

Leading fund managers reveal top priorities for year ahead

- OTC derivatives tops the list -

London, 02 August 2006 – Investit Intelligence, the research forum dedicated to the operational issues of the fund management industry, has revealed the UK's largest investment management companies' top priorities for spend and focus in the coming year.

The 32 investment management companies and third party administrators who attended Investit Intelligence's Summer Conference in July, highlighted the following as either being a big area of spend or an area they will be watching with interest over 2006/7:

- OTC derivatives (89%)
- Client service including reporting (86%)
- MiFID (83%)

The operational and technology challenges associated with OTC derivatives ensures they are top of most COO's agendas. Investit Intelligence has completed substantial research into this area to help its members share best practice experience and in June 2006 a new practice, Investit Technology, was launched to provide enhanced systems consulting and strategy, including systems selection, implementation and integration for buy-side firms. The need to adapt systems or implement new technology to keep up with the speed of developments in the OTC derivatives markets has been one of the key drivers of demand for this new practice.

MiFID continues to be a key area of concern for fund managers, as the date for compliance draws closer. None of the investment management companies attending the Investit Intelligence conference said that they had got this sorted. To help investment management companies understand the implications of MiFID and plan their budgets and projects, Investit has developed a MiFID Toolkit which provides a streamlined, fast gap analysis with a practical list of projects for the IT and operations areas.

The Summer Conference also revealed lesser concerns for managers. Only 25% of managers are prioritising merger and acquisitions and only 51% of managers are considering increasing headcount. Outsourcing has also fallen back as a priority, from a similar survey conducted at the January Intelligence Conference – only 55% considered outsourcing as a priority, compared with 76% just six months ago.

Catherine Doherty, Principal at Investit comments, "The survey of leading fund managers attending the Investit Intelligence Summer Conference has enabled us to predict key areas of interest and focus for spend in the year ahead. The use of derivatives, MiFID and client service improvements have all been areas Investit Intelligence has concentrated on recently and will remain a top priority as we continue to assist our members in staying ahead of the game."

Investit Intelligence plans to conduct comprehensive studies into three nominated areas on behalf of the investment management companies who are members of the Investit Intelligence service. The areas chosen for detailed research will be announced next month.

- Ends -

About Investit

Investit is the leading fund management consultancy providing integrated investment and operational advice and research. Investit was founded in 1998 and includes five core expertise areas: investments, client management, performance and risk, operations and systems. In 2001, Investit People was added to provide specialist recruitment services to our clients. In 2004, Investit Projects started work, providing a unique outsourcing service for business projects. Investit Intelligence completes the offering with a range of specialist surveys and detailed research papers. For further information go to www.investit.com

About Investit Intelligence

Investit Intelligence is the research service available designed to support the COO's requirements in investment management companies. Investit Intelligence looks at a range of issues from an intensely practical point of view, providing workable solutions to business issues

Investit Intelligence consists of a number of research and survey services.

- **Investit Intelligence Member Service**

The member service is an interactive service where members take an active role in selecting, shaping and researching topics by voting on new discussion and research ideas.

- **Investit Intelligence Business Process Assessment – defining best value**

BPA is a service where Investit works closely with COOs of investment management companies to identify the value output of all business processes and how that compares with peers – it's an essential decision-making tool.

- **Investit Intelligence IT Value Survey**

The IT Value Survey looks in detail at the spend, effectiveness and plans of companies IT departments. It is an annual survey particularly designed for COOs and Heads of IT.

- **Investit Intelligence Performance & Risk Survey**

The Performance & Risk Survey is the only tool specifically designed for, and by, Performance heads in Investment Management companies. It looks at performance and risk systems, performance roles and remuneration, future trends and benchmarks against peers.

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