

# LOOKING TO THE FUTURE

Welcome to the Exchange Traded Fund Administration Survey for 2024, and what a fantastic year it has been. With a record number of clients taking part, this year's data has revealed a range of exciting insights.

ast year the ETF administration industry celebrated 30 years, and GC Research discussed how the ETF landscape had changed over that time. This year, rather than looking back, the focus is very much on the future. BlackRock estimates that global ETF assets will reach \$14 trillion by the end of 2024, while a rise in the number of active investors is expected to take that growth to another level.

In separate research, State Street reported that it expects the global ETF market to register 20-25% annual growth in the next year, pointing to a growing preference for ETFs over mutual funds, the increased availability of active ETFs, and a strong indication that investors will be increasing their portfolio allocations to ETFs in the coming months. That's not to mention the hype around the arrival of Bitcoin ETFs.

From a geographic perspective, the US has dominated the ETF landscape since its inception over 30 years ago. While growth is expected to continue there, providers are increasingly looking to take advantage of the fast-growing market in other regions. Europe and APAC sit considerably behind their US counterparts in terms of global market share, but evolving regulatory measures and increased investor popularity has placed the two regions as key ETF battlegrounds for future business. When it comes to our providers,

within the last 12 months they have unanimously reported that they have felt the impact from the introduction of T+1 in the US, although it is worth noting that the majority appear to have taken this in their stride.

When assessing our own data, it becomes apparent that clients are now expecting and demanding more, especially when it comes to data reporting. Providers are having to step up their investment into their service offerings – and looking at the ratings, it is clear they are doing just that.

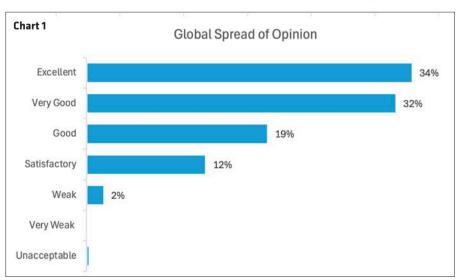
With two new providers - Société Générale Securities Services and U.S. Bank - joining our survey, and Brown Brothers Harriman rejoining us this year after a one year hiatus, there is plenty to unpack.

From a global perspective, clients seem very happy with the service they receive, with an overall average rating of 5.79 (Good) - marginally up from last year.

Reviewing the service categories on a more granular basis, interestingly it is Onboarding/Launch Support that received the highest average score at 6.13 (Very Good), while Fund Accounting also sits in the "Very Good" camp.

At the other end of the spectrum, the two lowest scoring categories were Reporting to Institutional Investors/ Authorised Participants (5.53) and Pricing (5.54), both of which sitting within the "Good" range.

Looking at the below table, while Onboarding /Launch Support has seen



Not answered

Would not recommend

Would consider recommending

Would definitely recommend

Global	Global Average 2024	Global Average 2023	Difference
Client Service	5.85	5.83	0.02
Onboarding / Launch Support	6.13	5.89	0.24
ETF Basket Services	5.83	5.88	-0.05
Fund Accounting	6.00	5.82	0.00
Reporting to Institutional Investors / Authorised Participants	5.53	5.54	0.18
ETF Workflow Process	5.91	5.77	-0.01
Securities Lending	5.59	5.84	0.14
Price	5.54	5.52	0.02
Compliance Support	5.80	6.14	-0.34
Technology	5.73	5.56	0.17
ETF Servicing Model	5.79	5.78	0.01
Average	5.79	5.78	0.01

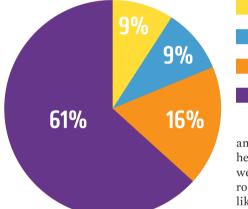
an uptick in ratings from last year – increasing 0.24 points, it is Technology that is particularly interesting. Having seen an uptick (0.17 basis points) in ratings from 2023 throughout the rest of this report, nearly all our Providers outline how they are adapting client expectations, as well as their forward-looking adaptions and future plans.

