Alpha

Asset management in the age of AI

A destination-state view of the AI-native asset manager

November 2026

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How to Read this Document

Treat each functional page as a future-state hypothesis to pressure-test against your own strategy.

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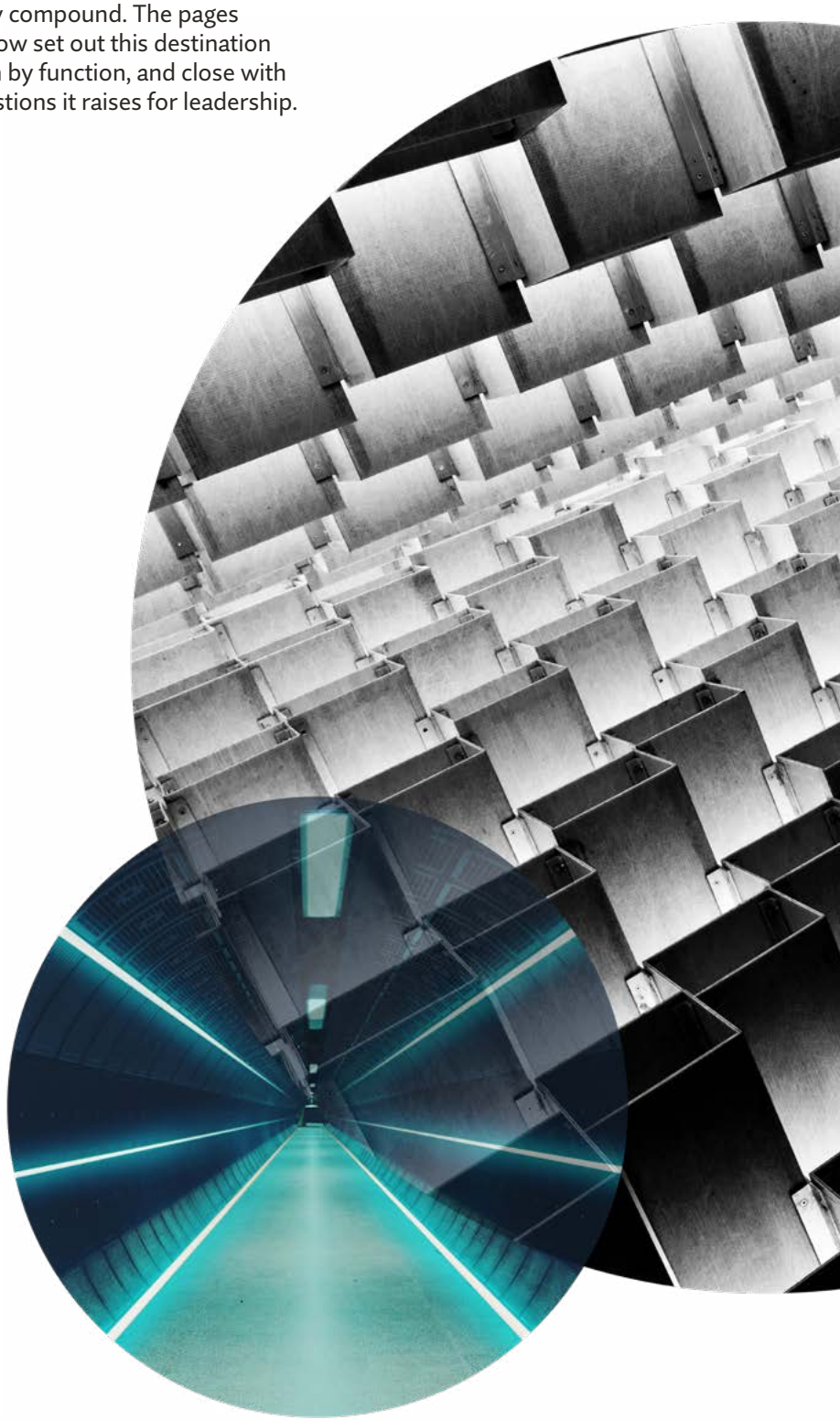
Introduction

As AI becomes ubiquitous, access to the technology ceases to be an advantage in itself. The asset managers that lead in 2030+ will be those that compound what competitors cannot readily replicate: client relationships, proprietary intelligence and organisational memory.

Four shifts follow from this view:

- Data becomes one backbone. Trusted data, organisational knowledge and decision history are made accessible across the business, enabling people and AI to act on relevant, governed context.
- Execution adapts. Routine work runs autonomously in every function; people concentrate on judgement, governance and client relationships.
- Controls move into the workflow. Risk, compliance and data governance are built in at the point of action, which is what allows autonomy to scale.
- Talent is the binding constraint. Firms need roles that do not yet exist at scale, a different workforce shape and a new way to develop junior talent.

Together they produce the operating model on p.5, where client access, proprietary signals and organisational memory compound. The pages that follow set out this destination function by function, and close with the questions it raises for leadership.



01 The AI-native asset manager of the future

Four shifts, one operating model and the economics behind it



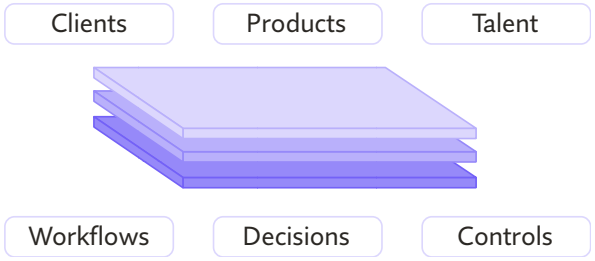
Four foundational shifts in how the asset manager will operate

These four mechanisms sit underneath the operating model on p.5. Data and talent form its foundations; adaptive execution and embedded controls run through every component.

1

Data backbone

Trusted data, organisational knowledge and decision history are connected and made available as relevant context, enabling people and AI to act on consistent, governed information.

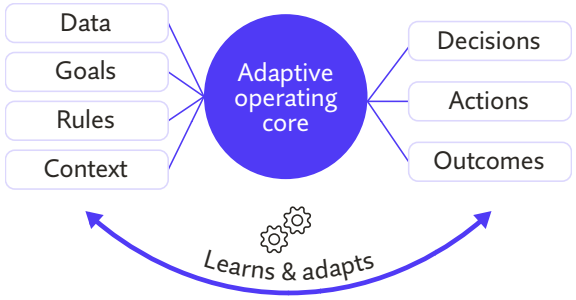


One Shared Foundation
A connected real-time view of the business

2

Adaptive Operating Core

Modular workflows, decisions and controls are designed to be flexible, allowing the firm to adapt its operations as business needs and technology evolve.

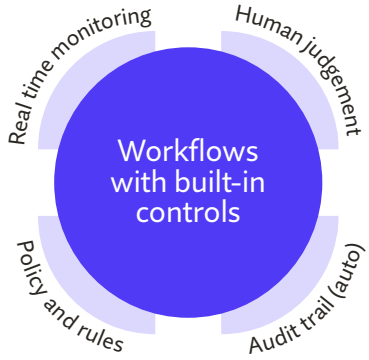


Outcomes
The core execution mechanism adapts as the firm and its environment change

3

Controls in the Workflow

Compliance, risk, approvals and recordkeeping embedded at the point of action.

