HedgeNordic RT
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Round Table Discussion:

Operational Challenges

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Editor´s Note...

From Spitfire to Concorde

I always had a fascination with planes. As a boy, I had model planes I put together myself hanging from my ceiling. Among them were a World War II Spitfire and, as a kid of the 70s, the pinnacle of aircraft, a Concorde. Naturally then it caught my attention when, a few weeks ago, a photo kept resurfacing in my LinkedIn feed, liked and shared by different corners of my network. Two silhouettes in perfect formation: the Supermarine Spitfire and the Concorde. The caption read, "Two legends of British aviation in one frame. Despite their vastly different appearances, they're separated by just 30 years."

Of course those two masterpieces and icons of aviation, their purpose and circumstances, had nothing at all in common. But just thirty years between them did not seem right. Surely it had to be more like 300 years.

One felt born from canvas and courage while the other was made from calculus and cold-forged titanium. But the truth is even more astonishing. The last operational Spitfire, serving the Irish Air Corps, retired in 1961. Only eight years later, in 1969, Concorde's needle nose pointed skyward for its maiden flight.

And if that temporal compression isn't enough, consider this: in that same year, 1961, when Spitfires still traced their last arcs over Ireland, NASA launched the Apollo program, which later put mankind on the moon in 1969. Sputnik had startled the world it orbited already four years earlier. The age of propellers and the age of moonshots lived side by side.
Let that sink in for a moment.

That tiny sliver of time between a machine guided cables tugging on control surfaces and a supersonic masterpiece that outran the sun is a reminder of how quickly technology and engineering, and the world it shapes, can transform. It also reminds us how often the future arrives looking wildly more complex than the past ever imagined. Complexity is the price of altitude.

And so, of course, has our industry.

The tools an asset manager relied upon when setting up shop "a few years ago" can feel, in retrospect, a little Spitfire: noble, functional, even beautiful in their simplicity, but built for a different era of speed, data, risk, and regulatory lift. Meanwhile, the Concordes of our world — the technology stacks, service providers, data architectures, and operational models now available — have accelerated dramatically. Yesterday's sturdy propeller can become today's drag. What once looked streamlined can, almost overnight, become a headwind. The pace of innovation doesn't politely wait for anyone to catch up. If anything, it tends to break the sound barrier while we're still taxiing. The taxiway is getting shorter, too.

Whether you're modernising infrastructure, rethinking service partnerships, integrating AI, or simply ensuring your operational runway is long enough for the strategies you hope to fly, the message is the same: staying airborne in today's environment requires staying current.

Because the real lesson from the Spitfire and the Concorde isn't nostalgia. It's a reminder that progress arrives quickly, decisively, and sometimes without a second invitation. Those who welcome it gain altitude. Those who hesitate feel the turbulence first.

And in our business, just like in aviation, you do not want to be the one discovering too late that your instruments are analog in a digital sky. Better to upgrade while climbing than troubleshoot while descending. The truth is that every hedge fund today is flying in airspace that grows more crowded, more regulated, and more data-saturated by the month. Markets shift at jet-age speed, and the operational expectations placed on managers evolve just as quickly. What once passed as "fit for purpose" can suddenly feel as outdated as a propeller in a transatlantic race.

Keeping up is not about avoiding failure. It is about enabling altitude: operational resilience that lets you climb, technology that reduces drag, partners who strengthen lift rather than add weight.

And just as Concorde did not emerge from a lone inventor in a shed, modern hedge fund infrastructure cannot rely on heroic improvisation. It requires ecosystems, specialists, and systems that talk to one another at the speed strategy demands.

The managers who recognise this are already cruising at a different flight level. The rest will notice the gentle stall warnings that signal it's time to add a little more power. And this is precisely where the role of the Chief Operating Officer comes into sharp focus.

If portfolio managers define the destination, it is the COO who ensures the aircraft is certified to fly, fueled correctly, and able to operate safely at ever-higher altitudes. Today, that responsibility spans far more than trade processing or operational hygiene. It encompasses technology strategy, regulatory interpretation, data integrity, vendor ecosystems, and increasingly, the human judgment required to decide what to automate, what to outsource, and what must remain firmly in-house.

The Nordic COO Roundtable brought these questions out of the abstract and into practical reality. Around the table sat leaders navigating this transition in real time, comparing notes on straight-through processing, regulatory overload, SMA complexity, data ownership, and the cautious adoption of AI. Their discussion reflects an industry mid-flight, adjusting course while maintaining altitude.

What follows is not a blueprint, but a candid snapshot of how experienced operators are thinking, prioritising, and adapting as the sky ahead continues to change.

We hope you enjoy the issue.

Kamran Ghalitschi
Publisher, HedgeNordic

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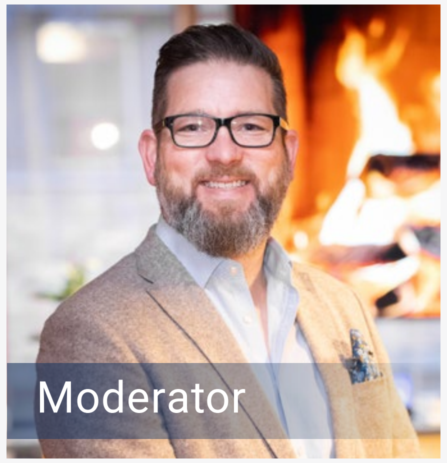
PARTICIPANTS:

THE ROUND TABLE DISCUSSION TOOK PLACE IN STOCKHOLM, SWEDEN, ON DECEMBER 2ND, 2025



Andi Woolass

Executive Director,
EMEA Head of Partnerships

Andi Woolass brings extensive expertise in the financial industry, having driven innovation and solutions at leading firms such as JPMorgan, Citi, and EY. Starting at GLG, the largest European hedge fund, Andi has excelled in roles across support, product development, and consulting.

