STATE STREET

2025 STATE STREET DATA STUDY

Capturing the data opportunity in an era of uncertainty

June 2025

Preface

In the investment industry today, macroeconomic and market uncertainty is accelerating the drive for competitive advantage and operational efficiency. Few tools are more central to this effort than data.

Two years ago, State Street launched a global research initiative to better understand where institutional investors stood in their data use and management. That work culminated in the award-winning[1] report, Capturing the data opportunity: Institutional investors in the age of AI. One of its key findings was that organizations implementing a holistic data strategy (HDS) were already seeing benefits in the form of higher revenue growth, reduced costs and better customer retention.

In 2025, we see that the trend is advancing. Our latest industry survey of more than 900 asset managers, asset owners, insurers and wealth managers from around the world finds that a HDS is becoming industry best practice. And the majority of the industry could implement a HDS and gain the economic benefits, which are expected to be significant, within two years. However, the survey also reveals that a proportion of the industry is lagging, with around 40 percent of respondents indicating they're either poor, somewhat poor or somewhat good in their data use. Without addressing the gap, these organizations risk falling permanently behind their peers.

We embarked on this latest research with a dual purpose. As a provider of data solutions, like State Street's Alpha Data Platform that captures, curates and distributes data across the entire investment process, we wanted to understand the latest industry dynamics. Several trends stand out. For instance, data leaders are using back-office data to promote front-office commercial priorities, a trend that supports our own product development strategy (more on State Street's new data solutions in the coming months).

But we also hope this survey provides organizations with a tool to better understand where they are in their data transformation against peers. As you read this report and digest the survey results, bear in mind that State Street is ready to help support and accelerate your own data transformation.

Joerg Ambrosius
President of Investment Services
State Street

[1] Gramercy Institute 2025 Strategic Marketing Award winner

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Executive summary

Most institutional investors could capture the benefits from enhanced data use and management within the next two years, according to State Street's survey of more than 900 asset managers, asset owners, wealth managers and insurers from around the world. The survey, one of the largest of its kind in the industry, explores the data transformation of institutional investors, their expectations around the economic benefits, and what industry leaders are doing to realize their strategy.

Key findings include:

Industry best practice is moving toward firms adopting a holistic data strategy. (A strategy for managing data technology and systems, and data use strategies, with a view to enhancing efficiency, generating data insights, and/or improving operational outcomes within and across all or several front-, back- and middle-office operations areas). About a quarter (26 percent) of the 308 C-suite respondents say they already have a HDS in place. Of those that don't, almost three-quarters expect it to be in place within the next two years.

Expectations are high for the payoff from a holistic data strategy. Nearly all respondents anticipate their strategy to boost investment returns (investment performance) and revenues as well as deliver operational cost savings. More than half of respondents expect improvements of between 10 percent and 40 percent in each of these areas, and around 10 percent anticipate gains of more than 50 percent.

Technology is a key tool for implementing a holistic approach.
More than half of respondents say they are implementing their HDS by investing in technology, and 96 percent of total respondents say that rationalizing the number of data platforms or technologies is either core to their strategy or an element of it.

GenAI is a clear front-office priority.
A little over 60 percent of respondents currently see GenAI providing the most value for defining investment objectives. In the next two to five years, 47 percent believe GenAI will deliver the most value from creating or adjusting products/selecting strategies. Overall, though, across all areas of the back office, a higher number of respondents expect to see the value of GenAI emerge over the next two to five years.

The role of the custodian in helping institutional investors capture the data opportunity emerges as a distinct theme.
Using back-office data to support front-office commercial priorities with market trend and competitor analysis was important for many respondents. Almost a third (32 percent) said they were most focused on improving their use of data in the back office to generate competitor intelligence and strategic trends. Respondents who were “very satisfied” with their custodians were significantly more likely to make the use of back-office data for front-office commercial priorities (74 percent) than those who were only somewhat or not satisfied (65 percent), indicating that the custodian that goes beyond their basic functions and enables the use of back-office data to support their clients’ core (front office) business is more highly regarded.

An industry view

Data use and management have been a critical focus of institutional investors in recent years. While the opportunities are significant, the challenges — such as analyzing and integrating new data sources, integrating new technology and systems, and staying one step ahead of both financial product and tech innovation — are equally daunting.

Two years ago, State Street surveyed the industry to understand where institutional investors were in their data transformation journey and found that those taking a holistic approach were already seeing economic benefits (See Box 1: Key highlights of State Street's original data survey). Fast-forward to today, this latest industry survey offers a clear message to institutional investors: A HDS is becoming industry best practice and a critical path to capturing the economic benefits from the data revolution.

While roughly half of institutional investors surveyed rate themselves as very good at using data across the front and back office, half rate themselves as poor, somewhat poor, or somewhat good. That leaves a lot of room for improvement in the industry. In today's competitive marketplace — intensified by global macro and market uncertainty — that could mean the difference between success and failure.

Box 1: Key highlights of State Street's original data survey

In July and August of 2023, we surveyed 520 institutional investors from around the world (traditional asset managers, asset owners, alternative asset managers, wealth managers and insurers) about their data capabilities, plans, expectations and results to date. We found that more than 80 percent rated the opportunity from improved data management and usage as either medium, large or transformational.

Firms with a HDS were already seeing considerable benefits, particularly in the areas of customer relationships and revenue growth. Those with a data strategy reported on average a 24 percent increase in customer satisfaction, a 21 percent increase in customer retention, a 19 percent increase in new client acquisition and a 19 percent increase in revenue growth.

What is a holistic data strategy?

When we first surveyed institutional investors about their data use and management back in 2023, we had a hunch that a HDS was important, but we were not prepared for how important. For example, the size of the benefits firms were seeing from their HDS were significant. Following on from that initial survey, we wanted to better understand the essential elements of a HDS.

As a result, our new industry data survey delves deeper into what constitutes a HDS, how it is being implemented, and what priorities institutional investors have for data use and management across their operations.

Importantly, this new survey defines a HDS for all 920 respondents as "a strategy for managing data technology and systems, and data use strategies, with a view to enhancing efficiency, generating data insights, and/or improving operational outcomes within and across all or several front-, back- and middle-office operations areas."
(see Box 2: 2025 survey methodology).

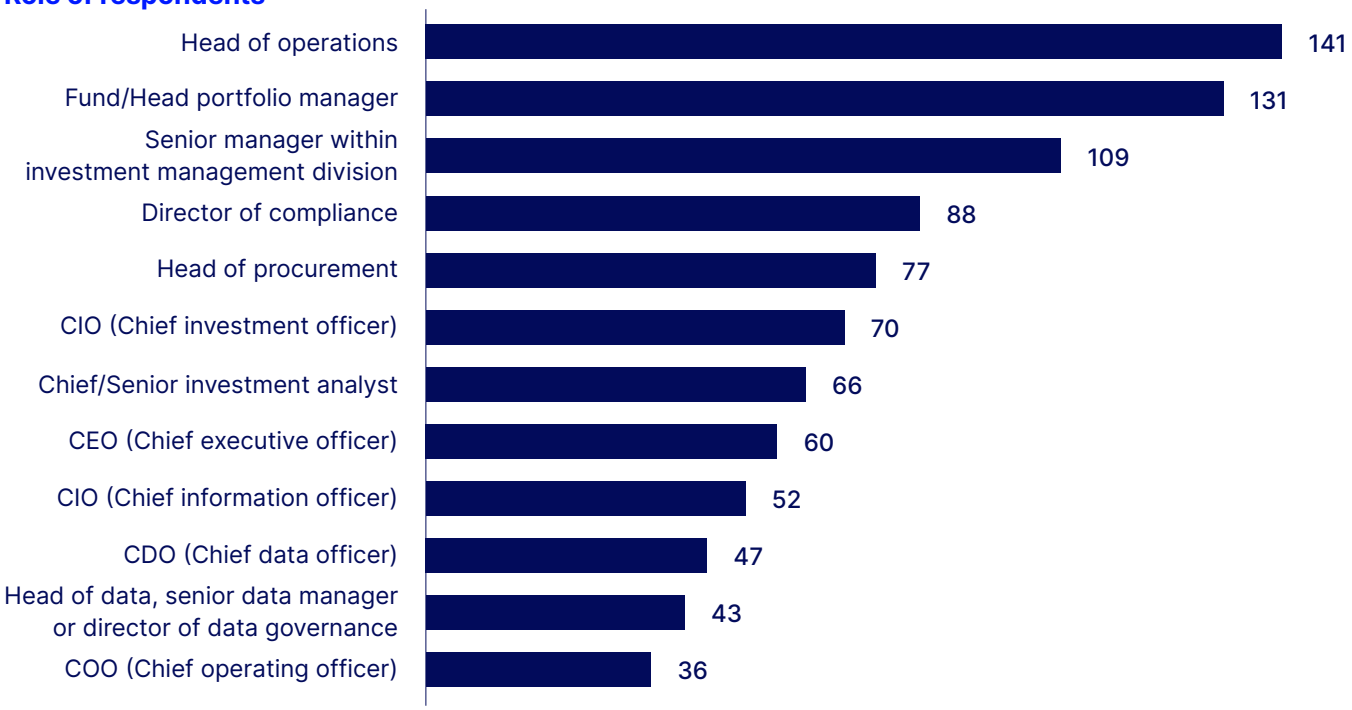
Box 2: 2025 survey methodology

Survey questions were presented to 920 asset managers, asset owners, wealth managers and insurers from around the world at the end of 2024 and start of 2025. Respondents were based in North and South America (the Americas); Europe, including the United Kingdom, the Middle East and Africa (EMEA); and Asia Pacific (APAC). Questions were tailored according to job title, providing a number of lenses on the subject, including an overall view of a firm's data use and management (chief executive officers and chief data officers), a front-office perspective (chief investment officers and other investment management roles), and a back-office perspective (chief operating officers, compliance officers and head of procurement) (**See Exhibit 1**).

