INVESTMENT CONSULTANTS

Fees, talent, complexity pose challenges

Consulting industry must adapt amid talent wars, fee compression and demand for more services

By PALASH GHOSH

Facing a variety of pressures from fee compression and talent wars to growing demand for more complex services, investment consulting firms have to evolve their thinking from the way business has "always been done" to stay afloat, officials say.

One of the biggest challenges facing the investment consulting industry is the ongoing "war of talent" with the asset management industry, warned Bryan Ward, senior partner and head of solutions and sales at Aon Investments USA.

"We are doing a good job in recruiting and attracting entry-level workers and keeping them," he said. "But once they reach their mid-career point — say after 10 to 20 years — they sometimes go to asset management firms," primarily chasing higher compensation.

But compensation isn't the only factor at play here, Ward said, suggesting job satisfaction and the feeling of accomplishment from providing comprehensive services are also crucial elements in keeping workers.

As the consulting industry and investing in general become more complex, retaining valuable staff will be very important for the industry's future, Ward added.

But given the current tight job market, it is getting harder for some consulting firms to recruit new talent.

"We have tried to remedy this by in-house training and education," said Seth Almaliah, senior vice president at Segal Marco Advisors. "We would like to have a workforce that is multiskilled given how the markets have become so complex and will continue to change and evolve."

Stephen P. McCourt, managing principal and co-CEO at Meketa Investment Group, acknowledged another big pressure on the industry: the demand for ever-increasing services combined with ever-increasing fee competitiveness.

"Given this, consulting firms must find ways to deliver more for less over time, through reinvestment in their businesses," he said.

But John Delaney, senior director and portfolio manager in investments at Willis Towers Watson, believes a lot of the challenges the consulting industry faces are largely what makes the space interesting to be a part of.

"There is the ongoing challenge of continuing to ensure offerings are well-suited to the needs of the client base, and providing efficient delivery mechanisms for delivering those offerings are items we challenge ourselves on daily," he said. "We believe the challenge to innovate and evolve as the market evolves is one of our strengths as a business."

More consolidation?

While the investment consulting industry is facing competitive pressures, Albert Lim, senior consultant at Russell Investments, does not anticipate a vast wave of consolidation anytime soon.

"I think there will always be room for the smaller niche players who can provide specific services," he said. "These small shops can survive, and even thrive, particularly if they provide sophisticated, customized advice to clients and help then navigate an increasingly complex market and regulatory landscape."

For instance, Lim said, some shops may specialize in providing advice to large corporate pension plans, while others may specialize in public pensions or Taft-Hartley plans. Also, "some smaller shops may be able to provide OCIO or consultant search capabilities, which has become more common these days," he added.

Aon's Ward agreed, in part. "Consultants come in all shapes and sizes and they serve asset owners that are just as varied and have a wide set of needs" he said. "But it has become a crowded marketplace, so we might possibly see some smaller firms merging."

Leah Emkin, chief client officer at Wilshire Advisors, noted shifting dynamics within the firms themselves, including an aging staff, which could make some consolidations inevitable, she said.

Greg DeForrest, executive vice president and head of fund sponsor consulting at Callan, acknowledged the "increased demands placed on consulting firms, especially as we continue to expand to provide both discretionary and non-discretionary businesses" and "for consulting firms to develop expertise in all areas of the business, whether it's public markets, private markets, DC plans, DB plans, etc. — that will require a certain level of scale to be able to provide all of those services effectively."

RETENTION: Aon's Bryan Ward said one challenge is keeping employees at the midway point in their careers.

Time to evolve

Wilshire's Emkin believes consultants will need to evolve their thinking beyond how business has "always been done" to be successful.