Currently, Andi manages partnerships for CWAN in EMEA, leveraging a background in treasury management, tax, and system innovation to foster strategic growth. This diverse experience positions Andi as a key asset in driving CWAN´s continued success in the region.

Petter Mattsson

Chief Operating Officer

Petter Mattsson has a law degree from Uppsala University and a background as an officer in the navy, where he worked as a surface combat officer and navigation officer, among other things.

He has worked in the fund industry since 2015 and, before joining ALCUR Fonder, has worked at Swedbank Robur and the Swedish Fund Management Association.

Stephen Roberts

VP of Sales

Stephen Roberts is a 15 year veteran of buyside technology. After working at FactSet and CRD growing their respective businesses in London and the Nordic countries, he joined Enfusion to focus on expanding their Nordic client base, adding 7 new managers over the past 18 months.

Roberts's technology background and financial acumen (he is a CFA Charterholder) allow him to provide clients with innovative software solutions that boost efficiency and accuracy across front, middle and back office operations.

Catharina Östring

Head of Operations

Catharina Östring is Head of Operations at Coeli, based in Stockholm, where she leads operational strategy, governance, and transformation across the firm. She also serves as Head of the Project Management Office, overseeing change initiatives and regulatory readiness.

Östring spent nearly a decade at Brummer & Partners, one of Europe's leading hedge fund groups, where she headed the Project Office and led large-scale transformation, technology, and vendor management programmes.

Earlier in her career, she held senior leadership and program director roles at SunGard (now part of FIS), overseeing global electronic trading development and large agile delivery organisations, as well as technical support and product development teams serving major banks and asset managers worldwide.

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Martin Redgård

Portfolio Manager

Martin Redgård founded his own proprietary trading firm while finishing his studies at StockholmUniversity.

This firm later evolved to Alfa Edge Fund which he managed for Swedish asset management firm Alfakraft (2011- 2015).

Redgård left Alfakraft 2015 to pursue the role as Chief Investment Officer at Taaffeite Capital Management in New York, a position he held until late 2019. In 2023 he launched his own fund back home in Sweden - Epoque.

Ahmed Patel

Senior Institutional Sales & Origination

Ahmed Patel brings 18 years of financial industry experience to his role at IG Prime. Prior to joining IG, he held positions at major banking institutions where he specialized in relationship management, operational leadership, and offshore operations.

Currently Patel holds a position as senior Prime originator for IG's Prime Brokerage offering, responsible for partnering with new launches, emerging managers and small to medium sized hedge funds in both the Equity Long Short and Crypto Space.

Katarina Carlbring

COO / Head of Sustainability

Katarina Carlbring is Chief Operating Officer and Head of Sustainability at Nordkinn. Ms. Carlbring has been involved in the asset management industry since 1992.

Prior to joining Nordkinn in 2016, Ms. Carlbring was Head of Product Strategy for alternative investments at SEB Wealth Management. Ms. Carlbring has also been Client Executive responsible for institutional mandates at SEB ,as well as Head of Back Office at ABB Investment Management.

Daniel Mackey

Chief Operating Officer

Daniel Mackey has more than 21 years' experience working in senior management rolls in Fund Management Operations and Fund Administration and as a CFO in listed companies.

Previous rolls include Head of Brokerage Business at Nordea, Head of Fund Accounting at Nordea Investment Management and Manager of Client Relations and Fund Accounting at IBT/State Street.

Grant Loon

Chief Operating Officer

Grant Loon has 27 years of trading and operations experience while working in various roles at investment banks and hedge funds in London, Jersey and Stockholm.

Prior to establishing the consulting business of VHC Partners he has held COO roles at Madrague Capital, Port Capital and partner and COO at VHC Partners when it managed hedge funds and managed accounts for institutional investors.

Previous roles included trading and operations at Soros Funds, Commerzbank and Morgan Stanley in London.

David Bergquist

Chief Operating Officer

David Bergquist is Partner and Chief Operating Officer of Volt Capital Management AB. Previous positions include Head of Legal and Fund Structuring at RPM Risk & Portfolio Management AB, Legal Counsel at SEB and Senior Associate at Advokatfirman Vinge in Stockholm, specializing in financial services law. David holds a Master's Degree in Law from the University of Stockholm

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Participants (left to right): Martin Redgård (Finserve) Catharina Östring (Coeli), Ahmed Patel (IG Prime), Stephen Roberts, Grant Loon, Daniel Mackey (Protean), Kamran Ghalitschi (HedgeNordic), Petter Mattsson (Alcur), Katarina Carlbring (Nordkinn), David Bergquist (Volt Capital Management), Yerin Hallam (IG Prime), Andi Woolass (CWAN)

ROUND TABLE DISCUSSION

OPERATIONAL CHALLENGES

THE ROUND TABLE DISCUSSION TOOK PLACE IN STOCKHOLM ON DECEMBER 2ND, 2025. ALL REFERENCES TO DATES, TIMELINES, PERFORMANCES, NEWS AND EVENTS ARE TO BE SEEN FROM THAT POINT IN TIME.

In an era defined by rapid technological change, regulatory pressure, and evolving investor demands, the role of the Chief Operating Officer (COO) in Nordic asset management has maybe never been more complex or arguably more critical. The Nordic COO Roundtable, hosted by HedgeNordic in collaboration with IG Prime and CWAN, convened operational leaders from Stockholm to discuss the challenges and opportunities shaping their organizations.

