FT SPECIAL REPORT

FT 400

Top Financial Advisers

Thursday April 11 2013

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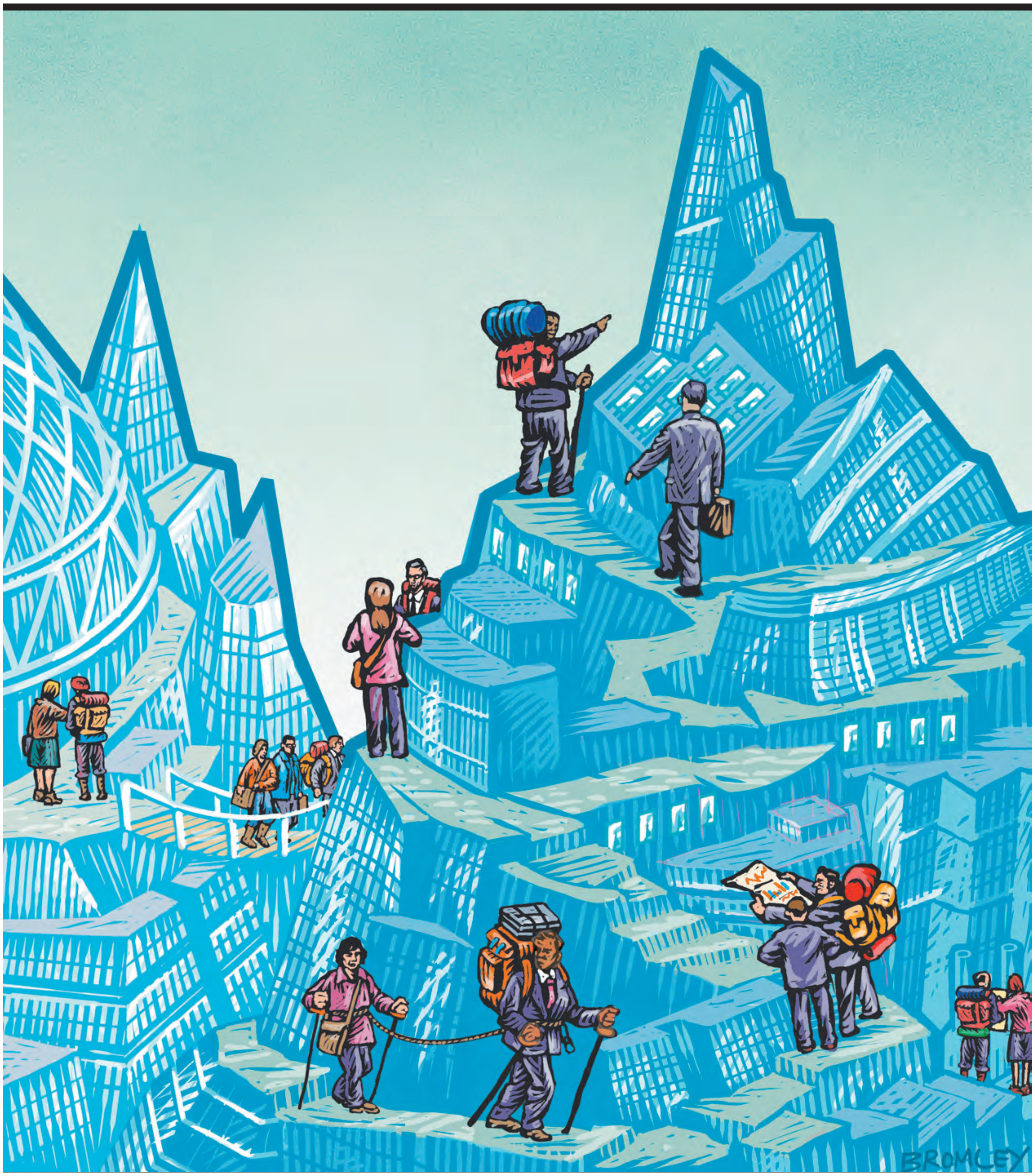
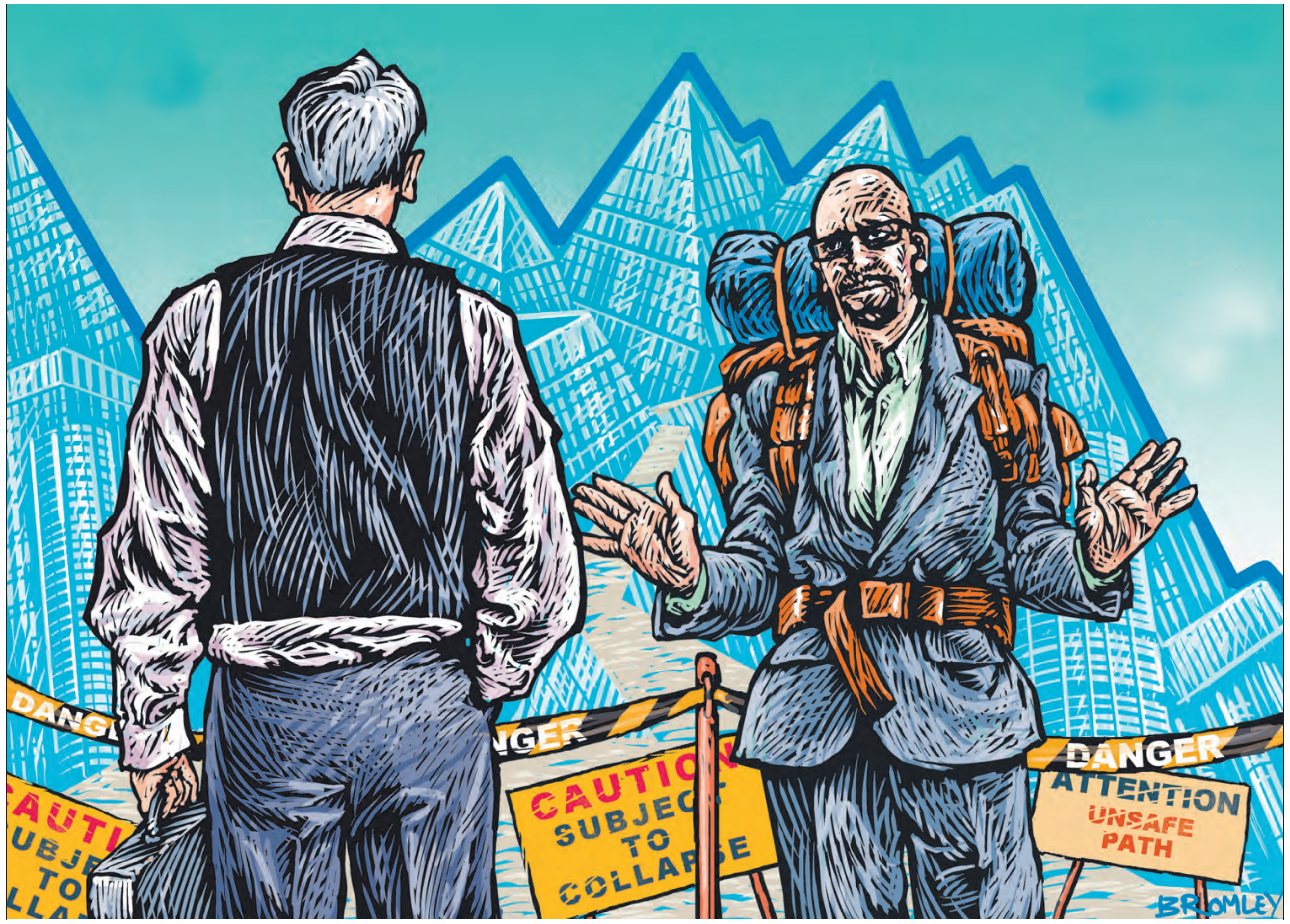


Peaks of achievement

The inaugural list of the investment management elite in the US **Pages 6, 8, 9 and 10**

Inside »

Cautious investors look for better standards



The world has changed and with it the qualities that wealthy investors should seek in their financial advice, writes *Loren Fox*

The US stock market may have recovered the ground lost during the financial crisis but the investment management industry is still dealing with the repercussions.

Individual investors remain wary and costs of investments are under intense scrutiny. Financial advisers must, therefore, offer increased flexibility in navigating markets. Volatility and risk management are more popular themes than growth and out-performance, and investing requires a global perspective.

Industry practices that developed in the shadow of the recession following the crisis are permanent features of the investing landscape. The investing world has changed and with it the qualities that wealthy investors should seek in a financial adviser.

Financial advisers now compete with online brokerages that can execute trades and track portfolios at very low cost and send that data to an investor's smartphone. To go beyond impersonal websites, a financial adviser needs to supply guidance, take the initiative, customise an approach and provide a holistic view of an investor's finances.

Today's investor needs a financial adviser with an ability to survey the world market of stocks, bonds, mutual funds, variable annuities, hedge funds and other assets.

In the aftermath of a financial crisis in which different investments all plunged together, picking one that outpaces most of its peers – such as finding the mid-cap stock fund that outperforms 90 per cent of similar funds – is no longer sufficient.

An adviser needs to work with his or her client on a plan and then craft a diversified portfolio that is most likely to achieve the investor's goals. The focus is on the outcome, whether that is a comfortable retirement or an estate for heirs. Preferably, the path towards that outcome should not be so turbulent that it gives the investor panic attacks.

Elite advisers are more than investment counsellors. Many advisers make their biggest contributions in assisting clients with non-investment matters such as personalised tax strategies, estate planning, business succession and charitable giving.

In other words, a large amount of effort and ability is required, which is why the Financial Times is offering a fresh way to look at what makes a top adviser. The inaugural edition of the Financial Times 400 Top Advisers provides a snapshot of the very best people at traditional broker-dealer firms in the US.

The team at the FT's sister publication, Ignites Distribution Research, set a minimum standard for advisers of $250m in assets under management (AUM) and 10 years of experience. The team scoured lists of qualified advisers from broker-dealer firms and scored them on attributes such as AUM, AUM growth rates, compliance records and experience. The process assured objectivity, as there was no room to play favourites or go back and tweak the results.

The methodology is explained fully in a separate article published with the list of the 400 on page 4.

Several important issues should be noted. The researchers used verified AUM from the brokerages' home offices, so that like-with-like comparisons could be made. Industry certifications such as the CFA or CFP, growing in importance throughout financial services, were awarded bonus points.

Advisers whose information is easily accessible online were awarded small bonuses, because such transparency should be the norm.

The list is presented as a grouping of 400. There is no attempt to rank the advisers from 1 to 400, because there is not a method available that is precise enough to separate the 200th-best adviser from the 201st, for example.

The FT 400 is listed state by state and the states with higher populations, and greater concentrations of wealth, understandably have more advisers on the list. It is not surprising that New York City is represented by 52 advisers, by far the most from one municipality. Advisers from 37 states, plus Washington DC, are represented. This represents a good geographic diversity, given that there was no mandate to include every state.

