

Active to Passive Shifts: A Cyclical or Secular Change?

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Executive Summary:

This presentation from the annual Competitive Challenges Conference covers the demand for hiring for active management and the approach taken by managers to address the passive threat. Here are the key takeaways:

- Align distribution efforts — Focus sales efforts for active products in areas where demand remains high, such as International Equity, Fixed Income and Alternatives, and selectively look for turnover opportunities in U.S. Equities.
- Focus on alpha — Identify asset classes, geographies and strategies where the firm can leverage its capabilities to deliver attractive outcomes that address investors' specific needs.
- Be honest with clients/consultants — Speak frankly with partners about products with relative underperformance and explain how they will deliver on stated objectives.



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