



The Outsourced Trading Handbook

2026

Another year of significant change in the world of outsourced trading as client priorities shift and talent becomes the big talking point

**PLUS: THE GREAT
TRADING MIGRATION
| SHIFTING THE
OUTSOURCING GEAR
INTO REVERSE |
THE FOURTH ANNUAL
OUTSOURCED TRADING
SURVEY**



Accelerate your edge. One market-leading solution at a time.

Cutting edge trading solutions and access to a wide range of financing opportunities, so you can seize opportunities faster than you ever thought possible.

Learn more at statestreet.com/markets

This communication is provided only to professional clients or eligible counterparties or their equivalent by State Street Bank and Trust Company or, where applicable and permissible, its bank and non-bank affiliates ("State Street"). Products and services described herein may not be available in all jurisdictions or through all State Street entities. This communication and the information herein does not constitute investment, legal, or tax advice and is not a solicitation to buy or sell securities or any financial instrument nor is it intended to constitute a binding contractual arrangement or commitment by State Street of any kind. The information provided does not take into account any particular investment objectives, strategies, investment horizon or tax status. Past performance is no guarantee of future results.

Welcome to the fourth annual Outsourced Trading Handbook!

Back when we first started, this was very much a divisive topic, where much of the content was geared towards dispelling myths and outlining the actual use cases for outsourced trading.

In the second edition there was very much a focus on the rise of co-sourcing as a concept, as opposed to full outsourcing, and the question of whether the terminology of 'outsourced trading' was possibly not the appropriate umbrella term.

Once theses phase seemed to pass (kind of) we entered the era of a shifting provider landscape where some consolidation and surprise exits redrew the provider map and boosted those who captured new business.

This year we have entered the talent wars in outsourced trading!

Much of the coverage over the past 12 months on The TRADE's website has revolved around personnel moves – some between existing rivals, others where firms exiting has launched talent into the market, and finally, from the buy-side to the world of outsourced trading. There have been some big moves!

This concoction of drivers does seem to have led to talent flowing into the world of outsourced trading (which itself makes for a healthy debate) and providers tell us they are buying skills beyond execution, namely: relationships, judgement, temperament, the

Four years ago, we started this handbook to cover one of the prominent themes of trading and execution in more depth, and with each annual publication we seem to be presented with a new theme based on some wild twists and turns which have occurred throughout the year.

ability to read what a portfolio manager actually wants and treat someone else's order with the same care you'd give your own book. You can't necessarily hire that from a graduate scheme.

But this handbook of course has to have balance, why is why we also takes the handbrake off and ask the question the sector doesn't love: what about the firms that looked hard at outsourcing and said no?

We spoke to buy-side heads of trading who've been through the evaluation first-hand, and it's a genuinely useful corrective. There's real institutional knowledge sitting on established desks and some firms have concluded that handing it over costs more than it saves.

Which brings us to the survey. This is its fourth iteration and now has enough data to spot a trend rather than just describe a snapshot. This year we received ratings for 23 firms.

The headline is a good one: the global average rose to 6.05, the first increase in the survey's history, with 73.1% of our respondents rating their provider 'very good' or

'excellent' and, remarkably, nobody scoring below 'satisfactory'.

But the more revealing findings are underneath. 'Relationship management' has overtaken execution as the top-scoring category. 'Technology and automation' debuts as the weakest. And the two-year march towards full outsourcing has gone into reverse, with co-sourcing edging back into the lead for the first time.

Put the three pieces together and the picture is consistent. Talent is flowing in, providers are being judged on more than execution, and clients are getting choosier about exactly which bits of the trading function they hand over. That's not a market losing momentum – that's a market growing up.

Enjoy the handbook.

Jonathan Watkins
Publisher,
The TRADE
& Global Custodian



For many investment managers, the pressure on trading teams continues to grow. Firms are expanding into new markets and strategies while facing increasing operational demands, often without a corresponding increase in resources.

Once viewed primarily as a way to reduce costs or replace internal infrastructure, outsourced trading is increasingly being used to help firms extend trading coverage and support growth without building additional infrastructure. By combining global market access, scalable technology, and experienced trading professionals, the outsourced model can support expansion into new markets and additional asset classes, and operate seamlessly across time zones.

Why is the conversation around outsourced trading changing?

Investment managers are being asked to support more markets, asset classes, and investment strategies while managing rising technology, data, regulatory, and connectivity requirements. Many also need broader time-zone coverage, but building a fully staffed trading operation in every region may not be practical.

As a result, outsourced trading is moving beyond its traditional cost-reduction narrative. Firms are increasingly considering how a trading partner can complement internal resources, provide trading expertise, and deliver operational support that may be challenging to build independently.

For many firms, the discussion has shifted from reducing costs to ensuring the trading function can facilitate expansion plans without becoming an operational bottleneck. This is where

AGILITY AT SCALE

DANIEL MORGAN, global head of portfolio solutions, State Street, unpacks how outsourced trading is enabling growth.



organisation across the trading lifecycle in a way that is flexible, transparent, and aligned with the manager's operating model.

outsourced trading can play a more strategic role, helping firms align execution capabilities with their broader investment and growth objectives.

What distinguishes today's model from traditional outsourcing?

The modern model is better understood as a trading partnership rather than a simple outsourcing arrangement. The investment manager retains control over investment decisions, while the external desk provides execution capabilities, market access, infrastructure, and global coverage.

Some firms use a partner tactically for volume peaks, business continuity, or regional coverage. Others adopt a more strategic model spanning additional markets, asset classes, and operational responsibilities. The goal is not simply to transfer execution, but to extend the capabilities of the investment

How can a trading partner support growth?

Growth often creates trading requirements before there is sufficient scale to build dedicated in-house resources.

Expansion into emerging markets, fixed income, active ETFs, or other strategies requires local market access, broker relationships, extended-hours coverage, and new operational processes. A global trading partner can provide established infrastructure, connectivity, and execution expertise, helping a manager pursue opportunities without building a complete regional or product-specific trading operation.

This can be particularly valuable when entering a new market or launching a new strategy, where the supporting infrastructure is in a nascent stage.

What role does technology play?

As trading activity grows,

processes that work effectively at a smaller scale can become more difficult to manage consistently, especially during volatile market periods when volumes rise quickly and manual processes may create operational risk.

Modern platforms can align with varying tolerances, benchmarks, and diverse execution objectives across funds, mandates, and investment strategies, enabling a more consistent approach across different client requirements. They also strengthen transparency, governance, and oversight throughout the trading process.

The objective is not automation for its own sake, but a resilient operating model that can withstand market stress and support future growth.

Why does the human factor remain critical?

Execution is not purely mechanical. Portfolio managers often rely on traders to interpret instructions, understand risk sensitivities, respond to market conditions, and communicate in a way that fits the investment process.

Portfolio managers with similar investment objectives can still differ in their expectations for trade execution and communication.

While some managers prioritise speed and certainty, others may focus on market impact, information dissemination, or real-time dialogue.

Accommodating these differing priorities requires a flexible operating model that can adapt to each manager's preferences. The strongest approach combines the scale and consistency of technology with the context and judgment of experienced traders.



How is the role of the outsourced trading provider expanding beyond execution?

Clients increasingly expect outsourced trading providers to support the broader trading process, not simply execute orders. As operating models become more interconnected, firms are looking for greater coordination across activities that have traditionally been managed separately.

Responsibilities may include transaction-cost analysis, reporting, settlement coordination, currency requirements, and commission management. Providers are also being asked to help administer research budgets and direct payments to important research providers based on client-approved priorities. This positions the outsourced desk as an extension of the client's trading operation, providing greater coordination, transparency, and integration across the trading lifecycle.

Does outsourcing mean giving up oversight or control?

In short, no it does not - successful outsourced trading relationships are built on clearly defined responsibilities rather than the transfer of decision-making authority.

The investment team continues to make decisions, while the provider operates within agreed execution parameters and communication protocols. Transparency, transaction-cost analysis, and reporting are central to effective oversight. Managers should also consider how the provider fits into the broader operating model.

Securities execution, currency requirements, data, reporting, and settlement coordination should not be treated as separate activities. The objective is to retain decision-making authority while gaining a more scalable framework for execution and operational support.

What should firms look for in a trading partner?

Market access and execution capability are essential, but they are only the starting point.

Managers should assess whether a provider can support the wider trading lifecycle, including technology connectivity, analytics, reporting, settlement coordination, currency requirements, and, where appropriate, commission and research budget administration. Equally important is the provider's ability to understand the manager's investment process, communication preferences, and definition of successful execution.

Ultimately, firms should look for a partner that can integrate effectively with their investment process and operating model. Strong execution remains essential, but long-term success also depends on communication, transparency, and a provider's capacity to adapt as the firm's business evolves. The right partner should bring execution expertise, operational discipline, and the agility to respond to changing investment requirements.

“For buy-side traders, outsourced trading can also offer a more diversified and potentially less risky career path.”

JACK SEIBALD, GLOBAL CO-HEAD
OF PRIME BROKERAGE AND
OUTSOURCED TRADING, MAREX





THE GREAT TRADING MIGRATION:

Why senior institutional talent is moving to outsourced trading

For many years, the career progression for a trader has been relatively clear cut – gradually move up the ranks to increasingly senior roles – eventually landing at positions, such as head of desk or execution strategy lead. However, the tide appears to be turning on this much-trodden path, and an increasing number of traders are choosing a different journey.

Recently, outsourced trading firms have attracted more and more top talent from both the buy- and sell-side, spanning senior traders, heads of trading, managing directors and individuals boasting decades of institutional experience in positions across the more ‘traditional’ sector of the industry, particularly from asset classes such as fixed income, equities and derivatives.

As this senior talent increasingly accumulates in the outsourced trading space, the impact that this has had in the sector, and the shift in dynamic and capabilities it has triggered, is palpable.

With a growing number of senior traders and heads of desk turning to outsourced trading firms as an alternative to the traditional career ladder, **Natasha Cocksedge** unpacks what is driving this migration, what outsourced providers value most from buy- and sell-side hires, and key outsourced misconceptions which must be addressed.

As Raymond McCabe, founder and managing partner at Outset Global describes: “The short answer is that the centre of gravity in [outsourced] execution has moved.”

As this shift becomes more tangible across the industry, aligning with outsourced trading’s increasingly cemented role as a familiar model for many institutions, what was once a niche operational service is arguably becoming a top destination for notable talent.

Hence, the central question emerges: What is driving this migration of talent, and what are outsourced trading firms looking for in the institutional pool?

Like a moth to a flame?

When placing a lens on why senior institutional traders and heads of desk are turning to outsourced trading firms for their next career steps, the common answer lies with the shifting evolution of traditional trading positions on both the buy- and sell-side.

In some instances, the last decade or so has slowly seen the trading function become ‘juniorised’, as senior buy-side seats become less frequent and compressed, while managing director roles on buy-side desks diminish.

This change has inevitably

“When a trader who has spent 20 years running a book looks at where they can still touch multiple asset classes, every region, and every type of mandate in a single seat, the outsourced model is now often the most compelling answer.”

RAYMOND MCCABE, FOUNDER AND MANAGING
PARTNER, OUTSET GLOBAL

led some senior industry participants to shift their gaze towards outsourced trading firms for different opportunities. Explaining this, McCabe asserts: “Senior practitioners noticed that the most interesting flow, the most varied mandates, the best client relationships, and the longest career runway had all migrated to outsourced desks.

“When a trader who has spent 20 years running a book looks at where they can still touch multiple asset classes, every region, and every type of mandate in a single seat, the outsourced model is now often the most compelling answer.”

On the sell-side in particular, a growing number of cash equities traders have begun to seek out alternative career paths, largely as a result of trading volume electrification steadily reducing the necessity for traders and sales staff.

Despite this, however, the migration of buy-side traders into outsourced trading is more significant than on the sell-side, largely down to the inherent design of an outsourced trading desk to replicate a buy-side desk, making it fundamentally different to its sell-side counterpart.

For Jack Seibald, global co-head of prime brokerage and outsourced trading at Marex, this

movement of buy-side traders reflects several broader trends. In particular, Seibald highlights that the outsourced trading industry has matured significantly over the last decade, garnering broader institutional acceptance, helped in part by the years surrounding the global COVID-19 pandemic.

Seibald tells The TRADE that from his perspective buy-side traders appear to value the fact that outsourced trading can offer a more diversified - and potentially less risky - career path.

He explains: “Instead of being tied to a single fund or portfolio manager - whose performance, business decisions, or retirement plans directly affect your livelihood - traders gain exposure to multiple managers, strategies, asset classes, and geographies.

“It’s both challenging and rewarding. Traders have the opportunity to broaden their skill sets, work across different markets and asset classes, and collaborate within more diverse teams that can provide a wider range of solutions to clients.”

Specifically, diversified risk across multiple clients is also a top attraction for buy-side traders considering the jump to outsourced trading, allowing firms to align to the success of several portfolio managers, rather than carrying a single-point risk.

Aaron Hantman, chief executive and founder of Tourmaline, echoes this: “Traders gain exposure to a wide range of portfolio managers, traders, and accounts rather than operating within a single organisation. In addition, the equity and partnership opportunities that once attracted traders to hedge funds are less common today, reducing the compensation gap.”

In addition, the fact is that working on the buy-side is by nature a pressurised environment, with desks often leveraging more than one trader to cover global trading on a 24/5 basis.

As McCabe explains, this “only leads to burnout,” adding that this is a frequently seen phenomenon, “especially prevalent in Asia”.

Hence, while the factors driving talent migration are varied, they



These ties are equally important when it comes to outsourced trading, and for many of these firms, are a key quality in the hiring process. In particular, this brings out a focus on

the senior buy-side as an attractive hiring pool for outsourced trading, due to strong relationships with peers and other industry participants nurtured during years of experience.

For Hantman, this can sometimes mean hiring former clients – a decision based on years of working together, understanding their capabilities, and ensuring a cultural fit.

He tells The TRADE that although relationship portability is a key factor when it comes to sell-side hires, the valuable networks held by buy-side traders are indispensable.

He also goes on to explain why there is less hiring draw from the sell-side as opposed to their

“Interestingly, while sell-side firms often hire for relationship portability, we've found that top buy-side traders naturally bring valuable networks.”

AARON HANTMAN, CHIEF EXECUTIVE AND FOUNDER, TOURMALINE

ultimately point to a broader reassessment of what constitutes an attractive long-term trading career.

For many senior traders and industry participants, outsourced trading increasingly offers an attractive blend of opportunity, stability, and relevance that traditional roles struggle to match.

McCabe affirms: “Senior people are leaving banks and traditional buy-side seats for outsourced

desks because the work is more interesting, the alignment is cleaner, and the seat is more durable.”

The flip side

As is commonly seen across many sectors of capital markets, the importance of fostering and maintaining strong industry relationships is essential, and can sometimes be the difference between a successful trade or not.

buy-side counterparts, stating: “The peers they’ve traded and communicated with over the years often become future clients or referral sources, helping us grow the business organically [...] We’re not opposed to hiring sell-side traders, particularly those with buy-side experience or whom we’ve known through prior relationships.

