

Assessing impact of market downturn

Our sixth annual sub-advisory survey aimed at better understanding the sub-advisory drivers, the impact that the market downturn has had on the decision to sub-advise, and how the increased need for transparency has affected the types of asset classes that are most suitable to sub-advisory.

The 50 institutions taking part in the research, profiled in the following tables, include mainly major retail and private banks, insurance companies, wealth and asset managers covering the core European countries, including Austria, France, Italy, the Nordic countries, Spain, Switzerland and

the UK. The study targeted mainly those organisations using sub-advisers, which have a deeper understanding of the sub-advisory business. Indeed, more than 90 per cent of the firms that took part in the study are currently employing external sub-advisers – used in single fund management delegation or in their manager of manager business – to manage a total of €73bn. Those firms who sub-advise use, on average, 12 sub-advisers each.

Decision makers completed a questionnaire and responded to in-depth telephone interviews, giving valuable insights into market trends.

AUSTRIA

Company name	Type of company	Use sub-advisers?	AUM/assets outsourced	Top drivers for sub-advisory	Top 3 selection criteria	Award new mandates?
C-Quadrat KAG	Asset Manager	Yes (internal)	€3bn / €670m	Competitive differentiator; search for higher alpha; enhanced offering to clients	Top quartile and long-term consistent fund performance; fund rating	No
Sub-advisers: (internal) ARTS Asset Management GmbH						
Innovest KAG	Asset Manager	Yes	€3.7bn/not disclosed	Reduced fixed costs; focus on core competency; reduced investment management risk	Investment style; management team; service level	No
Sub-advisers: Aberdeen, AllianceBernstein, AXA Rosenberg, BlackRock, Cheyne, Goldman Sachs AM, ING, Invesco, JPMorgan, Nicholas Applegate, Pictet, Raiffeisen, Schroders						
Raiffeisen KAG	Asset Manager	Yes	€27bn	Focus on core competency; search for higher alpha; enhanced offering to clients	Top quartile and long-term consistent fund performance; track record	Yes: funds of hedge funds
Sub-advisers: Investec Asset Management, K2 Management, Wellington Management						

FRANCE

BNP Paribas Investment Partners	Asset manager	Yes, through FundQuest	€305bn (cross border) / €856 m	Enhanced offering to clients; focus on core competency; competitive differentiator	Delegated to FundQuest	No changes planned
Sub-advisers: Alliance Bernstein, Dr. Jens Ehrhardt, Hyperion AM, IT Asset Management, Neuberger Investment Management, Optimum Investment Advisors, Pzena Investment Managers, Sumitomo Mitsui Asset Management						
Crédit Agricole Asset Management	Asset Manager	Yes	€441.4bn / €4bn	Search for higher alpha; funds tailored to client's needs; enhanced offering to clients	Long-term consistent fund performance; track record; top quartile fund performance; transparency	Yes
Sub-advisers: Not disclosed						
FundQuest	Asset Manager	Yes	€30.1bn global inc. advisory / n/a	Search for higher alpha; funds tailored to client's needs; enhanced offering to clients	Long-term consistent performance; management team; investment style	Yes: see Fundquest UK
Sub-advisers: n/a						
Natixis Asset Management	Asset Manager	Yes	€270bn / €681m	Focus on core competency; enhanced offering to clients; competitive differentiator	Management team; good reputation; track record	No changes planned
Sub-advisers: Delaware Investment; Metropolitan West Capital Management						

