



2010  
**MUTUAL FUND**  
ADMINISTRATION  
**SURVEY**



# Methodology

This year marks the ninth anniversary of our mutual fund survey. A total of 471 responses were received, of which 436 were authenticated for inclusion in the survey, which is in keeping with the number received in 2009. These were received on behalf of 16 different service providers. We received enough responses to rate 11 of those providers and to comment on an additional two.

The questionnaire has remained unchanged since 2008, allowing for complete consistency in comparisons between providers and scores across the past 3 years. In addition to general questions designed to help us understand the business profile of each respondent, the survey questionnaire included 46 rating questions that covered the following eight service categories: Client Service and Relationship Management, Value, Fund Accounting and Valuations, Transfer Agency, Distribution Support, Portfolio Servicing, Fund Reporting, and Compliance.

Respondents graded the quality of service on a scale of 1 to 7, where 7 is excellent; 6, very good; 5, good; 4, satisfactory; 3, weak; 2, very weak; and 1, unacceptable. Scores were then weighted for the size and sophistication of the respondent and for performance on questions named as important in each service area by all respondents.

Providers are rated as Top Rated 🏆 or Commended 🏅 for overall performance in the survey across 12 ratings categories. These include four assets-under-management categories (Less Than \$100 Million, \$100 Million-\$1 Billion, \$1-\$5 Billion, More Than \$5 Billion),

four regions based on the location of the client (North America, Europe, Asia-Pacific and Middle East) and four investment strategy categories (Equity, Fixed Income, Fund Of Funds, Other). A provider that received enough responses but an insufficiently high score is declared Unrated ○, while a provider that failed to get enough responses is Not Rated ⊕. To achieve Top Rated status, a provider must secure a weighted average score that equals or better the combined weighted average score of all providers in that category. Commended status is assessed more subjectively, but no provider with a weighted average score below 5.0 can expect to be considered.

In addition to achieving ratings, providers are awarded Best in Class ★ awards, which aim to recognize excellence in servicing clients of different sizes, types and locations in different service areas. Providers are eligible for Best in Class awards for each service area in the 12 size, investment strategy and regional categories, and are given an award when a score above the overall survey average for that service area is achieved. A provider that secured a weighted average score in any of the eight service areas in any of the 12 categories that was equal to or higher than the weighted average score of all providers in that combination of service and category was eligible for a Best in Class award for that service area in that category. Providers were eligible for a total of 13 Ratings (including Global) and 96 Best in Class awards.

To be eligible for the survey, a provider must have received a minimum of 20 responses. To

be eligible for a rating or a Best in Class award, the provider must then secure a minimum of five responses in the Less Than \$100 Million, \$100 Million-\$1 Billion, \$1-\$5 Billion, More Than \$5 billion categories; five responses in the Europe, Asia-Pacific and Middle East categories; ten in the North America category; and five in the Fund of Funds, Other, Fixed Income and Equity categories. To be rated globally, a provider must receive enough responses to qualify for a rating in at least two regions, and either two asset classes or two strategies.

As always, we would like to express our deep appreciation to the service providers and their clients for their support of the survey. We are conscious of the effort they both put into making it a success, and of our responsibility to repay them with a process that is neither burdensome nor opaque and results that are as accurate as humanly possible. We would be pleased to learn of any errors or omissions. Full research reports are available from our director of research, Muzaffar Karabaev, at [mkarabaev@globalcustodian.com](mailto:mkarabaev@globalcustodian.com).

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**Table 1: Best In Class Benchmark Scores**

