

mtn-i

# 2010 AWARDS AMERICAS

Institutional Performance

US STRUCTURED PRODUCT DISTRIBUTOR  
OF THE YEAR



## Innovating Incapital

In a market driven by retail demand, retail distribution specialist Incapital doubled the size of its structured note distribution business. It was the number 1 out of 50 dealers by sales of fixed rate step-up callables – the market’s biggest product. It consolidated its leadership of mid-market distribution, bringing key new issuers to the broker dealer community, partnering the development of product pricing tools and educating and supporting intermediaries.

Over USD6bn of sales of fixed rate step-up callables for third party issuers in 2010 put Incapital firmly at the top of the product’s USD45bn of sales in 2010 and more than USD1bn ahead of nearest rivals First Tennessee, Bank of America and Morgan Stanley and 47 other houses, according to mtn-i data. The firm delivered at least a further USD4bn on deals for which it served as a distributor but was not credited as manufacturer – a broader product range which included reverse convertibles, range accruals, curve steepeners and step-up CDs.

Adding to the roster of issuers available to retail buyers was a key element of this expansion. It’s signing of Goldman Sachs as a manufacturing partner was testament to its capabilities and opened the Goldman name as a structured note issuer to 50 broker dealers beyond Goldman’s own wealth management network. On the CD side the firm also originated Union Bank as a new issuer available to broker dealers.

Behind the numbers the firm continued to support the development of the US structured note market working with UBS to roll out a reverse convertible pricing tool which allows broker dealers to cost effectively price-up and document new issues in response to specific demand and offer smaller minimum size on deals.

The firm also worked to expand the universe of potential advisors to recommend structured products to investors. The creation of its Advisors Services Group proactively recruits registered investment advisors to its platform of product offerings, marketing, execution, education and secondary pricing support.



L to R - Patty Cohen, Glenn Lotenberg, Mike Tims and Deryk Rhodes.

Integrity remained a keystone too. “We believe distributors distinguish themselves not by how much they distribute but by what they do or do not distribute,” said Glenn Lotenberg, Managing Director Structured Investments at the firm. It means that if firm does not believe investors are getting enough compensation for the risk profile of the note – they will not participate.

The firm also took further steps to globalise its structured note offering with the acquisition of Blue Sky Asset Management in the UK, a specialist distributor of structured products, which Lotenberg concludes makes “truly global deals a possibility.” ■