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2014 MUTUAL FUND OUTLOOK:

Championing growth

2014 MUTUAL FUND PRIORITIES



New products to meet investor demands

- · Investor preferences will continue to change, prompting mutual funds to consider new product offerings
- There will likely be increased focus on specialized ETFs both active and indexed going forward
- Industry asset growth could get a boost soon from the launch of re-engineered active ETF products
- Liquid alternative products will continue to attract retail investors in the year ahead



Balancing risk with growth -

- The industry's growth, new product offerings, and global expansion is exposing mutual fund firms to a more complex array of risks.
- Risk and compliance executives will likely play a greater role in business development efforts so they can better understand the risk implications of new business ventures
- Mutual funds will continue to face a variety of risks associated with their reliance on service providers, with an increased focus on omnibus practices



Staying in front of regulatory flux

- Mutual funds will need to stay on the right side of regulators who are enforcing new rules with renewed vigor
- Money market fund regulation will be the big regulatory event for 2014
- Mutual funds will need to contend with added complexity brought on by the increasing involvement of the Financial Stability Oversight Council and the Department of Labor in industry rulemaking

POLL QUESTION:



For 2014, which will have the greatest impact on your business? Money market fund changes 21% SIFI designation 5% Fiduciary duty requirements 22% Omnibus intermediary oversight 9%

Fair valuation guidance

SOURCE: DELOITTE DBRIEFS, 2014 INVESTMENT MANAGEMENT OUTLOOK, JANUARY 14, 2014

NAVIGATING THE REGULATORY REGIME IN 2014





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