Company name	Type of company	Use sub-advisers?	AUM/assets outsourced	Top drivers for sub-advisory	Top 3 selection criteria	Award new mandates?
Ofi Asset Management	Asset Manager	Yes	€17bn (global), €4.5bn multimangement/ €500m	Competitive differentiator; search for higher alpha; focus on core competency	Management team; investment style; long-term consistent fund performance	No
Sub-advisers: Baron Capital Management, Charlemagne Capital, Comgest, de Pury Pictet Turretini & Cie SA, Dreman Value Management, Driehaus Capital Management, East Capital Asset Management, Edgewood Management LLC, F&C Investments, Kempen Capital Management, Kinetics AM, Lloyd George Investment Management, MACIF Gestion, Raiffeisen Capital Management, Stelphia AM, Third avenue Management, Turner Investment Partners						
Société Générale Asset Management	Asset Manager	Yes	€269bn / €2.7bn	Enhanced offering to clients; funds tailored to client's needs; competitive differentiator	Good reputation; track record; management team	Yes: equities (depending on organisational changes)
Sub-advisers: Arnhold S Bleichroder, Caxton, Highbridge, Renaissance, Russell Investments, Santander AM						
Oddo Asset Management	Asset Manager	No	Around €10bn /n/a	n/a	n/a	No
Sub-advisers: (EIM and FRM as hedge funds advisers)						
ITALY						
Arca sgr	Asset Manager	Yes	€18.8bn/ €483m	Funds tailored to client's needs; focus on core competency; enhanced offering to clients	Long-term consistent fund performance; track record; management team	Yes: high yield, absolute return
Sub-advisers: Crédit Agricole AM, Credit Suisse AM, Julius Baer, Morgan Stanley, Pictet						
Bancoposta Fondi sgr	Asset Manager	Yes	€9bn/€2.6bn	Funds tailored to client's needs; enhanced offering to clients; search for higher alpha	Flexibility; service level; financial stability; market leader	Yes: domestic bonds, flexible funds, structured products, guaranteed funds
Sub-advisers: Crédit Agricole AM, Pioneer Investments						
Carige sgr	Retail bank	Yes	€4bn/€66m	Search for higher alpha; competitive differentiator; enhanced offering to clients	Long-term consistent fund performance, risk management, top quartile fund performance	No changes planned
Sub-advisers: Natixis						
Eurizon Capital sgr	Asset manager	Yes	€127.6bn/ €27m	Partnership	Partnership; management team; long term consistent fund performance	Yes: high yield, corporate US investment grade
Sub-advisers: Fullerton						
Fideuram Investimenti	Asset Manager	Yes	€30bn cross-border / €1.6bn	Search for higher alpha; focus on core competency; enhanced offering to clients	Long-term consistent fund performance; management team; top quartile fund performance	Yes: long short
Sub-advisers: GLG Partners, Goldman Sachs AM						
Generali Investments	Asset Manager	Yes	€290bn global	n/a	n/a	No
Sub-advisers: (Funds of hedge funds managed by Generali Investments Group's own company Thalia, Lugano, a joint venture with BSI)						
IntesaVita	Life insurance company	Yes	€22bn (Italy)/€13bn (internal sub-advisors)	The joint venture nature of our business; reduced fixed costs; search for higher alpha; reduced investment mngmt risk	Sub advisers belonging to the same group; fee level; risk management	Yes: a number of new mandates (to internal sub-adviser)
Sub-advisers: Eurizon Capital, Generali AM						
Mediolanum Asset management (Ireland)	Asset manager/global distributor	Yes	€11.64bn /€8.669bn (external sub-advisers)	n/a	Transparency; for hedge funds admin/ operations framework; long-term consistent fund performance; track record; top quartile fund performance	Yes: global and EM equities, global bonds, EM debt, high yield, hedge funds, abs return, flex funds
Sub-advisers: Ashmore, Barclays Global Investors, BlackRock, BNP Paribas, Credit Suisse, DJE, Duetme Hedge, Duetme sgr, Fibank, Fortis, Goldman Sachs AM, JP Morgan, Legal & General (Internal: Mediolanum Gestione Fondi, Mediolanum AM), Morgan Stanley, PEH AM, Trea						
Monte Paschi Asset Management sgr	Asset manager	Yes	€18.1bn / €14.2m	Search for higher alpha; reduced fixed costs; enhanced offering to clients	Good reputation; brand; fee level	Yes: emerging market debt (in the future)
Sub-advisers: Morgan Stanley Investment Management						

