

*The*

**2021** 

**ETF**

ADMINISTRATION

**SURVEY**

# MORE THAN A SERVICE PROVIDER

Respondents to the second annual ETF Administration Survey are turning to service providers for a more full-rounded offering to help enter and expand into the ETF market.

The 2020 ETF Administration Survey was Global Custodian's first brand new major survey for several years. What it showed was a tremendous amount of momentum in the ETF servicing space, evident from receiving an overwhelming number of responses from ETF issuers and authorised participants.

The second iteration of this survey

is a continuation of that, pulling in 81 responses from global asset managers representing nearly \$3 trillion in AUM.

Prior to conducting the survey, Global Custodian conducted a review with leading ETF servicers around how it can improve the experience for both the respondent and the provider, while also consulting on what new categories can be included to reflect the changing

dynamics of the ETF market.

As such, the 2021 survey included two new categories. The first was ETF Workflow to gauge client sentiment around order capture, data delivery, speed of processing, and connectivity to execution platforms. The other was Securities Lending, which has become a growing segment within the overall ETF offering of providers. While the number of respondents that use securities lending services was relatively low – a reflection that the practice still has a long way to go to reach maturity – those that did offer feedback were able to rate their provider around quality of collateral, revenue returns, counterparty risk

Table 1: Range of scores (widest to narrowest)

Category	Average Score 2021 (weighted)	Minimum	Maximum	Range
Securities Lending	6.07	4.50	7.00	2.50
Reporting to Institutional Investors/	6.05	5.48	7.00	1.52
Technology	5.69	5.08	6.56	1.48
ETF Basket Services	6.39	5.60	7.00	1.40
On-boarding/ Launch Support	5.97	5.31	6.71	1.40
Fund Accounting	6.07	5.44	6.71	1.27
ETF Workflow Process	6.20	5.30	6.52	1.22
Client Service	6.07	5.54	6.61	1.07
Compliance Support	5.91	5.61	6.64	1.03
Price	5.67	5.22	6.17	0.95
ETF Servicing Model	6.18	5.62	6.53	0.91

Table 2: Year-on-year comparison

Category	Average Score 2021 (weighted)	Average Score 2020 (unweighted)	Difference
Client Service	6.07	5.59	0.48
Compliance Support	5.91	5.64	0.27
ETF Basket Services	6.39	5.69	0.70
ETF Servicing Model	6.18	5.76	0.42
ETF Workflow Process	6.20	n/a	n/a
Fund Accounting	6.07	5.68	0.39
On-boarding/ Launch Support	5.97	5.73	0.24
Price	5.67	5.18	0.49
Reporting to Institutional Investors/ Authorised Participants	6.05	5.72	0.33
Securities Lending	6.07	n/a	n/a
Technology	5.69	5.33	0.36
<b>TOTAL</b>	<b>6.05</b>	<b>5.59</b>	<b>0.46</b>

selection and market coverage.

The survey also made a major change by placing a weighting on the scores.

Table 1 indicates the average collective scores by service category of the eight providers that were rated individually in the survey, as well as the differential range of scores provided in each category. Table 2 also shows the year-on-year comparison of providers and their differentials.

Overall, the majority of providers all improved on last year's scores, as the average score for each category increased. The most improved service category was ETF Basket Services (6.39), while Onboarding/Launch Support (5.97) reported the smallest amount of growth. Technology (5.69) received the lowest average score, yet this was still an improvement from last

year's survey.

The collective scores of all the providers shows that respondents were very happy with the service delivered during a time of increased operational strain and changing market factors.

In addition, the differentials between scores were fairly small, signifying a high level of consistency around the main ETF services offered by providers. Securities Lending had the widest differential, whereas the ETF Servicing Model was rated fairly similarly between providers.

Client comments also very much centred around how their service providers have been a key pillar of support to them when entering into the ETF market or to expand their product offering. This topic area is discussed extensively in our feature on how

custodians and fund administrators are supporting innovation in the ETF market (page 20), whether around new fund structures such as active or semi-transparent ETFs, mutual fund to ETF conversions, or new asset classes such as ESG or Bitcoin.

