



# Global Custody SURVEY 2017

Citi and State Street were the star performers in the weighted tables while Pictet and RBC Investor & Treasury Services shared the honours in the unweighted tables. Analysis by **Alastair O'Dell**

**G**lobal Investor invited asset managers, asset owners and banks to rate the performance of their global custodians. In this year's survey there are 16 service categories tables – each of these categories was broken down into sub-categories in the survey questionnaire. Respondents were asked to rate their global custodians from 1 (very poor) to 7 (excellent) in each of these sub-categories.

The tables below are presented in a heatmap format, which was introduced last year. Global custodians' results are presented in alphabetical order with the winning score in each region or category highlighted. Tables contain global total and global average scores, and regional ones for Europe the Middle East and Africa (Emea), the Americas and Asia Pacific. The region is defined by where the respondent is based.

The weighted tables are based on a two-stage calculation process. The first stage gives a greater weight to the scores of respondents with larger assets under management (AuM) and the importance that the respondents collectively attach to each service category. Unweighted scores are constructed by averaging all relevant respondents scores, with no weighting for AuM or category importance.

## ➤ STATE STREET

State Street achieved the highest global average score in this year's survey according to the weighted methodology. Its score of 7.42 made it a winner by a considerable margin, 0.43.

State Street was the highest rated custodian in Asia Pacific, according to both the weighted and unweighted methodologies. Asia Pacific was generally a low-scoring region in the survey – State Street actually received a higher weighted score for the Americas but came in second. In the Americas it came joint-third unweighted.

In the overall service categories State Street was the dominant custodian under the weighted methodology. It achieved the highest score in 13 of the 16 categories: cash management, class actions, client services, corporate actions, foreign exchange services, fund accounting quality, income collections, industry knowledge,

OVERALL (WEIGHTED)					
COMPANY	EMEA	AMERICAS	ASIA PACIFIC	GLOBAL TOTAL	AVERAGE
BNP Paribas	6.04	X	4.83	10.87	5.56
BNY Mellon	5.98	X	5.48	11.46	6.13
Citi	6.90	7.86	5.42	20.18	6.99
JPMorgan	6.89	X	X	X	X
Northern Trust	5.62	6.88	5.86	18.36	6.01
Pictet	5.63	6.87	X	12.50	6.04
RBC Investor & Treasury Services	4.12	4.19	6.02	14.33	4.46
Societe Generale	4.72	X	X	X	X
State Street	X	7.66	7.16	14.82	7.42

OVERALL (UNWEIGHTED)					
COMPANY	EMEA	AMERICAS	ASIA PACIFIC	GLOBAL TOTAL	AVERAGE
BNP Paribas	5.54	X	5.21	10.75	5.41
BNY Mellon	5.38	X	5.64	11.02	5.49
Citi	5.44	5.84	5.26	16.54	5.57
JPMorgan	6.03	X	X	X	X
Northern Trust	5.64	5.85	5.59	17.08	5.68
Pictet	5.99	6.25	X	12.24	6.10
RBC Investor & Treasury Services	5.85	6.09	6.27	18.21	6.02
Societe Generale	5.76	X	X	X	X
State Street	X	5.85	6.27	12.12	5.95

OVERALL SERVICE CATEGORIES (WEIGHTED)				
COMPANY	CASH MANAGEMENT	CLASS ACTIONS	CLIENT SERVICES	CORPORATE ACTIONS
BNP Paribas	4.79	X	5.56	5.21
BNY Mellon	5.84	X	6.29	6.08
Citi	6.61	7.22	6.79	6.53
Northern Trust	5.91	5.59	6.13	5.89
Pictet	5.39	5.98	6.09	5.93
RBC Investor & Treasury Services	4.08	4.54	4.48	4.14
State Street	7.33	7.70	7.56	7.23