"We believe that consultants who can offer their clients sophisticated tools for risk measurement and management, and that can deliver superior client service and create efficiencies through technology, will have an edge," Emkin said, citing Wilshire's recent de-

SEE EVOLVE ON PAGE 19

Investment consultant stats at a glance

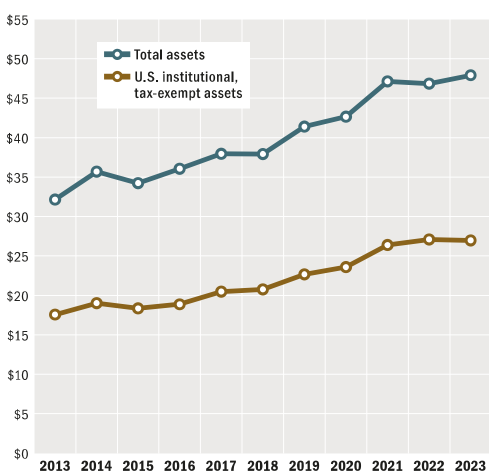
Assets are in millions as of June 30.

	2023 data	One-year change	Five-year change
Total assets under advisement	$51,040,417	1.9%	33.0%
Institutional assets	$47,918,145	2.3%	26.4%
U.S. institutional tax-exempt assets	$26,978,816	-0.5%	30.0%
Assets under management	$1,120,931	7.7%	26.3%
Number of minority- & women-owned consultants	2	-33.3%	N/A
Number of consultants with a diverse-manager search policy	25	0.0%	N/A
Number of consultants providing advice on digital assets/cryptocurrency	20	5.3%	N/A
Number of consultants offering digital assets/cryptocurrency manager searches	15	15.4%	N/A

Historical data may include retroactive updates.

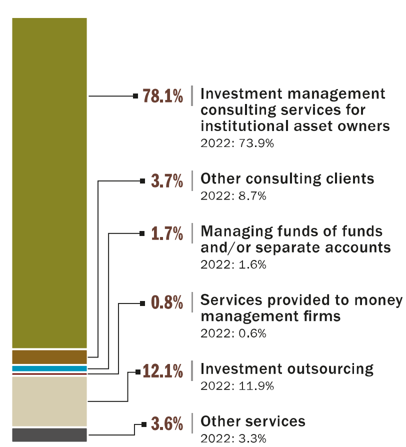
Growth of assets

Institutional advisory assets, in trillions, as of June 30.



Average revenue breakdown

As of June 30.



The largest investment consultants

Ranked by worldwide institutional assets under advisement, in millions, as of June 30.

Rank	Consultant	Assets
1	Mercer	$16,229,078
2	Callan	$4,713,782
3	WTW Investment Services	$4,594,000
4	Aon	$4,359,132
5	RVK	$3,396,173
6	Meketa Investment Group	$2,813,257
7	NEPC	$1,515,980
8	Wilshire Advisors	$1,064,164
9	Russell Investments	$1,015,506
10	PPCmetrics	$968,000
11	CAPTRUST Financial	$780,934
12	Verus	$758,794
13	Bank of America	$588,334
14	Morgan Stanley/Inst'l Cons.	$578,594
15	Goldman Sachs AM	$557,554
16	StepStone Group	$496,584
17	NFRC	$462,478
18	Segal Marco Advisors	$453,831
19	Marquette Associates	$350,346
20	Cardinal Investment Advisors	$275,227
21	Fiducient Advisors	$257,000
22	SageView Advisory	$183,464
23	UBS Institutional Consulting	$163,928
24	Gallagher Fiduciary	$158,155
25	Alan Biller and Associates	$143,034
26	LCG Associates	$102,006
27	Cliffwater	$94,986
28	Fund Evaluation Group	$73,028
29	Prime Buchholz	$66,893
30	CBIZ Investment Advisory	$61,980
31	Investment Performance	$56,026
32	Bellwether Consulting	$53,797
33	Milliman	$45,878
34	Angeles Investment Advisors	$41,300
35	Portfolio Advisors	$40,830
36	Innovest Portfolio Solutions	$39,762
37	Concord Advisory Group	$32,711
38	George & Bell Consulting	$32,000
39	Multnomah Group	$28,922
40	IIC	$24,636
41	Highland Associates	$22,868
42	Strategic Capital Investment	$20,145
43	DeMarche	$19,468
44	Compass Financial	$18,550
45	Highland Consulting	$16,900
46	Vergence	$16,176
47	Dahab Associates	$16,100
48	Newport Capital Group	$15,192
49	Benefit Financial Services	$15,105
50	PlanPilot	$13,435
51	Francis Investment Counsel	$13,434
52	Quan-Vest Consultants	$12,290
53	Canterbury Consulting	$9,494
54	Sellwood Consulting	$8,114
55	Asset Advisors	$8,000
56	BilkeyKatz	$7,302
57	Bolton Partners	$6,497
58	Hamilton	$3,366
59	Comperio Retirement	$1,988
60	Guidance Point Retirement	$1,564
61	Benefit & Invest. Consulting	$73
	Total	$47,918,145

