Outlook25

Asset & Wealth Management

Alpha

Asset & Wealth Management

Outlook25

Asset & Wealth Management

Contents

Letter from our Global Head of Asset & Wealth Management Consulting, Joe Morant

2024 was a challenging year for the Asset and Wealth Management industry. Markets proved resilient in the face of these challenges, especially in the US, as our clients' businesses continued to evolve to meet current and future market, client, and employee expectations. Early in 2025, we saw renewed optimism powered by technological developments, product offerings, and the expansion of skillsets and capabilities. This industry remains resilient and competitive, ready to embrace and respond to change.

Balancing Innovation, Resilience, and Uncertainty

As we move into 2025, the landscape remains shaped by persistent geopolitical tensions and economic uncertainties. While firms that embraced transformation in recent years have demonstrated resilience, the coming year will test their ability to sustain growth amid evolving market, client, and regulatory expectations. The acceleration of digital innovation, particularly around Artificial Intelligence (AI), automation, and digital assets, continues to unlock efficiency gains and competitive advantages. However, firms must balance opportunities with a corresponding awareness of risks, ensuring that technological adoption aligns with strategic priorities. We expect 2025 to be a year of measured progress, where firms with strong operational foundations, adaptive strategies, and a clear client focus will be best positioned to navigate complexity and seize emerging opportunities.

Industry Trends

The key industry trends we noted in 2024 remain, and we see clients increasing their focus on how best to leverage AI and automation to optimize operations, expand private markets strategically, converge with their public market platforms, and remain agile in the face of evolving regulations. This intensified focus on cost efficiency and digital transformation while battling intense market and client demands is shaping our clients' businesses.

Our Asset & Wealth Management Outlook finds that the four most prominent industry trends are **integrating AI solutions, converging public and private markets, driving operational efficiency, and maintaining regulatory responsiveness and agility.**

Our Outlook

Alpha's Asset & Wealth Management Outlook is now in its fifth year, and it has grown and developed in line with our clients' businesses. We focus our Outlook on specific roles and the unique demands, challenges, and opportunities faced with these responsibilities. These insights are gathered through thousands of interactions with industry leadership teams and aggregated into the key themes that these teams will concentrate on in the coming year.

Thank you for reading our Outlook; your contributions and feedback are invaluable. It has been a privilege to see the continued expansion of these roles and deeper discussion on the key issues driving the asset and wealth management industry. We look forward to reviewing with you over the coming months and year.

AI Integration

As part of an overall strategy to enhance efficiency, improve client experience, and streamline compliance, we see industry leaders accelerating the adoption of AI aligned to broader automation and data-driven decision-making. We see AI embedded across the whole investment management value chain, from research and trading through operations to client servicing activities. This is leading to significant overhauls and upgrades to legacy systems, leveraging cloud-based solutions to facilitate this value capture. The focus is on scalability, agility, and operational resilience, ensuring that technology investments align with long-term business objectives.or manage costs.

Public – Private Markets Convergence Classes

The continued growth in demand for private market investments drives firms to refine investment strategies, client engagement models, and overall risk management. Institutional and retail investors continue to seek greater access to alternative assets, pushing asset managers to converge private and public market investments to provide holistic views of their whole portfolio.

Operational Efficiency and Cost Optimization

Firms are restructuring operating models, centralizing functions, and outsourcing to enhance efficiency and profitability. AI and automation will be key to scaling operations while reducing complexity and costs. Industry leaders focus on profitability analytics, identifying cost inhibitors, and optimizing financial structures to support growth. The aim is to balance efficiency with innovation, ensuring sustainable expansion without compromising service quality or regulatory adherence.

Regulatory Responsiveness and Agility

With a shifting regulatory landscape, firms are strengthening compliance, developing transition plans, and looking for agility and flexibility in their operating and regulatory oversight models to ensure compliance. Investors expect transparent reporting and demonstrable outcomes, prompting firms to enhance data management and regulatory alignment. Compliance teams are adapting to regional regulatory divergences, particularly in AI governance and digital assets, ensuring firms remain agile, resilient, and well-positioned to meet evolving regulatory expectations and risk management requirements.

Asset Management

Chief Executive Officer

The Brief for 2025

In 2025, Asset Management CEOs must prioritize re-aligning product offerings with emerging client needs, enhancing coverage of growing market segments and strategically investing in technology and Artificial Intelligence ('AI').

CEOs must be mindful of opportunities for organic and inorganic growth, focusing on expanding investment management capabilities and broadening market reach through new distribution channels. Asset managers should look to foster innovation while capitalizing on their core capabilities, taking a measured approach to pursuing growth.

Day-to-day focus will be concentrating their top teams on the new, while not forgetting how they got where they are today, keeping colleagues in profitable but low growth areas motivated to fund the future.

What are industry leaders focused on?

- Implementing and executing on a corporate strategy that emphasizes their firm's key differentiating characteristics, whether that be asset class specialism, robust distribution capabilities, or the scale to offer a range of low-cost products
- Exploring opportunities to service the needs of the growing retail market, including expanding Exchange Traded Funds ('ETF') offerings and enabling greater access to private markets
- Strengthening technology and data capabilities across the organization to better support strategic goals, keeping a close eye on the latest advancements in AI and automation

Expected areas of investment

Private Markets

60%+ of firms are looking to expand their private markets offering in the next year[1], targeting opportunities that balance cost, complexity, and speed to market, while maintaining focus on core competencies

Servicing Retail Clients

Supporting the demand for Active ETFs and retail-oriented private markets products to expand the addressable market for asset managers with strong active management and alternatives capabilities

Technology & AI

Embracing technology to enhance investment capabilities, optimize operations, and improve client experience – AI has yet to become the disruptor it is often hyped to be, but its potential impact cannot be underestimated

1 *Source: Alpha FMC AM Product Survey 2024*

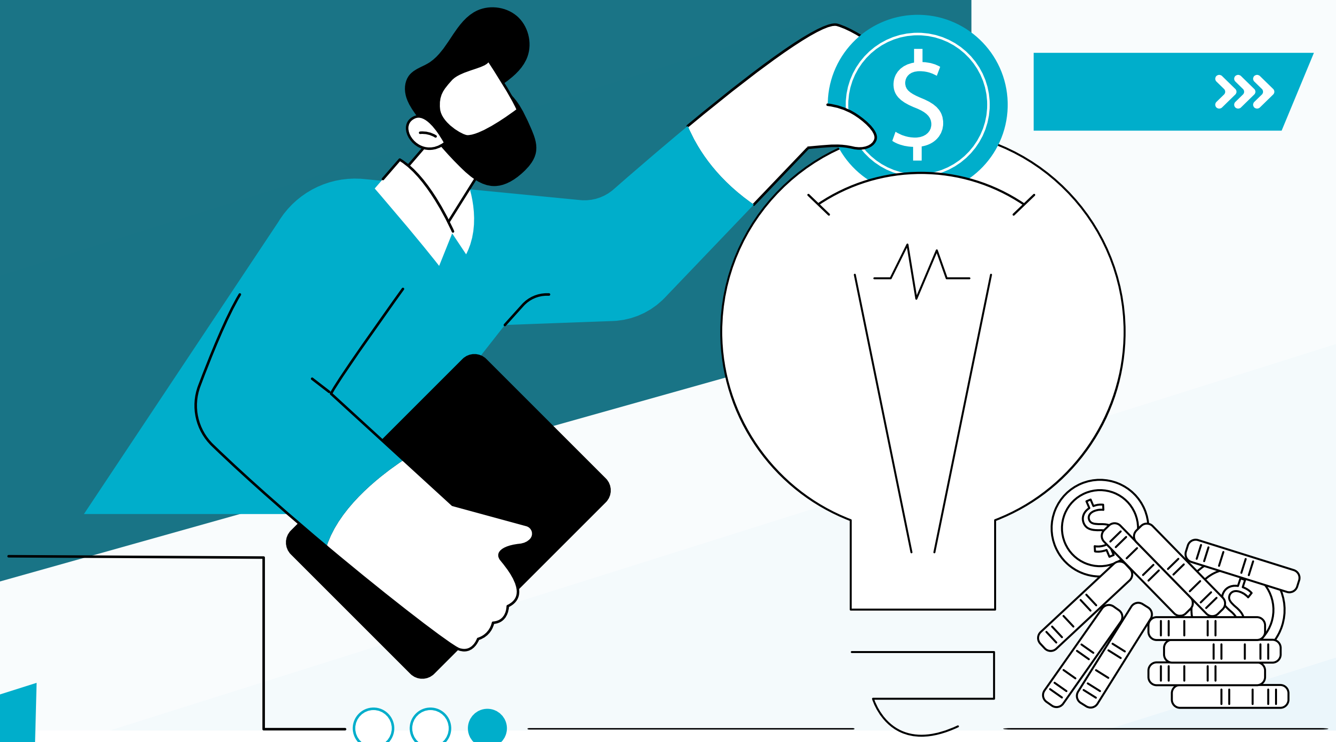
Chief Financial Officer

The Brief for 2025

Asset Management CFOs should prioritize optimizing profitability structures, while ensuring financial compliance, and implementing cost management. This includes enhancing profitability analytics to support strategic decision-making.

In the longer term, CFOs should be vigilant around evolving regulatory landscapes and technological advancements that can streamline Financial data aggregation. Integration of Artificial Intelligence ('AI') and analytics will be necessary for informed forecasting and resource allocation.

Their daily responsibilities involve scrutinizing financial performance, financial planning, and risk management.



What are industry leaders focused on?