FT readers are educated and discerning and the goal was to present a picture of leading financial advisers who would pass muster with the hard-to-please investor. Although the list is not comprehensive, for anyone looking for an top adviser the FT 400 is a good place to start.

> The 'average' adviser has been in the business for 26 years and manages $1.3bn

So, after running the numbers, what does the list look like?

It is a big and experienced group. The "average" adviser has been in the business for 26 years and manages a sizeable $1.3bn.

Reflecting the trend towards specialisation in wealth management, more than 80 per cent of the FT 400 work in teams. The average team size is 11, including sales assistants, analysts and client relationship managers, among others. More than a quarter of the advisers work on teams where specific members are responsible for certain asset classes and/or product providers.

Since top advisers are focused on providing value to their clients, it is natural that more than two-thirds of the money they manage is in advisory accounts, charging asset-based fees for advice, rather than in commission-based accounts.

The fee-based side of the business is growing at the expense of the old-fashioned model that paid advisers by transaction. The image of the stock jockey from films such as *Wall Street* is quickly becoming a relic. These advisers do not sell hot stories but calm and collected financial plans.

Within the fee-based business model, the fastest-growing aspect is the programme giving an adviser complete discretion over a client's account (within guidelines). Without the need to run every trade by the investor, the adviser can act more tactically in response to market developments and can add non-traditional investments to a client's portfolio without fuss.

More money is expected to flow into these discretionary accounts.

The advisers are optimistic. Ignites Distribution Research asked members of the the FT 400 list about their expectations for the US economy and more than four out of five anticipated moderate growth; no one forecast a recession. It makes sense, then, that the single biggest allocation is to US equity, comprising well over 40 per cent of assets managed by the FT 400.

While there are areas of agreement among FT 400 members, these professionals can disagree about the details of how to be a valuable adviser.

In the article on whether advisers work better in teams (see page 14), one says "running a practice by committee does not usually work that well". Another FT 400 member says "everybody has a different skill set".

Advisers display varying levels of caution on retail alternative investments, go-anywhere funds that invest tactically and whether US equities are back in favour.

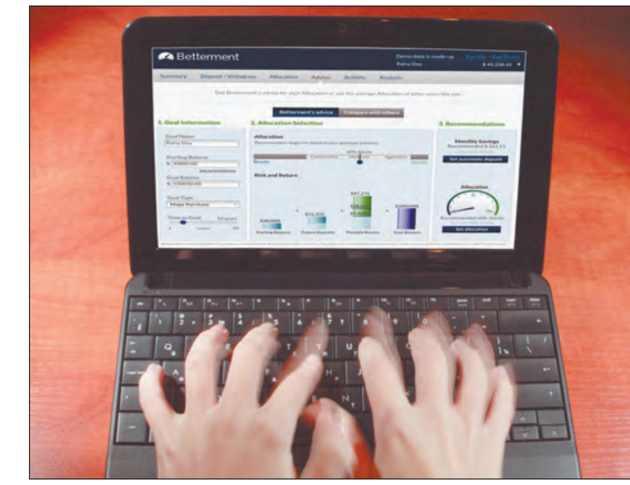
What they can agree on is that each client has different needs, goals and appetites for risk. An investment approach that works for one portfolio might be exactly what another client is trying to avoid. So it is important for an investor to vet a potential financial adviser carefully.

Beyond experience and certificates, the adviser needs ultimately to mesh well with clients and be able to communicate in a genuine give-and-take style that serves the investor's long-term needs.

Websites increase competition but lack that personal touch

Online brokers

Jesse Mark finds do-it-yourself sites are moving into wealth management



Online brokers are edging towards the advice industry

Discount online brokers, led by Charles Schwab, TD Ameritrade and Fidelity, have revolutionised stock trading with low prices, easy account access and low minimum investment requirements.

These brokers have become the main choice of the self-directed investor, enabling trades and providing account information and a variety of free online tools for analysing an investor's portfolio. Traditionally, they have only nibbled at the edges of the US wealth management industry, leaving advice and planning to financial advisers but that is changing.

In recent years, the leading online brokers have enhanced their offerings, edging further towards the advice industry.

Fidelity.com's online Income Strategy Evaluator can estimate the monthly retirement income that an investor can generate from a nest egg, suggest hypothetical combinations of income sources and assess a portfolio's resilience in the face of market volatility.

The question is whether online firms could displace financial advisers in the way online brokers disrupted the trading industry. The answer lies in understanding the capabilities and limits of the new breed of online investment providers such as Betterment, Personal Capital, MarketRiders and LearnVest.

In the years since the financial crisis, these sleek start-ups for do-it-yourself investors have appealed to young, tech-savvy and affluent professionals. This generation grew up with instant messaging, video-chat and online banking. They demand instant access to information and discount the importance of a physical relationship.

Betterment, almost five years old, appeals to cost-conscious beginners. The website is inviting and easy to use. When users register, they are guided towards a simple risk-assessment questionnaire and, within minutes, are set up with a model portfolio of stocks, bonds and other investments based on their risk appetite and investment goals. For these services, Betterment charges a management fee of 0.15-0.35 per cent, depending on the investor's balance. That is less than the 1.0-1.5 per cent financial advisers typically charge.

While Betterment appeals to beginners, not all new online advisory sites are aimed at the smaller investor. MarketRiders and Personal Capital primarily market themselves to individuals with at least $50,000 to $100,000 in investable assets. MarketRiders guides investors to create a model portfolio assembled from index-tracking funds, and then monitors it. Meanwhile, Bill Harris, former chief executive of business software developer Intuit, and PayPal, the online payments company, launched Personal Capital in 2011 to give wealthy people a holistic view of their portfolios.

Personal Capital's platform allows users to connect all their accounts, including bank deposits, brokerages and 401(k) pension plans, with credit cards, mortgages and car loans. The site gives users a 360-degree view of their entire wealth portfolios in one place, allowing them to track portfolio performance, pinpoint market movers and see how their portfolios stack up against indices.

What separates Personal Capital from other new online devices is its combination of tech tools with personal advice. The company offers users dedicated financial advisers and is backed by an experienced investment committee that draws on the expertise of individuals from some of the industry's best-known wealth managers. Financial advisers can deliver customised strategies, but the service comes at a cost: fees based on assets range from 0.75 to 0.95 per cent, depending on account size.

It can be less expensive at four-year-old LearnVest, which offers online tools for novices to learn budgeting and the basics of investing. Advanced users have access to certified financial planners for guidance.

Tools such as those offered by Betterment and Personal Capital provide solutions for a market traditionally underserved by financial advisers. They help individuals understand their finances better, introduce them to the importance of investing at a young age and provide much-needed education on the risk/return characteristics of various asset classes.

Online self-directed tools look unlikely to supplant the traditional financial advisory business just yet. Financial advisers are much more than mere investment advisers creating a proper asset allocation: they are wealth planners, offering tax advice, complex estate planning, retirement cash flow planning, liquidity advice and business advisory services.

Top advisers assess investors' accounts proactively and offer tax and retirement advice. In difficult times, they offer "hand-holding" and in better times they can even get shares of hot initial public offerings for some clients. Elite advisers can take over full discretion of the investor's account, making decisions in the best interest of clients without consulting them beforehand.

The real threat from do-it-yourself websites is to financial "planners" that masquerade as full-service wealth advisers but only provide passive asset allocation services. Elite advisers can learn from these websites: investors respond well to full account access, especially on mobile devices, and to using technology that makes doing business easier.

Some are learning. Ric Edelman, wealth manager, last year launched a client-only web portal. But it seems that the value of experienced advisers, such as those in the FT 400, is not something that can be easily replicated by online tools.

Contributors »

Loren Fox
Director of research, Money-Media

Jesse Mark
Senior research analyst, Money-Media

Tom Stabile
Associate editor, FundFire

Whitney Curry Wimbish
Managing editor, BoardIQ

Billy Nauman
Reporter, FundFire

Laura Suter
Reporter, FundFire

Jack Buehrer
Managing editor, Agenda

Mariana Lemann
Reporter, Ignites

For advertising details, contact: **Gordon Kerr**, gordon.kerr@ft.com, 001 212 641 6332, **Hope Kaye**, hope.kaye@ft.com, 001 212 641 6548 or **Jennifer Rasmussen**, 001 917 551 5031, jennifer.rasmussen@ft.com
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Fast-spreading strategy strikes a global happy medium

Go-anywhere Clients scarred by the 2008 crash have driven growth, says *Tom Stabile*

Many financial advisers would argue that US investors are actually global. Just witness the US stock market hiccups sparked by the banking crisis in Cyprus. It is no wonder that one of the fastest-spreading investing strategies is global tactical asset allocation – investing in a range of securities around the world and altering the mix as markets change.

These go-anywhere strategies have long served as an institutional investor niche. In recent years, it is financial advisers who have been ploughing assets into global tactical asset allocation (GTAA) mutual funds and separately managed accounts. While clients scarred by the 2008 crash drove much of the growth, GTAA products may have staying power in portfolios, says Todd Sanford, an adviser based in Portage, Michigan, who oversees $450m and is affiliated with Raymond James Financial Services. "It's a longer-term trend," he says. "Products like this are a happy medium between full exposure to the markets and low-yielding fixed income."

GTAA products come in various shapes but the core traits include having a broader range of holdings than the typical "style box" categories and the use of tactical portfolio moves to adjust for changes in markets, economic conditions or geopolitical trends. The category ranges from plain stock-and-bond funds to strategies that can hop across country exposures or asset classes, including commodities and derivatives.

Separately managed accounts built with exchange traded funds (ETFs) are among the fastest-growing products in the category, jumping 65 per cent last year to reach $4.3bn in assets, according to Morningstar.

Mutual funds have the lion's share of new assets. The BlackRock Global Allocation Fund, which typically invests in more than 700 securities in 40 countries and 30 currencies, has $53bn in assets. Pimco and Ivy Funds both have funds in the category of more than $25bn. Old Westbury Funds, Invesco, GMO and Virtus Investment Partners have large GTAA mutual funds.

