

From Complexity to Confidence: Five Dimensions to Enable a Unified Operating Model for Asset Owners

Toolkit



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Introduction: From Operational Burden to Operational Alpha

For sovereign wealth funds, public pension plans, insurance companies, endowments, and development finance institutions, the operational challenge has never been more consequential. Global assets under management reached \$140 trillion in 2024 and are projected to grow to \$209 trillion by 2030, yet the infrastructure that many institutions rely upon to manage, report, and govern those assets was built for a different era.

The data is direct: 50% of fund failures are attributable to operational risk, compared to 38% from poor investment decisions. The average institution loses \$12.9 million annually to poor data quality alone. And the forces reshaping the landscape - private market expansion, AI adoption, cloud migration, and an intensifying regulatory environment - are not easing pressure. They are compounding it.

This toolkit builds on findings from Arcesium's asset owner whitepaper, **Asset Owners' Unified Data Foundation: Turning Investment Infrastructure Into Operational Alpha**. It is designed to help institutional teams assess where operational constraints exist in their own environments, identify the specific dimensions that need attention first, and map a focused path toward an integrated, AI-ready operating model.

How to Use This Toolkit

The following sections outline key considerations across five operational dimensions critical to asset owner readiness. Start with the dimensions most aligned to your current challenges. Use the Key Questions in each section to evaluate your current state, identify warning signs of fragmentation, and understand the impact that flow - an integrated, connected operating model - can deliver.

The **Readiness Assessment Matrix** on [page 22](#) offers a consolidated view across all five dimensions, allowing teams to benchmark their current state and prioritize improvement efforts.

The Reality Gap: What Is Holding Asset Owners Back



Chapter 02

The Reality Gap: What Is Holding Asset Owners Back

Technology investment among institutional asset owners is increasing. Strategic plans consistently cite data modernization, AI adoption, and operational efficiency as priorities. Yet for many organizations, strategic intent is not translating into operational reality.

What drives this disconnect?

The core challenge is fragmentation. A typical asset owner of meaningful scale maintains positions across dozens of systems - a portfolio management system for public equities, a separate platform for fixed income, specialized tools for private equity and real estate, administrator-provided NAV data, custodian reports, and risk analytics platforms - each operating on independent data models, refreshing at different frequencies, using different instrument identifiers and calculation methodologies.

This fragmentation creates compounding constraints:

1. Structural gaps

Data-dependent initiatives - from regulatory reporting to AI-enabled analytics - struggle to gain momentum without a modern foundation that prioritizes high-quality, unified data. Most asset owners "operate siloed data environments with no comprehensive, fit-for-purpose, front-to-back platform, making it difficult to integrate diverse data sources."

2. Operational caution

Without confidence that new tools can operate reliably within real operational workflows - and within strict regulatory and fiduciary frameworks - institutions often limit deployment or defer investment, even when the strategic case is clear.

3. Compounding complexity

When new capabilities are layered onto fragmented systems rather than built on integrated foundations, operational complexity can increase faster than value is delivered. 58% of global finance leaders report that spreadsheets remain their primary automation tool. 26% of finance departments use no automation tools at all.

These challenges are consistent across asset owner segments, though they vary in scale and expression. The institutions best positioned to address them are those that approach modernization not as a series of isolated technology projects, but as a coherent, interconnected operating model built for the full demands of contemporary institutional investing.

Five Key Dimensions for Operational Readiness



Chapter 03

Five Key Dimensions for Operational Readiness

Achieving operational excellence as an asset owner requires more than replacing individual systems. Without an integrated foundation across data, operations, compliance, AI, and front-to-back connectivity, modernization efforts can deliver pockets of improvement while leaving the structural constraints that limit real transformation firmly in place.

The framework below maps five interconnected dimensions that support asset owner readiness. Use the matrix on [page 22](#) to assess your current state across each dimension, and the detailed guidance in the sections that follow to identify gaps and prioritize action.



Dimension 1: Data Foundation

A unified, governed data layer is not just a technology initiative - it is the precondition for every other strategic capability an asset owner wants to build.

