05/ 2026 Outlook by Sector

Wealth and Asset Management

Asia's wealth demands scale — and alternatives

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- Growing Asian high-net-worth population to drive inbound investment among foreign asset and wealth managers into cross-border investment platforms and booking centres
- Sustained consolidation to maintain profitability amidst margin pressures in an increasingly competitive Asian market
- Hyper-fragmented independent asset management (IAM) landscape untenable given rising operating costs; increasing demands from custodians for larger AUM sizes to drive IAM consolidation
- Increasing private capital acquisitions among traditional asset managers to increase their alternatives capabilities

Inbound investment to drive complex wealth deals

Asia remains a key region for global wealth creation, reshaping the wealth and asset management industry. Rising numbers of HNW and UHNW individuals, combined with cross-border wealth flows, are transforming regional hubs such as Hong Kong and Singapore. Global asset and wealth managers continue to pursue inorganic expansion to establish or strengthen presence in the region. We expect inbound players to continue acquiring local and regional players to secure market access, distribution capabilities and regional expertise.

Looking ahead, the "inbound to Asia" theme is likely to evolve towards more complex, multi-jurisdiction platform plays. We expect transactions that stitch together regional hubs, onshore fund platforms and cross-border booking centres into integrated Asia wealth and asset management franchises, raising the bar for post-merger integration. Global and regional banks – in particular, Japanese banks – will compete on wealth book acquisitions from private banks and smaller asset managers in key wealth hubs (Hong Kong and Singapore).

Sustained consolidation of global and regional asset managers to defend margins

The asset management industry globally, and particularly in Asia, is consolidating rapidly as firms pursue scale to combat margin erosion and build investment capabilities. The top 20 global asset managers have further consolidated their influence, now controlling 47% of total global assets under management (AUM), up from 45.5% in 2023[24].

This consolidation dynamic is shaped by both margin math and market structure. Managers face sustained fee pressure as passive investment strategies, low-cost ETFs, and digital platforms in the region intensify price competition. The structurally fragmented nature of the industry across jurisdictions, with disparate licensing requirements, distribution dynamics, and product regimes, drives further challenges to "win" in the market.

This is pushing the industry toward a clear tipping point. Many managers face an important choice: to accelerate their path to sustainable scale, often through M&A, or consider strategic alternatives including market exits.

24. "World's Largest Asset Managers' AUM Surges to Record $140 Trillion, Driven by North America," Willis Towers Watson, November 2025

Amova Asset Management's purchase of a controlling stake in AHAM Capital (Malaysia) and PT Manulife Aset Management Indonesia's acquisition of PT Schroder Investment Management Indonesia exemplify these trends, and we expect sustained M&A in the industry in 2026.

Acquirers must have a strong vision of where value is created in the transaction. Consolidation only works when the combined franchise creates outcomes that neither firm could deliver alone. Value levers typically include:

- Rationalisation of overlapping operating platforms and vendors to unlock durable cost leverage
- Concentrating flows into a smaller number of scalable flagship products to strengthen performance and economics; and
- Building clearer, more differentiated propositions for both retail and institutional clients.

Acquirers need a clear integration blueprint that translates the deal thesis into specific decisions, sequencing, and accountability. Without that blueprint, consolidation can produce a fragmented business that erodes margins and destroys value.

Expected consolidation of independent asset managers

The independent asset manager market, heavily concentrated in Hong Kong and Singapore, has grown significantly, outpacing traditional private banking. Many smaller players have emerged as private bankers leave their banks to establish independent firms to serve the growing HNW and UHNW in Asia.

In 2025, notable transactions in this space included the merger of Lumen Capital Investors and Aumen Capital Partners, both Singapore-based family offices, and JAR Capital's acquisition of Singapore's Lyra Capital.

We expect 2026 to bring additional mergers, acquisitions, and partnerships in the independent asset management space, which is still highly fragmented. There are many smaller firms looking to merge or be acquired by bigger players. Rising operating costs for technology, compliance and talent, as well as regulatory pressures, are making it harder for smaller independent asset managers to compete. Custodian banks are refining their external asset management desks, prioritising larger players with minimum requirements of approximately $200 million in AUM and those meeting higher standards for know-your-customer and anti-money-laundering standards. Independent asset manager penetration is approximately 5%-10% of the addressable wealth in Asia, lagging behind Europe.[25]

Continued pivot to private markets

Private market continues to be an important driver of AUM growth in the region, with Asian-based private market funds managing $3.51 trillion in AUM[26]. For regional and global traditional asset managers, the strategic response has been aggressive inorganic expansion into alternatives. Some are even carving out and disposing of public market capabilities to shift their strategic focus to higher-margin private markets products. For example, Macquarie sold its US and European public asset management business to Nomura in 2025 to strengthen its focus on private markets.