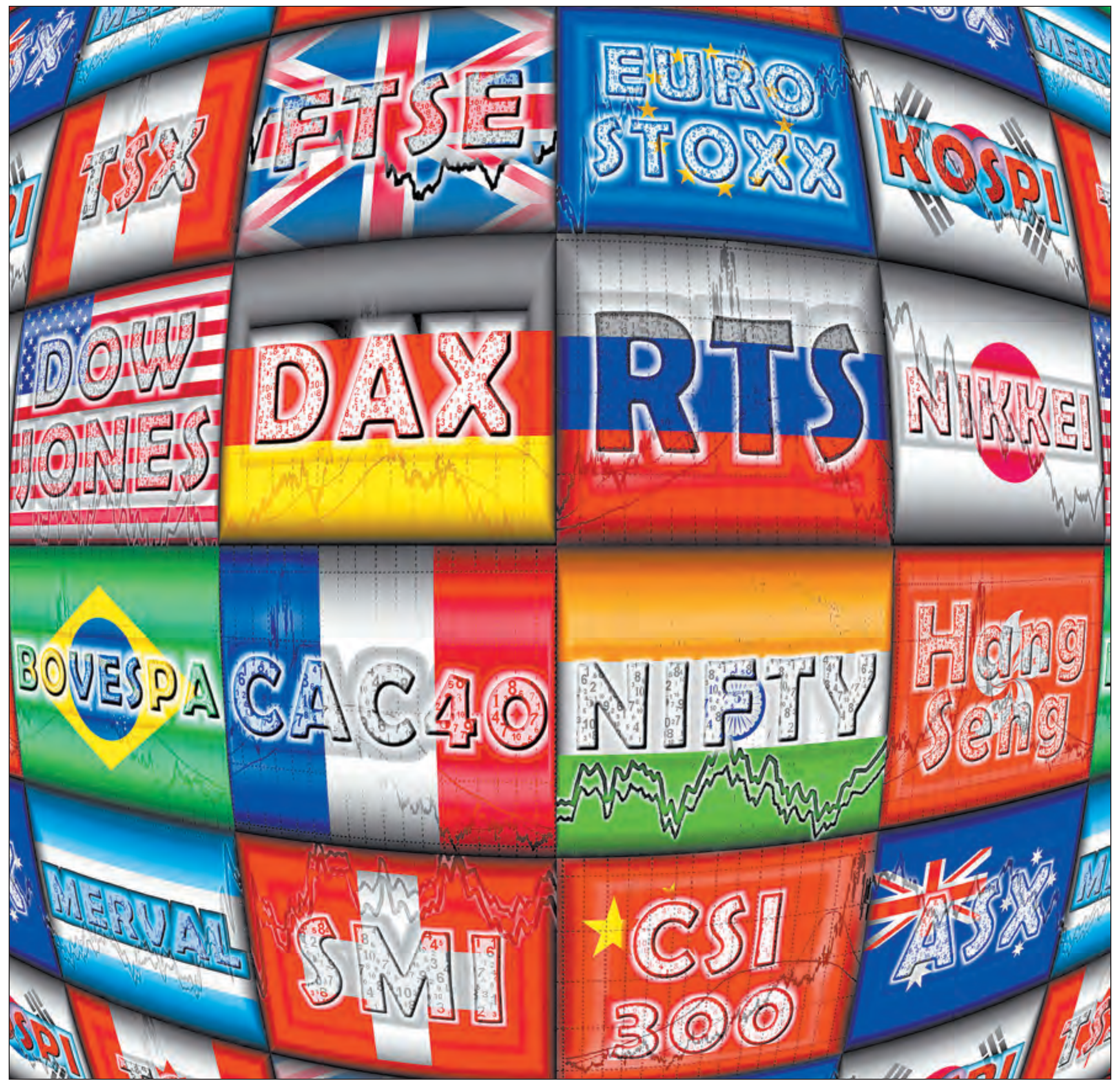
Assets in go-anywhere mutual funds overall rose from $33.9bn in March 2007 to $113.2bn in March 2012, according to Morningstar. The number of funds jumped from 38 in 2007 to 126 in 2012.

"It's growing by leaps and bounds," says Tim Clift, chief investment strategist at Envestnet. "New products are coming to us every week."

Adviser demand primes the growth. One reason is the desire to "take the handcuffs off [managers]", says Mr Sanford. "There has been an explosion of dollars to Ivy Funds and BlackRock's Global Allocation because of that," he adds.

Indeed, when advisers in the FT 400 were surveyed, roughly 30 per cent said they planned to increase their use of GTAA or global macro funds.

Advisers favour tactical investing because markets are more volatile than in the past and because investment information travels much faster today, says Joseph Montgomery of Wells Fargo Advisors in Williamsburg, Virginia. "Clients want managers who have the ability to make smart decisions on rapidly changing information," he says.



GTAA often deals in a mix of assets
Dreamstime

Advisers want help managing downside risk, says Vassilis Dagioglu, head of asset allocation portfolio management at Mellon Capital and portfolio manager for the Dreyfus Global Alpha Fund.

Institutional GTAA strategies are often a mix of stocks, bonds, commodities, currency hedges, futures and other investments. While some mutual funds have similar ingredients, retail products are gravitating to ETFs, because of their lower cost, transparency and tradability in less-accessible sectors, such as emerging markets debt and commodities, Mr Dagioglu says.

Some GTAA products use hedge fund-style strategies, although it is not "a defining characteristic" of the overall group, Envestnet's Mr Clift says.

Some of these funds have faltered, prompting some advisers to predict the herd of products will be thinned. In most cases, that may mean few portfolio changes, because advisers typically use one or two GTAA strategies, Mr Clift says.

"I have seen a few that completely allocate their portfolios to GTAA, but not many," he adds.

> One of the more difficult aspects is educating clients that holdings are designed to zig when most markets zag

Advisers take varying approaches to deploying go-anywhere funds, says Jeff Chapracki, senior research analyst at Milwaukee-based Capital Market Consultants. "Some are making the top-down calls themselves, others want to use mutual fund and [separately managed account] mandates that allow for higher cash balances, and others are using some TAA exposures within a core-satellite context," Mr Chapracki says.

For advisers, one of the main challenges is that many go-anywhere managers are relatively new, often lacking the infrastructure and depth of traditional shops, Mr Clift says. That leads to worries about what would happen if one of these organisations lost their primary GTAA portfolio manager.

Another hurdle is benchmarking. Mr Clift says Envestnet has developed a 20-product custom GTAA benchmark and has seen some hedge fund indices show promise as well.

A more difficult aspect of go-anywhere funds is educating clients that the diversified holdings are designed to zig when most markets zag.

Advisers need to be sure investors know products are not built to match today's frothy equities market, says Raymond James' Mr Sanford, but rather to avoid the brunt of a big downturn.

Methodology
Facts behind the FT 400

The principle behind the Financial Times 400 – listed over pages 6-10 – is to focus on investors. Financial advisers were assessed from the perspective of current and prospective investors. The FT rewarded attributes that investors care about (or should care about) and not the value of those advisers or bodies.

The methodology is quantifiable and objective. In autumn 2012, the FT solicited advisers' practice information from the 40 largest US broker-dealers and requested data for each group's most elite advisers. By working with organisations instead of individuals, the FT was able to obtain verified adviser data instead of relying on self-reporting, thus increasing credibility. The FT assessed those with more than 10 years of experience and $250m or more in assets under management (AUM); brokerages had no subjective input.

The formula used is based on six broad factors and calculates a numeric score for each adviser. Areas of consideration include adviser AUM, asset growth, years of experience, industry certification, Finra compliance record and online accessibility:

- **AUM** signals experience managing money and client trust.
- **AUM growth rate** Growing assets is a proxy for performance and for asset retention and ability to generate business.
- **Years of experience** indicates experience managing assets in different economic and interest rate environments.
- **Compliance record** provides evidence of past client disputes. A string of complaints can indicate problems.
- **Industry certifications** (CFA, CFP, etc) show technical and industry knowledge and obtaining these designations shows a professional commitment to investment skills.
- **Online accessibility** illustrates commitment to providing investors with easy access and transparent contact information.

AUM and asset growth comprise roughly 80-85 per cent of each adviser's score. While each adviser earned an individual score and could be ranked against another, the FT 400 is presented as an elite group, not a competitive ranking.

