Are you reframing the future of asset management or is it reframing you?

Future of Asset Management Study. ey.com/reframingassetmanagement

The better the question. The better the answer. The better the world works.
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Reframing the purpose of asset management
The question is no longer whether asset management needs to change, but what that transformation should look like and how it can create long-term value for all the industry’s stakeholders. 2020 was a challenging year for asset managers. The COVID-19 pandemic brought significant disruption, adding to the structural pressures that have been driving the industry toward an inflection point for several years. The next five years will see the speed of change accelerate, pushing firms to do more with less. Faced with these threats, asset managers have maintained an impressive level of resilience. But the industry’s long-term responses to the altered global outlook and investors’ changing demands are only beginning. The industry needs to rethink its purpose and position in society. Individual firms should sharpen their agility, growth prospects and sense of purpose.

In the longer term, the asset management industry should measure the value it creates through the four lenses of clients, talent, society and financials. That will mean pursuing multiple growth strategies, transforming business models and making effective use of inorganic opportunities. Firms will also need to reach a far larger client base to achieve their growth aspirations, in part through a more aggressive push to democratize investing and enhance the financial well-being of a greater share of the population.

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The next five years will provide an opportunity for asset management to reframe the future by strengthening its performance and elevating its purpose. The industry must not fail to seize it.
Changing client needs are at the heart of the Future of Asset Management Study: COVID-19 has rapidly accelerated existing trends and introduced new pressures as well as opportunities to build back better. We explore how this impacts the industry, and how asset managers can help create long-term value for both clients and society. This research is the culmination of months of interviews and workshops with subject-matter professionals across the Wealth & Asset Management sector, as well as other EY industry sectors. The study intends to bring the best of EY in the analysis of evolving client needs, using proprietary EY data modelling to support our insights.
A 2020 began, global asset management could look back on a remarkably successful decade. But the industry’s boom years were ending. Asset management was being driven to an inflection point by a combination of structural shifts, including exchange-traded funds (ETFs), performed well. Environment, social and governance (ESG) funds, fixed income and alternatives saw net inflows. As a result, EY research shows that the industry’s largest firms enjoyed a collective growth of 14.6% in assets under management (AUM) during 2020. But a closer look shows that more than 75% of AUM growth was due to market movements, and that a handful of firms captured the bulk of net inflows. Revenue growth trailed far behind AUM growth at 3.6%, and with expenses growing by 6.1%, there was a decline of 1.7 percentage points in average operating margins. The years 2021–25: A challenging outlook calls for decisive action The next five years will be much tougher for asset managers than the last five. COVID-19 is fanning geopolitical uncertainty, and many countries could take years to recover their lost output. Monetary stimuli will keep rates low for another 2% per annum. At the same time, the need to invest in new products and technology will push up spending. EY modeling shows that these trends will have dramatic effects on profitability. Our base scenario for 2021–25, which assumes AUM growth of 15% over five years, expects average operating margins to decrease by 0.8 percentage points. Most firms will see profitability fall faster than this, due to accelerating “winner takes all” phenomena. That will make it hard for many asset managers—especially small and medium-sized firms without a demonstrable source of differentiation—to survive in their current form. Furthermore, EY modeling shows that a pessimistic scenario (with a market correction holding AUM flat over the next five years) would lead to a 7.3 percentage point reduction in average operating margins by 2025. Asset managers need to make significant changes to their strategies and business models if they’re to succeed in this increasingly fluid and challenging environment. Firms must pursue multiple avenues of growth; invest heavily in data and technology; and take a flexible approach to partnering, collaboration and mergers. There is also an opportunity for firms to offset margin dilution by taking advantage of up to 15% in costs, enabling accelerated investment in technology and innovation.

Components of transformation
For asset managers, successful transformation needs to start with a clear idea of each firm’s role in the industry of the future. Which clients will firms serve? How will they reach them? What investment solutions will they provide, and in what way? Firms should then build on the changes already achieved during the pandemic, using a combination of six key strategic components to shape a multitrack growth strategy, enabled by technology and funded by strategic cost transformation (see chart on the next page). The ability to manage simultaneous, multidimensional change will be crucial.

Executive summary

Against this background, COVID-19 not only disrupted financial markets, but it also threw the industry’s weaknesses into focus, accelerated its tectonic shifts and created new problems. Asset managers responded fast to the industry’s weaknesses — to around 2% per annum. At the same time, the shift to lower-margin strategies will also reduce income. On top of that, economic and demographic factors will reduce net inflows from historic levels of 3%–4% in a period of up to 15% in costs, enabling accelerated investment in technology and innovation.
Looking beyond 2025

Asset managers not only need to transform their medium-term performance. If they are to use the disruption of COVID-19 as a springboard to lasting success, they also need to begin actively preparing for the end of current industry paradigms. Firms should imagine radical but plausible scenarios, identify their strategic implications and begin planning their responses while they still have time.

We set out 10 ways in which asset management could be reframed by 2030, depending on the enabling factors and structural features that could develop in the industry over the next decade. Firms should ask themselves, for example, how they would respond if:

• Asset managers were measured on the long-term value they create for all stakeholders.
• The “winner takes all” phenomenon transforms asset management from the most fragmented to the most concentrated industry.
• A combination of AI and quantum computing could replace human portfolio managers.

How should asset managers respond?

Strategic cost transformation needs to fuel investment in organic and inorganic growth strategies. CEOs should replan the next five years based on the following six components:

6. Leverage inorganic opportunities
5. Complete the digital transformation of distribution
4. Maximize growth areas
3. Reorientate the business around the client
2. Click on the hexagons for more information
1. Reimagine the investment proposition

For clients:
Solve client needs while delivering value for money and exercising fiduciary duties in a transparent, ethical manner

For talent:
Develop a diverse resource pool, an inclusive and equality-driven culture, and incentive structures that reward people for doing the right thing

For society:
Share the benefits of investing with a wider constituency, deliver accessible investment education and make sustainability and climate change risk management the new standard for investing

For shareholders:
Use our six key components of strategy to optimize financial performance, while preparing for the long-term restructuring of the entire investment value chain

Global asset management is at a unique moment in its evolution. Incremental change is no longer enough - decisive action is required to build on the advances already made and to use COVID-19 as a positive catalyst for change.

