

UCITS – A GLOBAL SUCCESS STORY

THE DISTRIBUTION OF UCITS OUTSIDE OF EUROPE

INTRODUCTION

Amid rising global competition in asset management, UCITS stand out as a global success story for the European fund management industry. Over the past decade, European cross-border funds grew at a much faster rate than domestic funds. Sold in over 50 countries beyond the EU, UCITS has grown into a very successful financial export, creating a global growth opportunity for European and international asset managers. However, the international sale of UCITS is coming under increasing global competitive pressure. Understanding the scale and strategic significance of UCITS cross-border success is more critical than ever, especially when considering any regulatory changes that might impact the European fund industry.

This Market Insights (MI) leverages Broadridge's proprietary Global Market Intelligence (GMI) data to map UCITS distribution trends internationally, providing a detailed look and identifying leading regions and countries outside of Europe. It highlights key trends by fund type as well as patterns driving sales. It also compares ownership of domestic funds with that of cross-border UCITS in various countries across the world. The final section offers several recommendations to ensure the continued global success of European investment funds.

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MARKET SIZING & RECENT TRENDS IN EUROPEAN CROSS-BORDER FUNDS

EFAMA classifies European investment funds based on the regulatory framework under which they operate: either the UCITS Directive (Undertakings for Collective Investment in Transferable Securities) or the AIFM Directive (Alternative Investment Fund Managers). Both regimes offer an EU-wide 'passport', allowing funds that are registered and domiciled in any European Economic Area (EEA) country to be marketed in the entire EEA—subject to regulatory notification. UCITS are also widely sold across the world - in more than 50 countries outside the EEA - as the UCITS

regulatory framework is well-known across the globe and trusted by local regulators and supervisors.

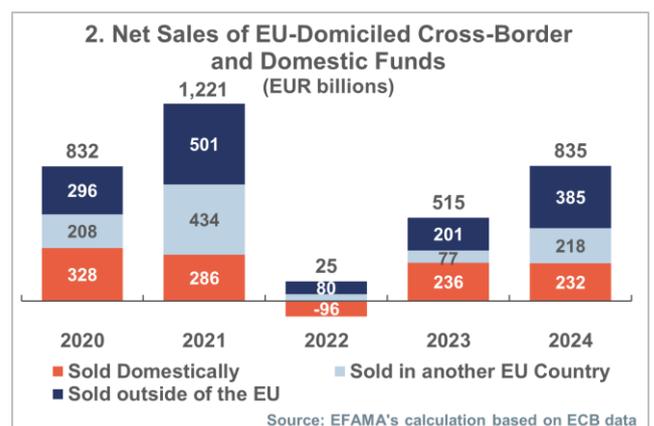
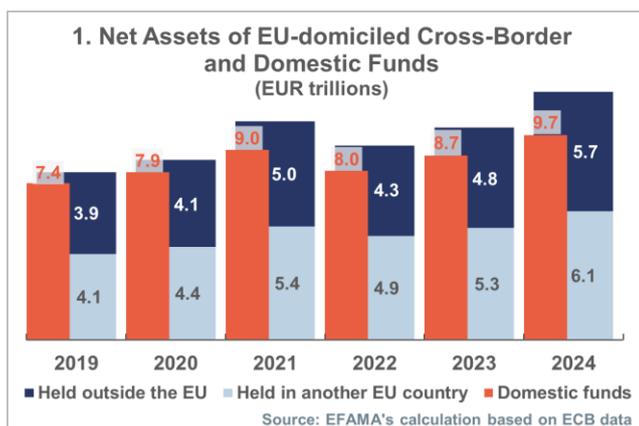
The vast majority of Europe’s cross-border funds, both UCITS and AIFs, are domiciled in Luxembourg or Ireland, the region’s two leading cross-border fund hubs. These countries offer specialised expertise, operational efficiencies, and economies of scale, attracting both European and global asset managers seeking to consolidate their cross-border fund ranges. Smaller cross-border domiciles such as Liechtenstein and Malta, as well as some larger domiciles such as France and Germany, also domicile cross-border funds, though on a much smaller scale.

Using ECB aggregated data, we estimate that by the end of 2024, total net assets of EU-domiciled UCITS and AIFs reached approximately EUR 21.5 trillion. Of this, EUR 9.7 trillion were domestic funds – owned by investors in the same country where the funds are domiciled. Thanks to the EU passporting regime, the cross-border market of EU-domiciled funds was larger, comprising two distinct segments:

- **Cross-border funds held in another EU country (intra-EU):** EUR 6.1 trillion in net fund assets domiciled in EU countries were held by investors located in another EU country at the end of 2024.
- **Cross-border funds held outside the EU:** EUR 5.7 trillion in net fund assets domiciled in the EU (vast majority being UCITS) were held by investors located outside the EU at the end of 2024.

