

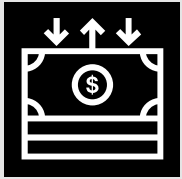
State-of-the-Industry

The New Context - Asset and Wealth Management Revolution 2023

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The global perspective: Embracing Change as the Driving Force of AWM in the new context – some figures from our latest research and survey



5%

We expect global AuM to rebound at a **5% CAGR** until 2027 to reach **USD 147.3tn**



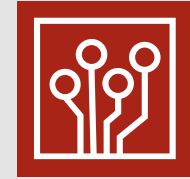
50%

We expect the **top ten traditional asset managers** to control around **half of respective global AuM** by 2027



73%

Of asset managers are considering a **strategic consolidation** with another asset manager in the coming months



95%

Of asset managers agree to the use of **AI and big data** to enhance **(investment) performance**

We do see five Key Imperatives for Future Survival and Success (1/2)



#1 Steering through once-in-a-career upheaval

- Inflation, market volatility, and interest rates are major concerns – yet “megatrends” are intact
- Outperforming the market will be challenging given current environment
- **AM's must transform their businesses to deliver long term growth**
 - ✓ Focus on core activities / USP
 - ✓ Deliver through scale, talent, and technology
 - ✓ Streamline less profitable areas
 - ✓ Leverage partnerships outside core activities / USP



#2 Getting closer to the customer

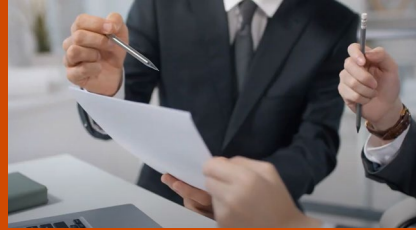
- The opening of private markets, shifts in investment allocation – including increasing demand for Alternatives and ETFs – and intergenerational wealth transfers are transforming the competitive landscape and the frontiers for growth
- **AM's need to embracing customer-centric approaches and potentially also new partnerships**
 - ✓ Go where customers go
 - ✓ Consider a wider set of potential partners
 - ✓ Rethink client relationship strategy
 - ✓ Open up new offerings and / or new investor segments

We do see five Key Imperatives for Future Survival and Success (2/2)



#3 Embracing experimentation & change

- The use of disruptive technologies and AI will lead to better outcomes and returns
- **AM's need to harness innovation and new technologies to sustain a competitive edge**
 - ✓ Use Data & Analytics to better understand investor needs, reduce complexity / costs
 - ✓ Foster a hybrid delivery model for a balanced human and digital experience
 - ✓ Enhance agility to adapt rapidly
 - ✓ Manage associated risks



#4 Delivering at scale amid cost & competitive pressures

- Increasing competition and investor pressure continue to drive down fees
- **AM's need to consider strategic consolidation**
 - ✓ Seek ways to increase efficiency
 - ✓ Gain access to new clients
 - ✓ Diversify / extend product offering
 - ✓ Build brand and market share
 - ✓ Build and leverage skills
 - ✓ Mitigate risks



#5 Standing up to intensifying scrutiny

- Growing spotlight on AM with rising – and difficult to predict – regulatory and public expectations
- **AMs need to address questions about purpose and relevance**
 - ✓ Accept more prominent public profile
 - ✓ Define and deliver the right outcomes
 - ✓ Understand and respond quickly to expectations in areas such as ESG, regulation etc.

Meet the Asset Manager of the future

Global perspective and/or deep expertise in specific asset classes, sectors, or regions



Agility and adaptability regarding upcoming investment strategies, new distribution channels, technological and regulatory trends, changing markets and investor demands



Communication & Leadership skills to develop and cultivate solid relationships with stakeholders and clients - aligning vision, strategy, and culture.



THE NEW CONTEXT

Digital proficient and tech-savvy to enhance value propositions, support investment decisions, manage risk, and propel automation



Value-Driven and promoting high professionalism, diversity and transparency



Possesses in-depth knowledge and skills regarding **ESG** issues to embed them into investment strategies and the broader business model.



Ihr Ansprechpartner



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Frankfurt

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