“However, we haven’t hired directly from the sell-side in several years. Sell-side trading desks have become smaller and leaner, and the traders who remain tend to have significant responsibilities and are less likely

to move.”

Understandably, for those hiring buy-side instinct and discretion are ‘non-negotiables’ - with the human element front of mind when it comes to building out successful outsourced trading teams.

As McCabe emphasises: “We can teach systems and onboard relationships; we cannot teach the temperament needed to handle a portfolio manager’s order with the same care you’d give your own book.”

Moreover, the draw for senior traders or heads of desk, while evident due to their experience, is also valuable for outsourced trading firms looking to strengthen and cement their offerings, due to their capacity to fluidly understand markets, and leverage their expertise in owning entire execution lifecycles, rather than just clicked tickets.

However, culture appears to be the capacity often skipped over by many, again playing into the importance of relationships and the ‘people business’ side of trading.

“Multi-asset literacy matters more every year, as does fluency with TCA and execution analytics and a deep sell-side network,” adds McCabe.

“Cultural fit is probably the most underrated criterion: this is a service business at its core,

“We’re no longer asking whether or not an outsourced trading firm will be chosen to support a [bank or fund’s] trading needs, it’s nearly always a yes.”

MORGAN RALPH, HEAD OF OUTSOURCED TRADING,
CLEAR STREET

and the trader who can manage six to nine PM relationships with consistency and grace will outperform a more ‘talented’ trader who can’t.”

This preference for hiring experienced buy-side traders is also closely linked to how outsourced trading firms position themselves within the wider trading ecosystem.

More often than not, instead of competing with investment banks, outsourced providers are increasingly serving as extensions of the buy-side, and work alongside sell-side counterparties to execute client flow.

As a result, outsourced firms are often looking for traders who not only understand the priorities of portfolio managers, but who can also leverage long-standing relationships across the sell-side.

Emphasising this, Seibald comments: “One of the most important industry developments over the last six or seven years is that the major bulge-bracket

banks and prime brokers have come to view outsourced trading firms like ours as clients and partners rather than competitors.

“They’ve realised we’re not replacing their institutional trading desks, we rely on those desks to execute orders for our clients. Our clients still allocate budgets to the banks for research, corporate access, and deal flow, so we direct significant trading activity back to them. In many cases, we share the same clients: we may handle outsourced trading while the bank provides prime brokerage and research services.”

The wrong end of the stick?

Misconceptions about the relationship between outsourced trading firms and traditional banks, and the competition they present have also surfaced frequently in discussions about the institutional movement of talent.

Currently, the outsourced



trading industry is, as described by Morgan Ralph, head of outsourced trading at Clear Street, as being “in a very healthy place.”

As outsourced trading becomes an increasingly viable part of the wider industry, and a growing number of institutional traders begin to transition to these firms from the buy- and sell-side, the common question to often surface from this is: where does this leave traditional banks, and how can they compete?

In some cases, outsourced trading can have a knock-on impact on banks in particular, and as Hantman adds: “When somebody asks me, is the outsourced trading community eating away at the very dominant domain of the banks? The answer is in some cases they are and they are disintermediating.”

However, he also emphasises that this is not always the case, stating: “I don’t think it’s become overly noticeable, but our way of doing business does not do that.”

During conversations with industry professionals in the space, the competition angle is not one that is tangible for many participants, and outsourced trading is viewed more as a pillar for the industry, rather than an opponent.

Explaining this, Ralph asserts: “We’re no longer asking whether or not an outsourced trading

firm will be chosen to support a [bank or fund’s] trading needs, it’s nearly always a yes. Where we see growth is in co-sourcing opportunities where the outsourced trader is brought in alongside an established internal trading team and viewed as a partner in supporting the execution requirements of the client.”

When referencing the influx of senior traders into outsourced trading firms, conversations on this topic are also quick to emphasise that this is not done for the purpose of contending with banks.

Echoing similar sentiment to Ralph, McCabe emphasises the importance of synergy and relationships with banks and brokers for outsourced trading firms.

He states: “Hiring senior traders

to deepen the service we offer existing clients is not the same as competing with banks for their book of business. Banks and brokers remain the liquidity providers we work with every day; a strong outsourced desk should be among their largest and most valued institutional clients, not a competitor to them.

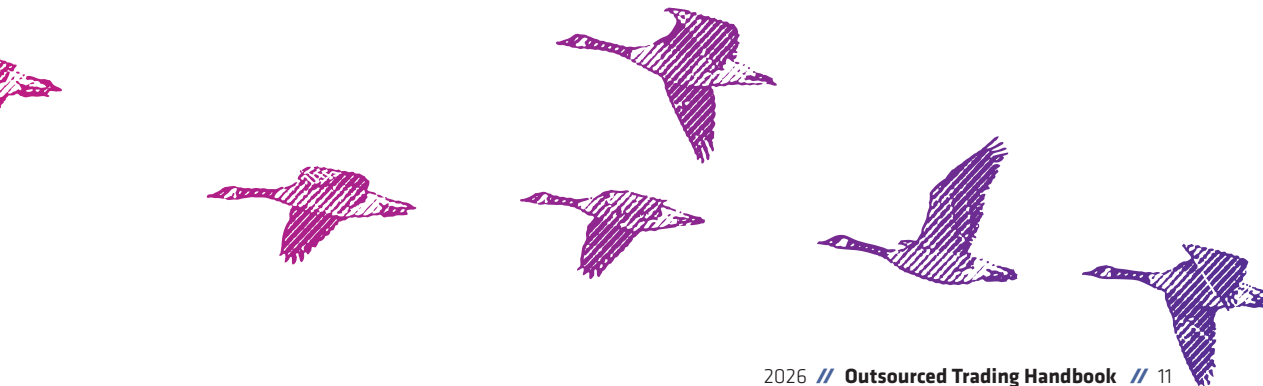
“Firms that blur that line tend to end up offering something that looks less like outsourced trading and more like a re-branded brokerage business.”

The question of competition with banks and ‘blurring lines’ also becomes more complex when considering that outsourced trading encompasses several distinct operating models, rather than falling under a single umbrella.

For Hantman, understanding this is critical, and failing to

“One of the most important industry developments over the last six or seven years is that the major bulge-bracket banks and prime brokers have come to view outsourced trading firms like ours as clients and partners rather than competitors.”

JACK SEIBALD, GLOBAL CO-HEAD OF PRIME BROKERAGE AND OUTSOURCED TRADING, MAREX



distinguish between these models has fuelled misconceptions about the role these firms play in the wider ecosystem.

“What often gets overlooked is that there are fundamentally different outsourced trading models with different business structures, service offerings, and routes to market,” he argues.

“They’re all grouped under the same label, but they’re not the same. The distinction matters because we can generally deliver the core trading proposition offered by other models. For clients using custodial or broker-affiliated solutions, we can often provide the same operational efficiency while delivering stronger trading performance through our independent market relationships and coverage.

“Where we differ is that we don’t offer services such as custody, prime brokerage, or bundled research. As a result, many providers prefer the market to view all outsourced trading solutions as interchangeable,

“What often gets overlooked is that there are fundamentally different outsourced trading models with different business structures, service offerings, and routes to market.”

AARON HANTMAN, CHIEF EXECUTIVE AND FOUNDER,
TOURMALINE

when in reality the underlying models and value propositions can be very different.”

Will the tide turn?

Evidently, the influx of senior talent suggests outsourced trading has reached a new stage of maturity.

In particular, what was once viewed primarily as an operational solution is increasingly becoming a destination for some of the industry’s most experienced traders, offering broader mandates, greater diversification and a different kind of career longevity.

As the boundaries between

traditional trading desks and outsourced firms continue to evolve, the firms that succeed will likely not be those with the most technology alone, but those capable of combining institutional experience, trusted relationships and execution expertise into a compelling extension of the buy-side.

If the current flow of senior talent is any indication, the industry’s career map is already being redrawn, and as buy- and sell-side migration to the outsourced desk builds momentum, this may prove to be one of the most telling indicators of where the future trading desk is headed.

“We can teach systems and onboard relationships; we cannot teach the temperament needed to handle a portfolio manager's order with the same care you'd give your own book.”

RAYMOND MCCABE, FOUNDER
AND MANAGING PARTNER,
OUTSET GLOBAL



**Subscribe to
alerts with
THE TRADE
Daily Newsletter**



**Sign up to The TRADE's free
daily newsletter for all the
latest news and features.**



THE PENNHAVEN BLUEPRINT FOR OUTSOURCED TRADING

Tell us more about Pennhaven's unique approach within the outsourced trading sphere.

O'Hara: At PennHaven, we take a holistic approach to the trading lifecycle, extending beyond traditional outsourced trading to identify opportunities to create value across the broader operational infrastructure supporting asset managers.

We come from the buy-side with operational and compliance backgrounds where we formerly restructured a stand-alone buy-side trading desk and operational platform into a scalable multi-RIA infrastructure for affiliated asset managers.

With a fully supported in-house OMS provisioned to our clients we expand our services to support the operational buy-side requirements to trading, including settlements, reconciliation, pre-trade compliance management, and supporting any trade breaks that may occur across both institutional and retail orders with directed trading.

Lilly: We further complement our buy-side managed service through our regulated broker-dealer, which provides full sell-side execution capabilities. This structure aligns execution with

As outsourced trading evolves beyond execution, PennHaven is positioning itself as a broader trading and operational partner, combining institutional execution with OMS, compliance, settlement and reconciliation support. The TRADE sits down with **DONALD O'HARA**, founder and chief executive officer, and **DAN LILLY**, head of trading at PennHaven, to unpack this landscape, and look to how this may progress in the future.



operational support, maintains transparency, and facilitates real-time communication between portfolio managers and our trading team.

The result is an active trading model designed to provide institutional-quality execution while preserving direct connectivity between the investment team and the trading desk.

By leveraging PennHaven's integrated sell-side and operational capabilities, clients can realise both operational

and economic efficiencies. Our managed-service model allows firms to reduce the fixed costs associated with maintaining an internal trading and operations infrastructure while converting those expenses into a more scalable, variable cost model.

As outsourced trading becomes a more established part of the buy-side operating model, how does Pennhaven's offering differentiate itself and stand out?

O'Hara: We are a fully supported operational platform with an



Donald O'Hara



Dan Lilly

available trading desk led by experienced traders. We act like a traditional outsourced trading firm, however we can include a managed service supporting the operational and compliance requirements supporting trading.

Lilly: The integration of an outsourced trading desk with a middle and back office creates a powerful “one stop shop” for asset managers. Couple that with the OMS offering and our additional services, now PM’s have fully functional institution which allows them to deliver value to their clients.

When it comes to what you are seeing from clients, are firms increasingly looking beyond execution to broader support across the trading lifecycle?

O'Hara: When we mention outsourced trading, it means outsourcing all the workflow in support of simple execution. We have invested in technology to allow our clients to expand their product line across different platforms and product types. We cover ETF’s, directed trading, TCA reporting and retail SMA’s in addition to institutional trading. We give our clients a one point of entry to support all their trading workflows.

Lilly: No matter what type of vehicle our clients choose to use to expand their asset base, we want to be there to support the trading.

Looking ahead, what does the next 12 months have in store for Pennhaven - where do you see the biggest opportunities for your own

growth and future milestones?

O'Hara: We continue to enhance our offerings and invest in our technology to support differing trading workflows, especially for retail accounts that trade in sync with institutional trades. We are seeing an active pipeline is supporting international workflows and expect to expand our footprint internationally within the next 12 months.

Lilly: International equity trading is one area where we are seeing a lot of growth, and in 2027 we will continue our push in this area. Additionally, we have begun working to support the industry initiatives to expand the timeframe of trading in US equities, looking to support both the trading and clearing/settlement of these trades.

Shifting the outsourcing gear into reverse

CLAUDIA PREECE speaks to buy-side heads of trading who have seen outsourcing decisions play out first-hand, unpacking the workings behind firms' decisions, the potential impact of an industry overlooking the esoteric knowledge of established desks, and ultimately why some have – upon review – chosen not to outsource after all.

Though outsourcing continues its steady march across the trading world, there remain stories to tell about the firms opting not to travel down that road.

A trend is beginning to emerge wherein some firms – after thorough evaluations – are reversing their desks out of the decision to outsource. Diving into this, multiple buy-side heads of trading spoke to The TRADE about their respective situations.

Due to sensitivities, all spoke under the condition of anonymity.

Where cost savings have in recent times held the most power, several buy-siders remain focused on what an asset manager ultimately gives up in return, and importantly, are effectively proving the established value of dedicated investment teams.

Speaking to The TRADE, one head of trading at an asset manager, asserts: “We decided in the end that our model wasn’t replicable by any of the providers. There’s clearly still a gap in the market if your trading team are in a position to provide a very esoteric service.”

Indeed, the decision is becoming less about cutting costs and more about whether outsourcing can genuinely replicate the expertise, control and execution quality they already have in-house.

The broader trend of smaller or struggling asset managers increasingly turning to outsourcing may remain, but when it comes to an asset manager in a position of strength, choosing to outsource is





increasingly moving off the table.

As one buy-side head of trading tells The TRADE: “For sufficiently large active managers, I think the hurdle for outsourcing the core trading function should be extremely high. A strong internal trading desk isn’t simply a cost centre. It can be an alpha-preservation function.”

For these heads of desks who have been through the outsourced trading discussions from start to finish, the calculation in practice is now perceptibly less about cost and more about capability, with the focus increasingly shifting towards what outsourcing could actually cost in terms of performance.

As another trading head explains: “If outsourcing reduces visible operating expenses but increases market impact, information leakage or missed liquidity opportunities, the firm hasn’t necessarily reduced its costs. It may simply have moved those costs from somewhere highly visible on the P&L to somewhere much harder to measure in portfolio performance.”

Who's in the driving seat?

When it comes to making the decision to outsource, this has long been presented as a relatively straightforward exercise in cost versus efficiency. However, the tables are now demonstrably turning.

As one head of trading explains, the empirical reality of maintaining an internal trading desk is one focused on “employing experienced traders, investing in technology and connectivity, maintaining broker relationships

“A relatively small deterioration in execution quality can easily outweigh the savings achieved by reducing the internal cost base.”

and potentially providing coverage across multiple regions and time zones comes at a cost”.

As a result, outsourcing can therefore appear attractive when viewed from a management-cost perspective.

Yet, there is more to this puzzle than first meets the eye. Reflecting on this, one buy-side head of trading tells *The TRADE*: “This oversimplifies the function because it tends to focus on the cost of the trading function rather than the total cost of execution.”

Echoing this, another trading head affirms that one of the key risks is that the profile and identity of the investment teams can become diluted, which can have a direct impact on areas such as risk pricing, new issue allocations and IPO allocations. They further add that, ultimately, outsourcing can significantly dilute an asset manager’s profile in the market – and in some cases, that profile can disappear altogether.

