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Service Provider Insights 2021

FEATURING AWARD WINNERS

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AWARDS 2021

Reinventing asset management

By Madeleine Taylor

2021 has already been a remarkable year of reinvention in the asset management industry, after the disruptions and unpredictability of the last year.

On the whole, asset managers have proved their resilience in the face of volatile markets, bouncing back with a strong performance in the last quarter of 2020 and the first half of 2021. By the end of 2020, PwC found that global assets under management had grown to USD110 trillion and counting.

But most of all, the pandemic caused a major acceleration in changes that were already taking place in the world of asset management, a sentiment that has been echoed by many of the award-winning firms.

The winners of Institutional Asset Manager Awards 2021 have each spearheaded the industry's efforts to reinvent itself, and proved their own ability to shine during one of the most turbulent episodes in recent history.

Albourne, the winner of Best Investment Consultant, found itself well-positioned to capitalise on these changes. The firm specialises in alternative assets, which won big last year as institutional interest in hedge funds and private markets grew.

"The starting point is the general concern around the expected returns of 'traditional' assets, equities and fixed income, which leads to a consensus desire to increase allocations to alternatives," said Albourne's CEO John Claisse, speaking about his recent discussions with CIOs of client firms.

"The most common asset allocation challenge or concern right now is inflation, leading to an increased focus on infrastructure, reflections on the expectations for large technology allocations, energy and commodity strategies, as well as the pros and cons of holding TIPS, gold and cryptocurrencies," said Claisse.

From the perspective of inflation-hedging, institutional investment into cryptocurrencies such as Bitcoin took off over the past year, with major asset managers including BlackRock, Ruffer, and One River entering the market.

"The crypto market is still in the first inning of institutional adoption," said Asen Kostadinov, head of strategy

> *The most common asset allocation challenge or concern right now is inflation, leading to an increased focus on infrastructure, reflections on the expectations for large technology allocations, energy and commodity strategies, as well as the pros and cons of holding TIPS, gold and cryptocurrencies.*
>
> John Claisse, Albourne

at Copper.co. The firm won Best Digital Assets Service Provider. "It is going to take time for crypto to truly solidify its status as an alternative asset class given the prevalence of complexities and risks beyond 'volatile prices'."

Market volatility increased the demand for data and analytics across all asset classes and strategies last year.

"Rapidly moving markets, continued fee pressure, and changing client demands has resulted in asset managers looking to new sources of data and solutions in an effort to differentiate their investment strategies and uncover alpha," said Teddy Kahn, Global Head of Investment Management at S&P Global Market Intelligence, winner of Best Data & Analytics Provider.

Digital continues to reign supreme after asset managers switched to remote working last year, and this has become an important source of competitive advantage.

Andrew Morgan, chief revenue officer at TS Imagine, said: "[Asset managers] have to think about the best ways to future-proof their business, and clearly a digital strategy has to be front-and-centre, right up there with their alpha generation capability."

TS Imagine won Best Risk Management Software Provider. The firm is currently processing a merger between TradingScreen and Imagine Software, through which it intends to create a SaaS-native "digital stack in a box" for clients.

The need for data is nowhere more apparent than in the realm of ESG and responsible investing, a topic that has grown enormously in the minds of investors over the past year.

Award winner Albourne conducted a survey last year that showed that 51 per cent of respondents already take ESG into account when investing and a further 19 per cent intend to. This is up from 36 per cent and 14 per cent respectively in 2018.

"ESG is no longer a nice-to-have, but a must-have," said Alexandra Mihailescu Cichon, Executive Vice President of Sales and Marketing at RepRisk. The firm won Best ESG Data Provider. "Now more than ever, it has become clear that ESG risks can translate into bottom line compliance, financial, and reputational impacts for companies – and how crucial it is that the datasets used for decision-making are reliable, timely, and of high quality."

"Whereas many firms have long been talking about responsible investment, it's no longer enough to say you are doing it. Institutional allocators now want to see the actions that investment firms are taking to make a difference, and they want to better understand the ways in which firms are taking differentiated approaches to making smart portfolio decisions and steering their businesses through considerable change," said Mike Geller, partner at Prosek Partners, winner of Best PR & Communications Firm.

Sasha Jensen, founder and CEO of Jensen Partners, outlined how the increased focus on ESG issues such as diversity and inclusion is changing asset managers' recruitment priorities. Jensen Partners won Best Recruitment Consultant.

"We've seen demand for diverse candidates grow across alternative assets to the point where many firms are creating diverse candidate pipelines and dedicating significant HR resources to finding talent that better represents the communities and clients they serve," said Jensen. ■

Examining ESG risks from "outside-in"

RepRisk: Best ESG Data Provider

Can you outline the asset management industry trends that have been driving growth and development within your firm over the past year?

When Covid-19 emerged in early 2020, many thought it would slow down the focus of ESG, but it had the opposite effect. Covid-19 showed people, in a tangible way, just how interconnected our environment, our society, and the economy are. The past year put into sharp focus just how much unprecedented and unpredictable events like Covid-19 not only lead to new ESG risks – but also reveal existing risks that might not have come to light otherwise, such as what we saw with Boohoo's case.

