



New Model Adviser

7th October 2013

FA launches ethical portfolios which donate portion of AMC

By William Robins

Edinburgh-based ethical advice firm Virtuo Wealth Management has teamed up with TAM Asset Management to launch a range of socially responsible model portfolios, which will see some of the management charges donated to charity.

The five TAM Ethical portfolios range from defensive to adventurous and have been launched under a new scheme created by TAM and Virtuo called You Give, We Give.

Under the scheme the client chooses a percentage of their annual gain to donate to charity and that will be matched by TAM which will give the same percentage of its management fees. The donations are subject to Gift Aid, which claims back the basic rate tax paid by the donor on their gift.

Virtuo managing director Scott Murray said: 'I developed the concept of trying to encourage the client to donate to charity as part of their financial plan. In the current climate of scepticism around financial services here you have a City-based company giving up some of its fee to charity.'

Murray denied that ethical investments performed poorly and said the low cost of the portfolios would result in better performance for investors compared with other fund of funds.

'What we are offering in is a low cost portfolio of fund of funds. It has a total expense ratio of 1.2%. So this traditional argument against ethical funds that it is profit screening is just not true, there are some funds of funds charging 2% and over. Traditional wealth managers might turn their noses up at ethical investment, but there are enough people out there who want it; we are thinking of IFAs who don't specialise in ethical investments but which will need something like this for some clients.'

TAM chief executive Lester Petch said: 'There are five portfolios and we are speaking to an advice network about it offering them. They are fund of funds portfolios and can be invested in through an ISA, pension, and direct account and so on.'

Link to Original Article:

<http://www.citywire.co.uk/new-model-adviser/ifa-launches-ethical-portfolios-which-donate-portion-of-amc/a702787>