Daron Pearce, CEO, BNY Mellon Asset Servicing EMEA
Joanna Simpson, FundForum International
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JS: I’m Joanna Simpson here at FundForum International in Copenhagen, joining me now is Daron Pearce, CEO of BNY Mellon Asset Servicing EMEA, thank you very much for joining me.

DP: Pleasure to be here.

JS: And just tell me how are the biggest trends in the investment industry currently?

DP: So the biggest trends I’d say are quite well established now. You’ve seen the barbelling of investment, so passives and actives, ETFs really gaining ground at the expense of the active management firms. We’ve seen also barbelling of size, we’ve seen enormous mega managers gaining market share, smaller managers and new entrants doing well and there is a squeezed middle. And, that’s all leading to cost reduction and margin pressure which unfortunately for my industry, the asset servicer, a lot of that margin pressure is passed down to us. So those are the sort of big macro trends. And then within the business there’s the provision of data, the demands of our clients, ongoing regulatory challenges so it’s a complex and demanding industry.

JS: And how are asset servicers like BNY Mellon responding to these trends and supporting clients?

DP: Yes, so really I’d put it into sort of three prongs. We have to digitise our environment to make data available and that also involves a lot of streamlining so we can manage our cost base and offer services very competitively. We’re broadening out our services so we can offer middle office and other capabilities to asset managers. They can leverage our scale, focus on what they are good at and leave the rest to us and we see a lot of that. We have to provide a really resilient and robust capability for our clients, it’s demanded by regulators, it’s demanded by our clients too. So we are very heavily invested in making sure that our systems are always available, that they’re really robust from a technology perspective, from a hardware, from the languages the technology is written in. And then finally there is data provision and I’d say that’s the single biggest agenda and certainly has been here for the last few days. That data provision, enabling the asset management industry, the asset owners to really take advantage of all the data that’s flowing through our architecture.
JS: And that's the current situation, how do you see asset services developing in the future?

DP: I think that asset servicing over time becomes more commoditised, as we all get better and better at delivering that data, at reaching very effective price points. I don't think we will be competing in the future on basics like custody and fund accounting and transfer agency. We'll be competing on data provision, the quality of that data, the timeliness of that data. How open is the architecture, the access to that data and how well are you aligned with order management systems for example. Our strategy is to be completely agnostic as to our client's order management technologies but very fully interfaced to those technologies, regardless of the platform.

JS: Daron Pearce, thank you very much for your time.

DP: Absolute pleasure, thank you.

END

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