For most institutional asset owners, data arrives from a complex, irreducible set of sources: market data vendors, custodians, fund administrators, order management systems, internal accounting systems, risk models, and spreadsheets - each operating on its own schedule, using its own identifiers, and producing outputs that must be reconciled before any downstream function can trust them. Managing a blended portfolio of public and private investments compounds this challenge: public market data flows in real time; private market data arrives quarterly through GP correspondence and fund administration reports; and the two must be bridged for meaningful total portfolio analytics.

The absence of a unified data foundation is not simply an efficiency problem. It is a fiduciary and strategic one. Operations teams spending the majority of their time assembling and reconciling data cannot spend that time analyzing it. Portfolio managers working from stale or partial datasets cannot make fully informed reallocation decisions in volatile markets. Boards reviewing summarized monthly reports cannot ask the dynamic questions that informed governance demands. And AI cannot deliver its promised performance improvements - with research indicating it can improve Sharpe ratios by 5-20% - on a foundation of fragmented, ungoverned data.



Five Key Dimensions for Operational Readiness

Key Questions to Evaluate

- How many distinct systems of record does your organization maintain for investment positions, cash, and exposures - and how frequently are they reconciled against each other?
- Can operations, risk, finance, and compliance teams access consistent, up-to-date data from a single source without performing independent reconciliation or validation steps?
- When a data discrepancy is identified, can your team trace the source of the error through a full audit trail - or does resolution require manual investigation across multiple systems?
- Does your data infrastructure support both the real-time demands of public market positions and the quarterly rhythms of private market data - within the same reporting and analytics environment?
- Is your data enriched with reliable reference data (security master, counterparty identifiers, classification hierarchies) at source, or applied inconsistently downstream?

Warning Signs to Watch

- Teams rely on spreadsheet comparisons or manual reconciliation cycles to validate data before it is considered usable for reporting or decision-making.
- Reporting timelines consistently extend beyond target dates due to downstream data quality fixes or inconsistent field definitions across source systems.
- Different teams - operations, risk, portfolio management, investor relations - maintain parallel versions of the same data for positions, cash, or performance metrics.
- There is no single "book of record" for total portfolio positions that all functions reference as authoritative.
- Historical data queries require manual assembly from multiple systems rather than retrieval from a single, time-stamped, auditable record.

Potential Impact & Success Indicators

When a unified data foundation is established, the operational picture changes fundamentally. Data is validated once at source and trusted throughout every downstream workflow. Reconciliation becomes the exception rather than the default - teams address genuine breaks, not routine cross-system mismatches. Portfolio managers, risk teams, and reporting functions work from the same synchronized dataset, eliminating the information latency that delays decisions and increases error risk.

At more advanced levels of maturity, data is treated as a product - with defined golden sources, clear domain ownership, quality metrics that are tracked and visible to stakeholders, and bi-temporal storage that captures both the current state and the full history of how data appeared at any point in time. This architectural capability supports not only routine operations but the most demanding regulatory audits and historical performance analyses.

Five Key Dimensions for Operational Readiness

Quick Tip: Start with a Data Inventory



Map all active data sources feeding into your investment operations - custodians, administrators, market data vendors, internal systems, and spreadsheets. For each source, document: how frequently data is received, how it is validated on ingestion, what downstream functions depend on it, and what happens operationally when it is late, incorrect, or missing. This exercise typically surfaces three to five high-priority fragmentation points that, if addressed, deliver disproportionate downstream benefit.

Five Key Dimensions for Operational Readiness



Dimension 2: Investment Operations

The operational workflows supporting trade capture, reconciliation, corporate actions, treasury, and performance attribution are where fragmentation becomes most visible - and most costly.

Research from AutoRek found that manual reconciliation errors represent the single greatest operational pain point for 28% of financial institutions. For asset owners processing high volumes of positions, transactions, and corporate actions across multiple asset classes and jurisdictions, the operational burden of manual workflows is not an abstraction: it is the daily reality of teams spending the majority of their working hours on data assembly and exception resolution rather than analysis, oversight, and governance.

The specific operational challenges facing asset owners go beyond efficiency. An institution that cannot produce accurate, real-time position information cannot manage its liquidity effectively. A treasury team relying on end-of-day reconciled data rather than intraday positions cannot monitor collateral and margin requirements in fast-moving markets. A performance team manually assembling attribution data cannot deliver the timely, granular reporting that investment committees and beneficiaries increasingly expect.

