



**Asset and Wealth Management Revolution Asia-Pacific**

# Ahead of the curve

**Capitalising on rising wealth,  
innovation, and market openings**



# Introduction

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**Asia-Pacific (APAC) is the most dynamic of the world's main asset and wealth management (AWM) regional markets. It's also the most diverse. How can your business come out in front?**

APAC's fast-rising potential is reflected in the opening up of US\$47 billion in new regional AWM revenues by 2030.

Assets under management (AuM) are set to reach US\$34.5 trillion by the end of the decade, up from US\$23.2 trillion in 2024. At 6.8%, APAC's projected compound annual growth rate (CAGR) between now and 2030 outstrips both North America (6.2%) and Europe (5.6%).

Underlining the room for long-term growth in revenues and AuM, AWM organisations manage less than a quarter of institutional and retail client assets in APAC. In Europe, the penetration rate is nearly 40%. In North America it's nearly 60%.

## Leading innovation

APAC is outpacing global peers in AI adoption and optimism, backed by progressive technology, regulatory, and government initiatives. AWM organisations that move decisively can secure first mover advantage from harnessing developments around AI and tokenisation to drive product development, sharpen portfolio management, and attract the region's growing base of digital-native investors.

## The great reallocation: Asia's capital flows are being reshaped

In the years leading up to the COVID-19 pandemic, China's exceptional pace of growth attracted the lion's share of investor attention across the APAC region.

But economies like India, Japan and South Korea are now maturing into deeper investible markets, with access to large and growing capital pools in their own right, complementing China.

At the same time, we've seen a shift in cross-border and intra-regional capital flows, which has accelerated the growth and importance of regional financial hubs like Singapore and Hong Kong. The opportunities include the growth in family offices and wealth management for mass affluent and high net worth (HNW) investors.

The strength of investment is reflected in the resurgence of Hong Kong's IPO market, which raised more than US\$37 billion in 2025, securing its position as the world's leading exchange by funds raised. The rebound has been driven by capital market reforms and policy initiatives from China's central government, which actively encourage Mainland companies to list in Hong Kong through closer regulatory coordination. These listings have included major Chinese companies across new economy sectors, industrials, consumer staples and healthcare, underscoring Hong Kong's role as a gateway for diverse industries seeking global capital.

Government policies are further stimulating capital flows, actively channelling long-term and patient capital into regional markets. Prominent examples include the revamp of NISA (Nippon Individual Savings Account), which is mobilising Japan's household savings into equity markets. This shift of household savings to build assets through new NISA is accelerated by strengthened equity markets, supported by improved corporate governance and earnings momentum. Japan's "Asset Management Naton" initiative to revitalise the whole ecosystem has been carried forward by the current government and repositioned as a core pillar of Japan's growth strategy, with implementation entering an execution-focused phase.

In Singapore, the Monetary Authority of Singapore (MAS) has announced an additional S\$1.5 billion top-up to the Financial Sector Development Fund (FSDF) to further strengthen the fund management industry. This initiative builds on the S\$5 billion Equity Market Development Programme introduced in 2025 to boost investor participation in Singapore's equities market. It is complemented by the S\$3 billion Anchor Fund, which supports high-growth companies and market leaders in their public fundraising efforts in Singapore. Together, these measures aim to deepen Singapore's enterprise ecosystem and capital markets by providing a range of funding and support schemes. They're designed to foster a virtuous enterprise lifecycle, enabling businesses to scale, access capital, and expand internationally from Singapore.

Within the Chinese mainland, a structural shift is also underway. Government policies are encouraging institutional investors—including insurers and pension funds—to increase allocations to capital markets. In turn, the supply side is being strengthened by the listing of high-quality, innovative companies. In 2025, direct capital market fundraising in the Chinese mainland surpassed indirect bank financing for the first time—a watershed moment for the industry.

In India, the Gujarat International Finance Tec-City (GIFT City) is emerging as a strategic gateway, offering international investors access to a high-growth market with compelling structural fundamentals.

New and increasingly influential sovereign wealth funds (SWFs) and major institutional investors—such as several of Australia's superannuation funds—are further strengthening investment flows within their home markets and across the broader region.

## One region, multiple markets

This multi-market maturity is creating compelling opportunities for domestic and international AWM organisations.

But the diversity of regional markets also brings challenges. In particular, treating APAC as a single homogenous opportunity won't work due to the absence of passporting and variations in regulatory regimes.

But these aren't signs of immaturity. They reflect the scale and complexity of the APAC AWM industry and the marketplaces in which it operates. The result is a competitive landscape shaped by national depth, which creates a distinct set of opportunities for AWM organisations who understand it.

Forward-looking firms are carving out innovative and locally calibrated paths to profitable growth as national champions, niche specialists, and disruptive digital-native managers. They're also acting decisively in response to progressive regulatory and government-led policies and harnessing the power and potential of partnerships and technology innovation to leapfrog competitors locally and globally.

Drawing on industry perspectives, market projections, and our analysis of the strategies that are and aren't succeeding, this APAC edition of our Asset and Wealth Management Revolution series looks at how your AWM business can capitalise on the region's potential.

# 01

**The APAC AWM industry is surging ahead**



# 02

**New pathways to competitiveness and growth**



# 03

**Earning the right to win**



# 04

**Make your move**





# 01

## The APAC AWM industry is surging ahead

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According to our projections, APAC AUM will reach US\$34.5 trillion by 2030, a CAGR of 6.8%.

With US\$47 billion of new revenue up for grabs over the next five years, the prize is significant.

Passive investments (CAGR 15.0%) are set to see the fastest growth between now and 2030, followed by alternatives (8.3% CAGR).

Total client assets are set to rise by 6.3% CAGR to reach US\$154.3 trillion by 2030, dominated by the HNW and mass affluent segments. But APAC AWM organisations will only be managing 22.4% of this investible wealth, underlining the huge room for growth ahead.

### As innovation accelerates, disruptive tech emerges as a key differentiator

71% of institutional investors in APAC plan to allocate capital to asset managers developing tech-enhanced products and services.

### Investors coming into the market approach wealth differently

Younger investors are accelerating a shift toward ESG-led (73%), technology-focused (73%), and climate-oriented (53%) investment strategies.

### Margins are being squeezed by rising costs and competition

95% of APAC AWM organisations have experienced profit pressure over the past five years, with 44% describing it as high and 8% very high.

Competing solely on price is no longer viable. The winners will be able to develop the kinds of specialisation, alternatives access, technology-enabled service quality, and market-specific expertise that can't be commoditised.



73%

ESG-led



53%

Climate-oriented



73%

Technology-focused

## Six imperatives for profitable growth

How can your business compete and prosper in this fast-changing market?

01

### Get ahead of the wealth and pensions opportunity

Demographics, the great wealth transfer, and structural reforms are creating APAC's biggest growth pool

02

### Lead the reallocation to alternatives

The largest institutional reallocation opportunity in global investing will continue to accelerate

03

### Connect with digital-first investors

APAC's distribution model is changing faster than anywhere else in the world

04

### Harness the power and potential of regional innovation

This is an opportunity to leapfrog competitors locally and globally

05

### Turn regulatory complexity into competitive advantage

Compliance capability is a competitive differentiator—not just a cost of doing business

06

### Choose your path

Determine where you can create the most value, who you collaborate with, and what you're prepared to stop doing



02

**New pathways to  
competitiveness  
and growth**

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Growth in APAC AuM has bounced back strongly since the contraction of 2022. Global headwinds including geopolitical tensions and protectionist policies pose short-term challenges. But the prevailing tailwinds will propel AuM to US\$34.5 trillion by the end of the decade, an impressive CAGR of 6.8% between now and 2030.

The AuM figures in our market-by-market chart are for locally domiciled funds. The managed AuM in the international investment hubs of Singapore (US\$4.6 trillion according to the MAS) and Hong Kong (US\$4.5 trillion according to the SFC) are larger<sup>1</sup>.