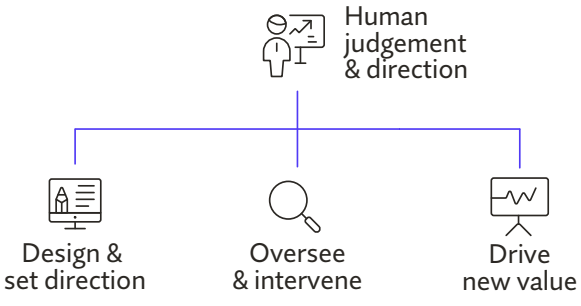


Built By Design
Trust at the point of action

4

Talent Layer

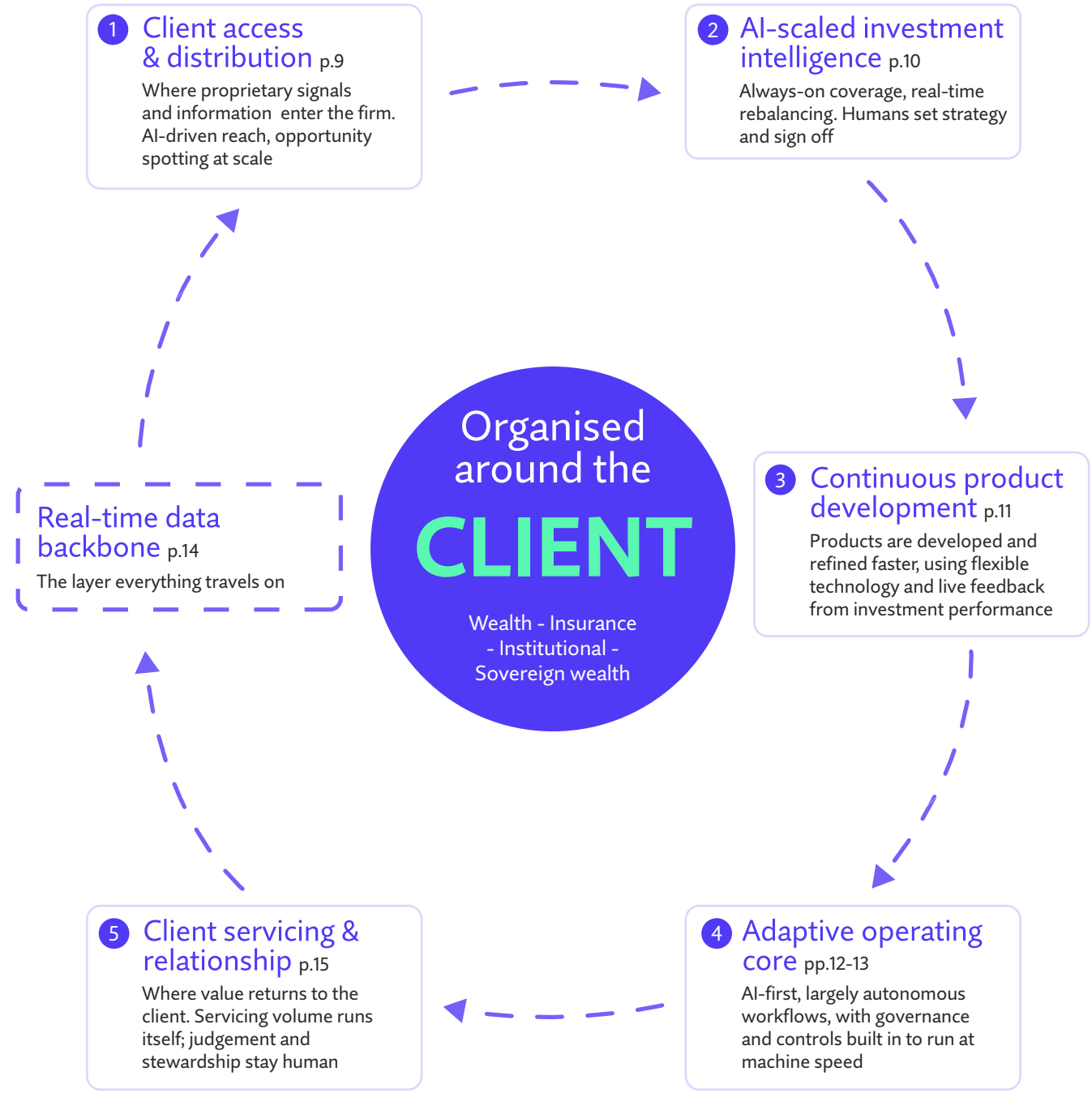
Value concentrates in designing the system, governing it, and exercising judgement over its limits.



Humans Focused On Directing
People are focused where they add the most value

The AI-native asset manager of the future

As AI capability becomes accessible to every firm, advantage comes from what a firm can compound – client relationships and proprietary data fuel AI-scaled intelligence, which enables deeper distribution and client experiences tailored to each mandate.