Over the course of the session, participants explored a broad spectrum of operational priorities: streamlining the trade lifecycle, navigating a growing web of regulatory requirements, integrating separately managed accounts (SMAs), harnessing data, and assessing the promise and limitations of artificial intelligence. The conversation painted a portrait of an industry in transition: energized by innovation yet acutely aware of the risks inherent in modernization.

Moderated by Andi Woolass, EMEA Head of Partnerships at CWAN, the discussion began with a simple but pointed question: "What is happening within Nordic COOs' operations, and what is causing the pain in those processes?" He opened the session by asking how asset managers are streamlining the trade life cycle through innovative technology.

Grant Loon, who advises asset managers on operations in an outsourced COO capacity, has observed a clear shift in recent years. "For equity-focused managers, there is a lot more straight-through processing on the trade and order side of the trade life cycle," he explains. Technology that once played a central role in areas such as trade confirmation and central trade matching has become less relevant for managers executing large volumes of trades electronically.

Where Loon sees technology gaining importance is on the regulatory and mandate-driven side. "Pre-trade and compliance, not only the legislative part, but the client-mandate aspect, have become increasingly important," he says. The challenge, he adds, lies in configuring systems with sufficient flexibility to accommodate the nuances of customized accounts. "With three SMAs, for instance, you might have three tailored sets of requirements to consider, and you need technology that can adapt to that."

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>
> Grant Loon

Andi Woolass, CWAN

Katarina Carlbring, Nordkinn

For Katarina Carlbring from fixed-income macro manager Nordkinn Asset Management, achieving a fully efficient trade lifecycle presents greater challenges. "We trade a broad range of derivatives, both cleared and uncleared, which makes it difficult to achieve full streamlined trade lifecycle," Carlbring explains. "With so many different derivatives traded across multiple platforms, some trades can be automatically entered into the system, while others cannot. In those cases, manual entry is required," she adds, "However, we already see that the decision to change to a new front office system will help streamline this process," improving overall efficiency in the trade lifecycle.

For Volt Capital Management, a systematic CTA and macro manager trading exclusively in futures, achieving efficiency in the trade lifecycle seems easier. "Running a systematic strategy that trades only futures is sort of the cheat code," jokes David Bergquist, Chief Operating Officer at Volt. "It's straight-through processing from as early as 1 a.m., when the algorithms run, all the way through to the U.S. market close," he adds. "Everything is automated, from signal generation to trading, trade allocation, and reconciliation."

When mistakes do occur, Bergquist notes, "they are mostly the result of executing brokers giving out trades to the wrong accounts." He adds that such errors must be identified as early as possible, typically by T+1 in Volt's case, meaning within one business day of execution. "For us, everything is automated except for exception handling."

To identify and resolve errors, the team at Protean Funds Scandinavia has established a straight-through processing setup using the portfolio management system as the central hub. "It covers the full flow from trade generation to the reconciliation of positions," explains Chief Operating Officer Daniel Mackey. "The goal is to minimize mistakes made by counterparties, such as trades being allocated to the wrong accounts, and address them as early as possible."

Some trades are what the industry calls "give-ups," which occur when a trade is executed through one broker but then transferred to another for clearing and settlement. This adds an extra layer of complexity, as the process involves multiple systems and counterparties. "We are trading both give-ups and cash-settled with all counterparties and across multiple prime brokers, so we aim to find the most efficient way to handle each and identify issues as early as possible," says Mackey. "The sooner you catch a problem in the cycle, the more time you save in the long run, and the fewer people need to get involved," he adds. Mackey notes that their straight-through processing is around 99 percent of trades, though the team continues to pursue full automation and even greater efficiency.

Catharina Östring, Head of Operations at Coeli Investment Services, notes that COO functions are constantly striving to make processes more efficient. "We are always trying to improve things, step by step, and we keep our eyes open for opportunities to make tasks easier and more efficient," she says. Östring also points out that the long-running discussion about best-in-class versus one-stop-shop solutions is becoming less relevant. "It is increasingly difficult to rely on a single provider, given the volume of new regulatory initiatives. Today, you need so many different flavours of service providers," she explains. Ahmed Patel at IG Prime highlights that this is a similar theme among the clients he comes across and that, from a Prime

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Catharina Östring

"Despite having the entire year planned, something from a regulatory perspective will inevitably arise. You always have to build flexibility into your systems to manage the unmanageable."

Petter Mattson

Brokerage perspective, IG Prime has concentrated on being plugged into multiple providers to ensure flexibility, allowing clients to have the "pick of the bunch" when it comes to their choice of vendor.

Östring also notes that some of the industry's long-standing legacy systems "have started to feel very outdated," particularly given recent technological advances. "With AI and new approaches to software development, it seems new players are entering the market with solutions that are far more efficient and modern, often at a lower cost," she explains. Looking ahead, she sees the potential for substantial transformation. "With AI and the innovations now emerging, we could be on the verge of a revolution in the fund-tech market."

For Martin Redgård at Finserve AB and Finserve Global Security Fund, greater efficiency comes from building an internal system that leverages high-quality data. "I'm sure we use the same service providers as everyone else, but what I like to do as a programmer is purchase various services and use the APIs to extract exactly the data we need," says Redgård. By developing the system in-house, he can receive data in the precise format required and avoid the "big and clunky" external systems. "We aim to buy quality data and parse it so that we get only the output that's relevant. This allows us to streamline operations as much as possible."

Petter Mattsson, Chief Operating Officer at Alcur Fonder, shares a similar view. He stresses the importance of receiving "the information you want, in the format you want, and at the time you want it without everything else." One of the main challenges, Mattsson notes, is the sheer number of data sources and information providers across the fund management industry. "Making all of that accessible to everyone is difficult," he explains. "What really matters is having access to the information that is relevant to your specific role, and ensuring you receive exactly that is one of the bigger hurdles."

