



2009 TRANSITION MANAGEMENT SURVEY

In a year of extraordinary financial turmoil and, for many, ruin, the world of transition management (TM) was not without its casualties in 2008. Gone now, of course, are Bear Stearns and Lehman Brothers. As many institutional investors grappled with shell shock and the pressing need for liquidity, transition flow tended to be static. Still, the TM operations at most firms insist that business is good and that they are optimistic about the year ahead.

For transition management clients, the credit crisis made it difficult at times to know which end was up. Several survey respondents commented that, considering the challenging environment at the time of their transition, it was difficult to quantify their experience. Launching a transition into markets that rise or fall 5% on any given day is heady stuff. Still, half of TM clients surveyed said they conducted more transitions in 2008 than in 2007, and only 29% said they had done fewer. With understandable conservatism, 37.9% of TM clients said they expected to do fewer transitions in 2009 versus 2008, but more than 62% anticipated doing the same number or more transitions in 2009.

SPINNING ALONG

Despite volatile markets and a credit crisis, transition managers and their clients report increased activity in 2008

Illustration by James Jean

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Best In Class

Pre-Trade, Post-Trade, and Organization and Support

	INSTITUTIONAL*	INVESTMENT MANAGERS	CONSULTANTS	NON-U.S.
TOP RATED	State Street	Russell	J.P. Morgan	Brockhouse & Cooper
COMMEDED	Mellon	Citi	BNY ConvergEx	State Street

Execution

	INSTITUTIONAL*	INVESTMENT MANAGERS	CONSULTANTS	NON-U.S.
TOP RATED	State Street	Citi	BNY ConvergEx	Brockhouse & Cooper
COMMEDED	BNY ConvergEx	Russell	Mellon	Goldman Sachs

Manager performance remained the most common reason that clients chose to run transitions, rebounding to nearly half of respondents after seeing a drop in 2007. Asset allocation shifts were less of a driver for transitions in 2008, as was true for rebalancing. Meanwhile, for the second year in a row, restructuring of funds became a more prevalent reason for doing a transition, as did change in the fund/manager benchmark.

While the number of clients issuing RFPs held at about 19% in 2008, the number using the recommendation of a consultant rose from 13% in 2007 to 18% in 2008. Clients saying they have one firm they always use for transitions fell from 32.3% in 2007 to 27.8% in 2008. Those clients using a pre-approved list of providers held steady at about 42%.

For the first time in this survey, we asked transition managers and their clients about the benchmarks they prefer to use in gauging transition costs. All but one of the transition managers surveyed said they use implementation shortfall as defined by the T Standard. Clients also relied on the T Standard most, with roughly two-thirds saying so. The more traditional measurements—namely VWAP (volume-weighted average price), explicit costs, and prior night's close—were far less relied upon by clients, although 60% of transition managers still used the prior night's close.

In 2008, fewer transition managers were considered for each mandate. Clients considering just one transition manager rose from 28.8% in 2007 with 34.0% in 2008, while the incidence of those considering three or more dropped slightly.

Regarding types of transition trades, 62% of clients reported conducting agency trades in 2008, compared with 58.9% in 2007. Principal trades held steady in the 17% range, while fewer clients reported doing hybrid trades in 2008.

—Brian Neligan

* Corporate, Public, and Taft-Hartley plans; Endowments & Foundations, Nonprofits

Stats

Reasons for conducting transition

	2007	2008	CHANGE	
Manager performance	44.9%	48.9%	9.0%	
Asset allocation shift	43.8%	39.5%	-9.9%	
Restructure of your fund	25.4%	27.4%	7.7%	
Change in personnel/structure	29.6%	26.8%	-9.3%	
Rebalance	25.0%	17.9%	-28.4%	
Cash flow, in or out	12.9%	12.6%	-2.1%	
Change in fund/mgr benchmark	8.5%	11.1%	30.0%	
Merger of firms	2.8%	3.2%	12.8%	
Other	6.1%	4.7%	-22.3%	

Type of transition trades conducted

	2007	2008	CHANGE	
Agency	58.9%	62.0%	5.2%	
Principal	17.9%	17.1%	-4.3%	
Hybrid (Agency/Principal)	32.2%	26.0%	-19.2%	

