



Technological Innovation & The Future of the Asset Management Industry

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Table of contents

1 The transformational power of technology

2 The impact of technology on asset management: how we invest and consume

3 Takeaways: what's next?

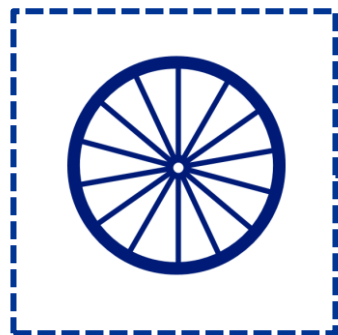
The transformational power of technology

The power of transformational power of technology is not new...

Technology 

tech·nol·o·gy

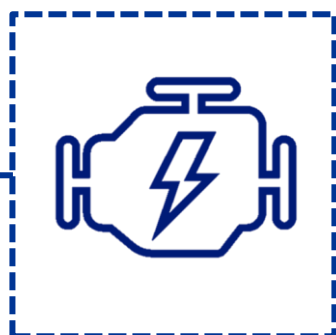
The application of scientific knowledge for practical purposes



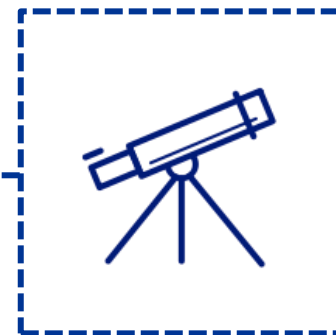
THE WHEEL
3,500 B.C.