|                      | Global | < \$100M | \$100M-\$1B | \$1-\$5B | \$5B+ | Equity | Fixed Income | Fund of Funds | Other Funds | North America | Europe | Asia-Pacific | Middle East | Single Provider | Multi-Provider |
|----------------------|--------|----------|-------------|----------|-------|--------|--------------|---------------|-------------|---------------|--------|--------------|-------------|-----------------|----------------|
| Client Service       | 5.85   | 6.10     | 6.11        | 5.79     | 5.77  | 5.87   | 5.74         | 5.75          | 5.73        | 5.97          | 5.67   | 6.02         | 5.46        | 6.22            | 5.67           |
| Value                | 5.55   | 5.75     | 5.82        | 5.41     | 5.50  | 5.56   | 5.47         | 5.47          | 5.41        | 5.71          | 5.38   | 5.49         | 5.22        | 5.84            | 5.40           |
| Fund Accounting      | 6.08   | 6.26     | 6.36        | 5.98     | 6.02  | 6.09   | 5.96         | 5.96          | 5.97        | 6.27          | 5.87   | 6.03         | 5.90        | 6.38            | 5.91           |
| Transfer Agency      | 5.74   | 5.91     | 6.08        | 5.55     | 5.72  | 5.76   | 5.64         | 5.63          | 5.64        | 5.97          | 5.50   | 5.65         | 5.78        | 6.07            | 5.57           |
| Distribution Support | 5.63   | 5.89     | 5.90        | 5.28     | 5.71  | 5.64   | 5.57         | 5.60          | 5.51        | 5.82          | 5.41   | 5.45         | 5.93        | 6.05            | 5.38           |
| Portfolio Servicing  | 5.63   | 5.86     | 5.88        | 5.44     | 5.61  | 5.64   | 5.54         | 5.58          | 5.50        | 5.66          | 5.57   | 5.66         | 5.56        | 5.91            | 5.48           |
| Fund Reporting       | 5.76   | 5.91     | 6.15        | 5.56     | 5.72  | 5.76   | 5.65         | 5.60          | 5.65        | 5.77          | 5.73   | 5.78         | 5.96        | 6.04            | 5.62           |
| Compliance           | 5.79   | 5.87     | 6.13        | 5.53     | 5.82  | 5.81   | 5.73         | 5.79          | 5.68        | 5.85          | 5.72   | 5.78         | 5.74        | 6.14            | 5.59           |
| Total                | 5.75   | 5.94     | 6.05        | 5.57     | 5.73  | 5.77   | 5.66         | 5.67          | 5.64        | 5.88          | 5.61   | 5.73         | 5.69        | 6.08            | 5.58           |

Table 2: League Tables

| GLOBAL |                       |             |
|--------|-----------------------|-------------|
|        | Provider              | Score       |
| 1      | PNC GIS               | 5.99        |
| 2      | BBH                   | 5.77        |
| 3      | Citi                  | 5.75        |
|        | <b>Global Average</b> | <b>5.75</b> |
| 4      | HSBC                  | 5.73        |
| 5      | State Street          | 5.51        |
| 6      | BNY Mellon            | 5.39        |
| 7      | J.P. Morgan           | 5.36        |
| 8      | RBC Dexia             | 5.35        |

| LESS THAN \$100 MILLION |                       |             |
|-------------------------|-----------------------|-------------|
|                         | Provider              | Score       |
| 1                       | CACEIS                | 6.68        |
| 2                       | ALPS                  | 6.49        |
| 3                       | HSBC                  | 6.11        |
| 4                       | BBH                   | 6.01        |
|                         | <b>Global Average</b> | <b>5.94</b> |
| 5                       | State Street          | 5.83        |
| 6                       | BNY Mellon            | 5.27        |

| \$100 MILLION - \$1 BILLION |                       |             |
|-----------------------------|-----------------------|-------------|
|                             | Provider              | Score       |
| 1                           | CACEIS                | 6.72        |
| 2                           | ALPS                  | 6.71        |
| 3                           | U.S. Bancorp          | 6.22        |
|                             | <b>Global Average</b> | <b>6.05</b> |
| 4                           | HSBC                  | 5.94        |
| 5                           | State Street          | 5.69        |
| 6                           | Citi                  | 5.53        |
| 7                           | RBC Dexia             | 5.39        |
| 8                           | J.P. Morgan           | 5.06        |

| \$1 - 5 BILLION |                       |             |
|-----------------|-----------------------|-------------|
|                 | Provider              | Score       |
| 1               | CACEIS                | 6.65        |
| 2               | ALPS                  | 6.23        |
| 3               | PNC GIS               | 6.07        |
| 3               | U.S. Bancorp          | 6.07        |
| 5               | Citi                  | 5.66        |
|                 | <b>Global Average</b> | <b>5.57</b> |
| 6               | J.P. Morgan           | 5.39        |
| 7               | RBC Dexia             | 5.23        |
| 8               | BNY Mellon            | 5.22        |
| 9               | HSBC                  | 5.21        |
| 10              | State Street          | 5.20        |
| 11              | BBH                   | 5.02        |