Asset owners lean on consultants to be educated about ESG

Polarizing issue might change approach but not resolve to learn

By PALASH GHOSH

Environmental, social and governance matters have become a lightning rod for controversy, particularly from conservative politicians, but most asset owners are committed to learning more from their consultants.

Oliver Kunkel, Zurich-based partner at PPCmetrics, noted that since the consulting firm has no "political agenda," the company is perceived as an entity that can approach the topic with neutrality and objectivity. "This is very much appreciated by our clients, who frequently approach us (for) ESG matters," he said. Such topics range from how to compile exclusion lists of companies to the integration of ESG into the investment approach and ESG reporting.

Greg DeForrest, executive vice president and head of fund sponsor consulting at Callan, said his clients fall into one of three camps with respect to ESG issues: the adopters, the haters, and the "cautiously interested" — with the latter group being the most predominant. "Over time, (this latter group) will continue to receive education and develop a more solid opinion on it," he said. "As is the case with most issues, the truth typically lies in the middle. And I think that's probably the way the ESG story will continue to play out."

Callan had $4.7 trillion in worldwide institutional assets under advisement as of June 30, down 1.9% from a year earlier, and occupied the No. 2 spot in *P&I's* ranking of largest consultants.

An increasing number of asset

LONG TERM: Wilshire's Leah Emkin said more clients have become hesitant to use the term ESG but still want to discuss impacts.

owner clients are actually becoming hesitant to use the ESG acronym, said Leah Emkin, chief client officer at Wilshire Advisors. "While material issues that can impact long-term returns remain top of mind, the polarization of ESG influences how investors are approaching conversations about it," she noted.

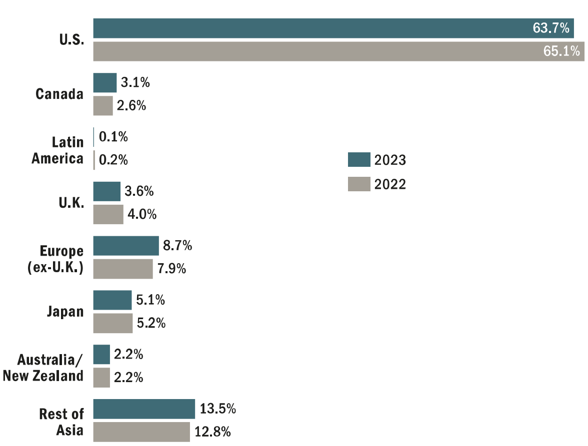
"That said, our approach to working with clients on sustainability matters has been minimally impacted," Ms. Emkin said. "Wilshire continues to focus on meeting its clients where they are and ensuring that investment decisions, ESG-related or otherwise, align with each client's broader goals and objectives and uphold their fiduciary obligations."