The pandemic also helped elevate the "S" in ESG. We polled our clients on found that 50 per cent said that Covid-19 helped strengthen ESG views within their organisation, and 80 per cent saw Covid-19 as a potential risk factor.

Like Covid-19, the protests about social and racial injustice also helped to highlight the "S" in ESG. It brought to the fore the topic of discrimination generally, and of racism and racial inequality specifically.

It's a very exciting time to be in the field, especially with the recent shift – meaning it is now accepted and understood that having a risk-focused approach is a key part of ESG. And that looking beyond company disclosures is key. This has been our approach since the beginning – we believe it's the best way to generate meaningful, actionable ESG signals.

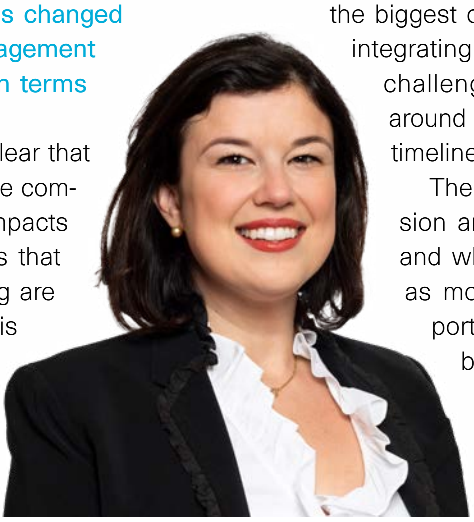
How have client needs and demands changed specifically in relation to asset management and what has your response been in terms of your offering?

Now more than ever, it has become clear that ESG risks can translate into bottom line compliance, financial, and reputational impacts for companies – and how crucial it is that the datasets used for decision-making are reliable, timely, and of high quality. This is where RepRisk comes in. Risk management is in our DNA – and risk management is also essential when looking at ESG.

RepRisk looks at ESG risks through a unique 'outside-in' approach, which means that we intentionally exclude company disclosures and reporting from our research – and instead look at external sources and stakeholders such as news websites, NGOs, regulators, and think tanks – essentially providing clients with a 'reality-check' on how companies are managing ESG issues and conducting their business on the ground.

This approach is powered by a unique combination of AI and machine learning, together with human intelligence. Technology is key in helping us deliver speed – and the size and scale of our dataset – while our analysts help us curate and analyse the data captured by our AI. This combination means we can deliver actionable data to our clients that cuts through all the noise – and with the timeliness and coverage that they need. This leads to a dataset that is unique in the industry: the world's largest, daily-updated dataset with more than 170,000 public and private companies worldwide, across every sector and market, including emerging and frontier markets.

As a result, our clients can leverage actionable, decision-relevant data that supports ESG integration across asset classes – not only for equities, but also for fixed income, private equity and debt, infrastructure investors, hedge funds, and more.



What are the primary challenges asset managers are facing and what is critical to these being overcome?

Numerous studies and surveys have shown that data is the biggest challenge for investors when it comes to integrating ESG. With some of the most frequent challenges from asset managers revolving around the reliability, transparency, coverage, and timeliness of ESG data.

There is a lack of standardisation and confusion around what ESG data and ratings mean and what they are supposed to measure. And as most data is based on companies self-reported data – this can lead to unreliable and biased datasets that masks risks. Many ESG data providers also have 'black-box' methodologies that aren't transparent and lack the coverage investors need – in particular for small caps, and in emerging and frontier markets. Lastly, there is also the issue of timeliness – most ESG data is updated on an annual or quarterly basis which does not allow for actionable insights.

In response to these challenges, RepRisk deploys a clear and simple use case: to identify and assess material ESG risk that have financial, compliance, and reputational implications so that financial institutions have the actionable intelligence to make the best financing, investment, and overall business decisions.

As mentioned, we exclude company disclosures and only look at media and stakeholder sources – screening 100k+ sources in 23 languages to capture risks early, at the local level. By starting with the ESG risk first and not a limited set of companies, we cover any company or infrastructure project – across all sizes, markets, and sectors. Our data is based on a transparent, rules-based methodology, generating consistent data that goes back approximately 15 years. Importantly, the data is not back-engineered but generated point-in-time and hence, our daily time series across 170,000+ companies are ideal for back-testing – and can also be used to generate alpha. For example, a 2020 research report from Bank of America Securities confirmed that RepRisk data is an effective alpha signal that can deliver investment outperformance and reduced volatility across all geographies, sectors, company sizes, and investment styles.

What are your business objectives for the year ahead and how do they align with the needs of your clients?

Innovation is also top of mind for us. With technological advances there are a variety of new datasets available that can be used for ESG risk management. RepRisk has focused on geospatial ESG risk data; in 2019 we started by mapping the coordinates of mining and oil and gas infrastructure projects in our database to their respective GPS locations. We can then overlay geospatial data on environmentally sensitive areas – and for example, see if a mine is located on or near a designed protected area or a UNESCO World Heritage Site. Because RepRisk has data on both projects and companies, we can link back that mine to the companies that own or operate it.