The world will recover from the pandemic, but the needs of the future will not be the same as those of the past. Delivering lasting value has never been more important for asset managers and their stakeholders. If ever there was a moment for the industry to reframe its collective purpose, it is now.
Introduction to our three CEOs*

**Maria**
CEO of Syntham, top 10 global asset manager
Bachelor's degree in Mathematics
Served as COO and then CEO of a Syntham predecessor firm
Roles in risk management, fixed income and operations

**David**
Ex-CEO of Infortuna Investments, top 40 global asset manager
Chartered engineer and MBA graduate
Served as interim CEO of Infortuna before his CEO appointment
Executive positions in Infortuna’s European and US operations

**Kim**
Founder of Chongsheng, a leading Asian super app
Bachelor’s degree in Orbital Mechanics
Served as Chair and CEO of Chongsheng (“born again” in Mandarin)

* The story, all names, characters and incidents portrayed in this study are fictitious. No identification with actual persons (living or deceased), organizations, and products is intended or should be inferred.
Scene setting: asset management and COVID-19

Asset management before the pandemic

Let’s begin by winding the clock back to the start of 2020. The global asset management industry had just ended another successful year. Global AUM had grown by nearly 15% to reach over US$104t, and operating margins were healthy at 34%, according to EY analysis. And yet, despite this strong performance, we saw many reasons to believe that the industry’s good times were coming to an end. A powerful mix of structural shifts were pushing asset management toward an inflection point. Those shifts included:

1. The transfer of responsibility for long-term savings toward the individual, changing which products are needed and how they are sold.
2. An increasing emphasis on the non-financial outcomes of investment decisions, with financial returns no longer viewed as the only measure of success.
3. The industry’s stakeholders questioning the value for money of every link in the asset management value chain.
4. A structural downward shift in fees across both passive and active products.
5. The tendency for capital to flow toward the cheapest products in an asset class or investment strategy.
6. “Winner takes all” phenomena helping the biggest firms to get bigger, achieving greater advantages of scale in the process.
7. Traditional active management and alpha products “in the middle ground” being replaced by smart beta and factor investing.
8. Technology reshaping asset management distribution, enhancing investment decision-making and automating investment operations.
9. Regulation and investors requiring increased transparency over performance, costs and operations.

Against this background, we felt that many firms needed to make better use of the remaining good times to invest in technology and innovation, preparing themselves for a more challenging future. And that was before the biggest pandemic for a century began.
EY – Future of Asset Management Study

The impact of COVID-19

COVID-19 is reshaping the global economy and profoundly changing how we think and behave. Around the world, people are re-evaluating their priorities and finding new ways to work, shop, learn and socialize. In addition to this, many of the trends that were already pushing asset management to an inflection point have been accelerated by the pandemic.

The arrival of COVID-19 created not only a major shock to financial markets, but it showed that asset management could adapt quickly. The industry transitioned well to remote working while maintaining operational resilience, even if the dispersal of teams often had a diluting effect on culture and productivity.

Institutional, wealth and retail clients adopted digital distribution channels faster than many expected, reducing costs and even increasing accessibility for some clients. Asset managers also moved quickly to maintain client communications, strengthen cybersecurity and third-party oversight, and meet additional regulatory reporting requirements.

Asset managers continued to generate positive net asset inflows, although EY analysis shows that the majority of inflows went to a handful of firms. In the 12 months to 30 September 2020, the top 10 global managers gathered more than twice as much net new money as the next 25 firms put together.

The heightened volatility of late March and early April 2020 saw the risks of pregnancy; credit losses and product failures increase rapidly. The resulting challenges for fund liquidity and asset valuation continue to reverberate around the industry. For example, US money market funds faced similar problems as in 2008, requiring US$5.1bn of loans from the Reserve (outstanding loans as at 30 November 2020), according to EY analysis. Market-wide, redemption suspensions affected funds worth US$52bn between January 2020 and May 2020, according to EY analysis of Fitch Ratings data.

More positively, ETFs passed the test with flying colours, providing a price discovery mechanism when underlying markets were suspended. ESG values were slightly more favorable. However, more than three-quarters of that increase was the result of market movements and less than one-quarter was the result of net inflows.

Furthermore, revenue growth lagged AUM growth at 3.6% as investors switched into lower-risk, lower fee generating assets. It was also outpaced by expense growth of 6.1%, as firms reinvested travel and administrative savings in resilience initiatives and brought forward investments in digitalization.

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This led to a decline in average operating margins of 1.7 percentage points, although the wide spread of individual firms’ outcomes meant that median values were slightly more favorable. Asset management has shown great adaptability in its response to many of the problems posed by COVID-19. But strong headline growth had not alleviated the underlying pressures acting on the industry, and divergence between the best and worst-performing firms has never been greater.

Chart 1:
Year-over-year aggregate change (end 2020 vs. end 2019)

<table>
<thead>
<tr>
<th></th>
<th>AUM</th>
<th>Revenue</th>
<th>Expenses</th>
<th>Operating margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020 vs. 2019</td>
<td>+14.6%</td>
<td>+3.6%</td>
<td>+6.1%</td>
<td>-1.7pp</td>
</tr>
<tr>
<td>US</td>
<td>US $46.0t</td>
<td>US $135.3b</td>
<td>US $87.4b</td>
<td>2020</td>
</tr>
</tbody>
</table>

Median and upper-lower ranges: year-over-year percentage change (full-year 2020 vs. full-year 2019)

Source: EY analysis; 4Q2020 Earnings Press Releases; 10 Ks and Financial Supplements (reported data is subject to availability of public data). AUM is based on 42 of the largest firms representing c.40% of total industry AUM, revenue is based on 40 firms, expenses and operating margin are based on 35 firms.
The resilience of asset management during the initial phase of the pandemic was impressive. But the industry is only beginning to consider the long-term implications of an altered post-COVID-19 landscape.

The macroeconomic outlook for the next five years looks challenging. The global economy shrunk by 4.4% in 2020 and it could take years for many countries to recover the lost output. Geopolitical tensions and nationalized responses to COVID-19 will tend to reduce or even reverse the globalization of recent decades. Despite the potential benefits of vaccination, many economies will see halting growth as local infection rates flare up.

In response, central banks and governments will continue to use aggressive monetary and fiscal policies to protect economies, businesses and incomes. EY analysis of Atlantic Council data shows that relative to gross domestic product (GDP), the total size of the four major central banks’ balance sheets grew by more than 50% during 2020. In the short term, key interest rates are likely to remain near zero, even in the face of higher prices. However, in the medium term, inflationary pressures could lead to a rise in rates, reducing asset price stimuli and raising the possibility of a sharp correction in financial markets.