Elsewhere, one head of trading asserts that the economics need

“Ultimately, outsourcing the execution function does not outsource the asset manager’s responsibility for best execution.”

to incorporate market impact, implementation shortfall, information leakage, access to natural liquidity and the value of direct broker relationships.

“A relatively small deterioration in execution quality can easily outweigh the savings achieved by reducing the internal cost base,” they add.

Speaking to *The TRADE* back in 2024, Rebecca Crowe, managing director and chief operating officer at BNY, explained that the

“An experienced internal trader develops a detailed understanding of individual portfolio managers [...] That relationship becomes part of the investment process and is difficult for an external provider servicing multiple asset managers to replicate.”

decision to outsource, from her perspective, was largely a c-suite level decision.

“In terms of who makes that decision, of course it is down to the people who are motivated by and tasked with looking at overall operating model transformation and cost efficiency – which are generally COO’s and CFO’s.”

Crowe further asserted that speaking to those at the coalface was also a priority at the time, adding that when it came to the more nuanced decisions as to the structure of the outsourced offering, BNY had “seen the gamut – cost efficiency, looking to just

were happening with people who weren’t familiar with the day-to-day running of [the desk] and that can make for very expensive projects, and can make something a very long project when it really doesn’t need to be.

“Since then I think that transparency has shifted where that individual on the executive management team sits with the trading team and says, ‘look, we’ve got client pressure, we want to be open with everybody, we want to say we’ve investigated every angle’, and – crucially – ‘We’ve got to agree’.”

Going further, they explain that after that line of questioning, the discussion understandably becomes more specific – honing in on exactly what services the desk provides, and assessing whether this can be truly replicated.

In the case of firms taking the thorough steps to question whether outsourcing truly equals greater returns for clients, the methodical and comprehensive approach makes for an easier life post-decision not to outsource.

As one buy-side head explains: “Once you’ve done it then you’re clean and it’s never an awkward due diligence or an awkward question because you’ve done it right. When we’re in front of clients now, we can confidently say that we have done a review, spoken to all the providers, and for

clear reasons chosen to keep it in house. There's a clear rationale."

Kicking the tyres before taking the wheel

While outsourcing can look compelling in theory, the experience of putting the model into practice can reveal a more complicated picture. For some asset managers, the benefits of retaining control over execution become clearer once the practical implications around liquidity, broker relationships and best execution are fully considered.

One head of trading shares his experience – highlighting that going through a thorough evaluation allowed the desk a real opportunity to assess outsourcing in practice rather than a more simplistic theoretical debate.

They explain: "At one stage, roughly a third of the firm's trading was outsourced, with approximately another third executed through traditional high-touch brokers and the remainder traded internally through low-touch electronic channels. Over time, that allocation changed as it

"We decided in the end that our model wasn't replicable by any of the providers. There's clearly still a gap in the market if your trading team are in a position to provide a very esoteric service."

was governed by best execution.

"Today, around 70% of trading is handled internally through low-touch execution, 25% through high-touch brokers and just 5% is outsourced, covering simple small ADV orders of less than 1%."

Retaining control internally allowed the trading team to access dark liquidity directly, make their own algo and venue decisions, react more quickly to natural



liquidity and determine themselves when an order genuinely benefited from high-touch broker involvement, they tell The TRADE.

Additionally – and arguably most importantly – the model also allowed the firm to maintain direct relationships with brokers and remain relevant to the Street.

That control also extends to the relationship between the trading desk and portfolio managers.

As the trading head explains:

“An experienced internal trader develops a detailed understanding of individual portfolio managers: their investment horizons, their tolerance for market impact, which orders are genuinely urgent and which can be worked more passively.

“That relationship becomes part of the investment process and is difficult for an external provider servicing multiple asset managers to replicate.”

Information control is another important consideration. A large institutional order represents valuable information and an internal desk can determine when that information should remain within electronic and dark channels, when an order should be exposed to a broker and when a high touch approach is justified.

Ultimately, where do these considerations bring the discussion back to? The question at the heart of any outsourcing decision – is whether the model can deliver the same level of control and execution quality as an internal desk.

Best execution can't take a back seat

One of the most consistent topics raised by heads of trading when discussing outsourced trading with The TRADE is best execution. In particular, questions as to how asset managers can retain

“I think the hurdle for outsourcing the core trading function should be extremely high. A strong internal trading desk isn't simply a cost centre. It can be an alpha-preservation function.”

“When we’re in front of clients now, we can confidently say that we have done a review, spoken to all the providers, and for clear reasons chosen to keep it in house. There’s a clear rationale.”

oversight and demonstrate that they are achieving the best possible outcomes for clients when execution is handled by a third party.

As one head of trading explains: “Outsourcing essentially means you have one broker with no transparency to the underlying counterpart you trade with. It’s very difficult to demonstrate best execution with that structure,” further adding that “the regulator must have a view on this at some point.”

Best execution can of course not fall by the wayside when an asset manager outsources its execution function. One head of trading tells The TRADE that the issue becomes particularly important where an outsourced trading provider is part of a broker-dealer “and incentivised to internalise flow to generate revenue”.

They add: “The primary objective, however, should remain securing the best possible outcome for the funds.”

When it comes to broker and venue selection, asset managers must understand why an outsourced provider is directing flow towards particular brokers and algorithms, and whether commercial arrangements could influence those decisions. In an outsourced model, the incentives are not necessarily aligned, some on the buy-side argue.

“Ultimately, outsourcing the execution function does not

outsource the asset manager’s responsibility for best execution. But, without internal expertise, how can you ensure that you’re achieving best execution,” insists a buy-side head.

Another further emphasises the same point, explaining that “block liquidity is another major consideration”. They add: “Strong internal trading desks develop relationships across the Street over many years and those relationships can provide access to natural liquidity and blocks that significantly reduce market impact.

“Brokers may view outsourced trading providers as competitors, and weakening the asset manager’s direct relationship with the Street can therefore have consequences that aren’t immediately visible in conventional commission analysis or TCA.”

Indeed, best execution – and the regulatory obligation all that implies – does not disappear simply because execution has been outsourced and meeting those obligations also requires significant resource.

Furthermore, the larger the asset manager, the more nuanced the workflow and the more numerous the tasks at hand. These firms require ever-more specific skills

sets to resource properly; an expensive mission.

As one head of desk explains: “With higher expectations come the need for more resource – best execution meetings, client due diligence meetings, pre- and post-trade analysis [...] It’s very difficult to deliver a premium service and build a scalable business.”

Staying the course

Demonstrably, buy-side sentiment towards outsourced trading continues its fluctuations, however, where previously an air of apprehension surrounded the topic, those at the top of their game are now viewing the phenomenon with a healthy dose of respect – as well as a glint of challenge in their eyes.

Though outsourced trading retains its firm grip, there are glimmers of opportunity abound for those buy-side desks willing to go against the tide of change and prove their staying power.

In a time where everything is now more scrutinised than ever, from fees to transparency, what is evidently paramount is having confidence in one’s offering (on both sides).

As one head of trading affirms: “The bottom line is that this is the reality of the market we work in. You have nothing to hide behind and if you’re not thirsty, you don’t achieve anything.”

The buy-side may have lost some key battles, but it appears that it is gearing up to win the war through a systematic approach backed by hard-won, inimitable knowledge, and proven results.

“It’s very difficult to deliver a premium service and build a scalable business.”

Head to TRADETV to watch exclusive content from leading voices across the trading sphere.

Including insights from: Heads of desks, senior traders, execution specialists, technology innovators, and more...



To explore TRADETV video opportunities reach out to serena.franklin@thetradenews.com

OUTSOURCED TRADING SURVEY 2026

In partnership with:

ERGO
CONSULTANCY

Welcome to The TRADE's fourth annual Outsourced Trading Survey, run in association with Global Custodian and Ergo Consultancy. This remains the only industry-wide survey that captures the perspectives of outsourcing clients on the service delivery performance of their providers.

Let us begin with the obligatory 'we can't believe it's been four years already!' because this is ultimately where we wanted to get to – multiple years of data to start building out even more detailed trend analysis.

The four surveys have taken some twists and turns over the years against a backdrop of a provider landscape that has shifted unexpectedly (to say the least). But ultimately, the last three years have painted a picture of consistency, with a range of just 3 basis points overall during that time (see table 1).

From a headline perspective, overarching statistical consistency may appear uninteresting (though don't worry, the deeper we dig, the more juicy things get) however, what this actually reflects is the consistency of the service providers involved in our research - representing some of the stalwarts of outsourced trading.

And do not underestimate the importance of consistency, staying power and reliability, for clients who do not want to have to spend time continually evaluating before beginning the process of onboarding all over again. The well documented exits of some notable names will have only emphasised this importance, meanwhile, many of this year's providers have benefited from an influx of clients and talent.

The sentiment remains that outsourced trading is a growing trend, but on the provider side this hasn't necessarily been linear. There

STEADY AS SHE GOES - AND FINALLY, A LITTLE HIGHER

This fourth iteration of the Outsourced Trading Survey portrays a consistent industry with satisfied clients, along with a shift in priorities for the first time in the research's history.

are plenty of new entrants at the 'boutique' end of the market for smaller funds and managers, but we are still awaiting that swathe of big players sweeping up the 800lb gorillas which we anticipated back in 2023.

What this year's research shows us is relative parity across investment banks, custodians, independents and whoever else might fall into the 'other' category, with no segment standing out above the rest.

The bottom line, once again, is that clients are still happy with their overall service provision, and until the data shows otherwise, service providers continue to deliver on a global scale.

Digging into the big picture data

For the past two years, this survey's introduction has had to make sense of a decline. This year it doesn't, as the global average across all responses came in at 6.05, up three basis points compared to 2025,

representing the first rise the industry average has recorded since the survey began.

It is a small movement, and it deserves to be read as one. The headline series across four years from 2023 to 2026 runs chronologically - 6.36, 6.04, 6.02, 6.05. Most of that opening drop was never really a market getting worse: 2023 was scored on a 10-point scale and converted, which flattered the number, so the like-for-like history really only starts in 2024.

Measured from there, the market has been incredibly consistent - technically flat, up a single basis point over two years - until this year's three-point rise breaks that stasis.

Here's where the industry can pat itself on the back. Of the respondents, 73.1% rate their provider 'very good' or 'excellent', and notably, nobody rated a provider below 'satisfactory' this year. No 'weak', no 'very weak', no 'unacceptable', across the full

Table 1

Category Averages by Year

6.05

is the 2026 average across the nine rated categories, 0.03 above 2025. Relationship Management gains most at +0.26; Trade Decision Support falls furthest at -0.24.

Category	2026	2025	2024	Difference 2026-2025	Difference 2025-2024
Coverage	6.13	6.25	6.21	-0.12	0.04
Execution	6.26	6.20	6.22	0.06	-0.02
Operations and Post-Trade	6.12	6.19	6.23	-0.07	-0.04
Relationship Management	6.41	6.15	6.28	0.26	-0.13
Trade Decision Support	5.76	6.00	5.91	-0.24	0.09
Technology & Automation	5.67	—	—	—	—
IPD Process and Allocations	—	5.25	5.33	—	-0.08
Onboarding	5.98	5.98	6.09	0.00	-0.11
Client Services	6.22	6.15	—	0.07	—
Cost vs Value	5.91	5.99	5.97	-0.08	0.02
Average	6.05	6.02	6.04	0.03	-0.02

response base (see table 2).

Whatever tensions exist in this market (and there are some) they are tensions of degree rather than of basic service failure.

Two categories stand out, but they're not the ones you'd think

Each year when The TRADE comes to analyse this survey, we harp on

relentlessly about 'coverage' and 'execution', the two darlings of the outsourced trading survey. Always garnering the highest ratings and always highlighted as the most important factors when selecting providers. However, this year, two new stars have emerged in the form of 'relationship management' and 'client service'.

'Relationship management' posted the single largest category rise in the survey's history, up 0.26, while 'client service' sees the second highest uptick of 0.07. The latter also soars up the client preference rankings this year, ranked third this year (above 'coverage'), and by a new measure of 'derived importance' (an assessment of what separates the strongest performers from the weakest) it ranks as number one.

As editors, we're never looking for 'relationship management' and 'client service' to be the headlines (believe us, they are incredibly unsexy topics), so the results raised some eyebrows. Could this be because 'execution' and 'coverage' have increasingly become table stakes?

You could also couple this with 'regulatory change' and 'compliance challenges' being this year's fastest-rising stated motivation for outsourcing (up 5.5 points). Compliance-driven engagements often lean heavily on the relationship and client-service side - helping clients navigate through a regulatory transition looks more like

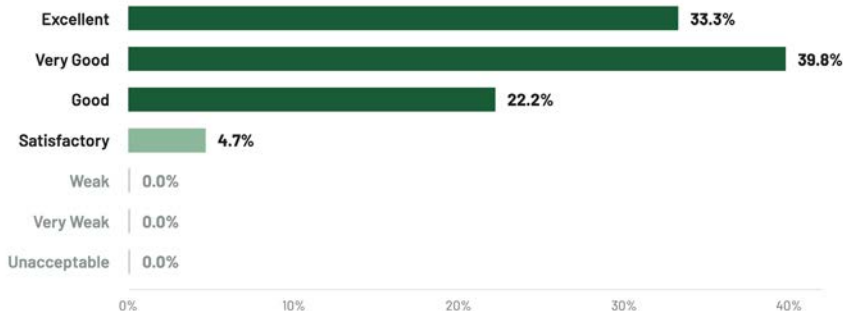
Table 2

OUTSOURCED TRADING SURVEY 2026

Spread of Opinion – All Responses

73.1%

of respondents rate their outsourced trading provider Very Good or Excellent. No respondent rated a provider below Satisfactory in 2026.



Source: Global Custodian Outsourced Trading Survey 2026.

relationship management than pure execution. If that's a growing share of why clients are engaging providers at all, it would plausibly lift the 'relationship management' scores specifically.

Execution is still king

If any category has a claim to being the most critical in this survey – both over the years and in 2026 specifically - it's 'execution'. It sits at the top of clients' own stated priorities (see table 3), and providers are, on the whole, delivering against that priority. Its 6.26 score is the second-highest in the survey, trailing only 'relationship management', and its spread between the best- and worst-performing provider is one of the tightest of any category at 0.77 points.

That combination is what makes it critical rather than merely well-regarded: it's the one thing clients say matters most, and it's also the one thing they can most reliably count on regardless of which provider they choose. A category can score well because expectations are low or because only a few providers are tested against it; 'execution' scores well under real pressure, against the metric clients care about first, and the market has largely converged on getting it right.

That combination of stated importance and delivered consistency is a higher bar than topping the scoreboard outright, and it's arguably the more meaningful reason to call it the category the industry can least afford to get wrong.

Conversely...

