Asset Management between AI and Digitalization

An overview of the industry structure, AI impact and tokenization.

Pavia, February 20th, 2026

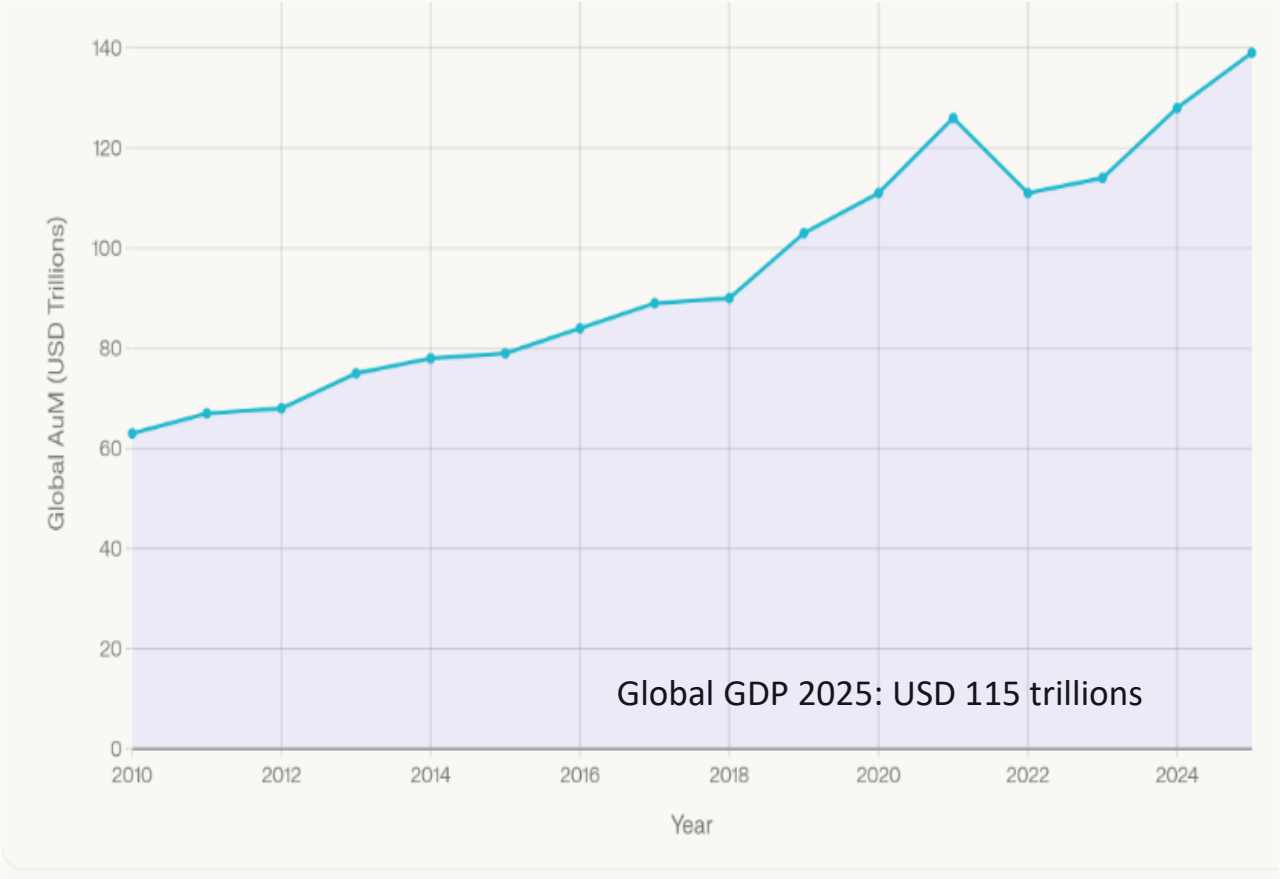
NOT asset management

Three forces reshaping asset management

1) Industry economics: scale, fees, and the rise of passive/ETFs
2) AI: productivity and the (hard) question of alpha
3) Digitalization: blockchain & tokenization as new rails for products and operations

Global assets under management: large, growing, but margin pressure persists

Global Asset Under Management (AUM)
Source: elaboration from BCG and PWC reports



Why Asset Management is important

Creates the **bridge** between savings and investments.