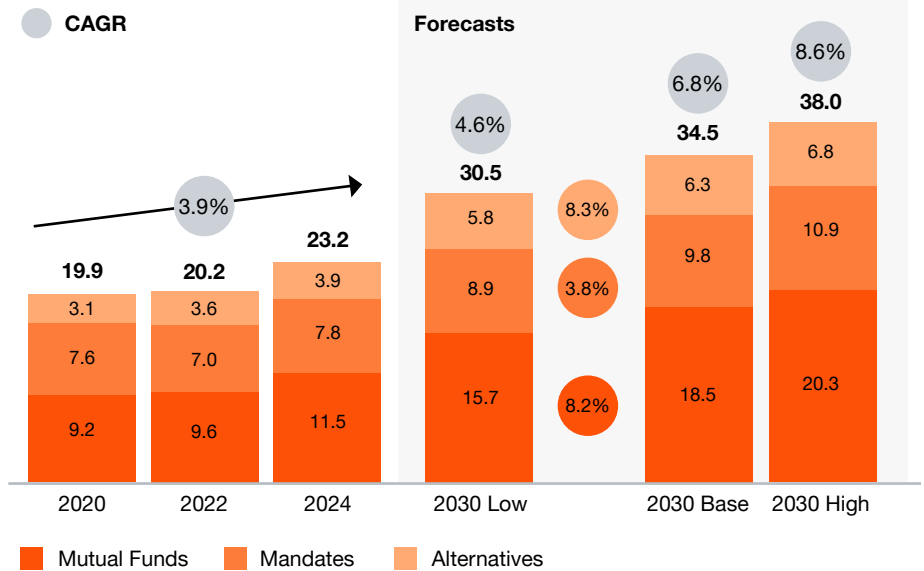
The product breakdown reveals striking contrasts. Passive investments grew at a 19.0% CAGR from 2020 to 2024—more than five times the pace of active mutual funds—and are projected to sustain a 15.0% CAGR through to 2030. Within the passive arena, exchange-traded funds (ETFs) have been the standout growth story (15.0% CAGR) and will climb to US\$4.1 trillion in AuM by 2030.

But there has been some blurring of the lines between active and passive investment through the launch of active ETFs. **Australia is leading the way**, accounting for 57% of APAC active ETF AuM, along with other large and fast growing markets including South Korea and Taiwan. While still a relatively small base, there is strong strategic intent from regulators in markets such as Hong Kong, which has given the green light for active ETF products to be considered within the city's Mandatory Provident Fund (MPF) system.

Alternative investments are the third-fastest growing segment at 8.3% CAGR. The shift in revenues tells an even more dramatic story. Private markets rose from 20.3% of APAC revenues in 2012 to 55.4% in 2024, while actives fell from 74.6% to 36.8%. By 2030, private markets are projected to reach 59.5% of total revenues (US\$99.8 billion).

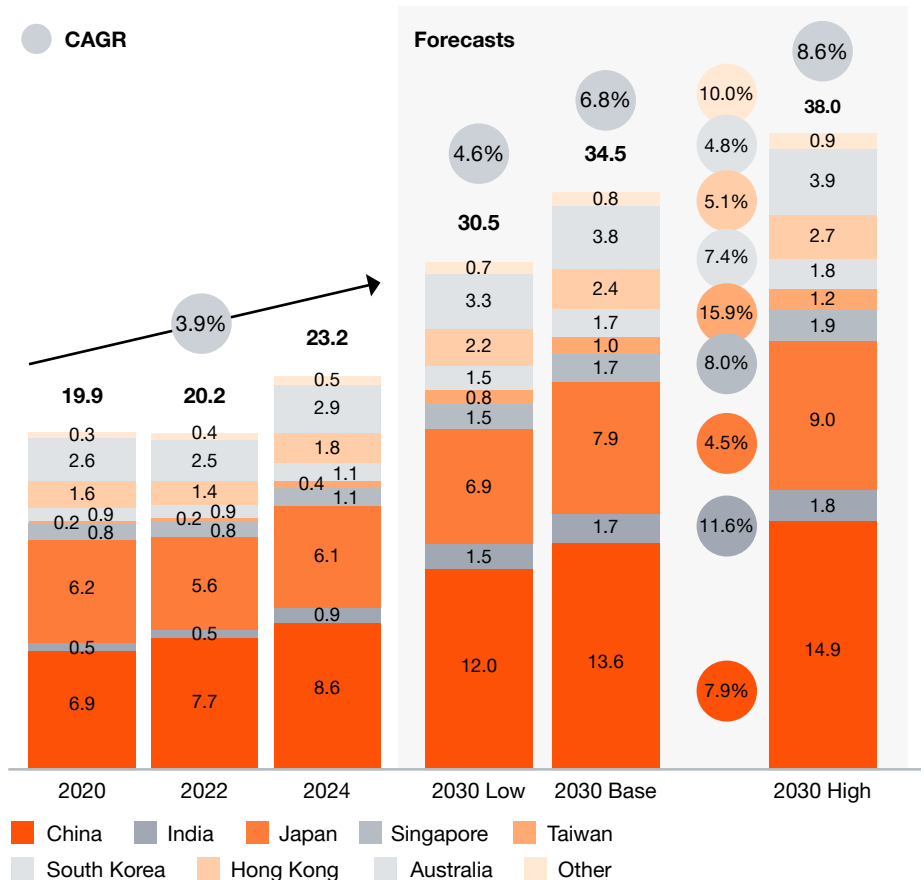
## AuM projections

### APAC AuM by Product (USD tn)



Note: Data Excludes Funds of Funds and Secondaries  
Sources: PwC Global AWM & ESG Research Centre, LSEG Lipper, Preqin, IJ Investor

### APAC AuM by Country/Territories of Domicile (USD tn)



Note: Data Excludes Funds of Funds and Secondaries  
Sources: PwC Global AWM & ESG Research Centre, LSEG Lipper, Preqin, IJ Investor

1 Managed AuM is larger as it captures the assets of all funds managed within the country, regardless of their domicile, including funds legally domiciled abroad but operationally managed in-country.

