

# Linedata: Managers Anticipate Geopolitical Turbulence

Stockholm (HedgeNordic) In line with previous reports that geopolitical risk is back as a major concern for asset managers, Linedata's most recent Global Asset Management & Administration Survey for 2017 is showing that social and geopolitical turbulence across Europe and the U.S. have displaced more prosaic concerns a year about robo-advice, alternatives and cybercrime.

According to the survey, nearly a quarter (24.2%) of respondents underlined political and policy changes as the primary disruptive force in asset management, concerns that did not rank in the previous year's survey. U.S. president Donald Trump, Brexit and the populist threat in this year's European elections have together become the defining trend of the year for asset managers across all regions.

"The past year has brought a number of unexpected socio-economic and political shifts, and asset managers recognize that these events will continue to affect their business for years to come," said Michel de Verteuil, business development director at Linedata. "Uncertainty is the 'new normal', and respondents to the 2017 Linedata Global Asset Management & Administration Survey have appreciated this at an early stage."

In addition, regulatory concerns remain prominent challenges for asset managers. 50% of respondents categorised adapting to regulation as their number one concern, with 53% expecting this to continue to be the biggest issue for the next three years. 40% of North American asset managers are concerned with regulation through Dodd-Frank coming back into the public eye following president Trump's electoral promises, by contrast, for example, to 75% of French managers who view MiFID II with apprehension. Meanwhile, 54% of Asian managers view attracting new client assets as their top challenge.

"The 2017 survey results describe a sector fully aware of the manifold challenges which face it. Alongside the ever-present impact of regulation, there is a growing emphasis on maintaining operational and technical agility in what may be uncertain times," de Verteuil said.

According to the survey, asset managers are also seeing a convergence between an increasing regulatory burden, challenging investment conditions as investors flock to low fee passive investments, and ongoing operational pressures ("cost cutting"). This is leading asset managers to carve out more distinctive niches against the competition, seeking to distinguish themselves with unique products or strategies.

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