



Army of 'robo advisers' is driving down costs

NEW wealth managers are employing the latest digital technology to drive down costs, which is beginning to transform the multi-billion pound wealth management industry that was once the preserve of stockbrokers.

Through the use of sophisticated investment algorithms, these firms are able to match investors with model portfolios, according to their propensity for risk and investment horizons. Leading players include Invest, Nutmeg and Moo.La. They have been dubbed 'robo advisers'.

Netwealth is a new wealth manager that embraces both robo advice and traditional investment advice. It was set up by Charlotte Ransom, ex-Goldman Sachs, and Thomas Salter (JPMorgan).

Ransom says: 'Investors are long overdue better value for money rather than outdated wealth managers taking advantage of their clients' trust and at times their inertia.'

Its annual fees

start at 0.65 per cent, falling to 0.35 per cent on assets above £500,000. Its platform allows clients to monitor holdings according to asset class, sector and region.

One particular feature of Netwealth's service is the ability for groups of people – typically family but sometimes friends – to form a 'network'. This means the percentage fee they each pay is based on the combined value of their assets, not their individual pot.

It is a service that Nell Butler, her husband and three children – Tibo, 18, Martha, 17, and Remy, 11, use. The family live in Primrose Hill, North London. Nell, 50, is joint chief executive of TV production company Riverdog.

She says: 'We all have investments with Netwealth.'

We benefit from lower fees as a result of the family network while our individual accounts remain private. Everything is transparent which means even someone like me who is normally frightened of financial matters feels in control.'



'IN CONTROL':
Nell Butler uses a family network to invest