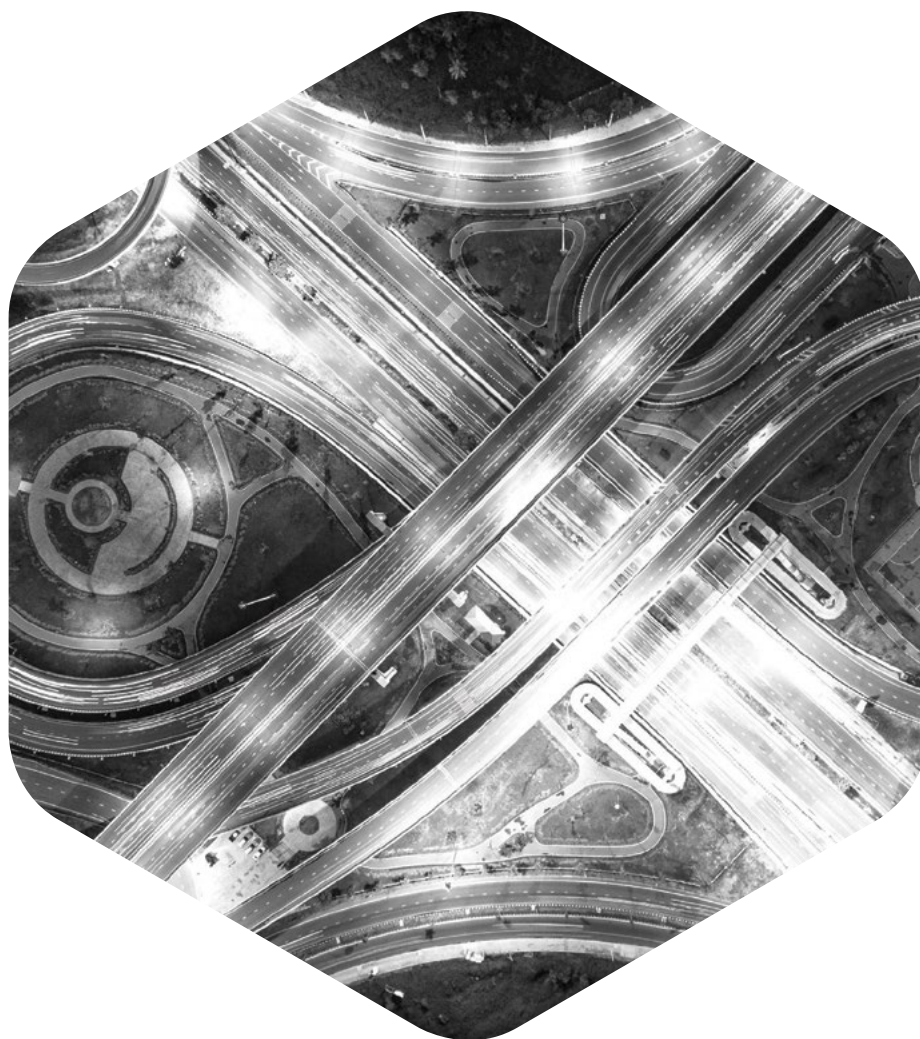




TEMENOS
MULTIFONDS

ETF challenges and opportunities

The Temenos Multifonds Every Fund Survey 2018 - Part 1

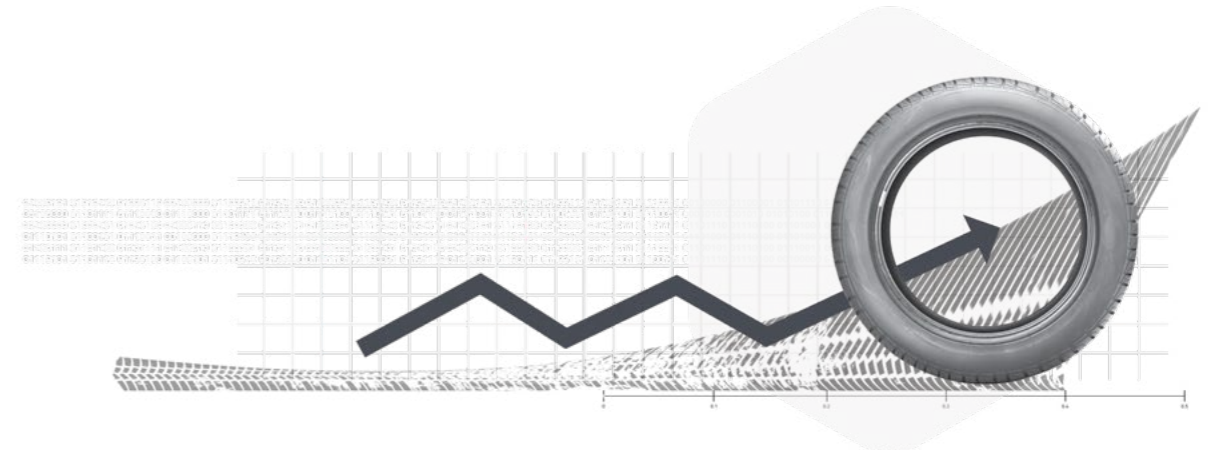


ETF challenges and opportunities

The ETF market continues to boom, with global ETF assets under management breaking through the US\$5 trillion milestone at the end of January this year.

But what challenges and opportunities does this stellar growth create for asset servicers? As ETFs increase in complexity, so too do the technical and operational pressures on fund administration to handle core ETF processes fast and reliably, while also supporting complex tailored products.

In our latest Every Fund Survey, we asked asset managers, custodians, third party administrators and professional service providers to give their view...



The industry remains very bullish on ETF growth...



78%

of respondents think ETFs will sustain their current growth rate

With strong growth across regions...

% of respondents highlighting each region



Europe

30%



Asia

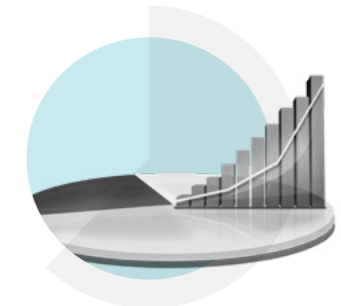
29%



North America

20%

And accelerating convergence between ETF and mutual funds...



62%

of respondents predict increasing convergence of ETF and mutual funds in the next 2 years

Operational technology and systems are highlighted as the main challenge...

- #1** Operational technology / systems
- #2** Regulatory compliance
- #3** External connections to exchanges and participants

With liquidity and operational errors seen as the top risks...

% of respondents highlighting each risk

34%

Liquidity Risk

20%

Operational errors

16%

Replication risks

15%

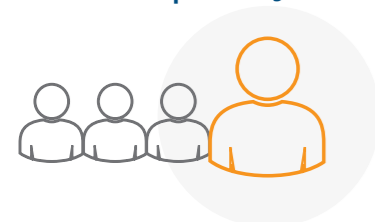
Counterparty risk

12%

Tracking error



Not all service providers are keeping pace with increasing ETF growth and complexity...



1 in 4

respondents felt service providers were not keeping pace with ETF growth and complexity

But service providers who can fully support ETFs will have a competitive advantage...

83%

of respondents thought full support of future advances and growth of ETFs was a competitive advantage

About Temenos Multifonds

