



# Asset and Wealth Management Services: Quarterly Market Update

**Investors continue to demand access to the alternatives asset class**

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## The search for yield

Consolidation continues at an accelerated pace in the asset and wealth management industry. Recent weeks have seen Amundi acquire Lyxor, and Athora and NN Group kick off strategic reviews of their asset management subsidiaries Actiam and NN Investment Partners.

At the same time, asset managers continue to face fees pressures, particularly for managers with significant fixed income offering. In response, the asset management industry is evolving and repositioning itself to participate in the alternatives asset space. As well as helping to alleviate fee pressure, focusing on alternatives will enable asset managers to respond to increasing demand from retail, high net worth and institutional investors alike.

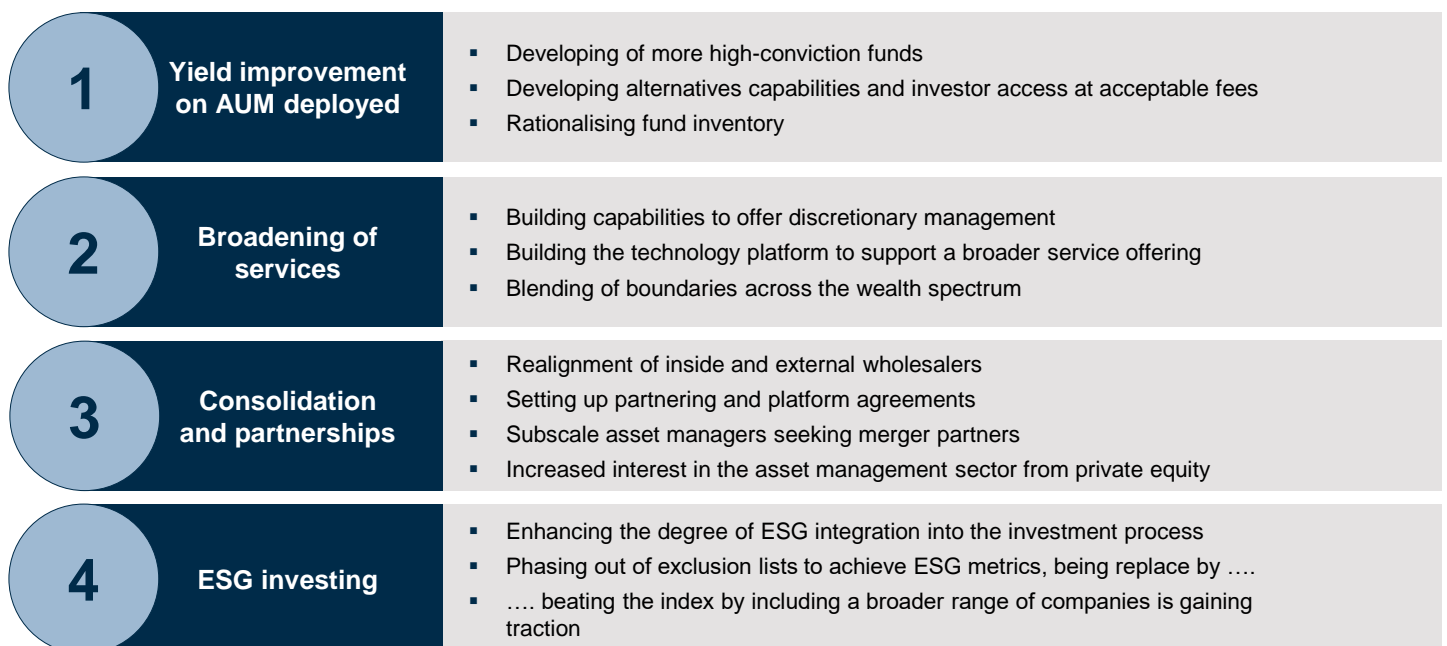


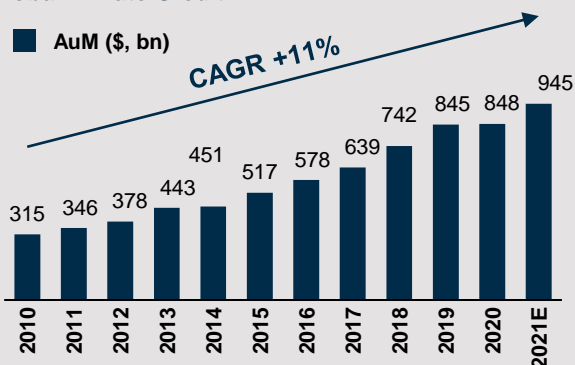
Figure 1: Recent trends in the asset management industry in response to client demands.