Company name	Type of company	Use sub-advisers?	AUM/assets outsourced	Top drivers for sub-advisory	Top 3 selection criteria	Award new mandates?
Pioneer Investments	Asset Manager	Yes	€160bn / €6m	Focus on core competency; competitive differentiator; enhanced offering to clients	Investment style; management team; track record	No

Sub-advisers: Santander Asset Management

NORDIC COUNTRIES

Nordea Investment Funds (Luxembourg)	Asset Manager	Yes	NIF, Lux €3.2bn Nordea Group €126bn / €1.6bn	Search for higher alpha; enhanced offering to clients; focus on core competency	Product range; management team; reputation and track record	No
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Sub-advisers: Aletheia Capital Management, Ashburton, Capital Four Management, European Value Partners, Itaú Asset Management, MacKay Shields, Metzler Asset Management, Private Capital Management, Stanlib, Systematic, Tokio Marine Asset Management

Danske Capital	Asset Manager	Yes	Global €62.9bn / €4.89bn	Focus on core competency; competitive differentiator; enhanced offering to clients	Long-term and top quartile fund performance; track record	Yes: hedge funds, private equity and infrastructure
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Sub-advisers: Aberdeen, BlackRock, Daiwa, Gartmore, Generation, HSBC, Martin Currie, MFS, Newton, RCM, Schroders, State Street Global Advisors, Sterling Capital, Wellington, ING

DnB NOR Asset Management	Asset Manager	No (yes until 2008)	Global €52bn	n/a	n/a	No
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Sub-advisers: n/a

Evli Fund Management	Life insurance company/asset manager/private bank	Yes	€5.9bn / €244m	Focus on core competency; funds tailored to client's needs; enhanced offering to clients	Investment style; long-term consistent fund performance; management team	No plans
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Sub-advisers: Axa Rosenberg, Lazard AM, Sustainable AM

Länsförsäkringar AB	Asset manager	Yes	€16.705bn / €10bn	Search for higher alpha; focus on core competency; reduced investment management risk	Management team; investment style; risk management	Yes: EM equity, global bonds, convertibles, hedge funds, investment grade credit
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Sub-advisers: Alfred Berg, Fidelity Investments, Fortis Investments, Goldman Sachs AM, Handelsbanken, Humlegården, Montag & Caldwell, River Road AM, Vanguard

Pohjola Asset Management	Asset Manager	Yes	€26bn / €750m	Focus on core competency; enhanced offering to clients; competitive differentiator	Long-term and top quartile fund performance; management team	Yes
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Sub-advisers: Crédit Agricole AM, Fidelity, HSBC, ING, JP Morgan, Pimco

SEB Gyllenberg (Finland)	Asset Manager	Yes	€9bn / €648m	Focus on core competency; competitive differentiator; reduced invest mgnt risk	Management team; long term consistent fund performance; investment style	Yes: commodity
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Sub-advisers: AllianceBernstein, BlackRock, Eaton Vance, Goldman Sachs AM, JPMorgan, Pictet, Schroders, T. Rowe Price

SEB Wealth Management	Asset manager/wealth manager/private bank	Yes	Cross-border €100bn / €1.5bn	Focus on core competency; enhanced offering to clients; funds tailored to client's needs	Long-term consistent fund performance; management team; investment style	No plans
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Sub-advisers: ABS, AllianceBernstein, DIAM, Goldman Sachs AM, Muzinich, Pier Capital, Schroders, Wellington & TCW

