

# Investment management services' for managers and their funds

## Industry Issues

In the investment management industry, enhancement of the investment management operations is vital in order to respond to the changing environment and to serve investor needs.

The promotion to change investment trends ("from savings to investment") in the Japanese financial market will expand the investment management industry and markets in Japan, and investment managers are expected to play more important roles in the industry value chain.

On the other hand, the investment management industry may be faced with more radical industry turmoil than the of the past (e.g. globally strengthened regulations and keen competition for growing markets), and accordingly, investment managers are expected to enhance and upgrade their operations to fulfill their fiduciary duties.

It is essential for investment managers in Japan to enhance their operations to manage more sophisticated and complex financial products (e.g. global asset management, development of financial products targeting specific risks, finding new or alternative assets for investment) in response to growing markets and to serving diverse needs of investors.



	Changing environment	Issues
Enhanced regulations	<ul style="list-style-type: none"> <li>• Need for improved investor protection, fair dealings</li> <li>• Enhanced disclosure and accountability requirements</li> <li>• Tighter regulatory supervision over investment funds</li> </ul>	<ul style="list-style-type: none"> <li>• Understanding, analyzing and responding to Japanese and overseas regulatory trends</li> <li>• Dealing with changes in laws / regulations and inspections</li> <li>• Building an appropriate governance</li> </ul>
Diverse needs of investors	<ul style="list-style-type: none"> <li>• Changes in investors' profile, needs and requirements resulting from the demographic transformation, technological advancement and social shift</li> <li>• Accelerated trends ("from savings to investment")</li> </ul>	<ul style="list-style-type: none"> <li>• Investing based on investors' needs</li> <li>• Earning high returns through long-term investment</li> <li>• Exploring new assets for investment globally</li> </ul>
Evolving markets and social structure	<ul style="list-style-type: none"> <li>• Flow of funds to investment with higher risk and return</li> <li>• Structural reform of the Japanese pension system</li> <li>• Global competition for growing markets</li> </ul>	<ul style="list-style-type: none"> <li>• Contributing to the formation of investors' assets</li> <li>• Fulfilling fiduciary duties</li> <li>• Achieving flexible and responsive operations</li> </ul>

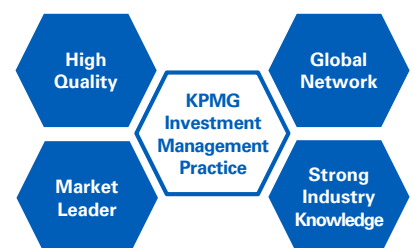
## Helping You Grow

The Asset Management Group in KPMG Financial Services Japan assists investment managers to deal with the challenges they are facing utilizing our deep understanding of the business of investment managers.

With the expected changes in the investment management industry, KPMG Japan established the Asset Management Group (AMG) to integrate knowledge and skills within the KPMG group to support investment managers strategically to deal with the challenges they are facing.