Additionally, we are building out additional breadth and features. Let me give you several examples:

- Adding new languages and expanding our research scope in line with trends and client demand: we added Polish, Thai, and Turkish language coverage this year to strengthen coverage in Europe and Asia, and we added new ESG hot topics so that clients can monitor ESG risks in line with new developments, such as pandemics and racial inequality.
- We have been working on mapping our data to the commonly used frameworks in the ESG space, in addition to our existing UNGC Principles mapping. In 2020, we launched our SASB lens (integration of the SASB Materiality Map). In March 2021, we unveiled our SDG risk lens (integration of the 17 UN Sustainable Development Goals).
- And also related to metrics, we have been working on a suite of new customisable risk metrics, where clients can customise parameters to create a score that clearly reflects their risk appetite and ESG framework.
- Finally, we're also working to harness opportunities in the market and broaden the access to RepRisk data – and we've done that by making our data available via strategic partnerships and on third party distribution channels – such as BlackRock, ICE Data Services, FactSet, Crux, just to name a few – so clients can have streamlined, integrated access wherever they want it.

What is your outlook for the asset management industry for the coming year and how is your firm best placed to support clients in navigating the environment?

We anticipate that the importance of transparency will continue to grow in the asset management industry. As asset owners demand more transparency from their asset managers, asset managers demand more transparency from their data providers, and regulators demand more transparency from everyone – the importance of transparent ESG data will continue to be of growing importance. This is an area where we have been ahead of the curve on – our clients and partners have always been able to access how we identify and analyse risks, as well as how we build our risk metrics. We also see the market demand for this as well, with many organisations turning away from 'black-box' methodologies and reverse-engineered datasets.

ESG is no longer a nice-to-have, but a must-have. In 2021, how a company manages ESG issues is now accepted as a sign of how future proof they are in an ever-changing world. This is linked to why our clients come to us – because we can help them systematically identify, assess, and monitor ESG risks in their business – whether that is in their investments, in their client or supplier portfolio, or in their own operations. We expect that investment strategies will integrate into ESG – and not the other way around. This is in part because over the past few years we have experienced how ESG risks are directly linked to compliance risks, reputational risks – and of course, to financial performance. ■

Alexandra Mihailescu Cichon
Executive Vice President, Sales & Marketing

Alexandra Mihailescu Cichon joined RepRisk in 2013 and is the Executive Vice President of Sales and Marketing. Over her tenure, she has established and led RepRisk's globally distributed Sales, Partnerships, Client Relationship Management, Sales Operations, and Marketing & Communications teams.

A bright future for digital assets

Copper.co: Best Digital Assets Service Provider

The past year has seen digital assets join the mainstream investment world, as investors began to view crypto assets not merely as a short-term fad, but instead as a long-term, sustainable asset class.

Major institutional asset managers including BlackRock, Ruffer, Tudor Investment Corporation, and One River have entered the Bitcoin market over the past twelve months.

Asen Kostadinov, head of strategy at Copper.co, says that navigating this young and fast-developing asset class can still throw up challenges for investors.

"It is going to take time for crypto to truly solidify its status as an alternative asset class given the prevalence of complexities and risks beyond 'volatile prices'. And investors require unique support in order to navigate this nascent but significant ecosystem," comments Kostadinov.

Copper.co is bridging the gap for hesitant sophisticated traders that wish to leap into the digital asset space securely. Kostadinov is encouraged by higher levels of awareness shown by today's investors around technological developments in digital assets:

"Institutional investors today are considerably more familiar and better educated about the opportunities, risks, and different security practices surrounding digital assets. And, as cryptocurrency awareness has grown, so have security and operations standards – with crypto firms relentlessly pursuing trustworthiness."

Rising institutional interest has driven Copper.co to advance its private key management. Last year, the firm adopted a new, more robust cryptographic key management technology called multi-party computation (MPC) which consists of encrypted key shards that are never reconstructed.

"Some particularly tech-savvy managers we've been speaking to recognise that boasts of MPC tech by a handful of custodians out there are hugely misleading," says Kostadinov. "Importantly, and differentiated from our competitors, Copper's MPC offering uses sharding in such a way as to never keep a record of the shards belonging to the client and the trusted third party."

Another trend in the past year has been greater institutional demand for a wider spectrum of digital assets. While Bitcoin remains the premier crypto-asset of choice, investors are increasingly embracing broader set of assets, including the emerging ecosystem of DeFi.

"Though the dollars tied up in DeFi are modest compared to the trillions of dollars in traditional finance, institutional investors have identified the emerging sector as a top opportunity for growth," says Kostadinov.

In light of demand, Copper.co launched CopperConnect, the first ever dedicated DeFi tool for crypto institutions.

Copper.co expects to keep developing its technology platform in second half of the year, thanks to a recent USD50 million Series B fund-raise. The firm is looking to cement its position as the "most secure and effective gateway" for institutions entering the digital assets market.

