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2025 Global Asset Management Center Index Report

CEIBS Lujiazui International Institute of Finance

September 23, 2025

Brief Introduction about CLIIF

The CEIBS Lujiazui International Institute of Finance (CLIIF) was initiated by the China Europe International Business School (CEIBS) and the Shanghai Lujiazui (Group) Co., Ltd. in October 2007. The purpose of CLIIF is to carry out social influence research and facilitate the construction of Shanghai International Financial Center, for China's macro-economic control and financial stability. Based in Shanghai, CLIIF shall serve as an open and international platform for academic exchange while focusing on studying the opportunities and path to the financial opening-up and development of the service industry under the new development pattern. CLIIF is committed to providing first-class research, consulting and training services to financial institutions, financial regulation agencies, financial investors, and consumers, as it fulfils its role as an influential think tank for the development of Shanghai as an international financial center and promotes a "going-out strategy" for China's financial institutions and enterprises.

Each year, CLIIF undertakes more than 10 key financial research projects commissioned by the Shanghai Local Financial Regulatory Bureau, submits more than 880 special reports for decision-making consulting research, and organizes more than 20 sessions of forums and salons. CLIIF also publishes academic research works and delivers more than 100 articles in various newspapers and media. Notably, CLIIF has innovatively developed the "Global Asset Management Center Evaluation Index", and has continuously released five index reports since 2021, which has attracted increasing attention and recognition across various sectors. In December 2022, CEIBS established the "CEIBS Lujiazui Finance 50 Forum (CLF50)", based on the foundation of CLIIF. This forum brings together more than 150 economic and financial experts in the first batch, aiming to build a dynamic platform for economic and financial discourse.

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EXECUTIVE SUMMARY

In 2025, the global economy remains in a stage of continuous adjustment. The lagging effects of high inflation and high interest rates are fermenting, major central banks are adopting more cautious monetary policies, and global capital flows are increasingly reliant on safe-haven assets and long-term allocation logic. At the same time, frequent geopolitical frictions and heightened considerations of supply chain security have significantly increased uncertainty in the international investment environment. Against this backdrop, the competitiveness, structure, and development paths of global asset management centers have become an important dimension for measuring international financial power.

The 2025 Global Asset Management Center Evaluation Index Report comprehensively presents the latest changes and future trends in the global asset management industry. It deepens and expands upon the previous four editions of index research and, for the first time, incorporates "asset management technology" as a secondary indicator, highlighting the profound transformation triggered in the global asset management industry by the Fourth Industrial Revolution and artificial intelligence. This methodological adjustment has brought corresponding changes in rankings and data outcomes in this edition.

From an overall perspective, the competitive landscape of global asset management centers in 2025 exhibits a clear pattern of "one dominant, many strong." New York continues to occupy the top position. Its "integrated advantage" is reflected not only in its strong ability to attract capital sources and underlying assets, but also in its rapid integration of technological elements and systemic leadership in asset management technology. Paris, by leveraging its leading position in ESG and alternative assets, has risen again to second place

globally, reflecting Europe's unique strength in green finance and sustainable investment. Meanwhile, London has retreated to third place, with weakened competitiveness in talent and tax policy, mirroring the long-term impact of the post-Brexit institutional environment on finance. In stark contrast, other North American cities have performed strongly: Boston and Toronto have achieved "overtaking on the curve" through models combining "long-term capital + active management + technology empowerment." Asia's landscape shows greater divergence: Shanghai has risen to fifth place, with significant improvements in asset management technology, underlying assets, and growth rate. Its performance in digital infrastructure, AI venture capital, and patent output now ranks among the global leaders, demonstrating its potential to catch up based on comprehensive advantages. Hong Kong has slipped to tenth place, while Singapore has fallen from 6th to13th, reflecting the vulnerability of cities heavily reliant on institutional convenience. Mumbai has emerged as the biggest "dark horse" among global emerging markets, excelling in underlying assets and growth rates, supported by India's high savings rate, capital market liberalization, and digital finance boom.

The report's analysis of sub-sectors underscores the complexity and multi-polarity of global structural transformation. Capital sources remain concentrated in the four major U.S. cities, reinforcing the trend of "U.S. equities and U.S. bonds dominance," while Europe and Asia are under pressure. Divergence has emerged in talent and taxation: Asian cities have shown significant improvement, reflecting new opportunities brought about by smoother institutional coordination and accelerated talent mobility. Underlying assets generally recovered in 2025; in particular, India ranked first globally in IPO volume and stock trading value, indicating that emerging markets are becoming the primary drivers of growth in underlying asset supply. The landscape of open-end funds and ETFs has further concentrated in the U.S., while the competition in ESG and alternative assets has entered a "re-pricing" stage: Europe still holds an absolute share of 85%, with Paris becoming the global capital of ESG. Notably, this report pays particular attention to the structural significance of the growth-rate dimension: Mumbai and Toronto stand out, while London, Zurich, and Chicago have declined significantly, highlighting that future financial growth opportunities are rapidly shifting toward emerging markets with faster institutional innovation, higher openness, and more rapid technological progress.

From a methodological perspective, the greatest highlight of this report lies in the innovation of the indicator system. By introducing the dimension of asset management technology, the

evaluation framework systematically incorporates technical indicators such as digital infrastructure, AI venture capital, asset management patent output and quality, the number of AI large models, and robo-advisory penetration. This builds a full-chain evaluation framework across the foundation layer, market layer, innovation layer, and application layer. With this adjustment, the report breaks through the traditional limitation of comparing financial centers only in terms of capital and institutions, integrating technological factors into the evaluation framework and making the results more consistent with the reality that technology has become the core driving force of productivity. From the data results: New York relies on technological monopoly and capital advantages to maintain its edge in intelligent investment research and high-frequency trading; London excels in cross-border compliance and regtech; Luxembourg advances digital securities through blockchain legislation and tokenized fund construction; Hong Kong actively promotes institutional development in virtual assets and stablecoins; while Shanghai performs strongly in AI venture capital, patent output, and robo-advisory applications, demonstrating not only quantitative advantages but also competitive potential in quality and application.

The report further strengthens its empirical focus and policy relevance through thematic studies. First, in research on the competitive landscape of global asset management institutions, the report analyzes the distribution of headquarters and branches of the Top 5 and Top 50 institutions, as well as geographic concentration (CR index and HHI index), revealing a dual trend of "super oligopolization at the top + marginalization at the tail." New York and Boston together control nearly half of global AuM, and the world's top ten asset managers nearly monopolize 90% of the market share. The functional division of asset management centers has already been solidified into comparative advantages, with the natural flow of incremental AuM determined by the linkage of "specialization–geography–institution." U.S. asset managers' cross-border expansion has further compressed the market share space of European domestic institutions. Second, in research on Sino-European asset management cooperation, the report links the construction of the European Capital Markets Union with China's cross-border fund cooperation, pointing out that pension investment, green finance, and cross-border fund recognition will be the key directions of future cooperation. Finally, in the section on digital assets, the report not only compares the market trends of Bitcoin and Ethereum, but also conducts an in-depth analysis of the expansion paths and functional positioning of digital asset ETFs, arguing that digital assets have become an important variable for expanding underlying assets and promoting asset management

innovation, and that they are driving profound transformations in risk management and product innovation for asset management institutions.

Overall, this report reveals the trend-shaping changes occurring in the global asset management industry in 2025. While New York's position remains unshakable in the short term, the divergence within Europe, the rise of Asian emerging markets, and the accelerated incorporation of technology are together shaping a new landscape characterized by multipolarity, technology-driven transformation, and institutional innovation.

PART 1 INDEX EVALUATION

1.1 Comprehensive Evaluation

The 2025 global rankings of asset management centers (Table 1-1) and their sub-dimension rankings (Table 1-2) show that New York continues to hold the absolute "integrated advantage" (score: 97.91), an increase of 2.39 points compared with 2024, maintaining its leadership in funding sources, underlying assets, and asset management technology.

In Europe, structural differentiation is emerging. Paris has risen to second place, despite a slight decline in score compared with 2024, thanks to its number one position in ESG and alternative assets, which boosted its overall performance. London, meanwhile, has slipped to third place, widening its gap with New York by 1.46 points. Although it still ranks highly in both emerging (asset management technology) and traditional (underlying assets) fields, its competitiveness in tax incentives and talent attraction has weakened.

Outside New York, North American centers performed strongly. Boston surged seven places to fourth, supported by stable long-term capital inflows and the success of "active + long-term" strategies represented by Fidelity and Wellington, further enhanced by asset management technology. Toronto rose six places to seventh, driven by strong performance in underlying assets and growth rate, both ranking within the global top five. Canada's asset management system has become increasingly internationalized in recent years, serving as a "bridge" between North America and European markets. Its policy stability and accelerated development in ESG and alternative asset allocation further strengthen its competitiveness.

In Asia, Shanghai has risen to fifth overall, with standout performances in asset management technology (6th), underlying assets (3rd), and growth rate (3rd). Hong Kong fell to tenth, with sharp score declines despite ranking 2nd in tax incentives & talent. Its weakness in ESG and growth rate reflects pressures from both regional competition and external conditions.

Singapore dropped from 6th to 13th. The global shift toward U.S. dollar assets in 2024–2025 reduced its role as a regional transit hub. Its competitiveness is narrowly concentrated in tax/talent (3rd) and growth rate (2nd), leaving it vulnerable to Hong Kong's aggressive talent recruitment. Mumbai is the standout, ranking 1st in growth rate and 2nd in underlying assets, just behind New York. This reflects India's rapid economic growth, high savings rate, and expanding capital markets, particularly in equities, bonds, infrastructure, and digital finance. Mumbai is no longer just a high-growth emerging market—it is becoming global.

Table 1-1 Global Asset Management Center Ranking (2025)

Ranking	City	Score	Score change compared to 2024	Ranking change compared to 2024
1	New York	97.91	+2.39	—
2	Paris	84.72	-0.93	↑3
3	London	84.58	-1.46	↓1
4	Boston	84.45	+0.22	↑7
5	Shanghai	84.22	-0.86	↑2
6	Chicago	84.20	-1.76	↓3
7	Toronto	84.00	+0.69	↑6
8	Frankfurt	83.81	-1.94	↓4
9	Luxembourg	83.71	-1.18	↓1
10	Hong Kong	82.45	-2.37	↓1

Table 1-2 Global Asset Management Center Ranking of Subdivided Fields (2025)

Rank	Funding Sources	Tax and Talent	Asset Management Technology	Underlying Assets	Asset Managers, Open-End Funds (25%)	ESG & Alternative Business	Growth Rate
1	New York	Zurich	Chicago	New York	New York	Paris	Mumbai
2	Boston	Hong Kong	New York	Mumbai	Boston	New York	Singapore
3	Chicago	Singapore	Los Angeles	Shanghai	London	Luxemberg	Shanghai
4	Los Angeles	Luxemberg	London	Hong Kong	Dublin	Frankfurt	New York
5	Beijing	Frankfurt	Boston	Toronto	Chicago	London	Toronto
6	Shanghai	Paris	Shanghai	Frankfurt	Toronto	Toronto	Hong Kong
7	Tokyo	Toronto	Beijing	London	Los Angeles	Dublin	Paris

8	Hong Kong	Dublin	Frankfurt	Tokyo	Luxemberg	San Paulo	Frankfurt
9	Paris	Boston	Singapore	Paris	Zurich	Tokyo	Chicago
10	Singapore	San Paulo	Toronto	Singapore	Tokyo	Singapore	Tokyo
11	London	London	Paris	Zurich	Frankfurt	Chicago	Zurich
12	Toronto	Shanghai	Hong Kong	Luxemberg	Paris	Shanghai	Luxemberg
13	Zurich	Beijing	Tokyo	Beijing	Hong Kong	Zurich	Beijing
14	Mumbai	New York	Dublin	San Paulo	Shanghai	Mumbai	London
15	Frankfurt	Chicago	Luxemberg	Dublin	Singapore	Hong Kong	San Paulo

Note: 1. The "Capital Source" indicator is a national/regional indicator, so cities in the same country have consistent rankings and scores. The rankings are listed separately for clarity in the table.

2. The figures in parentheses represent the weight of each secondary indicator, as detailed in the appendix on the revision of the indicator system in this section.

1.2 Sub-dimension Evaluation

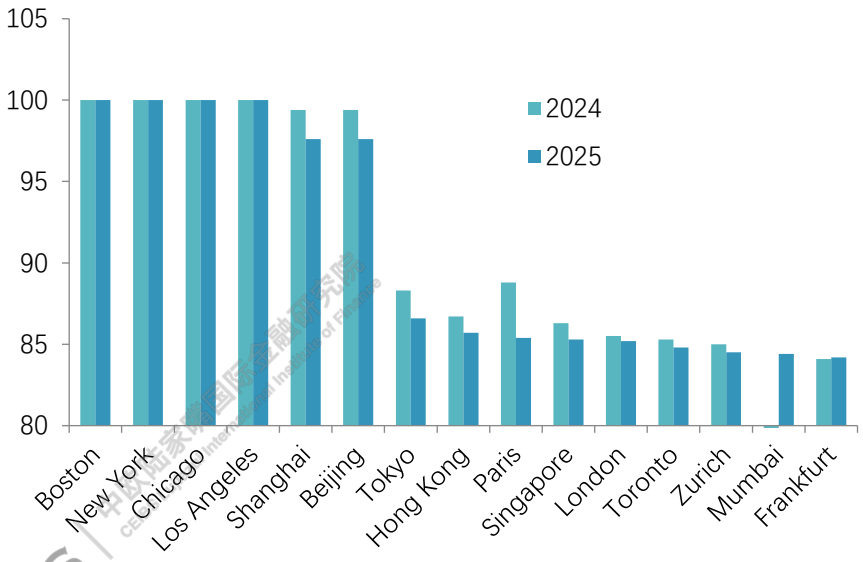
1.2.1 Funding Sources

In 2025, the global divergence in funding sources widened further: the four U.S. cities (New York, Boston, Chicago, Los Angeles) remain dominant. Among other cities, only Frankfurt showed a slight increase (+0.1), while nine cities declined, including a sharp drop in Paris (–3.4). Both Shanghai and Beijing fell from 99.4 to 97.6. On average, the sample decreased by –0.85 points, reflecting the trend of "the strong getting stronger while others are broadly under pressure."

This highlights the magnet effect of U.S. equities and bonds amid strong stock performance and relatively high yields. Due to geopolitical and economic uncertainty, capital has favored safe havens like the U.S. In 2024 alone, foreign investors' holdings of U.S. securities surged by USD 4 trillion, reaching about USD 30.9 trillion[①]. Europe and Asia lost influence in international allocation. Meanwhile, tighter fund scrutiny in Singapore redirected a portion of Chinese HNW funds to Hong Kong, which offers new tax incentives and investment migration policies.

[①] Foreign Portfolio Holdings of U.S. Securities, https://ticdata.treasury.gov/resource-center/data-chart-center/tic/Documents/shl2024r.pdf

Figure 1-1 Global Asset Management Center Ranking of Funding Source (2024-2025)



Note: The secondary indicators are all at the national/regional level. Therefore, the ranking of cities in the same country is consistent.

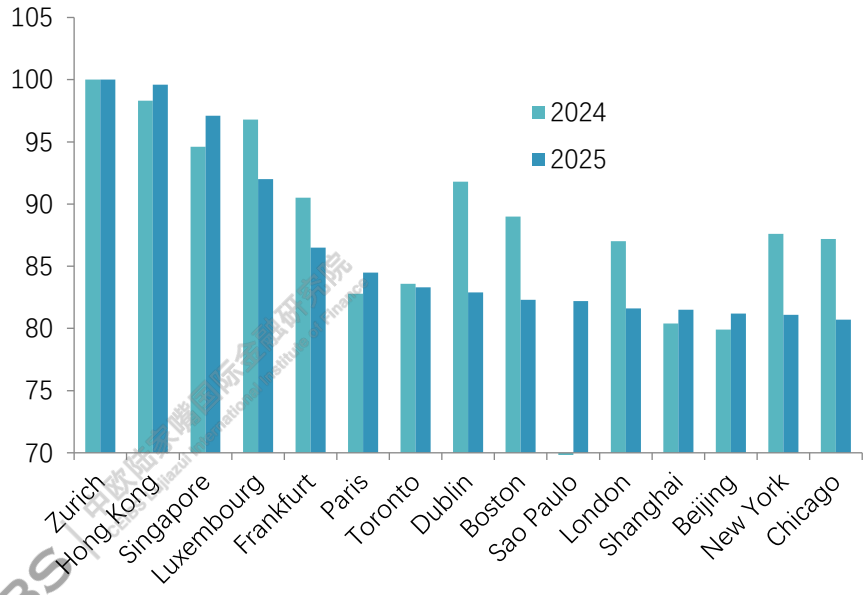
1.2.2 Tax Incentives & Talent Supply[①]

Compared with Zurich, which remains number one, Asia showed a strong catch-up in 2025: Singapore recorded the largest increase (+2.5), followed by Hong Kong (+1.3), Beijing (+1.3), and Shanghai (+1.1). Outside of Paris (+1.7), all other European and American centers declined: Dublin (–8.9) and Boston (–6.7) were the biggest losers, New York and Chicago both dropped 6.5, London fell 5.4. This reflects weakened attractiveness of Anglo-American centers due to rising visa restrictions and compliance costs.

In contrast, Asian centers benefited from smoother institutional arrangements, boosting cross-border talent flows. In the past year, Hong Kong expanded its talent schemes. By July 2025, over 13,000 "Top Talent Pass Scheme" visas issued in 2023 had come up for renewal, with a 54% renewal rate[②]. According to IMD's World Talent Report 2025, Hong Kong rose to 4th globally (1st in Asia) in talent competitiveness[③].

① The new indies are showed sector 2.2.
② https://sc.isd.gov.hk/TuniS/www.info.gov.hk/gia/general/202508/16/P2025081600426.htm
③ https://sc.isd.gov.hk/TuniS/www.info.gov.hk/gia/general/202509/09/P2025090800825.htm

Figure 1-2 Global Asset Management Center Ranking of Institutional Opening and Talent Reserve (2024-2025)



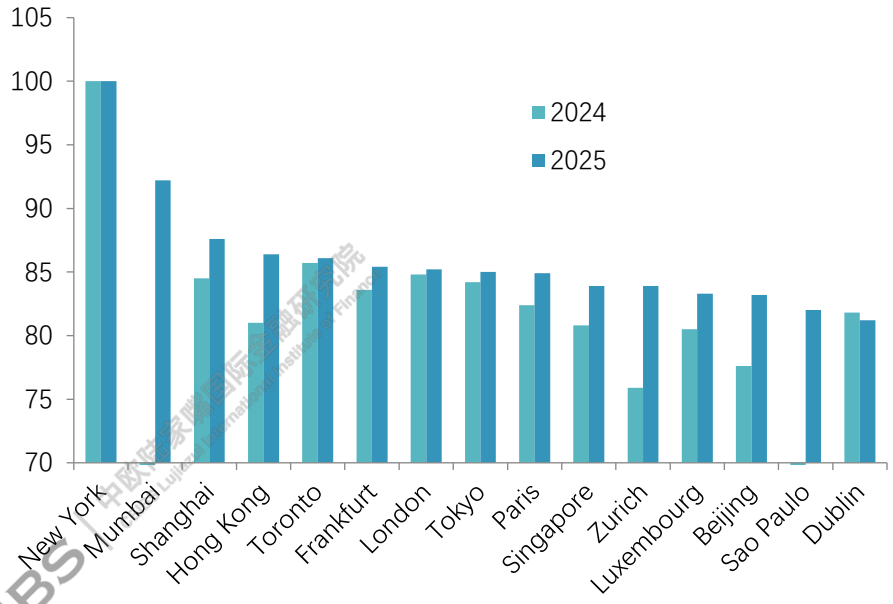
1.2.3 Underlying Assets

Most centers narrowed their gap with New York in underlying assets, with the sample average rising +2.56 points. This indicates a clear recovery in the quality and liquidity of equities, bonds, and commodities. Zurich led the gains (+8.0). Asian markets also performed strongly: Beijing (+5.6), Hong Kong (+5.4), Singapore (+3.1), and Shanghai (+3.1). In H1 2025, net northbound inflows through Stock Connect into Hong Kong reached HKD 820 billion (USD 104 billion), already surpassing the full-year 2024 inflows[①].

However, geopolitical and regulatory uncertainty continued to dampen foreign investor sentiment toward Shanghai and Hong Kong. Many reduced exposure to Chinese equities and shifted toward India and Southeast Asia[②]. Mumbai stood out: it led the world in IPOs and listed stock numbers in H1 2025, with market capitalization and futures/options trading volumes ranking just behind New York and Chicago.

① https://www.ft.com/content/2ad21126-5ee0-4b06-8499-67e93d2938b9
② https://www.reuters.com/world/china/us-china-tensions-drive-business-confidence-new-lows-survey-says-2025-09-10/

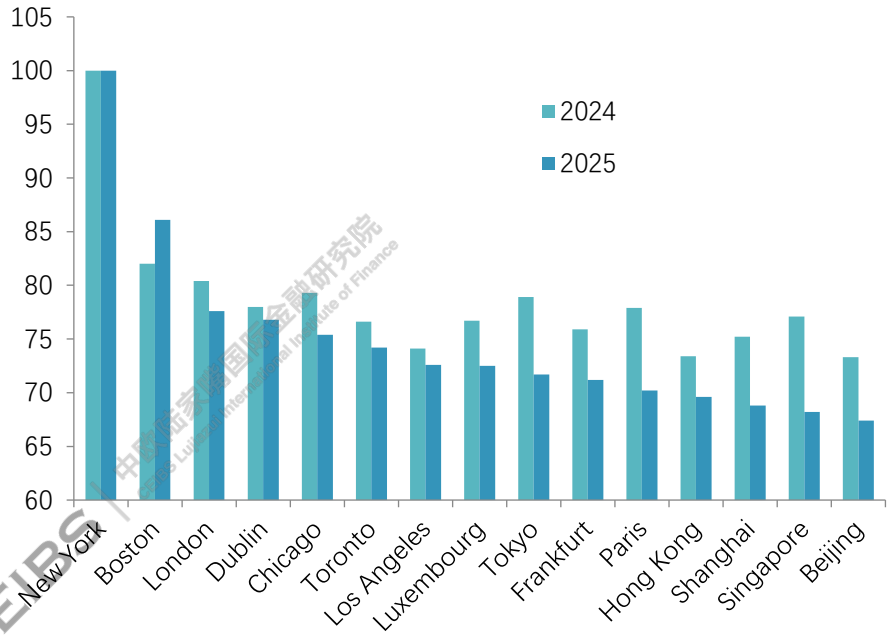
Figure 1-3 Global Asset Management Center Ranking of Underlying Assets (2024-2025)



1.2.4 Asset Managers & Open-End Fund Business

Global open-end fund flows continued to migrate from high-fee, opaque products toward low-fee, transparent products, reshaping the competitive map. Except Boston, all sample cities saw declines, with the average falling –3.77 points. Boston rose +4.1, reflecting its strength in actively managed mutual funds, pensions, and product diversification. Asia and Europe fell sharply: Singapore (–8.9), Paris (–7.7), Tokyo (–7.2), and Shanghai (–6.4).This reflects global reallocation into U.S. equities and fixed income, concentrating AuM and open-end fund business back into the U.S.