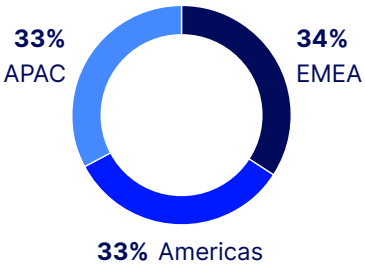
Exhibit 1: Survey demographics

920 total respondents

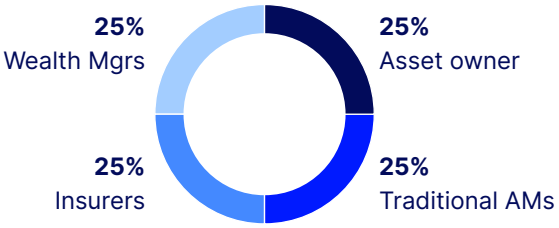
Role of respondents



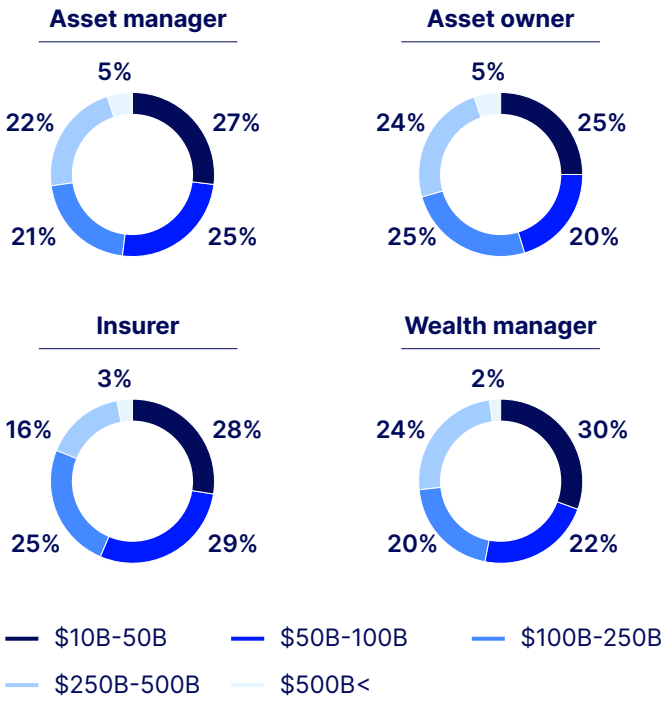
Respondents by region



Respondents by institution



Respondents by AUM (split by segment)



A holistic data strategy is becoming industry best practice

When C-suite respondents were asked about having a HDS across their organization, about a quarter said they already had one in place, while 55 percent said it was being implemented (See Exhibit 2). Only 1 percent said they had no plans to implement a HDS.

Of these C-suite respondents, 61 percent of asset owners have a strategy in place or are close to implementation compared to 56 percent of wealth managers and 65 percent of asset managers.

Far fewer insurers have a strategy already in place, but nearly half of respondents from insurance firms say they are in later stages of implementation.

While the proportion of respondents with a HDS was similar across the Americas, EMEA and APAC (about one quarter), the number of respondents in EMEA (63 percent) and APAC (60 percent) in the implementation stage was far higher than in the Americas (42 percent), where the number in the planning stage was 26 percent versus 9 percent in EMEA and 14 percent in APAC.

55%

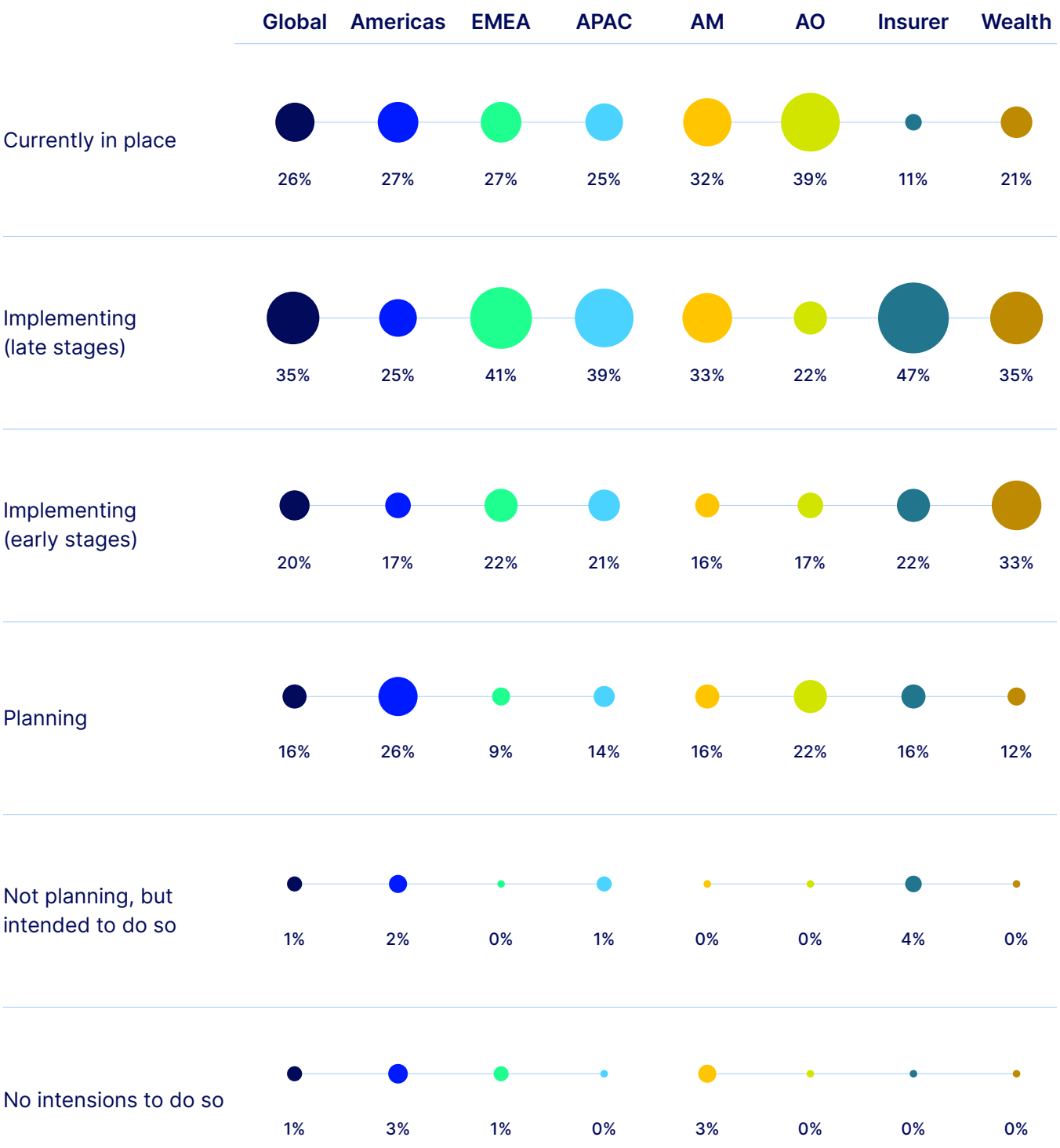
C-suite respondents that are implementing a HDS

26%

C-suite respondents that already have a HDS in place

Exhibit 2: The industry adopts a holistic approach to data use and management

Most institutional investors are in the implementation stage



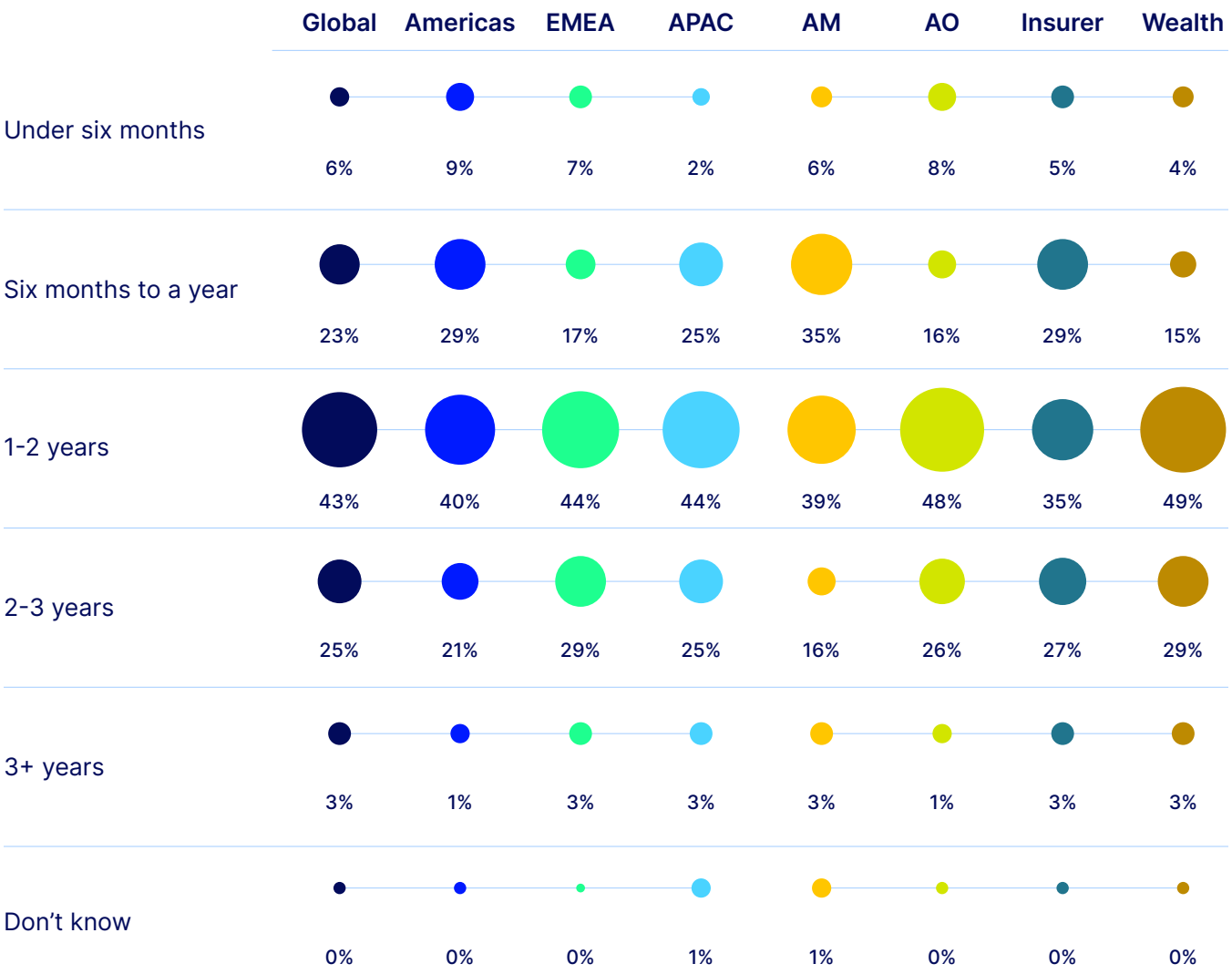
% of 308 C-suite respondents

Q: To what extent do you have a holistic data strategy?

Almost three-quarters of institutional investors without a HDS expect to implement one within the next two years (see Exhibit 3), while a little more than a quarter anticipate a strategy in place in more than two years. In the latter group, more respondents were from EMEA (32 percent) and APAC (28 percent) than from the Americas (22 percent). So, while more respondents based in the Americas said they were in the planning stage compared with EMEA and APAC, they seem more optimistic about timelines than those in EMEA and APAC.