A crucial challenge and opportunity for the digital assets market in the coming year will be the developing regulatory outlook. "The crypto market is still in the first inning of institutional adoption, and I think that a mature level of demand will only be achieved once regulatory clarity on things like tax and investor protection have been properly addressed," says Kostadinov.

"In today's increasingly digital world – and with the core supporting infrastructure of digital assets now in place – now is certainly the time for global policy makers to bring cryptoassets inside of the regulatory perimeter."

Adoption could be boosted in the coming year by EU Commission's proposed regulation of crypto assets.

Furthermore, banks including Goldman Sachs, Morgan Stanley, and DBS Bank are starting to provide crypto investment options as part of their wealth management offerings.

"As they say, 'Where banks go, regulation follows'. With this in mind, it does seem that the stage is set for a bright future," says Kostadinov. ■

Asen Kostadinov
Head of Strategy, Copper.co

Prior to joining Copper as Heady of Strategy, Asen Kostadinov headed the Research for London based Venture firm, MMC, along with their Blockchain and Crypto focused initiatives. He is still an advisor and venture partner at MMC. Asen began his financial career at Barclays Investment Bank, where he spent four years as an equity research analyst focused on European media, internet and video gaming companies. Asen is a Chartered Financial Analyst (CFA) charter-holder, and also holds a First Class Honours degree in BEng Aeronautics and Astronautics Engineering. After graduating university he worked as an aerospace engineer at Airbus' Flight Physics division.

The rise of alternative assets

Albourne: Best Investment Consultant*

Can you outline the asset management industry trends that have been driving growth and development within your firm over the past year?

Investors are:

- Allocating more to Alternatives but want to retain control over investment decisions;
- Resource constrained and seeking external support (Advice, Research, Data, Analytics and Implementation services);
- Prioritising Alignment of Interest and values with their partners; and
- Adapting to remote working, with the expectation that the future of work will be meaningfully different.

All of these trends have been to our benefit.

Pre-pandemic, we were already seeing increased demand for our services, with investors selecting bespoke combinations of our strictly non-discretionary fixed fee, Advisory, Due Diligence, Fintech and Implementation services aligned to their specific needs from an asset class and regional perspective.

The last year has seen these trends accelerate. The alternatives industry has not been immune to the overarching theme of remote working over the last year, which has impacted how we as a sector work from due diligence, to trading, to carrying out research. The short answer is that we've seen an increased reliance from our clients on our services.

Investors are demanding increased transparency; now to be clear this is not new, but it is certainly becoming ever more important and has been embraced across a wider range of topics. What has driven our development over the last year has been the key tenets of our business which have not changed, and that is our advocacy for transparency, our independent, non-discretionary and fixed-fee stance, and our pursuit of an alignment of interests. More specifically, we have seen demand being led by our Operational Due Diligence and Private Markets services, but our Hedge Fund services have also been in demand, from both an investment and an implementation perspective. We recognise that our clients' needs are wide and varied; ultimately, there is no one size fits all. Thus, services such as our back office and middle office implementation solutions as well as our data and analytics have been in demand.

How have client needs and demands changed specifically in relation to asset management and what has your response been in terms of your offering?

There are two key topics that come up again and again, and that is how to better incorporate i) Diversity and Inclusion ("D&I") and ii) Environmental, Social and Governance ("ESG") factors into the due diligence process.

Firstly, the advantages of having a diverse and inclusive workforce have been well documented and we know that there is an increasing desire amongst peers in the alternatives industry to improve. A growing number of investors are including D&I criteria in their evaluations of alternative investment managers. Reasons for doing so range from the belief that diverse teams lead to better decision-making, to a desire to combat systemic inequity and a desire to better align investment programs with the values of their institutions.

While Albourne has prioritised the coverage of MWBE funds for almost a decade, over that past three years, we evolved our focus to prioritise employment practices (Anti-harassment, Equal Pay and D&I Policies) in our ODD and to emphasise the importance of D&I data collection and monitoring.

Pre-empting the recent increase in client demand, we developed with AIMA (and based on the relevant section of the ILPA Due Diligence Questionnaire), a new and freely available **Diversity and Inclusion Questionnaire**. Since launch we have had responses from managers for over 2,000 funds.

Moving on to ESG, Albourne's 2020 survey showed that 51 per cent of respondents already take ESG into account when investing and a further 19 per cent intend to. This is up from 36 per cent and 14 per cent respectively in 2018.†

Albourne has been focused on good governance since inception in 1994, but more formally on ESG since 2011 when we launched our first ESG questionnaire. We subsequently incorporated ESG into our operational due diligence process and reports. Investors have an interest in understanding the extent to which their investments benefit from ESG factors. Albourne's latest solution, published in April 2021, is an updated **ESG Questionnaire and Scoring framework**, which was launched to help provide further transparency for investors.

The questionnaire has two parts to it: i) the first is based on the PRI Asset Class questionnaires; and ii) the second is a short form overlay questionnaire that supports the scoring framework.

