

Schroder takes over £600m Invista funds

The London-based property investment has taken over one commingled fund and one separate account from neighbour Invista Real Estate Management, which has been conducting an orderly break-up.

Robin Marriott

Schroder Property has taken over the management of assets valued at £600 million (€725 million; \$919 million) from Invista Real Estate Investment Management.

The London-based manager has taken over a UK commingled balanced core-plus fund, the Invista Foundation Property Trust, and a separate account for the Equitable Life Assurance Society from Invista, also London-based.

The transfer of management also sees eight professionals move over to Schroder from today. Duncan Owen, previously the chief executive officer of Invista Real Estate Investment Management joins as head of property funds reporting to William Hill, head of property.

Owen's role will include responsibility for product and product development. Nick Montgomery will continue to be responsible for the day to day management of both the Invista Foundation Property Trust and the Equitable Life separate account, reporting to Neil Turner, head of property fund management. Other senior members of the team include Melinda Knatchbull who joins the fund accounting division and Andrew McDonald who will continue to report to Nick Montgomery.

Schroder's Hill said he believed the property investment trust sector had the potential to grow substantially in a savings market that demanding both yield and liquidity.

Invista decided upon an orderly wind up of its assets in October 2010 having been on the sharp end of a decision by majority owner Lloyds Banking Group to transfer management of several key funds to subsidiary Scottish Widows, which the bank has owned since 1999. Aware that it would lose £5.3 million (€6 million; \$8.3 million) of fee income out of its total revenues of £13.7 million, Invista management led by chief executive Owen decided to relinquish management of its assets.

In an announcement on 12 October, the company said that, without that £5.3 million in revenue, the interests of clients and shareholders of Invista would be best served by an "orderly realisation of value" from Invista's assets, including the asset management business.

Internos Real Investors took over as the new manager of another fund, Invista European Real Estate Trust in June last year, while Orchard Street Investment Management took over its St Jame's Place Wealth Management a few months later in September. That mandate handed Orchard Street more than £800 million of assets, taking total assets under management to £2.5 billion.