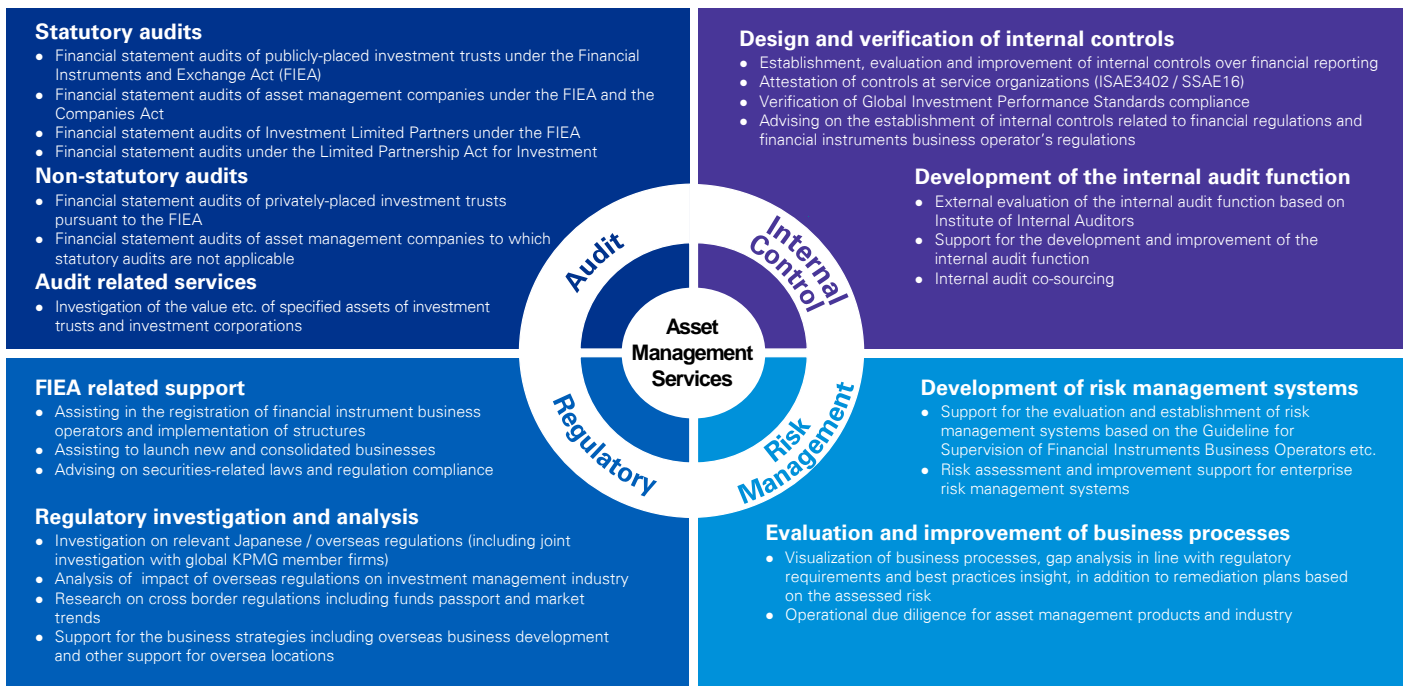
The AMG provides professional services that address industry-specific issues, including fund (investment trusts and investment limited partnership) audits, internal controls, risk management and regulatory advisory, as well as supporting the enhancement of investment management operations to deal with the challenges investment managers may face, by utilizing KPMG's global network of firms.

## Asset Management Group



## Our Services

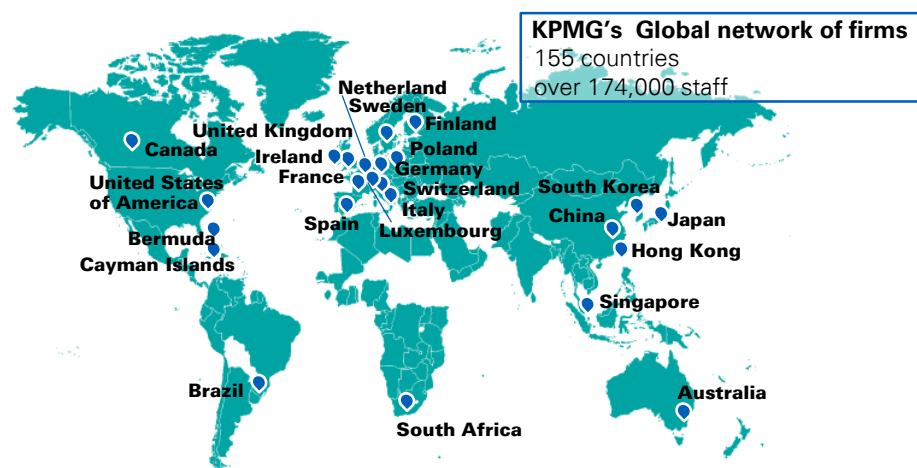
The AMG provides professional services addressing industry-specific issues including supporting to enhance investment management operations.



The companies we can provide with the services introduced in this brochure and the scope of such services may be limited from the perspective of the Certified Public Accountants Act, independence rules and conflicts of interest, among others.

## Our Global Network

In KPMG's global network of firms, asset management professionals in various countries are able to maintain strong relationship, which helps to accumulate industry specific knowledge and provide information on current status of industry and regulatory changes for global clients.



## KPMG Thought Leadership



### *Evolving Investment Management Regulation*

In this report, we analyze the latest trends of various countries' investment management regulations and discuss the practical challenges affecting asset managers who address global regulatory compliance issues.



### *Investing in the Future*

In this report, we discuss the implications invest managers should consider when addressing global megatrends that will affect the industry sector.

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