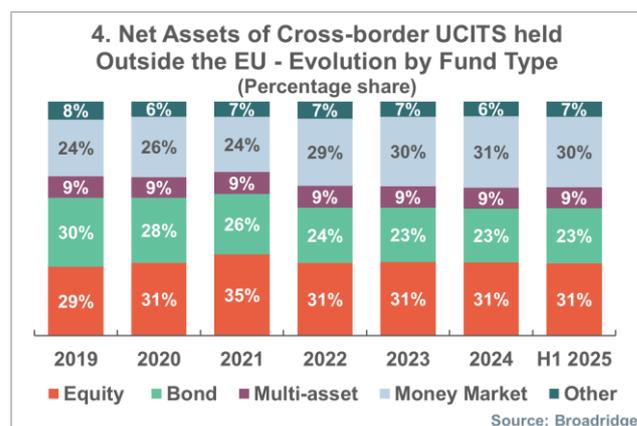
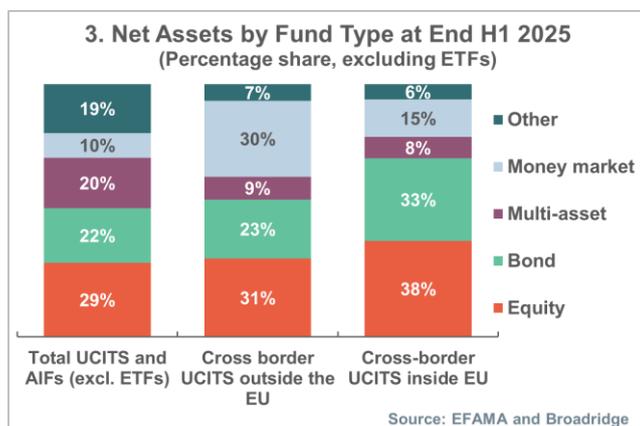
Over the past decade, the net assets of cross-border funds have grown substantially faster than domestic funds. While domestic fund assets increased by 83%, assets of cross-border funds held in another EU country rose by 145%, whereas cross-border funds held outside the EU grew by 133%. Interestingly, in the most recent two years, the pace of growth for cross-border fund assets held outside the EU has surpassed that of intra-EU cross-border funds, highlighting their growing global relevance.

One of the key drivers behind this asset growth has been stronger net sales. Cross-border funds – especially those sold outside the EU – have consistently attracted higher investor flows relative to both domestic and intra-EU cross-border fund flows. In 2021, all three fund categories saw record inflows amid buoyant global markets. In 2022, investor sentiment turned cautious due to the war in Ukraine and rapidly rising inflation and interest rates. Domestic funds experienced net outflows, while cross-border funds managed to maintain small inflows, mainly due to net inflows into exchange-traded funds (ETFs) and money market funds (MMFs). In 2023, flows rebounded across all three distribution areas. 2024 saw the net sales of all three fund categories increase further, with cross-border funds outside the EU emerging as the top seller, attracting EUR 385 billion in net inflows.



However, fund growth is not solely a function of net sales. Differences in asset allocation and currency exposure also impact asset growth through market performance and exchange rate fluctuations. Cross-border UCITS – both intra- and outside the EU – tend to have a higher allocation to equities compared to the broader UCITS and AIF universe (excluding ETFs). Notably, intra-EU cross-border funds have a particularly strong tilt toward equity funds. This bias, coupled with generally strong stock market performance over the past five years (except for 2022), has contributed to the stronger asset growth of cross-border funds.

For cross-border UCITS held outside the EU, we observe a gradual increase in the share of MMFs and a decline in bond fund holdings between 2021 and 2024. The share of equity funds has remained relatively stable, somewhat surprising given the strong growth of global stock markets in 2023 and 2024. This was because there was a vehicle switch away from non-ETF equity funds and towards ETFs. ETFs are excluded from the analysis in the remainder of this report, as it is difficult to determine the exact location of their end-investors.



Another distinction that can be made in the cross-border landscape is between ‘round-trip’ and ‘true’ cross-border funds. Round-trip funds are domiciled outside their country of sale but are only marketed and sold in that one single country, typically by a manager based there. These arrangements – common within the EU – were originally driven by tax considerations, prompting managers from Belgium, Germany, and Italy to domicile their funds in Luxembourg, and UK managers to do the same in Ireland. In contrast, true cross-border funds are distributed across multiple jurisdictions and are typically managed by large, global asset managers. Because round-trip funds are largely a European phenomenon and have little relevance in non-EU markets, this distinction will not be considered further in this Market Insights.