While many of Russell Investments' clients place a "high premium" on such issues as sustainability and diversity, they are still in the "education phase" rather than in the "implementation

SEE ESG ON PAGE 18

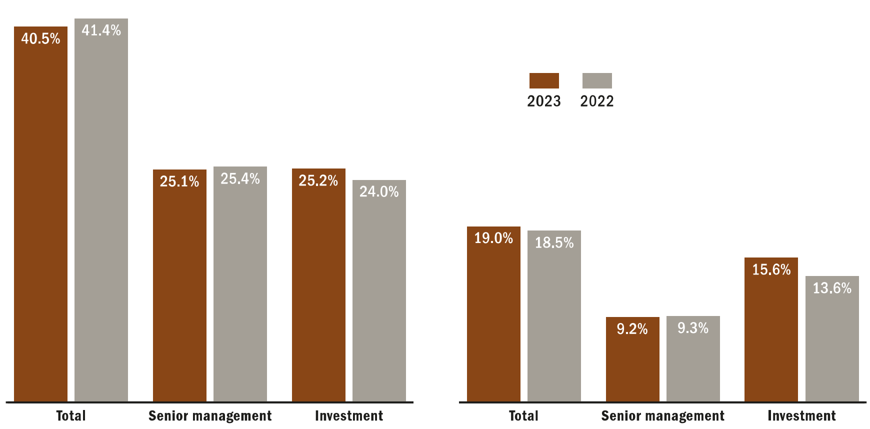
Advisory assets by client country/region

Weighted average as of June 30.



Diversity of investment consultants' U.S.-based employees

Average percentage of female and minority employees, as of June 30.



The largest consultants by total worldwide advisory assets

Assets are in millions as of June 30.

Rank	Consultant	Total assets	Retainer clients	Non-retainer clients
1	Mercer	$16,229,078	$12,850,763	$3,378,315
2	Callan	$4,713,782	$1,989,049	$2,724,733
3	WTW Investment Services	$4,594,000	$4,594,000	
4	Aon	$4,359,132	$3,652,285	$706,847
5	RVK	$3,396,173	$1,559,782	$1,836,391
6	Bank of America	$3,123,000		
7	Meketa Investment Group	$2,813,257	$2,000,227	$813,030
8	NEPC	$1,529,650	$1,529,650	
9	Wilshire Advisors	$1,319,962	$1,319,962	
10	Russell Investments	$1,015,506		
11	PPCmetrics	$968,000	$663,000	$305,000
12	CAPTRUST Financial	$832,104	$832,104	
13	Verus	$758,794	$758,794	
14	Segal Marco Advisors	$640,107	$640,107	
15	Morgan Stanley/Inst'l Cons.	$578,594	$578,594	
16	Goldman Sachs AM	$557,554	$557,554	
17	StepStone Group	$496,990	$496,990	
18	NFRC	$462,478	$460,008	$2,470
19	Marquette Associates	$362,506	$362,506	
20	Fiducient Advisors	$281,000	$281,000	

The largest consultants by U.S. institutional, tax-exempt advisory assets

Assets are in millions as of June 30.

Rank	Consultant	Total assets	DB plans	DC plans
1	Mercer	$4,754,629	$1,656,929	$1,648,440
2	Callan	$3,992,772	$2,337,256	$1,313,516
3	Aon	$3,423,634		
4	RVK	$2,922,369	$1,903,123	$915,183
5	Meketa Investment Group	$2,799,380	$2,585,099	$72,427
6	NEPC	$1,512,220	$856,379	$344,879
7	Wilshire Advisors	$1,058,397	$952,272	$59,515
8	Russell Investments	$807,816		
9	Verus	$758,794	$612,772	$37,412
10	Morgan Stanley/Inst'l Cons.	$554,055	$114,810	$261,381
11	WTW Investment Services	$552,098	$199,761	$343,259
12	Goldman Sachs AM	$528,391	$108,565	$272,391
13	Segal Marco Advisors	$453,831	$236,549	$153,011
14	Marquette Associates	$350,088	$123,985	$64,339
15	CAPTRUST Financial	$329,073	$7,185	$297,097
16	StepStone Group	$291,647	$279,250	
17	Fiducient Advisors	$257,000	$22,200	$177,246
18	SageView Advisory	$183,464	$3,727	$179,737
19	UBS Institutional Consulting	$163,928	$21,154	$116,278
20	Gallagher Fiduciary	$158,155	$27,733	$106,214