Of course, it should be noted that Compliance Support has seen a shift since last year, however this category still remains firmly at "Good". In fact, not a single category scores lower than 5.50, with all sitting at "Good" or "Very Good"

In yet more good news, as can be seen in Chart 1 that over a third of respondents rate their providers as "Excellent" (34%) and almost as many (32%) rate their providers as "Very Good", highlighting a general level of satisfaction in the market.

When asked if clients would recommend their providers to their peers, our respondents are overwhelmingly positive, with an impressive 67% - over two thirds – reporting that they would definitely

Chart 2: Would you recommend your administrator to your peers in the industry?



recommend their provider to their peers in the industry. On top of this, a further 16% would reportedly consider recommending them. Considering less than one in 10 reported that they would not recommend their provider these figures point to a promising future for our providers.

The Global Custodian Research team has worked hard to collate the data, and we hope you find this report interesting and helpful. As always, we would love to hear from you – any changes you think we could make, where there may be room for improvement, or if you would like to know how to get more involved with GC Research. Please do not hesitate to reach out.

We would also like to let you know that Global Custodian Research has launched a biweekly article FROM THE RESEARCH DESK, which will discuss snippets of research we find interesting and think you will do too. So not only will you be able to read our findings here, but you will be able to access them throughout the rest of the year too!

With that said, we do hope you enjoy the report – happy reading!

### Methodology

The ETF Administration Survey asks clients to assess the services 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' (1) to 'Excellent' (7).

The published results use Global Custodian's conventional seven-point scale familiar to readers of the magazine (where 1 = Unacceptable and 7 = Excellent). In this year's ETF Administration Survey, five responses are the minimum required to assess a service

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

This year we have taken a look at the overall spread of opinion, to paint a picture of the overall attitude of clients towards their Provider, while the text discusses the data in more depth. More granular analyses than are published may also be available to providers. For more information on bespoke reports, please contact beenish.hussain@globalcustodian.com

### **CIBC Mellon**

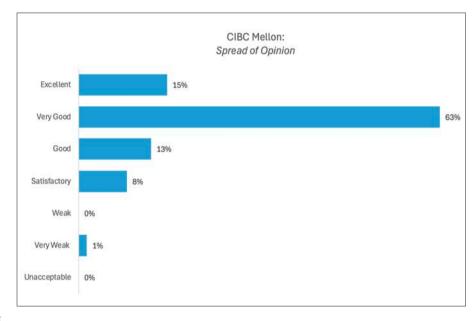
CIBC Mellon	Average Score 2024	Average Score 2023	Global Average	Difference with Global
Client Service	5.89	6.00	5.85	0.04
Onboarding / Launch Support	6.13	5.80	6.13	-0.01
ETF Basket Services	5.89	6.25	5.83	0.06
Fund Accounting	6.00	6.25	6.00	0.00
Reporting to Institutional Investors / Authorised Participants	5.60	5.50	5.53	0.07
ETF Workflow Process	5.88	5.75	5.91	-0.03
Securities Lending	5.80	6.33	5.59	0.21
Price	4.50	4.00	5.54	-1.04
Compliance Support	5.00	-	5.80	-0.80
Technology	5.86	5.40	5.73	0.12
ETF Servicing Model	5.89	5.80	5.79	0.10
Average	5.67	5.71	5.79	-0.12

Having launched its services in 2009, CIBC Mellon considers itself Canada's leading ETF provider, offering the widest range of product types.

It has been a strong year for CIBC Mellon, with Canadian ETFs bringing in \$15.3 billion in 2023, with fixed-income funds accounting for \$9.2 billion. With the shift to T+1 taking place in May 2024, CIBC Mellon is focusing on encouraging its clients to report their trades earlier and more often.

With an overall score of 5.67, CIBC is sitting comfortably at "Good", however, when it comes to Onboarding and Launch Support (6.13) it is here that CIBC really stands out from the crowd. In fact, one client commented, "This was an excellent onboarding. The best to date in my experience". Fund Accounting is also sitting at "Very Good", with plenty of praise for strong communication skills. This score, however, may come as little surprise, with one client highlighting their "good attention to detail, [they are] well managed and responsive".