The scoring covers three key areas: policy and governance; investment process and monitoring, and reporting. We believe this will create a transparent and level playing field in which to assess ESG integration across strategies. This is the tip of Albourne's 'ESG iceberg', with additional advisory, due diligence, data, analytics and implementation services which will support clients with ESG policy development, process mapping, impact and theme investment evaluation and ESG risk factors reporting to name just a few key areas of coverage.

What are the primary challenges asset owners are facing and what is critical to these being overcome?

From recent discussions with dozens of our clients' CIOs, a few key topics kept coming up (in addition to the need for ESG (including D&I) Integration, transparency and the alignment of interests as mentioned previously). The starting point is the general concern around the expected returns of 'traditional' assets, i.e. equities and fixed income, which leads to a consensus desire to increase allocations to alternatives.

The view on hedge funds is more favourable than it has been for many years. While the outlook of investors towards private markets is typically net positive, there is greater variation in that view by strategy. The most common asset allocation challenge or concern right now is inflation, leading to an increased focus on infrastructure, reflections on the expectations for large technology allocations, energy and commodity strategies, as well as the pros and cons of holding TIPS, gold and cryptocurrencies. Investors are working to understand the best ways of protecting their portfolios going forward, whilst also managing the expectations of their stakeholders.

Finally, there is the future of work–this topic will drain every available minute when CIOs gather! The starting point is currently a discussion of options, plans and preferences. What is clear is that one size does not fit all (for now) and also that flexible plans around flexible working will be essential to successful implementation.

What are your business objectives for the year ahead and how do they align with the needs of your clients?

Albourne aspires to be a multi-generational firm delivering win-win-win solutions.

We have three key business objectives for 2021/2022 and beyond, none of which are new. The first is to empower our clients to be the best investor they can be. The second is to enable our colleagues to realise their full potential. Finally, the third is to engage with our communities to drive positive change. These objectives are the foundation of our business and align our clients' needs with those of our colleagues and the communities that we live and work in. Promoting, monitoring and maintaining best practices is central to our reason for being.

Amidst an ongoing global pandemic, valuing the contribution and wellbeing of our colleagues has never been more important. We continue to prioritise offering a safe, fair, equitable workplace, which is essential if we are going to realise our multi-generational goals.

What is your outlook for the asset management industry for the coming year and how is your firm best placed to support clients in navigating the environment?

I'll close with three key points:

- Expect the unexpected;
- Beware of the consensus;
- Model the tails.

While our central case outlook is generally positive for the alternatives asset management industry, we endeavour to ensure that Albourne is well positioned to empower clients to make the best possible decision in any economic environment. In times of stress, such as in 2008 and indeed last year, our clients need us more and so with that we work hard today to be ready to meet those demands. ■

*Albourne wins Best Investment Consultant

†Source: Albourne's 2018 & 2020 Investor Reviews

Dr John Claisse
CEO, Albourne Partners Ltd

John Claisse joined Albourne in 1996 and became CEO in 2015. John is an equity partner, member of Albourne's Executive Committee and chairs the firm's Corporate Planning Council. John helped develop the firm's proprietary risk analytics and was formerly Senior Analyst for quantitative equity and multi-strategy hedge funds. John remains a Portfolio Analyst advising public and corporate plans, large endowments and foundations. John serves on the Sussex University School of Business Advisory Board and is a Trustee of the SBAI.

Uncovering alpha through data innovations

S&P Global Market Intelligence: Best Data & Analytics Provider

Data proved more crucial than ever for asset managers over the past year, as markets reacted to a global pandemic, damaged supply chains, and recent vaccination drives.

This backdrop caused many asset management firms to hunt for new sources of data, as well as ways of managing their increasing data load, according to Teddy Kahn, Global Global Head of Investment Management at S&P Global Market Intelligence.

"Rapidly moving markets, continued fee pressure, and changing client demands has resulted in asset managers looking to new sources of data and solutions in an effort to differentiate their investment strategies and uncover alpha," comments Kahn.

In particular, there has been "tremendous growth" in the firm's Data Management Solutions business over the past year, with users looking to consume data through the data feed, API and cloud delivery platforms.

Kahn notes that the push for better accessibility was accelerated by the pandemic. "Moreover, as our clients all had to work from home, the flexibility of our delivery was a key value driver as our customers looked for stable, web-based applications and access points to critical content."

He says that clients are looking for faster and easier ways to access their data, so that they can spend more time on alpha-generating initiatives.

"The explosion of data availability, coupled with the capability to consume and utilise this new information along with the technology infrastructure available to manage and support all of this new content, has enabled asset managers to seek new and innovative ways to generate alpha and mitigate risk."

Kahn says that new data is throwing up new challenges for asset managers. "As data is now readily available from many different sources and different vendors, linking all this content together is a critical challenge for investors," he says.

In May 2020, the S&P Global Marketplace platform was launched, allowing clients to explore and discover value across more than 200 datasets in a single standalone offering. This includes S&P's Trucost Environmental data and climate analytics, which provides asset managers with a comprehensive ESG solution.

Asset management is also seeing a shift away from traditional tools that they used in the past to analyse data and uncover investment signals. Many clients are moving to the cloud, which Montalbano says provides an alternative solution that allows them to analyse new data sources faster.