The largest consultants by managed assets

Assets in funds of funds or other discretionary money management products, in millions, as of June 30.

Rank	Consultant	Assets
1	Mercer	$392,852
2	Russell Investments	$297,875
3	StepStone Group	$142,600
4	Wilshire Advisors	$88,508
5	Morgan Stanley/Inst'l Cons.	$64,176
6	Aon	$35,400
7	WTW Investment Services	$34,600
8	Portfolio Advisors	$20,668
9	Segal Marco Advisors	$9,755
10	UBS Institutional Consulting	$8,810
11	Highland Associates	$6,027
12	Callan	$5,922
13	NEPC	$4,492
14	Angeles Investment Advisors	$3,495
15	CAPTRUST Financial	$2,827

Consultants offering outsourced CIO services

As of June 30.

- Alan Biller and Associates
- Angeles Investment Advisors
- Aon
- Asset Advisors
- Bank of America
- Callan
- Canterbury Consulting
- CAPTRUST Financial
- CBIZ Investment Advisory
- Cliffwater
- Compass Financial
- DeMarche
- Fiducient Advisors
- Fund Evaluation Group
- Gallagher Fiduciary
- Goldman Sachs AM
- Highland Associates
- Investment Performance
- LCG Associates
- Marquette Associates
- Meketa Investment Group
- Mercer
- Milliman
- Morgan Stanley/Inst'l Cons.
- Multnomah Group
- NEPC
- Newport Capital Group
- NFRC
- PlanPilot
- Prime Buchholz
- Russell Investments
- Segal Marco Advisors
- Sellwood Consulting
- Strategic Capital Investment
- Verus
- Wilshire Advisors
- WTW Investment Services

Independent consultants

Consultants not providing services to/collecting fees from money management firms, as of June 30.

- Alan Biller and Associates
- Angeles Investment Advisors
- Asset Advisors
- Bank of America
- Bellwether Consulting
- Benefit & Invest. Consulting
- Benefit Financial Services
- BilkeyKatz
- Bolton Partners
- Canterbury Consulting
- CAPTRUST Financial
- Cardinal Investment Advisors
- CBIZ Investment Advisory
- Compass Financial
- Comperio Retirement
- Concord Advisory Group
- Dahab Associates
- Fiducient Advisors
- Francis Investment Counsel
- Fund Evaluation Group
- Gallagher Fiduciary
- Goldman Sachs AM
- Guidance Point Retirement
- Hamilton
- Highland Associates
- Highland Consulting
- IIC
- Innovest Portfolio Solutions
- Investment Performance
- LCG Associates
- Marquette Associates
- Meketa Investment Group
- Milliman
- Morgan Stanley/Inst'l Cons.
- Multnomah Group
- Newport Capital Group
- NFRC
- PlanPilot
- Portfolio Advisors
- PPCmetrics
- Prime Buchholz
- Quan-Vest Consultants
- Russell Investments
- RVK
- SageView Advisory
- Segal Marco Advisors
- Sellwood Consulting
- StepStone Group
- Strategic Capital Investment
- Vergence
- Verus

Consultants providing services to/collecting fees from money management firms

As of June 30.

- Aon
- Callan
- DeMarche
- Mercer
- NEPC
- UBS Institutional Consulting
- Wilshire Advisors

Minority- & women-owned investment consultants

As of June 30.

- Benefit & Invest. Consulting
- RVK

Consultants with diverse-manager search policy

As of June 30. May include consultants with an informal policy.