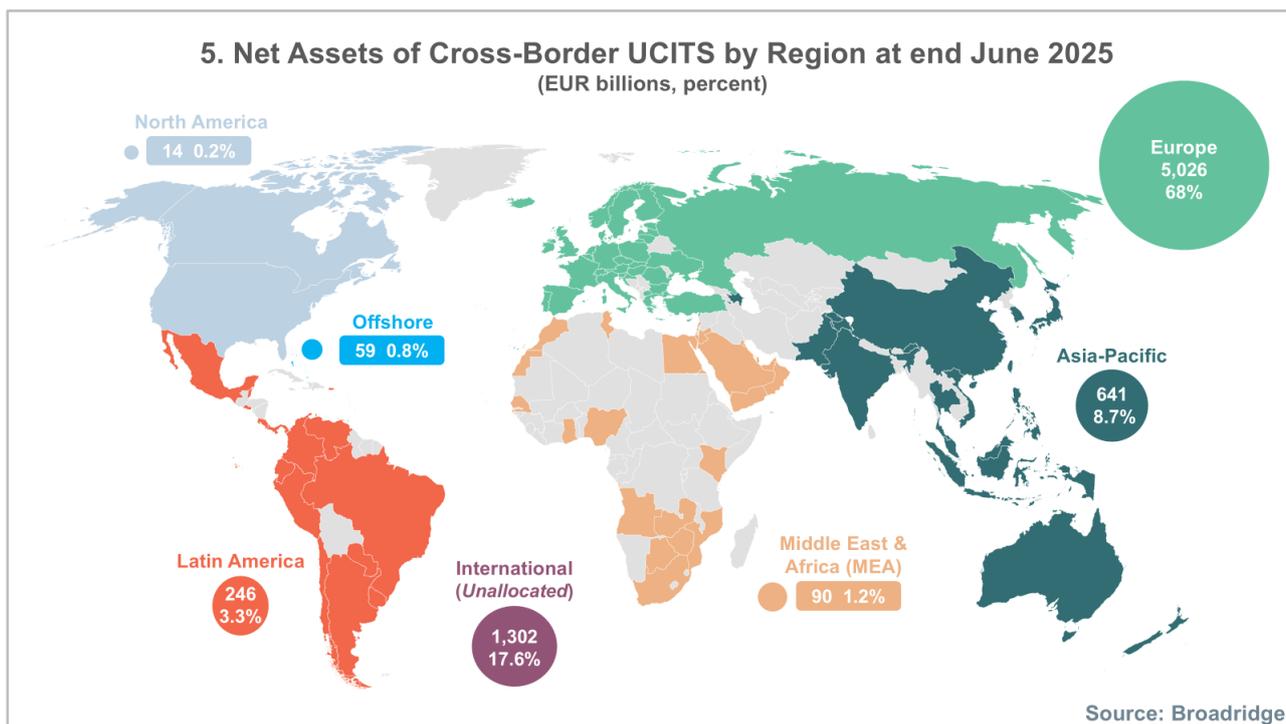
EUROPEAN CROSS-BORDER UCITS - REGIONAL BREAKDOWNS

Using the Broadridge GMI data set¹, we can take a closer look at where the investors in European cross-border UCITS are located, both within and beyond Europe. Intra-European distribution accounts for roughly two-thirds of all the net assets of cross-border UCITS². The remaining one-third is spread across six distinct geographical regions:

- **Asia-Pacific:** At the end of June 2025, the Asia-Pacific region accounted for 8.7% of cross-border UCITS holdings. This region includes all key markets in the Asia and Pacific region. A detailed analysis of regional trends follows in the next section.
- **Latin America:** South and Central American countries accounted for about 3.3% of cross-border UCITS holdings at the end of the first half of 2025. Regional insights are discussed in a subsequent section.
- **Middle East and Africa (MEA):** This region includes the majority of countries in the Middle East and Africa. Combined, these accounted for roughly 1.2% of cross-border UCITS holdings as of end June 2025. Trends in this region are analysed in a subsequent section.
- **North America:** The United States and Canada account for only 0.2% of cross-border UCITS holdings. All of these are concentrated in Canada, as, despite the US being the world’s largest fund market – with total net assets exceeding EUR 40 trillion in 2024 – regulatory barriers effectively prevent the distribution of non-US funds there. As such, this region is not analysed further. American fund managers do make extensive use of UCITS for their fund sales to investors outside the US, as US funds cannot easily be marketed to non-US investors due to tax and regulatory reasons. It is also important to note that American investors outside the

US do invest in UCITS, mainly via wealth managers across Latin America, Offshore, or International geographical regions.

- **Offshore:** This region accounts for 0.8% of European cross-border UCITS and includes a number of Caribbean countries and the Channel Islands – commonly defined as offshore financial centres – such as Bermuda, Curacao, Guernsey, and Jersey. Due to its limited significance in terms of net assets, this region is not covered in detail.
- **Unallocated International:** For approximately 17.6% of cross-border UCITS assets, it is not possible to determine a specific end-investor location. It is important to note, therefore, that regional insights discussed in the following sections could be impacted should these cross-border UCITS assets be allocated to the above regions.



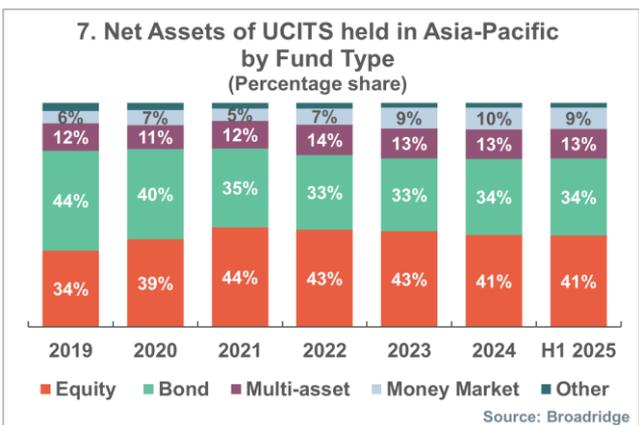
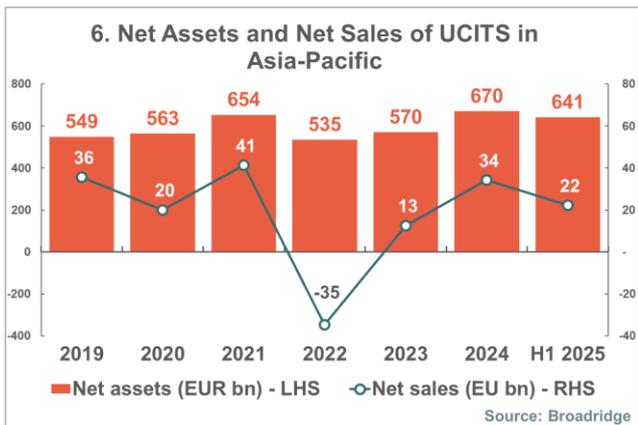
International distribution is dominated by large asset managers because they have the resources to set up offices outside Europe. In most foreign markets, including some of the most successful distribution hubs such as Hong Kong and Singapore, setting up a local office to access specific markets is still essential. These offices also allow asset managers to be seen as regional actors, significantly facilitating capital raising.

ASIA PACIFIC

Asia Pacific is the largest geographical region in terms of UCITS ownership – excluding ETFs – outside of Europe. UCITS net assets grew by 18% over 2024, only to decline somewhat in the first half of 2025 (-4%). Over the past five years, asset growth amounted to 22%. This relatively modest long-term growth reflects the impact of the sharp decline in 2022, from which it took two years for net assets to recover fully. Net sales have generally been positive in recent years, with 2022 being the sole exception.