Figure 1-4 Global Asset Management Center Ranking of Asset Managers and Open-ended Fund (2024-2025)



1.2.5 ESG and Alternative Assets

The ESG and alternative investment landscape also shifted in 2025. New York rebounded strongly (+11.3), though the U.S. ESG environment remains politically polarized, with some state governments resisting "green investing." Chicago fell (–4.5) due to weak sentiment. Tokyo dropped moderately (–2.5) after introducing new climate disclosure rules; Hong Kong (–14.3) and Singapore (–12.9) experienced double-digit declines. Europe: Underwent a regulatory "re-pricing" process during the transition to stricter anti-greenwashing disclosure rules. Paris rose (+3.5) to first place, while Frankfurt (–8.6) and Zurich (–5.4) weakened.

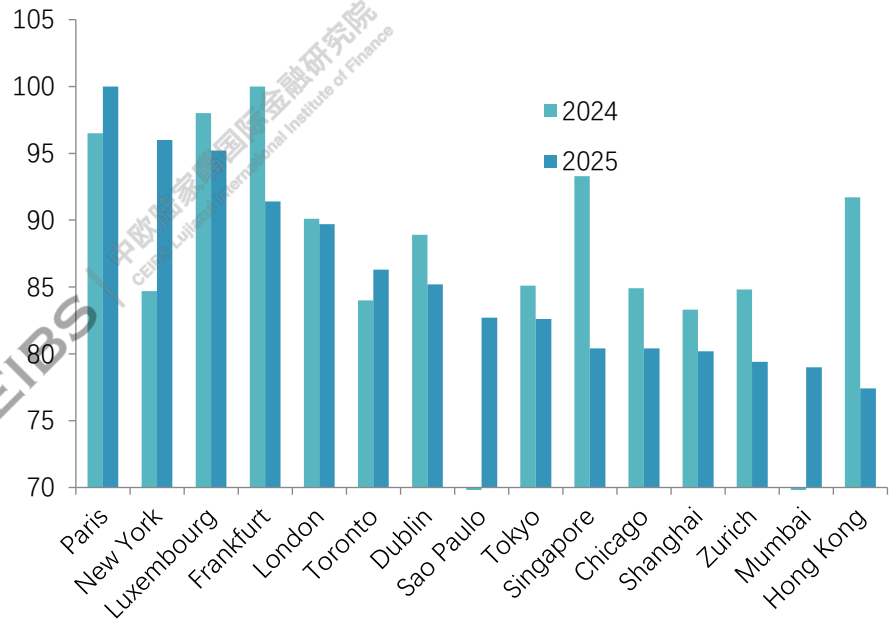
Globally, sustainable fund AuM rebounded to USD 3.5 trillion by June 2025, up nearly 10% from Q1[①]. Europe still dominates, accounting for about 85% of assets[②]. ESMA's new fund naming guidelines strengthened investor confidence, leading to net inflows of USD 8.6 billion in Q2 2025.

In alternatives, Global PE fundraising fell nearly 30% YoY in 2024, marking a third consecutive annual decline[③]. Enthusiasm for leveraged buyouts cooled, though large institutions (pension

① https://www.morningstar.com/business/insights/research/global-esg-flows
② https://www.bloomberg.com/news/articles/2025-07-24/sustainable-funds-rebound-with-global-inflows-of-4-9-billion
③ https://www.spglobal.com/market-intelligence/en/news-insights/articles/2025/1/global-private-equity-fundraising-sinks-for-3rd-straight-year-87110906

and sovereign wealth funds) provided stability.North America remained dominant. Europe slowed under economic uncertainty. Asia-Pacific, especially the Middle East, emerged as a rising force. ESG principles increasingly penetrated alternatives, with green infrastructure and clean energy attracting capital.

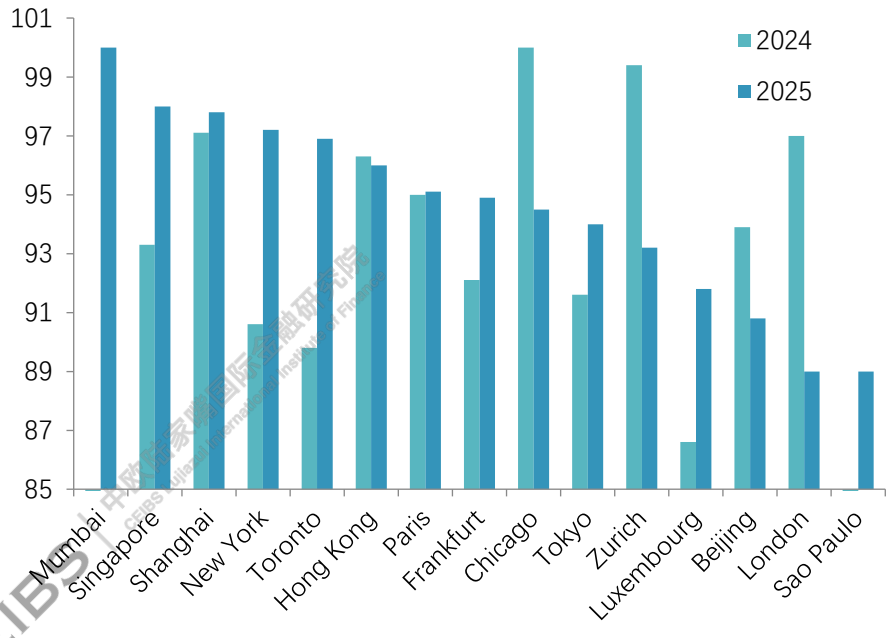
Figure 1-5 Global Asset Management Center Ranking of ESG Business and Alternative Assets (2024-2025)



1.2.6 Growth Rate

Growth indicators reveal shifting industry momentum: Mumbai led globally, fueled by digital economy expansion and offshore outsourcing, with double-digit growth in financial employment and investment activity. Toronto (+7.1), New York (+6.6), Luxembourg (+5.2) also ranked highly. By contrast, London (–8.0), Zurich (–6.2), Chicago (–5.5) declined sharply. Despite the Fed's rate hikes tempering some credit activities, U.S. financial value-added continued moderate growth in 2024–2025. The U.K. financial sector slowed persistently, with Paris benefiting from business outflows from London. Luxembourg gained from fund and back-office migration. This points to a trend: future financial growth opportunities will increasingly tilt toward emerging centers with rapid institutional innovation, openness, and technological advancement.

Figure 1-6 Global Asset Management Center Ranking of Growth Rate (2024-2025)



Appendix: Updates to the Indicator System

The 2025 evaluation framework largely maintains continuity with 2024 but incorporates seven new asset management technology indicators. Primary dimensions: Demand, Supply, and Business. Secondary indicators: Demand: Local funding pool, overseas inflows. Supply: Tax incentives, talent, asset management technology (new), and underlying assets. Business: Asset managers & open-end funds, ESG, alternatives. Tertiary indicators: 60 in total, quantitative and regularly updated.

Key adjustments: Tax incentives & talent weight reduced from 10% to 5%; new AM Tech dimension assigned 5%. In underlying assets, "10-year real government bond yield" replaced nominal yield, better reflecting real rates' impact. This redesign acknowledges technology as a core driver of productivity, aligning the index with economic theory and industry practice.

Figure 1-7 Global Asset Management Center Evaluation System (2025)

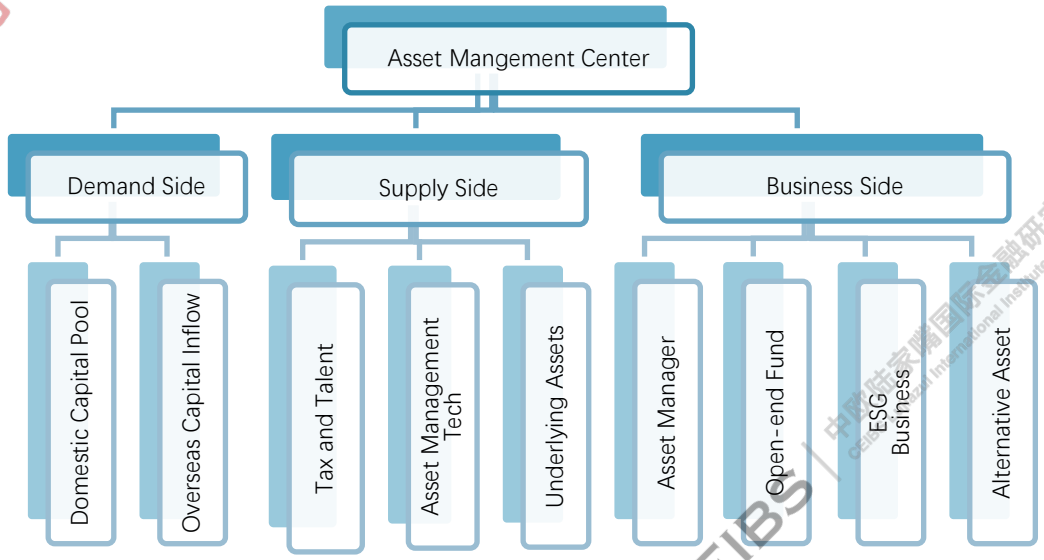


Table 1-3 Global Asset Management Center Evaluation Indicator System (2025)

Tier 1	Tier 2	Tier 3	Source
Demand	Domestic Capital Pool	Total deposit	CEIC
		Insurance premium	SIGMA
		Private pension funds	OECD
		Foreign reserve	Monetary authorities
		Sovereign wealth funds	SWF
		Public pension funds	
	Overseas Capital Inflow	Balance of payments: Financial account	Federal Reserve Bank of St. Louis
	Tax	Statutory corporate income tax rate	KPMG
		Capital gains tax rate	
	Talent Reserve	Individual income tax rate	
		Number of employees in financial industry	Bureau of cities/regions
		Number of employees in the financial industry/number of employees in non-agriculture	
	Technology	Digital infrastructure readiness	IMF
		Number of data centers	Data Center Map
		AI Venture Capital Amount	OECD
		Asset management patent technology output	EPO,IMF
		Asset management patent quality	EPO
		Number of large-scale AI models	Epoch AI
		Average AuM per user of Robo-Advisors	Statista
	Underlying Assets	Long-term government bond yield (10 years)	BLOOMBERG
		Returns of major stock indexes (1 year)	
		Number of listed stocks	WFE
		Growth rate of number of listed stocks	
		Number of listed bonds	
		Growth rate of number of listed bonds	
		Stock market capitalization	
		Growth rate of stock market capitalization	
		Bond market balance	
		Growth rate of bond market balance	
		Turnover of futures and options	
		Growth rate of turnover of futures and options	
		IPO quantity	
		Growth rate of IPO quantity	

Table 1-4 Global Asset Management Center Evaluation Indicator System (2025) (Continued)

Tier 1	Tier 2	Tier 3	Source
Business	Asset Managers	AuM of top 5 asset managers with local headquarters	Asset managers
		Growth rate of AuM of top 5 asset managers with local headquarters	
		Number of local headquarters of the top 50 global asset managers	
		Number of local branches of the top 50 global asset managers	
	Open-ended Funds	Total net assets of open-end funds	IIFA/Related exchanges
		Growth rate of total net assets of open-end funds	
		Net sales of open-end funds	
		Number of open-end funds	
		Growth rate of number of open-end funds	
		Total net assets of ETFs	
		Growth rate of total net assets of ETFs	
		Net sales of ETFs	
		Number of ETFs	
		Growth rate of number of ETFs	
	ESG Business	Number of ESG index	Related exchanges
		Growth rate of number of ESG index	
		Number of ESG ETF	
		Growth rate of number of ESG ETF	
		Number of ESG Derivatives	
		Growth rate of number of ESG Derivatives	
		Number of ESG bond	
		Growth rate of number of ESG bond	
	Alternative Asset	Number of alternative asset funds	IIFA/Related exchanges
		Growth rate of number of alternative investments	
		Total net assets of alternative investment	
		Growth rate of total net assets of alternative investment	
		Total net sale of alternative investment	

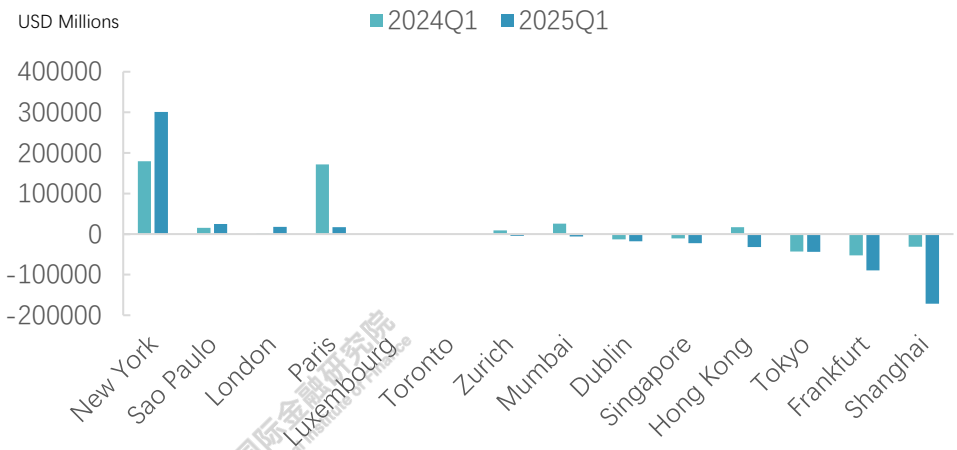
PART 2 ANALYSIS OF KEY INDICATORS

2.1 Key Indicators

2.1.1 Demand Side

- **Financial Account Balance.** Although the tariff policies implemented since the start of 2025 have exerted a certain impact on the U.S. economy, the Federal Reserve has not cut interest rates within the year and has maintained the federal funds rate at a high level of 4.25%-4.50%. This policy has attracted global liquidity, prompting non-U.S. capital to continue increasing its allocation to U.S. debt and deposits. As of the first quarter of 2025, the surplus of the U.S. non-reserve financial account reached USD 300.9 billion, representing a significant year-on-year increase of nearly 50%. In contrast, France shifted from a large surplus last year to a balanced position. Germany and Japan continued to record deficits of a certain scale. China's deficit expanded significantly to USD -171.7 billion (CNY -1.2323 trillion), which was driven by the active allocation of external assets (such as securities, deposits and loans) by residents and institutions, rather than passive capital outflows. From January to May 2025, the net inflow of equity-based foreign direct investment (FDI) into China rose by 16% year-on-year, while China's outward portfolio investment also remained relatively active.

Figure 2-1 Balance of Payments: Financial Account (2024-2025)

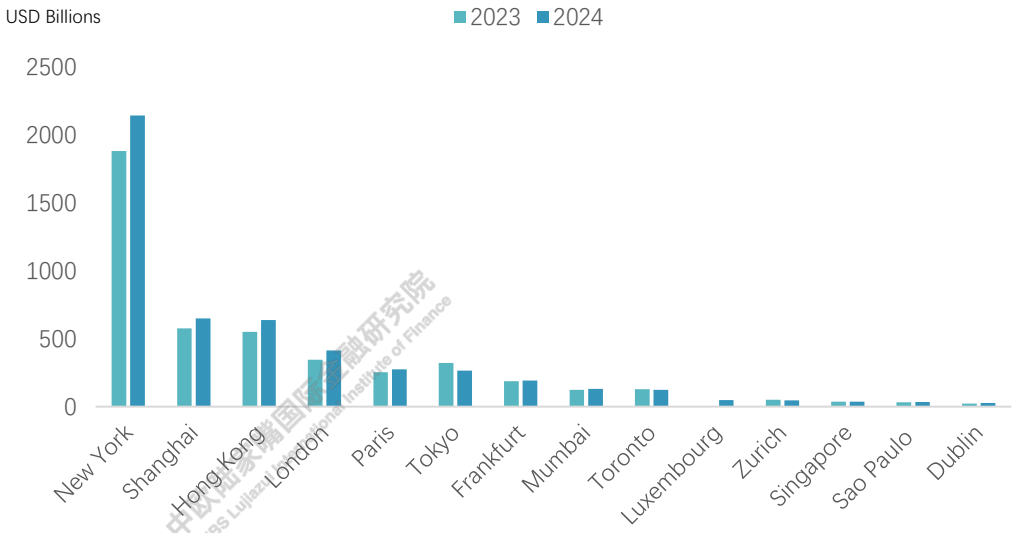


Note: This data is in the scope of nation or region. So, it is represented with the main asset management center in certain country or region.

Source: National/Regional Monetary Authority

- **Insurance Premium.** In 2024, the premium balances of major countries all exhibited a year-on-year upward trend. The premium balances of the United States, the United Kingdom, and China reached USD 2.1431 trillion, USD 412.7 billion, and USD 649.3 billion respectively, with year-on-year growth rates of 14%, 19.5%, and 12.6% correspondingly. Driven by various policy adjustments in the pension sector implemented by major global economies, the global pension industry maintained steady growth. Since December 2024, China's individual pension system has been fully rolled out across the country, with the range of available products gradually expanded. In August 2025, U.S. President Trump signed an executive order, directing the U.S. Department of Labor to initiate the revision of rules, aiming to formally include alternative assets such as cryptocurrencies, real estate, and private equity into the investment options of the 401(k) pension plan—the core pillar of the U.S. pension insurance system.

Figure 2-2 Insurance Premium (2023-2024)



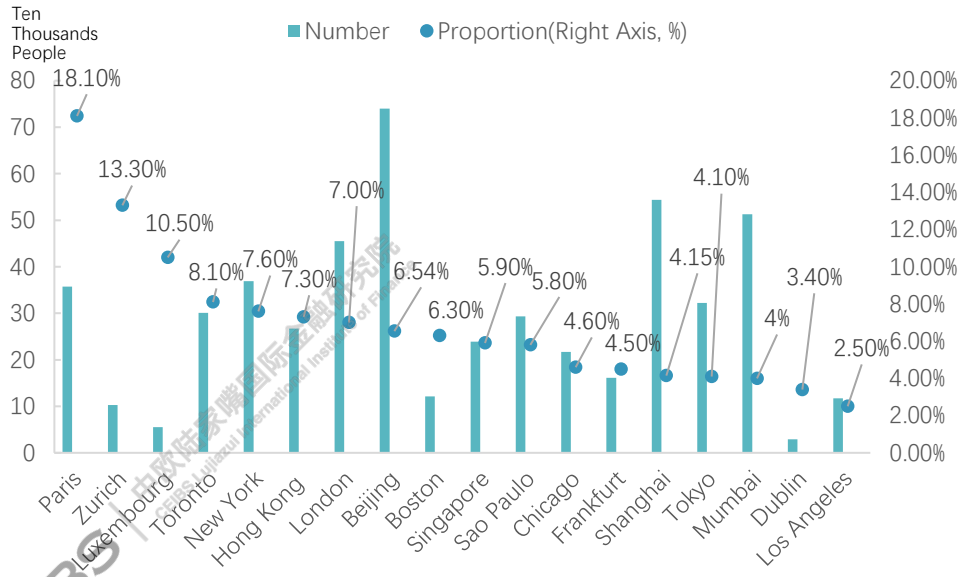
Note: This data is in the scope of nation or region. So, it is represented with the main asset management center in certain country or region.

Source: Allianz, National/Regional Monetary Authority

2.1.2 Supply Side

- **Financial Employment/Non-agriculture Employment.** As of May 2025, the proportion of financial industry employees in three European asset management centers—Paris, Zurich, Luxembourg—stood at 18.1%, 13.3%, and 10.5% respectively, ranking the three cities among the top three globally. Major cities in the United States and Asia all maintained this proportion within the range of 4% to 7%.

Figure 2-3 Number of Employees in Financial Industry and Proportion to Non-Agriculture Employees (2025)

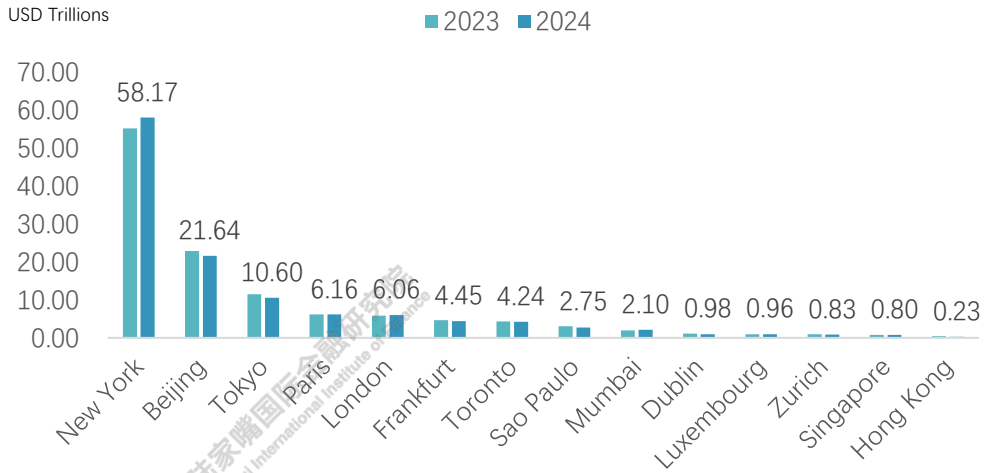


Note: A portion of the data is the data as of the year end of 2023 and 2024 or the first quarter of 2025.