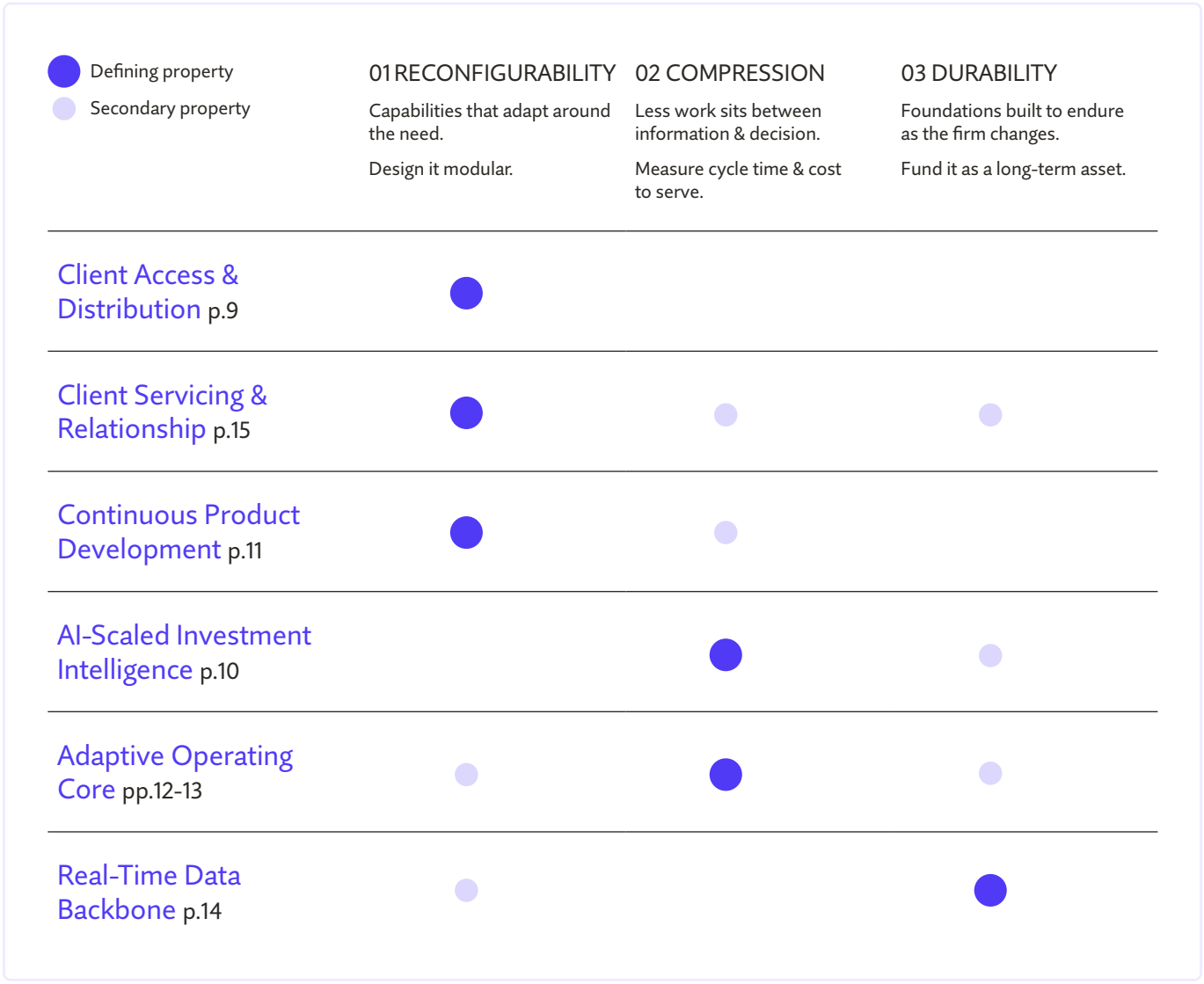


Talent Layer

The binding constraint.
None of the above runs without
a workforce built to operate it. pp.17-20

Each part of the model leans on a different property

Where the firm meets the client, it reconfigures. Where it produces, it compresses. What it stands on endures.



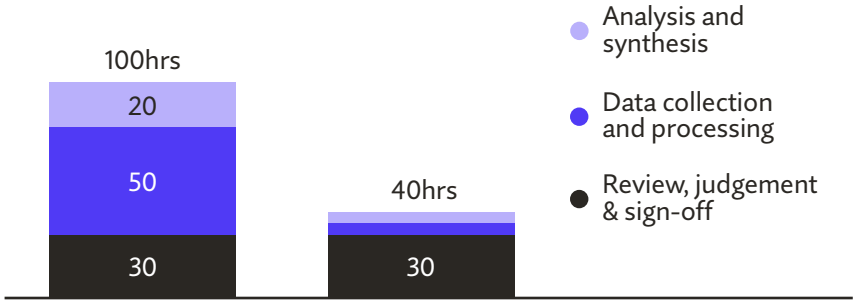
Lower costs widen what is economic to serve

AI cuts the cost of routine work, but the bigger effect is on revenue: mandates and markets that were uneconomic become viable. Savings every manager can reach get competed away in fees; the lasting gain comes from reinvesting them in the loop on p.5.

1 Cost compression

The same work needs a much smaller human effort, even after oversight and control.

Effort per investment research report



50–70%

less effort per research report

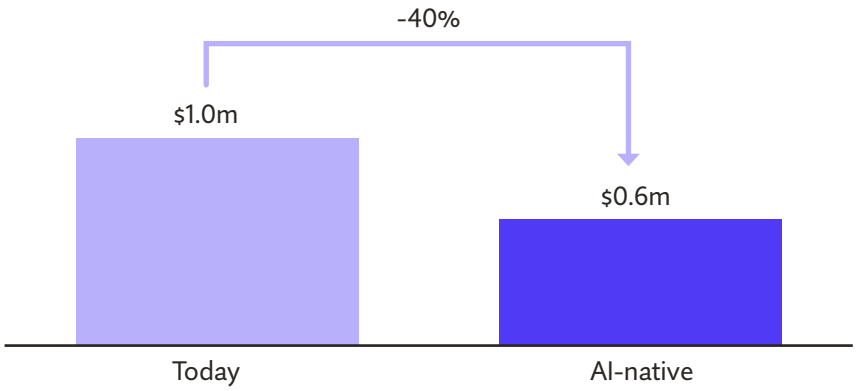
20–40%

lower operating cost, after implementation and oversight

2 Revenue expansion

Lower servicing costs make clients, products and services that were uneconomic commercially viable.

Minimum viable mandate size, annual revenue



What becomes viable

- Smaller segments: sub-scale institutions and wealth channels
- Personalised mandates and bespoke products at lower marginal cost
- Adjacent markets and services that were previously uneconomic

Illustrative Alpha FMC estimates, not a forecast. Assumes routine work is c.50–60% of operating cost, with AI run and oversight costs adding back c.5 points; minimum viable mandate falls in line with cost to serve. Outcomes vary by firm, use case and implementation maturity.

02 Functional deep dives

How each part of the model changes, from distribution to client servicing



Distribution becomes always-on and agent-ready

AI absorbs routine client demand; human capacity concentrates where relationship judgement changes the outcome.

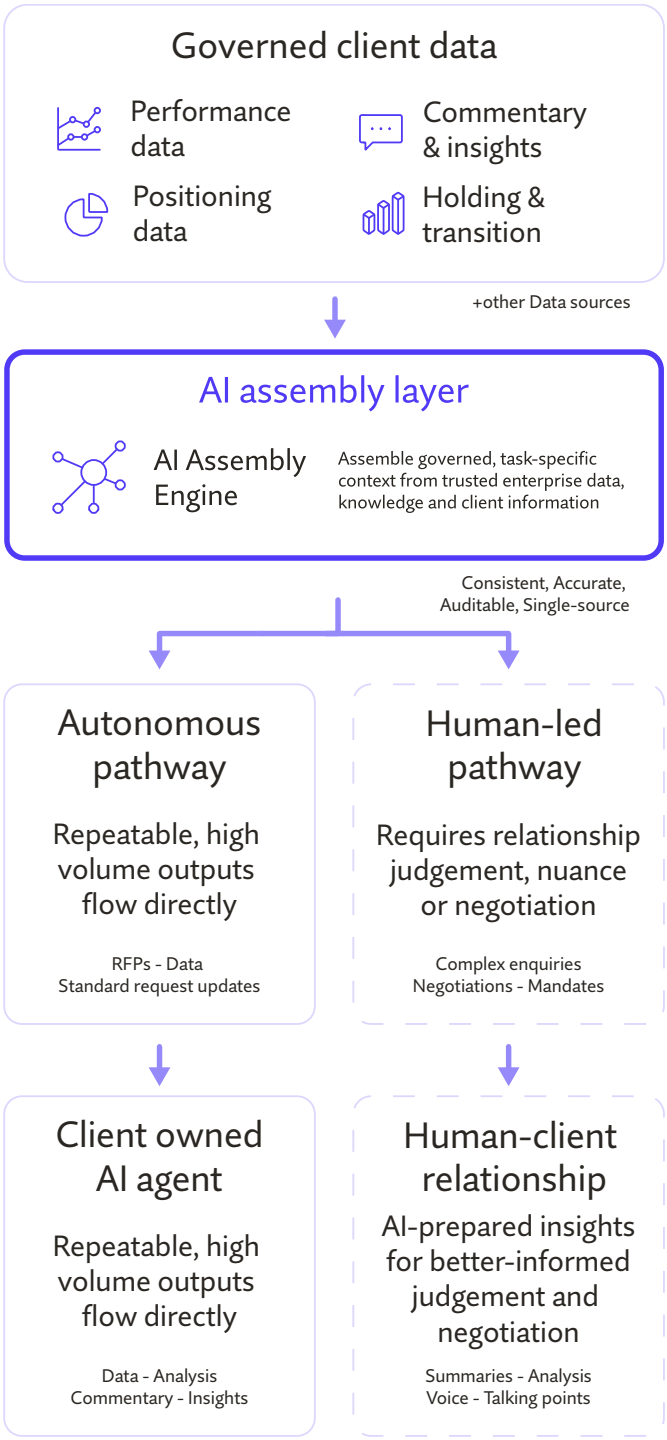
1. **AI automates client requests**
   AI systems meet RFPs, mandate queries and ad hoc requests from a firm's data platform. Humans review rather than produce the response.

