

Investment Managers Reveal Top Priorities for Year Ahead

- Data management remains a key concern -

Tuesday 14 July, London. At a recent industry conference hosted by Investit, a leading investment management consultancy, senior investment management executives and third party administrators placed data management, market and counterparty risk, client reporting and regulatory issues at the top of their agenda. Cost cutting also remained a main concern but the overall mood was one of optimism compared to six months ago.

Peter Ellis, Managing Director at Investit, said, "There was definitely a more positive message at our conference this July in terms of confidence about the future. About 41% of the participants expected things to improve within the next 12 months compared to about 27% at our conference in January."

"I think this is because six months ago the industry was still in shock over what happened in the fourth quarter of 2008 with the collapse of Lehman" continued Ellis. "Now that the crisis is being dealt with and executives have had time to digest what has happened, they are adopting a more strategic view. They are no longer thinking about how did we get into this situation, but how can we improve our businesses. This is why data management, client reporting, risk management and regulation are top priorities. They not only want to ensure that they have a better handle on the data they use and better control over how they use it, but also that it is more transparent to clients. In addition, they are looking to have a better understanding of risk as well as how they can effectively align themselves with impending legislative changes."

The Investit Intelligence Conference hosted in London every six months, takes the industry's pulse, highlighting the focal points for the year. The conference was attended by 76 delegates from 37 major investment management and third party administrator firms, who took part in a poll to name their key industry issues. Breaking down the numbers, the findings showed that 82% of respondents named data management projects a key priority, followed by market and counterparty risk at 77%, client reporting, 75% and regulatory change, 73%.

This is in sharp contrast to July 2007, where supporting commodities, new offshore centres, supporting private equity and mergers and acquisitions were uppermost in the industry's collective mindset. Last year, in the wake of the subprime crisis, data management (74%) as well as risk management and client reporting (each at 72%) started their ascent in the chart, although OTC derivatives performance attribution captured the most attention, with 86% of the vote.

Although the order of priorities may have changed over the past two years, developing a plan of action to tackle these problems is likely to take time. **John Robertshaw, Principal within Investit's Operations Practice**, pointed out, "The concern about data management has been a perennial issue and one expressed by all stakeholders in the investment management value chain. However, we have not yet seen any material improvement and I will hold my judgement to see if we will be saying the same things about data management in 12 months time."

Clare Vincent-Silk, Principal, Operations at Investit, also believes that fund managers will wait to see how the regulatory landscape pans out before implementing any concrete plans. "We found that although regulatory issues are high on the list for a number of chief executives, the environment is currently too fluid. However, I expect that by next spring, there will be more clarity and investment managers will have a better idea of the impact of the new rules and how to respond."

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About Investit:

Investit was founded in 1998 to provide advice and research services to the investment management industry. We offer a unique range of services, from front to back office, and draw from five specialist consultancy practices: Investment, Client, Performance, Operations and Systems. Investit People supports our consultancy with specialist recruitment services. Investit Intelligence provides detailed research services, allowing investment managers to improve their knowledge of the market and respond positively and profitably to change. Investit Benchmark completes the offering with a range of market-leading benchmarking services. For more information, go to www.investit.com.

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