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## **80% of asset and wealth managers say AI will fuel revenue growth while 'tech-as-a-service' could see 12% boost to revenues by 2028: PwC 2024 Asset & Wealth Management Report**

- Almost three-fourths (73%) of asset and wealth management (AWM) organisations say AI is seen as the most transformational technology over the next 2-3 years

- 81% are contemplating strategic partnerships, consolidations, or mergers and acquisitions (M&A) to enhance technological capabilities and build an 'extended tech ecosystem'
- Global assets under management (AUM) projected by PwC to hit US\$171 trillion by 2028 at a 5.9% compound annual growth rate (CAGR), with alternatives to grow quicker – at 6.7% CAGR, to reach \$27.6 trillion by 2028
- AWM organisations look to tokenisation to democratise finance: PwC expects tokenised products to surge to over \$317 billion in 2028, at a 51% CAGR
- Skills in high demand: 73% of asset managers considering M&A see access to skilled expertise as the number one driver of deal-making over next 2-3 years, yet 30% say they lack relevant skills and talent

**FOR IMMEDIATE RELEASE**, Singapore, 19 November 2024 – Four-fifths (80%) of asset and wealth management (AWM) organisations say disruptive technologies such as AI will fuel revenue growth, with those moving quickly to adopt 'tech-as-a-service' potentially seeing a 12% boost to revenues by 2028, according to PwC analysis.

[PwC's 2024 Asset & Wealth Management Report](#), released today, surveyed 264 asset managers and 257 institutional investors from across 29 countries and territories, and also finds that four-fifths (81%) are contemplating strategic partnerships, consolidations, or mergers and acquisitions in order to enhance technological capabilities and build an 'extended tech ecosystem' to innovate, expand into new markets, and democratise access to investment products ahead of a great wealth transfer.

The report also finds that global AUM held by AWM organisations around the world is projected by PwC to hit US\$171 trillion by 2028, with tokenised products to surge at a CAGR of 50%.

Albertha Charles, Global Asset & Wealth Management Leader, PwC UK, said:

“Disruptive technologies such as AI are transforming the asset and wealth management industry and fuelling revenue growth, productivity and efficiency. Market players are subsequently looking to strategic consolidation and partnerships to build tech-driven ecosystems, break down silos in data management, and transform their service offerings ahead of a great wealth transfer that will see mass affluents and younger audiences play a greater role in shaping service demands. To emerge as leaders in this new digital-first market, AWM organisations must invest in their technological transformation while also ensuring they are re-skilling and upskilling their workforces with the necessary digital capabilities to remain competitive and innovative.”

### **Disruptive technologies will fuel AWM revenue growth**

AWM organisations broadly see disruptive technologies such as AI as transformational, with almost three-fourths (73%) viewing it as the most transformative technology over the next two to three years. 80% say such technologies will fuel revenue growth, with 84% noting it will improve operational efficiency and 72% noting it will improve employee productivity. The provision of tech-as-a-service<sup>1</sup> by AMW organisations could deliver a 12% boost to revenues by 2028, according to PwC analysis.

While such technologies represent an opportunity to turbo-charge operations and access new markets, more than three-fifths (68%) say that they allocate less than one-sixth of their capital to innovative and potentially transformative technologies, with more than half (59%) of institutional investors noting such technologies could reduce their reliance on asset managers. This comes as only 20% of AWM organisations are currently using disruptive tech to enhance personalised investment advisory.

### **Global AUM to hit US\$171 trillion by 2028, with alternatives leading the way**

Under baseline projections, PwC research estimates global assets under management (AUM) held by asset and wealth managers (AWMs) is expected to hit US\$171 trillion by 2028, reflecting a 5.9% CAGR, and up from 5% last year. Alternatives are projected to grow much faster – at a CAGR of 6.7%, to

reach \$27.6 trillion by 2028.

As AWM organisations look to new growth opportunities, tokenisation stands out, with tokenised products expected by PwC to increase from \$40 billion to over \$317 billion in 2028, representing a 51% CAGR. Tokenisation, or fractional ownership, could expand market offerings by democratising finance and lowering premiums, with tokenisation planned to be offered notably by asset managers in private equity (53%), equity (46%), and hedge funds (44%). While alternatives represent a significant growth opportunity, less than one-fifth (18%) currently offer emerging asset classes such as digital assets as part of their offering – even as eight in ten that do offer such assets report a rise in inflows.

### **AWM looks to consolidation and tech ecosystems as talent remains top priority**

Against this backdrop, 30% of asset managers say they are currently facing a lack of relevant skills and talent, while 73% of AWM organisations who are exploring M&A see access to skilled expertise as the number one driver for deal-making over the next 2-3 years. As AWM organisations contend with digital disruption and expanding their talent and product pools, more than four-fifths (81%) are contemplating strategic partnerships, consolidations, or mergers and acquisitions to build an extended tech ecosystem to drive growth.

Paul Pak, Asia Pacific and Singapore Asset and Wealth Management Leader, PwC Singapore, says

*“This year’s report underscores the urgent need for AWM players to rethink their value propositions as megatrends, from technological disruption to demographic shifts, reshape how and where customers will consume their financial services, and the financing of funding gaps tomorrow. Long-term success hinges on the continuous reinvention of how organisations create and deliver value at speed and scale.*

*Asia Pacific stands out as one of the fastest-growing regions, driven by a burgeoning middle class, rapidly expanding economies, and increasing wealth*

*opportunities. The pace of digital adoption and innovation is accelerating across the region, with progressive strides being made in tokenisation and digital assets. This will accelerate the convergence between public and private markets, expand access to a wider suite of investment solutions for individuals, and enable greater personalisation.*

*Strategic partnerships and consolidation play a vital role in building tech ecosystems that will facilitate the greater transfer of ideas and expertise. And this approach will enable smaller players to bring their systems up to speed quickly and cost-effectively, while allowing larger players to access talent and insights pivotal to growth, especially as AI and other emerging technologies transform the investment management landscape."*

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## **About PwC 2024 Asset & Wealth Management Report**

PwC's 2024 Global Asset & Wealth Management Report is an international survey of 264 asset managers and 257 institutional investors from across 28 countries and territories. Respondents covered a broad spectrum of AUM size, with more than half boasting assets of over US\$10 billion. You can read the full report at <https://www.pwc.com/gx/en/issu...>

## **About PwC**

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 149 countries with more than 370,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at [www.pwc.com](http://www.pwc.com).

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## **About PwC**

At PwC, our purpose is to build trust in society and solve important problems - this is at the core of everything we do from the value we provide to our

clients and society to the decisions we make as a firm.

Our services started with audit and assurance over a century ago. As times change and the issues faced by businesses and individuals evolved, we have developed specialised capabilities in tax, advisory and consulting to help you address emerging new challenges across focus areas like ESG, sustainability and climate change, digital transformation, cyber security and privacy, data, mergers and acquisitions, and more.

In Singapore, we have more than 3,500 partners and staff to help resolve complex issues and identify opportunities for public, private and government organisations to progress. As part of the PwC network with over 370,000 people in 149 countries, we are among the leading professional services networks in the world focusing on helping organisations and individuals create the value they are looking for.

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## Contacts

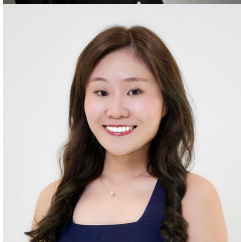


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