## Product projections (USD tn)

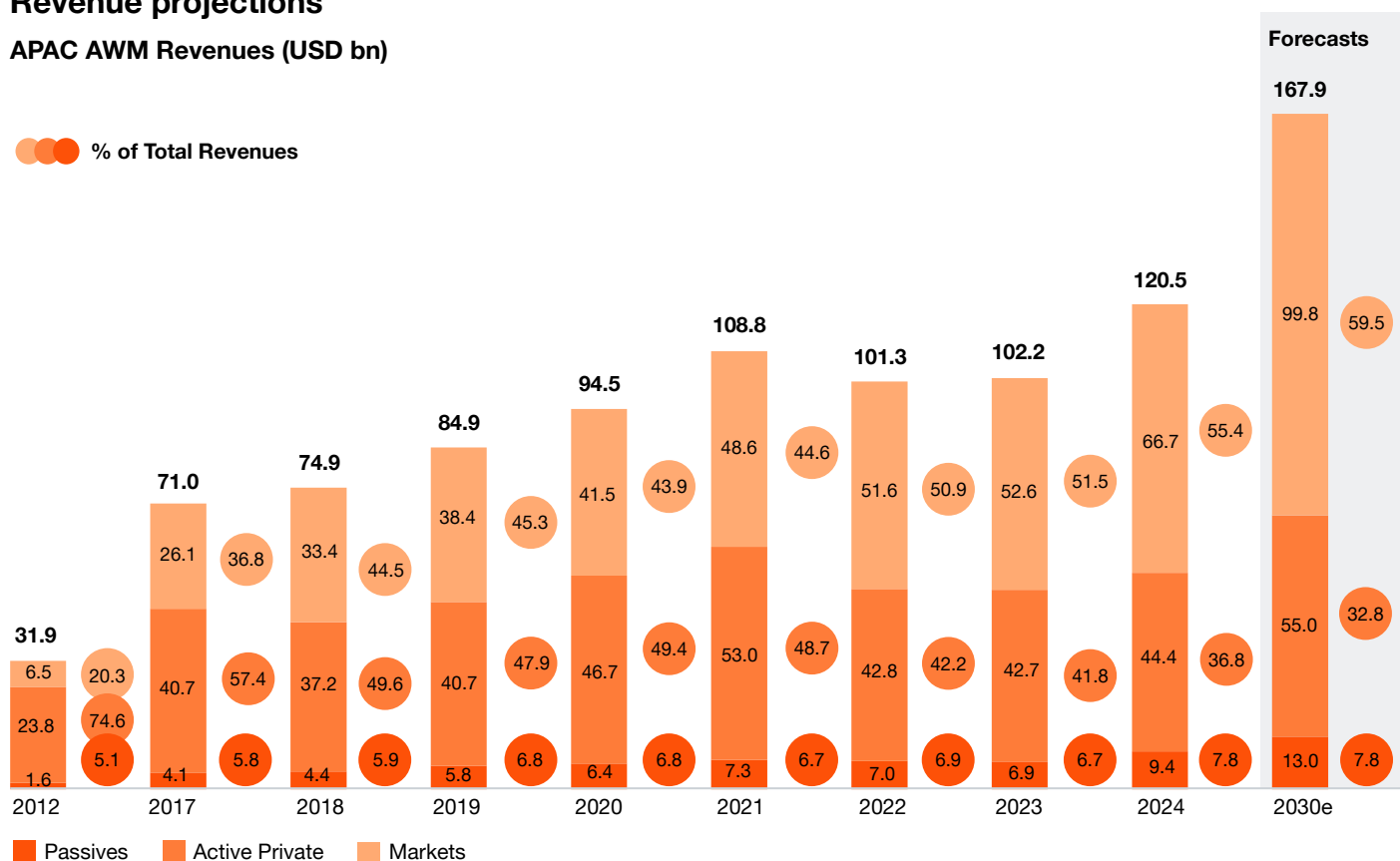
Products	2020	2022	2024	2030e Low	2030e Base	2030e High	CAGR 2020-2024	CAGR Low	CAGR Base	CAGR High
<b>APAC AuM</b>	<b>19.9</b>	<b>20.2</b>	<b>23.2</b>	<b>30.5</b>	<b>34.5</b>	<b>38.0</b>	<b>3.9%</b>	<b>4.6%</b>	<b>6.8%</b>	<b>8.6%</b>
<b>Mutual funds</b>	<b>9.2</b>	<b>9.6</b>	<b>11.5</b>	<b>15.7</b>	<b>18.5</b>	<b>20.3</b>	<b>5.7%</b>	<b>5.3%</b>	<b>8.2%</b>	<b>9.9%</b>
of which active investments	8.0	8.0	9.0	11.4	12.7	12.9	3.1%	3.9%	5.8%	6.1%
of which passive investments	1.3	1.6	2.5	4.4	5.8	7.5	19.0%	9.7%	15.0%	19.9%
of which ETFs only	1.0	1.0	1.7	3.3	4.1	4.4	15.0%	12.0%	16.0%	17.2%
<b>Mandates</b>	<b>7.6</b>	<b>7.0</b>	<b>7.8</b>	<b>8.9</b>	<b>9.7</b>	<b>10.9</b>	<b>0.6%</b>	<b>2.3%</b>	<b>3.8%</b>	<b>5.8%</b>
<b>Alternatives</b>	<b>3.1</b>	<b>3.6</b>	<b>3.9</b>	<b>5.8</b>	<b>6.3</b>	<b>6.8</b>	<b>6.3%</b>	<b>6.9%</b>	<b>8.3%</b>	<b>9.6%</b>

Note: Data Excludes Funds of Funds and Secondaries. Numbers might not add-up due to rounding  
Sources: PwC Global AWM & ESG Research Centre, LSEG Lipper, Preqin, IJ Investor

## Revenue projections

### APAC AWM Revenues (USD bn)

● ● ● % of Total Revenues



Note: Private Markets revenue includes management fees and carried interest. Private Markets excludes Hedge Funds.  
Sources: PwC Global AWM & ESG Research Centre, Lipper, Preqin, Pitchbook

## Diverging megatrend impact

When asked about the impact of megatrends, technology and digital disruption are out in front at 77%, reflecting the readiness to adopt AI in the region. High mobile penetration, government-backed digitisation programmes, and fierce domestic tech competition have made tech adoption a commercial imperative.

Just behind is geopolitical fragmentation. Nearly six out of ten APAC AWM organisations (58%) highlighted the impact of a fracturing world on their businesses and markets—trade tensions, regionalisation, and supply chain realignment—the highest of any region globally. Geopolitical risk isn't background noise for APAC AWM organisations. It's actively shaping portfolio construction, market access decisions, and country allocation.

## Shifting investment flows drive multi-market strategies

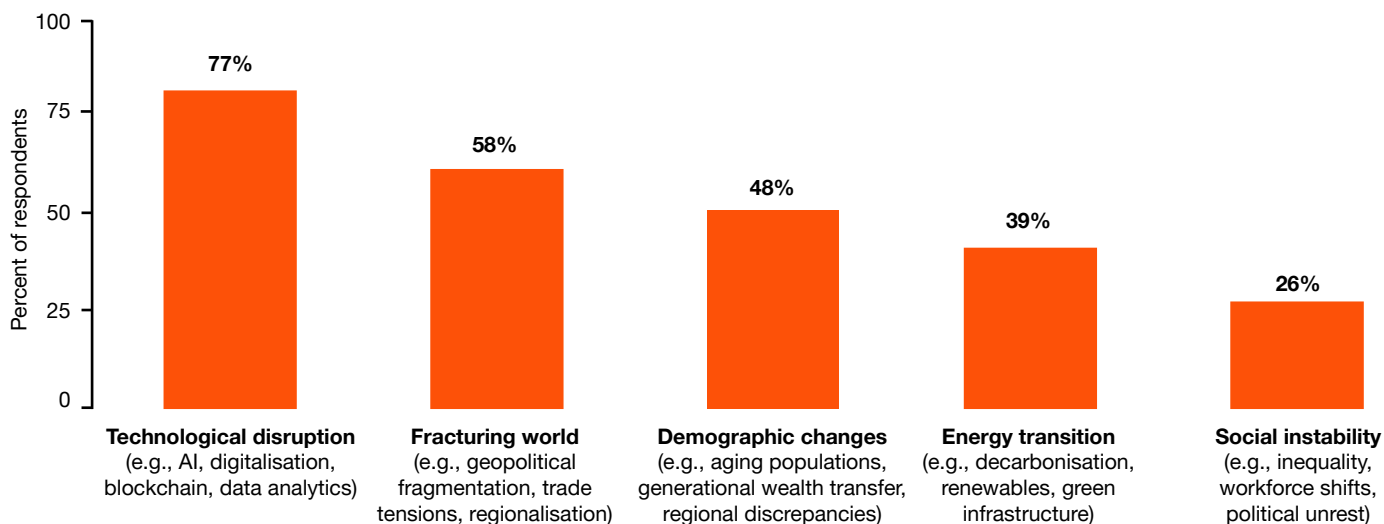
Up until the outbreak of the COVID pandemic, the region's narrative was dominated by China. China continues to be a powerhouse given both the size of its middle class and the strength of capital market investment. International AWM organisations continue to pursue the opportunities to expand their presence in the world's second-largest economy.

But huge amounts of investment are now flowing into other markets across the region. We're also seeing a significant rise in wealth. The result is a more diversified set of markets across APAC, which defies a one-size-fits-all regional strategy.

This diversification underlines the need to build differentiated market-by-market capabilities—separate frameworks, separate teams, and separate risk models. This multipronged approach will capture returns in a way that generic regional strategies simply can't.

## Megatrend impact

Megatrends have significantly impacted asset management firm's strategy over the last 5 years



Note: Respondents selected up to 3 options.  
Sources: PwC Global AWM & ESG Research Centre

## Penetration rates highlight room for growth

Institutional ownership of APAC equity markets stands at just 18%—less than half the global average of 47%. This underlines the opportunities ahead.

