



CERULLI  
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# The Cerulli Report

## NORTH AMERICAN INSTITUTIONAL MARKETS 2018

*Asset Owners and the New Regulatory Environment*

### Overview & Methodology

The eighth iteration of this annual report focuses on the U.S. institutional landscape and the trends reshaping the industry. It also includes a high-level analysis of the Canadian institutional marketplace. Research examines evolving product demand across institutional client segments, and how asset managers can collaborate with asset owners to offer investment solutions, including active and passive products and vehicles, and collective investment trusts (CITs) that fit their needs. This report reveals how managers are serving the evolving needs of each institutional client segment (defined benefit, defined contribution, endowments and foundations, health and hospital systems, and insurance general accounts) and examines how asset managers organize their distribution and marketing teams to market product solutions to institutional clients.

Data included in this report was gathered from proprietary surveys and multiple interviews conducted with executives from asset managers, investment consultancies, and institutional investors. Survey participants included institutional sales executives at asset managers, investment consultants, and health and hospital investment professionals. A CIT survey was also conducted in partnership with the Coalition for Collective Investment Trusts.

### Use This Report to

- Explore how major tax changes and provisions are affecting different types of institutional investors
- Gain insight into institutional vehicle use and the increased use and adoption of CITs and exchange-traded funds
- Review institutional market sizing and segmentation, with new data on endowments and foundations

### Questions Answered

- How will tax reform and other regulatory changes affect institutional investors in the future?
- What vehicle types present the best opportunities for asset managers?
- What do insurers look for in an asset manager?
- Does the industry anticipate any change in demand coming from corporate defined benefit plans?
- How can managers build business with health and hospital systems?

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- *The Cerulli Report—North American Institutional Markets 2017*
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- 3. Endowments Interactive Leaderboard:** Explore an in-depth analysis of the top-25 endowments, including their endowment assets, endowment value per student, enrollment stats, and location.
- 4. Health and Hospital Systems:** Compare nonprofit health and hospital systems' frequency of vehicle use with the expected change in allocations for several different investment vehicles, and analyze asset allocations and use of investment advisory services across capital pools.
- 5. Collective Investment Trusts:** Analyze the current state of the CIT landscape, including sizing and growth rates, typical knowledge level and important considerations for industry participants, asset allocations, and whether or not CIT managers offer custom fee arrangements.

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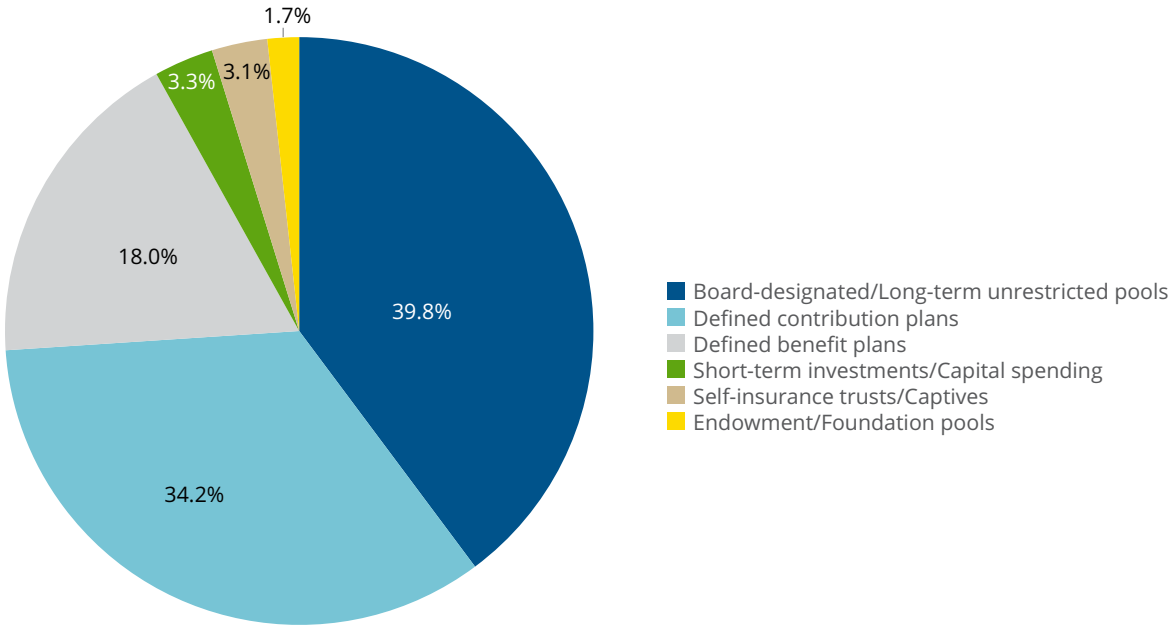
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**Exhibit 9.01**  
**Nonprofit Health Organizations' Assets by Capital Pool, 2018**

Source: Cerulli Associates



- Health and hospital investment portfolios are generally dominated by three pools: board-designated/long-term unrestricted pools, defined contribution (DC) plans, and defined benefit (DB) plans.

