



New governance structures in DB Pensions have emerged. There is a growing trend amongst European pensions to delegate the investment function of their schemes to third party suppliers. This often takes the form of an integrated solution which can include; asset allocation, manager selection, risk management, strategic advice, ALM, reporting and monitoring. We call providers of these services Fiduciary Managers, but they are also known as Implemented Consultants, Balance Sheet Managers, Solvency Managers, Delegated Consultants and Delegated CIOs amongst others.

What does this trend mean for Institutional Managers? Fiduciary Management offers two new opportunities; first as a provider of these delegated services directly and second as a supplier of funds to Fiduciary Managers. It is the latter opportunity that most firms will focus on and the objective of this report. In either case, understanding the characteristics and needs of both fiduciary management providers and the pension schemes they serve is increasingly important for fund suppliers.

What are the opportunities for fund suppliers? Fiduciary Management is a new and complex distribution channel for institutional investment managers. What is the size of the opportunity, what assets are controlled by fiduciary managers and where are these assets? What are the selection criteria of fiduciary managers and how does this vary between providers and regions? Which asset classes and strategies do Fiduciary Managers generally outsource to third party fund suppliers? What is the typical mandate size and how frequently do they come up?

What are the implications for fund suppliers? Supplying funds to Fiduciary Managers offers a significant opportunity, but there are many challenges to manage. For example, Fiduciary Managers use third party fund suppliers in many different ways. What are the types of fund strategies that most appeal to these distributors? What are the commercial terms Fiduciary Managers typically demand? Are 'sticky' institutional assets becoming less so? How will existing gatekeeper roles change? Are consultants becoming direct competitors?

FMMI **Fiduciary Management Market Insight will explore these issues for the first time.** This report will also address supply side barriers that remain unresolved. For example, traditional consultants have become heavily conflicted by having offerings in the Fiduciary Management space. Asset Managers are faced with the peculiarity of having to build supplier relationships with organisations with which they compete. The good news for suppliers is that it's a wide open space with many different kinds of opportunities so it is critical to have a competitive niche with real differentiation.



The project managers, Spence Johnson, will deliver the full findings from survey and interview-based research in May 2011. This is an invitation to purchase the report findings.

More details are on the Project Summary overleaf and from

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This study sources qualitative and quantitative information from the Integrated Solutions market and creates a comprehensive set of marketing focused metrics for use by sell side asset management professionals. It creates a clear picture of the size and opportunity of the Fiduciary Management market, as well as the buying criteria, demand characteristics, and future needs of leading Fiduciary Managers.

Sources

The report is produced from three sources of data:

Market Data

A comprehensive survey of the 28 leading Fiduciary Managers on their AUM, market footprint, number of clients and types of mandates.

Provider Data

A detailed survey of 11 of the leading Fiduciary Management providers to better understand the nuances of their business and the demand criteria for fund supplier.

The metrics include:

- Their Investment function
- Their Multi-manager solution
- The Performance data used
- Future growth areas
- Business development
- Custodian selection and partnership
- Fiduciary management appointments
- Fiduciary Managers asset mix
- The percentage of Active vs. Passive
- The split of in-house / third party managed funds
- The third party managers that are used

Provider insight

Semi-structured interviews with the leading Fiduciary Managers across Europe were conducted to generate more detailed insight about their product needs, supplier relationships and future outlook.

Research methods

This report consists of both quantitative survey measures and qualitative interview insight combined into a comprehensive report on the current opportunity and future outlook for fund suppliers to the fiduciary management market. Size and growth statistics, provider segmentation, plan sponsor characteristics, competitor dynamics, buying criteria and provider preferences will all be covered in detail.

Benefits to buyers

Sales support Buyer insight supports DC/DB sales teams.

Distributor/client relationships Re-align client relationships to the changing distribution landscape.

Planning Support institutional business and investment plans with market-based evidence.

Product development Add impetus to pension product and service development plan.

Topics to be Covered

Market measures

- Size of FM market
- Breakdown of segments
 - Regional opportunity analysis
 - Provider opportunity analysis
- Future projections of market growth

Provider insight

- Percentage of suppliers that have in-house investment management function
- % of assets managed in house Vs outsourced to a fund supplier

Trends in demand

- Fund suppliers most in demand
- Asset class most in demand from fund suppliers
- Strategy most in demand from fund suppliers
- Active vs passive demand
- Demand for other suppliers such as custodians

Supplier requirements

- Preferred fee structure
- Preferred lock up period
- Supplier AUM requirements
- Supplier track record requirements

Fund Selection parameters

- Most popular source for manager performance data
- Manager selection criteria and process

Timing

The report will be available for delivery from May 2011.

Cost

£3,750 subject to Value Added Tax where appropriate.

Delivery of findings

Findings will be delivered in the form of a PDF report. Spence Johnson directors will be available for in-person presentations upon request.



A study providing marketing focused metrics on the Fiduciary Management market

Sign

I wish to purchase this report. Please invoice me for the amount indicated. I have the authority to commit to this purchase. I agree to the terms below.

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