2. **Hypothesis: client portals give way to client-owned agents**
   Rather than logging into a firm's platform, a client's own AI pulls performance, positioning and commentary and formats it as the client prefers.

3. **Interaction becomes proportionate**
   AI handles routine exchanges end to end. Complex, trust-dependent conversations still involve a person but are built on AI-prepared groundwork rather than manual research.

4. **Content is produced once and delivered in multiple forms**
   The same underlying facts and commentary are repackaged to the client's preferred format, whether written, verbal or agent-to-agent.

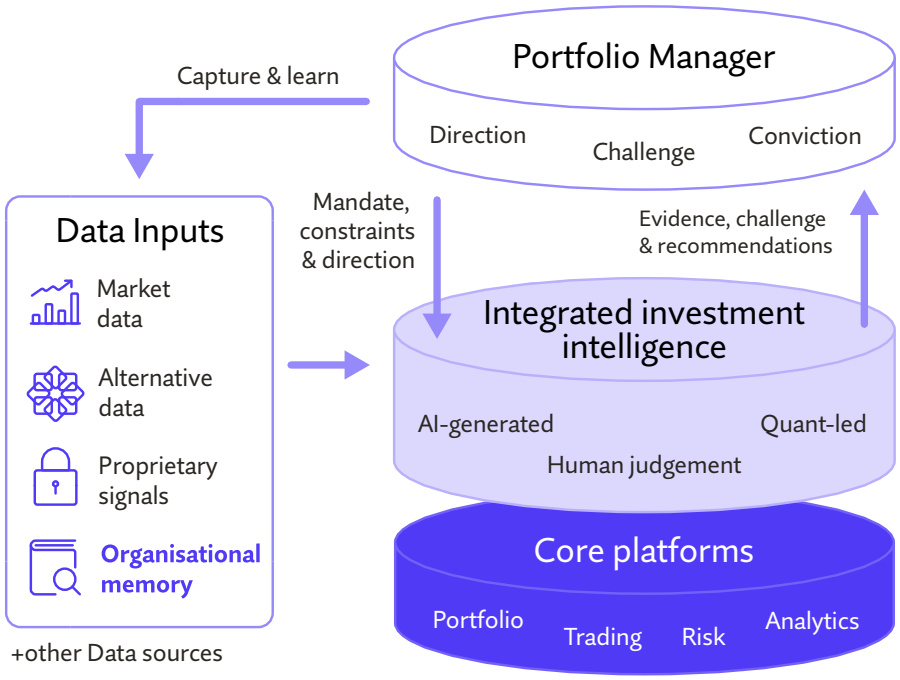
5. **Sales and distribution teams reduce and specialise**
   Less capacity is needed for drafting and preparation; more for relationship judgement, negotiation, and interpretation.



Investment edge now rests on organisational memory

The PM's edge depends on how well they use the firm's own memory, and firms that capture it first build an asset competitors cannot buy.

1. **Investment competence becomes the baseline**
   AI democratises access to information and analytical capability, eroding traditional sources of investment advantage. Differentiation rests on proprietary insight, investment judgement and the firm's accumulated intelligence: its signals, risk insights, decisions, reasoning and outcomes.
2. **Investment decisions accumulate as organisational memory**
   Every investment decision captures its reasoning, assumptions, market context and outcome. Held on the firm's shared data backbone, this becomes a proprietary asset that informs future decisions and is hard to replicate.
3. **The portfolio manager orchestrates intelligence, with memory as context**
   Value lies in how quickly and well the PM combines sources, calibrating trust in each against what past decisions show.
4. **Oversight moves from validating output to validating reasoning**
   Human oversight challenges the evidence, assumptions, constraints and decision rationale behind investment recommendations, with authority over material investment decisions.
5. **Investment leadership owns the firm's investment intelligence system**
   Leadership accountability extends into technology and data domains, including model quality, drift, explainability and override policies.



The PM as Orchestration Node

The PM directs and challenges. The speed and quality of orchestration decide how well the firm's memory is used

Memory compounds:

- Each decision is captured with its reasoning, assumptions and outcome
- Captured decisions feed back in as a data input
- Competitors can access similar models and market data, but cannot readily replicate the firm's proprietary signals, accumulated decision history and organisational context