In yet more positive news, Securities Lending (5.80) has beaten the global average – despite a downward shift since last year – falling 0.53 points. Looking forward, CIBC Mellon expects to see an expansion in thematic ETFs – allowing investors to align their



portfolios with their specific interests. This, combined with its focus on becoming more "tech savy" to reflect the increasing demand for efficient and user friendly platforms, CIBC Mellon is looking to "empower investors with a

wider array of investment choices". Given this focus on improving client experience, it may come as no surprise

experience, it may come as no surprise that, in some positive news, over 77% of CIBC Mellon's clients report that they would recommend them to their peers.

### Citi

Citi	Average Score 2024	Average Score 2023	Global Average	Difference with Global
Client Service	5.57	6.00	5.85	-0.28
Onboarding / Launch Support	6.00	6.00	6.13	-0.13
ETF Basket Services	6.00	6.20	5.83	0.17
Fund Accounting	6.00	5.83	6.00	0.00
Reporting to Institutional Investors / Authorised Participants	5.60	5.80	5.53	0.07
ETF Workflow Process	5.80	6.20	5.91	-0.11
Securities Lending	6.00	6.00	5.59	0.41
Price	6.17	5.83	5.54	0.63
Compliance Support	5.83	6.20	5.80	0.03
Technology	5.83	5.60	5.73	0.10
ETF Servicing Model	5.17	6.00	5.79	-0.63
Average	5.82	5.97	5.79	0.02

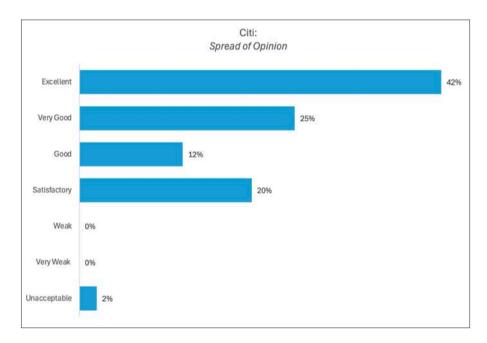
It has been a strong year for Citi, beating the global average score. The custodian is sitting in the "Good" range, with an average overall score of 5.82.

Interestingly, and perhaps most noteworthy is that Pricing takes the top spot this year. The majority of clients comment on Citi's flexible and competitive prices, with the asset servicer being a standout performer when it comes to this category.

Technology also saw a notable increase in its score, moving up 0.23 points. Plenty of praise is given to Citi when it comes to its technological developments. One client commented, "Citi's technological capabilities are second-to-none and it draws on its collective industry expertise to continuously hone its offerings as some of the most cutting edge in the industry."

In yet more good news, five of the categories surveyed are sitting at "Very Good" (6.00-6.99). On the other hand, ETF Servicing Model has seen a slight shift in ratings since 2023. Although still within the "Good" territory, this category received the lowest score of the 11 surveyed.

On a positive note, 86% of respondents would recommend Citi to their peers, with clients viewing them as "invaluable global partners", or at the "forefront amongst their peers". It



is clear that 2024 has been a very good year for Citi, and it will be exciting to see what comes next for the bank.

There were a range of announcements from Citi's ETF servicing business this year including mandate wins from Hong Kong's Fubon and Mirae Asset Financial Group. In addition, there were two technological developments for Citi: supporting dual-access ETFs in Australia and bolstering its ETF servicing offering with FIX API connectivity.

