

Sub-advising in Europe

METHODOLOGY

Our sub-advisory survey was initiated by e-mail questionnaire. Telephone interviews were then conducted by PWM's researchers with major retail and private banks, insurance companies and fund houses at a senior management level.

The panel of 85 institutions covered Austria, Denmark, Finland, France, Germany, Italy, Norway, Spain, Sweden, Switzerland and the UK. Our researchers targeted in particular those institutions already using sub-advisers and those planning to do so in the future.

In addition to naming sub-advisers, rating them and providing selection and replacement criteria, respondents were asked whether they had separately managed in-house assets, how the outsourcing decision was made and about branding issues.

CRACKING THE CODE

The information is presented by country. Within each country each institution is listed alphabetically. Institutions are coded (eg, Italy's Banca Intesa is IT3) and these codes are linked to a list of sub-advisers on page 26.

AUSTRIA

Company name	Company type	Outsourced assets	Reasons for outsourcing	In-house assets?	Choice criteria	Replacement criteria	If sub-advisor competes
AU1: Bankhaus Carl Spaengler & Co	Private bank	Yes	–	Yes	–	–	–
Sub-advisers: ABN Amro, Bowen Capital Management, Brown Brothers Harriman, Comgest, Erste-Sparinvest, Feri Wealth Management, Focus Asset Management, Invesco, Mellon, Merrill Lynch, Alliance Capital, Tweedy Browne Company, Oppenheim Capital Management, Pictet & Cie, Seilern Investment Management Ltd, Centro Bank, Spectrum, Standish Mellon, Tremont, UBS, W.P. Stewart, Wellington Management Company							
AU2: Hypo Bank	Bank	Yes	Cross shareholding	Yes	Enhanced product range, complete product portfolio, outsource internal asset management	Fees, Fund performance, Personnel changes	n/a
Sub-advisers: Hypo Tirol Bank, Hypo-Alpe-Adria, Vorarlberger Landes-und Hypothekenbank, Niederösterreichische Landesbank, Credit Suisse, AIG, Deutsche, Invesco, Activest, Sal. Oppenheim, Nordea, Bank Sarasin & Cie, Banca del Gottardo, Vontobel, SüdKA							
Comments: The brand must be well recognised by our end-user							

DENMARK

Company name	Company type	Outsourced assets	Reasons for outsourcing	In-house assets?	Choice criteria	Replacement criteria	If sub-advisor competes
DE1: Carnegie Asset Management	Asset manager	No	Demand for enhanced product range	Yes	n/a	n/a	Bad
Sub-advisers: n/a							
Comments: Do not outsource. Small range of focused funds aiming to be "world beaters". Will build in-house expertise in any new areas of interest.							
DE2: Danske Capital	Asset manager	Yes	Focus internal asset management on E'pean & Scand. sectors, Outsource for other sectors	Yes	Investment style, fund performance, Service levels	Fund performance, Political changes, Bad publicity	Bad (See comments)
Sub-advisers: ING, Schroders, Aberdeen Asset Managers, Franklin Templeton, State Street							
Comments: A disadvantage – we would then potentially compete for the same clients in the same market with an identical or very similar product.							

Company name	Company type	Outsourced assets	Reasons for outsourcing	In-house assets?	Choice criteria	Replacement criteria	If sub-advisor competes
(Denmark cont'd) DE3: SparNord Bank	Bank	Yes	–	–	Product Range, Brand, Fund Rating	Brand awareness, Political changes, Personnel changes	–
Sub-advisers: Morgan Stanley							
Comments: A brand must enhance our own brand and product range							

FINLAND

Company name	Company type	Outsourced assets	Reasons for outsourcing	In-house assets?	Choice criteria	Replacement criteria	If sub-advisor competes
FI1: Evli Fund Management	Asset manager	Yes	Demands for enhanced product range	Yes	Investment style, Management team, Fund performance	Fund performance, Personnel changes, Bad publicity	Bad
Sub-advisers: Julius Baer, Lombard Odier, AXA Rosenberg, Deutsche							
FI2: FIM Asset Management	Asset manager	No	Do not outsource	Yes	–	Bad publicity, Fees, Personnel changes	Bad
Sub-advisers: n/a							
FI3: Gyllenberg Asset Management	Asset manager	Yes	To complete product portfolio	Yes	Fund performance, Investment style, Management team	Fund performance, Bad publicity, Service levels	Bad
Sub-advisers: Morgan Stanley, BGI, Insight, Muzinich							
Comments: Brand competition would lead to customer confusion							
FI4: Mandatum	Asset manager	Yes	Offer top class products in each asset class	–	Management team, Investment style, Fund performance	Decided upon case by case basis	–
Sub-advisers: APS, Allianz Dresdner, Fidelity, Franklin Templeton, Lombard Odier, Merrill Lynch, State Street, Sterling Capital Management, Pimco, DWS							