As private wealth continues to grow, domestic pension systems mature, and regulatory frameworks evolve, the region's institutional base will deepen significantly. Asset managers who are locally credible and operationally ready will capture the lion's share of this expanding market. For example, in Singapore, the MAS announced in Budget 2026 an expansion of its Equity Market Development Programme (EQDP) from S\$5 billion to S\$6.5 billion. The EQDP was introduced in 2025 to invest into funds managed by Singapore-based fund managers, with a strong focus on Singapore-listed equities. The MAS has allocated S\$3.95 billion across nine appointed asset managers to date. The EQDP continues to attract strong interest and a robust pipeline of applications from asset managers.

APAC accounts for 24% of the global sustainable bond market, with China, Japan, and South Korea as the primary issuers. Yet institutional ESG allocation within APAC is much lower, opening up another growth opportunity for managers able to bridge the gap between supply and demand.

## Resilience in the face of profit pressures

More than nine out of ten APAC AWM organisations (95%) have experienced profitability pressure over the last five years—with 44% describing it as high and 8% as very high.

While 71% of APAC managers reported cost increases of between 1% and 20%, 90% have seen revenues rise. In a sign of resilience, revenue growth has partially offset cost pressures in a way not observed in other regions.

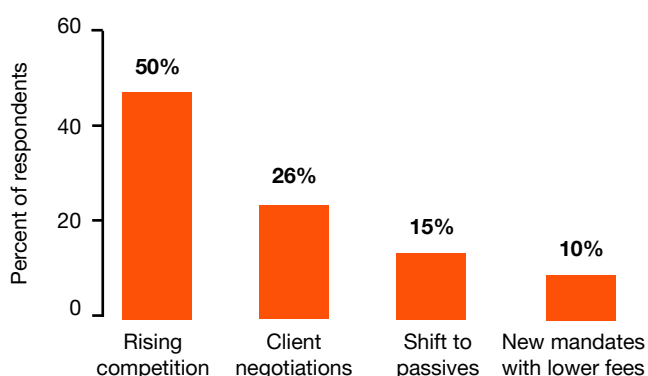
But cost pressures are likely to mount, driven by tech investment, talent acquisition, data infrastructure, and the growing complexity of operating across different regulatory regimes.

### Pressure on fees

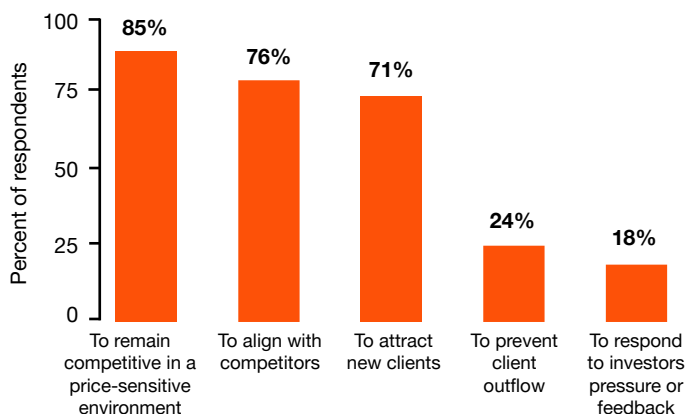
On the revenue side, rising competition is holding down fees. The ability to offset cost increases with rising revenues is therefore no longer guaranteed.

This highlights the need to shift the competitive focus away from price, toward the kinds of specialisation, alternatives access, tech-enabled service quality, and market-specific expertise that can't be commoditised.

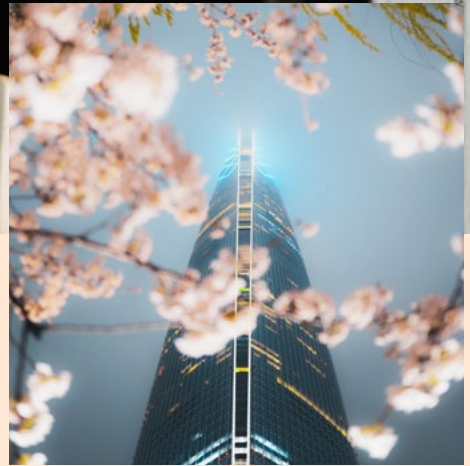
### Primary drivers of fee pressure in the asset management industry



### Main reasons for asset management to decrease fees in the past 5 years\*



Note: \*respondents selected up to 3 options. Question only for asset managers who decreased their fees in the past 5 years.  
Sources: PwC Global AWM & ESG Research Centre



03

**Earning the right  
to win**

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## Imperative 01

# Get ahead of the wealth and pensions opportunity

## Demographics, the great wealth transfer, and structural reforms are creating APAC's biggest growth pool

Total client assets across APAC are projected to grow from US\$107.2 trillion in 2024 to US\$154.3 trillion by 2030—a CAGR of 6.3%.

The HNW segment is the standout driver of growth, with assets forecast to reach US\$52.4 trillion by 2030 (6.9% CAGR). The mass affluent segment will see its wealth climb to US\$70.1 trillion by 2030 (6.3% CAGR).

### Client segment projections (USD tn)

Clients	2020	2022	2024	2030e Low	2030e Base	2030e High	CAGR 2020-2024	CAGR Low	CAGR Base	CAGR High
Pension assets	5.2	5.3	6.0	7.3	7.7	8.3	3.3%	3.4%	4.3%	5.6%
Insurance companies	11.6	9.7	12.6	15.5	16.4	17.2	2.1%	3.5%	4.4%	5.3%
Sovereign Wealth Funds	4.1	4.4	5.2	7.5	7.8	8.3	6.1%	6.3%	7.2%	8.3%
HNWIs	28.8	30.2	35.0	46.1	52.4	55.0	5.0%	4.7%	6.9%	7.8%
Mass affluents	42.3	44.4	48.5	60.5	70.1	74.1	3.4%	3.8%	6.3%	7.3%
<b>Total Client Assets</b>	<b>92.1</b>	<b>93.9</b>	<b>107.2</b>	<b>136.8</b>	<b>154.3</b>	<b>162.9</b>	<b>3.9%</b>	<b>4.1%</b>	<b>6.3%</b>	<b>7.2%</b>
Total AuM	19.9	20.2	23.2	30.5	34.5	38.0	3.9%	4.6%	6.8%	8.6%
<b>Penetration rate</b>	<b>21.6%</b>	<b>21.5%</b>	<b>21.7%</b>	<b>22.3%</b>	<b>22.4%</b>	<b>23.4%</b>				

Note: Numbers might not add-up due to rounding

Sources: PwC Global AWM & ESG Research Centre, OECD, Pension Fund and Insurance Associations, UBS Global Wealth Report

With less than a quarter of this investible wealth held in professionally managed products, the AWM opportunity is both vast and still largely untapped.

## Three converging forces define the opportunity.

The **first** is demographics. Increasing affluence in markets such as India and Vietnam are creating tens of millions of first-time investors. In turn, ageing populations in Japan, China, Australia, and South Korea are boosting demand for retirement income solutions that go beyond traditional product offerings.

The **second** driver is the great wealth transfer. APAC is in the early stages of the largest intergenerational wealth transition in its history. HNWI investors are beginning to pass assets to a generation with fundamentally different preferences for where they invest and how they engage.

The **third** catalyst is government policy. Developments ranging from India's GIFT City and China's policy initiatives on capital reforms to Japan's incentives to move savings into investments are creating significant new pools of capital for AWM organisations to channel and manage.

## Priorities ahead

01

Move early before the window closes. The latest government policy moves all represent time-limited first-mover opportunities.

02

Build dedicated wealth management propositions spanning accumulation and decumulation—retirement income solutions, drawdown vehicles, and estate-planning-compatible structures alongside growth products.

03

Track and follow capital flows across the region. Key developments include the capital movements into Singapore and Hong Kong, India's expanding HNWI investor base, and Japan's deposit-to-investment transition. Capitalising on each of the opportunities requires different product and distribution responses.

