Investment Management Association of Japan

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Investment Management Association of Japan
October 2026 Monthly Press Conference

- Date and time: Wednesday, October 14, 2026, 3:00-3:35 p.m.
- Speaker: Akihiro Ino, Vice Chairman, Investment Management Association of Japan
- This document is an English translation of the summary of the monthly press conference held by Mr. Akihiro Ino, Vice Chairman of the Investment Management Association of Japan (IMAJ) on behalf of Mr. Yoshio Hishida, Chairman of the Investment Management Association of Japan (IMAJ), on October 14, 2026.

(Questions and answers on the Investment Trust Overview for September 2026.)

Reporter

You mentioned inflows into privately placed investment trusts designed to respond to rising interest rates. Could you give some specific examples? Have you seen a similar trend in publicly offered investment trusts?

Head of the Statistics and Information Office

We have seen inflows into so-called inverse bond funds, whose net asset value is designed to rise when interest rates increase or bond prices fall. We believe this reflects investors seeking to hedge the risk of rising interest rates. We cannot draw a firm conclusion about inflows into publicly offered investment trusts of this type, however. These funds tend not to feature prominently in inflow rankings, partly because of their relatively small size.

Reporter

I have two questions. First, inflows into publicly offered investment trusts appear to lose momentum in August and September each year. What might explain this? Second, account openings began in October for “Kids NISA”, Japan's tax-exempt investment account scheme for children. What are your expectations for the scheme? Some asset managers also plan to launch investment trusts exclusively for Kids NISA with zero management fees. What are your thoughts on these products?

Head of the Public Relations Department

Overall, inflows in September were broadly in line with August. Both sales and redemptions remained at levels similar to those in August, with net inflows exceeding JPY 2 trillion for the fourth consecutive month. Trends across product categories were also largely unchanged from August. Inflows continued to be concentrated in funds investing in overseas equities and funds investing in both Japanese and overseas equities.

Vice Chairman

I understand Kids NISA to be a new scheme for building assets for a child's future through gifts from parents, guardians and others and regular, long-term investment. Some of the assets accumulated through the scheme may be used to fund education. Its basic advantage, however, is that children can begin their working lives with an existing portfolio of investments. Owning investments at that stage can help them see the benefits of regular, long-term investing for themselves and encourage an interest in finance and asset management. I therefore believe the scheme could also have significant benefits for financial education.

On your second question about products with zero management fees, such a product clearly cannot sustain a business on its own. The key is how to ensure the commercial sustainability of the business as a whole. Management fees are a cost to investors, so lower fees benefit them, and a zero fee is an attractive feature. Maintaining appropriate product quality is equally important, however. I would expect products with zero management fees to serve as an entry point for investors. Each asset manager will need to decide, in line with its own business strategy, how to cover the costs and remain profitable over time.

Reporter

You explained how weakness in Japanese and overseas equity markets affected stock investment trusts, excluding exchange-traded funds (ETFs). Could you also explain the effects of the yen's appreciation and rising interest rates (and the associated fall in bond prices)?

Head of the Public Relations Department

For funds classified in the overseas category, a stronger yen reduces the value of their assets in yen terms, putting downward pressure on total net assets. For funds investing in bonds, higher interest rates reduce the value of their bond holdings, which also puts downward pressure on total net assets.

Reporter

What was the impact of movements in equity markets?

Head of the Public Relations Department

For example, the breakdown of index funds by benchmark index reflects movements in their respective indices. Funds tracking the Nikkei 225 recorded investment gains, while those tracking TOPIX and those in the 'other indices' category, covering indices other than these two, recorded substantial investment losses.

Reporter

There seems to have been little progress in reducing the number of publicly offered contractual investment trusts. This would seem to be related to efforts to improve product governance. How do you assess the current situation?

Vice Chairman

The main purpose of product governance is for asset managers to continually check whether products are being offered appropriately to the investor groups envisaged when those products were designed, and to

work with distributors to address any issues. An excessive number of funds can affect the effectiveness of governance, so it is important for each firm to keep its product range within what it can properly oversee. At the same time, the fact that the number of funds has not fallen should not automatically be taken to mean that product governance is ineffective. Various factors make fund mergers and rationalisation difficult. Some point to constraints in the existing framework, while others highlight the practical burden of obtaining investor consent, which takes time and money. Given these circumstances, I believe it would be worthwhile for the industry to consider, together with the financial authorities, ways to make fund mergers and rationalisation easier to carry out. Having many small funds is not necessarily desirable: it can make product selection more difficult for investors and add to the operational workload of asset management firms and fund managers. In any event, fund rationalisation and consolidation are important issues recognised across the industry, and we need to continue working on them.

(Questions and answers on Expanding Collaboration with Overseas Organisations and Initiatives.)

Reporter

Have you identified any initiatives by overseas industry associations that you would like to draw on?

Head of the Public Relations Department

We still need to research the frameworks and initiatives in other countries, what works in practice, and how these approaches might be adapted for Japan. To lay the groundwork for this, we are building relationships with industry associations in other countries by signing memoranda of understanding (MOUs) on cooperation.

At the meeting of the Asia Oceania Investment Fund Association (AOIFA) to be held next week, we also plan to exchange views on the challenges each country faces and the measures they would like to pursue. Although forums for such discussions existed previously, the COVID-19 pandemic meant that in-person gatherings of representatives from different countries had not been held for a long time. We hope the upcoming meeting will reinvigorate cooperation among the associations. IMAJ would also like to take the lead in creating opportunities for international dialogue and information sharing.

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