

VIDEO

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Focus on Funds: New Financial Technologies Offer Opportunity for Funds and Investors

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At ICI's 2016 General Membership Meeting, a number of "fintech" experts laid out their vision of how emerging technologies will benefit the fund industry. The August 5, 2016, edition of *Focus on Funds* offers a recap by panelist Akbar Sheriff, head of regional client management, EMEA, for State Street Bank & Trust Company.

Transcript

Stephanie Ortvals-Tibbs, Director, ICI Media Relations: "Fintech," shorthand for financial technology, is the current buzzword. But what does that actually mean for you and your work in the fund industry? Here are some key takeaways from ICI's General Membership Meeting.

Akbar Sheriff, Head of Regional Client Management, EMEA, for State Street Bank & Trust Company: It's an overused word, and I really dislike calling things fintech, but it's simple for me. Technology has progressed and the question really is, how are we using that technology to enable in our industry the goods and services that we are delivering to our clients?

Ortvals-Tibbs: That's this wonderfully simple top-line definition, with all of these things that fall underneath it. Tick through some of those for us, if you wouldn't mind.

Sheriff: When I talk to people about fintech, most likely their first reaction is, "Wow, it's a threat; it'll change the industry." But I think we should be thinking about this as more of an opportunity for the industry, rather than a threat, and I'll give you a few examples.

We talk about robo-advice, and in the panel it was very clear—yes, it's going to change the industry, but it gives you access to clients around the globe, which you may not have. The second thing we talk about, we talk about things like artificial intelligence and some of the models around it. It's driving all this data through you, and driving insight, which enables you to deliver better. Again, how do you deliver alpha? And finally, we talk about what I call

the pipeline—it's the blockchain—which will, in the end, enable us to deliver quicker, better, faster to our clients. So I get excited when I think about it from an industry perspective.

Ortbals-Tibbs: It's interesting because, really, in the end—and the industry has seen this before where something starts coming around the corner—we're able to pick up on it and use it as another way to innovate. It sounds like that's just the latest step in that.

Sheriff: Absolutely. Absolutely.

Ortbals-Tibbs: And with that in mind, from your place and from what you heard on the panel, what should people who are not as expert in this area as someone like you do, in order to begin getting more immersed in this?

Sheriff: It's funny, because it translated back to one of the things mentioned in the panel, which is this fear of missing out. And what I would say is, don't worry too much. It's simple. I think you have to start with an initial curiosity, and then challenge your partners, providers—like State Street, like others—to say, "How is this going to impact me? Help me understand what will it change for my industry." A lot of these providers are big and investing a lot of dollars in here, and they'll be able to guide you. So, I wouldn't do much more than that.

Ortbals-Tibbs: So, you don't need a PhD in this.

Sheriff: Absolutely. They should realize that we, as a provider, it is in our best interest to be partnering with our clients to figure out where the model is moving. So, we're more than happy to sit with our clients and talk about these things.

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