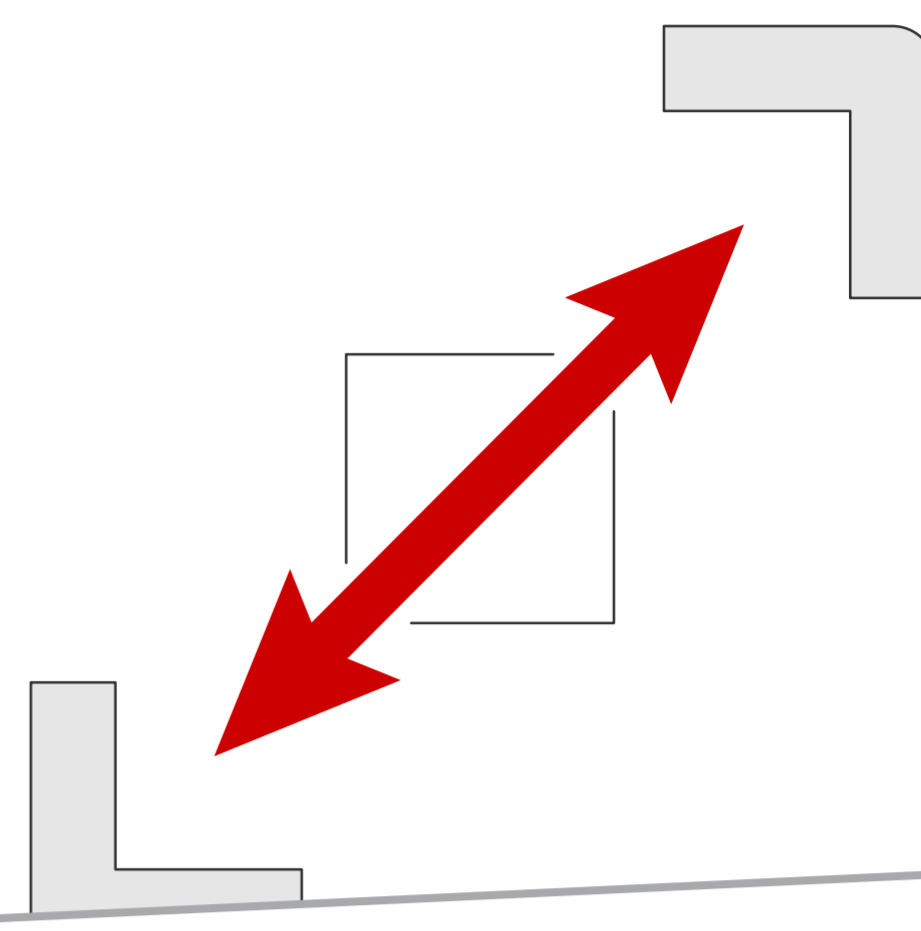


# M&A in Asset Management: Five Paths to Success

As exchange-traded funds and passive strategies gain investors' interest, traditional asset managers face mounting costs and new competition from private equity.

