


WEALTH MANAGEMENT

# Asset managers distribute through the family route

European family offices are turning into a valuable new channel of distribution for asset management companies providing multi-manager investment solutions.

Global Wealth Management (GWM), a €1.5bn multi-family office headquartered in Geneva with offices in New York, Luxembourg, Milan and Rome, has just established an alliance with SEI Investments. The company will be their sole partner in providing long-only manager programmes.

GWM's clients will be able to gain access to SEI's manager of manager investment solutions through the GWM Luxembourg-domiciled multi-manager fund, which comprises five sub-funds: global bond, global equity, US equity, pan-Europe equity, Asia and emerging markets equity.

This announcement goes some way to break the secrecy in which family office investment operations are generally shrouded.

"The partnership with SEI will give us the possibility to diversify our assets and to access managers who would not be accessible otherwise to private investors, because of high minimum entry levels," explained Peter Sartogo, managing partner at GWM. The international multi-family office adopted the policy to employ external managers almost from its foundation in 2000, who currently run 70 per cent of their assets. The remaining 30 per cent, their core business, is run in-house.

"Our objective is to grow clients' wealth. Our remuneration is linked to the performance of their assets. This is important because that makes us look for the best manager and product at the lowest cost," said Mr Sartogo.

Mr Sartogo estimated that at least 30 per cent of assets for the families he services will be invested in SEI multi-manager funds.

The decision to outsource the selection of external managers to SEI has been time-consuming. There are two reasons for this, explained Mr Sartogo. "The first one is that our due diligence process for selecting the right manager has taken us very long time, two years".


**Sartogo: selection is time-consuming**

The second reason is cost. "When you launch a Sicav, there are costs and there are minimum levels of assets that you have to have. It is not worth launching a fund if the expected alpha cannot compensate the costs," explained Mr Sartogo.

Mr Sartogo estimates that there are only 10 multi-family offices who manage assets worth more than €1bn in Europe.

Asset management companies may want to establish partnershipd with family offices of a certain size, who can guarantee a long-term approach, believes Mr Sartogo. *ET*