Exhibit 3: Most have a two-year horizon for implementing their holistic data strategy

Time needed to implement a HDS: a global, segment and regional view



% of 747 respondents (those without a HDS currently in place and excluding those without any intention of implementing a HDS)

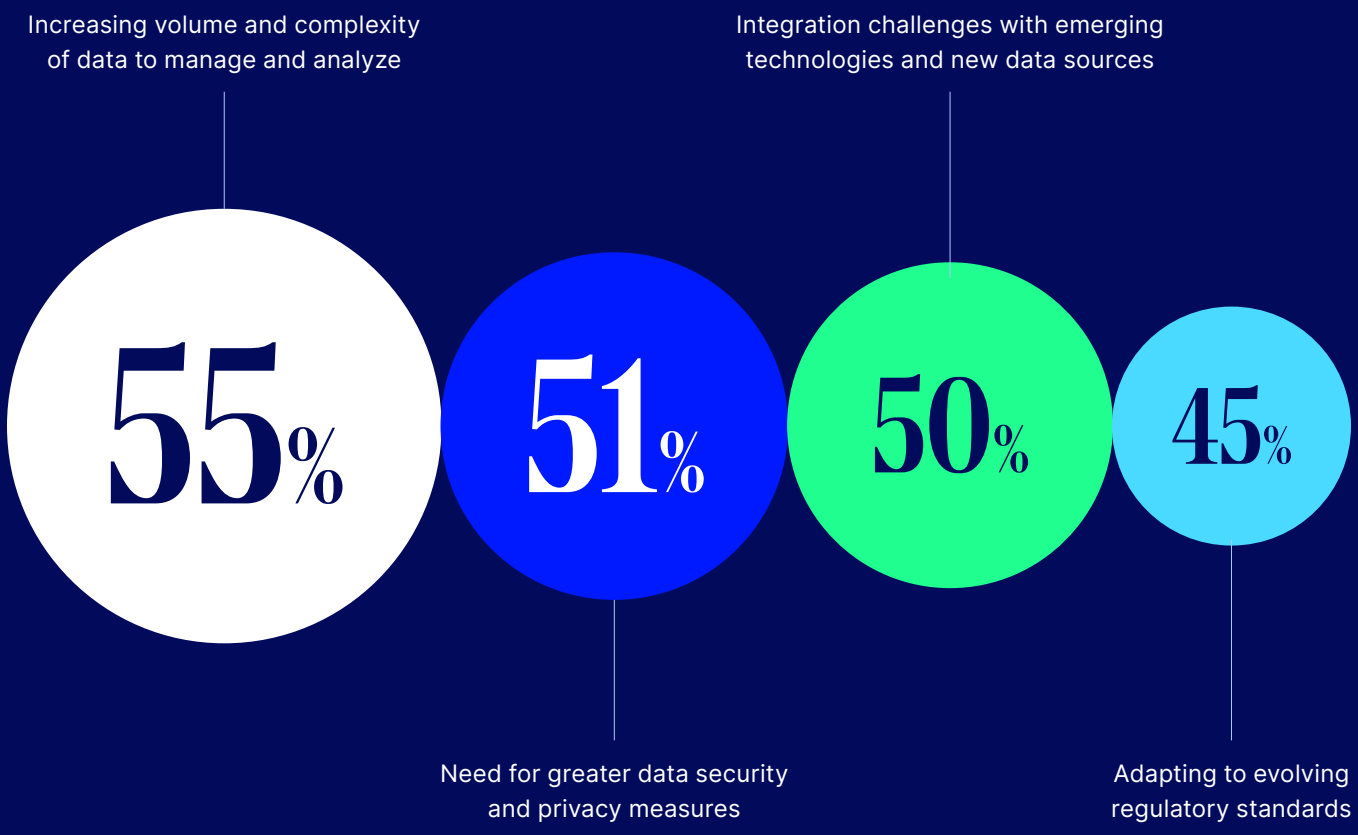
Q: How close are you to having a data strategy as defined above?

When it comes to data, the biggest challenge institutional investors are trying to solve for with a HDS is the growing volume and complexity of data to manage and analyze (see Exhibit 4).

Out of the 920 respondents, 55 percent identified growing complexity and volume of data as their number one challenge. That was closely followed by challenges related to security, and the integration of technology and new data sources.

Exhibit 4: The volume and complexity of data is the biggest challenge

Evolving investment strategies and regulation can increase data challenges



% of 920 respondents

Q: What future data challenges do you anticipate, especially as your investment strategies or regulatory environments evolve?

The industry expects a big payoff from a holistic data strategy

Nearly all respondents expect their strategy to boost investment returns (improved investment performance), revenues and operational cost savings (see Exhibit 5). More than half of respondents anticipate increases of between 10 and 40 percent in each of these areas, while about 10 percent expect improvements of more than 50 percent.

Across organization types, nearly three-quarters of respondents anticipate a 10 percent or more increase on their investment returns and revenue with a HDS. For over a third of asset owners, having a HDS could lead to an improvement of 10 percent or more in cost savings across investment operations. Insurance firms see an increase in revenue, too. Around 37 percent expect 25 to 50 percent increases in revenue from a HDS.

Overall, we found that a HDS correlates with effective data use and management. We asked respondents to rate their effectiveness at using and managing data. Most (90 percent) respondents rated themselves as somewhat good or very good in both the front office and back office. Out of these, a clear majority (more than 80 percent) had implemented a HDS or were in the implementation phase.

Technology is a key tool for implementing a holistic approach

More than half of respondents say they are implementing their HDS by investing in technology (see Exhibit 6). Asset managers are the largest group investing in technology, followed by wealth managers, while asset owners are the smallest.

Nearly all respondents (around 96 percent), say that rationalizing the number of data platforms or technology is either core to their strategy or an element of it. This proportion of respondents was consistently high across all regions and organizational types.

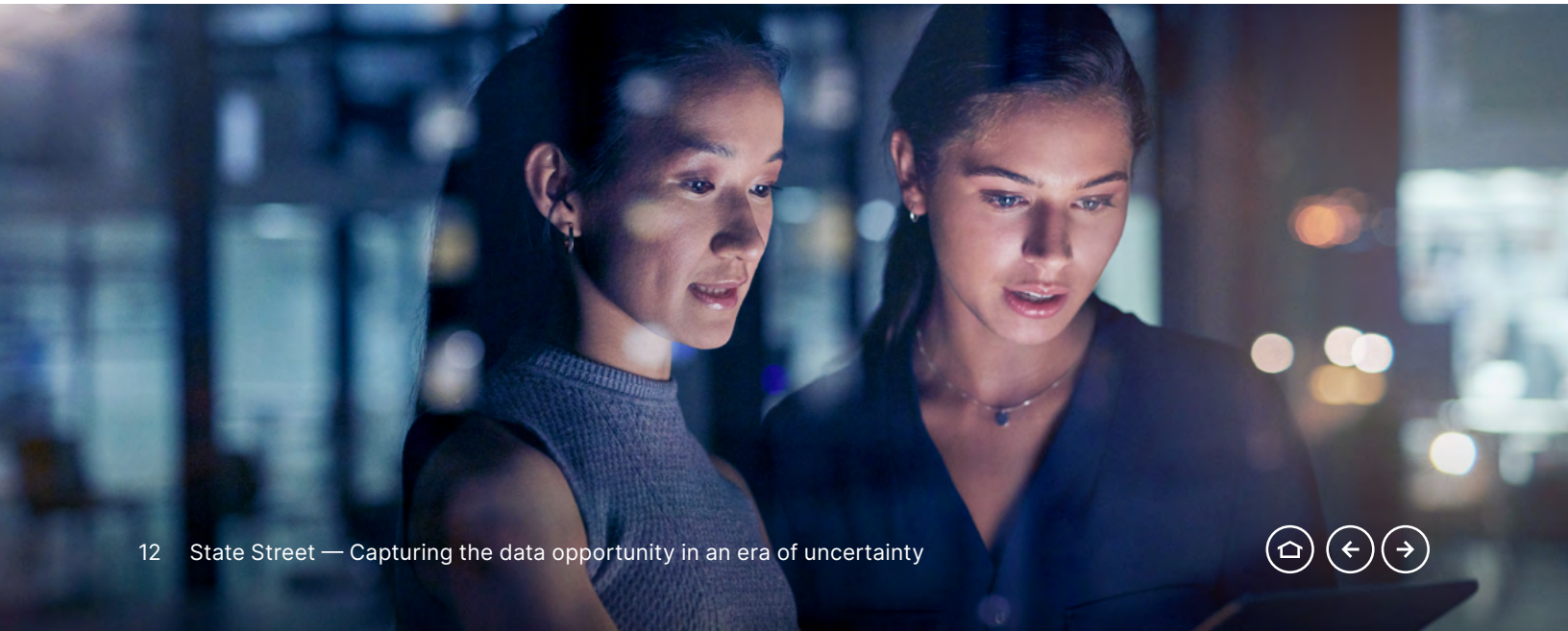
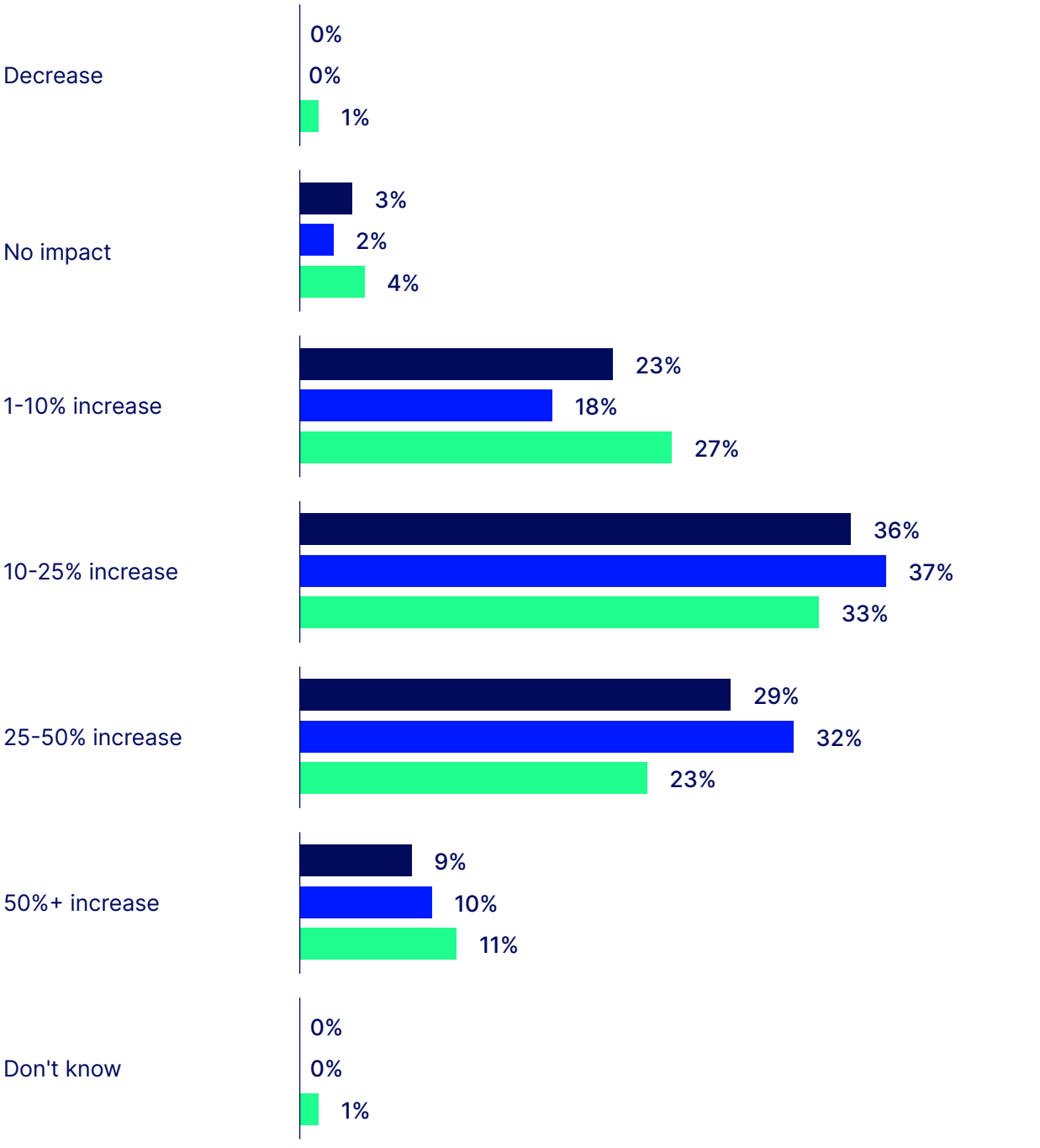


