



Capturing the impact opportunity:

A practical guide for wealth managers

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Executive Summary

The £1.4 trillion UK wealth management industry is in a unique position to unlock significant amounts of client capital seeking greater purpose.

Wealth managers are in a privileged position, acting as long-term financial stewards, often building trusted, multi-generational relationships. This makes them key gatekeepers, enablers and influencers for wealth holders looking to align their capital with their values. In a world facing many urgent challenges, investment clients of all kinds are seeking more purposeful approaches to managing and building their wealth.

This presents a major opportunity for wealth management firms to offer impact-focused solutions that can align clients' investments with their values.

However, this growing base of investors is not always being served effectively. Their purpose-driven capital therefore risks being under-allocated to the causes it is intended for, at a time when there is a pressing need to help fund the environmental and social solutions of the future.

Crucially, through this misalignment, wealth managers are missing out on a long-term commercial opportunity to help future-proof their business.

Advancing beyond sustainable and responsible investments, "impact" means delivering investment products, solutions and strategies that intentionally deliver positive, measurable social and environmental impacts alongside financial return.

This guide provides first-of-its-kind insight into the state of the UK's wealth management impact offering, the challenges to unlocking greater levels of adoption and how leaders in the space have overcome these hurdles to build successful impact propositions.

Drawing on interviews and surveys with wealth management professionals, as well as four case studies of investor practice, this guide shows how the sector is thinking about impact investing, details the

experiences and learning of impact wealth management pioneers – from boutiques to global businesses – and provides a practical roadmap for those seeking to establish or further develop an impact offering of their own.

Understanding the current state of impact investing in wealth management

While impact investing in wealth management is at an incipient stage, our survey showed some emerging trends of practice across the sector. Those with a strong approach have dedicated impact teams led by either a Head of Impact or Head of Sustainability, alongside significant C-suite involvement. Mid-sized teams of 4-10 specialists are most common, balancing dedicated expertise with operational efficiency. Teams typically have 2-10 years of experience, reflecting the relatively recent mainstream adoption of impact investing in wealth management.

These specialist teams deliver strategy development, investment analysis and due diligence, client engagement and thought leadership. The most common product sets are either ready-to-use diversified

multi-asset impact models that invest only in public markets, or bespoke client impact offerings across public and private markets. Wealth managers are finding the FCA's Sustainability Impact label a helpful way of sourcing product, alongside other frequently cited impact products from a range of managers.

A market spanning all client segments

Each client segment served by wealth managers has powerful motivations for wanting to consider impact investing. For private clients, it can be a way to align their assets with their personal values. For family offices, the focus on values as well as the risks and opportunities of long-term trends like climate change, food insecurity and health can be a good fit with their intergenerational time horizons. For charitable foundations and university endowments, an impact approach provides a way to align their capital allocation with their broader missions as charities and educators.

Age is a significant factor driving client interest: 64% of respondents in our survey highlight that younger clients show greater

interest in impact investing, presenting a substantial opportunity as the 'Great Wealth Transfer' accelerates.

Compelling business case

At a time when wealth management firms are facing increasing pressure on fees, an industry focus on scale, and regulatory expectation to demonstrate their value, impact investing can offer a powerful means to attract clients and stand apart in a crowded market.

The case for impact investing spans:

- **Client attraction and retention:** Impact investing can be a valuable tool for both: client acquisition, with 86% of survey respondents reporting an increase in interest in sustainable and impact investments between 2020 and 2025; and retention, with firms reporting that once impact clients join, "they tend to stay". Values-led clients are open to higher fees: a 2023 EY study found that 74% of wealth management clients would pay a premium for personalised services that reflect their values.¹ With the great generational wealth transfer that is expected to see £5.5 trillion passed between generations in the UK

by 2047,² impact investing also helps to retain clients across generations: this is particularly important when research shows that over 80% of heirs look for a new adviser upon inheriting wealth.³

- **Differentiation:** In a consolidating wealth management sector, where investment solutions are being centralised and homogenised, impact investing can give firms a meaningful way to differentiate themselves. Our survey found that 76% of wealth management professionals

agreed that a dedicated impact offering could be a valuable unique selling proposition, yet less than half of those saying so have a dedicated offering today – revealing a substantial opportunity for those that act now.

- **Easier market entrance:** Impact investing is easier than ever to access: at US\$1.571 trillion globally⁴ and £76.8 billion in the UK⁵, the impact investment market is broad and mature, offering a range of opportunities and entry points.



- 76% - Yes to USP
- 24% - No to USP



- 44% - Has Impact Offering
- 47% - Has Sustainable Only
- 9% - Has Neither Offering