Even in a less volatile scenario, the increasing divergence between asset valuations and the real economy during 2020 could lead to a prolonged period of weak market performance or a market correction. The financial markets recovery may end up being more W-shaped, with a second fall that is deeper and longer than the first.
Growing investor expectations

COVID-19 marked the end of a 10-year bull run in financial markets. Despite setbacks in 2011, 2015 and 2018, many equity indices doubled or tripled in value during the decade. For investors facing future liabilities, an outlook of slower growth and ever-looser monetary policy will pose a combination of challenges. These investors will not only continue their search for yield but be forced to seek new sources of growth. They will also need to preserve the capital gains of recent years. Those potentially conflicting requirements will have profound implications for asset allocations.

Asset managers worldwide will see the requirements of different investor groups increase further in complexity.

Institutional clients

Institutional clients will continue to reduce the number of their asset manager relationships. That will put smaller firms under pressure, but any manager failing to create value will lose mandates. To meet their future liabilities, many investors will demand solutions that preserve capital while delivering high yields. Institutions will also seek to balance their ESG commitments with their fiduciary responsibilities. More specifically:

• Insurers will face increasing asset-liability management pressure. Regulations will influence allocations, with Europeans drawn to infrastructure while US insurers seek higher risk alternatives. Insurers will also continue to build their own retail savings businesses, forcing asset managers to collaborate to compete.
• Sovereign wealth funds will selectively insource parts of portfolio management, as well as seek exclusive high-yield opportunities in areas such as private debt. Asset managers will need to tailor propositions, models and teams around client needs to retain their business.
• Pension funds will expect asset managers to use data, collaboration and innovation to deliver compelling lifetime solutions. Fund consolidation will push asset managers to build stronger, fewer relationships.

Wealth management

Demand for solutions will also come to the forefront on the wealth management side of the industry. Asset managers will need to deliver goal-focused investment across the asset mix, including in partnership with advisors. Appetite for investment advice and education will grow. Firms will be expected to provide fully integrated digital services as standard. In addition:

• High-net-worth (HNW) and ultra-HNW clients will demand exclusive investment propositions, combining capital protection with long-term growth characteristics.
• Realizing the untapped potential of the mass retail market will require many firms to transform their digital distribution capabilities, branding power and ability to partner with non-financial companies. As part of this, working more closely with governments and other stakeholders will help firms to improve financial access and financial literacy.

In short, the coming years will see all client groups increase their demand for tailored investment solutions, advice and education, real-time personalized service, and the integration of non-financial goals—not to mention lower charges and stronger value for money. This remains a challenging preprospect.

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Faced with a subdued market outlook, clients need to preserve capital while generating yields, and growth will force asset managers to accelerate diversification. At one end of the spectrum, alternatives will be used to push up returns; at the other, low-cost passive options will be used to deliver beta. In between those extremes, traditional alpha strategies will lose ground to cheaper “deconstructed” alternatives, such as factor investing and enhanced beta. Asset managers will need to become more innovative in their structuring of portfolios, perhaps using collaboration with banks or insurers to create mechanisms that include elements of guarantee.

In parallel with those investment challenges, asset managers will face an increasingly forceful margin squeeze. Revenues will come under pressure from a two-pronged assault. First, fees for every asset class will continue to be eroded by competition and the regulatory focus on value for money, with lowest-cost funds dominating inflows in every part of the industry. Second, the continuing industry-wide shift to passive and other lower-revenue margin strategies will have an adverse impact on fee income.

In addition to this, the global industry is likely to experience net annual inflows closer to 2% than to historic averages of 3%–4%, owing to:

- Continued capital drawdown by baby boomers.
- Lower retail and defined contribution savings rates due to slower economic growth.
- Withdrawals by sovereign wealth funds (SWFs) developing their own management capabilities.

Finally, firms will face an accelerating need to invest in technology, innovation and compliance in order to meet the rising expectations of investors and other stakeholders.
Three scenarios for growth, revenues and margins by 2025

**EY analysis**

The impact of these trends will be stark. EY teams have modeled three industry-wide scenarios for the next five years, and the results point to increased pressure on profitability from fee compression and cost growth (see Chart 2). In our base scenario, which assumes AUM growth totaling 15% between the start of 2021 and the end of 2025, average asset management operating margins drop by 0.8 percentage points. Even in our optimistic scenario, which assumes AUM growth of 30% over the same period, average profitability only grows by four percentage points. Meanwhile our pessimistic scenario, based on flat asset levels, predicts a 7.3 percentage point fall in operating margins. In this scenario, EY analysis shows that asset managers would need to take out 10.3% of total costs over the period 2021–25 in order to maintain operating margins at 2020 levels.

This environment will make it hard for many asset managers to survive in their current form. Furthermore, the impact of margin pressure will be uneven. EY research shows that the top quartile of the world’s 40 largest asset managers controls nearly two-thirds of that group’s total AUM, with some of the largest firms enjoying extremely strong inflows in 2020 while smaller rivals struggled to attract capital. So, while every firm will face tighter margins, the acceleration of “winner takes all” dynamics will put small- and medium-sized players without standout capabilities at a particular disadvantage. In short, it looks increasingly likely that asset management will change more in the next five years than in the last 25. Firms’ ability to thrive in this increasingly harsh environment will depend on their willingness and ability to make radical changes to strategies and business models. If there was ever a moment for the industry to rethink its collective purpose and position in society, surely this is it.

### Assumptions

- AUM by end of 2020 is US $119.5t.
- Fee compressions are likely to decline at half the average annual rate witnessed over the past three to five years.
- Fixed costs are likely to grow at 3% per annum.
- Variable costs move directly in-line with change in revenues.
- Asset allocation shifts away from actives and toward passive but also into institutional alternatives.