- Pursuing a holistic and structured approach to cost optimization – which collectively addresses quick wins, spans and layers as well as value creation opportunities
- Leveraging profitability insights to pinpoint where change is needed across the business, and track the success of the corresponding initiatives
- Pinpointing the cost items which inhibit scalability and proportionally increase the cost of marginal growth

Expected areas of investment

High-Margin Capabilities

Maximizing high margin capabilities and selectively allocating resources to the capabilities which can most rapidly deliver on overall commercial objectives

Profitability Analytics

Ensuring accurate cost and profitability data is available to generate management information ('MI') and analytics to drive decision-making and resource allocation

Cost Inhibitors

77% of large firms are undergoing cost optimization exercises[1]

1 Source: Alpha FMC Global Operations Survey 2024

Chief Investment Officer

The Brief for 2025

In 2024, global Asset Management CIOs navigated an increasingly complex investment landscape marked by persistent inflationary pressures, geopolitical risks, and rapid technological advancements. Many CIOs successfully adapted to evolving market dynamics by integrating Artificial Intelligence ('AI')-driven analytics into portfolio construction, enhancing risk management frameworks, and refining ESG implementation strategies amid regulatory scrutiny. The shift toward private markets and alternative investments accelerated, with CIOs optimizing liquidity management and improving operational efficiencies through digitization. A key development was the broader institutional adoption of systematic investing in fixed income and alternative asset classes, leading to improved alpha generation and risk-adjusted returns. Despite volatility, CIOs delivered strong performance by leveraging data-driven decision-making and innovative investment structures.

What are industry leaders focused on?

- Strengthening investment decisions with non-traditional data sources (satellite, transactional, ESG signals)
- Scaling exposure to direct lending and structured credit solutions amid banking sector shifts
- Increasing adoption of blockchain for improved liquidity and transparency in private markets

Expected areas of investment

Next-Gen Systematic Strategies

Expanding rule-based approaches across multi-asset portfolios for greater efficiency. Helps to enrich the concept of personalization at scale for institutional investors

Private Markets Data Analytics

Leveraging advanced analytics to improve valuations and deal sourcing

Workforce Upskilling & Digital Talent

Strengthening data science, AI, and fintech capabilities within investment teams, organization modifications, etc.

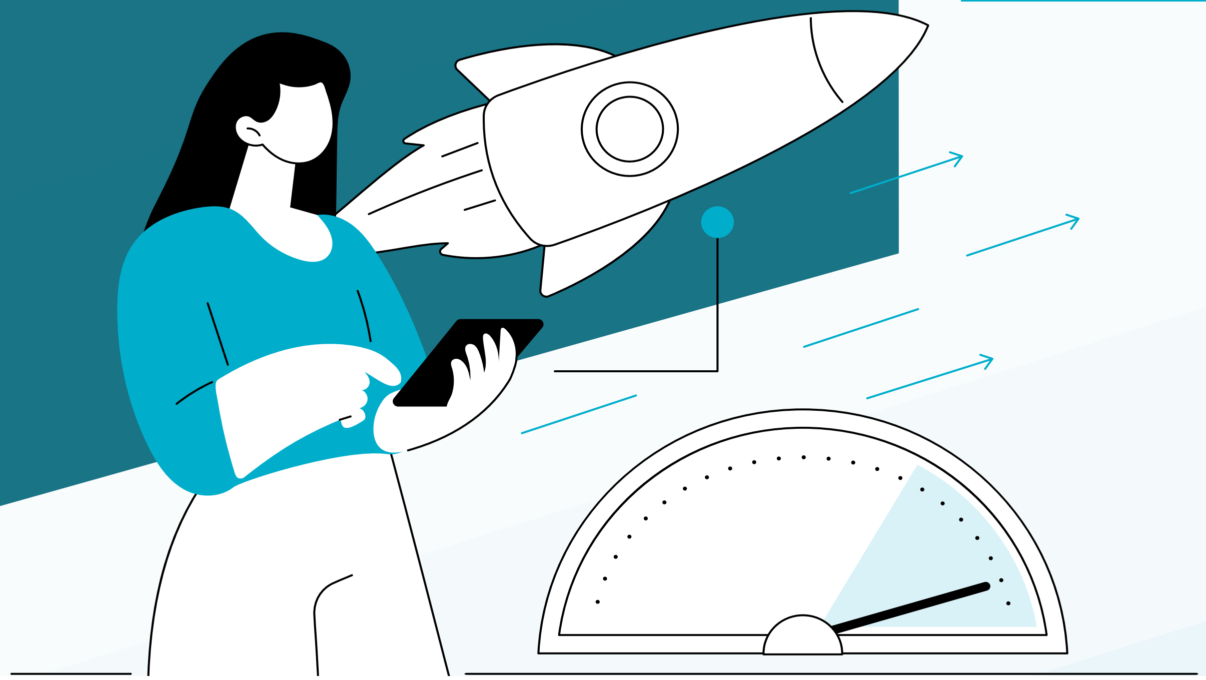
Chief Operating Officer

The Brief for 2025

The reduced settlement cycles have significant implications for operations functions, such as compressed timelines for post-trade processes, increased reliance on technology, and heightened need for operational efficiency.

In line with previous years, cost remains a large driver, whilst still wanting to efficiently service more complex operating models and more complex client demands. Further operational cost optimization initiatives required through Outsourcing, combined with Enterprise Tech and Data; Location Strategy, and Automation.

A shift towards the Total Portfolio View – combining Public with Private assets – will lead to evolving operating models to service client changing needs.



What are industry leaders focused on?

- Building a global, scalable, operating model in support of cost initiatives and compressed operational timelines
- Increasing adoption of Artificial Intelligence ('AI') as a way to drive efficiency and reduce cost
- Supporting Data Quality initiatives via the adoption of cloud-based solutions and firm wide Data Governance frameworks

Expected areas of investment

Automation & Innovation

Only 1 in 3 firms self-assess as being "good" at innovation[1], so a focus will be on better harnessing AI and next-gen tech to deliver benefits in efficiency and scalability of operations functions, which will serve to reduce costs while growing AUM

Risk Reduction & Mitigation

Investing in the control environment to yield greater operational resilience and mitigating risks as well as complying with industry regulations, will be a key area of focus for firms

Improve Scalability

Firms rank scalability as the #1 driver for digital initiatives[2] - enhancing processes and systems to support growth in AUM and offerings without a proportional increase in cost

1 *Source: Alpha FMC Technology & Change Benchmarking*
2 *Source: Alpha FMC Digital Survey 2024*

Chief Technology Officer

The Brief for 2025

New data and processing engines to gain insight from Asset Management datasets are continually emerging. A new project a quarter has now morphed into a new project a week. As budget constraints are still there, CTOs will have to move to standard recipes to get results to users faster and/or democratize access with appropriate governance controls. With waterfall delivery being considered ‘too slow’ and agile ‘too creative’, CTOs will have to foster modularity and ‘lego bricks’ approaches to remain pertinent. In the short term, CTOs will need to prioritize building the ‘bricks’ from a technical as well as procedural perspective.

Longer term, CTOs should prepare for the industrial wave of Artificial Intelligence (‘AI’) through appropriate staff education, tagging and harmonization of data sets as ringfencing sensitive information will position organizations to outpace those who will wait for the ‘machines to be ready’.

What are industry leaders focused on?

- Increasing standardization in delivery leading to cost efficiencies but also time to market advantages. Accessibility and discoverability remain foundational elements
- Leading firms spend 40%+ of their IT Budgets on transformation[1] - and return multiples in return on investment (ROI), building on the continued evolution of tech capabilities
- Guiding their organizations through selection and implementation of appropriate technology, avoiding short term fads and hype

Expected areas of investment

Migration of Microservice

Shifting architecture mindset to microdelivery teams. Teams will focus on adding lightweight, highly-responsive integrators on top of governed tech, operations and data components

AI 2.0

Focusing on known outcomes like document distillation, note taking, and commentary generation for ‘wins’ while making enterprise data ecosystem better governed with observational metrics on quality

Cite Your Source

Centralizing data assets in very few nodes globally (< 100) will lead to targeted data security events which require a proactive posture regarding protection of sensitive information

1 *Source: Alpha FMC Technology Benchmark*

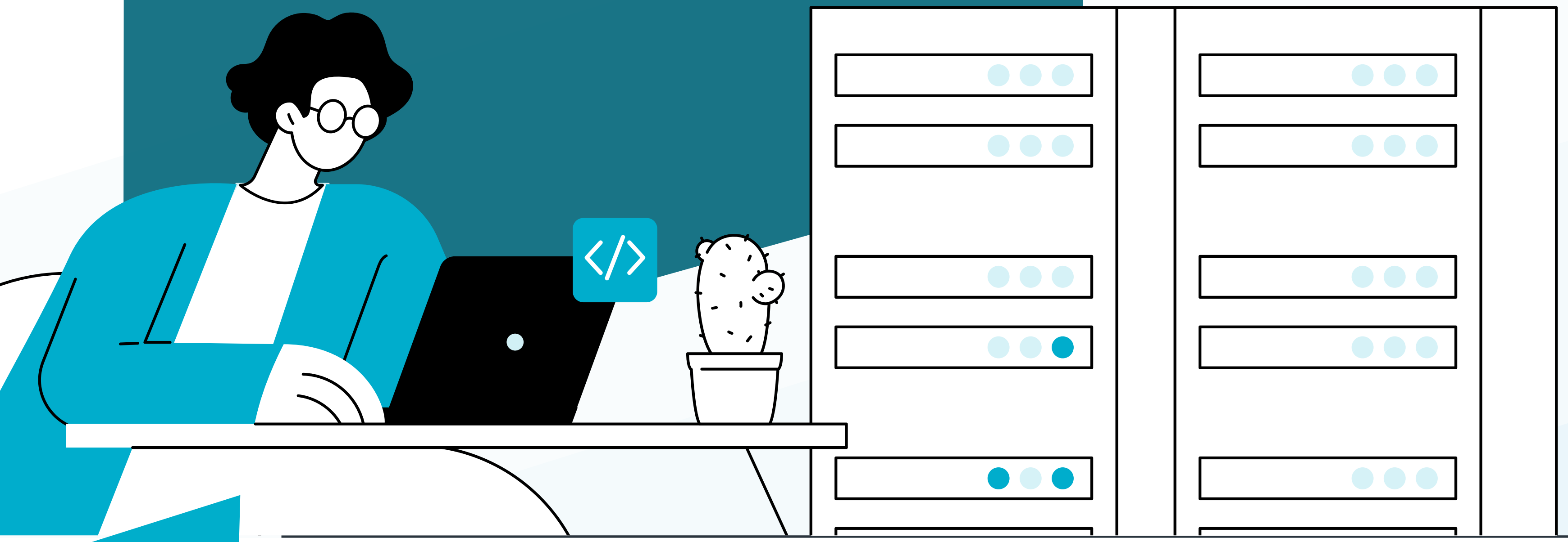
Chief Data Officer

The Brief for 2025

The increase of Artificial Intelligence ('AI') use cases has significant impacts on how organizations can link new Data sub-domains with existing Data domains to create value. Data platforms or frameworks able to support the development of use cases must be proposed to the business alongside IT and Data guiding principles.