TSUNAMI OF REGULATORY REQUIREMENTS

As Moderator Andi Woolass points out, operational efficiency is only one part of the challenge. "There is a tsunami of regulatory requirements," he said, referring to recent and upcoming initiatives such as DORA and MiFID III. These developments are reshaping how fund managers and operational teams approach risk management and compliance, keeping many awake at night.

Petter Mattsson of Alcur explains that the role of a COO demands constant "readiness for something new," particularly when it comes to regulatory developments such as DORA. "Despite having the entire year planned, something from a regulatory perspective will inevitably

“DORA is a good example of a regulatory requirement that is inherently complex to implement in a small organization, and it becomes exponentially harder to implement without the support of strong outsourced counterparties or robust systems in place.”

Daniel Mackey

arise that requires adjustments,” he says. “You always have to build flexibility into your systems and setups to address the regulatory aspects of everything you do.” Mattsson describes this mindset as “the way to manage the unmanageable.”

Even when operational compliance roles are outsourced, new regulations still demand close attention from managers themselves. Mattsson points to the new standards on liquidity management tools (LMTs) under the AIFMD and UCITS Directives, recently adopted by the European Commission. “Looking ahead to next year, we need to have a clear framework for how to deal with LMTs, and we also need to ensure that our back-office provider is fully prepared from a technical perspective to manage them in line with our strategies,” Mattsson explains. “That is one of the issues that still lingers, even though we have everything outsourced.”

Grant Loon describes DORA as “one of the more interesting regulatory regimes to emerge in recent years. It affects so many parts of the organization that have not traditionally been touched by legislative compliance.” The regulation extends well beyond conventional compliance functions, drawing in IT, product development, and other operational teams. These groups, he notes, are “not necessarily accustomed to being involved in compliance-related routines or processes, or to being included in regular compliance reporting.”

In practice, Loon says, DORA has forced many firms to take a hard look at their infrastructure. “It’s been a useful exercise for a lot of organizations to clean up what they have,” he explains. “They have discovered, for example, that some agreements are still in place even though they’re no longer needed due to product overlap, or that a product owner has moved on and there is no one actually listed as responsible for the relationship.” While he acknowledges the frustration the new requirements have caused, Loon believes the process has ultimately been constructive. “It’s not my favorite piece of legislation, but it has been a good exercise for many organizations to go through.”

Daniel Mackey from Protean notes that DORA illustrates how regulatory requirements scale poorly for smaller firms. “DORA is a good example of a regulatory requirement that is inherently complex to implement in a small organization, and it becomes exponentially harder to implement without the support of strong outsourced counterparties or robust systems in place.” The implementation effort demanded by smaller managers is often comparable to that faced by much larger firms. “Even if there are relatively lighter rules to be implemented, the burden is outsized as we do not have a larger organization to leverage on to implement to any changes,” according to Mackey. “Regulation is intended to protect investors and financial markets,” he argues, “but it doesn’t always seem as though the people designing it have fully considered how implementation could be simplified to not further worsen the unlevel playing field.”

This dynamic, Mackey argues, partly explains the “unfortunate trend of consolidation” among asset managers, one he does not believe always serves investors’ best interests. “The benefits of scale gravitate towards asset managers at scale, competition gets stifled, and we see more homogeneous mindset and offerings. So business ends up gravitating toward banks or managers that survive simply because they have 50 people working in compliance and IT,” he jokes. For boutique managers, the only viable alternative is often to rely on outsourcing. “There are some very high-quality providers in the Swedish market supporting multiple clients facing the same regulatory questions,” Mackey says. “That’s a positive for us, as it means implementation isn’t dependent solely on me potentially interpreting a rule the wrong way.”

Alcur Fonder’s experience with outsourced compliance functions is that service providers tend to be highly cautious when new regulations are introduced. “When a new regulatory requirement emerges, the external provider is always very careful in how they advise on implementation,” says Petter Mattsson. “They tend to take a conservative approach to the systems and setups required, which makes it difficult for us to judge what is sufficient and what is absolutely necessary.”


Grant Loon, VHC Partners

Mattsson agrees with Mackey that there is often significant uncertainty in the early stages of implementing new regulatory requirements. "One of the most uncomfortable aspects of the regulatory environment is that, when new rules are introduced, it's difficult at first to know what corners you can cut and how to do your best at your level," he says. Reflecting on the practical challenges of implementing SFDR, the European Union's Sustainable Finance Disclosure Regulation, Mattsson recalls that "it took time to understand how strictly the rules needed to be applied and how much information we had to obtain from external parties to remain compliant." Looking ahead, he adds, "we will likely reach that same point with DORA as well," suggesting that similar questions around interpretation, operational implementation, and reliance on external support will inevitably arise.

Grant Loon explains that with major regulatory initiatives, even consultants and advisors need time to fully grasp the requirements. "It has taken them a year or two to really understand what is actually needed," he says. Early in the implementation process, asset managers face considerable uncertainty. "You have to interpret the rules and determine the best way to apply them to your

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>
> Martin Redgård

business," he explains. Regarding DORA specifically, Loon notes that regulators provide little direct guidance. "You don't receive confirmation if what you are doing satisfies a particular article. But the process becomes easier as more firms gain experience implementing the requirements and testing them through due diligence or regulatory inspections."

