

## *Press Release*

# **Asset Manager – Quality Test: One Third Controls the Customer's Risk**

## **Feri in the No. 1 position in FUCHSBRIEFE - Market Test for 2013. DZ Privatbank Number 1 in the All-Time Best List (Ewigen Bestenliste)**

Berlin, 20th of November, 2012

Many banks and portfolio managers still do not deal professionally with the attitude to risk of a Private-Banking-Customer in the German-speaking regions. This appeared in the tenth private banking market test of the Private Banking Testing Authority, an association of the Verlag FUCHSBRIEFE and Dr. Richter | IQF, in cooperation with the German Stock Exchange AG, Market Data & Analytics and Quanvest GmbH featuring risk measurement in management of asset portfolios.

Fair and reasonable risk discussion with the customer often is still at the very early stages, same applies to the structuring of the individual customer's portfolios. „Unfortunately, probably only half of the providers under review in this respect carried out discussions with the customer with proper care and precision. This was naturally reflected in the quality of the investment proposals” ascertains Ralf Vielhaber, the editor in chief of FUCHSBRIEFE. „In total, however, the level of advice was high. There was a leading group of 13 providers who came off with very high scores in all the testing categories “, complements Vielhaber.

Verlag FUCHSBRIEFE, the Publishing House, and Dr Richter | IQF allow the test customers to carry out service audits yearly approx. in 100 consultations with banks and portfolio managers in Germany, Austria, Luxembourg, Switzerland and Liechtenstein in order to check the quality of the verbal and written initial consultations. The results are published in the FUCHS report „Tops – Asset Management” under Test – “Tops – Vermögensmanagement im Test”. The report of the Private Banking Testing Authority published for the tenth time, is entitled „TOP's 2013: Risk under control “. 106 providers were in the pool for testing, among them 38 in Germany, 23 in Switzerland, 21 in Austria, 11 in Liechtenstein and 13 in Luxembourg.

## **Feri Trust The Best Asset Manager in 2013**

The number 1 in the current market test was – as already in the TOP's 2012 – the portfolio manager Feri Trust GmbH which operates independent of the banks. Bad Homburger Asset Professionals displayed in all the testing disciplines – consultation, asset strategy, portfolio quality and transparency – outstanding performances. It was followed by the cooperative DZ Privatbank in Luxembourg came before Bank Sarasin AG (Germany), Hauck & Aufhäuser Banquiers (Luxembourg) and the Walser Privatbank, a

private bank belonging to the Austrian co-operative group. The best institute in Liechtenstein was LGT Bank in position 9, the best service provider Swiss Credit Suisse Private Banking in position 13. The performances in the upper three were in very good form this year and the results were very close. Thus the first Three received the quality mark „Top – Service Provider“ and the other Ten "Outstanding".

Once more it turned out that smaller firms –private banks, as well as independent asset managers – mostly produce better quality in the first consultation stages. „Big service providers have to live with the problem of bringing quality to the surface“, said Ralf Vielhaber, editor in chief of FUCHSBRIEFE. This is evident also in the tests with the rapidly growing establishments. „There are definitely not enough top qualified consultants in the market“, Dr Jörg Richter, managing partner of the Institute of Quality Assurance and Audit for Financial Services (Institut für Qualitätssicherung und Prüfung von Finanzdienstleistungen - IQF) justifies this result. Under "Outstanding" providers are three companies which are connected to the banks Feri Trust (1), Berlin & Co. (6) as well as Gebser & Partner (12).

## **DZ Privatbank (Luxembourg) stands first on the All-Time Best List**

In the long term evaluation of the timeless top list DZ Privatbank in Luxembourg displaced Bank Julius Bär from Switzerland from place 1. A service provider from Luxembourg shares place 2 with Hauck & Aufhäuser Banquiers. Place 3 is occupied by Feri Trust before Raiffeisen Privatbank Liechtenstein and Berlin & Co. Followed by Bank Sarasin AG, Credit Suisse (Germany) AG, Walser Privatbank AG, Bremer Landesbank as well as HSBC Trinkaus & Burkhardt AG. They are convincingly ahead by consistently high performances in the three most recent tests.