Major Data consumers' needs are still focusing on how to access all Asset Managers' data through a unique channel with a high and transparent data quality setup.

Business teams are strengthening their capability to manage data though an IT dimension (Python, SQL etc.), which requires transversal monitoring for further deployments in production.



What are industry leaders focused on?

- Building a global Data Platform able to disseminate all fundamental data to all internal consumers
- Supporting (with guiding principles and technical solutions) a framework related to AI use cases' developments
- Focusing on remaining Data domains without strong or robust Data governance and Quality framework

Expected areas of investment

Data Dissemination

Encouraging to disseminate data within the organization through different ways aligned with Business Data sensitivity level (add-in xls, API, Data Visualization etc.) and support initiatives around Data Platforms

AI Use Cases Development

48% of Asset Managers currently have AI use cases in Operations but this is expected to increase[1]

Data Quality Monitoring

Continuing to support remaining Data domains in the description of their Data Quality framework to promote a global and transparent view of the organization and avoid duplication / low confidence levels from Data consumers

1 *Source: Alpha FMC Operations Survey*

Head of Sales

The Brief for 2025

In the face of continued headwinds made up of performance outlook, the shift to passives, and unrelenting fee compression, Heads of Sales are prioritizing cost-effective ways to deliver maximum value to strategic segments, whilst scalably meeting the needs of the rest of the market.

In the short term, this means becoming more disciplined in defining value propositions, strategic segments and the associated Sales strategies and partnerships, whilst simultaneously establishing how existing technology can be adapted to enable this.

Those looking further ahead are focused on embedding Artificial Intelligence ('AI') across their functions to enable more personalized, pre-emptive engagement with clients, whilst automating the administrative elements of the Sales process. Although some are only now laying the foundations, many have made sustained investment over the past 1-3 years and are starting to see the resultant commercial benefits.

What are industry leaders focused on?

- Adding distribution capacity for priority segments, or expanding the scope of products and services that can be distributed through existing distribution channels
- Using internal and external data sources to improve Sales teams' productivity and effectiveness, and provide insights into competitor positioning and outflow pre-emption
- Blending channel with product specialists and aligning strategies with Marketing to provide more focused, and higher quality prospect and client engagement through the lifecycle

Expected areas of investment

Data Driven Signals

2 in 3 firms have deployed or are working on machine learning without significant capital outlay and data remediation[1]

Sales Copilots

Deploying digital assistants within business tools, that enable Sales teams to enter data, activities, and tasks and quickly summarize client and product information across channels and regions, reducing hours of manual effort

Sales & Coverage Strategy

Re-structuring and upskilling teams to better align to client segments and provide greater access to specialists for client engagement, communication and education

1 *Source: Alpha FMC Sales Benchmarking*

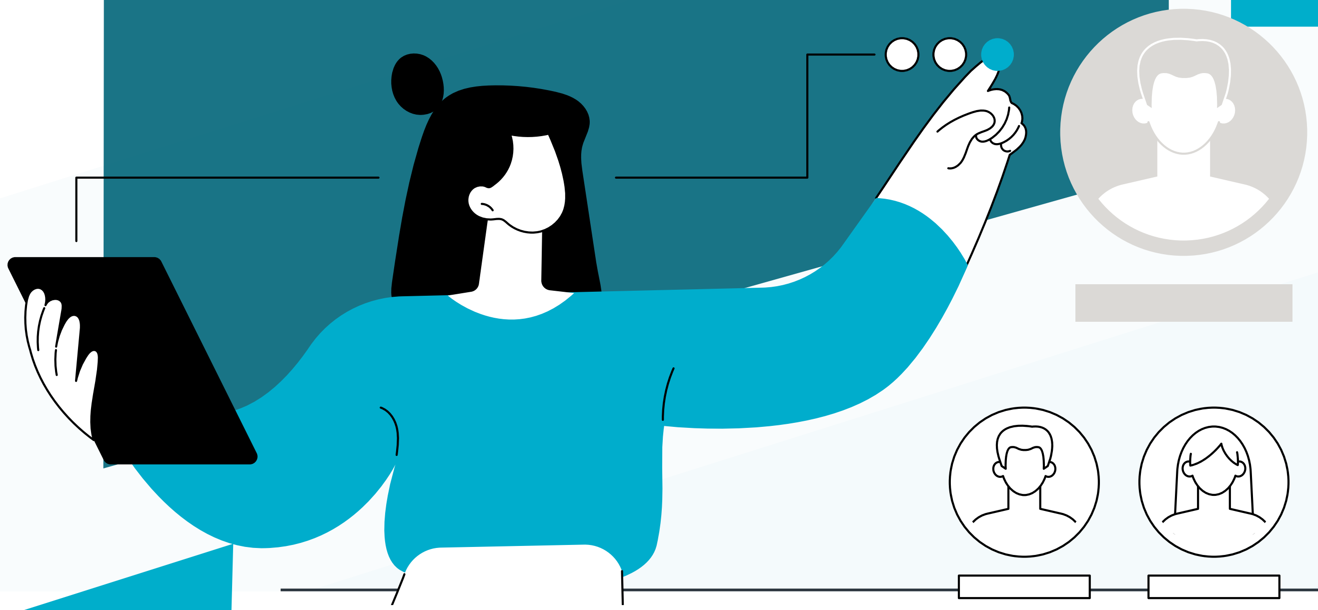
Head of Client Services

The Brief for 2025

In the face of increasingly complex products, more sophisticated clients, and new distribution avenues, Heads of Client Services will seek to achieve higher levels of client satisfaction, operational efficiency, and assets under management ('AUM') retention.

In the near term, Heads of Client Services will need to develop a clear picture of the servicing needs of new product and investor types, and how to organize teams to support them.

Alongside this, they will need to explore new, hybrid service models and digital client management solutions to support long term client engagement, education, reporting, and multi-channel servicing.



What are industry leaders focused on?

- Building a streamlined and digital first onboarding experience that seamlessly picks up from Sales through to efficient servicing and ongoing communication with clients
- Servicing the investors and distribution platforms that allocate to and support new product ranges, including alternatives, retail offerings, and public-private investment solutions
- Re-balancing teams and skillsets to improve service scalability without compromising client satisfaction as well as piloting automation and Artificial Intelligence ('AI') that reduces repetitive work and increases productivity

Expected areas of investment

Enhanced Toolkit

Developing tools and solutions that provide tailored service-level management, and more client self-service capabilities and features - still only 60% of firms have, or are planning to deliver, a Client Portal capability[1]

Servicing Model

Building joined-up service capabilities across traditional and newer product sets, and hybrid F2F / virtual servicing teams

Team Development

Re-evaluating alignment to client segments and upskilling teams to support a more sophisticated client base

1 *Source: Alpha FMC Digital Survey 2024*

Chief Marketing Officer

The Brief for 2025

In an environment of budgetary constraint and pressure to deliver return on investment (‘ROI’), CMOs are focused on efficiency, effectiveness and creativity.

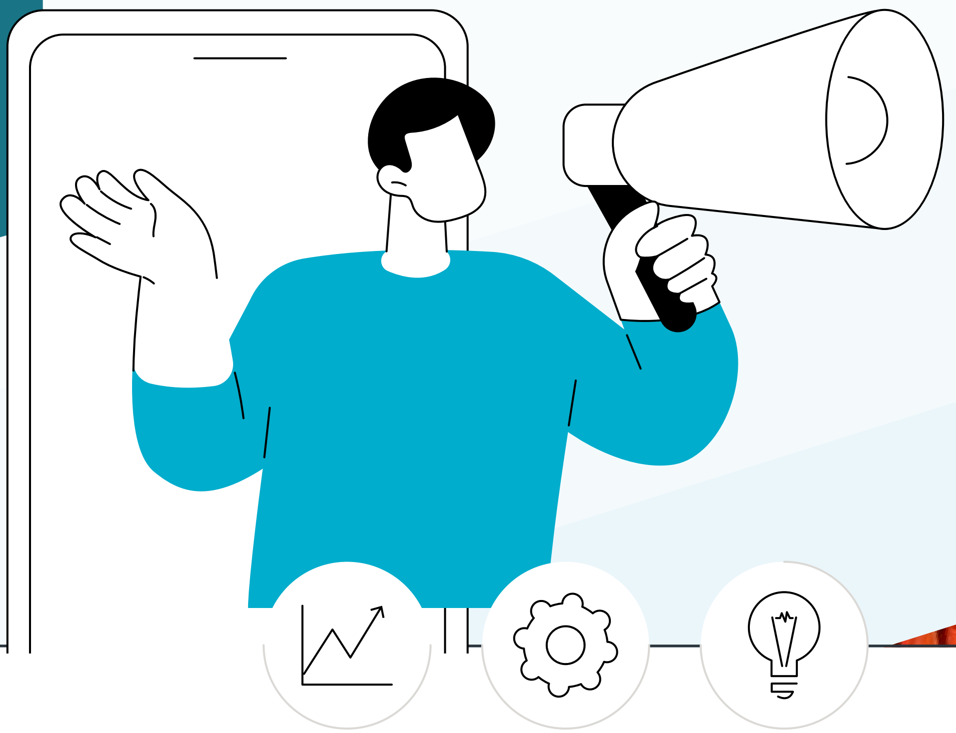
From an efficiency point of view, operating models are under the microscope as CMOs assess what to keep in-house, where Artificial Intelligence (‘AI’) can help, and options for outsourcing or offshoring. With the right structures in place, CMOs are then focusing on prioritizing key markets and allocating resources accordingly to ensure local visibility.