SPAIN

Ahorro Corporación	Financial Services Group	Yes	€8.6bn / €400m	Enhanced offering to clients; funds tailored to client's needs; focus on core competency	Long-term consistent fund performance; fund rating; top quartile fund performance	No
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Sub-advisers: (both fund distribution and sub-advisory) BNP Paribas AM, BNY Mellon AM, Crédit Agricole AM, Credit Suisse AM, DWS Investments, Fidelity Intl, Fidelity Invstmts, Fortis Invstmts, Franklin Templeton Invstmts, Invesco AM, JPMorgan AM, Pictet Funds, Schroders Investments, Société Générale AM

Company name	Type of company	Use sub-advisers?	AUM/assets outsourced	Top drivers for sub-advisory	Top 3 selection criteria	Award new mandates?
Banco Banif	Private bank	Yes, (in-house firm Allfunds)	€29bn / €60m	Funds tailored to client's needs; search for higher alpha; enhanced offering to clients	Management team; long-term consistent fund performance; product development	No
Sub-advisers: (Allfunds) Goldman Sachs AM						
Bankoa Gestión	Asset manager	No	€300m	n/a	n/a	No
Sub-advisers: n/a						
Ibercaja Gestión	Asset Manager	Yes	€4bn / €20m	Search for capital guarantee with active management	Top quartile fund performance; risk management; marketing support and education	No
Sub-advisers: Crédit Agricole						
SWITZERLAND						
Altis Investment Management	Asset manager	Yes	€5bn discretionary / €11bn advisory / not disc	Dedicated multi-manager	Long-term consistent fund performance; management team; investment style	Yes: in the traditional and alternative space
Sub-advisers: not disclosed						
Clariden Leu	Private bank	Yes	€62.2bn / more than €1.5bn	Search for higher alpha; enhanced offering to clients; funds tailored to client's needs	Long-term and top quartile fund performance; management team	Yes: funds of hedge funds, commodity and private equity
Sub-advisers: GL Funds Zurich, Olympia Group, Partners Group, Wellington Management International						
GWM Group	Wealth manager / multi-family office	Yes	€2bn / €1bn	Search for higher alpha; enhanced offering to clients; focus on core competency	Management team; investment style	Yes: in multi-manager long-only space
Sub-advisers: not disclosed						
Julius Baer	Private bank / asset manager	Yes	JBAM Global €50.4bn / €502m	Enhanced offering to clients; focus on core competency; competitive differentiator	Top quartile fund performance; track record; no public funds under advisors name distributed publicly in Cont. Europe	Yes: EM equity, convertibles, real estate, private equity
Sub-advisers: GL Funds Zurich, Olympia Group, Partners Group, Wellington Management International						
Pictet & Cie	Private bank	Yes	€205bn / €2.2bn	Focus on core competency; reduced investment management risk; search for higher alpha	Long-term consistent fund performance; management team; top quartile fund performance	Yes: high yield, convertibles
Sub-advisers: Sectoral AM, Waddell & Reed						
Bank Sarasin & Co	Private bank	Yes	€47.1bn / €261m	Search for higher alpha; funds tailored to client's needs; enhanced offering to clients	Track record; management team; investment style	Yes: private equity
Sub-advisers: VV Vorsorge Vermögensverwaltung						
Swisscanto Asset Management	Asset manager	Yes	€36.5bn / €1.041bn	Focus on core competency; search for higher alpha; reduced fixed costs	Long-term and top quartile fund performance; track record	Yes: manager change in funds of hedge funds
Sub-advisers: Allianz Global Investors Europe, Cadogan, Kempen Capital, LaSalle, Martingale, Olympia Capital, Pictet, Sparx Asset Management, State Street Global Advisors, Treesdale						
UBS	Wealth manager	Yes	€145bn / n/a	Enhanced offering to clients; focus on core competency; search for higher alpha	Long-term consistent fund performance; management team; investment style	No
Sub-advisers: not disclosed (16 different sub-advisers)						
Vontobel	Private Bank	Yes	€42.2bn / €67.5m	Focus on core competency; search for higher alpha; enhanced offering to clients	Long-term and top quartile fund performance; management team	No
Sub-advisers: David Huston, Martin Currie Investment Management						