Another challenge comes from the scope and type of new data available. "Many of the new data sources available today are semi-structured or unstructured, and massive in size. As clients work to ingest and merge new data sources with their current data in an effort to gain additional insight they're finding it difficult and/or inefficient," notes Kahn.

Kahn points to the growing interest in textual data. This historically required individuals to read through documents manually, but can now be done by machines. This is spurring many investment managers to use newer tools and technologies such as Python, R, and Tableau to improve their workflow efficiency, which they expect to be seamlessly integrated with the plethora of new tools available from vendors.

Looking ahead to the second half of the year, Kahn says: "The asset management industry will continue to become increasingly competitive and the need for diversified, alpha generating or risk mitigating strategies remains core to the mission of all asset managers."

The firm's focus will be on its alternative data strategy, with plans to grow its suite of textual and ESG data, as well as enhancing its traditional offering. The firm's artificial intelligence arm, Kensho, will also continue to power new solutions to help clients maximise the value of their data for tasks including entity linking, speech-to-text, or identifying entities within text documents. ■

Teddy Kahn
Global Head of Investment Management,
S&P Global Market Intelligence

Teddy Kahn joined S&P Global Market Intelligence in 2006. He is a Vice President leading the investment management segment across S&P Global Market Intelligence. In this role, he is responsible for product strategy and market development for our fundamental and quantitative investment management products including the S& P Capital IQ desktop, data feeds and ClariFI. Teddy also looks after the commercialisation of S&P's leading AI/ Machine learning solutions power by Kensho.

One unique platform: A digital stack in a box

TS Imagine: Best Risk Management Software Provider

The past year has accelerated the evolution of the asset management industry, as firms have contended with volatile markets, a remote workforce, and continued cost pressure.

All of this means that a robust digital strategy is now a "competitive imperative" for asset managers, says Andrew Morgan, chief revenue officer at TS Imagine, recently created following the combination of TradingScreen and Imagine Software.

"The asset management industry is one which is driven by data, clearly in terms of analytics, performance measurement and risk measurement, but increasingly as well in terms of workflows and client interactions," says Morgan.

At the same time, Morgan says that customers have become more sophisticated and accelerated their adoption of technology, spurred on by the pandemic and remote-working.

"They have to think about the best ways to future-proof their business, and clearly a digital strategy has to be front-and-centre, right up there with your alpha generation capability."

"It contributes to your alpha generation capabilities at the end of the day, if you're able to risk-manage more effectively, make more efficient trading decisions, retain more of that alpha, and optimise asset allocation decisions."

The impact of a digital strategy can be seen in an investment firm's ability to produce best-execution reports that can show and justify decisions to regulators, stakeholders, and customers, through to managing risk and incorporating a rapidly-changing market environment in real-time, across asset classes.

Now, TS Imagine's customers are looking to simplify and consolidate their workflows, which have often been split across multiple different systems and sources of data. This widespread fragmentation introduces new risks and is inefficient for users.

Currently, Morgan says that the firm is working on a solution: "The most compelling change in terms of our business and the way that we're responding to demand from the client base is in the bringing together of the quantitative DNA and analytical capabilities of the legacy Imagine Software business, and the workflow and UI expertise of the legacy TradingScreen business."

TS Imagine is in the process of merging these two "best-in-class" products, TradingScreen, and Imagine Software, to create a single global, multi-asset, SaaS-based portfolio risk and execution product.

"The ability to offer a front-to-back electronic stack in a box for a client is something that obviously, as standalone businesses, we weren't really able to do," says Morgan.

When it comes to the firm's outlook for the coming year, Morgan expects demand for levelling up of digital capabilities will continue rising.

"It's my impression that there's some pent-up demand to look at the technology stack," says Morgan.

"Particularly in Europe – coming out of Brexit, MiFID II, and then Covid, where there was so much tech overhead being consumed by those really major disruptions to business – I think people feel as though they've got some opportunity to pursue some of that discretionary work that was on the back burner." ■

Andrew Morgan
Chief Revenue Office, TS Imagine

Andrew Morgan is President and Chief Revenue Officer at TS Imagine. Andrew has a Capital Markets background spanning two decades and a track record of taking innovative products to market. His primary focus is on accelerating the growth of TS Imagine's SaaS cloud-based software platform across the financial services community. Andrew was previously at Goldman Sachs (1998-2004) and Deutsche Bank (2004-2019) and has extensive experience coordinating diverse global teams across sales, trading, product development, risk and compliance.

Standing out in a crowd

Prosek Partners: Best PR & Communications Firm

Managing a brand in today's fast-paced digital landscape, in which firms are increasingly being held to account for their impact on the world, means that asset managers are having to adopt a more sophisticated approach to communications.

The rise and rise of ESG in the investment industry has driven the need for strategic communications advice over the past year, according to Mike Geller, partner at Prosek Partners.