Savers can allocate their assets according to their risk profile and targets.

The economy can find the **support** for growth.

The **development of the modern economy** is deeply linked with the access to private savings via the asset management industry.

Scale matters: distribution, technology spend, and product breadth

Largest managers (as of end 2025 or latest available date)

USA

BlackRock: ~$14.0T AUM

Vanguard: ~$12T AUM

Fidelity: ~$ 7T AUM

Europe

Amundi: ~$2.8T AUM

UBS AM: ~$2.1T AUM

L&G: ~$ 1.5T AUM

What scale buys

Lower unit costs (ops + data + compliance)

Product shelf (index + active + solutions)

Distribution leverage and brand trust

Some key concepts

AUM concentration does not automatically mean better performance. But it can create durable advantages in:

- synergies, visibility, contractual power
- client servicing
- operational resilience

Active managers must justify fees with outcomes, access, or skill.

Asset management has become a cost-driven industry, hence **technology matters** even more.

Asset management is a scale business

Revenue engine

Management fee (bps) × AUM

Performance fees (selected strategies)

Securities lending & ancillary revenues

Structural pressures

Light capital intensity → Higher competition → Beta (= market performance) increasingly priced near marginal cost

Rising fixed costs: tech, data, regulation, cybersecurity

Example of revenues compression: between 2021 and 2023, management fees down 20% approx. (Source: Reuters)

Reaction

- High-skill alpha niches
- Solutions/outcomes businesses
- Private markets franchises