FT 400 Top Financial Advisers

FT Top 400

First Name	Last Name	Company	City	Investor Segment Served: Individual	HNW	Ultra HNW	Institutional
ALABAMA							
Robert	Runkle	Merrill Lynch Wealth Management	Montgomery				✓
Tony Randall	Smith	UBS Financial Services	Liberty Park	✓	✓	✓	✓
ARIZONA							
Allan	Flader	RBC Wealth Management	Phoenix	✓	✓	✓	
Salvador	Flores	Flores Wealth Management	Chandler	✓	✓	✓	
S. Chris	Gale	Merrill Lynch Wealth Management	Scottsdale		✓		✓
James	Marten	Merrill Lynch Wealth Management	Phoenix		✓		✓
CALIFORNIA							
Michael L.	Abrams	Wells Fargo Advisors, LLC	Palo Alto	✓			
Michael	Allard	LPL Financial	Danville	✓	✓	✓	
Robert J.	Barry	Wells Fargo Advisors, LLC	Palo Alto		✓	✓	
Brett	Bartman	RBC Wealth Management	Beverly Hills		✓	✓	✓
Andrew	Basch	Morgan Stanley Private Wealth Management	Los Angeles	✓	✓	✓	✓
John D.	Blasewitz	Wells Fargo Advisors, LLC	Los Angeles	✓	✓	✓	
Richard	Blosser	UBS Private Wealth Management	Los Angeles			✓	✓
Kerry	Bubb	KWB Wealth Managers Group	Redlands	✓	✓		
Mike	Burbank	Morgan Stanley Private Wealth Management	San Francisco		✓	✓	
May	Chong	Merrill Lynch Wealth Management	Pasadena	✓	✓	✓	
Marcus	Fagersten	UBS Financial Services	San Francisco		✓	✓	
Marc Lewis	Foster	UBS Financial Services	Newport Center	*			
Renee	Fourcade	UBS Financial Services	Century City	✓	✓	✓	✓
Mary	Foust	Merrill Lynch Wealth Management	San Francisco			✓	
L. Greg	Fullmer	UBS Financial Services	Los Angeles			✓	✓
Clinton	Gee	UBS Financial Services	Irvine Spectrum	✓	✓	✓	
Andrew D.	Geller	UBS Financial Services	Century City	*			
Michael Thomas	Genovese	Genovese Burford & Brothers	Sacramento	✓	✓	✓	✓
Jeffrey R.	Germain	Wells Fargo Advisors, LLC	Los Angeles		✓	✓	
Paul	Gilbert	Merrill Lynch Wealth Management	Los Angeles		✓	✓	
Eric	Gray	Merrill Lynch - Private Banking & Investment Group	Los Angeles			✓	
Troy	Griepp	Morgan Stanley Private Wealth Management	San Francisco		✓	✓	✓
Anthony	Grosso	Merrill Lynch Wealth Management	San Francisco		✓		✓
Kenneth N.	Haas	Wells Fargo Advisors, LLC	San Francisco		✓	✓	
Jeffrey R.	Higgin-botham	UBS Financial Services	Walnut Creek	✓	✓	✓	
Valerie	Houts	Merrill Lynch Wealth Management	San Francisco		✓		✓
James	Hulburd	Merrill Lynch - Private Banking & Investment Group	San Francisco			✓	
Thomas	Hutson-Wiley	Merrill Lynch Wealth Management	San Francisco		✓		✓
Robert	Inbody	Morgan Stanley Wealth Management	La Jolla	✓	✓	✓	
Stephen Anthony	Jakosa	UBS Financial Services	San Francisco		✓	✓	✓
Michael Scott	Jankiewicz	UBS Financial Services	San Francisco		✓	✓	✓
Kelly Kenneth	Jay	UBS Financial Services	Walnut Creek		✓	✓	
Richard	Jones	Merrill Lynch - Private Banking & Investment Group	Los Angeles			✓	
Debbie	Jorgensen	Merrill Lynch Wealth Management	San Francisco			✓	
Steven H.	Levine	UBS Private Wealth Management	Los Angeles		✓	✓	✓
Charles W.	Lineberger	UBS Financial Services	Long Beach	*			
Michael	Maher	Merrill Lynch Wealth Management	Carlsbad	✓	✓	✓	
Kelly J.	Mahoney	UBS Financial Services	Sacramento	✓	✓	✓	✓
Laila	Marshall-Pence	Pence Wealth Management	Newport Beach		✓		
James D.	McCabe	Wells Fargo Advisors, LLC	Beverly Hills		✓	✓	
J. Dorian	McKelvy	Morgan Stanley Private Wealth Management	Menlo Park		✓	✓	✓
John	McNamee	Merrill Lynch - Private Banking & Investment Group	Los Angeles			✓	
James L.	Mills	UBS Financial Services	Westlake Village		✓	✓	✓
Mark S.	Morgan	Morgan Stanley Wealth Management	Folsom		✓	✓	✓
Bryan N.	Mountain	UBS Financial Services	Westlake Village		✓	✓	✓
Fane W.	Opperman	Wells Fargo Advisors, LLC	San Jose	✓	✓	✓	
Richard	Palmer	Morgan Stanley Private Wealth Management	San Francisco		✓	✓	✓
Clare	Purpura	Merrill Lynch Wealth Management	San Francisco		✓		✓
Howard	Rowen	UBS Private Wealth Management	Los Angeles			✓	
Caesar R.	Ruegg	UBS Financial Services	San Francisco	✓	✓	✓	✓
Kevin	Sanchez	UBS Financial Services	Walnut Creek			✓	✓
Kevin	Scott	Merrill Lynch Wealth Management	Los Angeles		✓	✓	
Brian	Sharpes	UBS Financial Services	Walnut Creek			✓	✓
Roger W.	Stephens	UBS Financial Services	Los Angeles	✓	✓	✓	✓
Keith	Tanabe	Merrill Lynch Wealth Management	Los Angeles			✓	✓
Thomas	Van Dyck	SRI Wealth Management Group	San Francisco	✓	✓	✓	✓
Emily	Van Hoorickx	UBS Financial Services	San Jose		✓	✓	✓
Christopher George	Venuti	UBS Financial Services	Westlake Village		✓	✓	✓
Philip Stephen	Walters	Wells Fargo Advisors, LLC	Beverly Hills		✓	✓	✓
Alan B.	Whitman	Morgan Stanley Wealth Management	Pasadena	✓	✓	✓	
Steve	Winston	Morgan Stanley Wealth Management	Los Angeles	✓	✓	✓	✓
Reza	Zafari	Merrill Lynch - Private Banking & Investment Group	Los Angeles			✓	
Drew	Zager	Morgan Stanley Private Wealth Management	Los Angeles			✓	✓
Gregory W.	Zanolli	Wells Fargo Advisors, LLC	Roseville		✓	✓	
COLORADO							
Mark	Brown	Brown & Tedstrom, Inc.	Denver		✓		
Shawn	Fowler	Morgan Stanley Private Wealth Management	Denver		✓	✓	✓
Mark	Smith	M.J. Smith and Associates	Greenwood Village	✓	✓	✓	
David B.	Sogge	RBC Wealth Management	Greenwood Village		✓	✓	✓
CONNECTICUT							
Charles	Noble	Janney Montgomery Scott	New Haven	✓	✓	✓	✓
James A.	Dittrich	UBS Private Wealth Management	Stamford		✓	✓	✓
Ivan	Dolgins	Merrill Lynch Wealth Management	Stamford		✓		✓
John	Erdmann III	Merrill Lynch - Private Banking & Investment Group	Greenwich	✓		✓ ✓	
Richard	Goodwin	Merrill Lynch Wealth Management	Madison		✓	✓	
William J.	Greco	UBS Financial Services	Hartford	✓	✓	✓	
Thomas D.	Lips	UBS Financial Services	Hartford		✓	✓	✓
Thomas	Vacheron	Merrill Lynch Wealth Management	Fairfield	✓	✓	✓	✓
WASHINGTON, D.C.							
Alexandra	Armstrong, CFP	Armstrong, Fleming & Moore Inc.	Washington	✓	✓	✓	
Brett	Anthony	Morgan Stanley Wealth Management	Washington	✓	✓	✓	✓
Jonathan R.	Legg	Morgan Stanley Private Wealth Management	Washington			✓	✓
Marvin	McIntyre	Morgan Stanley Wealth Management	Washington	✓	✓	✓	
Trevor	Nelson	Merrill Lynch Wealth Management	Washington		✓		✓
Wayne	Nelson	Merrill Lynch Wealth Management	Washington		✓		✓
Thomas	Rietano III	Merrill Lynch Wealth Management	Washington		✓	✓	
Christopher S.	Sargent	Wells Fargo Advisors, LLC	Washington		✓	✓	✓
John M.	Williams	Morgan Stanley Private Wealth Management	Washington		✓	✓	
FLORIDA							
Martin J.	Kossoff, CFP, , AIF	Kerkering Barberio Financial Services, Inc.	Sarasota	✓	✓	✓	✓
Peter L.	Bermont	The Bermont Advisory Group at Raymond James	Coral Gables		✓	✓	✓
Donald	Campagna	Raymond James Financial Services	Boca Raton	✓	✓	✓	
Adam E.	Carlin	Morgan Stanley Wealth Management	Coral Gables	✓	✓	✓	✓
Louis	Chiavacci	Merrill Lynch - Private Banking & Investment Group	Coral Gables			✓	
Aimee	Cogan	Morgan Stanley Wealth Management	Sarasota		✓	✓	
Don A.	d'Adesky	Morgan Stanley Wealth Management	Boca Raton	✓	✓	✓	✓
Mark	Elliott	Wells Fargo Advisors, LLC	Palm Beach Gardens		✓		
John S.	Fulton	UBS Private Wealth Management	Palm Beach	*			
Meg	Green, CFP	Meg Green & Associates	Miami	✓	✓	✓	
William	King	Merrill Lynch Wealth Management	Vero Beach		✓		
Michael A.	McCain	Wells Fargo Advisors, LLC	Naples	✓	✓	✓	
Thomas M.	Moran	Wells Fargo Advisors, LLC	Naples		✓	✓	✓
Patrick	Passarelle	Morgan Stanley Wealth Management	Boca Raton	✓	✓	✓	✓
Andrew	Schultz	Morgan Stanley Wealth Management	Aventura	✓	✓	✓	

* Information not available

FT 400 Top Financial Advisers

First Name	Last Name	Company	City	Investor Segment Served			
				Individual	HNW	Ultra HNW	Institutional
Margaret Chow	Starner	Raymond James & Associates	Coral Gables	✓	✓	✓	
John	Thorsen	Raymond James & Associates	Orlando	✓	✓	✓	
GEORGIA							
Ronald	Banks	Merrill Lynch Wealth Management	Alpharetta	✓	✓		✓
Erik	Bjerke	Merrill Lynch Wealth Management	Atlanta	✓	✓	✓	✓
Lawrence Ferber	Buckley	UBS Financial Services	Atlanta	*			
W. Earle	Dodd III	UBS Financial Services	Atlanta		✓	✓	✓
Brian	Frank	Morgan Stanley Wealth Management	Atlanta		✓	✓	✓
James C.	Hansberger	Morgan Stanley Wealth Management	Atlanta		✓	✓	
Ronald	Hart	Morgan Stanley Wealth Management	Atlanta	✓	✓	✓	✓
Roderick	Hennek	Raymond James & Associates	Atlanta	✓	✓		
Kevin	Higgin-botham	Merrill Lynch Wealth Management	Atlanta	✓	✓	✓	✓
Michael	Hines, CFP	Consolidated Planning Corporation	Atlanta	✓	✓	✓	✓
Deborah	Howard	Merrill Lynch Wealth Management	Atlanta	✓	✓	✓	✓
James	Kaufman	Merrill Lynch Wealth Management	Atlanta	✓	✓	✓	✓
David	Mack	Merrill Lynch Wealth Management	Atlanta	✓	✓	✓	✓
Keith A.	Mericka	UBS Private Wealth Management	Atlanta		✓	✓	✓
Michael J.	Merlin	Morgan Stanley Wealth Management	Atlanta	✓	✓	✓	
Edward	Michelson	Raymond James & Associates	Atlanta	✓	✓		
Vandyke G.	Price	UBS Private Wealth Management	Atlanta	✓	✓	✓	✓
Warren D.	Stribling	Wells Fargo Advisors, LLC	Geinsville		✓		
Andrew	Sullivan	LPL Financial	Alpharetta	✓	✓		
John	Vilardo	Merrill Lynch Wealth Management	Atlanta			✓	
James	Wallace	Merrill Lynch Wealth Management	Atlanta	✓	✓	✓	✓
John R. (Rod)	Westmore-land	Merrill Lynch - Private Banking & Investment Group	Atlanta		✓	✓	
HAWAII							
Ronald	Kikawa	UBS Financial Services	Honolulu	*			
ILLINOIS							
Peter	Abuls	Raymond James & Associates	Chicago	✓	✓	✓	
Bruce	Becker	Morgan Stanley Wealth Management	Chicago		✓	✓	
Richard A.	Bone, CFP	Raymond James & Associates	Chicago	✓	✓	✓	
Kyle	Chudom	Morgan Stanley Wealth Management	Oak Brook	✓	✓	✓	✓
Michael D.	Cohen	Morgan Stanley Wealth Management	Chicago	✓	✓		
Brad	DeHond	Morgan Stanley Private Wealth Management	Chicago			✓	✓
Ajay	Desai	UBS Private Wealth Management	Chicago			✓	✓
James	Eller	Raymond James & Associates	Chicago	✓	✓	✓	
Gregory D.	Glyman	UBS Financial Services	Chicao	*			
Richard M.	Held	UBS Financial Services	Chicago	*			
Joseph	Kartheiser	Morgan Stanley Wealth Management	Chicago	✓	✓	✓	
Kenneth E.	Labarge	UBS Financial Services	Chicago			✓	✓
Scott	Magnesen	Morgan Stanley Wealth Management	Oak Brook	✓	✓	✓	
James	Moriarity	Morgan Stanley Private Wealth Management	Chicago			✓	✓
Sharon	Oberlander	Merrill Lynch Wealth Management	Chicago		✓	✓	
Louis D.	Paster	UBS Financial Services	Chicago		✓	✓	✓
Lucy	Piotrowski	UBS Financial Services	Chicago	*			
Thomas	Rice	UBS Financial Services	Northbrook	✓	✓	✓	
Joseph N.	Silich	Morgan Stanley Wealth Management	Chicago		✓	✓	
Walter	Sparks	The Brechnitz Group of Raymond James	Decatur	✓	✓	✓	
Ronald	Stenger	Morgan Stanley Wealth Management	Oak Brook	✓	✓		
John G.	Stevenson, Jr.	Wells Fargo Advisors, LLC	Quincy	✓	✓	✓	✓
Paul G.	Tashima	UBS Financial Services	Chicago		✓	✓	✓
INDIANA							
Thomas	Buck	Merrill Lynch Wealth Management	Indianapolis			✓	✓
Brian F.	Cooke	Wells Fargo Advisors, LLC	Indianapolis		✓	✓	✓
Adam	Estes	Hilliard Lyons	Bloomington	✓	✓		
Barbara	Geltmaker	Horizon Wealth Management	New Albany		✓		
Paul	Stscherban	Robert W. Baird	Mishawaka		✓	✓	