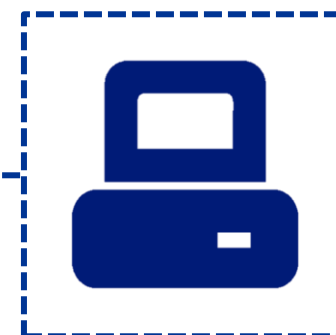
THE LIGHT BULB
1608



**THE STEAM
ENGINE**
1698

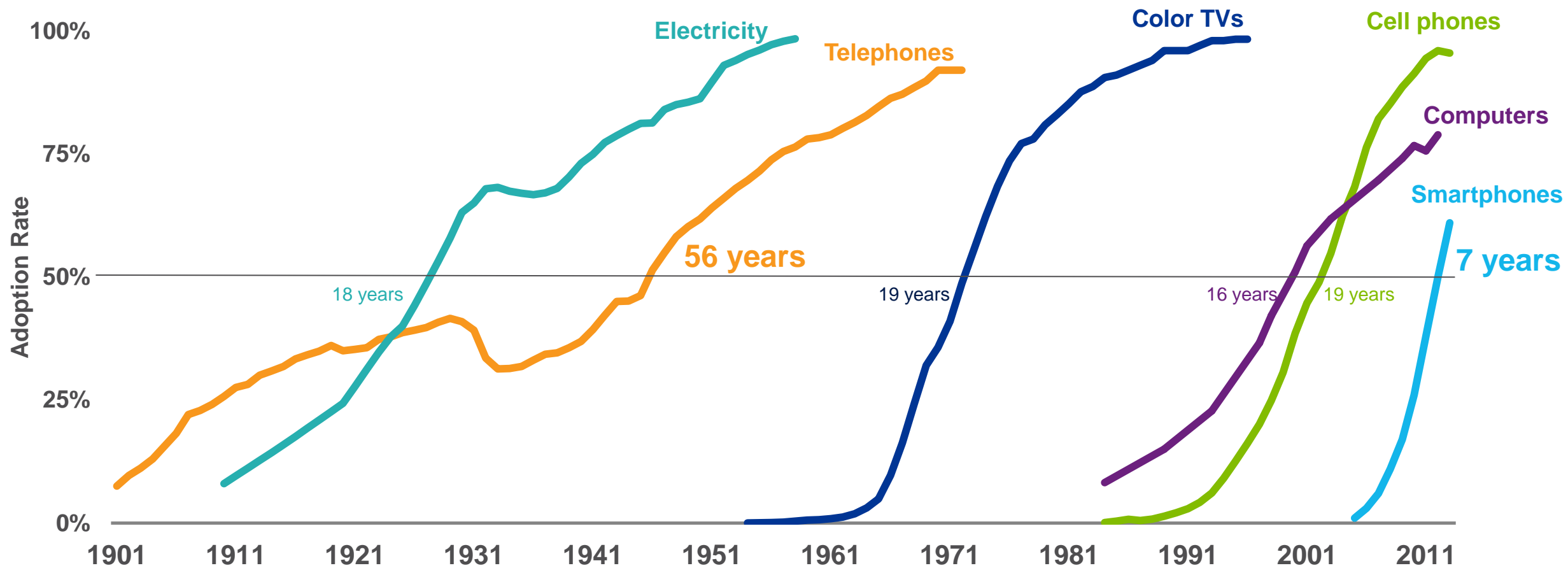


THE TELESCOPE
1879



**THE PERSONAL
COMPUTER**
1975

What feels different is that the pace of technology is accelerating



Source: BlackRock Investment Institute, Federal Communications Commission, U.S. Census Bureau, World Bank and Statista. July 2014.

Three large, disruptive technology trends are reinforcing each other

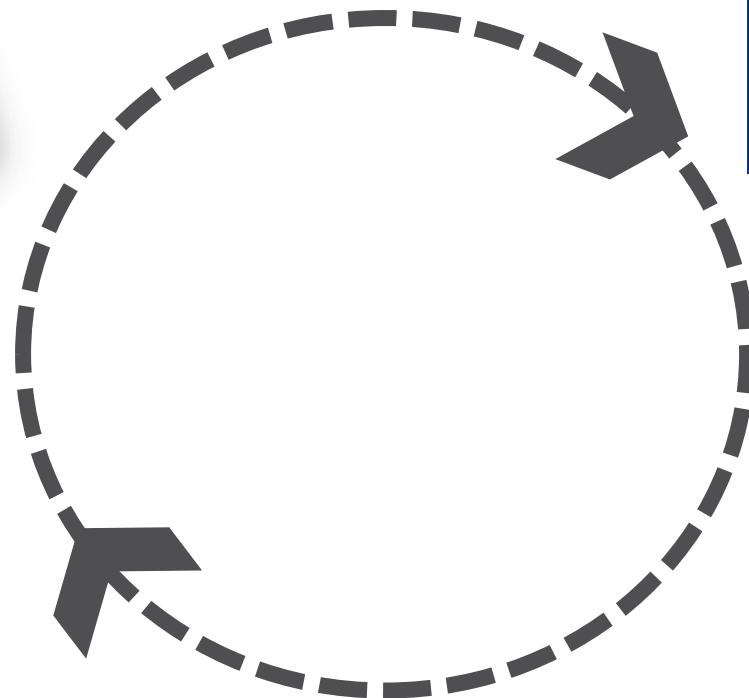
Mobile creating more data



Big Data feeds machine learning / AI



Speed of innovation fuels mobile



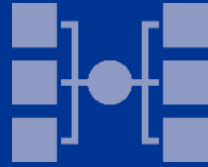
For illustrative purposes only.

Impacts on the asset management landscape

Technology impacts how we invest

Technology impacts how we consume

Technology impacts how we invest



Big data and machine learning do not replace investing; but increasingly, they are necessary for great investing.



These techniques are actively used in our models to **generate alpha.**



Our competitors for technology, and increasingly for human capital, are not financial firms; they are technology firms.

Technology has reshaped and disrupted nearly every industry

Music



 Music

Transportation



UBER

Entertainment



NETFLIX

Retail



amazon

Technology impacts how we consume financial services

ROBO ADVICE



LENDING



MOBILE BANKING



Case study: WeChat



Takeaways

1 The transformational power of technology is changing how we invest and consume financial services

2 The magic happens at the intersection of man and machine

3 Innovate to lead

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