But, more importantly,

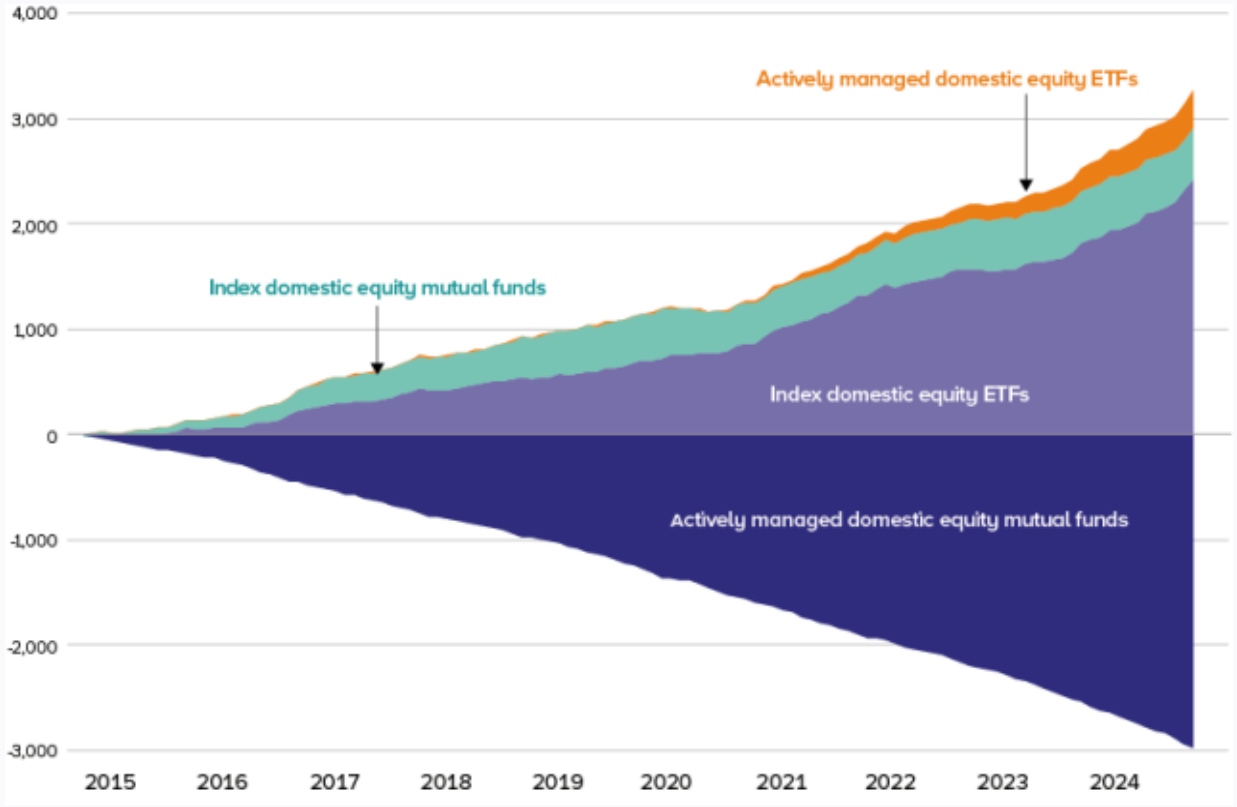
- **low-cost platforms (index/ETFs)**

ETFs are the most important trend of the last 30 years,

AI and tokenization will drive the next innovation, acting on the cost structure and distribution rails

ETFs scaled fast: transparency, liquidity, and distribution power

Net inflows ETF and actively managed mutual funds
Source: Investment Company Institute (ICI)



What this changes

Beta becomes a cheap, tradable building block

Price transparency sets fee anchors

Daily liquidity, tight spreads, low costs

Is active management dead?

Active is not dead, but

- It must become cheaper
- It must earn fees via alpha or giving access to specific strategies

There is a Darwinian selection going on, only the most successfully efficient will survive.

What now?

Fierce competition and ETFs are capping the top line of asset managers

Asset management has become a cost driven industry

New technologies represent opportunities and threats

Artificial Intelligence

Tokenization

AI impacts organization where work is repetitive, data-rich, and measurable

Legal and research

Research summarization & extraction

Contracts drafting and analysis

Reporting and communication to clients

Middle / back office

Risk monitoring & anomalies

Compliance surveillance

Reconciliations

KYC/AML support

Client facing

Client profiling & intelligence

Robo advisors for asset allocation

Reporting

What is next?

Once the boring stuff gets automated, creativity, ideas and human relationships becomes even more important. The future of work isn’t about competing with AI but using it to amplify what humans do best.

Can AI generate performance?

Today

AI doesn't create anything new, it reassembles existing knowledge

Quantitative investments has been around for a few decades already

No models proved to create that "systematic alpha" that a superior technology should provide

AI allows to extract information from an extremely wide set of information, helping asset managers in taking decisions

Tomorrow

Superior results derive from intuition.

Everybody can see the dots, only a few can see the shape hidden throughout them

Will AI become "intuitive", able to link apparently "uncorrelated" data in order to anticipate market movements?

Human in the loop (?)

If AI runs the market

Persistent alpha is hard

Tools diffuse quickly; many signals are arbitraged

Crowded trades + similar data pipelines reduce edge

Model risk rises when everyone optimizes to the same objectives

Collective behaviours will change

How to keep an edge

Better proprietary data

Better AI models & disciplined human judgment in regime shifts (model humility)

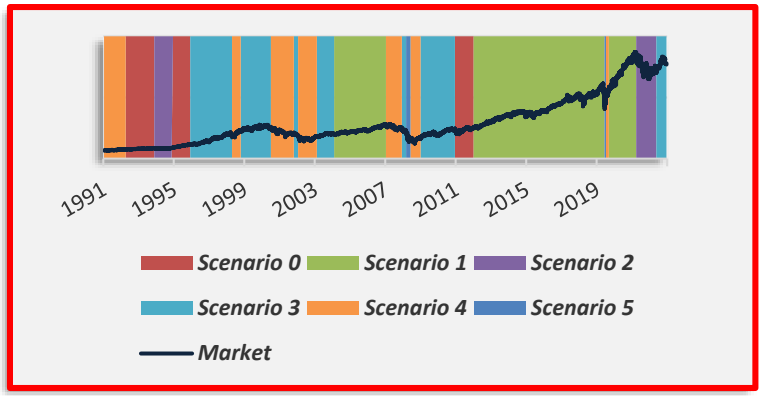
Unique access to market opportunities (e.g., private deals)