Meanwhile, the effectiveness conundrum requires specialist teams that understand their roles within in the wider business strategy and how to measure and show the impact marketing can have to the C-suite.

Finally, as the call for creativity and cut through grows louder, CMOs must ensure their teams have the space and the license to be bolder in their messaging, and to show the firm’s character and convictions, clearly demonstrating the value they are adding.

What are industry leaders focused on?

- Ensuring creativity and effectiveness in teams’ structures and processes, automation and outsourcing
- Driving a digital first agenda through technology integration, analytics and AI
- Aligning sales and marketing initiatives to demonstrate ROI through demand and revenue generation



Expected areas of investment

Demand Generation

Launching initiatives dedicated to driving collaboration across and growth within specific segments and target accounts

Content that Connects

25% of the average Marketing Function's time is spent evaluating the content strategy and processes to ensure content delivers brand cut through and engagement[1]

Personalization at Scale

Leveraging practical use of data, tech and AI to accelerate the journey to full personalization

1 *Source: Alpha FMC Marketing Benchmarking*

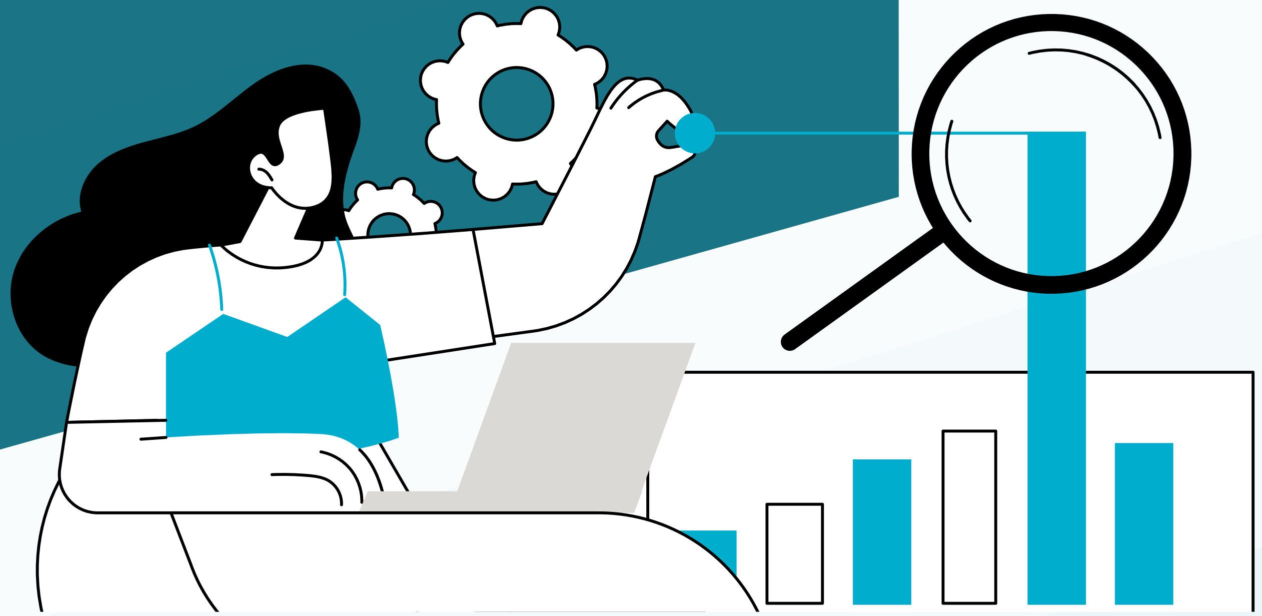
Head of Product

The Brief for 2025

As product shelves continue to grow in sophistication, Heads of Product are tasked with spearheading product innovation in several new areas.

Driven by the retailization of alternatives, growth in Active Exchange Traded Funds and increased focus on delivering custom solutions, robust product development and speed to market will be critical to launching the right products and capturing flows.

To get there, Product functions must assess whether their current operating model, technology and skillsets are future-proofed to support new products and vehicles or risk introducing inefficiencies once live. Embedding automation into product governance, lifecycle management and monitoring will be critical in freeing up the capacity needed to focus on strategic goals.



What are industry leaders focused on?

- Launching and growing the right products to capture assets under management and stay competitive
- Increasing scrutiny of the existing product range to ensure products are delivering the right investor and commercial outcomes
- Engaging with distributors and platforms to ensure products are rated and available for purchase

Expected areas of investment

Operating Model Readiness

Assessing the firm's readiness to support new product development and an increasingly complex suite of offerings

Speed to Market

Leading firms are on average twice as fast in bringing new products to market[1]

Improved Insights

Embedding data, analytics, and dashboarding in ongoing product monitoring processes to improve the quality of decisions and the speed at which they can be made

1 Source: Alpha FMC Product Survey

Head of Risk

The Brief for 2025

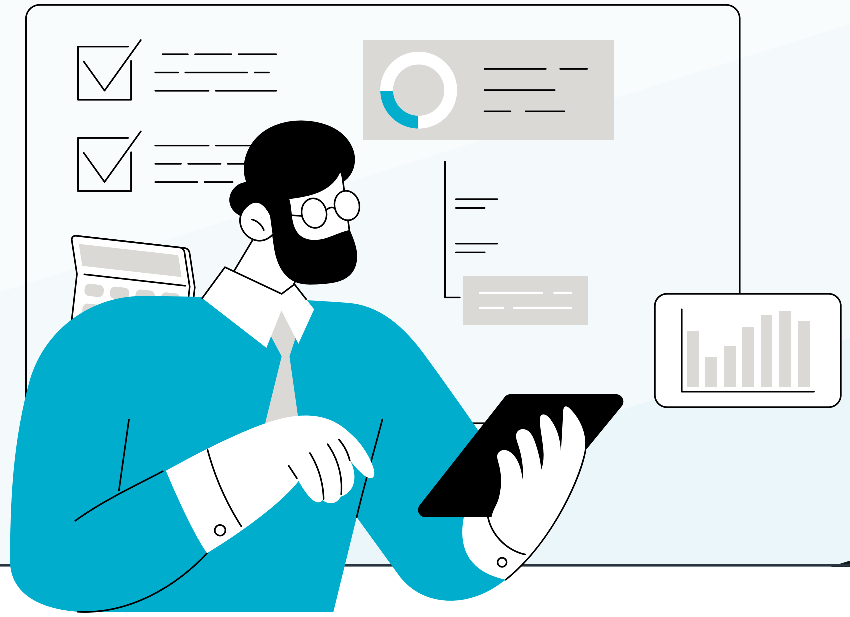
In 2025, we expect Heads of Risk to continue their focus on the investment risks that were particularly significant in 2023-2024 given the market and geopolitical context: liquidity risk and market risks related to volatility as well as contagion risk. Enhancing sustainability risk management procedures for both portfolio management and investment advisory activities is also expected to be a key focus for Heads of Risk.

Heads of Risk will focus on monitoring the increase of inflows to private assets for professional and retail investors, playing a key role (in collaboration with compliance functions) to ensure investor protection measures have been adequately taken, particularly regarding liquidity management.

Finally, in the context of increasing cyber threats, flexible office practices, and evolving global resilience regulations, Heads of Risk will pay strong attention to cyber, financial and operational resilience. In this context, Heads of Risk will also need to adapt their due diligence processes and risk metrics to align with emerging digital trends—whether it be the increasing adoption of AI within the organization or the evolving landscape of digital assets in investment, custody, and distribution.

What are industry leaders focused on?

- Reinforcing teams' knowledge and competences on topics like Sustainability risk, Digital Assets, Decentralized Finance, Cybersecurity and Private Assets
- Pursuing digitalization and innovation to upgrade risk management and support, and oversee financial and operational resilience
- Rethinking overall risk management models to ensure the Risk function converts into a provider of risk insights and business enabler



Expected areas of investment

Knowledge and Competences

Continuing to invest in talent in new emerging risk areas (cyber, sustainable finance, resilience)

Risk Management Approach

Adapting risk management approach to new emerging risk related to macro and geopolitical context

Innovation & Automation

Automating risk management approach in a view to efficiently monitor both standard risk indicators as well as client specific demands

Head of Compliance

The Brief for 2025

Global compliance functions face shifting regulatory dynamics in 2025, with Europe bracing for heightened complexity and the US and UK leaning toward deregulation to spur growth. This divergence pushes compliance teams to adopt localized strategies, moving away from global 'gold plating' to align with regional trends.