# Table of Contents: Expanded

**Key Questions Answered** ..... 15

- 1. What vehicle types present the best opportunities for asset managers? ..... 15
- 2. What do insurers look for in an asset manager? ..... 16
- 3. Which types of managers are receiving interest from public defined benefit plans? ..... 17
- 4. Does the industry anticipate any change in demand coming from corporate DB plans? ..... 18
- 5. How will the landscape for nonprofits evolve? ..... 19
- 6. How can managers build business with health and hospital systems? ..... 20

**Chapter 1: Tax Reform and the Tax-Exempt—Implications of Regulatory Reform for Institutional Channels** ..... 21

- Tax Reform Changes That Directly Affect Tax-Exempt Institutions* ..... 22
- Tax Reform Changes That Indirectly Affect Tax-Exempt Institutions* ..... 23
- Exhibit 1.01. Standard Deduction, 2006–2018. .... 24
- How Tax Provisions Affect Tax-Exempt Institutional Investors* ..... 26
- State and Local Government DB Plans* ..... 26
- Exhibit 1.02. State and Local Government Pension Funding Ratios, 2016 ..... 27
- Corporate Defined Benefit Plans* ..... 28
- Foundations* ..... 30
- Exhibit 1.03. Charitable Giving by Source, 2017 ..... 30
- Exhibit 1.04. Percent of Taxpayers Who Itemize Returns, 1993–2016. .... 32
- Exhibit 1.05. Itemized Charitable Deductions Claimed by Estates, 1995–2017 ..... 33
- Endowments* ..... 35
- Exhibit 1.06. Colleges and Universities Expected to Surpass the Minimum Per Student Threshold for New Excise Tax, 2018 ..... 36

**Chapter 2: Institutional Market Segmentation** ..... 38

- Exhibit 2.01. U.S. Institutional Market Sizing, 2010–2017 ..... 39
- Exhibit 2.02. U.S. Institutional Market Asset Projections, 2017-2023E. .... 40
- Exhibit 2.03. Insurance General Account Asset Sizing, 2010–2017. .... 41
- Exhibit 2.04. Public Defined Benefit Asset Sizing, 2010–2017 ..... 42
- Exhibit 2.05. Corporate Defined Benefit Asset Sizing, 2010–2017 ..... 43

Exhibit 2.06. Foundation Asset Sizing, 2010–2017 ..... 44

Exhibit 2.07. Endowment Asset Sizing, 2010–2017..... 45

Exhibit 2.08. Detailed U.S. Institutional Market Sizing, 2010–2023E ..... 46

Exhibit 2.09. Number of Institutional Tax-Exempt Investors, 2010–2017 ..... 47

Exhibit 2.10. Consultant Use by Institutional Channel, 2018..... 48

Exhibit 2.11. Investment Consultants’ U.S. Tax-Exempt Institutional AUA Segmented by Client Type, 2Q 2017..... 49

Exhibit 2.12. Institutional Mandates Placed by Asset Class, 2011–2Q 2018 YTD ..... 50

**Chapter 3: Institutional Vehicle Use..... 51**

Exhibit 3.01. Average U.S. Institutional Client Assets Segmented by Investment Vehicle, 2018 ..... 52

Exhibit 3.02. ETF Issuers: Breakdown of Institutional ETF Assets, 2018..... 53

Exhibit 3.03. Asset Managers: Level of Opportunity for Investment Vehicles/Structures, 2018 ..... 54

Exhibit 3.04. ETF Issuers’ Focus on Institutional ETF Distribution During the Next 12 Months by Channel, 2018 ..... 55

 Exhibit 3.05. CIT Managers’ Most Important Considerations For Development and Distribution of CITs, 2018..... 56

 Exhibit 3.06. Greatest Potential Threats to Growth of CIT Assets, 2018 ..... 57

 Exhibit 3.07. Typical Knowledge Level Regarding CITs, 2018..... 58

Exhibit 3.08. Hedge Fund Structures Most Frequently Requested by Investors, 2018 ..... 59

Exhibit 3.09. Private Investment Structures Most Frequently Requested by Investors, 2018 ..... 60

Exhibit 3.10. Asset Managers’ Key Differentiators for Generating New Business via Consultants, 2018..... 61