COMPANY	EXECUTION SERVICES	FOREIGN EXCHANGE SERVICES	FUND ACCOUNTING QUALITY	INCOME COLLECTIONS
BNP Paribas	5.67	5.01	X	5.22
BNY Mellon	6.06	5.62	X	6.10
Citi	6.93	5.88	X	6.68
Northern Trust	5.76	5.77	5.62	5.84
Pictet	5.79	X	5.95	6.07
RBC Investor & Treasury Services	4.39	4.13	4.35	4.31
State Street	X	7.24	7.24	7.53

COMPANY	INDUSTRY KNOWLEDGE	NETWORK	PERFORMANCE MEASUREMENT	RELATIONSHIP MANAGEMENT
BNP Paribas	5.37	5.30	5.14	5.56
BNY Mellon	5.91	5.98	X	6.30
Citi	6.88	7.09	X	7.11
Northern Trust	5.88	5.77	5.52	6.12
Pictet	5.81	5.60	5.77	6.00
RBC Investor & Treasury Services	4.38	4.52	X	4.42
State Street	7.41	7.62	X	7.54

COMPANY	REPORTING	SAFETY OF CLIENT ASSETS	SETTLEMENTS	TAX SERVICES
BNP Paribas	5.10	5.69	5.38	4.97
BNY Mellon	6.07	6.35	6.23	5.49
Citi	6.85	7.11	6.87	6.43
Northern Trust	5.74	6.35	5.98	5.55
Pictet	5.64	6.14	6.08	X
RBC Investor & Treasury Services	4.21	4.56	4.37	4.33
State Street	7.34	7.81	7.34	X

network, relationship management, reporting, safety of client assets and settlements.

Unweighted it had the winning score in two: cash management and network.

When only the ratings of respondents that used multiple custodians were taken into consideration State Street achieved a clean sweep of top scores in the weighted table, taking leading positions in EMEA, the Americas and Asia Pacific and therefore also in terms of global total and global average. In the corresponding unweighted table State Street also had the highest score in Asia Pacific and the highest global total.

Among mutual fund/UCITS respondents State Street again had a very strong set of scores. It had the highest global total score

both weighted and unweighted. It also had the highest scores in the Americas weighted and Asia Pacific unweighted.

One respondent in Asia Pacific praised State Street for its “excellent client service and stable network”. Another commented: “Good in services for emerging markets investments and [it has a] good connection with local sub-custodian banks located all over the world.”

Respondents with AuM greater than \$3bn provided State Street with the winning global total score as well as the highest score in Asia Pacific, both weighted and unweighted.

A respondent in the Americas stated: “State Street is an industry leader for good reason.”

## > PICTET

Pictet achieved the highest global average score under the unweighted methodology. Its strongest region was the Americas, for which it also achieved the highest unweighted score.

It also performed excellently in its home market of EMEA, achieving the second highest unweighted score. One respondent simply stated: “Probably the safest custodian in the world in our opinion.”

Given its overall position it is unsurprising that Pictet had a strong showing across the service categories. Unweighted it was the winner in the following: client services, corporate actions, income collections, performance measurement, relationship management, reporting, safety of client assets and settlements.

Respondents that used multiple custodians awarded Pictet the highest global average score unweighted. It was also the highest rated custodian by these respondents in the Americas unweighted.

Mutual fund respondents rated Pictet as the best performing custodian in the Americas unweighted. Likewise, respondents that had AuM greater than \$3bn rated Pictet as the best performing custodian in the region unweighted. A respondent in the region stated: “We haven't had any problems with settlement of our trades and the client service team is excellent. [It] always responds quickly to our emails/questions.”

