

Press Release

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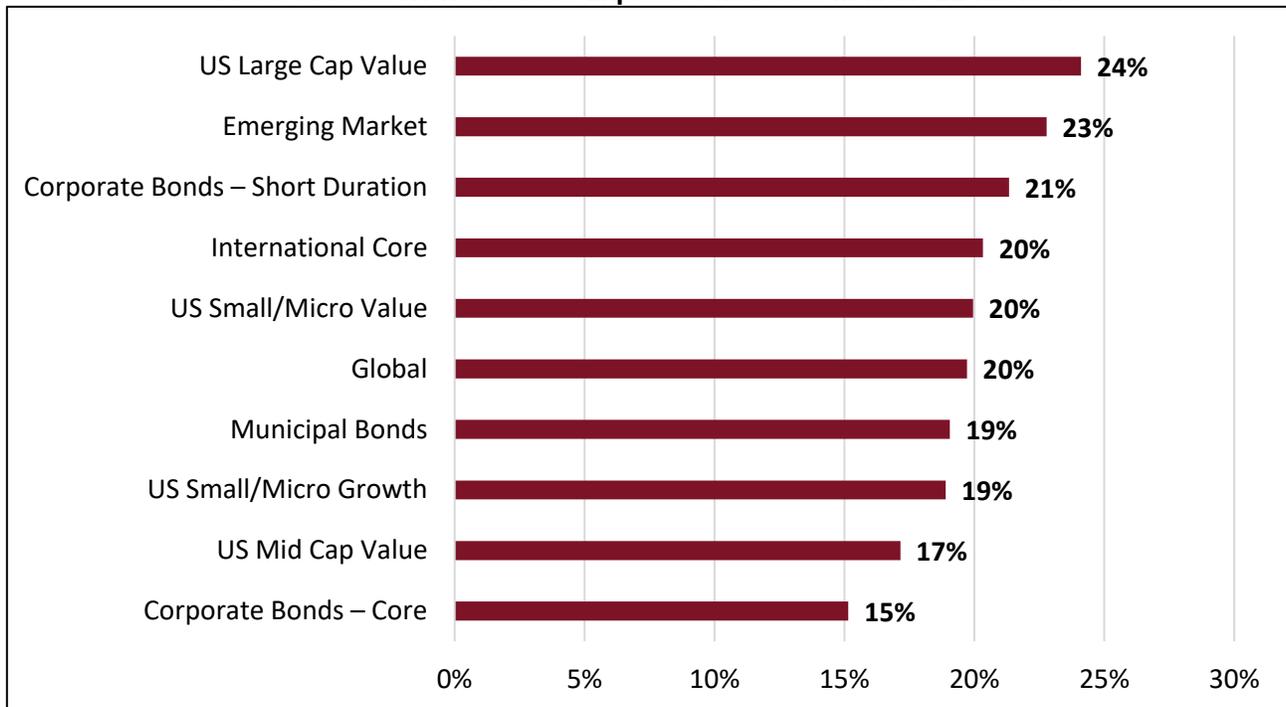
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Non-US Equity Strategies Feature Prominently in Advisor Allocation Plans for 2019

November 7, 2018, *Needham, MA* – Non-US equity portfolio diversification will be a key initiative in 2019 as advisors plan to add to their emerging market, international core and global allocations. Over the next year, nearly one-fourth of advisors will ramp up their allocation to emerging markets equity strategies with another 20% expected to increase their usage of International Core as well as Global strategy asset classes, according to more than 700 advisors across all channels from FUSE Research Network’s latest Advisor Trend Monitor Series Report – *Product Usage: The Advisor View*, published in conjunction with WealthManagement.com.

Asset Classes with Greatest Expected Increase in Next 12 Months



Source: FUSE 2018 Product Usage: The Advisor View

Currently sitting at roughly 20%, the average US investor has a significantly underweighted Non-US allocation compared to the average 30% allocation for an institutional investor. “However, over the last three years, there has been \$300 billion in inflows into international equities as investors

began shifting their focus toward diversification outside the United States, derisking and rebalancing in anticipation of some normalization of markets,” according to Patrick Newcomb, Director of BenchMark Research, FUSE Research Network.

These strong international equity flows have caught the eye of asset managers too as they look to demonstrate the value of their portfolio management capabilities. “Ultimately, with heightened pressures on active managers, these particular asset classes offer a clear opportunity as advisors believe they are well-suited to active management. As advisors push for both portfolio diversification and alpha, we expect product development in the area of international equity to accelerate in the coming year as well,” notes Newcomb.

On the opposite end of spectrum, the recent uncertainty around the future direction of interest rates has muted advisor interest in longer duration US fixed-income asset classes such as High Yield Corporate Bonds, Government Bonds and Core Corporate Bonds – all are expected to see their allocations reduced in the upcoming 12 months.

Now in its fifth year, The Advisor Trend Monitor Report – *Product Usage: The Advisor View* examines following topics: preferred product types and asset classes among advisors, the reasons they use passive investment vehicles, expected changes in product types and more.

The FUSE Advisor Trend Monitor is a survey-based report series that provides timely insight into advisor views on a range of issues central to asset managers’ decisions about resource allocation. With the ongoing support of our partner, WealthManagement.com, FUSE releases a total of six reports annually that make up the Advisor Trend Monitor series.

For details about obtaining a copy of *Product Usage: The Advisor View*, please email Jason Heinhorst at jheinhorst@fuse-research.com or call (720) 221-5223.

[About FUSE Research Network LLC](#)

FUSE was launched in 2008 with the view that research and consulting support for asset managers has failed to evolve with the changing needs of the client. The future competitive environment will demand that clients make important business decisions within shorter and shorter timeframes.

In order to support clients in this setting, FUSE provides a dynamic research platform that covers our clients’ current and future decision areas (strategic and tactical). Our goal is to become an invaluable business partner through the delivery of highly informed and forward-looking recommendations that are among the critical inputs our clients need to optimize results.

