

2008
MUTUAL FUND
ADMINISTRATION
SURVEY

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

CACEIS

BEST IN CLASS

	Overall	< \$100M	\$100M-\$1B	\$1-\$5B	\$5B+	Equity	Fixed Income	Fund of Funds	Other Funds	North America	Europe	Asia-Pacific
	⊕	🏆	🏆	🏆	🏆	🏆	🏆	🏆	🏆	⊕	🏆	⊕
Client Service	6.40	★	★	★	★	★	★	★	★	n/a	★	n/a
Value	6.18	★	★	★	★	★	★	★	★	n/a	★	n/a
Fund Accounting	6.21	★	★	★	★	★	★	★	★	n/a	★	n/a
Transfer Agency	6.07	★	★	★	★	★	★	★	★	n/a	★	n/a
Distribution Support	5.98	★	★	★	★	★	★	★	★	n/a	★	n/a
Portfolio Servicing	6.29	★	★	★	★	★	★	★	★	n/a	★	n/a
Fund Reporting	6.25	★	★	★	★	★	★	★	★	n/a	★	n/a
Compliance	6.22	★	★	★	★	★	★	★	★	n/a	★	n/a
TOTAL	6.20	6.46	6.44	5.87	6.21	6.15	6.08	6.21	6.02	n/a	6.17	n/a

It is hard to find fault with this performance. The French bank again received more responses than any other provider and came close to topping the survey. Despite the astonishingly high levels attained by CACEIS in 2007, average scores are up again in two out of three areas and five out of eight service areas. “CACEIS showed in 2007 continuous determination to improve the overall quality of the service and to ensure that they remain always in phase with the evolution of the market requirements while retaining competitive pricing,” says a client.

This tribute to the bank is not a universal assessment, but the client comments are certainly replete with flattering references to the responsiveness and flexibility of the staff, and CACEIS earns scores to match on the human side of the business. In fact, client service and relationship management is the highest scoring area in a set where the average score in every service area is at least “very good” and often better. “The personnel is committed to meeting our needs and finds solutions,” writes a client. “They are also quick to react to questions and demands—in general, excellent service.”

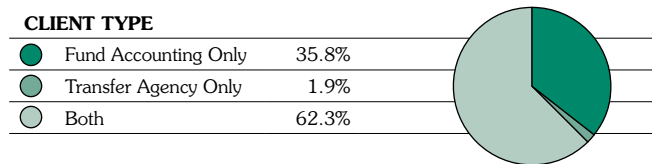
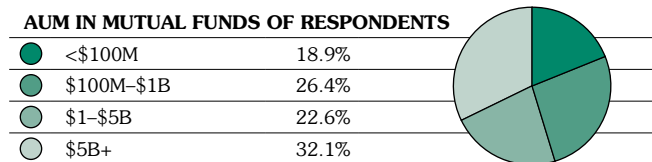
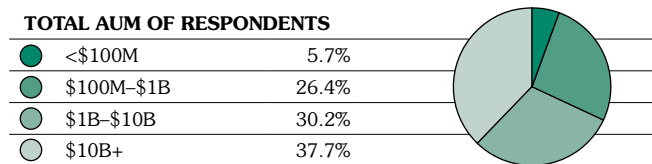
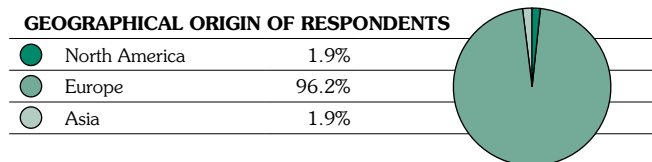
If the CACEIS client base is drawn exclusively from Europe, it does not lack variety in terms of either size or strategy. Yet average scores are consistently high in virtually every category by size, dipping only slightly at either end of the spectrum, and remaining uniformly excellent across equity, fixed income and funds of funds strategies. One client even reminds competitors that there is more than one way of becoming a global provider. “International network, can handle most markets,” he writes.

Are there any weaknesses? The comments include specific gripes about compliance reporting—“Statutory reporting is not up to the same standard as other services,” writes a major client, and a smaller one agrees that “compliance reporting and responsiveness to regulatory changes could be better”—but these are not supported by the average scores. The truth is that even in its lowest scoring area of distribution support (and one client would like “electronic subscription alternatives [to] ... help distribution”), CACEIS returns an average score that is “very good.” With scores in every service area way above the global benchmarks, no wonder one CACEIS respondent struggled to identify a weakness. “Not applicable,” he wrote.

