

Getting Personal in Canada: Learning From Your Peers

By Monica Gutschi of Dow Jones Newswires

July 22, 2010

TORONTO (Dow Jones)--You can't judge a person until you've walked a mile in their shoes. This goes for investing too.

"Often times, wealthy people, especially those who are self-made, can't just go to family members or an old college buddy and talk casually about investments," says Jonathan Kempner, president of the peer-to-peer investment group known as TIGER 21. "Quite the contrary, it's a bit unseemly."

Rather, he says, they feel much more comfortable talking with other equally rich people about their investments and how to manage their wealth.

"When you are with people who are similarly situated, then you can be totally candid and not self-conscious," Kempner says. "And for some people, that's a real relief."

Such is the concept behind TIGER 21, a peer-to-peer investment group that began in New York 11 years ago. Now boasting 140 members across the U.S., TIGER 21, or "The Investment Group for Enhanced Results in the 21st Century", is making the leap into Canada. It plans to open chapters in Toronto, Montreal, Vancouver and Calgary, uniting groups of 10 to 14 high-net-worth individuals to discuss common issues regarding their estates, families, and investments.

Members, each of whom must have investible assets of at least C\$10 million, meet once a month to hear a selected speaker and engage in informal chats among themselves. Membership costs C\$30,000 annually.

"Most members are drawn to TIGER because they have financial resources and want to manage them better," Kempner says. The vast majority are self-made entrepreneurs who have sold their businesses and have a substantial amount of wealth they want to "deploy wisely," he says.

"They come to TIGER and meet up with people who are positioned similarly," Kempner says, which creates an environment ripe for honest and candid conversations. Additionally, each meeting includes a session with a speaker from a hedge fund or other investment vehicle, which serves as a starting point for the discussion. "We have a tremendous diversity of background and wealth," Kempner notes. "That collective intelligence is a remarkable force and just extremely helpful in analysing that information."

A key feature of TIGER 21 is the annual "portfolio defense" session that each member undertakes. He or she is required to reveal his or her investment portfolio and invite critiques and suggestions.

"Our members find this extremely valuable," Kempner says. "Financial advisers are helpful, but sometimes there's a conflict between their interests and the investor's interests. What we have found is the objectivity of the group fosters an environment that permits more candid and more objective decision-making."

Members also benefit from tapping their peers for ideas on how to deal with estate and family issues and other common concerns related to their relative wealth, he notes.

TIGER 21 plans to cap the number of Canadian members at 56 for the first two years but believes there is a significant opportunity in the country. It has some Canadian members who belong to U.S. groups.

According to Merrill Lynch, there are 30,000 Canadians with more than C\$10 million in assets, including 4,000 with more than C\$30 million in assets.

“As we all know, for the last two years, relative to the U.S., Canadians have done much better in terms of preserving their wealth,” Kempner says. “It seemed like a natural extension for us.”

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