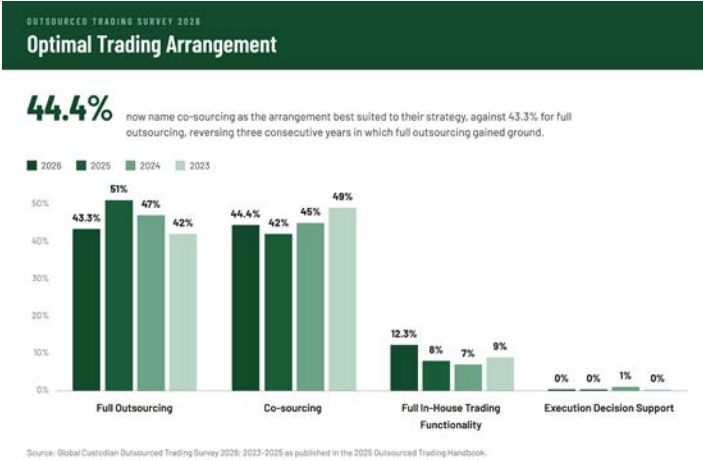
At the other end of the data, 'trade decision support' fell 0.24 - the sharpest category decline this year - and now sits as the second-weakest category in the survey.

The weakest is a new entrant to the

Table 3



Table 4



survey - 'technology & automation' entered the category set for the first time this year and immediately posted the lowest score in the survey, at 5.67. There is no prior-year figure to compare it against, so it's too early to call it a trend, but its debut position is itself the story: providers are being judged on a technology dimension for the first time, and as a group they have not yet convinced clients they've got it right.

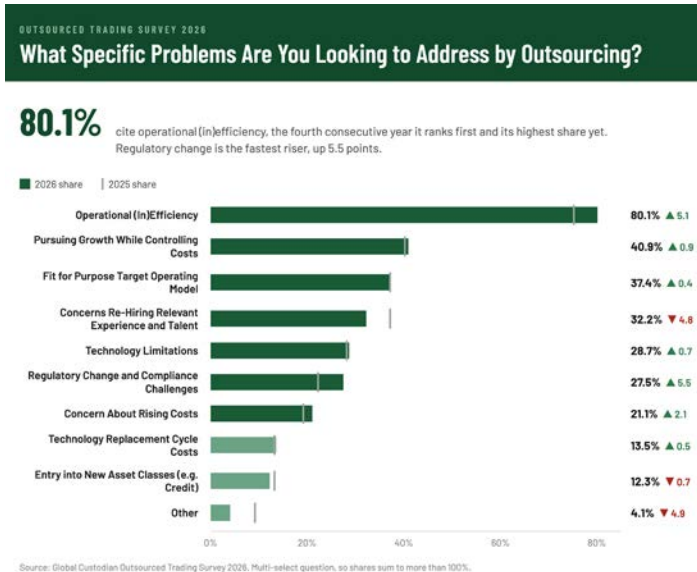
Put those two categories side by side and a pattern emerges that shows up again in the dispersion data: these are the two areas where

the industry is, on average, weakest, and (as below) also the areas where the gap between the best and worst provider is widest. They are where the client relationship is least settled, and where the next two years of competitive differentiation are most likely to be won or lost.

Where provider choice still matters

One of the more useful ways to read this year's data is not by average score but by spread (see table 6) the gap between the best- and worst-performing provider in each category. Some categories cluster

Table 5



tightly regardless of who you choose; others vary enormously depending on your provider.

'Execution' and 'relationship management' are, in this sense, close to commoditised: the spread between the strongest and weakest provider is under a full point in each. Clients can reasonably expect a broadly similar standard of execution quality and day-to-day relationship management wherever they go.

'Trade decision support', 'onboarding', and 'operations & post-trade' tell the opposite story - spreads above 1.25 points, the widest of any category. These are exactly the areas where the choice of provider still carries real consequence, and where a survey respondent's individual experience is least predictable from the industry average alone.

For a buy-side firm selecting or reviewing a provider, this is arguably the most actionable finding in the whole dataset: don't just ask "is outsourced trading good this year?" ask "is this specific provider good at the thing that varies most?"

The largest clients continue to be the most satisfied

Last year's standout finding was that the largest asset managers and asset owners were, by some distance, the most satisfied clients in the survey. The \$500bn+ AUM bracket scored providers 53 basis points above the global average. This year's data continues to support the same pattern: where the largest clients can be measured, they are scoring their providers at or near the top of the scale. The '800lb gorillas' of the buy-side continue to get, or at least continue to report, the best service outsourced trading has to offer.

This is the one place where the new 2026 data overturns, rather than confirms, the story this survey had been telling. For three consecutive years, full outsourcing gained ground on co-sourcing: 42% of respondents named it their optimal arrangement in 2023, rising to 47% in 2024 and 51% in 2025 - a trajectory that looked, by last year's Outsourced Trading Handbook, like a settled direction of travel for the industry (see table 4).

This year breaks that pattern as

full outsourcing fell 7.7 points to 43.3%, while co-sourcing recovered 2.4 points to 44.4% and, for the first time in the series, edged back into the lead. Full in-house capability also rose, to its highest share yet at 12.3% - more than double its 2024 low of 7%.

It would be a stretch to call this a stampede back to hybrid models off the back of one year's data, and it's worth flagging that "optimal arrangement" is a stated preference, not a description of what respondents actually run today, so this measures appetite, not necessarily behaviour, and the two can diverge.

However, the direction is unambiguous enough to correct the record: this is not a market on an inevitable one-way path to full outsourcing. A meaningful share of the buy-side, having tested the fully outsourced model, is now expressing a preference for keeping some trading capability in-house or split across providers. Whether that's a considered rebalancing or a one-year wobble is worth watching in next year's data rather than declaring settled either way.

Problem solving

Asked what specific problems they're looking to address by outsourcing (see table 5) respondents gave a clear and consistent answer: 'operational efficiency'. It has topped this question for four consecutive years, and 2026 is its strongest showing yet - 80.1% of all 171 respondents cited it, up 5.1 points compared to 2025. Nothing else comes close; the next-highest reason, 'pursuing growth while controlling costs', sits at 40.9%.

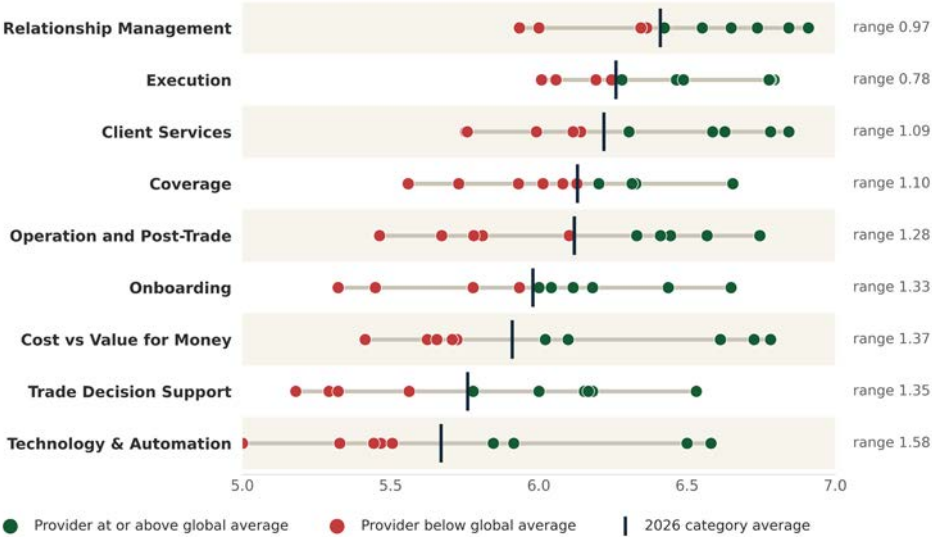
The more interesting movement is further down the list. 'Regulatory change and compliance challenges' is this year's fastest riser, up 5.5 points to 27.5% - a signal that

Table 6

OUTSOURCED TRADING SURVEY 2026

Score Dispersion by Category

6.41 is the highest category average of the nine, in Relationship Management. It is also one of the more tightly grouped categories, at 0.97.



compliance burden, rather than pure cost or capability, is an increasingly common trigger for looking at outsourcing.

‘Concerns about re-hiring relevant experience and talent’ fell the furthest, down 4.8 points to 32.2%, slipping from third to fourth place. Read alongside the small rise in respondents expressing a preference for full in-house capability above, it may suggest that the war for trading talent, while still a real driver, has eased slightly as a stated reason to outsource compared with last year.

‘Technology limitations’ (28.7%, a modest rise) sit in the middle of the pack as a stated motivation - worth reading against the debut of ‘technology & automation’ as the lowest-scoring category in the survey. Clients aren’t citing technology as their primary reason to outsource, but a meaningful minority already are, and the

category providers are weakest in happens to be the one a rising share of clients say they came for.

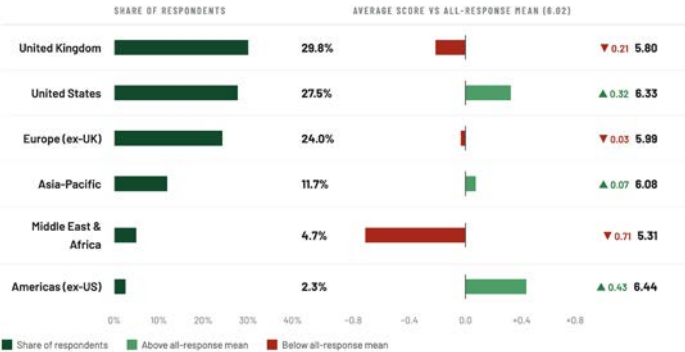
This year’s survey replaced ‘have you ever considered changing provider?’ with a more direct test

Table 7

OUTSOURCED TRADING SURVEY 2026

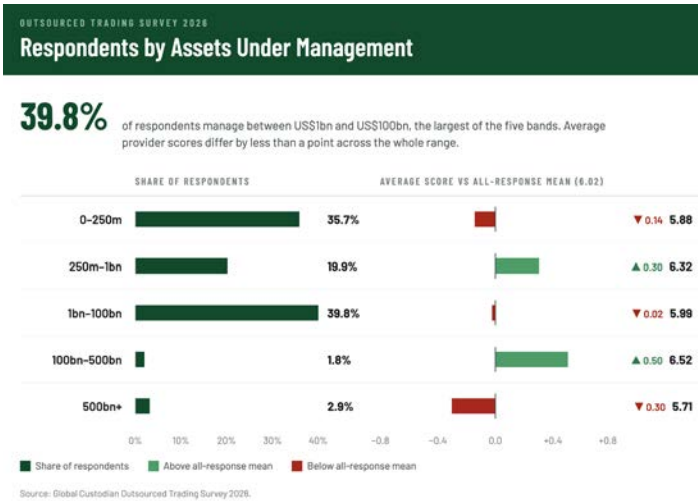
Respondents by Location

29.8% of respondents are based in the United Kingdom, the largest single market. UK buyers also give the lowest average score of the four principal regions, while the United States gives the highest.



Source: Global Custodian Outsourced Trading Survey 2026.

Table 8



of conviction: whether respondents would definitely recommend their provider to peers. It's a different question measuring a related but distinct thing - advocacy rather than switching intent - so it can't be read as a continuation of the 2023-2025 series (83%, 55%, 56% answering 'no' to considering a change); it stands on its own as a 2026 baseline.

Read on those terms, it's an emphatic result with 65.5% of all respondents saying they would strongly recommend their provider. The mean score out of 20 sits at 18.44 and the median respondent gave the maximum possible score. Whatever else is true about this market, most clients are not just tolerating their provider, they're willing to actively vouch for them.

Not all clients are equally happy - and it's not the split you'd expect
Geography has emerged this year as having the biggest diversification of scores. The UK and US are, by a distance, the two largest markets in this survey.

UK respondents (30% of the sample) score their providers 5.80 on average, while US respondents

(27%) score 6.33 - a gap of over half a point between the survey's two biggest client bases (see table 7).

We won't pretend to know exactly why: a newer, more competitive US provider landscape still enjoying a honeymoon period, a different mix of providers used in each region, or simply longer-bedded UK relationships setting a higher bar for what counts as good service, are all plausible reads. What we can say is that this isn't noise, it sits across two genuinely large, comparable samples, not a thin tail.

AUM, meanwhile, forces a correction to something we said with confidence 12 months ago (see table 8). Last year we called out the \$500bn+ bracket as the standout, most satisfied client segment in the whole survey - 53 basis points above the mean.

This year, that same bracket has fallen to 5.71, 30 basis points below the mean rather than above it. What the data does support cleanly is a different, less headline-grabbing story: the middle of the AUM distribution, and \$250m-1bn in particular, is where the strongest, best-evidenced satisfaction actually

sits, at 6.32, while both tails (the very smallest and the very largest managers) sit below the mean. If there's a takeaway to carry into next year, it's that the middle is the most satisfied.

Reading these various shifts together

Put the arrangement data and the motivation data side by side and a coherent, slightly more cautious picture of the market emerges than the scores alone would suggest. Clients are not walking away from outsourcing - the case for it, led overwhelmingly by operational efficiency, is as strong as it has ever been, and regulatory pressure is now reinforcing rather than replacing that case.

But, a growing share of them are choosing to keep a foot in-house or split the arrangement, rather than hand over the whole trading function. That's consistent with a market that is maturing rather than simply expanding: firms are getting more precise about which problems outsourcing solves for them, and more willing to draw a line around what they keep for themselves.

Set against the narrower, more concentrated provider field, and the first uptick in overall satisfaction in the survey's history, this year's data reads less like unqualified momentum and more like a market settling into a more considered, more selective phase - one where the case for outsourcing is well established, but the "how much, and of what" question is being answered more cautiously than it was 12 months ago.

As always, we look forward to a further year of data in 2027 as we continue to build out the evolving picture of outsourced trading, one of the most fascinating segments of the trading and execution world.

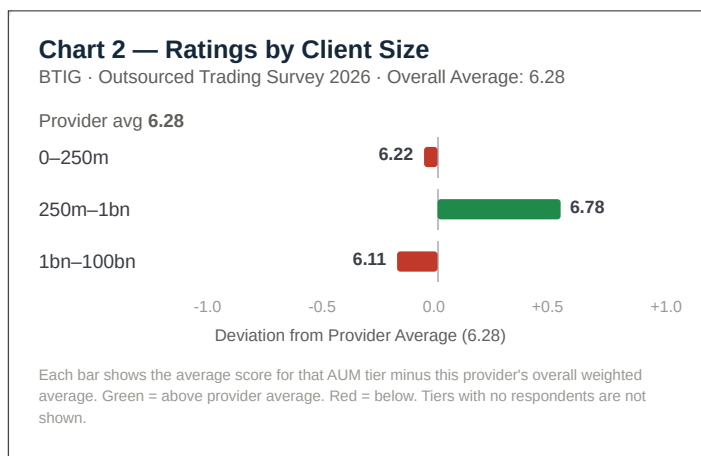
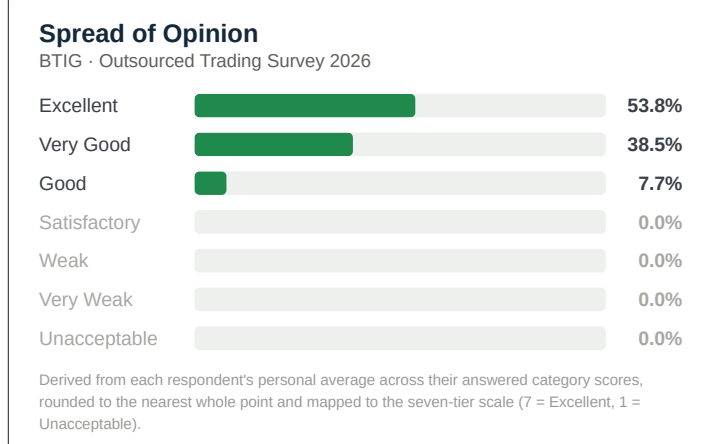
BTIG

Making its debut in this year's Outsourced Trading survey, BTIG posts an overall weighted score of 6.28, comfortably surpassing the global average of 6.05. 'Relationship management' (6.74) and 'client services' (6.59) were the clear differentiators for the firm, with the sentiment behind those scores vivid in the supporting comments.

