



KPMG Asset Management Services



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“Navigating the right path and making the right choices to adapt, evolve and transform the business is critical for any asset manager to succeed”

Tom Brown
*KPMG Global Head of
Asset Management*

Introduction

"We have launched a KPMG Asset Management Sector initiative to serve Institutional Investors, Alternative Investment vehicles, Wealth Management entities and Real Estate and Private Equity companies operating in the asset management industry in Spain. For this, in KPMG in Spain we have built a very expert international team, involving an extensive group of KPMG Luxembourg Asset Management partners to offer to the Spanish industry both, more sophisticated and advanced solutions as Blockchain or roboadvisors implementation, and those related to daily Asset Management operations: transactions, valuations, efficiency, risk management, regulatory requirements compliance or platforms. Our expert team has international proven practical experience and works for global leading entities in asset management. With all this, how we can help you?"

Javier Muñoz

*Head of Asset Management
KPMG in Spain*

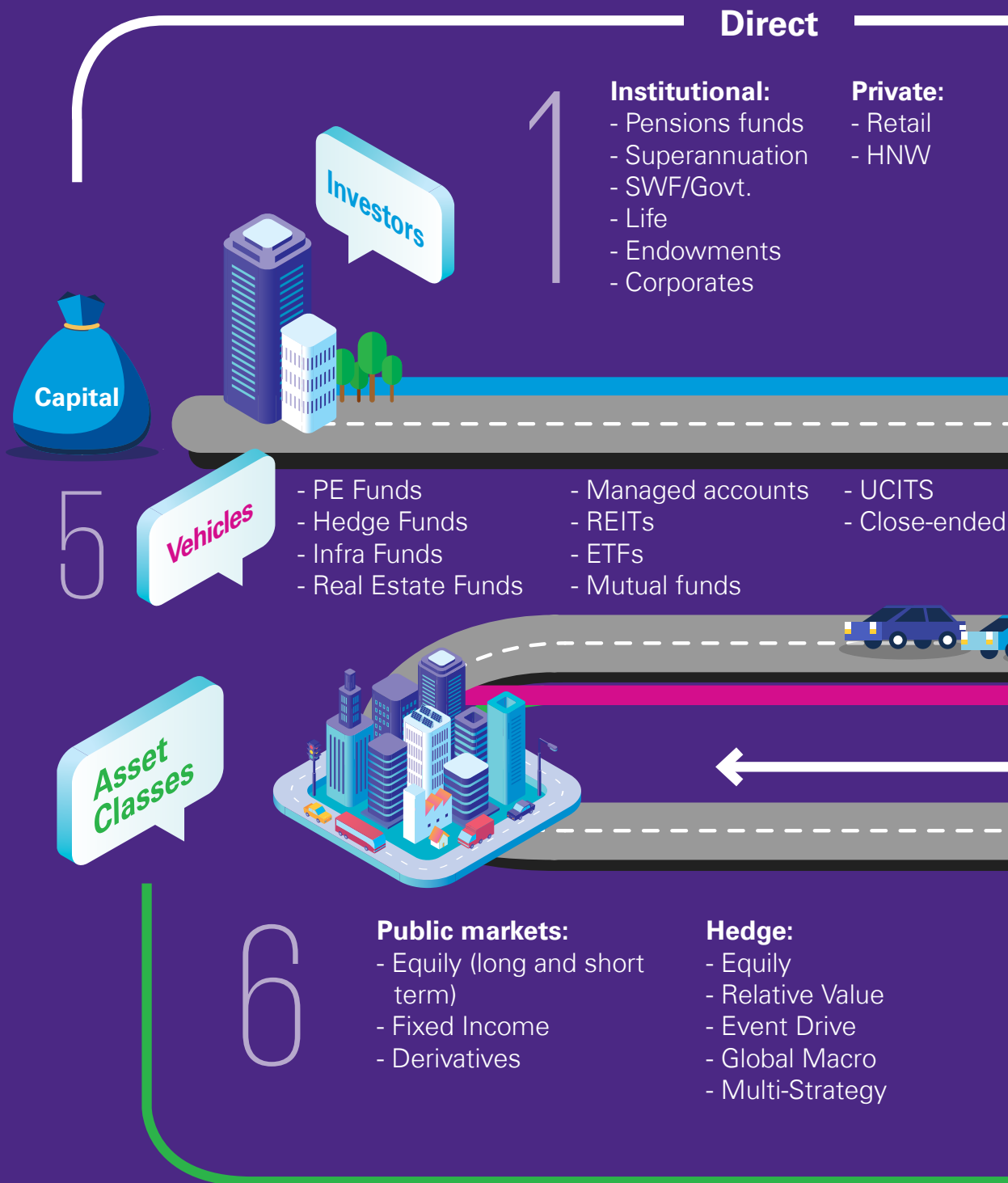
"Globalization and digitalization are fundamental trends that will shape the Asset Management Industry. They create opportunities such as distribution disintermediation, cross-sector alliances, geographical shift and alpha-beta focus. After a decade long focus on regulatory and compliance, the time is now to be back in business"