Mackey suggests that "it's not always the most efficient approach to implement a system immediately when a new regulatory requirement arises. You don't yet know whether you need to cover 100 percent or 80 percent of it, or whether the requirements might change." He argues that a better way to understand new regulations is to handle them by hand first and only then automate the process around them. "If you try to build a clean systematic solution before you have actually done it by hand, it rarely works properly the first time," he explains. In smaller organizations, Mackey adds, "starting manually or even with an Excel sheet, is often the most practical approach."

According to Martin Redgård from Finserve, maintaining an in-house system for operations can provide greater efficiency and flexibility in responding to new regulations. "If you think of the regulatory framework as a ladder, whenever new steps are added, the advantage of having an in-house system is that you can adjust it, add steps, and capture whatever data you need for reporting," explains Redgård. He notes that if he needs to report true transaction costs and track slippage, for instance, he can build that functionality directly into the system, ensuring reliable reporting without being fully dependent on external providers.

Redgård adds that certain aspects may require specialized regulatory expertise, in which case external advisors can be engaged to assist or validate processes. "You can save significant costs by managing the processes internally," he argues. With an in-house system, steps can be added as needed, allowing the setup to evolve over time, "hopefully matching what regulators expect." While some regulations may seem unclear, Redgård notes that firms "just have to adapt to them." He highlights that managing processes internally is a strength because it enables adjustments without overhauling the entire system. "You don't have to uproot and change your entire setup; you can just add a step where it's needed."


Ahmed Patel, IG Prime

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In a similar vein to Mattsson's description, Grant Loon explains that the role of a COO at an asset manager often comes down to "translating what the legislation requires and how it's implemented in the firm's day-to-day processes." He emphasizes that there is "not always a one-size-fits-all approach," particularly for managers with highly specialized strategies where existing rules or guidance "might not cover how that business is actually trading or operating." In those situations, Loon says, the COO must make a judgment call. "It's a case of making a decision after, evaluating the regulatory risk, and introducing it into the firm's activities."

According to Loon, the role of a COO "is translating what the European legislators come up with into the day-to-day practice of the personnel in the firm without suffocating the business." He notes that some broad-ranging regulatory requirements can be difficult to apply to certain types of firms. "Not saying the business is unlicensed," he clarifies, "but it's just not your traditional retail fund manager." Some managers, he adds, may focus exclusively on SMAs with extremely professional, sophisticated investors, which means they are not necessarily the intended target of the legislation.

> "What do I actually need to build the robust operating infrastructure required by today's professional investor, and how much more can I extract out of existing tools or suppliers?"
>
> Grant Loon

Catharina Östring, Coeli

Martin Redgård, Finserve

Loon goes on to emphasize that solving operational challenges is not always a matter of adopting new technology. "With the speed of development within fin/reg-tech, there seem to be systems for every subprocess these days," he notes. Before evaluating specific tools, he argues, firms need to step back and ask a more fundamental question. "What do I actually need to build the robust operating infrastructure required by today's professional investor, and how much more can I extract out of existing tools or suppliers?" This, he adds, highlights the importance of distinguishing between "the have-to-haves and the nice-to-haves."

He also notes that many solutions may look impressive on paper but remain unproven in practice. "We see plenty of presentations and visuals of systems claiming to do a lot, but whether they've been thoroughly tested and will actually add value is another question. The proof is in the eating." Ultimately, Loon emphasizes, "technology alone isn't always the answer. Equally important is evaluating and interpreting what can genuinely be applied to your specific business."

Katarina Carlbring of Nordkinn Asset Management expands on Loon's point, emphasizing that managers vary widely in how they operate and how regulatory requirements apply to them. This variability, she notes, means there is no one-size-fits-all technical solution. "Every fund company is quite unique and has its own niche, so it's always challenging to find systems that can truly meet all your requirements," says Carlbring. "It's not always the case that the IT system you need even exists."

She cites ESG reporting as a clear example, particularly regarding SFDR and Principal Adverse Impact reporting. "Many of us have to comply with this, and if you run your portfolio through the various IT providers, you often end up with different results for your PAI indicators anyway." "It's always important to look at your unique situation," Carlbring reiterates. Regarding PAI reporting under ESG regulations, she notes that data quality remains a persistent challenge, which is why building internal models can be more effective. "If we were dealing with thousands of equities worldwide, we would need a data provider," Carlbring acknowledges. However, given Nordkinn's more limited universe of traded instruments, "we find that the data is actually of higher quality when we collect it ourselves and feed it into our own solution."
Separately Managed Accounts: Benefits and Challenges

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Separately managed accounts (SMAs) provide asset managers with an additional source of investor capital.

They do, however, also add complexity, as these accounts often span multiple jurisdictions and are subject to varying regulatory requirements. Ahmed Patel at IG Prime notes that around 75 percent of new fund launches under $50 million rely on SMAs to get started, and he asks managers, "what's driving that and what challenges does that bring?" It is certainly a space IG Prime is hearing more and more about and is keen to assist in helping setup the SMA structure for clients.

Andi Woolass then raises the practical concern, asking whether SMAs "create too much of a headache for managers." Alcur Fonder, for example, has deliberately avoided using SMAs as a mechanism for attracting or managing capital, having successfully raised assets through traditional fund structures. "We didn't really need to set up any SMAs; it wouldn't have been worth it for us to do so," says Petter Mattsson. Although the team explored the idea, they ultimately concluded that "it is definitely a more complex structure to have within the company to provide SMAs."

Although Nordkinn Asset Management has had initial discussions with some investors expressing interest in SMAs, all of them have ultimately invested through the firm's fund structure. "Having run this fund now since 2013, we have not been forced to turn down any potential investors because we couldn't offer an SMA. Investors chose the fund," says Katarina Carlbring. Still, she has observed a growing trend of investors asking about SMA possibilities, which has prompted Nordkinn to prepare for that eventuality. "We are starting to prepare for accepting SMAs if investors come with capital and prefer an SMA over the fund structure."