Exhibit 5: The industry expects a sizeable payoff from a holistic data strategy

Most expect increases in the order of 10% to 50% for investment performance, revenue, and cost savings

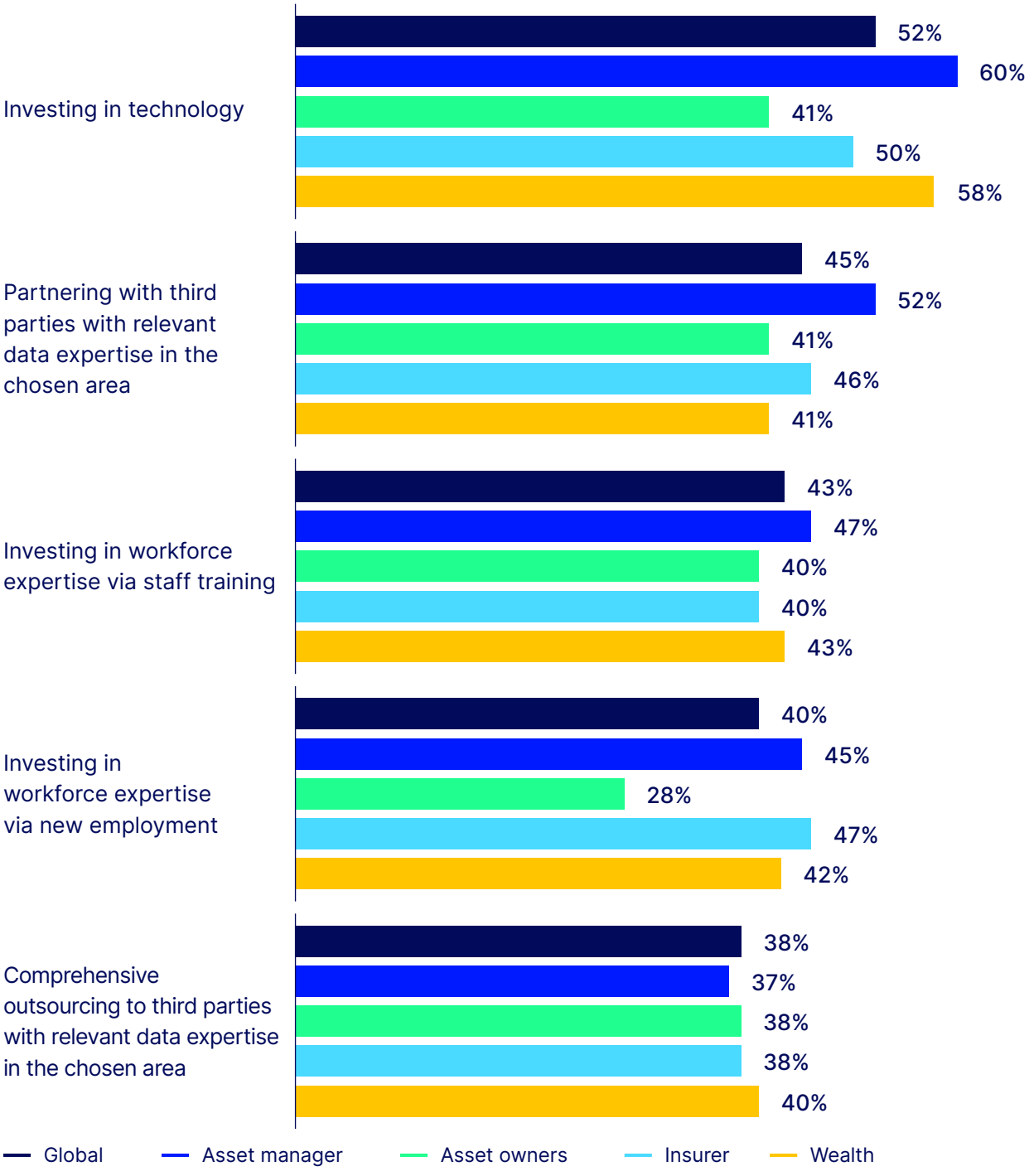


% of 914 respondents (Excluding those who have no intentions of having a HDS across operations)

Q: What impact do you anticipate having a holistic front office/back-middle office data strategy having on investment returns (investment performance), revenue, cost savings?

Exhibit 6: Overall, investing in technology is the main tool for implementing a holistic data strategy

Enablers of implementing a data strategy



% of 914 respondents (excluding those with no intention of implementing a HDS)

Q: Which of the following are you doing to implement your HDS?

Back-office data priorities

All data is valuable. That's one of the key insights we identified from this survey. As we delved into back-office data priorities, we discovered something remarkable: Institutional investors that are leading in their data transformation are leveraging back-office data for front-office commercial priorities. We see this trend accelerating in the industry.

A noticeable trend: Using back-office data for commercial priorities

Using back-office data to support front-office commercial priorities, such as market trends (e.g., supporting investment strategy) and competitor analysis (e.g., distribution strategy), was important for many respondents.

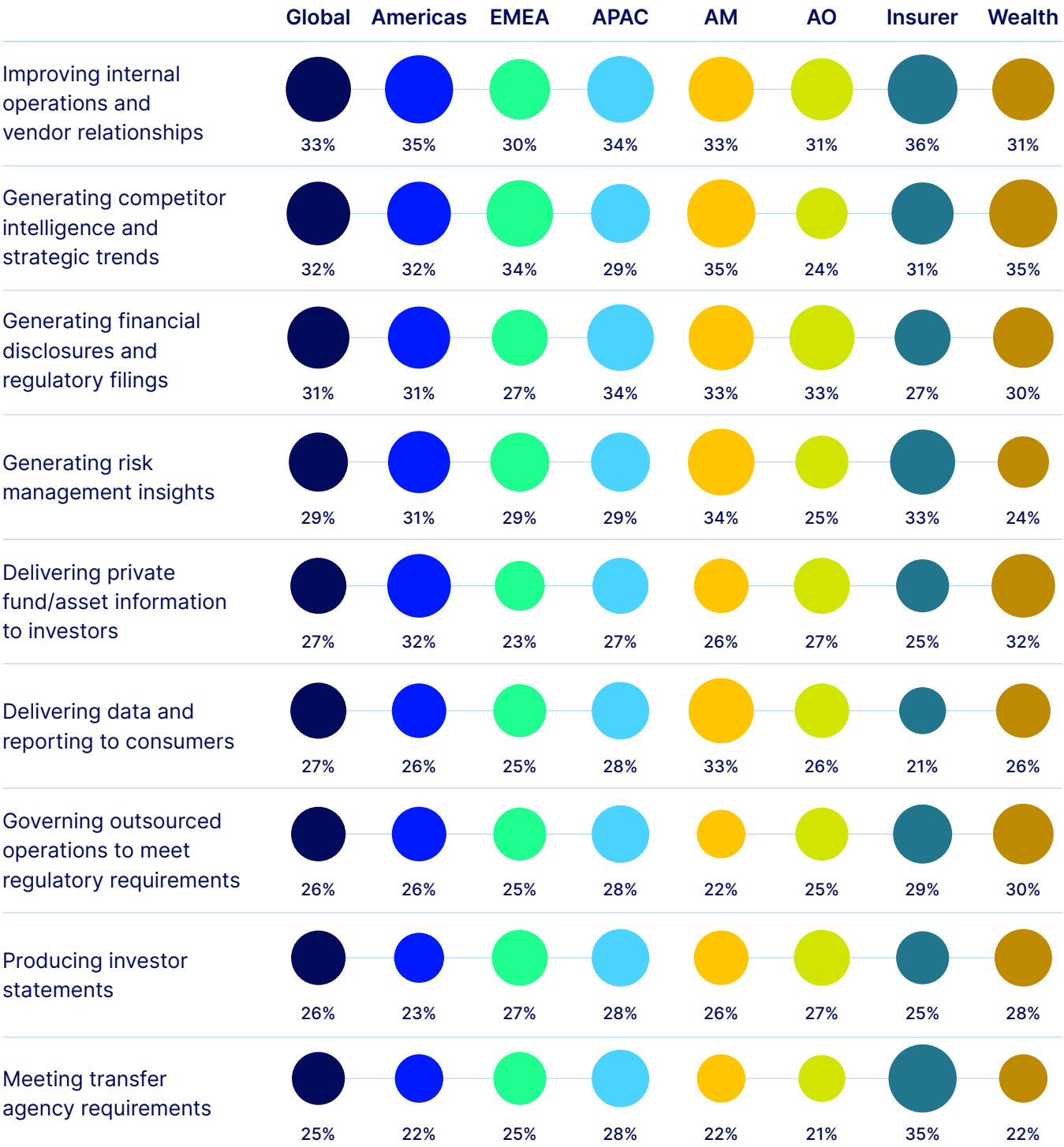
Almost a third (32 percent) said they were particularly focused on improving their use of data in the back office to achieve these outcomes (see Exhibit 7). This was the second most important back-office data investment priority area after improving internal operations and vendor relationships (33 percent).