## **HSBC Markets & Securities Services**

HSBC Markets & Securities Services	Average Score 2024	Average Score 2023	Global Average	Difference with Global
Client Service	5.43	5.63	5.85	-0.42
Onboarding / Launch Support	5.71	5.71	6.13	-0.42
ETF Basket Services	5.20	5.00	5.83	-0.63
Fund Accounting	6.00	6.29	6.00	0.00
Reporting to Institutional Investors / Authorised Participants	5.80	6.00	5.53	0.27
ETF Workflow Process	5.83	5.63	5.91	-0.07
Securities Lending	6.33	6.00	5.59	0.74
Price	5.80	6.00	5.54	0.26
Compliance Support	5.67	5.83	5.80	-0.14
Technology	6.00	5.83	5.73	0.27
ETF Servicing Model	4.67	5.67	5.79	-1.13
Average	5.68	5.78	5.79	-0.12

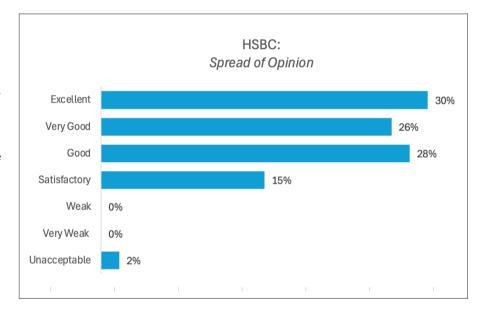
The past 12 months have seen a number of new developments for HSBC's ETF servicing business. At the heart of that activity was the launch of its new end-to-end ETF platform, which has since supported a number of client initiatives.

With an overall score of 5.68 (Good), it is clear that for the most part our respondents are happy with the service provided by HSBC.

Respondents have rated the majority of categories as "Good" or "Very Good". Taking the top spot is Securities Lending, at 6.33, this category is firmly in the "Very Good" camp, followed by Fund Accounting (6.00) and Technology (6.00), with clients praising the high quality of reports produced. When it comes to Technology, this score may not come as much of a surprise, especially given HSBC's recent partnership with Calastone, where the bank is looking to create a "next-generation ETF Order Management system". It is clear that these new developments are appreciated by clients.

One thing which is worth noting would be the decline for ETF Servicing Model – falling to 4.67 (Satisfactory), however, this is the exception.

In fact, when it comes to overall feedback, HSBC clients are overwhelmingly positive. With praise for not only the wide variety of services



offered, but also the expertise of the teams and advice given - helping clients navigate the "increasing complexity of ETFs market in the future".

It's a big year ahead for HSBC with its new digital ETF servicing platform in full flow. Issuers using the platform will have access to capabilities including ETF order management, portfolio composition file production, and customer ETF NAV attribution analysis. The platform also features authorised participant (AP) services, including ETF seeding and the bank's ETF fair value algorithms.

# JP Morgan

JP Morgan	Average Score 2024	Average Score 2023	Global Average	Difference with Global
Client Service	6.17	6.40	5.85	0.32
Onboarding / Launch Support	6.50	6.25	6.13	0.37
ETF Basket Services	6.00	6.00	5.83	0.17
Fund Accounting	6.50	6.00	6.00	0.50
Reporting to Institutional Investors / Authorised Participants	6.00	5.80	5.53	0.47
ETF Workflow Process	6.33	5.80	5.91	0.43
Securities Lending	6.00	7.00	5.59	0.41
Price	5.60	5.75	5.54	0.06
Compliance Support	6.00	6.25	5.80	0.20
Technology	5.67	5.40	5.73	-0.07
ETF Servicing Model	6.17	5.80	5.79	0.38
Average	6.08	6.04	5.79	0.29

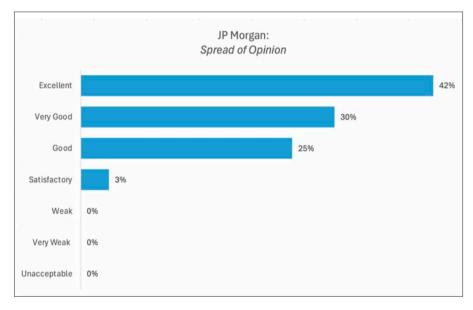
It has been a strong year for JP Morgan, with its average score sitting at 6.08 (Very Good). The provider has seen an uptick in over half of its categories since 2023, which aligns with its lofty ambitions in this space (see page 58).

