

TAM waits for no man

Citywire's Wealth Manager magazine recently interviewed six investment management firms and asked how they were getting on with transferring their clients' current investments to non trail-paying fund classes. While the rules have allowed some legacy investments in retail classes to remain, some investment managers have publically stated a commitment to convert all their clients' investments to RDR compliant share classes. For those that make the full switch, the cost savings for clients are significant.

But the transition has not been at all smooth for some advisers and managers, particularly those that have historically relied on trail commission income for revenue. For example, some wealth managers have had difficulty in gaining access to institutional share classes due to minimum investment hurdles. Indeed, at TAM we have noticed even some life companies do not have as healthy a relationship with fund managers that we enjoy directly or through Pershing, TAMs main custodian. For some discretionary wealth managers, this has made access to lower total expense ratios (TER) share classes more difficult in some cases.

TAM Asset Management has been at the forefront of the early adoption of clean share classes with client portfolios being fully converted before the end of the tax year. In many cases, the investment team has used key ex-dividend dates in order to convert share classes for the absolute minimum cost possible. Discretionary clients now benefit from institutional and RDR compliant funds with low cost structures that are second to none.

IFAs are also making increasing use of the TAM Focus model portfolio service where portfolio total TERs range from 0.74% to 0.92%, depending on risk profiles, and are detailed on the TAM monthly fact sheets. Costs vary from one fund manager to another and also depend on the type of investment. Equities are more expensive to hold than bonds, for example. However, the TAM investment team have always secured the best possible deals for every investment using our institutional scale and professional reputation for responsible investment. In addition, TAMs automated straight through dealing technology via Pershing makes possible execution fees that are very competitive.

As an early adopter of the non-trail paying investment model, and with an eye on the post RDR landscape, we believe TAM is, and will remain, at the forefront of providing discretionary fund management services to IFAs which are both compliant and competitive in terms of cost. Furthermore, TAM is proud of the transparency of information provided to clients via our industry-leading online access.

The Retail Distribution Review has been a difficult and challenging process which has completely changed the way in which IFA's and discretionary fund managers advise and service their clients. When it comes to understanding and implementing market leading change, **TAM waits for no man**.

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