For asset owners operating across multiple asset classes - particularly those managing blended public and private portfolios - the operational infrastructure must handle not only the volume and speed of public market workflows but the distinct data structures, valuation cadences, and lifecycle characteristics of private investments: IRR and multiple calculations from aggregated cashflows, look-through analytics across complex fund structures, and GP-sourced data delivered in bespoke formats on quarterly timelines.



Five Key Dimensions for Operational Readiness

Key Questions to Evaluate

- Can your core operational workflows - trade capture, position reconciliation, corporate actions processing, treasury management - execute end-to-end within systems, or do they depend on spreadsheets, email, or manual handoffs between teams?
- Does your organization maintain a single Universal Book of Record delivering full P&L transparency, account balances, and lifecycle event history across all asset classes and mandates?
- How long does it take your team to identify, investigate, and resolve a reconciliation break - and what percentage of breaks require manual intervention to close?
- Are private market positions (private equity, private credit, real assets) tracked in the same operational environment as public market positions, or in separate parallel systems that require periodic manual consolidation?
- What is the current capacity constraint on your operations infrastructure - is it able to scale to handle growth in assets under management, new asset class allocations, or increased reporting frequency without proportional headcount growth?

Warning Signs to Watch

- Operational processes rely on spreadsheets, shared inboxes, and manual handoffs between teams; limited rules-based routing exists for exceptions or escalations.
- Multiple teams maintain parallel sets of data for the same positions, cash balances, or reference data - and periodic reconciliation between them consumes significant staff time.
- Corporate actions processing is primarily manual, with high dependence on individual expertise for voluntary event elections and complex restructuring events.
- Treasury and collateral operations are managed separately from investment accounting, creating gaps in real-time margin monitoring and cash management visibility.
- Operational expertise resides in individuals rather than embedded in documented processes, systems, or automated rules - creating key-person dependency and business continuity risk.

Potential Impact & Success Indicators

When investment operations are fully supported by purpose-built technology, the shift from reactive coordination to scalable execution becomes achievable. Exception-based workflows replace manual scanning: the system identifies breaks, suggests resolution paths, and routes escalations, while operations professionals focus analytical attention where it adds the most value. Treasury management gains real-time visibility into margin requirements, collateral obligations, and cash positions across counterparties and jurisdictions. Corporate actions processing becomes systematic, with audit trails capturing every election, instruction, and confirmation event.

At the most advanced level, operational infrastructure can handle portfolios of substantial complexity - including multi-class, multi-jurisdiction, high-volume environments - without performance degradation, while delivering the granular, real-time position data that risk management and investment decision-making demand.

Five Key Dimensions for Operational Readiness

Build Momentum: Map One High-Friction Workflow



Many asset owner operations teams have adapted to friction by working around it - accepting manual steps, workarounds, and cross-system reconciliation as normal. To begin building momentum, map one high-friction operational workflow end-to-end and document every point where system-mediated execution gives way to manual intervention. Target workflows that are high-friction but relatively bounded in scope - daily position reconciliation, a specific corporate actions type, or a regular reporting deliverable - to create an early win and build organizational confidence in operational transformation.

Five Key Dimensions for Operational Readiness



Dimension 3: Regulatory & Compliance Readiness

The regulatory environment facing institutional asset owners has never been more demanding or more differentiated by geography - and the operational cost of inadequate compliance infrastructure compounds with every new requirement.

In 2026, asset owners face simultaneous compliance obligations across multiple jurisdictions, each with distinct timelines, data requirements, and validation standards. In the European Union, AIFMD 2.0 came into force in April 2026, substantially expanding supervisory reporting obligations for alternative investment fund managers - requiring detailed disclosures on principal markets, instrument exposures, concentration risks, illiquid assets, leverage sources, and stress testing results. SFDR 2.0 is simultaneously raising the bar for ESG data quality, auditability, and sustainability substantiation. In the United States, proposed amendments to Form PF are adjusting reporting thresholds, creating a US-EU regulatory divergence that global asset owners cannot address with a single reporting strategy.