AI accesses existing core platforms as infrastructure

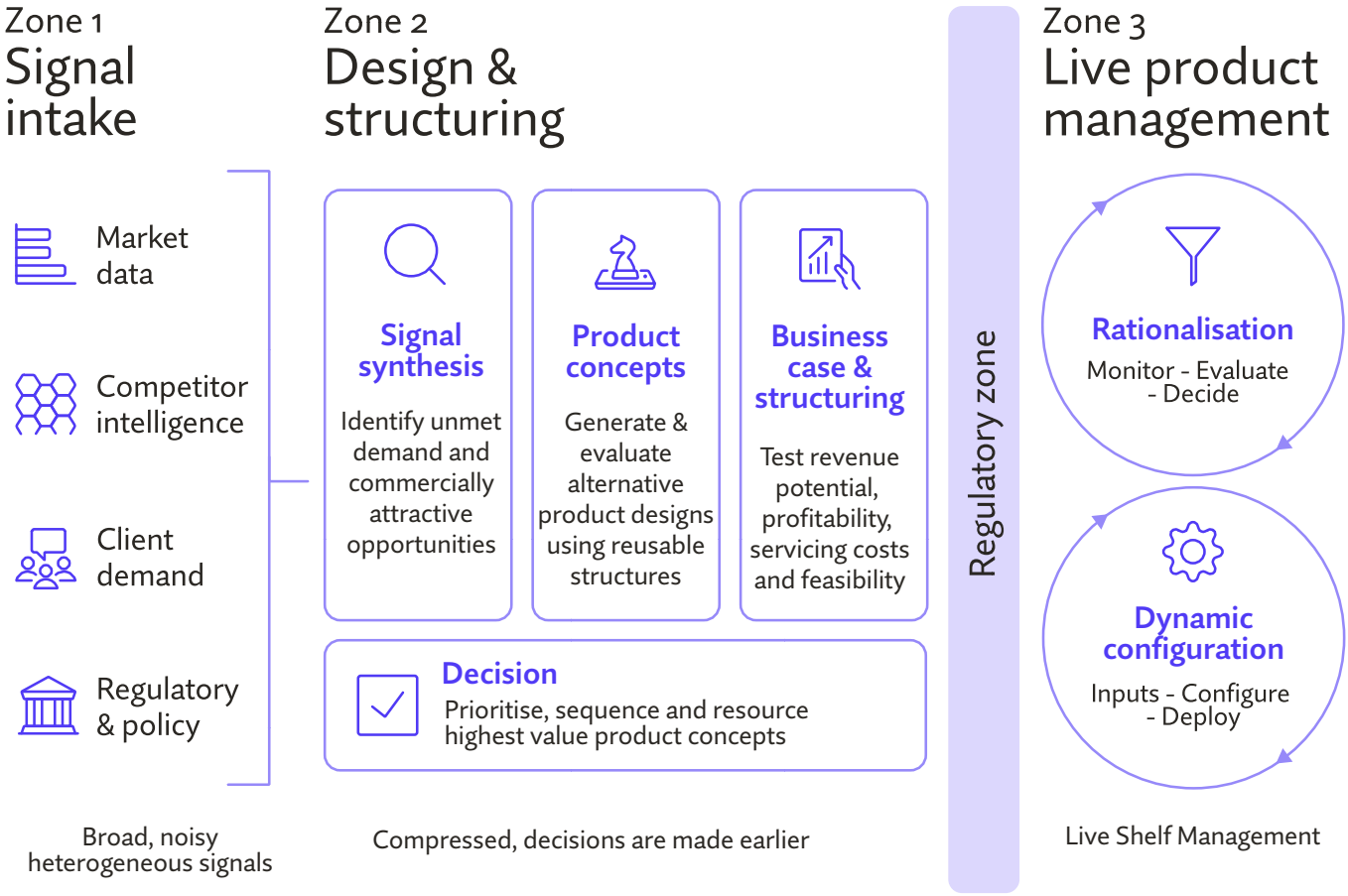
Core Investment Platforms

For most firms, core investment platforms will remain systems of record. What changes is how intelligence interacts with them: AI agents increasingly access data and execute permitted actions through standardised APIs and interoperable interfaces. Existing platforms will need to evolve, but wholesale replacement is not a prerequisite For most firms, core investment platforms will remain systems of record. What changes is how intelligence interacts with them: AI agents increasingly access data and execute permitted actions through standardised APIs and interoperable interfaces. Existing platforms will need to evolve, but wholesale replacement is not a prerequisite.

Product development becomes continuous and configurable

AI reduces the cost of product discovery, design and launch, while real-time commercial intelligence improves product profitability and enables greater client customisation without proportional growth in operating costs.

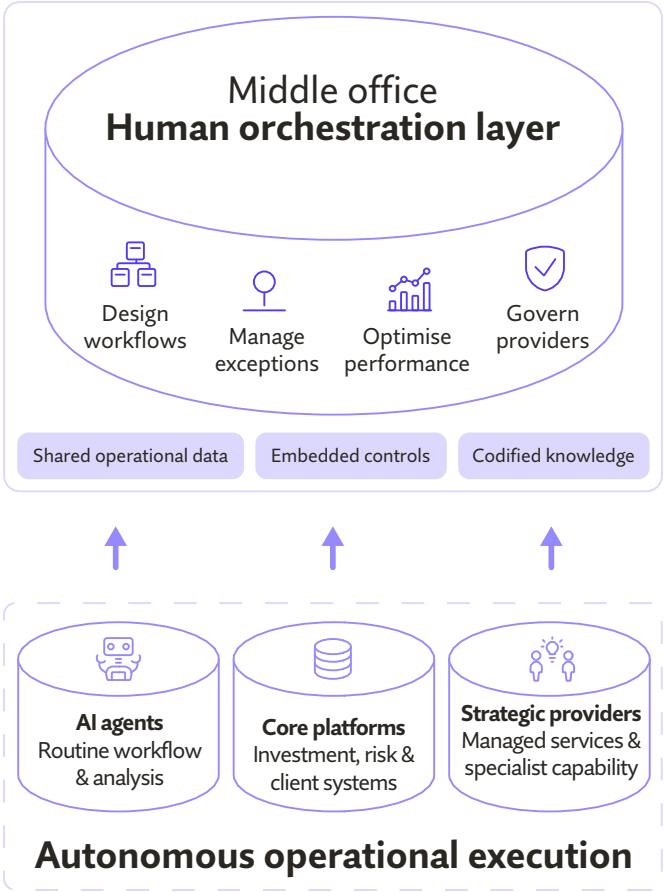
1. **Signal-to-concept becomes more selective**
   AI synthesises flows, client demand, competitor activity and market signals, identifying viable opportunities earlier and reducing investment in weaker concepts.
2. **Design and structuring become cheaper to iterate**
   Regulatory, structuring and precedent intelligence enables more options to be evaluated at lower cost, with product economics tested before resources are committed.
3. **The path to revenue compresses**
   Human and regulatory gates remain, but AI-supported documentation and validation reduce rework and launch timelines — bringing forward potential revenue and improving development economics.
4. **Product profitability is optimised in real time**
   Live visibility of margins, flows, performance and servicing costs informs continuous decisions to invest, reprice, consolidate or retire products, optimising profitability across the product shelf.
5. **Customisation becomes economically scalable**
   AI enables products and mandates to flex within defined parameters, meeting more client needs without proportionate growth in product proliferation, servicing costs or operational complexity.



The middle office is the orchestration layer

A lean human control layer orchestrates autonomous execution across agents, platforms and strategic providers.

1. **Operations becomes materially leaner**
   Most routine operational activity is executed autonomously, reducing manual processing and the fixed operating cost base.
2. **The middle office becomes the orchestration layer**
   Human effort shifts towards workflow design, exception routing, service performance and ongoing optimisation. Institutional knowledge is codified, creating a scalable and consistent operating model.
3. **Operational data is shared infrastructure**
   Asset managers, servicers and platforms operate through connected data infrastructure. AI reconciles, enriches and distributes information across organisational boundaries, supporting integrated execution and a shared operational view.
4. **Service performance is measured live**
   Providers, agents and internal teams run to the same real-time service levels, so work can move between them without losing control.
5. **Accountability decouples from execution**
   As execution becomes autonomous and distributed across AI and strategic providers, accountability remains with the asset manager. A smaller senior workforce owns outcomes, controls, data and service performance.



Agentic AI will reshape the economics of insourcing and outsourcing

As AI reduces the cost of operational execution, **both asset managers and servicers can operate with leaner models**, challenging traditional outsourcing economics.

