

## FMC strategy: Keeping up with the Alibabas

AMAC's July numbers show how asset flows into MMFs indicate changing investor behavior. China's public mutual fund industry AUM dropped to RMB6.9tr, down 2.4% from end-2Q15. Current flows into MMFs also suggest how FMCs are altering their strategies to retain AUM when times are tough. These significant strategic shifts represent the development of a more comprehensive FMC service ecosystem. Z-Ben Advisors believes these competing ecosystems will be critical to FMCs' effectiveness as domestic agents in the MRF scheme. More importantly, foreign managers should look to emulate this model when building their onshore presence.

**Top 70 FMCs by market share (including all funds, 2Q15 – July data not yet available)**

