

Deloitte.

Together makes progress



Asset management x cross-border survey 2026

The status quo on European cross-border operating models

19 May 2026



Contents

Survey scope and key findings	04
Market overview	06
International reach and industry transformation	06
Presence in Europe	07
Positioning of survey participants in the European landscape	08
Group operating models	09
Group strategy	09
Distribution channels	09
The strategic role of branches	10
Delegation and branch functions	10
Full-time equivalents (FTE) staffing	11
Distribution framework	12
Luxembourg as a distribution hub	12
EU passport: From central hub to multiple markets	12
Distribution footprint: Spotlight on the UK	13
Global reach: Beyond the EU and the UK	13
Client mix, flows and distribution channels	16
Client mix and net inflows outlook	16
Use of in house distribution and role of platforms	16
Product development and innovation	18
Appetite for new products	18
Areas of innovation: ETFs and DLT products	18
Outlook	19

Survey scope and key findings

Survey objectives

The survey explores how asset managers (AMs) are navigating a shifting European landscape. We examine how firms are evolving their operating and distribution models to stay competitive, looking closely at how they structure their activities to reach different client segments across borders.

Our focus centers on the strategic role of European hubs, especially Luxembourg, and how firms use branches, delegation, and third party partnerships to achieve scale. We also analyze the ripple effects of regulatory developments in both the European Union (EU) and the United Kingdom (UK).

The following chapters provide a deep dive into the priorities of major European AMs. We explore their client mix, distribution channels, and the product innovations designed to capture future inflows.

Panel of participants

The survey covers a diverse panel of management companies (ManCos) and AMs groups, with a strong focus on Luxembourg-based players active in the European market. The participants range from large international players to specialized managers, collectively overseeing more than €9.1 trillion in assets under management (AuM) worldwide.

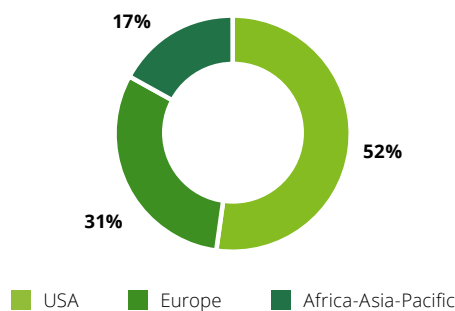
Because most survey participants serve both institutional and retail investors across multiple European jurisdictions, these findings accurately reflect the practices and priorities of firms with a significant European footprint.

Executive summary

The global asset management industry continues to expand in scale and complexity.

According to the European Fund and Asset Management Association (EFAMA), worldwide AuM in regulated open end and fund-of-funds reached around €80 trillion¹ by 2025 up from roughly €36.9 trillion in 2015². This growth remains geographically concentrated, with Europe and the US together accounting for the vast majority of domiciled investment funds.

Figure 1: Domicilies of worldwide investment funds



Source: EFAMA³

Asset management is one component of the broader investment ecosystem, which includes wealth management, banking, and insurance. In this report, “AMs” refers to firms that design and manage pooled investment vehicles and discretionary mandates. These are then used by a range of distributors and intermediaries, including wealth managers offering discretionary portfolio management solutions, to serve end-investors.

Within this value chain, AMs help channel savings into capital markets, allocate capital across asset classes and regions, and support long-term growth for both retail and institutional investors, either directly or via intermediaries.

The industry is highly competitive and concentrated. A few global players capture a significant share of AuM, while specialized and regional firms drive innovation in products and distribution. In this environment, the ability to distribute funds efficiently beyond domestic markets has become a vital differentiator for AMs and their partners.

Inside the EU, this cross-border dynamic relies heavily on the passporting regime. Fund distribution is typically organized through an EU ManCo passport operated from a central hub, most often Luxembourg.

Luxembourg has established itself as the leading European center for cross-border fund structuring and distribution and a

¹ EFAMA, [Worldwide Regulated Open-end Fund Assets and Flows: Trends in the Fourth Quarter of 2025](#), March 2026.

² EFAMA, [International Statistical Release 2015 Q4](#), March 2016

³ EFAMA, [International Quarterly Statistics 2025](#), 2025

⁴ EFAMA, [Investment Fund Industry Fact sheet 2025, 2025](#)

primary global hub for asset management. Only around one-sixth of all firms surveyed operate outside this model, typically those with a more domestic focus.

Client flows remain predominantly institutional. Among the survey respondents, in 2025, 86% of net inflows came from institutional clients and 14% from retail. Our survey respondents expect this pattern to persist, with projected 2026 inflows of 88% institutional and 12% retail.

Luxembourg domiciled funds are central to this cross border model, holding approximately €6.2 trillion⁴ in AuM by the end of 2025, roughly 24% of the European fund market. Survey participants state, that distribution is largely intermediated; over 80% of Luxembourg funds are distributed internationally via financial intermediaries, and 50% of survey participants plan to increase their use of distribution platforms.

Our survey findings suggest that product innovation is both focused and selective. The second European Long-Term Investment Fund Regulation (ELTIF 2.0) is the dominant theme for new launches, while respondents also show interest in exchange-traded funds (ETFs), exploring both ETF share classes and active ETF structures. Additionally, a smaller group of respondents is considering digital formats, such as reserved alternative investment funds (RAIFs) with crypto exposure or tokenized funds.

Together, these findings confirm a market defined by centralized cross-border hubs, institutional-led growth, and targeted product development in long-term, ETF, and digital strategies.

At the same time, evolving regulation and market conditions are reshaping how European and global AM structure their cross border distribution setups and operating models. The **Asset management x cross border survey 2026** examines these developments and assesses how firms are adapting their distribution frameworks in practice.

Market overview

We begin this chapter with a global view of the asset management market, before focusing on Europe's role as a central engine of the investment fund landscape. By situating our survey participants within this wider market, we show how their strategies align with Europe's position as a global leader in cross-border distribution.

International reach and industry transformation

The asset management industry is undergoing a broad operating model transition rather than a single thematic shift. Beyond our survey's findings, four structural developments are particularly relevant to how European managers position themselves globally:

1. The widespread modernization of legacy IT and operating infrastructures

Managers are progressively replacing fragmented, in-house systems with front-to-back platforms that support order management, portfolio construction, risk, accounting and reporting. Solutions like SimCorp, Aladdin, eFront and Xentis are increasingly used either as the backbone of the operating model or as the reference environment for specific asset classes. This shift enables greater standardization, better data quality, and more scalable cross-border operations.

