

# Asset management operating models – synergies or autonomy – where’s your focus?



With costs and stakeholder pressure on the rise, firms may need to re-evaluate their asset management operating model. As you read through our comparison of operating models below, keep the following questions in mind:

- ▶ Does your operating model align with your current strategic priorities?
- ▶ As margin pressures continue, what is more advantageous – integrated synergies or autonomy?



Globally integrated	Multi-boutique
<p>Held two-thirds of the global <b>AUM</b></p>	<p>Held one-third of the global <b>AUM</b></p>
<p><b>Net flows</b> favorable since 2012, on an absolute and relative (to AUM) basis</p>	<p><b>Net flows</b> unfavorable since 2012, on an absolute and relative (to AUM) basis</p>
<p>In line with the industry; increased focus on <b>passive</b> funds</p>	<p>Increased focus on <b>active</b> funds</p>
<p>Lower <b>revenue margins</b>, due to focus on low cost or passive funds</p>	<p>Higher <b>revenue margins</b>, due to focus on active funds and hence higher fees per AUM</p>
<p>Lower <b>cost-to-income ratios</b>, indicating they have been managing their costs efficiently</p>	<p>Higher <b>cost-to-income ratios</b></p>
<p>Decreasing <b>operating margins</b> since 2013, but globally integrated firms have trended higher</p>	<p>Decreasing <b>operating margins</b> since 2013</p>
<p>Generated lower <b>shareholder returns</b></p>	<p>Generated higher <b>shareholder returns</b></p>
<p><b>Larger number of unrated funds</b>, on an absolute basis, suggesting they have launched more funds recently</p>	<p><b>Launched more funds</b> in proportion to their existing number of funds</p>

Please **contact your EY representative** to learn more.