The survey highlighted how asset managers rely more on their providers to not only carry out fund administration or ETF basket services, but to be a true partner whereby they consult and educate clients from launching a fund all the way to the back-office.

We at Global Custodian hope this survey continues to provide an indication of how the ETF industry benchmark their service providers, and we look forward to further developing this survey to more providers globally.

### Methodology

The ETF Administration Survey asks clients to assess the services that they receive from custodians and fund administrators in several categories. There is only one question in each category where respondents are asked to provide a rating. This is done through a sliding scale from 'Unacceptable' to 'Excellent'. In some categories there are a number of optional qualifying questions to add colour as well as an optional comment box per category.

The published results will use both Global Custodian's conventional seven-point scale familiar to readers of the magazine (where 1=unacceptable and 7=excellent) as well as a percentage score for each category.

In this year's ETF Administration Survey, five responses are the minimum required to assess a service provider for an individual write up;

however, the larger the sample size, the more robust the conclusions will be. Scores will also be weighted by assets under management (AUM) of the respondent.

Where a provider receives an insufficient number of responses for an individual write up, those responses nevertheless contribute to overall survey averages.

Scores in any individual service area that attract fewer than four responses are excluded from the calculations as we regard fewer than four to be an insufficient number to assess perceptions with confidence.

Where a provider has recorded three or more responses per category, average scores can be made available to the provider concerned for internal use. More granular analyses than are published may also be available to providers. For more information on bespoke reports, please contact [beenish.hussain@globalcustodian.com](mailto:beenish.hussain@globalcustodian.com).

# BNY Mellon/CIBC Mellon

Category	Average Score 2021	Average Score 2020	Difference	Global average 2021	Difference with Global Avg
Client Service	6.07	5.50	0.57	6.07	0.00
Compliance Support	5.61	5.38	0.23	5.91	-0.30
ETF Basket Services	6.46	5.63	0.83	6.39	0.07
ETF Servicing Model	6.20	5.85	0.35	6.18	0.02
ETF Workflow Process	6.52	n/a	n/a	6.20	0.32
Fund Accounting	6.16	5.71	0.45	6.07	0.09
On-boarding/ Launch Support	5.94	5.75	0.19	5.97	-0.03
Price	5.35	4.57	0.78	5.67	-0.32
Reporting to Institutional Investors/ Authorised Participants	6.07	5.50	0.57	6.05	0.02
Securities Lending	5.90	n/a	n/a	6.07	-0.17
Technology	5.69	4.82	0.87	5.69	0.00
<b>Total</b>	<b>6.00</b>	<b>5.41</b>	<b>0.54</b>	<b>6.05</b>	<b>-0.03</b>

BNY Mellon, once again, received more responses than any other provider in the 2021 survey. Its responses were also combined with its Canadian subsidiary, CIBC Mellon, as the Canadian ETF servicing business is supported by BNY Mellon's technology and infrastructure.

Improving its position in the ETF servicing market has been a core objective for the bank, where it now provides custody and fund administration services to over \$1 trillion of ETF assets. It has also assembled a high-quality team, with the business jointly led by Ben Slavin and Jeff McCarthy.

Since last year's survey, BNY Mellon has made several important changes to its technology, including the launch of a new data hub developed specifically for the ETF industry, as well as a new ability to deliver multiple NAVs throughout a trading day for semi-transparent ETFs.

BNY Mellon has been one of the early backers of crypto ETFs. It was

## Respondents by country

58%

CANADA

42%

USA

appointed as the fund administrator for the SkyBridge Bitcoin ETF Trust, and CIBC Mellon was named fund administrator for the world's first Bitcoin ETF, the purpose Bitcoin ETF, launched in February.

Against this backdrop, BNY Mellon improved in every category since last year's survey, most significantly in Technology (5.69) and ETF Basket Services (6.46). That being said, it did fall slightly short of the global average, brought down by Compliance Support (5.61) and Price (5.35).

Over two-thirds of respondents rated BNY Mellon either Very Good or Excellent, and one respondent praised

both the relationship management teams of BNY Mellon and CIBC Mellon. The group also received positive comments about its basket services, where one respondent said: "The basket services team is on the cutting edge of all new ETF innovations, with the ability to service multiple basket types and connectivity to third party services."

