The future of investment management

What to expect and demand from your investment manager

March 2026

This presentation is intended for professional financial advisers only and is not for retail client distribution.

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Higher demands

Increasing complexity.

- Regulators
- Investors
- Industry

AUM and Revenues up. Profit down.

The profitability paradox.

	AUM *($ trillion)*	**Revenue** *($ billion)*	**Profit** *($ mil / 1bn)*
2020	116	544	**1.5**
2024	140	611	**1.2**
2030*	200	843	**1.1**

This economic pressure fundamentally changes what gets packaged and distributed

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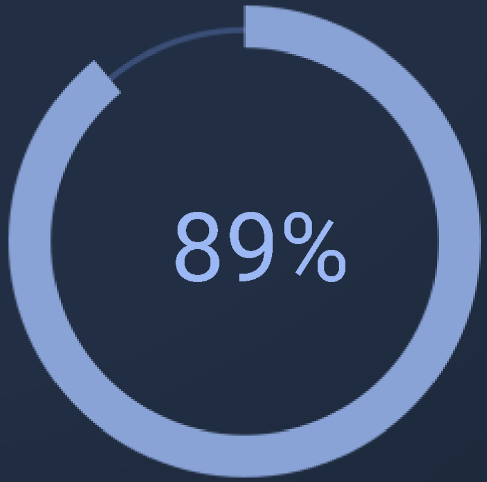
Source: PwC 2025 Global Asset & Wealth Management Report, PwC, 2025
Illustrative projections only. Not advice. Estimates are not guaranteed.

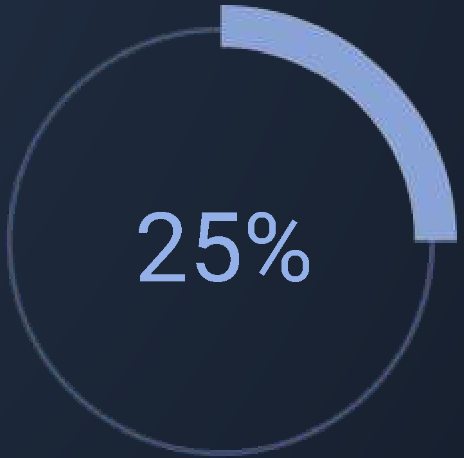
Cost pressure is the water the AM industry swims in

Structural. Not cyclical.



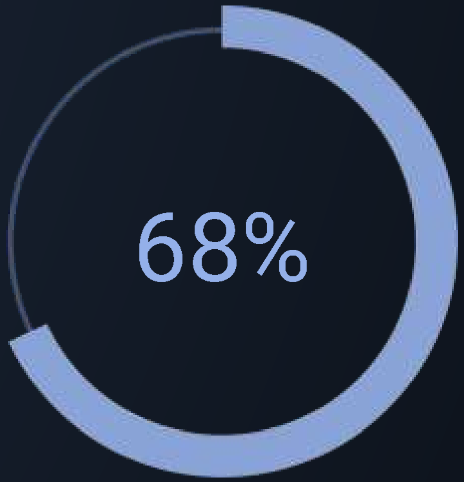
Feel Pressure

Asset managers facing profitability challenges



Confident

Confidence in profitability strategy



Cost Ratio

Expenses consume two-thirds of revenue

Source: PwC 2025 Global Asset & Wealth Management Report, PwC, 2025
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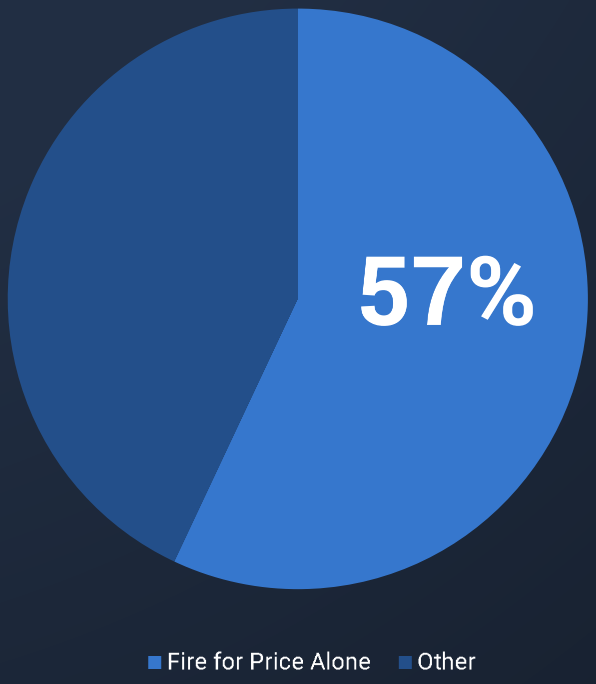
The cost trigger