OVERALL SERVICE CATEGORIES (UNWEIGHTED)				
COMPANY	CASH MANAGEMENT	CLASS ACTIONS	CLIENT SERVICES	CORPORATE ACTIONS
BNP Paribas	4.99	X	5.56	5.35
BNY Mellon	5.37	X	5.69	5.49
Citi	5.46	5.88	5.65	5.43
Northern Trust	5.59	5.42	5.95	5.69
Pictet	5.57	5.97	6.39	6.20
RBC Investor & Treasury Services	5.66	6.32	6.25	5.95
State Street	5.89	6.03	6.08	5.88
COMPANY	EXECUTION SERVICES	FOREIGN EXCHANGE SERVICES	FUND ACCOUNTING QUALITY	INCOME COLLECTIONS
BNP Paribas	5.67	5.30	X	5.35
BNY Mellon	5.58	5.27	X	5.67
Citi	5.74	5.06	X	5.50
Northern Trust	5.72	5.46	5.69	5.64
Pictet	6.15	X	5.91	6.21
RBC Investor & Treasury Services	6.18	5.94	6.22	6.00
State Street	X	5.88	5.80	6.00
COMPANY	INDUSTRY KNOWLEDGE	NETWORK	PERFORMANCE MEASUREMENT	RELATIONSHIP MANAGEMENT
BNP Paribas	5.57	5.45	5.40	5.68
BNY Mellon	5.43	5.55	X	5.73
Citi	5.63	5.74	X	5.89
Northern Trust	5.68	5.68	5.70	5.94
Pictet	5.91	6.03	6.24	6.27
RBC Investor & Treasury Services	5.97	5.93	X	6.17
State Street	5.89	6.09	X	6.05
COMPANY	REPORTING	SAFETY OF CLIENT ASSETS	SETTLEMENTS	TAX SERVICES
BNP Paribas	5.17	5.92	5.46	5.14
BNY Mellon	5.49	5.87	5.75	5.13
Citi	5.62	5.98	5.73	5.10
Northern Trust	5.63	6.03	5.79	5.48
Pictet	5.99	6.53	6.31	X
RBC Investor & Treasury Services	5.87	6.34	6.03	5.94
State Street	5.91	6.28	5.94	X



## MUTUAL FUND/UCITS (WEIGHTED)

COMPANY	EMEA	AMERICAS	ASIA PACIFIC	GLOBAL TOTAL	AVERAGE
BNP Paribas	5.77	X	X	5.77	5.82
BNY Mellon	6.75	X	X	6.75	6.65
Citi	7.24	6.69	5.60	19.53	6.64
JPMorgan	8.23	X	X	8.23	8.27
Northern Trust	6.49	X	7.11	13.60	6.95
Pictet	6.26	6.82	X	13.08	6.36
RBC Investor & Treasury Services	4.36	4.17	X	8.53	4.75
Societe Generale	5.16	X	X	X	5.31
State Street	7.50	7.90	6.94	22.34	7.44

## MUTUAL FUND/UCITS (UNWEIGHTED)

COMPANY	EMEA	AMERICAS	ASIA PACIFIC	GLOBAL TOTAL	AVERAGE
BNP Paribas	5.54	X	X	5.54	5.42
BNY Mellon	5.36	X	X	5.36	5.22
Citi	5.39	5.75	5.58	16.72	5.56
JPMorgan	5.97	X	X	5.97	5.75
Northern Trust	5.58	X	5.59	11.17	5.57
Pictet	5.74	6.25	X	11.99	5.98
RBC Investor & Treasury Services	6.17	6.14	X	12.31	6.13
Societe Generale	5.29	X	X	X	5.40
State Street	5.36	5.68	6.20	17.24	5.80

## MULTIPLE CUSTODIAN (WEIGHTED)

COMPANY	EMEA	AMERICAS	ASIA PACIFIC	GLOBAL TOTAL	AVERAGE
BNP Paribas	6.32	X	5.60	11.92	6.09
BNY Mellon	6.76	7.17	5.87	19.80	6.60
Citi	6.92	7.34	5.42	19.68	6.68
JPMorgan	6.87	7.82	X	14.69	7.09
Northern Trust	6.52	7.47	6.16	20.15	6.63
Pictet	5.78	6.87	X	12.65	6.25
RBC Investor & Treasury Services	5.01	4.36	X	9.37	5.03
Societe Generale	4.79	X	X	X	4.91
State Street	7.50	7.94	7.70	23.14	7.75

