



Alexander Hoare is the first of the eleventh generation of the Hoare family to serve as partner at C. Hoare & Co. The firm was founded in 1672 and after 349 years of continuous operation the family still owns and directs the bank. The family has a longstanding philanthropic tradition through the Golden Bottle Trust.

Alexander, who was Chief Executive Officer of the bank from 2001 to 2009, is a leader in the field of social and impact investing and a founding partner of Snowball. Snowball is a diversified, multi-asset investment vehicle that aims to create positive outcomes for people and the planet while generating sound financial returns. It invests in a range of public and private funds that support a variety of social and environmental outcomes across the United Nations Sustainable Development Goals. Snowball has proved itself over the last four years and is now open to sophisticated and professional investors.

As one of the 11th generation of the Hoare banking family did you always know you would enter the world of banking and investing? Did you have a choice?

Within the Hoare family I am a poor relation and you have to go back five generations to find a partner in my line of the family tree. Moreover, my father worked at Hoare Govett, which was not wholly friendly with the bank, so I never expected or wanted to work in the family business.

I took a degree in business studies and was enjoying my job as a management consultant when the bank came knocking. Initially, I politely declined the offer.

What advice would you give to next-gens who are considering whether or not to join their family business?

You need to be sure you want to dedicate a chunk of your life to it, not least because it is hard to extricate yourself and find another job after working in a family business.

I was drawn in, not by the prestige or the money offered by the senior partner trying to recruit me, but by the senior partner's wife, who hooked me on family duty and honour.

It is immensely satisfying to contribute to a business you believe in. I do not think I would feel the same satisfaction working for some of our competitors.

Was philanthropy always part of the family's history?

Certainly this has been the case for the last 10 generations. A couple of years ago we celebrated the 300th anniversary of the founding of Westminster Hospital (now Chelsea & Westminster) by an ancestor at the bank.

The partners of the bank have contributed to the building of hundreds of churches, to schools and colleges, and to a hospice. In addition, they have run bank accounts for 1,500 or more charity appeals and charities.

In recent years we have practised a form of tithing whereby we ordinarily give approximately 10% of the bank's profits to the Golden Bottle Trust, where we try to make catalytic and sometimes systemic grants.

What does impact investing mean to you?

In order to make multi-year grants in the Golden Bottle Trust, we built up an endowment.

While we were pleased with some of our grant giving, we realised we could be more impactful if we made the endowment work harder for social aims. It is now 100% invested to target the United Nations Sustainable Development Goals, across four managers.

Pleasingly, the financial returns have been satisfactory, as well as the social impacts.

What motivated you and your partners to found Snowball? What are its aims?

How has it tested the boundaries of impact investment? What is the Snowball effect?

The journey to the Golden Bottle Trust's 100% allocation to social-impact investment started a decade ago with me being given 10% to see what I could achieve in my spare time.

After a few years, it became clear that dedicated professional resources were needed to get best results. We teamed up in 2015 with Panahpur, and we were quickly joined by four other trusts and families with similar aspirations - Skagen Conscience Capital, The Ian Taylor Family Foundation, Sophie and Nick Marple and the Friends Provident Foundation.

Our aim is to convert the mindset of established wealth managers such that it is normal for them to offer investments in line with their clients' values. Then our job will be done.

However, it is hard for an established firm to turn its thinking and processes upside down, and Snowball is designed to become an easy step along the way.

The 'Snowball effect' comes in to help us get to our big ambition, which is to list as an investment trust so that everyone has the opportunity to connect their pensions or savings with their values. By listing, we will make our deep and diverse portfolio available to the public.

The question of how to measure an impact investment is one that constantly comes up.

How does Snowball tackle that?

Snowball follows the methodology of the Impact Measurement Project and tries to influence the managers we employ. They then plot each investment on a bullseye, and continually work to move investments closer to the centre which represents maximum impact. Snowball's impact specialists think about measuring impact at three levels: Snowball itself, the impact its managers achieve and then the impact of the underlying enterprises.

Is it possible to be a serious investor and to invest to make a positive impact?

It is impossible for a serious investor to ignore impact over anything other than the very short term. Very short-term investing is more like speculating. In the long term, the intrinsic merits of all investments are revealed.

Even financial-first investors should consider an allocation to impact investments, as these bring some different risk/return characteristics to their portfolio and can lower volatility.

Do you believe that there will be a shift from traditional philanthropy to impact investing in the future?

Traditional grant giving will continue, but the shift will be to use endowments as well and to measure the total impact of the charity in terms of both grants and investments.

If you'd like to learn more about Snowball, please visit www.snowball.im or email hello@snowball.im