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**Chart 2:**

**Pessimistic:** AUM remains flat until end of Dec 2025

<table>
<thead>
<tr>
<th>Year</th>
<th>AUM (US $t)</th>
<th>Operating margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>119.54</td>
<td>29.3%</td>
</tr>
<tr>
<td>2021</td>
<td>113.32</td>
<td>28.9%</td>
</tr>
<tr>
<td>2022</td>
<td>117.49</td>
<td>28.5%</td>
</tr>
<tr>
<td>2023</td>
<td>122.77</td>
<td>28.1%</td>
</tr>
<tr>
<td>2024</td>
<td>127.47</td>
<td>27.7%</td>
</tr>
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</table>

**Base:** AUM grows by 15% by end of Dec 2025

<table>
<thead>
<tr>
<th>Year</th>
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<tr>
<td>2020</td>
<td>119.54</td>
<td>29.3%</td>
</tr>
<tr>
<td>2021</td>
<td>125.98</td>
<td>29.1%</td>
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<tr>
<td>2022</td>
<td>132.77</td>
<td>28.9%</td>
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<tr>
<td>2023</td>
<td>139.92</td>
<td>28.7%</td>
</tr>
<tr>
<td>2024</td>
<td>147.46</td>
<td>28.5%</td>
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</table>

**Optimistic:** AUM grows by 30% by end of Dec 2025

<table>
<thead>
<tr>
<th>Year</th>
<th>AUM (US $t)</th>
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<td>2023</td>
<td>147.46</td>
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<tr>
<td>2024</td>
<td>155.40</td>
<td>29.3%</td>
</tr>
</tbody>
</table>

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As our base scenario shows, the asset management industry is likely to continue expanding over the next five years. There will be opportunities for firms that can seize them, but few easy routes to growth. On one hand, competition will erode pricing in every asset class, including specialized areas such as alternative investments. On the other, asset managers will need to invest heavily in data and technology, often in collaboration with third-party specialists and trusted brands from other industries.

For asset managers, successful transformation will start with a clear view of the role they want to play in the industry of the future. That means identifying which clients to serve, how to reach them, what investment outcomes to provide and how to deliver them.

When it comes to implementation, CEOs not only need to embed the positive changes accelerated by COVID-19. They also need to use an appropriate combination of six key strategic components to boost revenues and control costs, which we now examine. Winning firms will adopt a multitrack growth strategy, funded by strategic cost transformation and enabled by technology. That will require managing an unprecedented level of simultaneous multidimensional change, as well as maintaining the flexibility to take advantage of strategic opportunities as they arise.

CEOs should replan the next five years based on the following six components:
Asset managers must organize themselves around client needs to provide clear solutions that deliver against investors’ financial and non-financial goals. It’s becoming clear that investors want transparent investment approaches, tailored to their financial and non-financial needs, that achieve their long-term objectives. Generic strategies and the promise of relative performance are not enough. That applies not only across the institutional and HNW segments, but increasingly in the retail segment.

In response, asset managers need to reorientate their business around the client. Pivoting from product provider to solutions partner will allow firms to have the greatest possible impact on investor outcomes. Asset managers should begin by identifying and understanding their end investors, a group that many firms often don’t know very well. Data and technology can help firms to establish a detailed, evolving picture of the needs, preferences and behaviors of asset owners and intermediaries.

That enhanced understanding will allow asset managers to understand the investor problems they need to solve. Having identified the desired investor outcomes, asset managers can then design solutions to meet those needs, supported by appropriate education and guidance. That will require a range of products and technology, combining capabilities in distribution, manufacturing and advice.

Lastly, firms should identify which solution components they want to provide, and align operational elements, such as technology, digital interfaces, incentives and compliance, accordingly. Examples of asset managers’ contributions to investment solutions could include:

- Manufacturing low-cost passive returns.
- Developing niche capabilities in specialized asset classes.
- Providing model portfolios for retail intermediaries.

Since only a few firms will have the scale to deliver a full range of possibilities, most will need a clear focus and a distinctive approach to differentiate themselves effectively.

Digital transformation is key to strengthening investor relationships and understanding, delivering tailored experiences and building engagement. Digital distribution is central to asset managers’ ability to reorientate around investors. COVID-19 has made the need for transformation more urgent, driving up digital demand across all client groups.

The virtual environment has increased the accessibility of some clients, but speed and convenience are not the same as insight and trust. Building sustainable digital connections with new investors will be harder than establishing long-established relationships virtually.

To achieve lasting success, asset managers need to take the broadest possible view of digital distribution. Digital channels can fulfill multiple purposes, allowing firms to connect more frequently, flexibly and engagingly with a wider range of clients while building trust and reducing costs. Ideally, client-centric digital distribution will strengthen many aspects of investor relationships, including:

- Using automated, flexible customer analytics to understand investors and apply insights to investment decisions and relationship management.
- Engaging investors through digital marketing, using tailored research, interactive education and gamification to deliver real-time advice and suggestions.
- Educating investors via automated, virtual hybrid advice that mixes personal and digital interactions according to investor preferences.
- Onboarding investors using omni-channel customer journeys.
- Using digital reporting to inform investors and intermediaries about strategies, performance, holdings and investment operations in real time.

Whatever approach firms choose, digital transformation in asset management will require more than technology alone if it is to provide tailored, engaging experiences. It will also depend on balancing digital channels with human interactions; on integrating data and analysis into digital propositions; and on leveraging strong purpose-driven branding, including collaboration with trusted partners from other industries.

One: Reorientate the business around the client

Two: Complete the digital transformation of distribution
Technology is bringing unprecedented innovation to portfolio management, allowing firms with the right capabilities to reinvent investment propositions and operations.

The process of generating investment insights is changing. The growing size and speed of available data is creating significant opportunities for asset managers to apply machine learning to appropriately structured data sources and deliver best-in-class performance for investors.

Enhanced data analytics can streamline the investment research process, augmenting the capabilities of portfolio managers across a range of investment styles and strategies. For example:

- Applying AI to the analysis of alternative data will provide early indicators of market signals, helping active portfolio managers to deliver superior returns.
- Advanced analytics will help analysts to parse the growing but often contradictory range of ESG data generated by issuers and data providers, to analyze alternative sources of data and to compare those signals against issuer disclosures.
- Automation in asset management will help to build effective, efficient fund propositions in areas such as smart beta or factor investing, and could make it easier to operate a wider range of fund types — such as Undertakings for Collective Investment in Transferable Securities (UCITS) and 40 Act funds — without creating excessive cost duplication.

Data analytics can not only introduce greater innovation into front-office asset management, it can also strengthen middle-office processes such as scenario modeling and stress testing, and improve the efficiency of investment operations. For example, asset managers launching new ETFs can use automated data sharing with authorized participants to make unit creation and redemption smoother and faster.