- Angeles Investment Advisors
- Bank of America
- Callan
- Canterbury Consulting
- CAPTRUST Financial
- Cardinal Investment Advisors
- Francis Investment Counsel
- Fund Evaluation Group
- Goldman Sachs AM
- Highland Associates
- Innovest Portfolio Solutions
- Marquette Associates
- Meketa Investment Group
- Mercer
- Morgan Stanley/Inst'l Cons.
- NEPC
- PlanPilot
- Portfolio Advisors
- Prime Buchholz
- RVK
- Segal Marco Advisors
- StepStone Group
- Verus
- Wilshire Advisors
- WTW Investment Services

ESG

CONTINUED FROM PAGE 17

phase," said Albert Lim, senior consultant.

"They are asking how ESG can add value to their portfolios and what risks it entails," he said. "But given the economic and geopolitical backdrop, ESG might not be as urgent to some clients."

Meketa Investment Group assists clients in understanding different approaches to sustainability, including focusing on integrating material sustainability financial risks and opportunities, seeking investments that also offer impact on a given environmental or social themes, and investing in products for socially responsible ends that do not include a performance expectation to meet or exceed a market beta, said Sarah Bernstein, managing principal and head of sustainability.

"Some pension funds have specific requests, for example how to respond to ESG and/or anti-ESG legislation; provide analysis on options to address climate risks and opportunities; or address diversity, equity and inclusion concerns," she added.

Demand for renewables

One area that is seeing a lot of interest from investors is opportunities around the energy transition.

Lisa Bacon, managing principal, private markets consultant and infrastructure program lead at Meketa, said deploying capital into renewables and related infrastructure has been going on for a number of years even before "energy transition" and "decarbonization" became common terms.

In fact, "as both governmental entities and corporates in the U.S. and abroad have established more ambitious goals for reducing greenhouse gases and reaching net-zero carbon emissions, demand for private capital to support in-

Consultants

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that inflation has remained stubbornly high," he said.

The high interest rate environment has made both fixed-income investments and cash more attractive on a relative basis than was the case in prior periods, Ward said. "Because of this, we are advising clients to review their fixed-income strategy for additional opportunities, both from a return perspective and current yield," he said. "Second, we're stressing caution on equities, particularly public. The higher interest rate environment is a potential headwind to earnings due to higher financing costs. Further, should the economy enter a recession, there will be additional pressure on earnings, resulting in potential equity market weakness."

Aon is also advising clients to look at allocating to "liquid, uncorrelated alternatives such as low-beta hedge funds," he said. "Our team is also finding opportunities in private credit and real assets. These strategies build resilience into portfolios and provide diversification benefits relative to long-only equity portfolios."

Jeffrey MacLean, CEO of Verus, said that his asset owner clients are most concerned about what the higher interest rate regime means for their portfolios. "There are the lingering (negative) effects of the high-rate regime on their real estate portfolios and private equity activities," he said. "We have moved from a zero-rate environment to a rising-rate regime, which has the potential to cause disruptions in markets." Verus had $759 billion in worldwide institutional assets under advisement as of June 30, up 12.1% from a year earlier.

Greg DeForrest, executive vice president and head of fund sponsor consulting at Callan, said his institutional clients are also concerned about staffing levels and governance structures for their respective organizations, "including reporting lines and whether discretionary or non-discretionary advisers should be utilized." They're also concerned about spending active risk appropriately, he added, "and looking at the right combination of liquid and illiquid assets in their portfolios."

Callan had $4.71 trillion in worldwide institutional AUA as of June 30, down 1.5%.

Aside from rising interest rates, noted Frank Benham, director of research at Meketa Investment Group, his firm's clients are also concerned about the potential for an economic hard landing, as well as both political and economic risks in China.

Regarding China, Amy Hsiang, managing principal and director of public markets manager research at Meketa, said clients are interested in learning more about emerging markets.

