

Hays Investment Management Operational Round Tables, February/March 2021

Over a series of six round tables, thirty-one Chief Operating Officers and Heads of Operations came together to network and discuss the major challenges currently affecting our industry.

The sessions were hosted by *Nick Finlay*, Director of Investment Management at Hays and *Tom Hawkins*, Director of Financial Markets at Hays, with guest speaker *Markus Ruetimann* of Hardy London, who presented his views on Operational Leaders challenges and likely priorities in 2021.

Below are the key themes discussed and a summary of the notable opinions from participants:

ESG

- The pandemic has increased attention to ESG investing
- The data used to measure compliance with ESG guidelines is inconsistent, which can lead to misleading results
- ESG data providers, ranking companies along sustainable qualities, apply different metrics to measure those qualities
- Reporting social and ecological aspects of a company's business aspects is complex (complexity differs dependent on asset class e.g. equities vs. real estate)
- Sustainable investing accreditation (screened, integrated, sustainable & impact categories) evolving (e.g. The Principles of Responsible Investment - PRI - by the UN)
- Independent studies provide different evidence as to whether sustainable investing adds or subtracts value
- Operationally, importing ESG data and providing internal fund managers self-servicing tools is additional challenge in an already complex data management world

Data Management

- Surfacing data from disparate sources remains a big challenge
- Only very few of the non-proprietary core systems used by asset managers provide full data lineage, provenance and traceability
- They also lack bitemporality (a record of the data as it is and as it was) as well as immutability
- Legacy systems and manual processes accentuate the issues (costs, risks)
- Optimisation of data sourced from external providers such as investment research, stock market indices and asset prices, a critical priority in order to curtail cost increases
- Cognitive technology solutions (AI, NLP, ML) are emerging, providing depth and breadth across big data

Cloud Computing

- The pandemic has lowered the resistance to embracing cloud computing
- Asset managers are moving to system solutions that are cloud-born and SaaS delivered

- Using the cloud provides cost savings (no server investments/upgrades, people training, BCP) and increases information (cyber) security
- Reliability and unlimited storage capacity at competitive prices support the cloud computing trend

Outsourcing

- The outsourcing of a problem is inadvisable
- One is well advised to agree the target operating model before outsourcing any functions
- Key considerations include whether to use an end-to-end / front-to-back tech platform or to apply a modular approach (best of breed solutions)
- Many global custodians are enhancing their Data-as-a-Service (SaaS) offering in anticipation of the next wave of outsourcing by T2 and T3 asset managers

Working Practices

- Over 50% (of 41 senior contributors to an investment management flash remote working poll, plus our round table attendees) are implementing a 2-3 office days/week policy. 20% are undecided
- Qualitative feedback showed that firms are formulating a general policy, whilst considering needs by function to be in the office (e.g. reception, facilities management, some of front office) and also particular personal circumstances (e.g. sanctuary or disability)
- Office leases have an impact on remote policy, firms need to see the ROI of any recent agreements
- Encouraging employees to be office based on Mondays & Fridays will be a challenge
- Age is a major determining factor in desire to return to office, with those under 30 being the most enthusiastic about returning to the office
- There has been a huge increase in collaboration technology such as Salesforce Chatter, Slack, Jabber & Yammer. However, most agree that firms are at the beginning of this seismic change in how we work, the most exciting innovation may be yet to come
- Some are planning for another winter lockdown in late 2021!

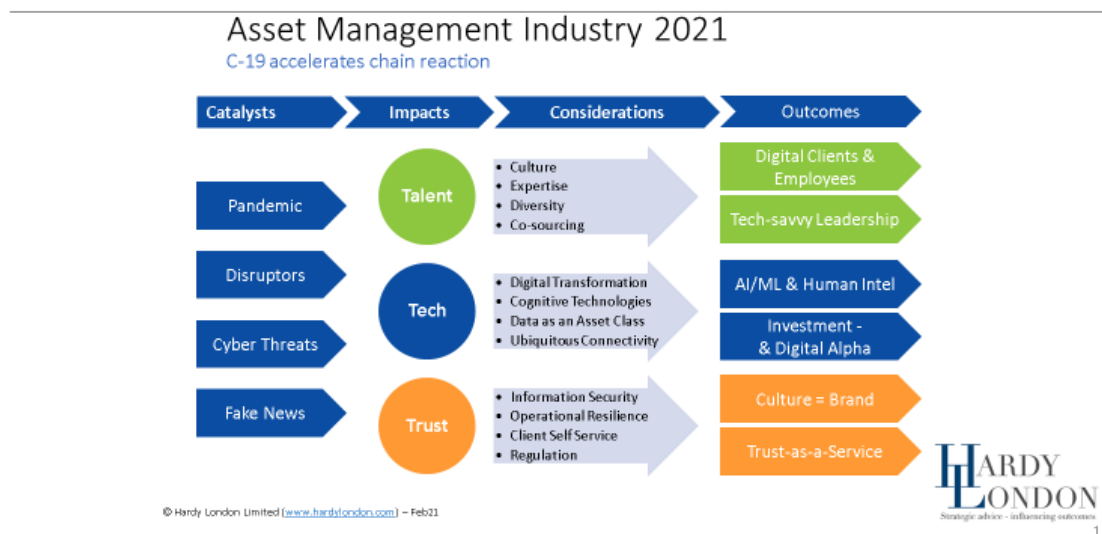
Guest Speaker

Markus Ruetimann, former Group COO of Schroders plc and founder of advisory practice Hardy London and FinTech Aprexo, shared his views on how the pandemic had increased the need to execute on a number of critical endeavours:

- improving the digital client experience and self-service tools
- accelerating the surfacing, analysis and visualisation of business/client/investment data
- assessing the operational and financial changes required to deliver digital alpha (investment alpha primarily created by technology)
- embracing cognitive technologies to improve decision making and operational efficiencies
- expanding the digital distribution channels to compete in the digital economy
- enhancing an organisation's operational resilience and information security tools as part of trust-as-a-service
- embracing the hybrid working practices to set new leadership norms that create cohesion, collaboration and trust among the workforce

Mr Ruetimann also strongly argued that a diversity policy should include a strategy for the acquisition of talent from non-financial services industries, particularly from sectors like engineering, high performance sports and various social sciences. He commented that future CEO's of asset management firms may well have had experience in running businesses in technology, e-commerce or engineering sectors.

He observed that despite regulation, the barriers to entry into retail and asset management have never been lower with global technology and e-commerce companies slowly challenging traditional operating models. "They have the data, they have the money - all they need to acquire is the talent", he concluded.

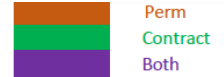


Hardy London (www.hardylondon.com) - Founded in 2016, Hardy London connects former C-Suite executives with asset- & wealth managers, family offices and start-ups, providing practical advice, unbiased challenge, informed views and new perspectives to support clients to navigate through difficult change or complex environments. Recent mandates include target operating models as well as future data management and IT architecture strategies.

Aprexo (www.aprexo.com) - Founded in 2017 by former fund managers and COOs, Aprexo has developed a data mastering solution for asset managers and asset owners that aggregates investment and business data from multiple source systems into an authoritative source for users in ways not possible before. The solution is cloud-born and SaaS delivered.

Hays Investment Management - a boutique business (part of Hays PLC) with 37 consultants recruiting experts into Consultancies, Custodians, Fund Administrators, Hedge Funds, Institutional Fund Managers, Retail Fund Managers, Platforms, Private Banks, Private Equity & Wealth Management. Hays Investment Management is organised into 24 functions across Application Support, Audit, Company Secretarial, Compliance, Cyber Security, Data & Business Intelligence, Digital Marketing, Executive Support, Facilities Management, Finance, Front Office, Human Resources, Investment Operations, IT Infrastructure, Legal, Marketing & Communications, Payroll, Procurement, Product Management & Strategy, Projects & Change, Risk, Software Development, Talent Acquisition, Tax, Testing and Treasury