We expect M&A in the private markets space to persist in 2026, with intensity around acquisition (including minority stake) of private credit specialists, infrastructure platforms with energy transition and data centre exposure, and real asset managers. "Hot markets" of Japan and India will be expected to lead global manager interest as they continue to build out private market capabilities. Japan is expected to lead in private debt-focused M&A activity, with domestic giants like Nomura announcing their intention for inorganic growth to capitalise on the expected increasing in demand driven by rising interest rates.[27]

25. "Independent Wealth Management in Asia," Hubbis, 2022

26. "Asian Private Market Fund Managers Control $3.51 Trillion AUM Says New Study," Ocorian, December 2025

27. CBRE Japan Market Outlook Report 2026: Japan Market Outlook 2026 | CBRE Japan

05/ 2026 Outlook by Sector

Private Equity

Scale creates alpha — the exit proves it

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Private Equity

Scale creates alpha — the exit proves it

- Backlog to drive PE-led M&A activity, with holding periods extending beyond the 4-6-year window
- Access to alternative financing and private credit to attract private capital interest; Distribution economics across insurance and wealth to drive PE-led acquisitions in their formation of regional wealth platforms
- GP consolidation expected to drive differentiated investment capabilities and fundraising scale

Exit backlog and M&A activity

As interest rates climbed from 2022 through early 2025, exit channels narrowed globally, forcing PE firms to hold on to a sizable backlog, with the hold periods of existing portfolio companies increasing beyond the 4–6-year window[28]. In Southeast Asia alone, only 12% of investments made between 2015 and 2021 have been exited – 74% of respondents in A&M's value creation survey last year said they are still holding most or all of their pre-2021 investments[29].

However, market conditions have begun to shift since the second half of 2025. Monetary easing across Asia is improving asset valuations and narrowing the pricing gap between PE sellers and strategic buyers as discount rates decline and public market comparables stabilise.

With exit markets showing early signs of recovery and managers increasingly confident navigating ongoing volatility, we are cautiously optimistic about sponsor-led deal activity in 2026. Exit activity is expected to recover gradually across Asia in 2026, though the pace may remain uneven. India and Japan are likely to emerge as the primary recovery drivers, supported by active institutional capital and regulatory reforms, while Greater China stabilises as Hong Kong's IPO market emerges as a bright spot. Meanwhile, Southeast Asia is likely to face persistent headwinds in traditional exit pathways.

28. "Private Equity—The Year Ahead," Simmons and Simmons, January 2026
29. "ASEAN Value Creation Report 2025," A&M, November 2025

Deal concentration in credit platforms and scaled distribution across insurance and wealth

In 2026, we expect PE activity in financial services to continue concentrating around platforms with scale, resilient earnings, and multiple value-creation levers, where sponsors can drive returns through governance, operational uplift, and disciplined growth rather than relying on market multiple expansion.

PE is likely to remain most active in credit and balance-sheet plays, particularly specialty lenders and banks, where the value-creation playbook is well-established: strengthen underwriting and collections, optimise funding and capital efficiency, and industrialise risk and operating disciplines. The 2025 pattern of structured minority stakes with robust governance rights (e.g., Warburg Pincus/ADIA in IDFC FIRST Bank; Blackstone in Federal Bank; Bain in Manappuram Finance) highlights how sponsors are positioning for risk-managed expansion while preserving future exit optionality.

We also expect increased PE interest in distribution economics across insurance and wealth, where recurring revenues and consolidation opportunities can translate into margin expansion and valuation uplift. The acquisition of Singapore's Finexis Advisory by KKR and the attempted buyout of Australia's AUB Group by EQT and CVC consortium highlight this appetite for scaled distribution franchises. In wealth, sponsors are increasingly focused on platform scale and advisory productivity, as illustrated by deals such as Bain's partial exit in 360 ONE WAM, and broader wealth-platform consolidation dynamics in India.

General Partner consolidation to drive scale and new investment capabilities

In 2026, we expect accelerating consolidation among private capital General Partners (GP) themselves, as the industry continues to shift toward scaled platforms.

We see two converging forces driving M&A and partnerships in this space. Firstly, global and regional GPs looking for scale will continue to leverage M&A to buy new investment capabilities and enter "hot" markets such as Japan and India. Both markets offer deep institutional investor bases, active corporate divestitures, and demonstrated exit markets. Acquiring established regional platforms gives GPs immediate market access, local deal sourcing, and operational expertise that would take years to build internally.

Secondly, years of challenging fundraising conditions have pushed some firms to seek partnerships with other managers to drive fundraising scale. These partnerships combine resources and capabilities across multiple strategies including secondaries, private credit, and continuation funds, thereby meeting Limited Partners' demands for integrated platforms while providing alternative liquidity pathways that reduce dependence on traditional exits.

Recent transactions underscore this trend. Ares Management's acquisition of Singapore's Crescent Point Capital and Gaw Capital's stake purchase in Japan's Agility Asset Advisers Inc. both secured immediate access to specialised capabilities and local networks.

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METHODOLOGY

Our report leverages datapoints from both S&P Global Market Intelligence and PitchBook Data Inc.* to obtain sufficient coverage of both public and private markets. Coverage focuses on deals originated from Asian investors and targets in Asia as defined by deals either announced or completed between the years 2023 to 2025. Our target sector is the financial services sector, with coverage over relevant sub-sectors (Banking and Capital Markets; Wealth and Asset Management; Insurance; Private Equity and Venture Capital; and Other Financial Services). Categorization is based on a combination of S&P Global Market Intelligence, PitchBook Data Inc.* industry classifications and A&M analysis.

*Data has not been reviewed by PitchBook analysts

Valuations are based on S&P Global Market Intelligence data, publicly listed financial services companies on the relevant Asian indices, covering both LargeMidCap, MidSmallCap, and SmallCap Financials.

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