

APAC Quarterly Trends Report

Powered by Broadridge's unique data & analytics to help global asset managers capitalize on APAC flows and evolving global demand

Q2 2025

Introduction

Asset management is entering a new growth cycle, with APAC at the forefront. Despite holding just 18% of global AUM, the region is expected to drive up to 38% of net new flows by 2027, led by markets such as India and China. Growth is being fueled by new channels in wealth and insurance, along with new vehicles and new product strategies.

Meanwhile, fee pressure and volatility are prompting a shift toward liquidity, quality, and operational efficiency. Active ETFs — long led by the US — are now seeing traction globally, with APAC and EMEA expected to deliver strong growth despite lacking tax incentives.

To stay competitive, asset managers must localize their strategies, industrialize innovation, and move with conviction in high-growth segments.

These are among the key insights from Broadridge’s 2Q 2025 APAC trends report, powered by next-gen technology and proprietary intelligence.

Key Numbers



38%

APAC is expected to account for 38% of next 3 years’ global flows even though it only accounts for 18% of global AUM.



>100%

Fee difference can vary by up to 29bps (>100%) for global equity mandates sized between \$100-\$250 million, based on client types and regions. Managers should tailor fees based on a multitude of considerations, from client type to potential overall relationship size.



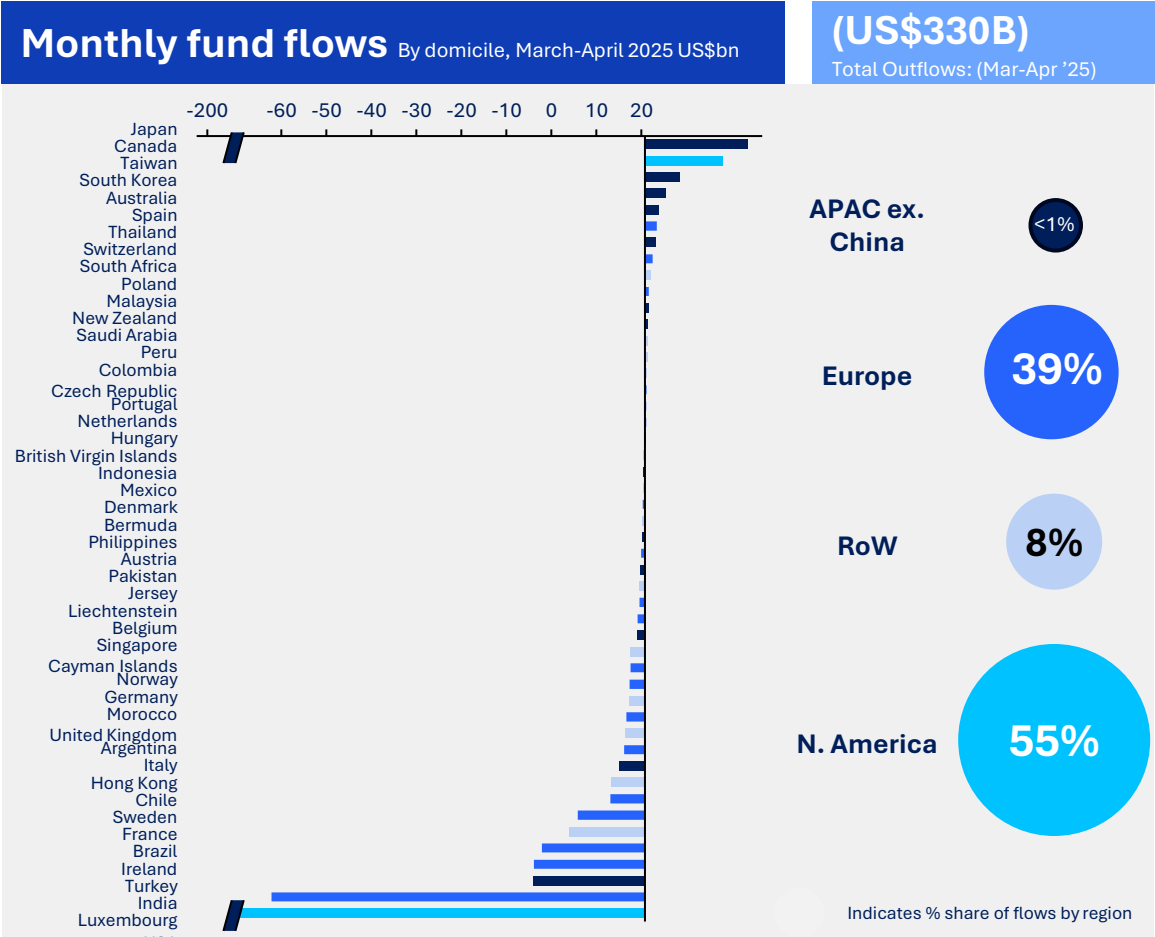
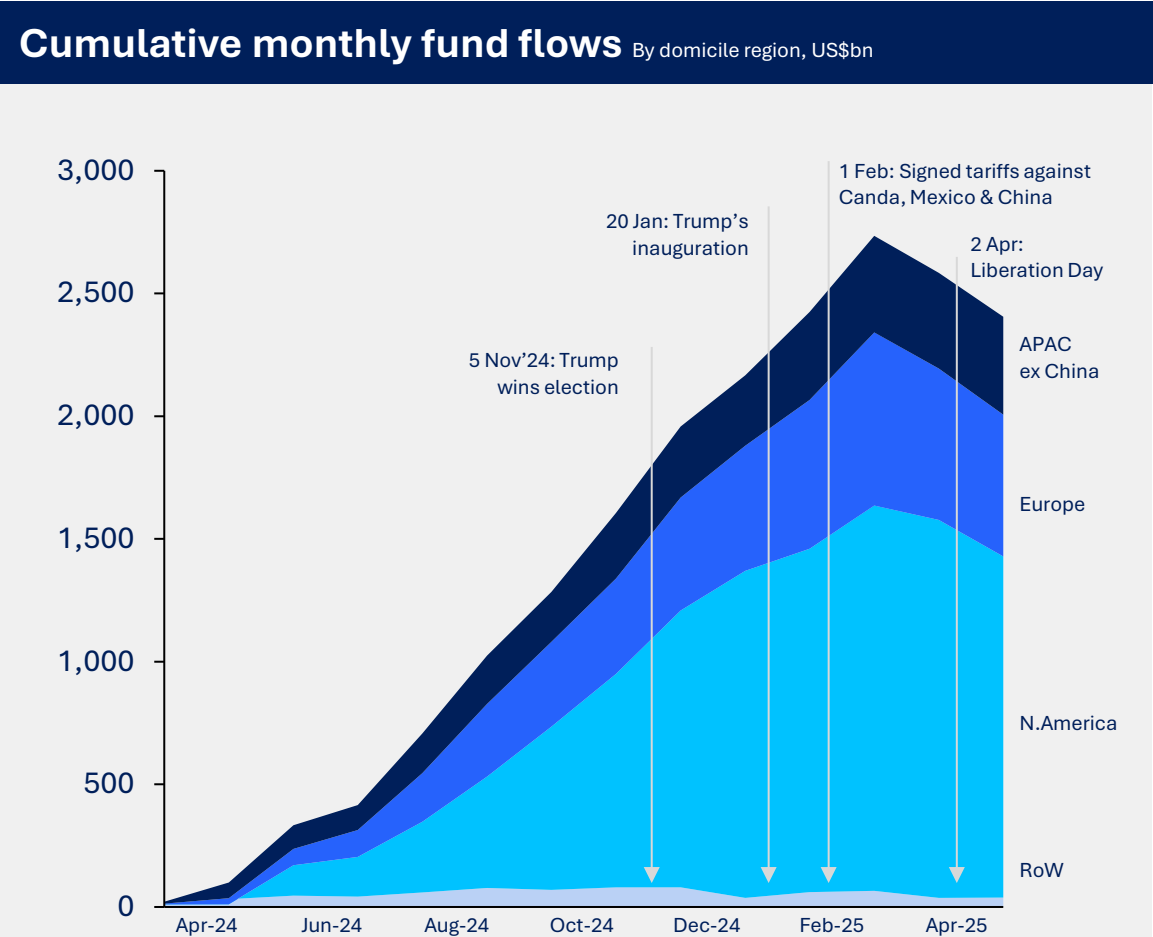
\$1.7T

Globally, active ETF AUM is expected to reach US\$1.7T by 2027, a 2x increase from 2024 and a 17x increase from 2019.

