

Platform launches systematic “Value Appraisals” by asset owners on managers they employ

- Over 700 asset owners have participated on the INSTICUBE platform
- Over 17,000 reports have already been completed on the quality of service and value delivered by nearly 500 asset managers employed
- Independent intelligence-sharing structure encourages investment industry best practice
- Today just 18% of asset owners, less than one-in-five, express complete satisfaction with their managers

London, 18 September 2019

INSTICUBE, an independent data platform, has today launched a new initiative to aid both institutional investors and asset managers in assessing the value being delivered to asset owners by the managers that they employ.

The platform greatly improves transparency on the quality of service and value being delivered by asset managers to institutional asset owners, based on data provided by the asset owners themselves.

Asset owners are able to share intelligence on asset managers, at no cost, to ensure they are getting the best possible value, while also meeting their own regulatory requirements in UK to report on the value being delivered by appointed managers. Asset managers are also able to access information specific to them, in order to understand the key issues being identified in assessments being provided by their clients, thereby driving best practice across the investment industry.

Nearly 700 European asset owners have already participated in the INSTICUBE platform, which has received strong endorsements and approval from leading industry bodies such as the Local Government Pension Scheme (LGPS), and the Investment Association (IA). The nearly 500 asset managers reported on by clients will now be able to gain access to the platform’s intelligence and insights.

Carsten Eckert, Managing Director of INSTICUBE, comments: *“For many years, the focus of the institutional investment industry has largely been on cost alone. But cost is just one part of the story. Value for money is far more nuanced, and a far more serious issue.*

“It is critical that assets owners think beyond just the costs they are incurring. Asset owners need the information that allows them to accurately evaluate the quality of service and value that is being delivered. Simple definitions of value for money in terms of cost transparency alone are not sufficient to measure value being delivered, and should also encompass all key service areas including ESG, risk management and reporting. By providing a platform where asset owners can share intelligence based on comprehensive insights across all aspects of the value chain, and managers can quickly gain clear perspectives on how their services are being rated, we believe INSTICUBE will encourage improved delivery of value to help institutions meet their long-term investment aims.”

The launch of the initiative by INSTICUBE comes as increased focus is being placed on the delivery of value for money by regulators and other industry leaders.

Data from INSTICUBE suggests that just 18% of asset owners – fewer than one-in-five – are truly positive about the service they receive from asset managers. This level is actually very stable, but varies slightly by country.

Carsten Eckert continues: *“The investment industry is now taking an increasingly nuanced view on what assets owners should be receiving in return for the fees they pay. We have seen extremely strong support for the type of platform that INSTICUBE delivers, which reflects the importance that intelligence sharing plays in ensuring the delivery of value for money.*

“Asset management will need to reach the same levels of client satisfaction in future that other professional services regularly achieve today. We are looking forward to helping asset managers optimise the value they deliver – for the benefit of the ultimate investor.”

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Notes to editors:

About INSTICUBE

INSTICUBE is an independent data platform providing insight and intelligence to asset owners and managers on the services and value being delivered by asset managers to institutional investors across all asset classes. Based in Munich, Germany, and with offices in London, INSTICUBE provides information to institutional investors and asset managers operating in the UK and Europe. Over 700 European asset owners representing assets of €2.5trn have already completed more than 17,000 reports on nearly 500 asset managers they employ. These managers are now able to access assessments on the quality of service and value they deliver.