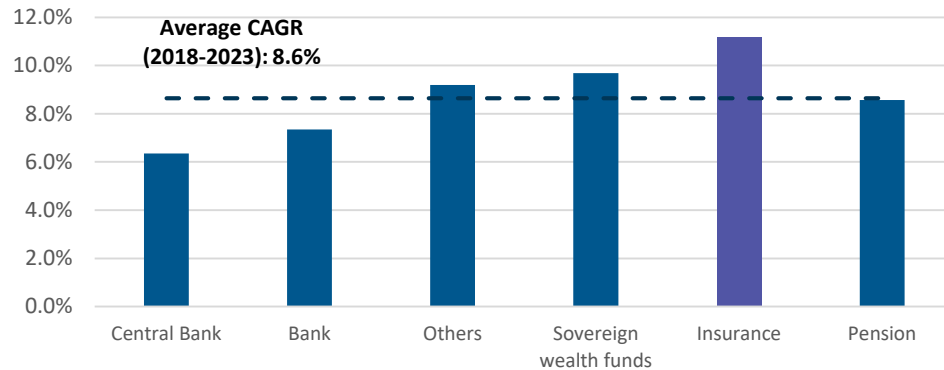


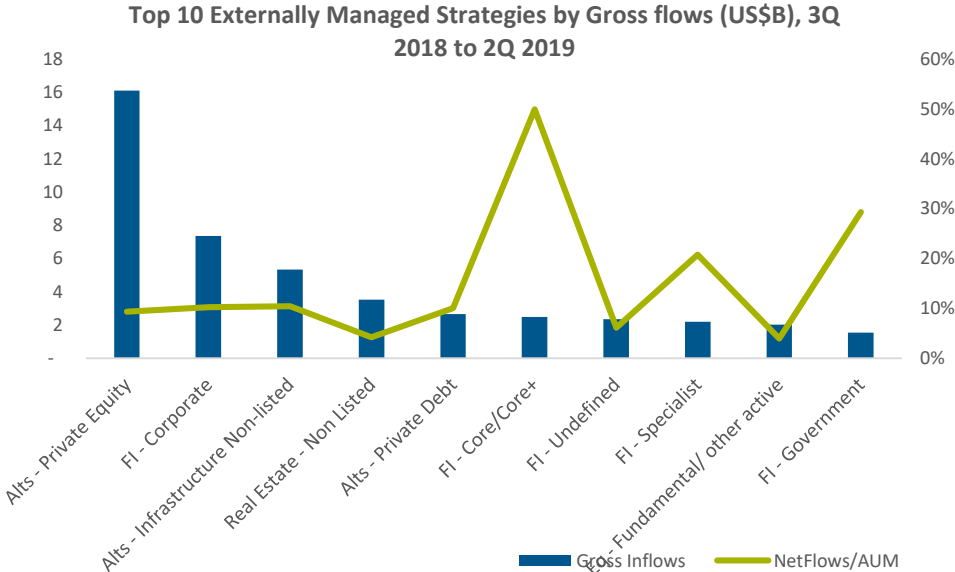
INSIGHT OF THE WEEK

Insurance GA: Fastest growing addressable asset pool

APAC INSURANCE ADDRESSABLE AUM CAGR (2018-2023) BY MARKETS



STRONGER INTEREST IN ALTERNATIVES AND ACTIVE FIXED INCOME



Data Source: Broadridge GMI

Communications
Technology
Data and Analytics

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Broadridge Insights

Asian insurers look more to passive and alternative strategies

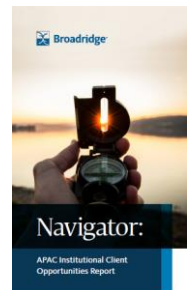
Asset managers will likely be able to garner more opportunities from Asian insurance firms as the latter seek higher returns than what can be garnered from their traditional investments into sovereign bonds and other less risky instruments. Facing cost pressures as well as in their efforts to reduce portfolio volatility, insurance firms are increasingly eyeing lower-cost ETFs and index funds. Demand for alternatives domestically and internationally—for example, infrastructure debt and real estate—also gained more traction as investors seek higher yields that are uncorrelated to other asset classes. A recent wave of deregulation in several Asian markets and the growing size of insurance portfolios allow insurers to invest in large illiquid assets.

Although starting from a low base, we see the fastest growth in addressable assets in the region being registered by the insurance general accounts (GA) sector. While APAC institutional addressable assets saw a CAGR of 12.9% in the 2013 to 2018 period, the insurance GA sector grew at a CAGR of 16.5% to reach US\$551b at the end of 2018. Broadridge expects growth to continue at a CAGR of 11.2% in the 2019-2023 period with insurance GA assets reaching US\$937b by the end of 2023. It will remain the fastest growing client opportunity for 3rd party asset managers.

Insights drawn from APAC Institutional Client Opportunities

A quarterly intelligence service focused on APAC institutional client opportunities

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