

Lonsec outrates the raters

Lonsec has been named Money Management's inaugural Funds Management Ratings House of the Year on the back of its focus on gauging what its customers want and delivering the appropriate outcome. **Mike Taylor** reports.



Money Management III portfolio construction forum
Funds Ratings House of the Year 2010

While different weightings were applied to factors such as customer service and research quality gleaned from the results of the two different surveys, Lonsec emerged as the unquestioned winner due to its strong performance against all of the criteria.

The runner-up in the award was van Eyk Research, based on its performance across key categories of both surveys. Zenith emerged in third place, largely because of the generally high marks it received from both financial planners and fund managers that needed to be weighed against its still comparatively small footprint in the industry.

In short, Lonsec and van Eyk Research were not only well regarded across most categories but maintained their generally high ratings across a greater number of respondents using their services.

Discussing his company's strong performance within the two surveys, Lonsec general manager of research Grant Kennaway said it was not something attributable to any radical science.

"We have simply tried to build what planners told us they wanted," he said. "Once we thought we understood what they wanted we tried to stay on message while avoiding being side-tracked," he said.

The degree to which Lonsec had built its model consistent with the needs of planners and planning groups appeared to be reinforced by the positive nature of the responses it received with respect to client service across both planning groups and the funds management companies it was actually rating.

Where fund ratings turnaround times were concerned, Lonsec scored particularly well in this year's survey, with respondents positive about their experiences with Lonsec personnel.

This was also reflected in the responses from financial planners and dealer groups, who particularly noted the quality of the company's staff and customer service.

Lonsec also rated highly with respect to the quality of its website and adviser tools.

Kennaway said that Lonsec had a policy of listening to planners and what they wanted, and this was achieved both informally via day-to-day communication and more formally through

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discussion and feedback processes.

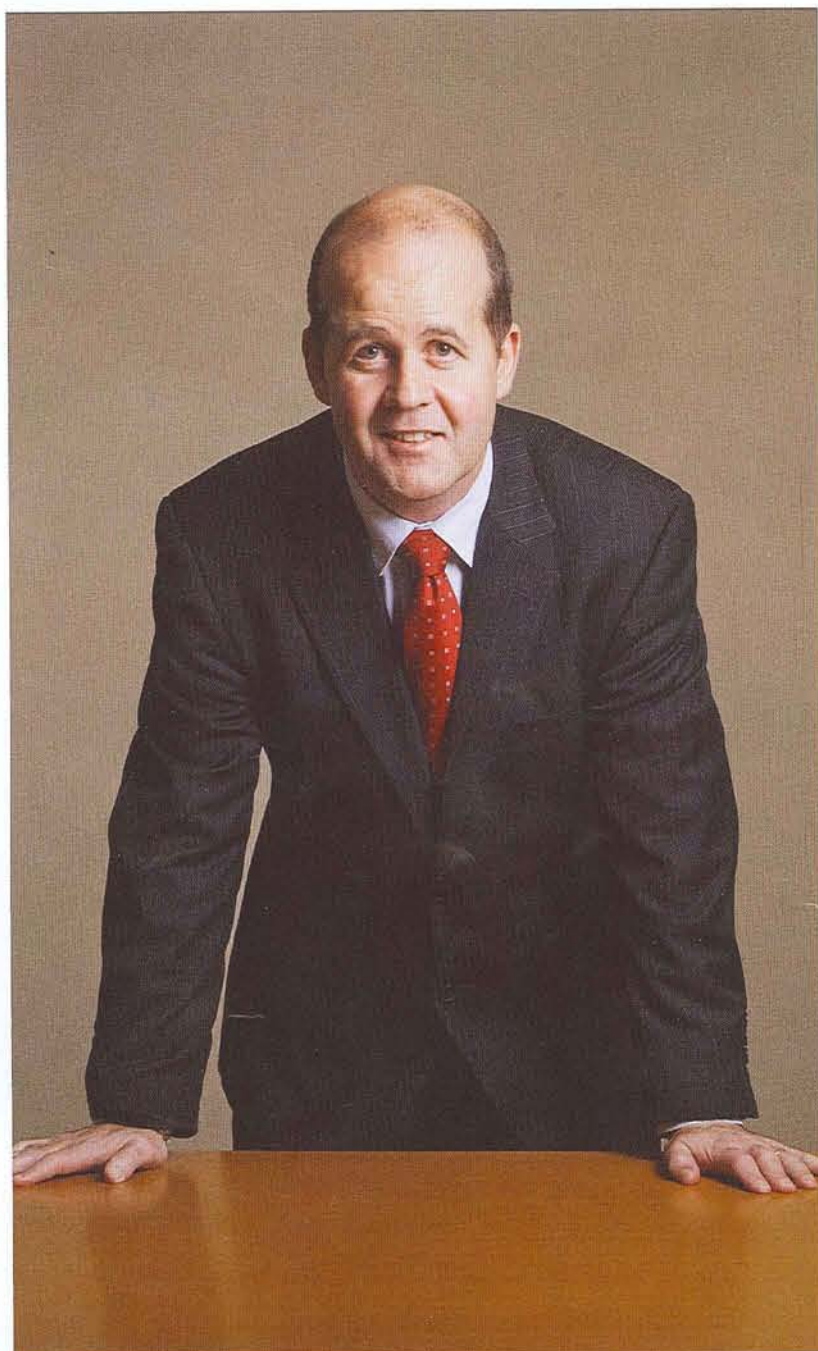
"But I think it's fair to say that all the ratings houses have been working to improve their efficiency and effectiveness," he said.

Kennaway said that at least some of this effort had been generated by the criticisms directed at the ratings industry as a result of funds collapses and the fallout from the global financial crisis.

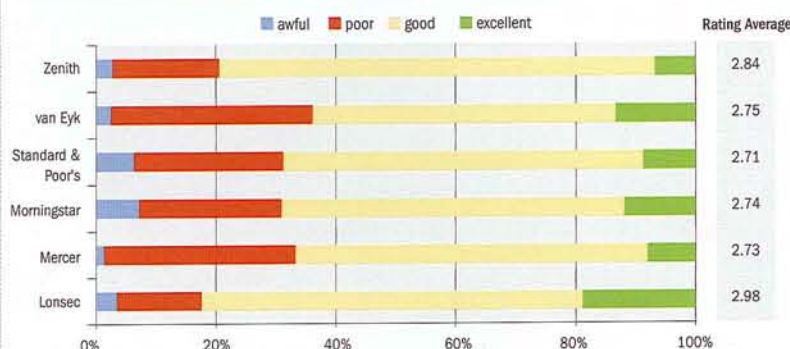
Kennaway said one of the most rewarding things about topping the rankings in the *Money Management* survey was that the results indicated Lonsec had been able to maintain the quality of its service despite the growth that had occurred over the past 10 years.

"It is tremendously pleasing when you think about the growth that has occurred and the demands that have been placed on a larger team," he said.

For the full report see pages 14 and 15.



Planning and Dealer Groups



Source: Money Management