

Evestment to Offer Alpha Nasdaq OCIO Performance Data Through Platform

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Evestment is now offering access to the Alpha Nasdaq outsourced CIO (OCIO) performance indices to help asset owners benchmark the performance of their providers.

The addition comes at a time when search firms and providers are expecting a record wave of OCIO replacements and first-time outsourcing opportunities, as market volatility in 2020 put asset owner portfolio allocations and capabilities to the test.

“Asset owners are looking for better ways to understand their own portfolio performance, whether they make their own decisions or whether they outsource that decision-making function,” **Daniel Brickhouse**, senior product manager at eVestment, said in a statement. “The Alpha Nasdaq indices are the first of their kind to offer this valuable context,” he added.

Asset owners using eVestment can access the OCIO indices at no additional cost. Asset managers, consultants and OCIO providers can purchase a subscription through eVestment.

Alpha Nasdaq’s OCIO indices were **first announced** a year ago and are a collaboration between OCIO and investment consulting search firm **Alpha Capital Management** and **Nasdaq**, which bought eVestment in 2017. OCIO providers are invited to submit anonymized portfolio-level data for free to the indices, which then allow users to compare OCIO performance across various client segments, such as endowments or pensions, and risk levels in the portfolio.

Previously, the indices were available through Nasdaq, also at no cost to asset owners.

The first tranche of indices, after an initial testing phase, **launched** in May this year, covering historical performance and 2019 fourth-quarter data from 612 anonymized U.S.-based client portfolios and from 16 different OCIO providers. Since then, several additional OCIO firms have joined the effort, including, most recently **Meketa Investment Group**, **Wilshire Associates**, **Fund Evaluation Group** and **RockCreek**, bringing the total number of firms reporting data to 26.

By the end of the year, **Brad Alford**, founder and principal at Alpha Capital Management, says he hopes Alpha Nasdaq will track OCIO performance from around 1,000 client portfolios.

“We’re all about transparency,” Alford says. “Asset owners want to be able to compare performance, they want to be able to make... smart decisions.”

The push for more transparency in the industry comes as both search firms and OCIO providers **expect** business in the space to achieve new highs. The uptick will likely come from both clients who are unhappy with their current provider’s performance in a year of **high return dispersion**, and institutions outsourcing for the first time after struggling to keep up with this year’s market mayhem.

Alford says his firm is “busier than ever” and conducting nine searches at the moment, for which the firm uses the Alpha Nasdaq indices as a reference point. **Goldman Sachs Asset Management’s** OCIO business has already started to see “an uptick in opportunities that have come from search consultants [and] from plans themselves,” **Greg Calnon**, global head of the firm’s global portfolio solutions group, **told FundFire** this summer.

Evestment is the first institutional investment platform to provide access to the OCIO performance indices. The indices are “integrated into eVestment’s analytical suite so that clients can run performance-based analytics such as rolling returns and risk-adjusted metrics,” according to Brickhouse.

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