including proprietary market data and unique research amongst 1,000 of Europe's key distributors, insights from local experts, and two decades of experience in assessing the asset-gathering opportunities available to third-party groups in Europe's diverse and ever-changing markets. This edition of the research is based on 2017 data.

Analysis is based on data that estimates the portion of the European market that can realistically be addressed by third-party asset managers. This combines top-down market data with in-depth research into fund-selector views and behavior to assess the degree to which markets and distribution channels are open to independent product offerings.

For more about Distribution 360, visit <https://d360.mackaywilliams.com>.

About Broadridge

Broadridge Financial Solutions, Inc. (NYSE: BR), a \$4 billion global fintech leader, provides investor communications and technology-driven solutions for broker-dealers, banks, mutual funds and corporate issuers globally. Broadridge's investor communications, securities processing and managed services solutions help clients reduce their capital investments in operations infrastructure, allowing them to increase their focus on core business activities. With over 50 years of experience, Broadridge's infrastructure underpins proxy voting services for over 50 percent of shares globally, processes votes in more than 100 countries, and processes more than \$5 trillion in fixed income and equity trades per day in more than 70 countries. Broadridge employs approximately 10,000 full-time associates in 16 countries. For more information about Broadridge, please visit www.broadridge.com.

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¹ (Figure calculated as at 31/12/2017, including ETFs but excluding money market funds and funds of funds)

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