The rapid growth of private markets adds new regulatory challenges, particularly as retail investors engage with diverse asset classes. Compliance teams must adapt swiftly, upgrading skills and systems to manage these risks effectively.

Meanwhile, Artificial Intelligence ('AI'), advanced analytics, and enhanced reporting are becoming essential for improving monitoring and oversight. These technologies offer efficiency gains but also introduce regulatory risks that require careful management. Adhering to new AI regulations and mitigating potential harm to consumers, firms, and markets will be crucial as businesses embrace these innovations.

Agility and technological adaptability will define successful compliance strategies in this evolving landscape.

What are industry leaders focused on?

- Streamlining costs by leveraging technology to automate processes, allocate resources strategically, and meet growing demands for efficiency without compromising control, even as regulatory and market complexities increase
- Upskilling teams with advanced analytics and AI capabilities to enable faster, data-driven decisions, fostering deeper collaboration with the business while maintaining the independence needed to ensure compliance integrity
- Anticipating regulatory shifts by staying agile, proactively identifying and managing new risks driven by evolving business practices, technology, and consumer behavior, ensuring firms remain resilient and aligned with emerging requirements

Expected areas of investment

AI Usage

Enhancing reporting, monitoring, and surveillance processes while driving efficiency and improving transparency through advanced AI solutions

Evolving Compliance Skills

Upskilling teams in private markets, technology regulation and Sustainability to address emerging challenges and maintain effective oversight

Operating Models

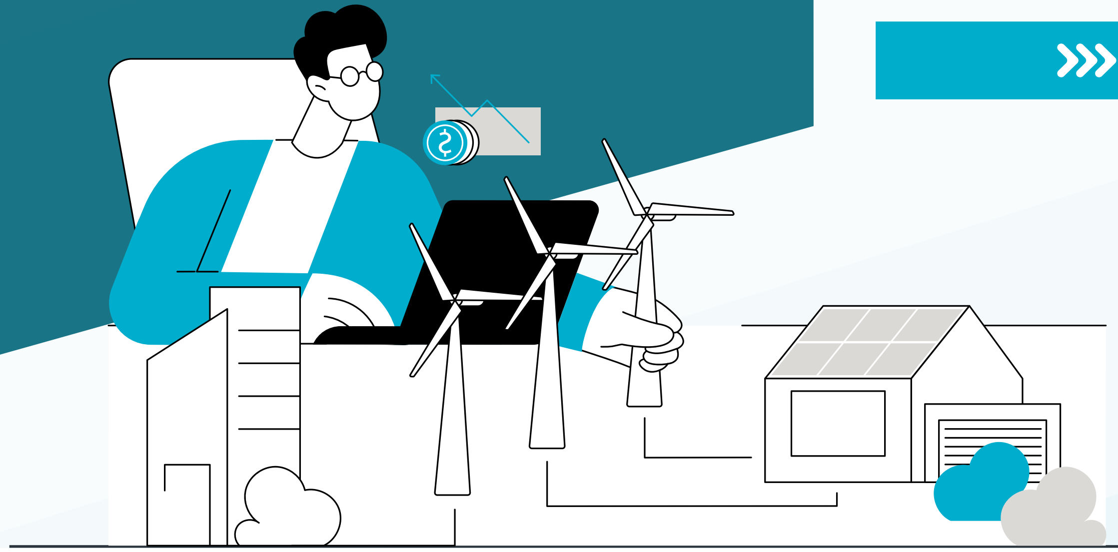
Designing regulatory change operating models that can cater for global organizations with local dynamics

Head of Sustainability

The Brief for 2025

In 2025, Heads of Sustainability are expected to maintain their focus on ensuring compliance with all pertinent sustainability regulations as these continue to evolve. Asset Owners are increasingly expecting Asset Managers to have robust Climate Transition Plans in place. This forms part of a trend for Sustainability teams to demonstrate both their technical skills as well as their commercial contributions that their expertise brings. Consequently, it is imperative for Heads of Sustainability to convey the value of their sustainability capabilities authentically and persuasively.

In the long term, Artificial Intelligence ('AI') will be applied to many sustainability-related use cases, including ESG analysis and sustainability reporting. As investors increasingly expect Asset Managers to have demonstrable outcomes, it will be essential for Heads of Sustainability to right-size their Sustainability Operating Models, including having the necessary skillset, data and tooling to meet investor and regulatory expectations.



What are industry leaders focused on?

- Navigating the increasingly diverse landscape of global sustainability regulations, including its regional variances, whilst preparing for increased regulatory scrutiny over Asset Managers' sustainability practices to avoid potential greenwashing fines
- Responding to the growing interest from Asset Owners in transitioning assets and decarbonizing investment portfolios, with an expectation that firms will evolve from current disclosures of climate metrics to implementing formal Transition Plans
- Developing an effective communication strategy which enables Asset Managers to describe how their sustainability capabilities deliver real world outcomes and positively contribute to investment performance

Expected areas of investment

Regulatory Compliance

Sustaining compliance with current sustainability regulations to ensure that organizations are well-prepared for upcoming requirements

Operating Model Efficiencies

Right-sizing sustainability teams and enhancing sustainability propositions through the application of AI, thereby creating a more streamlined operating model

Data Convergence

Sustainable strategies are the number one use case for data science and advanced analytics teams[1]

1 Source: Alpha FMC Data Survey

Asset Owners

The Brief for 2025

In 2025, Asset Owners of all sizes will strategically invest in transformative initiatives to meet beneficiary expectations for competitive returns across both traditional and alternative asset classes. At the same time, they will face increasing regulatory scrutiny, which demands complex reporting and robust investment processes.

Success for Asset Owners will depend on blending advanced investment expertise with innovative technology and comprehensive data ecosystems, with outsourcing considerations across the value chain. This will enable a shift towards more complex private markets and sustainable investment strategies. Governance, risk, and control processes will need to evolve to ensure accountability and oversight, fulfilling responsibilities to clients, employees, and shareholders.

Amid geopolitical and macroeconomic uncertainties, Asset Owners are uniquely positioned to drive investment-led change that benefits both stakeholders and the global economy.

What are industry leaders focused on?

- Finding clarity in approach to and execution of Sustainable, Responsible and Impact Investing
- Meeting client demand, unlocking the benefits of Private Markets diversification, and bringing allocations together with an effective total portfolio view
- Defining and implementing a Technology and Data Strategy remain foundational to enable innovation, embrace Artificial Intelligence ('AI') and evolve outsourced market offerings

Expected areas of investment

Investment Expertise

Enhancing investment expertise in response to the broader range of target asset classes, and desire for a balance of in-house and outsourced management

Technology Operating Model

Supporting the investment model, management, and associated client and regulatory reporting across asset classes, including an accurate total portfolio view

Data Infrastructure

Enabling insights into the operating model, including coverage across asset classes to meet different needs of investment teams and beneficiaries, with expected investment in AI capabilities across the organization

Asset Servicers

The Brief for 2025

Asset Servicers will continue to expand their service offering with existing clients and prospects, moving further up their value chain towards the Front Office. This will mean taking on activities that are not typically outsourced and therefore becoming more integrated within their clients' operating model.

As their client base continues to face increased cost pressure, Asset Servicers will have the opportunity to deepen relationships by 'bundling' services with longer-term contracts and offering more cost-effective rate cards for such strategic clients.

As Asset Servicers expand their range of services, they will face a transformative landscape where digital innovations will be a strategic priority. As such, they will need to invest in their Data and Technology capabilities, in order to make themselves more efficient, and enable them to pass these product enhancements through to their clients.

What are industry leaders focused on?

- Enhancing service offerings through new technologies, such as enabling 'humans powered by Artificial Intelligence ('AI')' to be more efficient or even fully automate some less complex workflows
- Moving away from bespoke, unscalable models and ensuring all service offerings are cost effective to provide
- Expanding offerings into new high-growth markets and sub-segments (e.g. MENA and Asset Owners). Understanding the nuances and requirements of these clients can unlock new revenue streams

Expected areas of investment

Technology & Digital transformation

Integrating the use of AI in service delivery such as client onboarding and business as usual ('BAU') activities such as reconciliations

Alternative Investments

Developing further propositions in Private Markets and integrating the service and resulting data with Public Markets services. Enabling Private Assets to be a standard component within multi-asset manager offerings

Strategic Partnerships

Partnering with existing or new clients, long term to develop new, advanced service capabilities to ultimately be taken to market (requiring investment on both sides)

Wealth Management

Chief Executive Officer

The Brief for 2025

In 2025, Wealth Management CEOs will continue to focus on growth, through the combined routes of existing and new clients as well as business acquisitions. The focus will be on differentiation to both protect margins and to cater to evolving client needs.

In the medium term, CEOs must focus on market consolidation trends, leveraging synergies and achieving scale to improve cost/income ratios and enhance service delivery. Staying agile in response to competitive pressures and volatile markets will be crucial for sustained success.

Day-to-day activities will focus on strategic oversight, supporting client acquisition efforts, as well as keeping and attracting top talent.

What are industry leaders focused on?