Optimized transaction cost

Disciplined risk budgeting & discipline

AI as investment copilot: machine learning meets asset allocation

Purpose
Define an objective approach to increase average return vs. SAA.
Keep portfolio turnover in the 60% range, TEV approx. 1%.



Framework
Combination of two strategies which optimize PTF weights: tracking long term dynamics using historical averages tracking short term strategies using a ML-based strategy identifying economic scenarios.

How do we track short-term dynamics?
Market cycles are persistent (once a cycle is identified, likelihood of persistency is high in the next period of time).
Answer to the question “which scenario are we in right now?” is given by ML algorithm (clustering techniques for time-series).
Once we have an estimation of the current scenario, we assume the short-term future will behave similarly to days in the past labelled with the same scenario.

Output
Underweight/Neutral/Overweight on the portfolio's asset classes with intensity (strong / medium / mild).

IMPORTANT: these are not market views, this approach doesn’t include any specific hypothesis about market developments.

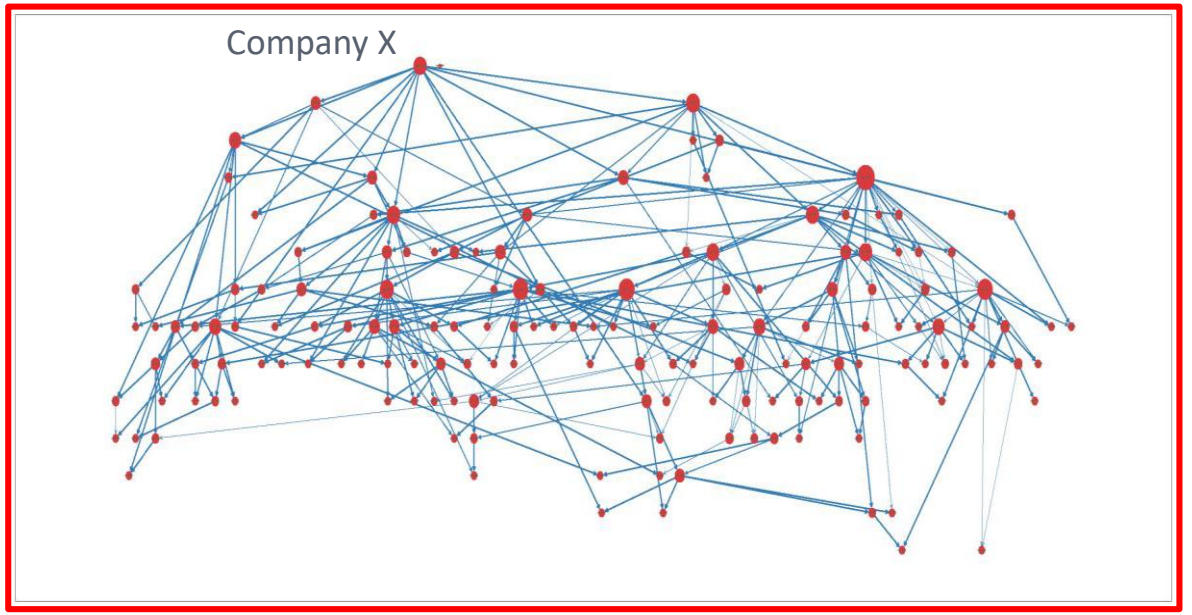
Data science applied to investments: credit risk contagion model

Better computing capabilities and new ML models allow to handle wide set of data .

These set of data can therefore show “hidden” relationship between specific financial instruments . Applying this approach to the corporate bond space, we can develop credit risk models that can measure better the “contagion ” between issuers, highlighting not-so -obvious links between them, discovering discover blind spots, “secret sons & daughters ”.