Number of transition managers considered for each transition

	2007	2008	CHANGE	
One	28.8%	34.0%	18.1%	
Two	26.8%	26.5%	-1.3%	
Three	31.3%	28.5%	-8.9%	
Four	7.8%	6.2%	-20.7%	
Five or more	5.3%	4.8%	-9.2%	

Number of transitions in 2008 vs. 2007

More transitions in 2008 vs. 2007	49.6%	
Fewer transitions in 2008 vs. 2007	28.9%	
Same number of transitions in 2008 as in 2007	21.5%	

Number of transitions expected in 2009 vs. 2008

More transitions in 2009 vs. 2008	31.6%	
Fewer transitions in 2009 vs. 2008	37.9%	
Same number of transitions in 2009	30.5%	

Benchmark(s) preferred to gauge transition costs

	CLIENTS	MGR	
Implementation shortfall (T Standard)	64.9%	93.3%	
Explicit costs	25.5%	33.3%	
VWAP	19.5%	33.3%	
Prior night's close	17.2%	60.0%	
Other	4.6%	20.0%	

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Methodology

The listings in the 2009 Transition Management Survey represent two sources of information. The first is data collected by *PLANSPONSOR* from transition managers concerning the scale and scope of their business, as well as client profile information. All data are as of 12/31/2008. The second is feedback from clients, consultants, and investment managers on the portfolio transitions they mandated and the managers they used in 2008. A total of nine transition managers received sufficient client feedback to qualify for Best in Class honors, which went to the two highest-scoring transition managers in each client category. Six transition managers did not receive enough client responses to be eligible for Best in Class, but their profiles are included here. For information on additional research available, please contact Brian Neligan (bneligan@plansponsor.com).

TOTAL VALUE OF PORTFOLIO TRANSITIONS REPRESENTED

	2007	2008	CHANGE	
<\$25MM	4.7%	8.2%	75.1%	
\$25MM - <\$50MM	7.6%	9.8%	29.1%	
\$50MM - <\$100MM	11.3%	13.6%	20.4%	
\$100MM - <\$250MM	17.4%	19.0%	9.1%	
\$250MM - <\$500MM	17.0%	11.4%	-33.0%	
\$500MM - \$1B	13.7%	10.8%	-21.5%	
>\$1B	28.3%	27.2%	-3.8%	

Barclays Global Investors

12 Responses

CLIENT TYPE	NUMBER	SECURITY TYPE	(\$MM)
Corporate DB	290	Only U.S. Equities	\$110,000
Public DB	182	Only Non-U.S. Equities	\$138,000
Taft-Hartley	8	Global Equities	\$34,000
Endowment/Fdtn	13	Equities and Fixed Income	\$5,000
Defined Contribution	28	Only Fixed Income	\$86,000
Insurance	0	F/X	\$42,000
Mutual Funds	0	Total*	\$415,000
Other	22	% INTERNALLY CROSSED	n/a
Total	543	TRANSITION STAFF**	n/a

CLIENTS BY MAJOR GEOGRAPHIC AREAS*

U.S./Canada	n/a	Japan	n/a
U.K./Europe	n/a	Asia ex Japan	n/a
Middle East	n/a	Australia/New Zealand	n/a

RISK SYSTEM(S): Internal/Proprietary, Barra

COMMENTS: Usually a stalwart in our survey, Barclays failed to qualify for Best in Class honors this year. The San Francisco-based manager scored below average in all four transition phases, but best for its Pre-Trade and Organization & Support capabilities. One investment manager said it selected BGI for its reputation and its ability to handle transitions with multiple legacy and target managers. An institutional client lauded BGI for steering its transition through volatile markets, saying, "BGI provided a calming, methodical point of view to the [credit] crisis....In the end, we received superior results vs. their pre-trade estimates."

Abel/Noser Corp.