Global pullback amidst tariff turmoil

The announcement of broad-based tariffs drove US\$330B of net outflows – primarily from North America and Europe funds - within a span of two months

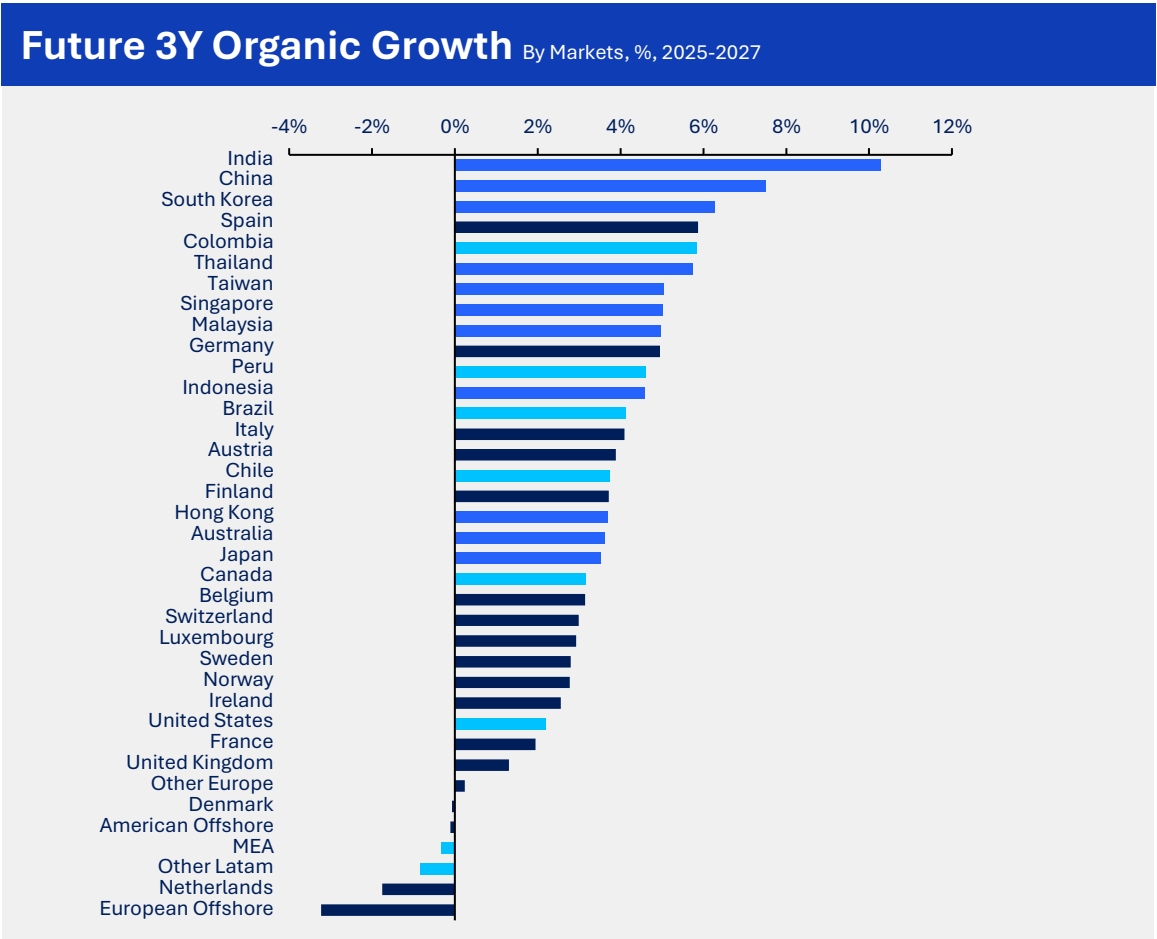
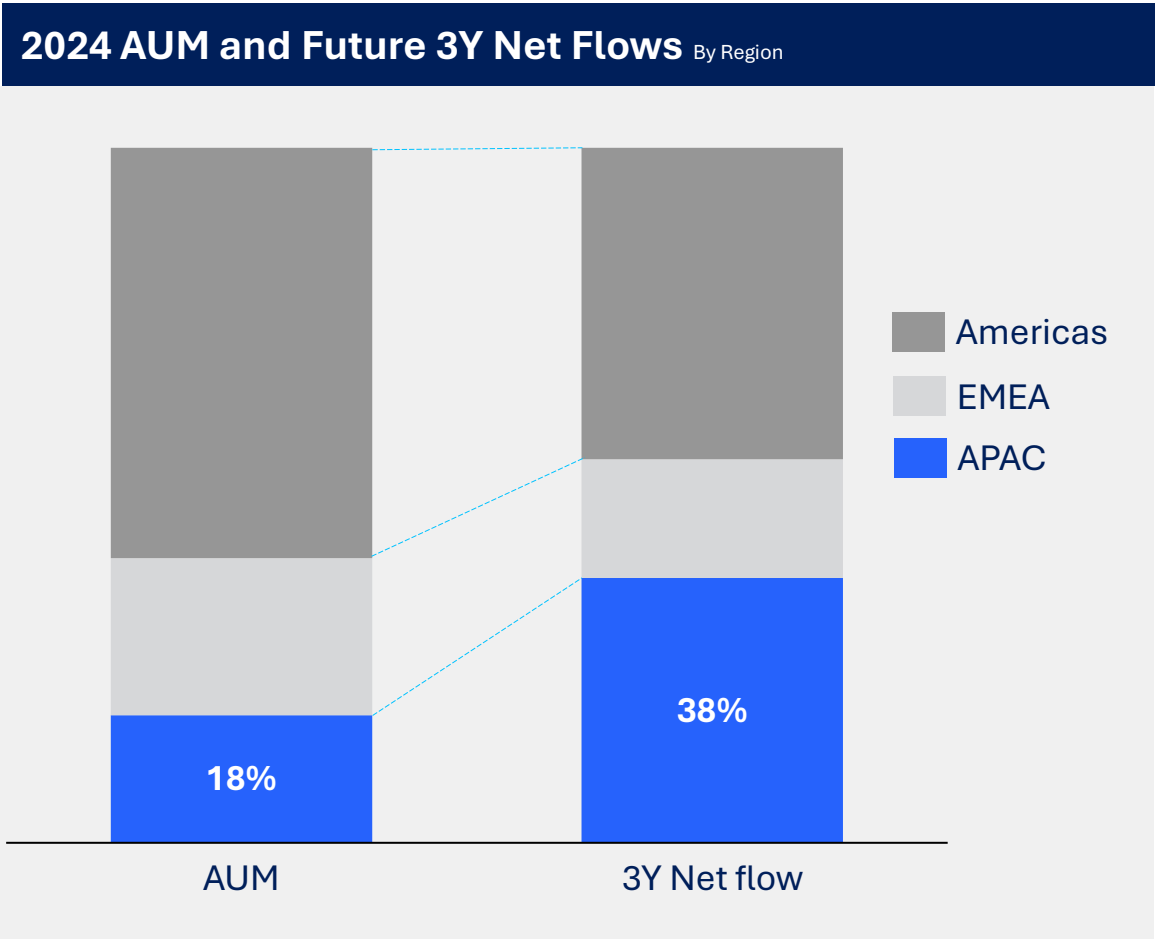
Tariff shock triggers sharp reversal of global fund flows



APAC remains growth engine of the future

US\$3.3T in net flows and high single-digit organic growth across many markets and channels make this a critical region to crack for all global managers

APAC accounts for 18% of AUM but 38% of future growth

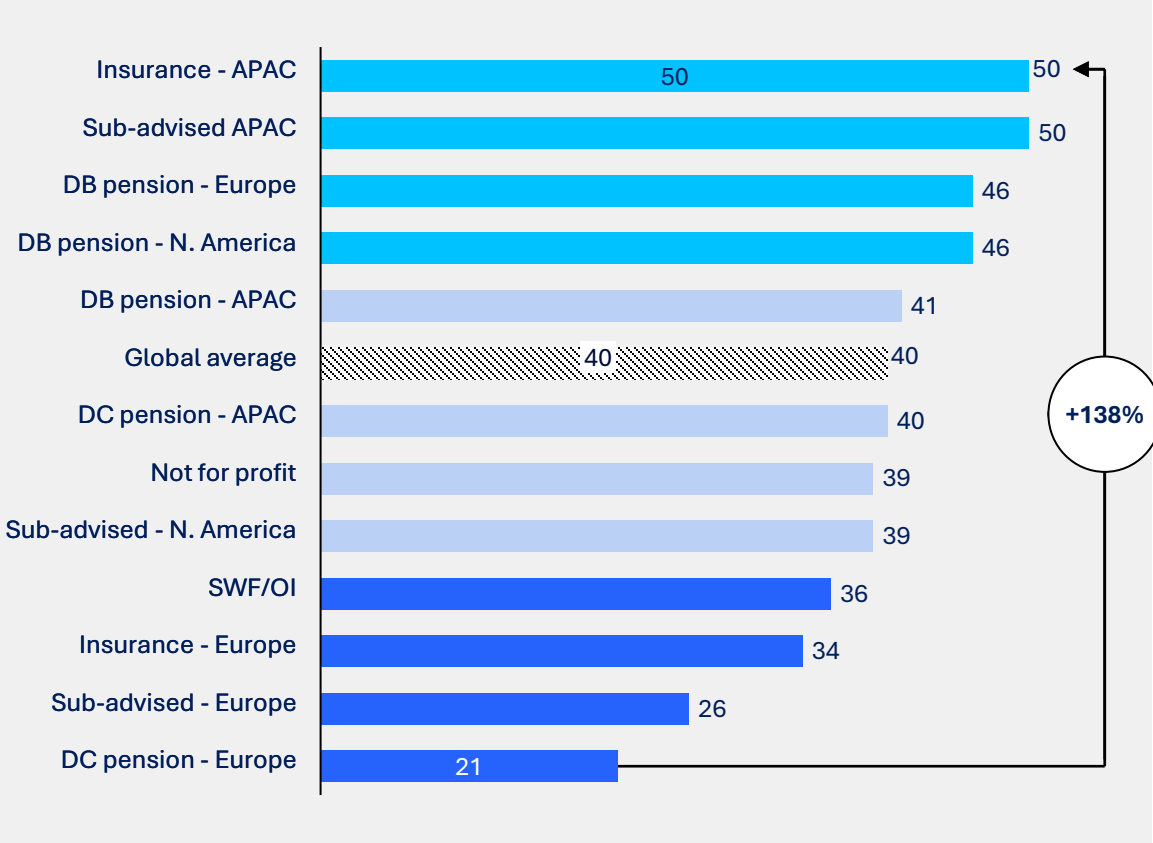


Go beyond mandate size for fee design

Tailor fees based on a multitude of considerations, from client type, location, servicing needs and potential overall relationship size

Fee pressures vary wildly by channel, some by more than 100%

Asset weighted executed fees by channel (client type and location) Active Global equities, US\$100-250M mandates, Compared to global average, bps



DB pension funds are typically less fee sensitive. APAC insurance and subadvisory charges higher fees due to the higher servicing requirements.