By analyzing a wide set of data, it is possible to spot in advance the casual relationship between issuers, generating therefore a predictive, forward -looking probabilistic view .

For example, given a possible credit deterioration of the issuer X, we can identify those names whose credit trajectory is going to be affected by that event, well beyond the obvious links .



The new on-chain ecosystem

Blockchain

Blockchain is a shared, immutable digital ledger that records transactions across a decentralized network.

The new on-chain ecosystem

Blockchain

Blockchain is a shared, immutable digital ledger that records transactions across a decentralized network.

Tokenization

Tokenization is the digital representation on a blockchain protocol of an asset, a right or a piece of information.

The new on-chain ecosystem

Blockchain

Blockchain is a shared, immutable digital ledger that records transactions across a decentralized network.

Tokenization

Tokenization is the digital representation on a blockchain protocol of an asset, a right or a piece of information.

Digital assets

Bitcoin and other coins

Stablecoins

RWA - Real World Asset

The rails of the digital ecosystem

Blockchain

Blockchain is a shared, immutable digital ledger that records transactions across a decentralized network.

What can do

- Can allow for real-time transactions (not all products)
- 100% reliable and verifiable
- Open to automation via smart contracts

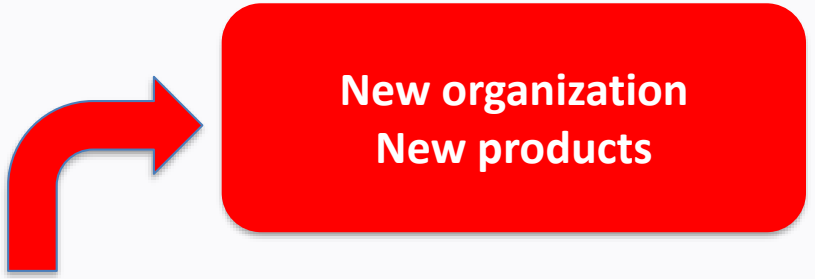
Key features

- Efficient → time, cost, certainty, 24/7/365
- Transparent → Easily verifiable, lower reconciliation costs
- Secure → Cryptographed, distributed ledger

Open points

- Digital infrastructure and regulation
- Scalability → capability to handle massive flows
- Energy consumption
- Interoperability between different protocols
- Quantum computing threat

Why tokenization is important



Tokenization

Tokenization is the digital representation on a blockchain protocol of an asset, a right or a piece of information.

What can be tokenized

- Financial products (shares, funds,…)
- Rights (e.g., access to specific services)
- Tangible assets (buildings, objetcs, commodities, …)
- Basically, almost everything.

Key features

- Potentially a game-changer like ETF in the early 1990s.
- Faster settlement, lower transaction and reconciliation costs
- Lower admin costs (subscriptions, redemptions, reporting, …)
- Allows wider commercial capabilities, lower need for on-the-ground presence.
- Tokenized fractional ownership allows mass access, democratization of investments
- Allows balance sheet monetization via real-time collateralization of assets with smart contracts

Open points

- Guarantees and protection for investors, particularly if compared with traditional investments
- Incentives for first adopters

Digital assets in the asset management

Digital assets

Bitcoin and other coins

Stablecoins

RWA - Real World Asset

Where is their value coming from?

- Underlying collateral (stablecoins, RWA)
- Protocol features (e.g., Bitcoin cap)

Questions

Can digital asset be part of asset allocation?

- Bitcoin?
- Other Coins?
- Stablecoins?
- What about RWA?