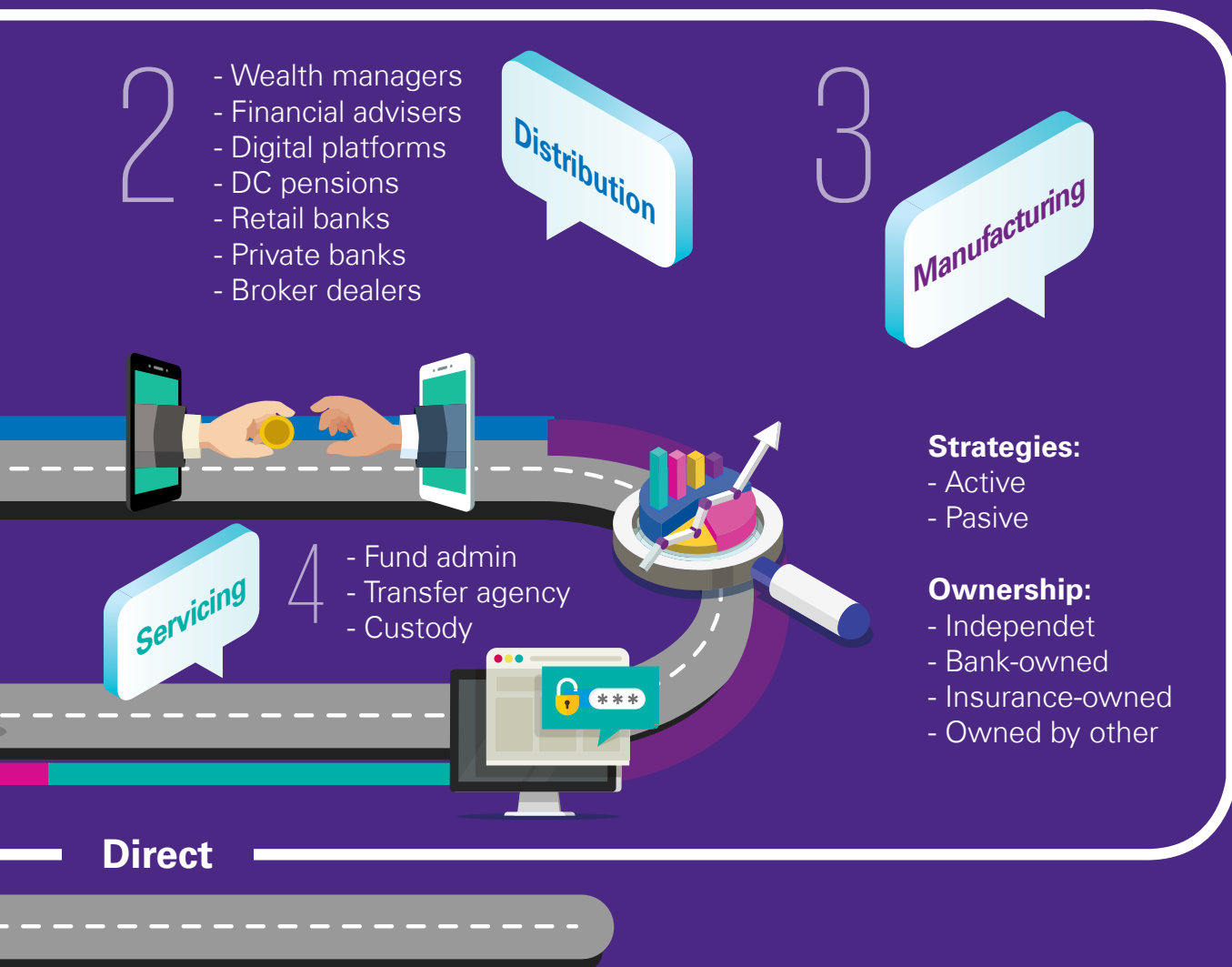
Vincent Heymans

*Partner. ADV Investment
Services.
KPMG in Luxembourg*

A | Market overview

This is our understanding of the Asset Management Industry Ecosystem in which cohabit Institutional Investors, Distributors, Manufacturers, Vehicles, Servicers and Asset Classes. All of them are key. We have solutions for their needs.





Real Assets:

- Real Estate
- Infrastruture
- Agriculture
- Energy
- Commodities

Private Equity:

- Leverage Buy Outs
- Growth Investing
- Venture Capital
- Mezzanine Capital
- Distressed










B | Global investment management industry forces at play

A variety of forces are impacting the global investment management industry

- 1. Megatrends and game changers**
- 2. Shift in pension fund assets**
- 3. Focus on costs and efficiency**
- 4. Focus on growth**
- 5. Product polarization**
- 6. Power balance shifting toward distributors**
- 7. Customer experience**
- 8. Entry of new, disruptive competitors**
- 9. Data takes centre stage**
- 10. Tax and geo-politics**
- 11. Regulatory forces stress the industry distributors**
- 12. Industry consolidation**

- 1 — Demographics, ageing population, technological breakthroughs, environmental and social impacts
- 2 — De-risking and risk-transfer for DB, growth in DC pensions, insourcing and investing direct by some asset owners
- 3 — Pressure on margins, process efficiency, digital labor, automation