The make-or-buy equation shifts
Asset managers may retain or bring activities in-house, while servicers compete on automation, specialist capabilities and operational intelligence rather than processing scale.

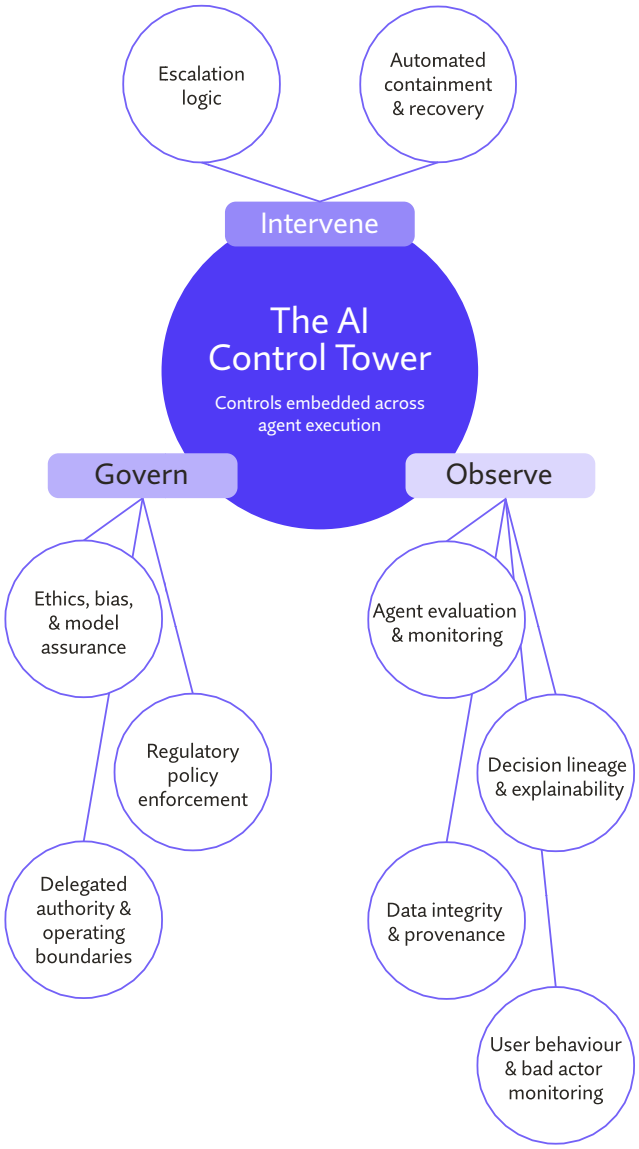
The boundary becomes more fluid, with asset managers retaining accountability for outcomes, data and controls regardless of who executes.

Expected implications
- Lower costs across both models
- More selective outsourcing and re-insourcing
- Greater differentiation among servicers
- More flexible operating arrangements
- Greater emphasis on data ownership and oversight

Risk and compliance set the rules autonomous agents operate within

Autonomy only scales with embedded controls, so risk and compliance become the function that makes delegation safe.

1. **Risk is a real-time intelligence function**
   Risk monitors the organisation through live telemetry across agents, workflows and client interactions; identifying emerging exposures, control failures and behavioural anomalies as they develop.
2. **Compliance is machine-readable and embedded**
   Regulatory obligations and internal policies are translated into machine-readable controls, enforced at the point of execution. Compliance becomes embedded in workflows rather than checked only after the event.
3. **Governance extends to autonomous AI agents**
   Governance extends beyond supervising employees to governing autonomous agents, defining delegated authority, operating boundaries, risk appetite and escalation pathways.
4. **Assurance becomes continuous, with population-wide monitoring**
   Automated controls monitor the full population of AI-supported activities, testing policy compliance, decision lineage and behavioural anomalies. Risk-based evaluation and human review provide deeper assurance where required.
5. **Humans set the boundaries; AI operates within them.**
   Leadership becomes accountable for the design, performance and oversight of the AI ecosystem, including delegated authority, model quality, decision lineage, overrides and operational resilience.



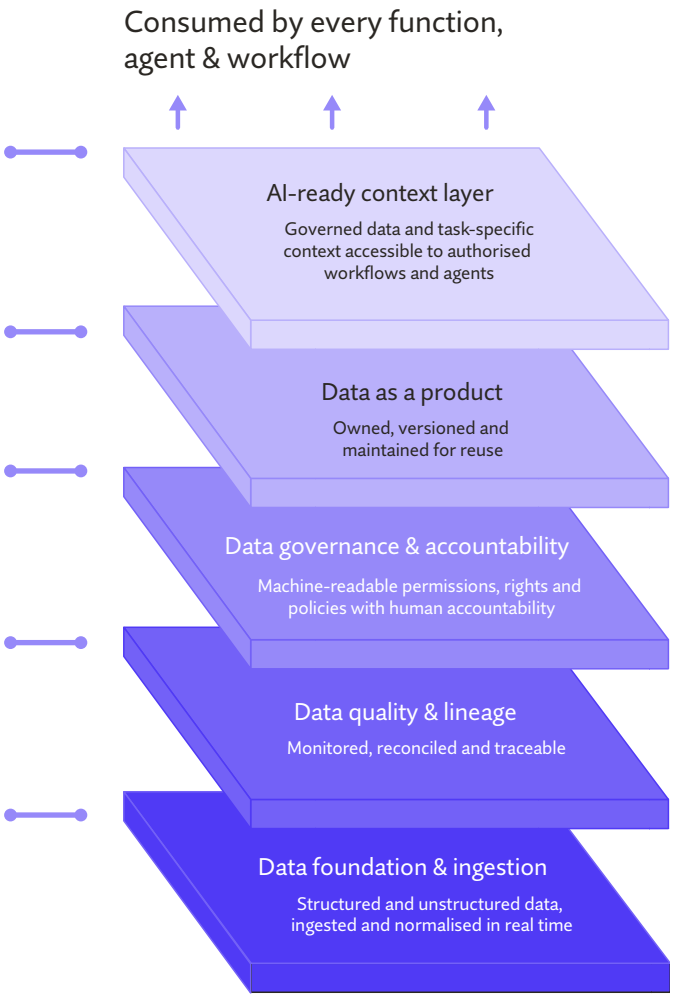
Regulatory Direction of Travel

Regulators will increasingly expect traceability, explainability and effective oversight of AI-supported decisions, alongside more structured, machine-readable reporting and controls. AI-enabled surveillance, horizon scanning and continuous compliance testing will become increasingly embedded in operations. Human accountability for material decisions, risk appetite and client outcomes is likely to remain, even as execution becomes more autonomous.

Data advantage shifts from access to speed-to-use

1. Every workflow, agent and analyst accesses trusted, real-time data through a common layer, enabling consistent insights and faster execution.
2. Core data domains have named owners and are run as products, enabling reuse across the enterprise.
3. Ownership, access and data rights are encoded into the layer. AI enforces policies at scale, with human accountability for exceptions and high-risk use.
4. AI detects, flags and resolves data quality issues and lineage gaps, with monitoring, resolution and sign-off remaining a governed, human-accountable process.
5. Data builds organisational memory. The backbone stores the decisions, reasoning and outcomes on p.10, held to the same quality and lineage controls as any data product.

