



Former Berry Asset Management duo form wealth boutique

By Drazen Jorgic | 09:30:00 | 22 January 2010

Former Berry Asset Management board executive Colin McInnes (pictured) has set up a wealth management boutique after teaming up with institutional macro specialists Absolute Return Partners.

McInnes, who ran private client portfolios and was the head of business development at Berry until the summer, has set up Quartet Capital Partners as a joint venture with Absolute. He has also brought Berry investment manager Peter Butcher on board with him, while another Berry discretionary wealth manager is set to join in April.

McInnes said he will target independent financial advisers looking to outsource investment management capabilities and private clients with £250,000 to £5 million investable capital.

He said: 'We run the portfolios on a bespoke basis and invest across multiple asset classes. There is no shoehorning of clients into predetermined models.'

As well as the usual mix of equities, bonds, commodities and commercial property, McInnes said Quartet Capital will have exposure to hedge funds, private equity and structured products.

However, Quartet Capital's main focus on adding value will be through asset allocation. McInnes said: 'We start with a strategic asset allocation that is relevant to the individual client and then adjust portfolios tactically depending upon where we see risks or opportunities to earn a better risk-adjusted return.'

'If you think of asset allocation as being our strength, what's different about us is that we embrace the use of passive investments. Approximately half to two-thirds of a client portfolio is invested in index trackers and ETFs.'

McInnes said passive investments are cheap and cost-effective and allow the holdings to accurately reflect the asset allocation decisions being made. However, he added that the firm will continue to use some active fund managers.

'We know that two-thirds of active fund manager funds underperform the index. But we follow a few fund managers who we believe have the ability to add alpha over the longer term and the key is to be able to let those managers have the time to try to generate market outperformance.'

Quartet Capital has also outsourced a number of back-office functions, including custody, to allow the business to focus on areas that benefit its clients.

'I wanted Quartet Capital to add value through good investment performance and managing client relationships. This is ultimately what I believe private clients are looking for,' McInnes said.

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