"Whereas many firms have long been talking about responsible investment, it's no longer enough to say you are doing it. Institutional allocators now want to see the actions that investment firms are taking to make a difference, and they want to better understand the ways in which firms are taking differentiated approaches to making smart portfolio decisions and steering their businesses through considerable change," says Geller.

Allocators are also looking much more carefully at the composition of investment firms' workforce, including firm's gender pay, diversity, and inclusion efforts.

Geller says: "The past year has placed an even greater focus on these issues both in the US and abroad. Firms must demonstrate that they are taking serious actions and steps to enhance their organisations. Transparently communicating and showcasing these efforts and commitments will serve managers well."

As the asset management sector grows more crowded, firms of all sizes are concerned with ensuring that their value proposition and investment approach are well-defined and understood. Geller says this has led many managers to embrace new channels for marketing and communications.

"We have seen a significant uptick in firms utilising targeted social media campaign strategies, more dynamic mediums such as short-form video and making investments in their websites and digital footprints to reach core audiences in new and more dynamic ways," explains Geller.

In the past, firms catering to retail investors have led the charge in proactively managing and maintaining their branding and reputation. More recently, institutional asset managers have joined the fray, making more concerted efforts to position themselves within the marketplace.

"The 2008 financial crisis accelerated this mentality, as allocators became much more stringent with respect to their capital allocations, and therefore created a greater need for asset managers to ensure they were properly understood by the constituencies that mattered the most," says Geller.

This came to the fore again in the past year, as the pandemic put pressure on some managers' performance. "As we know, performance isn't always positive," says Geller.

"Therefore, from a communications standpoint, firms should continue to spend time articulating their value propositions and ensuring that their investment approaches and philosophies are well defined, understood and differentiated. Doing so can help alleviate some pressure during challenging times."

The communications and marketing toolbox is continuing to evolve to cover new channels and types of content. "With advancements in social media, digital communications, the 24/7 media environment, and ways in which allocators are consuming information, asset managers are now looking to move beyond commoditised PR activities and take advantage of better merchandising content, participation in long-format podcasts and more intimate events, and other creative platforms that can build trust and credibility," he comments.

Prosek is "very bullish on the asset management industry over the short and long term", and predicts that a destabilised investment environment will continue to create opportunities for active managers in the second half of the year.

"The Covid-19 pandemic has created dislocation in many sectors, which in turn has created numerous investment opportunities for active managers to generate alpha and demonstrate their value to investors. We believe this trend will continue," says Geller.

"To this end, we expect investment firms to spend more time strategising on how to get more credit and recognition for their work and results and determining new ways to stand out in what will continue to be a crowded industry."

Mike Geller
Partner, Prosek Partners

Mike Geller is a Partner at Prosek Partners, a leading financial communications firm. He advises founders, C-Suite executives and business leaders of private investment firms and publicly-traded financial institutions on strategic communications, including financial and corporate public relations, reputation management and leadership positioning.

Recognising diversity, equity and inclusion

Jensen Partners: Best Recruitment Consultant

The past year has seen alternative asset management firms sharpening their focus on diversity, equity, and inclusion (DEI). As many firms look to launch new strategies and build new teams, finding diverse candidates to fill these positions is becoming a significant priority. Jensen Partners, winner of Best Recruitment Consultant, is ahead of the curve in its offering to clients looking to improve DEI within their firms.

"Across the board, firms are working to establish and/or improve their commitment to DEI values. Because Jensen Partners has spent the last decade tracking talent across the alternatives industry, we are well-positioned to help firms attract and retain diverse talent," comments Sasha Jensen, founder and CEO of Jensen Partners.

"We've seen demand for diverse candidates grow across alternative assets to the point where many firms are creating diverse candidate pipelines and dedicating significant HR resources to finding talent that better represents the communities and clients they serve."

Jensen Partners has taken "two very aggressive steps" in order to meet the increasing demand for diversity in recruitment. "First, DEI is now a part of every talent search we conduct. Over the past few years, our clients have increasingly requested more candidates of diverse backgrounds. Hearing those calls, we upped the ante. Now, Jensen Partners will not conduct a search unless our client agrees to include at least 51 percent diverse candidates in the first round of the search. For us, that is the bare minimum a firm can do given the pervasive ethnic and gender under-representation across the industry," says Jensen.

She continues: "Second, we developed a proprietary diversity talent pipeline tracker that includes over 8,000 alternatives professionals who have self-identified as belonging to one or more under-represented groups. To do this, we built an enterprise software platform, called Diversity Metrics, which tracks the employees of every private equity and credit platform alongside rich diversity analytics, allowing us to identify rising stars and rainmakers across the industry."

The Diversity Pipeline Tracker has already proven extremely popular among clients, and Jensen expects demand to keep growing. At the same time, the Diversity Metrics platform is providing access to verified data and analytics on DEI. This addresses the deep need for transparency and accountability over DEI in the alternatives industry, as it still mostly relies on pledges and self-reporting.

"Our high-tech, high-touch approach to DEI gives firms (both GPs and portfolio companies) the ability to measure, analyse, objectively report, and ultimately, improve workforce diversity, equity, and inclusion," says Jensen. She believes that this will "bring meaningful transparency to the industry for the first time".