In fact, the majority of JP Morgan's ratings are sitting at "Very Good" with only two categories sitting at "Good". It will come as little surprise that these two categories are Pricing (5.60) and Technology (5.67), and even then, clients are feeling overwhelmingly positive about them both, with plenty of praise for the speed with which technological enhancements were made. Considering these two categories are largely the lowest rated across the board, it is quite the achievement by JP Morgan.

Taking the top spots are Onboarding and Launch Support (6.50) and Fund Accounting (6.50), both sitting firmly in the "Very Good" range. Although it should also be noted that nine of the 11 categories are all also in the "Very Good" (6.00 – 6.99) range.

Crucially, 83% of JP Morgans clients reported that they would definitely recommend them to their peers.

One of the biggest stories across the ETF servicing space this year has been JP Morgan appointing Ciaran Fitzpatrick from State Street as its global head of ETF product



management for securities services, a signal of its ambitions in the space.

Based in Dublin, Fitzpatrick will lead the firm's strategy in the fast-growing ETF sector, building new product solutions to support the evolving needs of both active and passive ETF issuers.

### **RBC Investor Services**

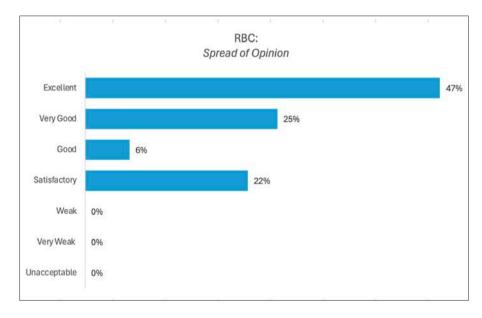
RBC Investor Services	Average Score 2024	Average Score 2023	Global Average	Difference with Global
Client Service	5.67	6.20	5.85	-0.18
Onboarding / Launch Support	5.83	6.00	6.13	-0.30
ETF Basket Services	5.67	6.00	5.83	-0.16
Fund Accounting	6.33	6.20	6.00	0.33
Reporting to Institutional Investors / Authorised Participants	5.67	6.00	5.53	0.13
ETF Workflow Process	6.17	6.20	5.91	0.26
Securities Lending	4.33	6.00	5.59	-1.26
Price	6.00	6.00	5.54	0.46
Compliance Support	5.75	5.75	5.80	-0.05
Technology	6.00	6.00	5.73	0.27
ETF Servicing Model	6.20	6.25	5.79	0.41
Average	5.75	6.05	5.73	0.02

R BC Investor Services has reported plenty of changes over the last 12 months, commenting that "investors continue to embrace ETFs as a vehicle of choice" before adding that ETFs are now looking to move to the thematic space, particularly among the younger demographic who are more interested in trends than specific companies.

With an average score of 5.78, RBC sits almost in line with the global average (5.79). It is worth noting that five of the 11 categories are sitting at "Very Good" (6.00 – 6.99) with Fund Accounting (6.33) and ETF Servicing Model (6.20) taking the top spots.

As momentum builds in the digital asset space, RBC too is expecting crypto to "play an increasingly important role in multi-asset strategy ETFs going forward". It will come as little surprise then that RBC is taking a focus on the digital and technology aspect, something which its clients are quick to praise RBC for its dedication to "improving its technology".

Despite the numerous changes, RBC's scores this year are an interesting read. While Fund Accounting (6.33) has seen an increase since last year, the majority of other scores are largely consistent with 2023. Pricing, Technology and Compliance Support have remained static, however the remaining categories have all seen slight shifts in ratings over the last 12 months.



Looking forward, RBC has its sights set on servicing a more diverse range of ETFs, with a view to making the business a 'one-stop-shop' for clients in the space.

