

A comprehensive review of Market Data management at FISD consumer firms.

FISD

2014 Market Data Survey Report

Confidential to FISD Consumer Participants

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Introduction

Managing Market Data continues to challenge FISD consumer firm members as product complexity, new regulatory guidelines, and increasing cost pressures are driving the need for efficient, transparent and highly effective processes. Firms have developed their Market Data management functions to meet their varying needs, and in some cases have taken these approaches in similar tracks, but have also needed to innovate. FISD recognizes that this is an opportune time to examine consumer firms' processes and approaches, and the results may be of significant benefit to the Industry.

Only FISD Consumer Constituency Group Members (CCG) that participated in the survey are receiving and entitled to see the comprehensive report of the results. Non-participating CCG members and FISD Executive Committee members will be given a broad overview of the results that has been approved by the steering committee for this project.

This report was created in cooperation with Investit Ltd. (investit.com) a specialist investment management research, benchmarking and consulting firm which guides firms in creating efficient and effective businesses. With an eleven-year track record of benchmarking investment management firms, Investit has the ability to assess processes against the market, a self-selected peer-group and industry best practice to help leading firms maximise their return on investment.

Confidentiality

This was a completely confidential survey and was managed by FISD and Investit. Results are being shared only with the consumer firms who participated. **Participants should not share this report outside of their organization.**

Participating firms are not identified in any manner.

Goal

The goal of this survey is to provide FISD consumer firm members with metrics and information related to the management of Market Data as well as to enable a comparison of individual member firm's approaches with the baselines and solutions identified in the survey across the various aspects of Market Data management workflows.

Scope

The survey is intended to be a comprehensive review of the Market Data Management process across the FSD consumer firms. Survey sections include staffing levels and organization, administration, financial, vendor management and governance. The questions in the survey were developed and tested by a subcommittee of the Consumer Constituency Group. There are six sections in the survey:

Section One	Classification & Firm Characteristics
Section Two	Organization Structure
Section Three	Administration
Section Four	Financials
Section Five	Vendor Management
Section Six	Governance

Definition of Terms

Market Data

Market Data is the financial information used in the investment process from investment analysis and evaluation, through the trade process to performance evaluation, record keeping, reporting and valuation. Market Data exists for all classes of financial instruments including equities, fixed income, currency, derivatives, etc.

Market Data Management

Market Data Management is the overall business function supporting the acquisition, delivery, inventory and support of Market Data and related software platforms.

Market Data Administration

Market Data administration is the specific function that manages a firm's inventory of Market Data services and spend. The people providing this function: review, reconcile and allocate vendor invoices; maintain the inventory to reflect changes in price, users, and other cost drivers; perform exchange/vendor reporting; execute orders with vendors.

Market Data Costs

Market Data costs are composed of external vendor services but also include internal costs related to administration. Spending should include all Market Data expenses (regardless of hard or soft dollar payment.) Spending should not include trading systems (i.e., Bloomberg's TOMS or SSEOMS, Charles River, etc.), portfolio accounting systems (i.e., Portia) and related transaction systems except

for any pass-through of data costs. Market Data costs should reflect full year expenditures. The Market Data content categories to be included follow.

Analytic Tools

- Often included in workstation platforms and on a stand-alone basis
- Performance attribution tools (FactSet PA, Barclays POINT, Bloomberg PORT, etc.)
- Risk models (Barra, Wilshire, Axioma, Northfield, etc.)
- Bond analytics (Bond Edge, PC Bond, Intex)
- Miscellaneous tools - Baseline, other charting, etc.

Exchange Fees

- Pro and non-pro usage
- Domestic and international exchanges
- End user and redistribution costs
- Individual user and non-display costs

Index Data

- Active manager licenses
- Passive index fees - both buy and sell-side vehicles
- MSCI, S&P, FTSE and Russell plus most exchanges and multiple niche providers (e.g. fixed income benchmarks)
- Include redistributors (e.g. RIMES)

Mutual Fund / ETF Data

- Morningstar, Lipper, eVestments, etc.
- Both internal and external distribution

News Services

- Typically received with a workstation platform but could be separate
- Both real-time and delayed
- Includes Dow Jones, Reuters, Bloomberg, international news, etc.
- Excludes “print” subscriptions for general purpose news and information (WSJ, Economist).

Real Time Data

- Direct feeds and use of redistributors
- Unique trading requirements (low-latency)
- Internal use and external redistribution
- Snap and streaming feeds
- Delayed data feed costs
- All external vendor fees charged for services, infrastructure, support, etc.

- Exclude internal infrastructure costs related to data delivery and distribution due to concerns with inconsistent cost models across firms.

Reference and Pricing Data

- Security Master data
- EOD and intra-day pricing
- Fundamental data
- Estimates data
- Ratings feeds (e.g., S&P, Moody's, Fitch)
- GICS and other classification schemes
- Other reference data
- Includes Bloomberg (data license), IDC, Thomson Reuters, Six Telekurs, S&P, Markit and boutique providers
- Includes investment data from suppliers (e.g., TradeWeb, Omgeo & ICAP)
- Excludes costs of trading related services from these providers
- Could involve external as well as internal use

Research

- Credit research providers (e.g., Moody's, S&P, Fitch, Credit Sights)
- Broker research is usually free to customers
- Equity and industry analysis (e.g., mostly boutique providers like Ned Davis, BCA, GaveKal)
- Include only research used in investment process (exclude market or IT related research)

Specialty Third Party Content

- Corporate events products (e.g. Street Events)
- Content focused on specific industry verticals (e.g. SNL, REIS, Intex)
- Specific marketplace/sector/industry focused content (e.g. GovPx, IFR)
- Content that can be delivered directly by the vendor or over third party workstations and Market Data platforms

Workstations and Market Data Platforms

- Device/platforms used to access data and analytics
- Includes Bloomberg terminal, FactSet workstation, Thomson Reuters platforms (both legacy & Eikon), CAPIQ
- Includes services received via web distribution, client/server networks or other means

Other Data Costs

- Catch-all for costs that are difficult to classify
- Security processing and admin costs such as trading fees, proxy services, should be excluded from Market Data

Highlights

Classification and Firm Characteristics

The source data for this report consists of responses from 34 FIRD member firms and represents a cross-section of the asset management industry and includes asset servicers, buy-side and sell-side firms. Most of the participating firms are global enterprises with a broad geographic footprint. Over 90% are multi-asset class and require a broad array of information and data to support their business. Participating in the survey provides valuable insight into the dynamics of organizations and the industry as a whole. Sharing experiences and evaluating opportunities empowers firms to enhance the opportunity for success in today's changing market conditions by leveraging the wisdom of the broader industry.

Throughout this report, we segment results to reveal further insight into the realities of managing a Market Data organization. Segmentation of results includes the following:

- Type of firm**
 - Buy-side
 - Sell-side & Asset Servicers

- Assets Under Management (AUM)**
 - \$0bn to \$200bn
 - \$200bn to \$500bn
 - \$500bn +

PARTICIPATION	
Total Number of Participants	34 member firms
Buy-side	50%
Sell-side & Asset Servicers	50%
ASSETS UNDER MANAGEMENT	
Buy-side	Average: \$614bn Median: \$400bn
Sell-side & Asset Servicers	Average: \$862bn Median: \$375bn
FIRMS SUPPORTING GLOBAL ASSETS	
Asia Pacific	78%
EMEA	84%
North America	94%
Central/South America	28%


































Organization

Suvey Questions 7 – 13

Area	Observation	Question												
Organizational alignment	<p>100% of responding firms indicated they currently have their Market Data organization centralized and 94% of firms centralize their Market Data administration.</p> <ul style="list-style-type: none"> ▪ 63% of firms centralize administration within back-office operations along with administration, legal, human resources, and IT. ▪ 19% centralize administration within the front-office. ▪ 12% centralize administration within the middle-office functions alongside risk and performance measurement. <p>Market Data staffing alignment is distributed across business lines, geography or by vendor. No firm assigns staff by asset class.</p> <ul style="list-style-type: none"> ▪ 40% of firms assign staff by business line (custody, asset mgmt. and brokerage). Firms using this approach are typically asset servicing firms, sell-side firms and firms with over \$500bn in assets under management. ▪ 30% of firms assign staff by geography and are primarily international firms. ▪ 30% of firms assign staff by vendor. These firms are typically small to mid-sized firms with less than \$500bn in assets under management. 	8, 23												
Staffing	<p>Sell-side firms, on average, have larger Market Data teams than buy-side firms and the larger the firm (based on assets under management) the larger the Market Data team:</p> <table border="1" data-bbox="509 1270 1068 1491"> <thead> <tr> <th><u>Segment</u></th> <th><u>Average # of FTEs</u></th> </tr> </thead> <tbody> <tr> <td>Buy-side</td> <td>6</td> </tr> <tr> <td>Sell-side</td> <td>16</td> </tr> <tr> <td>\$0bn - \$200bn AUM</td> <td>4</td> </tr> <tr> <td>\$200bn - \$500bn AUM</td> <td>10</td> </tr> <tr> <td>\$500bn +</td> <td>17</td> </tr> </tbody> </table> <p>78% of firms have formal job descriptions for Market Data staff. The frequency of compensation review varies among participants:</p> <ul style="list-style-type: none"> ▪ 39% of firms review job descriptions annually. ▪ 22% of firms review job descriptions when staffing a new role. ▪ 41% of firms never review or are not sure of the frequency of job description reviews. 	<u>Segment</u>	<u>Average # of FTEs</u>	Buy-side	6	Sell-side	16	\$0bn - \$200bn AUM	4	\$200bn - \$500bn AUM	10	\$500bn +	17	9
<u>Segment</u>	<u>Average # of FTEs</u>													
Buy-side	6													
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\$0bn - \$200bn AUM	4													
\$200bn - \$500bn AUM	10													
\$500bn +	17													
Top activities	<p>The top activities that Market Data teams engage in are invoice processing, cost allocations, vendor management – relationship management and compliance: contract negotiations and contract management.</p>	10												

Administration

Suvey Questions 14 – 48

Area	Observation	Question																																	
Invoice Processing	<p>The majority of firms process less than 1,500 invoices annually regardless of their AUM or their type.</p> <table border="1" data-bbox="521 499 1122 747"> <thead> <tr> <th>Segment</th> <th>Average # of Invoices</th> </tr> </thead> <tbody> <tr> <td>Buy-side</td> <td>1,176</td> </tr> <tr> <td>Sell-side</td> <td>2,933</td> </tr> <tr> <td>\$0bn - \$200bn AUM</td> <td>750</td> </tr> <tr> <td>\$200bn - \$500bn AUM</td> <td>2,065</td> </tr> <tr> <td>\$500bn +</td> <td>3,021</td> </tr> </tbody> </table> <p>97% of firms are experiencing issues with the quality of the vendor invoices with 82% of invoice errors reported as having minor issues and 15% of invoice errors having major issues. This equates to firms, on average, resolving 1,230 invoices with minor issues annually and 225 invoices with major issues.</p>	Segment	Average # of Invoices	Buy-side	1,176	Sell-side	2,933	\$0bn - \$200bn AUM	750	\$200bn - \$500bn AUM	2,065	\$500bn +	3,021	<p>15</p>																					
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Inventory Management Systems	<p>The top two inventory tracking systems used by 74% of participants are The Roberts Group FITS at 44% and MDSL Market Data Manager at 30%. InfoMatch is gaining traction with 10% of firms using. Key system features that participants consider important to business processing yet need enhancements include the following.</p> <table border="1" data-bbox="431 1121 1240 1766"> <thead> <tr> <th>Inventory Management Systems</th> <th>Importance Ranking</th> <th>Need for Enhancement Ranking</th> </tr> </thead> <tbody> <tr> <td> Expense Management & Control</td> <td>1</td> <td>2</td> </tr> <tr> <td> Contract Information (Prices Increases, Renewal Dates)</td> <td>2</td> <td>6</td> </tr> <tr> <td> Service Add/Change Requests</td> <td>3</td> <td>4</td> </tr> <tr> <td> System Integration (HR, Finance, Vendors)</td> <td>3</td> <td>5</td> </tr> <tr> <td> Budget</td> <td>4</td> <td>3</td> </tr> <tr> <td> Service, Product Information</td> <td>5</td> <td>8</td> </tr> <tr> <td> Usage Metrics</td> <td>5</td> <td>1</td> </tr> <tr> <td> Market Data Related Infrastructure Info (Circuits)</td> <td>6</td> <td>10</td> </tr> <tr> <td> Consumer Profiles (Type Based Product Deployments)</td> <td>7</td> <td>9</td> </tr> <tr> <td> Vendor Details (Contact Info)</td> <td>8</td> <td>7</td> </tr> </tbody> </table> <p>  Top functions offering significant opportunity for enhancement  Secondary areas of importance or limited enhancement required  Areas working well or less important, limited need for enhancements </p>	Inventory Management Systems	Importance Ranking	Need for Enhancement Ranking	 Expense Management & Control	1	2	 Contract Information (Prices Increases, Renewal Dates)	2	6	 Service Add/Change Requests	3	4	 System Integration (HR, Finance, Vendors)	3	5	 Budget	4	3	 Service, Product Information	5	8	 Usage Metrics	5	1	 Market Data Related Infrastructure Info (Circuits)	6	10	 Consumer Profiles (Type Based Product Deployments)	7	9	 Vendor Details (Contact Info)	8	7	<p>20, 21, 22</p>
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Administration continued

Area	Observation	Question
Reporting	The overwhelming majority (91%) of firms have their Market Data reporting managed by the Market Data teams. 6% of firms have the Procurement department managing Market Data reporting and 3% of firms have the Finance department.	25
Market data consumers (usage)	Regardless of the type of firm, the AUM, or the number of consumers of Market Data, the internal user community consistently encompasses the front-, middle- and back-office. Only 33% of firms offer Market Data services to external clients.	29
Audit	<p>32% of firms “never” conduct “formal internal” audits of Market Data. The number of external audits being conducted has not changed since 2012 and averages 2.3 external audits per participating firm. The #1 concern shared by participants concerning the audit process is managing and resolving issues with ambiguous or misinterpreted exchange policies.</p> <p>Participating firms indicate that the 3rd party auditors are improving their practices. 40% of firms indicated that 3rd party exchanges are following the FISD Business Issues Policy and Practice Standards (BIPPS) best practices whereas only 10% of firms indicated exchange auditors are.</p>	35, 36
Administration staffing	Resource constraints are evident in the lack of resources dedicated to audits, resolving audit issues and supporting compliance efforts even though 81% of firms consider it important, very important, or extremely important to support compliance. 58% of the firms are having to defend their resources and budgets for these activities against competing responsibilities.	38, 39
Compliance reporting	74% of firms do not have a system or service to assist in applying compliance rules and reporting, 15% use a proprietary system.	7, 31, 40
Inventory reviews	<p>49% of firms are performing Market Data inventory reviews annually or at contract renewal with another 22% performing them monthly, 19% quarterly, and 10% twice a year.</p> <p>97% of participating firms use an inventory system to support the effort. However, only 3% of firms have a fully automated review process, 71% have a partially automated process and 26% of firms still have a manual review process.</p>	46, 47

Financials

Suvey Questions 6, 49 - 58

Area	Observation	Question
Costs	<p>Since 2012, the majority of participating firms have experienced annual increases in Market Data costs and spend.</p> <ul style="list-style-type: none"> ▪ In 2012, 69% of firms had an increase in Market Data costs, and 58% saw an increase in 2013. ▪ 71% of firms anticipate an increase in 2014 with 42% of participating firms expecting an increase of more than 5%. 	6
Market data financial management	<p>While 61% of firms have centralized the management of Market Data financials, 16% are managing separately by business line or regional offices.</p>	49
System of record	<p>There is a 50-50 split of firms where the official system of record of Market Data costs is either the Market Data inventory system or the Finance department systems (accounting or accounts payable).</p>	50
Service spend increases	<p>The top 3 Market Data services in which firms are experiencing spend increases are:</p> <ol style="list-style-type: none"> 1. Index data 2. Reference and pricing data 3. Market Data and terminals / workstations 	54
Reasons for increase / decrease in spend	<p>For firms experiencing an increase in Market Data spend, the top reasons for the spend <i>increase</i> are:</p> <ol style="list-style-type: none"> 1. Vendor price increases 2. Expanded business usage / needs 3. New services <p>For firms experiencing a decrease in Market Data spend, the top 3 reasons for the <i>decrease</i> are:</p> <ol style="list-style-type: none"> 1. Enterprise cost savings initiatives 2. Reducing usage and need 3. Renegotiating contracts 	55, 56, 57

Vendor Management

Questions 59 - 72

Area	Observation	Question
Influencers of spend	Consumers (Portfolio Managers, Traders and Analysts) have the most significant influence in determining the selection of Market Data services. The Market Data team ranked #2 over senior management at #3.	60
Licensing	Larger firms (\$500bn+) want to move towards enterprise licensing, while firms between \$200bn and \$500bn firms want to move towards consumer based licensing and reduce the number of site licenses.	64
Cost management	43% of firms found negotiating flexibility on contracts was the most effective in managing the cost of Market Data vendor services.	66
SLAs and violations	SLAs with penalties are the exception, not the rule, and larger firms are able to negotiate these terms more frequently than smaller firms. While 66% of firms have never experienced SLA violations, 18% have. 27% of firms collected at least one penalty in the last two years.	68, 70
Risk tools	Risk tools are still primarily internally developed (85% of firms). Third party offerings are not yet commonplace.	72

Governance

Survey Questions 73 – 92

Area	Observation	Question
BCP planning and activities	<p>Trading systems are regarded as the most critical and necessary Market Data applications for business continuity planning (BCP), followed by real-time data systems and back-office systems such as pricing, settlement and clearing.</p> <p>A formal BCP Group is the primary group responsible for BCP activities (writing plans, coordinating tests) for critical Market Data systems - not the Market Data team.</p>	73, 78, 79, 80
BCP events	<p>45% of Market Data vendors “met the needs” of Market Data consumer firms during the last major BCP event.</p> <p>Vendors perform better during coordinated events than actual events with 55% of firms indicating vendors “met needs” during a coordinated BCP exercise.</p>	74, 75
BCP readiness	<p>While 78% of Market Data consumer firms assessed the BCP <i>readiness</i> of their critical Market Data system at least annually, 3% responded that they “never” assessed their BCP readiness.</p> <p>83% of Market Data consumer firms are <i>actively testing</i> the BCP readiness of their critical Market Data systems at least annually.</p> <ul style="list-style-type: none"> ▪ 40% of consumers schedule BCP tests annually ▪ 27% schedule BCP tests twice a year ▪ 13% schedule on a quarterly basis ▪ 3% schedule on a monthly basis <p>The primary activities leveraged during a formal BCP review of Market Data vendors listed by order of frequency used are:</p> <ol style="list-style-type: none"> 1. Questionnaires / survey 2. Phone interviews 3. Specific questions based on services 4. On-site visits 	76, 77, 78, 85

Governance continued

Area	Observation	Question
Production change controls	<p>The overwhelmingly majority of Market Data teams (90%) manage and schedule all internally controlled changes to their Market Data terminal applications; 97% of firms require business management approval for change controls to the Market Data production environment.</p> <ul style="list-style-type: none"> ▪ 53% of firms reported that they do not allow Bloomberg to make production changes to the terminal software without prior review. ▪ 74% - 80% of firms do not allow Thomson Reuters, FactSet and S&P to make production changes to terminal software without prior review. 	82, 83
Service requests	<p>86% of firms process their Market Data service requests manually.</p> <p>71% of firms manage Market Data service requests against a formal budget, while 67% require that budget information be included in the service request.</p>	85, 87, 88

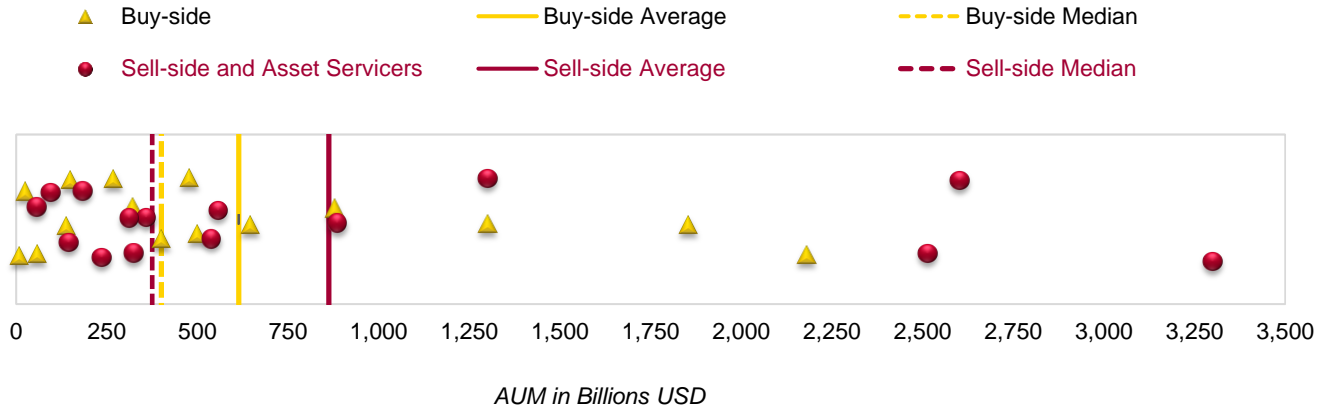
Survey Results

The survey is intended to be a comprehensive review of the Market Data Management process across the FSD consumer firms. Survey sections include staffing levels and organization, administration, financial, vendor management and governance. The questions in the survey were developed and tested by a subcommittee of the Consumer Constituency Group. There are six sections in the survey.

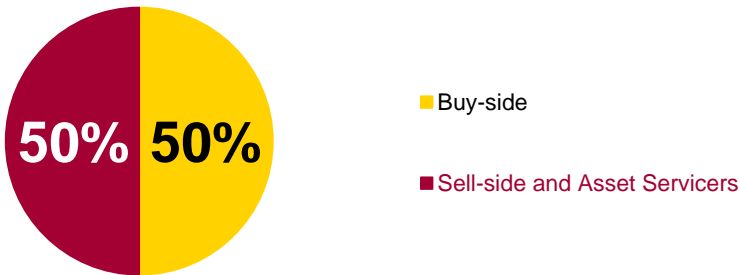
Section	Sub-section	Page
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	Organizational structure	
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	Invoice processing	
	Inventory management	
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	Compliance and policy management	
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	Vendor management	
	Pricing models and costs	
Governance		58
	BCP planning	
	Change control	
	Budget	

SECTION 1: CLASSIFICATION AND FIRM CHARACTERISTICS

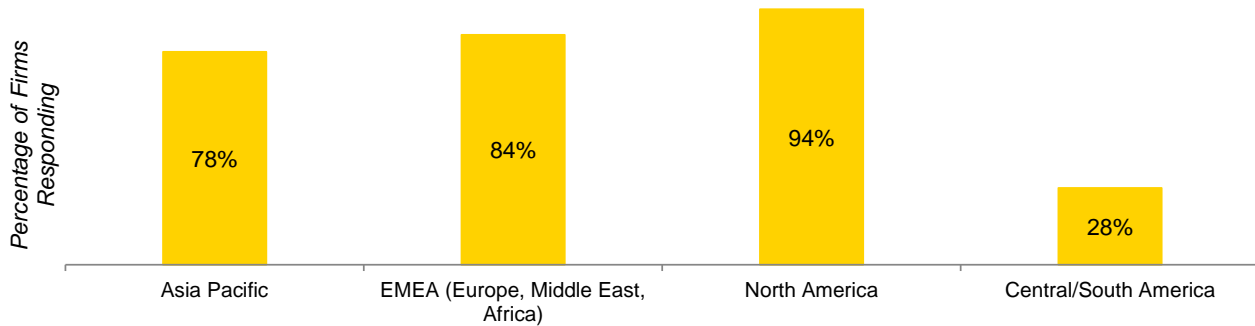
2. What are your firm's assets under management (AUM) in BILLIONS USD that are supported by the information provided in this survey.



3. Please identify for what type of firm (or area of the firm) you are completing this survey for.



4. In what region(s) does your firm have Market Data consumers?



5. Which FISD members does your firm consider as peers? Please select a minimum of 3 firms.

Used for analysis purposes only.

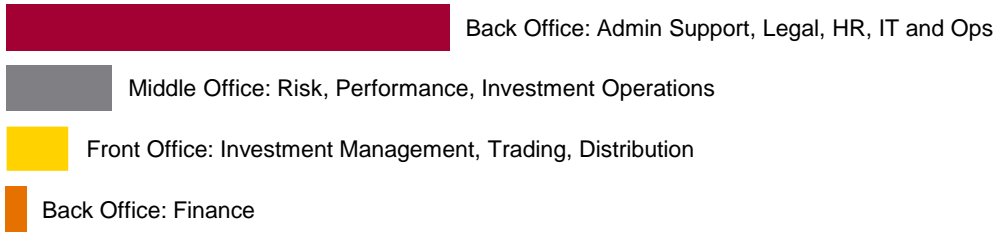
6. For the following periods, how has your firm adjusted their spend on Market Data from the previous year?