**Chapter 4: Canadian Defined Benefit Plans ..... 62**

Exhibit 4.01. Canadian Defined Benefit Assets, 2006–2016..... 63

Exhibit 4.02. Canadian Defined Benefit Plan Count, 2006–2017 ..... 64

Exhibit 4.03. Asset Allocation of the Largest Canadian DB Plan Sponsors, 2017 ..... 65

Exhibit 4.04. Top-25 Global Private Equity Institutional Investors, 1Q 2018 ..... 66

Exhibit 4.05. Canadian Corporate Pension Assets, 2006–2016 ..... 67

Exhibit 4.06. Managers with Dedicated Business Development Professionals for Canadian Institutional Investors, 2018 ..... 68

Exhibit 4.07. Top–25 Canadian Asset Managers by Canadian AUM, 2017 ..... 69

## Chapter 5: Insurance General Accounts ..... 70



Exhibit 5.01. Insurance General Account Allocation of Total Invested Assets by Major Insurance Business Line, 2010–2017. ....	71
Exhibit 5.02. Insurers' Expected Changes to the Fixed-Income Portion of the Investment Portfolio, 2018. ....	72
Exhibit 5.03. Insurers' Greatest Concerns, 2018. ....	73
Exhibit 5.04. Insurers' Reasons for Outsourcing, 2018. ....	74
Exhibit 5.05. Insurers' Plans to Hire Outsourced Managers in the Next 24 Months, 2018. ....	75
Exhibit 5.06. Outside Services Provided by Managers, 2018. ....	76
Exhibit 5.07. How Insurers Prepared for Higher Interest Rates, 2018. ....	77
Exhibit 5.08. Asset Managers: Insurance Companies' Greatest Investment Concerns, 2018. ....	78
Exhibit 5.09. Asset Managers' Expected U.S. General Account Inflows Over the Next 12 Months by Asset Class/Strategy, 2018. ....	79
Exhibit 5.10. Insurance General Accounts' Asset Type by Major Business Line, 2017. ....	80
Exhibit 5.11. Insurers' Expected Changes to the Alternatives Portion of the Investment Portfolio, 2018. ....	81
Exhibit 5.12. Asset Managers: Insurers' Plans to Change Alternative Investment Allocations, 2018. ....	82
Exhibit 5.13. Insurers' Preferred Investment Vehicles, 2018. ....	83
Exhibit 5.14. Asset Managers: Planned Resources for Insurance Clients, 2018. ....	84

## Chapter 6: Public Defined Benefit ..... 85

Exhibit 6.01. State and Local Defined Benefit Plans' Aggregate Funded Ratio, 2001–2017. ....	86
Exhibit 6.02. Public Pension Sources of Revenue, 2000–2Q 2018. ....	87
Exhibit 6.03. State and Local Government Defined Benefit Contributions, 2000–2Q 2018 YTD. ....	88
Exhibit 6.04. State and Local Defined Benefit Plan Asset Allocation, 2000–2Q 2018 YTD. ....	89
Exhibit 6.05. Asset Managers' RFP Activity Over the Past 12 Months, 2018. ....	90
Exhibit 6.06. Public DB Mandates Placed by Asset Class Databank, 2014–2Q 2018 YTD. ....	91
Exhibit 6.07. Public DB Mandates Placed by Manager, 2016–2Q 2018 YTD. ....	92
Exhibit 6.08. Breakdown of Aggregate Capital Currently Invested in Private Equity by Investor Type, January 2018. ....	93
Exhibit 6.09. Institutional Client Segments Presenting the Best Opportunities for Alternative Asset Managers, 2018. ....	94
Exhibit 6.10. State and Local Spending on Public DB as Percentage of Total Government Direct General Spending, 2000–2016. ....	95