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>
> Katarina Carlbring

In the managed futures space, SMAs have long been more prominent, and Volt Capital Management manages a sizeable share of its assets through such structures. "Within the managed futures space, SMAs have been the norm for a long time, largely because we only trade on margin," says David Bergquist. This setup allows clients to retain most of their cash. "Clients that can manage their own margining requirements can keep 80 to 90 percent of their capital and put it to work elsewhere, rather than just park it with us," he explains. Volt Capital Management has managed SMA capital since its inception, running several managed accounts in parallel with its fund.

Daniel Mackey at Protean Funds notes that investing through an SMA can be advantageous across many strategies. Protean accepted SMA capital early on to scale more quickly and help cover operating costs. "Early on, taking on SMA capital was a practical way for us to scale and cover costs," Mackey explains. "If you find the right investor for the strategy, an SMA can be a straightforward way to grow." Since then, Protean has achieved an effective balance between its commingled funds and a select number of SMAs, enabling the firm to expand while maintaining operational efficiency.

He adds that SMAs can also appeal to investors for reasons different from those highlighted by Bergquist in the CTA space. The attraction, Mackey explains, stems in part from the desire for greater oversight. "From an

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> David Bergquist

equity perspective, especially after Madoff in the U.S., there was a clear incentive for investors to seek full transparency and direct ownership of assets, which made SMAs more appealing," he notes. At the same time, SMAs provide an efficient means of accessing absolute return strategies. "A lot of investors we have been in contact with prefer to access absolute return strategies through an SMA structure as it provides more control and transparency. It also allows investors to adjust exposure, depending on their risk framework."

Mackey notes that one reason managers can be cautious about SMAs is concern over the "stickiness of the money." However, he adds that this rarely poses a problem for managers who deliver strong performance. "If you're performing and expectations are clear, I don't hear many horror stories." he says. He points out that there are different tiers of investors, and that doing proper due diligence can help ensure stability. "If you know the investor is there for the long term, as long as you deliver returns, you're going to keep that SMA live for a decent amount of time," Mackey explains.

He also emphasizes that managing capital through SMAs can introduce operational complexity. "From an infrastructure and technology perspective, adding an SMA means new counterparties, new prime brokers, and so on. It does add complexity, but much of it is quite automated," he notes. While establishing an SMA structure can be challenging initially, the day-to-day management is not significantly more complicated than running a fund. "Some clients have additional reporting requirements, which can create extra work for the team," he acknowledges. "It's straightforward, it just takes time and someone needs to do the work."

From Grant Loon's experience, investing through an SMA structure can be "a double-edged sword as contractually, capital can be pulled away quite quickly." Despite this risk, he considers SMAs a valuable tool for emerging managers without an extensive track record, providing a faster path to growing assets under management. "If you're not an established manager with a long track record and a suite of funds, the velocity of AUM growth is often going to come via an SMA or a group of SMAs," says Loon. "It's very difficult to ignore SMA investors these days."

Compared to a co-mingled fund, onboarding investors through SMAs is a higher touch process. "That naturally has a knock-on effect on your systems, your team, and the routines you have in place. You need to build in the flexibility to handle whatever comes your way," explains Loon. He adds that the growing popularity of SMAs introduces another layer of complexity. "SMA investors often have their own setups with prime brokers and administrators. There's no guarantee that you can plug an SMA into the same prime broker or administrator you use for your fund," he notes. "This can mean dealing with a completely new entity, new routines, and new technology, which may create delays during onboarding."

Loon recommends that managers build in flexibility from the outset. "You need to set up systems and routines that allow you to be highly flexible," he explains.

> "Looking at the additional work SMAs generate, we don't see any of it as high-impact work that should fall on our clients."
>
> Stephen Roberts

While SMAs can accelerate asset growth, helping managers move from $50 million to $200 million more quickly than relying solely on a commingled fund, he notes there are trade-offs. "It typically comes with lower fees and customized reporting requirements." On the topic of SMA capital stickiness, Loon says he has not seen significant unforeseen withdrawals. "The capital tends to be relatively stable, and if you maintain a good relationship with your investors, you usually get adequate notice. It's not much riskier than someone redeeming a large chunk from a commingled fund."

From the service-provider perspective, Stephen Roberts of CWAN emphasizes that managers taking on SMA investments should not, in principle, face a significantly heavier workload, since most processes can be automated. "Looking at the additional work SMAs generate, we don't see any of it as high-impact work that should fall on our clients," says Roberts. He highlights tasks such as managing extra allocations, handling cash and swap accounts, performing additional reconciliations, and exchanging more files with prime brokers, middle-office providers, and administrators. "All of this can and should be fully automated, removing the burden from the manager," he explains. Roberts also notes that SMA growth is a structural trend. "This is a trend that isn't going away, but with the right technology, it doesn't have to be as burdensome as it currently seems."

Katarina Carlbring from Nordkinn Asset Management adds that SMA arrangements require flexibility on the investor side as well. "It is very important that the investor

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Daniel Mackey, Protean

is open to adding counterparties if they do not already have coverage for all of ours," she notes. Nordkinn, for example, relies on several Nordic-based counterparties that may not be part of the standard setup for large SMA investors, who often work primarily with major international or U.S. banks. "Having investors who are willing to accommodate our counterparties would make the onboarding of SMA capital significantly smoother," Carlbring explains.