Its scores sit above the global benchmark in eight of the nine service categories.

One long-standing client captures the positivity, noting "zero issues with trading execution", and describing the lead contact and their team as "the best people that I have worked with". A US hedge fund client is equally direct, labelling BTIG a "great team" that it would "highly recommend".

'Execution' (6.46) and 'operations and post-trade' (6.44) both sit above the global average (6.26 and 6.12 respectively), reinforcing a picture of dependable delivery. One respondent points to a "high-quality team around the world" that is "very diligent working the orders for the best result", while another highlights "good integration with [our] OMS". 'Coverage' (6.08) is the one category to trail the global average (6.13), and clients were refreshingly candid about why. One manager explains that "coverage is not really why we work with BTIG", but acknowledges that the firm has been improving this element of its offering in recent months. Others



are warmer - one asset manager values "updates on execution from desks across all markets we trade in".

'Trade decision support' (6.15), 'onboarding' (6.18) and 'cost versus value for money' (6.02) all clear the global benchmark too, and the commentary is consistent rather than critical: "thorough pre-trade analysis", "prompt onboarding when launching new funds", and cost-wise, describing

the firm as a "good price point for the service we get".

'Technology and automation' (5.85) score close to the global average of 5.67. Clients report routing "a lot of trades through them electronically", but the clearest ask is reporting: one manager praises "custom TCA on request" yet wants "easier access to standardised report[s] via platform".

The client base leans towards

BTIG

New Entrant

Outsourced Trading Survey 2026 · Weighted Average Scores

OVERALL AVERAGE · 2026

6.28

▲ +0.23 vs 2026 Global Average

Category	2026	2025	Global	Difference vs Global Avg
Coverage	6.08	–	6.13	▼ -0.05
Execution	6.46	–	6.26	▲ +0.20
Operation and Post-Trade	6.44	–	6.12	▲ +0.32
Relationship Management	6.74	–	6.41	▲ +0.33
Trade Decision Support	6.15	–	5.76	▲ +0.39
Technology & Automation	5.85	–	5.67	▲ +0.18
Onboarding	6.18	–	5.98	▲ +0.20
Client Services	6.59	–	6.22	▲ +0.37
Cost vs Value for Money	6.02	–	5.91	▲ +0.11
Average	6.28	–	6.05	▲ +0.23

2026 and 2025 figures use AUM-weighted averages (Option A scale). 2024 figures are unweighted simple averages. Global = AUM-weighted mean across all survey responses. Difference vs Global Avg = provider 2026 score minus the global average (positive = above global). Technology & Automation is a new 2026 category. Client Services was split from Relationship Management in 2025.

hedge funds alongside asset managers and is well spread across the Americas, Asia-Pacific, and the UK, with strong scores in every region. Notably, the smaller group of co-sourcing clients rates the firm even more highly than full-outsourcing clients.

BTIG has also been investing in exactly the regional coverage that clients flagged as its principal growth edge. The firm bolstered its EMEA outsourced trading team with the appointment of the former head of UBS execution hub, a hire that speaks directly to an ambition to deepen its non-US footprint while preserving the relationship depth that defines its

US and Asia-Pacific franchises.

BTIG sets out the scale behind those scores: an offering established in 2005, more than 550 clients globally, and more than 35 traders and sales traders averaging 15 years' experience apiece delivering 24/6 trading cover. The firm emphasises multi-asset capability - with fixed income newly launched in EMEA - more than 300 broker and liquidity relationships, and adjacent services from capital introduction to prime brokerage. Its finalised acquisition by US Bancorp, is expected to add further scale and balance-sheet strength.

That debut lands against a benchmark that has barely moved. The global average was 6.36 in 2023, 6.04 in 2024 and 6.02 in 2025 - with the 2023 figure flattered by a 10-point scoring system - and this year's 6.05 extends the consistency.

First-time entrants have historically landed on both sides of that line: of the five newcomers in the 2025 survey, Ediphy (6.33) and PennHaven (55 basis points above the average) cleared it, while CIC Market Solutions (5.98) and Saxo (5.54) did not. BTIG's 23-basis-point premium places it in the stronger half of that group.

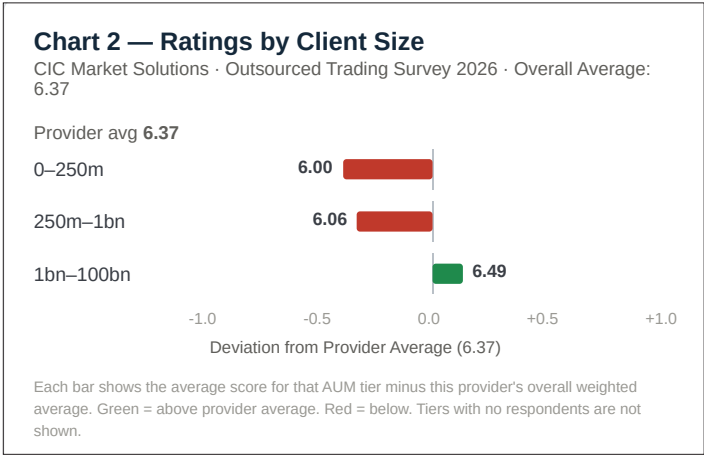
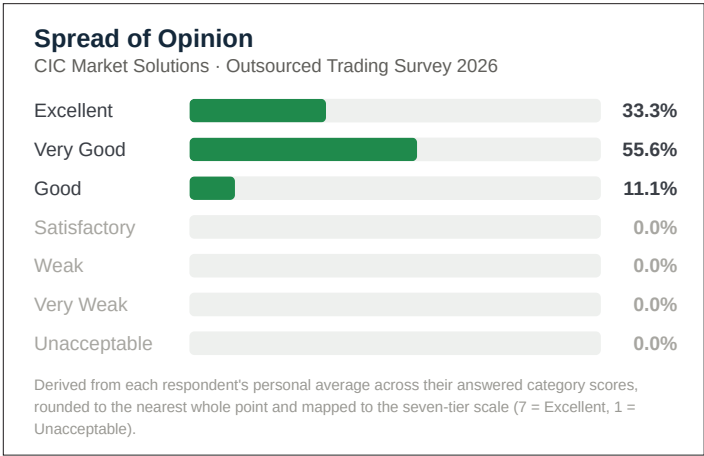
CIC Market Solutions

CIC Market Solutions posts an overall weighted average of 6.37 that sits comfortably above the global average of 6.05. As the market solutions arm of CIC, part of France’s Cr dit Mutuel Alliance F d rale, the firm brings the profile of a bank-backed specialist with deep roots in its home market.

Its scorecard sits above the global average in all nine service categories, and the spread of client opinion contains no rating below ‘good’: a third of respondents rate the service ‘excellent’ and a further 56% ‘very good’.

CIC records a marked year-on-year improvement, as its overall weighted score climbs from 5.98 in 2025 to 6.37 in 2026, an increase of 0.39 points.

On a like-for-like weighted basis the firm sat marginally below the 2025 global average of 6.02; it now stands 0.32 points above the 2026 benchmark. The advance is broad rather than isolated: ‘execution’ rises from 6.11, ‘cost versus value for money’ from 5.79, ‘client services’ from 6.19 and ‘operations and post-trade’ from 5.84. The jump marks a clear step up from a more modest debut in the prior edition and reinforces the picture of a specialist deepening its standing with a loyal European client base. ‘Execution’ stands out at 6.78, well clear of the global average. ‘Client services’ (6.63) and ‘cost versus value for money’ (6.61) are also notably strong, the latter a meaningful margin above the global average of 5.91. One client



sums up the appeal, praising communication and highlighting that execution is “always more than great”, while another simply rates the service as “excellent” across every category. Relationship depth is central to the proposition, and ‘relationship management’ scores 6.65 against a global average of 6.41. Asked whether anything should change, one respondent says:

“No, because it’s already a great relationship with the team.” Another praises the firm’s crisis response as “really proactive”. The client base is made up almost entirely of European asset managers, and that concentration shapes the whole scorecard. ‘Coverage’ needs are correspondingly focused. One manager notes: “We need minimum coverage as we trade

CIC Market Solutions

Returning Provider

Outsourced Trading Survey 2026 · Weighted Average Scores

OVERALL AVERAGE · 2026

6.37

▲ +0.32 vs 2026 Global Average

Category	2026	2025	Global	Difference vs Global Avg
Coverage	6.20	5.92	6.13	▲ +0.07
Execution	6.78	6.11	6.26	▲ +0.52
Operation and Post-Trade	6.33	5.84	6.12	▲ +0.21
Relationship Management	6.65	6.05	6.41	▲ +0.24
Trade Decision Support	6.18	5.92	5.76	▲ +0.42
Technology & Automation	5.91	—	5.67	▲ +0.24
Onboarding	6.00	5.99	5.98	▲ +0.02
Client Services	6.63	6.19	6.22	▲ +0.41
Cost vs Value for Money	6.61	5.79	5.91	▲ +0.70
Average	6.37	5.98	6.05	▲ +0.32

2026 and 2025 figures use AUM-weighted averages (Option A scale). 2024 figures are unweighted simple averages. Global = AUM-weighted mean across all survey responses. Difference vs Global Avg = provider 2026 score minus the global average (positive = above global). Technology & Automation is a new 2026 category. Client Services was split from Relationship Management in 2025.

only some European and US stocks,” adding that “the standard is sufficient” for its purposes. That focus is reflected in a ‘coverage’ score of 6.20, still ahead of the global average of 6.13.

The relative soft spots are ‘technology and automation’ (5.91) and ‘onboarding’ (6.00), both a touch below the firm’s otherwise elevated results, though both sit above the global benchmarks of 5.67 and 5.98 respectively. For a desk whose strengths are execution quality, cost and relationship, continued investment in platform and automation would further enhance an already compelling

profile.

CIC sets out 29 outsourced trading mandates - 23 of them below \$5 billion in assets under management, one above \$100 billion - served through agency and matched-principal execution alongside receipt and transmission of orders. The firm points to a year of build-out: equities execution added in selected emerging markets, new algo wheels intended to sharpen routing and release trader bandwidth for more complex orders, a riskless-principal capability under construction in ETFs, and an expanded market-intelligence service. In CIC

Market Solutions’ own reading of the market, fixed income is described as “the clear growth engine”, adding that European T+1 should act as a catalyst for adoption among smaller and mid-sized managers.

CIC Market Solutions’ survey profile demonstrably delivers standout execution and value to a loyal European asset-manager base. Its concentration is both its defining characteristic and its strength, and the natural strategic question is how far that model can extend beyond its core market without diluting the intimacy that underpins its scores.

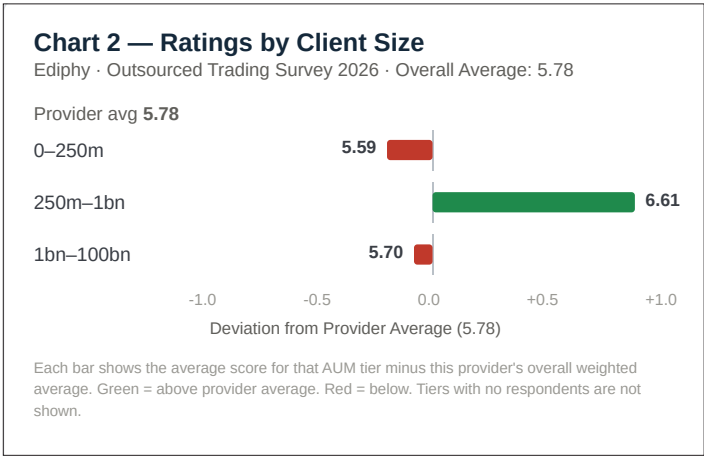
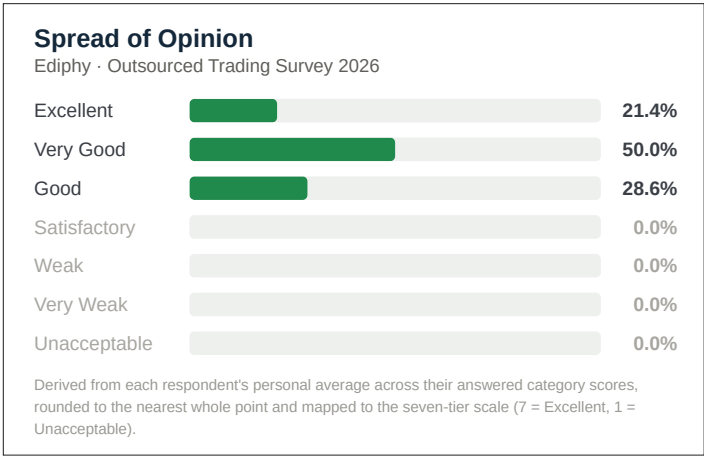
Ediphy

Ediphy posts a weighted average of 5.78, with its scorecard that of a technology-led, fixed-income-focused challenger continuing to build out and invest in its proposition. Cost efficiency and execution are clearly the standout strengths from the responses. Driven by ongoing buy-side pressure to enhance fixed income liquidity access and optimise complex trading operations, the web-based platform has significantly expanded its client footprint, functionality and asset class support over the past 12 months.

The overall score sits 0.27 points below the global average of 6.05, and ‘cost versus value for money’ is the one category of nine to finish above its global benchmark. ‘Cost versus value for money’ represents Ediphy’s highest-scoring category at 6.10, ahead of the overall category average of 5.91 and a telling result for a provider positioned as an efficient alternative.

Execution (6.06) follows, and the supporting comments capture the appeal precisely. One asset manager praises “a rare service able to work trigger levels”, while a hedge fund values Ediphy’s model that “extends [our] coverage without needing to be onboarded by multiple dealers”. A European asset owner puts it plainly, stating that the firm “provides a much-needed service at a very manageable cost, in both fees and execution”.

The provider’s fixed income orientation runs through the responses, with clients referencing



a “wide range of bonds” and tight bid-offer pricing. ‘Coverage’ scores 5.73 against a global average of 6.13, with one asset manager asking for coverage that extends beyond “vanilla bonds” and another naming “time zone coverage for Asia and the Americas” as the clearest area to improve.

