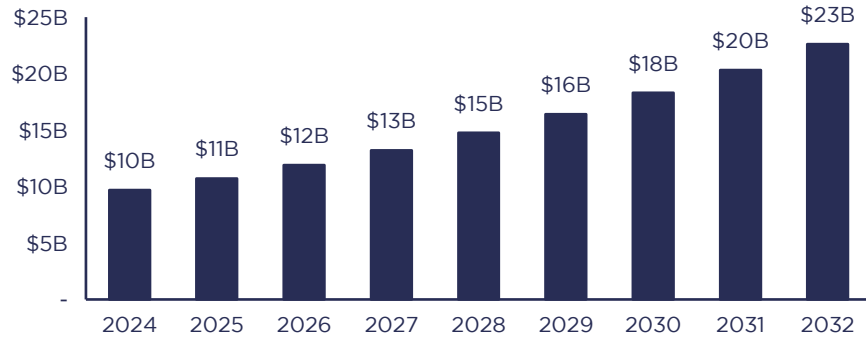


# The Data-Driven Shift in Capital Markets

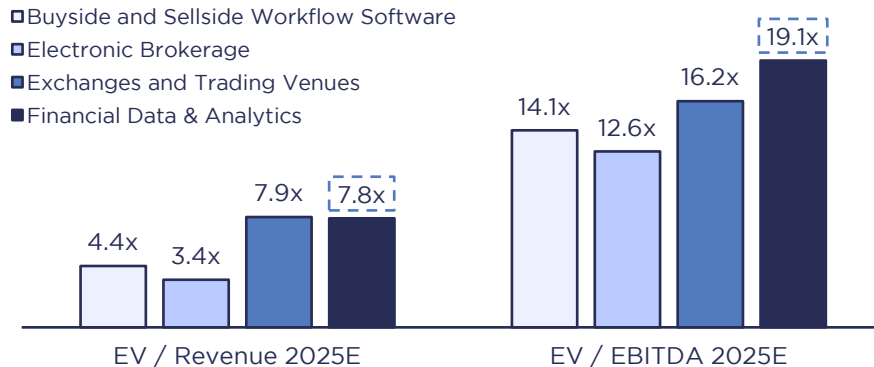
- The financial services industry is undergoing a fundamental transformation as capital markets institutions shift away from outdated, inefficient systems and embrace advanced data and analytics tools
- These organizations are transforming decision-making processes, improving asset allocation, and mitigating risk, while delivering increasingly more personalized and high-performing investment profiles
- By investing in these capabilities, firms are establishing a sustainable competitive advantage, positioning themselves at the forefront of an increasingly dynamic and rapidly evolving digital economy

## Global Financial Analytics Market Size <sup>1</sup>



- The global financial analytics market is expected to expand at a CAGR of **-11.5%** from 2024 to 2032
- **93%** of financial services firms have seen increased profitability since investing in financial data & analytics tools <sup>2</sup>

## Capital Markets Technology Median Valuation Multiples



## Top Use Cases

- Market Analysis**
  - ✓ Identifies emerging trends and opportunities
  - ✓ Enables faster response to volatility and disruption
  - ✓ Forecast market trends before they occur
- Risk Management**
  - ✓ Enhances decision-making processes
  - ✓ Strengthens overall risk-return profiles
  - ✓ Enables data-driven expansion & planning
- Portfolio Optimization**
  - ✓ Aligns investments with client objectives
  - ✓ Improves asset allocation
  - ✓ Maximizes returns while reducing risk

**98%**

Investment managers using, or planning to use D&A tools within 1-2 years <sup>3</sup>

**58%**

Hedge funds & asset managers using risk analytics to inform portfolio decisions <sup>3</sup>

**9%**

Annual portfolio growth from leveraging advanced D&A tools <sup>4</sup>

The financial D&A market is primed for growth, with **82%** of companies still relying on stale data. As institutions increase reliance on data-driven decision-making, Morgan Partners expects firms to significantly increase D&A spend in the near term. <sup>5</sup>

## Notable Deals



## Companies to Watch

### Market Analysis & Trading

**polygon.io** **AUQUAN**

**The Tie** **Alexandria**

**koyfin** **EDS**

**tradier**

### Risk Management

**ANDREW DAVIDSON & CO** **RISKVAL FINANCIAL SOLUTIONS**

**3 PARTNERS A DATA POWER COMPANY** **NewMark Risk**

**OMEGA POINT** **CASSINI**

### Portfolio Optimization

**Chronograph** **VRGL**

**rocktop TECHNOLOGIES** **Syntax**

**kwant** **StratiFi**



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<sup>1</sup> Fortune Business Insights. (2024). *Financial Analytics Market Size, Share, Trends & Forecast*.  
<sup>2</sup> KPMG, *Financial Services Global Technology Report 2024*, November 2024.  
<sup>3</sup> Northern Trust Corporation. (2021). *The Art of Alpha: It's All About Investment Data Science*.  
<sup>4</sup> McKinsey & Company. (n.d.). *The Data and Analytics Edge in Corporate and Commercial Banking*.  
<sup>5</sup> Business Wire. (2022). *Over 80 Percent of Companies Rely on Stale Data for Decision-Making*.

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