

## Minerva extends model portfolio availability

Story by: Nicola Culley

Minerva Fund Managers has extended its offering to more IFAs after a successful pilot of its discretionary fund management service.

IFA firms are being offered the opportunity to be actively involved in portfolio management and build a close relationship with their fund manager.

The portfolio will be managed day-to-day by the fund manager with regular communication between them and the IFA.

Paul Warner, fund manager for Minerva, said: "We have successfully established model portfolios and relationships with several IFA firms and we now have the capacity to extend that to a few more firms.

"A client's relationship is with their IFA, not the fund manager and Minerva is offering the IFA the opportunity to keep that."

Minerva is providing for model portfolios from conventional mandates to an ethically-orientated service.

The fund manager will decide the capital percentage allocated to each fund and will re-balance the portfolio to ensure it fits the chosen risk.

The service will appeal to those IFAs who act as investment managers for their clients but see outsourcing as an answer to RDR rules.

Russell Hall, consultant of Norfolk-based IFA Almary Green Investments Ltd, said: "Having a deep-rooted relationship with the fund manager is key.

"If the IFA does not have that with the fund manager then it is not going to work. You cannot take a blanket approach.

"The client's specific needs need to be fed back to the fund manager on an ongoing basis, so you need a service that offers that."

A discretionary service will enable a full-time fund manager to move fast and take advantage of any market opportunities.

Mr Warner said: "If a fund manager leaves a fund and the IFA believes it is appropriate to pull all clients out of it, the only equitable way to do that under treating customers fairly is to write to every client on the same day.

"This creates a time lag before a response can be received from the client and action can be taken."

He added that to be efficient the execution in pulling clients' money out of the fund needs to be made as quickly as possible.

There are no capacity constraints at Minerva for IFAs who are happy using existing portfolio models.

The annual management charge for the Minerva model portfolios is 1.5 per cent maximum including IFA remuneration.

Mr Hall says that although the IFA loses a certain amount of control with a discretionary service he welcomes the offering.

"I not an investment manager I am an IFA. It is important as an IFA to provide a service which best serves the client. The use of discretionary fund managers is a growing market with regards to that."