"Whether or not that translates to actually increasing allocations to emerging markets, only time will tell," Hsiang said. "We have not seen clients actively avoid China."

Meketa had $2.81 trillion in worldwide institutional assets under advisement as of June 30, relatively flat from the year before.

However, China, the second-largest economy in the world, is beset by an array of problems, including a slowing economic growth, rising youth unemployment and a real estate market in crisis. MacLean of Verus said some clients are also worried about rising diplomatic tensions between Beijing and the West, which has already disrupted supply chains and resulted in shortages in Western nations.

Move to fixed income

Rising interest rates also means that some core fixed-income securities are providing higher yields, which is greatly increasing their attractiveness to some clients.

Indeed, on Oct. 19, the 10-year Treasury yield neared 5% for the first time in more than 16 years. Year-to-date, the yield has surged about 56 basis points to close at 4.44% on Nov. 14.

"There are indeed some opportunities here," Aon's Ward noted. "A few years ago when yields were negligible, some investors questioned the validity of fixed income as core holdings in a portfolio, but they are making a comeback now. They went from return-free risk to risk-free return."

Albert Lim, senior consultant at Russell Investments, said his firm's clients are principally concerned with how to cope with this "new normal" of high inflation and high interest rates. "Our economists think there is a good likelihood that we will enter a recession next year and this is yet another factor weighing on our clients," he said. "But we are still advising our clients to remain invested in the market and try to weather the storms. We caution them it is nearly impossible to time the market and difficult to pinpoint attractive entry and exit points, as we saw after the global financial crisis of 2009."

Nevertheless, Lim said that, at the margin, in the current macroeconomic climate, clients could make some tactical reallocations to long-term Treasuries and high-quality stocks with strong balance sheets and cash flows. "These kinds of stocks tend to perform well during periods of economic downturn and they haven't done too well this year, so they should protect better on the downside," he said. "We can find such stocks in the consumer staples and industrial sectors."

Russell had $1.01 trillion in worldwide institutional AUA as of June 30, up 1.5% for the year.

The portfolio utility of fixed income is "strikingly higher" now than any time since the global financial crisis of 2008-2009, said Robert Appling, managing director at Wilshire Advisors. Generally speaking, many clients have cut public equity exposure in favor of fixed income and select alternative managers, he added.

OTHER AREAS TO EXPLORE: Amy Hsiang said Meketa Investment Group's clients are interested in learning more about emerging markets and are not actively avoiding China.

Phillip R. Nelson, partner and head of asset allocation at NEPC, is not advising significant changes in asset allocation; however, for some clients, a move into fixed income and dedicated Treasury inflation-protected securities might be suitable in this climate of rising yields and still-substantial inflation, he said.

NEPC had $1.5 trillion in worldwide institutional assets under advisement as of June 30, the same figure as a year earlier.

Todd Stewart, managing director of investment research at SageView Advisory Group, advocates caution in making structural portfolio changes due to temporary interest rate fluctuations, but noted bonds "provide stability to a diversified portfolio, they are a reliable source of income, and they have good total return potential going forward. Cash, over time, simply cannot replicate these benefits as effectively as bonds do."

SageView had $183.5 billion in worldwide institutional assets under advisement as of June 30, up 21.5% from a year earlier.

Alternative assets

Alternative assets remain popular with institutional investors.

Within the broad and diverse alternative asset market, Seth Almaliah, senior vice president at Segal Marco Advisors, said he is seeing a lot of client interest in infrastructure investments. "This is a relatively new and exciting asset class that provides impressive yields and new markets to explore," he noted.

Segal Marco had $454 billion in worldwide institutional assets under advisement as of June 30, 2023, up 18.9% from a year earlier.