- Not applicable
- 10%+ Decrease
- 5 - 9% Decrease
- 0 - 4% Decrease
- No change
- 0 - 4% Increase
- 5 - 9% Increase
- 10%+ Increase



SECTION 2 - ORGANIZATION: Organizational Structure

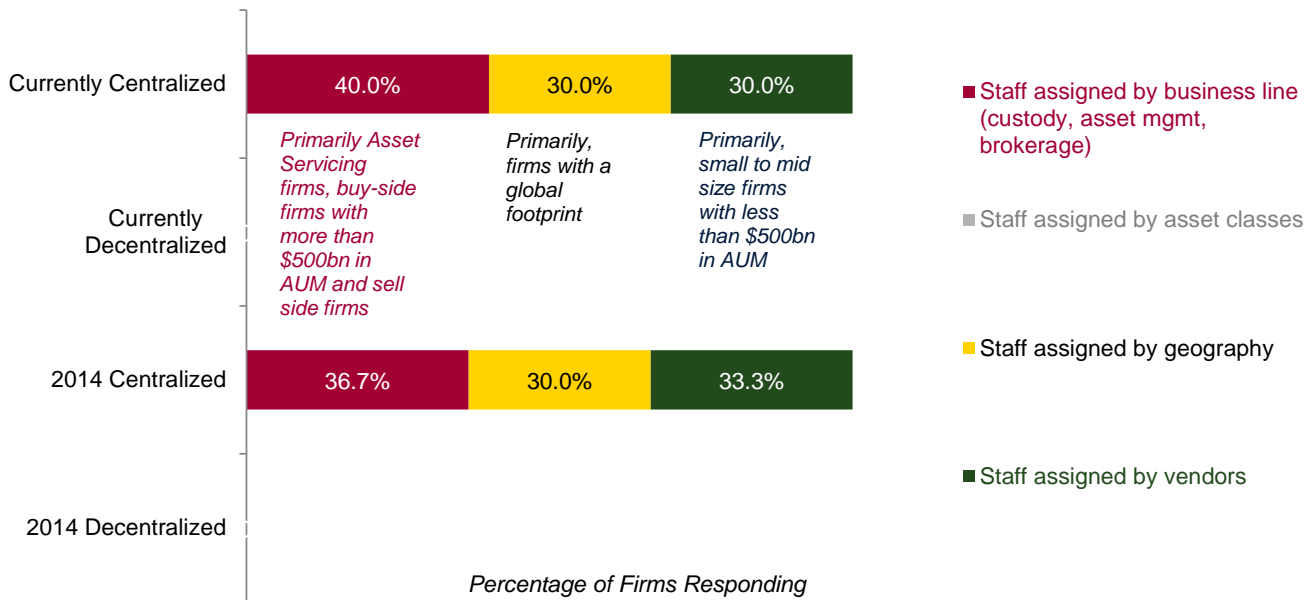
7. Which area of your firm is organizationally responsible for the Market Data management team?



No firms indicated that Back Office Accounting is responsible for Market Data management.

A firm's AUM, type, or geographic dispersion are not determinates of organizational approach.

8. How is your Market Data team organizationally structured (administrative reporting lines) currently and what do you expect them to be in 2014?



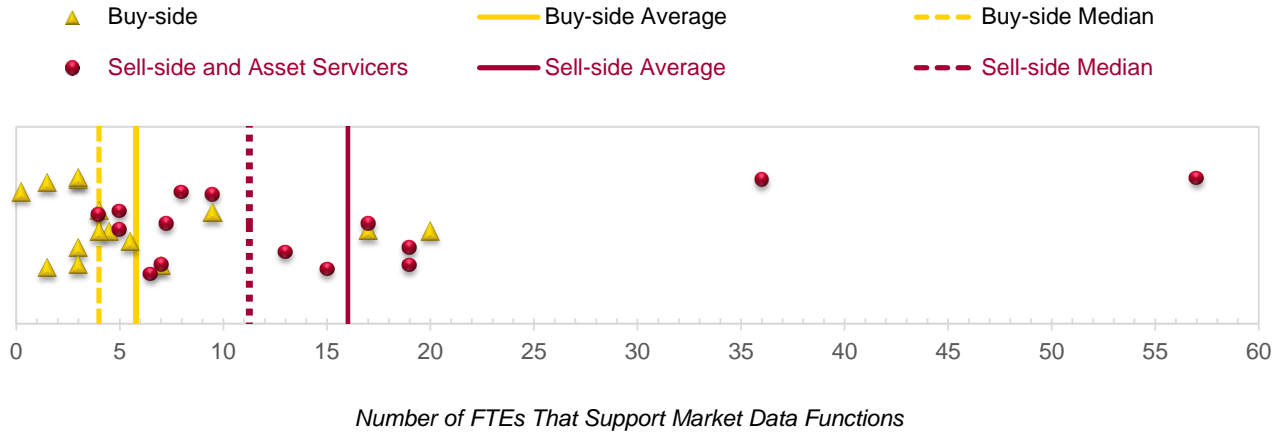
No firms are assigning staff by asset class or using a decentralized model.

One firm is shifting from assigning by business line to assigning by vendor in 2014.

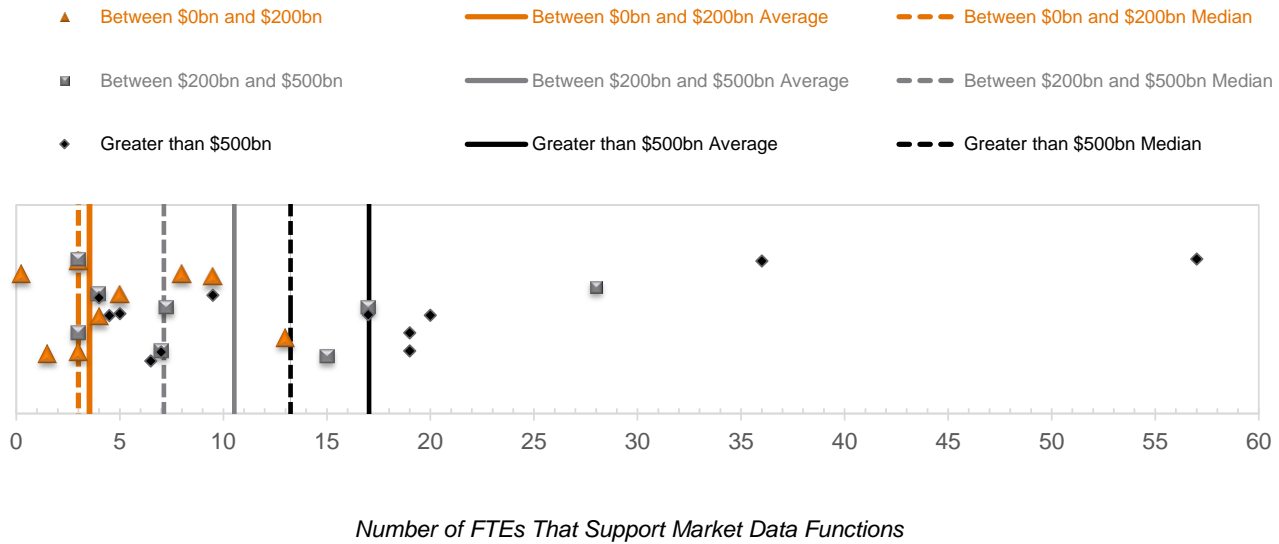
SECTION 2 - ORGANIZATION: Staffing

9. How many full time equivalent (FTE) resources work to support the Market Data functions?

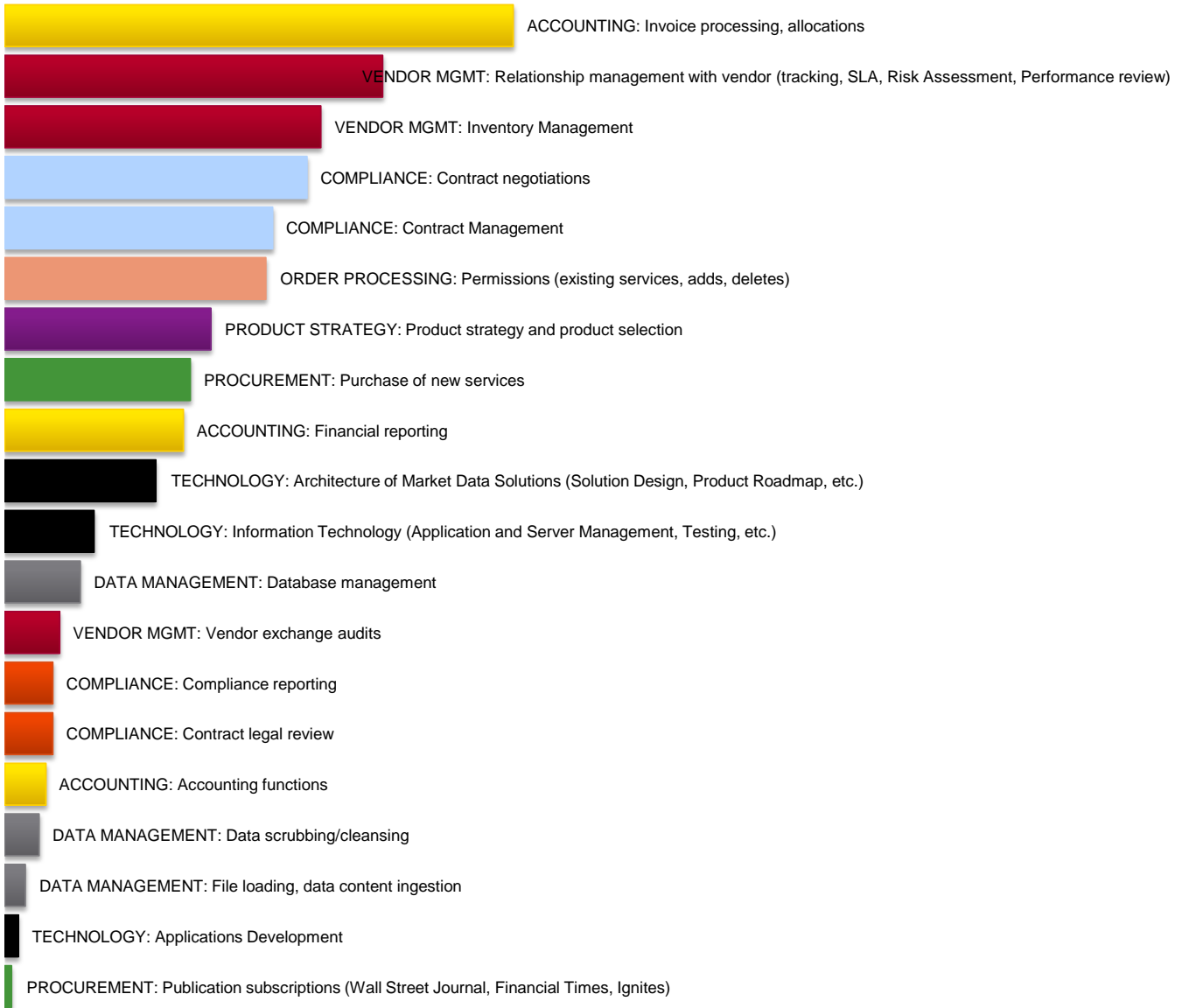
Segmented by type of firm



Segmented by AUM

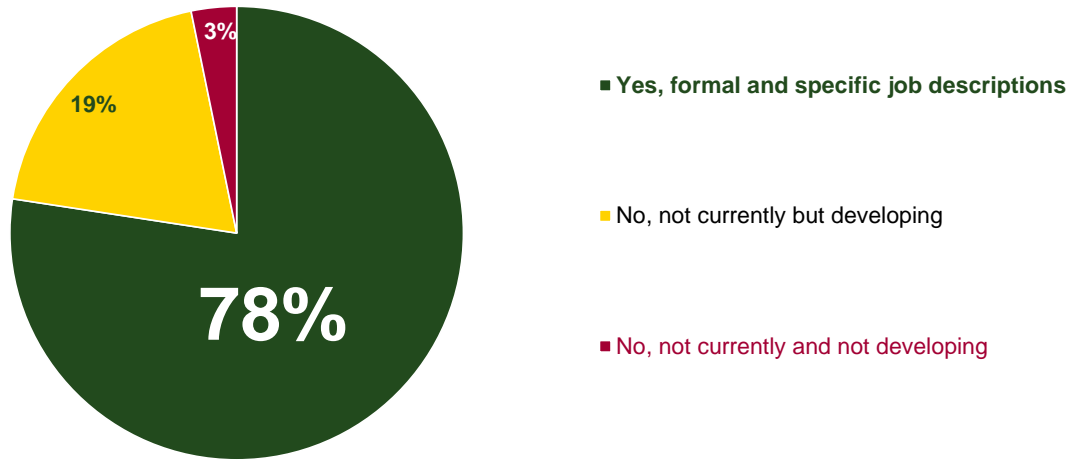


10. Please rank the top 5 activities that Market Data staff spend their time supporting by percentage of their time spent.



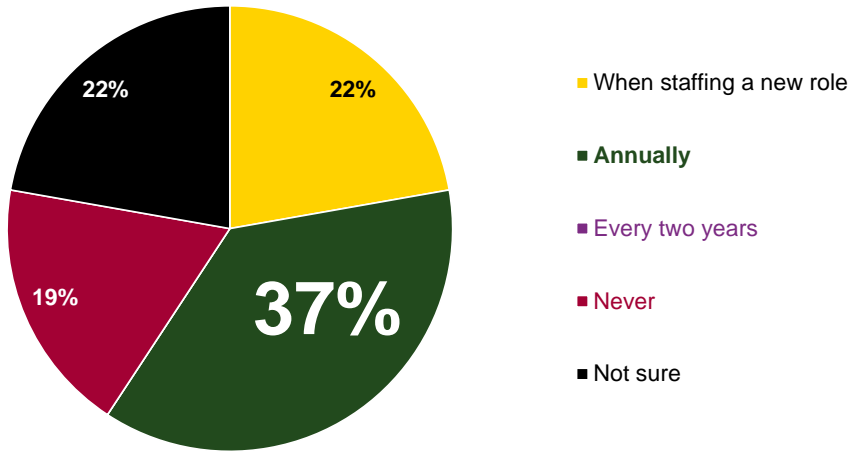
Weighted by Percentage of Time Spent

11. Does the Market Data staff have specific job descriptions?

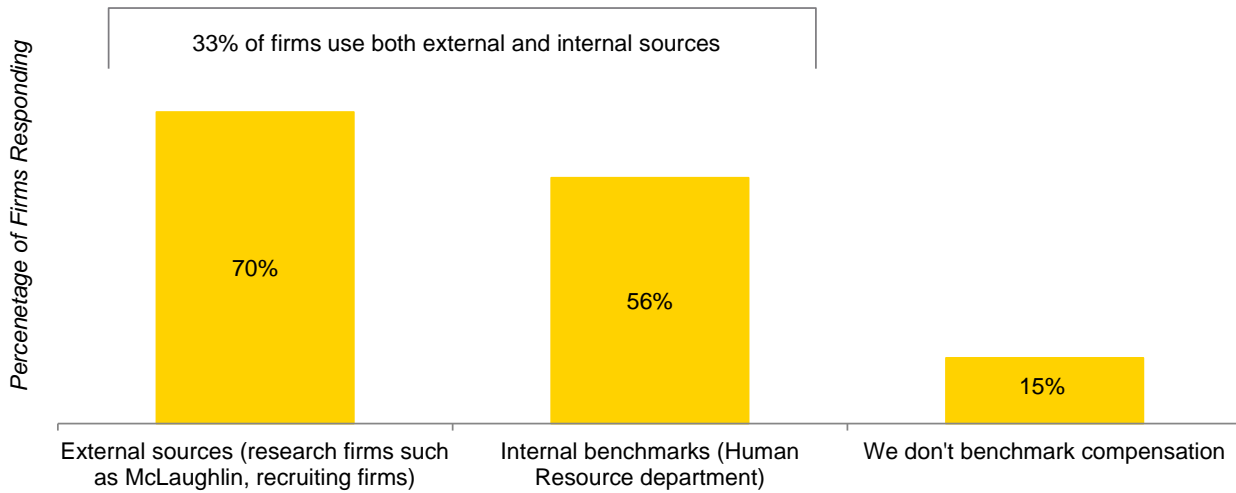


SECTION 2 - ORGANIZATION: Compensation

12. What is the frequency for reviewing Market Data staff compensation against the industry?



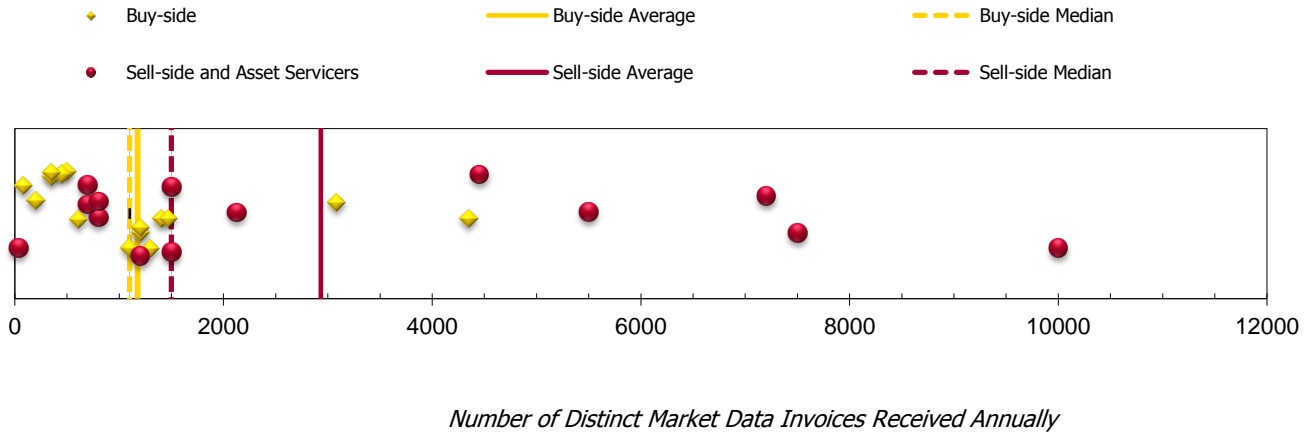
13. What methods are used when assessing and benchmarking compensation?



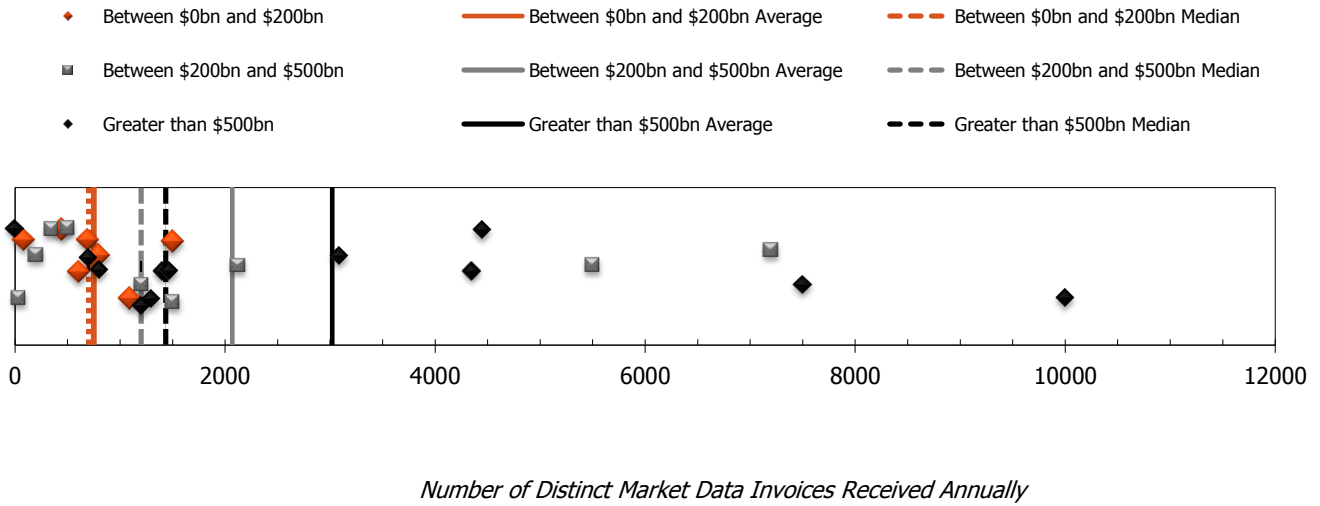
SECTION 3 - ADMINISTRATION: Invoice Processing

14. What is the quantity (number) of distinct Market Data invoices do you receive annually?

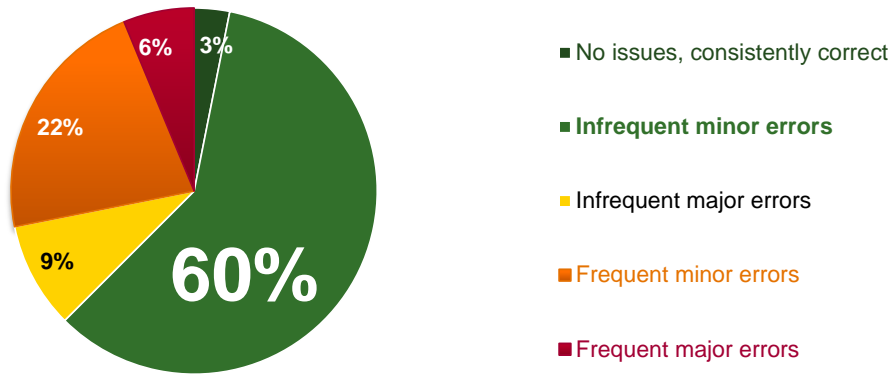
Segmented by type of firm



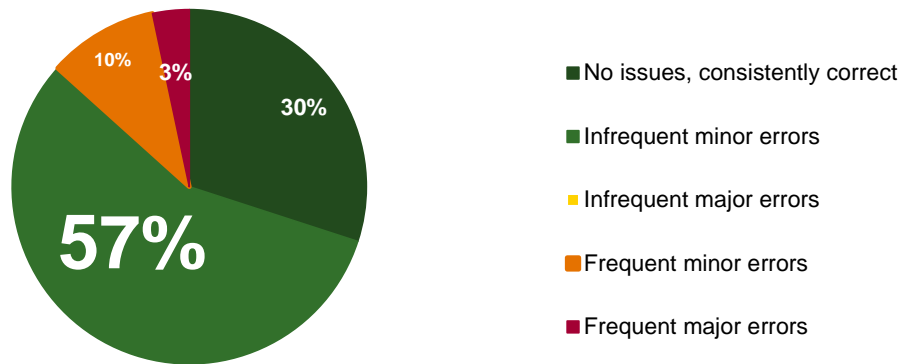
Segmented by AUM



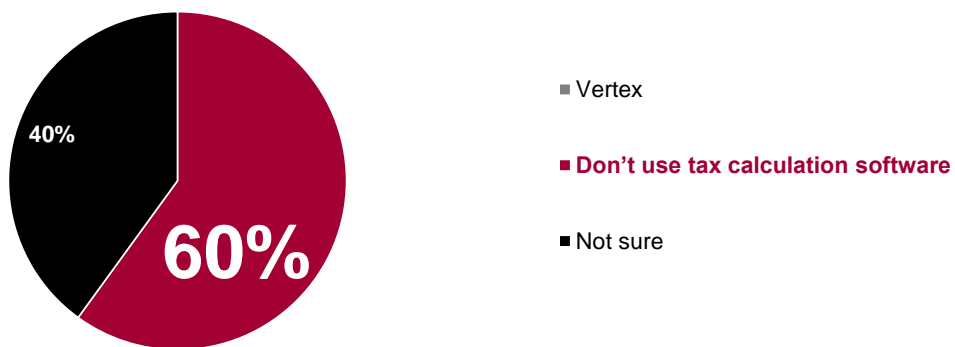
15. On average, how satisfied is your firm with the accuracy of your Market Data invoices?