- 4 — Geography focus (emerging market, esp. ASPAC), growth of private and retail customer.
- 5 — Fast growth of passive investments and ETFs, demand for alternative and 'real' assets (PE, RE and Infrastructure).
- 6 — Growth of platforms empowered by technology and retail growth, expanding role of distributors, changing product provider – distributor relationship
- 7 — Changing consumer behavior and expectations, new customer engagement and service models: digital and mobile.
- 8 — New value propositions and capabilities underpinned by strong technology base e.g. Big Data, Blockchain, Robo-Advice, AI.
- 9 — DATA VALUE EXTRACTION AND DATA MANAGEMENT, DATA SECURITY AND CYBER THREATS, INCREASING TRACTION OF QUANT INVESTMENT STRATEGIES.
- 10 — Transfer pricing (BEPS), tax transparency, Brexit, Trump and Responsible Tax.
- 11 — Implementation of new regulations, intrusive supervisory scrutiny, costs and charges transparency, systematic risk debate, product governance, fiduciary standard, regulating fintech, cyber security.
- 12 — New regulations, shift to passive strategies, need to achieve scale for cost optimization.

C | KPMG Solutions

- 1 —  — Deals
- 2 —  — Finance & BS
- 3 —  — Risk and regulatory
- 4 —  — Technology
- 5 —  — Managed services*
- 6 —  — Assurance
- 7 —  — Strategy & Operations



* Services pending risk management analysis.

