

Outsourced Trading - Helping the Buy Side Improve Execution and Enhance Operational Efficiency

December 4, 2018

Executive Summary:



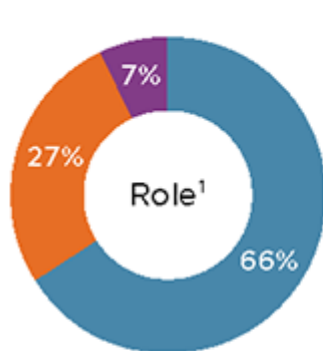
Institutional asset managers face an increasing array of challenges when managing an equity trading desk. More time is being spent on analysis, administration, compliance, and covering portfolio managers than on trading. At the same time, low budgets are making it harder to remain relevant and receive high-quality service from brokers. The sell side is facing its own challenges, as fixed costs are rising while the commission pool is shrinking.

Within this dynamic, outsourced trading desks have created a strong niche and compelling value proposition. They work with their buy-side clients to understand their workflow, trading objectives, research commitments, and other pertinent information to best represent their clients in the market. Once a specialty business, outsourced trading is now emerging as a mainstream offering.

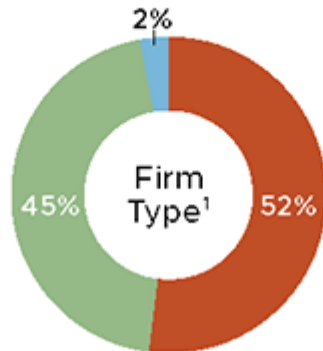
Methodology:

Between August and September 2018, Greenwich Associates interviewed 44 U.S.-based institutional investment professionals. Respondents were asked a series of quantitative and qualitative questions about their trading process and experience, and their understanding of outsourced trading.

DEMOGRAPHICS

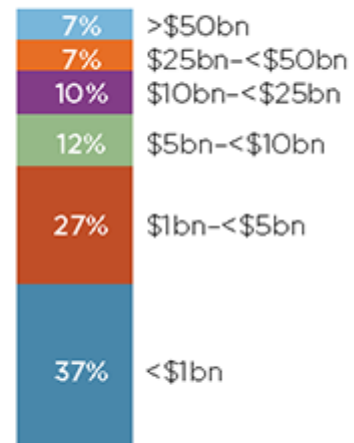


■ Trader
■ CEO/COO/CFO
■ Portfolio manager/research



■ Institutional asset manager
■ Hedge fund
■ Family office

Firm AUM²



Note: ¹Based on 44 respondents. ²Based on 41 respondents.
 Source: Greenwich Associates 2018 Outsourced Trading Study



The data reported in this document reflect solely the views reported to Greenwich Associates by the research participants. Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Greenwich Associates compiles the data received, conducts statistical analysis and reviews for presentation purposes in order to produce the final results. Unless otherwise indicated, any opinions or market observations made are strictly our own.

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