16. On average, how satisfied is your firm with the accuracy of the TAX calculations on your Market Data invoices?

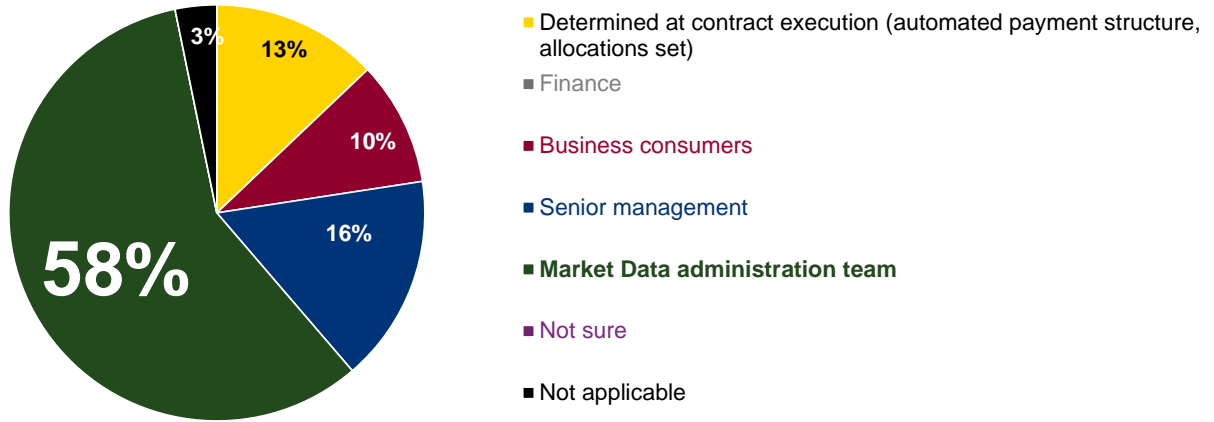


17. What is the primary tax calculation software your firm uses?

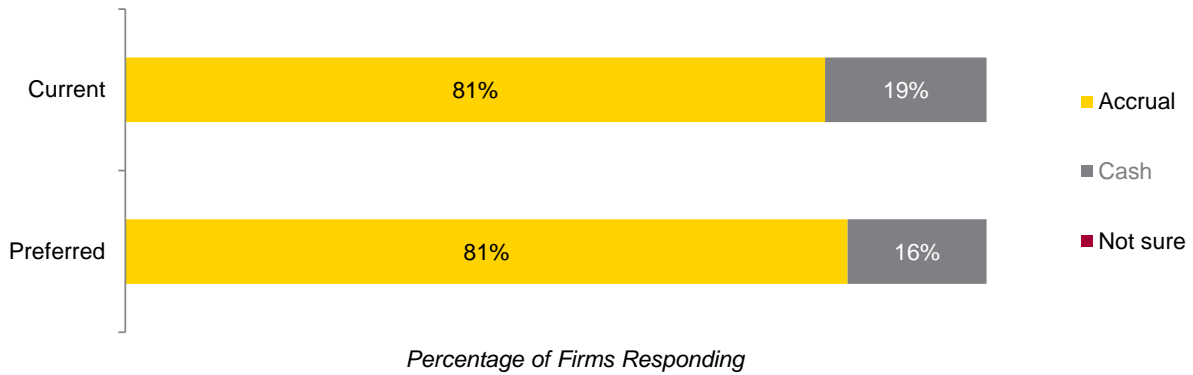


18. On average, who approves invoices prior to payment?

1

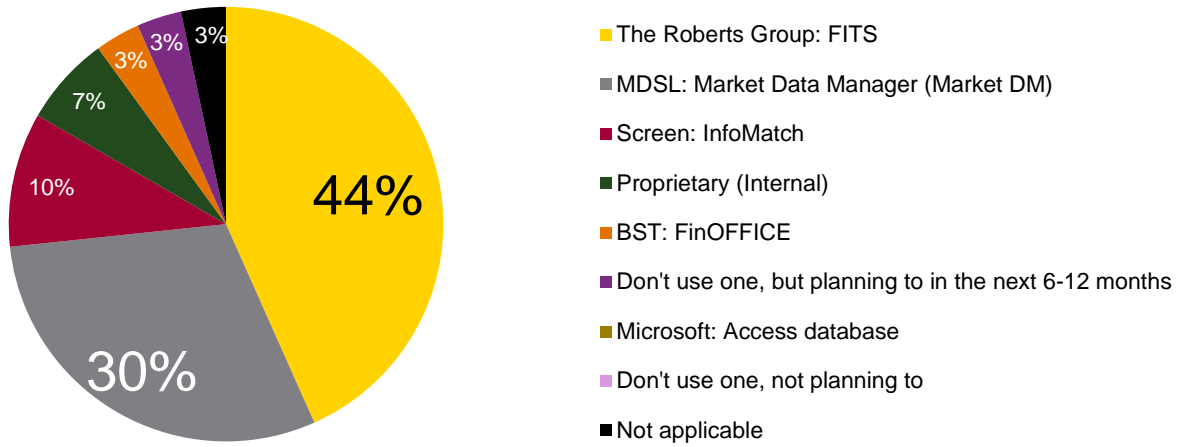


19. What method do you use to manage your Market Data expense?

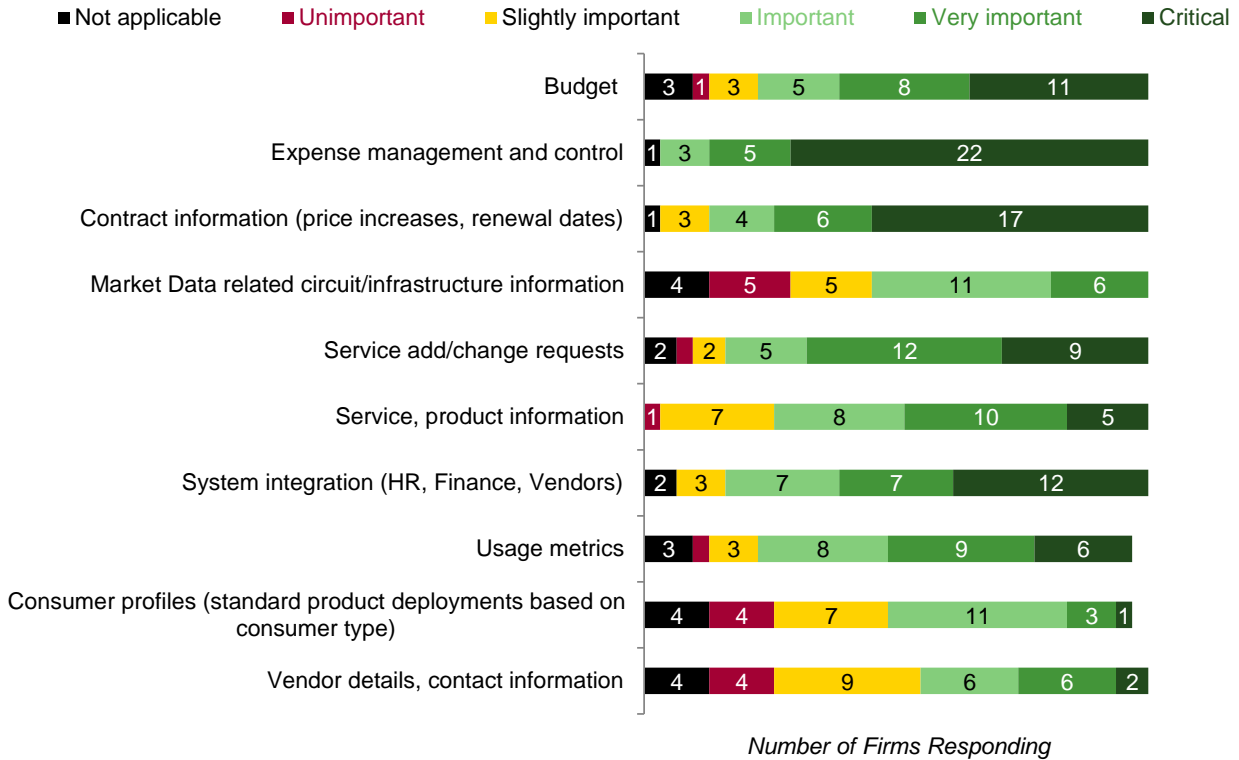


SECTION 3 - ADMINISTRATION: Inventory Management

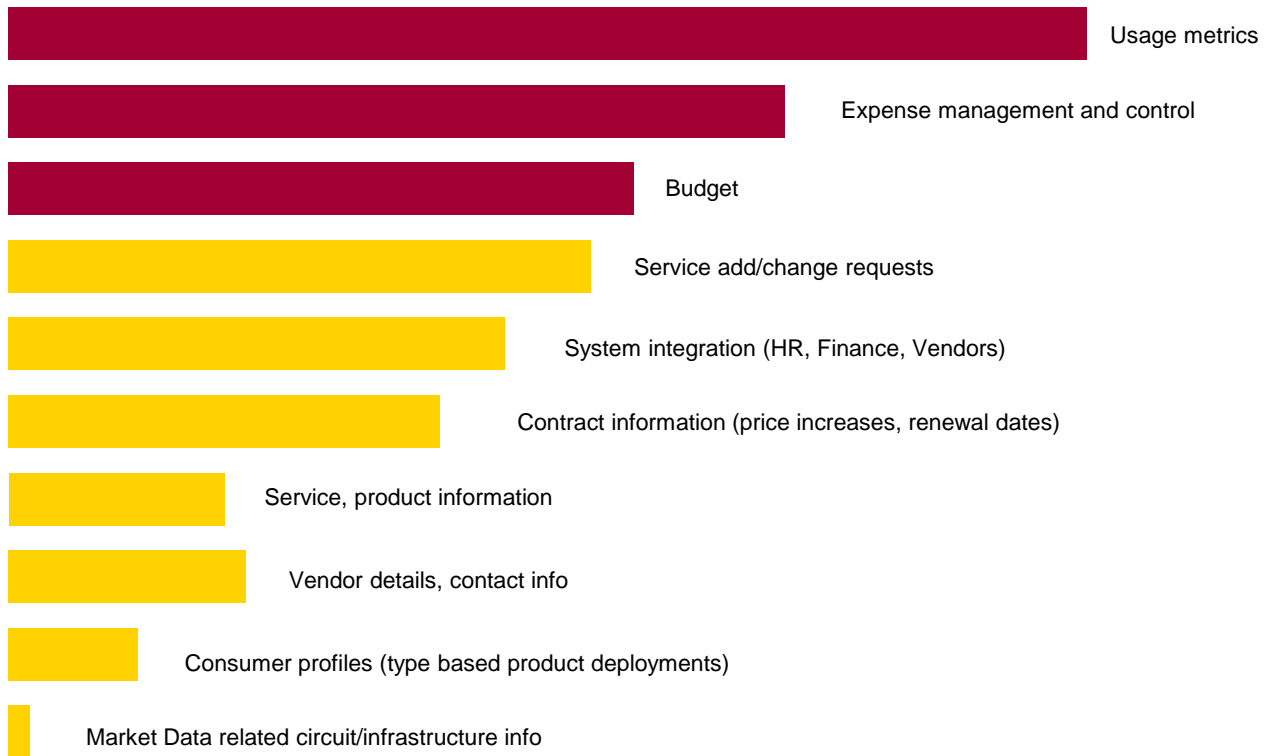
20. What is the primary vendor inventory tracking system that your firm uses?



21. How important are the following functions in the Market Data inventory tracking system to the Market Data team?



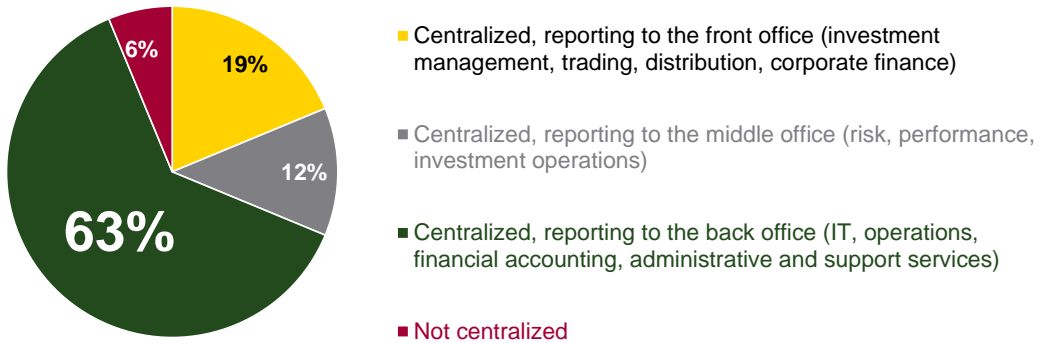
22. Please rank the top 3 areas of market data inventory tracking capabilities you would like to see enhanced.



Responses Weighted by Level of Importance

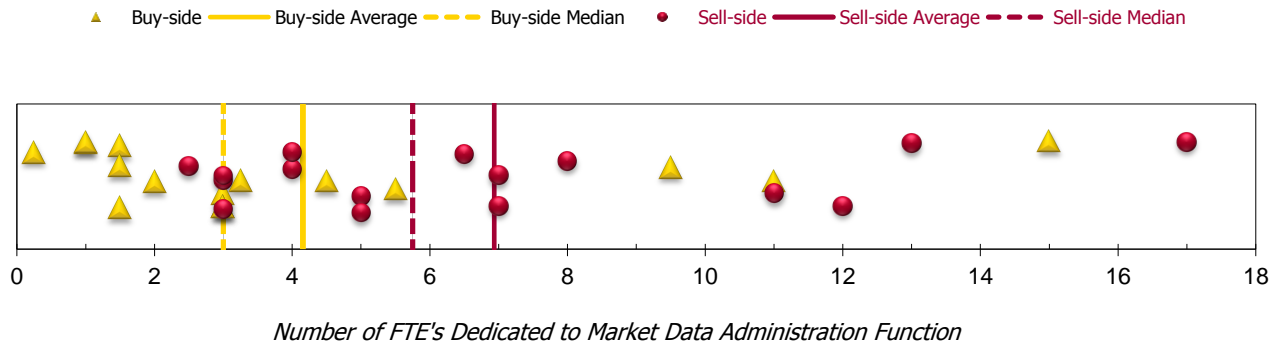
SECTION 3 - ADMINISTRATION: Administration

23. How is Market Data administration organizationally aligned in your firm?

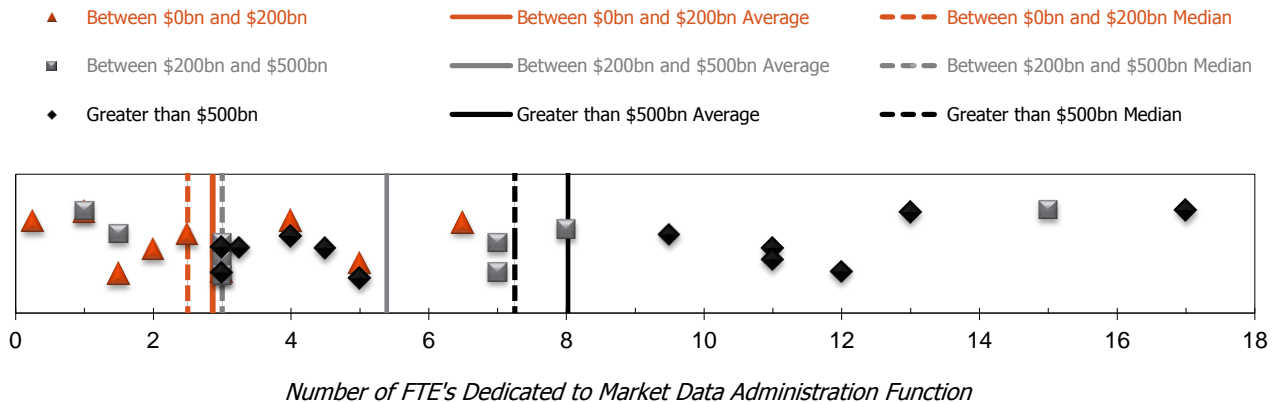


24. How many full time equivalent (FTE) staff are dedicated to your Market Data administration function?

Segmented by type of firm

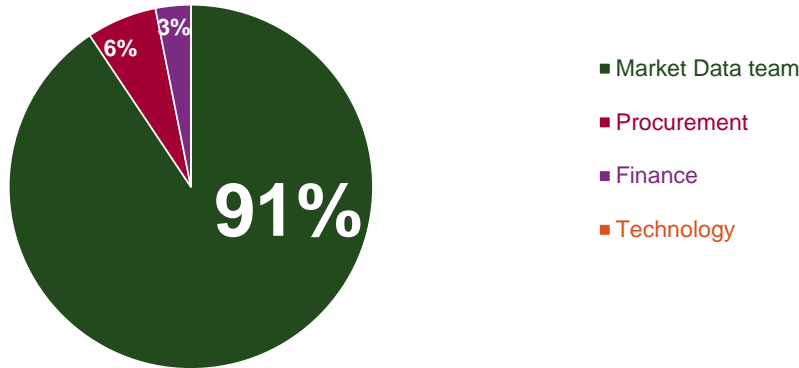


Segmented by AUM

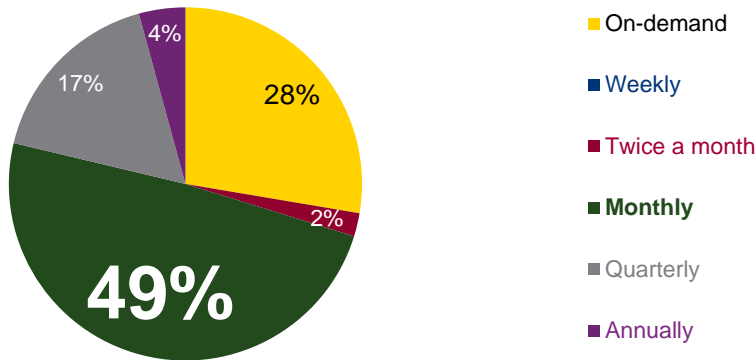


SECTION 3 - ADMINISTRATION: Financial Reporting

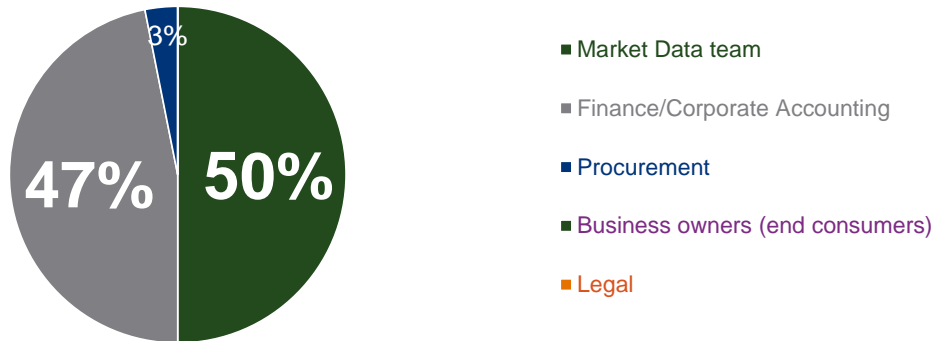
25. Who is primarily responsible for reporting Market Data inventory, usage and spend to internal consumers and your management team?



26. On average, how frequently are the Market Data inventory, usage and spend reports produced?



27. Who is primarily responsible for producing month-end financial reports that close out the financial period (cost allocations, accruals and prepaid reports)?

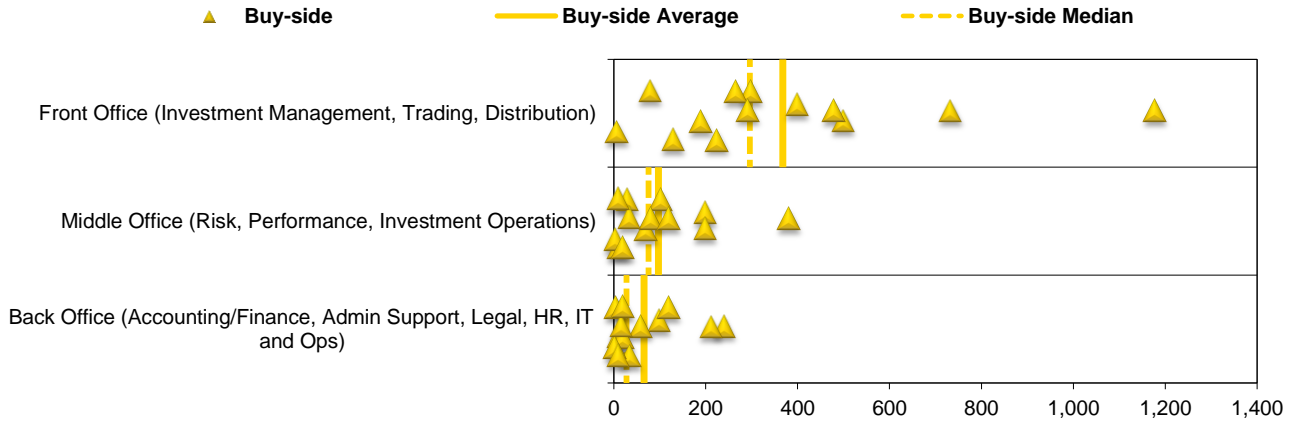


SECTION 3 - ADMINISTRATION: Usage Reporting

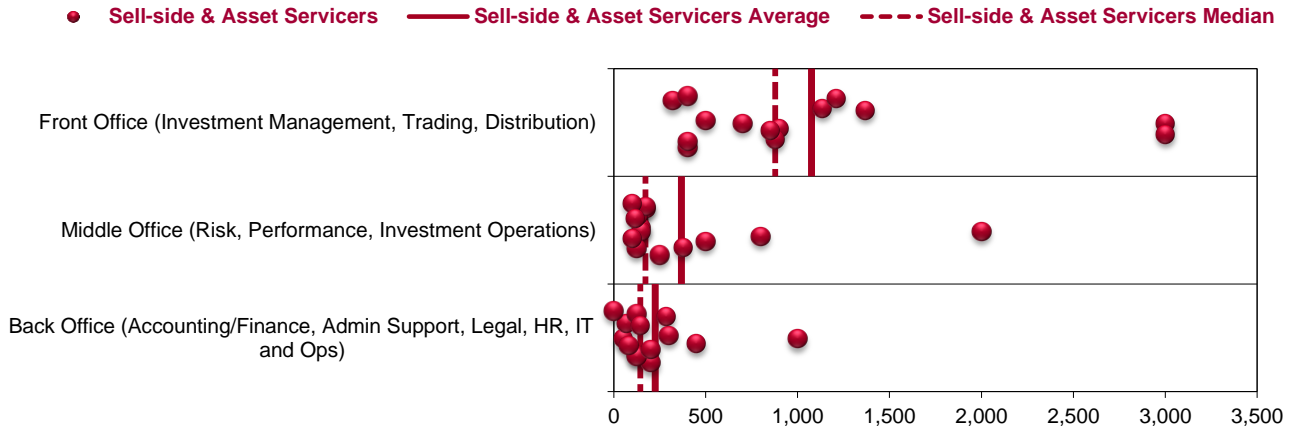
28. Please provide the number of internal desktop consumers of Market Data.