1. Deals

- Financial DD
- Separation & Integration
- Restructuring
- M&A Advisory
- Debt advisory
- Valuations
- Financial modelling

2. Finance & BS

- Finance Transformation
- Enterprise Performance Management
- Procurement
- IT Sourcing
- Robotics & Operational Excellence

3. Risk and regulatory

- Forensic Services
- Financial Risk Management
- Internal Audit & Soft Controls
- ERM, GRC & Risk solutions
- AML remediation
- Compliance
- AIFMD reporting
- FATCA & CRS
- KYD
(Know Your Distributor)
- AEOI Services
- CGT & WHT
- BEPS
- MiFID II
- Brexit
- iTax Automated for AM
- KIDs / PRIIPs
- RegTech

4. Technology

Data & Analytics

- Advanced Analytics & Big Data
- KHUBE (Fintech Search Engine)
- Business insights
- Data Management

Ciber Security

- Cyber Security Services
- Data Privacy Services
- Cyber Technology Services
- Cyber Security Assurance

Digital Advisory

- Digital transformation
- Innovation Advisory
- Digital Enablement

Enterprise Solutions

- DLT & Blockchain
- Bitcoin
- IT Alliances
- GRC Technology
- Intelligence Automation

5. Assurance

- IT and Cyber Assurance
- Sustainability and Climate Assurance
- Algorithm and Data Assurance

6. Strategy & Operations

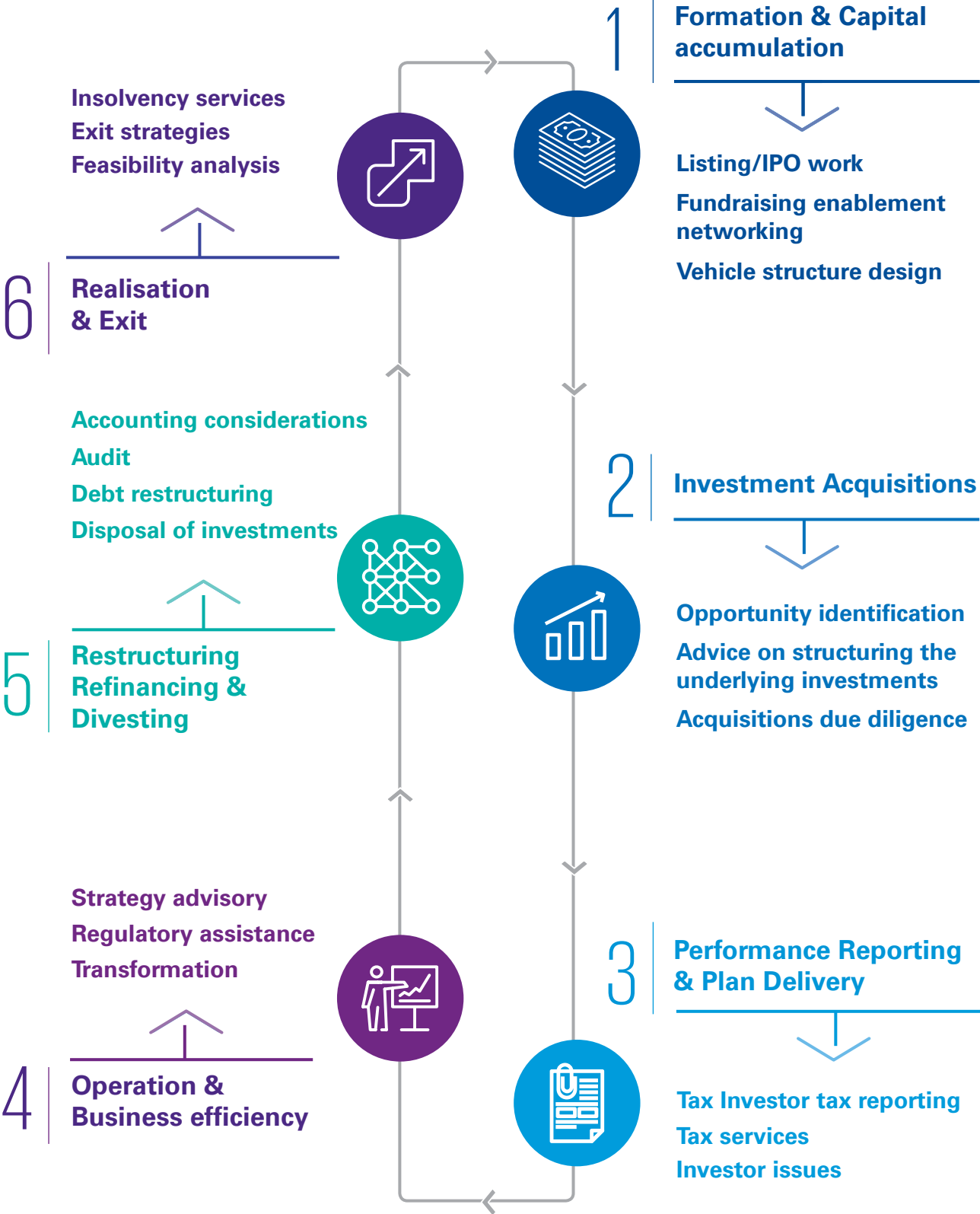
- Custom Strategy
- Growth Strategy
- Commercial DD
- Operational DD
- Operational Strategy & Execution
- Customer/Channel management

