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UBS came off worst in crisis

Survey reflects damage to brand

Distributors score Carmignac highly

By Steve Johnson

UBS, the Swiss bank, has been damaged more than any other European asset manager by the financial crisis, according to a survey of more than 900 fund distributors.

UBS, traditionally an industry heavyweight, is now among the houses least likely to be awarded new mandates by private banks, retail banks and financial advisers, according to a semi-annual survey conducted by Berlin-based Metrinomics.

The bank has seen its reputation tarnished by a series of problems since the start of the crisis, from being caught up in the Bernard Madoff scandal to being forced to hand the names of some of its clients to authorities in the US.

"UBS has been the face of the crisis. If the crisis has a name in Europe then that name is UBS," said Hans Jurgen Schmolke, managing director of Metrinomics.

"They may have wonderful products but it's an excellent example that you need to look after your brand. This is the downside of the strength of a big universal bank. The asset management arm depends a lot on the overall standing of the company."

However, the research suggests the meteoric rise of Carmignac, which has seen its assets jump 50 per cent to €30bn (£28bn, $45bn) in the past six months, is likely to continue.

The French house was ranked as the existing supplier that distributors were most likely to put more business with. It was also listed as the manager "most likely to win business from distributors it currently had no relationship with".

"Carmignac is just incredible. Even in a crisis you can grow and have good business, and always in a crisis you can do better than the others," said Mr Schmolke.

Pictet, Schroders and DWS are the next most likely to win mandates from distributors that do not use their funds at present. BlackRock, JPMorgan Asset Management and DWS can expect more business from their existing networks, with Mr Schmolke describing DWS as a "phenomenon" in Germany and Austria.

The survey suggested distributors are currently most interested in transparent, flexible and liquid products. Much less emphasis is being put on whether or not a fund has a strong track record. Themed funds and capital-protected products are out of favour.