## MULTIPLE CUSTODIAN (UNWEIGHTED)

COMPANY	EMEA	AMERICAS	ASIA PACIFIC	GLOBAL TOTAL	AVERAGE
BNP Paribas	5.68	X	5.34	11.02	5.57
BNY Mellon	5.46	5.39	5.62	16.47	5.49
Citi	5.34	5.67	5.26	16.27	5.44
JPMorgan	6.10	5.43	X	11.53	5.81
Northern Trust	5.86	5.63	5.66	17.15	5.74
Pictet	5.97	6.25	X	12.22	6.09
RBC Investor & Treasury Services	5.96	5.90	X	11.86	5.90
Societe Generale	5.56	X	X	X	5.60
State Street	5.36	5.72	6.38	17.46	5.93

#### AUM GREATER THAN \$3BN (WEIGHTED)

COMPANY	EMEA	AMERICAS	ASIA PACIFIC	GLOBAL TOTAL	AVERAGE
BNP Paribas	6.72	X	5.74	12.46	6.29
BNY Mellon	6.36	6.94	X	13.30	6.61
Citi	7.54	8.42	5.70	21.66	7.52
JPMorgan	8.30	8.09	X	16.39	8.00
Northern Trust	6.74	6.88	6.91	20.53	6.84
Pictet	7.08	7.95	X	15.03	7.47
RBC Investor & Treasury Services	6.00	X	X	X	6.62
Societe Generale	5.38	X	X	X	5.38
State Street	7.50	7.73	8.04	23.27	7.81

#### AUM GREATER THAN \$3BN (UNWEIGHTED)

COMPANY	EMEA	AMERICAS	ASIA PACIFIC	GLOBAL TOTAL	AVERAGE
BNP Paribas	5.52	X	5.31	10.83	5.43
BNY Mellon	5.39	5.53	X	10.92	5.43
Citi	5.45	5.90	5.24	16.59	5.60
JPMorgan	6.32	5.56	X	11.88	5.92
Northern Trust	5.66	5.85	5.46	16.97	5.68
Pictet	5.71	6.07	X	11.78	5.87
RBC Investor & Treasury Services	6.01	X	X	X	6.01
Societe Generale	5.38	X	X	X	5.38
State Street	5.36	5.75	6.57	17.68	5.99

Respondents that had AuM of less than \$3bn rated Pictet as the best performing custodian in the Americas, both weighted and unweighted. Among respondents that use just a single custodian Pictet was the highest rated in Emea unweighted.

A respondent in Asia Pacific stated: "Pictet Asset Services is very effective when it comes to getting things done. Since the inception of the relationship, there has never been an issue that's dragged on for too long. Reporting is very thorough and easy to understand."

#### > CITI

Citi achieved its best results in the weighted tables, where it achieved an impressive string of winning scores. It was the highest rated custodian by this methodology in Emea and the Americas, which was enough to secure it the highest global average score and the second-highest average score.

In the overall unweighted table Citi achieved the third-high-

est global total score.

A respondent in the Americas commented: "Great custodian with best global network. Great team with excellent product knowledge. Relationship managers know our business and are very responsive." One in Emea praised its "excellent relationship management".

Citi was also a strong performer in the corresponding weighted service categories, achieving the top score in two cases: execution services and tax services.

Respondents that had AuM greater than \$3bn rated Citi as the best performing custodian in the Americas weighted. One large respondent in the region stated: "Excellent client service. Citi goes above and beyond understanding our business and [we appreciate the] quality of its subject matter experts."

Among respondents that use just a single custodian Citi was the highest rated custodian in the Americas unweighted and weighted.

### › RBC INVESTOR & TREASURY SERVICES

RBC Investor & Treasury Services (RBC I&TS) achieved its best scores in the unweighted tables. Overall it had the winning global total score and joint highest score in Asia Pacific. It was a strong performer across the board with second-place scores in the Americas for global average, as well as a third-place score in Emea.

Weighted, RBC I&TS was the second-best performing custodian in Asia Pacific.

