

Investment Consultants Support U.S. Asset Owners in Volatile Markets

2022 Greenwich Leaders: U.S. Investment Consulting



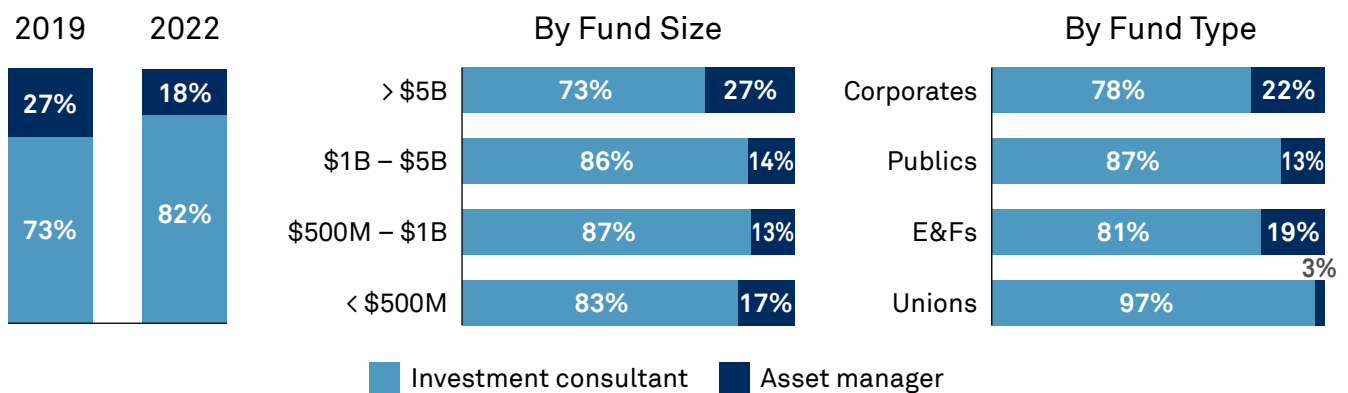
Q2 2023

Increasingly complex and challenging market conditions are causing U.S. asset owners to seek out higher levels of support from their external partners. In response, U.S. investment consultants are transforming themselves from curators of recommended asset manager lists into centralized sources of expertise, knowledge transfer and market information.

Soaring inflation and rate hikes by the U.S. Federal Reserve upended a run of historically favorable conditions for investors last year. Volatility continued into 2023, culminating in the collapse of several regional banks that threatened to expand into a broader crisis. Throughout this unpredictable period, asset owners have looked to external partners for insights into fast-changing markets and for more-focused support in their investment functions.

Institutional asset managers have, as a legacy, positioned themselves prominently to provide clients with bespoke guidance beyond the narrow bounds of traditional investment mandates. However, investment consultants remain far and away asset owners' No. 1 source of advice. That's especially the case for smaller asset owners (i.e., < \$5 billion in AUM), who are less frequently identified as strategic partnership candidates by asset managers.

U.S. Institutional Investors' Primary Source of Investment Counseling and Advice



Note: Based on 328 respondents.
Source: Coalition Greenwich Voice of Client – 2022 U.S. Institutional Investors Study

“Even the largest asset owners whose investment managers are offering bespoke strategic advice are leaning heavily on their consultants during these turbulent market environs,” says Coalition Greenwich Head of Investment Management – North America Todd Glickson. “Because consultants operate at the nexus of a broad network of asset owners and investment managers, they are perfectly positioned to serve as a centralized source of expertise—not just on managers and manager searches, but on tactical and strategic issues faced by asset owners every day.”

Changing Expectations

Asset owners’ need for advice on topics like asset allocation, investment products, portfolio construction, and market events has changed their expectations for their investment consultants. Increasingly, asset owners are looking for consultants who are available for discussion and responsive to requests. To meet those demands, some consultants are having to reassess their client service models in order to deliver timely attention to clients across their portfolios.

With the dramatic shift in market conditions and new challenges like the integration of environmental, social and governance (ESG) strategies, investment consultants will have additional opportunities to expand and deepen their relationships with asset owners. “For asset managers, this means it is increasingly important to invest in consultant relations teams, even as managers commit more resources to build direct relationships with end clients,” says Coalition Greenwich Senior Relationship Manager Susan Gould.

