

## Virgin breathes life into new green fund

*Virgin Money to join green investment market with Climate Change Leaders fund*

Virgin Money is joining the raft of asset managers flocking to capitalise on climate change, by launching its first Oeic in 12 years.

The Virgin Climate Change Leaders fund, scheduled to go live in January, will invest in companies with lighter than average environmental footprints, along with those well placed to benefit from the demand for solutions to environmental problems.

A portfolio of approximately 40 stocks will be constructed using quantitative analysis from green research firm Trucost and more qualitative work from GLG Partners, which is acting in a permanent advisory capacity.

As yet no management charges or commission offers have been announced and the portfolio has yet to be confirmed.

Jayne-Anne Gadhia, chief executive of Virgin Money, said the fund would offer investors the opportunity to benefit from companies at the cutting edge of environmental welfare without having to compromise on performance.

She added: "The Climate Change Leaders fund will aim to give investors and the planet a better future."

Mark Taylor, investment product director at Virgin Money, said: "Climate change is one of the most important issues we face today.

"Unlike other funds with a green tinge, we will not be investing on the basis the world stops. Rather, we will be investing on the basis the world becomes smarter to produce a lighter footprint. Companies with a lighter footprint should outperform the heavier footprint stocks and produce superior economic returns for retail investors."

Virgin Money's fund follows hot on the heels of a series of green funds launched by groups such as Schroder Investment Management, Allianz Global Investors and F&C Investments.

A fortnight ago, HSBC announced the launch of its new quantitative Climate Change fund, to open on 9 November, having just created its Global Climate Change index.

Keith Churchouse, director of Guilford-based IFA Churchouse Financial Planning, said while he expected to see growing demand for climate change vehicles, the wider retail market could take longer to embrace the concept.

"It will take climate change funds five years to really take off because people have not locked in to the severity of what is happening," he said. "But over the next three or four years they will definitely be a significant gainer."

Mr Churchouse said he had so far placed just one client in a climate change fund. However, he emphasised the diversification benefits which could be gained from investing in niche equity products.

"The question has to be, where else are you going to invest next year?" he said.

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