

Private Equity International

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Hg to build out dedicated wealth team

Martina Sanow - former deputy COO at the London-headquartered firm - leads the unit, which was set up over the past year.

Tech specialist Hg is in the nascent stages of adding a dedicated unit within its client services team that will be focused on individual clients and their wealth advisers, as well as family offices.

Hg Wealth was established in the past 12 months under the direction of Martina Sanow, a partner at the firm. Sanow has been with Hg for nearly 15 years across various client and operational roles. She leads a team of five professionals, according to the Hg Wealth team page.

“The growth of private capital means that high-quality software and services businesses are staying private for longer, making it hard for private investors to gain access to a high-performing and resilient sector,” Sanow tells Private Equity International.

“We see this as an exciting opportunity. We want to get there early with a solution to build out a dedicated team, to be one of first among specialised managers to do this.”

Steven Batchelor, a partner at Hg, added that the firm “doesn’t want to be behind the curve in terms of recognising that wealth through technology is going to be important”.

“I think it’s a bit harder when you’re a specialist because what tends to happen is the big multi-asset managers move first. Our view is, ‘Can we be one of the first groups in the next wave of names?’”

Batchelor noted that Hg’s investor base already includes a number of CEOs, entrepreneurs, portfolio company executives and family offices. The firm wants to broaden that group further to include other high-net-worth individuals.

Luke Finch, a partner and head of Hg’s client services team, said that the move was also intended to “professionalise existing relationships”.

“We’re used to it as well, because we have managed HgCapital Trust for 25, 30 years. Managing permanent capital vehicles is something we have experience with on the investment trust side. As the firm scaled, we’re much more able to start to serve those customers in a bespoke way.”

Firms including KKR, Blackstone, Apollo Global Management, Ares Management and Ardian have ramped up efforts to build out their wealth units, with some noting that the wealth channel could contribute between 25 and 50 percent of their future inflows.

Batchelor pointed out the firm is still in the early stages of “working out the private wealth opportunity” and how the firm can participate in it a meaningful way.

“To have any certainty around numbers and targets is somewhat optimistic,” Batchelor said. “I think we will have a much better sense in two to three years, is my view. We’ve seen how much this market has moved in the last few years, and we’ve seen how quickly technology can transform a situation.”

Finch noted that the firm has not run out of headroom in the institutional fundraising market. “We’ve got a lot of clients who we couldn’t fit into the funds over the last couple of vintages or who we could only fit in at the bottom end of their ranges. We think fund size is a complete derivative of the opportunity we have in front of us.”

The London-headquartered firm amassed \$11 billion for its large-cap vehicle Saturn 3 last year, surpassing its \$8.5 billion target, PEI reported. It was the biggest fund closed by a Europe-headquartered firm in 2022.