Optimizing investment performance will depend on exposure to key areas of growth, but growing competition means that differentiated capabilities will also be required.

The growing investment and financial pressures on asset managers mean that it is vital for firms to position themselves to maximize the industry’s engines of growth. We expect the following areas to perform strongly over the next five years:

- Alternative investments, especially in private markets and infrastructure, will be a valuable source of lower correlated returns and income for long-term investors who can accommodate the illiquidity of the asset class.
- Sustainable investing will become integrated into asset management products and solutions, while also becoming more sophisticated, mature — and closely regulated.
- China will continue to grow in importance as an asset management market, helped by domestic growth, greater openness to foreign firms and the speed of technological innovation.

Each of these areas offers potential performance benefits for investors and above-average growth for asset managers. However, as we discuss later in this study, each will also be characterized by increasing competition. Firms’ ability to develop genuinely differentiated capabilities will be central to capturing the full potential benefits of growth.

Three: Reimagine the investment proposition

Four: Maximize areas of growth
Spotlight: Alternative investments

Private markets and infrastructure

Alternative investments, already a core element of asset allocation for many institutional and HNW investors, will become increasingly essential to maintaining yields and increasing diversification. In the US, pension reforms could also see private capital markets opening up to retail investors — although this will bring heightened expectations in terms of investor protection. Within the alternatives sphere, we highlight two areas of potential growth.

• **Private markets:** Private markets make up the largest slice of the alternatives universe and are likely to see the strongest growth in coming years. Private credit is expected to attract particularly rapid inflows, with investors drawn to its comparatively high yields at a time of ultra-low interest rates. Investors will increasingly hope to see ESG criteria being considered as part of the investment process. This will be relatively easy to achieve in some areas, but extremely difficult in others such as distressed debt.

• **Infrastructure:** Currently a relatively small asset class, infrastructure is likely to see strong growth owing to its stable returns, social purpose, government investment programs’ and low correlation with other investments. But infrastructure requires unique skills — managers need to bring more than capital to the table. Every investment is different and the ability to build close public sector relationships is vital. A handful of specialist managers dominate the market, and some large pension and sovereign funds are opting to invest directly, cutting out managers altogether. Both these areas will stretch asset managers’ capabilities as the delivery of value creation in the underlying assets becomes a more important source of alpha. Private markets and infrastructure illustrate both the appeal and the potential drawbacks of alternative investments for asset managers. The necessary skills can take years to develop, pushing up costs and creating barriers to entry. Both areas also show “winner takes all” dynamics and these are likely to increase, with new entrants forced to focus on smaller niches.
Spotlight: Sustainable investing

Sustainable investing

Asset owners’ increasing focus on non-financial outcomes, accelerated by growing environmental and social awareness and hardening regulation, will drive continuing growth in sustainable investing. Sustainability will become integrated into mainstream practice, with some estimating that ESG-mandated assets could grow by almost 10% every year for the next 15 years. Adoption will grow outside the strongholds of Europe, Canada and Australasia, with ESG criteria becoming embedded into strategy, investment management, benchmarks, governance, risk management and reporting across all asset classes and investment products. But while sustainable investing presents a major opportunity for asset managers, it will not be without its challenges. Growing demand will be matched by increasing stakeholder expectations:

- Regulators will impose more onerous requirements for disclosure and reporting. The EU Action Plan on sustainable finance, including the Taxonomy Regulation and the Sustainable Finance Disclosure Regulation, is a prominent example.
- Evolving cross-border initiatives by bodies, such as World Economic Forum (WEF), International Business Council (IBC), the Sustainable Accounting Standards Board and the Taskforce on Climate-related Financial Disclosures, will continue to push up sustainability standards.
- Investors and their advisors, from the largest institutions to individual savers, will increasingly view ESG capabilities as a hygiene factor. They will demand tailored reporting on how sustainability and stewardship are implemented, and will expect firms to address a growing range of factors varying from biodiversity to mental health.
- As the Sustainable Development Goal (SDG) deadline of 2030 approaches, impact-driven investing will become a new area of innovation, favoring firms that are able to demonstrate strong “impact first” track records.

As a result, the economics of sustainable investing will become increasingly challenging. The costs of meeting stakeholder expectations will continue to grow, but competition for ESG inflows will become intense, rapidly eroding pricing premia. To differentiate themselves, asset managers will need to demonstrate unique capabilities in terms of specialization, performance, stewardship, personalization, proprietary analysis or investor education. The ability to apply smart analytic techniques to the screening and analysis of complex, contradictory disclosures is likely to be crucial. Firms will also need coherent sustainability strategies. Consistent, firm-wide approaches will be essential to avoiding potential conflicts and damaging allegations of greenwashing. Asset managers need to lead by example, setting the standard for the industries they invest in.
China will continue to be one of the world’s fastest-growing asset management markets over the coming years, thanks to strong economic expansion, the increasing wealth of middle-class investors, and the growing need for investment education and advice. China’s total household wealth is only exceeded by that of the US, and its asset management industry manages approximately US$16t in AUM, according to WEF. Chinese consumers’ affinity for technology, the power of domestic technology firms and a lack of restrictions on the use of personal data will also make digital distribution an increasingly powerful driver of growth.

In addition, developments in supervision and technology will reshape the ways in which foreign and domestic asset managers reach Chinese investors:

- From 2020 onward, banks, insurers, fund managers, brokerages and other financial institutions will compete under the same regulatory standards.
- The new ability of foreign asset managers to take majority stakes in joint ventures with banks’ wealth management subsidiaries will increase international access to this vital distribution channel.
- Domestic technology specialists’ ability to sell retail investments will grow, thanks to super apps and digital ecosystems serving as one-stop shops for investors’ financial needs.

These changes will accelerate competition. Larger players will increasingly capture the bulk of inflows, with smaller firms requiring specialized capabilities in portfolio management or investor advice to compete. That will make it essential for all asset managers, whether foreign or domestic, to develop differentiated capabilities as solutions providers, through portfolio management, via distribution partnerships or in terms of operating efficiency.
The ability to deliver lasting improvements in performance while achieving a step change in efficiency will depend on transforming the business models of asset managers. Fundamentally transforming business models will be a strategic imperative for many asset managers over the coming years. Successful business model transformation should start with a strategic, top-down approach to cost reduction. Unlike the industry’s historic bottom-up cost savings programs, a strategic approach to cost transformation can deliver 10%–20% reduction in operating costs that many firms will need to fund their required investments in technology, data and growth (see Chart 3 on the next page).