### **State Street Global Services**

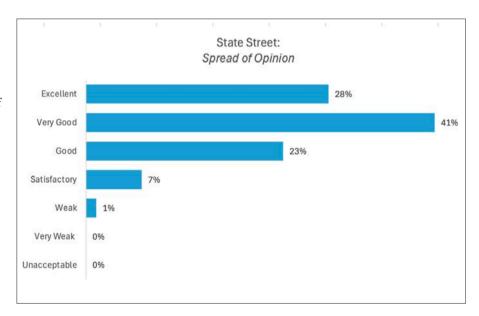
State Street Global Services	Average Score 2024	Average Score 2023	Global Average	Difference with Global
Client Service	5.84	5.64	5.85	-0.01
Onboarding / Launch Support	6.29	5.86	6.13	0.16
ETF Basket Services	6.00	6.08	5.83	0.17
Fund Accounting	5.73	5.36	6.00	-0.27
Reporting to Institutional Investors / Authorised Participants	5.67	5.71	5.53	0.13
ETF Workflow Process	5.94	6.00	5.91	0.04
Securities Lending	5.83	6.00	5.59	0.24
Price	5.53	5.45	5.54	0.00
Compliance Support	5.78	5.33	5.80	-0.03
Technology	5.82	5.33	5.73	0.09
ETF Servicing Model	6.10	5.79	5.79	0.31
Average	5.87	5.69	5.79	0.08

Tt has been a strong 12 months for L State Street Global Services, hands down the largest servicer of the global ETF sector. Having beaten the global average, the administrator is sitting at "Good" with an overall average score of 5.87. For the most part State Street has seen an increase in actively managed ETFs over the last 12 months, with mutual funds and separate managed accounts (SMAs) increasingly being converted to ETFs. It has been a busy few months for State Street, expanding Fund Connect, its ETF order entry portal, which now offers coverage to all clients globally, while also earning a string of servicing mandates.

In June alone, State Street was named as administrator for three separate ETFs in Australia, a market which it has recently rolled out Fund Connect to.

It may therefore come as little surprise that Technology (5.82) has scored so highly this year, up considerably from 2023 (5.33) and firmly above the global average (5.73) with the Fund Connect portal being specifically praised by our respondents. In fact, this category has seen the largest annual shift of all 11 categories surveyed.

Taking the top spot among the custodian's scores is Onboarding and Launch Support (6.29) followed by ETF Servicing Model (6.10).



At the other end is Pricing (5.53) sitting at the bottom of the chart, although this will come as little surprise to our subscribers. Securities Lending (5.83) saw the largest downward shift in rating, though a decline of 0.17 isn't yet a cause for great concern.

Looking to the future, State Street is looking to develop more AI and

Machine Learning within the ETF market, as well as working on transparency tools for clients, internal teams and APs to improve service.

State Street has seen the largest number of clients taking part in our survey this year, with 70% of clients reporting that they would recommend State Street to their peers in the industry.

### **Ultimus Fund Solutions**

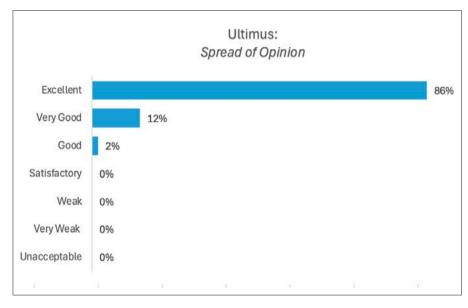
Ultimus Fund Solutions	Average Score 2024	Average Score 2023	Global Average	Difference with Global
Client Service	6.88	6.75	5.85	1.02
Onboarding / Launch Support	7.00	6.88	6.13	0.87
ETF Basket Services	6.88	7.00	5.83	1.04
Fund Accounting	7.00	6.88	6.00	1.00
Reporting to Institutional Investors / Authorised Participants	-	-	5.53	-
ETF Workflow Process	7.00	6.50	5.91	1.09
Securities Lending	-	-	5.59	-
Price	6.43	6.43	5.54	0.89
Compliance Support	7.00	7.00	5.80	1.20
Technology	6.71	6.38	5.73	0.98
ETF Servicing Model	6.75	6.63	5.79	0.96
Average	6.85	6.72	5.79	1.06

Tt has been a strong year for Ultimus **▲**Fund Solutions, with an average score of 6.85, which is an impressive 1.06 points above the global average. Over the last 12 months Ultimus has seen a significant growth in the ETF market, as well as established ETF sponsors diversifying their offerings allowing new entrants to "launch unique products that can carve out a niche in the competitive market".