Then there are regional variations. In the Americas, delivering private fund asset information to investors was also a priority for 32 percent of respondents, above the global average, while other regions lagged, a sign of the appetite US institutional investors have for investing in private markets. EMEA respondents lead in terms of using back-office data for generating competitor intelligence and strategic trends.

In APAC, the top three priorities for enhancing data use and management in the back-office were delivering financial disclosures and regulatory filings (34 percent), creating investor statements (28 percent) and transfer requirements (28 percent). Among organization type, asset managers and wealth managers led the way in terms of using back-office data for commercial priorities while asset owners lag.

Exhibit 7: Back-office data investment priorities

Priorities are remarkably evenly spread across back-office activities



% of 614 respondents

Q: In which of the following back-office activities are you currently most focused on improving your use of data, through investment in technology, workforce expertise or external partnerships?

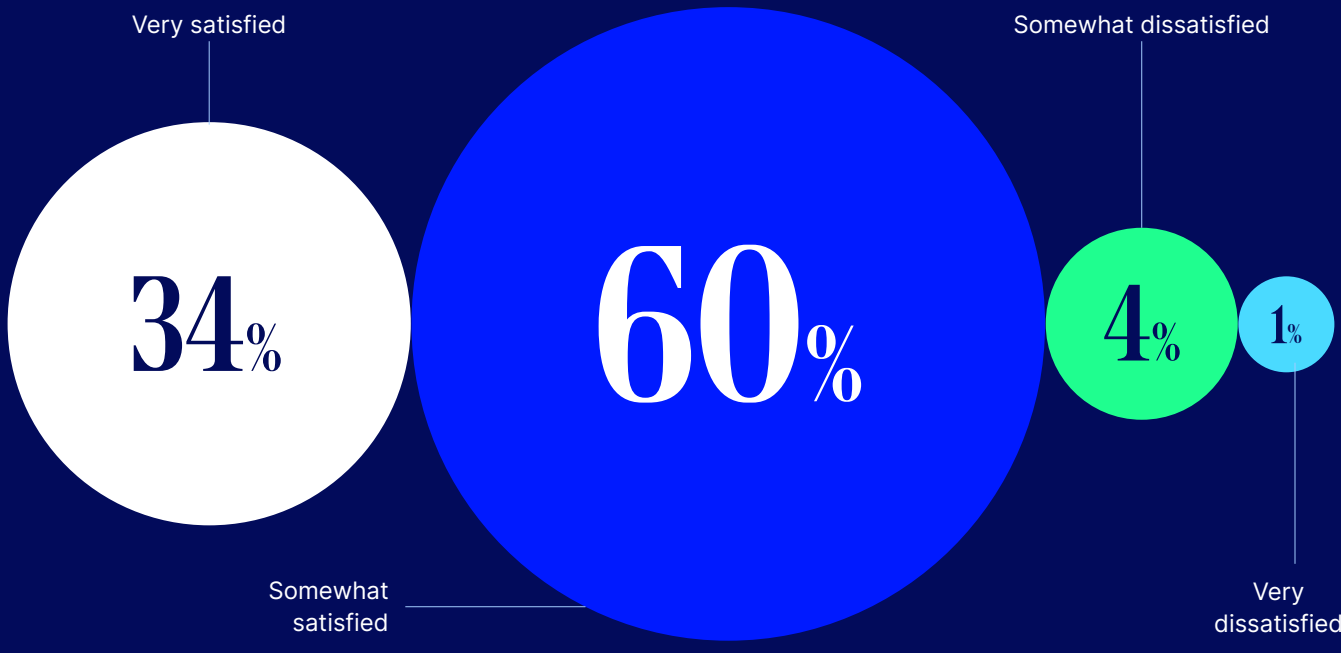
The custodian plays a role in helping institutional investors capture data opportunities

As one of the world's leading custodians, we wanted to dig into the attitudes of institutional investors toward their custodians in this survey. We asked back-office and C-suite respondents how satisfied they were with their custodian's data management capabilities, particularly in aggregating data from various sources. Out of a total of 614 respondents, the vast majority, around 94 percent, were satisfied (see Exhibit 8). However, there was a distinction: 60 percent of respondents were somewhat satisfied and only 34 percent were very satisfied.

We further analyzed the cohort who reported being very satisfied with their custodian. The results indicated that these respondents were significantly more likely to make use of back-office data for front-office commercial priorities (about 74 percent of back-office and C-suite respondents) than those who were only somewhat or not satisfied (65 percent of back-office and C-suite respondents). This suggests that the custodian that goes beyond their basic functions and enables the use of back-office data to support their clients' core (front-office) business is more highly regarded. Additionally, we observed that the further organizations were away from implementing a holistic data strategy, the lower the satisfaction with their custodian.

Exhibit 8: The vast majority are satisfied with their custodian

A third are very satisfied with their custodian's data management capabilities



% of 614 respondents

Q: How satisfied are you with your custodian's data management capabilities, particularly in aggregating data from various sources?

GenAI shows less value in current back-office activities; expectations are low for the future

Given that GenAI's focus is on accelerating data use and analysis, and back-office activities are primarily data-related, we expected to see more excitement around GenAI for the back office. Surprisingly, this was not the case. Across back-office activities, only 20 to 30 percent reported that GenAI was currently adding value in specific activities (see Exhibit 9). Compared to the front office, there appeared to be few areas where GenAI stood out as already adding value (see Chapter 3). Notably, one-third of respondents in EMEA and APAC foresee GenAI improving internal operations and vendor relationships, and one-third in the Americas identify benefits from delivering data and reporting to consumers.

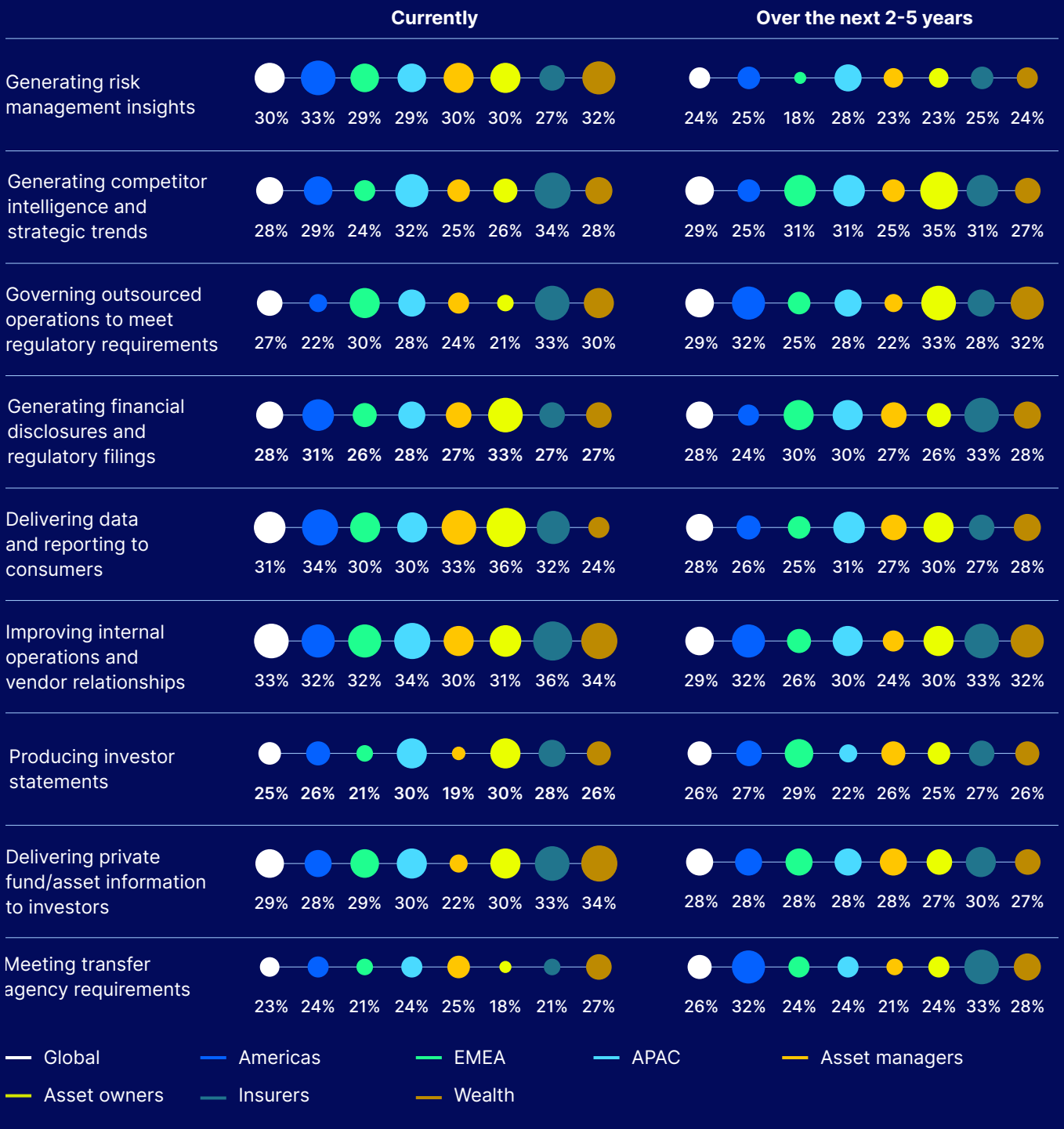
While GenAI is expected to deliver value across back-office activities in the next two to five years, in several cases this value is lower than current estimations, indicating low expectations for the future from GenAI.

However, in EMEA and APAC, respondents see GenAI providing value in generating competitor intelligence and strategic trends. About one-third of respondents in the Americas see value from GenAI in improving internal operations and vendor relationships, governing outsourced operations to meet regulatory and transfer agency requirements.

To better understand future expectations for GenAI in the back office, we analyzed those organizations with a holistic data strategy against expectations for GenAI. We found that a high number of institutional investors with either a holistic data strategy in place or in the implementation stage expect the value from GenAI to emerge over the next two to five years. For example, among all respondents planning or considering holistic data strategies in the area of producing investor statements, only 21 percent of the respondents felt that the impact of planning might be immediate, whereas 33 percent felt that the impact would be observed over the next two to five years.

Exhibit 9: Limited value from Gen AI currently seen across the back office

Low expectations for Gen AI in the future across the back office



% of 614 respondents

Q: In which areas of the back-office do you currently see GenAI providing the most value and where do you see it providing value in the next two to five years? (Currently and over 2-5 years)

Outsourcing data capabilities is more common in the back office and more often by organizations that rate themselves as effective in data use

Overall, respondents are far more open to outsourcing back-office data needs than in the front-office (see Exhibit 10). By organization type, asset managers consider outsourcing more favorably across back-office activities, especially in risk management, regulatory filings and competitor intelligence. Currently, one in five asset owners are already outsourcing data management in meeting regulatory requirements, and this trend is likely to increase, according to responses.