A handful of respondents have also utilised BNY Mellon's Securities Lending (5.90) services, as one major asset management firm commented: "[The] sec lending programme has helped boost incremental returns to shareholders."

Spread of opinion	Excellent (%)	Very good (%)	Good (%)	Satisfactory (%)	Weak (%)	N/A (%)
	35	33	19	3	1	9

# Brown Brothers Harriman

Category	Average Score 2021	Average Score 2020	Difference	Global average 2021	Difference with Global Avg
Client Service	6.70	6.00	0.70	6.07	0.63
Compliance Support	6.09	5.60	0.49	5.91	0.18
ETF Basket Services	6.86	5.40	1.46	6.39	0.47
ETF Servicing Model	6.76	5.89	0.87	6.18	0.58
ETF Workflow Process	6.71	n/a	n/a	6.20	0.52
Fund Accounting	6.59	5.14	1.45	6.07	0.52
On-boarding/ Launch Support	6.15	5.70	0.45	5.97	0.18
Price	6.05	4.86	1.19	5.67	0.38
Reporting to Institutional Investors/ Authorised Participants	6.63	5.80	0.83	6.05	0.58
Securities Lending	7.00	n/a	n/a	6.07	0.93
Technology	6.22	5.63	0.59	5.69	0.53
<b>Total</b>	<b>6.53</b>	<b>5.62</b>	<b>0.91</b>	<b>6.05</b>	<b>0.49</b>

The makeup of client respondents for BBH in this year's survey was varied, with responses from both smaller-sized asset managers and several \$500 billion-plus firms, all from the US.

Its ability to stay on top of both regulatory and market structure changes has been a key highlight for BBH over recent years, and it is no surprise that the US bank has scored so highly for Client Service (6.86). Aside from a small minority of respondents who lowered this average slightly, BBH received near perfect ratings. One global asset manager client praised its strong partnership with BBH's ETF team, while another client said: "One gets a strong sense that the entire firm is there to provide whatever assistance is needed."

This high level of client service, as well as its active role in educating and consulting with clients looking to expand in the ETF market, has enabled

## Respondents by country

100%

USA

it to become a proponent of innovation in the industry. For example, it has supported several asset managers launch active ETFs in the US, while also helping Guinness Atkinson with the first conversion of a mutual fund to an ETF, a landmark event for the industry.

In addition, one of the most frequent requests from clients is for BBH to tap into semi-transparent products. In order to do this, BBH has had to make some specific changes to its operating model, including developing features such as confidentiality of the basket/holdings and some other enhancements to service those using a proxy model.

Nearly two thirds of BBH's respondents rated it 'Excellent' across the survey, where it excelled in ETF Basket Services (6.86), ETF Servicing Model (6.76), and ETF Workflow Process (6.71). It also received top marks in Securities Lending (7.00), however this score was given from just one respondent.

These scores helped BBH beat both its 2020 average rating by 91 basis points and the 2021 global average by 49 basis points. On the whole, respondents were extremely satisfied with BBH as their service provider and would most likely continue their relationship with the

Spread of opinion	Excellent (%)	Very good (%)	Good (%)	Satisfactory (%)	Weak (%)	N/A (%)
	62	18	4	12	1	3