<b>Chapter 7: Corporate Defined Benefit</b> .....	<b>96</b>
Exhibit 7.01. Single-Employer Corporate Defined Benefit Plan Assets Segmented by Plan Status, 2009–2016 .....	97
Exhibit 7.02. Pension Benefit Guarantee Corporation Variable-Rate Premium, 2007–2019 .....	98
Exhibit 7.03. Single-Employer DB Plans Segmented by Size, 2009–2016 .....	99
Exhibit 7.04. Single-Employer Corporate DB Assets, Plans, and Participants by Plan Asset Segment and Plan Participant Segment, 2016 .....	100
Exhibit 7.05. Cash Balance Plan Count as Percentage of Total by Plan Size, 2016 .....	101
Exhibit 7.06. Single-Employer Defined Benefit Plans Segmented by Industry, 2016 .....	102
Exhibit 7.07. Average Corporate Defined Benefit Plan Fund Status, 2006–3Q 2018 .....	103
Exhibit 7.08. PBGC Single-Employer Plan Terminations, 2000–2016 .....	104
Exhibit 7.09. Multi-Employer (Taft Hartley) Corporate Defined Benefit Plan Assets Segmented by Plan Status, 2009–2016 .....	105
Exhibit 7.10. Multi-Employer (Taft Hartley) Defined Benefit Plans Segmented by Industry, 2016 .....	106
Exhibit 7.11. Zone Status of Multi-Employer Defined Benefit Plans, 2016 .....	107
Exhibit 7.12. Institutional Clients’ Level of Dependency on Investment Consultants, 2018 .....	108
Exhibit 7.13. Top–25 U.S. Institutional Liability-Driven Investing Asset Managers, 2Q 2017 .....	109
Exhibit 7.14. Top–25 Taft-Hartley Asset Managers by Assets, 2Q 2018 .....	110
Exhibit 7.15. Anticipated Institutional Flows Growth by Client Type, 2018 .....	111
<b>Chapter 8: Endowments &amp; Foundations</b> .....	<b>112</b>
Exhibit 8.01. Charitable Grants by Recipient Type, 2017 .....	113
Exhibit 8.02. Contributions to Donor-Advised Funds as a Percentage of Total Charitable Giving, 2010–2016 .....	114
Exhibit 8.03. Endowment and Foundations’ Asset Allocation, FYE 2017 .....	115
Exhibit 8.04. Top-25 Endowment and Foundation Investment Consultants, 2Q 2017 .....	116
Exhibit 8.05. Top-25 Private Foundations, 2016 .....	117
Exhibit 8.06. Top-25 College and University Endowments, 2017 FYE .....	118
Exhibit 8.07. Cumulative Tuition Growth in the United States, 2000–2017 .....	119
Exhibit 8.08. Commonfund Higher Education Price Index Cumulative Growth by Cost Components, 2003–2018E .....	120
Exhibit 8.09. Endowment and Foundation Mandates Placed by Asset Class Databank, 2014–2Q 2018 .....	121
Exhibit 8.10. Top-25 Endowment and Foundation Asset Managers, 2017 .....	122
Exhibit 8.11. Anticipated RFP Volume by Institutional Segment Over the Next Three Years, 2018 .....	123
Exhibit 8.12. Average Sales Cycle and Length of Client Relationship by Institutional Client Type, 2018 .....	124

**Chapter 9: Health & Hospital Systems . . . . . 125**

- Exhibit 9.01. Nonprofit Health Organizations’ Assets by Capital Pool, 2018. . . . . 127
-  Exhibit 9.02. Frequency of Vehicle Use for Nonprofit Health and Hospital Systems, 2018 . . . . . 128
- Exhibit 9.03. Healthcare & Social Assistance Corporate Defined Benefit Plan Assets Segmented by Plan Status, 2009–2016. . . . . 129
- Exhibit 9.04. Top–20 Health and Hospital Systems by Assets, 3Q 2018 . . . . . 130
- Exhibit 9.05. Top-25 Healthcare Investment Consultants, 2017 . . . . . 131
- Exhibit 9.06. Consultant Penetration in Health Service Organizations, For-Profit vs. Nonprofit, 3Q 2018. . . . . 132
- Exhibit 9.07. Nonprofit Health and Hospital Systems’ Use of Investment Advisory Services Across Capital Pools, 2018 . . . . . 133
- Exhibit 9.08. Nonprofit Health and Hospital Systems’ Allocation to Passively Managed Product by Capital Pool, 2018 . . . . . 134
- Exhibit 9.09. Nonprofit Health and Hospital Organizations’ Greatest Investment Concerns, 2018 . . . . . 135
-  Exhibit 9.10. Nonprofit Health and Hospital Systems’ Expected Change in Allocation to Investment Vehicles, 2018 . . . . . 136

**Index of Companies . . . . . 137**



Aon Hewitt ..... 116

Apollo ..... 85, 92

BlackRock ..... 69, 92, 122

Blackstone..... 85, 92

Charles Schwab ..... 114

Fidelity Investments..... 114

GMO ..... 122

Goldman Sachs ..... 37, 122, 131

Harvard Management Company ..... 118

J.P. Morgan..... 69

KKR..... 85, 92

Legal & General..... 109

Mackenzie Investments..... 69

Manulife ..... 69

Mercer ..... 29, 116, 131

NISA Investment Advisors..... 109

Pavilion..... 131

PIMCO..... 109

Rocaton ..... 131

SECOR Asset Management ..... 109

State Street ..... 110, 122

TD Asset Management ..... 69

TPG Partners..... 92

Vanguard..... 122

Wellington..... 109

Wilshire ..... 116