Source: Bureau of cities/regions

- **Total Debt Outstanding.** Both China's and the United States' bond markets have demonstrated strong performance on a global scale and maintained a sustained growth trend, which is primarily driven by supply-side factors. On one hand, China's central and local governments have continued to strengthen countercyclical fiscal measures: government bond issuance has reached an all-time high, and ultra-long-term special government bonds have been launched, directly boosting the total stock of bonds. On the other hand, the United States faces high fiscal deficits and robust rolling refinancing needs, which have kept the supply of both government bonds and credit bonds strong. From the perspective of demand and market structure, the Chinese and U.S. bond markets serve as the global cornerstone for collateral and pricing. They absorb global demand for allocation, trading, and hedging, thereby forming a high-turnover market structure characterized by "both large supply and large demand".

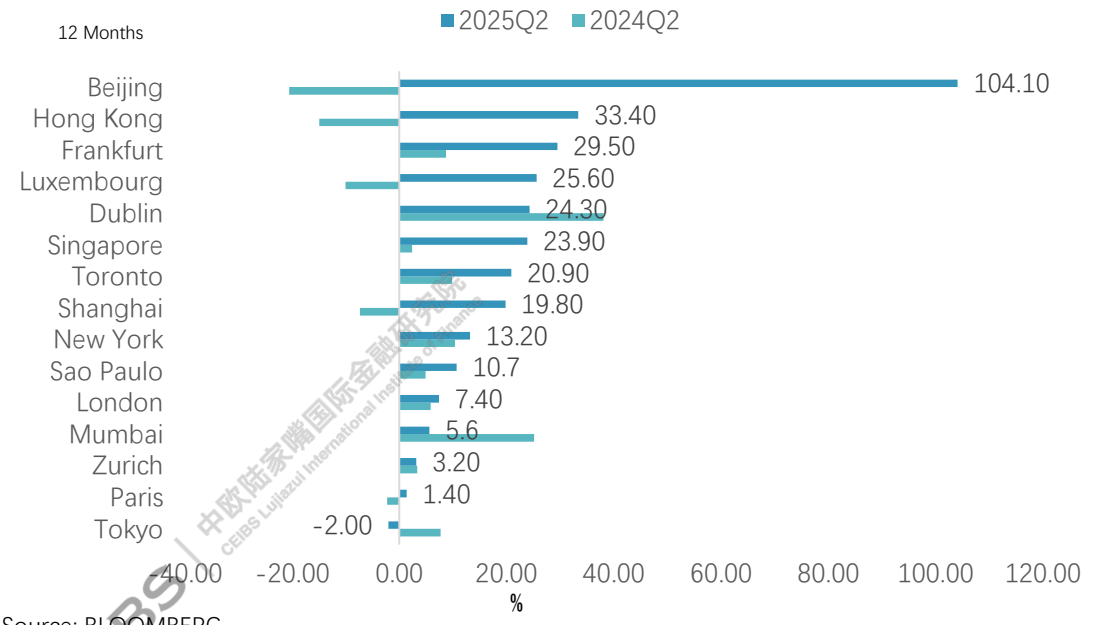
Figure 2-4 Total Debt Outstanding (2023-2024)



Source: BIS

- **Returns of Major Stock Indexes.** In early 2025, the technological breakthroughs driven by DeepSeek prompted major global financial institutions to revalue Chinese high-tech listed companies and increase their holdings, with the Beijing Stock Exchange (BSE) Index once again leading global gains. Meanwhile, a series of innovative financial products—such as public funds with new fee structures—have further enriched the financial product matrix of China. In the United States, U.S President Trump's tariff policies have impacted most industries, and the market is generally concerned about the future earnings outlook of U.S. stocks. Additionally, the Federal Reserve has paused interest rate cuts due to the impact of tariff policies and remains cautious about future rate cuts, prolonging a high-interest-rate environment that continues to affect various U.S. industries. Trump's ongoing pressure on the Federal Reserve has also created a certain degree of panic in the market. Under the influence of these factors, U.S. stocks have delivered a relatively plain performance since the start of the year. In Europe, Germany's stock market has performed impressively, with the upward momentum of its index primarily driven by the overall rally of core heavyweight stocks such as SAP and Siemens Energy.

Figure 2-5 Returns of Major Stock Indexes (2024-2025)



Source: BLOOMBERG

2.1.3 Business Side

- **Net Assets and Growth Rates of Open-end Funds.** In terms of scale, the net asset value (NAV) of open-end funds in New York remains the largest globally. In the first quarter of 2025, its net asset value reached USD 20.48 trillion, representing an 8.5% increase compared with the first quarter of 2024. The Asian market has achieved one of the world's highest growth rates: the growth rates of Hong Kong, Mumbai, and Beijing stood at a high of 20.5%, 20.2%, and 19.0% respectively. Among previously mentioned markets, only Sao Paulo recorded a decline.

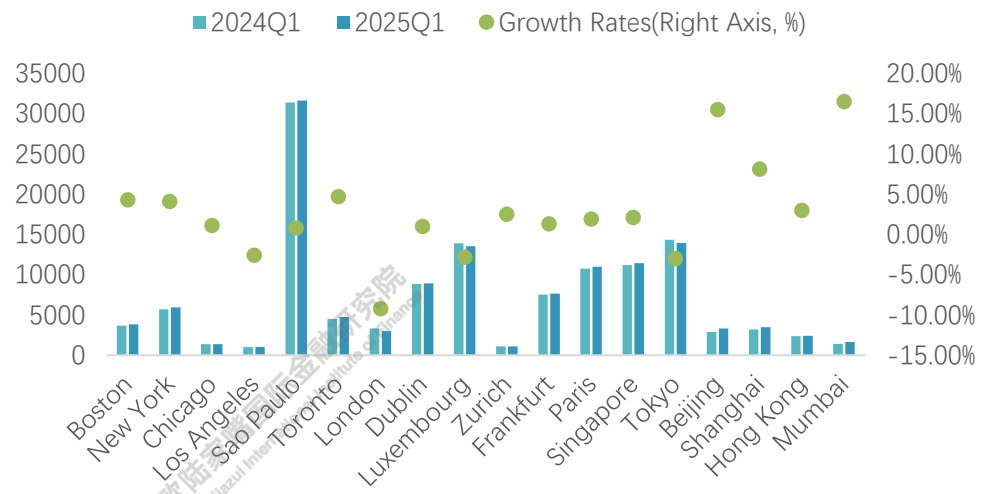
Figure 2-6 Net Assets and Growth Rates of Open-end Funds(2024-2025)

Note: A portion of the data is the data as of the year end of 2023 and 2024.

Source: IIFA, SFC, IMAS

- **Numbers and Growth Rates of Open-end Funds.** Overall, emerging markets generally rank among the world's top in terms of growth rate. As of the first quarter of 2025, Brazil had the largest number of open-end funds, totaling 31,625. In terms of growth rate, India's market grew the fastest: the number of funds in India increased from 1,418 in the first quarter of 2024 to 1,652 in the first quarter of 2025, representing a year-on-year growth of 16.5%. The growth rates of the number of funds in Shanghai and Beijing were second only to that in Mumbai, with year-on-year increases of 8.1% and 15.5% respectively.

Figure 2-7 Numbers and Growth Rates of Open-ended Funds(2024-2025)

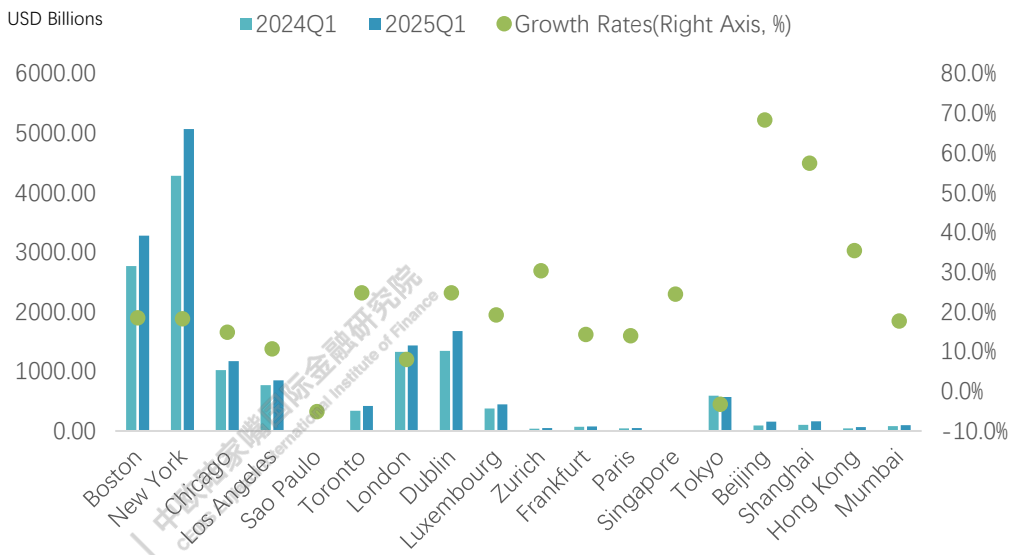


Note: A portion of the data is the data as of the year end of 2023.

Source: IIFA, SFC

- **Net Assets and Growth Rates of ETFs.** Compared with the first quarter of 2024, the net asset value (NAV) of ETFs in most major countries and regions worldwide showed a growth trend. As of the first quarter of 2025, the NAV of ETFs in New York reached USD 5.07 trillion, representing an 18.2% increase from the first quarter of 2024. Shanghai and Beijing led the world in ETF growth rate: in the first quarter of 2025, their ETF NAVs stood at USD 161.9 billion and USD 155.2 billion respectively, with year-on-year growth rates of 57.4% and 68.3%.

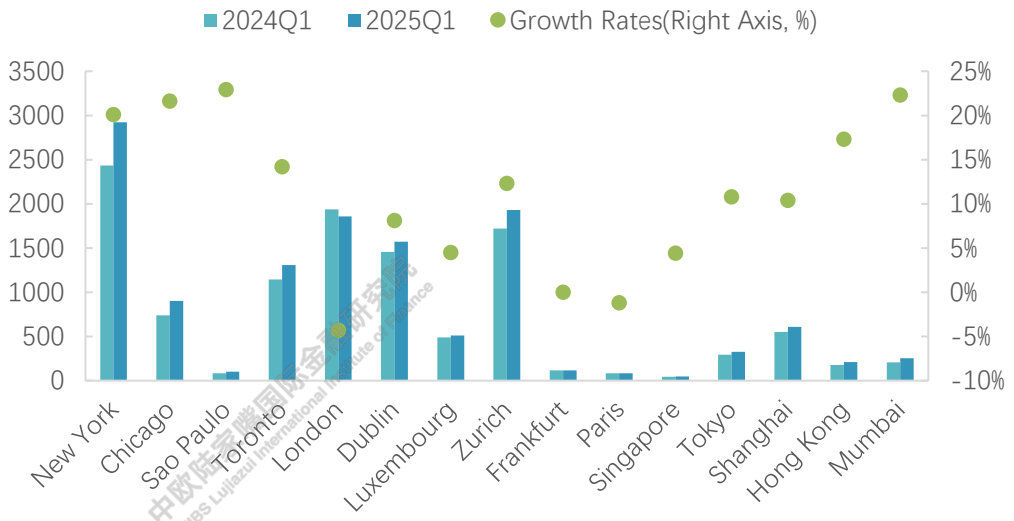
Figure 2-8 Net Assets and Growth Rates of ETF(2024-2025)



Source: IIFA, SFC, SGX, LSEG

- **Numbers and Growth Rates of ETFs.** Except for exchanges in some European countries where the number of ETFs declined, the number of ETFs on most exchanges worldwide generally expanded. As of the first quarter of 2025, the number of over-the-counter (OTC)-traded ETFs in the New York market led the world, totaling 2,922, representing a year-on-year growth of 20.1%. In addition, the year-on-year growth rates of the number of ETFs on the exchanges of Sao Paulo and Mumbai stood at 22.9% and 22.3% respectively. In the first quarter of 2025, Shanghai had a total of 607 exchange-traded ETFs, with a year-on-year increase of 10.4%.

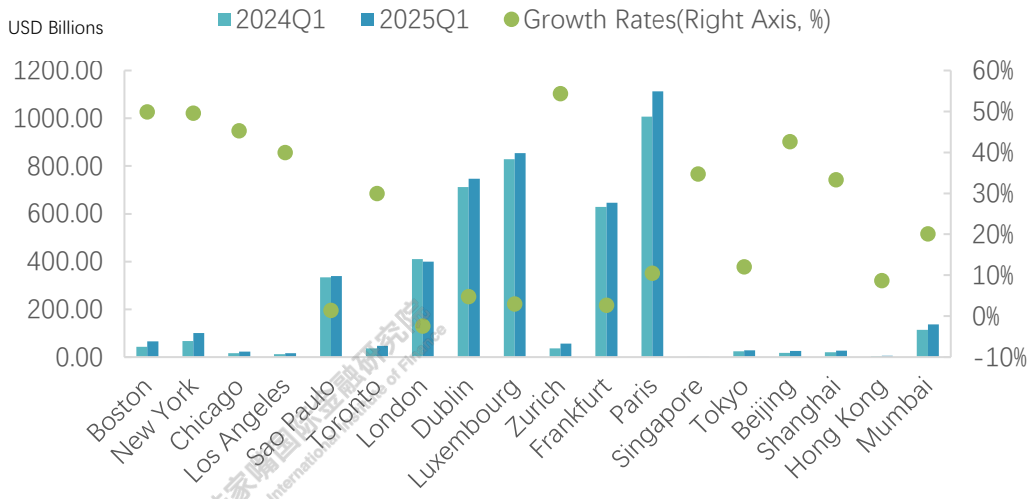
Figure 2-9 Numbers and Growth Rates of ETF(2024-2025)



Source: Exchanges of cities/regions

- **Net Assets and Growth Rates of Alternative Asset Fund.** In terms of scale, the net asset value (NAV) of alternative asset funds in Paris remains leading in Europe. In the first quarter of 2025, its NAV reached USD 1.11 trillion, with a year-on-year growth rate of 10.5%. In terms of year-on-year growth rate, Zurich achieved a 54.4% increase, ranking among the top globally. The NAVs of alternative asset funds in Shanghai and Beijing stood at USD 27 billion and USD 25.9 billion respectively, with year-on-year growth rates of 33.3% and 42.6%.

Figure 2-10 Net Assets and Growth Rates of Alternative Asset Fund (2024-2025)

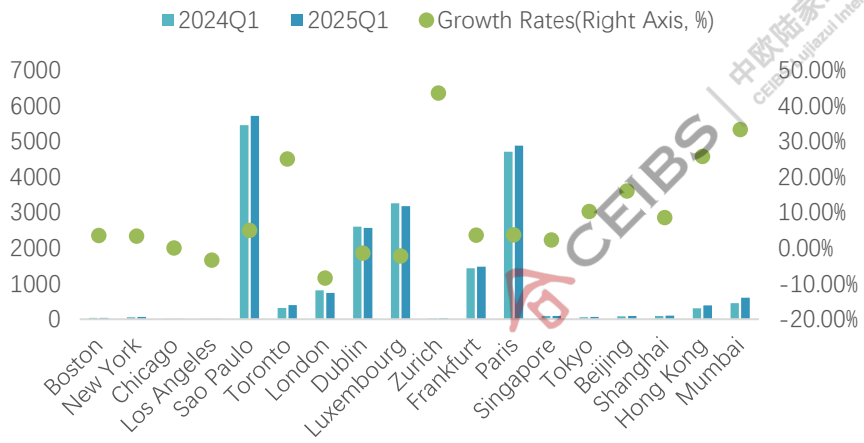


Note: The data for Hong Kong's Q1 2024 and Q1 2025 are estimated values.

Source: IIFA, IMAS

- **Numbers and Growth Rates of Alternative Asset Fund.** In terms of scale, Sao Paulo has a large alternative asset fund market. As of the first quarter of 2025, it had a total of 5,715 alternative asset funds, with a year-on-year growth rate of 4.9%. Zurich's year-on-year growth rate of 43.5% ranks it among the global leaders. During the same period, the number of alternative asset funds in Shanghai and Beijing stood at 97 and 93 respectively, with year-on-year increases of 8.5% and 16%.

Figure 2-11 Numbers and Growth Rates of Alternative Asset Fund(2024-2025)



Note: The data for Singapore and Tokyo in Q1 2024 are the data from Q4 2023.

Source: IIFA, SFC

2.2 New indicator: Asset Management Technology

2.2.1 The Needs for Technology as a Supply of Asset Management

Economic growth theory supports the important role of technological innovation

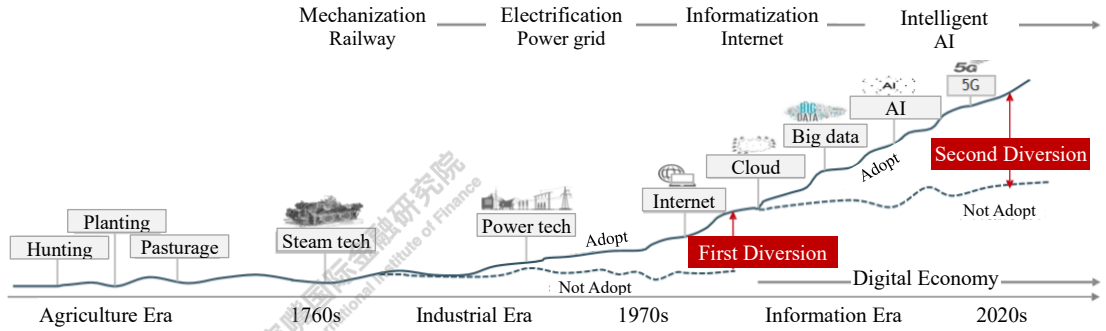
As an important source of economic growth, technological progress has always been an important concern of economic growth theory. From the classical growth theory implying the limited role of technological progress, to the neoclassical growth theory regarding exogenous technological progress as the core of long-term growth, to the endogenous growth theory regarding endogenous technological progress, the role of technology as productivity becomes increasingly clear. In classical growth theory, Smith (1776) argued that market size increases the division of labor, which increases labor proficiency and productivity, and implies technological progress in the division of labor.[①] Ricardo (1817) argued that capital accumulation is the core driving force of economic growth, which is constrained by land and labor factors, indicating that technology can delay the diminishing marginal returns of factors of production.[②] In neoclassical growth theory, Solow (1956) argues that capital and labor factors face diminishing marginal returns, so that growth in per capita output in the long run depends only on exogenous technological progress.[③] In endogenous growth theory, Romer (1986) knowledge spillover model and Lucas (1988) human capital model hold that technological progress is the product of internal decisions in economic system, such as R & D investment and education investment, which constitute the endogenous core power of long-term sustainable economic growth.[④⑤]

The development of theory is rooted in the progress of practice. Classical growth theory was born in the transition period between agricultural era and industrial era, and the core production factors were land and natural resources; neoclassical growth theory was born in industrial economy era, when bourgeoisie ascended the historical stage, and the core production factors were capital and labor; endogenous growth theory was born in the transition period from industrial era to information era, and the core production factors were

[①] Smith, A. (1776). An inquiry into the Nature and causes of the wealth of nations. London: Strahan & Cadell.
[②] Ricardo, D. (1817). On the Principles of Political Economy and Taxation, London, 1817. Bell & Sons.
[③] Solow R M. A contribution to the theory of economic growth[J]. The quarterly journal of economics, 1956, 70(1): 65-94.
[④] Romer, P. M. (1986). Increasing returns and long-run growth. Journal of political economy, 94(5), 1002-1037.
[⑤] Lucas Jr, R. E. (1988). On the mechanics of economic development. Journal of monetary economics, 22(1), 3-42.

data and technology. In the process of realizing mechanization, electrification, informatization and intelligence, technical elements play an irreplaceable role.

Figure 2-12 Technological Progress and Global Development Diversion



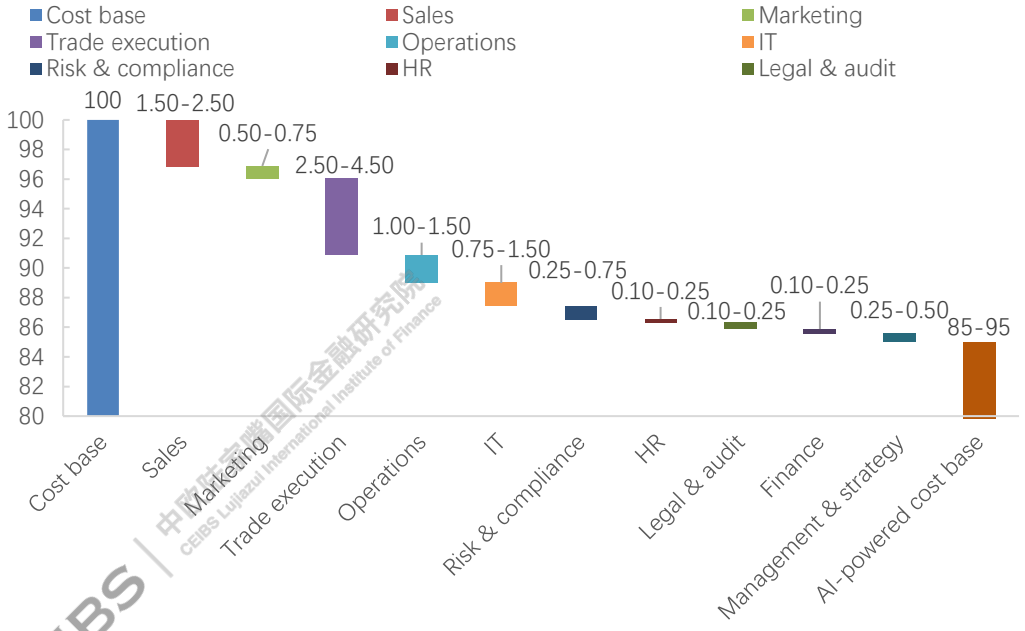
Source: Huawei

Technological innovation is profoundly reshaping the asset management industry

From the macro level, technological innovation is promoting the intelligent reconstruction of business processes, the intelligent transformation of data of investment research decision-making system, the ultimate personalized customization of service mode, and the efficiency of each link of asset management has been significantly improved. Research shows that AI can reduce the cost of asset management institutions by about 15%. With the iterative upgrading of AI models and the deepening of their application in the field of asset management, the role of technological innovation in cost reduction and efficiency enhancement of asset management industry will be further enhanced.