| MORE THAN \$5 BILLION |                       |             |
|-----------------------|-----------------------|-------------|
|                       | Provider              | Score       |
| 1                     | CACEIS                | 6.40        |
| 2                     | PNC GIS               | 5.92        |
| 3                     | BBH                   | 5.85        |
| 4                     | Citi                  | 5.82        |
|                       | <b>Global Average</b> | <b>5.73</b> |
| 5                     | HSBC                  | 5.71        |
| 6                     | State Street          | 5.55        |
| 7                     | BNY Mellon            | 5.44        |
| 8                     | J.P. Morgan           | 5.41        |
| 9                     | RBC Dexia             | 5.30        |

| EQUITY |                       |             |
|--------|-----------------------|-------------|
|        | Provider              | Score       |
| 1      | CACEIS                | 6.56        |
| 2      | ALPS                  | 6.41        |
| 3      | U.S. Bancorp          | 6.29        |
| 4      | PNC GIS               | 5.95        |
| 5      | BBH                   | 5.83        |
|        | <b>Global Average</b> | <b>5.77</b> |
| 6      | HSBC                  | 5.75        |
| 7      | Citi                  | 5.73        |
| 8      | State Street          | 5.52        |
| 9      | BNY Mellon            | 5.42        |
| 10     | J.P. Morgan           | 5.37        |
| 11     | RBC Dexia             | 5.33        |

| FIXED INCOME |                       |             |
|--------------|-----------------------|-------------|
|              | Provider              | Score       |
| 1            | CACEIS                | 6.51        |
| 2            | U.S. Bancorp          | 6.22        |
| 3            | ALPS                  | 6.14        |
| 4            | PNC GIS               | 5.95        |
| 5            | BBH                   | 5.75        |
| 6            | Citi                  | 5.72        |
| 7            | HSBC                  | 5.68        |
|              | <b>Global Average</b> | <b>5.66</b> |
| 8            | State Street          | 5.43        |
| 9            | J.P. Morgan           | 5.37        |
| 10           | RBC Dexia             | 5.32        |
| 11           | BNY Mellon            | 5.26        |

| FUND OF FUNDS |                       |             |
|---------------|-----------------------|-------------|
|               | Provider              | Score       |
| 1             | CACEIS                | 6.53        |
| 2             | PNC GIS               | 5.89        |
| 3             | Citi                  | 5.85        |
| 4             | BBH                   | 5.74        |
|               | <b>Global Average</b> | <b>5.67</b> |
| 5             | HSBC                  | 5.59        |
| 6             | BNY Mellon            | 5.42        |
| 6             | J.P. Morgan           | 5.42        |
| 8             | State Street          | 5.37        |
| 9             | RBC Dexia             | 5.27        |

| OTHER FUNDS |                       |             |
|-------------|-----------------------|-------------|
|             | Provider              | Score       |
| 1           | CACEIS                | 6.64        |
| 2           | ALPS                  | 6.45        |
| 3           | U.S. Bancorp          | 6.09        |
| 4           | PNC GIS               | 5.92        |
| 5           | Citi                  | 5.75        |
| 6           | HSBC                  | 5.70        |
| 7           | BBH                   | 5.67        |
|             | <b>Global Average</b> | <b>5.64</b> |
| 8           | State Street          | 5.40        |
| 9           | J.P. Morgan           | 5.35        |
| 10          | RBC Dexia             | 5.33        |
| 11          | BNY Mellon            | 5.24        |

| NORTH AMERICA |                       |             |
|---------------|-----------------------|-------------|
|               | Provider              | Score       |
| 1             | ALPS                  | 6.47        |
| 2             | U.S. Bancorp          | 6.22        |
| 3             | BBH                   | 6.19        |
| 4             | PNC GIS/PNC GISS      | 6.01        |
| 5             | Citi                  | 5.93        |
|               | <b>Global Average</b> | <b>5.88</b> |
| 6             | State Street          | 5.71        |
| 7             | RBC Dexia             | 5.63        |
| 8             | BNY Mellon            | 5.58        |
| 9             | J.P. Morgan           | 5.25        |