In Asia-Pacific, the Monetary Authority of Singapore's OTC derivatives reporting regime requires transaction reporting within two business days, with ISO 20022 XML formatting and UPI/UTI identifiers adding technical complexity that manual processes cannot efficiently manage.

The operational implication is clear: organizations that rely on siloed, system-specific data cannot efficiently aggregate the normalized portfolio, position, and transaction data that modern regulatory filings require. Manual data aggregation across disparate systems introduces inconsistencies that increase rejection risk and require costly correction workflows. And every new jurisdiction or regulatory framework expansion consumes internal compliance and technology resources that are already stretched.



Five Key Dimensions for Operational Readiness

Key Questions to Evaluate

- Does your organization maintain a centralized, normalized data foundation from which multiple regulatory outputs - AIFMD, EMIR, Form PF, MAS, GIPS, ERISA - can be systematically generated, or does each regulatory filing require a separate data aggregation and preparation effort?
- Can your team produce complete audit trails with demonstrable data lineage for every position, transaction, and valuation feeding into a regulatory filing?
- How long does your regulatory reporting cycle take from data collection to final submission - and what percentage of that time is spent on data assembly versus validation and review?
- Are your ESG and sustainability disclosures supported by documented, auditable data trails that meet the substantiation standards of SFDR 2.0 or equivalent frameworks?
- When regulatory requirements change - new data fields, revised thresholds, format updates - how long does it take your infrastructure to adapt?

Warning Signs to Watch

- Each regulatory filing cycle requires a dedicated data aggregation effort that consumes compliance and operations team resources that would otherwise support value-creating activities.
- Different regulatory reports pull from different data sources, with no single normalized dataset serving as the common foundation - creating consistency risk across filings submitted to different regulators.
- Audit requests from regulators or governing bodies require manual reconstruction of historical data states, because the operational infrastructure does not natively capture data as it appeared at a specific point in time.
- ESG and sustainability claims in investor-facing disclosures cannot be fully substantiated with traceable, system-generated data.
- Compliance team expertise in specific regulatory frameworks is concentrated in individuals, creating key-person risk and limiting the organization's ability to scale its compliance function as requirements expand.

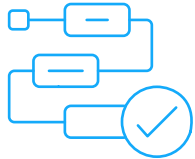
Potential Impact & Success Indicators

When a centralized, normalized data foundation is established with built-in validation, audit trails, and bi-temporal storage, the regulatory reporting function shifts from a resource-intensive, error-prone process to a systematic, scalable capability. Multiple regulatory outputs - across jurisdictions and frameworks - can be generated from the same governed data layer, with consistent definitions, traceable lineage, and the full historical record that regulators increasingly require.

At the most advanced level, regulatory readiness is an embedded characteristic of the operating model rather than a periodic compliance exercise. New regulatory requirements can be accommodated through configuration rather than custom development. Data quality issues are detected and resolved before they affect filings rather than discovered during review. And the audit trail infrastructure satisfying AIFMD 2.0's granular disclosure requirements is the same infrastructure delivering portfolio transparency to investment committees and beneficiaries.

Five Key Dimensions for Operational Readiness

Quick Tip: Assess Your Audit Trail Depth



Request a full data lineage trace for one recent regulatory filing - from the final submitted figure back through every transformation, source system, and validation step. Document how many manual steps, spreadsheet inputs, or judgment-based adjustments appear in the chain. This exercise reveals both the current audit trail depth and the specific points of fragmentation most likely to generate regulatory risk. It also provides a concrete baseline against which future improvements can be measured.

Five Key Dimensions for Operational Readiness



Dimension 4: AI & Automation Enablement

AI can improve risk-adjusted returns by 5-20% for investment managers - but only on a foundation of clean, unified, governed data. For the many asset owners that have not yet established that foundation, AI adoption risks adding operational complexity faster than it delivers value.

The potential of artificial intelligence in institutional investment operations is not theoretical. Arcesium Intelligence, embedded directly within Opterra and Aquata, provides asset owner teams with a governed path to deploying agentic AI across the full investment lifecycle - from reconciliation research and P&L variance explanation to schema automation, data transformation generation, and natural language dashboard construction. The platform launched with a catalog of more than 100 pre-configured agents and domain-specific skills, each built on a bias toward determinism that limits live model risk in workflows where error tolerance is near zero.