Hays Investment Management Organisation Chart



Nick Finlay- 07775 892216
Head of Investment Management Client Engagement

<p>App Support & IT Infrastructure</p> <p>Mark Donnelly Sam Shepherd mark.donnelly@hays.com sam.shepherd@hays.com SS 07817 249571</p> <p>Application Desktop Cloud Automation DevOps Helpdesk, Leadership Infrastructure Networks OMS Security Storage Technical Service desk Unified Communications</p>	<p>Audit</p> <p>Claire Tillotson claire.tillotson@hays.com CT07527153018</p> <p>Auditor Audit Manager AVP roles i.e. Wealth, Risk, Investor Head of Audit</p>	<p>Compliance</p> <p>Simeon Hall Cormac Lyons simeon.hall@hays.com cormac.lyons@hays.com</p> <p>SH 07718 120422 CL 07845 506316</p> <p>Advisory Compliance Financial Distribution Guideline/Mandate Promotions/ Investment Monitoring Monitoring</p>	<p>Cyber Security</p> <p>Rafe Cooke rafe.cooke@hays.com 07538 793148</p> <p>Business Information Security Officer Chief Information Security Officer Chief Security Officer GRC Specialist Head of Information Security IAM Engineer/ Architect Penetration Testers Security Architect/ Engineer SOC Analyst</p>	<p>Data & Business Intelligence</p> <p>Dominic Shipp dominic.shipp@hays.com DS 07702760821</p> <p>Data Analysis Data Architecture Data Mgmt Data Science BI Analysis Market Data Analysis</p>	<p>Digital Marketing</p> <p>Tom Frankham Kayelle Danlyuk tom.frankham@hays.com kayelle.danlyuk@hays.com TF 07875 486 644 KD 07449982 945</p> <p>Content Management & SEO CRM & Email Digital Marketing Performance Marketing Social Media Web Optimisation</p>	<p>Executive Support</p> <p>Lauren Anderton lauren.anderton@hays.com 07879336714</p> <p>Administrator Exec Assistant Office Manager Personal Assistant Reception Team Assistant</p>	<p>Facilities Management</p> <p>Adam LaFaci adam.lafaci@hays.com 07920 554421</p> <p>Corporate Services Engineering Director Engineering Manager Facilities/Property Manager Front of House Head of Facilities Technical Services Manager</p>	<p>Finance</p> <p>Claudia Bisutti James Coggins Gary Moran claudia.bisutti@hays.com james.coggins@hays.com gary.moran@hays.com CB 07806877731 JC 07805853038 GM 07766 132300</p> <p>CFO/FD Financial Controller Finance Business Partner Financial/ Management Accounting FP&A Manager Fund Accounting Part Qualified Regulatory Reporting</p>	<p>Front Office</p> <p>Jake King Phil Charsley jake.king@hays.com phil.charsley@hays.com JK 07507780151 PC 07906 720145</p> <p>Analyst Fund manager Investment Manager Portfolio Manager Quants Research</p>	<p>HR</p> <p>David Wilkie Hannah Kerridge david.wilkie@hays.com hannah.kerridge@hays.com HK 07962 989 906</p> <p>Director /Head of HR Employee Relations HR Analytics/ MI HR Generalist/ Adviser HR Mgr/Business Partner HR Systems (HRIS) LND Training / LMS Reward, Comp & Bens</p>
<p>Investment Operations</p> <p>Bernie Quail Craig Murray bernie.quail@hays.com craig.murray@hays.com BQ 07713 997 136 CM 07746 548538</p> <p>Client On boarding/ Transitions Client Services & Client Reporting Fund Administration Middle Office & Fund Oversight and Vendor Management Middle Office Ops Operations Analyst Performance & Attribution</p>	<p>Legal & Company Secretarial</p> <p>Samantha Harris Durshan Mistry Tas Koulias samantha.harris@hays.com durshan.mistry@hays.com tas.koulias@hays.com SH 07729934842 DM 07507 598893 TK 07715 805275</p> <p>Assistant Co-Sec Co Sec Assistant Commercial Lawyer Company Secretary Derivatives Lawyer Employment Lawyer Funds Lawyer Funds Paralegal General Counsel Investment Counsel ISDA Lawyer/ ISDA Negotiator</p>	<p>Marketing & Communications</p> <p>Amy Durband Shaun McEvoy amy.durband@hays.com shaun.mcevoy@hays.com AD 07801 517661 SM 07930847572</p> <p>Communications Digital Marketing Events Insight Investor Relations Marketing</p>	<p>Payroll</p> <p>Joseph Matta Nick Arnold joseph.matta@hays.com nick.arnold@hays.com JM 07703 559232 NA 07516 353030</p> <p>Group Payroll Manager Head of Payroll International Payroll Analyst International Payroll Specialist Payroll Administrator PayrollAssistant Payroll Implementation Consultant UK Payroll Specialist</p>	<p>Procurement</p> <p>Rishi Sodha Kate Langham rishi.sodha@hays.com kate.langham@hays.com RS 07703440495 KL 0203 465 0015</p> <p>Category Manager Head Indirect Buyer Analyst Director Manager Sourcing Specialist Vendor Manager</p>	<p>Projects & Change</p> <p>Sarah Reising Milke Wilson sarah.reising@hays.com milke.wilson@hays.com MW 07736 791139 SR 07749 388662</p> <p>Business Analysis Change Mgmt Change Analyst Project Analyst Project Manager PMO Programme Mgr Product Analysis & Credit Risk Product Delivery Development Distribution Management Product Marketing Product Strategist</p>	<p>Risk</p> <p>Luke Nelson Craig Murray luke.nelson@hays.com craig.murray@hays.com LN 07701 024162 CM 07746 548538</p> <p>Business Continuity Credit Risk Liquidity Risk Market Risk Model Validation Operational Risk Quantitative Risk Technology risk</p>	<p>Software Development</p> <p>Dominic Shipp dominic.shipp@hays.com DS 07702760821</p> <p>Big Data Business Intelligence Crypto Currency Digital (UI, UX) Functional Programming Graduate – Head of Development Languages covered: C#, Java C++, Machine Learning, Python</p>	<p>Talent Acquisition</p> <p>David Wilkie david.wilkie@hays.com</p> <p>Graduate Rec Talent Head Head of Rec Internal Recruiter Rec Bus Partner TA Manager</p>	<p>Testing</p> <p>Harriet Copping harriet.copping@hays.com 07581 467210</p> <p>Automation Engineer Head of Test QA Manager/Engineer SDET/Software Developer in Test Senior Test Engineer Test Analyst Test Engineer Test Manager UAT Analyst</p>	<p>Tax & Treasury</p> <p>Alex Stirling alex.stirling@hays.com 07554 425598</p> <p>Assistant Treasurer Corporate Tax Mgr Director of International Tax Group Tax Manager Head of Tax Head of Treasury Tax Accountant Treasury Accountant Treasury Analyst Treasury Dealer Treasury Manager VAT Manager</p>