Segmented by type of firm

Buy-side

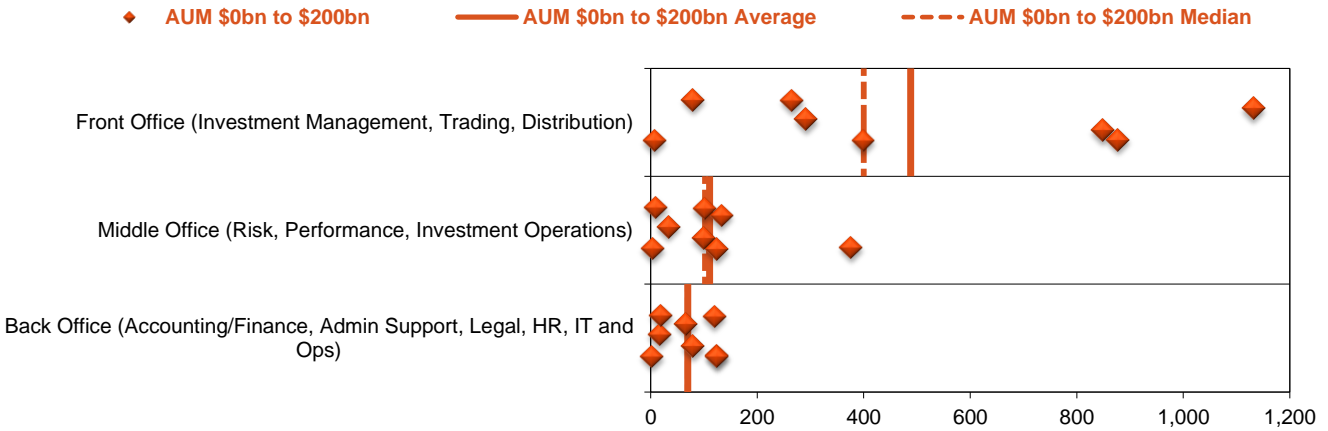


Sell-side and Asset Servicers

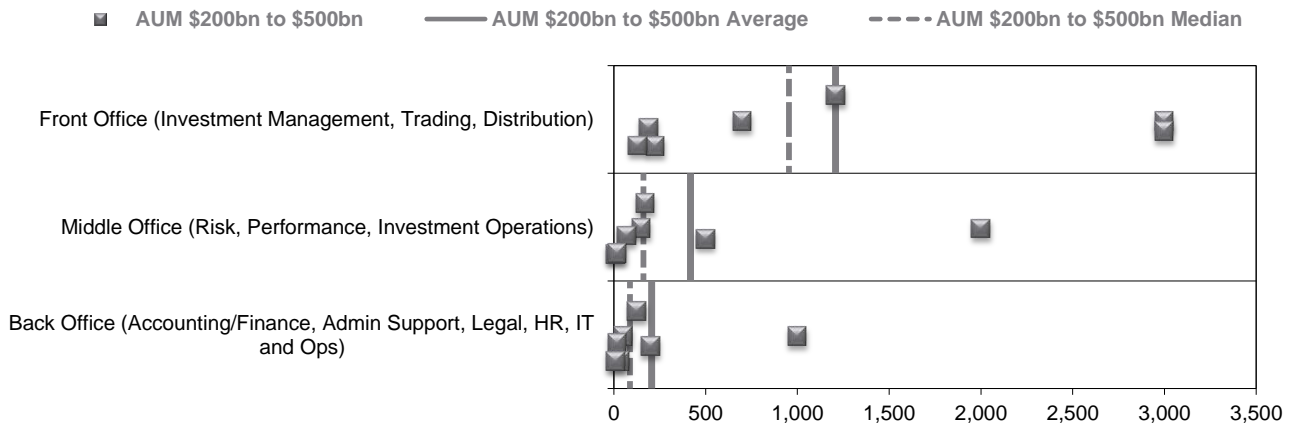


Segmented by size of firm

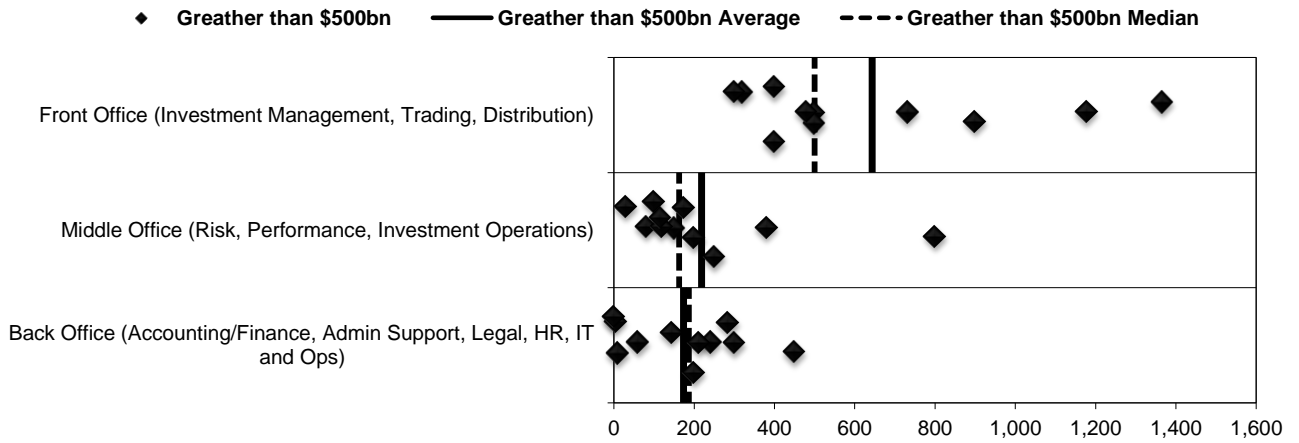
AUM \$0bn to \$200bn



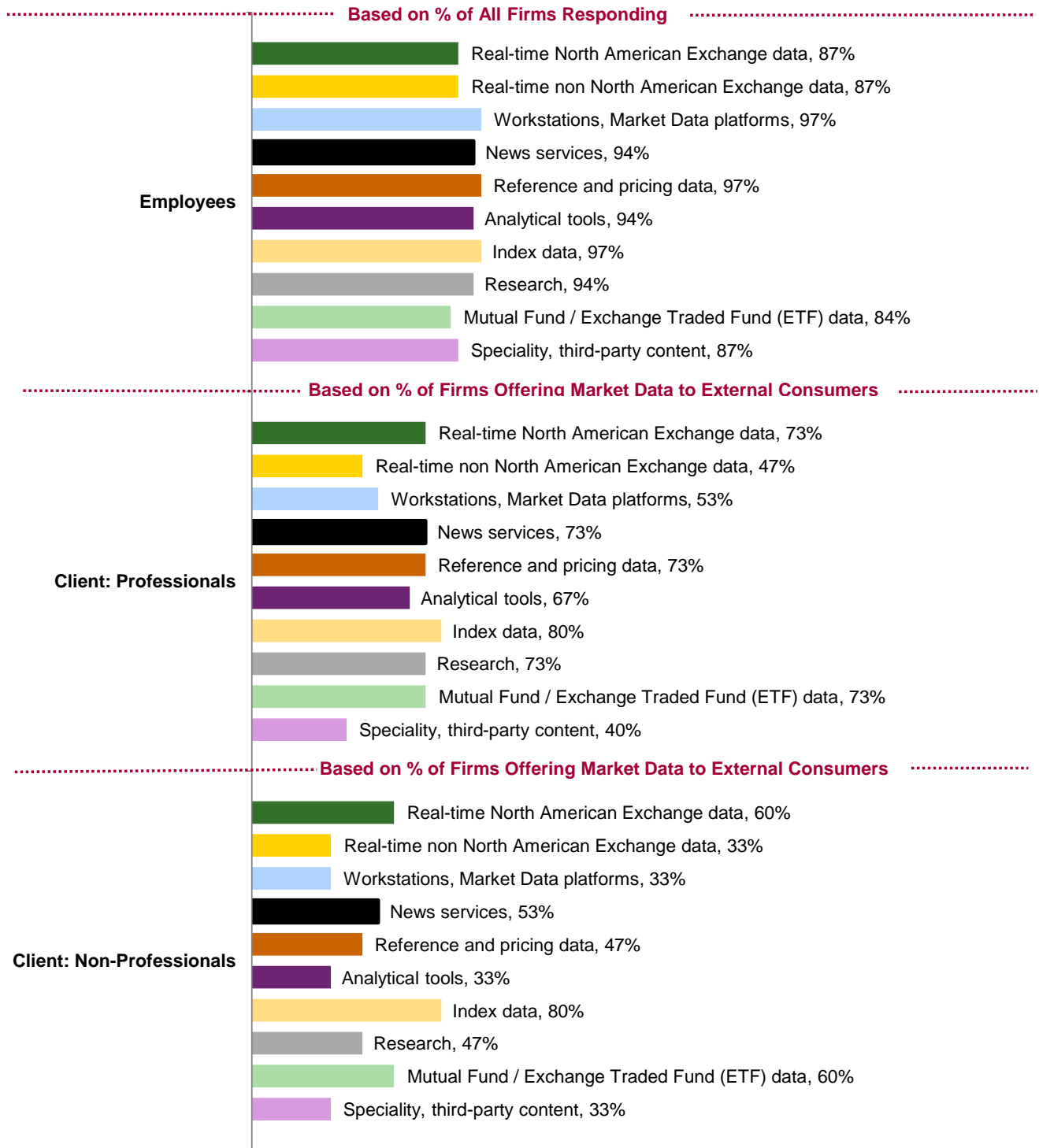
AUM \$200bn to \$500bn



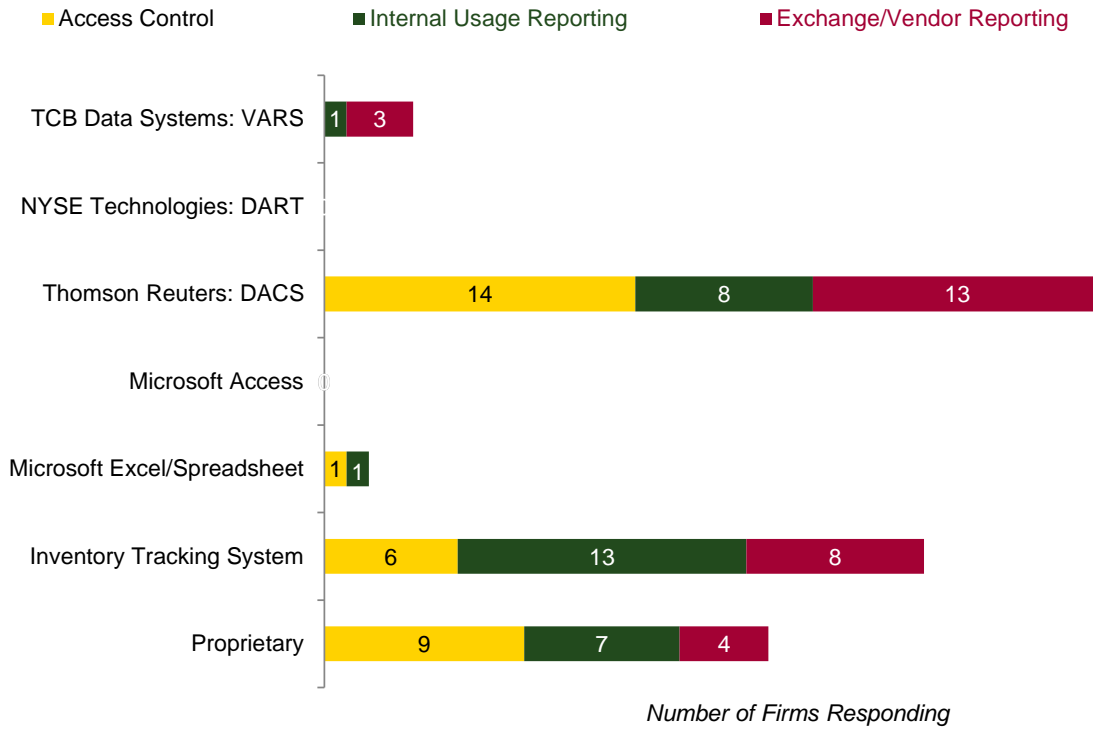
AUM Greater than \$500bn



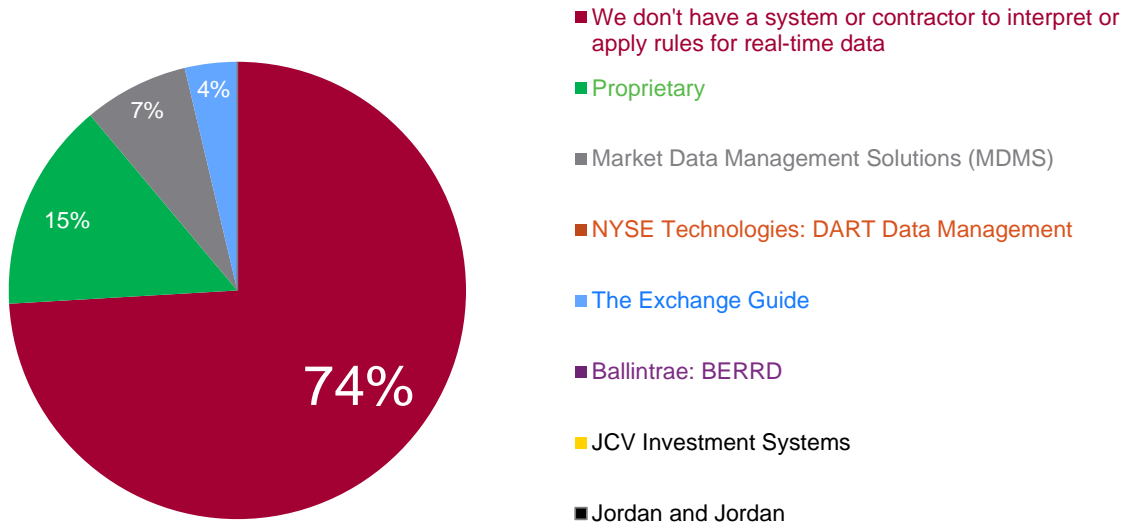
29. Please indicate the types of consumers that have access to your firm's Market Data through display applications. Percentage indicates a particular type of service/data is provided to a particular type of user.



30. What is the primary system that your firm uses for the following functions?

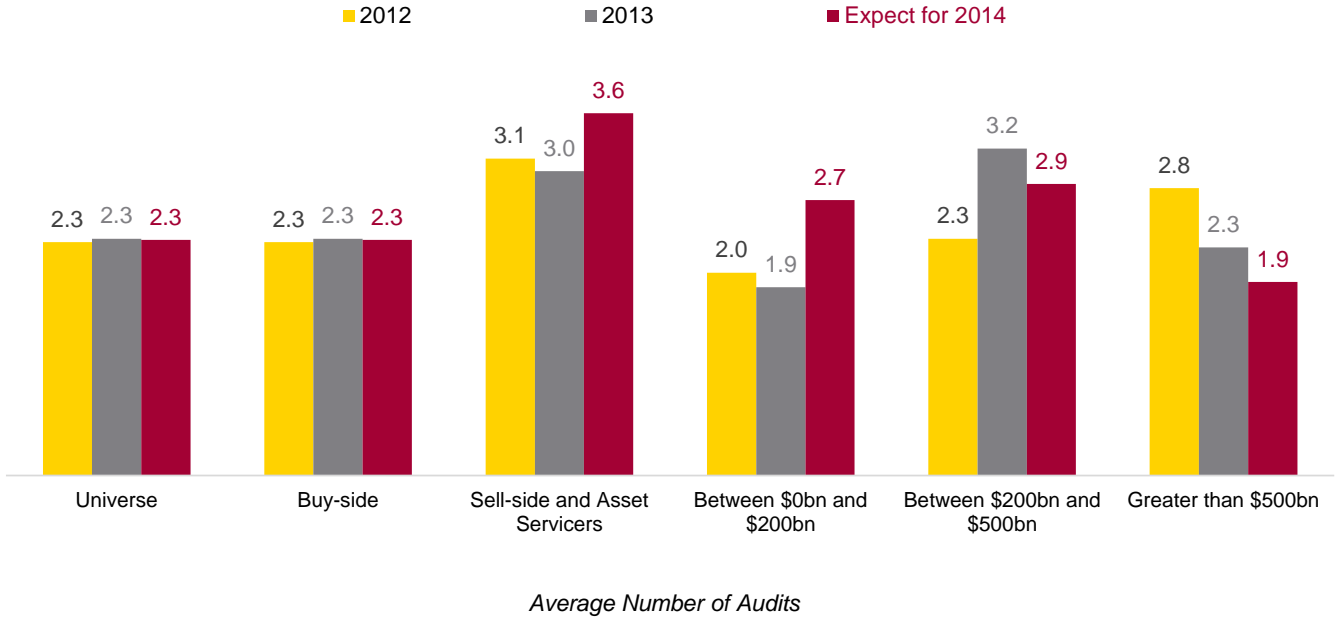


31. What contractor(s) or system(s) does your firm use to interpret or apply reporting rules for real-time data?

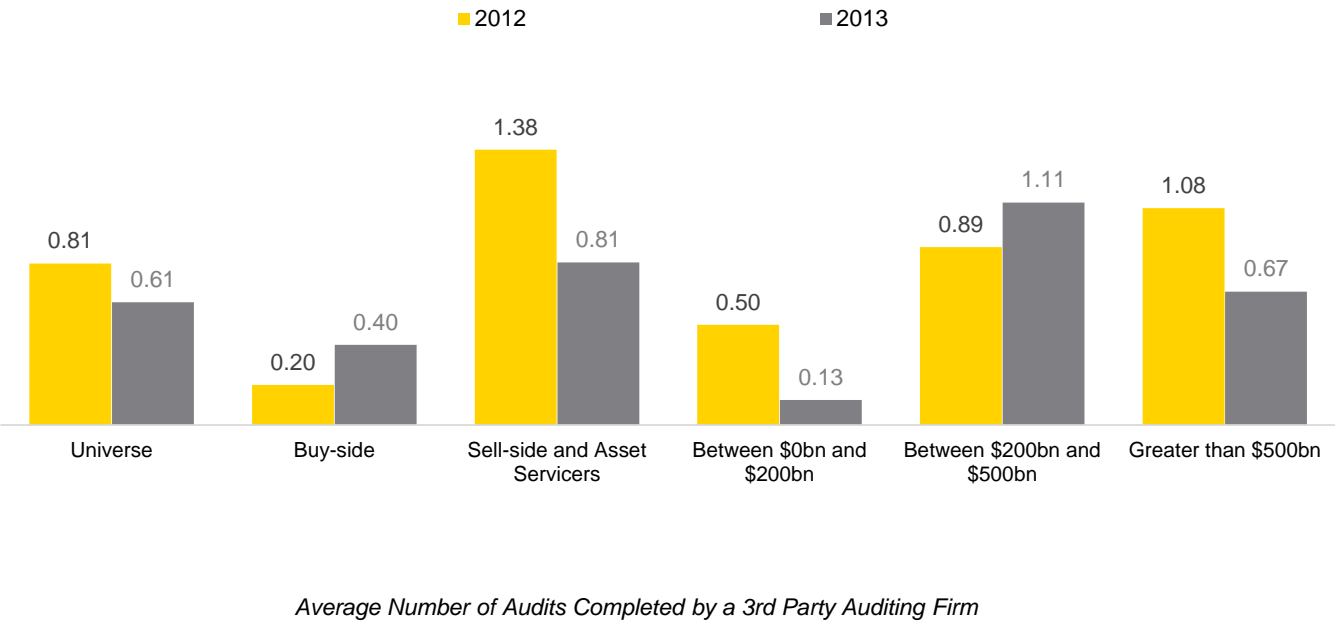


SECTION 3 - ADMINISTRATION: Audit Management

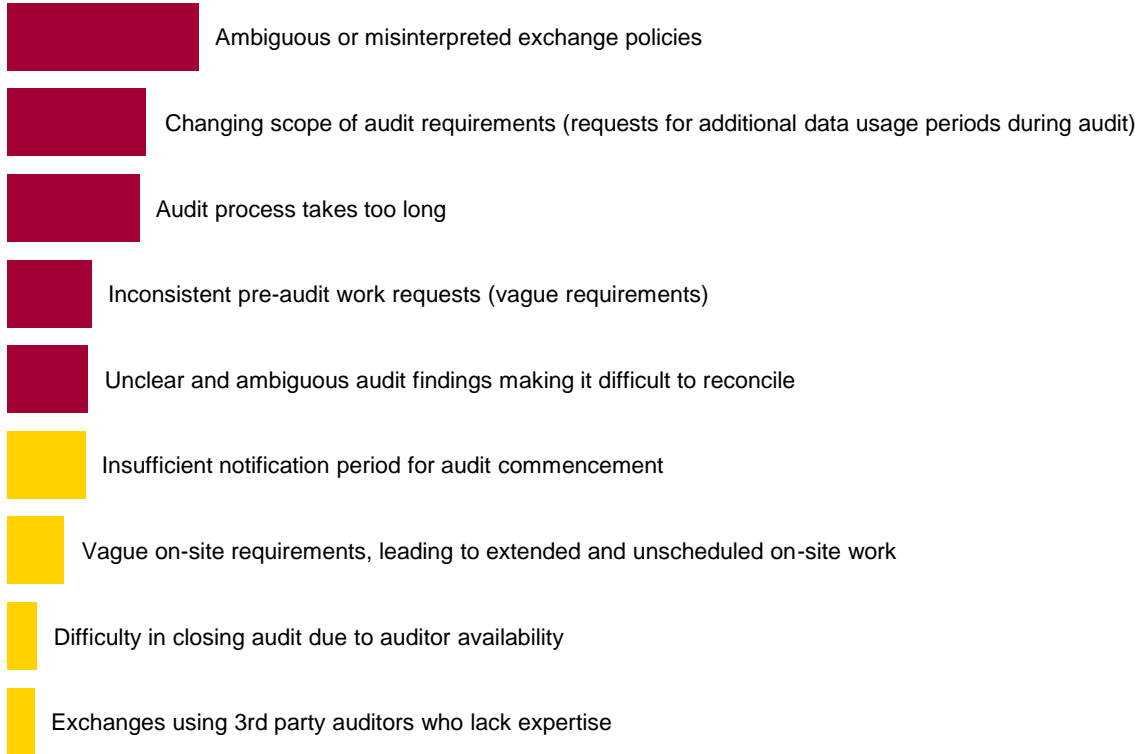
32. How many exchange or vendor audits have you participated in during the past 2 years?



33. How many exchange audits were completed by third-party auditing firms (not directly by the exchange)?

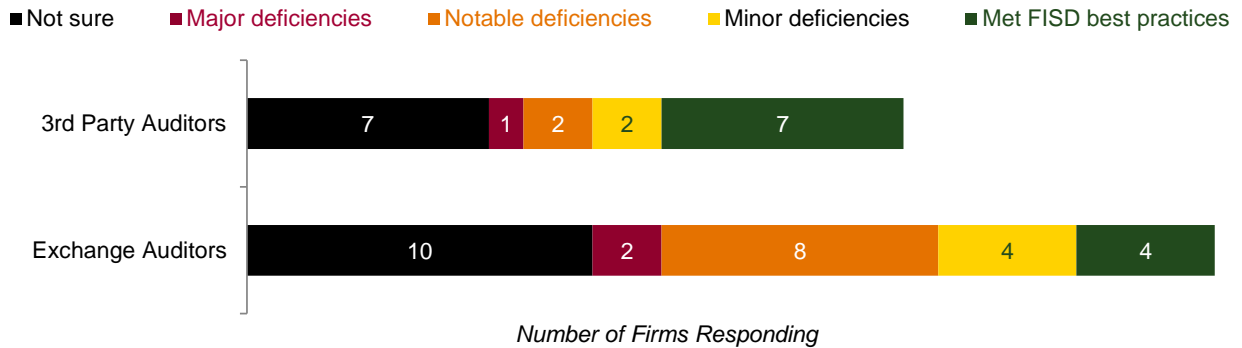


34. Please identify the top 5 concerns your firm has experienced with the audit process.

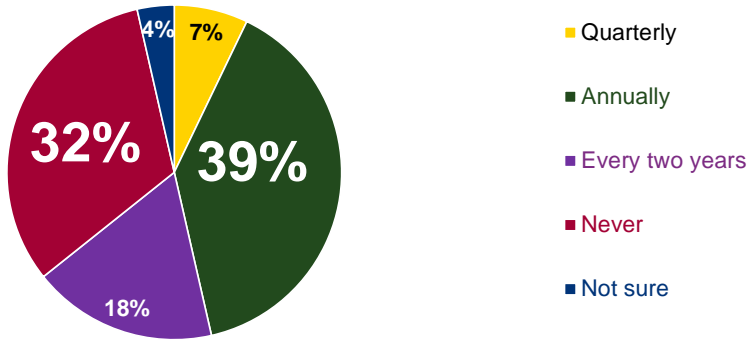


Weighted by Level of Concern

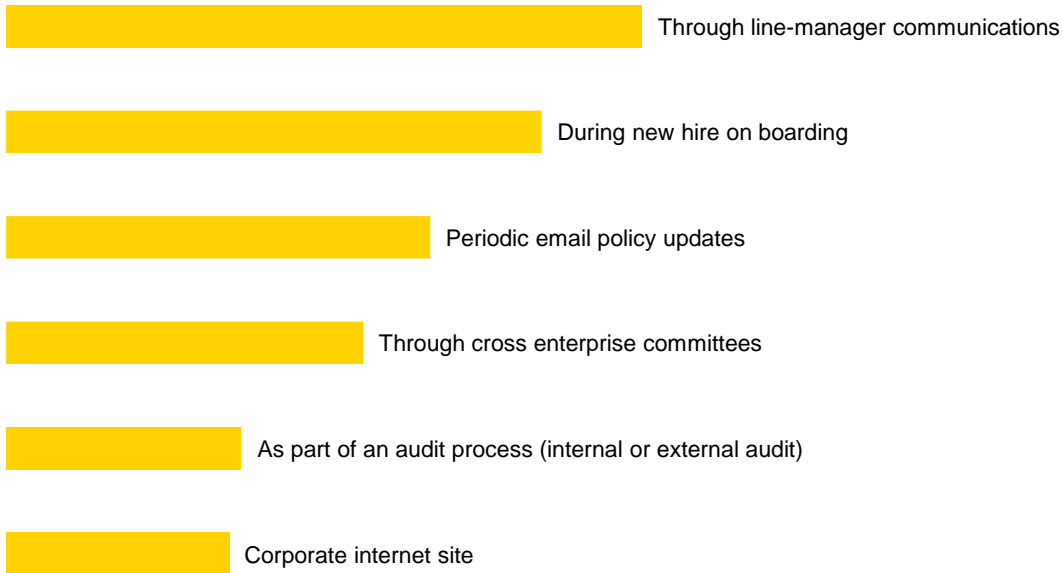
35. Did the auditor satisfactorily follow the Market Data Audit Best Practices published by FISD?



36. How frequently does your firm conduct formal internal audits of Market Data?



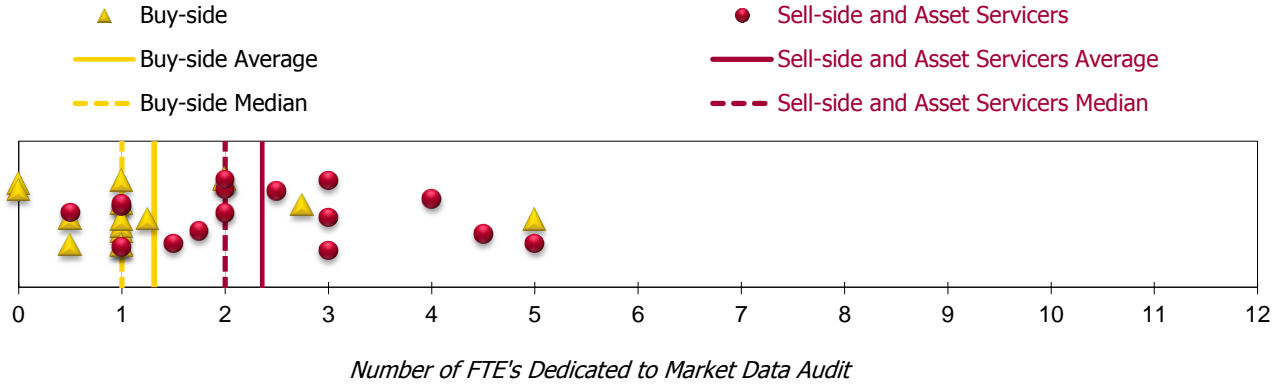
37. Please rank in order of effectiveness what your firm believes is the most effective approach for communicating internal Market Data policies?



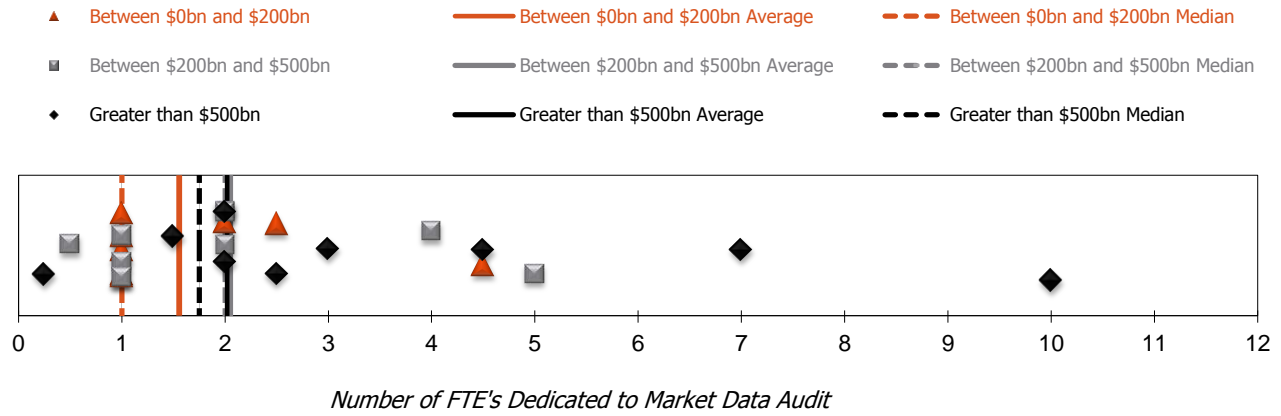
Weighted by Order of Effectiveness

SECTION 3 - ADMINISTRATION: Audit Participants

38. On average, how many full-time equivalent staff are engaged in each Market Data audit?

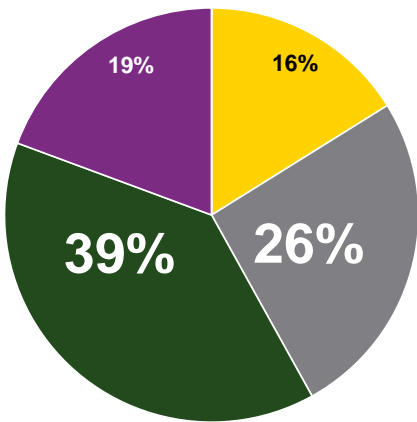


Segmented by AUM



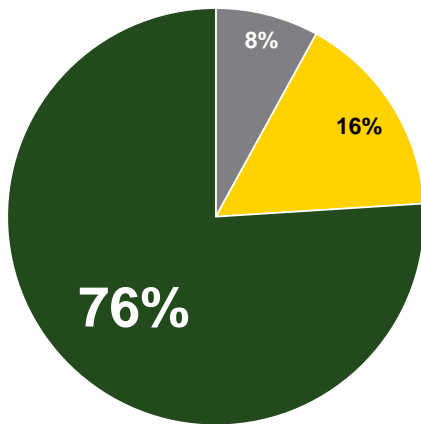
SECTION 3 - ADMINISTRATION: Compliance/Policy Management

39. What is the level of importance of Market Data compliance in your firm?



- Extremely important, appropriate resources and budgets consistently allocated and available
- Very important, resources and budget allocated as needed
- Important, resources and budget needs to be consistently defended against other demands
- Somewhat important, resources and budget need to be defended and frequently are not met
- Not important, limited resources and budget allocated to support

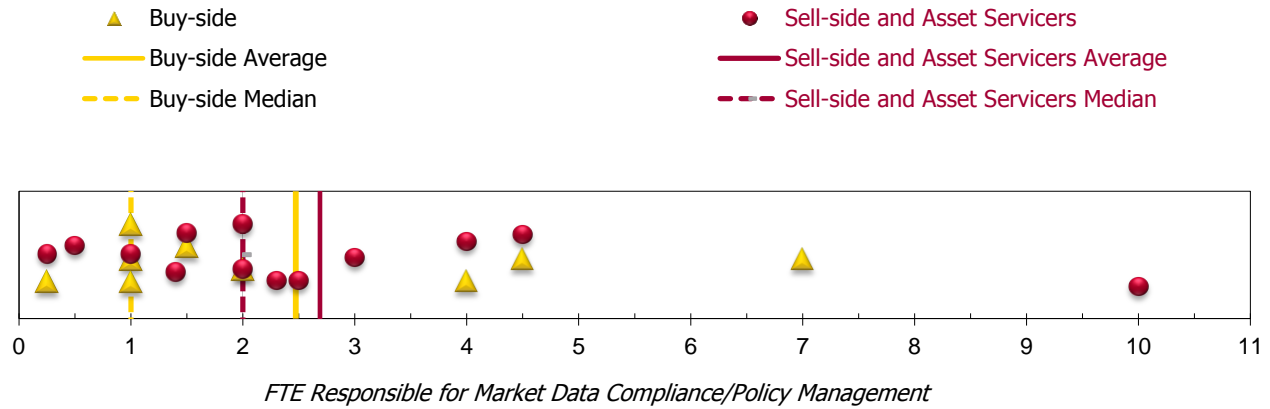
40. Which area of your firm is responsible for the Market Data compliance?



