

«Mr. Papa, what's really so special about ING Investment Management?»

PRIVATE talks to Alfonso Papa, Head ING Investment Management, Switzerland



From left to right: Hans Baumann, Emmanuel Delley, Alfonso Papa, Daniel Frauenfelder and Michael Maeder

ING Investment Management (ING IM) declares its vision to become a top-tier asset manager. But what does this exactly mean? Alfonso Papa expresses the aspiration first in business figures such as assets under management and net profit margin. No doubt, a profitable growth is the key element to ensure future developments. However, Papa stresses two further important elements which ensure successful growth for the company: dedication to alpha and passionate people willing to support and develop a winning performance culture.

Significant changes at ING in Switzerland

According to Alfonso Papa, the ING investment management team in Switzerland experienced important changes in less than one year. The goal was to create a stable and professional team with solid knowledge of the industry and the local market conditions. Today the team counts five members. It is true that in such a small team everybody counts and nobody can hide. Therefore, in Papa's words, it becomes even more important to engage people with strong team-player qualities on the one hand and diversified talents with different preferences on the other.

With Emmanuel Delley and Daniel Frauenfelder the team has two talented people focused in their region on professional distribution partners in Switzerland and Liechtenstein. Hans Baumann, being very experienced in the Swiss institutional market, dedicates most of his time to clients such as pension plans and insurance companies. The senior relationship managers are supported by Michael Maeder who provides a client-focused and efficient support in various disciplines of the business. His analytical skills and fundamental knowledge of the industry allow Alfonso Papa himself to provide a client-oriented and suitably structured management of the team, to the benefit of the institutional and affiliate clients as well as third-party distribution partners in Switzerland.

Delivering consistent alpha to investors

Confidence in investment managers' abilities to generate alpha and trust in the entire asset-management industry have seldom been under such serious pressure, given the dramatic developments since the onset of the credit crisis. Investment managers now have to make a choice between producing passive products at low margins and pro-

viding that they are able to deliver consistent alpha to their investors.

Led by Jan Straatmann, CIO of ING Investment Management, the company has chosen the latter and therefore re-engineers its organization along skill-based principles. Like the "fittest" organisms described by Darwin's theory, asset managers must adapt to the changing environment. Under the new structure ING IM will be transformed into alpha-focused investment teams (boutiques), supported by centralized risk and management functions. In this way, benefits of scale of a large investment company are combined with the benefits of small, flexible and focused teams.

Investment performance and risk control

Long-term investment performance is a result of inefficiencies in the markets and the skill of people to recognize and exploit them. The new structure empowers ING IM even better to deliver investment performance, while also improving the control of risk to the benefit of all its clients. This is what makes ING Investment Management so special.

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