* Information not available

First Name	Last Name	Company	City	Investor Segment Served			
				Individual	HNW	Ultra HNW	Institutional
KENTUCKY							
Pete	Mahurin	Hilliard Lyons	Bowling Green	✓	✓		
Jeff	Roberts	Hilliard Lyons	Louisville	✓	✓		
LOUISIANA							
G. Andrew	Ahrens	Ahrens Investment Partners	LaFayette	✓	✓		
James R.	Frayard	UBS Financial Services	New Orleans	✓	✓	✓	✓
Tandy G.	Lewis, Jr.	Raymond James & Associates	Shreveport	✓	✓	✓	
Charles	Morris	Raymond James Financial Services	Baton Rouge	✓	✓	✓	
James	Spiro	Morgan Stanley Wealth Management	New Orleans	✓	✓	✓	
MASSACHUSETTS							
Christine	Armstrong	Morgan Stanley Wealth Management	Boston	✓	✓		✓
James	Atwood	Merrill Lynch - Private Banking & Investment Group	Boston			✓	
Thomas	Bartholomew	Bartholomew & Company, Inc.	Worcester	✓	✓	✓	✓
Maurice G.	Bradshaw	UBS Financial Services	Boston	*			
Debra	Brede	D.K. Brede Investment Management	Needham	✓	✓	✓	✓
Douglas	Bryan	Morgan Stanley Wealth Management	Boston	✓	✓	✓	✓
C. Richard	Carlson	UBS Financial Services	Boston	✓	✓	✓	✓
Wayne C.	Davis	UBS Private Wealth Management	Boston		✓	✓	
Sandy	Galuppo	Merrill Lynch Wealth Management	Boston				✓
David	Javaheri	Morgan Stanley Wealth Management	Wellesley	✓	✓	✓	✓
Mark	Joyce	Merrill Lynch Wealth Management	Boston		✓	✓	
Susan	Kaplan	Key Financial, Inc.	Newton		✓	✓	
Laurence H.	Knowlton	UBS Private Wealth Management	Boston		✓	✓	
Victor T.	Livingstone	Morgan Stanley Private Wealth Management	Boston		✓	✓	✓
Jonathan	Lonske	Morgan Stanley Wealth Management	Boston	✓	✓	✓	✓
Michael	Marchese	Axial Financial Group, LLC	Burlington	✓	✓	✓	✓
Paul	Miller	Axial Financial Group	Burlington	✓	✓	✓	✓
Edward G.	Nabhan	Morgan Stanley Wealth Management	Boston	✓	✓	✓	
Maxwell	Peckler	UBS Financial Services	Boston	✓	✓	✓	
Peter	Princi	Morgan Stanley Wealth Management	Boston		✓	✓	✓
Raj	Sharma	Merrill Lynch - Private Banking & Investment Group	Boston			✓	
Gregory	Simmons	Merrill Lynch Wealth Management	Quincy			✓	
Matthew J.	Sliwa, CFP, CFA	KSP Financial Consultants	Waltham	✓	✓	✓	
William J.	Sullivan	UBS Private Wealth Management	Boston		✓	✓	
Mark	Winthrop	Winthrop Wealth Management	Westborough		✓	✓	
Andy	Zimmerman	Morgan Stanley Wealth Management	Boston		✓	✓	✓
MARYLAND							
Patricia P.	Baum	RBC Wealth Management	Annapolis	✓	✓	✓	
Robert	Collins	Wells Fargo Advisors Financial Network, LLC	Bethesda	✓	✓	✓	
Ann Marie	Etergino	RBC Wealth Management	Chevy Chase	✓	✓	✓	✓
Tom	Hill	Morgan Stanley Wealth Management	Easton		✓	✓	✓
Rob	Kantor	XML Financial Group	Rockville		✓		
Brian	Kroneberger	RBC Wealth Management	Hunt Valley	✓	✓	✓	✓
Arun	Sardana	UBS Financial Services	Bethesda			✓	✓
Gerald	Scheinker	Scheinker Investment Partners of Janney Montgomery Scott	Baltimore	✓	✓	✓	✓
E. Geoff	Sella	SPC Financial, Inc.	Rockville	✓	✓		
Edward W.	Smith	UBS Financial Services	Baltimore	✓	✓	✓	✓
Bernard	Wolfe	NFP	Chevy Chase	✓	✓	✓	
MAINE							
Jeremiah	Burns, Jr.	Morgan Stanley Wealth Management	Portland		✓	✓	✓
MICHIGAN							
Scott	Bernecker	Merrill Lynch Wealth Management	Grand Rapids		✓		
Brian	Brice	Merrill Lynch Wealth Management	Bloomfield Hills			✓	
Timothy	Brice	Merrill Lynch Wealth Management	Bloomfield Hills				✓
Gary W.	Jbara	Morgan Stanley Wealth Management	Farmington Hills	✓	✓	✓	✓

FT 400 Top Financial Advisers

First Name	Last Name	Company	City	Investor Segment Served			
				Individual	HNW	Ultra HNW	Institutional
Bruce	Johnson	Wells Fargo Advisors Financial Network, LLC	Holland	✓	✓	✓	✓
John	Kulhavi	Merrill Lynch Wealth Management	Farmington Hills		✓		
Dana	Locniskar	Merrill Lynch - Private Banking & Investment Group	Troy			✓	
Timothy	Long	Merrill Lynch Wealth Management	Grand Rapids		✓		
David	Lund	Merrill Lynch Wealth Management	Grand Rapids		✓		
William	Mackay	Merrill Lynch Wealth Management	Grand Rapids				✓
Mark J.	Rogers	Morgan Stanley Wealth Management	Farmington Hills	✓	✓	✓	✓
Todd	Sanford, CFP	Raymond James Financial Services	Portage	✓	✓	✓	✓
Robert	Stulberg	Merrill Lynch Wealth Management	Bloomfield Hills		✓		
Marie	Vanerian	Merrill Lynch Wealth Management	Troy	✓			
James	Veldheer	Merrill Lynch Wealth Management	Grand Rapids				✓
Charles	Zhang	Zhang Financial	Portage	✓	✓	✓	✓
MINNESOTA							
Robert R.	Cass	Wells Fargo Advisors, LLC	Bloomington		✓	✓	✓
Louis	Close	UBS Private Wealth Management	Minneapolis		✓	✓	
Tom	Drees	Morgan Stanley Wealth Management	Bloomington	✓	✓	✓	
Charles	Major	UBS Private Wealth Management	Minneapolis		✓	✓	
Ben	Marks	Marks Group Wealth Management	Minnetonka		✓	✓	✓
Michael	Ovshak	Commonwealth Financial Network	New Brighton	✓	✓	✓	
Michael	Slaggie	Raymond James Financial Services	Winona	✓	✓	✓	✓
Bill	Stevens	Stevens Foster	Bloomington		✓	✓	
Theresa	Ward	Merrill Lynch Wealth Management	Bloomington	✓	✓	✓	
Brad	Wheelock	RBC Wealth Management	St. Cloud	✓	✓	✓	✓
MISSOURI							
Thomas H.	Freeman	UBS Financial Services	Kansas City	✓	✓	✓	✓
Michael A.	Jefferies	UBS Financial Services	Kansas City		✓	✓	✓
Bernard J.	King	UBS Financial Services	St. Louis	✓	✓	✓	
Richard E.	Mistler	UBS Financial Services	Kansas City	✓	✓	✓	
MISSISSIPPI							
Michael E.	Dowell	Morgan Stanley Wealth Management	Jackson	✓	✓	✓	✓
Bill Rush	Mosby III	UBS Financial Services	Jackson	✓	✓	✓	✓
NEBRASKA							
Jonathan	Beukelman	UBS Private Wealth Management	Lincoln		✓	✓	✓
Andrew C.	Robinson	Morgan Stanley Wealth Management	Omaha		✓	✓	
NORTH CAROLINA							
Jeff	Carbone	Cornerstone Financial Partners	Cornelius		✓	✓	
Gregory	Cash	Merrill Lynch - Private Banking & Investment Group	Charlotte			✓	
J. Reid	Murchison III	Wells Fargo Advisors, LLC	Wilmington	✓	✓	✓	✓
William	Oliver	Wells Fargo Advisors Financial Network, LLC	Charlotte	*			
R. Mitchell	Wickham	Merrill Lynch - Private Banking & Investment Group	Charlotte			✓	
NEVADA							
Brian	Buckley	Morgan Stanley Wealth Management	Las Vegas	✓	✓	✓	
NEW JERSEY							
James	Barry	Merrill Lynch Wealth Management	Princeton	✓		✓	
Christopher	Cook	Merrill Lynch Wealth Management	Florham Park		✓	✓	
Bruce	Gsell	Merrill Lynch Wealth Management	Edison	✓		✓	✓
Charles	Malamut	Merrill Lynch Wealth Management	Egg Harbor Township	✓		✓	
James	Maltese	Merrill Lynch Wealth Management	Edison		✓	✓	
James	McLaughlin	Princeton Wealth Advisors of Raymond James	Princeton	✓	✓	✓	✓
John	Micera	RBC Wealth Management	Florham Park	✓	✓	✓	
Mark	Pollard	Merrill Lynch Wealth Management	Princeton	✓		✓	
Michael	Ricca	Morgan Stanley Wealth Management	Florham Park		✓	✓	
Daniel	Schwartz	UBS Private Wealth Management	Paramus		✓	✓	✓
L. Marc	Shegoski	UBS Financial Services	Princeton		✓	✓	✓
Michael S.	Stern	Wells Fargo Advisors, LLC	Vineland		✓		✓
Gary	Tantleff	UBS Financial Services	Bedminster	✓	✓	✓	
Ira A.	Walker	UBS Private Wealth Management	Red Bank			✓	