But the precondition for AI delivering this value is the quality of the data and operational infrastructure on which it runs. Gartner estimates that at least 50% of generative AI projects were abandoned after proof of concept in 2025, citing poor data quality, inadequate risk controls, escalating costs, and unclear business value as the primary causes. For asset owners operating under fiduciary and regulatory obligations, the stakes of deploying AI on an inadequate foundation are particularly high - not only does value fail to materialize, but operational complexity and compliance exposure can increase.

The asset owners best positioned to benefit from AI are those that have established the four foundational conditions: a unified data layer, systematized operational workflows, embedded governance controls, and a cloud-native infrastructure that can scale at the pace of innovation.



Five Key Dimensions for Operational Readiness

Key Questions to Evaluate

- Are AI initiatives in your organization tied to clearly defined operational use cases with measurable outcomes, or are they primarily exploratory pilots without a clear path to production deployment?
- Does your current data infrastructure provide the quality, consistency, and governance required for AI to act within workflows rather than functioning only as an assistive tool alongside them?
- Is human-in-the-loop oversight built into your AI-enabled processes, with clear accountability for monitoring outcomes, managing exceptions, and intervening when agent behavior deviates from expected patterns?
- Are AI tools operating within the same governed data environment as the rest of your operational infrastructure - or are they connected to separate data extracts that require independent validation before AI outputs can be trusted?
- Does your organization have the institutional controls and model governance framework required to satisfy regulatory and fiduciary expectations for AI deployment?

Warning Signs to Watch

- AI initiatives remain limited to pilots outside core workflows; production deployment is consistently described as high-risk due to unresolved data quality, governance, or operational gaps.
- AI tools can assist with analysis or summaries, but cannot act directly on operational data because their inputs require revalidation before results can be trusted.
- AI agents perform well in isolated tests but stall when integrated into production workflows, due to dependency on data sources that are not consistently available, formatted, or governed.
- There is no documented model governance framework covering model selection, access controls, human oversight requirements, auditability, and exception management for AI-enabled processes.
- AI initiatives run independently from day-to-day operations, with limited adoption by operations and investment professionals who do not yet trust AI outputs enough to rely on them.

Potential Impact & Success Indicators

On a unified, governed data foundation, AI delivers concrete, compounding impact. Reconciliation agents research breaks and recommend corrective actions. Performance agents explain P&L variance in natural language. Data management agents automate schema creation and data quality rules, reducing onboarding overhead.

A self-service environment lets professionals build custom applications - dashboards, reporting tools, compliance alerts - without external development teams. A domain-aware orchestration layer provides the model selection, oversight, and auditability controls that fiduciary and regulatory obligations require.

Five Key Dimensions for Operational Readiness

Quick Tip: Define Your AI Readiness Baseline



Before expanding AI initiatives, assess three foundational conditions in your current environment: (1) Data trust - can operations teams identify and trust a single source of truth for the data that AI agents would use? (2) Workflow readiness - are the specific workflows targeted for AI deployment currently systematic and documented, or dependent on individual judgment and manual steps? (3) Governance coverage - is there a documented framework for how AI outputs will be monitored, validated, and overridden when needed? Addressing gaps in these three areas before scaling AI deployment significantly improves the probability of reaching production and delivering durable value.

Five Key Dimensions for Operational Readiness



Dimension 5: Front-to-Back Integration

For asset owners managing blended portfolios across multiple geographies, strategies, and regulatory regimes, operational excellence ultimately requires a single source of truth spanning from investment decision through settlement, accounting, and reporting - with deep, pre-built connectivity to the external ecosystem.

The most consequential operational gaps for complex institutional asset owners are rarely within individual functional areas. They occur at the interfaces between systems and functions: between the front-office portfolio management environment and the middle-office operations infrastructure; between internal systems and external custodians, administrators, and counterparties; between public market workflows and private investment tracking; and between the operational data layer and the regulatory reporting function. Each interface that lacks native integration creates a reconciliation requirement, an information latency, and an error risk.