Strategic cost transformation is about much more than reducing costs. It is about creating a scalable and efficient business with a more flexible and controllable cost base. The three key stages of this approach are:

- Making strategic decisions about where firms want to play and how they plan to win, identifying priority clients, products, geographies and distribution channels to allow firms to exit activities where they lack scale or differentiation.
- Identifying structural opportunities to transform operating models, including deciding which capabilities will remain in-house and which can be provided externally; consolidating third-party relationships; and rationalizing legal entities and fund structures.
- Optimizing the efficiency of internal operations, using lean processes, intelligent automation and machine learning to improve speed and accuracy of asset management processes.

The second element of business model transformation is to develop the architecture needed to deliver on the four strategic components of growth we have already identified. Successful execution against those goals will depend on firms’ ability to align technology infrastructures and data repositories with their chosen strategies and structures. Finally, the disruption caused by COVID-19 gives asset managers a chance to revisit and redefine the future of work, both as a place and as an activity.

At one level, this can support cost transformation, for example, by reducing real estate footprints, reassessing the value of business travel, and delivering more learning and coaching remotely. At another level, new ways of working could help asset managers to improve the diversity of their talent pools, although this will depend on sound data collection and on implementing effective strategies for change. More remote and flexible working could help the industry to employ higher proportions of female and ethnic minority staff, or to achieve a greater range of cognitive diversity among employees. This will help firms to refresh their people skills, with engineering, data analysis, experience design and change management becoming increasingly important. As workplaces become more virtual, leadership and culture will also need to change. Managers will have to balance the need for efficiency against the value of collaboration and socialization. Leadership will need to be authentic and visible, despite greater physical remoteness. Leaders will need to create a culture of inclusivity and care while retaining the ability to take tough decisions as business models evolve.
A strategic approach to cost transformation uses multiple levers to achieve permanent reductions in asset managers’ operating costs. EY research suggests that a typical mid-tier asset manager with AUM in the US$500b to US$1t range and a total expense base of approximately US$2b could achieve costs savings of up to 15% from a multiyear, enterprise-wide transformation program.

The waterfall diagram illustrates how savings of this magnitude can be delivered across the three key stages of the strategic cost transformation approach:

- **Strategic levers** of savings from strategic levers, including existing unprofitable geographies, digitizing distribution and launching new strategic distribution partnerships.
- **Structural levers** of savings from structural levers, including:
  - Outsourcing trading and middle-office activities, creating centers of excellence around remaining manufacturing and operations, and the offshoring of support functions.
  - Future of work initiatives such as real estate rationalization, reallocation and hiring outside central locations.
  - Optimizing front-office platforms and moving data and technology to the cloud.
- **Tactical levers** of savings from tactical levers, including:
  - Process optimization, intelligent automation, rationalizing licensing costs including market data, and new ways of working that reduce travel costs.
Spotlight: Technology and data in asset management

The EY CEO Imperative Study shows that two-thirds of financial services CEOs expect to make significant investments in data and technology over the next 12 months, and that strong data and technology are expected to be the most important characteristics of successful enterprises. In the future, an integrated technology architecture, linked to a single “golden source” repository of data, will be critical to asset managers’ ability to:

- Deliver the strategic components of growth including reorientating around investors, transforming digital distribution and reimagining investment propositions.
- Transform business models and cost structures, achieving a step change in efficiency and scalability.
- Position for sustainable leadership by building a resilient and flexible infrastructure that can adapt to future change.

Asset managers understand the competitive advantages that a robust technology infrastructure can deliver, but many find it hard to make the necessary investments while also delivering day-to-day improvements, responding to competitors and maintaining regulatory compliance. And while COVID-19 has strengthened the need for change, the disruption it brings has also made it harder to take a strategic view of technology and data.

Integrating a program of technological change into a strategic cost transformation program can help firms to align their technology and data stack with other changes to their operating models. The resulting architecture will allow firms to:

- Integrate internal capabilities with external platforms operated by FinTechs, asset servicers, custodians, technology vendors and other third parties, facilitating a “plug-in, play and replace” philosophy.
- Make full use of cloud computing to deliver data storage and processing.
- Use APIs to create real-time connectivity with a full ecosystem of data providers, solution partners, distributors and advisors.
- Enable asset managers to harness external RegTech and SupTech solutions, taking a more strategic and efficient approach to compliance.

EY – Future of Asset Management Study
Transactions will become an increasingly important tool for meeting strategic growth objectives, developing areas of differentiation and achieving business transformation.

The bull market of the last decade concealed many asset managers’ struggles to achieve substantial organic growth. Looking ahead, more volatile markets will put the spotlight on firms with weak net inflows. We therefore expect M&A to become an increasingly important strategic lever.

In part, this will simply be about building scale. “Winner takes all” dynamics are evident in many areas of the industry, and the benefits of size will only increase. Being bigger not only brings economies of scale, it increases diversification and smooths the effects of volatility. Institutional investors’ desire to rationalize their manager relationships will also help larger firms to limit their outflows.

In the near future, the effects of the pandemic on valuations could create opportunities for buyers with healthy cash levels, or whose valuations have held up well during the crisis. We note that 2020 saw a number of significant asset management deals, including some large transactions aimed at building scale, growing clientele and accessing new growth avenues. It’s also possible that the disruption brought by COVID-19 could encourage some banks and insurers to reconsider their ownership of captive asset managers. As financial groups sharpen their strategic focus, some may decide to scale up their asset management operations – or to exit them altogether.

Of course, doing the deal is only the start. The difficulty of extracting value from asset management mergers is well known and arranging deals is often easier than making them work.

The rapidly changing digital environment also means that M&A will not be the only way to achieve effective strategic outcomes. We expect to see greater use of alliances and joint ventures, which allow for greater flexibility and focus. One likely area of focus is distribution. International firms could form multiple partnerships, each targeted on a specific growth avenue – something that could be particularly appealing for those targeting Asian markets. Another key goal of partnership will be to enhance operational platforms without the need to build or buy, freeing up energy and capital with which to develop differentiated products and services.

In the long-term, we expect to see growth-minded asset managers building strategic links with companies beyond traditional industry boundaries to access new client segments or distribution channels. Working with technology, communication or health care companies could allow asset managers to unlock value through ecosystem models, combining their own skills with the capabilities or customers of partner organizations. However, making the most of partnerships will require asset managers to expand their strategic playbooks, make an honest assessment of their relative strengths and weaknesses, and build a framework for planning and executing new relationships.

