

# IFAs missing out on HNWI's looking for SRI funds, says Social Investment Forum

## Study shows rich look for social responsibility

BY JOHN FOSTER

ADVISERS are missing out on opportunities in the multi-billion pound high net-worth market, according to a study.

The Social Investment Forum surveyed the demand of high net-worth investors for bespoke socially responsible investment.

The study classified HNWI's as having liquid assets in excess of £250,000 and up to £50m.

The study, based on figures from five fund managers – Cazenove, Gerrards, Henderson, Jupiter, and Rathbones – concluded that between them in the UK they had £20bn-worth of HNWI's assets under management.

Of this, £1.2bn was run under a bespoke socially responsible investment mandate.

This compared with a total of about £98bn under management, but most investments houses were reluctant to disclose HNWI assets managed.

The report concluded that SRI was growing in popularity

among HNWI's for a number of reasons:

- SRI funds could offer decent returns;
- HNWI's had a guilty conscience as they had often made their money in dirty industries, such as armaments and were trying to redress the balance;
- they felt they had the money and power to make a difference by making business and society more sustainable; and
- HNWI's had the money to invest in conscience-based investments – not only for financial gain.

Demographics played an important role, the survey said, as HNWI's were getting younger and there were more female HNWI's, with both seeming to be more sympathetic to SRI.

However, the research showed that advisers were missing out on the 6 per cent to 10 per cent of HNWI's interested in bespoke SRI portfolios.

Many advisers did not raise the subject of SRI unless their clients specifically requested it. They also created psychological

barriers, citing performance as a barrier to SRI.

Emma Howard Boyd, head of SRI for Jupiter, said: "Young HNWI investors with trust funds are looking for long-term growth opportunities, in areas such as renewable energy."

"Advisers need to be aware there is a growing under current of interest in tailor-made

SRI portfolios from a new generation of HNWI's."

The best performing SRI fund in 2004 was the £583m F&C Stewardship Growth fund, which returned 21.8 per cent, compared with the mean UK Equity fund, which returned 12.2 per cent, according to Standard & Poor's.

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## Hotbed tips private equity for City bonus spree boost

INVESTMENT levels will be boosted as City highfliers seek a home for their bonuses, suggests Hotbed.

And the private investor network believes the private equity and commercial property sectors are the most likely to benefit.

Gary Robins, chief executive of Hotbed, said: "With the bonus season now starting to get under way, we anticipate a spike in interest from City highfliers looking for high quality opportunities in which to invest their spare cash."

"In this climate, private eq-

uity represents an exciting alternative to say, residential property or topping up flagging pension pots."

The network reported that demand from private investors for direct access to private equity and commercial property investment opportunities rose significantly last year.

In the past 12 months, Hotbed more than doubled the amount of equity raised by members, compared with the previous 18-month period.

Last year its members invested £26m in a range of deals.

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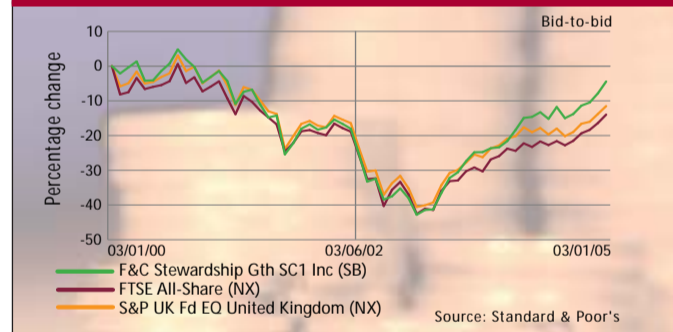
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## Ex-Robson partners start advice venture

THREE partners at financial planner RSM Robson Rhodes have left to launch a new investment management advisory company.

Raymond O'Neill, David Butler and Julian Korek were all senior partners of the financial services group of Robson Rhodes. They have now joined forces with professional services firm Chiltern to launch a global investment management advisory boutique.

The joint venture, owned by Chiltern and the management team, plans to have offices in London, Dublin and the Cayman Islands initially. It will focus on providing services to the alternative investment management industry.

The company will provide professional services, including tax, audit, regulatory and IT advice, to companies operating in the alternative investment

management sector. Mr Butler said this sector is an area that is expected to grow over the coming years and in which the founders of the venture have many years' experience.

Mr Butler said: "We have a proposition that is missing in the global market among service providers."

At Robson Rhodes, Mr O'Neill was the partner in charge of the financial services group, while Mr Butler and Mr Korek also worked in the financial services group.

The new venture has set a target turnover of £25m in three years and is undertaking a major recruitment drive.

Chiltern said that the venture, which will be capitalised with substantial funding available from Chiltern and the management team, will have access to additional financing for any acquisitions.

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