Front-to-back integration at institutional scale requires two capabilities that most point solutions and many enterprise platforms cannot deliver together. The first is internal integration - connecting the full investment lifecycle from order generation through trade capture, position calculation, performance attribution, investor accounting, and regulatory reporting within a single governed data architecture. The second is external connectivity - pre-built, maintained integrations to the custodians, prime brokers, fund administrators, order management systems, market data vendors, and risk platforms that irreducibly populate an asset owner's ecosystem. No technology provider will replace every external relationship in a complex institutional environment. The question is how efficiently and completely the chosen platform connects to those relationships.



Five Key Dimensions for Operational Readiness

Key Questions to Evaluate

- Can you generate a real-time, total portfolio view across all asset classes from a single source?
- Do orders flow directly from front to middle office without manual re-entry or file transfer?
- How many external relationships require custom integration, and how long does adding new ones take?
- Can public and private market workflows run in the same operational environment?
- Do Managed Services and internal teams share the same data and systems?

Warning Signs to Watch

- Total portfolio views are manually assembled from multiple system exports.
- Front-office tools are disconnected from middle-office systems, requiring manual re-entry.
- Onboarding a new custodian or administrator takes weeks or months of custom integration.
- Public and private investments run in separate environments with no consolidation layer.
- Managed Services providers work from different data extracts, requiring periodic reconciliation.

Potential Impact & Success Indicators

With front-to-back integration, total portfolio views are available in real time without manual assembly. New external relationships are onboarded through pre-built connectivity rather than custom development. Public and private workflows operate in the same environment, and Managed Services teams work from the same systems as internal teams.

At the ecosystem level, this means connectivity to over 46 prime brokers and custodians, 17 order management systems, 13 fund administrators, and 28+ third-party applications through pre-built integrations.

Five Key Dimensions for Operational Readiness

Build Momentum: Identify Your Highest-Cost Interface



Map the interfaces in your current operating model where manual data transfer, file-based exchange, or periodic reconciliation connects two systems or functions that should ideally share a native data connection. Quantify the operational cost - in staff time, error frequency, and reporting latency - of your highest-cost interface. This provides both a compelling business case for targeted integration investment and a concrete starting point for front-to-back architecture improvement.

Readiness Assessment Matrix



Chapter 4

Readiness Assessment Matrix

Use this matrix to assess your current state across each of the five dimensions. Be honest about where your organization currently operates - and where the structural constraints that limit your strategic ambitions are most concentrated.

Key Dimension	Fragmentation	Developing	Flow
Data Foundation 	Multiple systems of record; manual reconciliation required before data is trusted; no unified position or exposure view	Partially harmonized data across some functions; golden sources defined for key domains; some automation of reconciliation workflows	Single governed data layer; data validated at source and trusted throughout workflows; bi-temporal storage enabling full audit trail; data treated as a product with defined ownership
Investment Operations 	Manual workflows for reconciliation, corporate actions, and treasury; heavy spreadsheet reliance; key-person dependencies in operational processes	Priority workflows automated; exception-based routing in place for key processes; public market operations systematized but private market workflows remain manual	System-mediated operations end-to-end; embedded logic and proactive exception management; real-time position and treasury visibility; unified handling of public and private investments
Regulatory & Compliance Readiness 	Each filing requires separate data aggregation; no centralized audit trail; ESG claims not fully substantiated with traceable data	Core regulatory filings supported by partially normalized data; audit trails available for primary jurisdictions; some automation of filing preparation	Centralized normalized data foundation supporting all regulatory outputs; bi-temporal audit trail satisfying most demanding regulatory scrutiny; new requirements accommodated through configuration

Readiness Assessment Matrix

Key Dimension	Fragmentation	Developing	Flow
AI & Automation Enablement 	AI limited to pilots outside core workflows; data quality concerns prevent production deployment; no model governance framework	AI embedded in targeted workflows with human-in-loop oversight; pre-configured agents operating on validated data in specific operational domains	AI orchestrated across investment lifecycle; agentic execution with full governance controls; model selection, access, oversight, and auditability embedded; teams build and deploy their own agents
Front-to-Back Integration 	Total portfolio view assembled manually; front and middle office disconnected; new external relationships require custom integration; separate environments for public and private investments	Key internal interfaces integrated; primary custodian and administrator connections automated; some consolidation of public and private workflows	Single source of truth spanning investment decision through settlement and reporting; pre-built connectivity across custodians, OMSs, administrators, and data vendors; Managed Services operating on same data layer as internal teams

04

Readiness Assessment Matrix

How to Interpret Your Assessment

1 If most dimensions are in Fragmentation

Your organization is managing operational risk through individual effort and institutional knowledge rather than through systematic infrastructure. The priority is establishing the data foundation first - because every other dimension depends on it. A unified, governed data layer is the precondition for operational automation, regulatory readiness, AI adoption, and front-to-back integration.