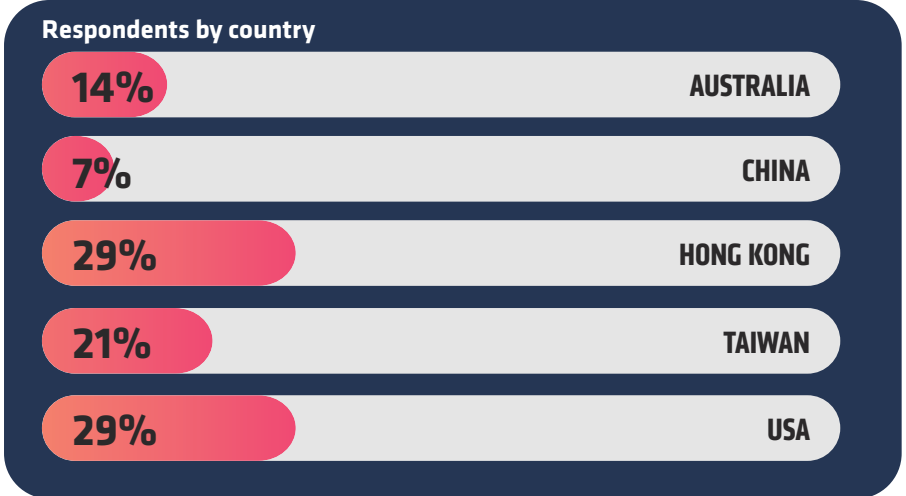


Category	Average Score 2021	Average Score 2020	Difference	Global average 2021	Difference with Global Avg
Client Service	5.63	5.38	0.25	6.07	-0.44
Compliance Support	6.10	5.80	0.30	5.91	0.19
ETF Basket Services	5.75	5.50	0.25	6.39	-0.64
ETF Servicing Model	5.69	6.00	-0.31	6.18	-0.49
ETF Workflow Process	5.30	n/a	n/a	6.20	-0.90
Fund Accounting	5.44	5.88	-0.44	6.07	-0.63
On-boarding/ Launch Support	5.56	5.63	-0.07	5.97	-0.41
Price	5.81	5.29	0.52	5.67	0.14
Reporting to Institutional Investors/ Authorised Participants	5.48	5.75	-0.27	6.05	-0.57
Securities Lending	6.20	n/a	n/a	6.07	0.13
Technology	5.65	6.20	-0.55	5.69	-0.04
<b>Total</b>	<b>5.69</b>	<b>5.71</b>	<b>-0.04</b>	<b>6.05</b>	<b>-0.33</b>

Citi received the widest geographical mix of responses from asset managers, drawing feedback from those based in Australia, China, Hong Kong, Taiwan and the US, reflecting the growth of its global ETF servicing franchise. Over the past year, it has been awarded several innovative mandates in Hong Kong, while also supporting Dimensional Fund Advisors’ conversion of four mutual funds totalling \$30 billion in assets to ETFs, a move that has been described as pioneering.

The business is propped by its flagship Advanced Citi ETF System (ACES), which enables Citi to automate the full ETF life cycle from basket creation to order processing and settlement.

The advancements Citi has made to its ETF servicing infrastructure has meant clients have high expectations for what the bank can deliver, perhaps suggesting a dip in its score year-on-year for Technology (5.65). However, those respondents that rated the bank’s tech highly were particularly vocal. “Citi’s technological capabilities are second-to-none and they draw on their collective industry expertise to continuously hone their offerings as some of the most cutting edge in the industry,” a large US-



based issuer said.

Citi outscored the global average in just a few categories, including Compliance Support (6.10), Price (5.81) and Securities Lending (6.20). However, it did fail to beat the global average in most areas, specifically ETF Workflow Process (5.30), with its score coming in 90 basis points below the average rating achieved by other providers.

Opinions from respondents were also quite spread out, as it received mixed re-

views in areas such as Fund Accounting (5.44) and On-Boarding/Launch Support (5.56). But the comments it received were mostly positive. “Citi’s order portal has helped to create efficiencies and automate the creation/redemption cycle,” one Hong Kong-based respondent said, and another from the US explained, “Citi has been an invaluable global partner for us over the years and will continue to be a key component of our operational infrastructure.”

