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global reach



Ian Aylward
Head of Multi-Asset Research

Ian Aylward provides an example of how Skandia's investment research department find, research and utilise external fund managers.

Skandia's Investment Research team comprises one of the largest and longest established teams of MultiManager analysts in the UK. Covering various asset classes, the team of 20 are set to task analysing and finding potential new managers – in addition to monitoring and combining existing ones.

Skandia's UK manager research team trawl the globe – from San Diego to Tokyo – looking for talented managers, and have smaller teams of research colleagues located in strategic centres around the world. As such, new ideas come from a variety of sources.

'find the best global REIT manager'

The discovery and analysis of LaSalle Investment Management in the emerging asset class of global property is just one example of our successes. In 2004 the team were set the task to 'find the best global REIT manager in the world' to capitalise on what we perceived to be an explosion in global

property investment. On a global scale we had identified property as an emerging asset class and, as such, one that should produce handsome returns for investors.

Despite being primarily based out of Baltimore, I first met with LaSalle in Sydney while on secondment with the Skandia Australia research team, where they had been running global property securities money for Australian clients. As one of the longest established managers of property securities in the US, LaSalle had been running a real estate securities fund on a global basis for less than three years when they came to the attention of our team.

ongoing research

Following face-to-face meetings with rival fund managers, which are still ongoing today as new firms seek to establish themselves, LaSalle stood out as having a highly experienced team spread across the four key geographic regions, with a robust and proven investment philosophy and process.

Having identified these attractions, and after much qualitative analysis (including well over 20 hours of manager meetings) and quantitative analysis (including style analysis, scrutiny of past performance and study of example trades), we hired LaSalle to run a segregated account for us to our specific mandate, and allocated a portion of several of Skandia's multi-asset portfolios to this fund.

As a bonus, Skandia Investment Management was able to secure LaSalle's expertise on a UK exclusive basis, and it is this fund which, from launch in late 2005, has now grown to over £470 million* in assets under management and returned over 45%**.

*As at 14 June 2007.

**Source: Financial Express, bid to bid, from 3 October 2005 to 30 April 2007.

Past performance is not a guide to future performance. The Skandia Global Property Securities (LaSalle) Fund is available through Skandia's life, pensions, MultiFUNDS and Royal Skandia fund ranges.

identifying market leaders

While we have been researching UK commercial property managers for many years, property as a global asset class only began to emerge just over two years ago. We tested the hypothesis that the asset class could give attractive diversification benefits in multi-asset portfolios and has highly appealing prospects in its own right. Countries around the world are at various stages of securitising their real estate

markets – witness the conversion of several UK equity shares to REITs at the start of 2007 – and as they develop they will add even more depth and transparency to the asset class.

As we researched the firms running property funds on a global basis, it soon became apparent that there were very few of them – and those that did exist were not yet of the calibre and experience of LaSalle.

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