In the unweighted service category tables RBC I&TS achieved the top score in an impressive six areas: class actions, execution services, foreign exchange services, fund accounting quality, industry knowledge and tax services.

Mutual fund/Ucits respondents also rated RBC I&TS very highly. It was the top-rated custodian unweighted in Emea and in terms of global average. Among respondents with AuM greater than \$3bn the Canadian custodian achieved the highest average global score unweighted.

### › NORTHERN TRUST

Northern Trust qualified in every continent and received consistently solid scores throughout.

In the overall unweighted table Northern Trust achieved the second highest global total score. It also achieved joint-third place in the Americas unweighted.

A respondent in the Americas commented: "Settlement issues, which are extremely rare, are resolved very quickly and efficiently and are traditionally due to a broker's error and not the custodian's error. Customer service is outstanding and turnaround time for any inquiry is short."

It achieved the second-highest weighted global total score based on third-placed finishes in the Americas and Asia Pacific. One respondent in Asia Pacific commented: "Quick response times, after-hours response is much appreciated, awesome client service ethic."

A respondent in Emea commented: "We have an excellent working relationship with NT across a range of services



and they truly understand our business and requirements, working with us to deliver them.”

Among mutual fund/Ucits respondents Northern Trust was the top-rated custodian in Asia Pacific weighted.

### > JPMORGAN

JPMorgan achieved excellent scores in the single region that it qualified for, Emea. Unweighted it was the highest rated custodian and weighted it was the second-highest rated.

It had a similar showing based on the views of mutual fund/Ucits respondents, which also considered it to be the best performing custodian in Emea weighted and second-best unweighted. Respondents that used multiple custodians also rated JPMorgan as the best performing custodian in Emea unweighted.

Among respondents with AuM in excess of \$3bn JPMorgan achieved even better results. It was the top-rated custodian in Emea both weighted and unweighted. It also achieved the winning global average score weighted.

Although it did not qualify for the region, one respondent in the Americas stated: “The online system for JPM is superior to other banks online offerings. JPM is faster at notifications than most banks and offers a longer deadline timeframe. The trade settlements team we have is outstanding.”

Likewise, while it did not qualify in Asia Pacific it still received praise: “JPM is efficient in their execution of custody service, at the same time providing quality insights to the subject matter. Their expertise, coupled with timely and precise communication, results in an overall exemplary standard.”

### > BNP PARIBAS

BNP Paribas achieved third place in its home region of Emea, weighted. BNP Paribas was the highest rated custodian in Emea weighted according to respondents that had AuM of less than \$3bn.

One respondent in Emea commented: “Our client relationship manager is always available to help us. He always look for the better solution and in a very reasonable time. He is our main contact for whatever query we have.”

Another stated: “BNP stands out for the quality of the services it provides. In all of the categories it is strong, and we have few complaints.”

In Asia Pacific a respondent stated: “Relationship management is excellent.”

### > BNY MELLON

BNY Mellon achieved third position overall for its global average score under the weighted methodology reflecting consistently solid performance across the two regions for which it qualified, Emea and Asia Pacific.

Unweighted BNY Mellon also achieved third position in Asia Pacific. One

AUM LESS THAN \$3BN (UNWEIGHTED)			
COMPANY	EMEA		AMERICAS
Societe Generale	6.36	Pictet	6.55
Pictet	6.24	RBC Investor & Treasury Services	6.14

AUM LESS THAN \$3BN (WEIGHTED)			
COMPANY	EMEA		AMERICAS
BNP Paribas	5.06	Pictet	5.02
Pictet	4.34	RBC Investor & Treasury Services	3.69

SINGLE CUSTODIAN (UNWEIGHTED)			
COMPANY	EMEA		AMERICAS
Pictet	6.04	Citi	6.24
RBC Investor & Treasury Services	5.78	RBC Investor & Treasury Services	6.20

SINGLE CUSTODIAN (WEIGHTED)			
COMPANY	EMEA		AMERICAS
BNY Mellon	5.31	Citi	9.07
Pictet	5.07	Northern Trust	6.18

respondent commented: "The client service in [our market] is very professional and cooperative, replying back to the client promptly."

