

What they really want ...

Women are as eager as men to realise capital gains and are by no means afraid to take risks



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The world of finance is still perceived as being male-dominated and this from both sides of the table, the investors' and the advisors'. "Patrons" and "patriarchs" are traditionally considered the key decision makers on financial matters, and male financial advisors continue to outnumber their female counterparts, with the exception of Asia. And this in light of the increasing number of female entrepreneurs and a whole new generation of business women with not only financial independence, but more importantly, freedom to take their own decisions; not least to mention the growing number of women inheriting family businesses and fortunes. According to a study by the Boston Consulting Group, an impressive 27% of today's global wealth is controlled by women.

So if we will be seeing more "matriarchs" in the future, will this be changing investment approach and strategies? In contrast to men who are often chasing short-term success through opportunistic strategies, women consider investment decisions more thoroughly always taking into account long-term planning. One classic example is the liquidity event. While men tend to focus on the success of the transaction per se, as for instance the sale of the family company, female owners consider personal and family implications early in the process or even first: How can the family be kept together purely based on financial assets? How can the family pool of assets be preserved into succeeding generations? To name only a few questions typically asked. This approach challenges and questions traditional wealth management per se where the focus remains on off-the-shelf investment products and advice.

The fact is women are as eager as men to realise capital gains and are by no means afraid to take risks, although with a rather "prudent" approach; and so, in the same way as female entrepreneurs are growing in numbers, women are increasingly investing "entrepreneurial" thereby going far beyond the classical balanced portfolio mandate frequently proposed by their advisors. In particular real estate appears to be liked by female investors who are often skillfully integrating fund-of-fund and even direct investment strategies, with regional and international focus, into well-diversified portfolios.

And where professional advisors fall short of expectations, women reach out to their peers, which is the reason why investors' circles, particularly amongst young female business professionals, are gaining momentum. Women pull not only their assets, but also their know-how together, to select value stocks, handpick real estate investment projects and explore and educate themselves and each other on new, often alternative, investment opportunities increasingly including private equity and direct strategic investments.

Therefore it may well be the rather "considered" approach to investing and risk-taking, combined with a clearly-defined allocation strategy, which synchronises personal with investment planning that explains why female investors are not only able to compete, but often able to outperform their male counterparts over the long term.

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