2 Responses

CLIENT TYPE	NUMBER	SECURITY TYPE	(\$MM)
Corporate DB	17	Only U.S. Equities	\$2,650
Public DB	21	Only Non-U.S. Equities	\$0
Taft-Hartley	29	Global Equities	\$0
Endowment/Fdtn	35	Equities and Fixed Income	\$850
Defined Contribution	8	Only Fixed Income	\$3,200
Insurance	0	F/X	\$0
Mutual Funds	3	Total*	\$6,700
Other	0	% INTERNALLY CROSSED	4%
Total	113	TRANSITION STAFF**	4

CLIENTS BY MAJOR GEOGRAPHIC AREAS*

U.S./Canada	100%	Japan	0%
U.K./Europe	0%	Asia ex Japan	0%
Middle East	0%	Australia/New Zealand	0%

RISK SYSTEM(S): Internal/Proprietary

COMMENTS: Receiving just two client responses, newcomer Abel Noser failed to qualify for Best in Class honors in this year's survey. The New York-based firm also did not receive a sufficient number of scores or verbatim comments to warrant a review here.

BlackRock/Merrill Lynch

7 Responses

CLIENT TYPE	NUMBER	SECURITY TYPE	(\$MM)
Corporate DB	80	Only U.S. Equities	\$27,000
Public DB	85	Only Non-U.S. Equities	\$22,000
Taft-Hartley	30	Global Equities	\$32,000
Endowment/Fdtn	35	Equities and Fixed Income	\$28,000
Defined Contribution	20	Only Fixed Income	\$35,000
Insurance	15	F/X	\$5,000
Mutual Funds	20	Total*	\$149,000
Other	15	% INTERNALLY CROSSED	12%
Total	300	TRANSITION STAFF**	25

CLIENTS BY MAJOR GEOGRAPHIC AREAS*

U.S./Canada	39%	Japan	2%
U.K./Europe	35%	Asia ex Japan	0%
Middle East	10%	Australia/New Zealand	14%

RISK SYSTEM(S): Internal/Proprietary, Barra

COMMENTS: Falling short of our 20-response hurdle, BlackRock/Merrill Lynch failed to qualify for Best in Class honors this year. In the few responses it received, BlackRock/Merrill scored slightly above average for its Execution and Post-Trade capabilities and slightly below average for its Pre-Trade and Organization & Support services. One institutional client said it selected BlackRock/Merrill for "their expertise with fixed-income products." An investment manager averred, "[BlackRock/Merrill's] areas of strength include trade execution, reporting, and communications." On the flip side, one consultant complained, "Communication was minimal and not proactive."

* All categories are not listed. See www.plansponsor.com for full details. ** Excluding traders

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BNY ConvergeX Group			
		44 Responses	
HIGH SCORE: Access to liquidity			
LOW SCORE: Timeliness of post-transition report			
CLIENT TYPE	NUMBER	SECURITY TYPE	(\$MM)
Corporate DB	157	Only U.S. Equities	\$112,476
Public DB	139	Only Non-U.S. Equities	\$48,203
Taft-Hartley	100	Global Equities	\$57,317
Endowment/Fdtn	52	Equities and Fixed Income	\$21,824
Defined Contribution	17	Only Fixed Income	\$59,995
Insurance	8	F/X	\$67,125
Mutual Funds	20	Total*	\$366,940
Other	152	% INTERNALLY CROSSED	26%
Total	645	TRANSITION STAFF**	41
CLIENTS BY MAJOR GEOGRAPHIC AREAS*			
U.S./Canada	51%	Japan	0%
U.K./Europe	31%	Asia ex Japan	8%
Middle East	3%	Australia/New Zealand	0%
RISK SYSTEM(S): Internal/Proprietary, Barra			
COMMENTS: With the third-most responses in our survey, BNY ConvergeX won praise for its clear-cut timelines and responsiveness to clients' changing needs. Several clients said that, with BNY, they felt their transition was "in good hands." BNY ConvergeX scored highest for its Execution services, where it won Best in Class honors for being Top-Rated by consultants and Commended by institutional clients. It was also Commended by consultants for its Pre-Trade, Post-Trade, and Organization & Support services. One institutional client raved, "I would highly recommend them to anyone."			