Among respondents that use just a single custodian BNY Mellon was rated as the best performing custodian in Emea weighted. In the region one respondent commented that it had an "excellent relationship manager"

and another stated: "Good all round services provided, willingness to improve wherever we feel the standards could be better. Excellent relationship management, always going the extra mile."

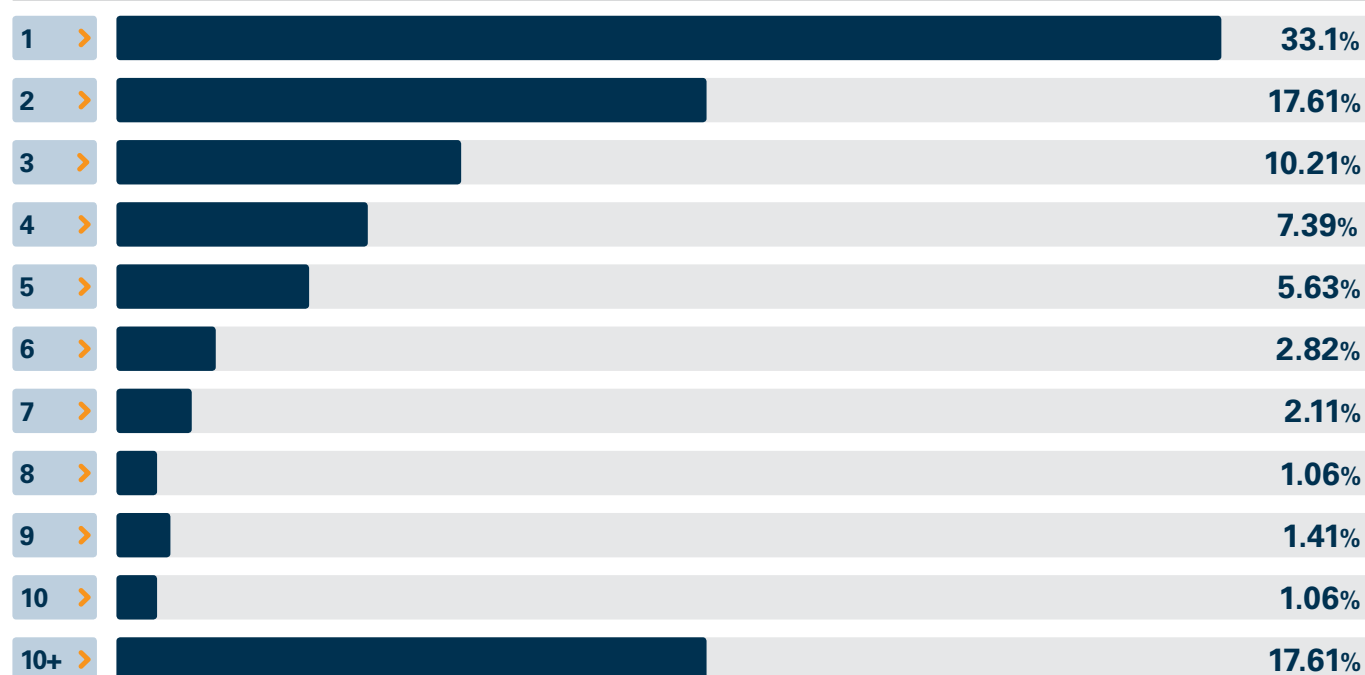
### > SOCIETE GENERALE

Societe Generale was the highest rated custodian by respondents with

AuM less than \$3bn in Emea un-weighted. In the region a respondent commented: "We are happy with quality of service received. Teams are very well trained. IT systems are great."

Another stated it had "excellent knowledge, support, flexibility and willingness to help," while a further one noted that it had "all round excellent service".

