

Transcript

Confidence must return: An investment management perspective: Podcast

With Wm. David Seymour, Global Head of Investment Management, KPMG in the US

“The investment management industry is clearly suffering along with the broader financial services marketplace. When I look at what’s actually happening to the markets there’s been a loss of trust.

And what KPMG firms are seeing is leading organisations are trying to rebuild that trust and restore that trust with their customers.

Another very important trend is senior people leaving investment banks and other organisations to join or form investment boutiques. I expect to see a proliferation of the old boutique model.

As we look at what’s going to happen with the regulatory environment, President Obama is planning to announce a sweeping financial services regulatory overhaul. We’ll have to see where that steers the sector on this journey.

There will be enhanced regulation in this industry. Now that’s at the manager level and it may also be at the fund level.

One of the challenges is that wealthy high-end investors will often tend to gravitate towards products that have the least of level of regulation because they are savvy about risk, they understand the trade-off. Hopefully we can help enable a lively debate and help get it to a reasonable outcome.

Finally, I think the most important point here is that the role of private capital in restoring confidence and liquidity in the capital markets is going to be essential. And private capital comes through institutional investors, either directly or through funds, whether in private equity funds, infrastructure funds, hedge funds, or other forms of vehicles.”

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