Spread of opinion	Excellent (%)	Very good (%)	Good (%)	Satisfactory (%)	Weak (%)	N/A (%)
	28	23	19	15	8	7

# HSBC

Category	Average Score 2021	Average Score 2020	Difference	Global average 2021	Difference with Global Avg
Client Service	5.54	5.75	-0.21	6.07	-0.53
Compliance Support	5.67	5.33	0.34	5.91	-0.24
ETF Basket Services	5.60	6.00	-0.40	6.39	-0.79
ETF Servicing Model	5.62	5.29	0.33	6.18	-0.56
ETF Workflow Process	5.70	n/a	n/a	6.20	-0.50
Fund Accounting	5.85	6.00	n/a	6.07	-0.22
On-boarding/ Launch Support	5.31	5.75	-0.44	5.97	-0.66
Price	5.50	5.29	0.21	5.67	-0.17
Reporting to Institutional Investors/ Authorised Participants	5.64	6.00	-0.36	6.05	-0.41
Securities Lending	4.50	n/a	n/a	6.07	-1.57
Technology	5.33	5.60	-0.27	5.69	-0.36
<b>Total</b>	<b>5.48</b>	<b>5.67</b>	<b>-0.10</b>	<b>6.05</b>	<b>-0.55</b>

HSBC's predominant role is to connect East to West. That means facilitating access to Asian ETFs for Western investors, and vice versa. Responses to this year's survey for HSBC are all Hong Kong-based, where clients use the bank to bring opportunities to both European and Asian investors in an ETF wrapper that they are familiar with.

In order to carry this out, the bank recently rolled out the HSBCnet ETF online dealing portal to its Asian client base. The portal offers a secure channel for authorised participants (APs) to deliver creation/redemption orders and replaces the legacy fax method of communication. In addition, following the merger of its markets and securities services divisions in 2019, it has sought to bring a more rounded front-to-back offering.

Asian - and in particular Chinese - opportunities have become some of the most attractive for investors, and HSBC sees an increase in demand

## Respondents by country

100%

HONG KONG

for ETF strategies. For example, it was appointed the securities services provider for the first two ETFs under the new cross-listing scheme between Hong Kong and Mainland China. It also supported BlackRock iShares with the launch of a multi-market product on the back of a relaxation of the master feeder regime in Hong Kong.

HSBC's scores dipped slightly in comparison to both last year's survey and the 2021 global average. The majority of clients retained their previous higher ratings. Half of respondents rated its services either 'Very Good' or 'Excellent', as it was awarded its best scores for ETF Workflow Process (5.70), Reporting

to Institutional Investors/Authorised Participants (5.64), and Compliance Support (5.67).

Only two clients provided HSBC with a rating for Securities Lending (4.50), suggesting that the practice for the Asian ETF market is still in an early phase of its development.

Comments for the bank were few, however those that did remark praised HSBC for its fund accounting team, its responsiveness to client needs, and its ability to facilitate new business. "HSBC closely keeps track and responds on orders and the related cash flows," one client said about its ETF processes.

Spread of opinion	Excellent (%)	Very good (%)	Good (%)	Satisfactory (%)	Weak (%)	N/A (%)
	25	28	24	21	2	0

# J.P. Morgan

Category	Average Score 2021	Average Score 2020	Difference	Global average 2021	Difference with Global Avg
Client Service	6.61	6.00	0.61	6.07	0.54
Compliance Support	6.14	6.00	0.14	5.91	0.23
ETF Basket Services	7.00	6.20	0.80	6.39	0.61
ETF Servicing Model	6.53	6.00	0.53	6.18	0.35
ETF Workflow Process	6.24	n/a	n/a	6.20	0.04
Fund Accounting	6.71	6.00	0.71	6.07	0.64
On-boarding/ Launch Support	6.71	5.80	0.91	5.97	0.74
Price	6.17	6.00	0.17	5.67	0.50
Reporting to Institutional Investors/ Authorised Participants	7.00	5.00	2.00	6.05	0.95
Securities Lending	6.57	n/a	n/a	6.07	0.50
Technology	5.76	6.00	-0.24	5.69	0.07
<b>Total</b>	<b>6.49</b>	<b>5.89</b>	<b>0.63</b>	<b>6.05</b>	<b>0.47</b>

At the core of J.P. Morgan's ETF servicing strategy has been a multi-year investment programme to enhance its technology and provide near real-time data on trade workflows between issuers, APs and investors. The bank has seen its ETF assets under administration (AuA) increase 54% over the last 24 months and now exceeds \$1 trillion.

J.P. Morgan has also set out a five-year roadmap to further enhance the platform, with an eye on capturing the growing demand for new fund structures, including active and semi-transparent ETFs, as well as facilitating the transition of mutual funds to ETFs.

