

# efm

european fund manager

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**M**ultiManager funds worldwide grew from USD 500 billion funds under management to USD 1.7 trillion between 2001 and 2007. It was in response to this opportunity that late last year Skandia Investment Group (SIG) was formed to harness all the investment management functions of the worldwide Skandia Group and to put the business in a position to compete globally. Tapping into this global growth was a natural evolution for Skandia and concentrating its

knowledge and expertise into a single organisation creates a MultiManager business with USD 120 billion under management and 100 institutional mandates worth on average circa USD 200 million each.

**Keys to success**

To succeed in the global MultiManager investment management industry companies are going to need scale, strong risk and compliance controls, first class investment research capabilities,

and, perhaps above all, innovation, in order to enthuse the markets they serve.

MultiManager businesses, such as SIG, that operate on a global scale become important business partners for other investment management companies, as they create a single contact point which can facilitate global manager selection arrangements. It also gives the MultiManager company unrivalled access to the fund managers, so providing greater visibility and control over how institutional mandates are being managed.

Operating on a global basis also raises a number of operational factors that need to be addressed. For example, where to domicile a fund becomes an important consideration, as do the different local registration processes and regulations in the countries where the fund will be sold. However, the rewards for the companies that can get this right on a global basis are significant.

The cost of manufacturing, blending managers, and establishing robust portfolio management procedures can be reduced by building once and delivering across multiple countries. This also facilitates the cross sharing of ideas and best practices from one country to another. There is no established global leader in idea generation. Innovation in fund design and manufacture is perhaps the key area that will separate the market leaders



# Going Global

***As the MultiManager investment concept continues to gain ground around the world, Skandia has responded by establishing a major new global force in Skandia Investment Group (SIG). In this article, SIG's CEO Jamie MacLeod explains the rationale.***

from the rest of the pack.

The real winners are likely to be those with the creativity to build products or investment solutions that are unique and capture the imagination of investors and their advisers. Of course it is important to offer a wide spectrum of investment solutions, including

MultiManager funds, single strategy funds, structured products, and open architecture fund ranges. But the real differentiator will be continued innovation.

#### **A view from the inside**

From my perspective it is a privilege to work with the very best investment management businesses in the world. As a MultiManager business with scale, SIG has significant access to our business partners and this enables us to reflect on those that have real strategic intent, high quality chief executives, great operational teams, and world class fund managers. This aids us in setting our own standards. To be a business partner with the worlds best investment management companies requires us to offer them something that complements and adds value to

*MultiManager businesses that operate on a global scale become important business partners for other investment management companies, as they create a single contact point which can facilitate global manager selection arrangements.*

their business. Working with and learning from the best investment management companies in the market drives our own business to new levels. We pride ourselves on building unique funds and introducing new concepts in investment management that add real value to our fund group partners by enthusing the market and capturing the hearts and minds of distributors and investors.

The creation of SIG enables us to market these innovative funds to a global audience. Some of our fund concepts that have been hugely successful in one market have already been exported to others.

#### **Research is central**

Although innovation is key, MultiManager firms must have the necessary expertise and capability to bring new fund concepts from drawing board to marketplace. In addition to the operational and

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compliance aspects mentioned earlier, central to this capability must be a world class investment research function.

Investment research is a time consuming and expensive exercise when building innovative investment solutions, but it is the hallmark of a quality MultiManager.

One of the most important considerations in the formation of SIG was the desire to bring together and build upon Skandia's circa 50 investment research analysts and portfolio managers around the world. Creating one investment research function ensures that a high quality and consistent approach to fund analysis and manager selection can be applied to all our investment solutions.

between disparate teams.

This level of co-ordination also ensures information and best practice is shared globally for greater efficiency and quicker speed to market. Speed to market can be improved by leveraging greater resources and focusing them on areas where demand for particular investment solutions is required.

The potential winners in the MultiManager investment world will be those that can build a reputation for delivering a range of core and innovative investment solutions that match the entire spectrum of needs from investors. Skandia Investment Group has been created to do just that. ■



*Jamie MacLeod is Chief Executive Officer of Skandia Investment Group (SIG), the USD 130 billion global multi-manager business for the entire Skandia Group. Skandia's three dedicated fund management companies, Skandia Fonder (Sweden), Skandia Global Funds (Dublin), and Skandia Investment Management (UK) all operate within the SIG business.*

*SIG is the third major fund management business that Jamie has led. Prior to founding Skandia Investment Management and joining Skandia Group, Jamie was Managing Director of Investec Asset Management's UK and European Retail operation. Prior to Investec, he spent nine years with Scottish Widows where he became the Managing Director of Scottish Widows Unit Trust Company.*

[www.skandiainvestmentgroup.com](http://www.skandiainvestmentgroup.com)

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# skandia european best ideas fund

10 world-class managers  
each choosing their 10 best ideas  
in one outstanding fund

We've taken ten of the world's top European fund managers, asked them each to pick their ten best ideas and put them together in one outstanding fund.

We believe that the Skandia European Best Ideas Fund represents a breakthrough in fund management. It is a unique proposition which aims to maximise the benefits of MultiManager investing.

For further information and to find out if the funds are suitable for your investment needs, please contact your financial adviser.

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