# EMPOWERING BOUTIQUES:
## THE RISE OF THE SPECIALIST MANAGER

STATE STREET

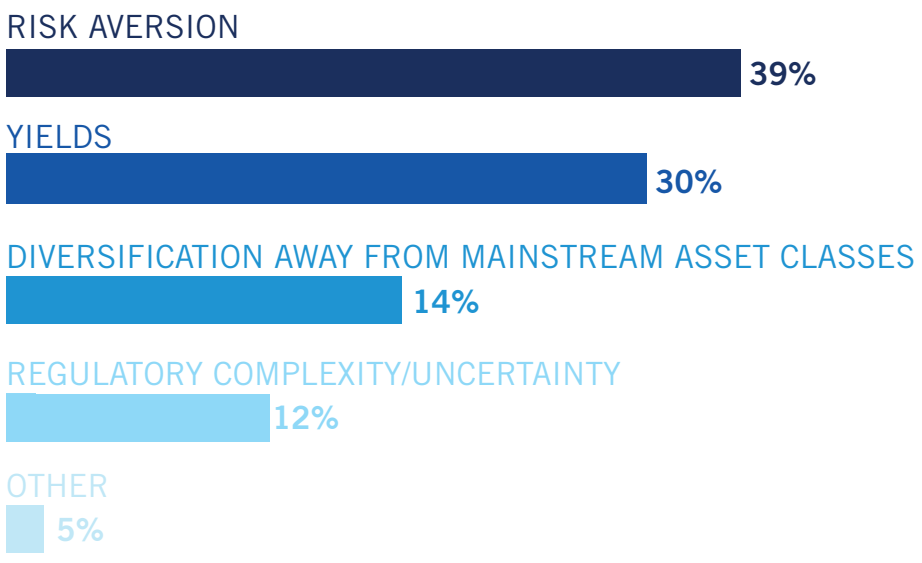
Boutique asset managers' small size often correlates with agility and entrepreneurial culture, but a lack of scale can also create significant operational challenges. A recent State Street global survey, conducted by the Economist Intelligence Unit, examined the prospects for boutiques, their operational challenges and the growing range of outsourced services available to them.

## A LOOK AT THE MARKETPLACE: THE VIEWS OF BOUTIQUES

### OPPORTUNITY IN CHANGE

With their deep specialist knowledge, boutiques are positioned to thrive in a marketplace with strong demand for differentiated sources of alpha.

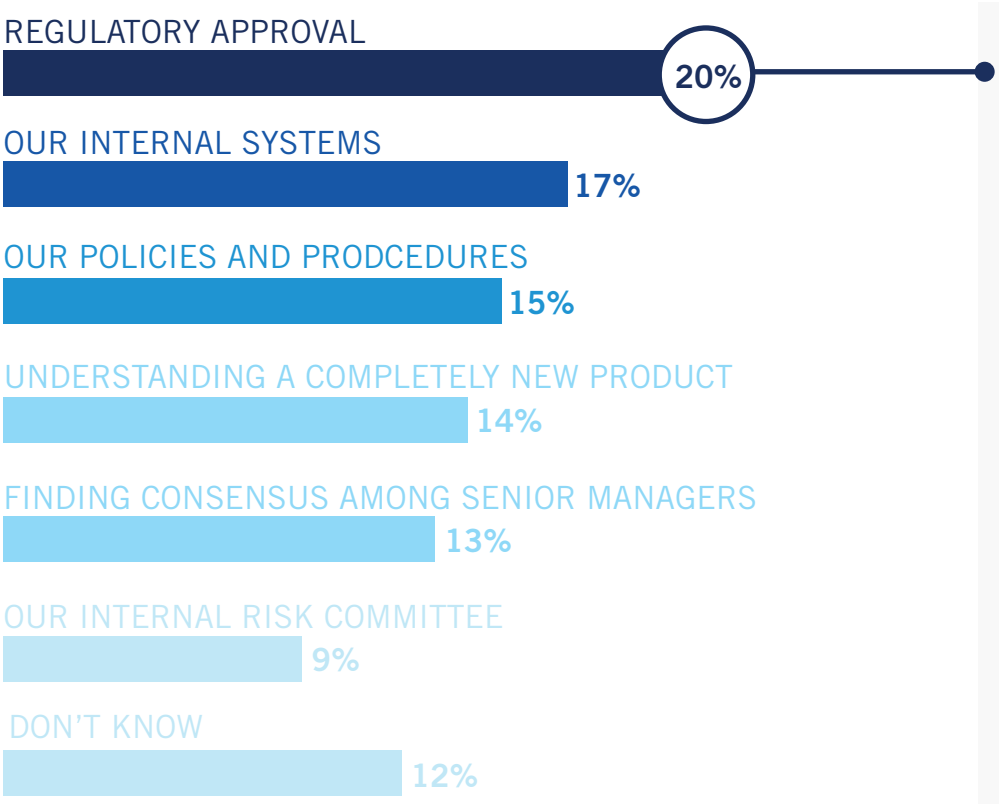
**Most Important Factor Driving Decisions Among Institutional Investors in Today's Environment**




### MARKET COMPLEXITY COULD HINDER INNOVATION

Boutiques are facing tremendous operational and regulatory complexity, which can often hinder their ability to quickly bring new products to market.