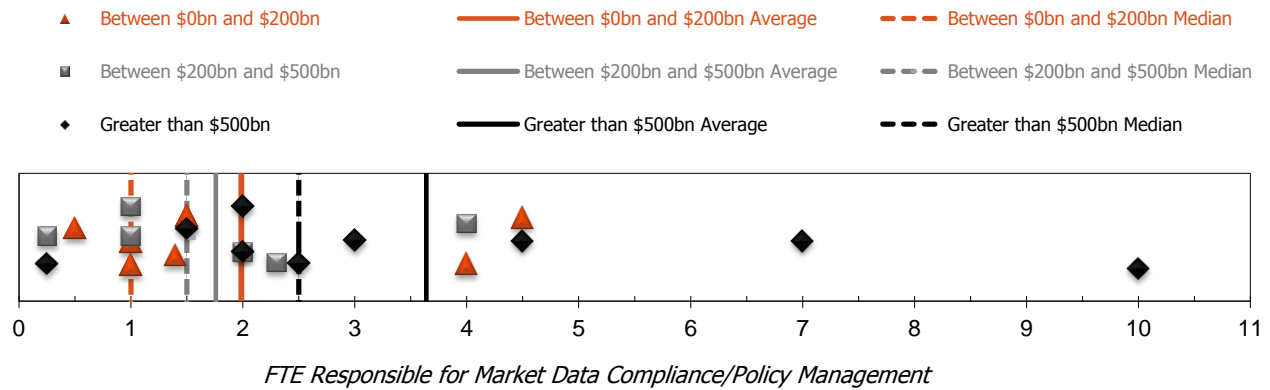
- Front Office (Investment Mgmt, Trading, Distribution)
- Middle Office (Risk, Performance, Investment Operations)
- Back Office (Accounting/Finance, Admin Support such as Legal & HR, IT and Ops)

41. How many full-time equivalent (FTE) staff are responsible for Market Data compliance/policy management?

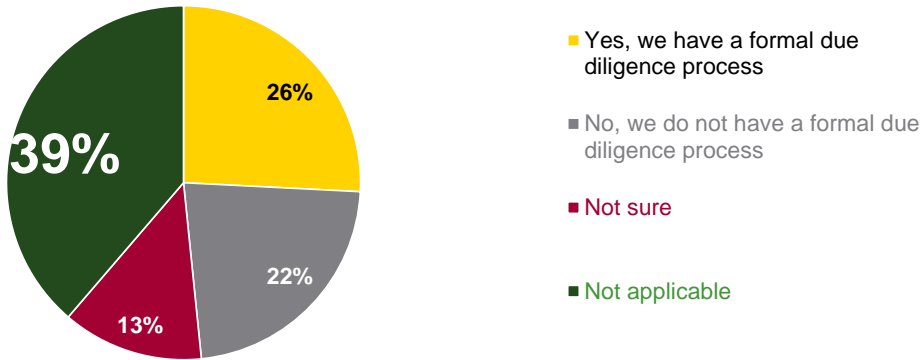
Segmented by type of firm



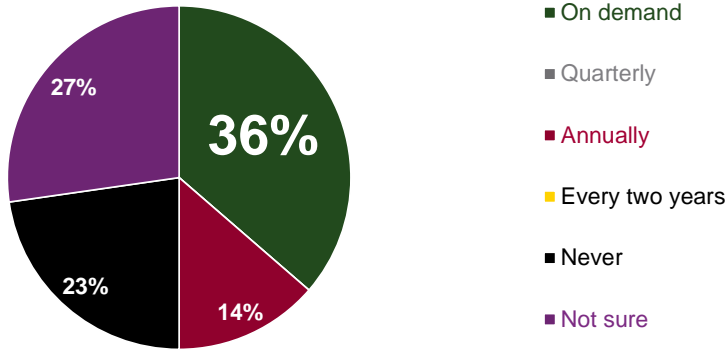
Segmented by AUM



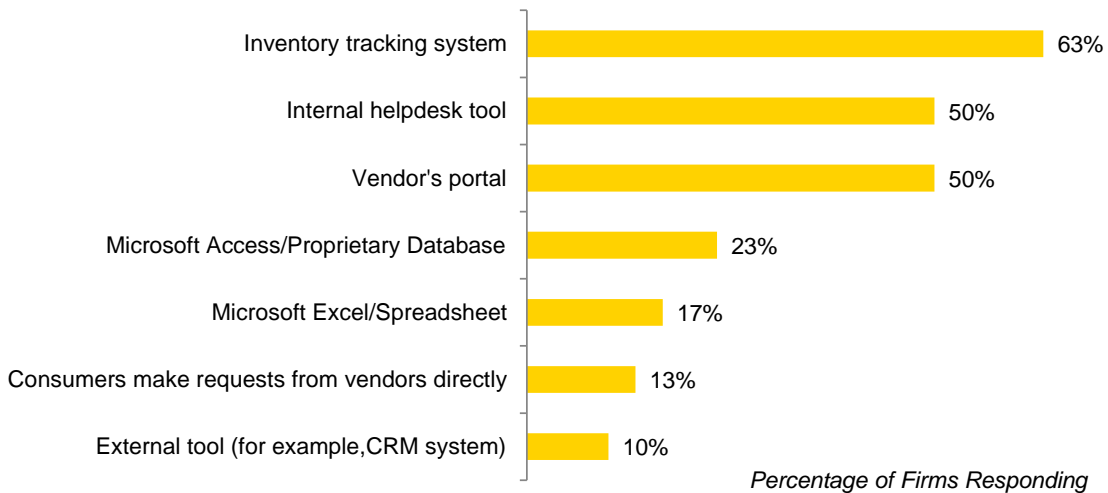
43. Does your firm have a formal due diligence process to confirm a consumer's designation as non-professional?



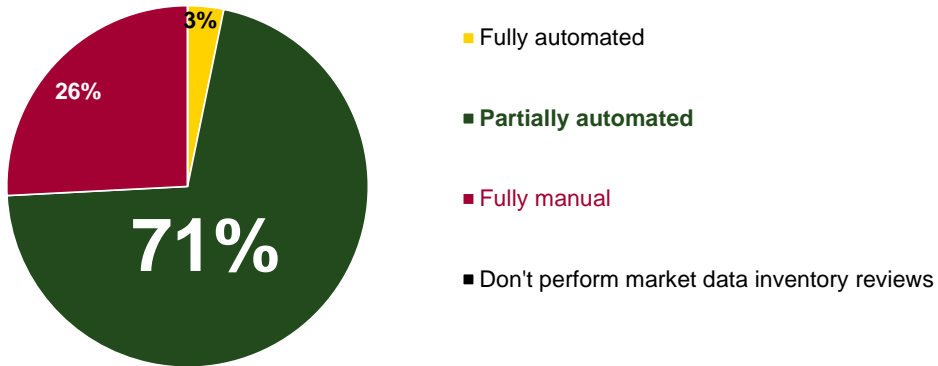
44. How frequently does your firm conduct an external due diligence review of a consumer's access to Market Data?



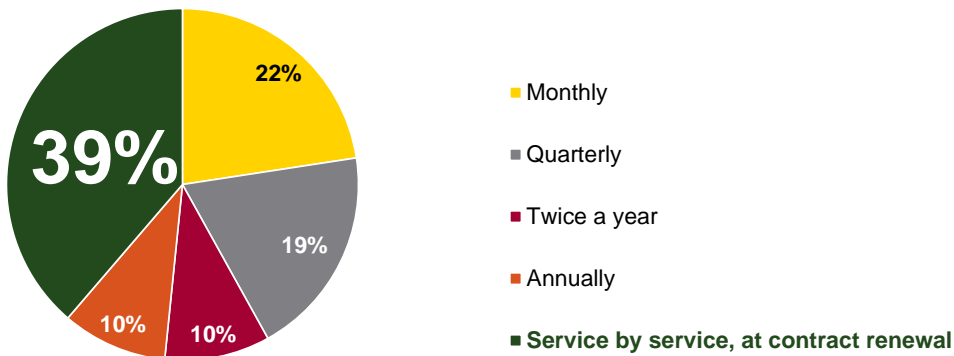
45. Identify which of the following systems or tools are used to facilitate entitlement change requests for market data applications.



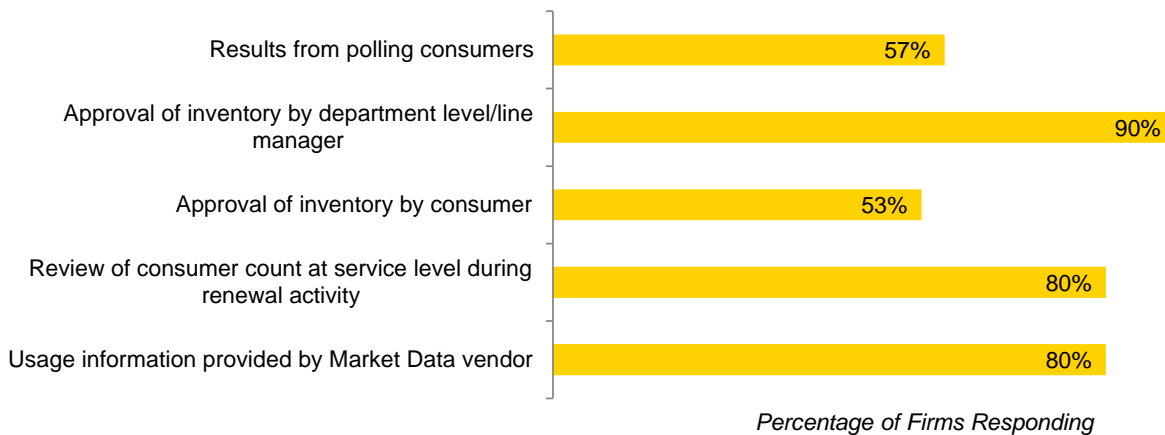
46. How automated are your Market Data inventory reviews?



47. What is the typical frequency of the Market Data inventory reviews?

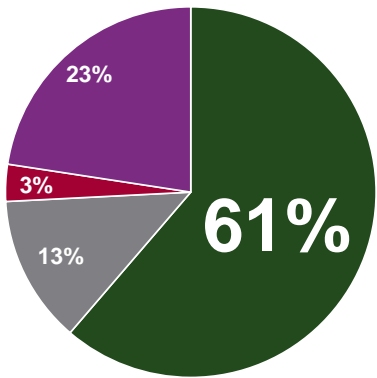


48. What data is used for the inventory review process?



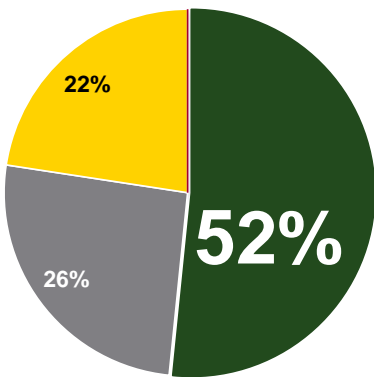
SECTION 4 - FINANCIALS

49. What is the primary organizational structure for managing the Market Data financials at your firm?



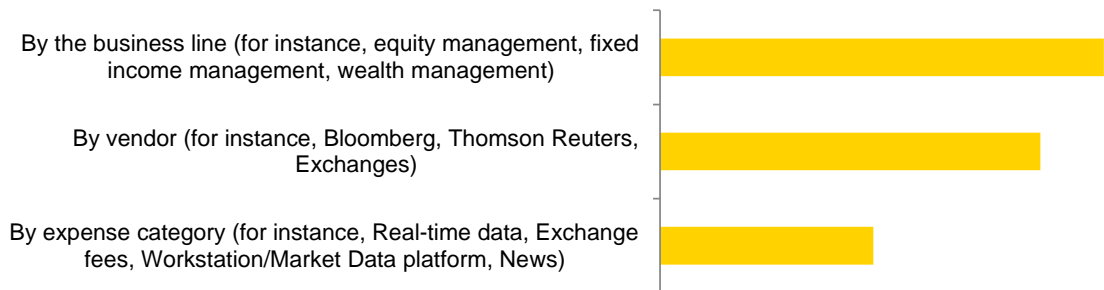
- Centrally managed
- Managed separately by regional offices
- Managed separately by business line
- Hybrid approach; shared responsibility between central and regional offices or business lines

50. What is the official system of record for Market Data financial spend reporting?



- Market Data inventory system
- Company accounting system
- Corporate accounts payable system
- Procurement system

51. Rank in the order of frequency of usage how your firm tracks Market Data financials.

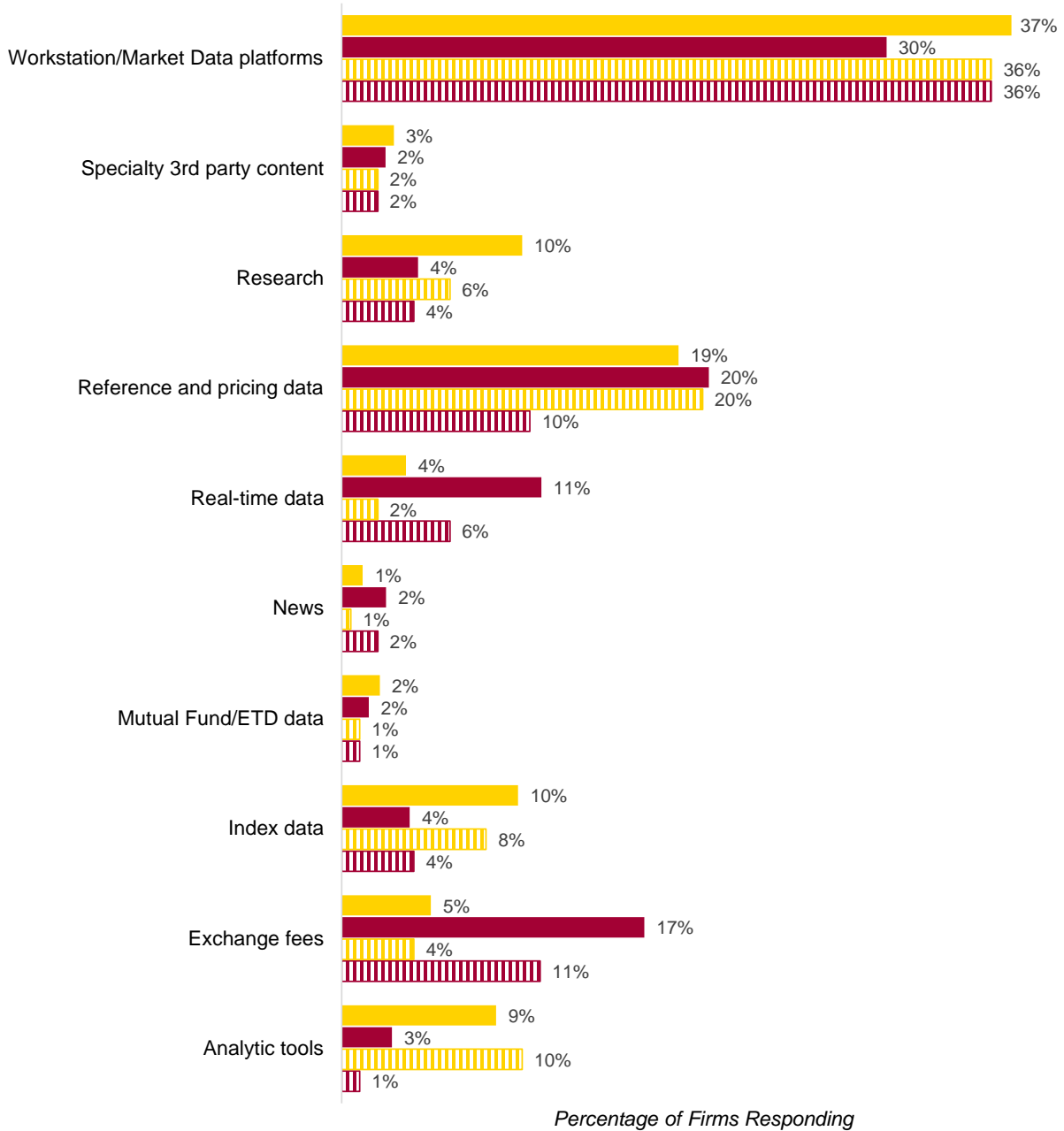


Responses Weighted by Frequency of Usage

52. What % of your firm's Market Data spend is in the following expense categories?

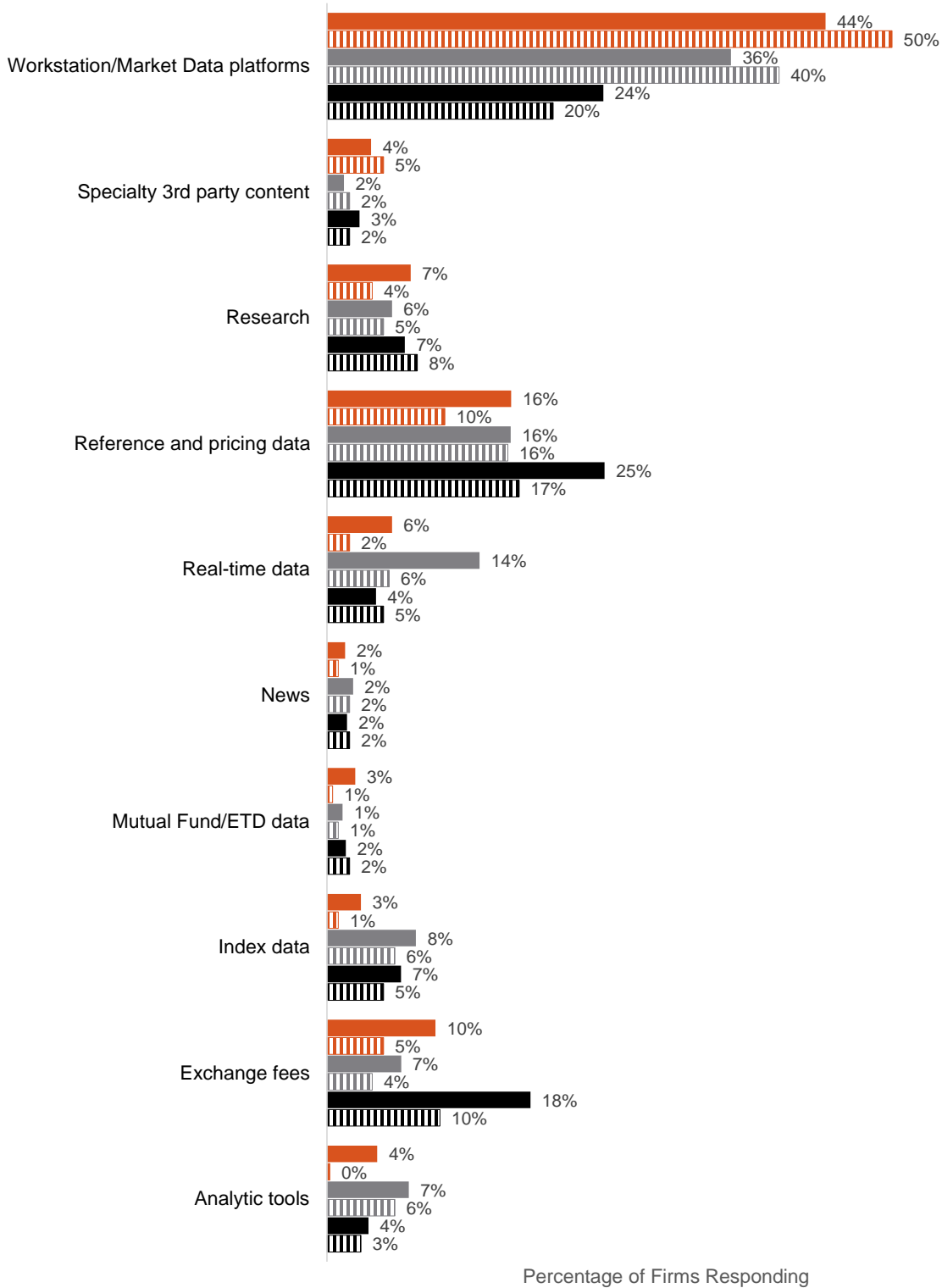
Segmented by type of firm

- Buy-side Average
- Buy-side Median
- Sell-side and Asset Servicers Average
- Sell-side and Asset Servicers Median



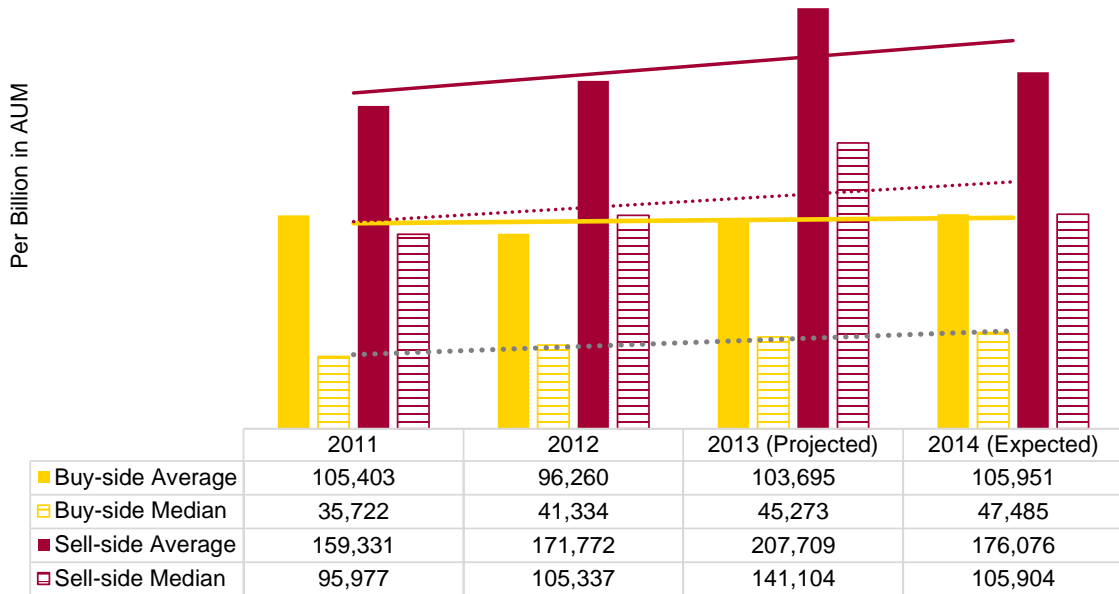
Segmented by AUM

- Between \$0bn and \$200bn Average
- Between \$200bn and \$500bn Average
- Greater than \$500bn Average
- Between \$0bn and \$200bn Median
- Between \$200bn and \$500bn Median
- Greater than \$500bn Median