FRANCE

Company name	Company type	Outsourced assets	Reasons for outsourcing	In-house assets?	Choice criteria	Replacement criteria	If sub-advisor competes
FR1: Banque Martin Maurel	Bank	Yes	To complete product portfolio*	Yes*	Management team, Investment Style, Service Level	Fund performance, Fees, Personnel changes	Good**
Sub-advisers: Essor							
Comments: * When market knowledge of specific asset classes is lacking and the bank realises that external managers can do better. **Competition is an advantage, it is good for customers							
FR2: BNP Paribas	Bank/Asset manager	Yes	Demand for enhanced product range; to complete product portfolio	Yes	Fund performance, Investment style, Management team	–	n/a
Sub-advisers: Alliance Europe, T Rowe Price, MFS, Neuberger Berman, Sumitomo Mitsui							
Comments: * Open architecture through three different types of products: Delegation of Parvest Luxembourg Sicavs, Funds of funds and fund advisory of external funds. Brand Issues: BNP Paribas uses its own brand but is totally transparent with distributors with regards to the fund managers they use. Some distributors are more interested in knowing who manages the funds, others rely on the bank's capability of selecting the best funds.							
FR3: Crédit Agricole Asset Management	Asset manager	No	–	Yes	Management team, Fund performance	Reasons for de-selection	See comment
Sub-advisers: n/a							
Comments: CA operates funds of funds, through multi-manager teams set up 3 years ago to provide clients with portfolio diversification . Although this product represents only 2% of total assets, it is acquiring more and more importance, as clients rely on CA process to select best managers. Choice criteria: Transparency, information on the fund, qualitative and quantitative criteria and fund managers' research. Objective is to invest clients' money, and in order to do that, we use competitors' funds too. Brand issues are less important.							

Company name	Company type	Outsourced assets	Reasons for outsourcing	In-house assets?	Choice criteria	Replacement criteria	If sub-advisor competes
<i>(France cont'd)</i>							
FR4: Louvre Gestion	Asset manager	Yes	Demand for enhanced product range	Yes	Management team, Investment style, Fund performance	Fund performance, Personnel changes, Falling service levels	Good*
Sub-advisers: BlackRock, CCR, Comgest, Crédit Agricole, Gartmore, Goldman Sachs, Kempen, Legg Mason, Pimco, UOB, Wanger. They use 35 sub-advisers.							
Comments: 95% of outsourced products co-branded. * If Sub-advisor competes, it can be an advantage, as: a) They often try to create funds which are distinct from the sub-adviser flagship but always using their best know-how for the guidelines of their products; b) Managers can be more available for the analyst teams and can participate in their clients conferences, c) Clients like to discover new talents. It is good for them to work with local managers.							
FR5: Invesco	Asset manager	No	Demand for enhanced product range	Yes	Management team, Investment style, Service level	Political changes, Personnel changes, Fund performance	Bad
Sub-advisers: n/a							
Comments: Operate funds of funds. Commercial disadvantage if sub-adviser competes, but sub-adviser's brand not important							
FR6: Natexis Asset Square	Asset manager	No	See comment	Yes	Management team, Fund performance, Service level	Personnel changes, Fund performance, Falling service levels	See comment
Sub-advisers: n/a							
Comments: Decided to go for funds of funds rather than outsourcing, as funds of funds allows active and efficient asset allocation. Partnership with Goldman Sachs Asset Management. Giving mandates to big companies does not make sense, unless investments are big. If sub-advisor competes, it is not an issue; of the 52 asset management companies we use, there are competitors too.							
FR7: Crédit du Nord	Bank, assur. company, asset manager	Yes	Demand for enhanced product range; To complete product portfolio	Yes	Fund performance, Management team, Investment style	Political changes, Personnel changes, Falling service levels	Bad
Sub-advisers: Russell							
Comments: If sub-adviser competes, difficult for our sales network to sell products. Brand must be exclusively ours.							
FR8: SocGen	Asset manager	Yes	See comment*	Yes	n/a	n/a	Bad
Sub-advisers: Arnhold & Bleichroder							
Comments: SGAM have a 50/50 joint venture with Frank Russell, offering MSMM Luxembourg Sicav divided in 10 asset classes. Each asset class is managed by 3 up to 7 managers selected by Frank Russell. Both Frank Russell and SGAM sell in Europe, with the exclusion of UK and Netherlands, on which Frank Russell only has the franchise. * Reasons for outsourcing: The team used to be SGAM corp and was sold to ABinc, which owns sub-adviser. "Brand must be exclusively available through us. If a sub-advisor competes, there will be a disadvantage, creating customer confusion."							