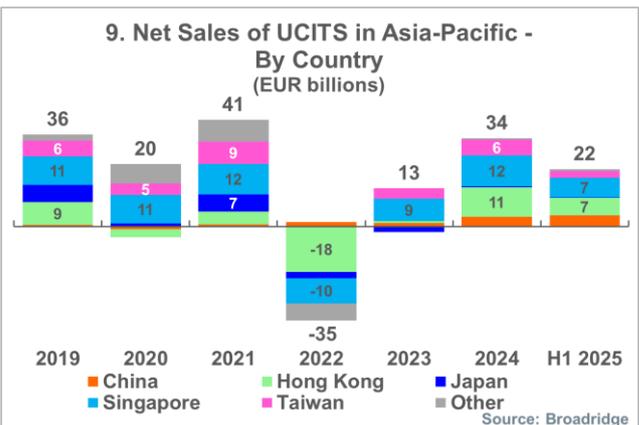
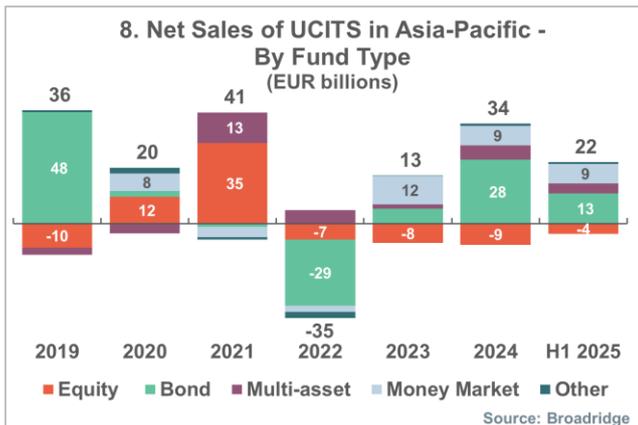
Equity UCITS are the dominant fund type in the region, comprising nearly 41% of UCITS holdings in Asia-Pacific. However, equity has been on a downward trend since 2022, as investors have increasingly diversified into other fund types. MMFs have seen particularly strong growth, with their share doubling from about 5% in 2021 to 9% by the end

of H1 2025. Shares of bond UCITS declined in 2022 and 2023 before rebounding in 2024 as rising interest rates renewed investor interest in fixed income products.



In terms of net sales, equity UCITS saw net outflows over the last three and a half years, driven by two factors. First, weak performance in regional equity markets, particularly in 2022 and 2023, dampened investor confidence. Second, there has been a global vehicle shift toward ETFs, and Asian investors were no exception, switching from actively managed equity UCITS into ETFs. Bond UCITS also recorded significant net outflows in 2022, mirroring global patterns. As interest rates surged, the value of existing bonds declined, prompting redemptions. Since 2023 however, net inflows appear to have recovered. Multi-asset UCITS – which saw negative net flows across Europe in both 2023 and 2024 – continued to attract modest but consistent inflows in Asia, indicating a more resilient demand for diversified strategies in the region.

Hong Kong, Singapore, Japan, and Taiwan are the main markets in Asia for cross-border UCITS. Following broad-based outflows in 2022, Singapore and Taiwan drove a regional rebound in 2023, posting net inflows of EUR 9 billion and EUR 4 billion, respectively. In 2024, total net inflows into Asia-Pacific rose sharply to EUR 34 billion, supported by continued strong demand in Singapore (EUR 12 billion) and Taiwan (EUR 6 billion), as well as a notable recovery in Hong Kong, where investors contributed EUR 11 billion in net new investments. The first six months of 2025 saw the same momentum, with sizeable net inflows in Singapore and Hong Kong (EUR 7 billion).



In many Asian markets, cross-border UCITS compete directly with locally domiciled funds for investor assets. The table below provides an overview of total fund ownership in the major Asia-Pacific economies, showing each country's share of regional assets and distinguishing between investments in local funds and cross-border UCITS.

There is considerable variation across countries. The region’s larger economies – Australia, China, and India – typically have well-developed local fund industries and, in some cases, regulatory barriers that severely restrict access to foreign funds. As a result, cross-border UCITS play a negligible role in these markets. Japan, however, stands out as somewhat of an exception among the larger economies, with cross-border UCITS representing a 4% share. Investments into UCITS in Japan mostly happen directly via sub-advisory funds or master-feeder funds.

Some of the larger economies show signs that they may directly or indirectly open their markets more to UCITS. For instance, Australia, a market driven by institutional investors, is opening its doors to the UCITS brand. China has taken several measures to ease the conditions under which foreign asset managers can compete in China. It is now possible for foreign companies to set up fully-owned subsidiaries and apply for a ‘pension manager’ licence with fewer assets under management than before.

In contrast to these larger, more closed countries, cross-border UCITS are already significantly more prominent in smaller, more open financial centres such as Singapore, Taiwan, and Hong Kong. These countries sometimes serve not only as key investor markets but also as a regional fund distribution hub. For example, Singapore is a gateway for investors from several Southeast Asian countries. Overall, UCITS are doing particularly well in these countries, due to a lack of regulatory and/or tax barriers to entry and broad regulatory acceptance of the UCITS framework.

In these more open markets, it is typically still necessary to set up local offices to tap into the local investor base. Accessing them on a purely cross-border basis is sometimes possible, but this usually requires a lengthy and costly procedure. For instance, despite a commitment to process an application within two months in Hong Kong, it frequently takes longer due to a back-and-forth between the applicant and the Securities & Futures Commission (SFC). It may, moreover, be necessary to engage local lawyers, which can significantly drive distribution costs up. That said, the new SFC’s FASTrack procedure, currently under trial, should streamline the application process for ‘simple funds’ from a jurisdiction with a Mutual Recognition Framework (MRF) with Hong Kong.

