



# ARCHER'S SERVICES FOR ETFs



Unlock the full potential of your Exchange-Traded Fund (ETF) strategies

For asset managers seeking to broaden the distribution of their investment strategies, Archer provides a streamlined approach to launching and managing ETFs. With our extensive connectivity and expert service team, Archer supports ETF creation, trading, and ongoing management.

## THE RISE OF ETFs: A GROWTH OPPORTUNITY FOR ASSET MANAGERS

Over the past five years, ETFs assets have more than doubled from \$4.9 trillion to over \$8.12 trillion by the end of 2023.<sup>1</sup> This growth trajectory is result of the increasing preference among investors for the flexibility, diversification, and cost-effectiveness offered by ETFs compared to traditional mutual funds. By 2027, ETFs are expected to account for 24% of total fund assets, up from 17% in 2023.<sup>2</sup>

In addition to asset flows, the range of ETFs available to investors has also seen a significant surge. The ETF universe expanded from approximately 1,500 funds in 2013 to over 8,000 funds by the end of 2023, illustrating the growing popularity and diversity of these investment vehicles.<sup>3</sup>

ETFs have revolutionized the investment landscape, providing investors with diversified exposure to various asset classes in a cost-effective and transparent manner, while providing asset managers with an opportunity to expand their strategies in new wrappers.

As asset managers look to maximize the opportunity with ETFs, prioritizing operations, including efficient trading execution, creation/redemption processes, and adherence to regulatory compliance are critical to their successful launch and management.

## THE SOLUTION FOR ETF TRANSPARENCY

Archer works with your team of fund accountants, consolidators of authorized participants' activity, and custodians to facilitate a seamless ETF unit creation / redemption / reconciliation process. Leveraging global data exchanges, multiple accounting streams, and real-time positions, Archer streamlines the process of deploying your investment strategy as an ETF.

### WITH ARCHER, ASSET MANAGERS CAN:

- Establish and trade the underlying securities portfolio with sub-accounting streams to track performance versus multiple indexes
- Consolidate and book receives/delivers of authorized participant creation units and cash-in-lieu
- Reconcile the underlying portfolio to custodian and fund accountant records
- Seamlessly share information with the ETF fund accountant

**For active ETFs, which have a higher trade rate, Archer provides additional trade and reconciliation services.**

<sup>1</sup> Nasdaq; ETFGI.

<sup>2</sup> **The renaissance of ETFs**, Oliver Wyman, May 2023.

<sup>3</sup> Investment Company Institute.



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## TECHNOLOGY-POWERED EFFICIENCY

Effectively managing an ETF strategy requires integrating and processing data in the underlying securities portfolio alongside partner inputs such as indexes, creation units, and reconciliation feeds. Archer normalizes data across the parties and automates data validation processes to provide intraday calculations and data exchanges.

### ARCHER'S PROPRIETARY TECHNOLOGY ENSURES:

- Efficient processing of multiple data flows
- Full transparency for compliance oversight
- Accurate and timely intraday information

## FLEXIBLE APPROACH TO CONNECTIVITY

Archer's connectivity allows investment management firms to follow their own trading rules, interact with preferred brokers, and maintain their best execution process. Whether a manager opts to use Archer's OMS, or a proprietary or third-party OMS, workflows are set up for a seamless experience.

Archer is connected to major order management systems, including Charles River, Blackrock Aladdin, Eze, Investor Tools Perform, Bloomberg AIM, and RedBlack. For asset managers using another OMS, the team at Archer can build out the requirements to connect, ensuring that the trading team is not disrupted.

In addition to managing ETFs individually, Archer enables managers to hold ETFs in **Separately Managed Accounts**, model portfolios and multi-strategy accounts.

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- Blackrock Aladdin
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To learn how Archer can support your ETF strategies, [visit our website](#) or contact your Archer Account Executive.