D | Asset Management business cycle

KPMG can attend all the needs that arise from each phases that comprise an investment cycle: from the formation and capital accumulation to the realization and exit. As a team our specialists work together and in a coordinated way to collaborate in the investment processes of our clients maximizing our contribution.



Business flow



E | Real Estate business cycle

The following outline shows the Real Estate Investment Cycle broken down into their main phases from the investment requirements rationale to the disposal/sale. Through our understanding of the whole Real Estate value chain, KPMG can deliver any potential service to meet any of the business requirements at any given phase of the Real Estate Investment Cycle.



Real Estate Investment Cycle



KPMG's Real Estate Bespoke Services



F | KPMG Asset Management Team

Javier Muñoz Neira

Partner. Head of Asset Management

E: fjmunozneira@kpmg.es
T: +34 914563826

Pascal Denis

Partner. Head of Advisory (Lux)

Miguel Ángel Martín Aguado

Partner. Head of Transaction Services Financial Institutions Group (FIG)

Vincent Heymans

Partner. ADV Investment Services (Lux)

Francisco Javier López Torres

Partner. Responsible of Real Estate Sector

Ravi Beegun

Partner. AU- International Asset Management (Lux)

Victor Mendoza Aguado

Partner. Head of Financial Services Tax

Said Fihri

Partner. ADV Investment Services (Lux)

Ana Rosa Cortez

Partner. Responsible for financial instruments accounting and treasury advisory

Clément Welter

Associate Partner. ADV-Investment Services (Lux)

Mickael Tabart

Partner. AU-Private Equity (Lux)

Gonzalo Montes Amayo

Partner. Debt Advisory & Restructuring Deal Advisory

Chrystelle Veeckmans

Partner. AU – International Asset Management (Lux)

Carlos Trevijano Aristegui

Partner. Responsible of Management Consulting SF

Julien Ganter

Partner. ADV-MC-Customer & Operations (Lux)

Antonio Lechuga Campillo

Partner. Audit - Financial Services. Head of insurance

Carlos Zayas Pinedo

Partner. Financial Risk Management

Marc Haan

Partner. ADV Investment Services (Lux)

Borja Peñas De Bustillo

Partner. M&A Financial Institutions- Asset Management

David Capocci

Partner. Head of Alternative Investments, TAX-Alternative Investments (Lux)

Ovidio Turrado Sevilla

Partner. Responsible for the Infrastructure Sector

Marc Martínez Marce

Partner. Responsible for IT Advisory in AM Sector

Miguel Mora Santesmas

Director. FRM, Responsible of Asset Management Services

María Pilar Galán Gavila

Director. FS Legal

Ramón Pueyo Viñuales

Partner. Head of Sustainability Services and Corporate Governance



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