

The technology wake-up call for the buy-side

Speaking at Hubbis' Investment Solutions Forum 2017 in HK – Linus Yu of Numerix looks at some of the impacts of technology on reshaping priorities for buy-side institutions.

The technological face of private banking is transforming traditional roles, according to Linus Yu, a business analyst for Numerix.

In terms of cross-asset analytics used within investment banks, for example, the industry is now looking at multi-strategy products, with no dependency on one single risk factor.

This has also changed the perspectives of the buy-side institutions, where in most cases they are moving from being price-takers to price-makers.

According to Yu, this change in the ecosystem, with greater numbers of transactions being made, means connectivity, real-time performance and scalability has to be addressed.

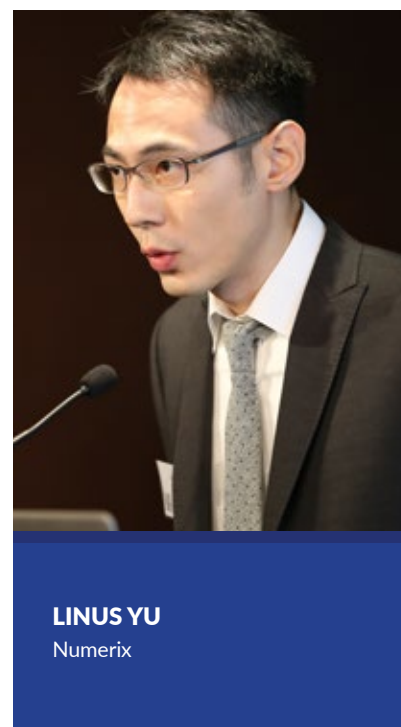
When it comes to scalability, for example, he explains that there is no one-size-fits-all solution, because there

may be certain legacy systems in place in relation to regulatory- or jurisdiction-driven restrictions.

Another big trend that Yu says is becoming evident on the buy side is the increasing move towards deploying managed services, with facilities like IT being outsourced.

He explains that this should be the preferred choice of operation because the job of a private banker or asset manager should not be to run IT operations or deal with retention, but instead to service clients' needs – which can be better achieved today with managed services.

Yu says this is also evident on the sell side, with more and more institutions stepping away from areas of their business that don't generate significant revenue; this can lead them also towards managed services. ■



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