

banks vs. multi-manager expertise ??

description

do banks or [wealth managers](#) address the [wide range](#) of investment possibilities with extensive deep granularity? or is it better to entrust your wealth to a dedicated professional multi-manager investment expert and invest like long-term institutional investors sticking to an overall asset allocation strategy following sub-strategies within a pooled investment?

professional multi-manager experts have deep asset allocation knowledge and thoroughly analyse specialized investment managers. such a selection process often eliminates the majority of online platform funds ostensibly launched for the retail investor.

of course, there are downsides, like the often-cited skyrocketing fees, which were common in the past with the fund-of-hedge funds 2/20 model. however, today, pooling assets can lead to lower costs, and transactions within mutual funds occur at institutional prices.

pooling investments and multi manager solutions

if i buy a u.s. value fund today, and the market shifts to favor u.s. growth funds, i face typical retail transaction costs when switching between retail class units. with the [multi-manager](#) approach, asset allocation experts trigger such shifts. they focus more on minimising performance-reducing fees. the transaction happens at a low institutional ticket fee, shared among all unit holders.

as part of the financial industry, i have doubts, but i have followed the [multi-manager approach](#) for many years. i invest our long-term savings in multi-manager funds to gain exposure to top managers bypassing their usual multi-million minimum subscription. “my [multi-manager](#)” experts monitor investment risk daily, hedge specific short-term market shifts, and make sub-asset class reallocations. diversification has always been a success factor when investing for the long term, and this comes naturally at a justifiable cost for before mentioned benefits.

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