- Consolidating further, being driven by the need for scale, margin enhancement, and competitive advantage across markets serviced
- Focusing on acquisitions to achieve growth in client base, access to broader capabilities and scalable, cost-effective solutions
- Strengthening CEOs' value proposition and elevating the client experience to differentiate themselves, as clients place greater emphasis on the quality of communication with their advisors and a highly personalised approach to service

Expected areas of investment

Growth

Identifying acquisition opportunities to achieve growth targets alongside organic client growth

Client Experience

Combining digital tools with human advisors to offer an enhanced service model to cater to both tech-savvy clients and those who value personal interaction

Front Office Efficiencies

Enabling greater front office efficiencies through technology and processes to enhance adviser experience and deliver a value-add proposition and support growth

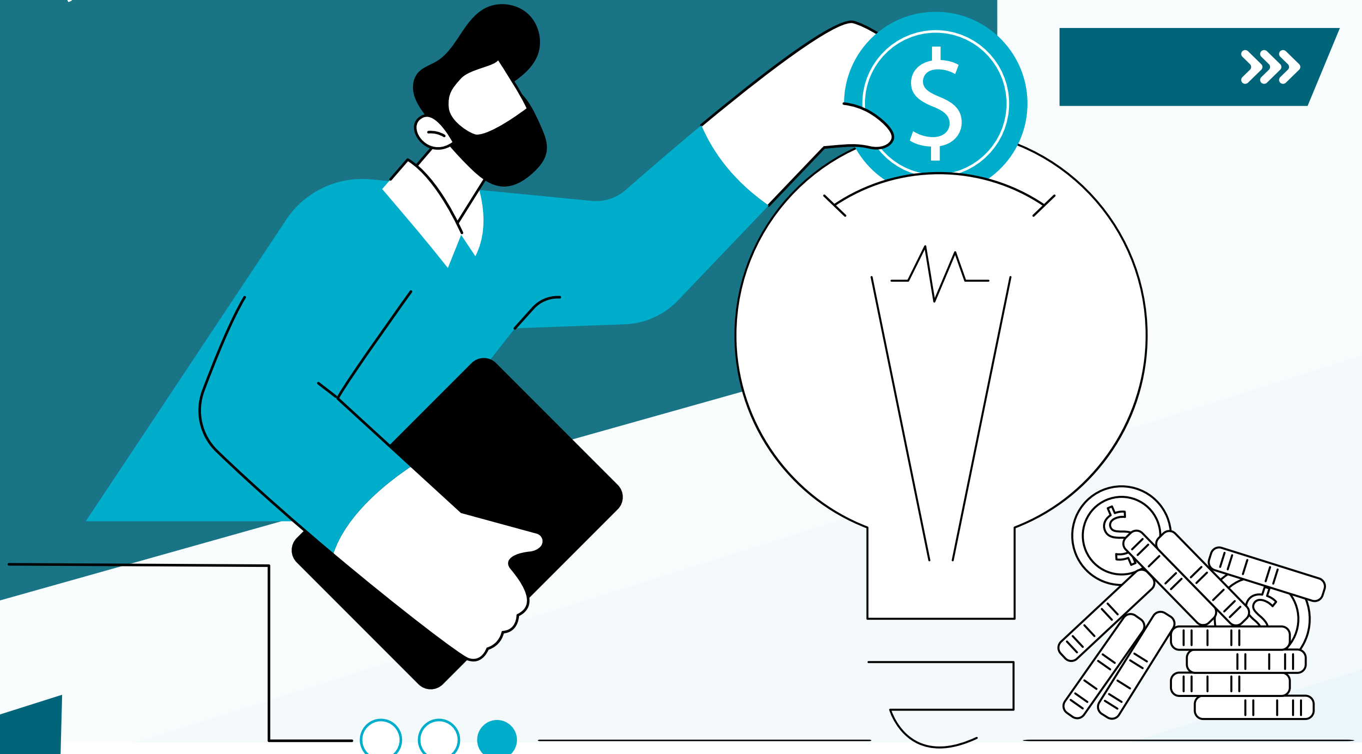
Chief Financial Officer

The Brief for 2025

Looking ahead, Wealth Management CFOs should focus on strategic cost management and margin preservation. Immediate priorities involve assessing operational areas for financial improvement and aligning performance incentives.

In the coming year, CFOs must stay attuned to regulatory changes and technological disruptions that could reshape their operating models. Given continued focus on mergers & acquisitions ('M&A'), they will play a big role in evaluating potential acquisitions and partnerships.

Cost management, M&A activity and compliance management will be key areas of concern.



What are industry leaders focused on?

- Managing regulatory costs proactively, by adopting solutions that can manage current and future compliance requirements
- Consolidating underperforming or costly-to-manage solutions and focus on efficient delivery models aligned to client needs to deliver at scale
- Reducing operating costs and managing the talent cost base

Expected areas of investment

Proposition Alignment

Implementing appropriate pricing structures with less exceptions to better align fees with clients' perceived value, allowing for higher margins on premium offerings

M&A Financial Strategy

Leading the financial assessment and integration planning for M&A, ensuring deals deliver the anticipated synergies, efficiencies, and return on investment

Capital Deployment for Growth

Focus on investing in digital transformation initiatives that integrate Artificial Intelligence into operational processes, enabling cost efficiencies and reducing the total cost of servicing clients over time

Chief Investment Officer

The Brief for 2025

CIOs will have to think longer and harder about where to deploy finite resource and focus than ever before. The ever-growing demands for truly global investment exposures need to be met with sound research and analytical diligence, as the global socio-economic environment rebases after a momentous year of elections.

With new markets come new asset classes – be it Sustainability-friendly factors in Europe, or Sharia compliant securities for the Middle East. Each carries its own issues to access, trade and monitor. Artificial Intelligence ('AI') as an investment theme will require new skills and a revisit of valuation metrics, while advantages of AI within the investment process itself will be relatively limited for the period.

All this demands larger teams, new skills and ever closer integration into lines of defense, customer-facing teams and operations. For some, this will be impossible to achieve without scale and instead will be better off forming strategic partnerships to cover uneconomic but value-creating gaps.

What are industry leaders focused on?

- Simplifying the product array, performing better with fewer capabilities
- Creating key partnerships with specialists to continue meeting client needs
- Investing in data quality and controls will attract more material return on invested capital ('ROIC') over the medium term

Expected areas of investment

Data Architecture

Investing in data quality and architecture across relevant investment systems to yield dramatic benefits

Routes to Investment

Reviewing and re-considering products and ways of investing (e.g. centrally or federated) more strategically and client-centrically

Investment Operating Model

Refining the operating model – particularly organizational design – to allow better and more deliberate execution of the product strategy

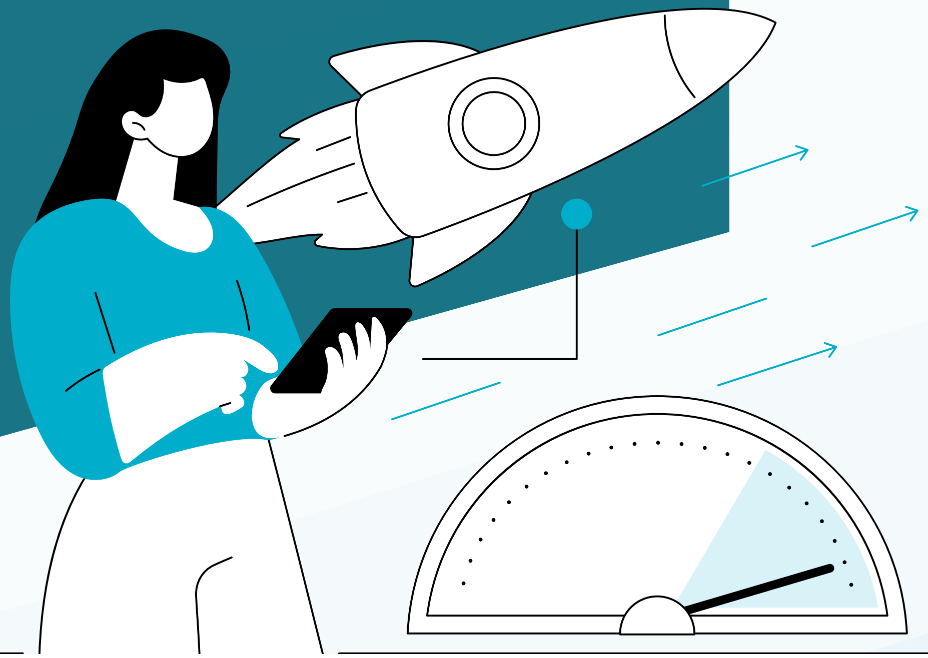
Chief Operating Officer

The Brief for 2025

In the face of ongoing margin pressure, Wealth Managers are looking to consolidate to drive scale. Consequently, COOs are challenged with integrating and adapting existing operating models to enhance efficiency, in a dynamic enterprise environment, while continuing to manage operational risk.

Establishing centralised functions to support this growth requires both a cultural shift as well as focused commitment to process and platform rationalization.

Negotiating this tension creates a paradox for COOs who must enforce standardization to drive efficiency while preserving the integrity of both the adviser and client experience.



What are industry leaders focused on?

- Increasing push to outsource commoditised functions to third-party providers to take advantage of scale and expertise
- Broadening partner networks to meet the challenges of bespoke client demands while maintaining and improving service
- Driving down overall cost-to-serve through efficiencies gained from rationalisation and centralization, enabling Wealth Managers to focus on core competencies and delivering for their clients

Expected areas of investment

Outsourcing

Assessing and using third-party vendors to support greater efficiency and solve for specific needs

Centralization

Sourcing opportunities to centralize activities to reduce costs and drive scale

Service Level Improvement

Realigning operating models to drive efficiency across all aspects of the business and improved service

Chief Technology Officer

The Brief for 2025

Chief Technology Officers are navigating the rapidly evolving landscape driven by the increasing sophistication of individual investors, as clients demand access to private markets, more complex investment strategies and greater tax efficiencies.

CTOs are under pressure to innovate and expand their offerings to meet these needs.

Many CTOs are struggling with legacy systems and proprietary technology that are increasingly inadequate to address evolving client demands, the need for greatly improved data management and control and overall operational resilience.

What are industry leaders focused on?