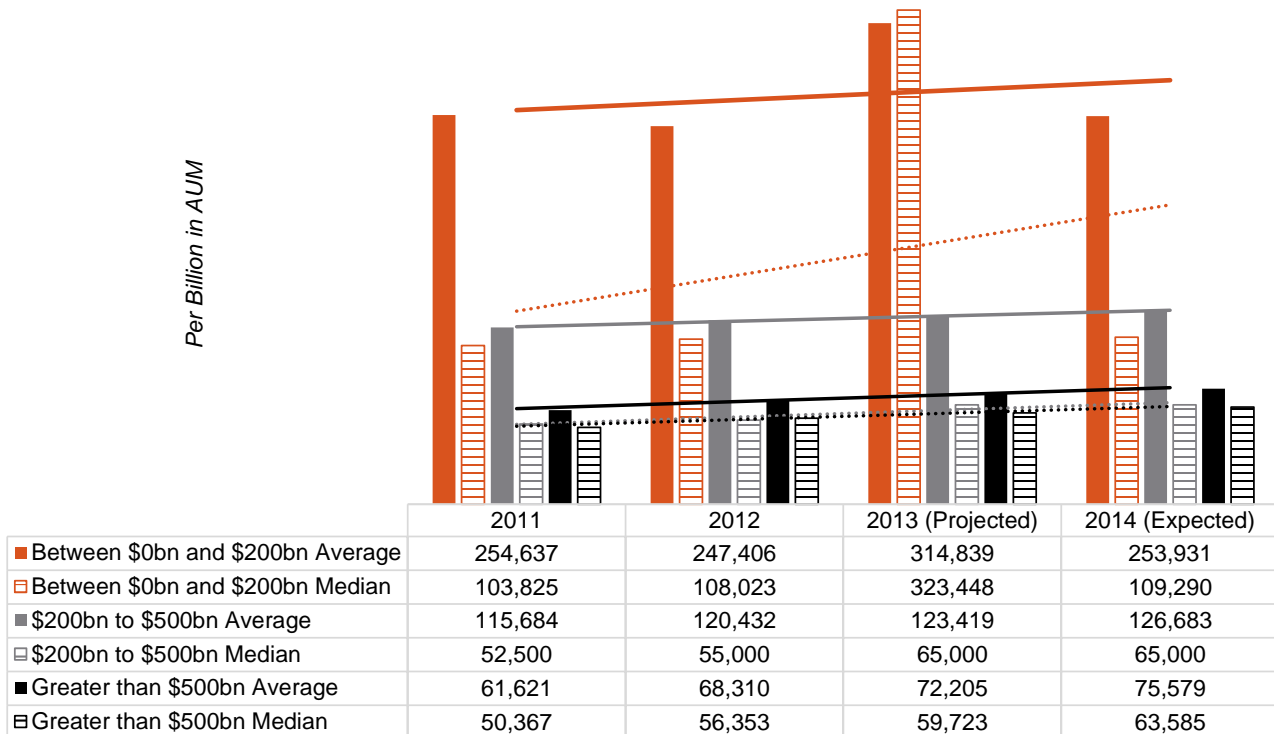


53. Approximately, what has been/is your firm's total annual spend for Market Data (in USD)? Per Bn AUM

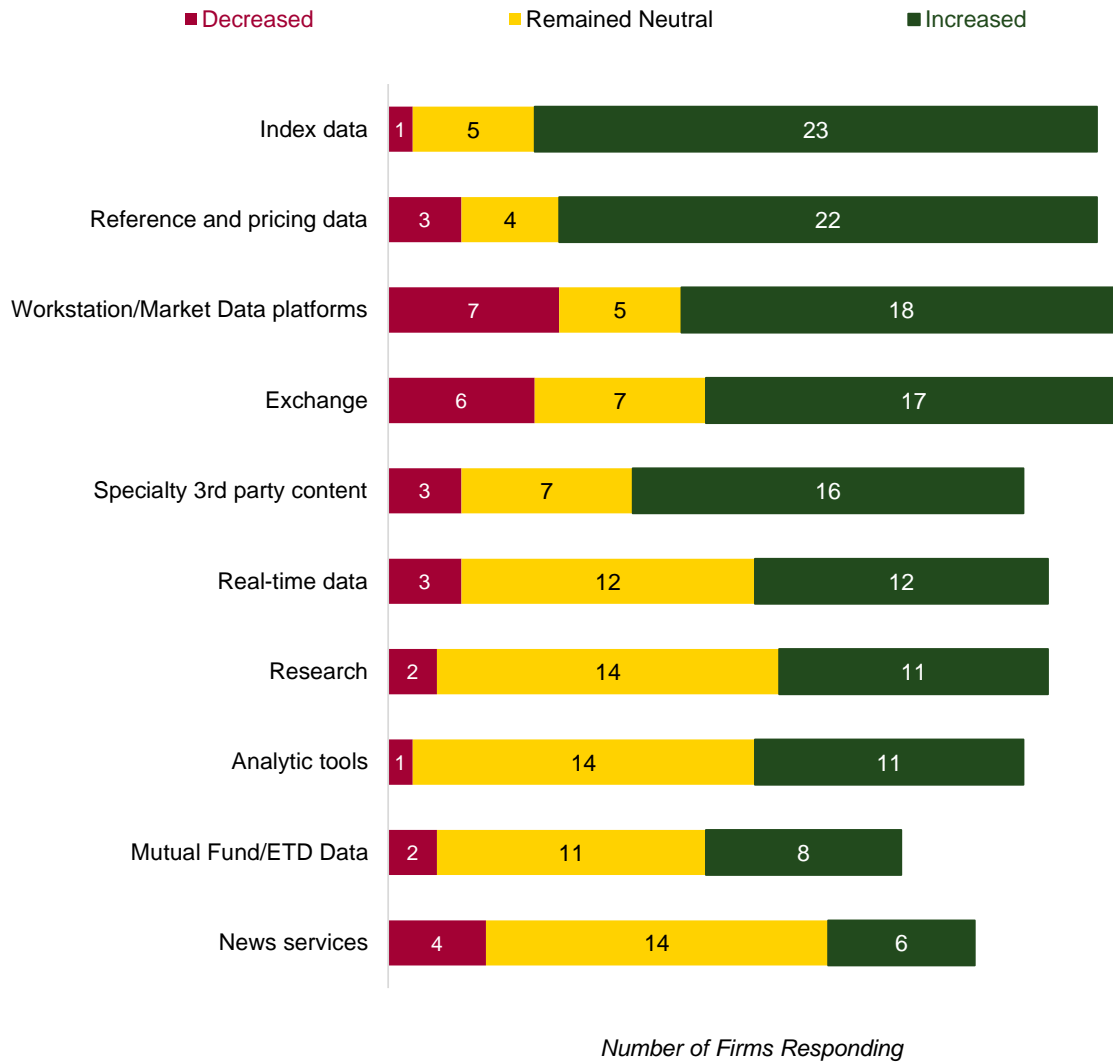
Segmented by type of firm



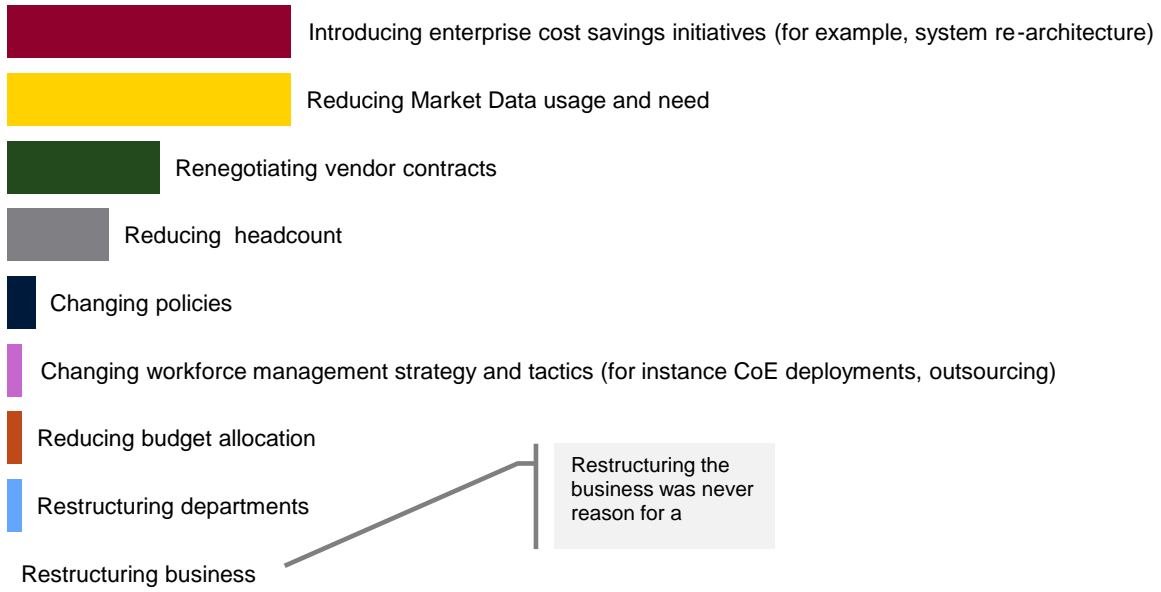
Segmented by AUM



54. How has your firm's Market Data spend changed since 2012?

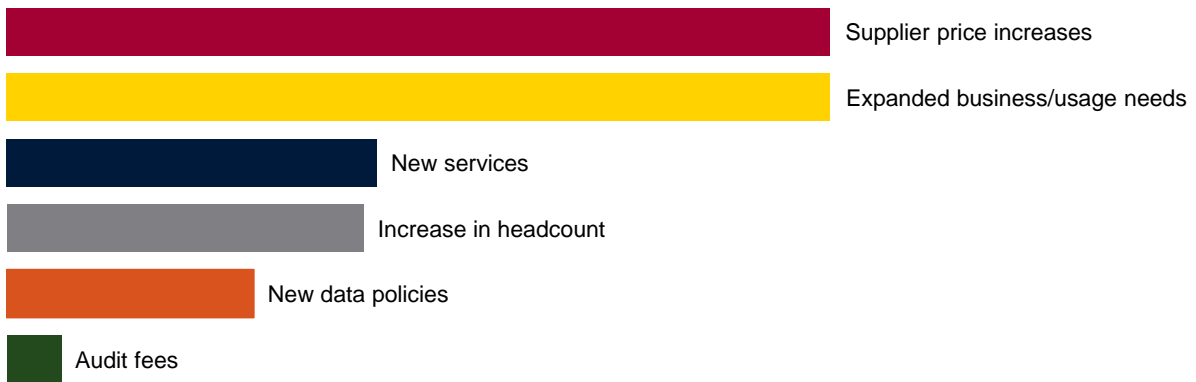


55. In categories where you had a DECREASE in spend, please rank the top 3 reasons for the decrease?



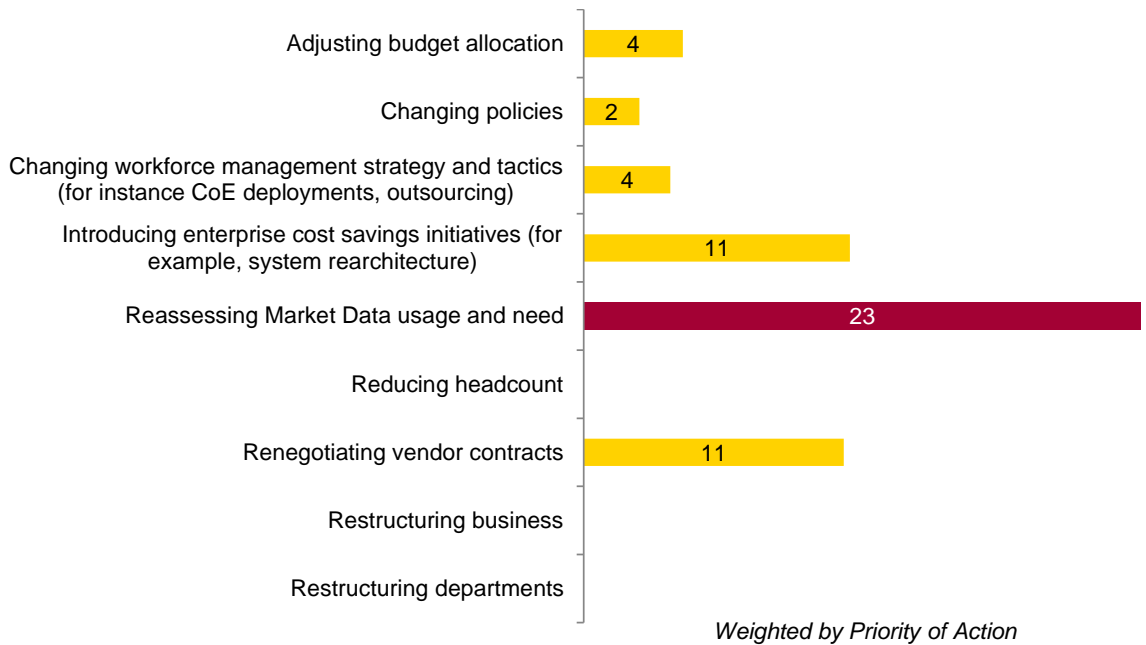
Weighted for Ranking

56. In categories where you had an INCREASE in spend, please identify the top 3 reasons for the increase?

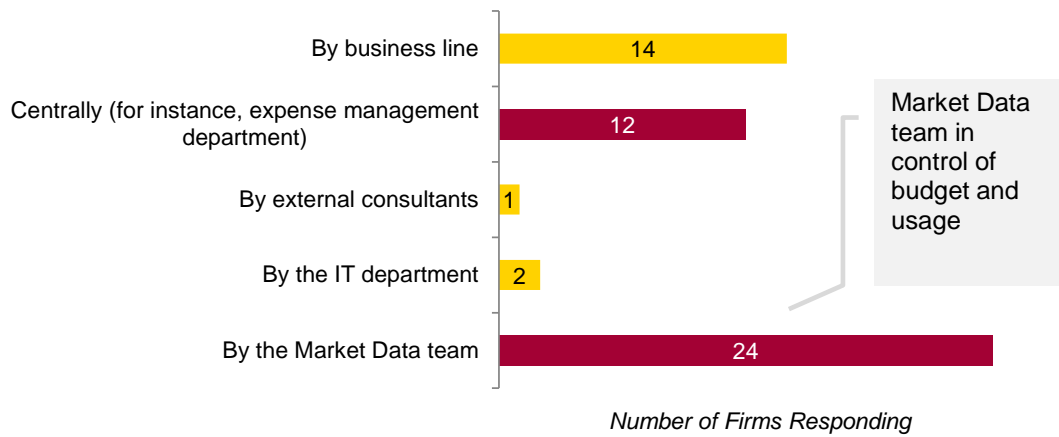


Weighted for Ranking

57. What proactive actions is your firm taking to manage Market Data costs?

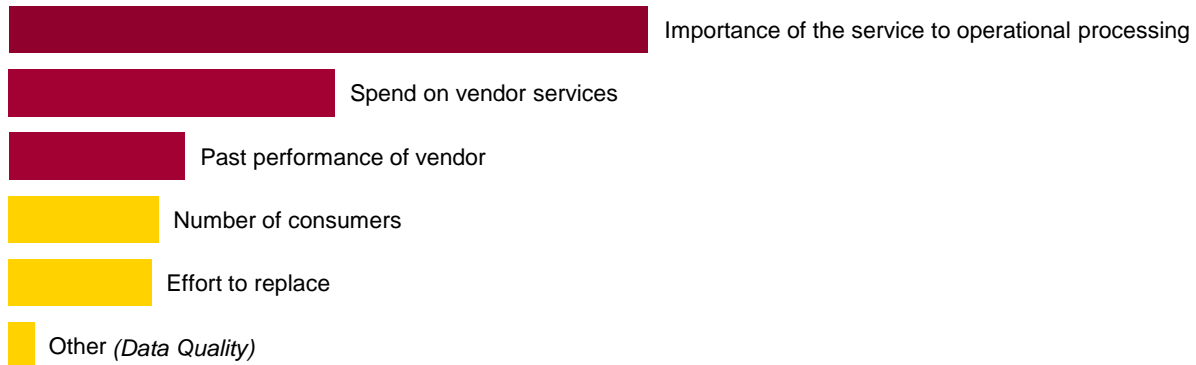


58. For the actions you have identified in the question above, how are the financial management activities being managed?



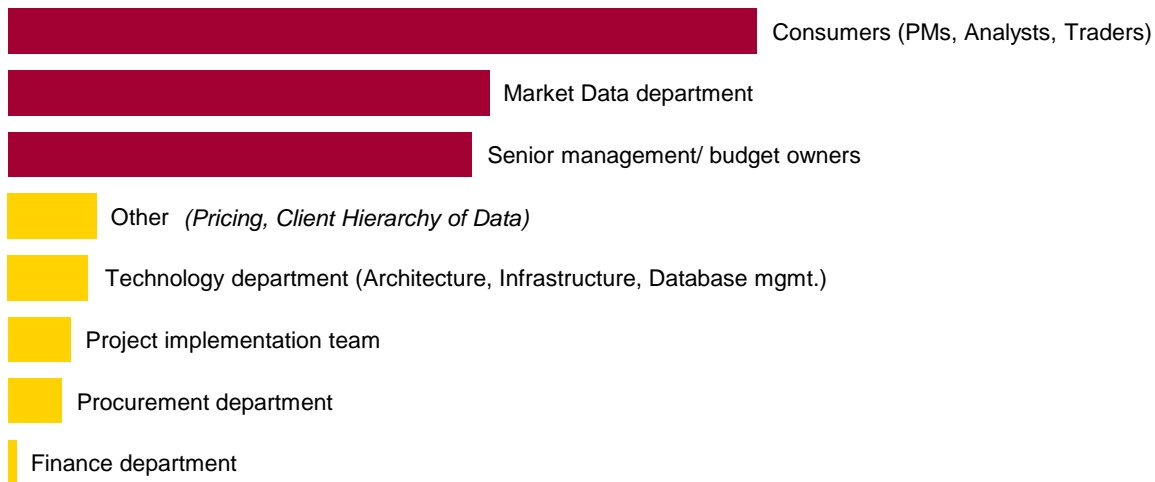
SECTION 5 - VENDOR MANAGEMENT

59. Please rank the top 3 most important factors your firm uses to evaluate the importance of a Market Data vendor?



Weighted by Level of Importance

60. Rank the top 3 most influential participants in the Market Data vendor selection process at your firm?

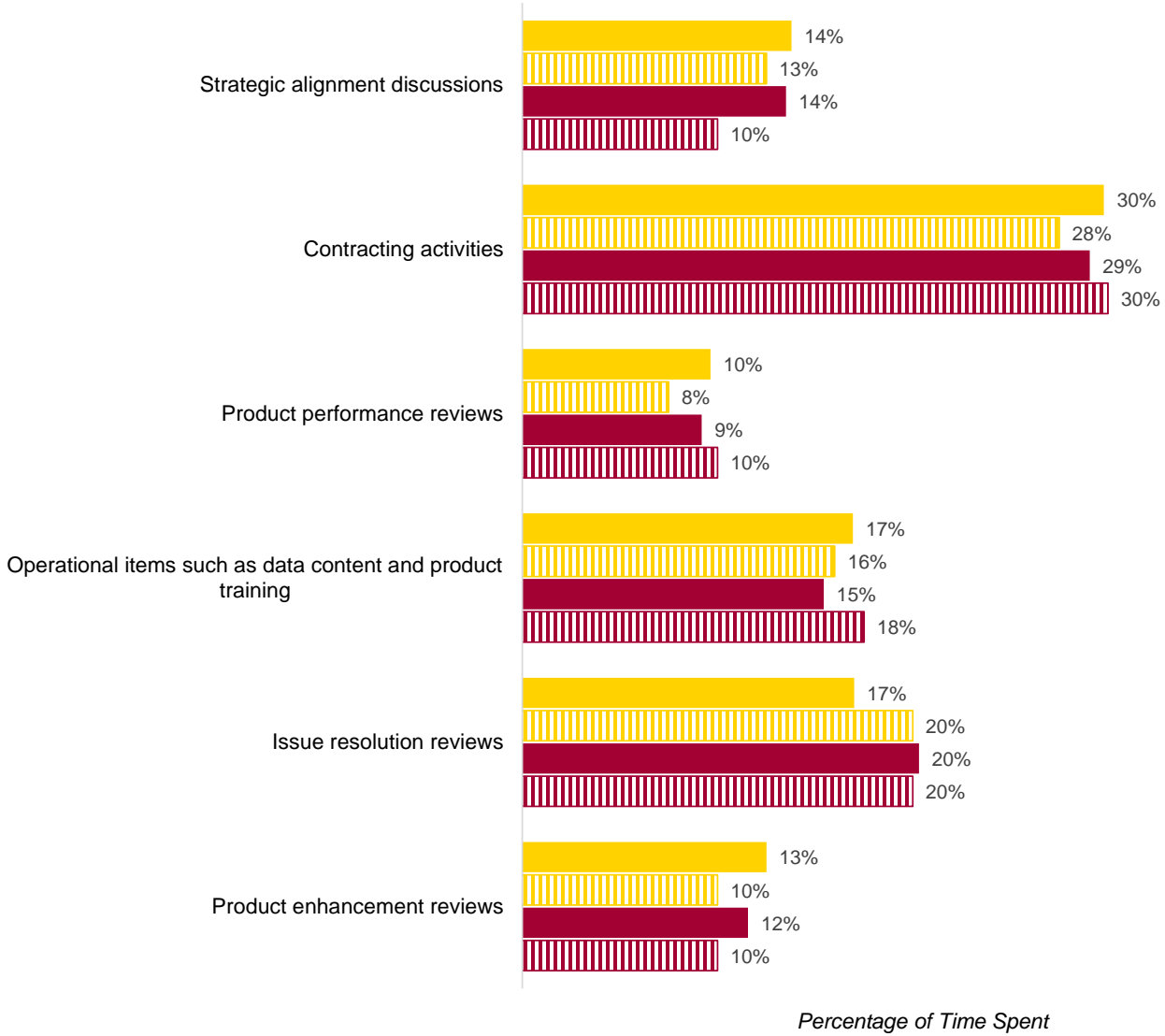


Weighted by Level of Influence

61. On average, during discussions with your top 10 Market Data vendors (as determined by spend) what % of your time is spent on the following topics?

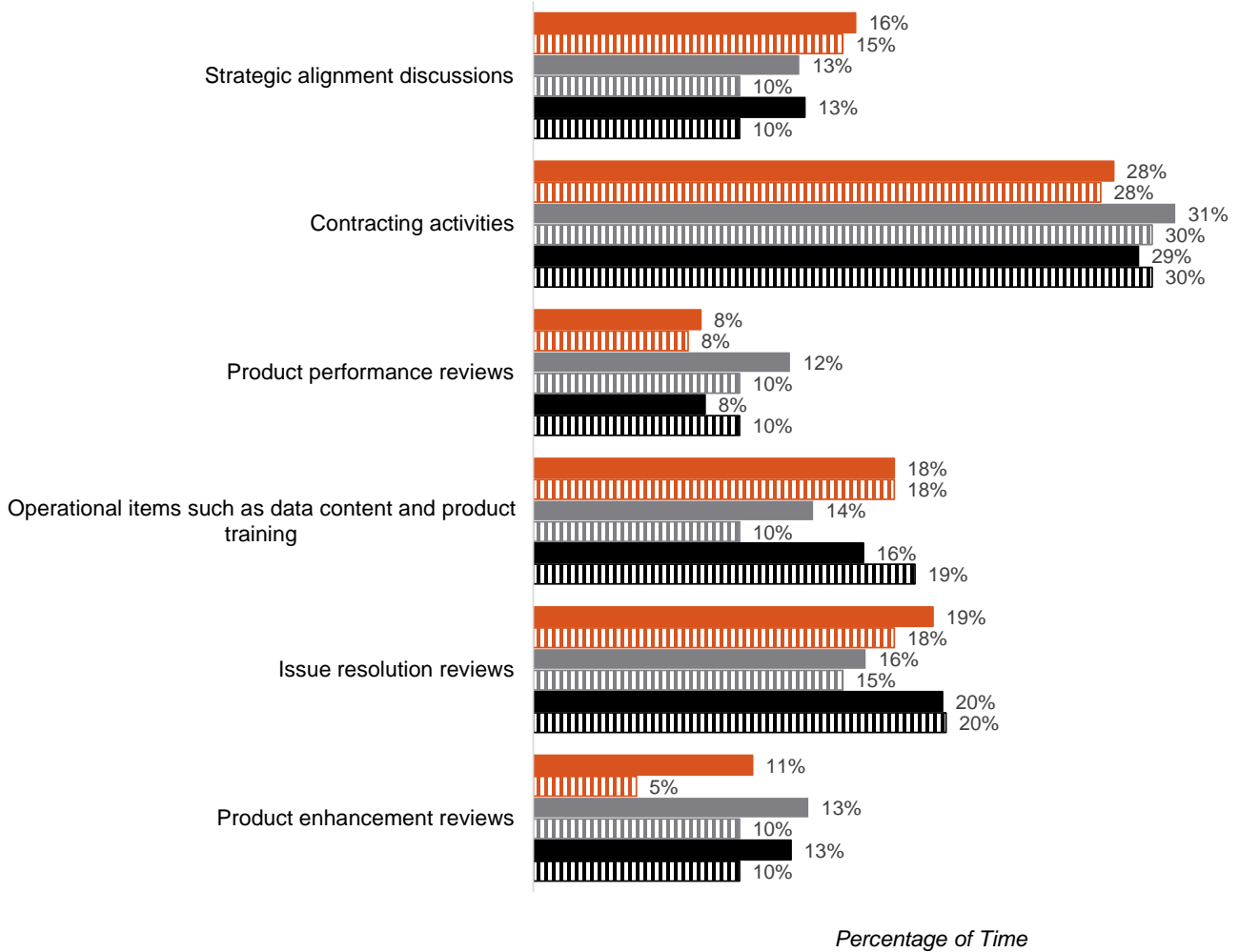
Segmented by type of firm

- Buy-side Average
- Buy-side Median
- Sell-side and Asset Servicer Average
- Sell-side and Asset Servicer Median

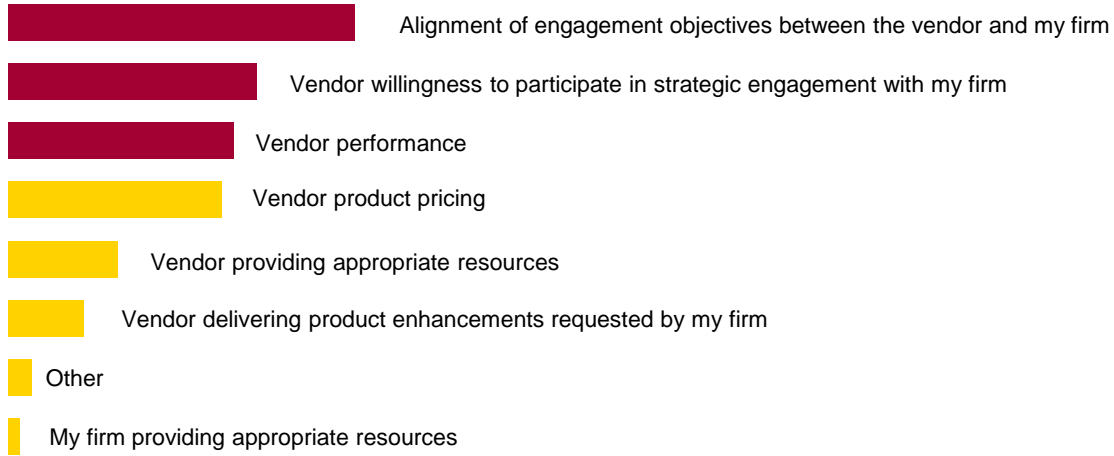


Segmented by AUM

- Between \$0bn and \$200bn Average
- Between \$200bn to \$500bn Average
- Greater than \$500bn Average
- ▨ Between \$0bn and \$200bn Median
- ▨ Between \$200bn to \$500bn Median
- ▨ Greater than \$500bn Median

