

Global Money Management

A PUBLICATION OF INSTITUTIONAL INVESTOR, INC.

GLOBAL CUSTODY

GARTMORE GEARS UP TO OUTSOURCE £26 BILLION CUSTODY BRIEF.

Gartmore Investment Management in London is outsourcing custody of £26 billion of assets and has sent out requests for proposals (RFPs), according to industry officials. Alex Weiland, principal and head of pooled pensions at Gartmore in London, said that Gartmore is reviewing its custody arrangements, but would not be drawn on the ongoing search. He noted that the custody review is prompted by the integration with NatWest

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Investment Management in London. The custody review relates to the assets run by Gartmore, which was acquired by NatWest Markets last year (GMM, 22/7).

Thomas Murray, which is conducting the search on behalf of Gartmore, declined to comment. A London-based consultant speculated that State Street Bank & Trust Co. would be a leading contender for the business as a major U.S. player with no links to Gartmore's rivals on the investment management side. "They would be a better fit than some of

the other providers," he commented, declining to elaborate.

Terry Pearson, client relations adviser at State Street in London, declined to comment on the outsourcing. If it were happening, Pearson said this would follow "the trend of the large fund managers trying to devolve the administrative task in order to concentrate on other areas." In 1995, a raft of investment managers outsourced custody in the run-up to the introduction of CREST, the paperless settlement transaction system (GMM, 25/12/95). Prior to the Gartmore acquisition, NatWest had already sold its custody arm NatWest Investment Services to Lloyds Bank Securities Services, he noted.

—Julian Marshall/Elisa Martinuzzi