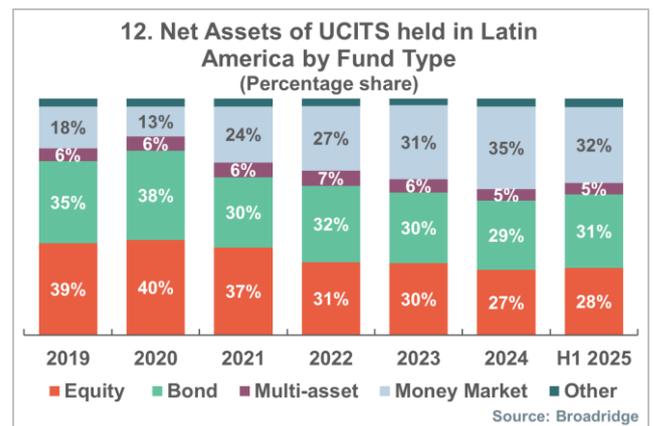
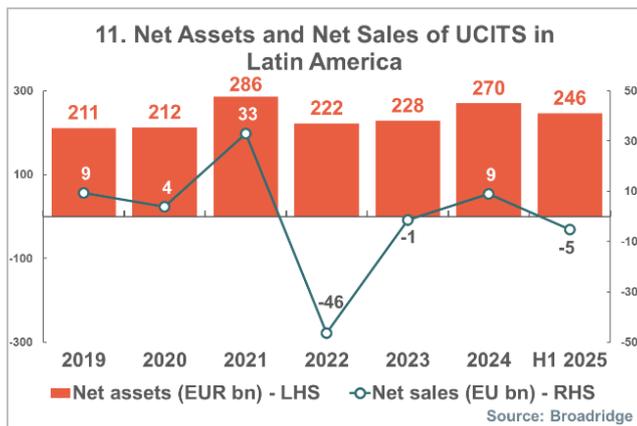
10. Fund Ownership in Asia-Pacific at End 2024				
Country	Total Ownership of Investment Funds		Domestic domiciled funds	UCITS
	Assets (EUR bn)	Regional market share in 2024	Percent of fund ownership	Percent of fund ownership
Australia	916	9.3%	99%	1%
China	3,850	39.3%	99%	1%
Hong Kong	345	3.5%	56%	44%
India	669	6.8%	99.7%	0.3%
Japan	2,362	24.1%	96%	4%
Singapore	266	2.7%	46%	54%
South Korea	664	6.8%	98%	2%
Taiwan	400	4.1%	69%	31%
Thailand	133	1.4%	85%	15%
Other Asia	201	2.0%	92%	8%
Asia - Pacific	9,804	100%	94%	6%

Source: Broadridge and IIFA

LATIN AMERICA

At the end of June 2025, Latin American investors held EUR 246 billion in cross-border UCITS, excluding ETFs. Net assets dipped by about 8.5% in the first half of 2025 after growing by 15% over the previous year and 24% over the past five years. Total holdings remained below their 2021 peak. Net sales have been relatively lacklustre in recent years, marked by two consecutive years of outflows in 2022 and 2023. The market returned to positive territory in 2024 (4 billion), but so far in 2025 it has again registered net outflows (-5 billion).

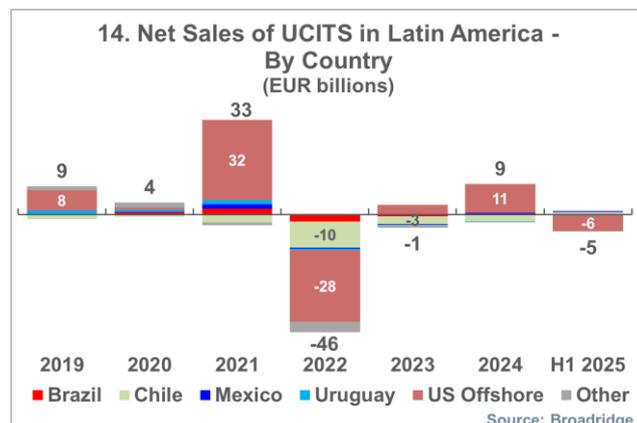
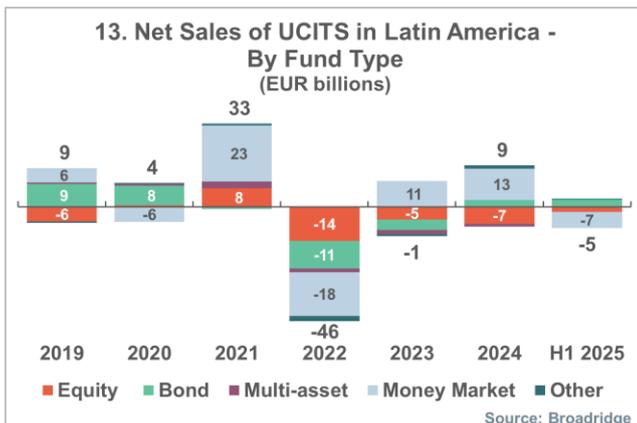
MMFs have gained significant traction in the region, with their share of cross-border UCITS assets more than doubling – from 13% in 2020 to 32% by end H1 2025. This growth has come primarily at the expense of equity UCITS, whose share has declined significantly, and to a lesser extent, bond UCITS, reflecting a broader shift in investor preferences towards lower-risk, more liquid investment vehicles.