Over the last 12 months Ultimus has been investing in its 'uSUITE', including the 'uETF' technology platform. Sitting at "Very Good" when it comes to Technology it is clear these changes have been appreciated - with plenty of praise for their current system. As one client commented, "They have an IT solution for every problem."

When it comes to the category ratings however, there are four clear standouts, each sitting at 7.00, the perfect score. Onboarding /Launch Support, Fund Accounting, ETF Workflow Process and Compliance Support. It is worth noting that Compliance Support also achieved a perfect score back in 2023 too.

In fact, not a single category scored below "Very Good" - with Pricing (6.43) receiving the lowest score. Even with Pricing having the lowest score, Ultimus clients are quick to sing its praises, commenting that, "The value provided for the combination of price charged and support provided... is outstanding".



In yet more good news, and given the collated scores, something that will come as little surprise, 100% of Ultimus clients reported that they would definitely recommend them to their peers.

Over the past 12 months, Ultimus has enjoyed a number of new ETF servicing

mandates. In May, Kingsview Wealth Management expanded its servicing relationship with Ultimus to assist in the launch of four new ETFs, while Beacon Capital Management also selected the firm for the launch of its inaugural ETFs.

## **U.S. Bank Global Fund Services**

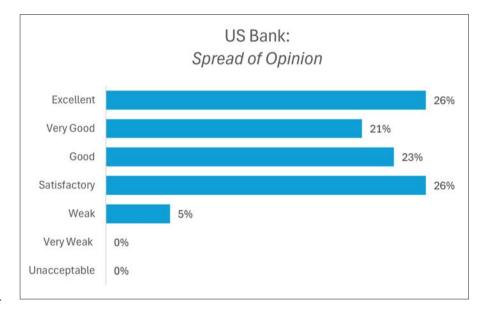
U.S. Bank Global Fund Services	Average Score 2024	Average Score 2023	Global Average	Difference with Global
Client Service	5.50	-	5.85	-0.35
Onboarding / Launch Support	6.33	-	6.13	0.20
ETF Basket Services	5.50	-	5.83	-0.33
Fund Accounting	5.75	-	6.00	-0.25
Reporting to Institutional Investors / Authorised Participants	4.50	-	5.53	-1.03
ETF Workflow Process	5.75	-	5.91	-0.16
Securities Lending	5.50	-	5.59	-0.09
Price	4.67	-	5.54	-0.87
Compliance Support	5.00	-	5.80	-0.80
Technology	4.50	-	5.73	-1.23
ETF Servicing Model	5.50	-	5.79	-0.29
Average	5.32		5.79	-0.47

U.S. Bank Global Fund Services has had a busy 12 months in the ETF space. Back in 2023, the asset servicer launched its ETF services in Europe and onboarded a fund from Horizon Kinetics as part of the rollout. Meanwhile this year, U.S. Bank was mandated by Pacer Financial to provide fund administration, transfer agency and global custody services for the providers three new European ETFs

Looking forward U.S. Bank is working with DTCC to facilitate the in-kind delivery of options via CNS in what it calls "the biggest market shake up we see" as options-based funds continue to grow in popularity." The main focus for U.S. Bank over the coming year is looking to stay ahead of the new strategies, while also "helping clients begin delivering swaps in-kind for tax efficiency and the ability to support multi-manager ETFs".

These initiatives are clearly being reflected in the scores, with Onboarding/ Launch Support receiving the highest rating, sitting at 6.33, beating the global average. This is followed by Fund Accounting (5.75) and ETF Workflow Process (5.75) both of which are praised by U.S. Bank clients.

