

AdvisorOne

Advisors Rank Top 5 Internal, External Fund Wholesalers

Lord Abbett, MFS top external wholesaler list while Franklin Templeton, PIMCO top internal list

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A report released Tuesday by Cogent Research found that advisors favor certain mutual fund companies when it comes to their internal and external wholesaling efforts.

As part of Cogent's 2011 Advisor Touchpoints report, which is based on a nationally representative survey of 1,643 retail investment advisors across all major distribution channels, Cogent asked advisors to rate their satisfaction with both internal and external wholesalers of current providers on five separate aspects of service and support, including: business-building ideas; problem resolution and support; commitment to helping advisors succeed; integrity and honesty; and depth/breadth of product knowledge.

According to Cogent's Wholesaler Quality Index ranking, the 2011 top-five ranked firms in each category are:

External Wholesalers

1. Lord Abbett
2. MFS Investment Management
3. The Hartford
4. J.P. Morgan Funds
5. BlackRock

Internal Wholesalers

1. Franklin Templeton
2. PIMCO
3. J.P. Morgan Funds
4. Fidelity Investments/Advisor Funds
5. American Funds

Cogent said that its research reveals that the actual drivers of advisor satisfaction differ among internal and external wholesalers.

"We see satisfaction with external wholesalers driven primarily by how well they demonstrate they care about an advisor's business, and whether or not the wholesaler brings solutions to the table that meet a need and can actually help an advisor succeed," said Tony Ferreira,

managing director of the Cogent Research Wealth Management Group, in a statement announcing the report's findings. "But when it comes to the internal desk, advisor satisfaction is really driven by the nuts and bolts of things like timely problem resolution and detailed product knowledge."

Cogent says that it is preparing to track the effectiveness of wholesalers for individual clients on an ongoing quarterly basis by using these Wholesaler Quality Index scores for mutual fund companies, as well as similar scores it has obtained for ETF and variable annuity providers.

Under the new program, Cogent says individual firms will be able to monitor how well they are performing at the national, regional and sales territory levels, with the added ability to compare these results to those of competitor firms.

"This program packs a two-for-one punch," said Ferreira. "It shows at a national level where a firm's wholesaling operation stands relative to its competition. Even more importantly, it gives the company tools to pinpoint problem areas and a mechanism for deploying resources to take corrective action before a client drops the firm."