In the long-term, firms that view transactions as a tool for delivering clearly defined strategies, rather than a solution in their own right, will create the greatest value from inorganic growth.

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In this study, we have so far focused on how we expect asset management to evolve over the first half of this decade. But what comes after that?

Making detailed long-term predictions is difficult at any time, let alone during a global crisis. Even so, looking beyond current paradigms allows us to imagine possible futures and work backward to identify their strategic implications. This “future-back” approach to strategy has often helped companies to use times of change as a springboard for subsequent growth.

In other words, asset managers not only need to transform their present performance; they must also plan for a range of future scenarios. We believe the industry’s ultimate winners will be those firms that can navigate an increasingly complex and fluid world to create long-term value.

What lies beyond 2025?

In this section, we therefore set out 10 ways in which the industry might be reframed by 2030. These scenarios are very different from the status quo – and from each other – but they are not as remote or implausible as they may appear. All are inspired by structural shifts and industry trends already reshaping asset management.

Individual asset managers should begin planning their responses to these alternative realities now, based on their assessment of each scenario’s likelihood, timing and potential impact on their business. They should then ask themselves: How would we respond to this scenario?

1. How would you position yourself in response to this scenario?
2. How should you react if progress toward this scenario accelerates?
3. What can we do now to begin preparing for this scenario?
Beyond 2025: 10 future scenarios

How would you respond if …

1. … the industry’s purpose was to provide every adult in the world with the knowledge and opportunity to participate in the growth of capital markets?

Features: The industry increases its long-term value to stakeholders by enabling the democratization of investing. This includes providing education, access and zero- or minimal-fee products to the entire adult population. Participation in this endeavor is required as part of the industry’s social license to operate.

Enablers: Asset managers and national governments collaborate to create greater financial literacy. Passive products are provided at minimal or zero fees, with revenue generated from customer data insights or securities lending. Fractional ownership of assets, recorded on a public distributed ledger, removes the need for fund structures and their associated costs.

2. … asset managers were measured on the long-term value they create for all stakeholders?

Features: Asset managers collaborate with investors, governments and regulators to help the world build back better in the years after COVID-19. New models of public-private collaboration give asset managers a central role in providing financial education, and in directing household savings into “shovel-ready” projects, green technologies and digital infrastructure.

Enablers: The importance of a green post-COVID-19 recovery, combined with governments’ record levels of debt, make private investment a critical enabler of sustainable recovery. Asset managers place themselves at the nexus of these new flows of capital, creating value for investors and wider society alike.

3. … every investor knew the impact of the assets they held?

Features: Every investor - institutional and retail - has “touch of a button” transparency into their holdings. The ability to look through to underlying assets reveals the ESG impact of every investment, along with full accountability and liability for that impact.

Enablers: Advances in technology enable granular real-time investor reporting. Universal ESG standards allow for instant comparisons. Higher taxes on profits with negative ESG impacts encourage investors to screen their investments, funnelling capital into sustainable assets.

4. … index providers partnered with technology firms to become the largest asset managers?

Features: Index providers work with technology platforms to dominate rules-based investing and become the world’s largest asset managers. In addition to their data advantages, index providers enjoy lower costs and less margin pressure than conventional asset managers.

Enablers: The shift to passive increases asset managers’ delegation of investment decisions to index providers. As costs fall, direct indexing becomes widespread and index providers issue funds tracking their own indices. Tighter regulation of index providers increases investor trust, further eroding the role of asset managers.

5. … reimagining the idea of “work” allowed asset managers to employ more diverse talent in more diverse locations?

Features: Asset management post-COVID-19 views remote working as proven and normalized. Firms far-shore their talent, driving down payroll and premises’ costs while accessing specialized talent from a deeply diverse resource pool. Groups of people previously excluded by caring commitments, physical limitations or cognitive diversity now work in asset management.

Enablers: Intra-pandemic work patterns and remote-working practices survive the post-COVID-19 “back to the office” drive. Asset managers devise new ways to maintain or improve workforce training, staff collaboration, creativity and corporate culture across dispersed teams.
How would you respond if...

6... the “winner takes all” phenomenon transforms asset management from the most fragmented to the most concentrated industry?

7... fractional ownership removed the need for funds?

8... a combination of AI and quantum computing could replace human portfolio managers?

9... asset management fees were based on the creation of long-term value?

10... direct to customer (D2C) relationships were the norm, not the exception?

Features: The asset management industry is comprised of a handful of global data-driven organizations and a “long tail” of far smaller specialists. One or two firms dominate each region and investment style.

Enablers: The acceleration of the “barbell” phenomenon, shrinking asset management margins, dealmaking and a range of other structural factors create a self-reinforcing flight to scale. For example, EY analysis shows that over the last ten years, AUM for the top ten asset managers has increased from 27% to 31% of total industry AUM (see Chart 4).

Features: The fractional ownership of assets is recorded on a public distributed ledger, removing the need for fund structures and their associated costs. Tokenization broadens access, allowing anyone to invest in previously restricted asset classes ranging from private companies and infrastructure to property and fine art.

Enablers: Technological advances allow for the fractionalization of existing securities and financial assets, and the tokenization of physical assets and legal titles. With the security and reliability of distributed ledgers proven, their efficiency, convenience and transparency cause demand for funds to plummet.

Features: AI decision-making is more transparent than its human equivalent, and can conduct investment management with minimal intervention. All required data is available in a digitized format suitable for machine learning.

Enablers: Asset managers have high technological capabilities and use a combination of acquired and proprietary tools for portfolio management. Decision-making is instant, automatic and hugely scalable. Quantum computing follows AI in making the jump from lab to office.

Features: Funds do not charge fees for pure investment performance, making conventional benchmarks obsolete. Fees are based on a blend of investment performance and non-financial value, according to the weightings and objectives set out in each fund prospectus. Calculations take place over a period of at least 3-5 years, with refunds for subsequent under-performance.

Enablers: Advances in taxonomies, technology and data allow for consistent, transparent measurement of the long-term value that asset managers create, assessed through the four lenses of clients, society, talent and financials.

Features: Asset managers have sizeable D2C distribution networks, and source a large portion of their inflows directly from investors or via investment platforms. Investors’ preferred digital interfaces vary between different markets, with simplified distribution as the common theme.