04

Work with governments and regulators to help create sustainable retirement outcomes. This includes the development of retirement specific products adapted to local demographics and lifestyle needs such as target date funds. Further opportunities include the development of decumulation strategies, which focus on post-retirement income as people live longer.

05

Develop multi-playbook distribution strategies.



There's no single distribution model for APAC wealth.

Markets like Vietnam call for a retail-first playbook, built around digital infrastructure, first-time investors, and accessible product structures.

Markets like Australia and South Korea demand an institutional playbook, targeting pension and superannuation systems with long-duration mandates and alternatives capability.

And a growing number of markets—India, Japan, and Singapore most notably—present openings across both retail and institutional channels simultaneously, requiring a hybrid playbook that can operate across both without diluting either.

In turn, it's important to develop a playbook for regional hubs like Singapore and Hong Kong. These hubs facilitate capital flows and cross-border initiatives, serving as gateways for global investors seeking access to the region's dynamic markets.

# Market spotlight



## Australia

Australia's superannuation system is the fourth largest pension pool globally, with assets of AUD4.34 trillion (159% of GDP) growing at a 10-year CAGR of 7.7%. Its scale and compulsory contribution structure make it one of the most stable and reliable institutional capital bases in APAC. The opportunity for asset managers is in large, long-duration mandates—especially in global markets and alternatives such as infrastructure, property, private credit, and private equity. The system is well on track to reach AUD10 trillion by 2040.

## Chinese mainland

Chinese mainland's private pension scheme, expanded nationwide in 2024 following a 2022 pilot, has already seen the opening of 150 million accounts and over 1,275 eligible products launched. With an annual contribution cap of RMB12,000 and China's rapidly ageing population (old-age dependency ratio nearly doubling since 2000), this is a growth story akin to the early evolution of the US 401(k) plans. The long-term addressable market is substantially larger given Chinese mainland's population size. Securing product eligibility is a now-or-never decision—competition for inclusion on the approved product list will intensify rapidly as the system matures.

## Hong Kong

Hong Kong's MPF has reached US\$199 billion in AuM and has 380 constituent funds. The MPF System has recently undergone its most significant structural reform since inception, driven by the digitisation of the entire ecosystem through the eMPF platform.

The MPF System is employer-driven. Employers select the scheme provider, while employees can choose among the funds offered within that provider's scheme. Asset managers operate in the MPF System by partnering with MPF providers to design and manage the investment funds offered to members.

As account balances grow, member engagement is expected to increase. With full portability of pension pots on the horizon, asset managers will have greater opportunities to distinguish themselves through superior investment performance, innovative product offerings, and more competitive fee structures.

Hong Kong remains one of the region's premier wealth management hubs. This includes being home to a significant number of family offices. Its strategic location as a gateway to the Chinese mainland, robust financial infrastructure, deep and liquid capital markets, favourable tax regime, and strong professional services ecosystem make it a standout destination for wealth management activities.

## Japan

Japan's institutional pool is not a growth story in the conventional sense as assets in defined benefit pension schemes are expected to decline as the population ages and schemes mature. The growth opportunity is in mobilising Japan's vast household savings into investment products. This is a retail and deposit-to-investment story, driven by NISA and other market reforms and , not an institutional reallocation story. Alongside the NISA reforms, the historically conservative Defined Contribution market in Japan is also changing. With ongoing rise of interest rates and expected inflation, the eventual introduction of default funds will encourage retirement savers to become long-term institutional buyers of Japanese equities.

## Singapore

A new Central Provident Fund (CPF) life-cycle investment scheme, set for launch in 2028, could channel billions into the Singapore equity market. Announced at Budget 2026, the scheme is expected to generate sustained inflows into Singapore equities by allowing CPF members to invest in diversified life-cycle portfolios, including equities—offering higher return potential than current risk-free CPF rates. Analysts estimate up to S\$9 billion annually could be directed into equities, providing a steady liquidity pipeline and deepening Singapore's capital markets.

Singapore sits at the centre of APAC wealth management. Its role as the destination of choice for HNW wealth flowing from around the region, its Variable Capital Company (VCC) framework, and its progressive regulatory environment make it the natural hub for cross-border APAC wealth management strategies. Platform innovators are reshaping retail and HNW distribution and creating a model that's now being replicated across the region. Singapore now boasts several home-grown digital investment platforms, offering a range of products and services across the spectrum of investors. The clientele of wealth managers are demanding increasingly sophisticated digital and technological services, and several wealth managers are increasing their investments and partnerships in this regard to provide them.

## India

India is APAC's clearest dual-engine growth story—a deepening institutional capital pool and an unprecedented retail financialisation wave running simultaneously.

On the retail engine, a 78–80% banked penetration, the world's most comprehensive public digital financial infrastructure (UPI processing US\$2.5 trillion annually and 1.4 billion Aadhaar digital IDs), and the disintermediation of bank distribution by discount brokers have created 192 million demat account holders. Monthly SIP inflows exceeding US\$3 billion provide an annual US\$36 billion of price-insensitive equity flow.

On the institutional engine, the combination of the Employees Provident Fund Organisation (US\$280 billion), National Pension System (Pension Fund Regulatory and Development Authority targeting US\$1 trillion by 2030), and insurance (US\$650bn) are progressively expanding equity, alternatives, and global allocations under SEBI, PFRDA, and IRDAI reforms. More than 40% of new SIPs now originate from Tier 2, 3, and 4 cities, and India's HNW population is projected to grow faster than any other major APAC market through 2030, supported by US\$1.5 trillion in expected intergenerational wealth transfer over the next decade.



## Imperative 02

# Lead the reallocation to alternatives

## The largest institutional reallocation opportunity in global investing will continue to accelerate

APAC pension funds allocate just 8% of assets to alternatives, compared to 37% in North America and 26% in Europe. APAC SWFs allocate 28% of assets to alternatives compared to 34% in North America.

But this is about to change as the market access constraints and regulatory barriers that have held back alternatives allocation are systematically removed.

Regulators want Japan's Government Pension Investment Fund (GPIF)—with US\$1.82 trillion in assets, yet an alternatives allocation of just 1.6%—to increase private markets investment. South Korea's National Pension Service (NPS) is similarly increasing private markets allocation.

Further targets for growth include the US\$5.2 trillion of investable wealth held by the region's SWFs.

Key drivers for alternatives allocation include the need to boost investment in infrastructure. Infrastructure AuM in APAC is forecast to reach US\$506.7 billion by 2030. Smart city developments such as Singapore's Smart Nation 2.0 initiative and China's Xiong'an new city provide concrete entry points for asset managers. Further openings include the hyperscaler co-investment opportunities created by the rapid development of data centres needed to serve the AI boom with markets like Singapore leading the way as a data centre hub for the region.

## Priorities ahead

01

Position for the institutional reallocation now, not when it's fully underway—late entrants will be left to compete on price. The competitive foundations include local operational presence, regulatory familiarity, and institutional relationships.

02

Develop infrastructure-specific capabilities with APAC expertise—particularly data centres, renewable energy, and smart city infrastructure.

03

Build partnerships with APAC's hyperscaler infrastructure programmes as both co-investors and technology platform partners.

# Market spotlight



## Indonesia

New sovereign wealth funds focused on domestic and international investment open up a significant new capital pool.

## India

India is the single largest country-level beneficiary of APAC's alternatives reallocation cycle. AIF (Alternative Investment Fund) commitments now exceed US\$160 billion and are expanding at a CAGR of more than 25%. AIF Category II (private credit) is the fastest-growing segment as banks and NBFCs cede mid-market lending share. Listed REITs and InvITs have now surpassed US\$25 billion in market cap, providing global institutions a liquid entry route. India is also a top-three global data centre build-out destination and on track to reach 500 GW non-fossil capacity by 2030, aligning with the hyperscaler co-investment opportunity.