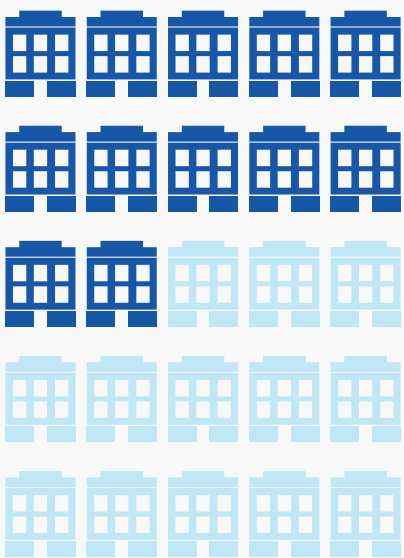
**What is the Greatest Challenge Your Organization Faces When Trying to Quickly Bring New Products to Market?**




**One in five** cite **regulatory approval** as their single greatest challenge in trying to quickly bring new products to market.

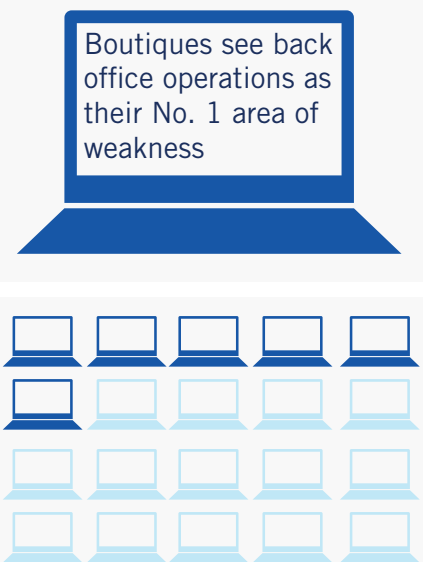
## CHALLENGES FACING BOUTIQUE ASSET MANAGERS

### DATA MANAGEMENT



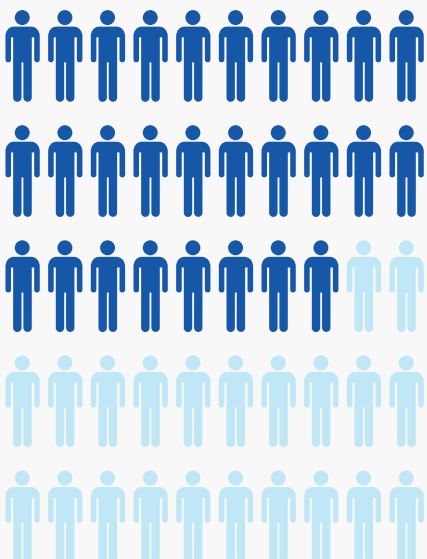
**42%** of boutiques cite achieving **sufficient scale with in-house systems** as a key challenge.

### OPERATIONAL




**32%** of boutiques rate their **operational/IT structures** as requiring some or considerable improvement.

### REGULATORY



**56%** of boutiques say changes in the **regulatory environment** will significantly affect their business over the next five years.

**When considering potential outsourcing partners, boutiques should evaluate candidates':**

- Breadth of services and ability to integrate them to meet specialized needs
- Access to the continuum of services from a single, global platform
- Strong relationships with consultants and intermediaries
- Fluency in the nuances of regulation

## SURVEY DEMOGRAPHICS

The survey was conducted in March 2012 among **164 boutique asset managers.**

**34 percent** of respondents were located in Europe, **21 percent** in North America, and **26 percent** in Asia Pacific

**51 percent** of respondents were in investment management, the remainder were in operations, technology, another field, or a combination of multiple fields.

This infographic features data from the 2012 State Street Global Survey of Boutique Asset Managers conducted by the Economist Intelligence Unit.

Economist Intelligence Unit | The Economist

The finding of this presentation are that of the survey and are the views of the 2012 State Street Global Survey of Boutique Asset Managers conducted by the Economist Intelligence Unit through the period ended March 31, 2012, and are subject to change based on market and other conditions. This document may contain certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

CORP-0580