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Media Release

Philanthropy expected to become core business for wealth advisors

Advising on philanthropy will become a core service for European wealth advisors within the next five years, according to a new report, but at present private client advisors are not meeting the needs of philanthropists.

The report, by Scorpio Partnership, the wealth management consultancy, published this month, says that due to increased client demand, more advisors are offering philanthropy services to their clients, but the range of services is limited and many donors are unaware of the advice available.

Commissioned by New Philanthropy Capital (NPC), wise Partnership and the Bertelsmann Stiftung, and funded by Investec Trust, Butterfield Bank and the Atlantic Philanthropies, the research was based on interviews with 100 private client advisors across Europe, including private banks, multi-family offices (MFOs), trustees, private client lawyers and accountants, and other specialist wealth advisors.

Plum Lomax, spokesperson for NPC, said: "This report provides a clear view from across the market that the importance of philanthropy in the wealth advisory process will continue to grow throughout Europe.

"But the industry is still not meeting clients' needs and many wealth advisors are missing out on significant benefits as a result."

Sixty per cent of participants in the survey believed that philanthropy will become a core pillar of client services within five years. The benefits of offering philanthropy services highlighted in the report include additional revenue, the chance to deepen client relationships and also winning new clients through referrals.

But the majority of wealth advisors feel that they are not adequately trained to discuss philanthropy with their clients and hence offer philanthropic advice on an informal, reactive basis. Only 50% of the private banks interviewed felt their front-line teams are well trained in discussing philanthropy with their clients.

Almost all types of advisor focused their resources on the initial stages of giving, such as vehicle structuring and tax advice, rather than on helping clients select projects and monitor the impact of their giving. But the report found growing demand for advisors to work with third party experts who can provide guidance on aspects of philanthropy outside advisors' areas of expertise.

The report confirms the findings of an earlier survey undertaken by Scorpio Partnership's research last year, which found that 90% of ultra high net worth individuals interviewed recognised the need for expert advice on philanthropy, but did not believe that traditional wealth advisors were meeting that need.

"The wealth management industry ignores these challenges at its peril. Despite the current economic downturn, factors such as rising wealth, fiscal change and a growing social conscience along with eagerness to see the impact of their donations will continue to fuel demand for philanthropy advice in the long term," said Lomax.

"It can take several years to build a strong service. Advisors need to assess their level of commitment to philanthropy now and gear up accordingly."

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For further information about Scorpio Partnership, its research reports and consulting for the global wealth management industry and those that supply to the industry, or to arrange an interview please contact:

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Notes to Editors

1. New Philanthropy Capital advises all types of donors on how to give more effectively. By identifying and recommending charities with highly effective approaches to tackling problems, NPC aims to increase the quantity and quality of resources available to the charitable sector. As well as working directly with donors, NPC works with private banks, private client lawyers, accountants, family offices and other trusted advisors, helping them to build their philanthropy knowledge, and to develop and deliver philanthropy services to their clients.
2. NPC uses its research and experience to help donors ensure they have high impact and a rewarding experience. This can involve developing a tailored giving strategy to meet specific goals, selecting which charities to support and reporting on impact. Donors and advisors can also access NPC's research and some of its recommendations at no cost on NPC's website. www.philanthropycapital.org
3. wise Partnership is an organisation, based in Switzerland that accompanies donors and their families in fulfilling their philanthropic aspirations. Wise advises donors seeking to create new opportunities for social change and connects them with those acting with insight, expertise and leadership in the social field. www.wise.net
4. The Bertelsmann Foundation, based in Germany, is dedicated to promoting the public good. It focuses on the fields of education, economic and social affairs, health and international relations. It also promotes the concept of philanthropy and wants to bring fresh momentum to civic engagement. www.bertelsmann-stiftung.de
5. Investec Trust, part of the Investec Group, comprises: Investec Trust (Guernsey) Limited, registered company number 11453, regulated by the Guernsey Financial Services Commission; Investec Trust (Jersey) Limited, regulated by the Jersey Financial Services Commission in the conduct of trust company business; Investec Trust (Mauritius) Limited, regulated by the Mauritius Financial Services Commission; Investec Trust (Switzerland) SA, regulated by the Association Romande des Intermédiaires Financiers and Investec Trustees (UK) Limited registered in England with company number 3731270, registered office 2 Gresham Street, London EC2V 7QP. Investec Private Trust Limited, incorporated in South Africa, is a member of the Investec Group and operates in conjunction with Investec Trust. www.investectrust.com.
6. Butterfield Bank (Guernsey) Limited provides a comprehensive list of services to Family Offices which includes Fiduciary, Fund Administration, Investment and Custody services which are leading services utilized by our international family clients supported by our Banking, Lending, Treasury and reporting services. Integral to our vision of services to the Family Office is our ability to provide all of these services in an integrated and seamless manner as solutions to complex wealth planning and generational wealth management strategies with the Families we work closely with. www.butterfield.com

7. The Atlantic Philanthropies is an independent, international charitable foundation working to effect lasting change in the lives of disadvantaged and vulnerable people. It focuses on four issues: Ageing, Disadvantaged Children & Youth, Population Health and Reconciliation & Human Rights. Founded by Charles Feeny, Atlantic awards grants to carefully selected organisations to help increase their impact and become advocates for change. The Atlantic Philanthropies is active in Australia, Bermuda, Northern Ireland, the Republic of Ireland, South Africa, the United States and Vietnam. These regions represent areas where Atlantic Philanthropies believes it can make the most significant impact in its chosen focus areas during the next decade. As a life limited foundation, it is committed to completing its active grant making by approximately 2016. atlanticphilanthropies.org
8. Scorpio Partnership is a strategy consultancy to the wealth management industry and is based in London. The firm works with private banks, global private client investment managers and industry suppliers, plus HNW/UHNW individuals. www.scorpiopartnership.com
9. The report, *The role of wealth advisors in offering philanthropy services to high-net-worth clients*, follows on from an earlier report published by Scorpio Partnership in September 2007 based on in-depth interviews with 34 ultra high net worth individuals and family offices in the UK, Switzerland and Germany. The 2007 report, *Philanthropy amongst ultra high net worth individuals and family offices in Europe*, revealed that many wealthy individuals or families found it hard to identify qualified independent advisors to help them launch a philanthropic programme and select suitable charitable projects.