Every function and agent operates on a governed data backbone, enabled by modular, interoperable technology architecture.



What this means competitively

As market data becomes ubiquitous, advantage shifts from possessing information to how quickly it can be contextualised, governed and deployed.

Competitive implications:

- Faster signals to decisions
- Compounding institutional intelligence
- Less dependence on individual knowledge
- Harder-to-replicate intelligence and greater client embeddedness
- Unpredictable data costs while vendors work out AI pricing

Governance sets the pace:

- Governance is reusable infrastructure: data rights, permissions and controls are enforced across authorised agents and workflows
- Vendor licences, mostly pre-AI, limit what agents can use
- Clients and regulators will ask where AI outputs came from

Client servicing runs itself, so relationship managers spend their time on judgement

Every servicing interaction becomes a signal the rest of the firm can use, from product design to distribution targeting.

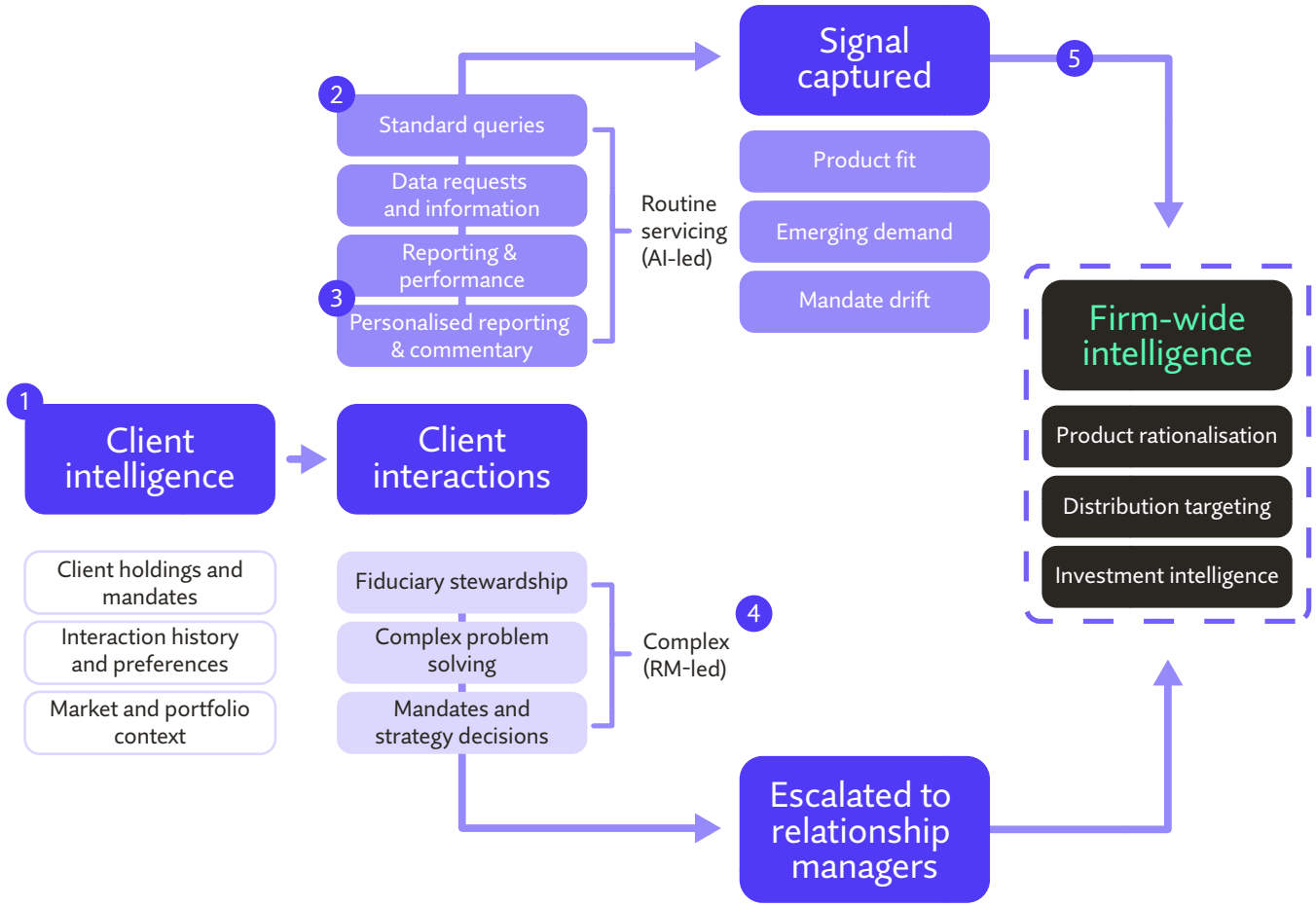
1. **Hyper-Personalised Client Intelligence**
Ahead of every interaction, holdings, flows, meeting notes, and market context are synthesised into a single live view calibrated to each client's mandate, preferences, and communication style.

2. **Query and servicing resolution**
Routine servicing requests such as reporting, reconciliation queries or portfolio data requests, are resolved through AI-enabled self-service and agentic workflows, reserving RM capacity for judgement-based interactions.

3. **Tailored Reporting at scale**
Reporting and portfolio commentary are tailored to each client's mandate, preferences and requirements, without a proportional increase in servicing capacity.

4. **The RM role is redefined**
RMs are measured on advisory depth, retention and share of wallet, and each can cover more relationships at greater depth.

5. **Signal capture as firm intelligence**
Every servicing interaction is captured as a live signal on product fit, mandate drift, and emerging demand, feeding directly into other functions, e.g. product rationalisation or distribution targeting, creating a connected, firm-wide intelligence capability.



03 The impact to talent & workforce

What remains human, and the capabilities and workforce shape firms will need



The AI-native asset manager is a human capital story

Client ecosystem depth, AI-scaled investment intelligence, an adaptive operating core, and a real-time data backbone all converge on one constraint: none of it runs without a workforce built to operate it.

The AI-native asset manager will need...

1 **Leaders who think, lead and operate differently from those who built them**

Traditional asset managers were built on deep functional specialism and hierarchical decision-making. The future organisation demands integrative thinkers who can operate fluidly across investment, data, technology and client domains.

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2 **Roles that do not yet exist at scale — and for which no established talent pipeline exists**

Workflow architects, data product owners and human-AI leaders combine disciplines that traditional asset management career paths develop separately. The industry requires new routes to build these capabilities at scale.

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3 **Work organised around outcomes and capabilities, not historical functional boundaries**

Work is organised around end-to-end outcomes and capabilities, not traditional front, middle and back office handoffs. Distinct accountabilities, specialist expertise and independent oversight remain, but no longer determine how execution is structured.

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4 **A workforce shape and size that looks materially different, including its geography**

Automation will reduce headcount in execution-heavy roles while creating demand for higher-order capabilities. Where those capabilities are located will be determined by talent availability, organisational culture, and operating model design.