First Name	Last Name	Company	City	Investor Segment Served			
				Individual	HNW	Ultra HNW	Institutional
David	Weinerman	Morgan Stanley Wealth Management	Florham Park		✓	✓	
NEW MEXICO							
John	Moore	John Moore & Associates	Albuquerque	✓	✓	✓	
NEW YORK							
Charles	Balducci	Merrill Lynch Wealth Management	New York	✓	✓	✓	
John	Barrett	Merrill Lynch Wealth Management	New York	✓	✓		
Ron	Basu	Morgan Stanley Private Wealth Management	New York		✓	✓	✓
David	Beyer	Morgan Stanley Wealth Management	New York	✓	✓	✓	
George	Bianco	Merrill Lynch Wealth Management	New York		✓		
Douglas P.	Braff	UBS Financial Services	New York	✓	✓	✓	✓
Stephen	Brown	Merrill Lynch - Private Banking & Investment Group	Pittsford			✓	
Jeffrey	Bryan	Merrill Lynch - Private Banking & Investment Group	New York			✓	
Jay	Canell	Morgan Stanley Wealth Management	New York	✓	✓	✓	✓
Neil	Canell	Morgan Stanley Wealth Management	New York	✓	✓	✓	✓
Gerald	Chasin	UBS Financial Services	Uniondale		✓	✓	✓
Steve	Condos	Morgan Stanley Private Wealth Management	New York		✓	✓	
Janine	Craane	Merrill Lynch Wealth Management	New York	✓	✓	✓	✓
Valery	Craane	Merrill Lynch Wealth Management	New York	✓	✓	✓	✓
Matthew	Dermer	Wells Fargo Advisors, LLC	New York		✓	✓	✓
Todd	Discala	Merrill Lynch Wealth Management	New York		✓		✓
Mark	Donohue	Morgan Stanley Wealth Management	New York	✓	✓	✓	✓
Jesse	Eaton	Wells Fargo Advisors, LLC	New York		✓	✓	✓
William L.	Einstein	UBS Financial Services	New York	✓	✓	✓	
George	Gero	RBC Wealth Management	New York		✓		✓
Martin L.	Halbfinger	UBS Financial Services	New York	✓	✓	✓	✓
Gregory	Hersch	UBS Financial Services	New York		✓	✓	✓
Jonathan	Kass	Merrill Lynch Wealth Management	New York	✓	✓	✓	
Jason M.	Katz	UBS Financial Services	New York	✓	✓	✓	✓
Thomas P.	Kazazes	Morgan Stanley Private Wealth Management	New York			✓	✓
Thomas	Keegan	Merrill Lynch - Private Banking & Investment Group	New York	✓		✓	
Gerard	Klingman	Klingman & Associates, LLC	New York	✓	✓	✓	
Jeffrey	Kobernick	UBS Private Wealth Management	New York		✓	✓	
Andrew	Kraus	Merrill Lynch - Private Banking & Investment Group	New York	✓		✓	
Anthony	Luppino	Merrill Lynch Wealth Management	New York	✓	✓	✓	✓
Christopher	Mahoney	Merrill Lynch Wealth Management	West Nyack	✓	✓	✓	✓
Stephen	Mandel	Merrill Lynch Wealth Management	New York			✓	
Ira	Mark	Morgan Stanley Wealth Management	New York	✓	✓	✓	
Paul	Marvin	Merrill Lynch Wealth Management	New York		✓		
Robert	McGinty	Merrill Lynch - Private Banking & Investment Group	New York	✓		✓	
Douglas	Mellert	Merrill Lynch Wealth Management	New York		✓		✓
John	Mirsepahi	Morgan Stanley Wealth Management	New York		✓	✓	✓
Daniel	O'Connell	Merrill Lynch Wealth Management	Garden City	✓	✓	✓	
John	Olson	Merrill Lynch Wealth Management	New York	✓	✓	✓	✓
Kevin	Peters	Morgan Stanley Wealth Management	Purchase		✓	✓	✓
Brian C.	Pfeifler	Morgan Stanley Private Wealth Management	New York		✓	✓	
Fotios	Piniros	Morgan Stanley Private Wealth Management	New York		✓	✓	✓
Russell A.	Rabito	UBS Financial Services	New York		✓	✓	✓
Abelardo	Riera	Merrill Lynch Wealth Management	New York		✓	✓	
James	Ryan	Merrill Lynch - Private Banking & Investment Group	New York	✓		✓	✓
Frank J.	Sabia	UBS Financial Services	White Plains	✓	✓	✓	
Michael	Sawyer	Morgan Stanley Private Wealth Management	New York			✓	
R. Sheldon	Scherer	Merrill Lynch Wealth Management	New York	✓	✓	✓	✓
Robert John	Sechan II	UBS Private Wealth Management	New York	*			
Mark	Seruya	Morgan Stanley Wealth Management	New York		✓	✓	✓
Daniel J.	Sherman	Morgan Stanley Wealth Management	New York		✓	✓	