Net sales in Latin America have been supported in recent years primarily by inflows into MMFs, which have benefited from exceptionally high short-term interest rates in the United States and an inverted yield curve in 2023 as well as much of 2024. This yield advantage made MMFs an attractive option for investors seeking low-risk, liquid investments. In 2025, net flows of MMFs turned negative as the yield curve returned to normal. Equity UCITS experienced three and a half consecutive years of net outflows, driven by a combination of the mixed performance of local stock markets and a broader structural product shift toward ETFs and away from mostly actively managed funds. Demand for multi-asset UCITS in Latin America was negative in recent years, mirroring a similar trend in Europe and the US.

Looking at net sales by country, one of the bright spots in 2023 and 2024 has been the US-offshore market – a category that refers to UCITS distributed to US investors in Latin America through financial intermediaries, often wealth managers.

On the other hand, Chile – a traditionally strong market for UCITS – has seen consistent net outflows in recent years. This trend has been primarily driven by Chilean pension funds, the so-called *Administradoras de Fondos de Pensiones (AFPs)*, once one of the most consistent institutional investors in UCITS, switching their allocations more toward US ETFs. A key factor behind this shift was the reduction in withholding taxes on US-domiciled ETFs from 30% to 15% in 2023, making these investment options significantly more attractive.



The table below presents a breakdown of total fund ownership across some of the South and Central American economies, highlighting each country's share of the region's fund assets and the relative weight of local funds versus cross-border UCITS. Brazil stands out as the dominant fund market in the region, accounting for about 70% of total regional fund assets. However, the Brazilian market remains overwhelmingly concentrated in domestically domiciled funds, with limited uptake of cross-border UCITS. Brazilian retail investors cannot directly access UCITS in Brazil at the moment, but they can gain indirect exposure through local funds investing in UCITS. Local retail funds can allocate up to 20% in foreign funds and assets, while funds for qualified investors can invest up to 40%.

Mexico shows a similar pattern as Brazil, with a 9.5% regional market share but also a strong bias toward local funds. Just like in Brazil, individual investors in Mexico cannot directly buy UCITS. Additionally, the tax burden on foreign funds and investments is significant, up to 35%. As a result, even indirect exposure through local funds investing in UCITS remains low, particularly for equity strategies.

In contrast, Chile demonstrates a much greater openness to cross-border UCITS, with these funds representing 36% of the fund assets owned by Chilean investors, although this share is edging down. Other smaller but increasingly relevant markets – such as Peru, Colombia, and Uruguay – also show significant shares of UCITS in their fund mix.

15. Fund Ownership in Latin America at End 2024

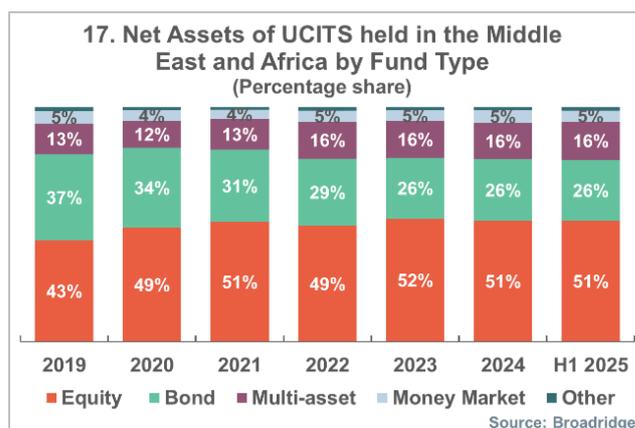
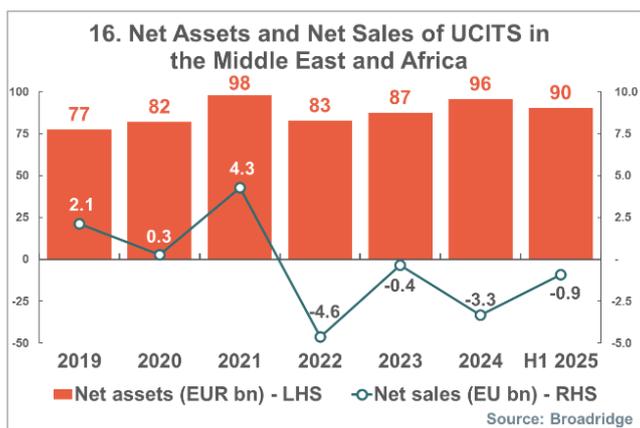
Country	Total Ownership of Investment Funds		Domestic domiciled funds	UCITS
	Assets (EUR bn)	Regional market share in 2024	Percent of fund ownership	Percent of fund ownership
Argentina	56	2.7%	96%	4%
Brazil	1,435	69.9%	99%	1%
Chile	118	5.7%	64%	36%
Colombia	28	1.4%	80%	20%
Mexico	195	9.5%	97%	3%
Peru	13	0.7%	79%	21%
US Offshore	174	8.5%	0%	100%
Uruguay	10	0.5%	0%	100%
Other Latin America	22	1.1%	17%	83%
Latin America	2,052	100%	87%	13%

Source: Broadridge and IIFA

MIDDLE EAST AND AFRICA

At the end of H1 2025, investors based in Middle Eastern and African (MEA) countries held EUR 90 billion in cross-border UCITS, excluding ETFs. This marked a 5% decline compared to end 2024 and is below their 2021 peak of EUR 98 billion. However, during 2024, net assets increased by 9% and over the past five years they saw a 23% increase overall. The growth in net assets has been relatively modest, reflecting a challenging macroeconomic environment and cautious investor sentiment in the region. Net sales have remained negative for the three and a half most recent years, indicating ongoing outflows or limited new allocations to UCITS from MEA-based investors.

