



# Market Strategy

Our deep understanding of cross-border distribution and the expert local market knowledge of our integrated global network enables us to assist you in the design of an effective distribution strategy. Through a comprehensive analysis and evaluation of the various local and international criteria impacting distribution success, our tailored support will satisfy your specific needs.

## Challenges

Many European investment funds are cross-border global financial products, representing a large and growing component of the European fund industry. An increasing number of financial groups are launching international fund distribution strategies.

Today, more than 220 fund management groups distribute product on a cross-border basis as their primary business strategy. This trend should continue as these strategies aim at the fundamental drivers of the asset management industry.

Successful cross-border strategies can maximise asset gathering, drive significant economies of scale and boost product innovation. However, designing, implementing and maintaining a sustainable multi-jurisdictional distribution strategy is a significant business commitment with a unique set of processes and challenges, requiring both local and international resources.

A sustainable distribution strategy must take into account a host of factors that will impact the ultimate success of cross-border distribution. The challenge of strategy development is to identify, understand and then evaluate the likely impact of these factors and their outcomes on your business.

## PwC Solutions

At PwC we appreciate the unique challenges of cross-border fund distribution. We understand the variety of local and global factors that impact the evaluation and design of a sustainable international distribution strategy. For more than 10 years we have assisted fund promoters in the design and development of cross-border distribution strategies using our deep industry knowledge, our market leading experience and our integrated global network of local experts in fund distribution.

Our **Market Strategy** module will assist you to identify, analyse and evaluate the critical factors, including the myriad of specific local issues, in the design of your cross-border distribution strategy. In today's competitive environment your cross-border strategy must quickly be both effective and efficient, given the significant costs of launching and maintaining an international fund distribution strategy. We can support you in achieving this objective.

The depth and extent of our support is tailored to your specific requirements, including your available internal resources and existing knowledge of international distribution. Each fund management group creates objectives that are unique and we can deliver our support in a fully flexible environment, focused on providing the solutions you require.

For example our distribution strategy support could include, providing ad-hoc research, the evaluation of key data, specific advice on local markets or having an active seat on your distribution steering committee responsible for preparing a distribution strategy.

We have recently assisted a number of clients in various aspects of developing a specific cross-border fund distribution strategy to meet their business objectives. In supporting our clients we have analysed, evaluated and provided our opinion on an extensive range of criteria and issues impacting cross-border distribution and thus the design of an appropriate long term strategy.

For example, our **Market Strategy** support has included the following topics across multiple jurisdictions:

- A quantitative and qualitative evaluation of potential target markets within specific regions;
- Determining local investor class appetite for different investment strategies;
- Detailed cost analysis of entry and ongoing marketing in target jurisdictions;
- Comparative analysis of all local entry and distribution requirements and practices in target jurisdictions;
- Determining the local entities required to support local distribution;
- An evaluation of the different investor classes, their size and specific requirements to determine specific product features;
- Analysing and comparing the various local channels of distribution available;
- Identifying the key local financial organisations suitable for the distribution of specific products to investors;
- A detailed analysis of the local regulatory frameworks impacting distribution and design of fund products;
- Determining the taxation treatment of foreign funds and different categories of local investors;
- A comparative analysis of specific local product features prevalent across target markets.

Producing a comprehensive and viable distribution strategy is complex and time consuming, requiring a detailed understanding of international fund distribution as well as expert knowledge of local markets.

To discuss how our GFD service can provide a tailored solution to support your business objectives, please contact us.

## Business case

### The issue

A fund promoter created a UCITS platform to distribute an emerging market product within Europe. The client wanted to create a focused distribution strategy by selecting target countries offering the greatest chance of success. They also required an evaluation of the local distribution, tax and regulatory issues they might encounter with their product.

### Our approach

We developed a dual layer approach combining the resources of our Asset Management Research Unit and central GFD team, both based in Luxembourg, with our European network of local GFD teams. We benchmarked their product against industry peers using key criteria. Each level undertook both quantitative and qualitative research and analysis of the selected criteria, with the central GFD team validating the findings, the recommendations and liaising with the client directly. The local GFD teams provided qualitative input and analysis of local tax, regulatory and local best practices and investor preferences.

### The solution

A series of comprehensive recommendations regarding the proposed product, the industry peers and a ranking of local markets and investor groups to target, based on their product range, to maximise the chances of cross-border success. The recommendations were presented to head of product development and were incorporated into their final distribution strategy.

## For further information, please contact:

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