RESPONDENT PROFILE*

INVESTMENT STRATEGIES PURSUED BY RESPONDENTS

Equity	81.1%	
Fixed Income	67.9%	
Fund of Funds	69.8%	
Other Funds	43.4%	



MULTI-PROVIDER RESPONDENTS

Single Provider	43.4%
Multi-Provider	56.6%

* Proportion of respondents who answered

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Methodology

Our seventh Global Custodian mutual fund administration survey saw the introduction of a newly rated provider. This year IFDS joins 12 other providers in receiving ratings. In addition to the 13 rated providers, responses were received for an additional five. A total 390 responses were received in all, and, after checking for duplication and authenticity, a total of 343 were used in the final calculations.

Only one minor change was made to the questionnaire this year. The two comment sections that previously followed the Value and Compliance sections were replaced with two questions at the end of the survey that ask respondents, “What do you consider to be each provider’s strengths?” and “What do you consider to be each provider’s weaknesses?”

As in the past two years, providers were rated on 46 questions divided into eight service areas—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 11 ratings categories: Less Than \$100 Million, \$100 Million–\$1 Bil-

lion, \$1–\$5 Billion, More Than \$5 Billion, Equity, Fixed Income, Fund Of Funds, Other, North America, Europe and Asia. 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 betters 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 11 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.

To be eligible for the survey, a provider must have received a minimum of 15 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 and Asia categories, 10 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 be qualified for a rating in at least two regions and either two asset classes or two strategies.

A provider that secured a weighted average score in any of the eight service areas in any of the 11 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 12 Ratings (including overall) and 96 Best in Class awards.

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.

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Table 1: Best in Class Benchmark Scores

	Overall	< \$100M	\$100M–\$1B	\$1–\$5B	\$5B+	Equity	Fixed Income	Fund of Funds	Other Funds	North America	Europe	Asia-Pacific
Client Service	5.58	5.90	6.03	5.49	5.43	5.55	5.63	5.48	5.46	5.63	5.52	5.79
Value	5.45	5.66	5.63	5.28	5.43	5.42	5.46	5.42	5.33	5.41	5.47	5.58
Fund Accounting	5.80	5.99	6.14	5.75	5.67	5.75	5.77	5.60	5.69	5.86	5.73	5.84
Transfer Agency	5.71	5.86	5.84	5.70	5.64	5.69	5.71	5.62	5.66	5.75	5.65	5.84
Distribution Support	5.40	5.35	5.82	5.23	5.37	5.39	5.36	5.31	5.33	5.48	5.29	5.64
Portfolio Servicing	5.53	5.49	5.93	5.33	5.50	5.51	5.58	5.49	5.45	5.51	5.51	5.77
Fund Reporting	5.60	5.72	6.03	5.53	5.46	5.57	5.52	5.50	5.45	5.53	5.66	5.72
Compliance	5.59	5.80	5.97	5.46	5.49	5.57	5.56	5.57	5.47	5.62	5.52	5.84
TOTAL	5.58	5.72	5.92	5.47	5.50	5.56	5.57	5.50	5.48	5.60	5.54	5.75

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Table 2: League Tables

GLOBAL LEAGUE TABLE		
	Provider	Score
1	Brown Brothers Harriman	5.63
2	RBC Dexia Investor Services	5.58
3	PFPC Inc.	5.57
4	Citi	5.52
5	JPMorgan	5.43
6	State Street Corporation	5.38
7	BNY Mellon Asset Servicing	5.27
8	HSBC Securities Services	5.21

DOMESTIC LEAGUE TABLE		
	Provider	Score
1	ALPS Fund Services, Inc.	6.36
2	CACEIS	6.20
3	U.S. Bancorp Fund Services, LLC	5.73
4	IFDS	5.12

LESS THAN \$100 MILLION		
	Provider	Score
1	ALPS Fund Services, Inc.	6.60
2	CACEIS	6.46
3	RBC Dexia Investor Services	5.62
4	Citi	5.62
5	BNY Mellon Asset Servicing	5.41

\$100 MILLION - \$1 BILLION		
	Provider	Score
1	ALPS Fund Services, Inc.	6.55
2	CACEIS	6.44
3	U.S. Bancorp Fund Services, LLC	5.99
4	RBC Dexia Investor Services	5.88
5	Citi	5.71
6	HSBC Securities Services	5.12

\$1 - 5 BILLION		
	Provider	Score
1	Citi	6.15
2	ALPS Fund Services, Inc.	6.09
3	CACEIS	5.87
4	Brown Brothers Harriman	5.66
5	PFPC Inc.	5.62
6	U.S. Bancorp Fund Services, LLC	5.51
7	IFDS	5.32
8	State Street Corporation	5.21