2 If most dimensions are in Developing

Your organization has made meaningful progress in modernization but has likely done so in pieces rather than in flow. The risk at this stage is that each improvement creates a new interface to manage. The priority is connecting the existing elements - ensuring that data, operations, compliance, and AI initiatives reinforce one another rather than operating as independent workstreams.

3 If most dimensions are in Flow

Your organization has established the integrated foundation that enables operational alpha. The priority is extending these capabilities - deploying AI on the governed foundation that now exists, adding new asset classes or geographies to the integrated environment, and leveraging the platform as a strategic capability for growth rather than simply a cost management tool.

Conclusion: Building the Infrastructure That Serves Beneficiaries

The asset owners that will most effectively serve their beneficiaries - satisfying governing boards, navigating regulatory demands, and participating in the next era of institutional investing with confidence and control - are not necessarily those managing the largest pools of capital or deploying the most sophisticated investment strategies. They are the organizations that have established the operational foundations from which all other investment activities derive their precision: unified data, intelligent automation, rigorous governance, and scalable expertise.

The evidence is unambiguous. Operational risk accounts for more institutional failures than poor investment returns. The annual cost of data quality inadequacy runs to millions of dollars per organization. The majority of asset owners continue to rely on manual processes that expose them to reconciliation errors, reporting latency, and regulatory risk with every passing quarter. Meanwhile, the forces reshaping the operating environment - private markets expansion, AI opportunity, cloud migration imperative, and multi-jurisdictional regulatory build-out - are not decelerating. The gap between institutions that have invested in modern operational infrastructure and those that have not is widening in real time.

The cost of inaction is neither hypothetical nor distant. KPMG's analysis identifies fraud exposure, talent burnout, audit findings, and a finance function permanently oriented toward the past rather than the future as the observable consequences of sustained operational underinvestment. The industry's cost-to-income ratio remains stuck at approximately 68%, higher than many banks, with expenses consuming more than two-thirds of every dollar earned despite sustained cost-cutting efforts.

This toolkit is designed to help asset owners identify where that gap exists in their own operating model, and to map a focused path toward closing it. The five dimensions - data foundation, investment operations, regulatory and compliance readiness, AI and automation enablement, and front-to-back integration - are not independent initiatives. They are interconnected elements of a cohesive operating model that, when aligned in flow, enables the kind of organizational capability that no individual system or outsourced service can replicate.



Conclusion: Building the Infrastructure That Serves Beneficiaries

Getting Started

The most effective starting point is rarely the most ambitious one. Begin by identifying the dimension where fragmentation is creating the most immediate cost - in staff time, error risk, reporting latency, or regulatory exposure. Use the Key Questions and Warning Signs in the relevant section to assess your current state precisely. Define a specific, measurable improvement objective and a realistic timeframe. Build from that foundation.

The institutions investing in this path today are not simply solving technology problems. They are building the infrastructure that will allow them to serve their beneficiaries well - with accuracy, transparency, and control - through whatever market cycles, regulatory changes, and portfolio evolutions the future holds.

Arcesium

Arcesium is purpose-built to help institutional asset owners move from fragmented operational models to integrated, AI-ready infrastructure. Aquata, Arcesium's data platform, establishes the unified, governed data foundation. Opterra, the investment operations platform, systematizes the workflows that depend on it. Limina extends that foundation into front-office portfolio and order management. Arcesium Intelligence deploys agentic AI across the investment lifecycle on that governed foundation. And Managed Services provides the domain expertise to operate it all at institutional standard - acting as a genuine extension of internal teams rather than an external service provider at arm's length.



Interested in assessing where your organization stands across these five dimensions?

Visit arcesium.com or contact us directly to start the conversation.



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