

Leading investment managers reveal top priorities for year ahead

- “Full steam ahead” say investment management firms -

London, 30 July 2007 – Investit Intelligence, the research forum dedicated to the investment management industry, has revealed the UK’s largest investment management firms’ and third party administrators’ top priorities for spend and focus in the coming year.

Senior executives from 28 investment management companies and third party administrators attended Investit Intelligence’s Summer Conference on 19 July. In a survey, they highlighted the following as key areas of spend or focus for the year ahead:

- OTC derivatives (89%).
- Performance analysis (89%).
- Risk systems (89%).
- Launching and supporting new products (86%).

Conference attendees also completed a business optimism indicator. 52% responded *‘full steam ahead’*, 42% said *‘steady as she goes’* and only 6% responded *‘batten down the hatches’* (ie preparing for stormy weather). No respondents suggested growth was out of control. The key areas of spend and focus support this business optimism, and indicate that investment managers are focusing on business development projects.

The operational and technology challenges associated with OTCs, continue to feature in investment management firms’ top concerns. Over the past two years, Investit Intelligence has written research papers on OTCs covering governance, pricing and valuation, system infrastructures and collateral management.

Investment managers are launching new products and investment strategies (such as LDI and 130:30 funds) and increasing their use of more complex instruments, including OTCs. This is introducing new challenges for performance teams in the delivery of accurate and complete explanations of portfolio performance.

New products and increased regulation, such as MiFID, TCF, CRD, UCITS III, mean compliance and operational risk teams have a greater scope and have grown in response. Many investment managers are investigating how systems can be used to improve their effectiveness.

The Summer Conference also revealed some lesser concerns for managers. Only 39% of investment managers are prioritising merger and acquisitions. Only 36% are prioritising supporting alternative assets such as private equity - 24% are prioritising supporting commodities.

Catherine Doherty, Principal at Investit comments, “This survey of leading fund managers attending the Investit Intelligence Summer Conference has enabled us to identify key areas of interest and focus for spend in the year ahead. It’s full steam ahead for investment managers, with all priorities indicating investment in supporting and reporting on new products and instruments. We will look forward to exploring these topics as we continue to help Investit Intelligence members stay ahead of the game.”

Investit Intelligence will conduct comprehensive studies into three nominated areas on behalf of the member companies of the Investit Intelligence service. The areas chosen for detailed research will be announced next month.

- Ends -

About Investit

Investit is the leading investment management consultancy. It has a unique range of services, providing expert advice across all areas of investment management companies, from front to back office. Investit also offers detailed research and benchmarking services. Investit was founded in 1998 and includes five core expertise areas: investments, client management, performance and risk, operations and technology. In 2002, Investit People was added to provide specialist recruitment services to support project work. In 2006, Investit Technology was created from an alliance with US investment management systems consultancy, InvestTech Systems. Investit Intelligence completes the offering with a range of specialist surveys and detailed research papers. For more 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.

For further information

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