

RVK, Angeles Earn Top Consultant Rankings in Poll of Asset Owners

By Aziza Kasumov

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RVK and Angeles Investment Advisors earned top spots in Greenwich Associates' consultant ranking for the second year in a row. The firms defended their leadership in a market increasingly dominated by mega firms and small consultants positioning their firms as niche players to stand out.

RVK led the ranking in the large-consultant category together with Meketa Investment Group and Segal Marco Advisors. The latter topped the list in 2016 but didn't make the cut in 2017's ranking.

In the midsized consulting market, Angeles Investment Advisors led the list along with Asset Consulting Group and Graystone Consulting.

Greenwich interviewed 1,128 senior professionals at 924 of the country's largest tax-exempt funds between July and October for the 2018 ranking and released the findings last week. All interviewees were asked for a qualitative and quantitative evaluation of their asset managers and consultants.

Last year, Pavilion Advisory Group, Rocaton Investment Advisors and RVK led the large-consultant ranking, and it was the second year in a row that Pavilion had made it on the list. Goldman Sachs Asset Management has since agreed to buy Rocaton, as reported, and Mercer has acquired Pavilion's parent company, **Pavilion Financial Corporation**.

Among the midsized consultants, Angeles Investment Advisors, Ellwood Associates and LCG Associates led the pack last year.

Ongoing consolidation has resulted in a higher concentration of assets among larger consultants, according to Greenwich's report, which compared studies the firm had done over the years. In 2018, 81% of client relationships were held by the largest 20 investment consultants, up from 66% in 2014.

Meketa, which ranks among the leaders in the large-consulting group, completed its merger with Pension Consulting Alliance (PCA) in March. Combined, the firms now represent approximately \$1.8 trillion in client assets under advisement. Segal Marco, too, is the result of a merger.

Meketa's merger with PCA aimed to give the firm a competitive edge, **Peter Woolley**, co-CEO of Meketa, tells *FundFire*.

The survey did not account for the merger as it closed after Greenwich completed its research.

For smaller and midsized consultants, the asset concentration at the top means the pressure is on to show how they can add value.

"The idea is offering more tailored and customized services," says **Sara Sikes**, a principal at Greenwich. While customization has historically been a differentiator for smaller firms, now is the time for "reemphasizing that point," Sikes adds.

Larger firms, on the flipside, need to put in extra work convincing clients that they can also offer differentiated services tailored to the client, she adds.

That doesn't always seem to work out for larger consultants, however.

"We're seeing a bit of a backlash," says **Brad Alford**, founder and principal of search consultancy Alpha Capital Management. For those mega consultants that have crossed the \$1 trillion line, "clients are asking, where will we fit?" Alford adds that "the T word," for trillion, "is a double-edged sword."

There's also been some turnover at the relationship manager level when firms are acquired, Alford says, noting that in some cases, an investment-consultant acquisition can trigger a mandatory search.

"Some clients are ... as nervous as ever with all this transition."

Aside from the rampant merger activity, consultants across the spectrum have also been facing increased demands from clients to broaden their services by tapping into IT, HR and operations, the report finds.

Angeles Investment Advisors, the leader among the midsized consultants, has seen that trend evolve among its client base, especially for services on the operational side.

"As staff gets stretched and leaner, especially in the corporate plan sponsor and E&F space, they need more assistance when it comes to execution, reporting and back-office support," says **Howard Perlow**, managing partner and co-founder of Angeles Investment Advisors.