2. The shifting regulatory framework

The development of the Market Integration and Supervision Package (MISP) is a key structural change that will expand

reporting, data integration and supervisory oversight. At the same time, adjustments to existing European frameworks, including the Markets in Financial Instruments Directive (MiFID), the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive, and the Alternative Investment Fund Managers Directive (AIFMD), are forcing firms to revisit their practices.

In addition, the expansion of sustainability regulations is further influencing firms' product design, disclosures, governance, and distribution practices. These include the Sustainable Finance Disclosure Regulation (SFDR), the EU Taxonomy Regulation, and the Corporate Sustainability Reporting Directive (CSRD), alongside the introduction of the Markets in Crypto-Assets (MiCA) regime. Supervisors are placing greater emphasis on resilience, liquidity management and delegation, which increases fixed costs and heightens the need for centralized capabilities within hubs.

3. The evolving product landscape

While traditional long-only strategies still dominate, growth is increasingly driven by two segments:

- **ETFs:** This segment is expanding rapidly, including active ETFs and share classes that allow managers to offer existing strategies in exchange-traded form.

- **Alternatives:** Managers are making private assets, real estate, private credit and infrastructure more accessible to affluent and mass-affluent investors. In Europe, vehicles such as ELTIFs, semi-liquid funds, and certain alternative investment fund (AIF) strategies are being used to provide this exposure under controlled conditions, while preserving institutional-grade governance and liquidity management.

4. The emergence of concrete digital and tokenized products

Several jurisdictions, including Luxembourg, have introduced distributed ledger technology (DLT)-friendly frameworks for the issuance and servicing of tokenized fund units or portfolios. A growing number of managers are experimenting with tokenized share classes or funds with direct exposure to digital assets, often via RAIFs or specialized AIFs. While these projects remain a small part of

⁵ European Central Bank, [How to turn European savings into investment, innovation and growth](#), press release, 22 November 2024

⁶ EFAMA, "[Q4 2025 ended the year on a high note, with strong performance for bond and equity funds](#)," press release, 5 March 2026.

⁷ EFAMA, [Trends in the European Investment Fund Industry in the Fourth Quarter of 2025 & Results for the Full Year of 2025](#), 2026.

the market, they are beginning to influence how firms approach transfer agency, settlement, and investor access.

The growth in global AuM for regulated open-ended funds highlights the increasing role of investment funds as a channel for savings. Rising asset values reflect both ongoing net investments and favorable market developments. These factors underline the steady deepening of capital markets and the growing popularity of funds as long-term savings vehicles.

Meanwhile, a substantial volume of European savings remains in deposits or non-market instruments⁵, suggesting there is still room for capital-markets-based investing beyond the growth already observed.⁶

At the same time, Europe faces structural challenges that set it apart from other major regions, especially the United States (US).

- European capital markets are more fragmented, featuring multiple regulatory regimes, tax frameworks, and market infrastructures. Some segments also continue to rely heavily on bank intermediation.
- Individual European managers are often smaller than their US peers, limiting economies of scale in technology and product development.
- Retail participation in capital markets remains low in many Member States, despite policy initiatives to strengthen the EU's capital markets union.

These factors require European players to adopt efficient cross-border fund structures, centralized hubs, and robust operating models to compete globally.

Against this backdrop, cross-border distribution in Europe is increasingly shaped by strategic choices on hub locations, branch footprints, delegation models and technology platforms. The way managers organize their ManCos, branches and service providers determines their ability to operate at scale across jurisdictions.

Presence in Europe

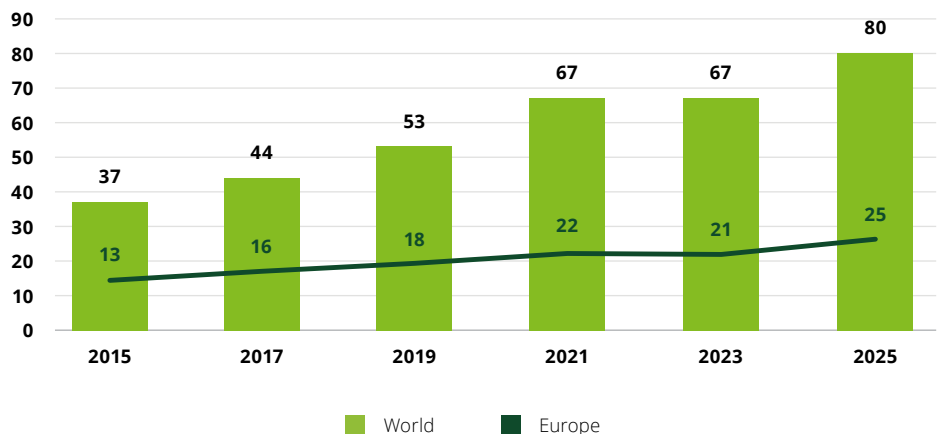
These dynamics are particularly critical in the European market. As one of the largest and most mature markets globally, it holds more than €25.2 trillion in AuM⁷ with thousands of firms active across multiple jurisdictions.

Over the past decade, European fund assets have grown broadly in line with global trends. Its clear upward trajectory (Figure 2) reflects positive market performance and continued investor demand for both traditional and innovative fund solutions.

Recent years have seen European markets navigate significant volatility and temporary setbacks, including 2022-2023 inflation, monetary tightening, and the Russia-Ukraine war. Recent geopolitical tensions in other regions have also had an impact.

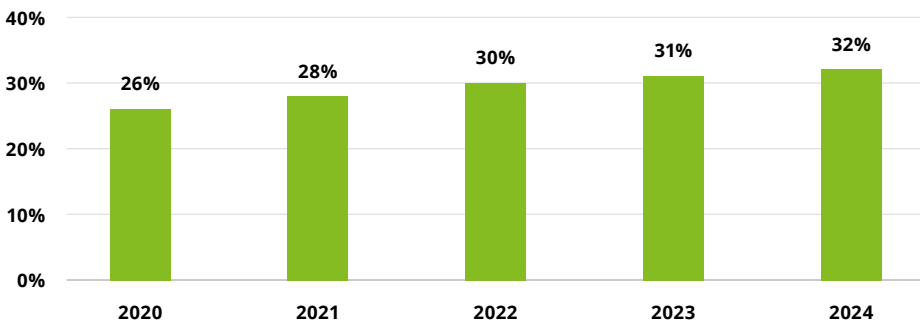
However, even as investors turned cautious, net inflows remained positive. While these shocks caused temporary volatility in flows and valuations, they did not reverse the steady expansion of European fund assets.