Brockhouse & Cooper Inc.			
		21 Responses	
HIGH SCORE: Communication of progress (both timeliness and quality)			
LOW SCORE: Explanation of fiduciary role implications			
CLIENT TYPE	NUMBER	SECURITY TYPE	(\$MM)
Corporate DB	7	Only U.S. Equities	\$131
Public DB	12	Only Non-U.S. Equities	\$605
Taft-Hartley	0	Global Equities	\$2,867
Endowment/Fdtn	4	Equities and Fixed Income	\$2,300
Defined Contribution	1	Only Fixed Income	\$683
Insurance	9	F/X	\$0
Mutual Funds	5	Total*	\$6,988
Other	0	% INTERNALLY CROSSED	0
Total	38	TRANSITION STAFF**	8
CLIENTS BY MAJOR GEOGRAPHIC AREAS*			
U.S./Canada	100%	Japan	0%
U.K./Europe	0%	Asia ex Japan	0%
Middle East	0%	Australia/New Zealand	0%
RISK SYSTEM(S): Internal/Proprietary			
COMMENTS: New to this year's survey, Montreal-based Brockhouse & Cooper shone extremely well with high marks throughout from its all-Canadian clients. With a team that is entirely homegrown, Brockhouse was Top-Rated for both Pre-Trade, Post-Trade, and Organization & Support and Execution by Non-U.S. clients. It scored well above average in all four transition areas and was highly rated by institutional clients and investment managers. One client said, "Execution was to our complete satisfaction." Despite the firm's Canadian focus, one public plan client said it was "very satisfied" with Brockhouse, "especially for foreign equity."			

CAPIS (Capital Institutional Services)			
		4 Responses	
HIGH SCORE: Number & expertise of personnel providing advice			
LOW SCORE: Clarity of accounting			
CLIENT TYPE	NUMBER	SECURITY TYPE	(\$MM)
Corporate DB	7	Only U.S. Equities	\$1,853
Public DB	82	Only Non-U.S. Equities	\$500
Taft-Hartley	17	Global Equities	\$1,276
Endowment/Fdtn	35	Equities and Fixed Income	\$1,955
Defined Contribution	2	Only Fixed Income	\$320
Insurance	2	F/X	\$0
Mutual Funds	0	Total*	\$5,904
Other	2	% INTERNALLY CROSSED	5%
Total	147	TRANSITION STAFF**	20
CLIENTS BY MAJOR GEOGRAPHIC AREAS*			
U.S./Canada	100%	Japan	0%
U.K./Europe	0%	Asia ex Japan	0%
Middle East	0%	Australia/New Zealand	0%
RISK SYSTEM(S): Internal/Proprietary			
COMMENTS: Falling short of our 20-response hurdle, CAPIS failed to qualify for Best in Class honors this year. The Dallas-based firm also did not receive a sufficient number of scores or verbatim comments to warrant a review here.			

Citi			
		25 Responses	
HIGH SCORE: Number & expertise of personnel providing advice			
LOW SCORE: Clarity of accounting			
CLIENT TYPE	NUMBER	SECURITY TYPE	(\$MM)
Corporate DB	103	Only U.S. Equities	\$83,385
Public DB	128	Only Non-U.S. Equities	\$58,032
Taft-Hartley	7	Global Equities	\$31,256
Endowment/Fdtn	72	Equities and Fixed Income	\$29,544
Defined Contribution	26	Only Fixed Income	\$22,169
Insurance	68	F/X	\$14,976
Mutual Funds	343	Total*	\$239,362
Other	42	% INTERNALLY CROSSED	36%
Total	789	TRANSITION STAFF**	12
CLIENTS BY MAJOR GEOGRAPHIC AREAS*			
U.S./Canada	23%	Japan	2%
U.K./Europe	30%	Asia ex Japan	0%
Middle East	8%	Australia/New Zealand	29%
RISK SYSTEM(S): Internal/Proprietary			
COMMENTS: Citi received kudos for its Execution capabilities, and makes its Citi Match crossing network a core part of its deliverable. Citi scored well with investment managers, winning Commended honors for its Pre-Trade, Post-Trade, and Organization & Support, and Top-Rated honors for its Execution capabilities. One investment manager lauded Citi for its "flexible approach and innovative solutions," but noted the uncertainty caused by the current "black cloud" hanging over it. Notwithstanding its emphasis on Execution, Citi scored best for its Organization and Support services. It scored below average with consultants.			

