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'POWERFUL COMBINATION'

Bank of New York, Wilshire offer plan sponsors risk management services

[By Gregory Crawford](#)

Bank of New York and Wilshire Associates Inc., Santa Monica, Calif., have joined forces to offer risk management services including performance measurement, analytics, universe comparisons, compliance and risk budgeting to institutional investors, particularly plan sponsors, according to Gerald L. Hassell, Bank of New York's president.

Terms of the agreement could not be learned.

"Bank of New York has risk analytics and services we sell in conjunction with our custodial services, principally to plan sponsors," Mr. Hassell said in an interview. "We think Wilshire has better analytics, better research and greater depth of personnel who do nothing but focus on this space. They also have brand recognition in this market, and combined with Bank of New York will be a powerful combination."

For Wilshire, the firm will gain access to Bank of New York's client base.

"We feel this alliance with the Bank of New York is going to provide us with the opportunity to greatly leverage the use of our products globally," said **Robert J. Raab Jr.**, vice chairman of Wilshire and head of the firm's analytics division.

He said that while the firms will work together to sign up clients for the combined services, "there may be situations in which other parts of Wilshire have capabilities that are unique so the (client) relationship would be just with Wilshire."

Demand increasing

Debra Baker, a managing director who runs Bank of New York's global product management risk services group, said because of greater interest in corporate governance, plan sponsors are increasing their demand for the entire range of risk management services and are looking to their custodians for it.

"With corporate governance issues on the rise, plan sponsors as well as investment managers are looking more and more to custodial firms to offer those (risk management) tools," she said. "Corporate governance has changed the playing field."

She said Bank of New York staff had spent the last year and a half surveying clients on risk management needs and analyzing the marketplace to determine whether to further expand the bank's existing risk management services offering, acquire a provider or join up with another firm.

"In looking at a partner, there are firms out there that are very good in certain spaces," she

said. "We were looking for more of a full-service provider, and that's what we're going to get with Wilshire."

Ms. Baker said the bank has begun to market the new services to a list of "beta" clients she declined to name.