GERMANY

Company name	Company type	Outsourced assets	Reasons for outsourcing	In-house assets?	Choice criteria	Replacement criteria	If sub-advisor competes
GE1: Cominvest	Asset manager	Yes	Demand for enhanced product range; to complete product portfolio	Yes	Fund performance, Investment style, Management team	Fund performance, Personnel changes, Falling service levels	Bad
Sub-advisers: Wells Fargo							
GE2: DekaBank	Bank	Yes	Demand for enhanced product range, to complete product portfolio	Yes	Fund performance, Investment style	Fund performance, Fees, Bad publicity	Bad
Sub-advisers: JPMorgan Fleming							
GE3: DWS	Asset manager	Yes	–	Yes	–	Fund performance, Personnel changes, Service levels	–
Sub-advisers: Südprojekt							
Comments: The sub-adviser's brand is not important to DWS							

Company name	Company type	Outsourced assets	Reasons for outsourcing	In-house assets?	Choice criteria	Replacement criteria	If sub-advisor competes
(Germany cont'd) GE4: dit	Asset manager	No	n/a	Yes	n/a	n/a	n/a
Sub-advisers: n/a							
Comments: dit Allianz Dresdner Asset Management does not use external sub-advisers, believing it is in the position to draw on internal specialists to cover all major equity and fixed income investment styles as well as balanced products and alternative investments.							

 ITALY

Company name	Company type	Outsourced assets	Reasons for outsourcing	In-house assets?	Choice criteria	Replacement criteria	If sub-advisor competes
IT1: Aletti Gestielle	Asset manager	No	To complete product portfolio	Yes	Investment style, Fund performance, Management team	Fund performance, Political changes, Falling service levels	–
Sub-advisers: n/a							
Comments: No outsourcing but operate multi-brand GPFs and pension funds. They offer exclusively Luxembourg Sicav, including Morgan Stanley and JPMorgan Fleming for global and US equities, BNP PAM's Parvest for government bonds, Schroders for Euro equities. Also use Merrill Lynch and ING and other specialised funds. Diversifying fund managers adds value and allows to mix external skills with the skills that the group has in-house.							
IT2: Arca Vita	Assurance company	Yes	See comment	Yes	Management team, Fund performance, Investment style	Fund performance, Personnel changes, Fees	Bad
Sub-advisers: Morgan Stanley, Merrill Lynch							
Comments: In-house assets: Arca Vita also operate funds of funds managed by Ilimm in Dublin (100% Arca Vita). Outsourcing was the most rapid solution; Arca Vita launched these products in 1998, they didn't have the necessary know-how in the financial sector, also they wanted to differentiate themselves from the other companies of the group, Banche Popolari. Brand must be well recognised, and must not compete with theirs.							
IT3: Banca Intermobiliare	Bank	Yes	Demand for enhanced product range	Yes	n/a	Fund performance, Personnel changes, Bad publicity	See comment
Sub-advisers: CDB Webtech, Goldman Sachs							
Comments: Outsourced as difficulties in accessing specific markets. It is a disadvantage if sub-adviser is a competitor on the distribution side, it is not if sub-adviser is a competitor on the production side and/or if they specialise in the same products							
IT3: Banca Intesa	Bank	No	Demands for enhanced product range	Yes	n/a	Personnel changes, Fund performance	Good
Sub-advisers: n/a							
Comments: In-house assets, do not outsource. If sub-adviser competes it is good if there is a strategic alliance that produces value for both							
IT4: Banca Popolare Emilia Romagna	Bank	No	Demand for enhanced product range; to complete product portfolio	Yes	Service level, Product range, Brand	Falling service levels, Fund performance, Personnel changes	Good and Bad
Sub-advisers: n/a							
Comments: Banca Popolare Emilia Romagna (BPER) have made an institutional agreement with BNP Paribas and JP Morgan Fleming in order to be able to offer their Luxembourg Sicavs within their GPFs. BPER have also a distribution agreement with JP Morgan Fleming. They also offer captive products, Italian mutual investment funds under Italian law, produced by ARCA Sgr, partially controlled by BPER. They offer the products through both channels: direct distribution and GPFs. If sub-adviser competes, it could be an advantage, as there would be more visibility of the products sold. It could be a disadvantage too, as a competitor could poach their clients. Also, they wouldn't have the exclusivity of the product. Brand must enhance their brand and product range							
IT5: Banca Fideuram	Bank	Yes	Demands for enhanced product range; to complete product portfolio	Yes	Fund performance, Management team, Investment style	Fund performance, Personnel changes, Falling service level	Bad
Sub-advisers: Colonial First State, MFS, Pareto							
Comments: Outsourcing to focus on core products, where they can have a competitive advantage. They outsource the management of those particular asset classes which require high specialisation, for which don't want to develop in-house skills. If sub-adviser competes: They only outsource the management of those asset classes which they don't manage in-house anymore. Competitors are those companies who are both distributors and fund managers. Brand issues: Brand must enhance their brand and product range, They don't do co-branding.							