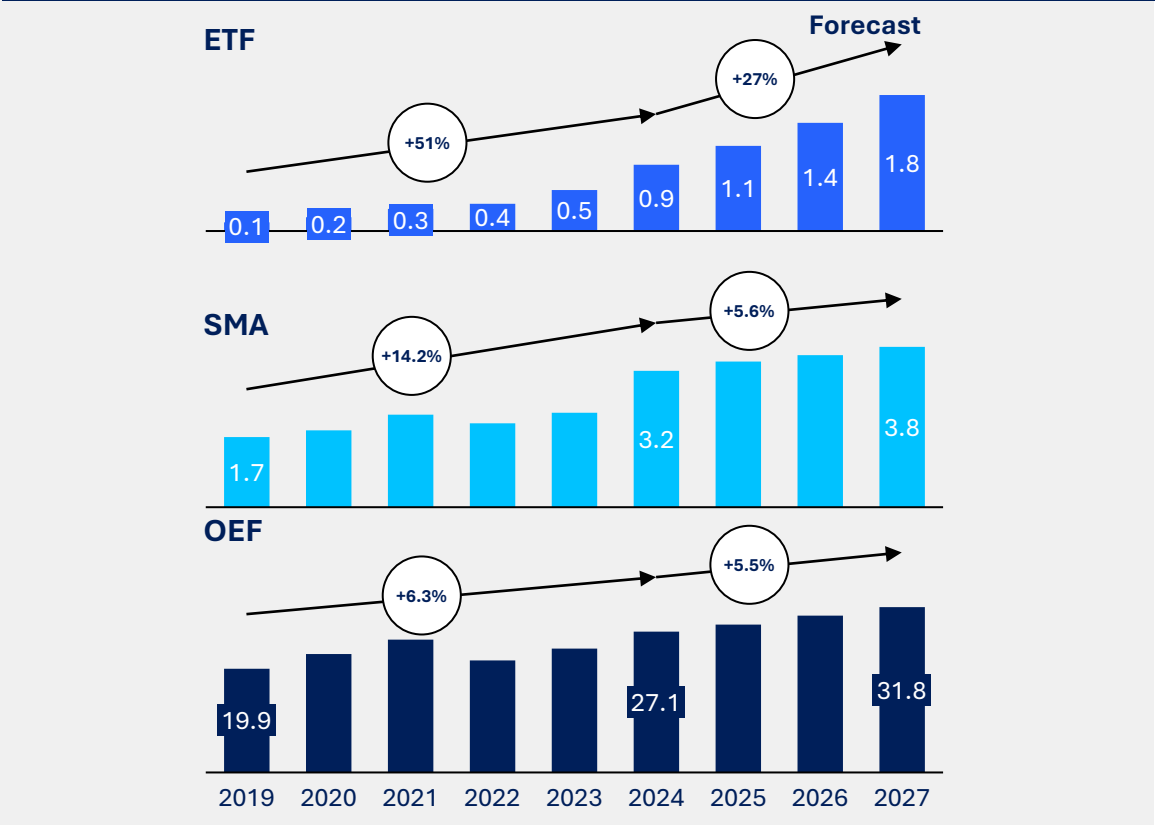
Three of the most fee sensitive channels globally are in Europe – especially DC and subadvisory

Active ETF appeals despite lack of tax incentives outside of US

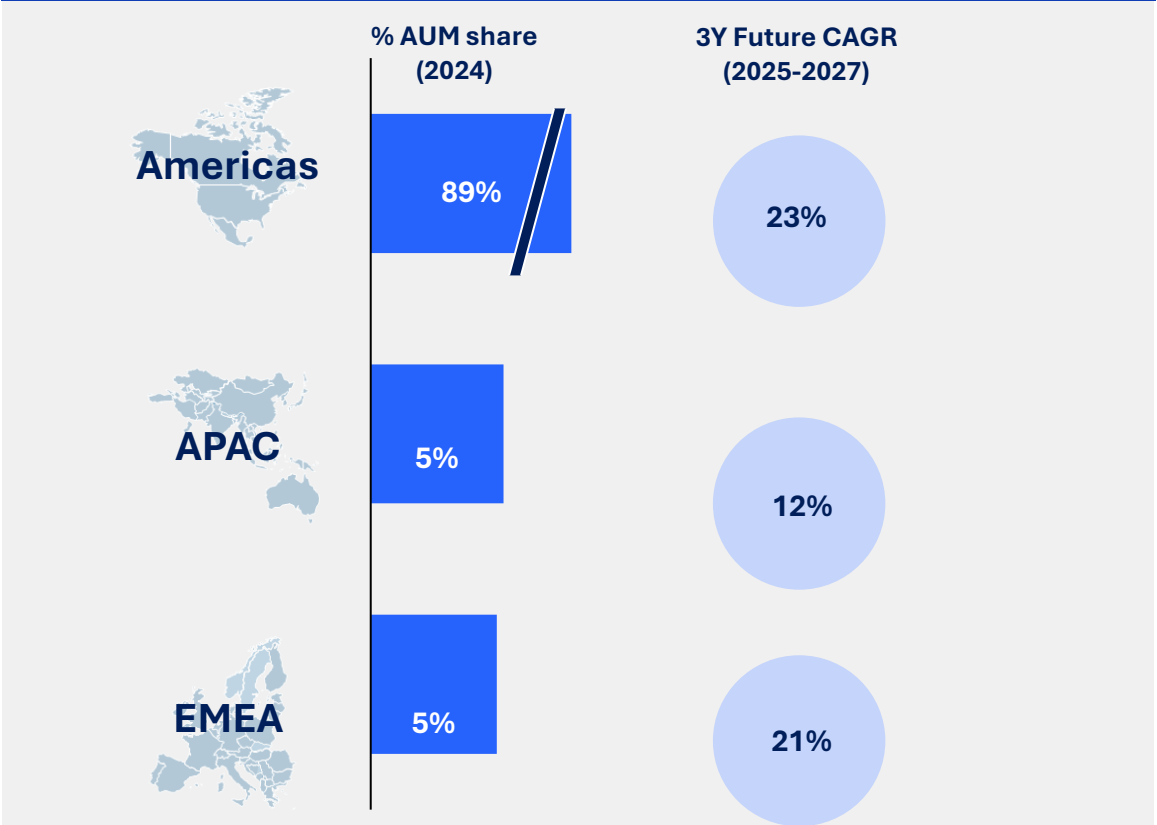
Key use cases include low-cost active equity and short duration FI but success in US illustrates potential for broader use cases.

US leads in active ETF adoption but other regions are catching up

Active AUM By Vehicle, Retail only, 2019 – 2027, US\$ trn



Active ETF Assets and 3Y Future Organic Growth
Retail only, By region



Key themes overview – Global

1

Global AUM to hit \$139T by 2027, 34% fueled by organic growth

We expect strong growth to persist, but in a less linear fashion. A larger share of future flows will come from new growth areas like retail and ETFs, requiring a strategic shift: fewer but more scalable, high-conviction bets.

2

APAC accounts for 47% of top quartile growth segments – demanding targeted actions

The polarization of growth across regions, client segments (e.g., retail, insurance), and products (e.g., private markets, structured finance) reinforces the imperative for firms to double down on areas of competitive advantage and align resources to where they can lead.

3

Equity preference emerges, but regional allocation differs

US SMID and Private Equity lead in the Americas; APAC favors global and US equities,. However, with market volatility on the rise, these preferences may evolve rapidly. Looking ahead, we expect a renewed focus on liquidity, quality, and resilience as key allocation drivers."

KEY THEMES OVERVIEW – APAC

4

APAC growth driven by new channels - wealth, subadvisory and insurance

Pension funds and treasuries remain large in AUM but contribute minimally to flows and revenue growth. In contrast, retail accounts for the bulk of net new flows and revenues, with double-digit growth - signaling a strategic need to balance scale and margins.