Ediphy’s client base is concentrated in the UK and the Nordics, with a scattering

of managers in Switzerland, Singapore, Australia and the US. Co-sourcing is by far the dominant engagement model, underlining Ediphy’s role in supplementing rather than replacing internal desks. ‘Advocacy’ holds up better than the scorecard, with a mean recommendation score of 17.9 out of 20 and 71.4% of respondents rating the service ‘very good’ or ‘excellent’, none placing it below

Ediphy

Outsourced Trading Survey 2026 · Weighted Average Scores

Returning Provider

OVERALL AVERAGE · 2026

5.78

▼ -0.27 vs 2026 Global Average

Category	2026	2025	Global	Difference vs Global Avg
Coverage	5.73	5.93	6.13	▼ -0.40
Execution	6.06	6.24	6.26	▼ -0.20
Operation and Post-Trade	5.67	6.21	6.12	▼ -0.45
Relationship Management	5.93	6.42	6.41	▼ -0.48
Trade Decision Support	5.18	6.33	5.76	▼ -0.58
Technology & Automation	5.44	—	5.67	▼ -0.23
Onboarding	5.93	6.05	5.98	▼ -0.05
Client Services	5.99	6.64	6.22	▼ -0.23
Cost vs Value for Money	6.10	6.81	5.91	▲ +0.19
Average	5.78	6.33	6.05	▼ -0.27

2026 and 2025 figures use AUM-weighted averages (Option A scale). 2024 figures are unweighted simple averages. Global = AUM-weighted mean across all survey responses. Difference vs Global Avg = provider 2026 score minus the global average (positive = above global). Technology & Automation is a new 2026 category. Client Services was split from Relationship Management in 2025.

'good'.

The growth narrative is one clients themselves acknowledge. One long-term user welcomes how “great” it has been “to see Ediphy grow and improve its product and coverage”, before adding that there is, “still more to go through”.

That candour echoes in the scorecard's softer areas. ‘Technology and automation’ (5.44), ‘operations and post-trade’ (5.67) and ‘trade decision support’ (5.18) all trail the global category averages. A Nordic asset owner takes the opposite view, calling the technology offering “excellent” and the

interface “intuitive, easy to navigate”. By its own account, Ediphy is addressing that demand through systematic limit-order management, execution of market-at-close orders outside clients’ local hours, and a liquidity checker that flags favourable conditions in targeted bonds.

The firm has built a trading and analytics API suite aimed at automating fixed income, launched an AI tool for assessing bond liquidity and a dedicated fixed income workflow tool, and partnered with Iress on a fixed income offering.

In its own words, the firm also increasingly caters to institutional

clients looking to systematically automate limit order management and execute market-at-close orders in global markets outside their local operating hours, enabling desks to run rule-based models with precision and reduced manual friction.

The platform also incorporates a Liquidity Checker tool that continuously monitors fixed income markets to notify clients when targeted bonds have favorable liquidity conditions. Operating natively as a webapp, Ediphy also integrates into standard buy-side workflows by accepting orders via Bloomberg or direct API connectivity.

Marex

Marex boasts the largest response pool from any provider in this year’s survey and comes in with a weighted average of 5.94. Its notably diverse client base reflects its significant scale and reach across the outsourced trading sphere.

Year-on-year, the firm’s overall weighted score eases from 6.36 in 2025 to 5.94 this year, representing a fall of 0.42 points.

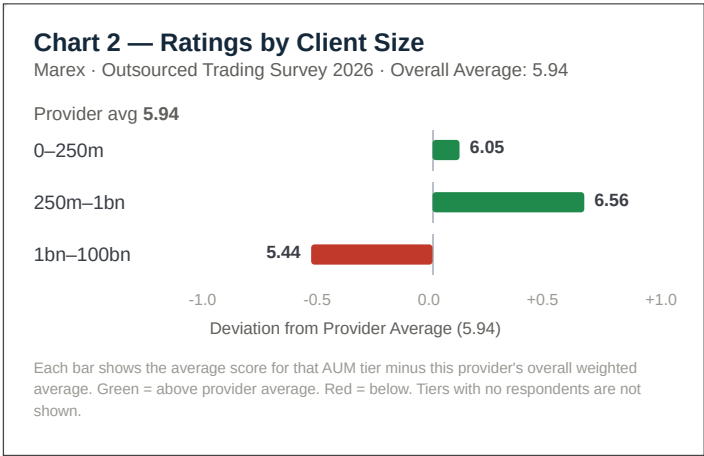
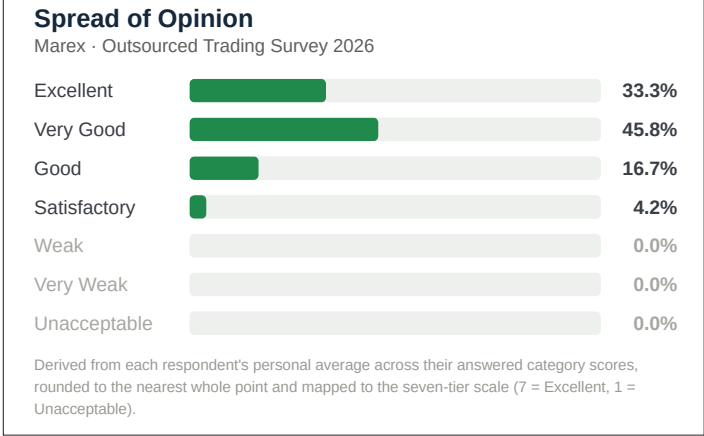
‘Coverage’ is Marex’s standout category, with a score of 6.31, comfortably ahead of the global average. This strong performance aligns with the firm’s ongoing international expansion. Over the past year, Marex has bolstered its on-the-ground presence across Asia, the Middle East, Europe, and the Americas.

The provider also added a Hong Kong-based outsourced trader in June to meet rising demand from managers across Asia and global firms seeking local execution partners, taking its global outsourced trading team past 35 traders.

One hedge fund client commends the firm’s reach, praising “round-the-clock coverage globally that includes pre- and post-market US hours”, while another respondent credits Marex with covering “the entire emerging market credit world with good relationships with international banks”.

In addition, the firm has broadened its multi-asset capability, particularly in credit and FX.

‘Relationship management’ (6.55) and ‘onboarding’ (6.12) also score above their respective global



benchmarks, emphasising the service consistency clients value as they scale. One asset manager describes the relationship as “very good and consistent”, while another client praises the efficiency of the onboarding process.

The spread of opinion is notable, with ratings clustered firmly at ‘very good’ or ‘excellent’ and none falling below ‘satisfactory’. Mid-sized managers in the \$250 million - \$1 billion bracket were

particularly positive, awarding an average of 6.56. One US-based client in that bracket credits the desk with “knowing [our] business and how to best support it”.

According to the results, Marex’s strongest fit currently sits at the smaller and mid-sized end of the market. In its own account, the firm services 210 outsourced trading clients managing less than \$5 billion, 30 in the \$5 billion to \$10 billion range and 10 between

Marex

Outsourced Trading Survey 2026 · Weighted Average Scores

Returning Provider

OVERALL AVERAGE · 2026

5.94

▼ -0.11 vs 2026 Global Average

Category	2026	2025	2024	Global	Difference vs Global Avg
Coverage	6.31	6.38	6.42	6.13	▲ +0.18
Execution	6.24	6.42	6.67	6.26	▼ -0.02
Operation and Post-Trade	5.81	6.38	6.46	6.12	▼ -0.31
Relationship Management	6.55	6.49	6.67	6.41	▲ +0.14
Trade Decision Support	5.29	6.04	5.90	5.76	▼ -0.47
Technology & Automation	5.33	—	—	5.67	▼ -0.34
Onboarding	6.12	6.40	6.39	5.98	▲ +0.14
Client Services	6.12	6.29	—	6.22	▼ -0.10
Cost vs Value for Money	5.71	6.47	6.50	5.91	▼ -0.20
Average	5.94	6.36	6.30	6.05	▼ -0.11

2026 and 2025 figures use AUM-weighted averages (Option A scale). 2024 figures are unweighted simple averages. Global = AUM-weighted mean across all survey responses. Difference vs Global Avg = provider 2026 score minus the global average (positive = above global). Technology & Automation is a new 2026 category. Client Services was split from Relationship Management in 2025.

\$10 billion and \$50 billion.

Marex describes the past 12 months as a period of robust, investment-driven growth. The firm emphasises the increasing demand for multi-asset support as managers seek returns and manage risk beyond traditional markets. The provider reports that the conversation with clients has moved beyond cost saving alone, with managers now weighing the quality of the trading team, the operational and technology support behind the desk, and a provider's global footprint. It also highlights the growth of hybrid and co-sourced models, which supplement internal desks with

regional coverage, specialist expertise, and overnight capacity. The provider reports that the continued growth of separately managed accounts is encouraging managers to hold fixed operating costs tighter as assets scale.

Additionally, Marex is developing electronic credit trading and digital-asset capabilities in response to evolving market structures. The provider states that it has continued to invest in infrastructure, operational support and technology across the full trade lifecycle.

As part of the broader Marex prime services platform, outsourced trading clients now

have access to capital introduction, an area of increasing engagement in a more competitive fundraising environment. This complements the group's wider institutional offering, which spans FX, commodities and structured products. The provider states that it anticipates a positive and competitive long-term outlook. The provider also notes that established providers and new entrants alike continue to build out their offerings, and points to cost efficiency, operational scalability and access to specialist trading expertise across regions and asset classes as the pressures shaping manager demand.

Meraki Global Advisors

With an overall weighted average of 6.62, Meraki Global Advisors

sits comfortably ahead of the overall global average, while also recording above-average results across all categories.

Meraki's scorecard is remarkably uniform, with strong scores across 'coverage', 'execution', 'operations' and 'cost' that together describe a desk clients treat as an extension of their own. 'Relationship management' is the firm's standout category, scoring 6.91 against a global average of 6.41.

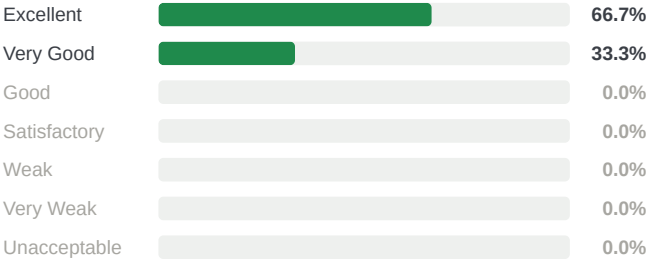
Meraki builds on an already strong showing, lifting its overall weighted score from 6.41 in 2025 to 6.62 in 2026, a gain of 0.21 points. That follows two years of little movement, with the 2024 and 2025 averages sitting at 6.42 and 6.41, making this the firm's first clear step up. The improvement is all the more notable for coming from such a high base, and leaves the firm 0.57 points above the global average of 6.05. 'Relationship management' drove the move, rising from 6.35, with 'cost versus value for money' up from 6.28 and 'execution' from 6.44. 'Onboarding' was a category to ease, from 6.70 to 6.44, though it stays above the 5.98 benchmark.

One client describes Meraki as "the Cadillac model", adding that "no traditional outsourced provider compares". The same respondent adds that leveraging the firm is "like having a best-in-class 24-hour global trading desk in house".

Meraki's agency, client-name execution model is its defining

Spread of Opinion

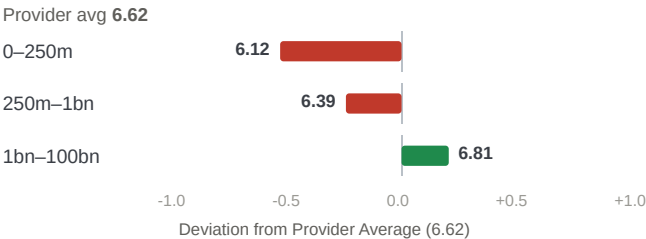
Meraki Global Advisors · Outsourced Trading Survey 2026



Derived from each respondent's personal average across their answered category scores, rounded to the nearest whole point and mapped to the seven-tier scale (7 = Excellent, 1 = Unacceptable).

Chart 2 — Ratings by Client Size

Meraki Global Advisors · Outsourced Trading Survey 2026 · Overall Average: 6.62



Each bar shows the average score for that AUM tier minus this provider's overall weighted average. Green = above provider average. Red = below. Tiers with no respondents are not shown.

differentiator, and clients single it out directly. One hedge fund highlights the "24/5 coverage for all global markets" and the fact that the desk will "execute in client's name every time, which is very beneficial to [our] broker wallet and how much we are paying the Street", describing it as a "unique model".

'Execution' (6.78), 'operations and post-trade' (6.75), 'client services' (6.78) and 'cost versus

value for money' (6.78) are also all well above the global and category averages, a rare cluster of consistently high scores. 'Coverage' (6.65) and 'technology and automation' (6.50), a new category this year, also sit above their global benchmarks of 6.13 and 5.67, leaving all nine categories ahead of the global figure.

Breadth is part of the appeal too. One US asset manager points

Meraki Global Advisors

Outsourced Trading Survey 2026 · Weighted Average Scores

Returning Provider

OVERALL AVERAGE · 2026

6.62

▲ +0.57 vs 2026 Global Average

Category	2026	2025	2024	Global	Difference vs Global Avg
Coverage	6.65	6.38	6.56	6.13	▲ +0.52
Execution	6.78	6.44	6.67	6.26	▲ +0.52
Operation and Post-Trade	6.75	6.59	6.22	6.12	▲ +0.63
Relationship Management	6.91	6.35	6.56	6.41	▲ +0.50
Trade Decision Support	6.00	6.03	6.63	5.76	▲ +0.24
Technology & Automation	6.50	—	—	5.67	▲ +0.83
Onboarding	6.44	6.70	6.00	5.98	▲ +0.46
Client Services	6.78	6.50	—	6.22	▲ +0.56
Cost vs Value for Money	6.78	6.28	6.11	5.91	▲ +0.87
Average	6.62	6.41	6.42	6.05	▲ +0.57

2026 and 2025 figures use AUM-weighted averages (Option A scale). 2024 figures are unweighted simple averages. Global = AUM-weighted mean across all survey responses. Difference vs Global Avg = provider 2026 score minus the global average (positive = above global). Technology & Automation is a new 2026 category. Client Services was split from Relationship Management in 2025.

to a “broad range of coverage across equities, fixed income, and derivatives”, alongside “amazing support” and “fantastic value”. The spread of opinion is narrow: two thirds of respondents rate the desk ‘excellent’ overall and the remainder ‘very good’, with no rating below that.

The respondent pool, more concentrated than the largest providers, spans hedge funds and asset managers, weighted towards those above \$1 billion in assets, the tier that also returns the highest average score at 6.81. Smaller clients score the desk lower, at 6.39 in the \$250 million to \$1 billion band and 6.12 below

\$250 million, though both remain above the global average.