2022 Greenwich Quality Leaders

The 2022 Greenwich Quality Leaders in U.S. Investment Consulting have all distinguished themselves by providing exceptional service to clients in a period of difficult market conditions. The following tables present the complete list of 2022 Greenwich Quality Leaders in U.S. Investment Consulting.

Greenwich Quality Leaders — 2022



Overall U.S. Investment Consulting

Large Consultants

CAPTRUST
Graystone Consulting
RVK

Midsized Consultants

AndCo Consulting
Angeles Investment Advisors
Asset Consulting Group
LCG Associates

Note: Based on interviews with 727 institutional investors. Quality leaders are listed in alphabetical order.

Source: Coalition Greenwich Voice of Client – 2022 U.S. Institutional Investors Study

Todd Glickson, Susan Gould, Alasdair Philip, and Joseph Mattesi advise on the investment management market in the United States.

METHODOLOGY

Between February and November 2022, Coalition Greenwich conducted interviews with 727 individuals from 590 of the largest tax-exempt funds in the United States. These U.S.-based institutional investors are corporate, public, union, and endowment and foundation funds, with either pension or investment pool assets greater than \$150 million. Study participants were asked to provide quantitative and qualitative evaluations of their asset management and investment consulting providers, including qualitative assessments of those firms soliciting their business and detailed information on important market trends.

Coalition Greenwich, a division of CRISIL, an S&P Global Company, is a leading global provider of strategic benchmarking, analytics and insights to the financial services industry.

We specialize in providing unique, high-value and actionable information to help our clients improve their business performance.

Our suite of analytics and insights encompass all key performance metrics and drivers: market share, revenue performance, client relationship share and quality, operational excellence, return on equity, behavioral drivers, and industry evolution.

About CRISIL

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better. It is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics, and data to the capital and commodity markets worldwide.

CRISIL is India's foremost provider of ratings, data, research, analytics, and solutions with a strong record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights and efficient solutions to over 100,000 customers through businesses that operate from India, the U.S., the U.K., Argentina, Poland, China, Hong Kong, and Singapore.

For more information, visit www.crisil.com

Disclaimer and Copyright

This Document is prepared by Coalition Greenwich, which is a part of CRISIL Ltd, an S&P Global company. All rights reserved. This Document may contain analysis of commercial data relating to revenues, productivity and headcount of financial services organisations (together with any other commercial information set out in the Document). The Document may also include statements, estimates and projections with respect to the anticipated future performance of certain companies and as to the market for those companies' products and services.

The Document does not constitute (or purport to constitute) an accurate or complete representation of past or future activities of the businesses or companies considered in it but rather is designed to only highlight the trends. This Document is not (and does not purport to be) a comprehensive Document on the financial state of any business or company. The Document represents the views of Coalition Greenwich as on the date of the Document and Coalition Greenwich has no obligation to update or change it in the light of new or additional information or changed circumstances after submission of the Document.

This Document is not (and does not purport to be) a credit assessment or investment advice and should not form basis of any lending, investment or credit decision. This Document does not constitute nor form part of an offer or invitation to subscribe for, underwrite or purchase securities in any company. Nor should this Document, or any part of it, form the basis to be relied upon in any way in connection with any contract relating to any securities. The Document is not an investment analysis or research and is not subject to regulatory or legal obligations on the production of, or content of, investment analysis or research.

The data in this Document may reflect the views reported to Coalition Greenwich by the research participants. Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Coalition Greenwich compiles the data received, conducts statistical analysis and reviews for presentation purposes to produce the final results.

THE DOCUMENT IS COMPILED FROM SOURCES COALITION GREENWICH BELIEVES TO BE RELIABLE. COALITION GREENWICH DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THIS DOCUMENT, INCLUDING AS TO THE VALIDITY, ACCURACY, REASONABLENESS OR COMPLETENESS OF THE INFORMATION, STATEMENTS, ASSESSMENTS, ESTIMATES AND PROJECTIONS, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT. COALITION GREENWICH ACCEPTS NO LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT.

Coalition Greenwich is a part of CRISIL Ltd, an S&P Global company. ©2023 CRISIL Ltd. All rights reserved.