5

Institutions turn to liquidity and quality amid rising volatility concerns

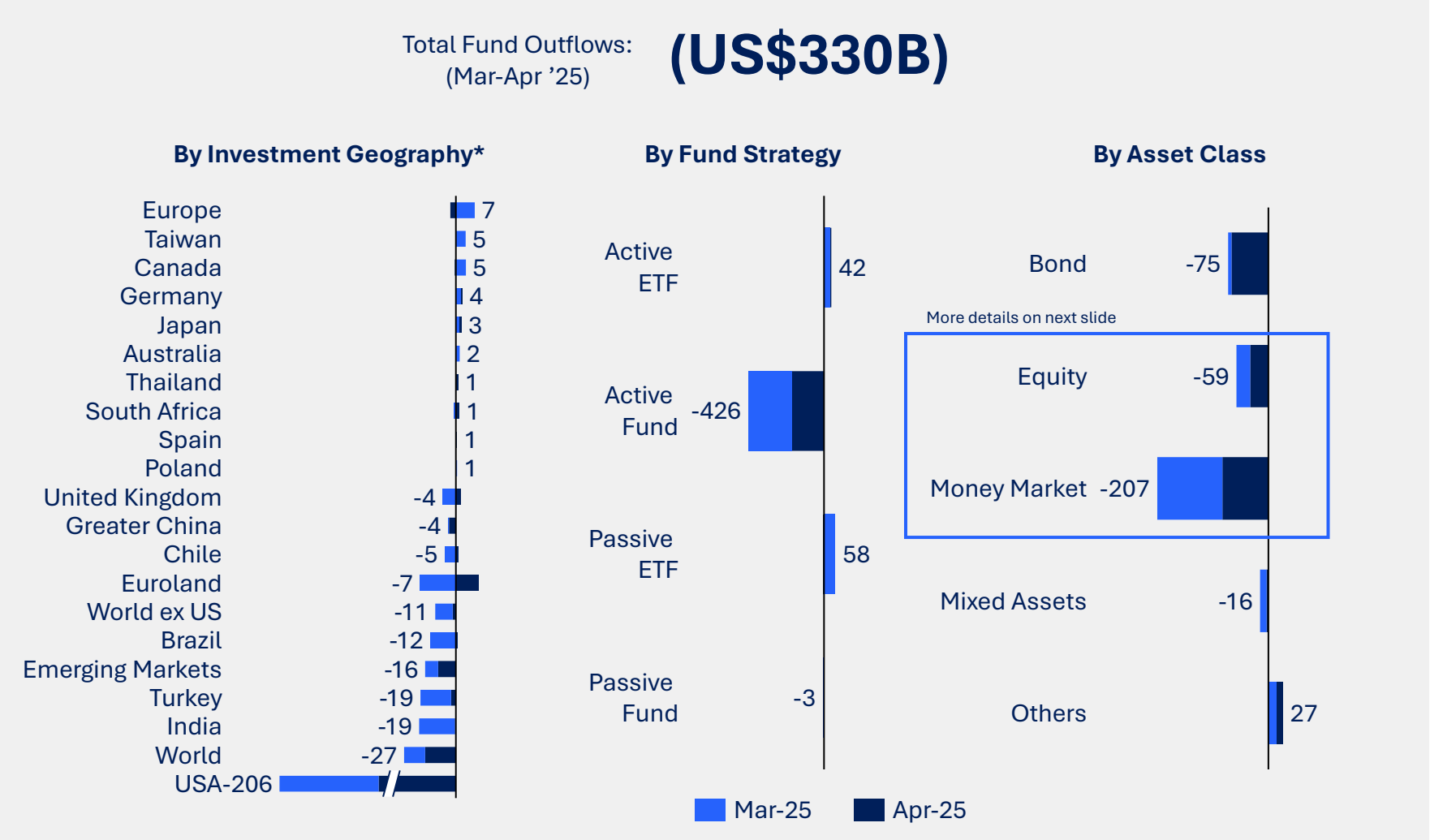
Sovereigns are a key channel for institutional flows; but insurance and treasury are increasingly important. Cash, IG credit and low volatility equity are some of the key flow drivers - underscoring a tilt toward safety and liquidity.

6

Value creation remains key to winning flows amidst rising fee pressure

59% of gross flows are in the two lowest fee quintiles, highlighting rising fee pressure. But retention also depends on performance alpha, client service, and operational efficiency.

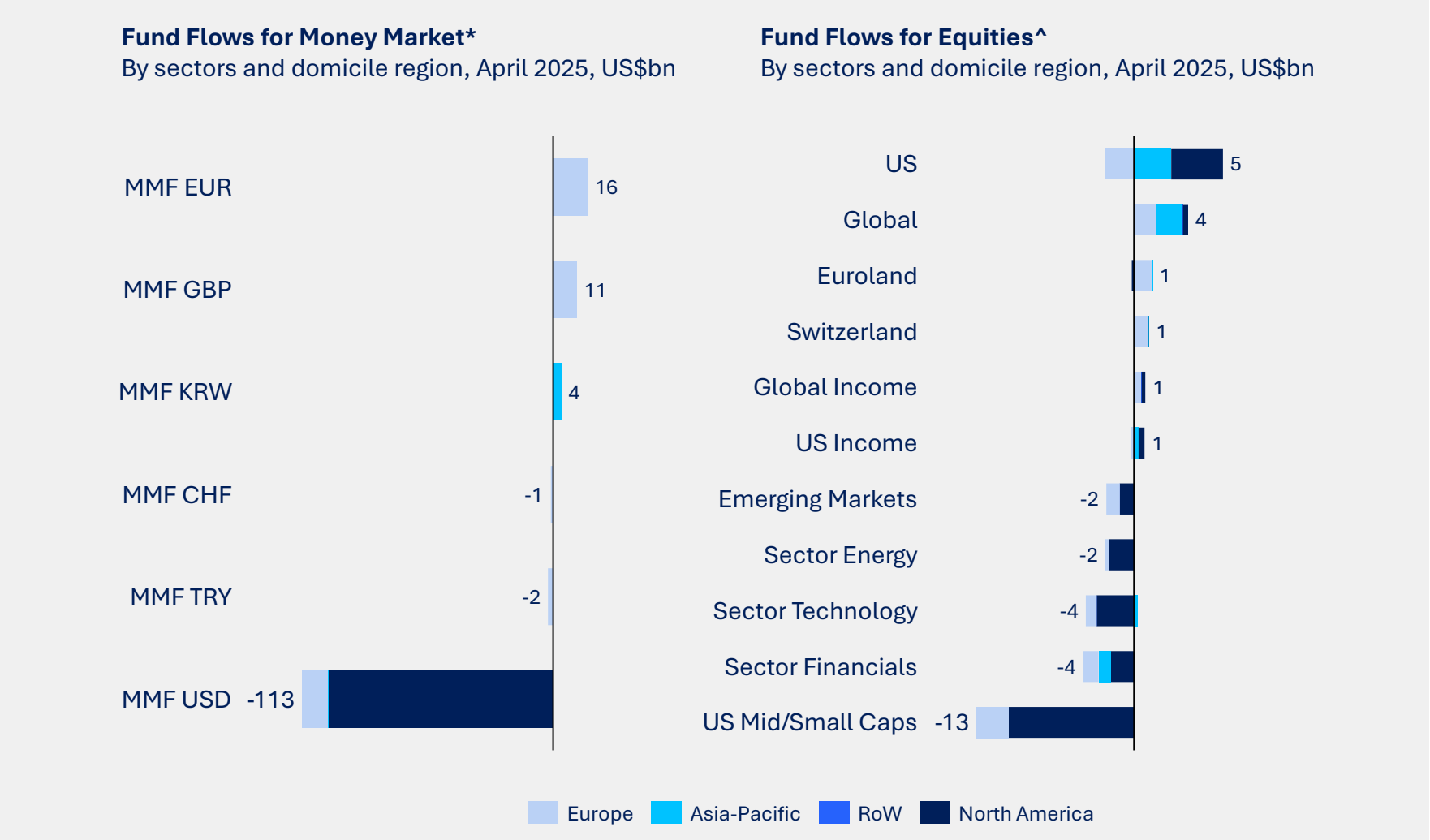
1. Widespread sell-off across investment geographies and asset classes, with few exceptions



Key takeaways

- Despite outflows from almost all asset classes, there were selective inflows into short-duration U.S. government debt, inverse/leveraged equities, and gold.
- Active funds bore the brunt of investor redemptions, while active ETFs demonstrated unexpected resilience.

