



Blockchain is driving asset management forward

Report sponsored by Linedata reveals emerging Buy-Side consensus on Distributed Ledger Technology

Paris and London, 6 February 2018 – Linedata (Euronext Paris: LIN), the global solutions and outsourcing services provider to the investment management and credit finance industries, today announced its sponsorship of comprehensive research on the application of Distributed Ledger Technology (DLT) to the Buy-Side.

Distributed Ledger Technology – An Emerging Consensus on the Buy-Side – sets out a clear vision on the application and benefits of DLT to the Buy-Side and what is required from both partners and regulators to facilitate, accelerate and maximise benefits. The consensus is based on interviews with Asset Managers, Vendors, FinTechs, Service Providers and Consultants and is co-authored by well-known industry consultants Dr Ian Hunt and Chris Mills.

The report captures the optimism of DLT and Blockchain, as well as identifying the most effective contribution which could be made to the acceleration of DLT benefits by the service partners of Asset Managers. The result is a consensus on Buy-Side objectives and priorities for DLT, to enable all Buy-Side participants to collaborate more effectively, namely:

- Asset Managers need to educate themselves, and take informed decisions on their approach to the delivery of DLT
- The Buy-Side must engage in a coherent dialogue, making clear to partners in the Regulators, Service Providers, Vendors and Standards Bodies what it needs and expects
- The Buy-Side needs to be clear about its own objectives, and to communicate them effectively
- These DLT initiatives should offer direct benefit to the Asset Management and Asset Owner community, which will often differ from those with attractions to the Sell-Side

The research highlights the risks posed by leaving the technology to the Sell-Side, which has historically taken the lead on innovation and development. If there is no Buy-Side control, then the Sell-Side will dominate the agenda, take ownership of the technology, and ultimately shape it to suit their own divergent interests.

Despite the current picture of adoption being well behind the Sell-Side, the paper reveals that the Buy-Side clearly recognises and values the potential benefits of DLT. As well as facilitating the transformation of Buy-Side architectures, and promoting real dematerialisation, the Buy-Side identifies strong cost savings, material opportunities for revenue enhancement, and meaningful risk reductions.

It is clear from the research that the Buy-Side needs and wants to establish a clear direction and priorities with regulators, partners and counterparties. To do this there is a need for industry collaboration, which can curate the buy-side's interest in DLT with their partners at an industry level.

Report co-authors Dr Ian Hunt, industry consultant and Chris Mills, Managing Partner at Fimatix, said: "The Buy-Side needs to wake up to the potential of Distributed Ledgers and Blockchain, clearly prioritise the most relevant and achievable benefits, and drive the developments that deliver those benefits. This means being very clear with Service Providers, Vendors and Regulators about what we need from them to facilitate and accelerate benefit delivery. "We are very grateful to Linedata, as co-sponsor of the report, for supporting the development of a Buy-Side consensus, and for helping to bring DLT to the fore as a transformational technology for the Buy-Side."

Ed Gouldstone, Head of Product Management for Asset Management & Servicing at Linedata, said: "The combination of strong growth, sharper client expectations and heavy cost pressure provides an enormous



transformational opportunity for DLT. However, unless the pattern of participation switches to the Buy-Side, the threat is clear: the chance will have been lost to shape the technology for the maximum benefit of asset managers and their clients.

The full report can be found [here](#) and a launch event is taking place today at the Headquarters of the Investment Association. For more information about the event, please contact: linedata@FourBroadgate.com.

This report was sponsored by Linedata, M&G Investments and Insight Investment.

ABOUT LINEDATA

With 20 years' experience and 700+ clients in 50 countries, Linedata's 1300 employees in 20 offices provide global humanized technology solutions and services for the asset management and credit industries that help its clients to evolve and to operate at the highest levels.

Headquartered in France, Linedata achieved revenues of EUR 166.8 million in 2016 and is listed on Euronext Paris compartiment B FR0004156297-LIN – Reuters LDSV.PA – Bloomberg LIN:FP.

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