At the micro level, asset management institutions are integrating artificial intelligence and other technologies into the whole process of investment decision-making, creating asset management technology platforms, such as BlackRock Aladdin platform, covering institutional investors, wealth managers and asset service providers, as well as ESG investment, alternative investment and risk analysis through artificial intelligence and other technologies. As of the second quarter of 2025, the Aladdin platform supported internal and external assets of up to $20 trillion.

Figure 2-13 Cost Improvements to the Asset Management Value Chain by AI



Note: Due to rounding, the sum of each link in the value chain might be different from 100%.

Source: BCG's Global Asset Management Benchmarking Database

Table 2-1 Aladdin Platform and Component Modules

Clients	Make-up module	Specific areas
Institutional Investor	Aladdin Enterprise	Integrated Portfolio Management Platform
	Aladdin Risk	Risk Analysis and Quality Control
	Aladdin Climate	Decarbonization Analysis and Climate Risk Management
	eFront	Private Market Investment Technology Platform
	Aladdin Accounting	Customized Investment Accounting Services
	Aladdin Studio	Personalized Cloud Development Platform
Wealth Management Institutions	Aladdin Wealth	Wealth Management Platform
Asset Servicer	Aladdin Provider	Technical Support

Source: BlackRock

Global asset management centers are launching technical competition in subdivided technical tracks based on its own endowment advantages. Relying on technology monopoly and capital drive, New York has formed advantages in intelligent investment research and high-frequency trading and continues to consolidate its position as the source of global asset management technology. London focuses on regulatory technology and cross-border services, using technology to solve cross-border asset management compliance efficiency issues and further consolidating Europe's position as an asset management hub. Based on digital assets and cross-border advantages, Hong Kong has launched cross-border asset management and global virtual asset center construction, including the recent introduction of the Stable Currency Ordinance and the digital currency ETF launched last year. Luxembourg, as the world's second largest investment fund hub, is committed to unlocking on-chain capital efficiency, developing digital securities and tokenized funds, with major initiatives including the promulgation of four blockchain laws.

Table 2-2 Technology Competition Areas Among Key Asset Management Centers

Asset Management Center	Endowment	Area
New York	Technology monopoly, capital drive	Intelligent investment research, high-frequency trading
London	Cross-border service	Regulatory compliance
Hong Kong	Virtual assets, cross-border facilitation	Digital asset center
Luxembourg	Cross-border fund	Digital securities, tokenized funds

2.2.2 Overall Assessment Framework for Asset Management Technology

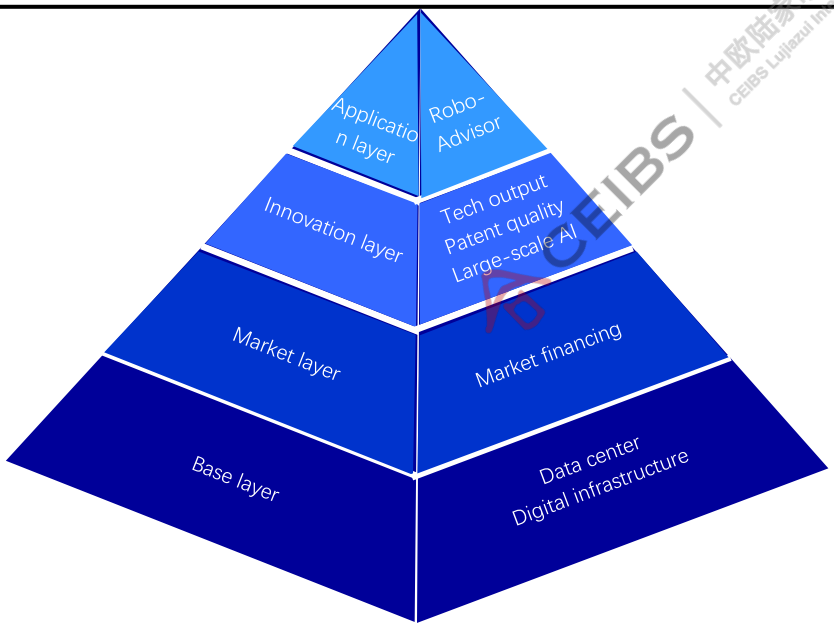
In view of this, we bring asset management technology into the supply end as a secondary indicator. The overall idea is to start from four levels: basic layer, market layer, innovation layer and application layer. Among them, the basic layer measures the perfection degree of infrastructure, quantified by IMF digital infrastructure index and the number of data centers; The market layer measures the adequacy of technology innovation-oriented market financing, quantified by AI venture capital amount; The innovation layer measures the innovation ability in the field of asset management science and technology, covering the innovation ability in the field of asset management and the innovation ability in the field of technology, quantified by the output of asset management patent technology, the quality of asset management patent and the number of AI large-scale models; The application layer measures the end-use

of asset management technology and quantifies it in terms of the average Assets under Management (AuM) of per user of Robo-Advisors.

Table 2-3 Quantitative Index System of Asset Management Science and Technology

Areas	Indicators	Connotation	Sources
Base layer	Digital infrastructure readiness	Perfection of traditional digital infrastructure	IMF
	Number of data centers	Perfection of computing infrastructure	Data Center Map
Market layer	AI Venture Capital Amount	The adequacy of financing in the underlying technology market	OECD
Innovation layer	Asset management patent technology output	Quantity of innovation ability in asset management industry	EPO IMF
	Asset management patent quality	Quality of innovation ability in asset management industry	EPO Unified Patents
	Number of large-scale AI models	Innovation capability of underlying technology	Epoch AI
Application layer	Average AuM per user of Robo-Advisors	Extent of application of emerging technologies in asset management	Statista

Figure 2-14 Overall Assessment Framework for Asset Management Technology



2.2.3 Analysis of Specific Indicators of Asset Management Technology

- **Digital infrastructure readiness.** Digital infrastructure is a key factor in IT adoption and can provide a good foundation for the diffusion and localization of AI technologies (Cazzanigaet al., 2024) [①]. This section draws on the Digital Infrastructure Index in the AI Readiness Index published by the IMF to quantify the Internet availability and maturity of the e-commerce infrastructure of the asset management center. The index is synthesized from 10 detailed indicators, covering fixed telephone, mobile phone, Internet, postal service and other aspects, mainly focusing on traditional digital infrastructure, as shown in Table 2-4. Among the major asset management centers in the world, Shanghai ranks fourth in the completeness of digital infrastructure, laying a good informatization foundation for the application of emerging technologies in the field of asset management.

Table 2-4 Quantitative Indicators of Digital Infrastructure Index

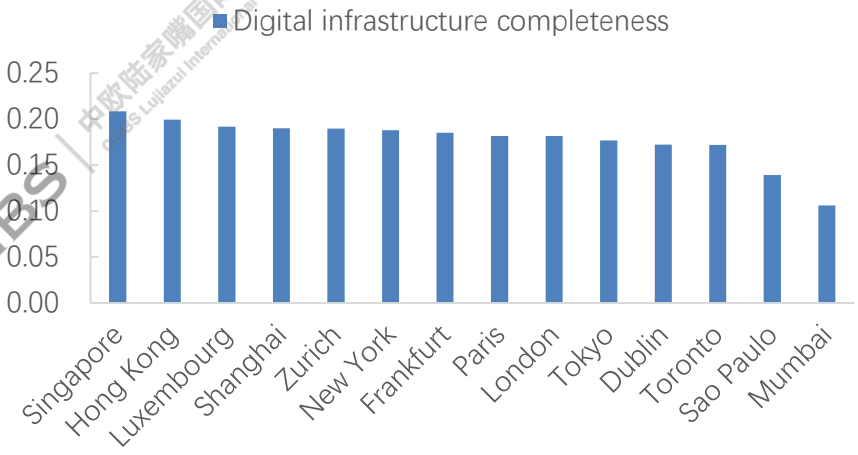
Areas	Indicators	Sources
Internet availability	Estimated internet users per 100 inhabitants	United Nations
	Number of main fixed telephone lines per 100 inhabitants	United Nations
	Number of mobile subscribers per 100 inhabitants	United Nations
	Number of fixed broadband subscriptions per 100 inhabitants	United Nations
	Number of wireless broadband subscriptions per 100 inhabitants	United Nations
	Cost of internet access (percent of monthly GNI per capita)	International Telecommunication Union
	Secure internet servers per 1 million people	World Bank

[①] Cazzaniga, M., Jaumotte, F., Li, L., Melina, G., Panton, A. J., Pizzinelli, C., Rockall, E. J., & Mendes Tavares, M. (2024). Gen-AI: Artificial Intelligence and the Future of Work. Staff Discussion Notes, 2024(001). Retrieved Aug 29, 2025, from https://doi.org/10.5089/9798400262548.006

E-commerce infrastructure maturity	Postal reliability index	Universal Postal Union
	Use of mobile phone for online transactions (% of population ages 15+)	World Bank
	Public sector's online services infrastructure	United Nations

Source: IMF

Figure 2-15 Digital Infrastructure Readiness in Major Asset Management Centers



Source: IMF

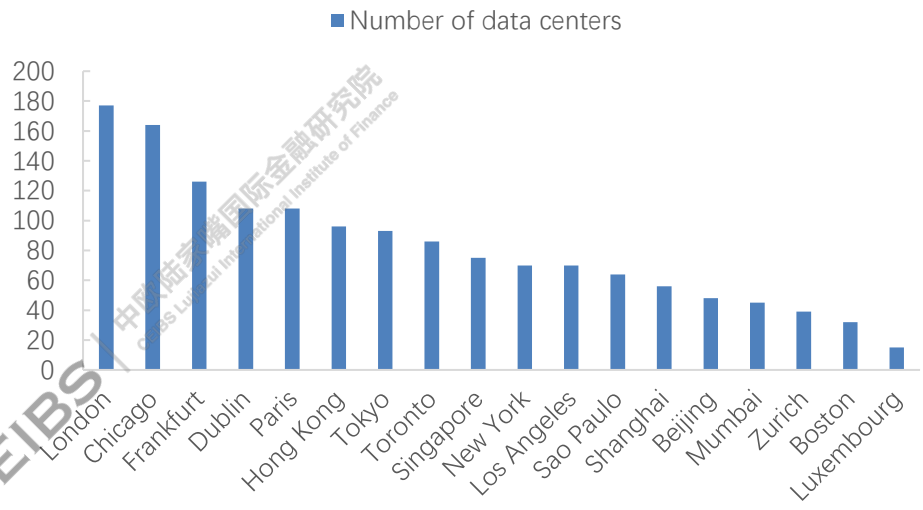
- **Number of data centers**. Data centers are at the heart of modern digital infrastructure and the engines that drive innovative ecosystems and enhance competitiveness in areas such as fintech (Alaamer, 2025)[①]. The rapid development of AI has led to a sharp expansion in the demand for computing resources. With high-performance computing capabilities, data centers are crucial to assist model training, reasoning and service deployment, becoming a powerful supplement to traditional digital infrastructure in the context of intelligent times.

  From the perspective of global practice, data centers are highly concentrated in developed economies. The number of data centers in China is second only to that of the United States, Germany and Britain, providing strong computing support for the development of China's state-owned management technology. With the promotion of the construction of national data centers, China has gradually formed an integrated layout of 8 national computing hub nodes and 10 national data center clusters, which helps to optimize the allocation of regional resources, better play the economic leverage

[①] Khalid, Alaamer. This is the state of play in the global data centre gold rush. World Economic Forum, 22 April 2025, https://www.weforum.org/stories/2025/04/data-centre-gold-rush-ai.

of data centers, and further enhance the competitiveness of the industry. At the same time, focusing on the level of major global asset management centers, the number of data centers in Shanghai is still lagging London, Chicago and other places.

Figure 2-16 Number of Data Centers in Major Asset Management Centers (June 2025)



Source: Data Center Map

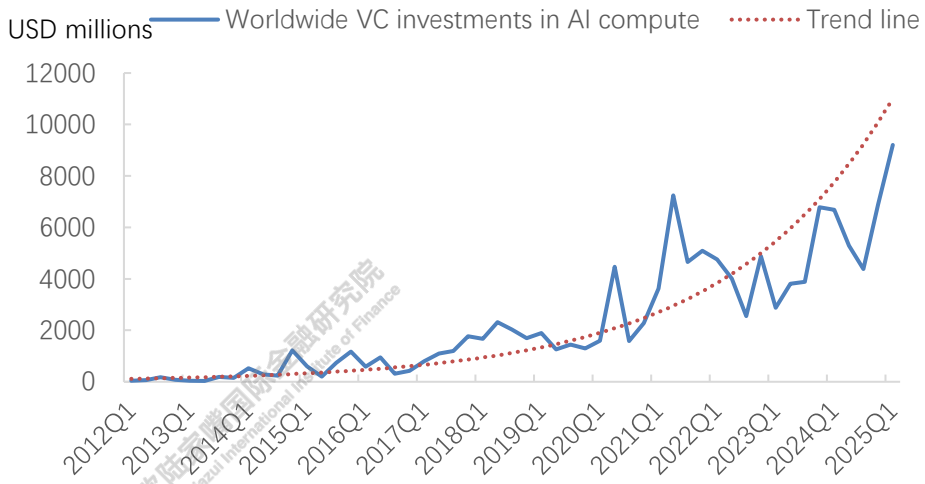
- **AI venture capital amount.** Venture capital is critical for investment in R & D, technological innovation and productivity enhancement (Arnoldet al., 2024)[①]. Venture capital has a positive impact through a variety of channels. Specifically, venture capital brings not only financing, but also knowledge, advice and professional networks. In the field of artificial intelligence, venture capital also promotes R & D, innovation and technology transformation in this field (OECD, 2024)[②]. In view of this, we use the amount of venture capital invested in AI start-ups to measure the adequacy of technology innovation-oriented market financing.

  From the perspective of market practice, the amount of global AI venture capital presents a clear exponential growth trend. As of the first quarter of 2025, the global financing scale for AI computing start-ups is USD 9.2 billion, 5.8 times that of the same period in 2020, and the annual compound growth rate in the past five years is as high as 55%. From the perspective of the world's major asset management centers, Shanghai is second only to New York in terms of the adequacy of market-driven funds, providing sufficient financial support for the development of asset management technology.

[①] Arnold, N. G., Claveres, G., & Frie, J. (2024). Stepping Up Venture Capital to Finance Innovation in Europe. IMF Working Papers, 2024(146). Retrieved Sep 1, 2025, from https://doi.org/10.5089/9798400280771.001

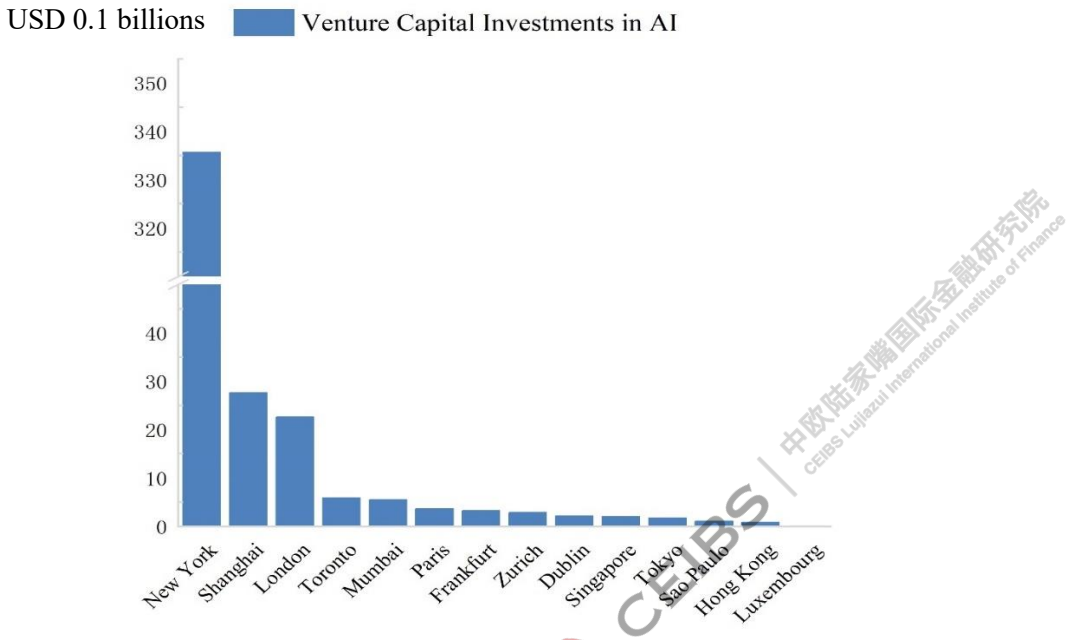
[②] OECD, Recommendation of the Council on Artificial Intelligence, OECD/LEGAL/0449

Figure 2-17 Worldwide VC investments in AI compute (June 2025)



Source: OECD

Figure 2-18 VC Investments in AI in Major Asset Management Centers (June 2025)



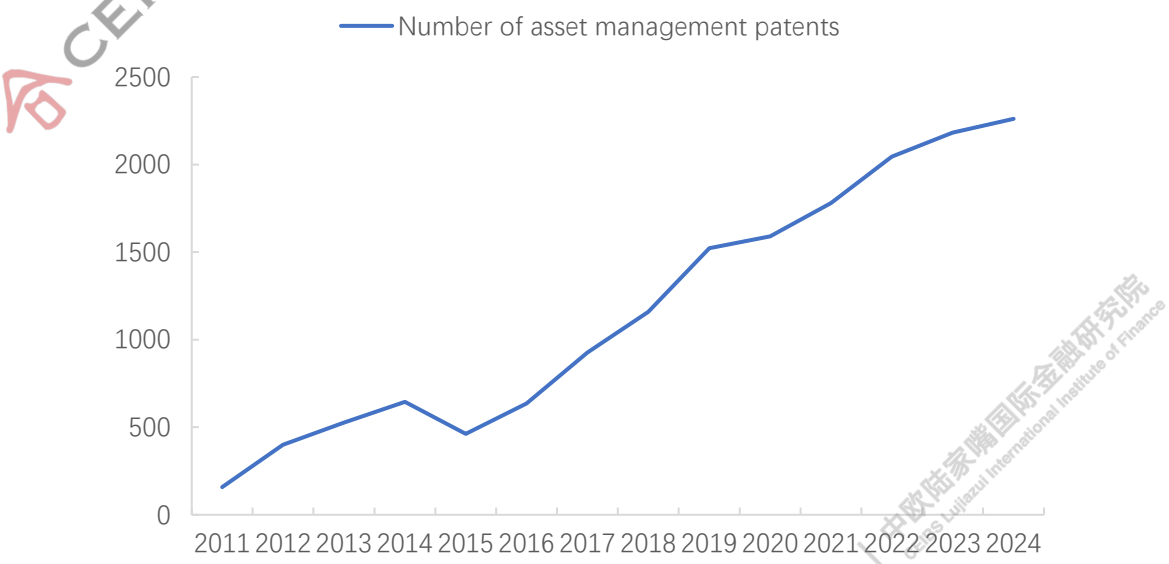
Source: OECD

- **Asset management patent technology output**. Overall, the output of patent technology of asset management can measure the innovation ability in the field of asset management from the dimension of "quantity". Patents are concentrated expressions of knowledge and technological creation that reflect the innovative performance of

countries, regions and firms (Khan and Dernis, 2006; WIPO, 2024)[①②]. Drawing lessons from the construction method of technology output in global innovation index, this paper first collates the number of patents in asset management in the first half of the year by international patent classification numberG06Q40/06, and then adjusts it by purchasing power parity GDP, to obtain the technology output of asset management patents.

From the perspective of market practice, innovation in the global asset management industry continues, and the number of asset management patents continues to increase. In 2024, the number of patents in the global asset management field totaled 2261, with a compound growth rate of 19% in recent ten years, much higher than the global GDP growth rate in the same period. Globally, Shanghai leads the world in the number of patents for asset management, and the technology output of asset management patents ranks among the top in the world, showing strong innovation ability in the field of asset management from the perspective of quantity.

Figure 2-19 Number of Global Asset Management Patents (2011-2024)

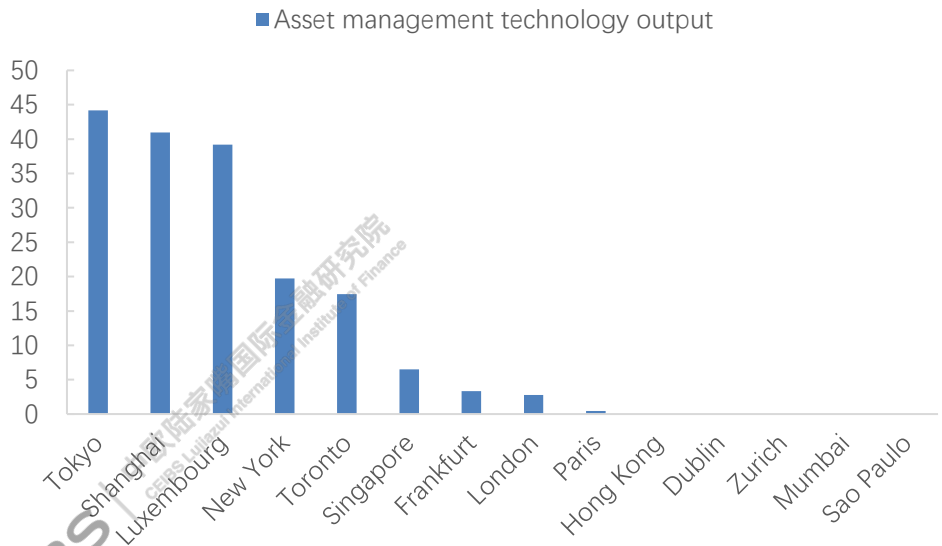


Source: EPO

[①] Khan, M. and H. Dernis (2006), "Global Overview of Innovative Activities from the Patent Indicators Perspective", OECD Science, Technology and Industry Working Papers, No. 2006/03, OECD Publishing, Paris, https://doi.org/10.1787/674714465672.