Institutional investors will fire managers on price alone.

Institutional Investor Manager Replacement Reasons



Source: PwC 2025 Global Asset & Wealth Management Report, PwC, 2025
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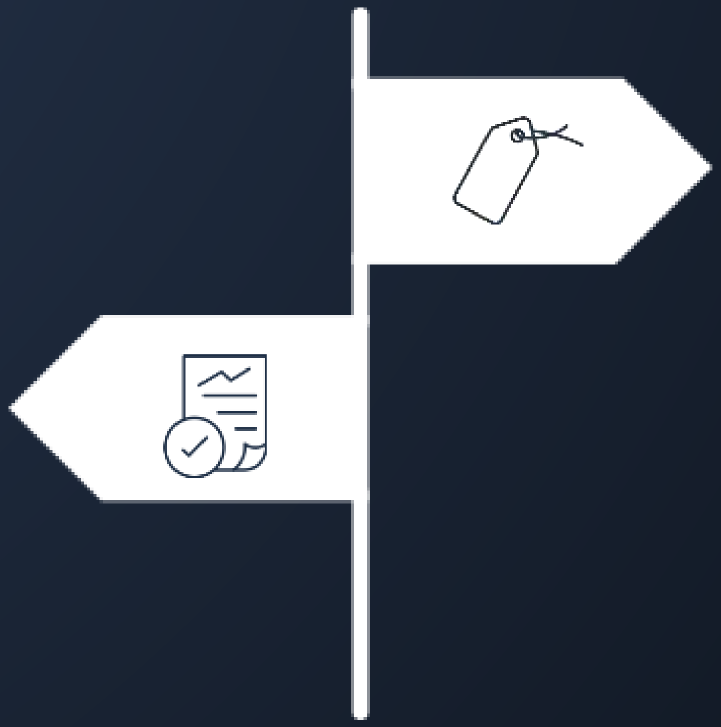
Investors will not pay for ambiguity

Your job is to tell the difference.



Manufacture Components
Compete on price or specialism.

Outcome Delivery
Build systems to deliver measurable results.

THE REFRAME

It’s not about manager type

Components still matter. Systems now decide outcomes.

Where the decision lives

The allocation decision has moved upstream.

Investor Goals

↓

Allocation Decision

↓

Components

↓

Portfolio Outcome

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Investor expectations have reset

Personalisation and immediacy become baseline.

Personalisation

Tailored to individual circumstances, not generic solutions

Immediacy

Real-time access and transparent communication

Clarity

Measure progress against goals, not just returns

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The new value pool

Portfolio construction engines, not product shelves.

Multi-manager holdings per R1 single manager

2019 Ratio	2024 Ratio	
15c	**29c**	Assets are flowing decisively into packaged solutions. Investor preference for *delegated diversification* is scaling quickly.

Source: The Alexforbes Manager Watch™ Series of Surveys: Thirty years of insights
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Conventional asset management has become unconventional

Views are now the product. Portfolio engineering has been neglected.

Narratives don't drive outcome

The differentiation trap.

Oversold

Forecast confidence

Themes and narratives

Strong views

Non-Negotiable

Diversification

Risk budgeting

Portfolio construction

Implementation discipline

What good looks like

Allocate: the foundation.

- Strategic anchor
- Risk, not return
- Clear intent, clear framework

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What good looks like

Implement: the materials.