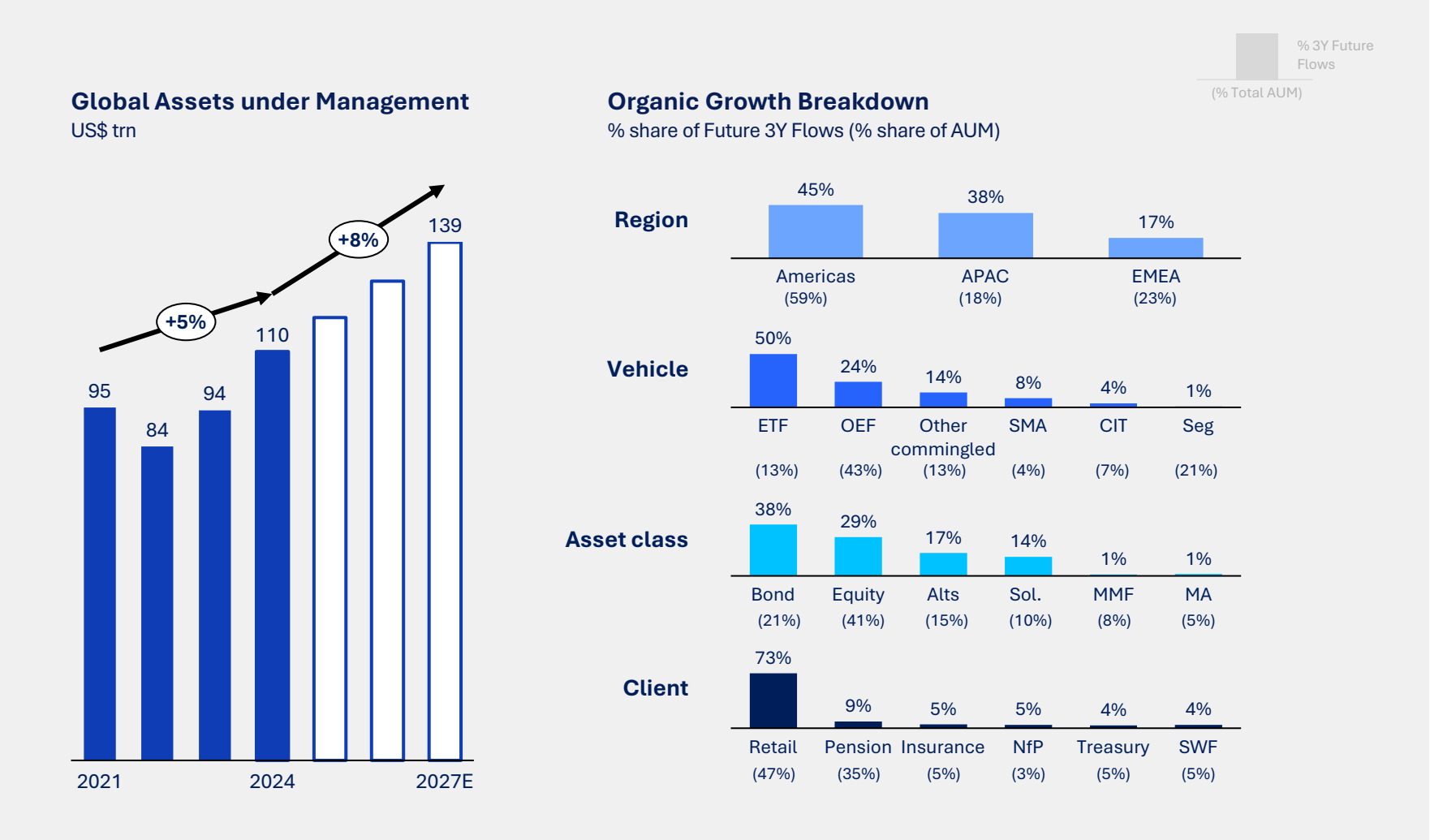
1. Polarizing trends across money market and North American equities



Key takeaways

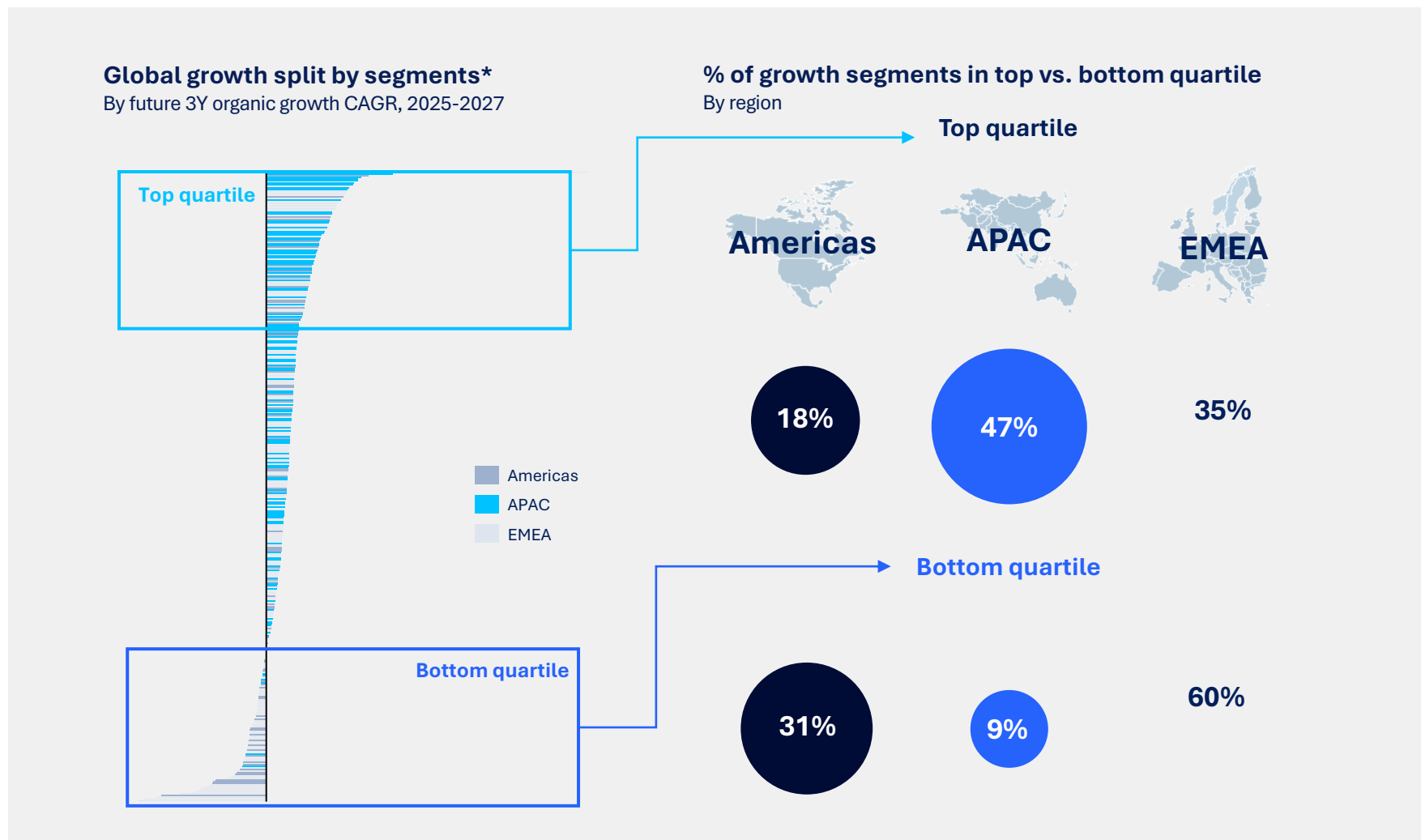
- Although money market funds saw outflows of US\$85bn in April, MMF USD bore the brunt, with positive flows into MMF EUR, GBP and KRW.
- Equities also witnessed diverging trends. Although US mid/small caps suffered the strongest outflows, US large/blend saw net inflows. APAC was the only region with positive flows into equities, helped by Japanese regular contributions into personal retirement scheme.

1. Growth headwinds drive focus on fewer, high-conviction opportunities



- ## Key takeaways
- Market turmoil and geopolitical uncertainty is expected to create headwinds for growth, with a larger share of future flows fueled by a narrower set of high-potential opportunities.
 - New growth will come from areas like retail and ETFs, requiring a strategic shift: fewer but more scalable, high-conviction bets.