MORE THAN \$5 BILLION		
	Provider	Score
1	CACEIS	6.21
2	HSBC Securities Services	5.58
3	PFPC Inc.	5.53
4	Brown Brothers Harriman	5.51
5	JPMorgan	5.46
6	State Street Corporation	5.43
7	BNY Mellon Asset Servicing	5.33
8	Citi	5.26
9	RBC Dexia Investor Services	5.18
10	IFDS	4.88

EQUITY		
	Provider	Score
1	ALPS Fund Services, Inc.	6.32
2	CACEIS	6.15
3	U.S. Bancorp Fund Services, LLC	5.75
4	Brown Brothers Harriman	5.63
5	PFPC Inc.	5.55
6	Citi	5.54
7	RBC Dexia Investor Services	5.53
8	State Street Corporation	5.39
9	JPMorgan	5.34
10	BNY Mellon Asset Servicing	5.28
11	HSBC Securities Services	5.21
12	IFDS	5.12

FIXED INCOME		
	Provider	Score
1	ALPS Fund Services, Inc.	6.40
2	CACEIS	6.08
3	U.S. Bancorp Fund Services, LLC	5.84
4	Brown Brothers Harriman	5.65
5	Citi	5.59
6	PFPC Inc.	5.47
7	RBC Dexia Investor Services	5.47
8	JPMorgan	5.44
9	State Street Corporation	5.38
10	BNY Mellon Asset Servicing	5.33
11	HSBC Securities Services	5.20
12	IFDS	5.14

FUND OF FUNDS		
	Provider	Score
1	ALPS Fund Services, Inc.	6.43
2	CACEIS	6.21
3	RBC Dexia Investor Services	5.62
4	PFPC Inc.	5.45
5	Citi	5.44
6	Brown Brothers Harriman	5.38
7	JPMorgan	5.36
8	BNY Mellon Asset Servicing	5.34
9	HSBC Securities Services	5.12
10	State Street Corporation	5.08
11	IFDS	5.03

OTHER FUNDS		
	Provider	Score
1	ALPS Fund Services, Inc.	6.15
2	CACEIS	6.02
3	U.S. Bancorp Fund Services, LLC	5.64
4	Brown Brothers Harriman	5.55
5	RBC Dexia Investor Services	5.54
6	Citi	5.53
7	PFPC Inc.	5.49
8	JPMorgan	5.39
9	State Street Corporation	5.30
10	BNY Mellon Asset Servicing	5.27
11	HSBC Securities Services	5.16
12	IFDS	5.04

NORTH AMERICA		
	Provider	Score
1	ALPS Fund Services, Inc.	6.36
2	RBC Dexia Investor Services	5.88
3	U.S. Bancorp Fund Services, LLC	5.73
4	BNY Mellon Asset Servicing	5.64
5	State Street Corporation	5.54
6	Brown Brothers Harriman	5.51
7	PFPC Inc.	5.51
8	Citi	5.21
9	JPMorgan	5.17

EUROPE		
	Provider	Score
1	CACEIS	6.17
2	PFPC Inc.	5.74
3	HSBC Securities Services	5.63
4	Brown Brothers Harriman	5.62
5	JPMorgan	5.58
6	RBC Dexia Investor Services	5.32
7	State Street Corporation	5.11
8	Citi	5.10
9	BNY Mellon Asset Servicing	5.05
10	IFDS	5.01

ASIA-PACIFIC		
	Provider	Score
1	Citi	6.59
2	HSBC Securities Services	4.93

SINGLE PROVIDER		
	Provider	Score
1	ALPS Fund Services, Inc.	6.62
2	Brown Brothers Harriman	6.52
3	CACEIS	6.19
4	U.S. Bancorp Fund Services, LLC	5.96
5	State Street Corporation	5.84
6	HSBC Securities Services	5.76
7	Citi	5.74
8	RBC Dexia Investor Services	5.64
9	BNY Mellon Asset Servicing	5.60
10	IFDS	5.58
11	PFPC Inc.	5.50

MULTI-PROVIDER		
	Provider	Score
1	ALPS Fund Services, Inc.	6.25
2	CACEIS	6.20
3	PFPC Inc.	5.63
4	RBC Dexia Investor Services	5.51
5	Brown Brothers Harriman	5.47
6	Citi	5.45
7	U.S. Bancorp Fund Services, LLC	5.45
8	JPMorgan	5.37
9	State Street Corporation	5.23
10	BNY Mellon Asset Servicing	5.09
11	IFDS	4.99
12	HSBC Securities Services	4.93



... and climbing.

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