Figure 2: Worldwide assets of regulated open-end funds (€Trillion)



Source: EFAMA

Figure 3: Evolution of retail clients, recent trends (share in total AuM)



Source: EFAMA⁹

Structural characteristics also continue to shape the European market. A large share of AuM is managed for institutional investors like pension funds and insurers, and institutional clients remain the dominant source of net new money in most jurisdictions.

Retail and mass-affluent participation in capital markets is comparatively lower than in the US. In several Member States, a significant portion of household savings is still held in cash and bank deposits rather than long-term investment products. This suggests a sizable pool of untapped savings that could eventually be redirected into capital-markets-based solutions.⁸

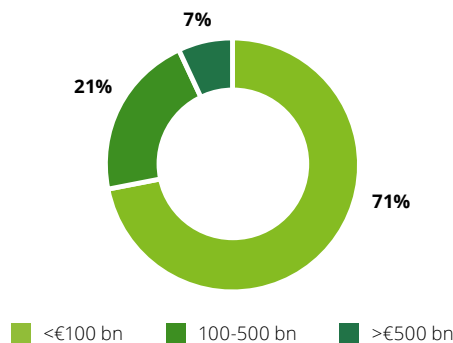
Positioning of survey participants in the European landscape

Figure 4 illustrates the diverse profiles within our survey sample. In terms of AuM, our respondents range from specialized managers with a primary European focus to large global players overseeing multiple major regions. This spread ensures we

capture insights from both firms deeply rooted in Europe and those operating fully international franchises.

Beyond size, the sample reflects a mix of business models and asset locations. While participants manage significant volumes in traditional strategies, equities, fixed income, and multi-asset, a meaningful share of AuM is also dedicated to alternatives. These include real estate, private markets and hedge strategies.

Figure 4: AM by total European AuM (€billion)



Source: Deloitte, Asset management x cross-border survey 2026

Geographically, some respondents focus on European securities and issuers, while others run globally diversified portfolios with material exposure to North America, Asia-Pacific (APAC), and emerging markets. This combination provides a realistic picture of how managers deploy capital across regions from their European hubs.

We also see different approaches to ManCo organization, with many larger players moving toward more integrated and harmonized structures. These often concentrate management activities in fewer key ManCos in domiciles like Luxembourg and Ireland, while using branches or local entities for client coverage and market access. Smaller and mid-sized firms tend to maintain a more focused configuration, with a single ManCo and targeted cross-border registrations.

Together, AuM scale, asset mix, geographic allocation, and organizational structure provide a multi-faceted view of our survey population. This profile serves as the starting point for the next chapter, which examines how these groups structure their ManCos, distribution hubs and operating models to support cross-border activity in Europe and beyond.

⁸ EFAMA, [Asset Management in Europe](#), 2025

⁹ EFAMA, [Asset Management in Europe](#), 2025

Group operating models

Most participating AMs maintain a significant presence across Europe and beyond, but their geographic footprint is only one piece of the puzzle. To understand how these firms truly function, we must examine the organizational strategies that underpin their reach.

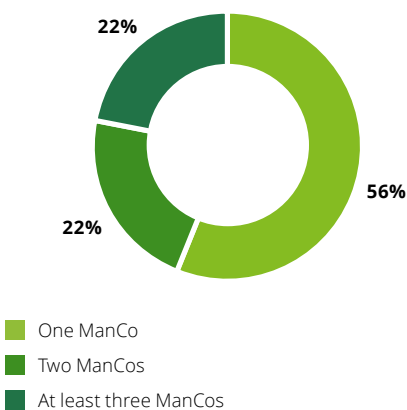
This chapter evaluates how firms balance central oversight with local presence, exploring the role of the main authorized entity and the staffing models that sustain their European operations.

Group strategy

For most respondent AMs, cross-border business is a standard part of their operating model. It is generally managed centrally, with one authorized entity handling governance, regulatory oversight, and control.

This is reflected in the number of ManCos per group: 56% of surveyed firms consolidate their operations under a single ManCo, 22% operate with two, and 22% maintain three or more (Figure 5).

Figure 5: Number of ManCos per respondent



Source: Deloitte, Asset management x cross-border survey 2026

Where firms maintain multiple ManCos, they do so for specific purposes, such as dedicated setups for ETFs or liquid and illiquid structures. These configurations allow firms to cross-leverage centralized “centers of excellence”, such as risk or portfolio management, to limit duplication while meeting high specialism and compliance standards.

Our panel reflects a higher use of third party ManCos providing infrastructure and services to external managers, alongside a smaller share of in house ManCos within banking, insurance, or corporate groups. Both models use delegation and outsourcing to extend their reach across jurisdictions without duplicating functions locally.

Regardless of the specific arrangement, the authorized ManCo retains ultimate responsibility for oversight and governance. Core activities, such as portfolio management, risk management, and fund administration, are carried out within clearly defined delegation frameworks.

This approach often follows a “hub-and-spoke” model. One central entity (the hub) performs core management and oversight for multiple funds or jurisdictions (the spokes), which rely on the hub for key

decision-making and coordination. Rising substance requirements and the cost of maintaining multiple local entities reinforce this model, as it allows the ManCo to coordinate registrations, supervise third-party distributors, and manage non-EU distribution effectively.

Distribution channels

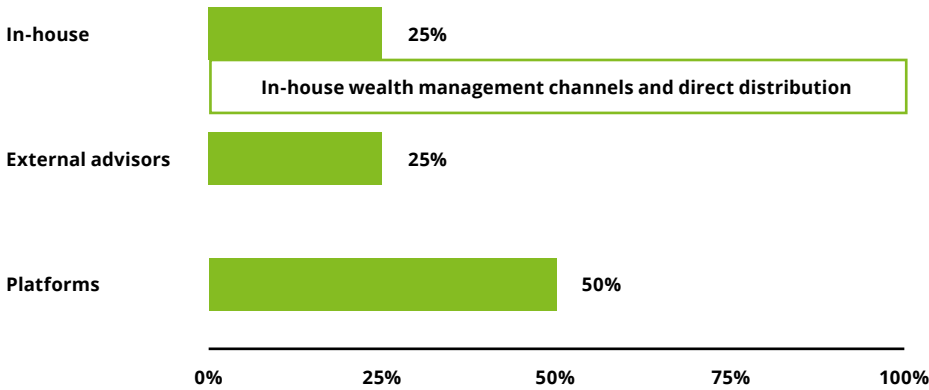
In-house ManCos typically operate within integrated groups where product development, distribution strategy and client coverage are coordinated centrally. This enables a high degree of alignment across the value chain.