UNITED KINGDOM

Company name	Type of company	Use sub-advisers?	AUM/assets outsourced	Top drivers for sub-advisory	Top 3 selection criteria	Award new mandates?
AEGON Scottish Equitable	Life insurance company	Yes	(AEGON UK) €59bn / €78m external	Enhanced offering to clients; competitive differentiator; focus on core competency	Track record; good reputation	Yes: in the traditional and alternative space
Sub-advisers: external not disclosed (Aegon AM manages the bulk of Aegon SE assets on a sub-advisory basis)						
Architas Multi Manager	Asset Manager	Yes	Global €62.9bn / €4.891bn	Focus on core competency; reduced investment management risk; competitive differentiator	Investment style; track record; long-term consistent fund performance	Yes: equity, bond and asset allocation products
Sub-advisers: JPMorgan AM						
Barclays Wealth	Wealth manager	Yes	€166bn / €5.23bn inc BGI or €4.9bn exc BGI	Competitive differentiator; search for higher alpha; enhanced offering to clients	Management team; long-term consistent fund performance; investment style	Yes: in the traditional and alternative space
Sub-advisers: Aberdeen, Aberforth, Acadian, ACM Bernstein, Artemis, AXA Rosenberg, Barings, Barclays Global Investors (internal), BlackRock, Cazenove, Fidelity, Fiduciary, Goldman Sachs AM, Hillman, Insight, Intech, Invesco, JP Morgan, Kinetics, Legg Mason, Majadie, Newton, Nomura, Old Mutual, Pimco, Royal London, Schroders, Standard Life, TT International, Wellington, Western Asset						
FundQuest UK	Asset Manager	Yes	€4.7bn / €3bn	Search for higher alpha; funds tailored to client's needs; enhanced offering to clients	Long-term consistent fund performance; management team; investment style	Yes: in the traditional and alternative space
Sub-advisers: not disclosed (32 different sub-advisers)						
HSBC Global Asset Management	Asset manager	Yes	€14.8bn / €28bn of assets under advice for multimanager / not disc	Weight of different factors can vary depending on the circumstances	Management team; investment style; fee level; risk management (+ other factors, weighting varies)	Yes: fixed income, equities, alternative asset classes
Sub-advisers: not disclosed						
Kleinwort Benson	Private bank	Yes	€6.3bn / n/a	n/a	Marketing support and education; long-term consistent fund performance; investment style	No
Sub-advisers: Ramius						
LloydsTSB UK Private Banking	Wealth manager	Yes	€9.8bn / €3.06bn	Enhanced offering to clients; funds tailored to client's needs; competitive differentiator	Track record; long term and top quartile fund performance	No comment
Sub-advisers: AllianceBernstein, Arrowstreet Capital, Arrowstreet Capital, Aviva, Ballie Gifford, BlackRock, Cartesian, Cohen & Steers Capital, Congruix, Four Capital, Genesis, Harding Loevner, Harris Associates, Henderson, ICAP, Invesco, Investec, JP Morgan, Jupiter, Levin, Mackay Shields, Marisco Capital, McKinley, MFS, MIR, Mirabaud, Perennial, Rensburg, River & Mercantile, Select Holdings, State Street, T Rowe Price, TT International, UBS						
RBC Wealth Management	Wealth manager	Yes	€132.95bn / €737m	Enhanced offering for clients; search for higher alpha; funds tailored to client's needs	Long-term consistent fund performance; management team; top quartile fund performance	Yes: global bonds
Sub-advisers: not disclosed						
Skandia Investment Group	Asset manager	Yes	€12bn / €9bn	Search for higher alpha; reduced investment management risk; funds tailored to client's needs	Investment style; management team; long-term consistent fund performance	No comment
Sub-advisers: more than 100 different sub-advisers						