

# money marketing

Trusted insight for professional advisers

20

## INVESTMENT

# Advisers express concern as SJP puts £3.65bn of eggs into Woodford's basket

Was there a missed opportunity to diversify more UK equity exposure away from star manager?

PAMELA MORRIS

Advisers are concerned St James's Place is relying too much on one star fund manager after its decision to move the management of mandates from Invesco Perpetual over to Neil Woodford's new investment firm.

SJP announced last week it will switch management of its UK High Income, Income Distribution and UK Equity funds from Invesco Perpetual to Woodford Investment Management ahead of the star manager's de-

parture from Invesco later this month.

Advisers agree the three funds, with collective assets worth £3.65bn, should serve as an early boost to Woodford Investment Management.

Skerritts head of investment Andrew Merricks says: "Woodford's new firm will kick off with more than many fund managers could dream of accumulating in their lifetime."

But Merricks believes SJP missed the chance to diversify more of its UK equity exposure away from the star manager.

He says: "SJP will be geared up to make this transition as smooth as possible but you do wonder if it has become reliant on one manager. If you look at Invesco it has almost certainly been more a case of Woodford Perpetual for a while because it has become so dependent on Woodford."

Worldwide Financial Planning IFA Nick McBreen questions how SJP will explain the switch to investors. He says: "How can SJP justify moving money to a brand new operation to clients? You have got to have a good research process that shows why you are moving over to a new, untested fund, regardless of whether it is Woodford or not. I cannot see how SJP would have come to this decision other than following an individual to attract attention."

But Jonathan Davis Wealth Management managing director Jonathan Davis argues Woodford's new venture should not hold too many unknown prospects for SJP.

He says: "Assuming Woodford will be running the same form of strategy he has been doing for so long then Woodford Investment Management is not an entirely unknown quantity."

"SJP may be putting its eggs in one basket but that egg has stayed good for many years."

Including the £3.65bn being handed over to Woodford Investment Management, Invesco has lost mandates worth almost £8bn as part of the SJP fund overhaul.



**'Woodford's firm will start with more than any fund managers could dream of in their lifetime'**

Threadneedle will take over two strategic managed funds with assets of £3.35bn. The mandate on the £719m SJP Global Equity Income fund has been handed to Manulife.

## ADVISER VIEW



**Nick McBreen**  
IFA at Worldwide  
Financial Planning

Invesco Perpetual is not going to fall apart just because Neil Woodford has left. Seldom would any fund's track record come down to purely one person and Mark Barnett has been doing a good job.