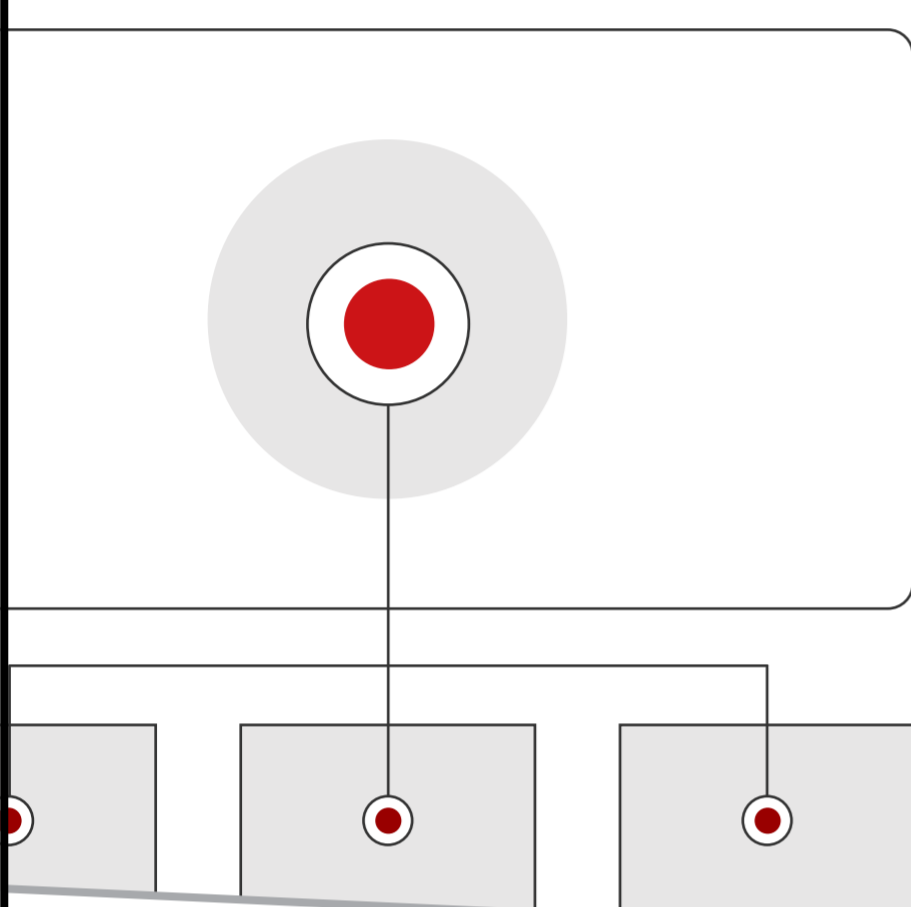
## 1 Megamanagers look to get **even bigger**

**Scale matters** for these trillion-dollar managers; expect more bolt-on M&A for companies taking this path to growth



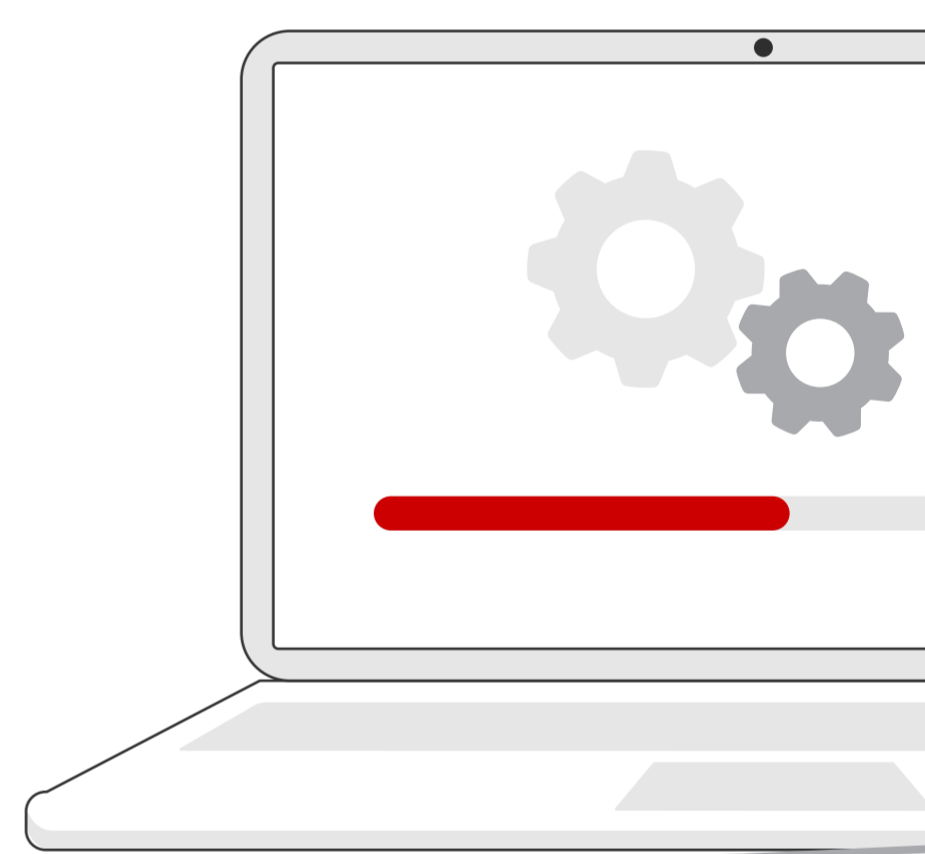
## 2 Midsize players seek scale through **consolidation**