Wealth managers look to outsourcing to meet regulatory requirements and risk management, while insurance firms are interested in using outsourcing for generating competitor intelligence and strategic trends.

Cost is one of the biggest barriers to outsourcing, according to survey responses. For nearly half of respondents, the cost associated with outsourcing (both initial and ongoing) is the biggest reason for keeping data management in-house. Meanwhile, more than a quarter of the respondents consider data as a competitive advantage and deliberately keep back-office data management in-house.

We further analyzed responses to outsourcing against data use and management effectiveness. When comparing organizations that report being very good or somewhat good in data use against openness to outsourcing, we found that two-thirds of effective data use organizations are considering or likely to outsource across all areas of the back-office (see Exhibit 11).

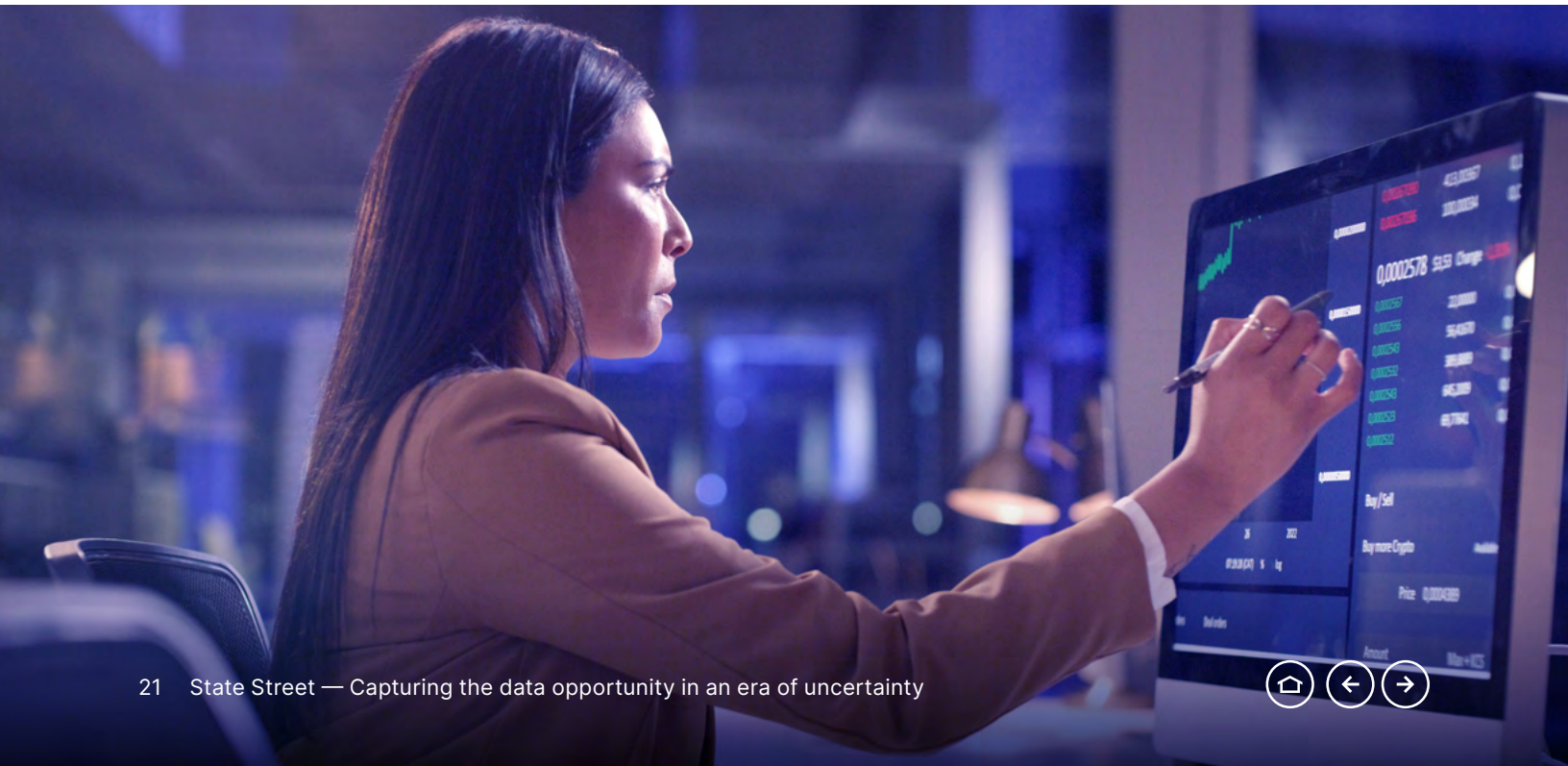
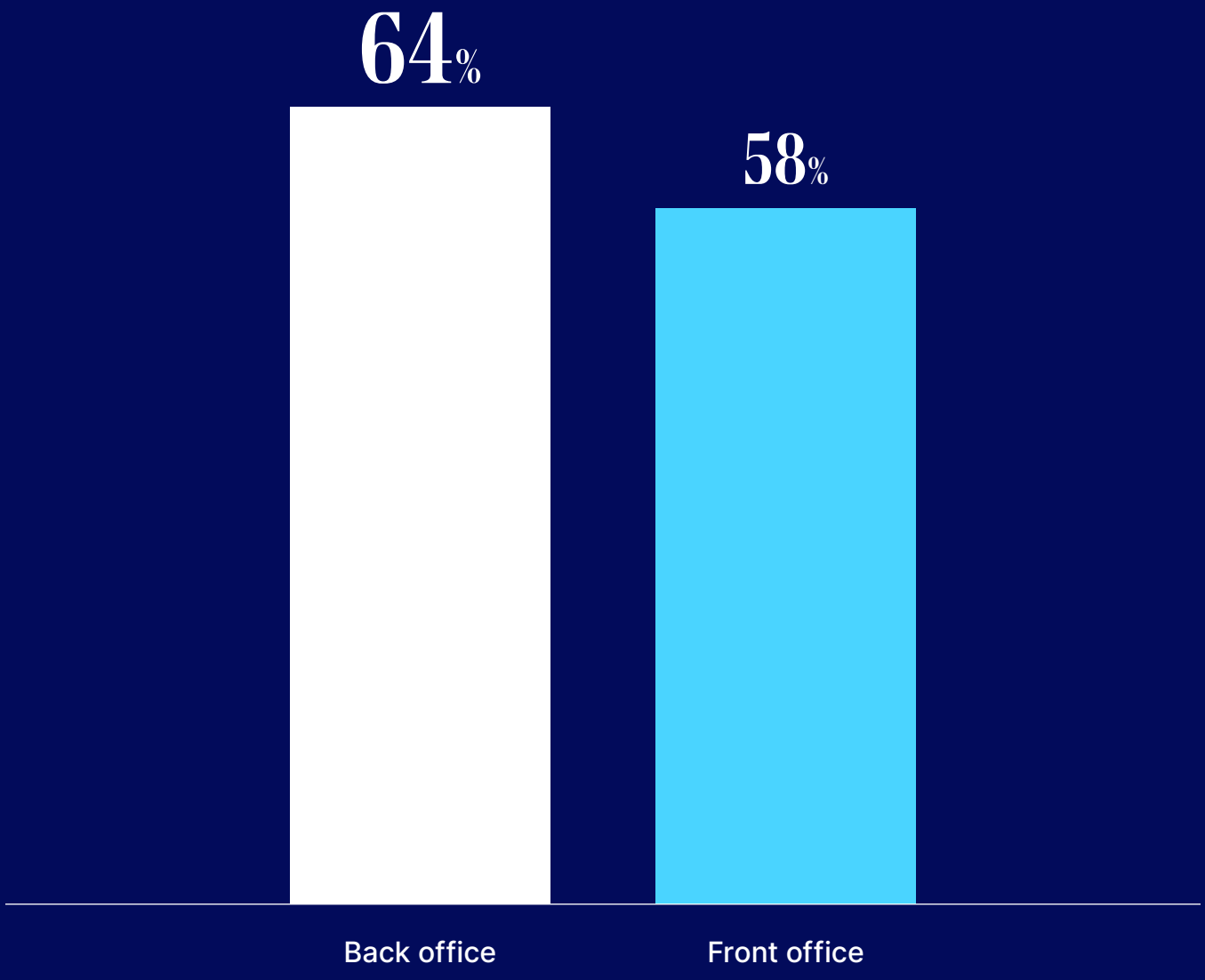


Exhibit 10: Organizations are more open to outsourcing data solutions in the back-office

Openness to outsourcing is defined as those respondents who are already outsourcing, actively planning to outsource or are considering outsourcing across back-office activities and front-office activities



Back-office activities include: Generating risk management insights, generating competitor intelligence and strategic trends, generating financial disclosures and regulatory filings, delivering data and reporting to consumers, governing outsourced operations to meet regulatory requirements, meeting transfer agency requirements, producing investor statements, delivering private fund/asset information to investors, improving internal operations and vendor relationships