## **Country View: Switzerland Lags Behind**

In *Switzerland* **Credit Suisse Private Banking** ranks as the only provider with outstanding consultancy services to the entrepreneur as a new customer. The FUCHSBRIEFE editor-in-chief Ralf Vielhaber explains the relatively poor rating of the Swiss establishments with the radical changes that are taking place there. „The Swiss currently fight on many fronts. They have declared a white money strategy and have buried the Offshore business at least with customers from Europe. The consultants must completely rethink the company-internal processes must be renewed. At the same time the Swiss providers turn international much more rapidly than the competition. This requires great energy“. In direct comparison the Swiss providers clearly trail, in particular in the quality of the written asset strategy. In addition, Dr Richter | IQF says : „The Swiss providers don't develop persuasive proposals in general and don't consolidate this properly for the better good of the customer. This is a decisive negative factor in Switzerland!"

In *Austria* **Walser Privatbank** impressed 95 per cent of the German customers in the category of customer pitch as well as in the written asset strategy. The only deficiency here was the portfolio quality. In addition, Christian Libor, founder and manager of Quanvest: „A portfolio taken absolutely good, unfortunately, however, also deviates too strongly from the risk standards. “Outstanding were also the overall benefit levels of the Viennese **Bank Gutmann** as well as the **Bankhaus Carl Spängler** in Salzburg.

The leading banks in the Principality of *Liechtenstein* brace themselves with rising consultation quality against the persistent asset outflow. Here it was above all the internationally assigned Fürstenbank **LGT** which served a German business firm very well before **Raiffeisen Privatbank** and **Neue Bank**.

## The Best in the Individual Testing Categories

This time in the *consultation* category which accounts for 40 per cent in the evaluation, a Munich Team of **UBS** towered above all the competition. The testing customer was as impressed by the professional support it received as the empathy, the integrity, technical brilliance and the depth of the consultation displayed by the consultants. Qualitatively, the test consultations with Credit Suisse Private Banking were on the same level with Spudy Family Office in Hamburg. This time 33 consultations turned out to be very good, of them twelve were outstanding and 15 in critical areas.

In the written *asset strategy* which makes up 35 per cent of the overall ranking, the overall winner was Feri Trust in position 1. Risk scenarios included expert opinion on higher inflation and developed a precise investment concept. Liechtenstein Landesbank occupied 2nd place. In addition, Dr. Richter, director of the institute said: „Landesbank was convincing with sound explanations on the investment concept and gave convincing answers to difficult questions.“ Walser Privatbank with a well prepared pursuable risk management attained thirdplace.

The best *portfolio quality* (9 per cent of the overall placing) was attained like in the year before by the Family Office of **Berlin & Co**. To fulfil the customer's aims, the asset managers created a portfolio which on the one hand allowed the necessary income return, on the other, it did not cross the maximum loss threshold set by the customer as a risk measure. Berlin & Co were very creative again in the design of the Asset Allocation. „Berlin & Co not only meets the risk standards precisely, but also stands out this year by very good diversification, in liquid investment categories. Unfortunately, we still see such portfolios quite rarely,“ comments Christian Libor, the manager of Quanvest.

**HSBC Trinkaus & Burkhardt** once again showed the highest *transparency* (16 per cent of the overall placing). The Private Banking Testing Authority questions the providers in this testing category on various key numbers, among them, the ratio of the number of customers to the numbers of the consultants as a sign of the intensity of support, the product policy like the production and the distribution of in-house products, the inclusion of reimbursements (Kickbacks) in the annual fee calculation, in-house research as well as historical performances and contract designs.

### Contact in the Editorial Department:

Ralf Vielhaber

Verlag FUCHSBRIEFE Albrechtstr. 22 10117 Berlin Tel.: +49 30 28 88 17-0

Fax: +49 30 28 88 17 28 Email: [ralf.vielhaber@fuchsbriefe.de](mailto:ralf.vielhaber@fuchsbriefe.de)

[www.fuchsbriefe.de](http://www.fuchsbriefe.de)

### In particular, for the evaluation of the asset strategy:

Dr Jörg Richter, Institut für Qualitätssicherung und Prüfung von Finanzdienstleistungen GmbH (IQF) (Institute of Quality Assurance and Audit for Financial Services) Hannover Tel.:

+49 511 360 770 Email: [joerg.richter@iqf.de](mailto:joerg.richter@iqf.de)

[www.iqf.de](http://www.iqf.de)