- Considering outsourcing solutions to third-party vendors to drive greater efficiency. Outdated systems are inefficient, do not scale
- Adopting best-of-breed architecture, allowing firms to integrate the most innovative solutions to position their business for long-term success in an increasing competitive market
- Developing integration layers to bridge gaps, leveraging emerging technologies such as Artificial Intelligence ('AI'), data-driven analytics and machine learning to enhance platform cohesion and streamline operations

Expected areas of investment

Upgrading or Replacement of Legacy Systems

Moving from single platforms to best-of-breed solutions requiring systems integrations to modernize and drive efficiencies

Expansion of Offerings

Expanding platforms and systems' capabilities to accommodate additional products and services to meet client demands

Emerging Technologies

Expanding use cases to experiment with and adopt emerging technologies to drive efficiencies and manage risk and security

Chief Client Officer

The Brief for 2025

Elevating the voice of the client across all aspects of the proposition will be key for CCOs in both retaining existing business and attracting new clients, building out a best practice client experience.

Importantly, there needs to be a focus on the requirements of specific client segments rather than 'one size fits all' in delivering services, communications and an upgraded digital user experience.

Ensuring that client needs and preferences are understood and prioritized by all stakeholders when considering new products and services, upgrading technology, and simplifying or enhancing processes to deliver the right outcomes for clients, while being supported by relevant data and insights.

What are industry leaders focused on?

- Segmentation of client bases through improved use of data, client feedback and insights to facilitate more tailored servicing, communications and brand messaging
- Planning and implementing business change using data and insight to place client needs to the fore
- Optimizing client experience through the delivery of personalized client solutions and tracking success through technology e.g. Client Relationship Management ('CRM') systems, client portals/apps etc.

Expected areas of investment

Data Management

Using management information ('MI') and technology tools to better respond to client service and product needs

Digital Experience

Improving user experience of client portals and client apps to enhance digital interactions

Client Insights

Sharing more tailored and targeted communications in response to client needs and segments (mass personalization)

Chief Marketing Officer

The Brief for 2025

Against a backdrop of constrained budgets and industry consolidation, CMOs are focused on brand cut through as a lever for growth, while simultaneously trying to meet investors' expectations for personalized digital interaction and nurture their reputations for quality service.

As wealth businesses search for fresh pools of revenue, marketing teams are working with front office teams to improve segmentation and produce targeted campaigns and communications.

Additionally, to fulfil service expectations efficiently, CMOs are looking to embed AI where possible, with Artificial Intelligence (‘AI’)-generated commentaries and responses to client queries as a common starting point.

Finally, as low-cost Exchange Traded Funds (‘ETFs’) and high-value private markets strategies continue to grow in popularity, there is an increasing focus on meeting the need for investor education, particularly among the younger generations.

What are industry leaders focused on?

- Evolving their brand identity and proposition to attract the next generation of investors without alienating existing clients
- Providing slick experiences through high-functioning websites, portals and automated client servicing, to augment personal relationships
- Engaging audiences across existing and new media with educational materials on the expanding investment toolkit

Expected areas of investment

Client Research

Supporting programs dedicated to understanding current and future generations' brand and service expectations

Content that Connects

Re-evaluating strategy and processes to ensure content delivers brand cut through and client engagement

Personalization at Scale

Rolling out AI realistically to make tangible steps on the journey to full automation and personalisation

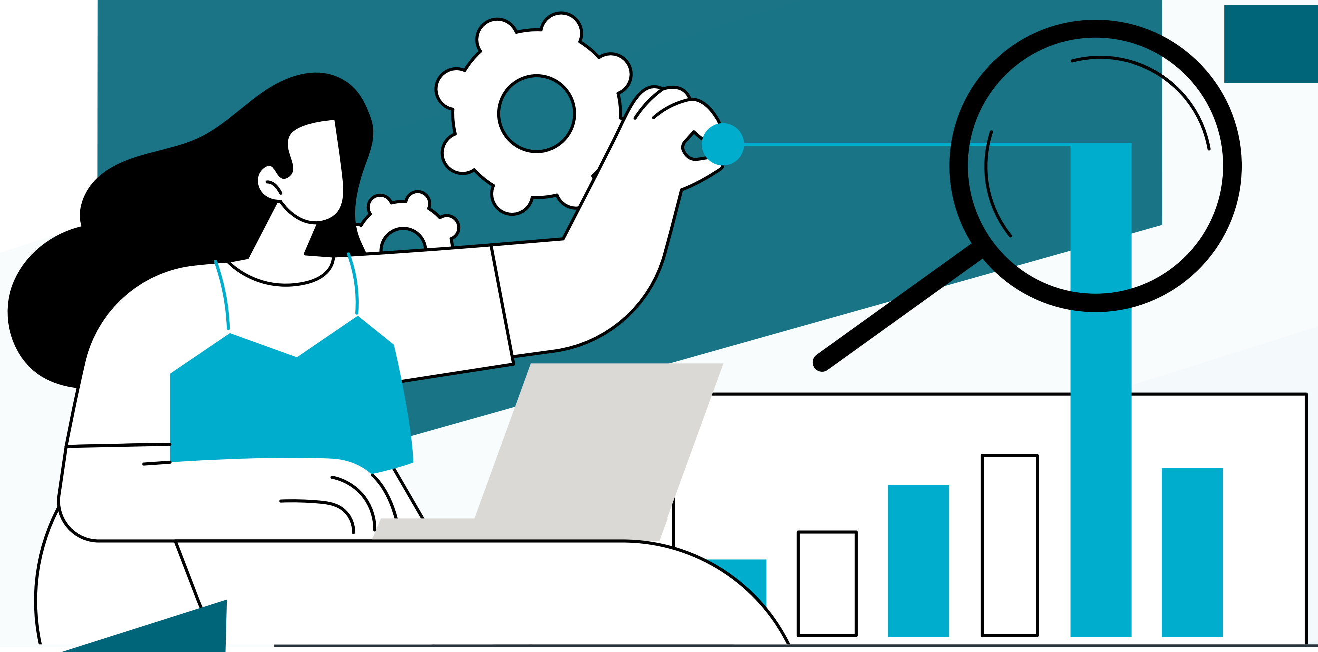
Head of Product & Proposition

The Brief for 2025

In the next 12 months, Heads of Product & Proposition will be focused on launching scalable, modular solutions that meet diverse client needs, as well as refining data-driven personalization strategies to enhance client engagement.

Looking forward, they must navigate longer-term trends such as the growing importance of co-developing solutions with Fintech partners, the increasing demand for hyper personalized products and services and the rise of tokenized investments.

Heads of Product & Proposition day-to-day work revolves around bridging immediate product innovation with sustainable, forward-looking offerings to retain and grow client loyalty.



What are industry leaders focused on?

- Expanding value-added client propositions through developing modular and hyper-personalized offerings tailored to diverse client segments
- Integrating data-driven personalization through leveraging advanced data analytics to anticipate client needs and provide personalized solutions (e.g. Next Best Action platform)
- Aligning offerings with sustainability and evolving client expectations through incorporating sustainability-aligned products, such as green bonds and impact funds, into their portfolios

Expected areas of investment

AI-driven Personalisation Engines

Delivering tailored client recommendations, increasing engagement, and driving higher client satisfaction and retention rates

Robust Product Suites

Offering a well-defined product suite to meet target clients' goals and align with regulatory and market demands

Digital Delivery Platforms

Enabling seamless access to services and support the scalability of new and existing product offerings

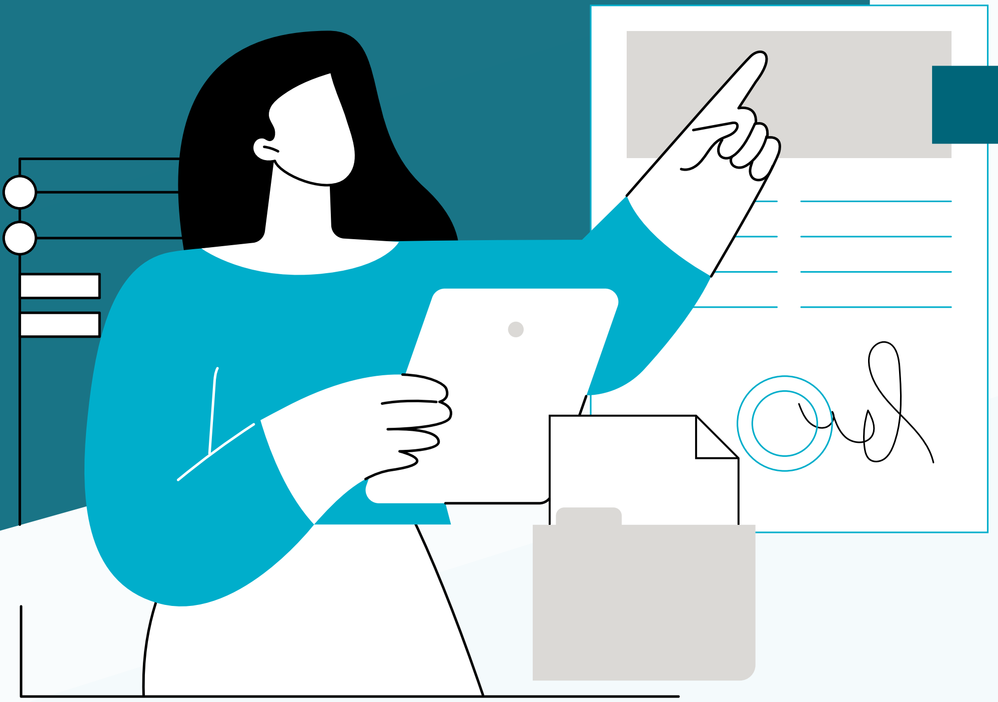
Head of Compliance

The Brief for 2025

Short-term priorities include ensuring compliance with newly implemented reporting standards and adapting to fast-changing regulations in areas like cross-border tax compliance and digital assets.