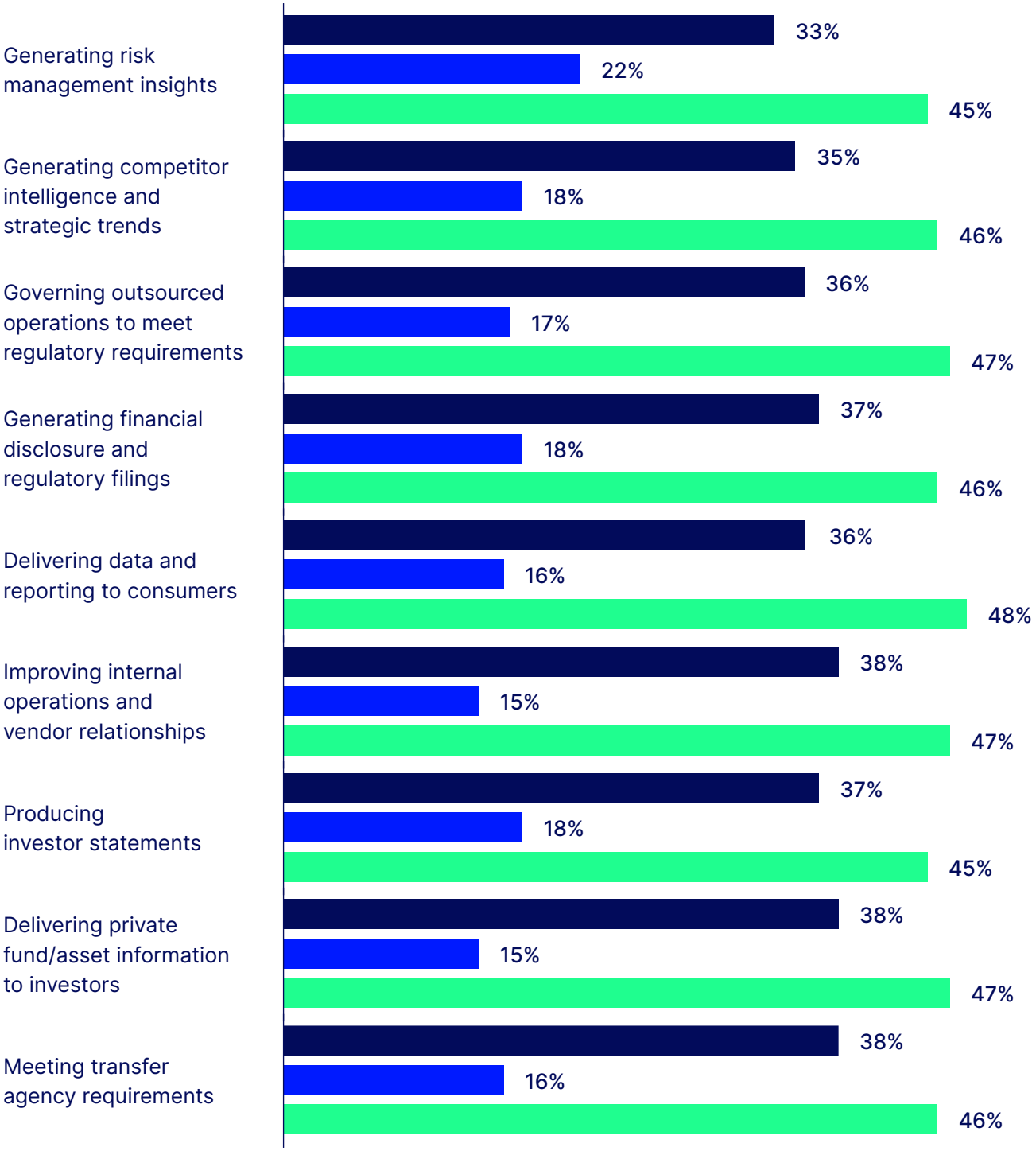
Front-office activities include: Selecting products and strategies, performance measurement, capital markets and security level research, capital deployment, strategic asset allocation, defining investment objectives, creating or adjusting products

% of 920 respondents

Q. How open are you to outsourcing data management in the following areas of the front office and the back office?

Exhibit 11: Organizations that are effective in using data in the back-office are most open to outsourcing data needs

Respondents who rated themselves as good in data use versus openness to outsourcing



% of respondents who rate themselves as somewhat good to very good in data use in the back-office

Front-office data priorities

Front-office data priorities are different from back-office data priorities, and in designing this survey we wanted to dig deeper into each area to understand the specific opportunities and challenges (see Box 3: Differences between front-and back-office data priorities).

The picture that emerges for the front office is one of clear priority areas for investing in data use and management, as well as for GenAI deployment.

Data use in research and asset allocation matter most with indications of room to improve

From our survey, a picture emerges of where institutional investors expect to find the biggest payoff from enhanced data use and management in front-office activities, how they assess their current capabilities and the key challenges they face in realizing the data opportunity.

Respondents identified areas where data use has the biggest economic impact. Out of 614 respondents (front-office roles plus C-suite), more than half picked capital markets and security-level research as having the biggest impact on investment returns (investment performance), followed by strategic asset allocation, and about half of respondents identified both of these areas as having a major impact on overall revenue (see Exhibit 12).

However, most institutional investors do not rate their effectiveness in using data highly in the areas of research and strategic allocation. The number one area for effective data use is defining investment objectives, according to our survey. A vast majority of the 920 respondents (close to 60 percent), rate themselves as very good at using data for defining investment objectives (see Exhibit 13). And more respondents from APAC and EMEA rate themselves as very good in this area compared with those in the Americas.

By organization type, more insurance firms (66 percent) and wealth managers (67 percent) rate their data use as very good in defining investment objectives compared with only 48 percent of asset owners.

Measuring investment performance comes second, with 52 percent of total respondents saying they are very good at using data in this area, followed by strategic asset allocation with 51 percent. However, in other front-office activities — selecting product strategies (35 percent of total respondents), capital deployment (43 percent), capital markets and security-level research (44 percent) — far fewer rate their use of data as very good.

Overall, a smaller number of asset owners rated themselves as very good across front-office activities compared with other organizational types, except in two areas: strategic asset allocation, and creating or adjusting products/strategies.

When asked to identify the greatest difficulty to tracking and analyzing portfolio performance, half of the C-suite respondents and those in investment management roles said software (e.g., the flexibility to handle instrument types and new types of funds) was the biggest challenge. Respondents in the Americas (59 percent) were the highest among all regions in identifying this as a number one challenge, while those in APAC were the lowest (40 percent).

Box 3. Differences between front- and back-office data priorities

It's worth noting several differences that we found regarding:

1. **GenAI:** About 60 percent of respondents currently see value from GenAI in front-office activities versus only 20-30 percent of respondents who currently see value in back-office activities.
2. **Outsourcing:** Only one in five respondents currently outsource front-office data activities versus one in four respondents that currently outsource back-office data activities.
3. **Investments:** About half of respondents plan to enhance front-office data activities versus about one-third of respondents that plan enhancements in the back office.
4. **Strategy:** Reducing technology and platforms is a core component of strategy in the front-office (51 percent of respondents) versus the back-office (43 percent of respondents).

Exhibit 12: Areas where data use has the biggest economic impact according to type of institutional investor

Data's impact on business's investment returns and revenue

Note: *Selecting products/strategies: Only for asset owners and insurers without in-house investment functions

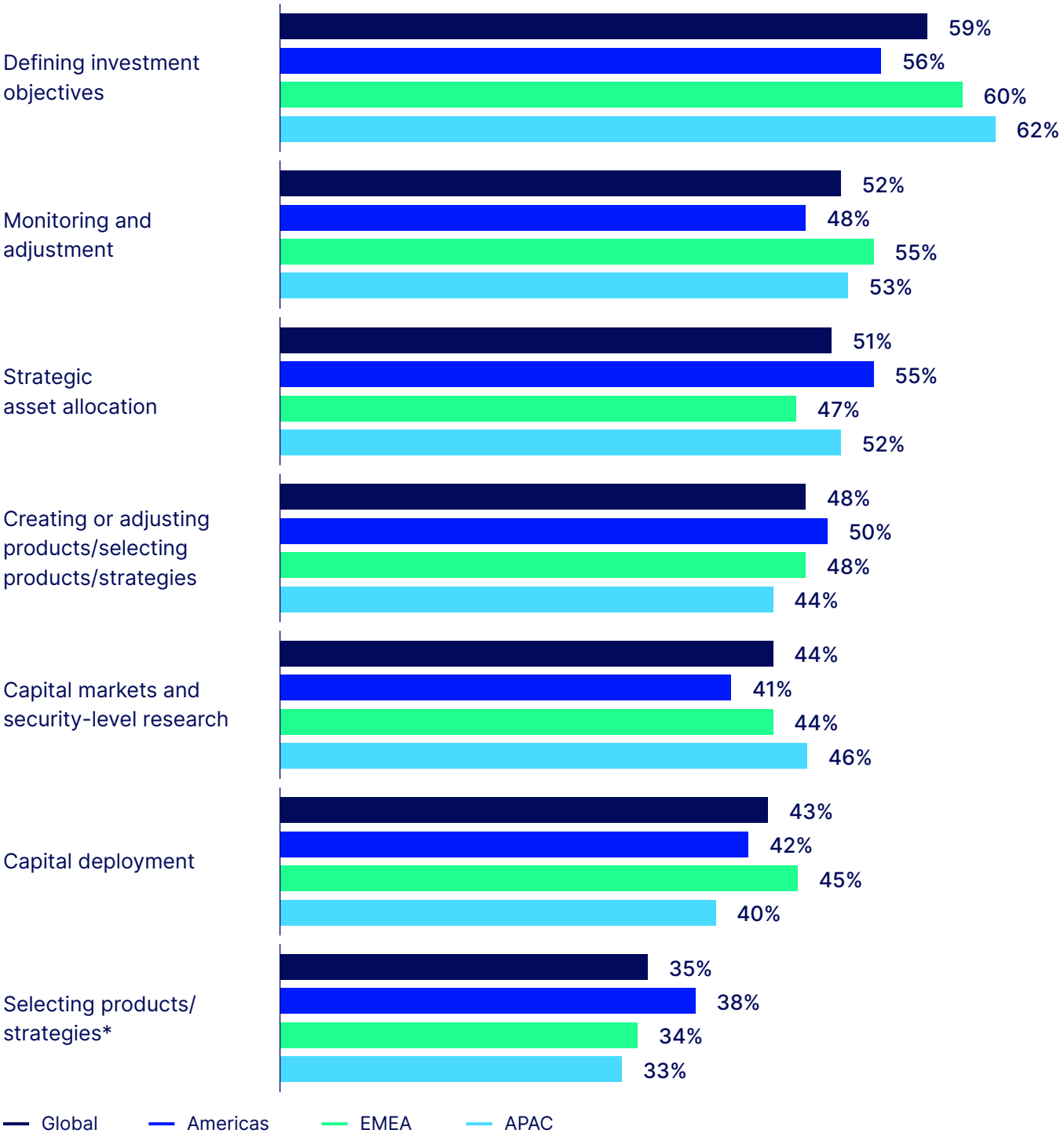
% of 614 respondents

Q: Which of the following data areas have the greatest impact on your business's investment returns (investment performance)?

Q: Which of the following data areas have the greatest impact on your business's revenue?

Exhibit 13: Effectiveness of data use is uneven across front-office activities

Percentage rating themselves as very good



Note: *Selecting products/strategies: Only for asset owners and insurers without in-house investment functions

% of 920 respondents
Q: Please rate your organization's effectiveness in using data in the following areas of the front office.