Company name	Company type	Outsourced assets	Reasons for outsourcing	In-house assets?	Choice criteria	Replacement criteria	If sub-advisor competes
<i>(Italy cont'd)</i>							
IT6: Banco Posta	Bank	Yes	Outsource internal asset management	No	Fund performance, Fund rating, Investment style	–	See comment
Sub-advisers: Deutsche Bank AG, Crédit Industriel et Commercial, HVB, Commerzbank AG, Crédit Agricole Indosuez chevreux, Credit Suisse First Boston, Montepaschi Finanza Banca Mobiliare SPA, Capitalia SpA, BNP Paribas Arbitrage SNC, HVB, JPMorgan Securities, Abaxbank, Dresdner Bank, Salomon Brothers International, Banque AIG London Branch, Barclays Capital Securities, TradingLab Banca, Caboto Holding SIM Euro mobiliare							
Comments: A sub-adviser's brand must enhance Banco Posta's brand and product range. Products are created by and branded Banco Posta in collaboration with sub-advisers.							
IT7: Banco Posta fondi	Asset manager	Yes	To complete product portfolio	Yes	Fund performance, Investment style, Service level	Falling service levels, Fund performance, Bad publicity	See comment
Sub-advisers: Pioneer, Schroders							
Comments: Sub-advisers manage stock selection. Asset allocation by Banco Posta Fondi. Would not be able to cover fixed costs if management was in-house. Choice criteria: Fees important. Brand must enhance Banco Posta's brand and product range.							
IT8: BNL Gestioni	Asset manager	Yes	To complete product portfolio	Yes	Fund performance, Management team, Investment style	Fund performance, Personnel Changes, Falling service levels	Good and Bad
Sub-advisers: Lazard, Markston, Pareto, Schroders							
Comments: BNL also operates GPFs and funds of funds from Anderson, Crédit Agricole, Credit Suisse, Invesco, JPMorgan, Merrill Lynch, Morgan Stanley, Société Générale, UBS. In-house management for core products and specialist partners for specific asset classes. Brand must not compete with sub-advisers.							
IT9: BPL Fondicri	Asset manager	Yes	To complete product portfolio	Yes	Management team, Performance, Brand	Personnel Changes, Fund performance, Fees	Bad
Sub-advisers: Arca, Henderson							
Comments: Commercial disadvantage if sub-adviser competes, so chosen an international partner like Henderson, to compare ourselves on global markets. Brand must be well recognised and enhance our brand and product range. BPL co-brands products with Henderson.							
IT10: Carige	Asset manager	Yes	Demand for enhanced product range; to complete product portfolio	See comment	Fund performance, Investment style, Brand	Fund performance, Personnel changes, Bad publicity	Bad
Sub-advisers: n/a							
Comments: In process of selecting sub-advisers for global bonds and balanced. Marketing more complicated if sub-adviser competes on brand, which must enhance Carige brand and product range.							
IT11: Cariparma	Bank	Yes	Demand for enhanced product range; to complete product portfolio	No	See comment	Political changes, Fund performance, Fees	Good and Bad
Sub-advisers: Crédit Agricole, Nextra							
Comments: Distributors only, don't manage directly any asset classes in house. Crédit Agricole and Nextra SGR part of Intesa Group. Competition from sub-adviser can be seen as an advantage as it shows Cariparma customers we are open to marketing other brands.							
IT12: Capitalgest	Asset manager	Yes	Demand for enhanced product range; to complete product portfolio, Poor performing internal managers	Yes	Product range, Brand, Fund performance	Fund performance, Falling service levels, Fees	Good and Bad
Sub-advisers: Citygroup, Grifogest							
Comments: Also operate GPFs and funds of funds. Don't have product or know-how to manage these particular asset classes in-house. If sub-adviser competes, advantage because sub-adviser would know market characteristics. Disadvantage if sub-adviser has a strong presence in our market.							
IT13: Credit Suisse Asset Management	Asset manager	No	To complete product portfolio	Yes	Fund performance, Management team, Fund rating	Fund performance, Personnel changes	See comment
Sub-advisers: n/a							
Comments: Operate GPFs from ING, Fidelity, JPMorgan, Lombard Odier. Credit Suisse offer discretionary asset management only. Invested heavily in in-house analysts worldwide and outsourcing does not make sense.							