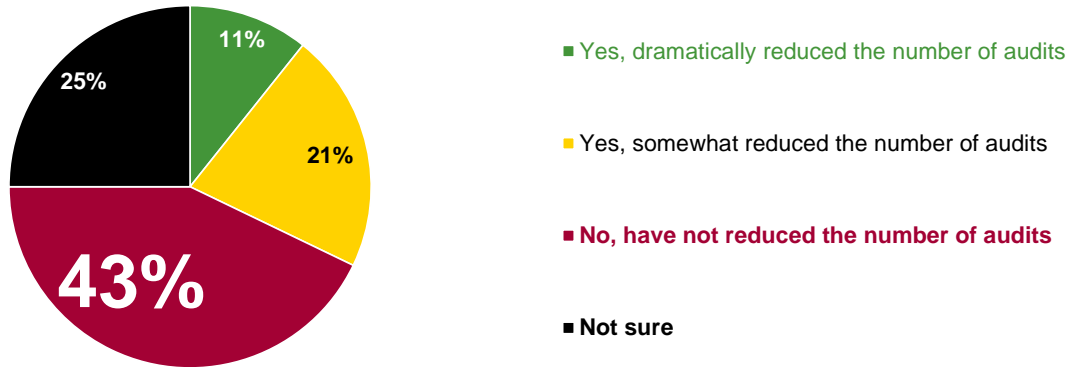


62. Please rank the top 3 factors that influence your firm's ability to engage a vendor in a strategic partnership.



Ranked by Level of Influence

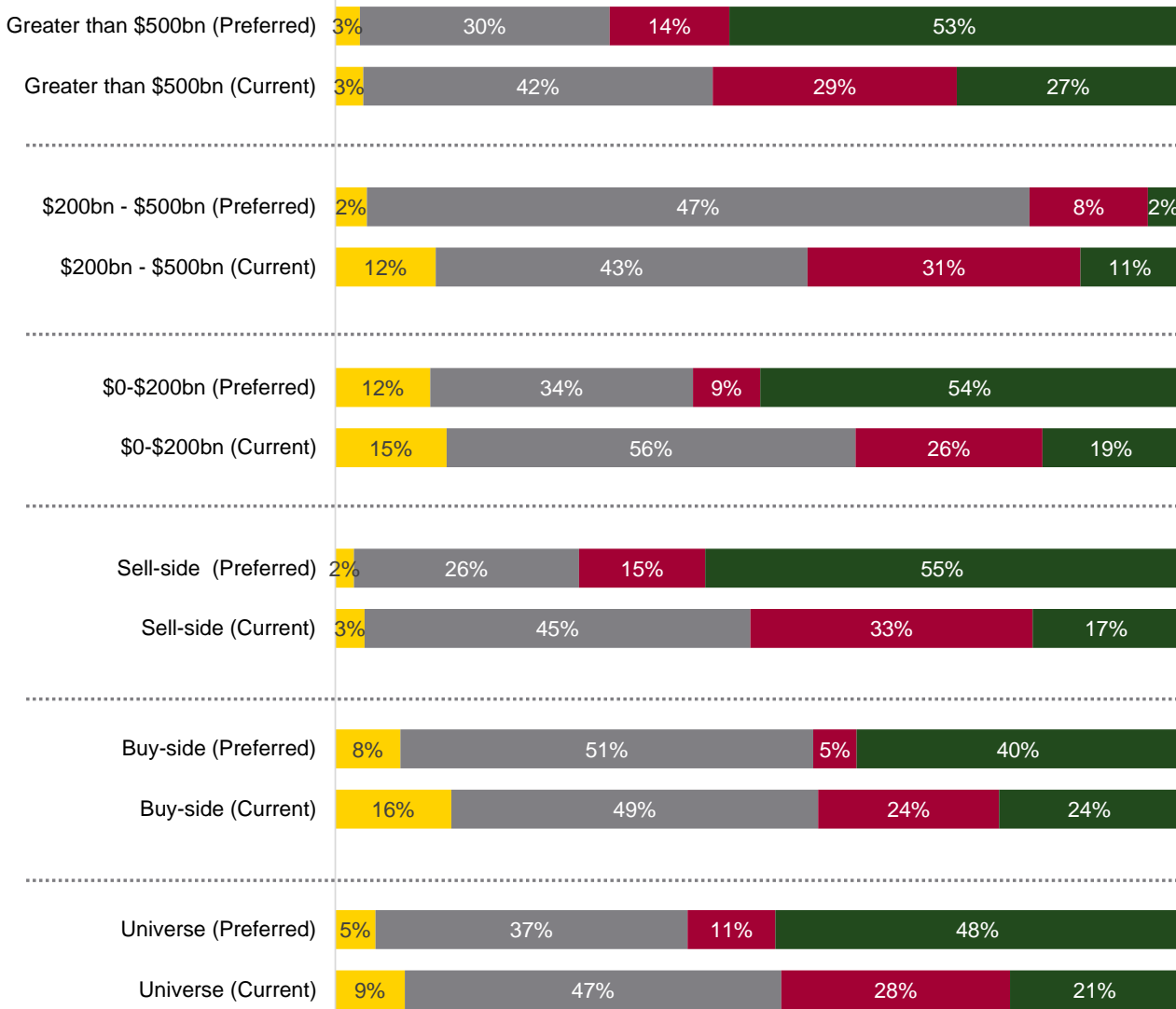
63. On average, have your firm's proactive Market Data vendor relationship management practices reduced the number of vendor audits at your firm?



SECTION 5 - VENDOR MANAGEMENT: Pricing Models & Cost

64/65. What % of your *current* Market Data contracts use the following pricing models and which models would you *prefer*.

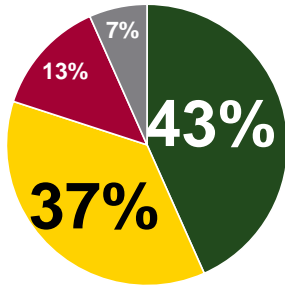
- Based on assets under management (AUM)
- Based on the total number of consumers
- Based on number of site or department licenses
- Enterprise license: unlimited usage



65. What % of your Market Data contracts would you PREFER to have the following pricing models?

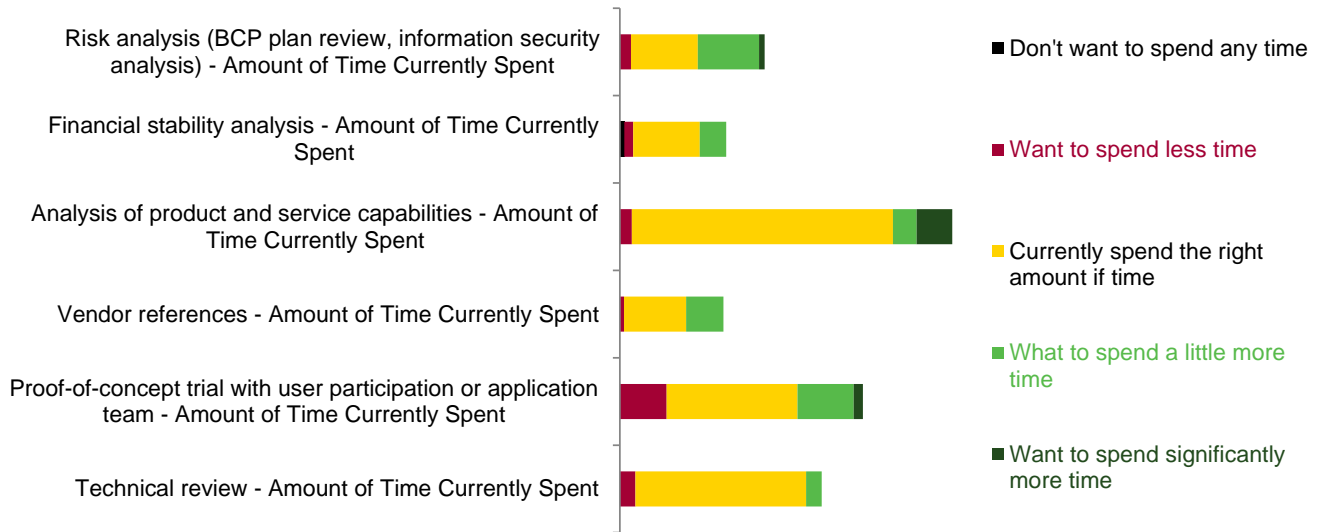
Included above in question 64.

66. Which action has your firm found to be the MOST effective in managing the cost of Market Data vendor services?



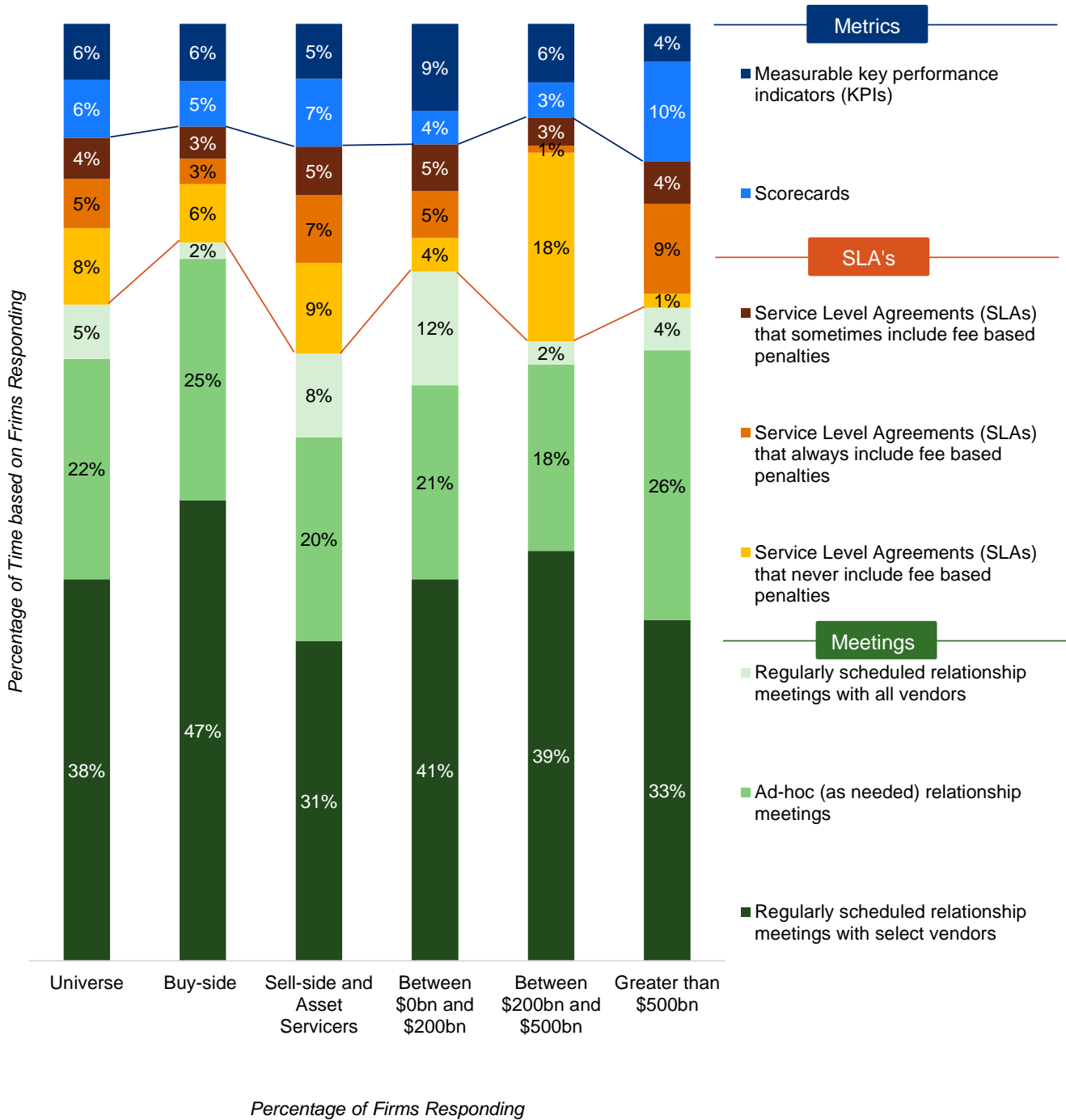
- Negotiating flexibility on contracts (for example add/delete services over term of contract)
- Working with vendors to achieve target reductions (for example, looking for services to be replaced or replacing higher cost product with lower cost product)
- Top down reduction mandates that are articulated to vendors (for example, reduction of invoice by 10%)
- Reducing costs through line of business changes (consolidating departments, reducing headcount)

67. Please indicate in order of time spent where you CURRENTLY spend time when selecting a new vendor.

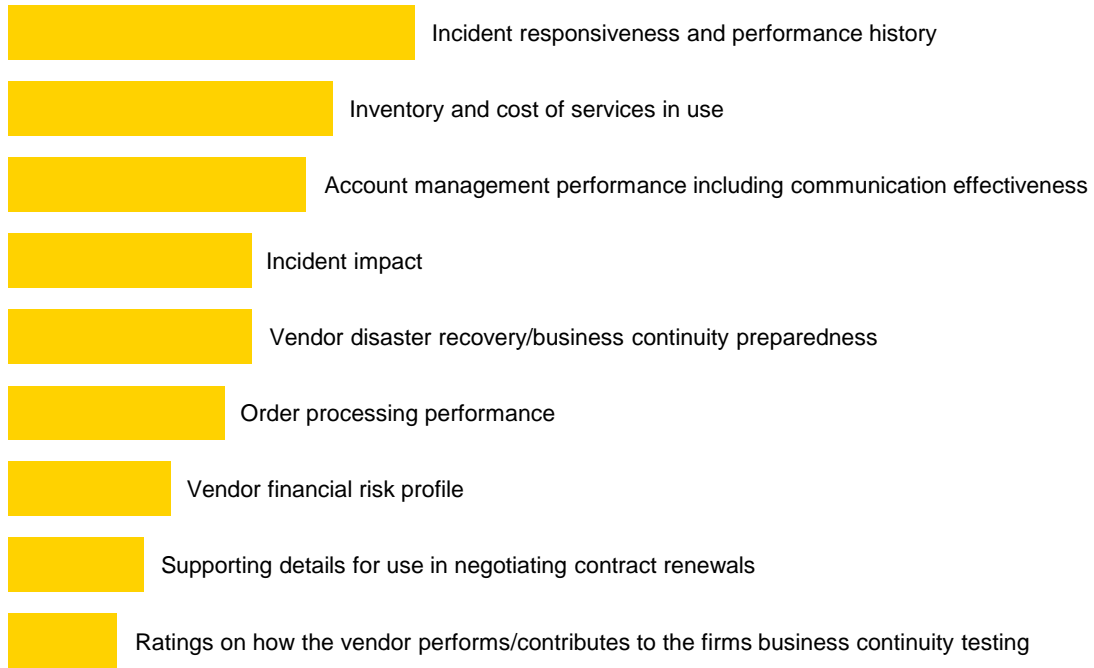


Weighted by Order of Time Spent

68. When measuring Market Data vendor performance, what % of time does your firm spend on the following approaches?

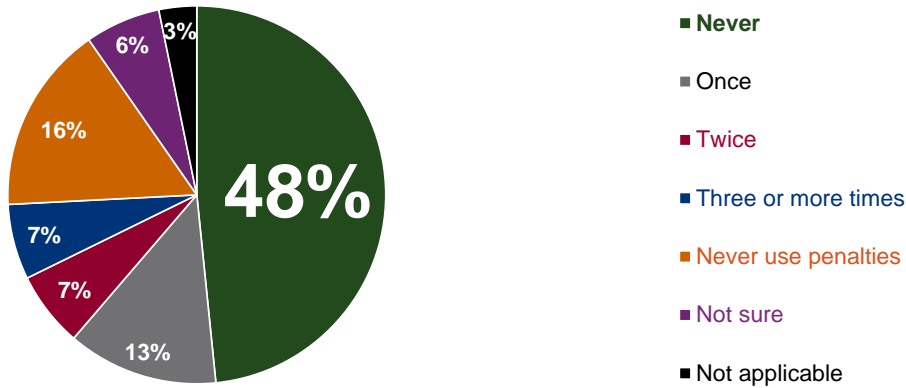


69. If you use scorecards for tracking and measuring vendor performance, what criteria is included?

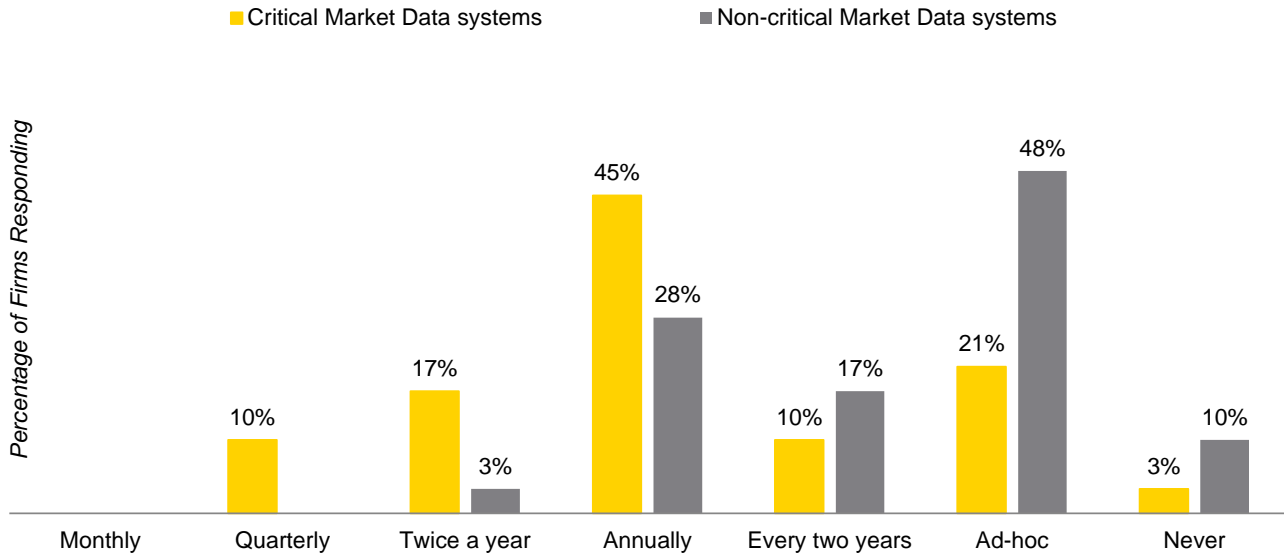


Weighted by Frequency of Usage of Criteria

70. Over the past two years, how frequently has your firm experienced performance issues that violated service level agreements and resulted in collecting penalties from the vendor?



71. How frequently, on average, do you conduct risk assessments of Market Data vendors that support business processes?

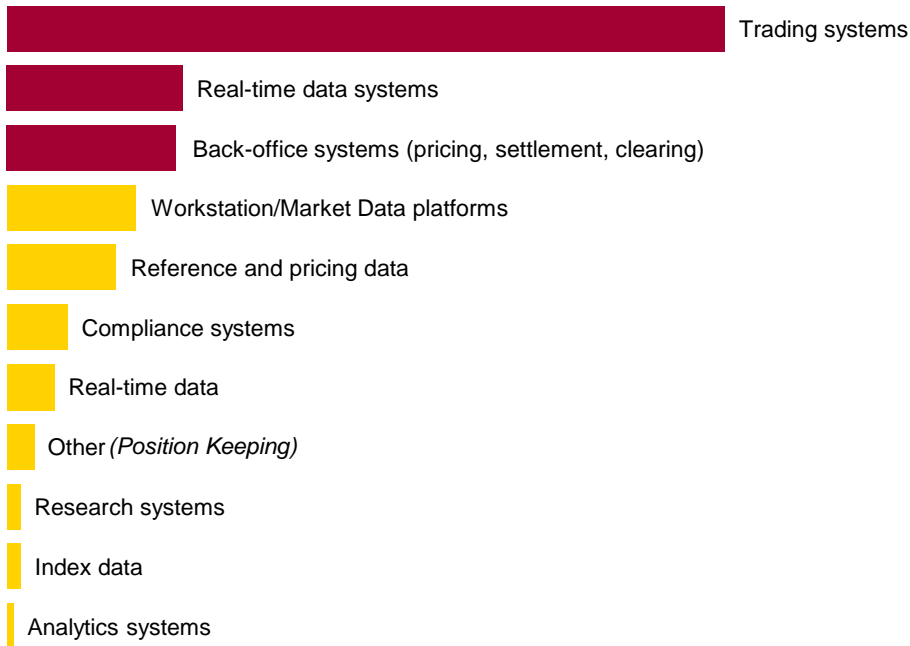


72. What do you use to conduct vendor risk assessments?



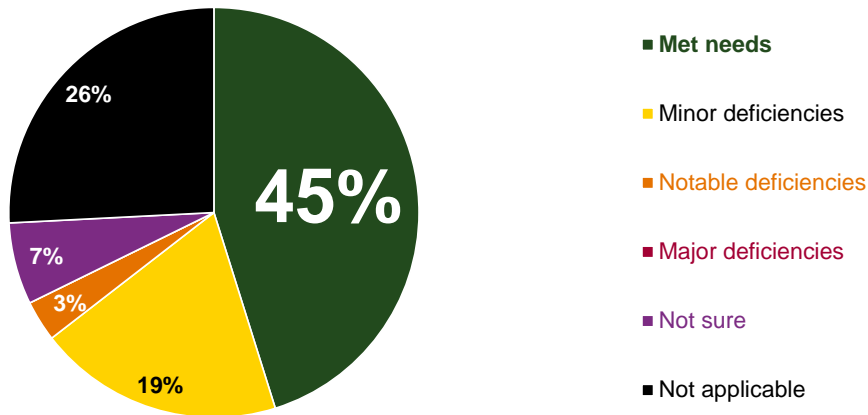
SECTION 6 GOVERNANCE: BCP Planning

73. What are your firm's top 3 most critical and necessary Market Data applications for business continuity planning (BCP)?

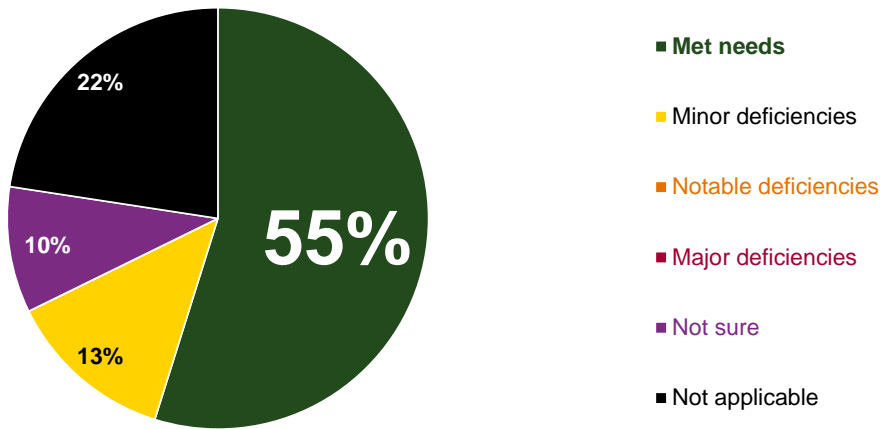


Weighted by Level of Criticality

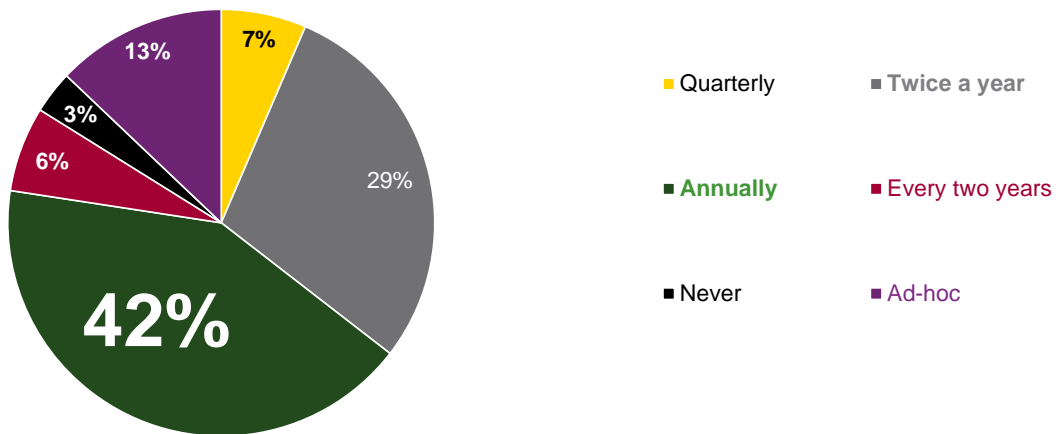
74. How did your Market Data vendors perform during the last major BCP event at your firm?