Clear investment priorities for data emerge for front-office activities

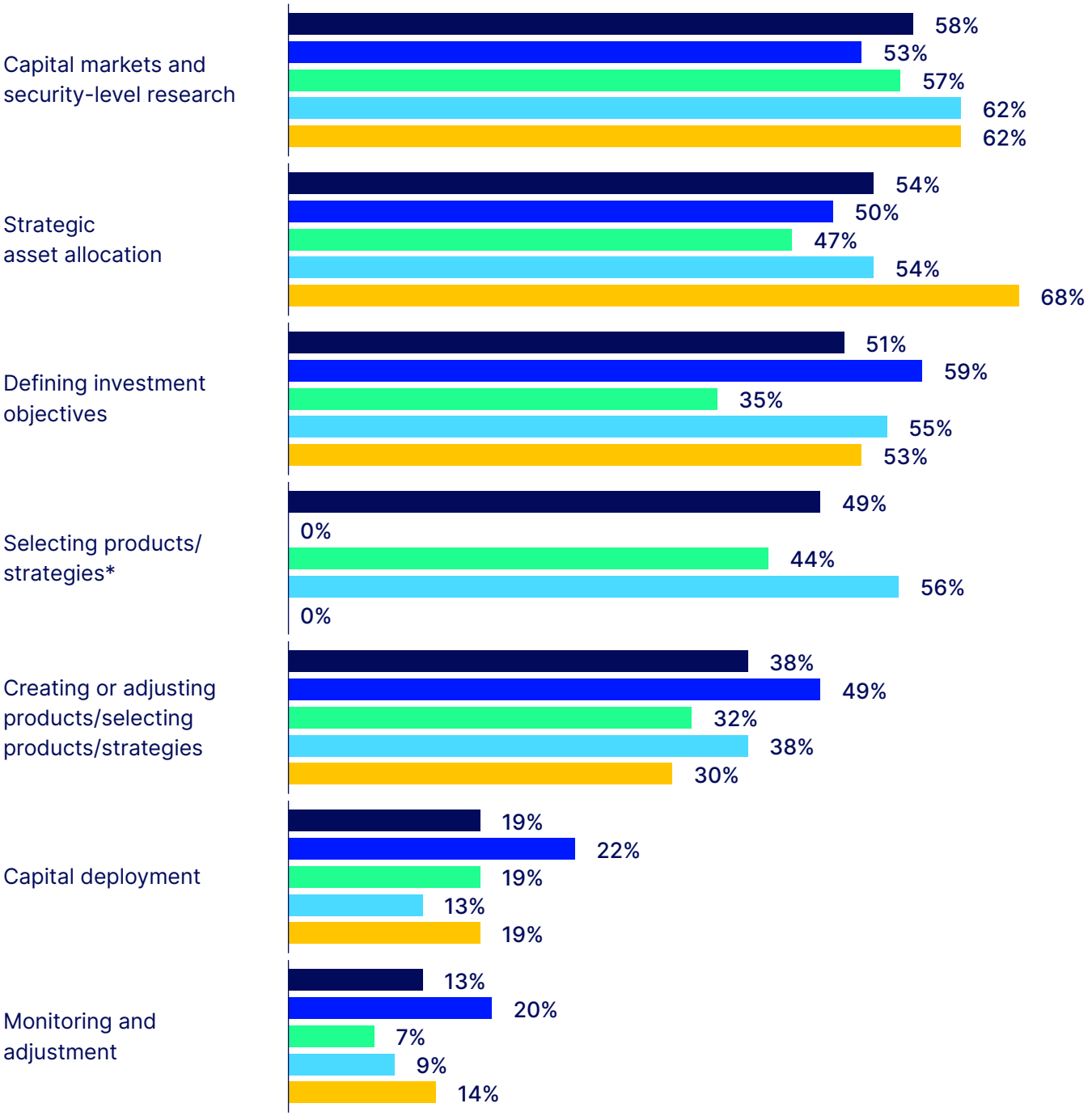
It's not surprising that institutional investors are focusing their investments on high-value areas for data use, as well as in areas where they do not currently rate themselves as highly effective. Those priority areas include investing in data use for capital markets and security-level research, as well as for strategic asset allocation (see Exhibit 14). By organization type, about 70 percent of wealth firms are enhancing their data usage in strategic asset allocation, whereas half of asset managers are interested in creating or adjusting products.

Defining investment priorities is an area that a majority of organizations, including about 60 percent of asset managers, are looking to improve. However, that was not the case for asset owners.

We asked respondents to identify what they would invest in if costs were not a constraint. A little less than half of front-office respondents and C-suite respondents, (47 percent) picked AI tools such as advanced predictive analytics and machine learning models.

Exhibit 14: A front-office view of priorities

Overall research and strategic asset allocation top the list of investment priorities to enhance data use



Note: *Selecting products/strategies: Only for asset owners and insurers without in-house investment functions

% of 614 respondents

Q: In which of the following front-office activities are you most focused on improving your use of data through investment in technology, workforce expertise or external partnerships?

GenAI is a priority for the front office

Our survey reveals that GenAI use cases are more pronounced in the front office than the back office, with about 60 percent of respondents across regions currently seeing GenAI provide the most value in defining investment objectives (see Box 3. Differences between the front- and back-office data priorities). This trend is most noticeable in APAC, then EMEA, and lastly the Americas (see Exhibit 15). Respondents in the Americas also find value from GenAI in selecting products and strategies, but this benefit is limited to asset owners and insurers. Across type of organizations, 71 percent of insurers and 67 percent of wealth managers find GenAI is currently adding value in defining investment objectives. This compares to only 53 percent of asset managers and 57 percent of asset owners.

Looking ahead to the next two to five years, the picture is less certain. The highest number of respondents, about 47 percent, expect GenAI to provide value in creating or adjusting products/selecting products and strategies. Here, it seems that regional differences exist. EMEA and APAC respondents see the most value in creating or adjusting products/strategies, while respondents in the Americas expect value from deploying GenAI in strategic asset allocation.

Over 64 percent of wealth respondents expect GenAI to make an impact by creating or adjusting products, while insurers expect most value in capital markets and security-level research. In the case of asset managers, most expect value from GenAI from capital deployment, whereas 50 percent of asset owners expect GenAI to create value in strategic asset allocation.

71%

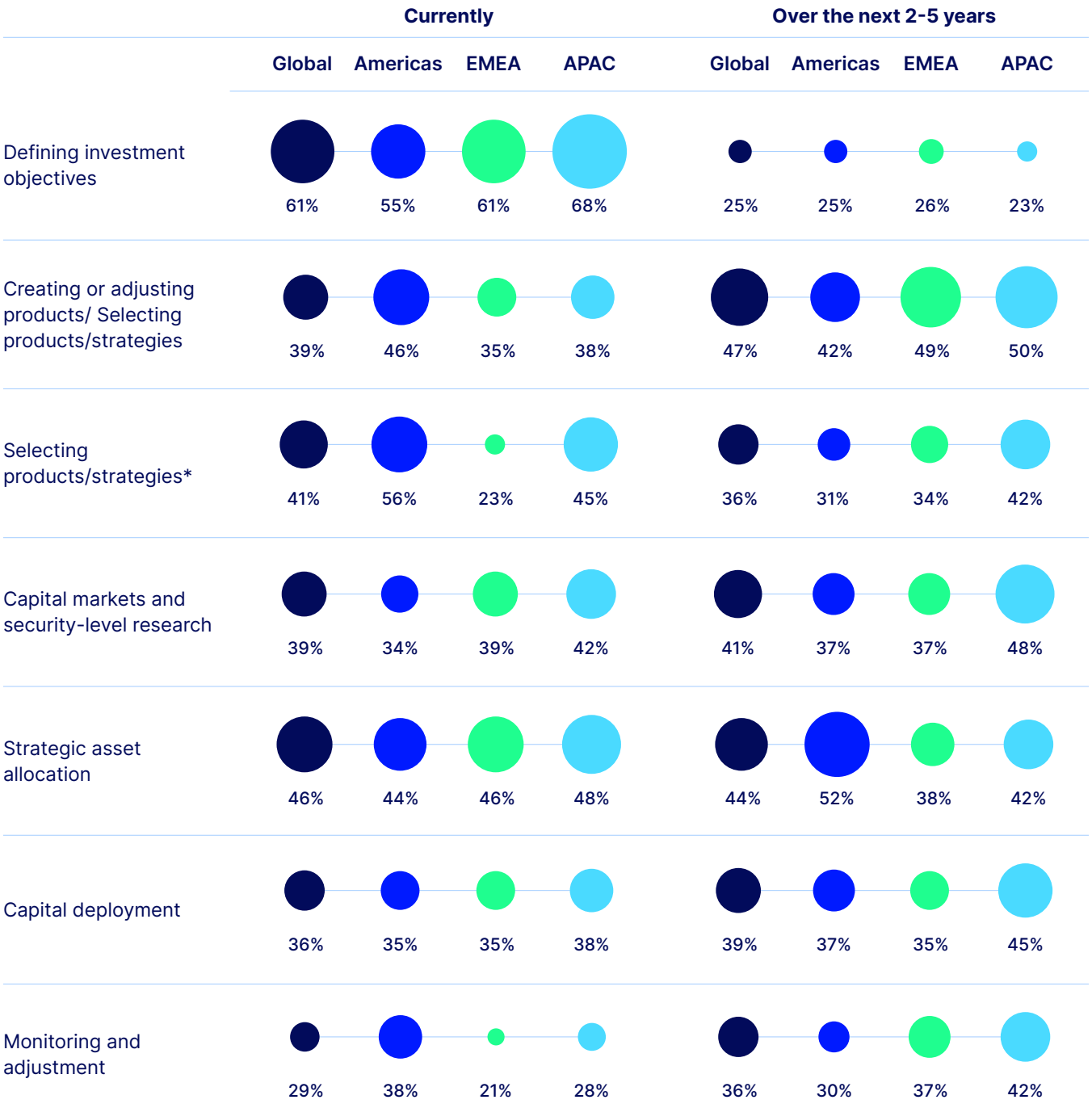
of insurers find GenAI is adding value in defining investment objectives

64%

of wealth respondents expect GenAI to make an impact by creating or adjusting products

Exhibit 15: A front-office view of GenAI

Where GenAI is providing the most value now and expectations for the future



Note: *Selecting products/strategies: Only for asset owners and insurers without in-house investment functions

% of 614 respondents

Q: In which areas of the front office do you currently see GenAI providing the most value and where do you see it providing value in the next two to five years? (Currently and over 2-5 years)

Key takeaways

While there are many different findings from our survey, for example, by individual country, type of investment institution, and size by assets under management, we outline three key takeaways for the industry:

01

We are entering the era of the holistic data strategy

- Around a quarter of respondents either have a HDS in place across the whole of their operations or are in the later stages of having one.
- Three-quarters of them will have one in place within two years, making this the timescale over which the bulk of the industry will have implemented this approach.
- Significant numbers of them also have or are introducing an HDS just within their front- or back-office operations.
- Institutions have great expectations for the impact of these strategies on their revenues, investment returns and operational costs.
- Technology investment and technology relationships with key industry partners are essential for establishing a HDS.

02

The lines between front- and back-office data are blurring

- Institutions are significantly more likely to have or be implementing a HDS across their front-, middle- and back-office data operations than individually within those areas.
- Back-office data is moving beyond its core purposes and being used to support commercial front-office functions such as investment strategy and distribution by a substantial proportion of institutions.
- Institutions that rate their custodians highly are most likely to be using back-office data in this way.
- Two areas of data use stand out as having the biggest economic impact for an investment firm: Capital markets and security-level research and strategic asset allocation. Organizations that are not effective at using data in these two areas may consider prioritizing.

03

Next-generation AI technology is most impactful in the front office

- Approximately half or more of institutions have identified clear use cases for GenAI across multiple front-office functions and are either using the technology now or will be in the next two years.
- The number of clear use cases and implementations for GenAI in the back office is smaller, but around a third of institutions are currently using the technology in certain core functions.

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