[②] World Intellectual Property Organization (WIPO) (2024). Global Innovation Index 2024: Unlocking the Promise of Social Entrepreneurship. Geneva: WIPO. 10.34667/tind.50062

Figure 2-20 Asset Management Patent Technology Output in Main Asset Management Centers (June 2025)



Source: EPO, IMF

- **Asset management patent quality.** Patent quality measures the innovation ability in the field of asset management from the dimension of quality. Patent quality can be quantified in terms of patent breadth and patent depth (Cheng et al., 2022; Yin et al., 2024)[①②]. Among them, patent breadth refers to the scope of patent protection, which can be quantified by the number of claims, specifically reflecting the technical value and patent value. Patent depth refers to the monopoly intensity of patent, which can be quantified by patent citation number, and specifically reflects the spillover effect and technical value of patent. Based on the asset management patents in the first half of the year, this section counts the number of claims and patent citations one by one, then calculates the average value of the two indexes by region and normalizes them respectively for cross-sectional comparison. Finally, the patent quality score is obtained by averaging the normalized score of claims and the normalized score of patent citations, to evaluate the patent quality of each asset management center.

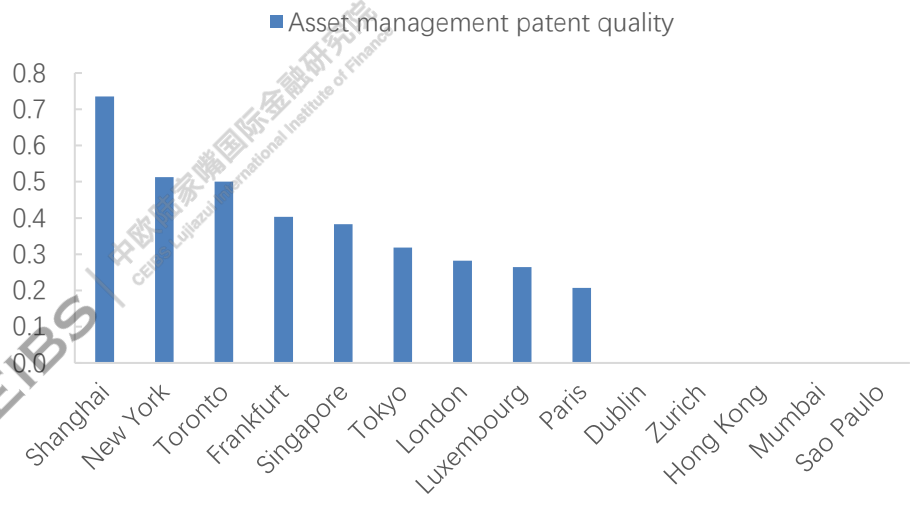
  From the perspective of market practice, Shanghai patent quality is ahead of the world's major asset management centers, showing strong innovation ability in the field of asset management from the perspective of quality. Specifically speaking, the quality of Shanghai asset management patents is more reflected in the patent depth, which can be

① CHENG Wenyin, LI Zhaochen, LIU Wensheng, HU Angang. Three-Dimensional Evaluation Method and Empirical Analysis of China's Patent Quality [J]. Information Studies: Theory & Application, 2022, 45(07): 95-101.

② YIN Ge, ZHANG Xiaobo, LI Lixing. Chinese Patent Quality: Measurement and Trend [J]. Economic Science, 2024,(06):5-30.

cited faster than other asset management centers. Compared with other major asset management centers, Shanghai's patents in this field can be spread and applied faster, and timely knowledge spillover lays a good foundation for invention, creation and iterative renewal in the field of asset management, to give full play to the technical value and economic value of asset management patents.

Figure 2-21 Asset Management Patent Quality in Major Asset Management Centers (June 2025)



Source: EPO, Unified Patents

- **AI large number of models.** The supply capacity of the underlying technology is also an important aspect of asset management science and technology innovation, which is crucial to enhance the competitiveness and profitability of the asset management industry. In practice, AI is reshaping the asset management industry, helping asset allocation and risk management through technology, reducing costs and improving operational and investment efficiency (BCG, 2024)[①]. In view of this, this paper uses the number of AI large models with training scale larger than 10^{23} floating-point operations (FLOPs) as an indicator to quantify the underlying technology supply capability of asset management technology.

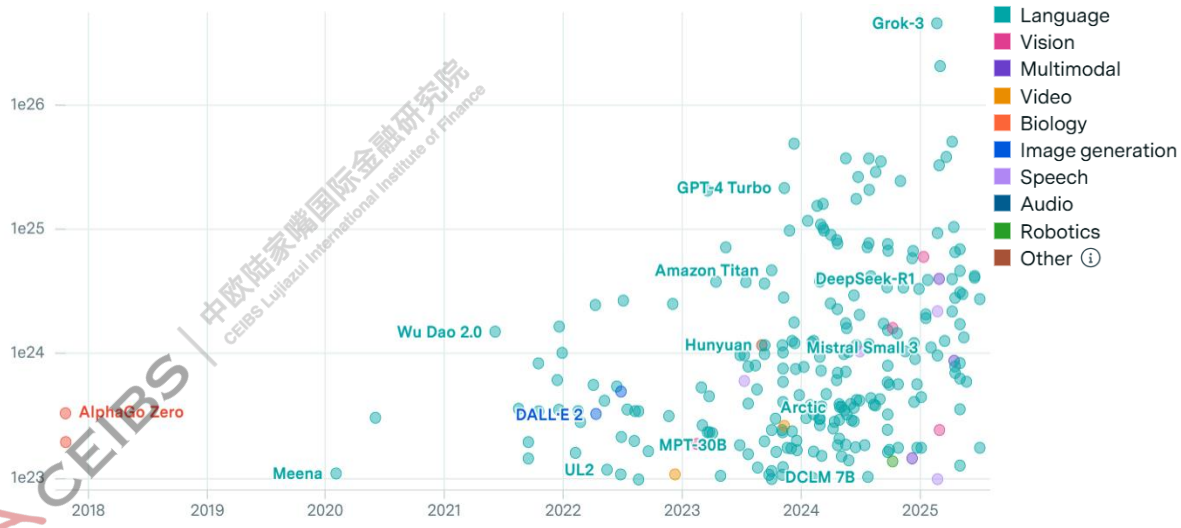
  With the above training scale as the standard, the earliest large-scale AI models can be traced back to AlphaGo Master and AlphaGo Zero in 2017, which were trained at 2.0×10^{23} FLOPs and 3.4×10^{23} FLOPs respectively. With technological breakthroughs, market demand, policy support, open-source ecology and computing support becoming mature, the number of large-scale AI models has increased rapidly. As of the end of June 2025, the largest AI model in the world is Grok 3, and the training scale is 3.5×10^{26} FLOPs. The largest AI model trained in China is mass spectrometry GLM-4-Plus, and the training scale is3.6×10^{25} FLOPs. Globally, the United States and

① BCG(2024). Global Asset Management Report 2024: AI and the Next Wave of Transformation.

China have an absolute advantage in the cumulative number of large-scale AI models, providing strong technical support for the application of emerging technologies in the field of asset management.

Figure 2-22 Evolution of Global Large-scale AI Model (2017-2025)

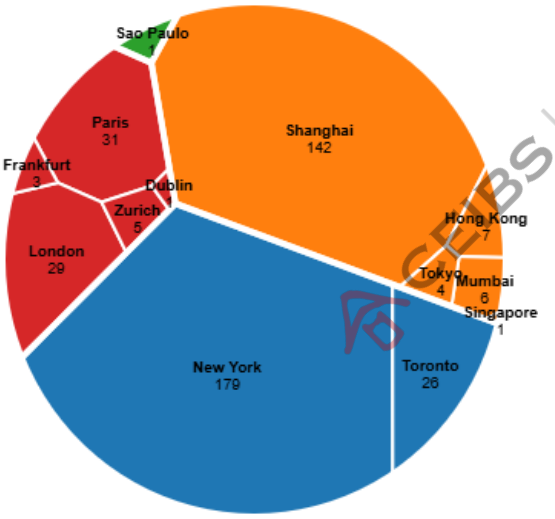
FLOPs



Note: As of June 2025

Source: Epoch AI

Figure 2-23 Number of Large-scale AI Models in Major Asset Management Centers (June 2025)

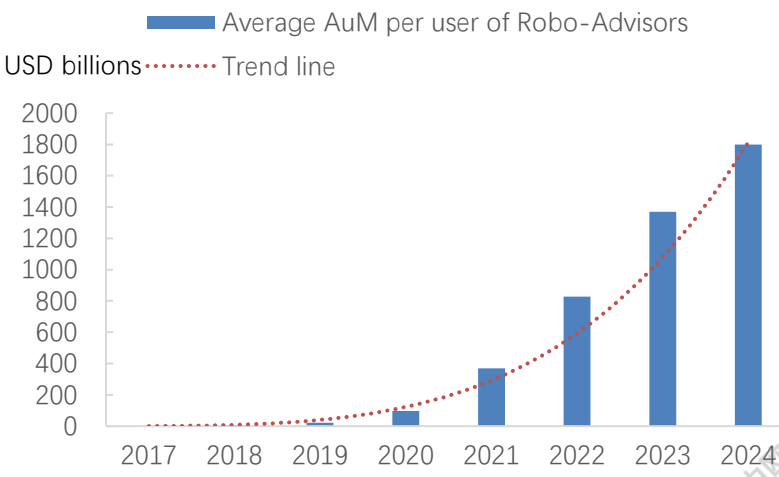


Source: Epoch AI

- **Average AuM per user of Robo-Advisors.** A Robo-Advisor is the product combining artificial intelligence with professional investment adviser. Through intelligent algorithms, quantitative financial model and big data analysis, it provides one-stop advising service for investors. It has the characteristics of high efficiency, low cost and no limitation of time and place. It is the direct embodiment of asset management technology at the application level. In view of this, this section uses average AuM per user as an indicator to measure the market penetration rate of intelligent patronage and the terminal application of asset management technology.

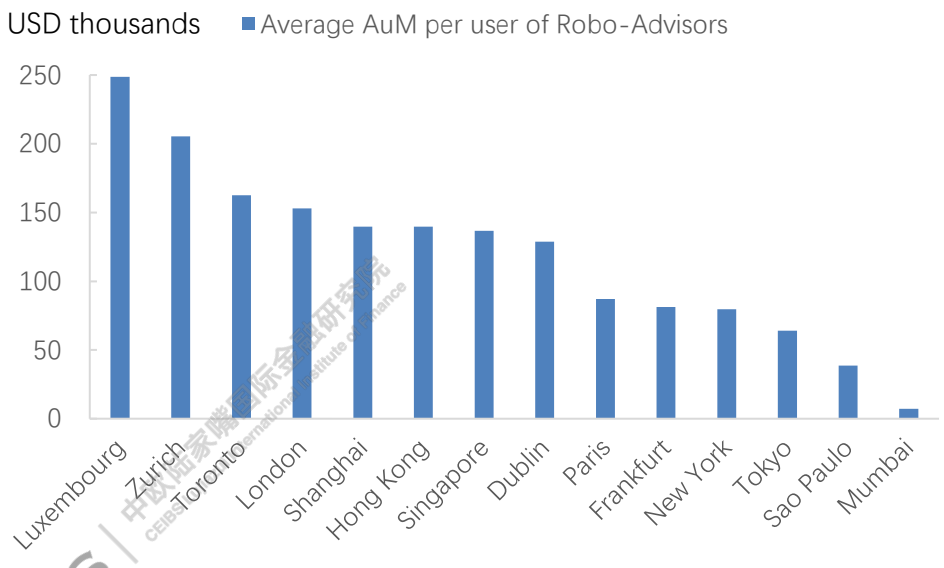
  Globally, the scale of intelligent investment in management has expanded rapidly, with a compound annual growth rate of 107% in the past five years, equivalent to doubling every year. By the end of 2024, the global intelligent investment management scale reached US $1.8 trillion. From the perspective of asset management center, Shanghai is at the middle-upper level in terms of the average management scale of intelligent investment households, indicating that for investors who have opened intelligent investment, their participation depth is relatively high.

Figure 2-24 Global AuM of Robo-Advisors (June 2025)



Source: Statista Market Insights

Figure 2-25 Average AuM per user of Robo-Advisors (2025)



Source: Statista Market Insights

PART 3 ANALYSIS OF REGIONAL CHARACTERISTICS

3.1 Competitive Landscape and Development Trends of Global Asset Management Institutions

3.1.1 Geographic Concentration of Global AuM

We selected the top five asset managers in 18 major assets management centers worldwide, and compared four indicators: the AuM of the top five institutions in each city as of June 2025, the AuM of the top five institutions as of June 2024, the growth rate of the top five institutions from 2024 to 2025, and the number of headquarters and branches of the world's top 50 asset management institutions located in each city.

By calculating the CR concentration ratio and HHI index, we measured the geographical concentration of global asset management and its industry influence. According to Table 3-1, New York and Boston are far ahead of other cities.The top five institutions in New York had AuM of USD 23.8 trillion as of June 2025, an increase of 15.5% compared with June 2024.The top five institutions in Boston managed USD 15.4 trillion, an increase of 15.8%.In Europe, Paris (USD 6.15 trillion) and London (USD 4.7 trillion) were the largest.In Asia, Tokyo (USD 2.99 trillion), Beijing (USD 2.1 trillion), and Shanghai (USD 2.19 trillion) were the leading centers.

Other smaller markets such as Dublin, Luxembourg, and Hong Kong each had less than USD 1 trillion managed by their top five institutions, but Dublin achieved the highest growth rate of 35%. In general, the top five institutions in most cities recorded positive growth between 2024 and 2025, with the only decline seen in Tokyo (–2.3%), mainly due to yen depreciation. Headquarters of the world's top 50 institutions are highly concentrated in New York (9), London (7), Boston (6), Paris/Frankfurt/Zurich (2–3 each). The branch distribution is broader,

with New York and London each hosting around 30, while Shanghai, Singapore, and other Asian cities also attracted 20–30 branches.

Table 3-1 Global Distribution of Major Asset Management Institutions (2024–2025)

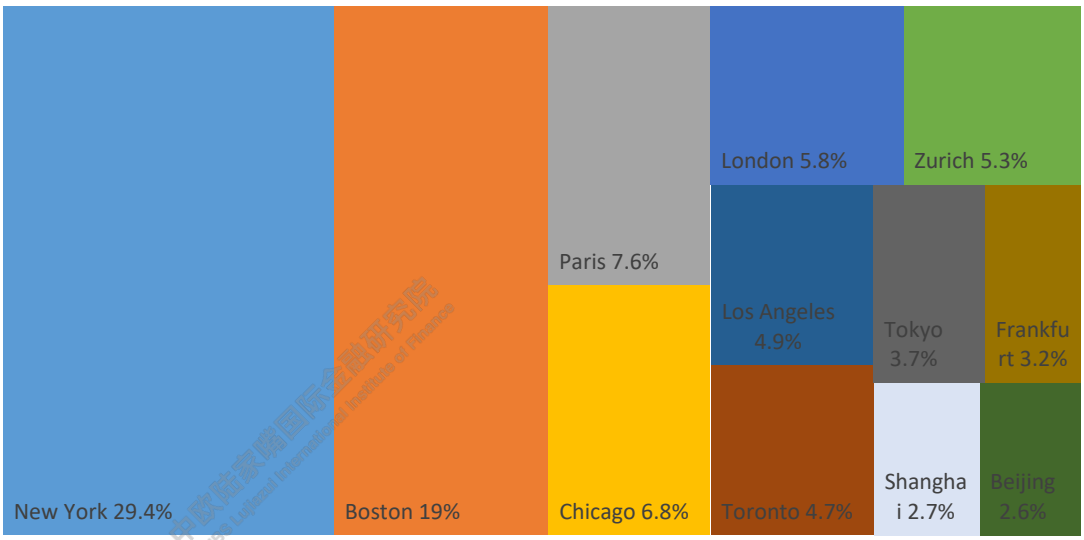
City	2025 Top 5 AuM (USD tn)	2024 Top 5 AuM (USD tn)	Growth Rate	Top 50 HQs	Top 50 Branches
New York	23.8	20.6	+15.5%	9	29
Boston	15.4	13.3	+15.8%	6	21
Chicago	5.5	4.9	+12.2%	3	18
Los Angeles	4.0	3.7	+8.1%	3	14
Toronto	3.77	3.45	+9.3%	2	31
São Paulo	0.63	0.54	+16.7%	0	9
London	4.7	4.36	+7.8%	7	38
Paris	6.15	5.47	+12.3%	3	20
Frankfurt	2.58	2.38	+8.6%	3	26
Zurich	4.3	3.9	+10.3%	2	26
Dublin	0.35	0.26	+35.0%	0	17
Luxembourg	0.91	0.84	+8.3%	0	27
Singapore	0.87	0.81	+7.4%	2	34
Tokyo	2.99	3.06	–2.3%	1	11
Beijing	2.10	1.74	+20.7%	1	23
Shanghai	2.19	1.94	+12.9%	1	32
Hong Kong	0.29	0.25	+16.0%	0	13
Mumbai	0.50	0.42	+19.1%	0	9

Source: Company websites

3.1.2 Changes in the Shares of the Top Five Asset Management Institutions and Their Globalization Paths

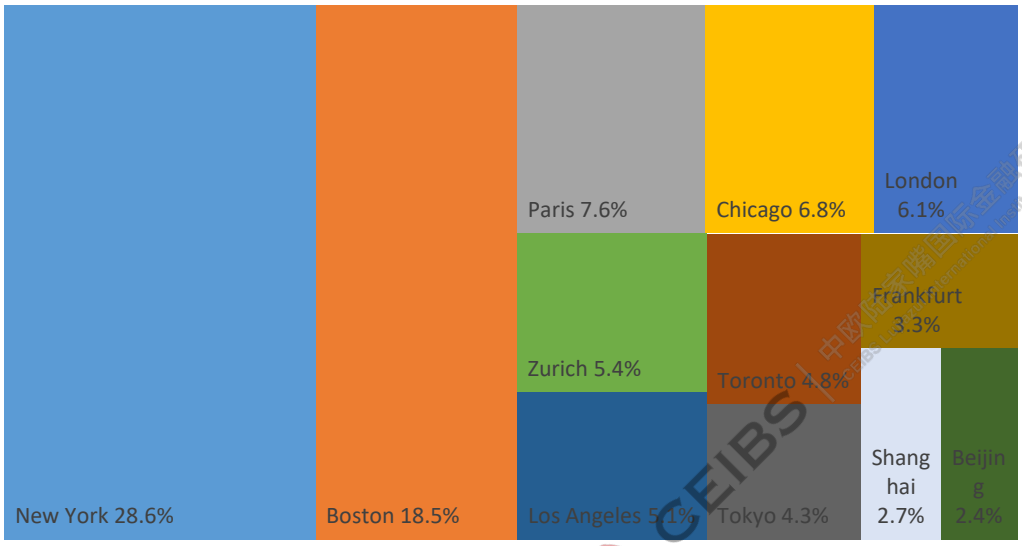
Based on the comparison of share data from June 2024 and June 2025, it can be observed that New York and Boston further expanded their shares within one year, while London declined from 6.1% to 5.8%, Tokyo fell from 4.3% to 3.7%, and the shares of Los Angeles, Toronto, and Zurich all showed slight decreases. Paris, Chicago, and Shanghai maintained their shares, whereas Frankfurt and Beijing experienced small increases. This demonstrates that the functional division of labor among asset management centers has already been solidified into comparative advantages, and that the natural flow of incremental AuM is determined by the linkage of "specialization–geography–institution."

Figure 3-1 Global Asset Management Center AuM Shares (June 2025)



Source: Websites of asset management institutions

Figure 3-2 Global Asset Management Center AuM Shares (June 2024)

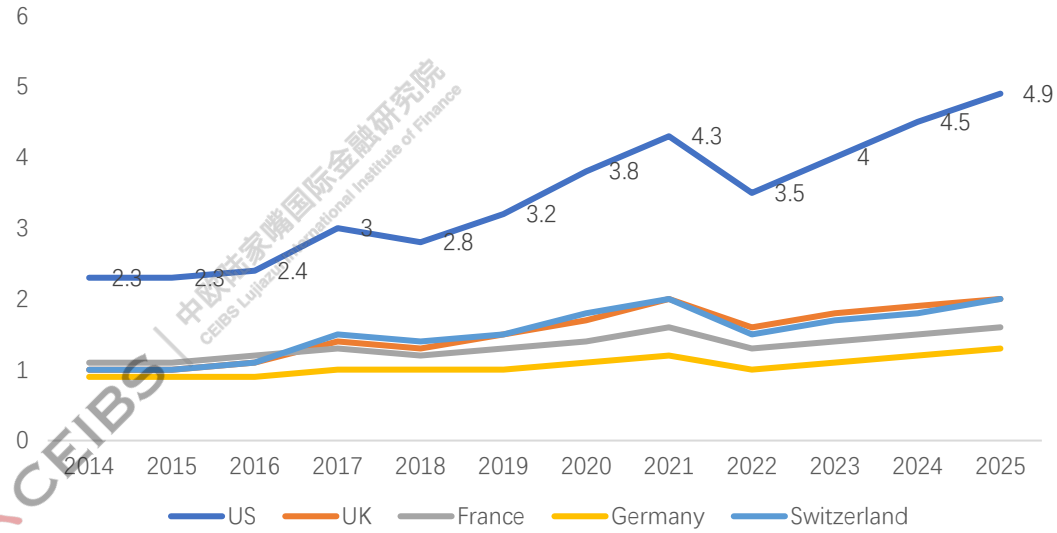


Source: Websites of asset management institutions

At the same time, we can also observe that since 2021, the AuM managed by U.S. asset management institutions in Europe has far exceeded that of European local institutions. Compared with the relatively steady expansion of the European market, this not only reflects the global competitive advantage of the United States in ETFs, active management, and

alternative investments, but also indicates the high degree of dependence of European pension funds, institutional investors, and retail investors on U.S. asset management brands and product systems. In other words, the cross-border expansion of U.S. asset managers has already formed a structural lead in Europe, further squeezing the market share available to local institutions.

