

A man with a beard, wearing a dark suit, white shirt, and red tie, stands on a balcony looking out over a city skyline. The background is a bright, clear sky. The image is overlaid with several colorful circles and a large yellow circle containing the title.

Asset & Wealth Management in Germany

*November
2016*

*Sample
pages*





Dear Reader,

accelerando associates has published annual reports on fund distribution in Germany for a number of years.

Now, in 2016, we joined forces with PwC's Market Research Centre in Luxembourg in order to set new standards in terms of asset management and fund distribution country reports. The joint forces ensure thorough, complete and practice relevant intelligence for asset managers worldwide.

Germany is Europe's third largest fund market and a market which offers very broad fund distribution and mandate sales opportunities.

The amount of fund buyers and institutional investor is very large indeed. Germany plays a major part in European fund distribution strategies for most asset managers around the globe.

However, the German fund and mandate landscape goes through a lot of change. Marketing into Germany is not short of challenges. What are challenges for many, are opportunities for the smart ones.

I trust that you find valuable insights in this report and you enjoy the read.



Philip Kalus
*Founder & Managing Partner,
accelerando associates*

Dear Reader,

The PwC Market Research Centre is proud to release, together with accelerando associates, its first Asset & Wealth Management country report.

Our country reports are a must have for Asset & Wealth managers considering opportunities in a particular country or trying to understand the latest asset management trends, investor appetite for various asset classes, ease of market entry, level of competition and distribution channels.

Germany is the number one destination for crossborder UCITS products and is typically the first target for most fund promoters looking to start a crossborder strategy. Large institutional, wholesale and retail asset pools are wide spread throughout the German investing landscape. They offer a myriad of distribution opportunities for fund managers and new entrants aiming to gather German assets.

With this report, we aim to guide asset managers in their business development strategies.



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Asset & Wealth Management in Germany

By PwC and accelerando
associates - November 2016

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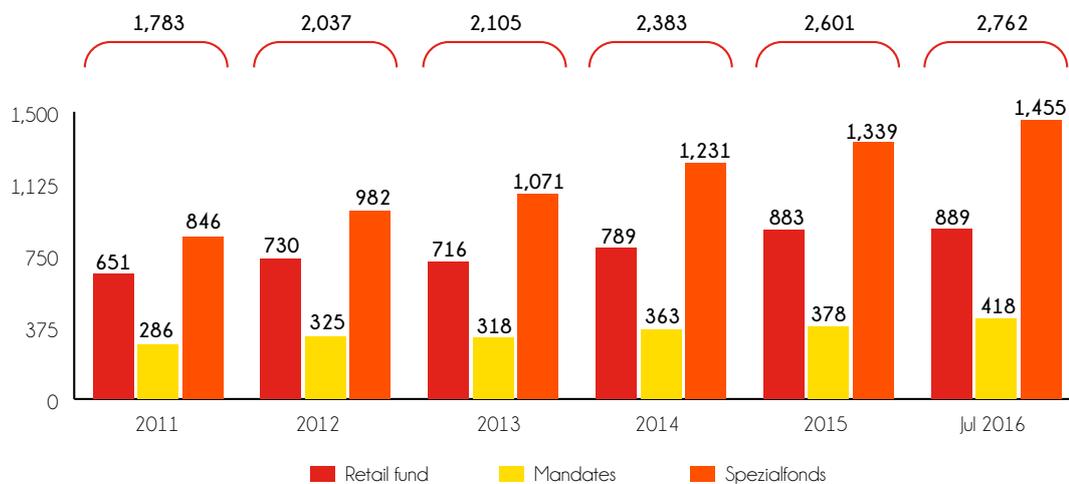
Size of the German asset management market

market and have demonstrated significant steady growth in recent years, outpacing retail funds by a large measure. As of the end of July 2016, Spezialfonds accounted for 53% of assets distributed in Germany, retail funds 32%, and mandates 15%.

As of the end of July 2016, total assets distributed in Germany amounted to EUR 2.8 tn according to BVI, the German funds association.² The real total size of German fund markets should easily exceed the EUR 3 tn threshold.

AuM have surged impressively, posting an 83% increase since the 2008 meltdown. The German fund market is classified into mutual funds/retail funds (Publikumsfonds), Special Funds (Spezialfonds) and other solutions. While the Spezialfonds are set up for institutional investors, mutual funds are bought by retail, wholesale and institutional investors. Spezialfonds make up the lion's share of the

Breakdown of assets distributed in Germany (EUR bn)



Source: BVI

²BVI numbers show member data only.

Overview of German institutional investors

Pension funds

1

Pension Funds

The pension market in Germany is underdeveloped with AuM of about EUR 199bn in 2015. In the past, individuals relied predominantly on statutory pension insurance.



Insurance companies

2

Insurance companies

The German insurance sector is represented by more than 460 insurance companies. Market concentration is high with the top ten largest life insurance companies holding some 68% of life insurance assets



Fund of funds

3

Fund of funds

More than 80 fund of fund providers and more than 1,000 fund of funds are available in Germany, with total AuM of more than EUR 80 bn. More than 80% of the respective fund of funds is managed out of Germany.



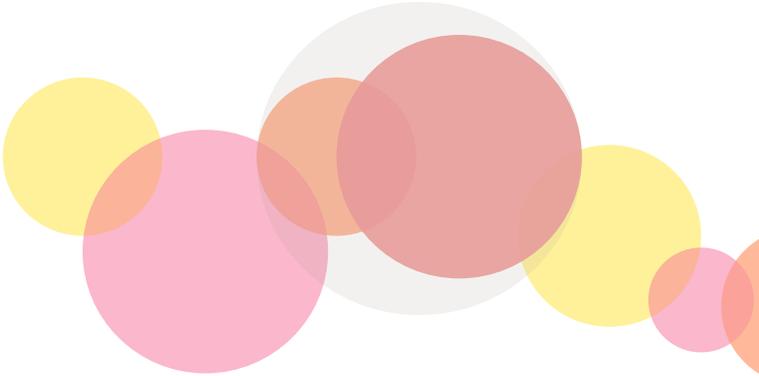
Foundations

4

Foundations

There are more than 21,000 registered foundations in Germany managing an estimated EUR 100bn in foundation funds. Since the start of the millennium, more than 12,000 foundations have been launched, with more than 583 alone in 2015.





Overview of wholesale & retail distribution channels in Germany



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