- Expression of intent
- Breadth of access
- Independent

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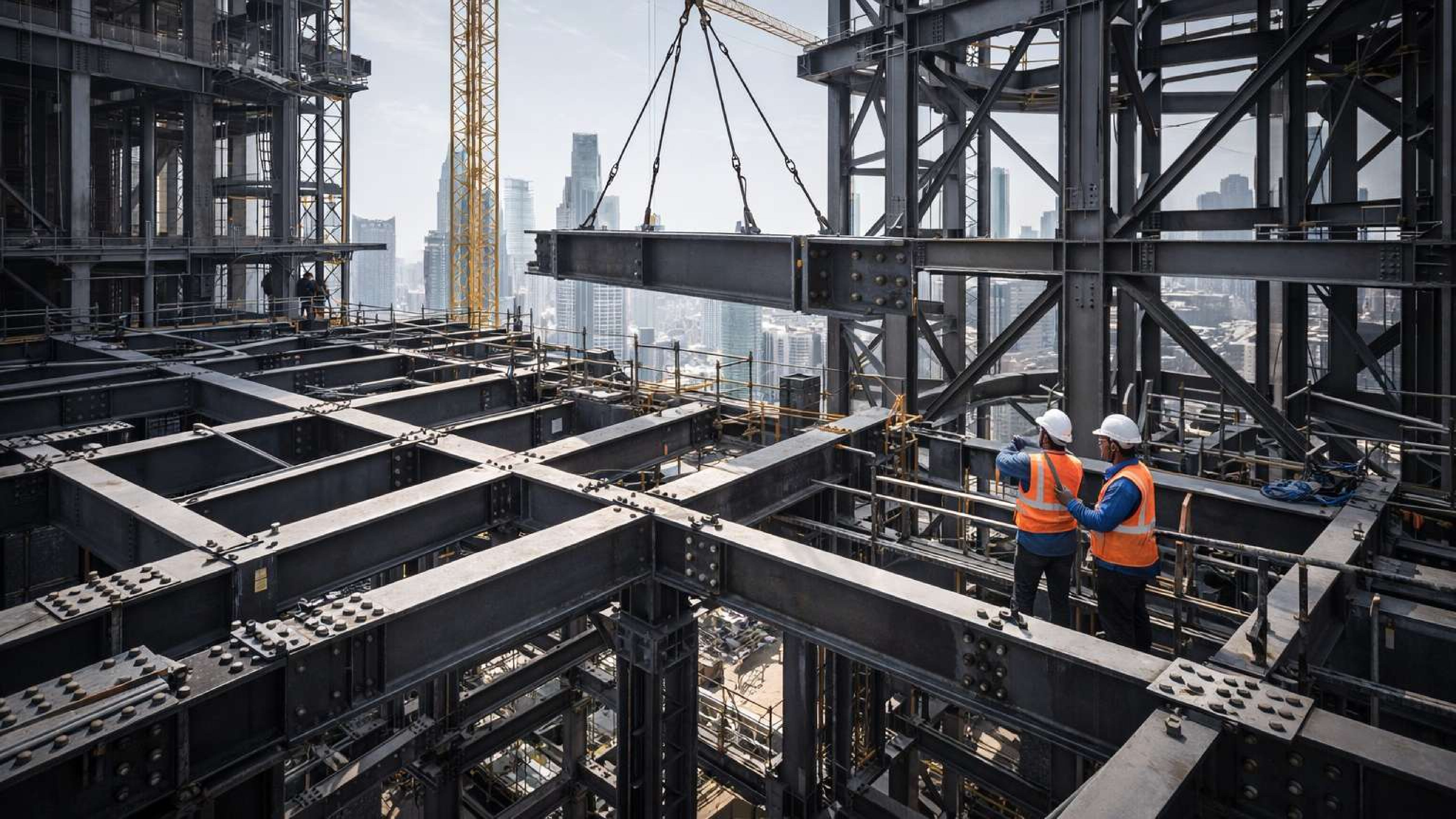
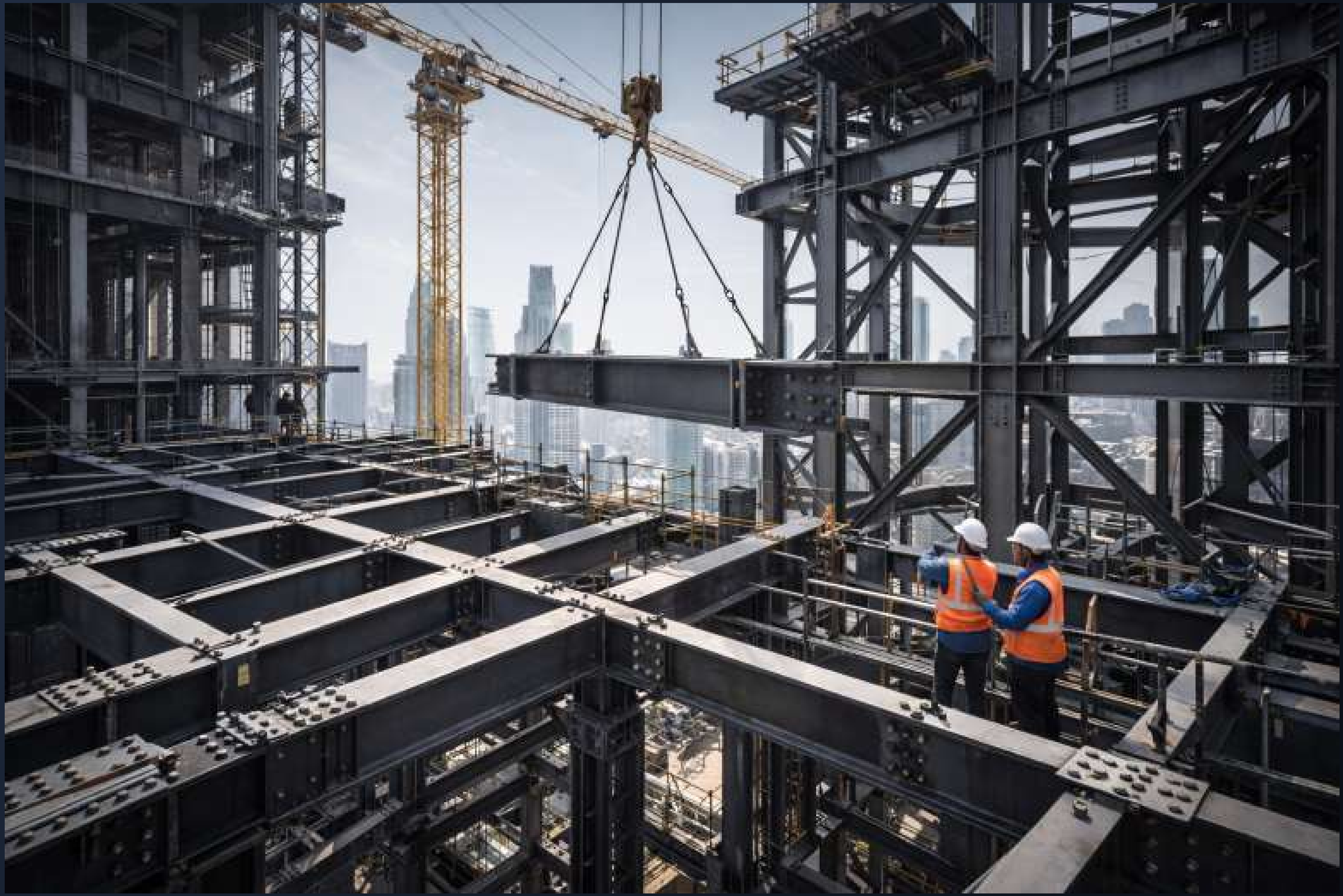