* Information not available

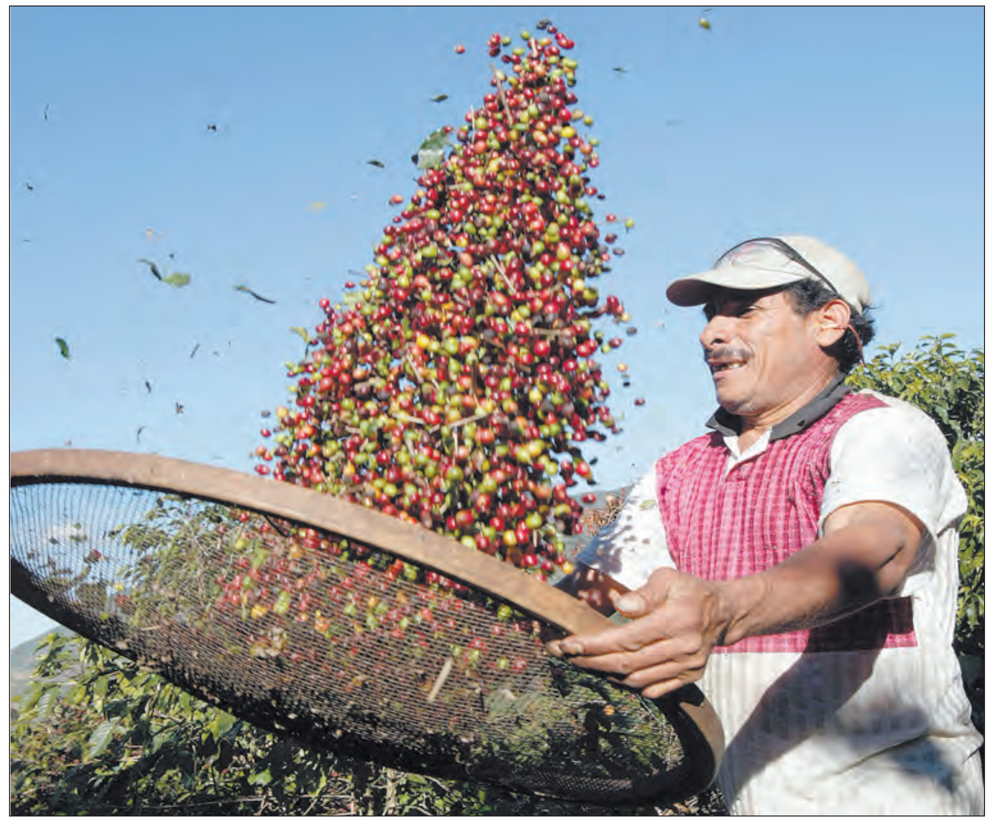
FT 400 Top Financial Advisers

First Name	Last Name	Company	City	Investor Segment Served			
				Individual	HNW	Ultra HNW	Institutional
M. David	Sherrill	Morgan Stanley Wealth Management	New York		✓	✓	
Eric	Snyder	Merrill Lynch Wealth Management	New York	✓	✓	✓	
Heliane	Steden	Merrill Lynch Wealth Management	New York			✓	
Thomas	Sullivan	Merrill Lynch Wealth Management	Garden City	✓		✓	
Robert	Waldele	Merrill Lynch Wealth Management	New York	✓	✓	✓	
Noel	Weil	Merrill Lynch - Private Banking & Investment Group	New York	✓		✓	
Todd	Yannuzzi	Morgan Stanley Wealth Management	New York	✓	✓	✓	✓
OHIO							
Randolph	Carver	Carver Financial Services Inc.	Mentor	✓	✓	✓	✓
Joseph	Chornyak	Commonwealth Financial Network	Columbus	✓	✓	✓	
Joseph	Chornyak, Jr.	Commonwealth Financial Network	Columbus	✓	✓	✓	
David W.	Ellis III	UBS Private Wealth Management	Cincinnati		✓	✓	✓
Stephen J.	Fish	Hilliard Lyons	Kenwood	✓	✓		
Robert	Keidan	Keidan Financial Consultants	Columbus	✓	✓	✓	
John T.	Lawrence III	UBS Financial Services	Kenwood	✓	✓	✓	✓
William	Leugers	UBS Financial Services	Cincinnati	✓	✓	✓	✓
Robert	Mauk	Commonwealth Financial Network	Columbus	✓	✓	✓	
Kevin Howard	Myeroff	Royal Alliance	Mayfield Heights	✓	✓	✓	✓
Ashok	Shendure, CFP	BDS Financial Network	Solon	✓	✓	✓	
Jeffrey L.	Stewart	Morgan Stanley Wealth Management	Dublin	✓	✓	✓	✓
OKLAHOMA							
Jeffrey A.	Blumenthal	Wells Fargo Advisors, LLC	Oklahoma City	✓	✓	✓	✓
Michael E.	Murray	Wells Fargo Advisors, LLC	Tulsa	*			
OREGON							
William K.	Blount	UBS Financial Services	Portlad	*			
Douglas	Greenberg	Morgan Stanley Wealth Management	Portland	✓	✓	✓	
PENNSYLVANIA							
George	Bellos	Wells Fargo Advisors, LLC	Philadelphia	✓	✓	✓	
Robert	Bishop	Janney Montgomery Scott	Pittsburgh	✓	✓	✓	✓
Edward S.	Blumenthal	Janney Montgomery Scott	Philadelphia	✓	✓	✓	✓
Patricia Clark	Brennan	Key Financial, Inc.	West Chester	✓	✓	✓	
Robert	Cautilli	Wells Fargo Advisors, LLC	Philadelphia		✓	✓	✓
Patrick Colin	Coyne	Wells Fargo Advisors, LLC	Plymouth Meeting	✓	✓	✓	✓
Mark	Eskin	Janney Montgomery Scott	Philadelphia	✓	✓	✓	✓
Robert	Fragasso	LPL Financial	Pittsburgh	✓	✓	✓	
John T.	Garvey	UBS Financial Services	Philadelphia		✓	✓	
Marc Aleüander	Hembrough	Wharton Business Group, LLC	Exton	*			
Walter	Meranze	Wells Fargo Advisors, LLC	Yardley	✓	✓	✓	✓
James W.	Rimmel	UBS Financial Services	Pittsburgh	✓	✓	✓	✓
Peter	Rohr	Merrill Lynch - Private Banking & Investment Group	Philadelphia	✓		✓	
Eric	Salmansohn	Morgan Stanley Wealth Management	Philadelphia		✓	✓	
John A.	Solis-Cohen	Wells Fargo Advisors, LLC	Jenkintown		✓		
RHODE ISLAND							
Malcolm A.	Makin, CFP	Raymond James Financial Services	Westerly	✓	✓	✓	✓
TENNESSEE							
Raymond	Kinney	Merrill Lynch Wealth Management	Germantown		✓		✓
Malcolm H.	Liles	Morgan Stanley Wealth Management	Nashville	✓	✓	✓	✓
TEXAS							
Richard W.	Ashcroft	Wells Fargo Advisors, LLC	Houston		✓		
James	Coffee, Jr.	Merrill Lynch Wealth Management	Houston		✓	✓	✓
Frederick	De Groot	Merrill Lynch Wealth Management	The Woodlands			✓	✓
V. Robert	Fisher, Jr.	UBS Financial Services	Houston	✓	✓	✓	✓
Greg	Glosser	RBC Wealth Management	Dallas	✓	✓	✓	
H. H. "Will"	Hardee	RBC Wealth Management	Houston	✓	✓	✓	
Rob	Hardin	Wells Fargo Advisors, LLC	Houston	✓	✓	✓	✓
Michael William	Hesse	FSC Securities Corporation	Houston	✓	✓	✓	
Susan	Heuer	Merrill Lynch Wealth Management	Houston	✓	✓		
Debra	Hilton	LPL Financial	The Woodlands				✓
Douglas G.	John	UBS Private Wealth Management	Dallas	*			
Melinda M.	Johnston	UBS Financial Services	Fort Worth	*			
Gregory Owen	Klenke	UBS Financial Services	Houston	✓	✓	✓	✓
Charles J.	Lewis, Jr.	Wells Fargo Advisors, LLC	Waco	✓	✓	✓	✓
Elizabeth Gillean	Lockwood	UBS Financial Services	Houston/RiverOak		✓	✓	
Lewis	Metzger	Morgan Stanley Wealth Management	Houston	✓	✓	✓	
Shott	Miller	Merrill Lynch Wealth Management	Fort Worth	✓	✓	✓	✓
John	Mockovciak	Robert W. Baird	Dallas		✓		
Mark A.	Moore	UBS Financial Services	Austin	✓	✓	✓	
Van	Pearcy	Raymond James Financial Services	Midland	✓	✓	✓	
Richard	Piatas	Merrill Lynch Wealth Management	Dallas		✓	✓	
Randy	Price	RBC Wealth Management	Houston	✓	✓	✓	
Risher	Randall, Jr.	Morgan Stanley Wealth Management	Houston		✓	✓	
Robert C.	Rathjen	UBS Financial Services	Houston		✓	✓	✓
Randy	Rodgers	UBS Financial Services	Fort Worth	*			
Reed	Smith	Merrill Lynch - Private Banking & Investment Group	Houston			✓	
Jeffrey A.	Thomas	Morgan Stanley Wealth Management	Houston		✓	✓	
Scott	Tiras	Ameriprise Financial Services	Houston	✓	✓	✓	✓
Scott A.	Vehslage	UBS Financial Services	North Dallas	*			
Champ	Warren III	Merrill Lynch - Private Banking & Investment Group	Houston			✓	
John B.	Young, Jr.	UBS Financial Services	Houston/RiverOak		✓	✓	
Arthur H.	Zeitz	Wells Fargo Advisors, LLC	Austin	✓	✓	✓	✓
UTAH							
R. Scott	Runia	Merrill Lynch - Private Banking & Investment Group	Provo	✓		✓	
VIRGINIA							
Stephan Quinn	Cassaday	Cassaday & Company	McLean		✓	✓	
John	Gill	BB&T/Scott & Stringfellow	Virginia Beach	✓	✓	✓	
Jeffrey	LeClair	Wells Fargo Advisors, LLC	McLean		✓	✓	✓
Joseph W.	Montgomery	Wells Fargo Advisors, LLC	Williamsburg		✓	✓	✓
Robert	Olcott III	Wells Fargo Advisors Financial Network, LLC	McLean		✓		✓
William	Orlando	Wells Fargo Advisors, LLC	Fairfax		✓		
WASHINGTON							
Brian	Acarregui	Morgan Stanley Wealth Management	Seattle	✓	✓	✓	✓
Jean E.	Adams	Wells Fargo Advisors, LLC	Seattle	*			
Mark B.	Barnum	UBS Financial Services	Seattle	*			
Dean	Braun	Morgan Stanley Private Wealth Management	Seattle			✓	
Wayne	Hampson	Merrill Lynch Wealth Management	Seattle			✓	
Robert	Lesko	Morgan Stanley Private Wealth Management	Seattle		✓	✓	✓
Dale T.	Miller	Morgan Stanley Wealth Management	Bellevue		✓	✓	
WISCONSIN							
Andrew D.	Burish	UBS Financial Services	Madison	✓	✓	✓	✓
David	Epstein	Robert W. Baird	Milwaukee	✓	✓	✓	✓
Michael	Klein	Private Asset Management, Robert W. Baird	Milwaukee			✓	
WEST VIRGINIA							
David L.	Houchins	BB&T/Scott & Stringfellow	Charleston	✓	✓	✓	✓

* Information not available

Diligence advised for newcomers to 'trendy' products

Alternatives Asset allocation should target investors' risk appetite, writes *Whitney Curry Wimbish*



Smell the coffee: 'alternatives' can be anything beyond long-only stocks, bonds or cash Reuters

Flows into "alternative" mutual funds have increased dramatically since the financial crisis as retail investors search for ways to diversify their portfolios and protect themselves against down markets. While alternative mutual funds comprise slightly less than 1 per cent of total mutual fund assets, Morningstar data show investors have added billions to their coffers since 2007 when they held $37.6bn. Since then, assets have more than doubled to about $90.7bn last year.

Some advisers warn that such funds are not appropriate for everyone and suggest that those who are interested pursue in-depth discussions before making an allocation. For investors new to alternatives, experts suggest keeping allocations small, creating a diversified portfolio and avoiding "trendy" products.

"Alternatives are kind of a sexy thing to talk about. People read about them and wonder, 'Why aren't I doing this?'" says Stephen Fish, senior vice-president at Hilliard Lyons in Kenwood, Ohio. "The growing popularity of retail alternatives is absolutely true. But a lot of that is [because of the] popular press, where financial consultants want to appear to be at the top of their game . . . investors should have a financial consultant who knows enough to have a conversation and who is able to say to certain investors: 'This is not appropriate for you.'"

Alternative mutual funds aim to emulate some of the strategies only available to extremely wealthy people and institutional investors that can post very large minimums. Many advisers define "alternatives" as anything other than long-only stocks, bonds or cash, meaning that, when they are discussing an "alternative fund", they could mean funds focused on private equity, hedge fund strategies, commodities, currencies or other investment types.

Regulations restrict mutual funds' use of illiquid assets and leverage, so some alternative strategies cannot be duplicated. But the transparency and daily liquidity available in an alternative mutual fund can trump other concerns, especially for wealthy individuals.

Alternative retail funds are not appropriate for every retail investor and certain investors should avoid the asset class entirely, some say. Investors who want their entire portfolio to create income because their capital is deteriorating, for example, might not want any alternative funds, Mr Fish argues. Nor should investors feel uncomfortable, other advisers say, with an allocation that appears to perform poorly during certain markets while the rest of their portfolio performs well.

Some are more enthusiastic than others, while certain advisers have stricter guidelines. Investors could approach the topic by first asking how their advisers define "alternative" and what function an alternative allocation would fulfil in a portfolio, experts suggest.

"It's a very expansive category," says Brad Wheelock, senior vice-president at RBC Wealth Management of St Cloud, Minnesota. "Investors first need to understand: is it an inflation hedge? Protection of principal in a downward market? What's the overall goal? Once that's established, we would want to construct a portfolio that encompasses a lot of scenarios."

Mr Wheelock urges caution because, in some cases, alternatives can "look wonderful in concept, and they're supported by academic opinion, but in a pragmatic sense don't work".

The asset allocation should be targeted at investors' goals, needs and appetite for risk, experts say.

Ben Marks, president and chief investment officer at Marks Group Wealth Management in Minnetonka, Minnesota, says investors should "start with a discipline, choose a percentage, make a decision based on tolerance to risk and other investment objectives" and avoid decisions based on short-term expectations.

As investors' allocation to alternatives comes into sharper focus, they should narrow the scope of their questions, asking how well the asset classes being considered perform during typical markets, as well as during the difficult ones, says Debra Brede, founder of DK Brede Investment Management, based in Needham, Massachusetts.

Experts suggest investors need to make sure they know how expensive their new portfolio will be and whether the projected returns or risk mitigation justify the expense.

Derivatives and other alternative products and strategies are costly, making alternative mutual funds significantly more expensive than the more traditional mutual funds.

"Alternative investments in their various forms are typically more profitable to mutual fund companies and investment firms . . . investors should evaluate them cautiously," Mr Wheelock says.

"Not to say they're all wrong but any time something is extraordinarily beneficial to one party, you want to make sure it's equally productive for the other party."

Discretion is the better part of management

Portfolio models

Billy Nauman considers 'rep-as-PM', which many advisers prefer in volatile markets

There are a variety of models through which an investor can work with a financial adviser. One of the fastest growing is the "rep-as-PM" model, where the registered representative acts as the portfolio manager, having complete discretion over a client's portfolio. More than 70 per cent of the Financial Times 400 advisers use it as part of their practices. While more money is still managed using model portfolios built by the brokerages' home offices, assets in rep-as-PM are growing much more rapidly.

The model has been around for years but really took off after the financial crisis. Financial advisers argue that the ability to create more customised portfolios and quickly buy and sell investments without needing client approval for each trade frees them to react more nimbly to volatile markets, thereby providing significant downside protection. Technological advances have made it easier to apply the model to many accounts, enabling an adviser to add or subtract an investment from hundreds of portfolios with a few mouse clicks.

"In the wirehouses, the model has been centralised asset management, where a central team would manage. But advisers felt they couldn't react fast enough to changing markets," says Alois Pirker, a research director at the Aite Group consultancy.

"This led to rep-as-PM being a greatly in-demand set-up. But broker-dealer firms have to be careful about it. They can't let everyone do it. They need to keep it under control and make sure the advisers have the right training and can be trusted to manage the assets."

Not all advisers are qualified to use rep-as-PM. programmes. Taking discretion requires a broader set of skills than being a traditional financial adviser.

Before granting discretion to an adviser, investors must first decide whether or not the model is an appropriate way to meet their objectives and if it conforms to their risk tolerance. It is equally important to ensure that the adviser entrusted to manage that portfolio is capable of taking on the added responsibility of the role. It is imperative to understand each individual adviser's strengths and weaknesses.

"[If I were the investor,] I would ask about the adviser's experience – not just in the business but as a discretionary adviser," says Jay Link, head of adviser-directed programmes at Merrill Lynch.

Investors must also understand that not all advisers excel in the same strategies.

"Not every adviser is capable of managing money in the same way," says Pete Duback, director of product strategy at investment bank Robert W Baird. "We might give wider guardrails to some folks but allow some to build only mutual fund strategies rather than picking securities."

Most firms are not willing to allow just any adviser to take on discretion.

At Morgan Stanley, which has more than $175bn in its rep-as-PM programme – representing 25 per cent of the company's advisory assets – an adviser must be nominated by local management even to be considered a candidate for rep-as-PM. That is just the first step in an arduous journey.