# Flow of funds into alternatives continue to grow

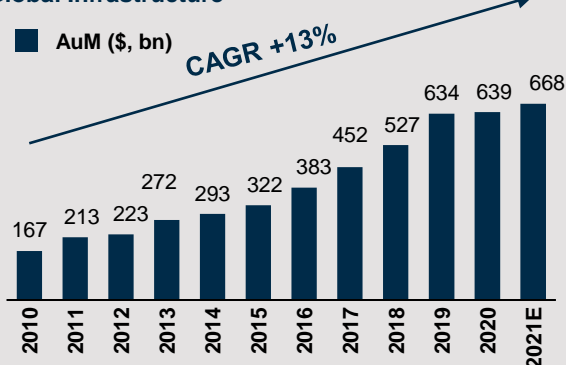
AUM across different classes of alternatives continues to grow, offering opportunities for the well-prepared asset manager.

Figure 2 shows the continued demand from investors for alternatives and a continued growth in AUM

## Global Private Credit



## Global Infrastructure



## Global Private Equity



## Global Real Estate

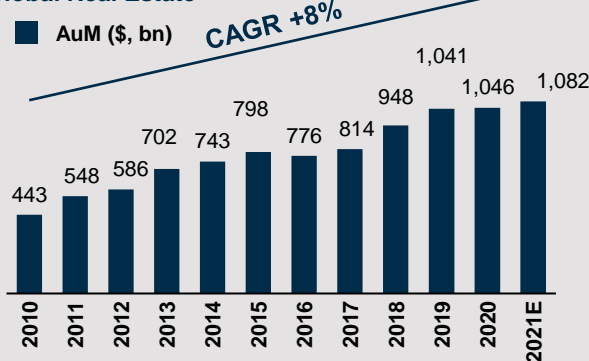


Figure 2: Evolution of AUM across different alternatives asset classes

Source: Preqin research, A&M analysis

## Steps that asset managers should be taking right now

As more attention and capital is diverted towards alternatives, asset and wealth managers must take deliberate steps to evolve product segments as client demands and expectations change. As products change, so must the operational infrastructure that underpins the offering for clients.

### Prepare a strategy for alternatives

- Identify a selection of alternatives product segments and target them
- Be prepared to strike a balance between asset class segment, geography, investor segment and return requirements
- In our view, distribution capability is a key important factor to the decision

### Invest in budding trends

- Partner with and/or invest in niche technology players for example robo advisory, client interfaces, advanced data capabilities etc.
- Build part of the future strategy on the basis of capabilities offered by partner firms

### Make the organisation more nimble

- With the blurring of boundaries and budding technology disrupting what is considered "normal," create a more nimble organisation
- Be prepared to change direction and/or develop new expertise quickly

Figure 3: A&M's view on the top operational and transformation priorities that asset managers should focus on

# A&M Asset and Wealth Management services

Our asset and wealth management service offering derives from our practitioner led approach and operational heritage to solve complex problems, execute change and support corporate transaction activity.



## Transaction services and M&A operations

- Business model design
- Operating model design
- Post-merger integration
- Carve-out planning and implementation
- Integrated due diligence
  - Strategic
  - Operational
  - Financial
  - Commercial
  - Regulatory
  - Tax



## Value creation and transformation services

- Value creation planning and transformation implementation
- ESG services
- Business and operating model implementation
- Revenue enhancement
- Partnership and joint venture identification, planning and execution
- Cost-out implementation (portfolio management, fund support, finance, risk etc.)
- Outsourcing and offshoring



## Risk and Regulatory services

- Corporate governance
- Fund liquidity and risk analysis
- Risk planning and Regulatory evaluation
- Monitoring and control
- Anti-money laundering, MiFID and regulatory reporting advisory

Figure 4: Asset and Wealth Management service offering

## A&M adds value quickly

Asset and wealth managers have a number of paths to improve operations and manage liquidity in the short term. Robust short-term steps can lay the groundwork for more meaningful medium-term transformation plans.