What good looks like

Construct: structural engineering.

- Deliberate positioning
- Interaction effects
- Intended risk



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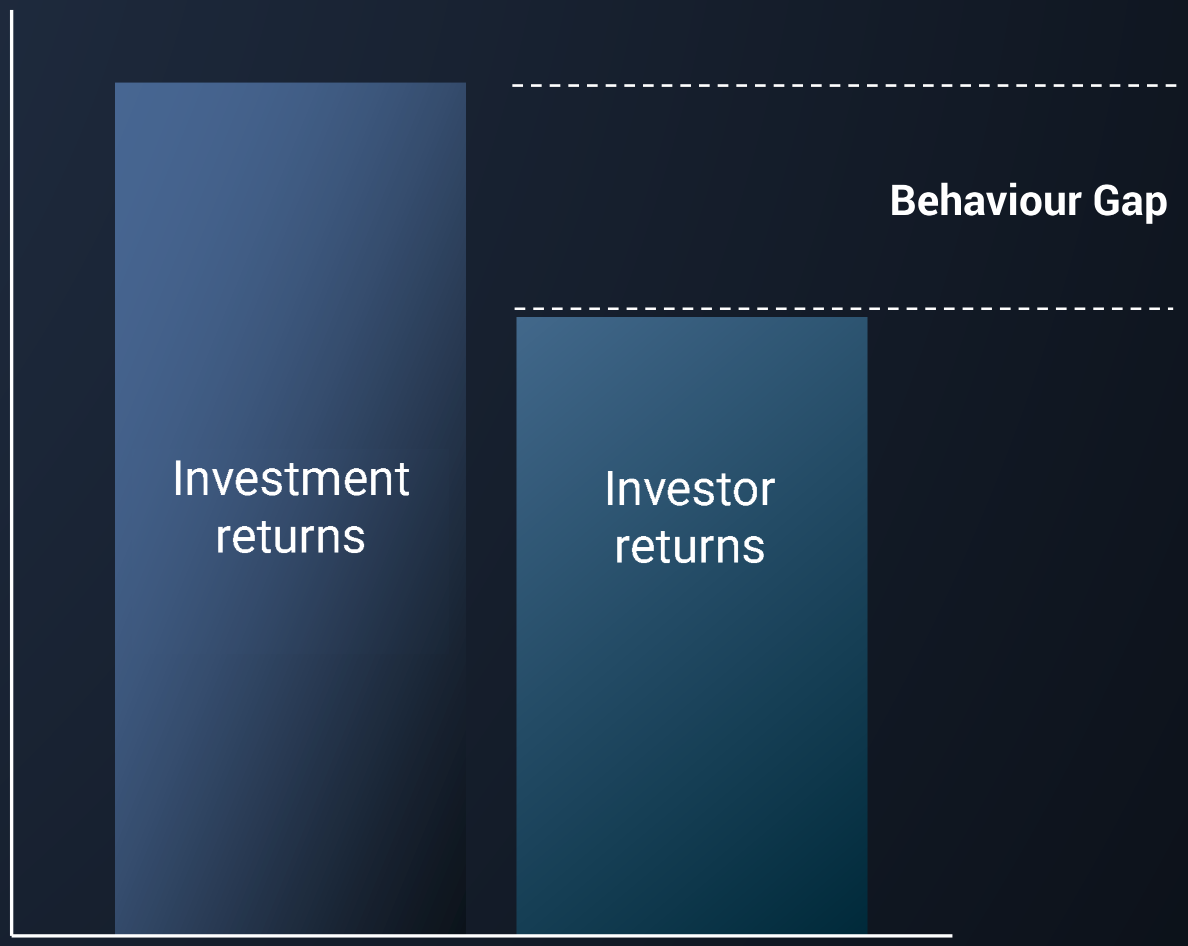
What good looks like

Monitor: proactive maintenance.

- Active governance
- Decision rules and triggers
- Clear accountability

Accountability for the journey

Not just the quarter.



This is for illustrative purposes only and should not be construed as investment advice or a recommendation to buy or sell any investment product

What you should stop tolerating

Three red flags.

1

Views Without Process

Strong views as substitute for portfolio construction

2

Rhetoric Without Alignment

Partnership language without structural incentive alignment

3

Less Transparency

Black-box portfolios without decision visibility

The investor benchmark

What to expect and demand.