"We have very rigid guidelines," says Jim Tracy, head of consulting at Morgan Stanley Wealth Management. Advisers must meet certain asset requirements as well as go through a substantial testing and training process.

Baird and Merrill Lynch have similar requirements. It all comes down to trust. "Everyone has two words in their head: Bernie Madoff," says Mr Duback. "You have to trust your firm to vet the adviser."

Group thinking points to lucrative gain

Adviser teams

Laura Suter assesses the arguments for and against different structures

Clients take a long time researching their advisers, their investment style and approach to working but many overlook structural issues. Typically, these are vertical, with one adviser at the top and a support team beneath, or horizontal, where a number of advisers work in partnership, alongside support staff.

The team approach is the most popular, particularly with the most successful advisers. But while more than 80 per cent of the FT 400 advisers work in teams, this does not necessarily mean they are better. Wealthy individuals may be drawn to teams, skewing the figures.

It is all about different levels of service: lone advisers claim to offer a more personal touch while teams suggest they are able to offer a much deeper level of care.

Those who work alone say they are more accountable, as there is no one else to shoulder the blame if a client is dissatisfied. Peter Rohr, managing director at Merrill Lynch's Private Banking and Investment Group (PBIG) in Philadelphia and a sole practitioner, says: "I never wanted to drive down the road sharing the steering wheel. If there was a mistake made, I wanted it to be on me."

He adds that not having to consult with a team means he can react more quickly to markets and clients. Another sole practitioner, Fane Opperman, managing director of investments at Opperman Financial Group of Wells Fargo Advisors in San Jose, California, agrees: "Running a practice by committee does not usually work that well."

Those in partnership may not make the quickest decisions but say they make the most informed ones by drawing on the strengths of each adviser. "Everybody has a different skill set, you can't have one person with all those skill sets," says Scott Magnesen, a managing director and financial adviser at Morgan Stanley Wealth Management in Oak Brook, Illinois. "Lots of successful teams have people with different backgrounds, so they can hit those different areas of client needs," he says.

Clients are currently more risk averse and expect an all-hours service. Coupled with the volatility of markets, the adviser's job has become harder. Mitchell Wickham, managing director of investments at Merrill Lynch PBIG in Charlotte, North Carolina, says it takes a team to service clients because "it has become a 24-hours-a-day, seven-days-a-week job".

Clients are likely to get higher service levels with adviser teams, as research shows they have fewer clients and so can spend more time on each one. The 2012 FA Insight study of advisory firms, Growth by Design, showed the average solo adviser has 78 clients, compared with 57 for each adviser working in a team.

Team advisers work with clients who have more than double the assets under management and more than 60 per cent higher revenue per client than their solo counterparts, the study showed. It is not clear whether this is because of teams choosing larger clients at the outset, or effective money management leading to higher growth in client assets.

Clients are less likely to feel neglected as they are taken care of by other advisers during holidays or illness. This is a weakness in the sole practitioner structure, says Merrill Lynch's Mr Rohr. He felt it when his son was taken ill, leading to periods out of the office: "It really is the one time I lamented not being a partnership."


Scott Magnesen: teams work

Clients with sole practitioners are not left abandoned in such situations. Most advisers use their professional networks to set up an emergency fallback.

This approach does not work when things are more permanent, such as when an adviser retires.

"My biggest fear as an adviser is the idea that my clientele would get dispersed among 20-30 different advisers and investment philosophies," says Morgan Stanley's Mr Magnesen. "It would be nice to know that my clients would stay with people I picked."

Partnerships can go wrong. Matt McLaughlin, a vice-president at Merrill Lynch PBIG in Charlotte, North Carolina, worked in management for Merrill Lynch and dealt with partnerships falling apart, which "happens every day".

Clients are usually covered by a "pre-nup" style of agreement that stipulates the plan of action should the adviser partnership relationship break down.

Clients should demand clarity. With both structures, clients need to know who to contact with specific questions, what to do in the case of absences and who is leading their account.

Whether working with other advisers or support staff, team cohesion is essential to clients getting a good service.

"Trust is, without a doubt, the most important thing," says Merrill Lynch's Mr Wickham. "If you trust your teammate, then everything positive comes as a result."

Bonds maintain a hold

US stocks

Jack Buehrer reports on a reluctance to get out of fixed income, in spite of rallies

The first quarter of 2013 has seen a soaring stock market push the main US indices to new all-time highs. But investors have yet to show a willingness to abandon their lower-yielding fixed income securities.

Stocks have maintained a sharp climb since January, buoyed by positive jobs numbers, a strengthening housing sector and record corporate profits. The Dow Jones Industrial Average, a price-weighted average of 30 blue-chip stocks, surpassed its all-time high in the first week of March. Simultaneously, the S&P 500 index of large-cap companies, more widely used by investment professionals, reached a new high in early April.

US investors poured about $38bn into US stock mutual funds in January, the first month since April 2011 that the asset class saw positive net inflows, according to the Investment Company Institute. Stock funds saw net outflows again in February.

Stock inflows have yet to come at the expense of investors' appetite for funds that invest in bonds. The year has featured net positive inflows for bond funds each month, giving analysts pause in declaring the stock market's gains the beginning of what some have called a "great rotation" out of bonds and into equities. Given that money has been flowing into bonds and out of US stocks steadily since the first quarter of 2009, many investment industry professionals have been waiting for years for this great rotation.

Still, advisers say they are starting to field calls from clients who have yet to jump on the equities bandwagon wondering when – and if now – is the time to reallocate money to US equities. Kevin Myeroff, an adviser at Royal Alliance Associates, says most portfolios were still 50 per cent in equities, even at the height of the financial crisis. Most investors, he adds, remain skittish about stocks but are starting to believe, or at least acknowledge, the hype.

"The memory of 2008 is still clear and fresh to them, so they're not drinking all the Kool-Aid just yet," Mr Myeroff says. "In many cases, people have been afraid to dip a little further in but they're starting to get more aggressive in their mindsets."

The re-emergence of stocks has had little effect on investors' overall exposure to bonds, says Russ Koesterich, global chief investment strategist at BlackRock. He says the money going into stocks has not been coming out of bonds but out of cash.

Gerry Klingman, an adviser at Raymond James Financial Services in New York, says many investors are kicking themselves for not having stayed in equities in the aftermath of the financial crisis and fear that they have missed their chance.

So what will it take for investors to leave bonds behind and go full tilt into equities? Mr Koesterich argues that little can happen in the near term to cause a large-scale rotation from bonds to stocks

"You need more sustained growth in equities and you need more good economic news. It's a slow process," he comments. "Bond yields are still at record lows, so investors are going to need to start losing money in bonds before they start dumping them. But that's not what's happening."

FT 400 Top Financial Advisers

Investments of passion come with rewards and high risks


Concrete returns: 'Abstraktes Bild (809-4)' by Gerhard Richter sold for $34m in 2012 Getty

Art collecting The past decade may have witnessed triple-digit returns yet the market appears fragmented and opaque, writes *Mariana Lemann*

A Chinese bowl bought for a meagre $3 sells for more than $2.2m. The abstract painting "Abstraktes Bild (809-4)" by Gerhard Richter, the German artist, acquired by Eric Clapton for $3.2m in 2001, fetches $34m in 2012. Those are returns that are difficult to find, to say the least, by investing in stocks or mutual funds.

"These kinds of stories are what fuel the market for fine art," says Suzanne Gyorgy, managing director and global head of art advisory and finance at Citi Private Bank.

The fine art market, as well as other collectables markets, are highly fragmented, unregulated and opaque. Yet they have rewarded investors with triple-digit returns over the past decade.

Among so-called investments of passion, fine art has appreciated by nearly 200 per cent in the past 10 years, according to the Knight Frank Luxury Investment Index. The index is based on the weighted performance of indices for nine classes of collectables, including fine art, Chinese ceramics, classic cars, coins, furniture, jewellery, stamps, watches and fine wine.

Investors are taking a closer look at these real assets beyond their aesthetic and emotional values. "What is changing perhaps is the investment angle," says Andrew Shirley, editor of Knight Frank's Wealth Report. "Previously, people liked to collect to have beautiful things and the best collection possible. But traditional investments have lost so much of their value . . . [that] these investments of passion are quite attractive."

Tales of appreciation of art pieces, coupled with recent creation of wealth, especially in emerging markets, have brought fresh money into fine art. "There have been many new buyers coming into the market," says Mary Hoeveler, a New York-based art adviser. "What comes with that, unfortunately, is a lot of speculation. Wall Street takes notice and people come to the market purely as investing."

The allure comes with high risks. Take Damien Hirst, the British artist whose works include dead animals preserved in formaldehyde and a skull sculpture encrusted with more than 8,000 diamonds. Some of his pieces have dropped in value by 30 per cent since 2008.

The sheer size of the art market makes it seem large and liquid. The global art market totalled $60.8bn in 2011, according to estimates from Clare McAndrew at Arts Economics. That does not mean it is easy to sell individual pieces. "Art is something that is much easier to buy than to sell," Ms Gyorgy says. "It is really an illiquid asset."

To address liquidity concerns, banks that serve wealthy and extremely wealthy investors, such as Citi Private Bank and US Trust, have units that structure loans against art pieces.

"These loans can help investors extract liquidity from their art assets, says John Arena, a senior vice-president and credit executive at US Trust.

"From a planning point of view, [clients] need to plan for the art," he says. "If they just buy the art and they hold on to it, there are tax consequences that need to be considered."

During the financial crisis, he says, these loans came in handy for investors stuck in other loans. "We were able to use the financial aspect of an art collection to offset the value of a margin loan."

Planning is more important because the art market is characterised by "sheep-like behaviour" and susceptible to passing trends, Ms Hoeveler says.

Contemporary art in particular goes in and out of favour. "When you are dealing with contemporary artists, their career can change, their work can change," Ms Gyorgy adds.

Still, market appreciation is not investors' primary motivation – at least, it should not be – advisers say.

"For people who are collecting contemporary art and fine art at a high level, it is a lifestyle, not just a hobby," argues Ms Hoeveler.

"You can call a collector in another part of the world, whom you've never met before, and introduce yourself. It is quite rare that you'd be turned down."

The more serious art lovers are about assembling a collection, the more careful they need to be about their choices.

Raj Sharma, a private wealth adviser at Merrill Lynch whose clients are worth $25m or more, senses that when investors allocate 10-20 per cent of their portfolio to art collections "it becomes a sub-asset class".

"People derive great satisfaction from [art pieces] but it is also an investment," he says.

Mr Sharma has experienced first-hand both the investment and the aesthetic and emotional aspects of collecting art. He is a collector of Indian miniature paintings from the 1500s and 1600s. "These things have quadrupled in price," he says. "It is exciting to see that."

Venturing into the fine art and collectables market requires caution and specialised advice. "You may love a piece of art but the marketplace may not," Mr Sharma says. He recommends working with an art adviser. "My advice would be look at it as a passion first and an investment later."