## Chinese mainland

China's SWFs hold US\$3.5 trillion, the largest in APAC. The 15th Five-Year Plan's progressive removal of QFII/RQFII quota limits is creating openings for foreign managers. Engagement now, before the framework is fully established, is the strategic priority.

## Singapore

Singapore hosts 8% of global SWF assets, making it the second-largest APAC SWF hub. Building credible relationships with Singapore's SWFs therefore demands differentiated investment capability and long-term investment in relationships. Singapore's largest SWF was one of the earliest institutional investors of alternatives, which continues to serve as a robust avenue of alpha for the SWF. This SWF recently co-led a large investment round to help expand the APAC platform of a global developer and operator of hyperscale data centre campuses.

## Australia

Australia's superannuation funds are already among the most sophisticated alternatives investors globally. The opportunity is to deepen existing relationships and compete for growing allocations as funds expand toward AUD10 trillion by 2040. AI infrastructure investment in Australia underscores the data centre and digital infrastructure opportunity alongside traditional superannuation mandates.

## Hong Kong

The Exchange Fund, which is the territory's de facto sovereign wealth fund, manages fiscal reserves, foreign currency reserves, and AuM of over US\$500 billion. The Hong Kong Investment Corporation (HKIC) is a newer government-owned investment arm, focusing on strategic investments in innovation, AI, biotech, and sustainable technologies. It supports Hong Kong's competitiveness and economic development. The HKIC actively allocates to external managers.

## Japan

With an alternatives allocation of just 1.6% within the GPIF, even a modest increase toward global benchmarks represents a US\$30-50 billion mandate opportunity.

## Imperative 03

# Connect with digital-first investors

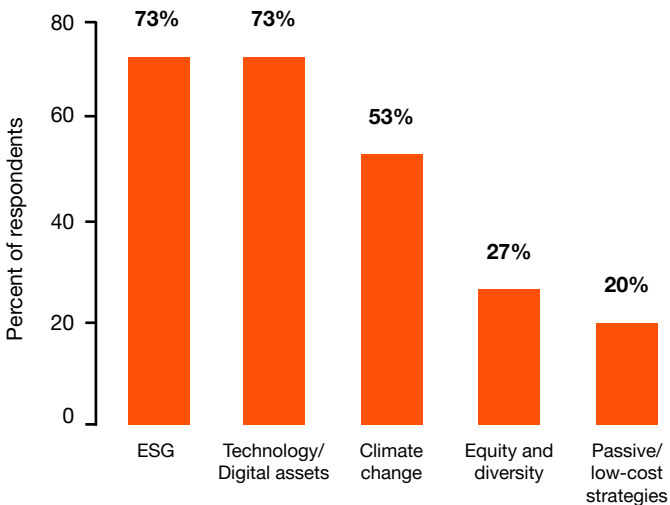
## APAC's distribution model is changing faster than anywhere else in the world

Gen Z and Millennials aren't an emerging segment in APAC. They're already the dominant demographic driving investment demand in markets with young populations such as India.

Six out of ten APAC distributors are seeing increased demand from clients under 35 and expect younger generations to reshape their mutual fund distribution strategy. Managers will need to actively rebuild their product and digital strategies as nearly three-quarters (73%) of distributors see digital assets resonating most with younger clients.

### Generational shifts in investment preferences

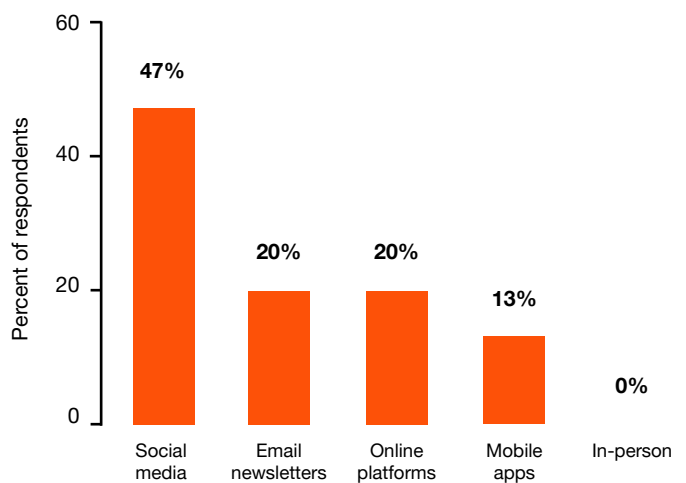
#### Investment themes resonating most with younger clients



Note: respondents selected up to 3 options  
Sources: PwC Global AWM & ESG Research Centre

### Generational shifts in engagement preferences

#### Most effective communication channel for younger clients



Sources: PwC Global AWM & ESG Research Centre, Bank of America

The wealth transfer is increasing the demands for digital engagement and values-based investment. APAC is ahead of the curve. Social media platforms have evolved into integrated financial services ecosystems, offering research, transaction, and advice platforms within a single super-app environment.

In the Chinese mainland, large technology giants have largely captured the market, leveraging their super app ecosystems to provide a comprehensive suite of services spanning payments, lending, investments, and insurance. These super-apps service over 75% of the Chinese mainland active online investment population, and with rapid deployment of AI technology, such concentration is expected to increase. A leading mobile wallet in the Philippines has evolved into a Philippine super-app, combining bill payments, money transfers, shopping, insurance, and investment services in one platform. The super-app gives users access to local and global funds, and its most recent expansion, allows the transaction of cryptocurrencies, tokens, and NFTs directly within the super-app's ecosystem. It currently services more than 70% of the resident population.

More than seven in ten younger investors (72%) believe that it's no longer possible to achieve above-average returns solely with traditional stocks and bonds—the highest of any age group. This makes the opening up of alternatives and thematic strategies a pressing commercial priority.

## Priorities ahead

01

Embed your business within the super-app ecosystems where young people engage.

02

Co-develop products with emerging distribution platforms—mobile-first wealth apps, super-app integrations, WealthTech infrastructure—before those channels consolidate around a smaller number of preferred partners.

03

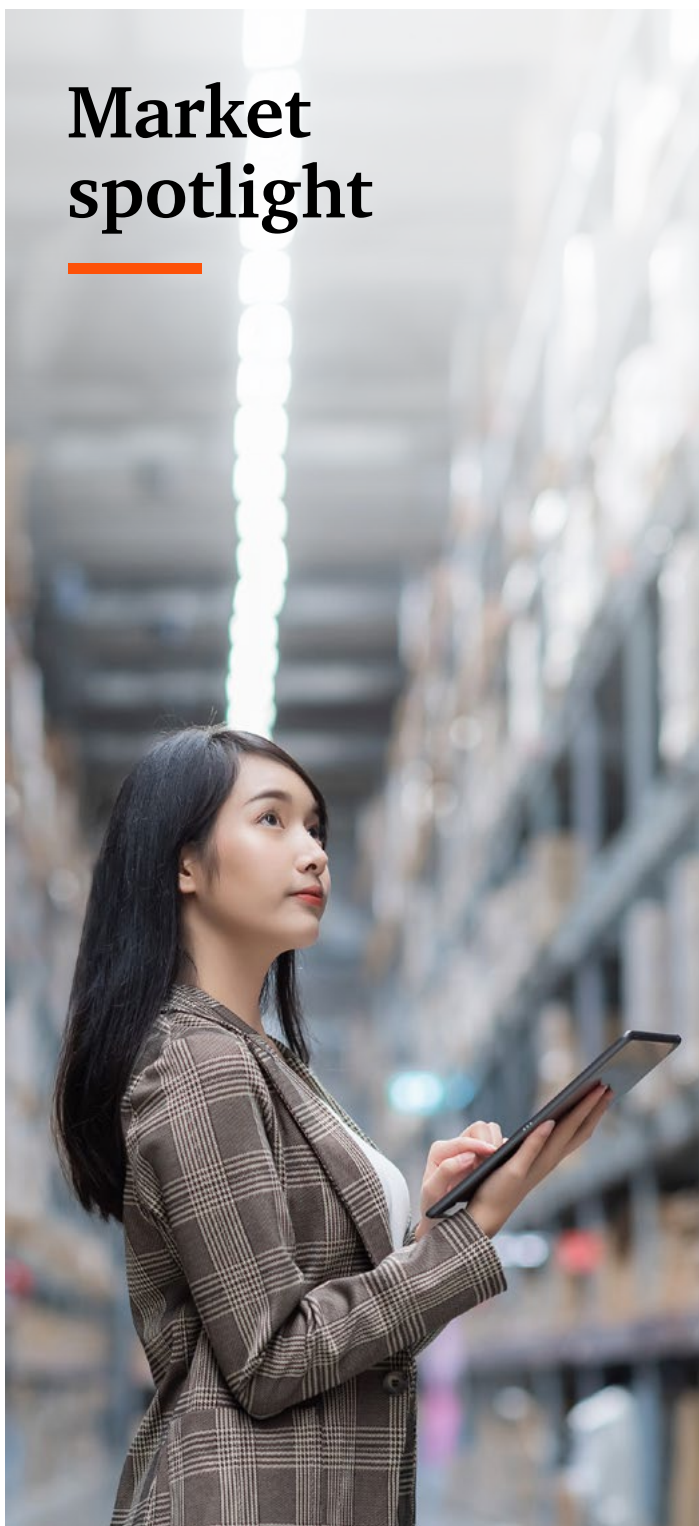
Develop substantive and differentiated ESG, climate, and technology-themed products—not relabelled legacy funds.