Company name	Company type	Outsourced assets	Reasons for outsourcing	In-house assets?	Choice criteria	Replacement criteria	If sub-advisor competes
<i>(Italy cont'd)</i>							
IT14: Effe Gestioni	Asset manager	Yes	–	–	–	–	–
Sub-advisers: SGAM							
IT15: Fineco	Bank, Assurance company, Asset manager	Yes	Demand for enhanced product range; to complete product portfolio	Yes	Investment style, Product range, Management team	Political changes, Falling service levels, Bad publicity	Bad
Sub-advisers: Partner Investments. They also operate GPFs and funds of funds from ABN Amro, Fortis Investments, Goldman Sachs, JPMorgan, Morgan Stanley, Schroders, SocGen, UBS							
Comments: Strategy is to avoid concentration in one fund or in one funds manager's fund as want to diversify management styles. Partner Investments manage asset classes in which Fineco AM don't want to have a strategic part. Sub-advisers brand not important. If sub-adviser has competitive distribution network in same market, commercially it is a disadvantage as clients may as well go directly to sub-adviser, who may offer a broader selection of products.							
IT16: Gruppo Credito Cooperativo	Bank	Yes	See comment	Yes	See comment	Fees, Fund performance, Personnel changes	Bad
Sub-advisers: Aureo Gestioni							
Comments: Reasons for outsourcing: Part of chain of small banks, banche di credito cooperativo, with presence throughout Italy. Outsourcing is a new income opportunity, but if sub-adviser competes, could take away income opportunity.							
IT17: Hedge Invest	Asset manager	Yes	Change in legislation, Demands for enhanced product range	Yes	Fund performance, Management Team, Investment style	Fund performance, Personnel changes	Good or Bad
Sub-advisers: GLG partners. The first 10 fund managers in HI's funds are: GLG Partners LP, Galleon Group, Sandell Asset Management, Thames River Capital, Brevan Howard Asset Management, Gartmore Investment, Marathon Asset Management, Powe Capital Management, Leonardo Capital Management, Ward Ferry Management.							
Comments: In Italy, up to 2001, law did not allow management of national products in hedge funds. What is important is that the investment is satisfactory", not whether sub-adviser competes.							
IT18: Ifigest	Asset manager	Yes	Demand for enhanced product range; to complete product portfolio	Yes	Fund performance, Management team, Marketing support	Personnel changes, Fund performance, Fees	See comment
Sub-advisers: not disclosed							
Comments: Characteristic of the mandate is that Ifigest has the franchise in Italy. Makes no difference if sub-adviser competes, as only our own brand is used.							
IT19: Incarassa	Benefit Fund	Yes	Change in legislation, Competitors outsourcing, Demand for enhanced product range. To complete product portfolio, Poor performing internal managers	Yes	Management team, Fund performance, Investment style	Fund performance, Falling service levels, Personnel changes	Good
Sub-advisers: not disclosed							
Comments: It is an advantage if sub-adviser manages the same type of funds, as Incarassa can use them as a benchmark for products managed in-house.							
IT20: Mediolanum	Bank	Yes	Demands for enhanced product range	Yes	Investment style, Fund performance, Management team	Fund performance, Fees, Falling service levels	Bad
Sub-advisers: State Street Global Advisors, SEI, Northern Trust							
Comments: Sub-adviser's brand not important.							
IT21: Monte dei Paschi di Siena	Asset manager	Yes	To complete product portfolio	Yes	Fund performance, Investment style, Service level	Fund performance, Falling service levels, Personnel changes	Bad
Sub-advisers: Morgan Stanley, SAM on a advisory contract basis. They also operate funds multi-managers from American Express, Fidelity, JP Morgan, Merrill Lynch, Morgan Stanley, Schroders and others.							
Comments: More efficient to focus on core products and use sub-advisers in the sectors where don't have specific know-how.							