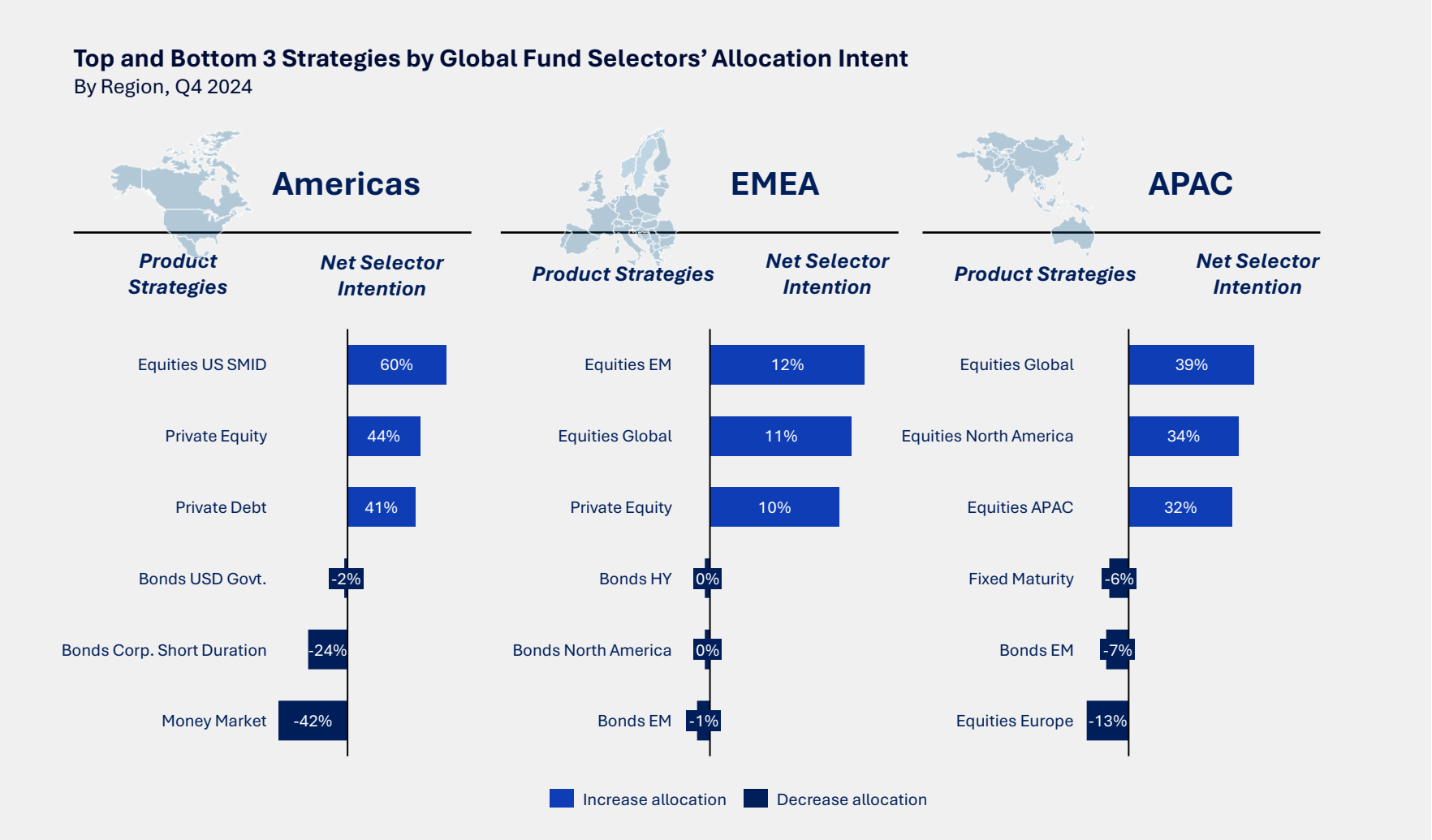
2. Polarized growth demands targeted action – APAC counts for 47% of top quartile growth segments



Key takeaways

- Demand will be increasingly concentrated, with a smaller number of segments accounting for majority of global growth.
- APAC, particularly in wealth and private markets, dominates the top quartile of growth segments.
- The Americas and EMEA show a higher share of low-growth segments, highlighting the importance of selective focus and repositioning in these regions.

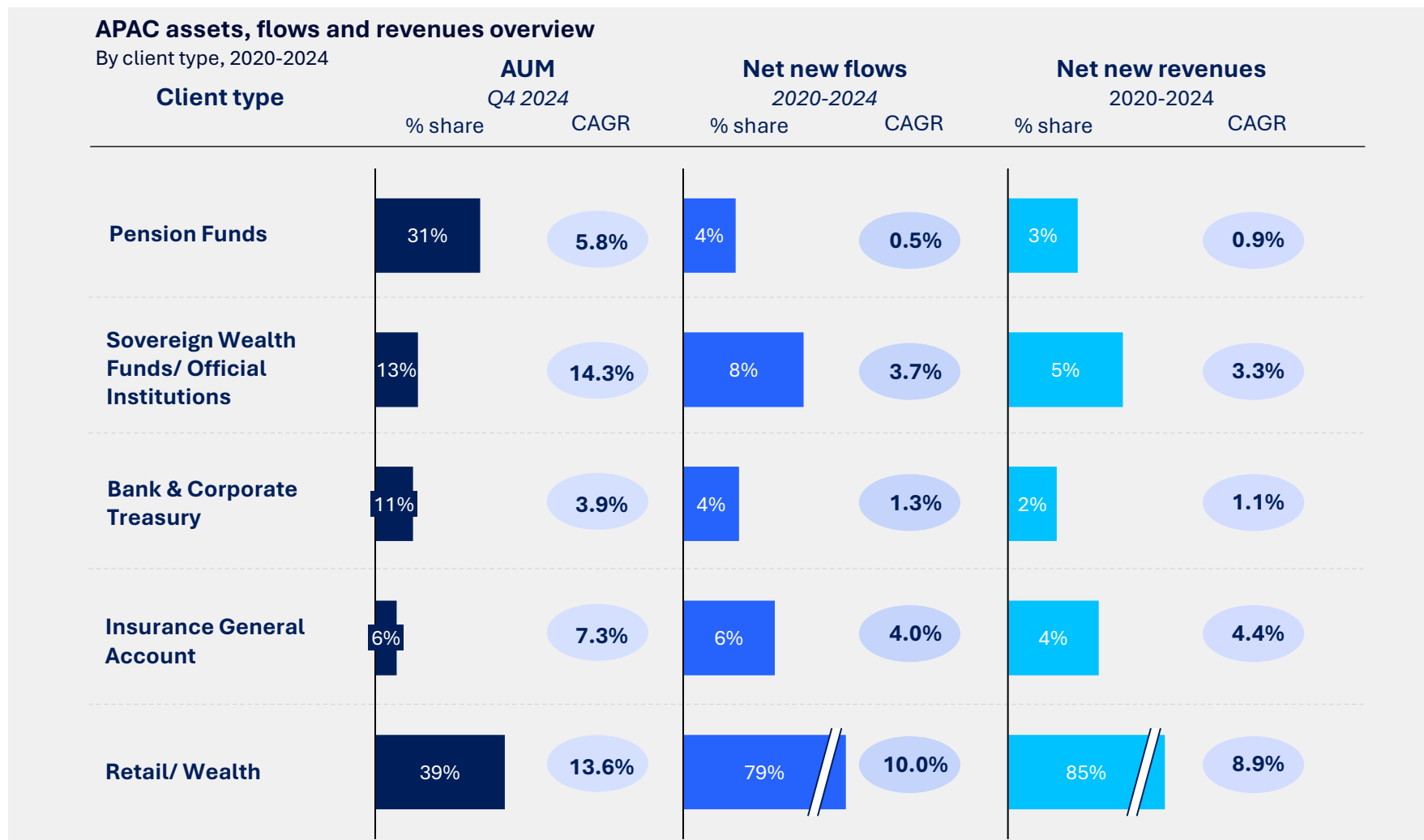
3. Equity preference emerges, but regional allocation signals differ and could shift amid rising volatility



Key takeaways

- US SMID and Private Equity are top picks in the Americas, while APAC fund selectors favor global and North American equities - though sentiment could shift quickly amid rising volatility.
- EMEA shows cautious equity preference, with limited interest in fixed income—yet allocation trends may evolve to reflect macro risks and political dynamics.

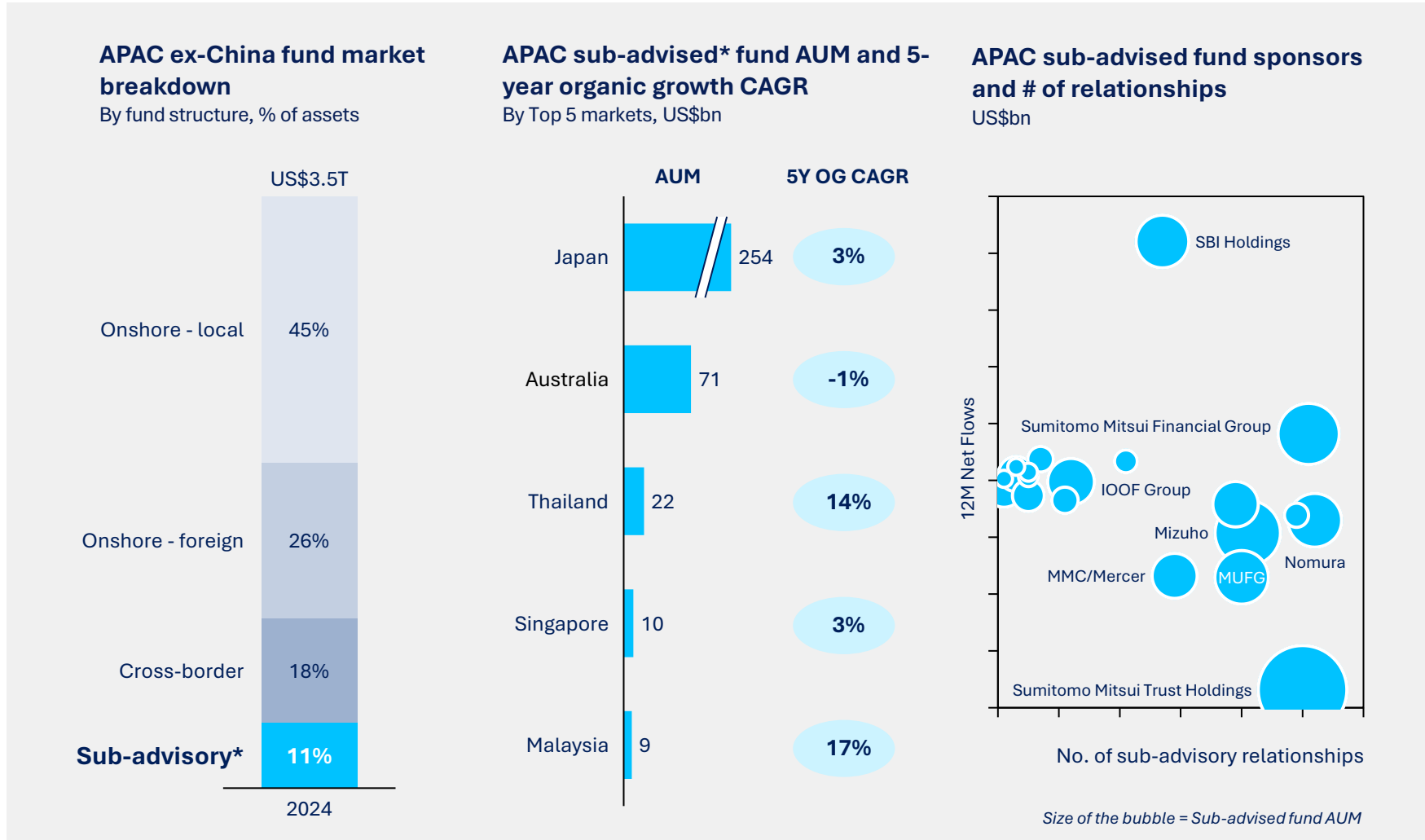
4. While pension and SWFs account for the bulk of assets, flows and revenues are driven by new channels