* All categories are not listed. See www.plansponsor.com for full details. ** Excluding traders

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Credit Suisse		10 Responses	
CLIENT TYPE	NUMBER	SECURITY TYPE	(\$MM)
Corporate DB	48	Only U.S. Equities	\$90,650
Public DB	90	Only Non-U.S. Equities	\$77,300
Taft-Hartley	15	Global Equities	\$126,600
Endowment/Fdtn	17	Equities and Fixed Income	\$27,300
Defined Contribution	20	Only Fixed Income	\$32,300
Insurance	40	F/X	\$0
Mutual Funds	70	Total*	\$354,150
Other	17	% INTERNALLY CROSSED	40%
Total	317	TRANSITION STAFF**	44
CLIENTS BY MAJOR GEOGRAPHIC AREAS*			
U.S./Canada	35%	Japan	5%
U.K./Europe	28%	Asia ex Japan	15%
Middle East	5%	Australia/New Zealand	10%
RISK SYSTEM(S): Internal/Proprietary			
<p>COMMENTS: Falling short of our 20-response hurdle for the second year in a row, Credit Suisse failed to qualify for Best in Class honors this year. Credit Suisse scored best for its Execution and Organization & Support services, and lowest for its Pre-Trade capabilities. Credit Suisse scored about average with its institutional clients and below average with investment managers and consultants. One institutional client cited the firm's "excellent pre-trade analysis and related discussions during the planning/proposal process," and also mentioned pricing as an important factor in selecting Credit Suisse. Another noted the firm's "strong setting of expectations for implementation shortfall, which limited any surprises."</p>			

Goldman Sachs		23 Responses	
HIGH SCORE: Adaptability to emergent problems			
LOW SCORE: Clarity of pre-transition analysis			
CLIENT TYPE	NUMBER	SECURITY TYPE	(\$MM)
Corporate DB	96	Only U.S. Equities	\$51,000
Public DB	65	Only Non-U.S. Equities	\$36,000
Taft-Hartley	7	Global Equities	\$34,000
Endowment/Fdtn	69	Equities and Fixed Income	\$18,000
Defined Contribution	42	Only Fixed Income	\$22,000
Insurance	28	F/X	\$33,000
Mutual Funds	89	Total*	\$204,000
Other	16	% INTERNALLY CROSSED	35%
Total	412	TRANSITION STAFF**	52
CLIENTS BY MAJOR GEOGRAPHIC AREAS*			
U.S./Canada	28%	Japan	12%
U.K./Europe	40%	Asia ex Japan	6%
Middle East	2%	Australia/New Zealand	12%
RISK SYSTEM(S): Internal/Proprietary, Barra			
<p>COMMENTS: Receiving a tepid response from U.S. clients in its scores this year, Goldman Sachs nonetheless was Commended for its Execution capabilities in the Non-U.S. category. Clients note the firm's "can do" attitude, speed, and minimal cost of execution that "always meets or exceeds expectations." Goldman won out with many clients who said they had conducted RFP processes. One institutional client said, "They understand our needs in terms of concise discussion, clear information, and good pricing." Truth be told, however, Goldman's scores from U.S. institutional clients, investment managers, and consultants were below average.</p>			

J.P. Morgan		35 Responses	
HIGH SCORE: Clarity of accounting			
LOW SCORE: Timeliness of post-transition report			
CLIENT TYPE	NUMBER	SECURITY TYPE	(\$MM)
Corporate DB	126	Only U.S. Equities	\$36,240
Public DB	88	Only Non-U.S. Equities	\$30,720
Taft-Hartley	20	Global Equities	\$66,960
Endowment/Fdtn	67	Equities and Fixed Income	\$102,360
Defined Contribution	2	Only Fixed Income	\$35,400
Insurance	18	F/X	\$13,000
Mutual Funds	4	Total*	\$284,680
Other	35	% INTERNALLY CROSSED	15%
Total	360	TRANSITION STAFF**	30
CLIENTS BY MAJOR GEOGRAPHIC AREAS*			
U.S./Canada	52%	Japan	3%
U.K./Europe	34%	Asia ex Japan	1%
Middle East	5%	Australia/New Zealand	4%
RISK SYSTEM(S): Internal/Proprietary			
<p>COMMENTS: Scoring very well with consultants this year, J.P. Morgan was Top-Rated by them for Pre-Trade, Post-Trade, and Organization & Support. The firm appears to have integrated personnel from its acquisition of Bear Stearns effectively and optimally. One consultant praised J.P. Morgan for its fixed-income execution capabilities and liquidity sources. An institutional client said J.P. Morgan had done a "sterling" job on all engagements, remaining "motivated and proactive throughout the process." While J.P. Morgan scored well with consultants and Non-U.S. clients, it scored below average with institutional clients and investment managers.</p>			