Oliver Kunkel, Zurich-based partner at PPCmetrics, noted some clients are concerned about how to properly value these assets. "There are several issues with (pricing), and we are closely monitoring how (asset) managers are coping with this," he said. "We currently (see) a great uncertainty whether the stated valuation of some illiquid assets reflects their true value. This dampens the demand for illiquid assets."

PPCmetrics had $968 billion in worldwide institutional assets under advisement as of June 30, up 23.3% from prior year.

Appling of Wilshire countered that it is not necessarily getting harder to accurately value alternative assets. "Private asset valuations have always been challenging given the infrequence and lag in their mark-to-market positions," he noted. "Clients are increasing exposure to select alternatives like private credit and private equity. This needs to be balanced with an understanding of each clients' liquidity needs to ensure the portfolio can deliver on all commitments through a market cycle."

John A. Haggerty, managing principal and director of private market investments at Meketa, noted that in times of uncertainty and market volatility, the issue of placing value on alternative assets naturally receives more scrutiny. "Private market performance lags public market performance in both up markets and down markets," he said. "So, the gaps have been greater in recent years with the stock market swings, negative in 2022 and positive for much of 2023." ■

vestments in assets and companies that will help meet these goals has also increased," Bacon said. "Opportunities have also arisen in the natural resources sector involving alternative fuels, metals and minerals for batteries and electric chargers, and other sustainable inputs and activities."

Bacon added that Meketa and its clients want to be investing in the areas "where economic activity is increasing and where growth potential supports attractive risk-adjusted returns."

"We have seen interest in the energy transition theme and have expressed this opportunity in portfolios where we have discretion," agreed John Delaney, senior director and portfolio manager in investments at Willis Towers Watson. "There are many tailwinds for these types of strategies, both from a regulatory and financial perspective, which supports their inclusion in asset owner portfolios today."

LEARNING: Albert Lim puts more of Russell's clients in the ESG 'education phase' rather than the 'implementation phase.'

PPCmetrics' Kunkel said that his firm has conducted several invitations to bid for projects for clean energy infrastructure in Europe and globally, including with some of the largest-scale tenders in Europe.

While the universe of energy transition strategies is still "somewhat limited," some are compelling enough to bring to clients' attention, said Robert Appling, managing director at Wilshire Advisors. Such attractive strategies, Appling noted, include greenhouse development within commercial real estate; direct lending to energy transition companies; and wind and solar farms. ■

Evolve

CONTINUED FROM PAGE 16

cision to acquire the $20.8 billion Lyxor Asset Management Inc. as an example.

Lyxor Asset Management Inc., also known as Lyxor U.S., provides risk-managed, alternative and hedge fund investment solutions to institutional investors in North America and will boost Wilshire's alternative investment offerings.

Consultants are playing an increasingly larger role in providing investment solutions to various asset owners, WTW's Delaney observed. "Corporate clients, endowment and foundation, and wealth channels are increasingly looking for solutions to their investment challenges, whether that is OCIO mandates, research-oriented propositions, or advice," he said. "We see potential for consultants to continue to play the role of innovation within the investment management community, and evolving offerings to be consistent with ever-changing needs in the marketplace."

Delaney said he expects this investment solutions aspect of consulting to continue to be prioritized by consultants and the clients they serve going forward.

"Asset owners continue to see value in outsourcing implementation aspects of their asset pools, and we expect that to continue for the entirety of asset pools, but also specific asset class implementations," he said. "Additionally, we expect to see consultants work with different types of clients — RIAs and other wealth channels — to continue to innovate and provide investment solutions to a larger portion of the asset owner universe."

Meketa's McCourt agreed that the demand for additional consulting services seems both strong and broad based.

"The dynamics in the capital markets since COVID-19 have led to a significant increase in interest for general education on all types of private markets strategies, risk-mitigation strategies, and asset allocation solutions," including OCIO, LDI approaches and enhanced monitoring services, he said. "Clients are eager for time-tested approaches that provide the best chance for achieving their objectives over the long term." ■