Figure 3-3 AuM of U.S. Asset Management Institutions in Europe (2014–2025)



Note: Only includes AuM of institutions operating in continental Europe and the U.K., excluding FoFs and money market funds.

Source: ISS Market Intelligence

Looking back historically, however, the globalization path of European asset management institutions preceded that of the United States by far. From the mid-19th century to the 20th century, large European asset managers successively set up branches in Shanghai, Hong Kong, London, New York, Chicago, San Francisco, and other cities, closely tied to the evolution of the global economic landscape.

London's location at the mouth of the River Thames made it a bustling trading port in the 19th century. The city's rising economic status drew European financial activities to London, and the early establishment of the London Stock Exchange further consolidated its position as Europe's most important financial center, prompting European asset managers to open overseas branches there.

In Asia, Shanghai and Hong Kong opened to foreign trade in the mid-to-late 19th century and rapidly grew into important trade and financial centers in the Far East. Their vast economic potential attracted European asset managers, who began establishing presences in Shanghai and Hong Kong by the late 19th century. For example, BNP Paribas entered Shanghai as early

as 1860, Hong Kong in 1862, and only in 1867 did it establish an office in London. Deutsche Bank entered Shanghai in 1872, followed by London in 1873.Credit Agricole expanded into Asia in the late 19th century, opening in Hong Kong in 1894 and Shanghai in 1898.

During the latter half of the 19th century, the U.S. Industrial Revolution spurred economic growth, gradually elevating the United States into a new global financial center. To capture opportunities in the North American market, European asset management institutions set up operations in New York, Chicago, San Francisco, and elsewhere, expanding their global business footprint and acquiring new local clients. For example, UBS established a base in London in 1900, and later entered New York in 1939 .Credit Agricole opened a London branch in 1870 and established a presence in Chicago in 1979.

Through these globalization efforts, European asset management institutions gradually built business networks across Europe, Asia, and the Americas around the turn of the 20th century.

Table 3-2 Timeline of Branch Establishments by Major European Asset Management Institutions (19th-20th Century)

Branch Location	UBS	Credit Agricole	BNP Paribas	Deutsche Bank
Shanghai	1985	1898	1860	1872
Hong Kong	1964	1894	1862	1900
London	1900	1870	1867	1873
United States	1939 (New York)	1979 (Chicago)	1877 (San Francisco)	1979 (New York)

Entering the 21st century, the global footprint of European asset managers became more complete. By the end of 2024, nearly all leading European asset management companies had established commercial presences in major global financial centers.

Institutions such as UBS and Deutsche Bank had operational teams across Europe (London, Luxembourg, Frankfurt, Zurich, Milan), Asia (Hong Kong, Shanghai, Tokyo, Singapore), and North America (New York). France's largest asset management groups (BNP Paribas Asset Management, Amundi/Credit Agricole Asset Management, Natixis Investment Managers, etc.) leveraged cross-border networks to extend their businesses worldwide. On one hand, they relied heavily on EU "passport" fund hubs such as Luxembourg and Ireland to expand cross-border fund operations. On the other, they established branches in New York and major Asian cities to export European asset management services globally. Large insurance-affiliated asset managers, such as Allianz, expanded globally via platforms like PIMCO and Allianz GI, with offices in numerous countries.

It is worth noting that different institutions adopt different overseas expansion strategies, Traditional bank-affiliated asset managers emphasize establishing physical branches in major financial centers to serve global institutional clients. Independent asset managers and boutique advisory firms, by contrast, tend to enter overseas markets through mergers, acquisitions, or partnerships, thereby creating channels to serve multinational clients and diversify asset allocation.

Table 3-3 Global Distribution of Major European Asset Management Institutions (2024)

Branch Location	UBS	Credit Agricole	Allianz	Natixis Investment Managers	BNP Paribas	Deutsche Bank	Schroders	Generali Group	HSBC	Aegon
London	*	*	*	*	*	*	*	*	*	*
Luxembourg	*	*	*	*	*	*	*	*	*	
Frankfurt	*	*	*	*	*	*	*			*
Zurich	*	*	*	*	*	*	*		*	
Milan	*	*	*	*	*		*	*	*	
Hong Kong	*	*	*	*	*		*		*	
Shanghai	*	*	*		*		*	*		*
Tokyo	*	*	*	*	*	*	*		*	
Singapore	*	*	*	*	*	*	*		*	
New York	*	*	*		*	*	*	*		

Note: Except for Schroders and Natixis Investment Managers, the data above refer specifically to the geographic locations of asset management division branches. Allianz data are based on branches under PIMCO and AllianzGI. BNP Paribas's Shanghai branch is a joint venture; Generali Group's Shanghai branch is also a joint venture.

Source: Websites of asset management institutions

3.1.3 Business Characteristics of the Top Two Asset Management Cities

If we further focus on the Top 2 asset management centers in each region (the Americas, Europe, and Asia) and compare their asset scale, main product lines, and revenue structures, we can draw more detailed conclusions.

New York holds the position of global leader in asset management. As of June 2025, BlackRock's AuM reached USD 12.5 trillion, and through its iShares series it has established its global dominance in ETFs and index investing. Goldman Sachs, J.P. Morgan, Morgan Stanley, and BNY Mellon each managed between USD 1.7–4.3 trillion, forming a massive cluster exceeding USD 20 trillion in total. The industry structure in New York combines both independent asset management giants and bank-affiliated asset managers: the former, represented by BlackRock, emphasizes independent competitiveness through its global client network and specialized services; the latter, such as J.P. Morgan, Goldman Sachs, and Morgan Stanley, rely on investment banking, custody, and wealth management channels to form a complete financial ecosystem. This multi-layered structure makes New York not only the world's center of index investing, but also a key source of active investment and alternative investment.

It is worth noting that the profitability of New York's asset management industry does not simply depend on scale, but rather on the optimization and innovation of product structures. For example, 81% of BlackRock's revenue still comes from basic businesses, yet alternative investments, which account for only 3% of AuM, contribute 15% of fee income—highlighting the strategic importance of high-yield assets such as private equity and real estate. J.P. Morgan maintains its market leadership through innovations in active bond ETFs, launching in June 2025 the largest active ETF in history (with an initial fund size of USD 2 billion). Goldman Sachs is actively expanding its retail fund business, Morgan Stanley has entered ESG and specialized strategies through the acquisition of Eaton Vance, and BNY Mellon employs a multi-brand matrix to cover indexing, quant, active investment, and other full-spectrum strategies. These features together underpin New York's long-standing global leadership in asset management.

Boston is the traditional stronghold of U.S. mutual funds and institutional investing. Fidelity and MFS center on actively managed mutual funds; State Street leads globally with ETFs and index strategies; Wellington specializes in active equity, fixed income, and multi-asset products. In terms of revenue structures, Fidelity derives income not only from fund management fees but also from brokerage business and retirement account services; State Street relies on scale effects to maintain profitability despite low ETF management fees; Wellington and MFS maintain stable revenues through active management fees. Overall,

Boston's asset management industry is characterized by mutual funds as its core, ETF scale advantages, strong active investing, and robust long-term capital management capabilities. London is Europe's most important asset management center. In addition to local institutions, it also serves as the European hub for multinational asset managers, with BlackRock Europe and Alliance Bernstein Europe headquartered here. In terms of product lines and revenue structures, LGIM (Legal & General Investment Management) relies on index investing and Liability-Driven Investment (LDI), with pensions as its main clients, ensuring stable revenue; Schroders maintains relatively high profitability through active investment management fees, with globally diversified products. Meanwhile, London is also a global hub for hedge funds and private equity. Mayfair has gathered a large number of hedge fund managers, making it a representative cluster for alternative investments.

Paris features an industry structure dominated by a few super-large groups, supplemented by diversified medium-sized and boutique firms, showing a clear orientation toward insurance capital and diversified business portfolios. In terms of products and revenues, Amundi and AXA Investment Managers, as insurance-affiliated asset managers, rely heavily on pension and insurance capital for management fee income, ensuring strong stability, while also increasing profitability through ETFs and alternative investments. Natixis Investment Managers employs a multi-brand model, generating profits across fixed income, pensions, and quantitative strategies. BNP Paribas Asset Management further diversifies its revenue structure through products in money markets, quantitative strategies, and emerging markets. Unlike London's diversified internationalization, Paris highlights the centralized advantage of large insurance and banking groups, combining the stability of giant monopolies with room for innovation and differentiated competition.

Unlike the open markets of Europe and the U.S., Tokyo's asset management industry relies on stable revenue structures based on bonds and insurance capital. By 2025, Nomura Asset Management managed about JPY 65 trillion, with products covering mutual funds, ETFs, and institutional mandates, mainly domestic Japanese equities and index products. Daiwa Asset Management managed about JPY 50 trillion, with particular strength in fixed income and pension capital; together they represent the main structure of Japan's securities-affiliated asset management. At the same time, trust banks and life-insurance-affiliated asset managers play a key role in long-term capital management in Tokyo. Mitsubishi UFJ Trust Asset Management focuses on corporate pensions, liability matching, and fixed income, reflecting the institutional advantages of trust banks in Japan's asset management market. Major life insurers such as Dai-ichi Life and Nippon Life also have asset management subsidiaries, with investments mainly in bonds and other long-term stable assets, and revenue structures centered on fixed income management fees. Overall, Tokyo's asset management industry is characterized by relatively low levels of innovation and cross-border business, and places greater emphasis on the management of domestic long-term capital.

Shanghai is an important stronghold of market-oriented asset management in China. It combines a "foundation layer" formed by large insurance asset managers and bank-affiliated wealth management companies, with a multi-level competitive structure formed by public

and private funds. As of June 2025, Ping An Asset Management managed RMB 5.9 trillion, while Taikang Asset Management managed RMB 4.2 trillion, with products covering equities, bonds, equity investments, and non-standard assets, representing typical insurance-affiliated asset managers. Bank wealth management subsidiaries focus on fixed income and cash management products, deriving stable fee income through parent bank channels; Schroders BOCOM Wealth Management, for example, managed about RMB 1.7 trillion. Public fund managers such as Fullgoal Fund and E Fund managed more than RMB 1.7 trillion and RMB 1.2 trillion, respectively; securities firm asset managers such as Guotai Junan and Haitong managed several hundred billion yuan each, leveraging their brokerage trading advantages to participate deeply in the market. Meanwhile, Shanghai is also a core hub for quant and private funds: Minghong Investment, with AuM exceeding RMB 70 billion, is one of the largest quantitative firms in China. In addition, family offices and private banking also play an important role: as of 2025, the 12 private banks with publicly available data managed over RMB 18.8 trillion in total assets, a significant share of which was concentrated in Shanghai.

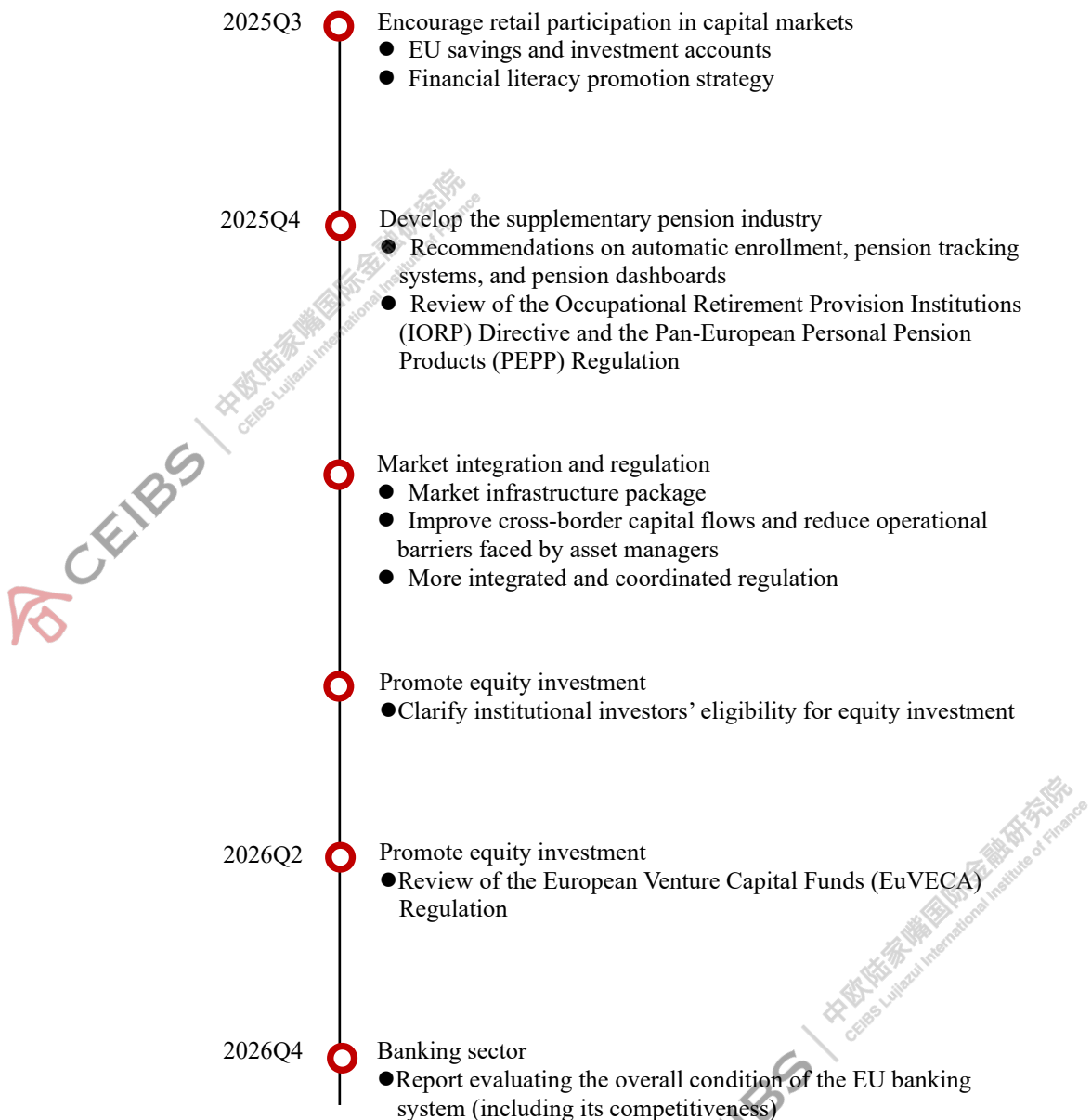
3.2 Study on China-Europe Asset-Management Market Co-operation

3.2.1 Latest Progress in Building the European Capital Markets Union (CMU)

According to "Savings and Investment Union — A Strategy to Promote the Wealth of EU Citizens and Economic Competitiveness,"[①] released in March 2025, asset managers—key allocators of capital—should always be ready to play their role. First, mobilize EU savings more effectively by greatly simplifying investor on-boarding, raising financial literacy, preserving access to professional advice, boosting retirement saving, using tax incentives, creating simple national investment savings accounts and reviewing the Pan-European Personal Pension Product (PEPP). Second, providing more investment opportunities into EU firms by promoting the use of ELTIF 2.0 and loan-originating AIFs and by reviving European securitization markets. Third, deepening capital market integration and efficiency by cutting duplicate reporting, enhancing the consistency of EU regulation, supplying affordable, high-quality consolidated data, tackling rising costs and reliability issues for market and ESG data, recognizing the transformative power of DLT and removing gold-plating and tax barriers to cross-border EU investment. Fourth, it prioritizes enhancing regulatory convergence, including strengthening data sharing among regulatory bodies.

[①] https://www.efama.org/newsroom/news/investment-management-industry-makes-number-key-recommendations-savings-and

Figure 3-4 Major Steps in Implementing SIU (Sustainable Investment Unit) (2025-2026)



Source: EU

During the development of CMU, the European Securities and Markets Authority (ESMA) has played a central role, with expanding authority and responsibilities. It has evolved from a rule-setting institution into a data-driven regulatory coordinator. In 2015, ESMA's core responsibilities included establishing unified rules, promoting supervisory coordination, and

directly overseeing credit rating agencies and trade repositories. In the following years, as financial markets became increasingly complex, ESMA began shifting toward a data-driven regulatory model. On one hand, it established a credit rating data reporting system to collect and analyze information about credit rating agencies, thereby improving regulatory efficiency. On the other hand, it began drafting and refining supervisory guidelines and standards for the emerging fintech sector.

3.2.2 Key Areas of Sino-European Asset Management Cooperation

With the global development of European asset management institutions, Sino-European cooperation in the asset management field has expanded into several important areas, including sovereign wealth fund joint investments, green finance, technological infrastructure, and private equity.

Sovereign Wealth Fund Cooperation

Large Chinese sovereign funds are deeply engaged in the European market through joint investment funds and partnership models. In 2020, China Investment Corporation (CIC) established the Sino-French Cooperation Fund with BNP Paribas and Eurazeo (with an initial scale of €400 million), and the Sino-Italian Industrial Cooperation Fund with UniCredit and Invest industrial (with an initial scale of €600 million).[①] CIC also partnered with HSBC and Charterhouse to establish a Sino-UK Cooperation Fund with a target of £1 billion, focusing on mid-sized UK companies aiming to expand into the Chinese market.[②] These bilateral funds mainly target advanced manufacturing, healthcare, and consumer services sectors in Europe with growth potential in China, leveraging Sino-European synergies.

Green Finance Cooperation

China and Europe are closely collaborating on sustainable investment standards and projects. In November 2021, the People's Bank of China and the European Commission's financial sector jointly released the "Sustainable Finance Taxonomy," which unified a classification standard including 72 climate change mitigation activities. In 2022, the Sino-European-led International Platform on Sustainable Finance (IPSF) published an updated version of the taxonomy to further enhance the compatibility of standards. This cooperation directly supports cross-border green financing practices. In June 2022, Bank of China's Frankfurt branch issued a €500 million green bond, using the Sino-European common taxonomy and international green bond principles as standards.[③] In equity investments, Chinese sovereign funds and Chinese institutions are also actively participating in European clean energy

[①] https://worldecomag.com/cic-sells-winchester-house-in-london-for-316-million/
[②] https://www.gov.uk/government/publications/uk-china-10th-economic-and-financial-dialogue-policy-outcomes/uk-china-10th-economic-and-financial-dialogue-fact-sheet
[③] https://www.citics.com/newsite/news/202206/t20220620_1168413.html

projects. For example, CITIC Pacific invested in a large offshore wind farm project in Germany,[①] and CIC increased its holdings in European renewable energy assets through cooperative funds. Additionally, the UK and China established the Sino-UK Green Finance Centre in London and supported Chinese banks to issue compliant green bonds in Europe.[②] These initiatives lay the policy foundation for long-term Sino-European cooperation in green asset management.

Digital Infrastructure

Although Europe has been cautious about Chinese acquisitions in high-tech companies due to concerns over sensitive technologies, Chinese institutions have still participated in the European tech industry ecosystem through joint funds. As mentioned earlier, the Sino-French and Sino-Italian cooperation funds both focus on advanced manufacturing and digital technologies as key investment areas, helping European tech startups expand into the Chinese market and facilitating two-way technological exchange. CITIC Group's subsidiary, CITIC Telecom, has established cloud network nodes and cross-border backbone networks in Frankfurt, Munich, and other locations, providing communication services to Europe while introducing China's digital service experience into the European market. Overall, under the EU's "Digital Transformation" and China's "Digital Silk Road" initiatives, investment in technological infrastructure is becoming a new potential area for Sino-European asset management cooperation.

Private Equity Investment Cooperation

Europe has a mature private equity market and experienced managers, and Chinese capital is deeply involved through LP investments and joint management. For example, since the late 2010s, CIC has been a key partner and investor in the French private equity firm Eurazeo, even taking direct equity stakes and co-investing in projects. At the same time, European asset management institutions have also used Chinese funds to expand their scale and networks in Asia. In recent years, CIC has worked with European investment institutions such as Partners Group in Switzerland to develop cross-regional investment opportunities. European general partners (GPs) are responsible for project selection and management, while Chinese limited partners (LPs) provide funding and support in introducing Chinese market expertise.[③] Overall, Sino-European cooperation in private equity and venture capital has developed in multiple models, including joint funds, cross-shareholding, and co-investments, covering different stages from mergers and acquisitions to venture investments.

[①] https://www.group.citic/html/2025/News_0227/2856.html

[②] https://www.gov.uk/government/publications/uk-china-10th-economic-and-financial-dialogue-policy-outcomes/uk-china-10th-economic-and-financial-dialogue-fact-sheet

[③] https://worldecomag.com/cic-sells-winchester-house-in-london-for-316-million/

3.2.3 Favorable Conditions for Chinese Institutions to Enter Europe

In recent years, Europe has become an important destination for Chinese asset management institutions expanding abroad. On one hand, Chinese institutions have leveraged policy channels and connectivity mechanisms to connect their products and funds with overseas markets. On the other hand, they have directly integrated into the local asset management industry ecosystem by setting up branches and obtaining operating licenses in Europe.

First, various cross-border policy channels have created favorable conditions for Chinese asset management firms to expand into Europe. In recent years, Chinese regulators have continuously promoted the two-way opening of capital markets, launching a series of mechanisms: Starting in 2015, the "Mutual Recognition of Funds between the Mainland and Hong Kong" allowed the cross-border sale of public fund products, laying the foundation for Chinese funds to go international. In 2018, the "Shanghai-London Stock Connect" was launched, enabling some Chinese securities firms and fund companies to assist enterprises in issuing Global Depositary Receipts (GDRs) to list on the London market. In July 2022, the ETF Mutual Recognition was officially implemented, allowing investors in the Mainland and Hong Kong to trade each other's ETF products through the Stock Connect. By early 2024, dozens of ETFs had entered the mutual recognition list. For example, Invesco's ChinaAMC ChiNext 50 ETF became the first Chinese ETF to be traded by overseas investors through the ETF Mutual Recognition mechanism in January 2024. Subsequently, its foreign shareholder, Invesco, listed a UCITS ETF tracking the China ChiNext 50 Index on five major European exchanges (London, Frankfurt, Zurich, Milan, and Dublin) in June 2024, marking the successful entry of A-share index funds into the European market.[①] These initiatives have not only met the demand of European investors for Chinese new economy assets but also boosted the international visibility of Chinese asset management institutions. At the same time, the "Cross-Border Wealth Management Connect" launched in 2021 in the Guangdong-Hong Kong-Macao Greater Bay Area has made it more convenient for domestic and overseas individual investors to purchase asset management products from each other's markets, fostering habits for cross-border investment in RMB.