The majority of J.P. Morgan's responses came from the US, yet it did receive one response from a Taiwanese-based asset manager.

J.P. Morgan was one of the top performers in last year's survey, propelling it to take Global Custodian's ETF Administrator of the Year Award at it's the 2021 Leaders in Custody awards. For this year's survey, it appears the US bank has performed even better with an

## Respondents by country

20%

TAIWAN

80%

USA

average score of 6.49, beating both last year's results by 63 basis points and the 2021 global average by 47 basis points.

The asset servicer achieved perfect 7.00 scores for both ETF Basket Services and Reporting to Institutional Investors/Authorised Participants, while also achieving near top marks for On-boarding/Launch Support (6.71), Fund Accounting (6.71) and Client Service (6.61). "J.P. Morgan has been a terrific partner both in terms of launching funds and servicing our ETF business on a day-to-day basis," explained one global US client.

The one score that J.P. Morgan failed to see an improvement in was Technology (5.76), yet this was still

slightly above the global average. "We have highlighted the need for more real-time resolution of problems on an intra-day basis," one client said.

From client comments, it appears that many see J.P. Morgan as a long-term partner as more asset managers look to expand their ETF business. The challenge for both providers and issuers is to stay on top of the unique requirements of ETFs.

"As we launch more funds and grow our ETF businesses, a challenge we both face is the fact that our ETF businesses have been built from a mutual fund base line, but ETFs have unique requirements due to the fact they trade on exchanges," the client said.

Spread of opinion	Excellent (%)	Very good (%)	Good (%)	Satisfactory (%)	Weak (%)	N/A (%)
	56	28	16	0	0	0



# RBC Investor & Treasury Services

Category	Average Score 2021	Average Score 2020	Difference	Global average 2021	Difference with Global Avg
Client Service	6.25	6.38	-0.13	6.07	0.18
Compliance Support	6.64	6.29	0.35	5.91	0.73
ETF Basket Services	6.90	6.86	0.04	6.39	0.51
ETF Servicing Model	6.25	6.38	-0.13	6.18	0.07
ETF Workflow Process	6.27	n/a	n/a	6.20	0.07
Fund Accounting	6.19	6.43	-0.24	6.07	0.12
On-boarding/ Launch Support	6.25	6.38	-0.13	5.97	0.28
Price	6.07	6.14	-0.07	5.67	0.40
Reporting to Institutional Investors/ Authorised Participants	6.78	7.00	-0.22	6.05	0.73
Securities Lending	7.00	n/a	n/a	6.07	0.93
Technology	6.00	6.25	-0.25	5.69	0.31
<b>Total</b>	<b>6.42</b>	<b>6.46</b>	<b>-0.09</b>	<b>6.05</b>	<b>0.39</b>

During the first five months of the year, around CAD\$25 billion flowed into the Canadian ETF market, putting it on a path to beat 2020's record-breaking CAD\$41 billion year.

As asset flows continue to accelerate into Canada's ETF market, more is being expected from custodians and fund administrators, something that respondents believe RBC I&TS is consistently delivering. After the bank outperformed in nearly every category in last year's survey, it has once again accomplished this feat.

The Toronto-based organisation improved in a couple of core service categories, including ETF Basket Services (6.90) and Compliance Support (6.29). On the former, one small-sized asset manager client was particularly receptive about the accuracy and timeliness delivery of ETF baskets provided by RBC I&TS: "The ETF team worked with us to ensure the delivery of the baskets were provided as required and worked with our designated broker to resolve any discrepancies," the client

## Respondents by country

100%

CANADA

said.

Almost two-thirds of all responses were 'Excellent', highlighting the bank's consistent approach to ETF servicing. Yet in certain categories it did fail to improve on the extremely high standard it set in 2020, most notably in Technology (6.00) and Fund Accounting (6.19) where its scores were brought down by one large respondent, albeit to a level still considered Very Good.