Key takeaways

- Retail/Wealth accounts for the bulk of net new flows (79%) and revenues (85%), with double-digit growth reinforcing its role as the primary growth engine.
- Pension funds and treasuries remain large in AUM but contribute minimally to flows and revenue growth, signaling a strategic need to balance scale and margins.

4. Japan leads as subadvisory growth accelerates across the region



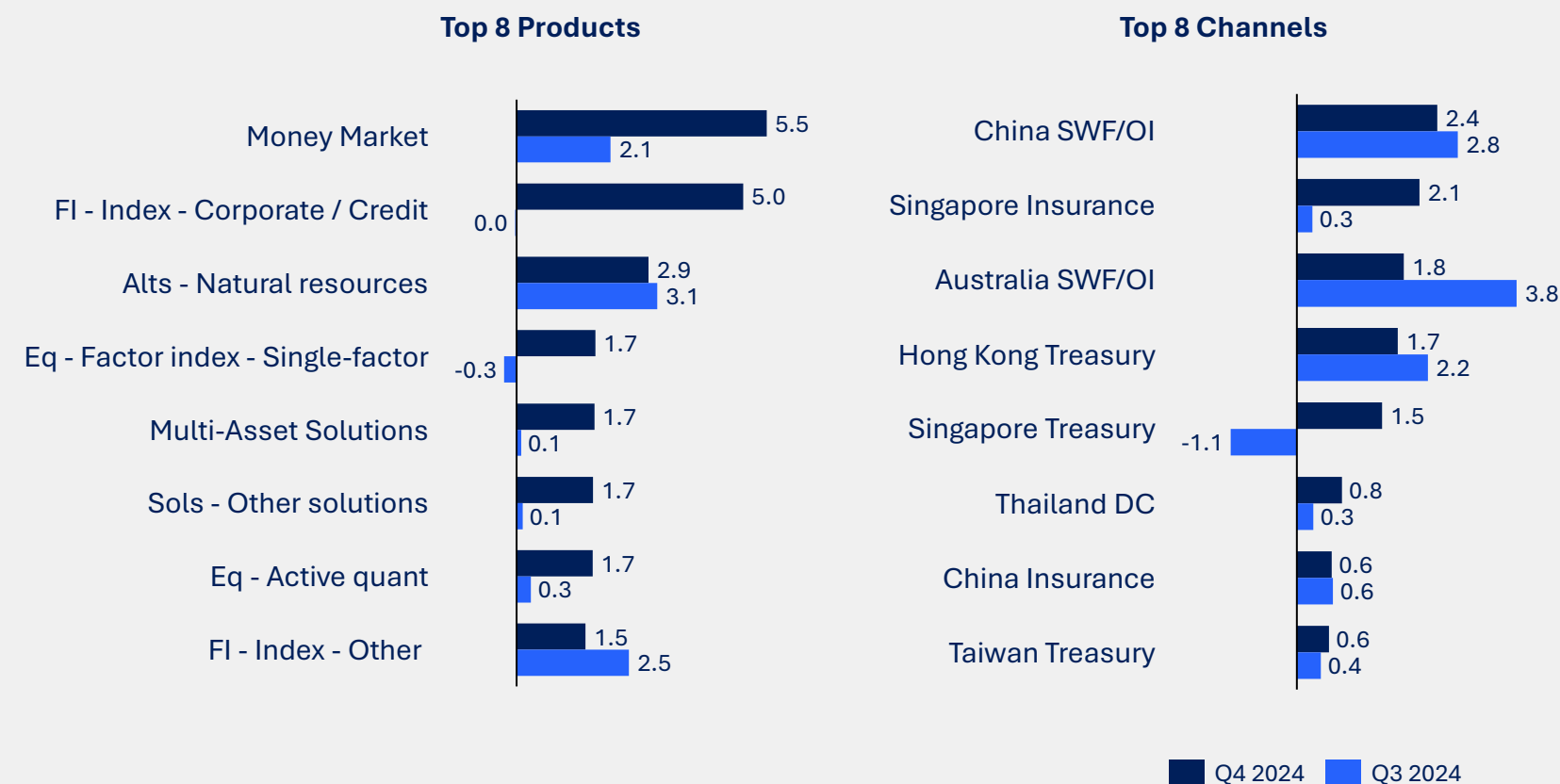
Key takeaways

- While Japan dominates, stronger growth is coming from emerging markets like Malaysia and Thailand, via feeder funds structures.
- Sponsor activity is concentrated among a few large players, highlighting the importance of deep relationships and local market understanding to win mandates.

5. Institutions turn to liquidity and quality amid rising volatility concerns

APAC institutional quarterly net new flows

Exclude domestic* assets, US\$bn, Q3-Q4 2024



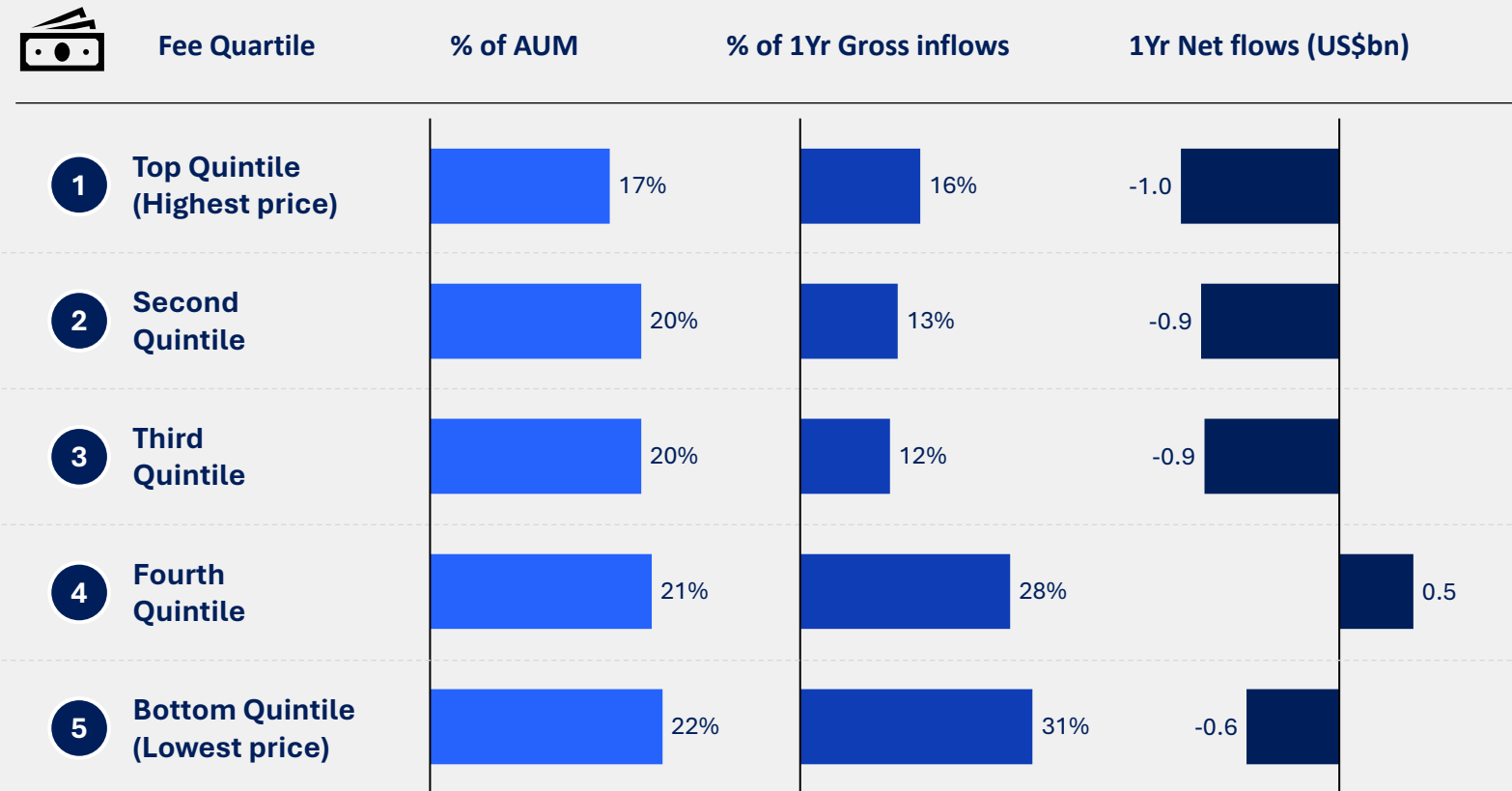
Key takeaways

- China sovereigns, along with Singapore insurers drove Q4 flows—largely into cash and passive IG credit, underscoring a tilt toward safety and liquidity.
- Australian sovereigns led flows into factor equities, particularly those focused on low volatility.