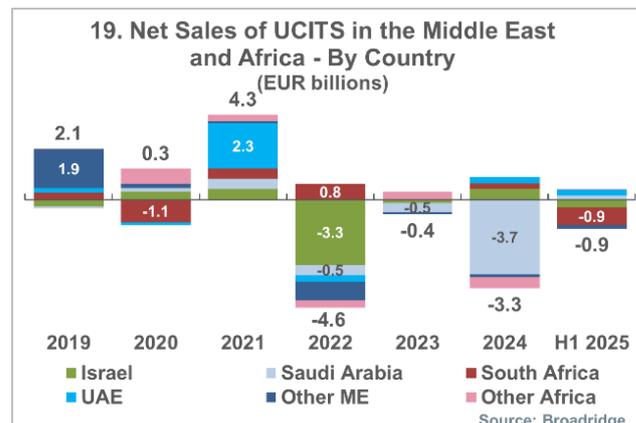
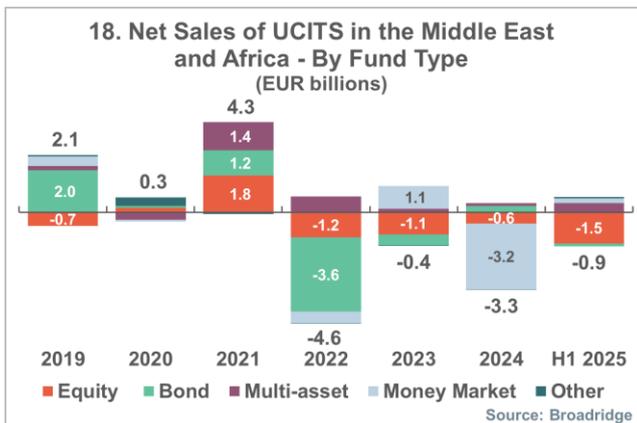
Shifts in the market shares of the various UCITS types held by investors in the MEA region have been relatively minor. Bond UCITS saw their market share decline steadily between 2020 and 2023, largely due to rising global interest rates, which eroded the value of existing fixed income portfolios, only to stabilise in 2024 as valuations increased again. The share of equity UCITS increased in 2023, rebounding from the 2022 market downturn.



Regarding net sales in the MEA region, equity UCITS experienced net outflows for the fourth consecutive year so far in 2025. These outflows were largely driven by a combination of volatile performance in regional stock markets, and an overall vehicle shift among investors toward ETFs. Multi-asset UCITS, on the other hand, have seen small but consistent net inflows in recent years.

At the country level, net flows into cross-border UCITS varied significantly. The United Arab Emirates (UAE) saw robust inflows in 2021. The country banned the direct distribution of foreign funds to retail investors in 2023, whilst still leaving the possibility for foreign asset managers to set up master-feeder structures, providing a likely explanation for why sizeable net inflows in the UAE in recent years have not been seen. Israel was the main driver of regional net outflows in 2022, as its investors responded to the global bond and equity market sell-off similar to trends observed across Europe and the US – prompting large-scale redemptions.

In 2023, net sales across the MEA region were broadly flat, reflecting a wait-and-see approach from investors amid ongoing geopolitical and economic uncertainty. In 2024, the region swung back into net outflow territory, the only region to do so. This was largely due to significant redemptions from MMFs in Saudi Arabia, which likely reflected local liquidity management decisions or portfolio reallocations by large institutional investors. The first six months of 2025 have seen mainly net outflows in South Africa.



South Africa stands out as the largest fund market in the Middle East and Africa region, accounting for about 48% of the regional total, with a market that is predominantly focused on domestically domiciled funds, but which still has a 10% share of cross-border UCITS. This reflects South Africa’s mature financial sector and openness to global investment products. Israel ranks as the second-largest market in the region, with approximately 25% of the regional total, about 6% of those fund assets held in UCITS. Morocco, on the other hand, has a sizeable domestic fund industry but remains largely closed to foreign fund products, with nearly all investor assets allocated to local funds.

In contrast, several Gulf countries have smaller overall fund markets but display a preference for cross-border UCITS. The UAE is a prime example, where 93% of all fund assets held by local (predominantly institutional) investors are still in UCITS, despite banning their direct retail distribution in 2023, underscoring the country’s growing role as a regional financial hub with high exposure to international capital markets. Similarly, Oman and Bahrain show significant foreign fund penetration, with UCITS representing 70% of investor fund holdings. Saudi Arabia – the largest economy in the region – has a more domestically focused market, with 93% of fund assets invested in locally domiciled funds. It is a market driven by institutional investors to which only a few large asset managers have access.

20. Fund Ownership in Middle East and Africa at End 2024

Country	Total Ownership of Investment Funds		Domestic domiciled funds	UCITS
	Assets (EUR bn)	Regional market Share in 2024	Percent of fund ownership	Percent of fund ownership
Bahrain	1	0.2%	30%	70%
Israel	117	25.5%	94%	6%
Kuwait	6	1.3%	60%	40%
Oman	1	0.3%	30%	70%
Saudi Arabia	27	5.9%	93%	7%
UAE	12	2.5%	7%	93%
Other Middle East	6	1.4%	3%	97%
Morocco	60	13.1%	99.9%	0.1%
South Africa	220	47.9%	90%	10%
Other Africa	8	1.8%	52%	48%
Middle East and Africa	458	100%	83%	12%

Source: Broadridge and IIFA

POLICY RECOMMENDATIONS

A key element of the cross-border success of UCITS has been their investment flexibility. UCITS have a broad investment universe of eligible assets, allowing them to service diverse investment strategies. In addition, standardised risk management and liquidity requirements ensure investor confidence. EU policy makers should make certain that this investment flexibility remains central to the UCITS regulatory framework.