RBC I&TS did receive plaudits for its ETF servicing platform, with most respondents stating they have had a positive experience using RBC's digital technology and they received automated delivery of data and analytics. "They provide effective tools to track our portfolio and manage our funds," one client highlighted, while another said,

"RBC I&TS continues to enhance existing technology while looking forward to evaluate/incorporate providers of ETF technology."

In 2021, RBC I&TS' ETF servicing team has also sought to further educate themselves on developing ETF trends in the Canadian marketplace including cryptocurrencies, liquid alternatives and the various flavours of active management. This active approach to the market has earned itself positive sentiment around Fund Accounting (6.19). "RBC Investor Services has dedicated ETF Fund Accounting teams that understand the unique valuation nuances of ETFs such as forward accruals, forward looking income and forward-looking corporate actions."

Spread of opinion	Excellent (%)	Very good (%)	Good (%)	Satisfactory (%)	Weak (%)	N/A (%)
	63	9	15	9	1	3

# State Street

Category	Average Score 2021	Average Score 2020	Difference	Global average 2021	Difference with Global Avg
Client Service	5.79	5.38	0.41	6.07	-0.28
Compliance Support	5.83	4.33	1.50	5.91	-0.08
ETF Basket Services	6.28	5.14	1.14	6.39	-0.11
ETF Servicing Model	6.19	5.38	0.81	6.18	0.01
ETF Workflow Process	6.32	n/a		6.20	0.12
Fund Accounting	5.81	5.14	0.67	6.07	-0.26
On-boarding/ Launch Support	5.94	5.57	0.37	5.97	-0.03
Price	5.64	5.33	0.31	5.67	-0.03
Reporting to Institutional Investors/ Authorised Participants	6.09	5.60	0.49	6.05	0.04
Securities Lending	6.00	n/a		6.07	-0.07
Technology	5.08	4.88	0.20	5.69	-0.61
<b>Total</b>	<b>5.91</b>	<b>5.19</b>	<b>0.66</b>	<b>6.05</b>	<b>-0.12</b>

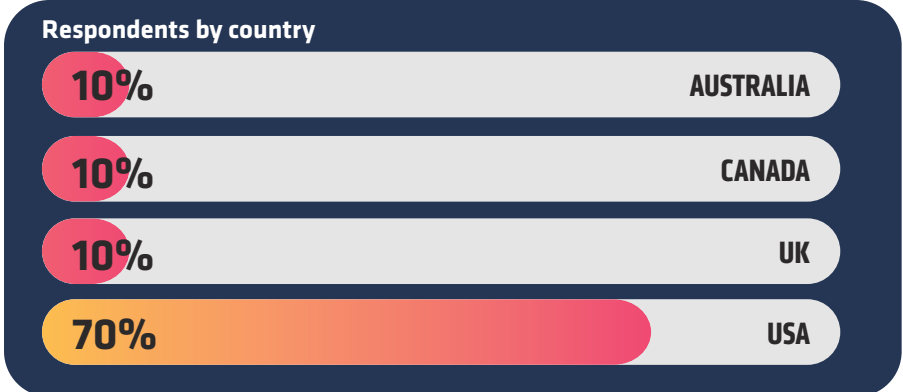
After a particularly disappointing debut in Global Custodian’s 2020 ETF Administration Survey, State Street has bounced back considerably as the most improved provider in this year’s survey.

The Boston-headquartered custodian recently reached its latest milestone of providing services to over \$5 trillion of global ETF assets, while also staying on top of constant market changes. Over the course of last year, the custodian became the only the provider to service all four types of semi-transparent ETFs in the US, and most recently has begun to venture into the digital assets space.

State Street recorded responses not only from the US, but also from major asset managers based in Australia, Canada and the UK. Half of responses received were ‘Very Good’, while a further quarter of responses rated State Street ‘Excellent’ across categories.

The area where State Street saw the biggest jump from last year’s survey was for Compliance Support (5.83), beating its previous score by a massive 150 basis points. Major improvements were also recorded for ETF Basket Services (6.28), ETF Servicing Model (6.19) and Fund Accounting (5.81).

Two major US asset manager clients



name-checked several of State Street’s ETF servicing team for helping them stay on top of industry trends and to resolve issues relating to settlement. “Their hands-on approach and ability to talk through issues made this experience so easy,” said one large client.