At the other end of the spectrum is Technology (4.50) and Reporting to Institutional Investors/Authorised



Participants (4.50), both sitting at "Satisfactory".

Overall, however, U.S. Bank clients seem happy with the service provided

with 75% of US Banks clients reporting that they would recommend them to their peers.

### **Brown Brothers Harriman**

Re-entering the survey this year after a short break, Brown Brothers Harriman (BBH) has spent much of the last 12 months focusing on transitioning to T+1 in the US, while also investing more in technological developments, AI and machine learning, and growing its team. The asset servicer's big hire this year was adding Tim Huver to its ETF team, bringing on board his 23 years' experience from Vanguard to its roster.

With the increase in demand for active ETFs, BBH considers itself one of the largest service providers globally. Over recent months, ETF issuers have been looking to get more from their data. Looking for custom reporting, and the ability to integrate or connect data across systems BBH has launched a suite of APIs that allows for customised

and flexible reporting aiming to meet the needs of their clients.

However, interestingly it is not Technology that BBH clients give them credit for, but rather Client Services. In fact, one respondent went so far as to comment that "It is near impossible to be perfect in this business, but BBH does a great job aiming for that goal".

There are of course several possible reasons for this, one could be, as one respondent suggests due to their "high service level standards, help[ing] drive what is otherwise a commoditised business to higher standards". However, it may be from their focus on trying to predict what clients need in the future, rather than waiting for it to be asked for.

When discussing how the ETF landscape will be evolving in the next

five years, BBH focused on how asset managers are increasingly looking to enter the ETF space and looking to predict what their clients, or future clients, might need. Expecting a continued increase in multi-share class filings, which BBH will be actively supporting.

On a global scale BBH is looking to develop leading ETF platforms. The asset servicer will also be expanding their order types for European ETFs. Of course, when it comes to Technology, as mentioned above, BBH wants to take a more focused approach - looking to optimise data access and innovation.

With a promising re-entry, it will be interesting to see how BBH fair over the coming 12 months, and how they score in ETFA Survey for 2025.

## Société Générale Securities Services

New to our Exchange Trade Fund Administration Survey, although not quite meeting the threshold for a full analysis, Société Générale Securities Services (SGSS) feature as one to watch over the next 12 months. SGSS explains how it is excited about the future of the ETF industry, seeing it as a "laboratory for innovation". With recent regulatory updates for active ETFs in the French Market taking place in early 2024, to the integration of ESG constraints for Passive ETFs. There has been an increase in market shares of passive portfolio management and the development of new services bringing new technologies to the market - the ETF market space has had a busy, few months.

Of course, for SGSS, which considers itself one of the main ETF issuer servicers in Europe, the asset servicer

is less concerned about these market changes. Due to its long-running history, SGSS remains optimistic about the future. Over the course of the last year SGSS has been focusing primarily on staying up to date and ensuring they offer the best they can for their clients. In particular, over the last few months there has been a focus on improving their resilience framework for the primary dealing process – having reduced the time taken significantly. The organisation has also actively extended the markets they can directly settle primary trades, within.

Looking to the future, SGSS is apprehensive about the move to T+1 in both the US and Canadian markets and the impact this may have on the European ETF space – although for SGSS, the administration is confident that these reduced cycles will not cause

an issue for their own processes.

SGSS also notes that some ETF providers in Europe, as well as with the approval by the American regulator, are allowing Exchange Traded Funds in crypto assets. This may be something which needs to be watched. In a more focused view, looking into SGSS's future, the asset servicer believes "there is still ground for innovation in the ETF landscape", which may also expect to see an increase in AUM in the coming years. There is of course the impact of technology to consider, with new digital platforms expecting to have potential impact on the banking industry as a whole.

While SGSS is new to our ETFA Survey, it will be interesting to see how they do over the coming 12 months, and how they score in ETFA Survey 2025.

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