



Nasdaq Survey Uncovers Portfolio Managers' Top Data Infrastructure Challenges

December 6, 2021

Quantitative managers cite inadequate manpower as source of dissatisfaction; fundamental managers cite inability to quickly onboard and deploy data

NEW YORK, Dec. 06, 2021 (GLOBE NEWSWIRE) -- Nasdaq, Inc. (Nasdaq: NDAQ) today released results from a survey of portfolio managers across the U.S., revealing the top challenges they face in operating a scalable and efficient data infrastructure. Only 46% of respondents report being very or completely satisfied with their organization's data infrastructure, and only 2% state that nothing limits their implementation of new datasets. The survey also explored different issues encountered by different types of portfolio managers – quantitative, fundamental and quantamental.

Over half of the surveyed quantitative managers (55%) state that lack of talent limits their implementation of new datasets, compared to only 33% of quantamental and 31% of fundamental managers.

Of quantitative managers dissatisfied with their organization's data infrastructure, 87% cite inadequate manpower (compared to 67% of fundamental managers) and 60% cite an inability to quickly test new datasets (33% for fundamental).

Of dissatisfied fundamental managers, 60% cite an inability to quickly onboard or deploy new data (33% for quantitative), 53% cite difficulty finding or accessing data within their organization (27% for quantitative), 47% cite compliance (27% for quantitative) and 40% cite outdated technology (33% for quantitative).

Across data onboarding, quality assurance (QA), testing and deployment, quantamental managers note higher satisfaction with the time it takes them to complete these tasks than fundamental and quantitative managers.

"One of the key challenges modern portfolio managers face is getting value from data at scale. It can be hard to onboard new datasets quickly and reliably which can delay deployment of new investment strategies," said Bill Dague, Head of Alternative Data and Nasdaq Data Link. "Building and maintaining a full data stack is expensive and time-consuming, especially for smaller organizations, but it has become table stakes. That's why we're seeing a lot of interest from our clients in outsourcing this critical, but undifferentiated function."

The Future of Data Management Outsourcing

Over half (55%) of portfolio managers surveyed currently outsource functions related to data implementation or infrastructure, and 38% of managers not currently outsourcing plan to do so in the next 12 months. Sixty-one percent of those satisfied with their organization's data infrastructure currently outsource at least some functions, while 64% of those who are dissatisfied don't outsource at all.

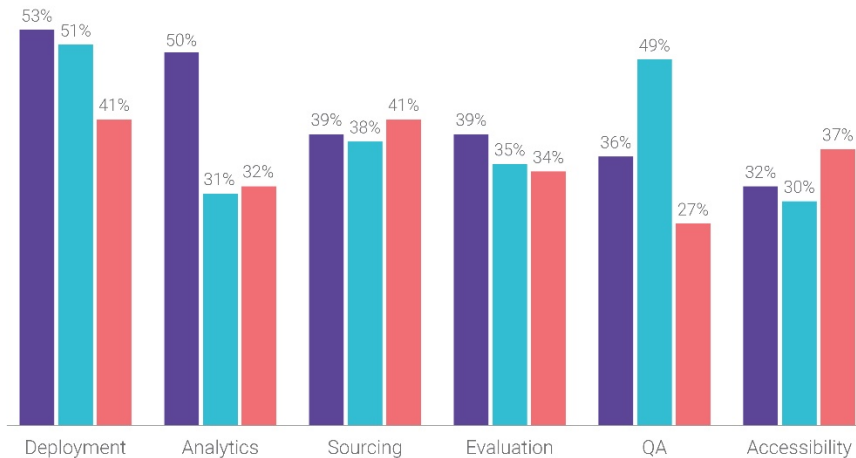
The top groups leading in the plans to outsource data management tasks over the next year include those taking more than a month to onboard/integrate new datasets (71%), portfolio managers under age 40 (70%), and CDO-led organizations (61%).

Portfolio managers have outsourced or are planning to outsource in the next 12 months the processes of data deployment (49%), analytics (40%), sourcing (40%), evaluation (37%), QA (37%) and accessibility (33%).

Processes managers are already or are considering outsourcing...

So much to outsource, so little time

● Quantitative ● Fundamental ● Quantamental



Nasdaq Data Link

For Portfolio Managers Making Decisions on Data, People Remain Essential

A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/58688b95-6c75-477e-9e29-e50576388dcb>

The portfolio managers surveyed state they are most likely to rely on colleagues or coworkers to source new data products (26%) and keep up with data/investing trends (67%), underscoring the importance of word-of-mouth as technology providers aim to build credibility among asset manager prospects.

Smaller hedge funds are more reliant on peer-to-peer sources when finding new data products (42% cite colleagues, 18% cite consultants, 16% cite social media), while larger hedge funds are more reliant on one-to-many sources (21% cite news websites, 19% cite colleagues, 16% cite conferences, 15% cite newsletters). More portfolio managers over age 40 find new data products through news websites (24%, versus 10% of those under 40), while more portfolio managers under 40 find new data products through online search (13%, versus 4% of those over 40).

Over half of respondents report using social media (55%), conferences (55%), industry peers (55%), news articles (53%), webinars (52%) and consultants (51%) to keep up with relevant data and investing trends, implying the need for technology providers to consider a holistic marketing approach.

Full report will be available to download [here](#).

Methodology

Nasdaq's survey of 200 portfolio managers was conducted online by [Wakefield Research](#) between October 8 and October 22, 2021. For further details on survey methodology, please contact a media representative. Findings from narrow respondent segments may be viewed as directional due to sample size.

About Nasdaq

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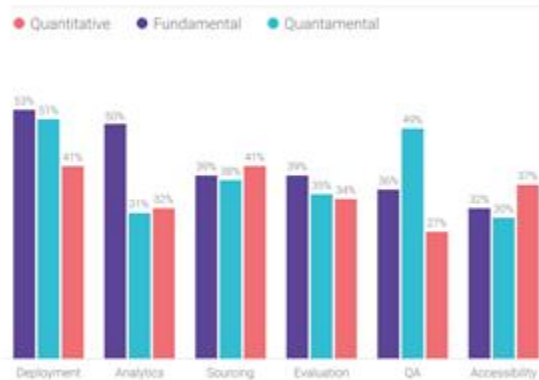
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Processes managers are already or are considering outsourcing...

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Portfolio managers have outsourced or are planning to outsource in the next 12 months: data deployment, analytics, sourcing, evaluation, QA and accessibility.