Second, the market access arrangements by European regulators provide a relatively lenient environment for Chinese asset management institutions to "go abroad." Chinese firms like CICC have obtained advisory qualifications in London, and subsidiaries of CIC have recruited teams in Europe to directly invest in projects. These explorations have enriched the forms of Sino-European asset management cooperation, including both product and institutional expansion. Luxembourg's financial regulatory authority has approved many Chinese financial institutions to establish a presence, with 61 new financial entities authorized in 2024, including the first Chinese insurance company (China Taiping Insurance's European branch) and a European subsidiary of Chinese third-party payment company LianLian Digital. Wealth

① https://www.stcn.com/article/detail/1228955.html

management platforms with Chinese backgrounds, such as Ant Group and Tencent, have also set up subsidiaries in Ireland and Luxembourg to engage in fund distribution and digital payment businesses, providing European users with Chinese-backed financial services.

3.2.4 Realistic Barriers for Chinese Institutions Issuing UCITS Funds in Europe

As early as 2010, China Asset Management (Hong Kong) launched a UCITS fund in Luxembourg. However, by the first quarter of 2025, China's share in the European UCITS market remains limited. According to publicly available data, fewer than 10 asset management institutions have issued funds, and the number of funds currently being managed is fewer than 20. All major Chinese-funded UCITS have chosen to register in Luxembourg. The total AUM of major Chinese UCITS funds is under $500 million.

In terms of industry focus, the main eight funds in 2025 have invested in sectors such as information technology, finance, discretionary consumer goods, communications services, and industrials. Among these, consumer goods account for nearly 40%, and information technology nearly 30%, reflecting the main themes of China's economic transformation—technology-driven and consumption upgrade. However, the allocation to communications services and industrials is generally less than 10%, though some funds, like those from E Fund and Ping An, allocate 15-20% of their investments to the industrial sector, reflecting different views on industrial upgrades, manufacturing recovery, and export-oriented industrial chains.

There are four main reasons for the limited number of UCITS funds issued by Chinese institutions in Europe:

Strict UCITS Fund Regulatory Requirements

Establishing and operating a UCITS fund in Europe requires meeting strict standards on liquidity, diversification, and information disclosure. Additionally, a local management company (ManCo) must be appointed for compliance management. Despite the UCITS "passport" function, funds often need to be individually registered or provide local-language documents in several European countries to meet the needs of investors, which adds complexity and cost to the distribution process—expenses that most Chinese institutions cannot bear.

Relaxed Market Access Policies in China Providing Alternatives

The early RQFII (Renminbi Qualified Foreign Institutional Investor) quota system provided Chinese institutions with a unique advantage, but as market connectivity mechanisms like Stock Connect and Bond Connect have improved, the RQFII advantage has weakened, and local or other international asset management companies can now easily enter the Chinese market. This reduces Chinese institutions' motivation to issue UCITS funds in Europe. Furthermore, the "Mutual Recognition of Funds" between the Mainland and Hong Kong,

launched in 2015, allows for easier cross-border fund sales, leading Chinese institutions to prefer issuing products in Hong Kong rather than in the more distant and regulatory-complex European market.

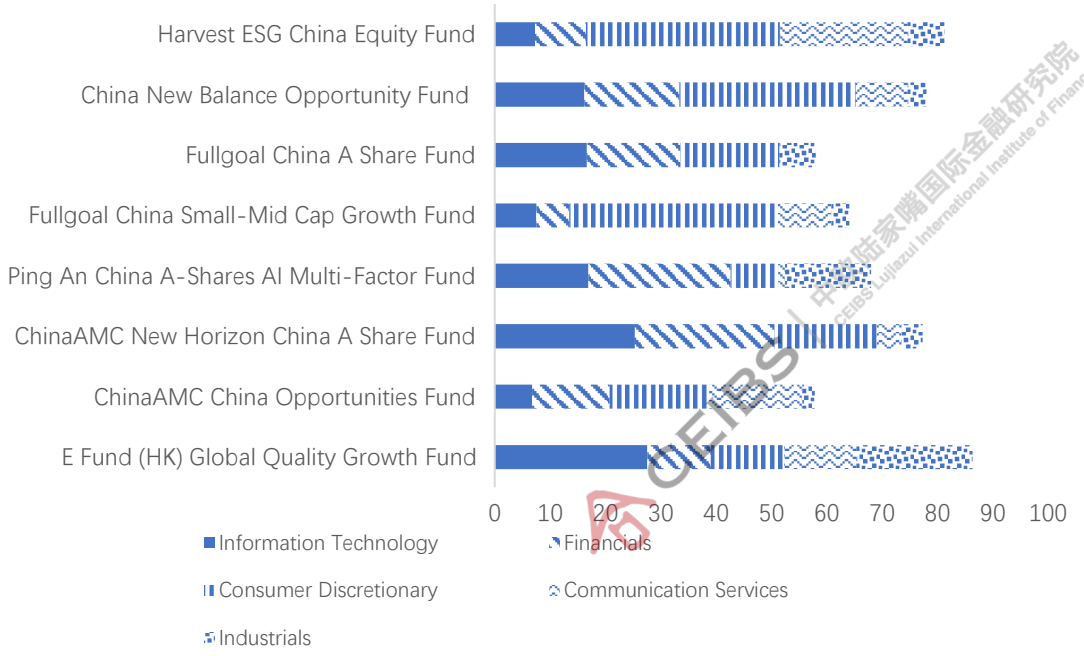
Intense Competition with International Asset Management Giants

The European fund market is highly mature, and investors already have many international brands to choose from, such as BlackRock and JPMorgan, which have long issued funds targeting Chinese assets. Chinese institutions lack brand recognition and historical performance in Europe and must compete directly with large international asset managers, making market promotion more challenging.

Difficulty in Achieving Economies of Scale

The majority of UCITS funds issued by Chinese institutions in Europe have small scales, making it difficult to reach the breakeven point (usually requiring a management scale of over tens of millions of dollars). Additionally, because the RMB is not fully convertible, exchange rate issues, cross-border fund transfers, and special trading rules in China (such as trading time differences and holiday discrepancies) add extra costs to fund operations. These funds have faced significant early-stage losses, limiting the enthusiasm of more Chinese institutions to enter the European market.

Figure 3-5 Investment Industry Structure of Major Chinese UCITS Funds (2025)



Source: Asset Management Institutions

Table 3-4 Major UCITS Funds Issued by Chinese Institutions in Europe (2023-2025)

Registration Location	Issuer Name	Launch Date	Fund Name	Fund Size (Million USD)	As of Date
Luxembourg	China Asset Management (Hong Kong) Limited	2010/10/11	ChinaAMC China Opportunities Fund	10.99	2025/3/31
		2011/4/1	ChinaAMC China Growth Fund	2.35	
		2014/11/28	ChinaAMC New Horizon China A Share Fund	5.10	
	Ping An of China Asset Management (Hong Kong) Company Limited	2019/11/14	Ping An of China Asset Management Fund - China A-Shares AI Multi-Factor Fund	151.7(Million RMB) *	
		2019/11/8	Ping An of China Asset Management Fund - China Green Bond Fund	78.20	
	Fullgoal Asset Management (HK) Limited	2016/9/9	Fullgoal China Small-Mid Cap Growth Fund	355.34	2025/4/30
		2023/3/1	Fullgoal China A Share Fund	6.78	
	CSOP Asset Management Limited	2011/1/21*	China New Balance Opportunity Fund	35.38	
	E Fund Management (HK) Co., Ltd	2023/7/12	E Fund (HK) Global Quality Growth Fund	5.90	
	Harvest Global Investments Limited	2017/3/20	Harvest ESG China Equity Fund	8.08	2023/6/30
		2018/2/9	Harvest ESG China Bonds Fund	61.15	
		2019/9/5	Harvest ESG Asian Investment Grade Bond Fund	5.02	
		2022/4/27	Harvest ESG Asia Balanced Fund	7.50	
		2022/5/24	Harvest ESG China A-shares Absolute Fund	4.19	

Source: Websites of Asset Management Institutions

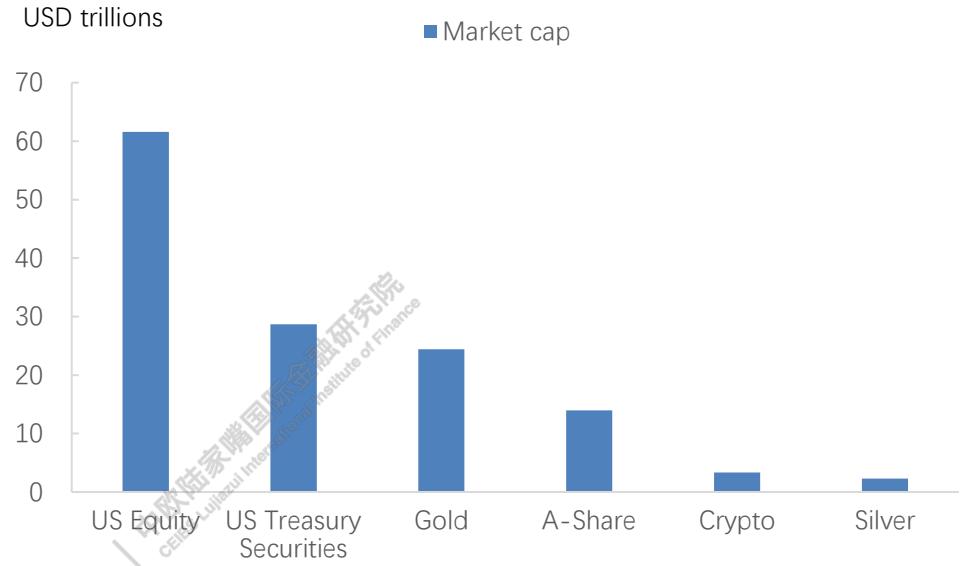
3.3 Digital Asset Development and Latest Trends

3.3.1 Digital Asset Market Structure and Market Capitalization

In the fourth wave of scientific and technological revolution, digital assets are growing stronger under the influence of positive factors such as technology, market and system. The first is technical support. The rapid development of blockchain technology, encryption algorithms and information technology has laid a good technical foundation for the generation and development of digital assets. The second is market driven. The demand of asset management institutions for enhancing liquidity and improving operational efficiency has led to the tokenization of traditional assets, and investors' motivation to diversify risks and pursue excess returns has increased the allocation demand for digital assets. The third is system guarantee. The laws and regulations related to digital assets in the world have been gradually improved, providing a stable market environment and institutional guarantee for the development of digital assets, such as MiCA of EU, GENIUS Act of the United States and Stable Currency Regulations of China Hong Kong, etc.

Multiple positive factors promote the rapid development of digital assets. As of June 2025, the overall market value of virtual currency has reached US $3.35 trillion. Although there is still a big gap with assets such as US stocks, US bonds and gold, it has a large scale, which is much higher than the total market value of US $2.31 trillion in the global silver market. Specifically, the application of digital assets mainly covers two aspects, one is digital gold as a means of value storage, and the other is to improve financial infrastructure.

Figure 3-6 Comparison of Market Cap among Major Asset Classes (June 2025)

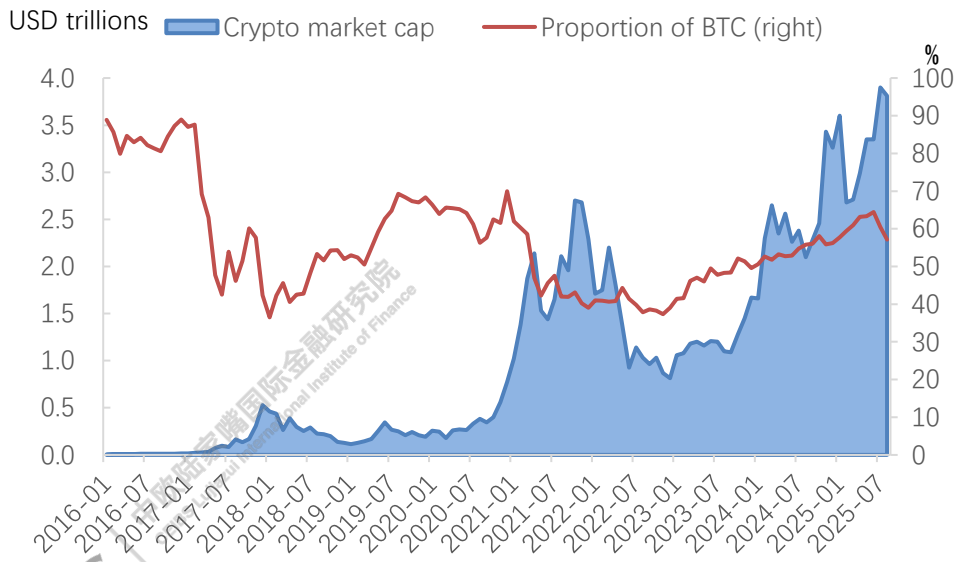


Source: SIFMA, Infinite Market Cap, Wind, CoinCodex

In the past decade, the digital asset market has experienced three bull markets, driving the total market value of digital assets to rise rapidly. The first bull market was primarily driven by initial coin offerings (ICO). In 2017, Ethereum provided a convenient channel for the issuance of digital currencies, spawning thousands of initial coin offerings and pushing the market value of digital assets to as high as $500 billion in 2017. The second round of bull market is mainly characterized by macro water release and institutional admission. Under the impact of the epidemic, global monetary policy is extremely loose, a large influx of funds pushes up the price of risky assets, and digital assets become an option to resist inflation. Grayscale investments, micro-strategies and the entry of institutional funds such as Tesla have driven further growth in the market value of digital assets, which once exceeded $2.7 trillion in 2021. The third bull market began in 2023, driven by regulatory deregulation, mainstream institutional layout and other factors, and digital assets are increasingly included in asset allocation. By the end of August 2025, the total market value of digital assets had risen to $3.81 trillion.

At the same time, the digital asset market is increasingly diversified. Bitcoin, as the world's first successful decentralized digital currency, has gained high market recognition by virtue of its first-mover advantage, while its anti-inflation attributes, technical security and application scenarios make it dominant in the digital asset market. At the same time, Bitcoin's market share has continued to be diluted with the influx of alternatives such as Ethereum, with 88.87% at the beginning of 2016 and 57.12% by August 2025.

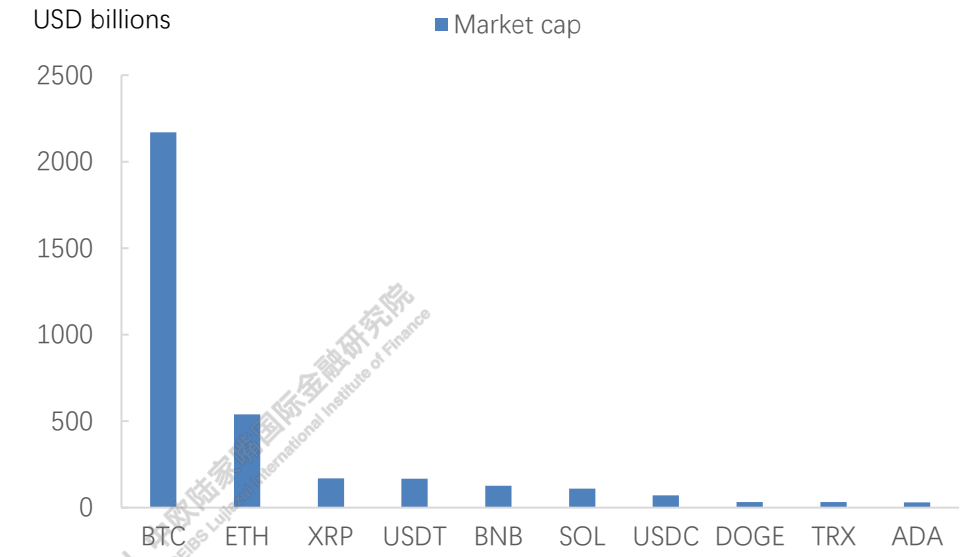
Figure 3-7 Total Digital Asset Market Cap and Bitcoin Market Share (2016-2025)



Source: CoinCodex

The global digital asset market is highly concentrated. As of the end of August 2025, the total market value of the world's top ten digital currencies totaled US $3.45 trillion, with a market share of 90.58%. Among them, Bitcoin and Ethereum are the main ones, with market capitalization of 2.17 trillion USD and 0.54 trillion USD respectively, showing a clear head effect.

Figure 3-8 Top 10 Digital Assets by Market Cap (August 2025)

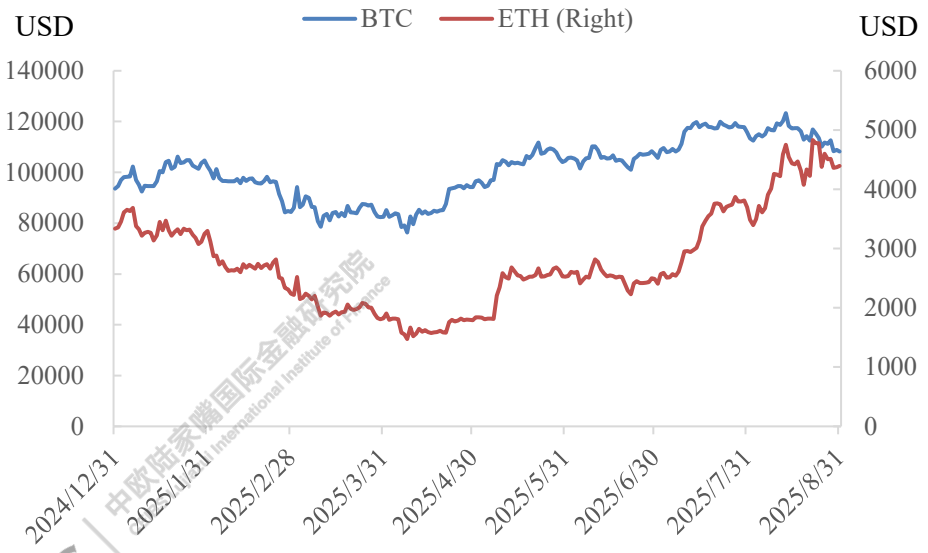


Source: CoinCodex

Since 2025, Bitcoin and Ethereum have shown a clear trend of first suppression and then rise. Among them, the decline range is mainly concentrated from January to March 2025, during which Bitcoin fell 12.74% to US $82550 and Ethereum fell 45.78% to US $1,821.92. This trend is mainly affected by multiple negative factors: firstly, US tariff policy increases global uncertainty, and risk aversion heats up, causing more funds to turn to safe assets; Second, monetary policy continues to be tight, interest rate cut expectations continue to be weak, market sentiment is further suppressed; third, technical risk events inhibit investor confidence, large digital currency exchange, namely Bybit, encountered hacker attacks resulting in $1.5 billion Ethereum stolen, security trust crisis caused liquidity depletion.

Since then, Bitcoin and Ethereum have been in the rising range. During the period, Bitcoin rose 27.12% to $108,246.4 and Ethereum rose 130.60% to $4,392.80. The upward trend from April 2025 to now is mainly influenced by multiple positive factors: firstly, tariff shock easing, US tariff suspension measures and trade agreements reached for six consecutive years have greatly reduced global uncertainty, boosting investors 'risk appetite and their allocation of digital assets; Second, the expectation of Fed interest rate cut rises, guiding the market to allocate more risky assets; Third, the improvement of digital asset-related regulations and regulatory deregulation continue to boost market sentiment; Fourth, the technology upgrade boosted the valuation. The Ethereum Pectra upgrade was officially deployed in May, which promoted the increase of Ethereum pledge limit, faster processing speed, lower transaction cost and strengthened security performance, thus driving the price of Ethereum to rise sharply.

Figure 3-9 Price Trends of Bitcoin and Ethereum in 2025



Source: Investing.com

3.3.2 Allocation of Digital Asset Management Products

With various advantages, digital assets gradually enter the asset allocation category of investors. First, weak correlations help diversify portfolios. Digital assets have a low correlation with traditional asset classes such as stocks and bonds, providing potential diversification advantages for long-term investors with high risk tolerance (Dolye and Soni, 2022)[①]. Second, the scarcity of digital assets helps ward off inflation. Digital assets with limited supply, such as bitcoin, will not experience inflation caused by overshooting, thus better coping with inflation risks. Again, huge upside helps thicken earnings. The rapid development of digital assets has opened a large room for growth, and high returns gradually attract more traditional institutions to allocate assets. Finally, decentralization increases global accessibility, and transaction speed drives digital assets as an efficient new payment method.

In view of this, more asset managers are including digital assets in their portfolios. Research has shown that a small allocation of digital assets can significantly improve investment returns on top of a traditional 60/40 portfolio (Kunke and Rudick, 2022)[②]. With 1% bitcoin allocated to the original portfolio, the original portfolio of 60% stocks and 40% bonds was converted

① Doyle, J. and U. Soni (2022), How Do Cryptocurrencies Correlate with Traditional Asset Classes?, CFA Institute Research and Policy Center, No. 2022/11, Enterprising Investor.

② Kunke, M. and B. Rudick (2022), The Rise of Crypto as an Asset Class and its Role in an Investment Portfolio, CFA Institute Research and Policy Center, GSR Markets.

into a portfolio of 59% stocks, 40% bonds and 1% bitcoin. The volatility did not change significantly, but the annualized return, Sharpe ratio and Kama ratio all increased significantly. Annualized returns, volatility and maximum retracement all tend to increase as bitcoin allocation ratios increase, while Sharpe and Karma ratios continue to improve, indicating continued risk-adjusted returns and further portfolio optimization. At the same time, Sharpe ratio improvement continues to decline, showing a clear pattern of diminishing marginal returns, like the case of lengthening investment maturities.