By contrast, third-party ManCos focus on delivering regulatory and operational infrastructure to external managers. This includes risk management, compliance, reporting, fund administration, and distribution support.

In both cases, specialized external providers may carry out selected activities, such as fund administration, reporting or local marketing support, under the ManCo’s supervision.

Our findings indicate that market access is primarily secured through external networks rather than proprietary channels alone. Around 50% of surveyed AM

Figure 6: Distribution channels: Actual mix with in-house decomposition



Source: Deloitte, Asset management x cross-border survey 2026

rely on distribution platforms, 33% use external advisers, and 17% utilize in house distribution capabilities as core components of their go to market approach (Figure 6).

For small and mid sized firms, external platforms and distributors offer an efficient route into markets that would be difficult to cover with internal resources alone.

Larger groups are better positioned to combine these external channels with stronger in house distribution. This allows them to retain closer control of the value chain while leveraging third parties when it is commercially or operationally attractive.

Within this configuration, Luxembourg based ManCos frequently act as central hubs for cross border distribution. From these hubs, managers coordinate passporting and oversight while working with branches, local representatives, and third party partners to meet market specific requirements.

The strategic role of branches

Within the scope of this study, firms deploy branches strategically to complement their central ManCo with local presence and

market-specific capabilities. Most extend their core ManCo setup through branches in selected markets, driven by commercial priorities and specific business needs.

Based on the survey results, responsibilities are clearly defined. The central entity retains overall oversight and regulatory accountability, while branches handle client relationships, engage with local regulators, and manage targeted marketing or distribution activities.

Based on respondents’ answers, branch arrangements are already well established for the majority of firms and are not

expected to change significantly. Branches are generally set up where there is a clear need for a local presence, typically in large or strategic markets. Respondents indicated that expanding further would add cost and complexity without necessarily bringing equivalent benefits, especially given regulators’ expectations that sufficient substance remains within the authorized entity.

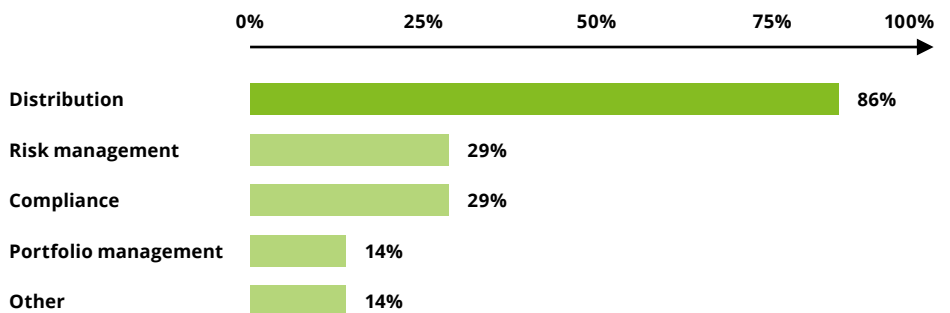
Our data confirms this selective strategy: around 63% of surveyed ManCos operate three or more European branches, while 37% maintain a lighter footprint with fewer than three branches. These broader branch networks are generally found in larger, more complex groups, typically those with more than €500 billion in AuM, which need this footprint to support distribution, oversight, and compliance across multiple markets.

Delegation and branch functions

Within this centralized model, local branch teams focus primarily on distribution and client servicing. They can also support additional functions like risk management, compliance, and regulatory engagement when needed. However, our survey confirms that branches play a deliberately limited role in the overall operating framework.

Figure 7: Activities delegated to branches

Multiple answers possible, % of respondents delegating each activity



Source: Deloitte, Asset management x cross-border survey 2026

Across the market more broadly, based on Deloitte market insights, portfolio management typically remains with the ManCo or authorized investment managers, and fund valuation is typically overseen centrally. While only very few firms delegate portfolio management to branches, this remains an emerging practice rather than an industry standard.

Our survey findings show that 85.7% of AMs use branches primarily for distribution activities, underscoring their role as local client-facing platforms. When branches take on extra responsibilities like risk management or compliance, they do so selectively and alongside their core distribution mandate (Figure 7).

This setup ensures the authorized ManCo retains genuine substance and effective decision-making capacity.

Full-time equivalents (FTE) staffing

Most of our respondent firms employ around or fewer than 200 FTEs across their group (50%), while 37.5% have between 200 and 500 FTEs, and 12.5% employ more than 500 FTEs (Figure 8).

At the branch level, teams remain relatively small: 50% of branches operate with fewer than 30 FTEs, while 25% have between 30 and 70 FTEs, and 25% have more than 70 FTEs (Figure 9).

When we consider the average number of branches per ManCo, this suggests that firms do not primarily rely on large local teams to sustain their European footprint. Instead, they concentrate resources and capabilities centrally, with branch teams playing a targeted and complementary role.

Across the industry, several patterns emerge in how firms' size and structure their branches. Branch teams tend to remain small and focused when used mainly for local access, client relationship management, or regulatory engagement. However, staff levels rise when branches take on a wider remit, spanning client servicing, distribution and core operational functions.

The availability of specialist local capabilities also drives branch size. In certain markets, deep knowledge of local assets, counterparties or regulatory frameworks is a competitive advantage.

For example, real estate investment in markets like Germany or Italy often requires on-the-ground networks that are best sourced from the local employment market. In these cases, firms deliberately build up branch teams to embed specialist knowledge directly within the branch structure.

Conversely, some organizations use branches as nearshoring hubs for core functions. This results in much larger local teams that can sometimes exceed the size of the head office. While this model can offer cost and talent advantages, it also raises questions about the appropriate degree of substance at the group level and may attract closer regulatory scrutiny.

With the organizational framework established, our analysis turns to distribution. The next chapter explores how Luxembourg operates as a central hub, how the EU passport is used to reach multiple markets from a single ManCo, and how branches, third-party distributors, and platforms complete this model across Europe.