6.Value creation remains key to winning flows amidst rising fee pressure

APAC Fee sensitivity analysis – Active Global Equities (US\$100-500M)

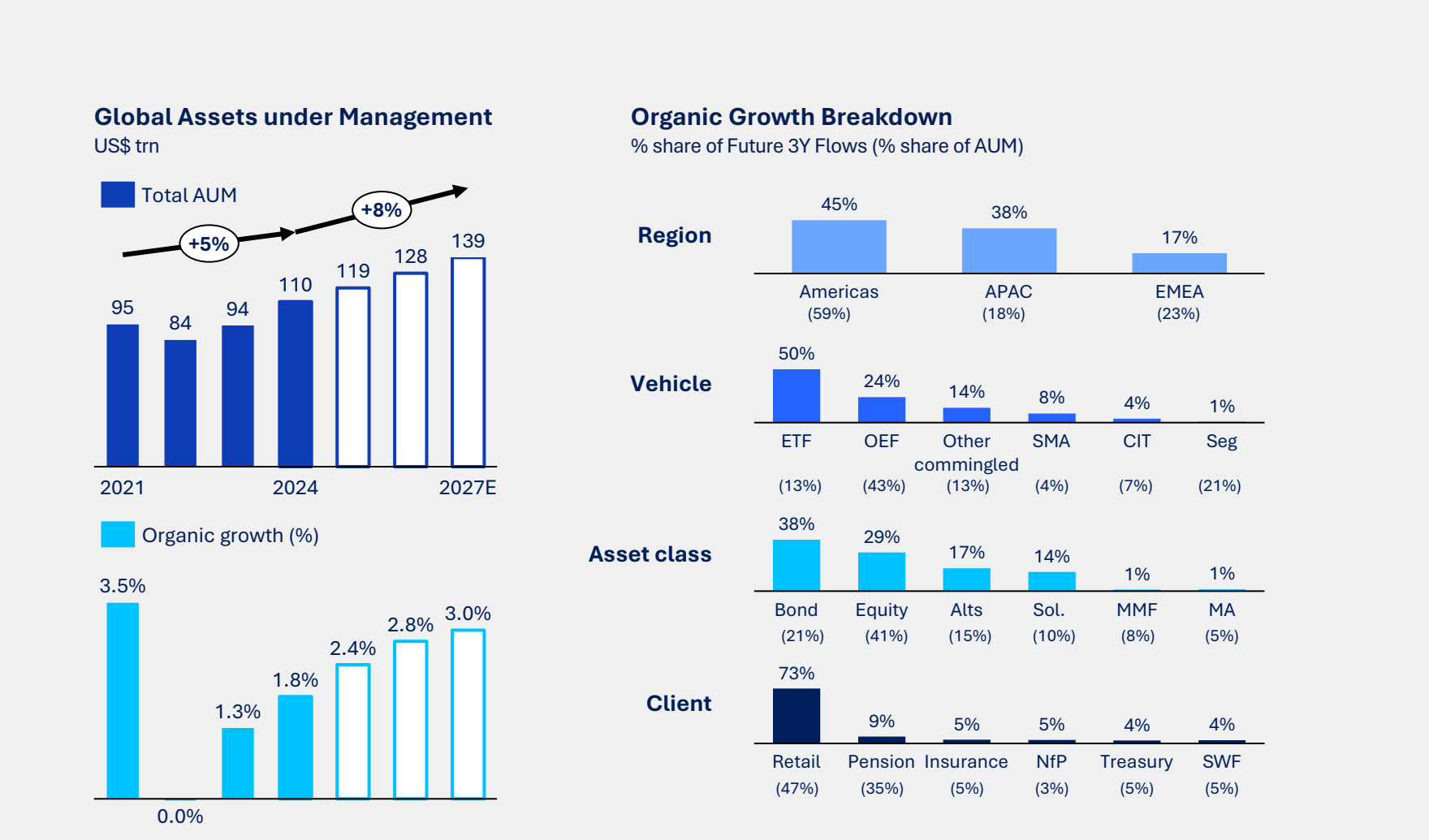
By AUM, 1Yr Gross Inflows and 1 Yr Net flows, Q3 2023-Q4 2024



Key takeaways

- While assets are quite evenly distributed across the different fee tiers, bulk of the gross flows (59%) are concentrated in the two lowest fee quintiles – signaling growing fee pressure.
- But pricing alone isn't enough to retain assets, other key drivers for value creation include alpha delivery, client servicing and operational efficiency

1.Global AUM to reach US\$139T by 2027, of which 34% comes from organic growth



Key takeaways

- We continue to project strong growth but expect it to be less linear and fueled by a narrower set of high-potential opportunities.
- A larger share of future flows will come from new growth areas like retail and ETFs, requiring a strategic shift: fewer but more scalable, high-conviction bets.

About Broadridge Data & Analytics

D&A is part of Broadridge's portfolio of asset management solutions, supporting clients across the full value chain

Drive Growth

Product, Strategy, Distribution

Analytics tools which optimize strategy, product, marketing, sales, and distribution teams



Data & Analytics Tools

- Predictive demand analytics
- Market intelligence
- Pricing intelligence
- Brand intelligence
- Marketing signals
- Investor intelligence
- Client seg & scoring
- Sales targeting
- Sales intelligence and reporting
- Distribution data management
- Expense management
- Board governance & reporting

Optimize Investment

Investment Operations

Holistic platform designed to effectively manage a portfolio from order management through to risk and reporting



Trading & Risk Management Systems

- CLO & Private Debt front- middle-back technology
- Reference Data Management
- Portfolio Management & OMS (IBOR)
- Portfolio Risk & Modelling
- Securities Lending
- Reconciliations
- FIX Order Routing
- Corporate actions
- Global Class Actions

Efficient Compliance

Regulation & Compliance

Data, voting and reporting solutions which provide cost efficient control over defined regulatory risks



Reporting & Compliance

- Regulatory document production
- Costs & Charges reporting
- Document management
- Trade / Transaction reporting
- EMEA Regulatory Reporting
- Process Outsourcing
- Proxy voting
- Process Outsourcing

Robust Finance

Finance & Treasury






Solutions to enable the Finance group to optimize cash, and support product growth and innovation



Achieve Enhanced Finance Control

- SWIFT Messaging FX
- Cash management
- Fee calculation
- Process Outsourcing

Data & Analytics is focused on growth in 5 elements of the asset management distribution lifestyle

	Strategic	Tactical			Operational
Functions	Product & strategy  <ul style="list-style-type: none"> Design evidence-based strategies with robust forward-looking analytics supporting new market entry, new product development and inorganic activity Track your market share, distribution alpha and critical KPIs on the performance of your business Develop detailed product and competitive intelligence 	Brand & Marketing  <ul style="list-style-type: none"> Track how your brand viewed in the marketplace relative to competitors? Analyze who's viewing our website and how can we translate to effective lead generation? Segment investor demographics and detail's locations to inform marketing plans 	Sales Optimization  <ul style="list-style-type: none"> Which advisors should we target and how? Which advisors need specialist coverage? What is our distributor and office-level market share and how is it changing over time? How effective is our distribution relative to peers? Where are we not winning our fair share? 	Distribution Operations  <ul style="list-style-type: none"> Which clients are buying what products, where? Are we compensating the team inline with our sales commission policy? Are we accurately managing distribution expenses? 	Fund Governance  <ul style="list-style-type: none"> Benchmark pricing to ensure value is being delivered to investors Evaluate pricing fairness and investor outcomes can be measured Report to fund boards to confirm the value the fund company is delivering
Product	Global Demand Model	Fund Brand Intelligence	Client Seg & Scoring	Data Management	15c Board Reporting
	Global Market Intelligence	Investor Intelligence	Sales Targeting	Sales Analytics	Assessment of Value
	Global Pricing Intelligence	Advisor Target	Sales Intelligence	Expense Management	Value for Money

Thank you

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