| EUROPE |                       |             |
|--------|-----------------------|-------------|
|        | Provider              | Score       |
| 1      | CACEIS                | 6.55        |
| 2      | HSBC                  | 6.16        |
| 3      | PNC GIS               | 5.91        |
|        | <b>Global Average</b> | <b>5.61</b> |
| 4      | J.P. Morgan           | 5.43        |
| 5      | BBH                   | 5.31        |
| 6      | State Street          | 5.25        |
| 7      | Citi                  | 5.23        |
| 8      | RBC Dexia             | 5.06        |
| 9      | BNY Mellon            | 4.96        |

| ASIA-PACIFIC |                       |             |
|--------------|-----------------------|-------------|
|              | Provider              | Score       |
| 1            | Citi                  | 5.96        |
| 1            | BBH                   | 5.96        |
|              | <b>Global Average</b> | <b>5.73</b> |
| 3            | HSBC                  | 5.63        |
| 4            | State Street          | 5.41        |

| MIDDLE EAST |                       |             |
|-------------|-----------------------|-------------|
|             | Provider              | Score       |
|             | <b>Global Average</b> | <b>5.69</b> |
| 1           | HSBC                  | 5.67        |

| SINGLE PROVIDER |                       |             |
|-----------------|-----------------------|-------------|
|                 | Provider              | Score       |
| 1               | ALPS                  | 6.64        |
| 2               | CACEIS                | 6.55        |
| 3               | U.S. Bancorp          | 6.46        |
| 4               | BBH                   | 6.40        |
| 5               | PNC GIS               | 6.18        |
|                 | <b>Global Average</b> | <b>6.08</b> |
| 6               | HSBC                  | 5.94        |
| 7               | State Street          | 5.90        |
| 8               | Citi                  | 5.89        |
| 9               | BNY Mellon            | 5.83        |
| 10              | RBC Dexia             | 5.74        |
| 11              | J.P. Morgan           | 5.36        |

| MULTI-PROVIDER |                       |             |
|----------------|-----------------------|-------------|
|                | Provider              | Score       |
| 1              | CACEIS                | 6.56        |
| 2              | ALPS                  | 6.23        |
| 3              | U.S. Bancorp          | 5.98        |
| 4              | PNC GIS               | 5.85        |
| 5              | BBH                   | 5.65        |
| 6              | Citi                  | 5.64        |
| 7              | HSBC                  | 5.62        |
|                | <b>Global Average</b> | <b>5.58</b> |
| 8              | J.P. Morgan           | 5.36        |
| 9              | State Street          | 5.31        |
| 10             | RBC Dexia             | 5.18        |
| 11             | BNY Mellon            | 5.12        |

🏆 = Top Rated 🏆 = Commended ○ = Unrated ⊕ = Not Rated ★ = Best in Class

# CACEIS

## BEST IN CLASS

|                      | Global | <\$100M | \$100M-\$1B | \$1-\$5B | \$5B+ | Equity | Fixed Income | Fund of Funds | Other Funds | North America | Europe | Asia-Pacific | Middle East | Single Provider | Multi-Provider |
|----------------------|--------|---------|-------------|----------|-------|--------|--------------|---------------|-------------|---------------|--------|--------------|-------------|-----------------|----------------|
|                      | ⊕      | 🏆       | 🏆           | 🏆        | 🏆     | 🏆      | 🏆            | 🏆             | 🏆           | ⊕             | 🏆      | ⊕            | ⊕           | 🏆               | 🏆              |
| Client Service       | 6.75   | ★       | ★           | ★        | ★     | ★      | ★            | ★             | ★           | n/a           | ★      | n/a          | n/a         | ★               | ★              |
| Value                | 6.45   | ★       | ★           | ★        | ★     | ★      | ★            | ★             | ★           | n/a           | ★      | n/a          | n/a         | ★               | ★              |
| Fund Accounting      | 6.64   | ★       | ★           | ★        | ★     | ★      | ★            | ★             | ★           | n/a           | ★      | n/a          | n/a         | ★               | ★              |
| Transfer Agency      | 6.48   | ★       | ★           | ★        | ★     | ★      | ★            | ★             | ★           | n/a           | ★      | n/a          | n/a         | ★               | ★              |
| Distribution Support | 6.43   | ★       | ★           | ★        | ★     | ★      | ★            | ★             | ★           | n/a           | ★      | n/a          | n/a         | ★               | ★              |
| Portfolio Servicing  | 6.56   | ★       | ★           | ★        | ★     | ★      | ★            | ★             | ★           | n/a           | ★      | n/a          | n/a         | ★               | ★              |
| Fund Reporting       | 6.62   | ★       | ★           | ★        | ★     | ★      | ★            | ★             | ★           | n/a           | ★      | n/a          | n/a         | ★               | ★              |
| Compliance           | 6.57   | ★       | ★           | ★        | ★     | ★      | ★            | ★             | ★           | n/a           | ★      | n/a          | n/a         | ★               | ★              |
| Total                | 6.56   | 6.68    | 6.72        | 6.65     | 6.40  | 6.56   | 6.51         | 6.53          | 6.64        | n/a           | 6.55   | n/a          | n/a         | 6.55            | 6.56           |