Daniel Mackey adds that SMA investments can often drive meaningful efficiency gains for managers. "With SMAs, prime brokers have a well-developed reporting and integrations in place both for our use and for clients," he explains. "And the PMS and OMS providers are able to support automated file flows and straight-through processing." According to Mackey, this evolution in infrastructure has fundamentally changed what is feasible. "If you had asked about this ten years ago, this level of efficiency would have been hard to imagine."

> "With SMAs, prime brokers have a well-developed reporting and integrations in place both for our use and for clients."
>
> Daniel Mackey

DATA, DATA QUALITY AND DATA ANALYTICS

The growing complexity of regulatory reporting, investor expectations, and technology-driven workflows has placed data at the core of modern investment operations. The preferred operating model for many involves centralized, accessible data architectures that allow firms to build their own analytics, reporting, and operational workflows on top of a reliable data backbone. "Whether it's regulatory reporting, using AI, or any other operational requirement, it all ultimately comes down to accessing data," explains Stephen Roberts at CWAN.

According to Roberts, "the evolution has taken us from legacy monolithic systems that could be configured to do almost everything, but were expensive and cumbersome, to lightweight SaaS solutions that reduced cost but limited flexibility." He now expects the next step, which involves using a core system that centralizes all the data in one place and is open enough to let firms build their own views, reporting, and integrations. "With centralized data and open API access, teams can solve problems themselves, especially if they have the technical literacy to leverage it." Patel reiterated this point, noting that he sees flexibility as key and that IG Prime has built this into their offering to ensure a "client-led" approach to how they interact with providers and how they consume and process their data.

Catharina Östring explains that her team at Coeli has invested effort and resources into "creating our own data warehouse, consolidating all the data into an internal system where we can use it directly." While there are providers offering similar services, Östring emphasizes that Coeli wanted to retain full ownership of its data. "Having the data in-house allows you to tweak it in the ways you need, whether to generate reports or to add checks and balances at certain points." She adds that it's not just about reporting: "It's also about providing everyone with accurate data, for example, platforms and other stakeholders, where you need to be seen and ensure the data is correct. Managing this without your own data structure is extremely difficult."

Östring emphasizes that ensuring data quality is critical. "That should be the top priority," she says, adding that it is equally important to "provide access to data across the organization to uphold that quality." She explains that it's not sufficient for technical staff alone to review


David Bergquist, Volt Capital Management

the data, since they are not the ones using it for risk calculations or decision-making. "Everyone in the organization needs to see and work with the data on a daily basis," she stresses. "You can't just collect data and layer technology on top. For quality to be maintained, it has to be actively used by everyone, every day."

To ensure high-quality data, Martin Redgård at Finserve prefers sourcing the same data from multiple providers and consolidating it in one place. "By comparing data across providers, you can pinpoint errors in specific streams," says Redgård. He explains that he aggregates all data from various providers and APIs for each instrument. "If the sources are largely aligned, you can reasonably assume the data is correct. But if one source deviates, it's usually safe to assume that the outlier is incorrect. Having overlapping data from different providers is a reliable method to ensure accuracy, provided you have the systems in place to manage it."

Daniel Mackey of Protean observes that the talent emerging from universities today reflects a shift in the skills firms are prioritizing as they build more data-driven organizations. "Compared with five years ago, the

"By comparing data across providers, you can pinpoint errors in specific streams."

Martin Redgård

Stephen Roberts, CWAN

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Petter Mattsson, Alcur

people we would aim to hire now have much stronger programming and data skills," says Mackey. "Having these competencies helps us operate more effectively by automating routine processes and improving data quality."

ARTIFICIAL INTELLIGENCE AND AUTOMATION

This broader discussion about data naturally leads to the final question: the growing role of AI and automation. Many of the industry's challenges and opportunities are fundamentally data questions. Once firms have clean, centralized, and accessible data, they are positioned to harness AI-driven tools, automate workflows, and ultimately redesign their operating models around intelligence rather than manual intervention.

Catharina Östring notes that Coeli is "keeping a very open mind toward AI," actively exploring and experimenting with potential applications. While the team has not yet deployed AI in core processes or routines, "we are monitoring developments closely and evaluating where AI could play a role beyond the typical use of ChatGPT or Copilot for everyday, non-critical tasks." Östring emphasizes that AI has not been integrated into formal workflows, but the firm is carefully tracking advancements. "We are watching to see what becomes viable, and it's clear that progress is moving rapidly."

Östring adds that opportunities to leverage AI are becoming increasingly apparent across the organization, especially with emerging agent-based tools that the team has started experimenting with. However, she emphasizes that Coeli is not yet ready to deploy AI in mission-critical processes. "We need to be more confident in the technology before integrating it into vital workflows."

She also underscores the importance of distinguishing between true AI and conventional automation. "System suppliers love to say they use AI, but in many cases it's not really AI; it's just algorithms and similar techniques," Östring explains. "As for real AI, my sense is that the solutions currently available in the market are not quite there yet."

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Martin Redgård at Finserve explains that the most effective way to use AI is "to trap it into a small room of data and control exactly what inputs go in." He cautions against allowing AI to generate interpretations from external sources or open-ended data scraping. "You cannot let AI loose on the Internet and ask it for assumptions. You will get a lot of shadow thoughts back." Instead, he argues that AI works best in narrowly defined, controlled processes.

He uses ESG analysis as a practical example. Many managers receive large sets of ESG metrics through APIs and must routinely review them to update internal risk dashboards or investor reporting. Redgård explains that AI can be instructed to operate only within this fixed dataset, applying rules, checking thresholds, and flagging anomalies. "If you have an API and you download a number of ESG parameters, you can have an AI function look only at that data and comment only on that," he says. "That is the new frame: you trap it in a little room and then allow it to make its commentary to help make the process slightly quicker." Even in a tightly controlled environment, he cautions that human oversight is essential. "You still need to double check everything."

