Small and medium-sized firms triumph in 2011 PAM Awards

Proponents of the view that smaller and medium-sized firms provide consistently better investment performance and service quality than the wealth management arms of big integrated banking groups could do worse than refer to the 2011 PAM (Private Asset Managers) Awards, the definitive awards for the private asset management sector, to prove their case. Small and medium-sized firms dominated the list of finalists, especially in the investment performance categories, and walked away with all but one of the PAM Awards.

Schroders Private Banking headed the field by making the finalists’ short-list in seven categories, winning two outright (Image and Reputation UHNW and Service Quality UHNW) and sharing a third (Service Quality HNW) with Sarasin & Partners. Veritas Asset Management (UK) also won two Awards outright (Investment Performance - Defensive Portfolios and Investment Performance - Growth Portfolios) as well as getting shortlisted in two other categories.

Heartwood Wealth Management (4), Sarasin & Partners (3) and Smith & Williamson (5) also made the finalists’ shortlist in a number of categories as well as winning PAM Awards. Heartwood won the Award for Best Overall Wealth Solutions Provider - HNW for the second year in succession; Sarasin Partners shared the Award with Schroders for Service Quality HNW; and Smith & Williamson won the Award for Investment Performance - Absolute Return Portfolios.

J.P Morgan Private Bank was the only wealth management arm of a big integrated bank to win a PAM Award. It won the Award for Best Overall Wealth Solutions Provider UHNW and achieved one other shortlisting.

Maseco Private Wealth, a relatively newly established London-based boutique won the Investment Products and Service Innovation Award at its first attempt. Rothschild made the PAM Honours Board for the first time by winning the Image & Reputation - HNW Award.

Ruffer LLP maintained its stranglehold on the Investment Peformance - Balanced Portfolio Award by winning it for the third successive year. Berry Asset
Management just managed to beat-off Sarasin Partners in the closely contested Quality and Clarity of Reporting Award.

“The 2011 PAM Awards makes very interesting reading, especially in the light of the ongoing debate about the relative merits of large and smaller firms,” said James Anderson, PAM Insight’s Editor in Chief and a chairman of the PAM Judging Panel. “Of course it is impossible to make a definitive conclusion on just one year’s results. But based on the entries submitted to the PAM Panel it seems that it is the smaller and medium sized firms that are setting the standards in terms of both investment performance and client service, with occasional exception.

“The PAM Awards reflect the reality in the market, that if you do not pitch for the business you cannot win.

“Nonetheless it would be very difficult to find an investment manager that could outperform Ruffer LLP when it comes to managing defensive portfolios, especially over the past three years, or Veritas Asset Management for growth, or unconstrained, portfolios. It would be just as difficult to find client reports that match the clarity and transparency of those provided by Berry Asset Management and Sarasin.

“On the basis of the 2011 PAM Award entries it would certainly be very difficult to claim that clients would be at a disadvantage in preferring a smaller firm to one of the big integrated firms for systemic reasons. Perhaps that is something that big firms may wish to debate with us over the next 12 months.”

Overall the judges noted a general improvement in the quality of entries.

The judges were also impressed by the quality of entries submitted for the Investment Product or Service Innovation Award, a category that has proved problematic in the past, as well as the efforts that firms are making to improve the clarity and quality of client reporting.

“A considerable number of entries addressed real problems, some of which will be ongoing over the next two years or so, such as the FSA’s Retail Distribution Review (RDR), portfolio protection in volatile markets, and the tax treatment of US citizens domiciled in the UK,” said Mr Anderson. “We were also pleased at the effort being made to improve the clarity and quality of client reporting, not least because some firms have actually taken notice of the PAM Judges’ recommendations.”

Aberdeen Asset Managers, Advent Software, BITA Risk, Cofunds, Connaught Asset Management, ConnectJets, JHC, PCM, Phee Farrar Jones, Societe Generale ETP, Thomson Reuters and the Wold Gold Council sponsored the 2011 PAM Awards, in association with ARC, thewealthnet, eprivateclient and
Notes for editors

PAM Insight is the leading independent information source in the private wealth management sector. The company provides comprehensive data and analysis on the wealth management market and its major players.

PAM Insight also produces the wealth management sector’s leading information service at www.thewealthnet.com.

In addition it produces PAM (Private Asset Managers) UK and Global rankings, the definitive sources for those looking to find out more about this discreet marketplace. PAM pulls together the most pertinent information on managers compiled through PAM Insight’s analysis of the market.

The annual PAM Awards are judged by a panel of leading independent industry figures, based on rigorous quantitative and qualitative data gathered on the leading wealth managers. They are viewed as the industry’s most sought after and prestigious awards. www.pamonline.com is a consumer website which allows investors to research and compare private wealth managers, based on a broad range of criteria.

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