“CACEIS is a committed provider,” writes a client. “Relationship management is top of the class.” Quite so. The French bank not only collects its highest score for client service and relationship management, but comfortably tops the entire survey in that area. “Excellent relationship manager,” writes a respondent. “Staff is readily available,” adds a second. A third says that CACEIS has a “good understanding of our needs,” while a fourth appreciates the “dedicated relationship manager and excellent quality of services.” The core service areas of fund accounting and valuation and transfer agency, an issue for some in 2009, are not far behind. “Reporting of NAV calculation is of high quality,” notes a client. “Accuracy and timeliness of NAV always respected.” Another respondent picks out “transfer agency and client servicing” as among the principal strengths of CACEIS. Reporting, which was among the weaker scores in 2009, is up sharply. “Excellent quality of reporting,” says a client, though another would value “the ability to provide financial reporting to multiple accounting standards.” Another area of vulnerability 12 months ago—compliance—has improved spectacularly. One client has noticed an “improvement in the compliance service provided (coverage of restrictions and reporting).” Though a second says that “although the compliance reporting is of good quality, it could be more user-friendly,” there is no question on which the compliance score is ever less than deeply impressive. In fact, there is not a single question in the survey where the weighted average score tests the barrier at which the excellent meets the very good. On a turnout down by a third compared with a year ago, scores rose in all but three questions and every service area bar distribution support, which was more of an issue 2 years ago and where the 2009 average was already extremely high. With considerable continuity among respondents—two out of three of them rated CACEIS a year ago as well—the underlying foundation of the scores is solid. There are gripes about “fees” and “strictness in the negotiations of the fees,” but the score for value eclipses all comers, and one respondent even applauds “good commercial transparency.” Caution is voiced about the “ability to implement new products” and “ability to convert new business,” but the average scores on both of those issues banish all such doubts. This performance is flawless.

## RESPONDENT PROFILE\*

### INVESTMENT STRATEGIES PURSUED BY RESPONDENTS

|               |       |  |
|---------------|-------|--|
| Equity        | 89.2% |  |
| Fixed Income  | 81.1% |  |
| Fund of funds | 81.1% |  |
| Other Funds   | 43.2% |  |

### GEOGRAPHICAL ORIGIN OF RESPONDENTS

|               |       |  |
|---------------|-------|--|
| North America | n/a   |  |
| Europe        | 97.3% |  |
| Asia-Pacific  | 2.7%  |  |
| Middle East   | n/a   |  |

### TOTAL AUM OF RESPONDENTS

|             |       |  |
|-------------|-------|--|
| <\$100M     | 13.5% |  |
| \$100M-\$1B | 37.8% |  |
| \$1B-\$10B  | 21.6% |  |
| \$10B+      | 27.0% |  |

### AUM IN MUTUAL FUNDS OF RESPONDENTS

|             |       |  |
|-------------|-------|--|
| <\$100M     | 21.6% |  |
| \$100M-\$1B | 32.4% |  |
| \$1-\$5B    | 18.9% |  |
| \$5B+       | 27.0% |  |

### CLIENT TYPE

|                      |       |  |
|----------------------|-------|--|
| Fund Accounting Only | 27.0% |  |
| Transfer Agency Only | 8.1%  |  |
| Both                 | 16.2% |  |

### MULTI-PROVIDER RESPONDENTS

|                 |       |
|-----------------|-------|
| Single Provider | 51.4% |
| Multi-Provider  | 48.6% |

\* Proportion of respondents who answered