Ahmed Patel of IG Prime offers a helpful analogy for understanding the current state of AI in organizations. He suggests that AI today resembles "an intern analyst at this stage." As Patel puts it, "It is great as a research assistant. It's like having an intern work for you." In his view, AI is not yet capable of handling more senior, judgment-driven tasks. "Is AI quite at an associate level yet? Probably not. I guess that's where it's trying to get to," he explains. "For now, it's very much at that intern-working-for-you level." For now, however, "we have seen little in the way of client requests for AI capabilities and the focus remains on data quality and integrity, something IG Prime continues to focus on."

Echoing Redgård's observation, Daniel Mackey at Protean emphasizes that AI works best when its "in a box," confined to a controlled dataset. He cites examples such as tools for analyzing earnings call transcripts, which help users navigate large volumes of information, or Bloomberg's experimental AI search function. "It will be interesting to see how reliable these tools are when they're limited to a closed dataset," he adds.

For Protean, as a stock-picking boutique, tools that analyze company earnings transcripts are especially valuable, though concerns about data accuracy remain. "Pulling the last eight quarters of transcripts for a company and extracting what matters is really useful," Mackey says. The challenge, he notes, is ensuring that the correct data is retrieved. "The question is who goes back and checks that the numbers are accurate for the entire period?" He concludes that the best use of AI for gathering and processing data is when it is applied within a controlled environment.

> "We have seen little in the way of client requests for AI capabilities and the focus remains on data quality and integrity, something IG Prime continues to focus on."
>
> Ahmed Patel

Katarina Carlbring from Nordkinn emphasizes the importance of using AI to "understand what it can answer and what it cannot." She has found AI useful for navigating new regulations, as it can locate the relevant rules online and provide, for example, summarized answers or highlight key points. "Those might not always be the most important points, so you need to know the subject well to judge whether the answer is correct or not," Carlbring stresses. "It can already save time, but you have to be very aware and use it the right way."

Petter Mattsson from Alcur points out that AI has matured very quickly, especially in the interaction between human intelligence and artificial intelligence over a short period. "We are just starting to get a grip on where AI is strong and where it can actually provide us with value," says Mattsson. He notes that, so far, the most widely used application is large language models. "They are useful for structuring information, but that's essentially all they do right now," he explains. "That's why, at least for me, it's very clear that AI is not going to be useful in the investment process anytime soon."

David Bergquist from Volt, speaking from a systematic manager's perspective, emphasizes the difference between large language models and machine learning. "As a systematic manager, we use machine learning tools and techniques directly in our investment process," he explains. On the other hand, LLMs are more limited. "The analogy to a junior associate is accurate, you can have them draft something, but you would never let it manage a discretionary client account."

Building on the discussion, Katarina Carlbring of Nordkinn highlights the use of heavily automated processes to support investment management. "We have a master student now building a model for us to forecast inflation," she explains. While this work is not AI in the strict sense, it involves "programming, mathematics, and statistics to use the data, cross-check it with other sources, and build a model that is reliable and usable for us." She notes that AI could eventually play a role in investment decision-making and modeling. But for managers such as Nordkinn, "it's likely to be some time before we can integrate it directly into our models, although we already today use AI to improve efficiency in coding."

Grant Loon notes that "managers are keen to integrate AI into the investment and portfolio management process, but have struggled to develop a compelling, viable use case." He adds that, at present, "AI is likely to deliver the most immediate value in written outputs, particularly in research and basic analysis." According to Loon, AI and automation can help process large volumes of information more efficiently and highlight key insights. "But I have yet to see it relied upon for making any investment decisions."

Loon points out that the broader AI discussion has put the focus on automation throughout the organization. "People are constantly looking for ways to improve operational processes," he explains. For instance, it may be as simple as using existing technology to better filter and distribute communications within a firm to avoid the inefficiencies of sifting through an overflowing inbox. "That's not AI, but these improvements are happening partly because AI is such a prominent topic."

Martin Redgård at Finserve emphasizes that the usefulness of AI depends heavily on the user. "If you use AI for more than just mundane tasks, you need to be very knowledgeable in the area you're asking it to work on, so you can verify the output," he explains. He gives an example from programming, noting that AI has likely saved him countless hours by helping to create frameworks that he can then refine or customize. "AI is a very powerful tool, but its usefulness ultimately reflects your own expertise."

Conclusion

The discussion underscores how the COO function is becoming the connective tissue of the modern asset manager. Whether the starting point is trade lifecycle efficiency, regulatory readiness, SMA scalability, or the integrity of data feeding every decision and disclosure, the operational challenge is rarely confined to one team or one system. The roundtable makes clear that technology is not a silver bullet, but it is increasingly inseparable from sound governance and day-to-day execution. In that sense, operational excellence is shifting from being a support function to a source of strategic advantage, helping firms respond faster to investor requirements, reduce operational risk, and preserve agility in a market where change is now constant.

Looking ahead, participants are broadly aligned on the direction of travel. Firms will continue to build toward straight-through processing where possible, but the real differentiator will be the ability to manage complexity without losing control. That means identifying the right external partners and service providers, treating data as an owned asset, designing operating models that can absorb new regulations without repeated reinvention, and adopting automation and AI with clear boundaries and accountability.

Perhaps just as importantly, the session highlights the value of shared experience in a landscape where interpretations, vendor claims, and best practices evolve quickly. The appetite for an ongoing Nordic COO forum suggests that operational leaders are not only adapting internally, but also looking to collaborate more across the community.

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