Figure 8: FTEs per Manco's

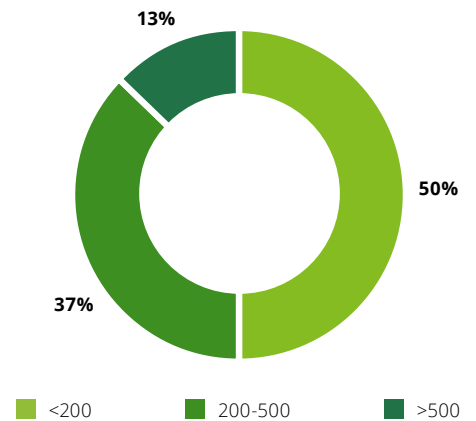
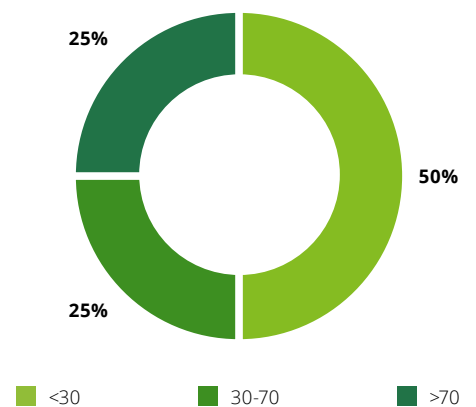


Figure 9: FTEs per branch

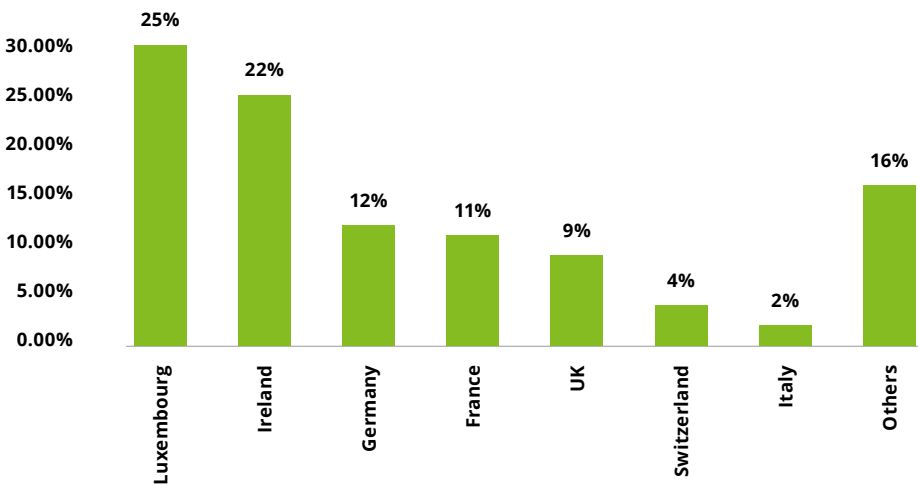


Source: Deloitte, Asset management x cross-border survey 2026

Distribution framework

Luxembourg as a distribution hub

Figure 10: Major European fund domicilies by AuM (2025)



Source: EFAMA¹⁰

Over the past few decades, Luxembourg has become a premier European center for investment fund domiciliation and distribution.

By the end of 2025, funds domiciled there accounted for approximately €6.2 trillion¹¹ in AuM, representing nearly 25% of the total European UCITS and AIF market, which stood at an aggregate €25.2 trillion¹². The depth of this concentration underscores the country's outsized role within the European fund landscape and its appeal for cross-border fund structuring.

Luxembourg's leading position further solidifies its role as a global hub, particularly for UCITS, which are marketed widely across multiple jurisdictions. The

country operates less as a domestic market and more as an international platform for fund structuring and distribution.

This dynamic is supported by strong investor demand at the European level. UCITS and AIFs recorded net sales of approximately €873¹³ billion in 2025, contributing to the continued expansion of assets across major fund domiciles.

AMs and ManCos based in Luxembourg sit at the heart of this setup, bridging product structuring, regulatory oversight, and market access. Our survey results (Figure 7) confirm that firms treat distribution as a key function, organized to reach both European institutional investors and clients outside the EU.

In practice, Luxembourg often serves as the main coordination point for pan-European distribution. Strategic decisions on fund structuring and distribution are generally taken in Luxembourg, while local branches, representatives or partnerships are used selectively where market size, regulation or client proximity justify them. This mix of central control and targeted local presence has helped position Luxembourg as a preferred choice for many European and international investors.

EU passport: From central hub to multiple markets

The EU fund passporting regime has been a cornerstone of cross-border fund distribution in Europe for four decades. Since its introduction with the first UCITS Directive in 1985, subsequent regulatory reforms have deeply embedded this model into the industry's operating practices.

The vast majority of our respondents (87.5%) use an EU ManCo passport to distribute their funds across Member States. This centralized approach helps firms streamline their operations significantly, removing the need for multiple local infrastructures, while preserving access to a diverse investor base across jurisdictions.

In our survey sample, we typically see distribution coordinated from a central hub, with the EU passport serving as the primary mechanism for market access. While branches play a supporting role, focusing on client servicing, local relationship

¹⁰ EFAMA, [Asset Management in Europe](#), 2025

¹¹ EFAMA, [Investment Fund Industry Fact sheet 2025](#), 2025

¹² EFAMA, [Asset Management in Europe](#), 2025

¹³ EFAMA, ["UCITS had a record-breaking year in 2025, with net sales reaching €828 billion,"](#) press release, 25 February 2026.

¹⁴ Association of the Luxembourg Fund Industry (ALFI), ["Cross-border Distribution of Investment Funds 2025,"](#) press release, 24 April 2025.

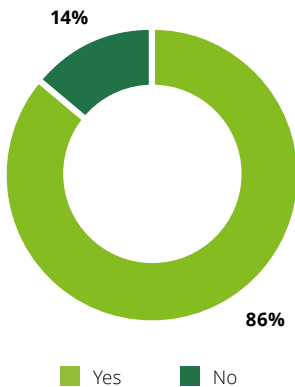
management, and selected market-specific support, the passporting function remains anchored at the central ManCo level.

Distribution footprint: Spotlight on the UK

While the centralized European model remains the dominant framework within the EU, the UK now operates under distinct conditions.

Despite the loss of passporting rights after Brexit, 86% of our surveyed firms remain active in the UK (Figure 11). This reflects the market's enduring strategic importance and its position as a leading global financial center.

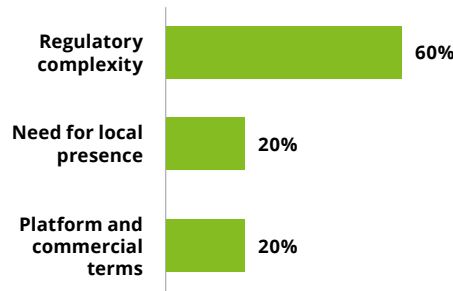
Figure 11: Do you distribute in the UK?



Source: Deloitte, Asset management x cross-border survey 2026

The AM surveyed identify three main challenges in the UK: regulatory divergence, local presence requirements, and the commercial complexities of accessing UK distribution platforms (Figure 12).