Integration

Seamless process across the full engine, not fragmented parts

Governance

Documented rules, thresholds and accountability structures

Transparency

Clear outcome management and portfolio behaviour under all conditions

These firms will become the reference point

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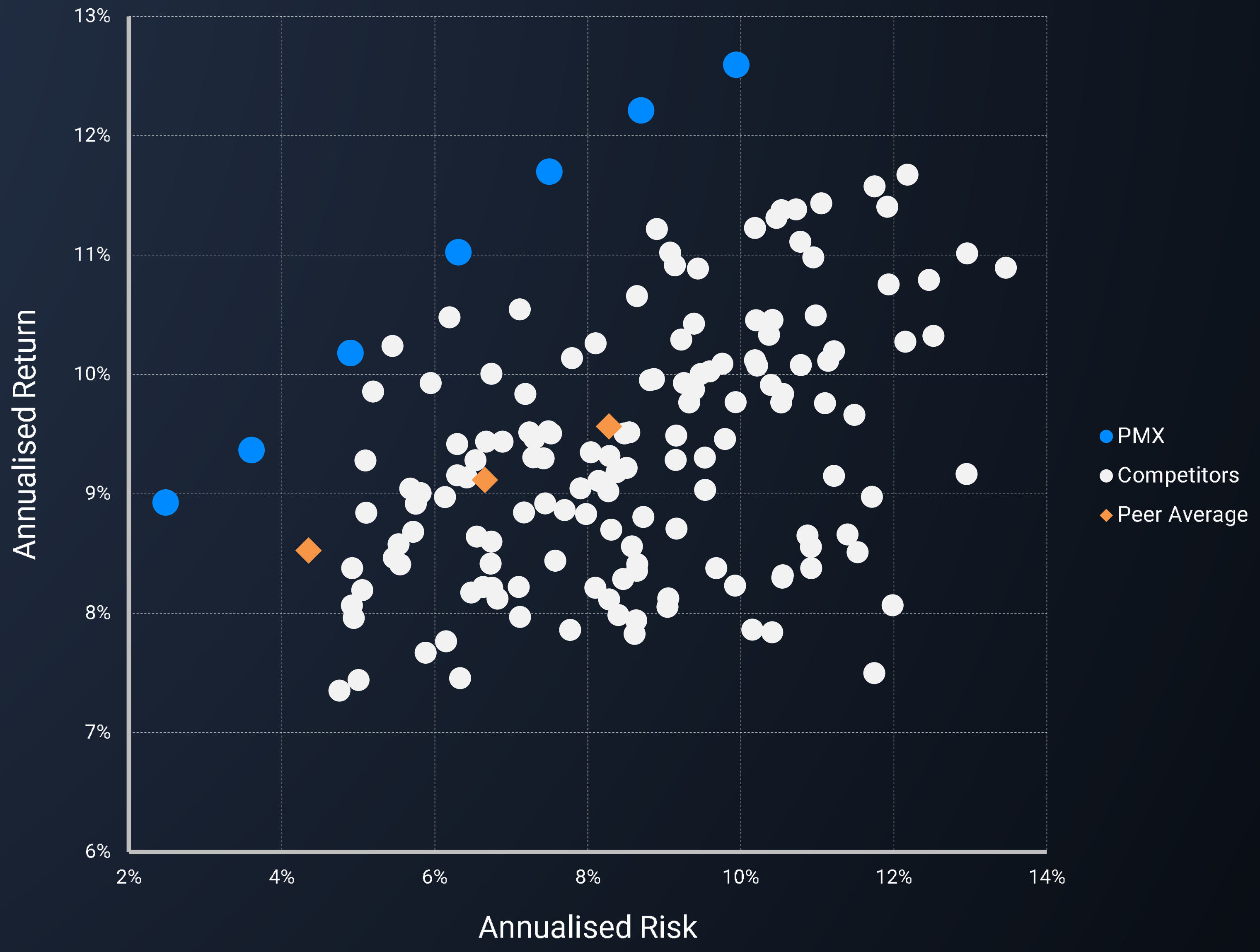
The investor benchmark

What to expect and demand.

- The system must produce results
- Without it, just bureaucracy
- Engineered, or hoped for?



Source: Morningstar, PortfolioMetrix | 30/11/2010 to 31/01/2026
Peer Groups include ASISA SA MA Low/Medium/High Equity
Past performance and peer comparisons are shown for illustrative purposes only and do not imply future results.

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Full calculation methodology available on request.

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