These managers will continue to **join forces** to create efficiencies that will allow them to fund new capabilities and boost distribution



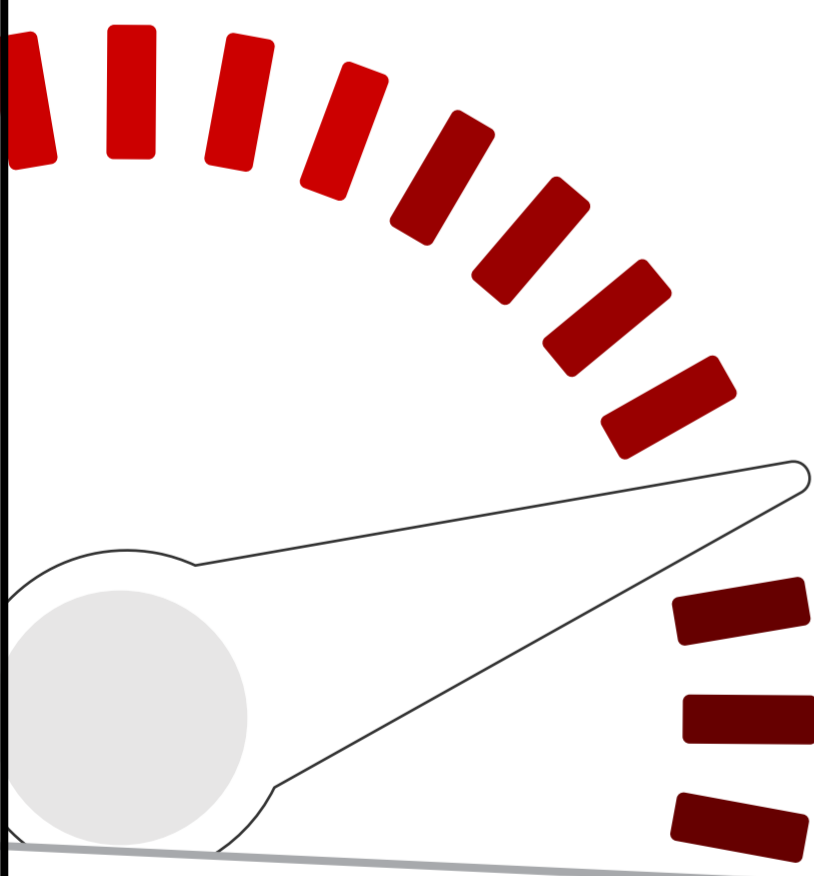
## 3 Rise of the **ecosystems**

Ecosystems providing **end-to-end software-as-a-service solutions** will allow midsize managers to focus on their most valuable clients and products



## 4 **Boosting performance** of stable asset pools

Large investors will continue to acquire insurance assets, spurring higher risk-adjusted returns by **expanding them** beyond traditional insurance capabilities



## 5 Alpha niche **strategy**

Some asset managers are **divesting businesses that hurt their performance** and divert focus away from alpha investments