Figure 12: Key challenges when distributing in the UK



Source: Deloitte, Asset management x cross-border survey 2026

Because EU passporting no longer applies, managers must navigate UK specific regimes. The Financial Conduct Authority's (FCA) Overseas Funds Regime is expected to become the primary route for non UK funds. Meanwhile, the AIFMD National Private Placement Regime is used mainly for alternative funds targeting institutional investors.

Recognized overseas funds must also comply with UK disclosure and labelling rules, including the upcoming UK Retail Disclosure Framework and Sustainability Disclosure Requirements. AMs in our survey report that these UK rules apply on top of existing UCITS, AIFMD and MiFID II requirements, making distribution more complex.

The need for a local presence is another recurring issue. For certain segments, such as platforms, external advisers, or large institutional investors, a local UK presence is often expected. While this adds cost and operational weight, firms see it as vital to maintain credibility and access to key distribution channels.

Overall, our survey's results suggest that the UK remains a strategically important market for Luxembourg based managers. Although it requires specific arrangements, such as coordinating regulatory, compliance, and operational tasks from Luxembourg, the market's liquidity and investor base remain highly attractive.

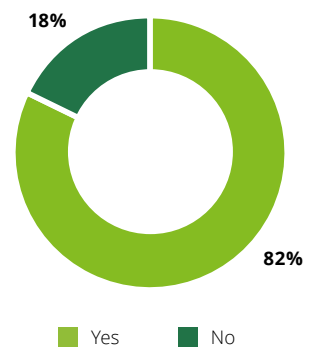
Beyond Europe, the landscape is more diverse, with distribution models tailored to local market conditions.

Global reach: Beyond the EU and the UK

Luxembourg domiciled funds remain active in cross border distribution far beyond the EU and UK.

Global cross border fund assets reached around €7 trillion by the end of 2024. Within this global total, European UCITS held more than 10% of their assets outside Europe, highlighting a significant international footprint for Luxembourg domiciled products.¹⁴

Figure 13: Do you distribute outside EU?



Source: Deloitte, Asset management x cross-border survey 2026

In our survey, 83% of respondents distribute to markets outside the EU. Reaching investors across regions such as North America, South America, non-EU Europe, the Middle East and APAC often requires firms to adapt their distribution structures and operating models to local market conditions.

It should be noted, however, that these findings reflect our Luxembourg-centric survey panel; firms headquartered in other jurisdictions would likely employ different hub models.

Where branches add value

Firms establish branches where a local presence adds clear value. Survey responses highlight APAC, the Middle East, and parts of non EU Europe as regions where time zones, language, and direct interaction with regulators or platforms justify a local entity.

Regulatory requirements also drive this local presence in some jurisdictions. In Singapore, firms typically require a Capital Markets Services license, which often necessitates a locally established entity. Similarly, marketing funds in the Middle East often requires authorization from local regulators. This includes licenses from the Dubai International Financial Center, the Abu Dhabi Global Market, or the Capital Market Authority in Saudi Arabia.

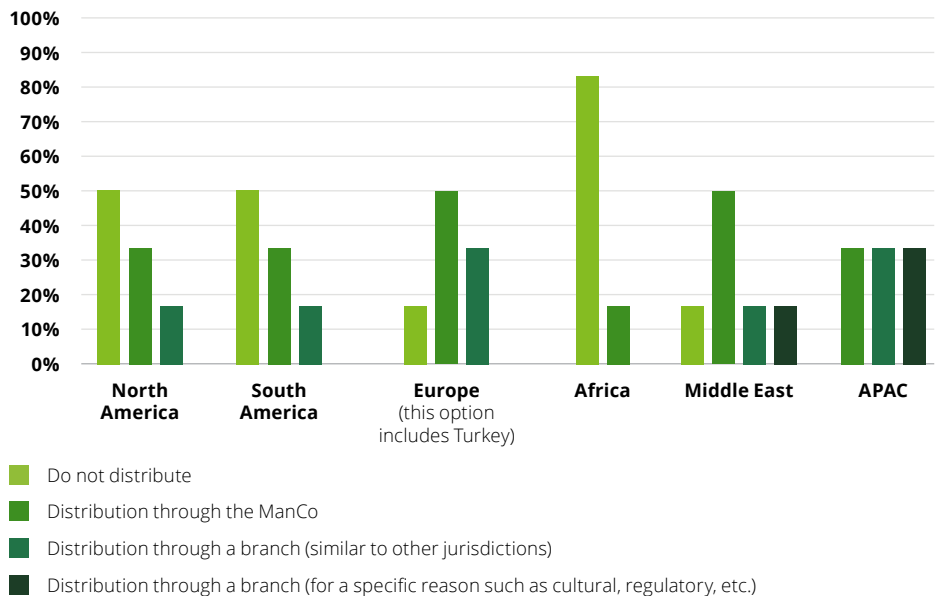
Conversely, based on the survey results, the limited activity in North and South America suggests these markets are either not yet at scale or are effectively served via centralized or delegated models.

Regional distribution strategies

Figure 14 shows how distribution approaches vary significantly by region.

- **Africa:** Most respondents do not distribute in this region. Among those that do, branches are mainly used for specific reasons such as cultural or regulatory factors.
- **The Middle East:** This region shows strong engagement, with more than half of respondents distributing through their ManCo and a smaller share using branches, either as part of a standard model or for specific reasons.
- **APAC:** Distribution is split between ManCo led and branch based approaches, including branches set up for specific cultural or regulatory reasons, reflecting the region’s scale and relationship driven business culture.
- **The Americas:** Roughly half of respondents do not distribute here at all. Those who do rely on ManCo-led and branch based models in equal measure.
- **Non-EU Europe:** This region shows the most balanced distribution mix of market entry strategies.