75. How did your Market Data vendors perform during a coordinated BCP exercise at your firm?

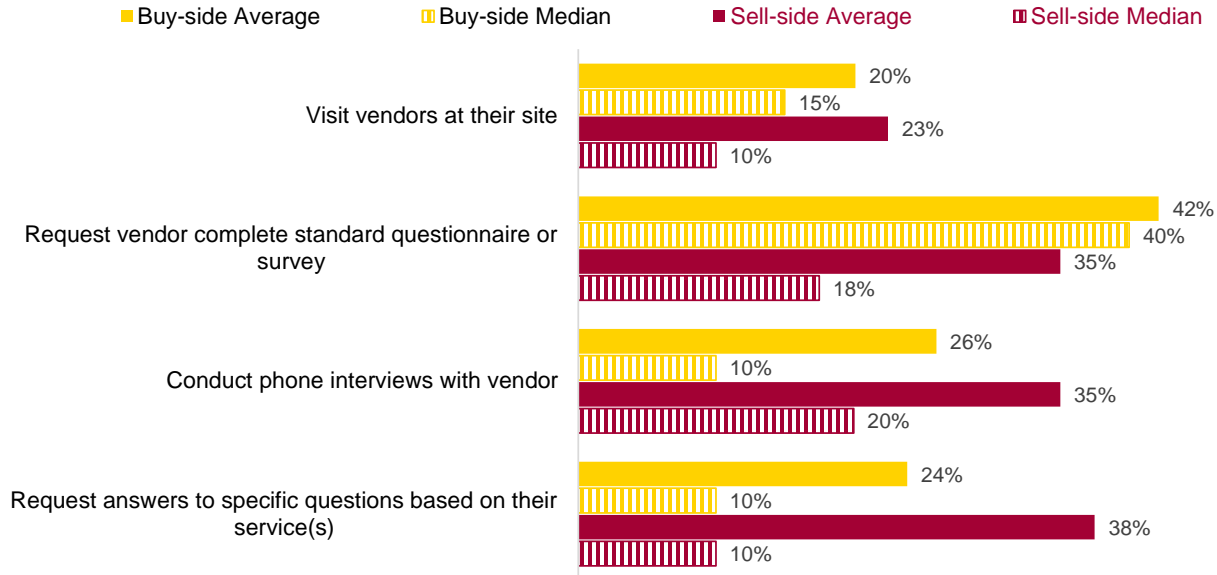


76. How frequently does your firm assess the BCP readiness of your critical Market Data applications, feeds and systems?



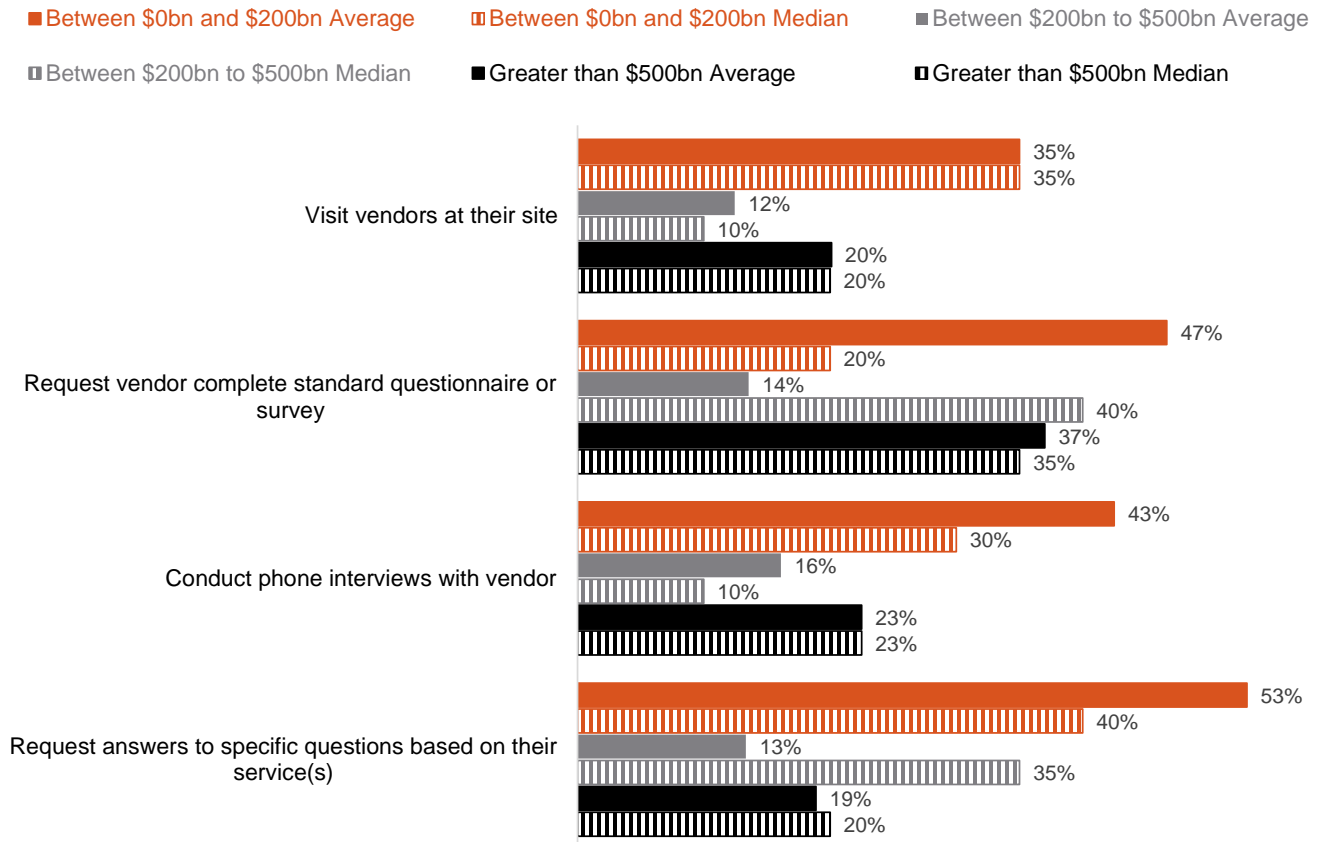
77. When undertaking a formal BCP process with your Market Data Vendors, for what % of vendors do you use the following activities?

Segmented by type of firm



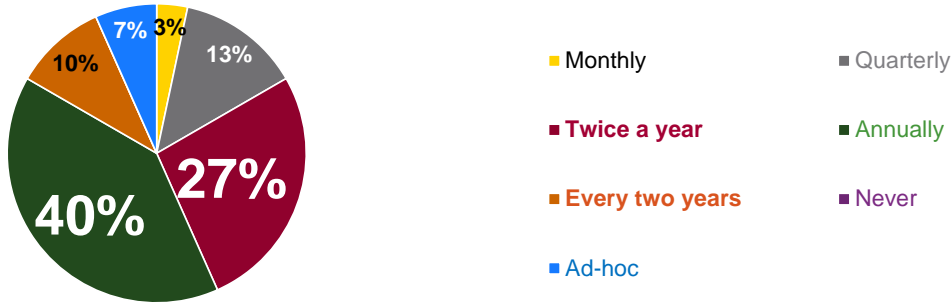
For Firms Using Activity: Percentage of Vendors with whom the Activity is Used

Segmented by AUM

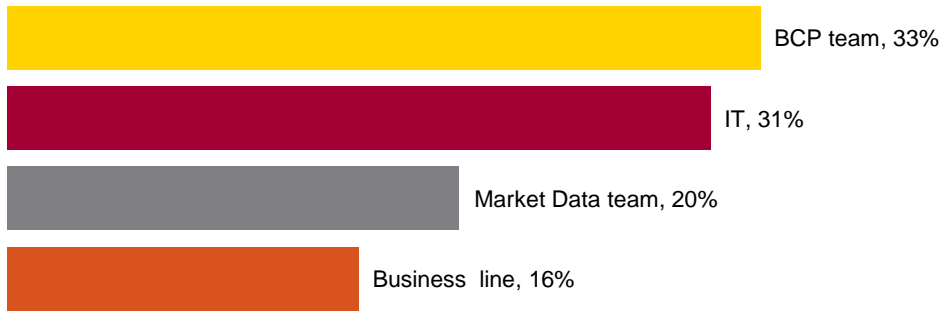


For Firms Using Activity: Percentage of Vendors with whom the Activity is Used

78. How frequently does your firm schedule BCP tests for your critical Market Data applications, feeds and systems?

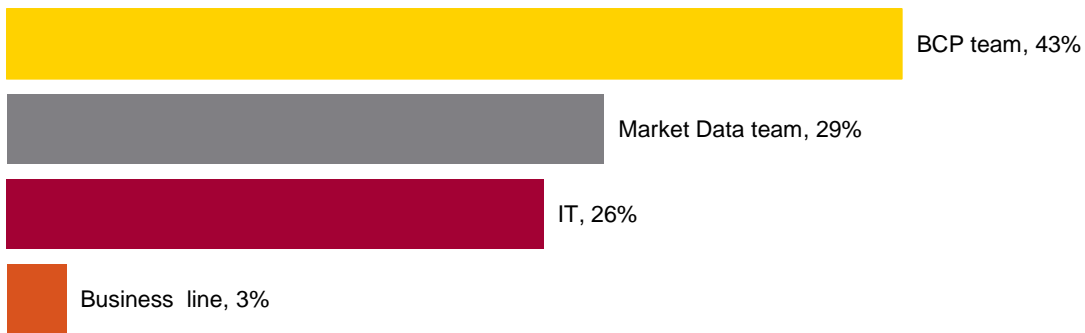


79. Who writes and develops BCP plans for your critical Market Data systems?



Percentage of Firms Responding

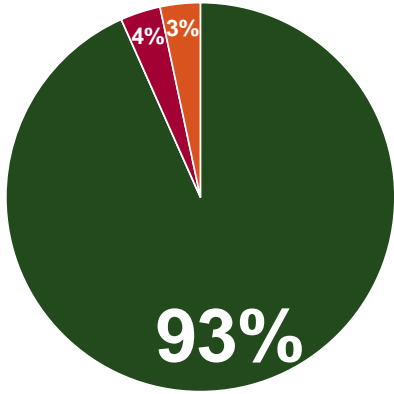
80. Who acts as the lead/point person for the BCP activities of your critical Market Data systems?



Percentage of Firms Responding

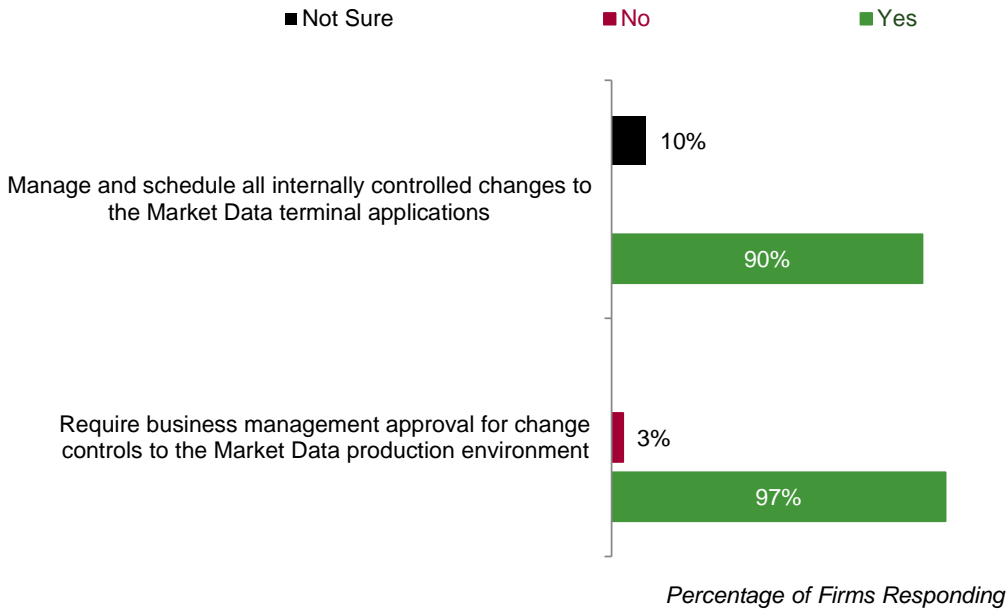
SECTION 6 - GOVERNANCE: Change Control

81. Does your firm have a formal Change Control Approval committee that reviews changes to your technical production environment?

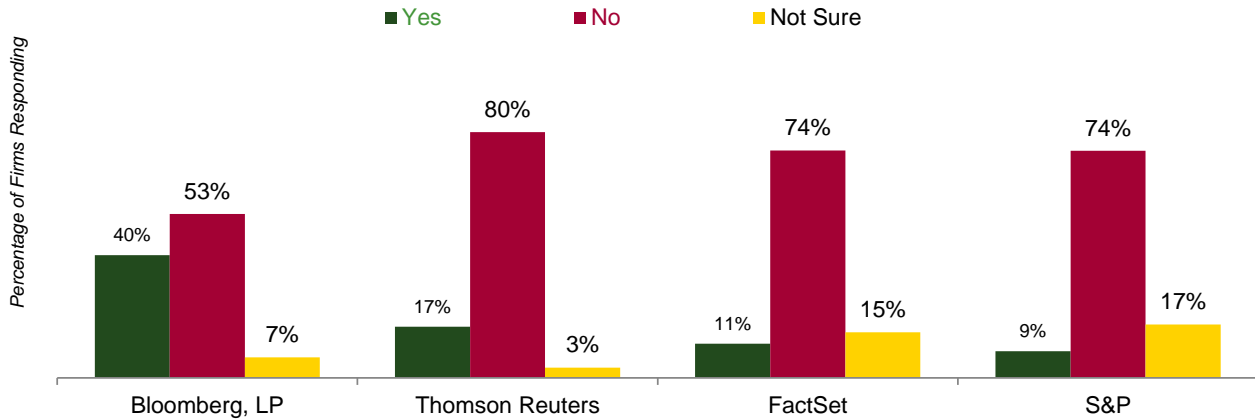


- Yes, currently have a formal Change Control approval committee
- No, but planning to create a formal change control approval committee
- No, and not planning to create a formal change control approval committee
- Not sure

82. Please indicate approval change control process for the following activities.

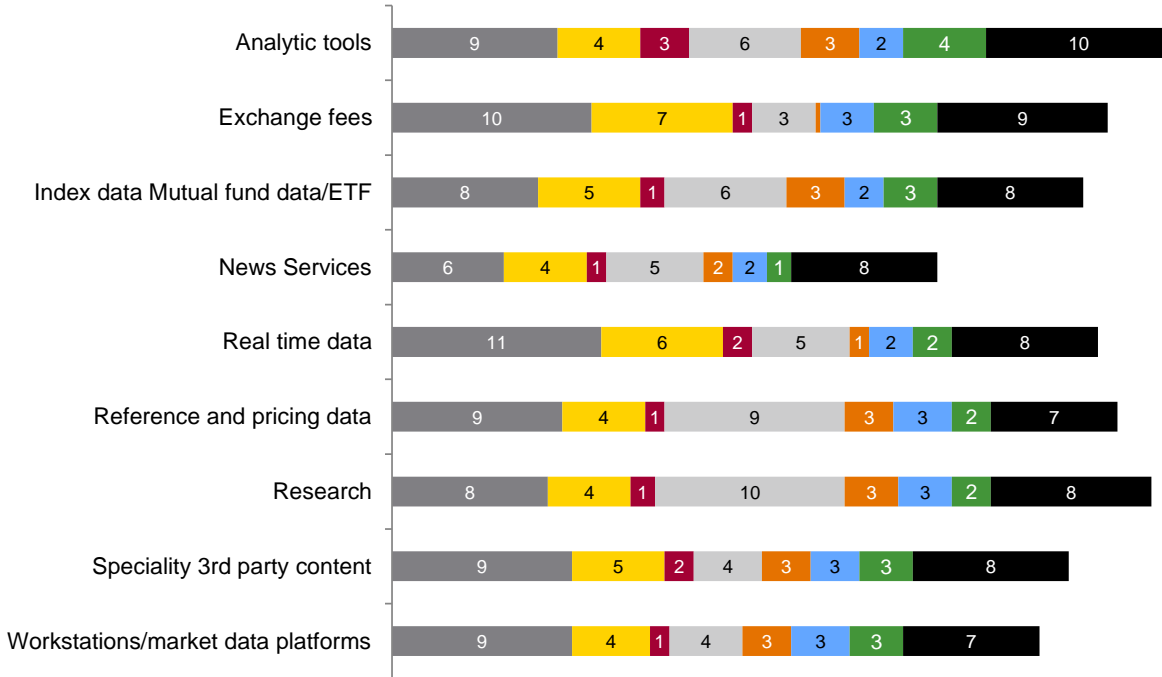


83. Do you allow exceptions for specific Market Data vendors to make production changes without prior review for software installed locally?

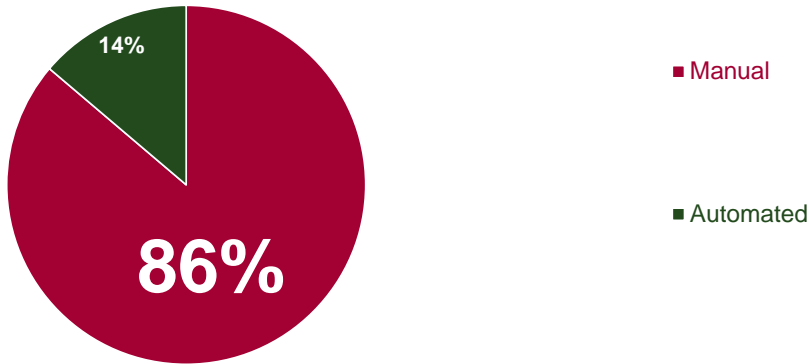


84. For each content category identify the top 3 provisions sought in your contractual agreements for the following services

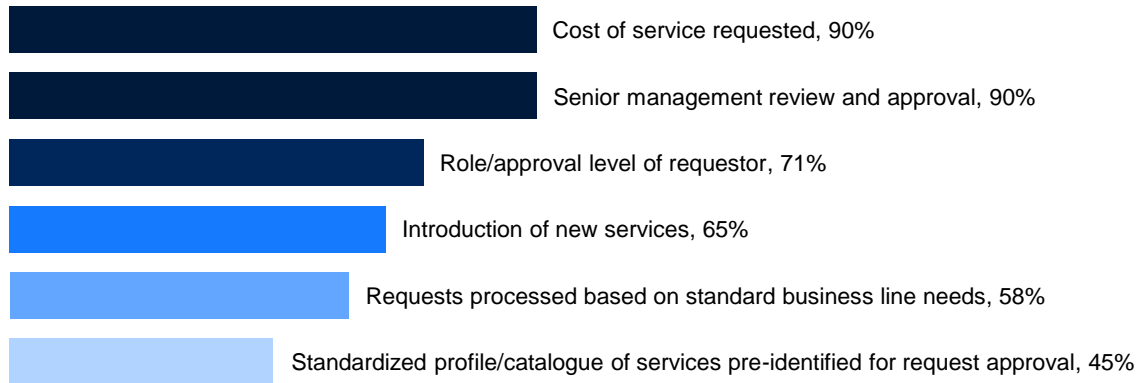
- Notice Period
- Prior Approval for Change
- Recipient Acceptance Testing
- Documentation (specs/plan, schedule)
- Change Notice (email/website)
- Service Level Agreement (SLA)
- Financial Penalties
- Other



85. How do you process Market Data service requests?



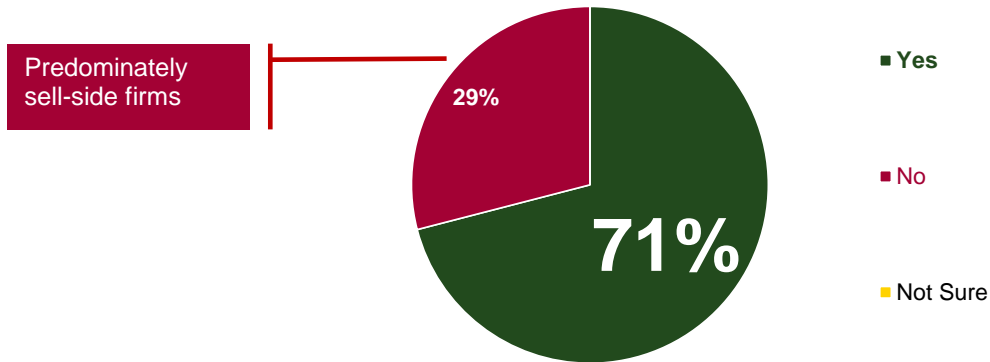
86. Which of the following factors impact your Market Data service requisition/approval process?



Percentage of Firms Responding

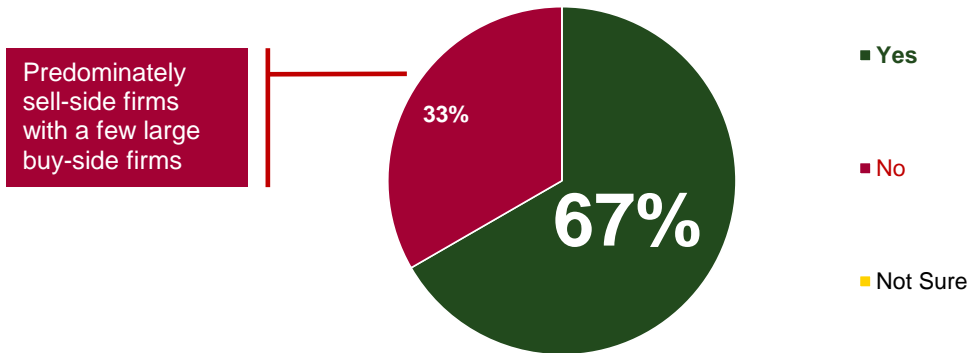
SECTION 6 - GOVERNANCE: Budget

87. Are your Market Data service requests managed against a formal budget?

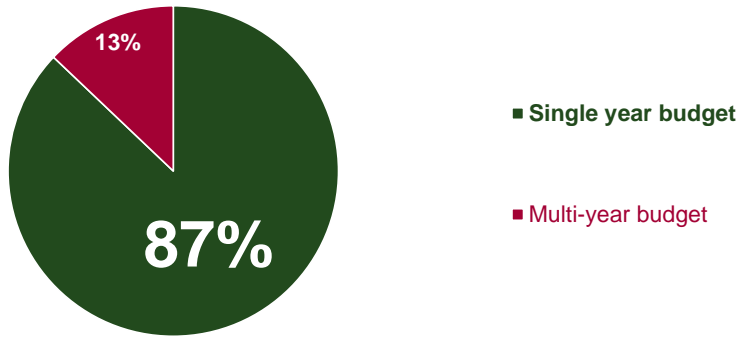


There are no defining characteristics in AUM, size or type of firm for determining whether a firm market data requests are managed against a formal budget.

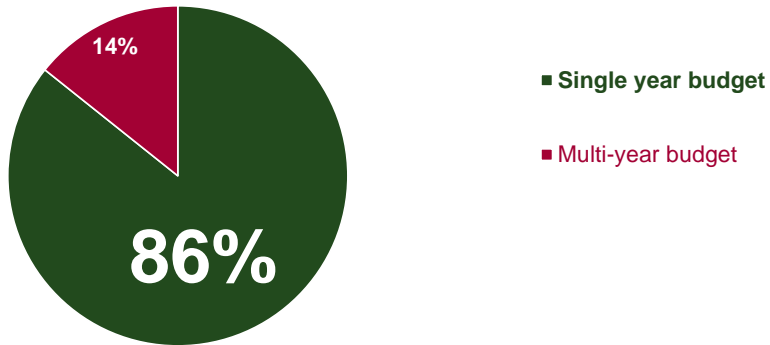
88. Do Market Data service requests require budget information?



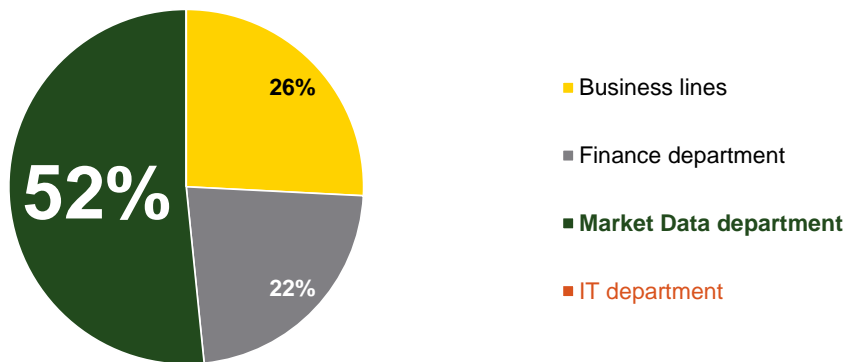
89. Does your firm CURRENTLY manage a single year or multi-year Market Data budget?



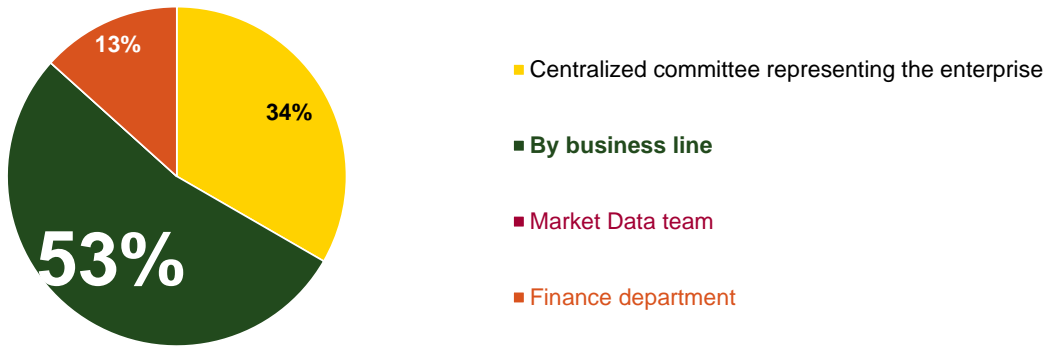
90. Would your firm PREFER to manage a single year or multi-year Market Data budget?



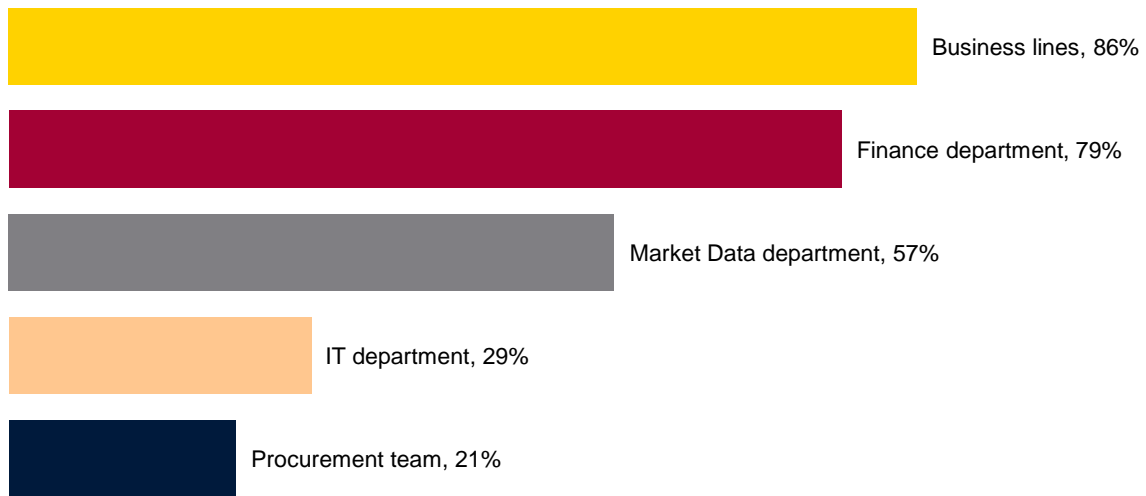
91. What area of the firm prepares/creates the Market Data budget?



92. Who has the final approval for the Market Data budget in your firm?



93. If Market Data budget is approved through a centralized committee, who participates on the committee?



Legal department, 0%

Percentage of Firms Responding