Table 3-5 Risk and Return of Balanced Portfolio with Bitcoin Allocation (2014-2022)

Period	Indicator	60/40 Portfolio	1% BTC Allocation	2% BTC Allocation	3% BTC Allocation	4% BTC Allocation	5% BTC Allocation
Trailing 3Yrs	Ann. Return	4.0%	4.9%	5.8%	6.6%	7.4%	8.3%
	Volatility	13.6%	13.6%	13.8%	14.0%	14.2%	14.5%
	Max Drawdown	-21.0%	-21.3%	-21.6%	-21.9%	-22.1%	-22.4%
	Sharpe Ratio	0.25	0.32	0.38	0.43	0.48	0.53
	Calmar Ratio	0.19	0.23	0.27	0.30	0.34	0.37
Trailing 5Yrs	Ann. Return	4.7%	5.8%	6.9%	8.0%	9.1%	10.2%
	Volatility	11.5%	11.6%	11.8%	12.0%	12.4%	12.8%
	Max Drawdown	-21.0%	-21.3%	-21.6%	-21.9%	-22.1%	-22.4%
	Sharpe Ratio	0.31	0.41	0.50	0.58	0.65	0.71
	Calmar Ratio	0.22	0.27	0.32	0.37	0.41	0.45
Trailing 8Yrs	Ann. Return	4.9%	5.9%	6.8%	7.8%	8.7%	9.6%
	Volatility	10.2%	10.2%	10.3%	10.5%	10.7%	11.1%
	Max Drawdown	-21.0%	-21.3%	-21.6%	-21.9%	-22.1%	-22.4%
	Sharpe Ratio	0.41	0.51	0.59	0.67	0.75	0.81
	Calmar Ratio	0.23	0.28	0.32	0.35	0.39	0.43

Source: GSR Markets

Digital asset ETF is an investment tool that combines traditional financial markets with digital assets, providing investors with a convenient way to invest in digital assets through traditional securities accounts, while obtaining digital asset exposure while avoiding the unique risks of digital asset markets such as key loss and cyber theft. In terms of investment targets, digital

asset ETFs cover both spot and futures of mainstream digital assets, and the currencies involved are currently mainly focused on Bitcoin and Ethereum. At the same time, the investment targets of digital asset ETFs are extending beyond mainstream currencies, and ETFs with digital assets such as XRP, SOL and DOGE are in the regulatory approval process.

Since regulatory approval, digital asset ETFs have expanded rapidly. From the perspective of issuers, there are both large traditional asset management companies and new investment management institutions focusing on digital assets. As of the end of August 2025, the total market capitalization of the world's top ten digital asset ETFs totaled$163.48 billion. Of these 10 ETFs, 6 are configured with Bitcoin and 4 are configured with Ethereum. Among them, the largest market capitalization is BlackRock's iShares Bitcoin Trust ETF, with a total market capitalization of $80.79 billion.

Table 3-6 Global Top 10 Digital Asset ETFs (August 2025)

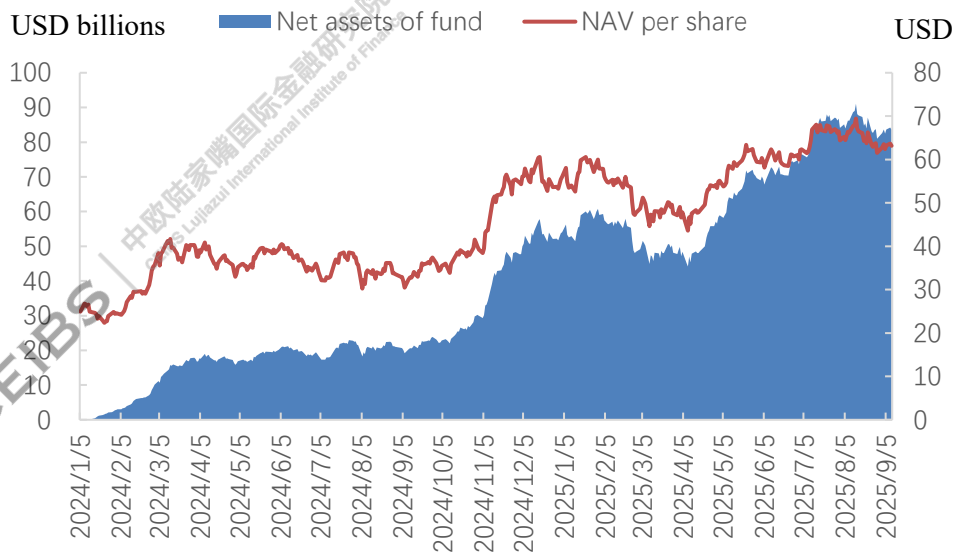
ETF	Issuer	Issue date	Cap(USD billions)
iShares Bitcoin Trust ETF	BlackRock	2024-1-5	807.9
Fidelity Wise Origin Bitcoin Trust	Fidelity	2024-1-11	216.3
Grayscale Bitcoin Trust ETF	Grayscale	2024-1-11	193.4
iShares Ethereum Trust	BlackRock	2024-6-24	163.9
Grayscale Bitcoin Mini Trust ETF	Grayscale	2024-7-31	50.4
GraniteShares Yield BOOST Bitcoin	GraniteShares	2025-5-12	49.6
Grayscale Ethereum Trust ETF	Grayscale	2024-7-23	46.9
Bitwise Bitcoin ETF	Bitwise	2024-1-10	44.4
Fidelity Ethereum Fund Fidelity	Fidelity	2024-7-22	34.8

Source: Infinite Market Cap

From the perspective of investment performance evaluation, digital asset ETF has achieved capital appreciation for investors. Take the iShares Bitcoin Trust ETF, for example. Since its listing on NASDAQ in January 2024, assets under management have rapidly climbed to $80 billion, reflecting strong investor demand for such ETFs. It is worth mentioning that the iShares

Bitcoin Trust ETF accumulated $50 billion in assets under management in just 288 trading days, a feat that no other exchange-traded product has ever achieved. Overall, sustained high demand is generated by sizable investment returns. Since its launch, the iShares Bitcoin Trust ETF' s unit net worth has doubled, from an initial $24.95 to $61.57 at the end of August 2025, an increase of 146.75%.

Figure 3-10 Size and Net Asset Value Per Share of iShares Bitcoin Trust ETF (2024-2025)



Source: BlackRock

In the past year, stablecoins have gradually transformed from marginal currencies in the crypto ecosystem to one of the elements of the global financial system that cannot be ignored. Especially since 2023, mainstream stable coins such as USDT, USDC and DAI have not only assumed liquidity functions in the encryption market but have also been included in the configuration vision of some asset management organizations with their attributes of "quasi-assets". As of June 2025, the total market value of stable coins exceeded US $250 billion.

Table 3-7 Global Market Capitalization and Share of Stable Coins (June 2025)

Stablecoins	Market cap (billions of US dollars)	Market share
USDT	1540	66%
USDC	615	29%
Other income types (DAI, PYUSD, FDUSD, etc.)	110	4. 5%

Money has three core functions: unit of valuation, medium of exchange and store of value. The mainstream stable coins USDT (Tether) and USDC (Circle) anchor the US dollar at a ratio of 1:1, which can complete pricing and payment functions in the digital asset market and some real-life scenarios. This monetary attribute makes it a funding intermediary in several asset management scenarios:

Firstly, the liquidity infrastructure for on-chain asset transactions. In traditional trading pairs, pricing between assets is often based on fiat currencies such as the US dollar; in digital securities platforms, stablecoins replace the US dollar itself as the "base currency" for investors to achieve asset allocation on the chain. Compared to traditional markets, total stablecoin transfers reached $27.6 trillion in 2024, exceeding Visa and Mastercard transactions combined. This led Mastercard to announce on June 23, 2025 that it would join Pzxos 'global dollar network, supporting the use of multiple stablecoins at scale[①].

Secondly, cross-platform arbitrage and liquidity mining. Some hedge funds or quant use stablecoins to arbitrage between different centralized exchanges (CEX)[②] and decentralized exchanges (DEX), and their convenient, low-cost clearing capabilities reduce operational barriers and exchange risks.

Thirdly, short-term "money market funds." During periods of high market volatility or strategy suspension, some crypto asset management products temporarily convert funds into USDT or USDC and deposit them as "non-volatile cash assets".

From the asset point of view, stable coins have the following typical characteristics: First, there are clear asset supports. According to the reserve support composition published by stable currency issuers such as USDC and USDT, more than 80% of the funds are allocated to liquid assets such as short-term treasury bonds, reverse repurchase agreements and bank deposits. This means that the underlying source of economic returns for stablecoins essentially depends on U.S. bond interest rates and money market yields. Second, it has deterministic payment

① For example, it provides consumers with a flexible way to spend fiat currency and stablecoin balances simultaneously through a single product. https://www.mastercard.com/us/en/news-and-trends/stories/2025/mastercard-stablecoin-utility-and-scale.html

② Centralized Exchange, a centralized cryptocurrency exchange.

logic. Holders can redeem 1:1, similar to the structure of "credit enhancement + redemption arrangement" in asset-backed securities (ABS). Third, there is a very low volatility of "net worth" performance. Although its apparent price is constant at $1, some asset managers regard it as a low-volatility, high-liquidity ultra-short-term note asset because of its interest income on reserve assets. Therefore, some stablecoins can be regarded as tokenized dollar money market funds in essence, which already have a quasi-financial product structure.

There are two main aspects to the allocation logic of stable coins in asset management practice. On the one hand, it is allocated in the digital asset portfolio as "ultra-short-term, low-risk assets", including digital asset FOF funds, encryption hedge funds, etc.; on the other hand, it serves as an agent tool for US debt. Because stablecoin reserve assets are primarily short-term U.S. debt, some Asian family offices see them as a "liquid asset class alternative" to Treasury ETFs or currency ETFs.

It is worth noting that some asset management institutions in Europe, such as France and Luxembourg, are pushing for USDC to be included in the registered private equity fund structure as an internal "over-the-counter position" or "cash equivalent" for account recording and auditing. This indicates that the asset status of stablecoins is being accepted by a higher level of asset management system.

Table 3-8 Examples of stable coins issued and allocated by asset managers (2023-2024)

Organization	Application direction	Data
BlackRock	Launch of Digital Liquidity Fund (BUIDL)	Officially launched in March 2024, it is distributed on the Ethereum network and hosted and tokenized by Securitize. The fund invests entirely in US dollar cash, US Treasury bills and repurchase agreements, with each BUIDL token anchored at $1 and interest distributed daily. Market Value $2.88 Billion as of June 25, 2025[①]
AXA	Euro stablecoins buy digital green bonds	Purchased 5 million euros of EURCV stablecoins (1:1 anchored euro)in December 2023,thenpurchased 5 million euros of digital green bonds issued by Societe Gé nérale[②]
Deutsche Bank	Promoting Euro-stablecoins	Since July 2024, BaFin has been jointly developed with Flow Traders and Galaxy to

① https://stomarket.com/sto/blackrock-usd-institutional-digital-liquidity-fund-buidl
② https://www.axa-im.com/media-centre/axa-im-completes-its-first-market-transaction-using-stablecoins-collaboration-societe-generale-forge?utm

		supervise the euro stablecoin[①], which has not yet been completed.
Standard Chartered +Paxos	USD stablecoins for Middle East and Southeast Asia[②]	In December 2024, Standard Chartered partnered with Paxos Dollar Stable Coin to provide cash management, trading and custody services.[③]

3.3.3 Real World Asset Tokenization and Liquidity Restrictions

RWA (Real World Assets) refers to the "mapping" of real assets (such as government bonds, fund shares, real estate, private debt, etc.) to the chain using blockchain technology to generate corresponding digital tokens. These tokens can represent ownership or usufruct of assets and can be transferred, mortgaged or settled on the blockchain. As of the end of August 2025, the global stock of RWA is about US $26.48 billion (excluding stable currency caliber), of which private credit accounts for the largest proportion of US $15.5 billion, followed by tokenized US debt/monetary fund totaling about US $7.4 billion. One of the more representative products is BlackRock's BUIDL (tokenized dollar institutional liquidity fund), which has exceeded $1 billion a year since its launch in March 2024 and was accepted as collateral by two large encryption exchanges in June this year. This shows that "making traditional funds into collateral on the chain" is feasible in terms of system and effective in terms of demand.

Theoretically, RWA has several outstanding advantages: first, blockchain can reduce settlement and transaction costs; second, tokens can be transferred faster, improving liquidity; third, investment thresholds are lowered, allowing more physical assets to be "retailed" and more investors to have access.

In practice, tokenized products show the weakness of poor liquidity. Although the latest comparative study of BIS shows that the average bid-ask spread of 15 government/sovereign-related tokenized bonds is about 19bp, which is significantly lower than that of traditional bonds of the same issuer; the minimum investment amount is about US $110,000, which is also lower than that of traditional bonds, indicating that under the premise of market making and infrastructure adaptation, token liquidity is not necessarily weaker than traditional liquidity. However, due to the current whitelist and qualified investor threshold, cross-chain fragmentation, opaque valuation and disclosure, most assets have low

① https://www.reuters.com/markets/currencies/dws-launches-jv-first-german-regulated-euro-stablecoin-2024-07-11

② https://www.sc.com/us/2024/12/11/paxos-and-standard-chartered-lead-the-way-in-stablecoin-reserve-management/

③ https://www.reuters.com/markets/currencies/dws-launches-jv-first-german-regulated-euro-stablecoin-2024-07-11/

on-chain turnover rate, few active addresses and highly concentrated transactions. ESMA (European Securities Regulatory Authority, 2025) also pointed out that although the DLT (distributed ledger) pilot allows tokenized transactions, it is difficult to form a real deep market due to the lack of interoperability of identity systems and the fragmentation of platforms.

From a global perspective, the current RWA market in various countries can be roughly divided into three categories. In the first category, the United States, China Hong Kong, Singapore, the United Kingdom and Switzerland are in the leading position. They have clear regulatory caliber, pilot projects and infrastructure for real securities/funds have been implemented, and there are considerable commercial products and secondary circulation/mortgage practices. In the second category, the legal and sandbox frameworks of the European Union, Japan and United Arab Emirates are clear and verifiable, but the number and scale of platforms are small. In the third category, India, Australia and Thailand have entered the rule consultation or pilot stage, focusing on feasibility verification and investor protection, and have not yet formed large-scale secondary liquidity. In other words, RWA has proven that it can issue and collateralized, but it must also solve the problem of being able to sell if it is to truly change the global asset management landscape. The table below summarizes the country-specific situation[①].

Table 3-9 Key developments in the three global RWA markets (As of August 2025)

Type	Region	Regulatory framework	Landing products/pilots
Global leading	US	Security tokens are regulated under existing federal securities laws; SEC Framework for Digital Assets Investment Contracts clarifies applicable boundaries[②]	BlackRock BUIDL tokenized money fund; Franklin OnChain U.S. Government Money Fund registered and settled on chain; WisdomTree launches 13 tokenized funds accessible on chain[③]
	China Hong Kong	The regulator issued two framework circulars on "tokenized securities/products" to clarify intermediary and public offering requirements. HKMA launches Project Ensemble, focusing on tokenized deposits and wholesale CBDC matching settlement[④]	Government completes multi-currency tokenized green bond issuance (about HK$6 billion); HKMA builds sandbox to support PvP/DvP experiment[⑤]

① For a selection of fintech practices in fixed income primary, secondary, repo and collateral markets see www.icmagroup.org/fintech-and-digitalisation/fintech-resources/tracker-of-new-fintech-applications-in-bond-markets/

② https://www.sec.gov/files/dlt-framework.pdf

③ https://ir.wisdomtree.com/news-events/press-releases/detail/725/wisdomtree-connect-now-offers-13-tokenized-funds-across

④ https://www.hkma.gov.hk/eng/news-and-media/press-releases/2024/03/20240307-5/

⑤ https://www.hkma.gov.hk/eng/news-and-media/press-releases/2024/08/20240828-3/

	Singapore	MAS "Project Guardian" continues to advance cross-agency tokenization pilots and industry standards; has finalized a stablecoin regulatory framework[①]	2024-06 MAS announces expansion of collaboration, promotion of implementation and commercialization exploration of tokenized fund/fixed income framework[②]
	England	BoE FCA Jointly Launches Digital Securities Sandbox (DSS), which allows issuance/trading/settlement of digital securities in a real-world environment[③]	The Asset Management Working Group of the Ministry of Finance issued a blueprint for the tokenization of funds and a follow-up roadmap to confirm the initial model compatible with the UK regulations.[④]
	Switzerland	FINMA is responsible for digital asset-related regulation, licensing the first DLT trading facility[⑤]	SIX/SDX platform digital bond issuance exceeded CHF 1 billion milestone; World Bank CHF 200 million digital bonds settled with wCBDC;2025-05 SIX reissued CHF 250 million digital bonds[⑥]
Regional innovation	European Union	ESMA-led DLT Pilot Regime provides a three-year pilot exemption framework for tokenized financial market infrastructure; evaluation report issued on June 2025 recommends optimization and moves towards permanence (ESMA report PDF)[⑦]	The European Central Bank approved in 2025-7 the use of central bank currencies to settle DLT transactions. The plan follows a two-track approach: the first track, Pontes, provides short-term services to the market (including pilot phases); the second track, Appia, focuses on potential long-term solutions.[⑧]
	Japan	Since 2023, the Stable Currency Law (Amendment to the Fund Settlement Law) has come into effect, establishing a	Mitsubishi UFJ Trust initiated and Japan Stock Exchange Group jointly set up Progmat platform to support public offering and registration of securities tokens. As of April 2025, the

① https://www.mas.gov.sg/-/media/mas/news/media-releases/2023/mas-stablecoin-regulatory-framework-infographic.pdf

② https://www.mas.gov.sg/news/media-releases/2024/mas-expands-industry-collaboration-to-scale-asset-tokenisation-for-financial-services

③ https://www.bankofengland.co.uk/financial-stability/digital-securities-sandbox/guidance-on-operation-digital-securities-sandbox, https://www.fca.org.uk/firms/innovation/digital-securities-sandbox

④ https://www.theia.org/sites/default/files/2023-11/UK%20Fund%20Tokenisation%20-%20A%20Blueprint%20for%20Implementation.pdf, https://www.theia.org/sites/default/files/2024-03/Further%20Fund%20Tokenisation%20-%20Achieving%20IF3%20Through%20Collaboration%20%20Mar24.pdf

⑤ https://www.finma.ch/en/news/2025/03/20250318-mm-dlt-handelssystem

⑥ https://www.six-group.com/en/newsroom/media-releases/2025/20250514-six-chfbond-issuance.html

⑦ https://www.esma.europa.eu/sites/default/files/2025-06/ESMA75-117376770-460_Report_on_the_functioning_and_review_of_the_DLTR_-_Art.14.pdf

⑧ https://www.ecb.europa.eu/press/pr/date/2025/html/ecb.pr250701~f4a98dd9dc.en.html

		regulatory framework for compliant stable coins[①]	registered scale is about 168.2 billion yen[②]
	United Arab Emirates	ADGM Financial Supervisory Authority (FSRA) issues Guidelines for the Regulation of Virtual Asset Activities, clarifying licensing, custody and stablecoin requirements; DIFC/DFSA landing investment tokens (2021) and crypto tokens (2022) framework[③]	2025-06 DFSA launches tokenized regulatory sandbox for the first batch of enterprises[④]
Explore follow-up	Thailand	SEC to include investment tokens in eligible asset classes and adapt fund investment rules (2024 - 2025)[⑤]	Advance ICO architecture optimization and shelf filing to support industry financing[⑥]
	India	IFSCA releases RWA tokenization consultation document to build regulated tokenization framework and pilot in GIFT City[⑦]	Comments are being sought, with priority given to restricted pilot and secondary circulation arrangements within IFSC.
	Australia	Australian Reserve Bank (RBA) and DFCRC complete CBDC/tokenized asset demonstration pilot[⑧]	In Project Acacia, further test the "tokenized bond + digital currency settlement" scenario around the wholesale market[⑨]

[①] https://www.fsa.go.jp/en/news/2025/20250410_2/01.pdf
[②] https://boostry.co.jp/blog/st-market-fy2024e
[③] https://www.dfsa.ae/news/dfsa-crypto-token-regime-comes-force
[④] https://www.dfsa.ae/news/dfsa-begins-engagement-firms-selected-its-tokenisation-regulatory-sandbox-reinforcing-its-commitment-responsible-innovation-difc
[⑤] https://www.sec.or.th/EN/Pages/News_Detail.aspx? SECID=11225, https://www.sec.or.th/EN/Pages/News_Detail.aspx? SECID=11502&rand=113627
[⑥] https://www.sec.or.th/EN/Pages/News_Detail.aspx?Lang=11162&NewsNo=11162&NewsYear=11162&SECID=11162
[⑦] https://ifsca.gov.in/Document/ReportandPublication/ifsca-consultation-paper-on-regulatory-approach-towards-tokenization-of-real-world-assets03032025111644.pdf
[⑧] https://www.rba.gov.au/payments-and-infrastructure/central-bank-digital-currency/pdf/australian-cbdc-pilot-for-digital-finance-innovation-project-report.pdf
[⑨] https://www.rba.gov.au/media-releases/2025/mr-25-18.html

OUTLOOK

Looking ahead, the global asset management industry is set to undergo profound restructuring under the interplay of multiple forces.

First, geopolitical and macroeconomic uncertainties will continue to strengthen the safe-haven attributes of capital and reinforce the magnetic pull of U.S. dollar assets. At the same time, institutional innovations in regional markets will give rise to new growth poles, further driving a multipolar landscape.

Second, technology will become the core variable shaping competitiveness in the asset management industry over the next decade. The widespread adoption of artificial intelligence, large-scale computing, digital assets, and robo-advisory is accelerating transformation across the entire value chain—from investment research and risk management to client services. Asset management hubs that succeed in building institutional advantages and market clusters in asset management technology will be better positioned to break through the constraints of traditional scale and achieve leapfrog development.

Third, green finance and sustainable investing will remain key arenas of international competition. While Europe holds a clear first-mover advantage, emerging forces in the Middle East, Asia, and North America are expected to drive the global green asset management market toward greater institutional convergence and the unification of standards.

Fourth, cross-border cooperation and mutual recognition of regulatory regimes will become particularly important amid increasingly divergent global capital flows. Striking a balance

between openness and risk control will determine how different markets are positioned within the global value chain.

Overall, the future of global asset management will no longer be defined by the dominance of a single center, but by a multipolar interactive structure shaped jointly by technology, institutions, and capital.