Figure 14: Distribution Outside the EU and UK: Target Jurisdictions and Distribution Approach



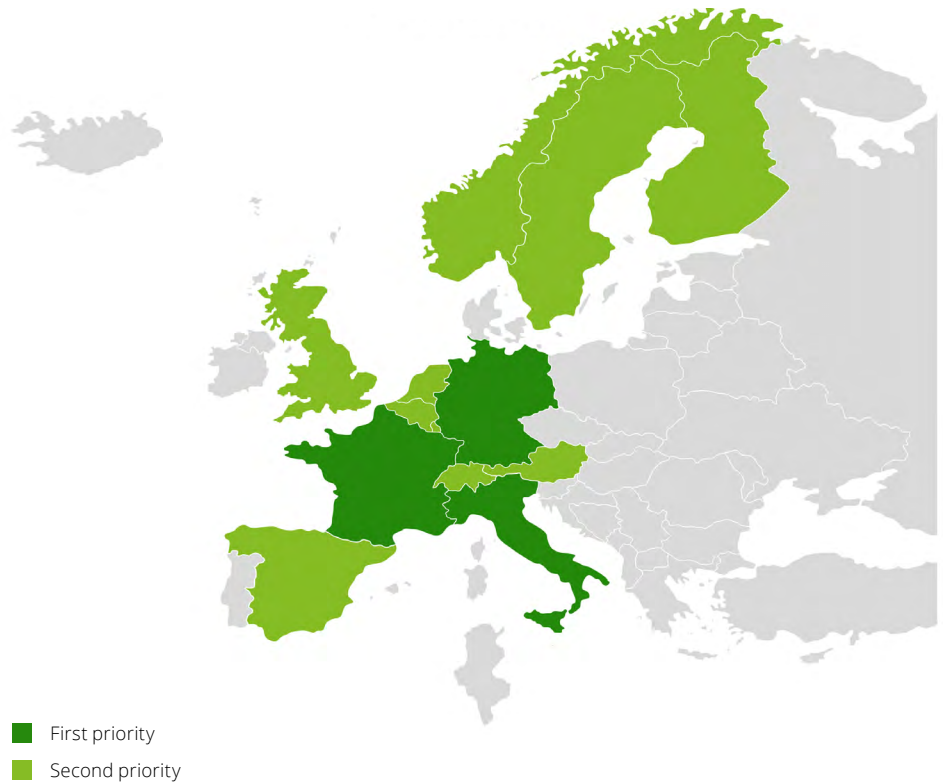
Source: Deloitte, Asset management x cross-border survey 2026

Within Europe, distribution is concentrated around a core set of markets. Germany, France and Italy are first-priority markets due to their size, investor base, and strategic importance for Luxembourg-based managers seeking to scale, with Spain also frequently cited as a key focus. Benelux and the Nordic countries are a key second-tier priority, valued for their well-developed institutional investor base and openness to cross-border fund products.

Notably, our respondents are not currently prioritizing a number of Central and Eastern European markets, or all Western European jurisdictions, indicating that managers remain selective, focusing resources where the commercial opportunity is most established.

Overall, our survey results and ALFI's cross-border data confirm that global distribution continues to expand, with Luxembourg-based managers using centralized models to reach multiple jurisdictions outside the EU and the UK.

Figure 15: Top European markets for distribution



Source: Deloitte, Asset management x cross-border survey 2026

Client mix, flows and distribution channels

Client mix and net inflows outlook

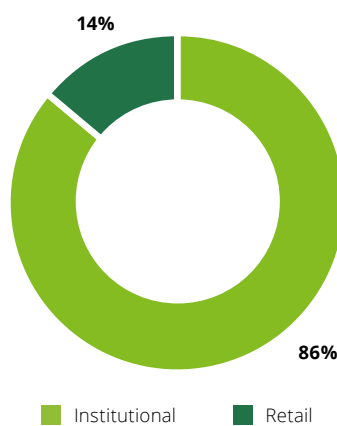
As highlighted previously, many European households still keep their savings in cash and bank deposits, which reflects lower retail participation in capital markets. Against this backdrop, our survey results indicate that AMs have a predominantly institutional client base.

In 2025, institutional clients accounted for 86% of net inflows, while retail investors accounted for 14%. This group continues to represent the lion's share of AuM, which aligns with broader industry trends. Retail business is not the primary growth engine for our panel; most respondents continue to prioritize institutional clients in their growth strategies.

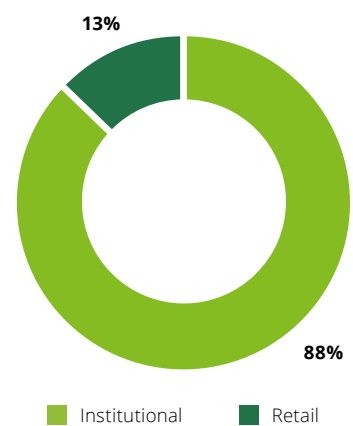
Looking ahead to 2026, AMs are divided. Some anticipate higher inflows from scaling up existing platform arrangements or ramping up recently authorized structures, such as ELTIF 2.0 and new ETFs. Others expect flows to remain broadly stable. Across the sample, projected growth is expected to remain strongly skewed towards institutional business, with an indicative split of 88% institutional and 12% retail.

It should be noted, however, that we conducted this survey before the recent escalation in geopolitical tensions and subsequent market volatility. Since then, market conditions have worsened, and AMs sentiment has likely become more cautious. In this context, the outlook of our respondents should be interpreted

Average breakdown of 2025 inflows by client type



Average allocation of projected 2026 growth by client



Source: Deloitte, Asset management x cross-border survey 2026

carefully, as actual 2026 inflow patterns may prove more muted than our survey results suggest.

Use of in house distribution and role of platforms

The survey confirms that distribution remains largely intermediated, echoing broader European trends. According to EFAMA, banks account for approximately 45% of retail fund distribution, climbing to 57% within the EU, while insurance companies handle about 7% to 9%. Direct sales to end-investors account for only about 20% of retail assets. Third-party platforms cover roughly 10% of distribution in Europe (8% in the EU) and are widely

used by intermediaries and institutional investors.¹⁵

The survey also highlights the predominance of intermediary based and in house distribution models. As shown in Figure 16, most respondents make use of in house wealth management channels, and a majority also report direct distribution to clients, while only a small minority rely exclusively on external distributors.

Within this landscape, surveyed AMs indicate a strong and growing reliance on platforms. Half of the firms in the panel plan to increase their use of distribution platforms to target professional clients and access a broader range of intermediaries. Consistent with this trend, Figure 17 shows that platforms are primarily used to reach

¹⁵ EFAMA, [Advice-based distribution channels dominate European fund landscape](#), 25 April 2024

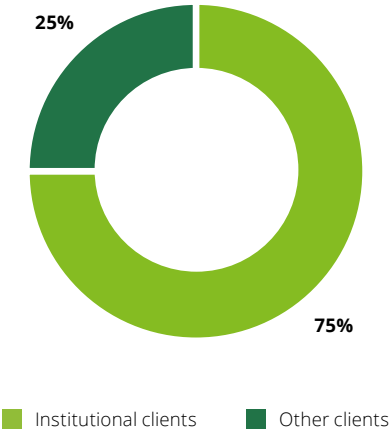
¹⁶ [Association of the Luxembourg Fund Industry \(ALFI\), Cross-border distribution of investment funds](#), April - 2025

institutional and professional clients, while a smaller share targets other client segments.

