# Gauging investor confidence

# The China position

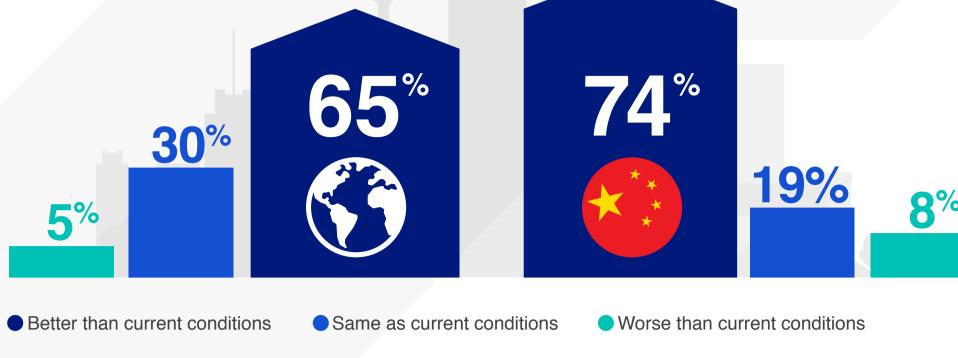


follows. But how confident are the world's largest, market-making firms feeling about China? An Economist Intelligence Unit study conducted over the summer of 2019 finds asset owner and institutional investor organisations are increasing their China exposure. Global investors are more confident in

It's no secret that China's economy is growing. And where growth arises, investment

### China's economy over the next 12 months than in global economic conditions What are your expectations of global economic What are your expectations of economic conditions conditions over the next 12 months? in China over the next 12 months?

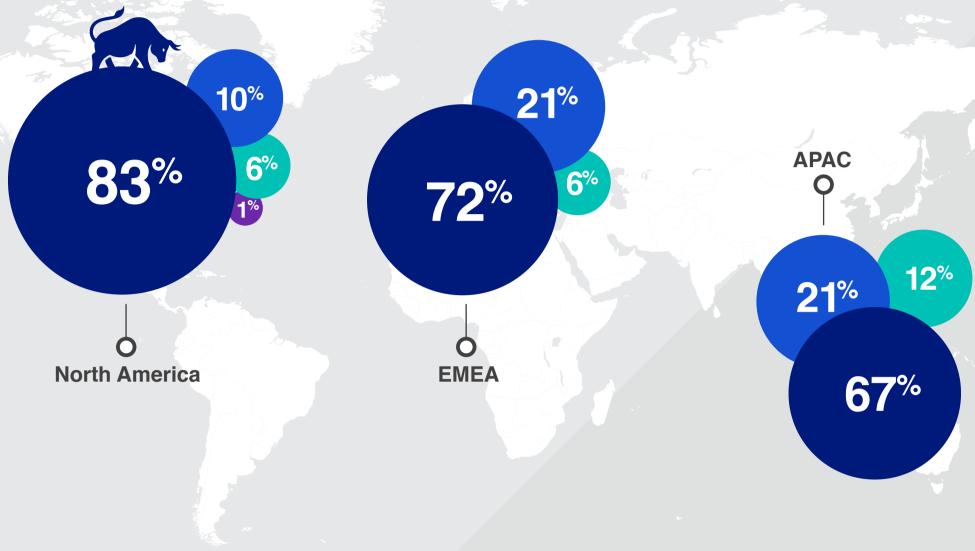
Don't know



North American organisations most bullish



What are your expectations of economic conditions in China over the next 12 months?



## What impact does your organisation expect the US-China trade tensions to have on investment decisions in the next 12 months?

cause uncertainty...

**Trade tensions** 

31%



#### Given your organisation's own forecast on trade tensions, what results do you expect from this outlook in terms of your organisation's own investment levels in China? 36% **32**%

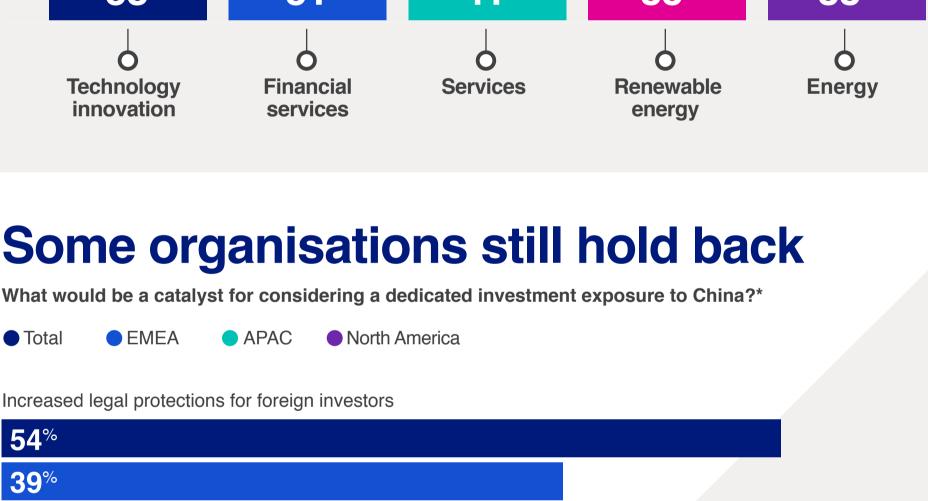
deterrent for global

...but that isn't a

investors



51% 41% 33% **58**%



37% 30% **50**% 33% 33% 33%

Improved corporate reporting within China (eg more

transparency, consistency with international standards)



Global China exposure set to reach

Over the next 12 months, to what extent do you expect your organisation's exposure allocations to China to change? (%)

33%

33%

19%

**Investment Risks:** 

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- does not address Australian tax issues.

Austria.

new heights

**67**%

63%

28%

31%

31 36 22 30 38 20 12 **Total EMEA APAC** Increase significantly Increase moderately Stay the same Decrease moderately Decrease significantly \*From the full survey of 411 investors, 43 claimed no dedicated investment exposure to China currently; these responses from that survey subset. Figures are percentages and have been rounded to one significant figure.

**North America** 

Increase in China weighting in global indices such as

MSCI or FTSE

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Results from a survey of 411 asset and wealth management firms, commercial banks, endowment funds, family offices, government agencies, hedge funds, insurance and reinsurance companies, pension funds and sovereign wealth funds. Respondent seniority ranged from vice-president to C-suite management. Respondents generally described their organisation's China exposure as above average when compared to industry peers. The survey was conducted from August to September 2019.

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