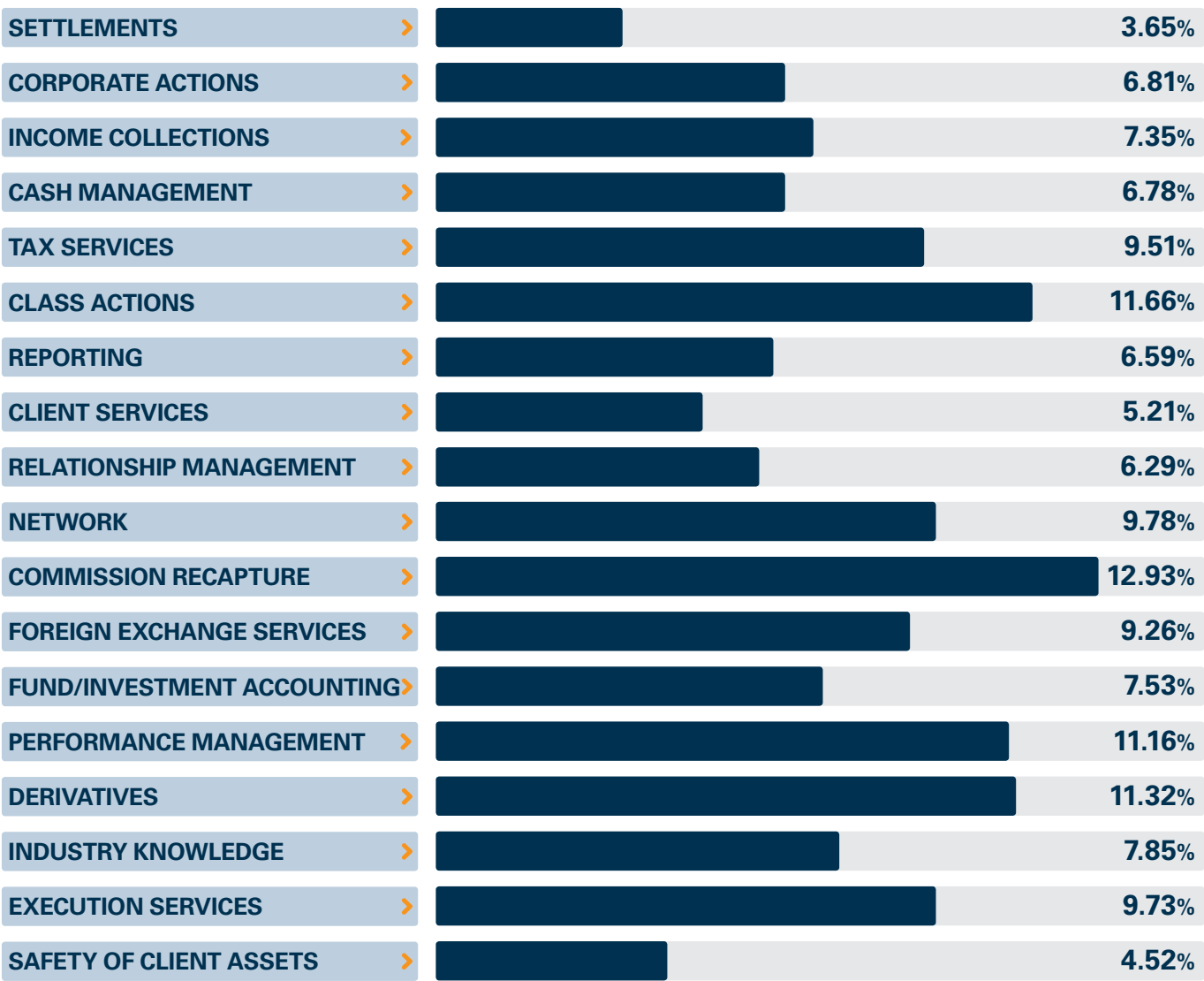
## > HOW MANY CUSTODIANS DO YOU DEAL WITH?





IMPORTANCE OF SERVICE CATEGORIES

AVERAGE RANKING



IN WHAT BUSINESS CAPACITY ARE YOU COMPLETING THIS SURVEY?