ALFI data supports these findings, highlighting Luxembourg's role as a leading hub for cross border fund distribution. Luxembourg domiciled investment funds are distributed internationally via financial intermediaries such as private banks, insurance companies, and global platforms, and reach investors in more than 80¹⁶ countries around the world.

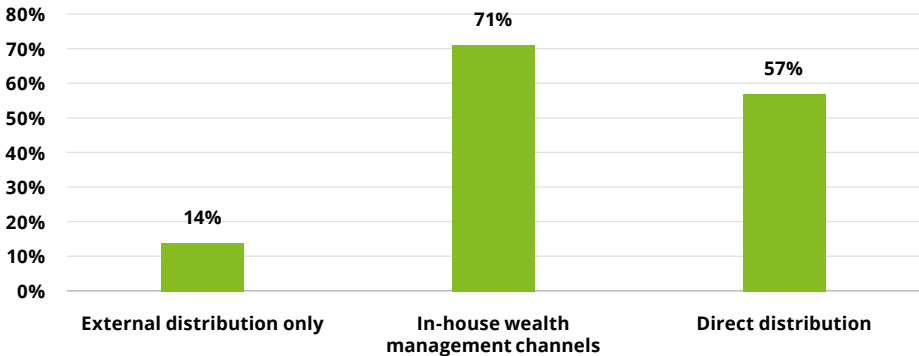
For the managers surveyed, this intermediated model, powered by centralized structuring and passporting from Luxembourg, remains the dominant strategy for reaching both European and non-European clients.

Figure 17: Target clients for distribution platforms



Source: Deloitte, Asset management x cross-border survey 2026

Figure 16: Use of in-house distribution by category



Source: Deloitte, Asset management x cross-border survey 2026

Product development and innovation

Appetite for new products

AMs are increasingly expanding their product lineups to capture expected flows. Growing retail participation and global market uncertainty are pushing managers beyond traditional UCITS and AIFs to introduce other wrappers, such as ETFs or the newly approved ELTIFs 2.0.¹⁷

Among planned launches, ELTIF 2.0 is the most frequent choice, cited by 60% of surveyed AMs. These funds provide a regulated vehicle that can be distributed across the EU, allowing managers to package strategies like infrastructure, private debt, or private equity for both professional and retail investors.

Other planned initiatives include active ETFs and ETF share classes, each mentioned by 40% of respondents, as well as RAIFs with crypto exposure and

tokenized funds and traditional funds, each cited by 20%. These results show that while managers are exploring new fund formats, including digital and ETF related products, they remain selective in their innovation approach.

Areas of innovation: ETFs and DLT products

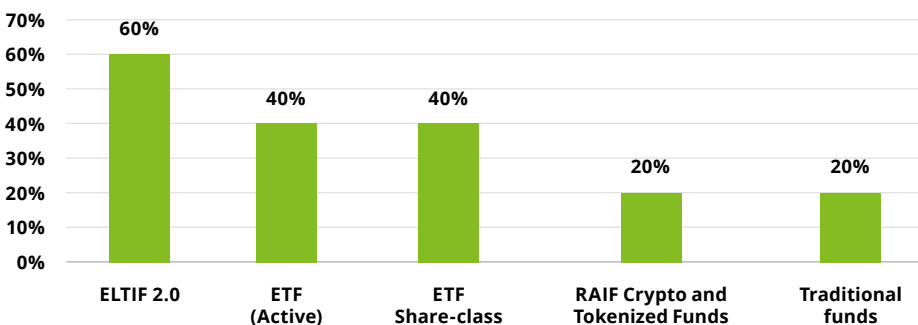
Respondents' interest in ETF solutions aligns with broader European market trends, where active ETFs have moved from a niche category to an established segment of the UCITS market. This evolution is supported by growing assets, positive net inflows, and an expanding product range.

Luxembourg's flexible fund structures allow both ETF and non ETF share classes within a single UCITS. The jurisdiction

also offers tax advantages for certain ETF models and a framework that permits delayed portfolio disclosure. These features support managers in converting active strategies into ETF formats and expanding distribution through exchange trading.

While on the alternative side, ELTIF products remain the key trend, a smaller group of managers is also exploring digital and other alternative AIF structures, including RAIFs with crypto exposure and tokenized fund formats. Although most of these initiatives are still at a pilot stage, they indicate that some firms are already testing new approaches to capture institutional demand and position themselves for future market developments.

Figure 18: Breakdown of new products by category



Source: Deloitte, Asset management x cross-border survey 2026

¹⁷ Deloitte, ["Can ELTIF 2.0 deliver on its promise to transform Europe's investment landscape?"](#), 25 March 2025.

Outlook

Our findings illustrate a European asset management landscape that is consolidating around its foundations while selectively adapting to new opportunities.

The hub-and-spoke model, centered on Luxembourg, is expected to remain the dominant operating framework. Firms continue to concentrate governance, compliance, and distribution oversight within a few well-resourced ManCos rather than expanding local infrastructure. Rising substance requirements and regulatory complexity will only reinforce this trend.

Growth is expected to remain predominantly institutional in the near term. However, vehicles like ELTIF 2.0, active ETFs, and ETF share classes are gradually opening new avenues toward retail and mass-affluent investors. Digital and tokenized fund formats are also moving from concept to practice and will become an increasingly relevant part of the product agenda over the medium term.

Technology investment and operating model modernization will continue to remain priorities. Firms are replacing legacy systems with integrated front-to-

back platforms to support scalability, data quality and cross-border efficiency.

Meanwhile, the cumulative weight of regulatory change, spanning sustainability, distribution, reporting, and digital assets, will raise the compliance baseline. This will further reward firms with centralized capabilities and robust governance frameworks.

In this environment, the ability to combine operational efficiency with targeted local distribution will remain the defining competitive differentiator for both European and globally active AMs.

Contacts



Sebastian Schieck
Partner - Technology
& Transformation
+352 45145 2007
sschieck@deloitte.lu



Xavier Zaegel
Partner - Technology
& Transformation
+352 621 364 628
xzaegel@deloitte.lu



Sylvain Crepin
Partner - Technology
& Transformation
+352 661 451 997
screpin@deloitte.lu

Deloitte.

Together makes progress

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte provides leading professional services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our people deliver measurable and lasting results that help reinforce public trust in capital markets and enable clients to transform and thrive. Building on its 180+-year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s approximately 470,000 people worldwide make an impact that matters at www.deloitte.com.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.