Enablers: Large asset managers acquire or build D2C portals in a drive for vertical integration. The regulatory push for greater fee transparency and clearer reporting encourages firms to pursue D2C and platform relationships. Distributed ledger technology allows platforms to provide instant processing of fund transactions.
The three CEOs: a future history

Let’s take another look at the decisions our three fictional CEOs made in the aftermath of COVID-19, and the paths those choices took them down in the years that followed.

Throughout David’s time as CEO of traditional asset manager Infortuna Investments, he had been acutely aware of the need for stronger growth and greater scale. In response, he had initiated several programs to boost diversification, efficiency and growth, including merging with a large European wealth manager. But the steps he had taken, including an impulsive decision to acquire an ESG-specialized rival, never created the value he hoped for or did enough to make Infortuna stand out from the crowd.

David thought time was on his side, but the disruption of COVID-19 added to investor dissatisfaction. Without a clear strategy to differentiate the firm, fund flows turned negative and profitability was squeezed ever tighter. Finally, after a few months, during which the firm endured social media accusations of greenwashing, a seven-figure regulatory fine and the indignity of a profit warning, David had stepped down from his leadership role. After suffering further outflows, Infortuna had since begun rebuilding around a technology-enabled sustainability strategy. David, meanwhile, had focused his efforts on his charity promoting financial literacy in schools — and on his garden.

What about Maria? After reaching a fork in the road in 2020, her asset management company had taken a series of bold steps, leading to exponential growth in the early 2020s. Those moves began with the transaction that created Syntham — a merger with the Asia-Pacific asset management arm of a global insurer that raised eyebrows among many long-standing investors. That was followed by a joint venture with a Chinese wealth manager catering to the country’s fast-growing middle class.

However, Maria’s most successful move owed something to luck. If she hadn’t joined the judging panel of a fintech start-up competition, she would never have met Kim, the founder of the now-famous super app Chongsheng. Maria had always been interested in the potential of direct retail investing, but hearing Kim talk passionately about the convergence of payments, banking, social media and the sharing economy was a lightbulb moment. She and Kim agreed to explore creating a digital platform that

Our three CEOs

Maria

Building a D2C network in partnership with Chongsheng

Convincing the board to make decisive changes to post-COVID-19 business models

Merging with a global insurer’s Asia-Pacific asset management arm to create Syntham

Joint venture with a Chinese wealth manager

Losing some long-standing investment mandates in the wake of Syntham’s creation

David

Creating a successful financial literacy charity

Building a reputation for rigorous investment research

Merging Infortuna with a blue-blooded European wealth manager

Rushing the acquisition of an ESG-focused rival, leading to accusations of greenwashing

Failing to move Infortuna onto an efficient digital platform

Kim

Seeing Chongsheng become a “decacorn”

Founding Chongsheng with a family loan and a US$25,000 grant from Harvard Business School

Visualizing the convergence of payments, investing, sharing and social data

Creating an app for micro-investing and the delivery of mass financial education

Being slow to add anti-addiction safeguards to the gaming aspects of Chongsheng’s apps

would not only allow for micro-investing but also deliver much-needed education and advice. The resulting D2C network was now an integral part of Syntham’s technology infrastructure and a key driver of new inflows.

As for Kim, despite growing global fame during the 2020s, he had remained a largely private figure — although he was known to donate his bonuses to a youth education foundation based in his home city. Famous for being the world’s richest person without a bank account, he continued to focus on innovation and was reported to be on the verge of announcing a new breakthrough in wearable technology.
COVID-19 has created further challenges for asset management, accelerated the tectonic shifts that were reshaping the industry before its arrival, and created new drivers of change. Firms should use this unique moment as a catalyst to reframe the future of asset management, ensuring that the industry emerges from the crisis better, stronger and with renewed purpose.

In our view, creating long-term value will allow the industry to strengthen its performance while elevating its purpose. At EY, we believe long-term value should be measured through four lenses: clients, talent, society and financials. Creating value from each of these perspectives should be the benchmark of sustainable success for asset managers.
Reframing the purpose of asset management

Let’s begin with clients, who are increasingly questioning the value for money delivered by asset management. The industry must deliver solutions to client needs, which requires a better framework to measure client satisfaction and perceptions of value. Asset managers must exercise their fiduciary responsibilities with transparency, communicating openly and honestly. Trust will be built by upholding the highest ethical standards and meeting expectations time after time.

Turning to talent, people are at the heart of asset management. The industry should aspire to set the gold standard for talent management, developing a resource pool that’s diverse in every sense, an inclusive and equality-driven culture, and incentive structures that remunerate people for doing the right thing.

Lastly, continued stakeholder demand for lower fees means that the financial pressure on asset managers will continue unabated. There is still plenty to do to optimize the industry’s financial performance, and we believe our six strategic components hold the key to creating technology-enabled business models that will deliver stronger growth at lower cost. In the longer term, the solution to the industry’s challenges may require a fundamental restructuring of the entire value chain. Scenario planning and future-back thinking can help asset managers to start preparing for this now.

In conclusion, delivering long-term value has never been more critical for the asset management industry and its stakeholders. The world will get through the COVID-19 crisis and economies will recover. But the needs of the future will not be the same as those of the past. We need to ensure we don’t squander this opportunity to elevate the purpose of asset management, thereby delivering greater benefits to investors and society.
How EY teams are helping asset managers respond to this outlook

At EY, we put our purpose – Building a better working world – at the heart of everything we do. We are committed to delivering insights and quality services that help build trust and confidence in the capital markets and in economies around the world. Our EY Global Wealth & Asset Management network includes more than 20,000 professionals around the world who are committed to helping clients reframe asset management. Every consulting opportunity, every audit, every tax return, every collaboration, every question we ask helps make the working world better than it was before. Our purpose is to help the industry deliver greater value for money for its clients, providing high-quality advice and efficiently allocating capital for the benefit of investors, society, and the environment.

We aim to help the asset management industry become a role model for the industries it invests in, through its actions in governance, diversity, inclusiveness and equality. By using technology as a tool, to transform what a business can become and people can do, EY teams are helping to build long-term value for wealth and asset management clients. It is how we play our part in building a better working world.

The EY Global Wealth & Asset Management network includes more than 20,000 professionals around the world working with clients not just to stay competitive, but to change investing for the better.
EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

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