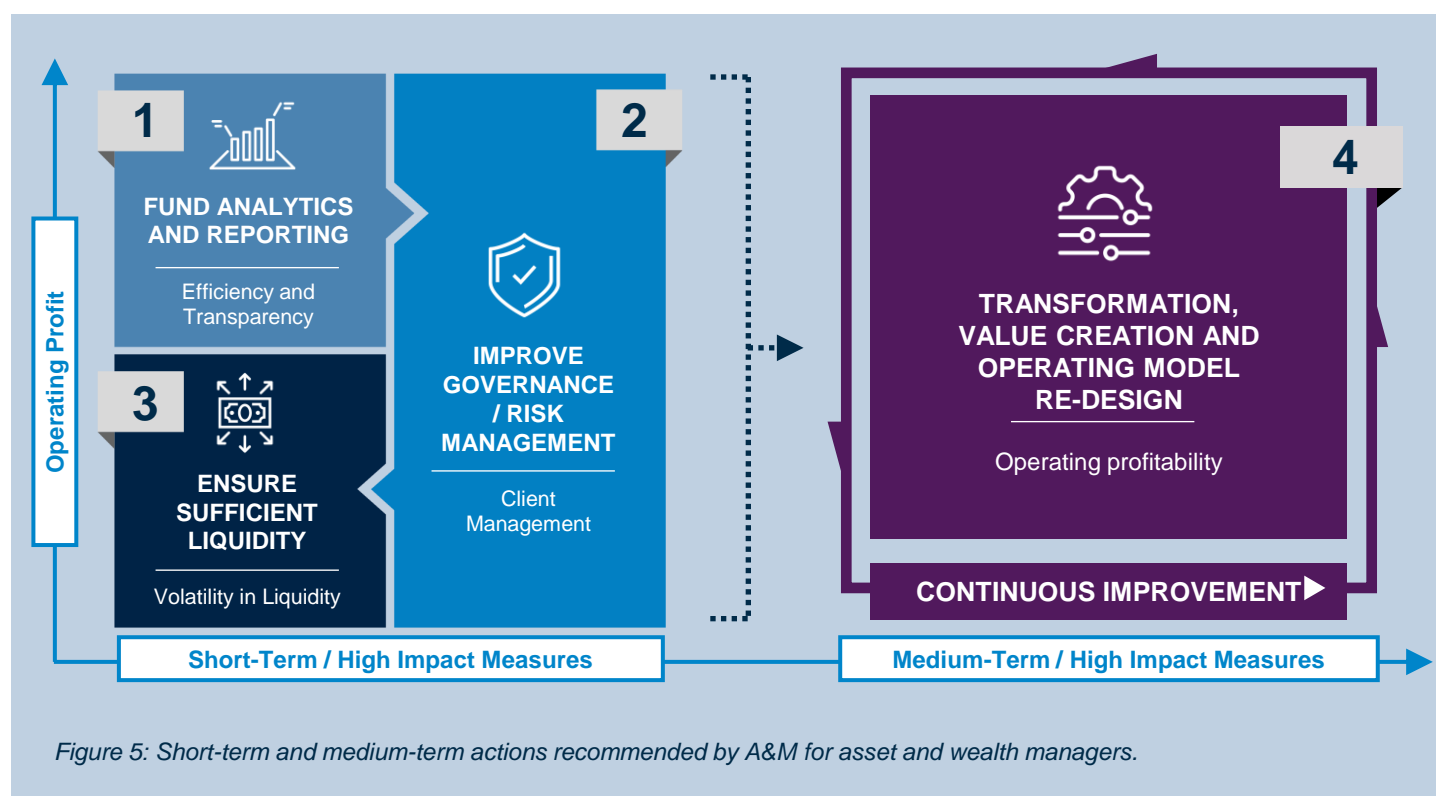


Figure 5: Short-term and medium-term actions recommended by A&M for asset and wealth managers.



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With over 5,400 people across four continents, we deliver tangible results for corporates, boards, private equity firms, law firms and government agencies facing complex challenges. Our senior leaders, and their teams, leverage A&M's restructuring heritage to help companies act decisively, catapult growth and accelerate results. We are experienced operators, world-class consultants, former regulators and industry authorities with a shared commitment to telling clients what's really needed for turning change into a strategic business asset, managing risk and unlocking value at every stage of growth.