Elsewhere, a relatively modest score is achieved when it came to ‘trade decision support’ at 6.00, still above the 5.76 global average and broadly flat on 6.03 in 2025. Meraki’s survey profile is that of a specialist agency desk whose client-name execution model, round-the-clock global coverage and relationship quality have produced scores above the global benchmark in every category. It reads as a provider that has turned a clearly differentiated model into uniformly strong client conviction.

That uniformity is itself the

story. The survey’s wider data shows dispersion between the best- and worst-performing provider stretching beyond a full point in categories such as onboarding and trade decision support – exactly where Meraki still clears the global average. Few desks convert breadth of mandate into that kind of evenness across every category rated, rather than leaning on one or two standout scores to carry the average.

Northern Trust

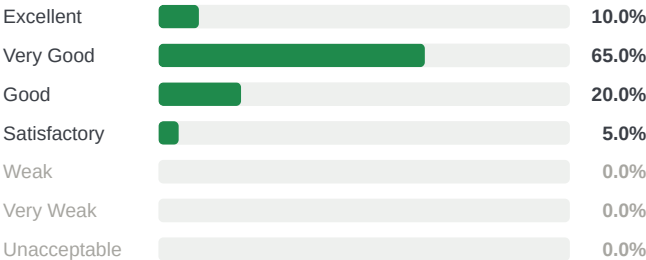
Northern Trust posts an overall weighted average of 5.99, placing it broadly in line with the global average and representing a slight decline from its score of 6.10 in 2025. Its scorecard reflects the DNA of a global custodian with real strength in operations and servicing as the three of the nine service categories which sit above the global benchmark are operations and post-trade, client services and onboarding.

‘Operations and post-trade’ is the standout category at 6.41, ahead of the global average of 6.12. ‘Client service (6.30) and ‘relationship management’ (6.36) also score well, sitting in the ‘excellent’ range. The comments bring this to life. One large UK asset manager praises a “very good operations team when setting up a new account to trade and in general trade confirmations, settlement and all other fields”, while another appreciates the coverage that “spans every market [we] need”, delivered by a team that is “proactive and helpful”.

Relationship consistency emerged as a recurring theme, particularly among the firm’s largest and longest-standing clients. Advocacy is correspondingly strong, with an average recommendation score of 18.9 out of 20 across the 23 respondents and 16 of them awarding the maximum. One respondent characterises the partnership as “a well-established relationship from the outset that has grown, while going from strength to strength”, and another

Spread of Opinion

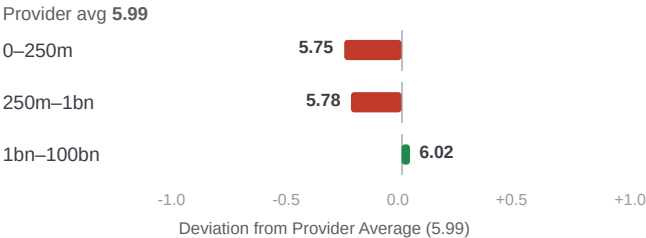
Northern Trust - Outsourced Trading Survey 2026



Derived from each respondent's personal average across their answered category scores, rounded to the nearest whole point and mapped to the seven-tier scale (7 = Excellent, 1 = Unacceptable).

Chart 2 — Ratings by Client Size

Northern Trust - Outsourced Trading Survey 2026 · Overall Average: 5.99



Each bar shows the average score for that AUM tier minus this provider's overall weighted average. Green = above provider average. Red = below. Tiers with no respondents are not shown.

offers a simple brief for the future: “More of the same please. As Northern Trust grow [we] still would appreciate the same level of service and close relationship.”

Elsewhere, ‘cost versus value for money’ (5.72) and ‘technology and automation’ (5.44) both trailed the global averages, with clients specific as to why. Several point to pricing, with one highlighting that “commission rates are still quite high” for

smaller emerging-market managers, and that basis-point based execution fees remain expensive in some markets. On technology, one client would like the order management system (OMS) to support exchange-traded derivatives (ETDs), while another flags that the firm is “slow to integrate OMS upgrades”.

The respondent pool skews heavily towards UK asset managers, several of them large,

Northern Trust

Returning Provider

Outsourced Trading Survey 2026 · Weighted Average Scores

OVERALL AVERAGE · 2026

5.99

▼ -0.06 vs 2026 Global Average

Category	2026	2025	2024	Global	Difference vs Global Avg
Coverage	6.01	6.16	6.19	6.13	▼ -0.12
Execution	6.01	6.39	6.00	6.26	▼ -0.25
Operation and Post-Trade	6.41	6.50	6.38	6.12	▲ +0.29
Relationship Management	6.36	6.01	6.24	6.41	▼ -0.05
Trade Decision Support	5.56	5.74	5.75	5.76	▼ -0.20
Technology & Automation	5.44	—	—	5.67	▼ -0.23
Onboarding	6.04	5.96	6.05	5.98	▲ +0.06
Client Services	6.30	6.03	—	6.22	▲ +0.08
Cost vs Value for Money	5.72	6.03	5.76	5.91	▼ -0.19
Average	5.99	6.10	5.92	6.05	▼ -0.06

2026 and 2025 figures use AUM-weighted averages (Option A scale). 2024 figures are unweighted simple averages. Global = AUM-weighted mean across all survey responses. Difference vs Global Avg = provider 2026 score minus the global average (positive = above global). Technology & Automation is a new 2026 category. Client Services was split from Relationship Management in 2025.

with a smaller US contingent. Scores were broadly consistent across full-outsourcing and co-sourcing arrangements.

'Coverage' (6.01) and 'execution' (6.01) sit marginally below the global averages of 6.13 and 6.26, respectively. One large UK asset manager describes the team as "very quick and great and providing insights", however another finds that "execution outside of London trading hours is less robust". 'Onboarding' (6.03) edges above the global average of 5.96, described by one client as "very organised and straightforward" and by another as "excellent on the GEM launch".

Client asks beyond price are specific. One respondent would welcome a portal to download trade data and create straight-through processing instructions; another would like to trade foreign exchange and bonds directly from its own order and execution management system. On pricing, one client describes the minimum commission for trades as "poor" and another asks that a greater share of internal crossing savings be passed on. Reporting is a visible area of progress, with two clients pointing to improved transaction cost analysis packs delivered with Virtu.

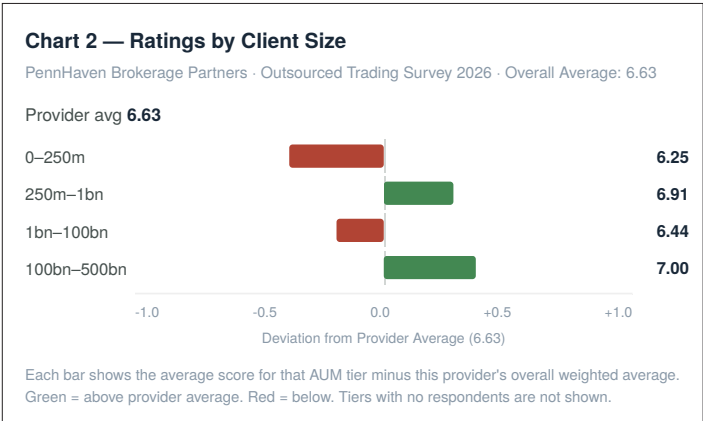
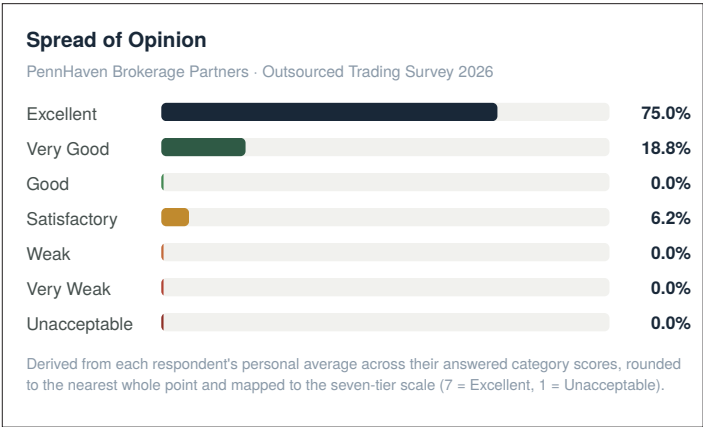
Northern Trust's survey profile indicates its dependable, servicing-led outsourced trading anchored by strong operations and durable relationships; with cost competitiveness and technology investment the two areas clients most want to see addressed.

The firm has also keeps adding mandates, with firms including Artemis, Avanza Fonder, Nedgroup Investments and True Potential all outsourcing trading to the firm, alongside Singapore-based New Silk Road. This underlines the momentum behind its integrated trading solutions platform.

PennHaven Brokerage Partners

PennHaven Brokerage Partners has built on the momentum of being named ‘one to watch’ in the Outsourced Trading category at The TRADE’s Leaders in Trading New York Awards 2025. It tops the 2026 survey with the highest overall score of any provider at 6.63. The result is all the more striking for its consistency, with the firm scoring at or above the average in every single category rather than relying on one standout strength. ‘Relationship management’ and ‘client services’ are the joint high points, each at 6.84, well ahead of the peer averages. ‘Execution’ (6.77), ‘onboarding’ (6.65) and ‘operations and post-trade’ (6.57) follow close behind. This is the profile of a high-touch boutique, and the additional colour provided by clients reinforce it. One respondent describes the firm as having “top notch high touch”, with onboarding and post-trade both “seamless”, while another praises “fast and efficient communication from a small dedicated team”.

Beyond those joint leaders, ‘technology and automation’ (6.58) posts the widest margin above its category benchmark of any score PennHaven records – a striking result for a boutique model. ‘Trade decision support’ (6.53) tells a similar story, clearing its 5.76 global average by more than three-quarters of a point. Taken together, the two categories suggest a desk pairing high-touch service with the analytical infrastructure clients increasingly expect, rather than trading one for the other.



Perhaps the most telling result is ‘cost versus value for money’, where PennHaven scores 6.73 against a category average of 5.91. In a category where most providers sit below the 6.00 mark, that is a substantial gap. One client captures the sentiment bluntly, stating that the firm surpasses expectations and were “underpaid for their services”. Value, rather than headline price, is clearly central to how clients perceive the relationship.

That breadth is precisely what separates a 6.63 average from a stronger single-category number elsewhere in the survey: PennHaven's advantage isn't concentrated in any one discipline, but distributed almost evenly across all nine. The client base also tells its own story. Respondents were drawn almost entirely from US asset managers, spanning boutiques up to firms in the \$100 billion-\$500 billion bracket. Satisfaction held

PennHaven Brokerage Partners

Returning Provider

Outsourced Trading Survey 2026 - Weighted Average Scores

OVERALL AVERAGE - 2026

6.63

▲ +0.58 vs 2026 Global Average

Category	2026	2025	Global	Difference vs Global Avg
Coverage	6.13	6.83	6.13	– 0.00
Execution	6.77	6.33	6.26	▲ +0.51
Operation and Post-Trade	6.57	6.50	6.12	▲ +0.45
Relationship Management	6.84	6.83	6.41	▲ +0.43
Trade Decision Support	6.53	6.33	5.76	▲ +0.77
Technology & Automation	6.58	–	5.67	▲ +0.91
Onboarding	6.65	6.50	5.98	▲ +0.67
Client Services	6.84	7.00	6.22	▲ +0.62
Cost vs Value for Money	6.73	7.00	5.91	▲ +0.82
Average	6.63	6.67	6.05	▲ +0.58

2026 and 2025 figures use AUM-weighted averages (Option A scale). 2024 figures are unweighted simple averages. Global = AUM-weighted mean across all survey responses. Difference vs Global Avg = provider 2026 score minus the global average (positive = above global). Technology & Automation is a new 2026 category. Client Services was split from Relationship Management in 2025.

very steady across that range.

One large manager has cultivated what it calls “an open and collaborative relationship”, while a smaller firm reports it has “never had an issue” and found the point of contact “very responsive”. The willingness to advocate is notable, with one client saying they “would wholeheartedly recommend PennHaven” to affiliated firms.

Against this backdrop, ‘coverage’ (6.13) stands out as the firm’s most modest score, mirroring the category average. This is a natural consequence of a US-centred boutique model. Broadening

geographic and asset-class reach without diluting the service intimacy that clients prize is the clear strategic question for the firm as it scales.

Some clients point to future priorities around ESG questions, cybersecurity, AI and algorithmic trading, suggesting that clients expect the firm’s technology and product conversation to keep pace with its service reputation.

But digging deeper into the comments, it’s difficult to find any flaws at present.

“Truly happy & satisfied with PennHaven!” says one client. “Wouldn’t change anything!”

When the opportunity presents itself, will wholeheartedly recommend PennHaven.”

Another adds: “We are thankful for the relationship and believe it will be important for our organisation as we continue to grow, allowing us to be more efficient with capital until we reach sufficient scale to consider bringing some outsource services inhouse.”

PennHaven’s survey profile is that of a specialist that has turned relationship quality and value into a genuine competitive edge, and its challenge is to preserve that character as demand grows.

Saxo Bank

Saxo Bank occupies a distinctive position in this year's survey. Its average of 5.69 sits below the global average of 6.05, but the headline figure should be read in the context of how clients use the firm - a large share run Saxo alongside their own in-house trading rather than as a full-service outsourced trading provider.

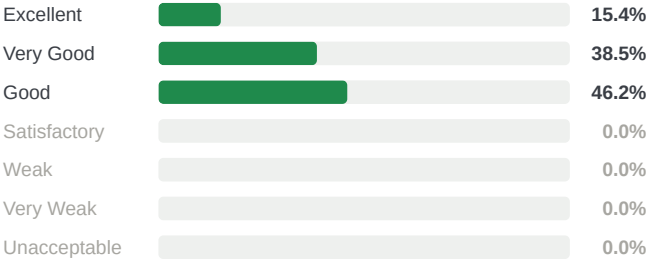
Saxo has improved on its own debut showing, lifting its overall weighted score from 5.54 in 2025 to 5.69 in 2026, a gain of 0.15 points against a global average that held broadly flat. The movement is concentrated in 'execution', up from 5.27, and 'onboarding', up from 4.74, though it remains among the furthest from its benchmark, alongside 'operations and post-trade'. Coverage (5.56) and 'client services' (5.75) moved the other way, and the respondent base has widened beyond last year's UK and Guernsey participants.

'Execution' (6.28) and 'relationship management' (6.34) are the standout categories, with execution marginally above its global benchmark of 6.26 and relationship management 0.07 points below its benchmark of 6.41, and well ahead of Saxo's other scores. One hedge fund client calls the support team "best-in-class", with "dedicated contacts who always respond promptly and knowledgeably", adding that "personal touch is what truly differentiates Saxo from other service providers". Another client rates execution and operations "flawless" and singles out "great API integration."