04

Design accessible, micro-investment-compatible product structures for emerging market first-time investors.



# Market spotlight



## Chinese mainland

Fund distribution within social and messaging platforms is already routine for Chinese retail investors. A credible presence in China's digital ecosystem is crucial in accessing the retail investment market.

## Japan

Japan's digital banking transformation is accelerating. Digital banks are increasing deposits at 17% annually versus 5% for traditional banks, driven by online-only banks and the rise of embedded finance. In this fast-aging society, the accelerating intergenerational wealth transfer is leading many players to target new, primarily digital-native investors, making platform partnerships more effective than traditional branch-based distribution. Several incumbent distributors are moving ahead, creating a super-app through which users can access integrated financial services including asset management, all in one place.

## India

India's digital financial infrastructure including UPI transactions and Aadhaar digital ID is the most comprehensive of any emerging market. This infrastructure enables direct-to-consumer investment distribution at a scale and cost structure that no traditional channel can match.

## Singapore

Singapore's WealthTech ecosystem is one of the most developed in APAC and demonstrates how platform integration provides direct access to retail and HNW investors without requiring local infrastructure at scale.

Singapore's digital wealth platform market has seen strong projected growth, reflecting increasing demand for digital investment platforms. One leading Singapore-headquartered digital wealth platform has seen its client assets across Singapore and Hong Kong cross US\$10 billion in late 2025 propelled by its high-net worth segment and alternative assets. This platform has seen exponential growth since its inception in 2019 and recently closed an additional US\$70 million fundraising to scale its regional wealth technology leadership.

## Imperative 04

# Harness the power and potential of regional innovation

## This is an opportunity to leapfrog competitors locally and globally

APAC is setting the standard for AWM innovation, from digital assets, robo-advisory, and AI-driven quantitative investment to super-app financial integration and progressive regulatory frameworks for new asset classes.

In a relatively young APAC AWM market, managers aren't constrained by legacy infrastructure, established distribution models, or entrenched client expectations. This is opening the way to genuine innovation.

Mainland Chinese quant funds are producing returns that rival the world's leading systematic managers. Hong Kong has originated product structures, including single stock leveraged and inverse ETFs, which has grown rapidly as a result of the AI boom driving the performance of popular tech stocks. Singapore is functioning as a global testbed for tokenised fund structures.

As AI adoption gathers pace, AI is no longer an operational enhancement but a competitive imperative across research, distribution, and operations. More than seven out of ten institutional investors in APAC (71%) plan to allocate capital to asset managers developing tech-enhanced products and services.

APAC also benefits from being a testing ground for new developments. Smaller, more agile markets allow financial services innovation to be tested and validated at manageable scale before broader deployment.

## Priorities ahead

01

Build an integrated AI strategy spanning portfolio construction, client personalisation, and operational automation—not a portfolio of isolated pilots. In APAC's high-growth markets, AI-driven personalisation at retail scale is the key to opening up the mass-affluent opportunity.

02

Develop a tokenisation roadmap for APAC specifically, leveraging Singapore's Project Guardian and VCC framework, Hong Kong's ASPIRe Roadmap and Japan's FSA digital asset reforms as the entry points. Engage with custody infrastructure, legal frameworks, and platform partnerships now, before the institutional product launch window narrows.

03

Use selected APAC markets as a testing ground for innovations that can be scaled globally—the region's combination of sophisticated regulation, digital-native investors, and manageable market size makes it the ideal environment for financial services product and distribution innovation.

# Market spotlight



## Singapore

Singapore is at the forefront of tokenisation, moving initiatives from pilot to scaled commercial deployment. MAS's Project Guardian—spanning 40+ institutions across seven jurisdictions—has produced an operational playbook for tokenised funds and catalysed a bank-led Guardian Wholesale Network with both global and local leaders. With a finalized single-currency stablecoin regime enabling on-chain settlement, and upcoming trials for issuing and settling tokenised MAS bills using central bank digital currencies, Singapore is emerging as the natural hub for managers executing APAC-wide digital asset strategies

## India

India combines a number of standout innovation drivers: the world's largest pool of AI engineering talent, public-rail tokenisation experiments (RBI's wholesale and retail CBDC pilots and SEBI's tokenised security sandbox), and a young, mobile-first investor base willing to adopt new product formats at scale. T+0 and instant settlement pilots place India ahead of most APAC peers on market infrastructure modernisation. India is also the back-office and increasingly front-office R&D hub for global AWM firms' AI deployments—meaning AI capability built for India is being scaled globally from India, not the other way around.

## Hong Kong

Hong Kong has established one of the world's most comprehensive regulatory frameworks for digital assets. The SFC's virtual asset exchange licensing regime, the HKMA's stable coin framework, and structured tokenised fund product pathways are creating an institutionally attractive environment.

Hong Kong's development of innovative product structures—including the first single stock leveraged and inverse ETFs in the region—demonstrates its first mover advantage and the city's capacity to originate, rather than merely adopt, financial innovation.

## Japan

Japan's FSA digital asset reforms are transforming the country into an attractive digital asset investment market. The value of on-chain crypto grew by more than 100% between June 2024 and June 2025, led by rapid expansion of tokenised real estate assets distributed to retail investors. The proposed tax and regulatory reforms will open up further product design opportunities for early movers.

## Australia

Some of Australia's superannuation funds are emerging as leading innovators in how they support members moving from accumulation to decumulation, from products to relationships, and how they make a real difference to people's lives in retirement.

## Chinese mainland

China's contribution to global asset management innovation is most visible in quantitative investment. China's contribution to global asset management innovation is most visible in quantitative investment. Chinese quant funds delivered average returns of 30.5% in 2025, with leading firms using AI and machine learning approaches that rival the world's leading quant managers.

## Imperative 05

# Turn regulatory complexity into competitive advantage

## Compliance capability is a competitive differentiator—not just a cost of doing business

Operating across APAC requires simultaneous compliance with a raft of disparate regulatory regimes. Nearly half of APAC AWM organisations (47%) cite regulatory changes and compliance demands, driven primarily by this multi-regime complexity, as a key drain on profitability.

But effective compliance also offers competitive advantages in areas ranging from new market entry to enhanced stakeholder trust. The firms that treat compliance as simply a cost to minimise are persistently disadvantaged. A quarter of APAC institutional investors select asset managers for their ability to navigate multiple regulatory regimes. The same proportion cite demonstrable local compliance capability as a decisive selection criterion.

We're also seeing examples of progressive regulatory developments across the region that will help drive product innovation and tap into the growing wealth opportunity. For instance, in Singapore, the MAS recently issued a consultation paper to seek feedback on a proposed long-term investment fund framework that provides retail investors access to private market investment funds.