Jensen expects this to support the continued growth of the business in 2021. "Demand for talent across all strategies will continue to increase in 2021 and demand for diverse talent, which is already exploding, will increase dramatically," comments Jensen.

One of the firm's main goals for 2021 is to continue educating firms on why diversity, equity, and inclusion should be core business objectives.

"While we have seen many clients sincerely working to improve DEI, we are only beginning to see firms elevate DEI objectives to the level of core business objectives. This is problematic because the most common empirical finding we see as we review data from Diversity Metrics is that DEI programmes that are not given a mandate at the executive level tend to be less effective over the long term," says Jensen. ■

Sasha Jensen
Founder & CEO, Jensen Partners

Sasha Jensen, Founder and CEO of Jensen Partners, leads a team of senior recruitment specialists and data scientists dedicated exclusively to the sourcing, recruitment and placement of capital raising and investment professionals for leading alternative investment firms. In fact, Sasha was described as "the most successful executive recruiter for asset gatherers" by Institutional Investor magazine. As a woman-owned business, Jensen Partners was founded in 2012 on the principle that diversity is a critical and immediate need in the alternative investment space. Under Sasha's leadership and backed by the power of data, Jensen Partners has become the trusted, chosen partner for individuals and institutions in the industry.

JENSEN PARTNERS
EXECUTIVE SEARCH

Identifying and Securing the Ideal Human Capital to Raise Long-Term Patient Capital

Jensen Partners is an award-winning executive search and corporate advisory firm that identifies and places leading capital-raising and investment candidates within the alternative investment industry. To do so, Jensen Partners takes a data-driven approach to all mandates.

We have built a platform that focuses on identifying the preeminent fund distribution specialists, providing data and insights into the industry trends, and uncovering challenges and opportunities facing our clients and partners.

Discover How Our Data-Driven Process Leads to Innovative Solutions

Executive Search

Uses a team of Data Investigators to thoroughly analyze the track records of investment and distribution candidates according to their experience, compensation demands, and team fit.

DiversityMetrics™

Creates an end-to-end visualization of the range and commitment to diversity across all front office functions at each asset management firm.

LP/GP Referencing

Leverages our network to do a quality check on all candidates, speaking directly with those they have worked with over the course of their careers.

360 Investor Referencing Methodology™

Utilizes a scientific approach to analyze and verify each candidate's asset-raising capabilities and individual style, including details on their full asset-raising history.

Compensation Benchmarking & Analysis

Advising and tracking benchmark compensation for investment and capital raising roles across all strategies.

www.albourne.com

ALBOURNE

Established in 1994, Albourne* is an independent advisor specialising in alternative investments. Albourne's mission is to empower its clients to be the best investors that they can be, by providing advisory services, research, implementation support and data, news & analytics. Today Albourne has over 490 employees and over 300 clients** who have over $600bn*** invested in alternative assets.

**"Albourne" and "we" refer to the group of companies comprising Albourne Partners Limited and its subsidiaries. **The aggregate number of client entities for the Albourne Group worldwide. Clients may be subscribed to multiple services. All numbers are as of 1 April 2021. ***This is a conservative aggregation of the estimated investments in alternatives (where known) of Albourne Group clients worldwide, using public sources where possible.*

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Copper is transforming how institutional investors engage with digital assets, providing market-leading infrastructure in addition to custody, trading and prime brokerage solutions.

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Jensen Partners is a women-owned global advisory, corporate development and executive search firm specialising in the placement of leading investment and capital-raising candidates for the alternative asset management community. The firm leverages a data-driven approach to all human capital management, combining quantitative and qualitative information to source and place the best candidates for each specific role. Using the firm's proprietary DiversityMetrics™ platform, Jensen Partners has built a database with verified demographic data (e.g., race, gender, seniority, age, education, etc) on more than 25,000 investment and distribution professionals, providing asset managers with the breadth and depth of information necessary to quantify, measure, report and improve workforce diversity, equity and inclusion (DEI). In addition to executive search, Jensen Partners also offers LP/GP referencing, proprietary 360° Investor Referencing™, and compensation benchmarking and analysis.

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PROSEK PARTNERS

Prosek Partners is among the largest independent communications and marketing firms in the US and one of the few domestic, mid-size firms that offers global capabilities through its London office and international network. Specialising in providing a full range of communications solutions to financial and professional services companies, the firm delivers an unexpected level of passion, creativity and marketing savvy.

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REPRISK

Founded in 1998 and headquartered in Switzerland, RepRisk is a pioneer in ESG data science that leverages the combination of AI and machine learning with human intelligence to systematically analyse public information and identify material ESG risks. RepRisk's flagship product, the RepRisk ESG Risk Platform, is the world's largest and most comprehensive due diligence database on ESG and business conduct risks, with expertise in 23 languages and coverage of 170,000+ public and private companies and 45,000+ infrastructure projects. For more than a decade, the world's leading financial institutions and corporations have trusted RepRisk for due diligence and risk management across their operations, business relationships, and investments.

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