Temenos Multifonds is the world's leading specialist provider of investment accounting and investor servicing software. With over 20 years' experience, Temenos Multifonds today supports more than \$7 trillion in assets for both traditional and alternative funds, representing over 30,000 funds across 30 countries, for the world's leading global custodians, third-party administrators, insurance companies and asset managers.

Covering the full spectrum, Temenos Multifonds supports all product types and all asset classes on its unique, single platform. Deploying a relentless focus on R&D, 75% of the Temenos Multifonds team are in product research and development roles, a higher ratio than any major competitor, producing software that is functionally richer and technologically more advanced every year.

Temenos Multifonds combines two market-leading software solutions, Multifonds Global Accounting and Multifonds Global Investor, with industry-leading delivery. By bringing together the best product, people and processes in the industry, clients typically enjoy efficiency improvements in excess of 30%.

Temenos Multifonds brings the scale, expertise and global presence to help clients adapt to change, increase efficiencies and reduce costs, working in partnership to enable them to enter new markets, launch new services and win new business.

Temenos Multifonds is a part of Temenos AG (SIX:TEMN), the world's leader in banking software.

The Every Fund Survey

The survey was carried out in March and April 2018 and received 151 responses from the global asset management industry, including third-party administrator/fund administrators (29%), asset managers (20%), and custodians (16%), with auditors, consultants, law firms, and others accounting for the remaining respondents (35%).

Respondents to the survey range across a number of business functions, including executive management (30%), business development and client management (27%), operations (15%), product (13%), technology (9%), and other functions (6%).

Respondents are spread globally with 65% based in EMEA, 22% in North America and 5% in Asia.

For information on the Temenos Multifonds ETF Module, please contact us at:
multifondsmarketing@temenos.com



products

www.temenos.com/multifonds

temenos.com