Mellon Transition Management		31 Responses	
HIGH SCORE: Achieved expected total cost			
LOW SCORE: Access to liquidity			
CLIENT TYPE	NUMBER	SECURITY TYPE	(\$MM)
Corporate DB	251	Only U.S. Equities	\$82,000
Public DB	129	Only Non-U.S. Equities	\$34,000
Taft-Hartley	49	Global Equities	\$116,000
Endowment/Fdtn	52	Equities and Fixed Income	\$144,000
Defined Contribution	16	Only Fixed Income	\$28,000
Insurance	8	F/X	\$14,000
Mutual Funds	5	Total*	\$440,000
Other	6	% INTERNALLY CROSSED	11%
Total	516	TRANSITION STAFF**	27
CLIENTS BY MAJOR GEOGRAPHIC AREAS*			
U.S./Canada	61%	Japan	0%
U.K./Europe	27%	Asia ex Japan	4%
Middle East	2%	Australia/New Zealand	6%
RISK SYSTEM(S): Internal/Proprietary			
<p>COMMENTS: After a superb year in 2007, Mellon has a strong showing again in this year's survey, winning Commended honors from Institutional clients for Pre-Trade, Post-Trade, and Organization & Support, and from consultants for its Execution services. Mellon won kudos for its ease of use and swift execution. It scored equally well across all four transition categories and all four client types—no small feat. One consultant gushed, "Mellon's servicing is second to none." Another dubbed Mellon "Best in breed." One institutional client cited Mellon's "very knowledgeable key personnel" and "exceptional" trading resources and track record.</p>			

* All categories are not listed. See www.plansponsor.com for full details. ** Excluding traders

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Morgan Stanley 6 Responses			
CLIENT TYPE	NUMBER	SECURITY TYPE	(\$MM)
Corporate DB	43	Only U.S. Equities	\$53,406
Public DB	39	Only Non-U.S. Equities	\$15,013
Taft-Hartley	4	Global Equities	\$48,171
Endowment/Fdtn	27	Equities and Fixed Income	\$12,000
Defined Contribution	0	Only Fixed Income	\$4,200
Insurance	25	F/X	\$2,900
Mutual Funds	25	Total*	\$135,690
Other	0	% INTERNALLY CROSSED	35%
Total	163	TRANSITION STAFF**	18
CLIENTS BY MAJOR GEOGRAPHIC AREAS*			
U.S./Canada	35%	Japan	5%
U.K./Europe	30%	Asia ex Japan	0%
Middle East	0%	Australia/New Zealand	30%
RISK SYSTEM(S): Internal/Proprietary, Barra			
COMMENTS: With just six responses in this year's survey, Morgan Stanley failed to qualify for Best in Class honors. Scores were generally low across all four transition areas and all four client types. One investment manager praised Morgan Stanley for its access to liquidity and for achieving implementation shortfalls that fell in line with, or did better than, those expected, but added, "reporting could be improved." Another expressed dissatisfaction with the handling of several pre-identified outliers.			