Over the next few years, Heads of Compliance must anticipate trends such as global standardization of cryptocurrency regulations and the increasing integration of Artificial Intelligence ('AI') for real-time monitoring.

Daily responsibilities involve mitigating operational risks, keeping the organization audit-ready, and fostering a compliance-first culture while preparing for future regulatory shifts.



What are industry leaders focused on?

- Strengthening regulatory alignment through technology. Ensuring compliance by deploying advanced RegTech solutions, such as AI-driven anomaly detection systems
- Mitigating emerging risk as reporting and regulation grow stricter, focusing on building robust frameworks to manage these areas, along with managing sensitive data on the cloud
- Fostering a culture of proactive compliance across the organization. Educating employees on compliance as a shared responsibility and embedding compliance thinking into daily workflows

Expected areas of investment

Compliance Operating Model

Automating compliance processes, reducing manual errors, and improving the speed and accuracy of regulatory reporting

Real-time Monitoring Systems

Identifying and mitigating potential risks proactively, ensuring regulatory adherence, and minimizing exposure to penalties

Compliance Training

Enhancing employee awareness and capabilities, embedding a compliance-first mindset across the organization, and reducing risk exposure

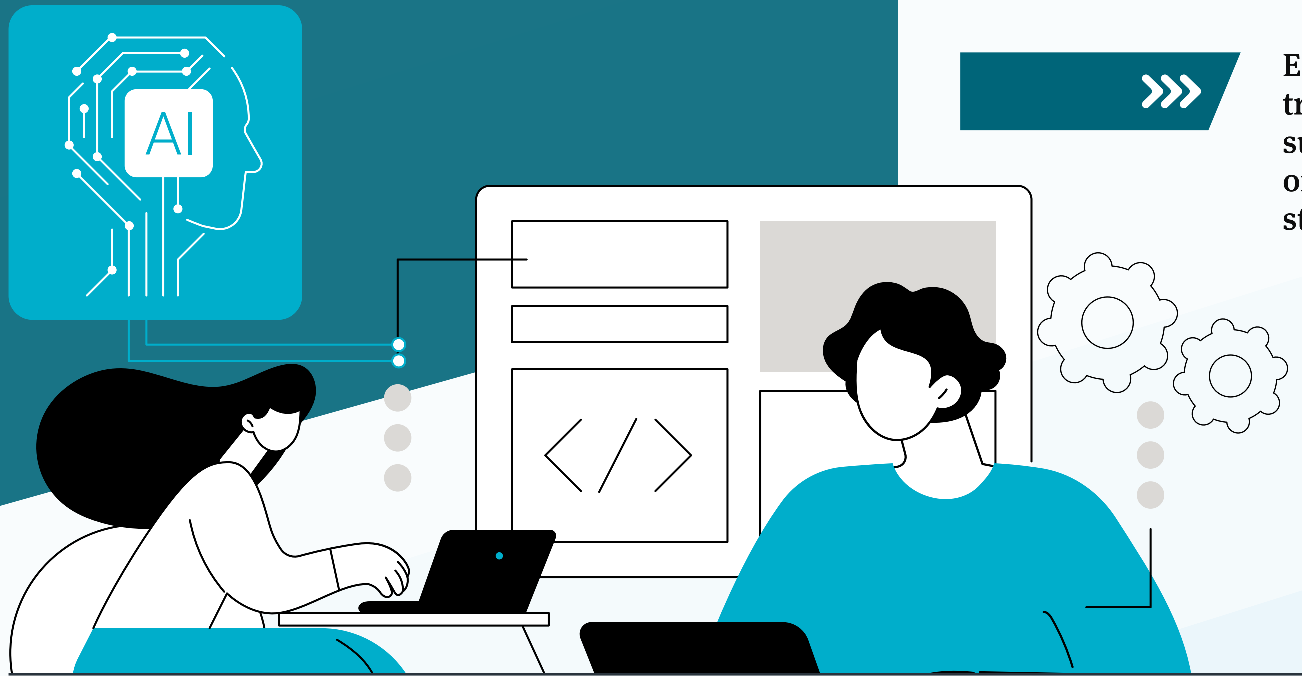
Head of Transformation

The Brief for 2025

In the short term, Heads of Transformation are starting to prioritize the deployment of Artificial Intelligence ('AI') and automation to streamline operations and improve scalability, alongside fast-tracking digital initiatives like enhanced client onboarding.

Over the next 3 years, Heads of Transformation must remain alert to trends such as the rise of decentralized finance ('DeFi'), the integration of quantum computing in financial modeling, and evolving client expectations for seamless digital experiences.

Day-to-day, their focus lies in balancing immediate efficiency gains and doing the basics well, with ensuring technology investments align with the organization's long-term strategic goals.



What are industry leaders focused on?

- Driving digital innovation as Heads of Transformation must spearhead the adoption of emerging technologies such as AI and open banking, dealing with a greater number of solutions providers
- Optimizing operational efficiency through streamlining operations around automation and cloud migration and shared service centres to reduce costs and improve client responsiveness
- Embedding sustainability into the transformation agenda through integrating sustainability considerations into the organization's operational and digital strategies

Expected areas of investment

Advanced Analytics Platforms

Enabling data-driven decision-making, improving forecasting accuracy, and driving operational efficiencies across the organization

Cloud Infrastructure

Enhancing scalability, reducing IT costs, and supporting seamless integration of new digital tools and platforms

Automation Technologies

Streamlining repetitive tasks, increasing process efficiency to allow employees to focus on higher-value activities

Head of Distribution

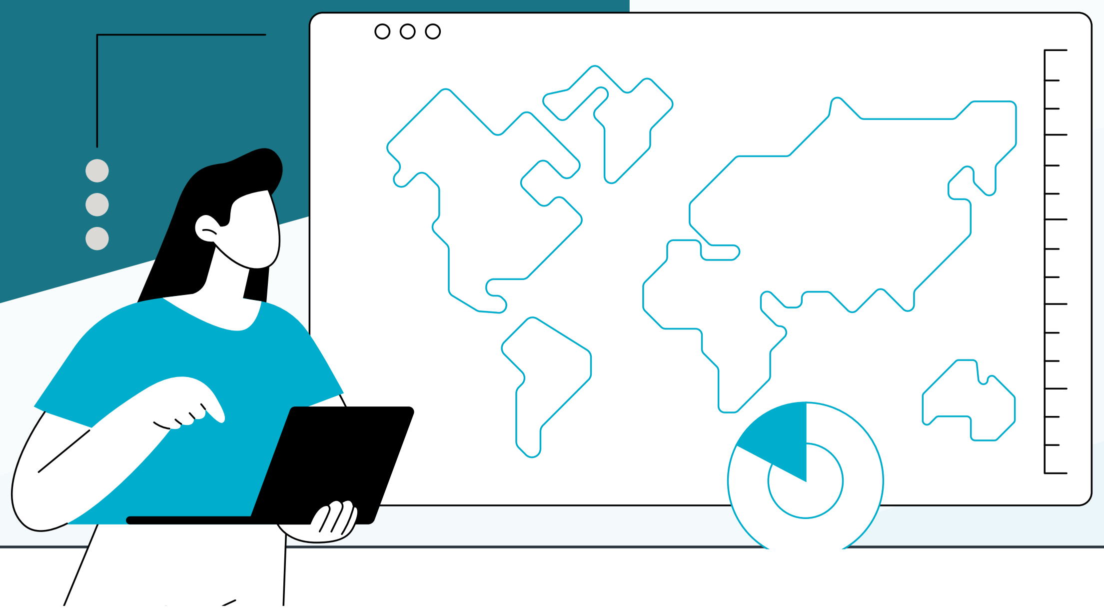
The Brief for 2025

Sales management will remain the priority for Heads of Distribution but crucially, measuring and tracking profitability versus revenues alone must become a core part of the sales management process.

Effectively and efficiently enabling lient-facing teams and advisers by simplifying processes and leveraging digital capabilities, including Artificial Intelligence ('AI'), will be key to ensure focus on clients over administration.

In the longer term, the challenge for Heads of Distribution will be to enable a holistic client offering, seamlessly integrating a selection of client propositions across all distribution channels.

This will have to be balanced with developing the capability to provide a personalized and differentiated client service at scale – with firms needing to better understand and respond to complex client demands and ever-increasing client expectations.



What are industry leaders focused on?

- Sustaining profitable growth through driving efficiencies and focusing on client segments that align to the business model and can be appropriately serviced
- Re-imagining client service models capitalizing on digital capabilities to enhance the impact of relationship managers, financial planners and investment managers
- Personalizing client service at scale through delivering a differentiated client experience that balances client needs and cost-to-serve

Expected areas of investment

Digital

Enabling and enhancing client distribution through digital capabilities

Data

Enhancing data and analytics to drive data-driven decision-making

AI

Increasing the efficiency and effectiveness of client-facing resources

Alpha Financial Markets Consulting is a leading global consultancy to the financial services industry. Alpha combines highly specialist sector-focused strategy, management consulting and technology expertise to support the client transformation lifecycle.

Founded in 2003, it now has over 1,180 consultants across North America, UK, Europe, MENA and APAC.

1180+
CONSULTANTS GLOBALLY

OFFICES ACROSS
NORTH AMERICA | UK | EUROPE | MENA | APAC

OVER 1000
CLIENTS SUPPORTED GLOBALLY

For more information please contact:

enquiries@alphafmc.com, +44(0) 207 796 9300

Alpha

www.alphafmc.com