Enhancing competitiveness has become another key objective of the European Commission's financial services policy. In the investment management sector, this means ensuring that UCITS funds maintain their status as a global gold standard. This is crucial as fund sales outside the EU have been a major driver of growth in recent years.

However, despite the substantial expansion of EU fund distribution abroad, competition is intensifying across an increasing number of foreign markets. Many countries are actively working to strengthen their local asset management industries. For example, both the UK and Switzerland have overhauled their fund frameworks to make local funds more appealing, thereby increasing competition with EU-domiciled cross-border funds. In Asia, several jurisdictions have sought to replicate the EU's success by launching their own regional passporting initiatives, such as the ASEAN Collective Investment Scheme, the Asia Region Funds Passport, and the Hong Kong-Mainland China Mutual Recognition of Funds or ETF Connect. At the same time, some markets are introducing new regulatory barriers for foreign funds accessing their markets. The UK's Overseas Funds Regime and the UAE's restriction on distributing foreign funds to retail investors illustrate how market access is becoming more difficult for EU funds.

To safeguard Europe's position as the global gold standard in investment funds, the EU should take a strategic, forward-looking approach by:

1. Ensuring a stable and supportive regulatory framework that avoids frequent rule changes, which could risk undermining confidence among extra-EU regulators and investors.
2. Consider how the UCITS success can be replicated for AIFs, and particularly the European Long-Term Investment Fund (ELTIF) label, in response to growing investor appetite for private markets.
3. Deepen engagement with foreign regulators and industries to explore how financial regulatory dialogues can help strengthen the UCITS and AIF brands.
 - a. These dialogues should first facilitate asset managers' access to foreign markets.
 - b. Second, they should help foreign stakeholders understand the rationale behind regulatory evolutions in the EU framework. Considering how complex the regulatory infrastructure is in the EU (e.g. legislation, technical standards, guidelines and Q&As), this would help these stakeholders evaluate how these evolutions would impact local investors and help regulators emulate the European regulatory approach. Jurisdictions around the globe have taken inspiration from the European financial regulation. As a result, EU regulatory changes can result in unforeseen complications in those jurisdictions.

CONCLUDING REMARKS

UCITS have proven to be one of the EU's most successful financial exports, with a genuinely global footprint spanning over 50 countries beyond the EU. UCITS distribution outside of the EU (including ETFs) now accounts for a substantial and growing share of total cross-border UCITS funds, driven by robust asset growth across diverse regions and countries. Barring 2022, a year marked by heightened geopolitical tensions and rapidly rising interest rates, net assets of cross-border UCITS have consistently grown year-on-year over the past decade, surging 145% within the EU and 133% outside the EU.

Despite the expansion of EU fund distribution abroad, competition is intensifying across an increasing number of foreign markets, as some countries are bolstering their domestic fund industries, introducing regulatory hurdles, and

offering regional alternatives to UCITS. To maintain and strengthen its position as the global gold standard setter in investment funds, the EU must adopt a strategic, outward-looking policy agenda. This includes ensuring regulatory stability, considering how the UCITS success can be replicated for the ELTIF label, and deepening engagement with international regulators.

This research report offers some guidance to European asset managers on where to focus their international distribution efforts. Outside of Europe, the Asia-Pacific region is the largest in terms of UCITS ownership (8.7% of all cross-border UCITS), with Hong Kong, Singapore and Taiwan as the key markets. Latin America and the Middle East & Africa are substantially smaller, making up 3.3% and 1.2% of the European cross-border UCITS market, respectively.

When examining which fund types are attracting net inflows, there appears to be a small degree of regional complementarity in investor preferences. For example, multi-asset UCITS – despite falling out of favour in Europe in both 2023 and 2024 – have continued to record modest yet steady inflows in Asia and the Middle East & Africa. This suggests that regional differences, driven by diverging interest rates and stock market evolutions, could offer diversification opportunities for European asset managers seeking to broaden their distribution strategies and product offerings globally.

An important caveat to the analysis in this Market Insights is that it excludes ETFs. Both the asset growth and net sales of cross-border UCITS across various regions and countries worldwide would have been significantly higher if ETFs had been included. ETFs have attracted substantial net inflows in recent years, as for many investors, these have become the primary instrument to access global stock markets.

Looking to the future, the global landscape will continue to evolve, but some trends are clear: investor demand will remain robust, ETFs and passive strategies will gain further traction, and managers will continue relying on the depth and dynamism of Europe's fund ecosystems to navigate emerging challenges and seize new opportunities.

Authors:

Afzal Amijee, Broadridge, Product Director, EMEA - Data & Analytics

Afzal.amijee@broadridge.com

Thomas Tilley, EFAMA, Senior Economist

Thomas.tilley@efama.org

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EFAMA is the voice of the European investment management industry, which manages more than EUR 33 trillion of assets on behalf of its clients in Europe and around the world. We advocate for a regulatory environment that supports our industry's crucial role in steering capital towards investments for a sustainable future and providing long-term value for investors.

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ENDNOTES

¹ **Source:** Broadridge GMI, December 2019 – H1 2025, fund view [excluding ETFs and fund-of-funds]. As a provider of data and analytics on both domestically registered and cross-border funds, Broadridge provides asset managers actionable insights and helps them to understand what and why.

Methodology: This report is powered by the Broadridge GMI Funds module, which consists of two distinct databases: estimated net sales for all mutual funds globally, and reported sales data of participating consortium members, allowing for market-specific attribution of cross-border sales activity. Where possible, we use 'combined' data, which takes fund estimates as a basis and enhances these with reported data. The market, asset-class, and sector-level analysis you will read in the report is combined data. However, to protect the confidentiality of the real-data submissions, group- and fund-level analysis is based purely on estimates.

² The UK and Switzerland are considered as European in this context.