

FINANCIAL TIMES

Fleming Family to merge with rival Stonehage

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Fleming Family & Partners, the investment office run by relatives of James Bond creator Ian Fleming, is merging with London-based rival Stonehage to become the largest independent multifamily office business in Europe, the Middle East and Africa.

The merger is a share exchange deal where South African industrialism meets old British money. It comes as the cost of regulation is increasing and putting pressure on margins, driving consolidation in the wealth management industry to create much-needed scale.

The new group, to be named Stonehage Fleming Family and Partners, will have more than \$43bn in assets under administration, including \$11bn in assets under management and combined revenues of about \$160m. The new business will serve over 250 wealthy families.

Adam Fleming, chairman of FF&P and deputy chairman of the merged business, said: "It's the hybrid of the vigour of South Africa meeting a well-known brand in London. This will take us to the next level."

Stonehage was set up in 1976 as a "diaspora vehicle" by a group of South African families who were fleeing the country's apartheid regime. It operates as adviser, fiduciary and investment manager, helping clients with everything from tax planning, philanthropy and art.

FF&P was founded in 2000 following the sale of Fleming Holdings to Chase Manhattan, which merged with JPMorgan. The merged group will be majority owned by management and staff, while the Fleming family and Standard Chartered will retain a minority stake.

Client: Stonehage Fleming Family and Partners

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The merger will give Stonehage a strong presence in the UK market and help FF&P expand internationally. The merged venture has its eye on expanding in the US and the Middle East, and potentially Asia. This is where Robert Fleming pioneered merchant banking in Hong Kong in the 1970s in a joint venture with Jardine Matheson.

Mr Fleming said the new group planned to **target the clients** of big international banks who have become disillusioned with the scandals engulfing the sector such as mis-selling of products, tax evasion and alleged manipulation of key benchmarks.

Giuseppe Ciucci, chief executive of Stonehage who will lead the merged entity, said: “Complex international and domestic wealth requires a lot more of a holistic approach in dealing with their affairs than just liquid assets that have to be invested.”

The Fleming family is also known for owning the largest private collection of Scottish art, including paintings by The Glasgow Boys, the Scottish Colourists – notably Samuel John Peploe – and other 20th century artists.

Spencer House Partners advised on the transaction.