Company name	Company type	Outsourced assets	Reasons for outsourcing	In-house assets?	Choice criteria	Replacement criteria	If sub-advisor competes
<i>(Italy cont'd)</i>							
IT22: Nextam Partners	Asset manager	No	Demands for enhanced product range	Yes	n/a	Personnel changes, Fund performance, Political and strategic changes	See comment
Sub-advisers: n/a							
Comments: Don't use any sub-advisers for any asset class and don't operate funds of funds. If sub-advisor competes, neither bad nor good.							
IT23: Pioneer	Asset manager	Yes	Demands for enhanced product range. To complete product portfolio	Yes	Investment style, Fund performance, Fund rating	Fund performance, Personnel changes, Bad publicity	Bad
Sub-advisers: Oakridge, Papp's, small American company. They also operate GPFs from Pictet, ING, UBS, Credit Suisse, Merrill Lynch, JPMorgan, Morgan Stanley, Henderson, Janus, Schroders and funds of funds from Fidelity, Henderson, Pimco, JPMorgan, Janus, Vontobel, Julius Baer, MFS, ACM, CD							
Comments: Asset classes outsourced are niche products, specifically requested by American retail customers.							
IT24: RAS	Asset manager	Yes	Demands for enhanced product range; To complete product portfolio	Yes	Fund performance, Product range, Service level	Fund performance, Falling service levels, Personnel changes	See comment
Sub-advisers: Pimco. They also operate funds of funds from BNP Paribas, Credit Suisse, Invesco, JP Morgan, Merrill Lynch, Morgan Stanley, Pictet, Templeton and others							
Comments: Outsourcing decision taken to offer RAS customers complete portfolio and to diversify RAS own investments. Disadvantage if customer specialises in same products. RAS are fund managers themselves and, in that respect, any other fund manager is necessarily a competitor. All products are branded RAS.							
IT25: San Paolo IMI	Asset manager	Yes	Demands for enhanced product range, Poor perform. internal managers	Yes	Management team, Investment style, Brand	Personnel changes, Bad publicity, Fund performance	Bad
Sub-advisers: Cedece, Templeton							
Comments: In 2003, started first project of proper outsourcing. Recently started operating funds of funds from Fidelity, Templeton, JP Morgan, Morgan Stanley, Cedece, Vontobel. Outsourcing for quality reasons. Only work with foreign counterparts in order to avoid opening distribution networks to national competitor.							
IT26: Symphonia	Asset manager	No	To complete product portfolio	Yes	Investment style, Fund performance, Product range	Personnel Changes, Fund performance	Bad
Sub-advisers: They operate funds of funds from Louvre Gestion Anima, West AM, Pictet, JPMorgan, Nextam, Ersel							
Comments: Outsourcing due to commercial reasons and expected demand for funds of funds, generally from lower income consumers. Could be commercial disadvantage if sub-advisor competes.							
IT27: Unipol Banca	Bank	No	Demands for enhanced product range, Outsource to complete product portfolio	Yes	Fund performance, Investment style, Brand	Fund performance, Personnel changes, Bad publicity	Bad
Sub-advisers: n/a							
Comments: Only when customers demand a particular fund, for economic and profitability reasons Symphonia believes easier to buy product for them rather than create in-house. Agreement with 30 different fund managers including Schroders and JP Morgan Fleming. Disadvantage if sub-advisor distribution network in same market.							

NORWAY

Company name	Company type	Outsourced assets	Reasons for outsourcing	In-house assets?	Choice criteria	Replacement criteria	If sub-advisor competes
NO1: Acta	Asset manager	Yes	Outsource internal asset mgmt, to complete product portfolio	No	Fund performance, Management team, Investment style	Fund performance	Good and Bad
Sub-advisers: ABN Amro, ACM, Alfred Berg, Banco, Baring, Credit Suisse, DnB, East Capital, Fidelity, Framlington, Gambak, Gartmore, HSBC, Invesco, JPMorgan, Lannebo, Merrill Lynch, Morgan Stanley, Parvest, SEB, Storebrand, Sundal Collier							
Comments: Customers have heard about good brands and would like exclusive deal with sub-advisor							

