

# Institutions Seek Consultants with New Approaches and Ideas

## 2016 Greenwich Leaders: U.S. Investment Consulting

Q1 2017

NEPC, Pavilion Advisory Group and Segal Marco Advisors are the 2016 Greenwich Quality Leaders<sup>SM</sup> among Large U.S. Investment Consultants. Among Midsize Consultants Rocaton Investment Advisors, Summit Strategies Group and Townsend Group are the 2016 Greenwich Quality Leaders.

All these firms excel across the categories analyzed by Greenwich Associates in its U.S. Investment Consulting Research, including:

- **Investment Counseling**, including understanding client needs and objectives, advice on long-term asset allocation and liability issues, provision of proactive advice and ideas, the capability of individual consultants, credibility with the investment committee and advice on defined contribution structure and design
- **Manager Selection**, including the consultants' knowledge of the investment manager universe and the client's satisfaction with consultant recommendations
- **Client Service**, including formal and informal meetings, written investment performance reviews, resource allocation, timeliness in providing written information and reports, and responsiveness to requests
- **Commercial Arrangements**, including fee structure, etc.

### Greenwich Quality Leaders — 2016



#### Overall U.S. Investment Consulting

##### Large Consultants

NEPC  
Pavilion Advisory Group  
Segal Marco Advisors

##### Midsize Consultants

Rocaton Investment Advisors  
Summit Strategies Group  
Townsend Group

Note: Based on interviews with 1,216 institutional investors. Quality leaders are listed in alphabetical order.

Source: Greenwich Associates 2016 U.S. Institutional Investors Study

# The Keys to Success

Investment consultants that receive the strongest quality ratings from institutional clients in Greenwich Associates annual research are those that first and foremost demonstrate the willingness and ability to develop a deep understanding of the institution and its needs. “This is a relationship that goes much deeper than a manager search and due diligence,” says Greenwich Associates Managing Director Andrew McCollum.

Institutions today are looking to consultants for advice on how to address their organizational goals through investment strategy, portfolio construction and execution. “Institutions want consultants who can both help create the architectural design and find the best building materials to actually construct the edifice,” says Greenwich Associates Managing Director Davis Walmsley.

Although many of the consultants on the list of 2016 Greenwich Quality Leaders are generalist firms, they all structure their businesses by institutional channel as a means of generating the expertise required to provide high-level advice to different types of institutions.

Some of the leaders are known for their strengths in a particular channel or asset class. Consulting firms’ success in delivering on these advisory relationships depends to a large extent on the individual consultant running the account. He or she must demonstrate broad expertise in financial markets, a deep understanding of the client’s needs, and the comprehensive knowledge of his or her firms’ own capabilities needed to marshal the required resources.

“With so many institutions experiencing resource constraints, institutions are also looking to their consultants as a source of new ideas,” says Andrew McCollum. “They want consultants to have their ear to the ground for approaches that their peers are using to address specific challenges and improve overall results.”

Greenwich Associates consultants Andrew McCollum, Davis Walmsley, Rodger Smith, Sara Sikes, and Christopher Dunn advise on the investment management market in the United States.

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## METHODOLOGY

Between July and October 2016, Greenwich Associates conducted interviews with 1,216 senior professionals at 1,052 of the largest tax-exempt funds in the United States, including corporate and union funds, public funds, endowments and foundations, insurance general accounts, and healthcare organizations 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.

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