Yet, the bank still has some way to go to meet client satisfaction levels for Technology (5.08), coming in 61 basis points below the global survey average. One client recommends a “Need to improve digital transaction process.” Another highlights a lack of customised solutions. “State Street seems to focus a lot of its efforts on using technology

to offer efficient and scalable solutions, which is a good and reasonable objective. This however, is often at the expense of having solutions that perfectly match the client’s needs. Customisation requests are often denied which makes it difficult to have our needs all covered.”

The majority of respondents see State Street as being a key partner to support their growth in this important asset segment, and many intend to continue working with them. “I see [State Street] as our only ETF administrator and see us growing both domestically as well as globally together.”

Spread of opinion	Excellent (%)	Very good (%)	Good (%)	Satisfactory (%)	Weak (%)	N/A (%)
	27	50	17	2	2	2

# Ultimus Fund Solutions

Category	Average Score 2021	Average Score 2020	Difference	Global average 2021	Difference with Global Avg
Client Service	6.56	n/a	n/a	6.07	0.49
Compliance Support	6.33	n/a	n/a	5.91	0.42
ETF Basket Services	n/a	n/a	n/a	6.39	n/a
ETF Servicing Model	6.11	n/a	n/a	6.18	-0.07
ETF Workflow Process	n/a	n/a	n/a	6.20	n/a
Fund Accounting	5.89	n/a	n/a	6.07	-0.18
On-boarding/ Launch Support	6.33	n/a	n/a	5.97	0.36
Price	5.22	n/a	n/a	5.67	-0.45
Reporting to Institutional Investors/ Authorised Participants	n/a	n/a	n/a	6.05	n/a
Securities Lending	n/a	n/a	n/a	6.07	n/a
Technology	6.56	n/a	n/a	5.69	0.87
<b>Total</b>	<b>6.14</b>	<b>n/a</b>	<b>n/a</b>	<b>6.05</b>	<b>0.49</b>

Unlike its peers, Ultimus Fund Solutions is the only non-bank ETF servicing provider in the 2021 survey. Ultimus is a specialist fund administrator servicing smaller-sized US sponsors and asset managers. While it did receive a handful of responses in last year's survey, it did not meet the required number to warrant a provide write-up.

Furthermore, the firm is attempting to capitalise on its strong track record in the mutual fund market to provide a wide range of technology and ETF services.

Ultimus' ETF services are supported by its flagship technology, uSUITE, and according to the organisation, it has invested significantly to ensure it maintains a smooth and responsive service model. A new focus on the ETF segment has sparked significant new business growth resulting from numerous launches and clients that transitioned from other service providers.

The emphasis on being a technology-based solutions provider has resonated

## Respondents by country

100%

USA

well with clients, and as a result, it received the highest score for Technology (6.56) in comparison with its custody bank peers.

Ultimus was rated particularly high for Client Service (6.56) and Onboarding/Launch Support (6.33), where one asset manager respondent explained how supportive Ultimus was for its expansion into the ETF market. "Our Ultimus client service contact has curated our ETF launch and management experience from our very first launch and played a critical role in guiding us to successful launch when we knew nothing about the logistics and mechanics of launching," the client said.

Aside from a harsh score from one client in Fund Accounting (5.89), Ultimus would have been rated a perfect

7.00 for the service. "Whether it's our mutual fund or ETF accounting teams, both groups are always accessible via phone/email when there may be an issue which I appreciate," one respondent highlighted.

The fund administration also received praise for Compliance Support (6.33). "Ultimus fund compliance has always been extremely supportive in assisting us navigate the compliance landscape. Very quick to hop on a call and give guidance which is a huge help to a small organisation," explained one respondent.

Ultimus did not receive any ratings for ETF Basket Services, ETF Workflow Process, Reporting to Institutional Investors/Authorised Participants, or Securities Lending.

Spread of opinion	Excellent (%)	Very good (%)	Good (%)	Satisfactory (%)	Weak (%)	N/A (%)
	65	12	12	5	2.5	2.5