SPAIN

Company name	Company type	Outsourced assets	Reasons for outsourcing	In-house assets?	Choice criteria	Replacement criteria	If sub-advisor competes
SP1: Bancaja	Bank	No	To complete product portfolio	Yes	Fund performance, Service level, Management team	Fund performance, Falling service levels, Personnel changes	–
Sub-advisers: n/a							
Comments: Operate funds of funds from Crédit Agricole Asset Management, Fidelity, JPMorgan, Merrill Lynch, Société Générale.							
SP2: Banif (Group Santander)	Bank	Yes	Demands for enhanced product range; To complete product portfolio	Yes	Fund performance, Management team, Investment style	Fund performance, Personnel changes, Falling service levels	–
Sub-advisers: ABN Amro, Invesco, JPMorgan Fleming, Goldman Sachs							
Comments: Brand must enhance Santander brand and product range.							
SP3: Caixa Catalunya Gestion	Asset manager	No	n/a	–	n/a	n/a	n/a
Sub-advisers: n/a							
Comments: Operate funds of funds from 10 different managers, including Fidelity, BNP Paribas and Morgan Stanley.							

SWEDEN

Company name	Company type	Outsourced assets	Reasons for outsourcing	In-house assets?	Choice criteria	Replacement criteria	If sub-advisor competes
SWE1: Carnegie	Asset manager	Yes	Competitors outsourcing, Demands for enhanced product range, To complete product portfolio	Yes	Fund rating, Fund performance, Product range	Fund performance, Bad publicity, Fees	Bad
Sub-advisers: Frank Russell, Tremont							
Comments: Outsourcing makes our offering more competitive. Look for exclusivity from sub-advisers when offering products to domestic market.							
SWE2: Robur	Asset manager	Yes	See comment	Yes	Investment style, Fund performance, Management team	Fund performance, Fees, Personnel changes	Bad
Sub-advisers: Britannic							
Comments: Outsourcing to focus on their core competencies internally. Sub-adviser's brand not important.							

SWITZERLAND

Company name	Company type	Outsourced assets	Reasons for outsourcing	In-house assets?	Choice criteria	Replacement criteria	If sub-advisor competes
SWI1: Banca Commerciale Lugano	Bank	Yes	Demand for enhanced product range; To complete prod. portf.	Yes	n/a	Personnel changes, Falling service levels, Fund performance	Bad
Sub-advisers: Lombard Odier, UBS, JPMorgan							
Comments: Competing sub-adviser means cannibalisation of products.							
SWI2: Banca del Gottardo	Bank	Yes	To complete product portfolio	Yes	Fund performance, Fund rating, Investment style	Fund performance, Personnel changes, Falling service levels	Good
Sub-advisers: Tower Capital, HFR Europe							
Comments: Competing sub-advisers are good for two reasons 1) it creates competition for fund managers in-house, stimulates them 2) There are interesting exchanges of information between external and internal managers on funds.							

Company name	Company type	Outsourced assets	Reasons for outsourcing	In-house assets?	Choice criteria	Replacement criteria	If sub-advisor competes
<i>(Switzerland cont'd)</i>							
SWI3: Banca Del Sempione	Bank	Yes	To complete product portfolio	Yes	Fund performance, Brand, Investment style	Fund Perform., Fees, Personnel changes	–
Sub-advisers: Trendconcept, AllianceBernstein, Neuberger Berman, Atlas							
SWI4: Bank Sarasin	Bank	Yes	Sub-adviser expertise, Demand for enhanced product range	Yes	Investment style, Fund performance, Management team	Performance, Person. changes, Political & strategic changes	–
Sub-advisers: not disclosed							
SWI5: Banque Cantonale de Fribourg	Bank	Yes	Demand for enhanced product range	Yes	Fund Rating, Fund Performance, Management team	Fund performance, Brand Awareness, Political changes	Bad
Sub-advisers: SwissCa							
SWI6: Banque Cantonale de Genève	Bank	No	n/a	Yes	Investment style, Fund performance, Product range	Fund performance, Political changes, Fees	Bad
Sub-advisers: n/a							
Comments: Possibility of developing common products for a larger range of clients							
SWI7: Banque Cantonale du Valais	Bank	Yes	To complete product portfolio	Yes	Fund performance, Investment style, Fund rating	Fund performance, Fees, Personnel changes	–
Sub-advisers: Credit Suisse, Fidelity, Nordea, Pictet, Schroders, Swissca, Franklin Templeton							
SWI8: Banque Cantonale Vaudoise	Bank	Yes	Poor performing internal managers, Demand for enhanced product range, To complete portfolio	Yes	Fund performance, Investment style, Management team	Political changes, Fund performance, Bad publicity	Good
Sub-advisers: Pieres, Fidelity, BCV, Pictet, UBS, Credit Suisse, JPMorgan, Goldman Sachs, Société Générale, Nordea							
SWI9: Banque Safdié	Bank	Yes	To complete product portfolio	Yes	Fund performance, Investment style, Management team	Fund performance, Personnel changes, Fees	–
Sub-advisers: not disclosed							
Comments: Use open architecture structure to outsource funds							
SWI10: Basellandschaftliche Kantonalbank	Bank	No	Demand for enhanced product range; To complete portfolio	Yes	Fund performance, Management team,	Fund performance, Fees, Political changes	Good
Sub-advisers: n/a							
Comments: They do not outsource but they use external funds for their funds of funds, in particular for Asia ex Japan, Japan, US and Hedge Funds.							
SWI11: Berner Kantonalbank	Bank	Yes	Outsource internal asset management	Yes	Fund performance, Fees, Investment style	Fund perform., Fees, Personnel changes	–
Sub-advisers: UBS, Credit Suisse, Merrill Lynch, Pictet, Vontobel							
SWI12: BSI	Bank	No	n/a	Yes	n/a	Bad publicity, Personnel changes, Fund performance	Good (see comments)
Sub-advisers: n/a							
Comments: A competing sub-adviser knows the "rules of the game" and would have a business definition (clients, needs, products) similar to ours							
SWI13: EFG Bank	Bank	Yes	Competitors	Yes	Mgmt team, Service level, Fund rating	Fund perform., Politic. changes, Service level	–
Sub-advisers: n/a							
Comments: Outsource using an open-architecture structure							