Platform integration is central to

Spread of Opinion

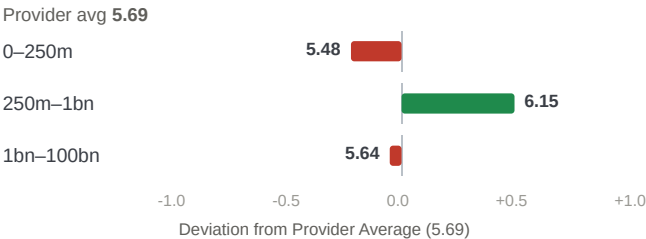
Saxo Bank · Outsourced Trading Survey 2026



Derived from each respondent's personal average across their answered category scores, rounded to the nearest whole point and mapped to the seven-tier scale (7 = Excellent, 1 = Unacceptable).

Chart 2 — Ratings by Client Size

Saxo Bank · Outsourced Trading Survey 2026 · Overall Average: 5.69



Each bar shows the average score for that AUM tier minus this provider's overall weighted average. Green = above provider average. Red = below. Tiers with no respondents are not shown.

the relationship for many clients. A platform client describes a "strong long-term relationship with Saxo" with a deep integration into its own order flow, while an asset manager praises "excellent API connectivity". The strengths are in technology, connectivity and responsive service, particularly for clients who plug Saxo into their own workflows.

The scorecard's other areas reflect that same platform-centric model. 'Onboarding' (5.32 against a

global average of 5.98), 'operations and post-trade' (5.46 against 6.12) and 'coverage' (5.56 against 6.13) all trail the benchmark, but still sit comfortably in the 'very good' range. The comments point to specific gaps rather than broad dissatisfaction. Clients asked for deeper product and market coverage. One APAC-based manager notes that "main instruments like bonds and key markets like Indonesia" are missing. Another flags that IPO

Saxo Bank

Outsourced Trading Survey 2026 · Weighted Average Scores

Returning Provider

OVERALL AVERAGE · 2026

5.69

▼ -0.36 vs 2026 Global Average

Category	2026	2025	Global	Difference vs Global Avg
Coverage	5.56	5.81	6.13	▼ -0.57
Execution	6.28	5.27	6.26	▲ +0.02
Operation and Post-Trade	5.46	5.51	6.12	▼ -0.66
Relationship Management	6.34	6.11	6.41	▼ -0.07
Trade Decision Support	5.32	5.00	5.76	▼ -0.44
Technology & Automation	5.51	—	5.67	▼ -0.16
Onboarding	5.32	4.74	5.98	▼ -0.66
Client Services	5.75	6.11	6.22	▼ -0.47
Cost vs Value for Money	5.66	5.81	5.91	▼ -0.25
Average	5.69	5.54	6.05	▼ -0.36

2026 and 2025 figures use AUM-weighted averages (Option A scale). 2024 figures are unweighted simple averages. Global = AUM-weighted mean across all survey responses. Difference vs Global Avg = provider 2026 score minus the global average (positive = above global). Technology & Automation is a new 2026 category. Client Services was split from Relationship Management in 2025.

allocations are “non-existent.” “Technology and automation capabilities” (5.51) draws the most specific asks: one respondent reports that “some back-end tools are old and need updating” and that “EOD files need revamp”, while another would like more advanced analytics such as “Value at Risk, maximum drawdown, alpha, beta and correlation”.

The client base is predominantly European asset managers, with a smaller Asia-Pacific contingent. Seven of the 13 respondents retain full in-house trading functionality, four outsource fully and two co-source. Read in that light, the scorecard describes a

different model rather than simple underperformance, with product-coverage breadth, onboarding friction and legacy tooling the clearest areas for investment.

Saxo’s survey profile highlights its approach - that of a technology-first multi-asset provider whose execution, connectivity and support stand out. Advocacy is strong: the recommendation score averages 17.5 out of 20 across the respondents. One client says that they would “strongly recommend Saxo to any fund,” while coverage, onboarding and back-end modernisation are where clients most want to see progress.

Saxo has continued to develop

its multi-asset offering, rolling out a new trading platform, adding a FairXchange liquidity management solution, incorporating Cboe Europe indices and enhancing options order functionality.

Alongside the technology build, Saxo has expanded its institutional business, appointing a global head of institutional business and hiring senior sales talent including from Barclays. That combination of platform investment and institutional expansion aligns closely with the connectivity and execution qualities clients single out, even as some ask for refreshed back-end tooling and broader market coverage.

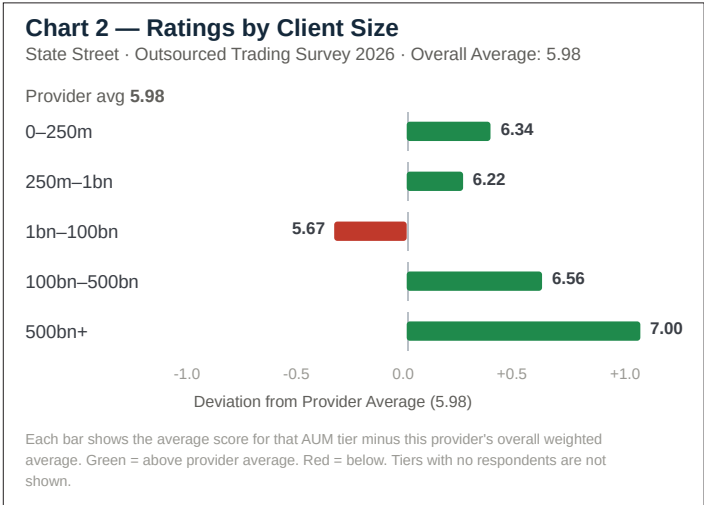
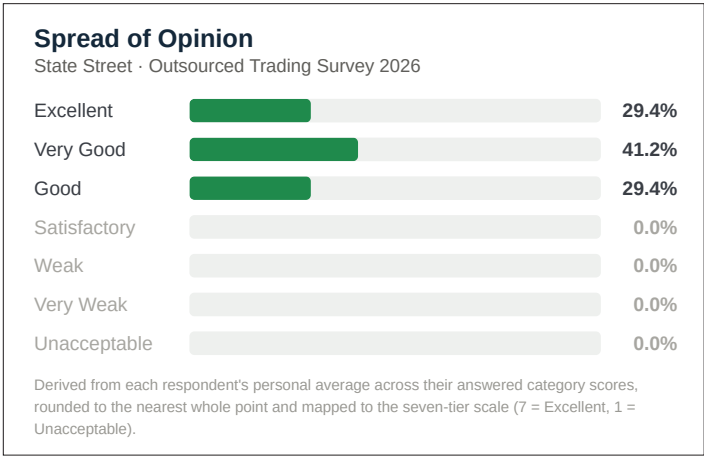
State Street

State Street fields a geographically diverse client base and posts a weighted average of 5.98. Across the responses, its clients span the UK, continental Europe, North America and a notably strong Asia-Pacific presence, with ‘coverage’ and ‘relationship management’ the clear strengths, while cost and technology the areas holding the overall score back. Three of the nine scored categories sit above the global benchmark.

State Street’s overall weighted score decreased 0.22 points, from 6.20 in 2025 to 5.98 in 2026, which leaves it just below the global average of 6.05. The steepest single-category falls came in ‘onboarding’, down from 6.39 to 5.78, and ‘trade decision support’, down from 6.18 to 5.78, while ‘execution’ improved from 6.07 to 6.19. The shift coincides with the survey’s overall findings on cost and a need for high-touch attention.

‘Coverage’ was a standout category at 6.33, ahead of the category average of 6.13. One client describes the desk as a “reliable single point of contact for [our] multi-asset trading activity” that “consistently covers all of [our] instrument needs across asset classes”. ‘Relationship management’ (6.42) also finished marginally above its 6.41 benchmark, with a client calling the team “very efficient, excellent, client oriented” while another praises support that is “always supportive on any event”.

The most detailed endorsement came from a North American client who rates execution “outstanding with minimal slippage and strong access to liquidity, even in volatile



market conditions,” and describes post-trade processes as “seamless and reliable”. That depth of praise, alongside a large European asset manager who recommends the firm without reservation, points to a provider that performs strongly for clients who value breadth and resilience. Advocacy is broad-based: the recommendation score averaged 18.9 out of 20, 10 of

the 17 respondents awarded the maximum, and 70.6% placed the desk in the ‘very good’ or ‘excellent’ bands, with none scoring below ‘good’.

Elsewhere, ‘cost versus value for money’ (5.62 against a 5.91 benchmark, down from 5.90 last year) and ‘technology and automation’ (5.47 against 5.67, a new category this year) both trailed

State Street

Outsourced Trading Survey 2026 · Weighted Average Scores

Returning Provider

OVERALL AVERAGE · 2026

5.98

▼ -0.07 vs 2026 Global Average

Category	2026	2025	2024	Global	Difference vs Global Avg
Coverage	6.33	6.32	6.23	6.13	▲ +0.20
Execution	6.19	6.07	6.00	6.26	▼ -0.07
Operation and Post-Trade	6.10	6.27	6.81	6.12	▼ -0.02
Relationship Management	6.42	6.35	6.47	6.41	▲ +0.01
Trade Decision Support	5.78	6.18	6.00	5.76	▲ +0.02
Technology & Automation	5.47	—	6.00	5.67	▼ -0.20
Onboarding	5.78	6.39	6.42	5.98	▼ -0.20
Client Services	6.14	6.10	—	6.22	▼ -0.08
Cost vs Value for Money	5.62	5.90	5.79	5.91	▼ -0.29
Average	5.98	6.20	6.14	6.05	▼ -0.07

2026 and 2025 figures use AUM-weighted averages (Option A scale). 2024 figures are unweighted simple averages. Global = AUM-weighted mean across all survey responses. Difference vs Global Avg = provider 2026 score minus the global average (positive = above global). Technology & Automation is a new 2026 category. Client Services was split from Relationship Management in 2025.

the global averages. Clients were specific about the gaps. One UK asset manager wants post-trade to “use more automation” and flags connectivity as something that “could be improved”, while describing onboarding as “good but perhaps more staff needed”. An Australian client says resolving trade errors “is cumbersome at times” and that the desk is “not as hands on as it used to be”.

Geography shapes the story. North American clients rated the firm highest, ahead of continental Europe and Asia-Pacific, with UK respondents scoring it lowest, and one Australian respondent articulated a specific regional ask

for “analysis during APAC hours rather than reliance on head office”. Meeting local-hours expectations across time zones is both a challenge and an opportunity. Client size cuts a similar line: the largest and smallest books scored the desk above its own average, while clients in the \$1 billion to \$100 billion range rated it 5.67.

State Street’s profile represents a broad, institutionally robust outsourced desk whose coverage and multi-asset capability are differentiators, set against clients’ desire for keener pricing, deeper automation and sustained high-touch engagement as books mature.

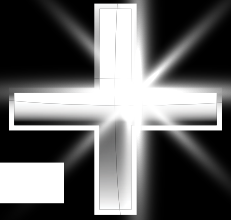
In its own account, State Street’s

outsourced trading capability reflects a wider front-to-back build-out. Its dedicated desk was established through the acquisition of agency outsourced trading firm CF Global, which operates as a segregated outsourced trading entity, and sits alongside the Charles River Development platform that underpins State Street Alpha and the BestX analytics business.

The provider reports that it has more recently expanded its partnered trading team with senior appointments, a signal of continued investment in the outsourced and partnered execution model that its multi-asset offering depends on.

**Insight.
Data.
Analytics.**

TRADE



**Where market
intelligence
goes deeper**

TRADE⁺



**Join TRADE+ for exclusive insight
you won't find anywhere else**

The right answer starts with the right question

The fourth annual Outsourced Trading Survey shows a market entering another stage of maturity: providers assessed on more than execution alone, clients increasingly selective about what they delegate, and co-sourcing back ahead of full outsourcing.

For managers weighing the future of their trading operation, more choice is welcome, but it makes the decision more complex.

The question is no longer simply whether to outsource. Managers can retain and strengthen an internal desk, use an external provider for particular asset classes, markets or trading hours, establish a broader co-sourcing arrangement, or outsource entirely.

They may also need to reassess a provider whose service was appropriate when appointed but no longer reflects the firm's strategy, scale or activity.

No single model is right for every manager.

The correct answer depends on the organisation: its strategies, asset classes, geographic reach, trading volumes, operating model, technology, internal expertise, regulatory responsibilities and growth plans. Cost matters, but not in isolation. Execution quality, governance, resilience, liquidity, operational integration, data ownership, oversight and the interests of underlying clients must all form part of the assessment.

This matters all the more as the

provider landscape changes. Specialist outsourced trading firms now compete alongside global institutions offering execution within a much wider range of services, each with different capabilities, commercial models, conflicts and limitations. Understanding those differences, and testing marketing claims against a manager's actual requirements, demands specialist knowledge.

Ergo Consultancy was established in 2012 to provide precisely that expertise. We do not offer execution services and receive no remuneration for directing managers towards a particular provider or operating model. Our advice is independent and deliberately agnostic.

Where the evidence supports outsourcing, we help managers define requirements, assess the market and select the most appropriate partner through a rigorous, transparent process. Where co-sourcing offers the better outcome, we help determine which activities remain internal and where external capability adds genuine value. Where an in-house desk is the right course, we help firms develop the people, technology, governance and processes to make it successful. Our role is not to promote a predetermined answer, but to ensure the right questions are asked first.

That work extends beyond initial selection. We help firms review existing arrangements, run beauty parades and RFPs,

evaluate execution and operating models, strengthen Best Execution frameworks, manage complex transitions and establish effective oversight. Because we work across the execution ecosystem, we understand what managers need and how providers operate in practice.

This year's findings reinforce why that independent perspective matters. Relationship Management has overtaken Execution as the highest-scoring category, while Technology and Automation enters as the weakest.

Co-sourcing, meanwhile, has returned to the lead after three years of movement towards full outsourcing. Together, these results suggest managers want strong partnerships, better technology and greater control over what they delegate.

Outsourcing can be transformative when properly designed and implemented with clear objectives. Co-sourcing can add targeted expertise and resilience without sacrificing internal capability. An in-house desk can remain strongest where its knowledge, scale and alignment justify the investment.

The opportunity lies in knowing which path, or combination, is right for your firm.



David Berney
Principal Consultant
- Ergo Consultancy

THE**TRADE**
LEADERS IN
TRADING
2026

#leadersintrading

SAVE THE DATE

5 November, 2026
The Savoy, London

THE**TRADE**
LEADERS IN
TRADING
NEW YORK
2026

**SAVE
THE
DATE**

19 November, 2026
Current, Pier 59, New York

Specialist trading consultancy for Asset Managers



All sizes



All asset types



All geographies

Experience: Support for Asset Managers in choosing and implementing the right trading desk solutions

Rigour: In depth market knowledge, combined with deep due diligence, ensures your most important issues are identified and addressed

Guidance: Pragmatic advice on the best insourcing, outsourcing and hybrid solutions

Oversight: Covering Best Execution, trading desk profiling, TCA, technology selection and transaction reporting

**Put your Front Office
on the front foot**

Free 1 Hour
Consultancy call