For Hong Kong, in late 2025, the SFC initiated a consultation to amend the Unit Trust Code, proposing to relax the existing 15% NAV cap on illiquid assets. This reform aims to facilitate broader allocations by SFC-authorized funds to private market assets. Also in Japan, regulatory and supervisory discussions have increasingly acknowledged the role of private markets, enabling the structuring of publicly offered investment trusts that include unlisted securities.

With today's technology—from AI and GenAI tools to advanced analytics, RegTech and cloud computing solutions—fractionalising investments and building bespoke investments offerings tailored to this investor demographic are increasingly possible. In parallel, markets such as Singapore and Hong Kong have established locally domiciled fund regimes, supported by extensive tax treaty networks and substance based tax incentives. Singapore's VCC and Hong Kong's OFC and LPF regimes are gaining traction, with these structures becoming increasingly popular as local and regional managers recognise their advantages and view these regional hubs as an attractive

fund domicile. The attractive tax regimes for asset managers and family offices aim to further encourage asset and wealth managers to establish and grow their presence in the city. With flexibility across both open- and closed-ended structures, these regimes are gaining strong regional—and increasingly global—adoption, positioning APAC as a leading hub for multi-strategy fund domiciliation.

### Priorities ahead

01

Invest in local regulatory capability as a way-in to new markets, and leverage evolving regulatory frameworks across the region to accelerate product innovation, as momentum builds around democratising private markets and capturing the region's expanding wealth opportunity.

02

Establish locally domiciled fund structures, such as the VCC in Singapore or LPF and OFC in Hong Kong, as a hub for multi-strategy APAC vehicles, leveraging their flexible open-/closed-ended structures, extensive tax treaty access, and strong regional momentum.

03

Engage proactively with Japan's FSA initiatives to open up private market investment opportunities to retail investors further, which are creating opportunities for first-movers.

04

In Chinese mainland, prioritise early registration and eligibility under the private pension scheme. Competition for inclusion on the approved product list will intensify rapidly as the system matures.

# Market spotlight



## Chinese mainland

China's regulatory evolution under the 15th Five-Year Plan is reducing barriers to foreign asset manager participation. The openings include expanded market access through QFII/RQFII reform, lower operational barriers through simplified licensing, and first-mover advantages for managers who establish local distribution networks and custody relationships.

## Singapore

Singapore's MAS has established one of the world's most progressive frameworks for digital assets and tokenised funds. The VCC framework provides the vehicle infrastructure for cross-border multi-strategy APAC mandates with access to double tax agreements with more than 80 countries. In 2024, VCC strategies spanned a broad range of open and closed-ended structures, making Singapore the natural regulatory hub for managers building APAC-wide strategies.

The MAS has consulted the industry on a proposed Long-term Investment Fund (LIF) framework to enable retail access to private markets—covering private equity, private credit, and infrastructure—with appropriate safeguards. Two fund structures have been proposed: a Direct Fund model, offering transparency through direct investments, and a fund-of-funds model, enabling diversified exposure via manager-led selection and oversight. Overall, the LIF framework is designed to build a sustainable retail private markets ecosystem while establishing a pathway for future fund listings.

## Hong Kong

Hong Kong's forward-looking regulatory framework has helped to drive innovation and development. OFCs and LPFs have become important and increasingly popular in Hong Kong as credible and efficient onshore fund vehicles. Together, they support Hong Kong's development as a full-fledged fund domicile ecosystem and reinforce its position as a leading international asset and wealth management hub.

On the capital markets front, Hong Kong has sought to be forward-looking and innovative in attracting firms to list in the city. For example, in 2025 regulators introduced the Technology Enterprise Channel (TECH) to support applicants under Chapter 18A (biotech companies) and Chapter 18C (specialist technology companies).

## Japan

In addition to the recent regulatory amendments enabling the structuring of publicly offered investment trusts that include unlisted equities, Japan's FSA is said to consider the introduction of new alternative investment schemes targeted at retail investors, following the examples of ELTIF in the EU and LTAF in the UK. This will further help asset managers reach retail investors who seek to diversify their holdings beyond traditional long only public market strategies, addressing investors needs in changing market conditions.

## India

India's GIFT City IFSC is a strategic regulatory innovation—an international financial centre on Indian soil with its own regulatory framework, tax treatment, and product eligibility rules. Over 100 fund management entities have already registered and committed AuM is growing at triple-digit rates from a small base. From a strategic perspective, GIFT City is a time-sensitive first-mover opportunity, and India is increasingly a two-way capital corridor—simultaneously a destination market for global product and a source market for outbound Indian capital.

## Imperative 06

# Choose your path

## Determine where you can create the most value, who you collaborate with, and what you're prepared to stop doing

Where and how are you going to compete in these fast-evolving regional markets?

In our global **Asset and Wealth Management Revolution** report, we set out four distinct models. Together, these winning archetypes are poised to secure more than 90% of the new revenues coming up for grabs globally by 2030.

**Hypermarkets:** scaled, multi-asset firms spanning public and private markets with integrated advice

**Solutions platforms:** outcome-led, often open-architecture platforms embedded in the client journey

**Low-cost manufacturers:** low-cost providers of beta and simple building blocks

**Niche champions:** specialists with deep advantage in a specific segment or capability

But in APAC, the picture is more nuanced. The strategic choices ahead look different depending on where you're starting from. For global players, the question is which APAC markets to prioritise, which archetypes to build toward, and whether partnerships or acquisitions offer the more capital-efficient path to local depth. For APAC's national champions, domestic specialists, digital-native innovators, the question is different: how do you extend your genuine local advantage without losing the focus and agility that created it?

Developing elements of the hypermarket and ultra-efficient manufacturer models is possible. But we're unlikely to see the emergence of a pan-regional giant to rival the dominant global players in the near future. Large domestic players dominate their home markets, but fragmented regulatory regimes, diverse cultures and the absence of a passporting framework, make regional dominance an ambitious feat to achieve. The most viable models for APAC players are likely to be solutions provider and niche champion.

APAC AWM will be defined by global platforms competing market-by-market, national champions with genuine domestic depth, niche specialists with authentic expertise, and innovative digital-native managers capitalising on the region's technology advantages.

The complexity of operating across APAC's regulatory regimes makes local operational infrastructure genuinely hard to replicate. Acquiring an established local platform, distribution relationships, regulatory licences, talent, can compress years of market development into a single transaction. The opportunities to accelerate market entry and development are going to be especially telling in markets undergoing structural change: Japan's deposit-to-investment transition, India's expanding investor base, and the maturing of Singapore and Hong Kong as cross-border hubs are all creating assets worth acquiring.

### Priorities ahead

01

Choose the model most suited to your strengths and potential, then align capabilities around this. Being partially present across all four archetypes is the most expensive and least competitive path.

02

Build product differentiation through specialisation, alternatives access, technology-enabled service quality, and market-specific expertise.

03

Consider strategic partnerships as the primary mechanism for extending reach. Partnership is the capital-efficient alternative to building every capability organically.



# 04

## Make your move

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In this report, we've set out the competitive imperatives needed to outpace and outperform your competitors in a regional market that's opening up fast but defies generalisation or blanket strategies.

The AWM organisations out in front are clear about where and how to compete—which markets, which product lines, and which client segments.

This clarity is enabling them to target investment where it can make a decisive difference and reinforce their right to win.

This clarity is also enabling the front-runners to move at pace. First or early-mover advantage holds the key to realising almost all the opportunities we've described in this report—especially the most profitable ones.

The big question for your organisation is whether you have the same level of clarity and confidence in your business model and the capabilities needed to deliver it.

As markets evolve, the strategic choices and actions you make now will determine how much of the US\$47 billion revenue prize you'll be able to share.



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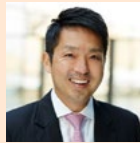
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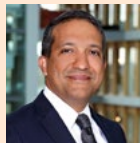
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