Northern Trust 21 Responses			
HIGH SCORE: Clarity of pre-transition analysis			
LOW SCORE: Ability to compare to other's pre-transition analyses			
CLIENT TYPE	NUMBER	SECURITY TYPE	(\$MM)
Corporate DB	139	Only U.S. Equities	\$21,156
Public DB	52	Only Non-U.S. Equities	\$17,630
Taft-Hartley	22	Global Equities	\$14,104
Endowment/Fdtn	31	Equities and Fixed Income	\$7,052
Defined Contribution	22	Only Fixed Income	\$6,346
Insurance	43	F/X	\$3,526
Mutual Funds	9	Total*	\$70,519
Other	99	% INTERNALLY CROSSED	n/a
Total	417	TRANSITION STAFF**	42
CLIENTS BY MAJOR GEOGRAPHIC AREAS*			
U.S./Canada	n/a	Japan	n/a
U.K./Europe	n/a	Asia ex Japan	n/a
Middle East	n/a	Australia/New Zealand	n/a
RISK SYSTEM(S): Internal/Proprietary, Barra			
COMMENTS: Many clients responding on behalf of Northern Trust already had a custodian relationship with the firm and found it natural to use NT for transitions. Clients expressed both ease and comfort with this arrangement, finding it cost-effective and operationally efficient. While scores from investment managers and Non-U.S. clients were generally favorable, scores from institutional clients and consultants were below average. Nonetheless, clients described NT as a trustworthy and capable manager offering competitive pricing. One institutional client said, succinctly, "First trial proved their excellence."			

Russell Investments 59 Responses			
HIGH SCORE: Interactions with transition stakeholders			
LOW SCORE: Access to liquidity			
CLIENT TYPE	NUMBER	SECURITY TYPE	(\$MM)
Corporate DB	344	Only U.S. Equities	\$264,133
Public DB	29	Only Non-U.S. Equities	\$145,815
Taft-Hartley	3	Global Equities	\$241,031
Endowment/Fdtn	30	Equities and Fixed Income	\$43,236
Defined Contribution	24	Only Fixed Income	\$20,361
Insurance	19	F/X	\$20,622
Mutual Funds	245	Total*	\$735,198
Other	0	% INTERNALLY CROSSED	5%
Total	694	TRANSITION STAFF**	26
CLIENTS BY MAJOR GEOGRAPHIC AREAS*			
U.S./Canada	65%	Japan	1%
U.K./Europe	21%	Asia ex Japan	1%
Middle East	0%	Australia/New Zealand	9%
RISK SYSTEM(S): Internal/Proprietary, Barra, Quantal, ITG, Barclay's, Citi			
COMMENTS: It was another strong year in our survey for Russell Investments. The Tacoma-based provider was Top-Rated by investment managers for the Pre-Trade, Post-Trade, and Organization & Support categories, and was Commended by that same group for its Execution services. Outstanding past performance led to Russell being selected for transitions again and again. "We remain completely satisfied with their services in every respect," was a common sentiment. While Russell scored well with institutional clients and investment managers, it scored below average with consultants and Non-U.S. clients.			

State Street Global Markets 50 Responses			
HIGH SCORE: Access to liquidity			
LOW SCORE: Discussion of achieved vs. forecasted cost			
CLIENT TYPE	NUMBER	SECURITY TYPE	(\$MM)
Corporate DB	265	Only U.S. Equities	\$325,000
Public DB	300	Only Non-U.S. Equities	\$350,000
Taft-Hartley	125	Global Equities	\$98,000
Endowment/Fdtn	101	Equities and Fixed Income	\$75,000
Defined Contribution	125	Only Fixed Income	\$55,000
Insurance	38	F/X	\$145,000
Mutual Funds	101	Total*	\$1,070B
Other	0	% INTERNALLY CROSSED	30%
Total	1,055	TRANSITION STAFF**	92
CLIENTS BY MAJOR GEOGRAPHIC AREAS*			
U.S./Canada	69%	Japan	1%
U.K./Europe	17%	Asia ex Japan	4%
Middle East	5%	Australia/New Zealand	2%
RISK SYSTEM(S): Internal/Proprietary, Barra			
COMMENTS: This was a stellar year for State Street in our survey. The Boston-based provider was Top-Rated in Pre-Trade, Post-Trade, Organization & Support, and Execution areas by institutional clients, and Commended in the Pre-Trade, Post-Trade, and Organization & Support areas for Non-U.S. clients. "They don't overpromise on a pre-trade," said one public plan client. Many noted State Street's experience, expertise, access to liquidity, and low cost as reasons for making it their <i>de facto</i> transition manager. One corporate client said, "They have the right size and scale...and have operating practices rooted in ERISA mandates."			

* All categories are not listed. See www.plansponsor.com for full details. ** Excluding traders