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Linedata's 2023 Global Asset Management Survey Reveals Focus on Operational Efficiency, Digital Transformation, and Client Experience in Race for the Future

Key trends identified from this edition of the Survey

- **Efficiency drives tops the strategic agenda for 57% of asset managers globally**
- **Tech spending priorities point to risk management: compliance, and portfolio and operational risk**
- **ESG data demands expected to intensify**
- **Industry is accelerating path to adopt flexible operating models**

Paris, Boston, New York, London, Hong Kong, June 7, 2023 –Linedata, (Euronext Paris: LIN), a global provider of asset management and credit technology, data, and services, announces today **the results of its 2023 Global Asset Management Survey**. The survey is designed to provide insights into the priorities and challenges asset management firms are facing around the world and includes responses from 265 industry leaders across the Americas, Europe, and Asia-Pacific regions.

Since the last survey was conducted, in 2021, much has changed from a global, regional, and industry perspective. As the world navigates the changing nature of modern day investing and ever-evolving customer needs, there are a few factors that are clearly shaping asset management – continued digital transformation led by automation, data integration pain points exemplified by ESG, outsourcing, AI adoption, and the journey to the cloud.

Commenting on the survey results, **Timothée Raymond, Head of Innovation and Technology at Linedata**, said: "In the midst of today's economic landscape, it comes as no surprise that operational efficiency takes center stage as the top strategic priority for asset managers in 2023. This underscores the urgent need for companies to harness the power of automation and drive digital transformation to optimize processes, boost margins, and stay competitive. Now more than ever, embracing transformation is essential, and the emergence of disruptive technologies such as generative AI presents unique opportunities for accelerated progress."

Key findings from Linedata's 2023 Global Asset Management Survey include:

- **Operational efficiency is the top strategic priority for asset managers in 2023**
 - 57% of respondents state that increasing automation to drive operational efficiency is their top priority for the next 12 months. Firms are focusing on margins amid challenging markets and are seeking ways to optimize their operations and streamline processes to stay ahead.
 - Respondents also highlighted the importance of the client experience (37%) and their ability to customize strategies (29%) as they seek to differentiate themselves in a crowded market.
- **ESG (Environmental, Social, and Governance) integration is only a growth priority in Europe, but data demands are rising everywhere**
 - 63% of European managers say further ESG integration is a high priority, up from 41% in 2021. In North America and APAC, this has fallen to 22% and 32% respectively.
 - However, a significant number of managers in all regions are expecting ESG data management demands to intensify, with Europe (81%), APAC (60%), and North America (46%) all expecting an increase.

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- **More asset managers seek greater flexibility than a single technology platform approach**
 - The percentage of managers opting for a balance between front-to-back platforms and best of breed solutions has more than doubled since 2021 (up to 42% in 2023 versus 23% in 2021)
 - Firms seek pragmatic approach to improve integration and operational efficiency without sacrificing applications that deliver the best functionality.
- **Outsourcing is being used to help firms scale up and access cutting edge tech and expertise, with managers across regions having differing priorities for their outsourcing strategies**
 - APAC managers say scaling-up operations (55%) is a top driver, while North American firms are leveraging outsourcing providers to gain access to the latest technologies (43%) and to specialist expertise (46%).
- **Gap analysis: Scalable data models and automation need urgent attention**
 - Asset managers see the ability to scale data management and improve middle and back-office automation as central to business growth and performance
 - However, our gap analysis shows less than 40% of managers rate their current competence in these areas as strong.
- **Significant opportunity exists for AI adoption to solve post-trade problems; asset managers are leveraging AI tools for the front office.**
 - 32% of managers are using AI for investment research and 30% for portfolio analysis.
 - For middle and back-office functions such as fund accounting and post-trade compliance, however, only 20% of respondents have benefited from predictive analytics, leaving these untapped areas for operational improvement.
- **Cloud adoption has climbed rapidly since 2021**
 - 74% of asset managers are now using the cloud, up from 66% in 2021
 - Hybrid models are dominating, and the next key divide on cloud strategy may become hybrid versus fully public models, with 29% expecting their entire IT stack to be migrated to the public cloud within five years.

For the asset management industry, improving margins and customizing the client experience remains crucial to stay on top in a challenging market. 2023 is the year of innovation, and the entire industry is increasing their automation and digital transformation efforts even amidst an environment of cost pressure. The asset management industry will continue to see a surge in digitally focused investments and budget priorities with an emphasis on outsourcing and AI tools to further enhance efficiency.

ABOUT LINEDATA'S GLOBAL ASSET MANAGEMENT SURVEY

The Survey was deployed digitally during March 2023 by [CoreData Research](#). Respondents are 265 asset managers, hedge funds, wealth managers, pension funds, private equity, sovereign wealth and private credit managers, and multi-family offices across Europe, North America and APAC. The purpose of the Survey is to illustrate the views from senior decision makers across the front, middle and back office. The Key Findings Report is available [here](#).

ABOUT LINEDATA

With 25 years' experience and 700 clients in 50 countries, Linedata's 1100 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 172.7 million in 2022 and is listed on Euronext Paris compartment B FR0004156297-LIN – Reuters LDSV.PA – Bloomberg LIN:FP. linedata.com

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Press inquiries

Linedata

Aurélia Szymanski

+33 6 63 72 94 14

Aurelia.Szymanski@se.linedata.com

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