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5 **To fundamentally reimagine how they grow talent from within**

The execution work that has traditionally formed junior professionals will be increasingly automated. The apprenticeship model that built the industry's senior talent will no longer function as designed, requiring entirely new approaches to development, progression and retention.

Work will be automated, augmented or redesigned, and some is too early to call

The mix differs by function, but what remains after automation converges on the same human activities, as the next page shows.

Type of Work	What Happens to the Work	How the Workforce Changes	Illustrative Activities & Capabilities
1 **Automate** Work that AI can execute end-to-end	Routine, rules-based and high-volume work is performed by AI agents and automation with minimal human intervention	**Reduced human execution** Reduced demand, with capacity delivered through AI rather than additional headcount	• Data processing & reconciliations • Standard reporting • Basic client enquiries
2 **Augment** Work where AI significantly increases human effectiveness	AI augments human expertise, increasing the speed, quality and scale of analysis, decision-making and client service	**Greater leverage per person** Same or fewer people deliver significantly higher output and impact	• Investment research & analysis • Portfolio construction & monitoring • Client insights & reporting
3 **Redesign** Work rebuilt with AI at the core	Entire workflows are redesigned around AI, creating new responsibilities, skills and ways of working	**New roles and skills** Different mix of capabilities, with more orchestration, workflow design and oversight.	• AI workflow design & orchestration • Data, knowledge & context engineering • AI risk, evaluation & governance
4 **Too early to call** Work where future relevance, shape or demand is unclear	The impact of AI is less certain due to complexity, regulation, client preferences or evolving capabilities	**Requires active monitoring** Demand may persist, evolve or decline. Scenario planning and reskilling are essential	• Junior research & analysis • Distribution coverage • Middle-office supervision

What remains human looks increasingly similar across functions

As AI absorbs procedural work function by function, what remains converges on the same handful of human activities. This is why organising around capability begins to make more sense than organising around function.

	Judgement & Exception Handling Where human judgement remains	**Governance & Oversight** Setting & policing boundaries	**Workflow & System Design** Designing how work happens	**Relationship & Decision Stewardship** Owning trusted outcomes
Product & Distribution	Assess nuanced client needs and tailor solutions for complex situations	Ensure fair and compliant product positioning and client communications	Design client journeys and orchestration across channels and products	Lead strategic client relationships and advise on complex solutions
Investments	Interpret model outputs, challenge assumptions and make final investment calls	Set investment guardrails and monitor for style drift or unintended exposures	Design research and portfolio workflows, integrating AI and human inputs	Articulate investment conviction and represent views to clients and boards
Middle Office & Data	Resolve data breaks and make judgement calls on data quality issues	Define data standards, own data lineage and monitor data use	Build and iterate data pipelines and automated processes	Partner with the business to define data strategy and priorities
Risk & Compliance	Evaluate edge cases and apply proportional risk judgement	Design and oversee control frameworks and regulatory adherence	Embed controls into workflows and design monitoring and escalation	Advise the business on emerging risks and support decision-making
Client Servicing	Navigate sensitive client situations and escalate complex issues	Ensure compliant advice, disclosure and client outcomes	Design end-to-end servicing workflows and exception handling	Be the trusted client advisor, owning the overall client relationship

This convergence defines the capability archetypes on the next page.

Roles combine capabilities that cut across today's functions

These archetypes turn the human activities on the previous page into capabilities firms can hire and develop for, except Data Product Owners, who are defined by domain rather than mode of work.

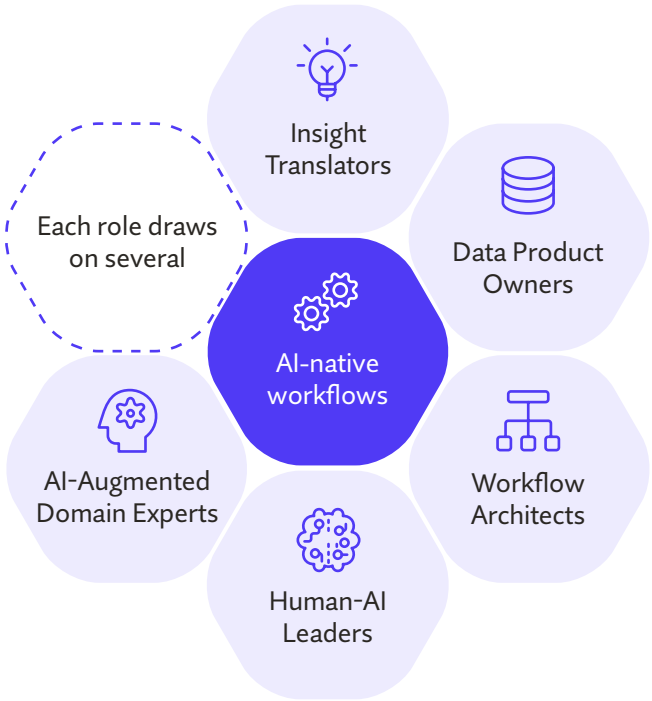
Insight Translators
Convert complex investment, operations and analytical outputs into actionable client insights and outcomes.

Data Product Owners
Treat data as a strategic product, ensuring quality, governance, accessibility and business value.

Workflow Architects
Design and optimise end-to-end workflows across people, technology and AI agents.

Human-AI Leaders
Direct and oversee teams of people and AI agents, balancing performance, risk and accountability.

AI-Augmented Domain Experts
Combine deep functional expertise with AI-powered analysis, execution and decision support to improve judgement, capacity and outcomes.



Talent Implications for Asset Managers

AI-native operating models need new skill combinations and a rethink of how work and talent are organised.

These archetypes represent capabilities, not fixed job titles. Individuals will combine several, while each capability can span Investments, Distribution, Operations, Risk and other functions.

As multidisciplinary teams organise around end-to-end workflows, workforce planning shifts from roles and functions to the capabilities needed to deliver outcomes.

The implications extend beyond recruitment. As AI absorbs routine execution, firms must rethink how junior talent develops the experience, judgement and expertise traditionally acquired through that work.

For leaders, three priorities follow:

1. **Build** new capabilities at scale, including workflow architecture, data product ownership and human-AI leadership
2. **Redesign** roles around domain expertise, AI orchestration, judgement and accountability
3. **Reduce** dependence on routine execution while protecting future talent and leadership pipelines

04 Questions for leadership

Turning future-state hypotheses into operating model decisions



Questions for leadership

Turning future-state hypotheses into strategic operating model decisions.

1



FUTURE VISION

Where will our advantage last?

Exploring Possibilities

- What will set us apart when AI is cheap?
- What can we build that competitors cannot buy?
- How could AI change our investment approach and client offer?

2



EXECUTIVE DECISIONS

Which choices come first?

Making Choices that Matter

- Which decisions and relationships remain human?
- What should we automate, augment or redesign?
- Where must we own proprietary intelligence and context, and where can we buy or partner for commodity capabilities?

3



OPERATING MODEL DESIGN

What must change structurally?

Designing for the Future

- How should workflows, data and controls change when AI operates within them?
- How should roles change as human work centres on judgement, orchestration and stewardship?
- How will we develop future senior talent when AI takes much entry-level work?

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