Company name	Company type	Outsourced assets	Reasons for outsourcing	In-house assets?	Choice criteria	Replacement criteria	If sub-advisor competes
<i>(Switzerland cont'd)</i>							
SWI14: Habib Bank AG Zurich	Bank	No	–	Yes	n/a	n/a	n/a
Sub-advisers: n/a							
Comments: Outsourcing has never been considered, have all the necessary skills to manage different asset classes in house.							
SWI15: Julius Baer	Bank	Yes or No	To complete product portfolio	Yes	Investment style, Management team, Fund performance	Personnel changes, Fund performance, Bad publicity	Bad
Sub-advisers: Charlemagne Capital, HSBC, Faye Sarofim, MFS, Hansberger Global Investors, Erste Sparinvest							
SWI16: Schweizer Verband der Raiffeis	Bank	Yes	–	Yes	n/a	n/a	n/a
Sub-advisers: Vontobel							
SWI17: SG Asset Management	Asset manager	Yes or No	Client demand for performance	Yes	Fund performance, Management team, Investment style	Personnel changes, Fund performance, Fees	–
Sub-advisers: Credit Suisse, Julius Baer, Templeton, UBS, Merrill Lynch, Schroders, ING Nordea, Sonic Group, GAM, FRM, Castel, Barep, Lyxor							
SWI18: Société Bancaire Privée	Bank	Yes	To complete product portfolio	Yes	Fund performance, Management team, Investment style	Personnel changes	Bad
Sub-advisers: Notz Stucki							
SWI19: Swissca	Asset manager	Yes	–	–	–	–	–
Sub-advisers: Pictet, Kempen, Sparx, Artisan, Olympia Capital Management							
SWI20: St. Galler Kantonalbank	Bank	Yes	To complete product portfolio	Yes	Investment style Management team, Fund performance	Personnel changes, Fund performance, Political changes	–
Sub-advisers: Swissca, RMF							
SWI21: UBS	Asset manager	Yes	Demand for enhanced product range	Yes	Management team, Fund performance, Investment Style	Personnel changes, Fund performance, Bad publicity	See comment
Sub-advisers: n/a							
Comments: Neither advantage or disadvantage if sub-adviser competes. Select fund managers skills to maximise performance for clients.							
SWI22: Union Bancaire Privée	Bank	Yes	To complete product portfolio	Yes	Fund performance, Investment style, Management team	Personnel changes, Fund performance, Fees	Good
Sub-advisers: Alliance Capital Management, Neuberger Berman, Dr. Jens Ehrhardt, IFDC, UOB							

UNITED KINGDOM

Company name	Company type	Outsourced assets	Reasons for outsourcing	In-house assets?	Choice criteria	Replacement criteria	If sub-advisor competes
UK1: Aegon	Asset manager	Yes or No	Demand for enhanced product range	Yes	Management team, Investment style, Product range	Service levels, Fees, Personnel changes	Bad
Sub-advisers: Baillie Gifford, DWS, First State, Invesco, Lazard, Merrill Lynch, Newton Mellon, Northern Trust, SocGen, UBS, Morley							
Comments: There is no advantage in promoting a peer group in our life and pension markets. Presumably that peer group will be offering the same product cheaper internally.							

