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Standard Life Aberdeen and Columbia Threadneedle products sold on blockchain-powered platform



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Jennifer Thompson NOVEMBER 19, 2018

Standard Life Aberdeen, Columbia Threadneedle and AllianceBernstein have teamed up with the Big Issue, the magazine sold by homeless people, to create a blockchain-powered platform that offers [impact funds](#) to retail investors.

The fund supermarket, christened the Big Exchange, will offer 30 to 40 social and environmental impact funds and is expected to launch within six months.

“There is a growing desire to do something that has impact and a financial return,” said Nigel Kershaw, chairman of the Big Exchange and the Big Issue Group. “People could really have a say in what happens with their savings.”

The Big Issue Group is best known for its [namesake magazine](#), whose vendors are homeless people who buy the magazine for £1.25 and sell it to the public for £2.50. It also has an investing arm, Big Issue Invest, which manages or advises on £190m in assets in funds that balance social and financial returns.

The Big Exchange believes it can attract about £3bn of assets within five years. Funds offered on the platform will include AllianceBernstein’s Sustainable Global Thematic fund and Standard Life Aberdeen’s UK Equity Impact — Employment Opportunities fund, which Big Issue Invest helps advise. This invests in companies judged to be good employers, such as those that pay above average wages or choose to operate in deprived areas.

Impact investing, where environmental or social outcomes are valued as highly as financial returns, is an increasingly popular field with at least \$220bn in assets, according to the latest estimate from the Global Impact Investing Network.

The International Finance Corporation, the World Bank body that promotes investment in developing countries, recently [created a list](#) of what it considers the principles of impact investing to improve standards in the sector.

Michelle Scrimgeour, head of Emea for Columbia Threadneedle, said the Big Exchange “will enable all investors to do well by doing good, through easy access to a choice of ethical and social impact funds”.

Discussions are taking place with other asset managers about including their impact funds on the platform. Making use of blockchain-based technology, it will be available online and through smartphones for a fee of 20 basis points, or 20p for every £100 invested.

Investors will be able to choose an area where they would like their money to make an impact before being offered individual funds. They will also be offered ready-made bundles that have been awarded a gold, silver or bronze score based on how well they do in supporting the UN’s 17 sustainable development goals.

The minimum investment amount for the funds is £500, but Mr Kershaw said he wanted to get this down to £2.50, the same cost as the Big Issue. “It needs to be accessible,” he added.

The platform has received almost £1m in funding from the three asset managers as well as FNZ, a fintech company, some wealthy private investors and Alquity, a London-based group that focuses on socially responsible investment in emerging markets.

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