Reserve of value vs mean of payment vs speculative asset

Early but measurable

Market capitalization (USD billion)

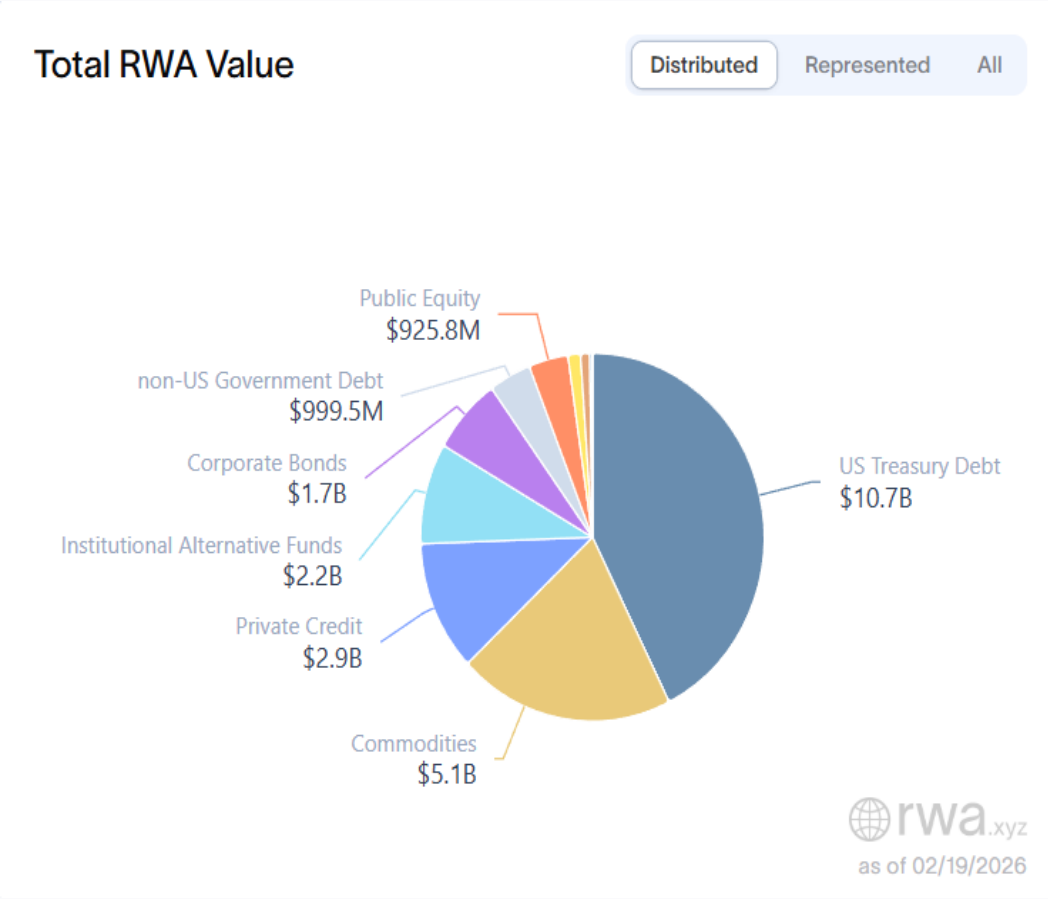
Bitcoin:	1350	S&P 500:	62000
All cryptos:	2270	Eurostoxx 50:	5200
Stablecoins: 296		US govt. debt:	38000
RWA:	25	ITA govt debt:	3100

Some tokenized funds

Blackrock USD Institutional Digital Liquidity Fund (BUIDL), $ 2bn

J.P. Morgan AM tokenized money market fund (Ethereum)

Franklin Templeton OnChain U.S. Government Money Fund (FOBXX),



Summing up, the effects on asset managers

What AI optimizes

Research throughput and coverage

Risk sensing and monitoring

Client communication and personalization

Operational exception handling

What tokenization optimizes

Registry + transfer (clean ownership)

Settlement speed and certainty

Collateral mobility / composability

Programmable compliance in distribution

Four takeaways to remember

AUM is massive and growing, but cost pressure is structural—scale and platform economics matter.

ETFs commoditize beta and anchor fees; active must earn its keep via alpha, access, or outcomes.

AI is an operating-system upgrade: biggest ROI is productivity + control, not guaranteed alpha.

Tokenization is best understood as workflow modernization: settlement, registry, and collateral rails.