FT 300

Top Registered Investment Advisers

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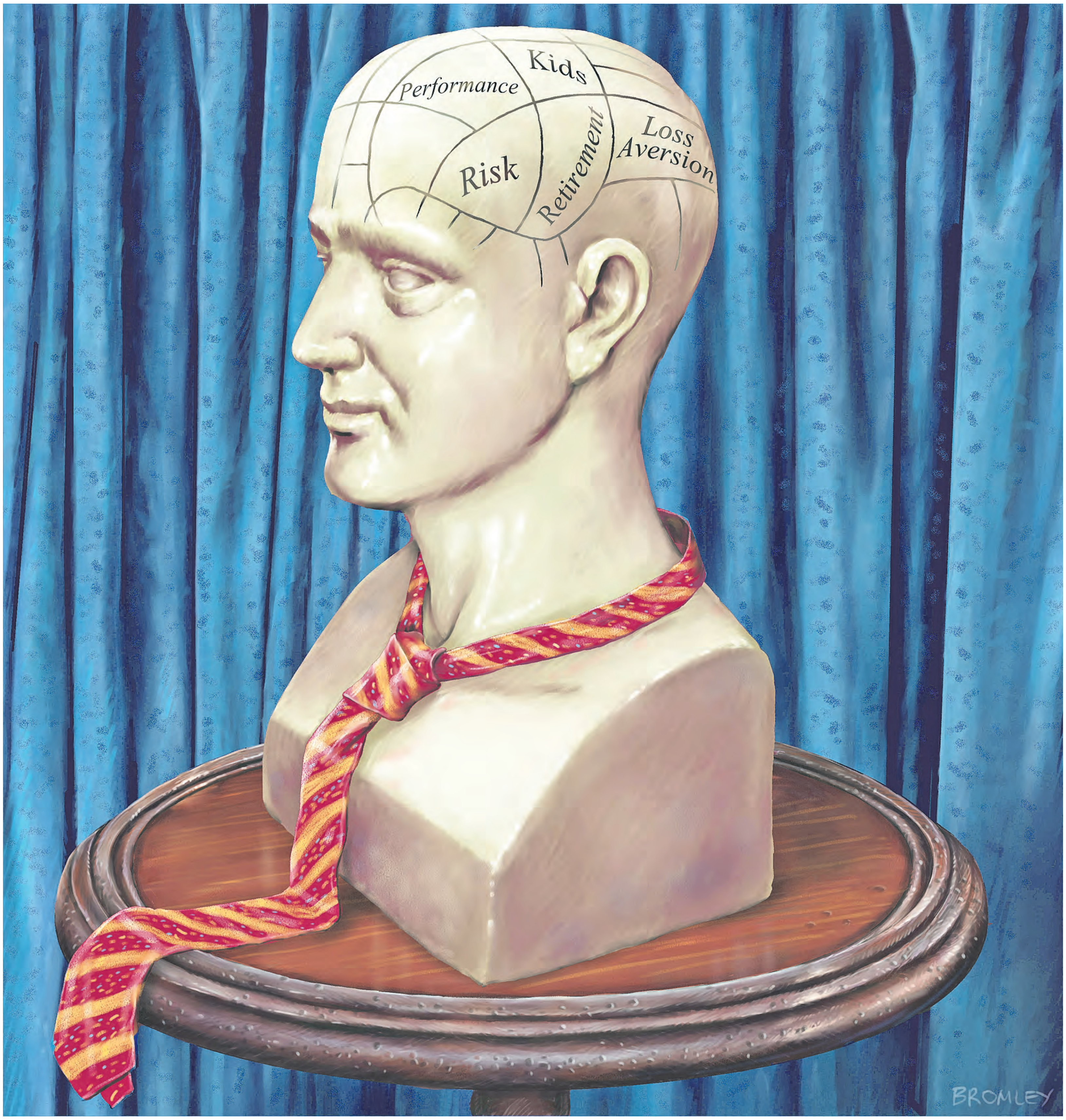

Get ahead: put clients first

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Inside

FT 300 Top Registered Investment Advisers

Investors buy into 'fiduciary standard'

Regulatory and technological changes are going to shape the industry's future, writes *Loren Fox*

The increased appetite for independent advice has been a boon for registered investment advisers, who are paid flat fees by investors. This has allowed them to steal market share from traditional Wall Street brokerages, which have customarily made money from commissions that clients paid for each transaction.

This growth is evident in the third annual Financial Times 300 Top Registered Investment Advisers ranking, which is based on data supplied by RIAs at the end of 2014 and 2015 (*see pages 11-14*). The average FT 300 company has 25 staff who provide investment advice, up from 21 last year, as elite RIAs have attracted brokerage professionals.

Momentum has swung behind the "fiduciary standard", announced by the US Department of Labor in April, which RIAs have adhered to since the 1940s. This demands that financial advisers act in clients' best interests when handling retirement accounts.

The new rules apply to anyone supplying advice on retirement plans and individual retirement accounts. The Securities and Exchange Commission, meanwhile, is considering applying it to all advisers and brokers and all products, not just retirement plans, which would override the traditional situation where many brokers merely have to recommend "suitable" investments.

Among the FT 300 companies this year, 83 per cent of assets are in accounts that allow the adviser complete discretion in how to invest, with no need for client approval to make buy or sell decisions. The portion of assets in such accounts is up from 79 per cent in 2015's FT 300.

Technology is another area where RIAs' growing influence is shown. The RIA market was the birthplace of the robo adviser, the online automation of portfolios for investors using computer algorithms. Betterment is the sole robo adviser to appear in this year's list (*see page 4*).

Traditional brokerages are taking note. UBS's US brokerage last month announced a partnership with robo adviser SigFig and other big players are considering developing similar online offerings or working with an existing robo adviser. The idea is to serve older, wealthy investors more easily, as well as the millennials who until now have been the core recipients of robo advice. For all the hype about robo advisers, computerised apps have not yet made much progress in replacing humans. Personal interaction still lies at the heart of the FT 300, which provides a snapshot of the very best US RIAs.

The competition for just 300 spots was close. The unpredictable markets of 2015 took their toll, as just 60 per cent of last year's FT 300 returned to this year's list. The turnover rate of 40 per cent was an increase from the 30 per cent in 2015. Meanwhile, the average FT 300 practice saw its assets under management rise 11 per cent in 2015, a decline from 17 per cent growth in 2014.

The FT 300 is an elite cohort. The average business has been going for 22 years and manages $2.6bn. Three out of five have at least $1bn in assets under management.

The FT 300 is listed state by state, and the more populous states — with more centres of wealth — tend to have more advisers on the list.

Advisers from a total of 34 states plus Washington DC are included. California, with 17 per cent of FT 300 constituents, and New York, with 9 per cent, lead all other states by a wide margin in terms of absolute numbers. New York City is home to far more FT 300 companies than any other, with 19 constituents, while Boston and Los Angeles are tied in second place with eight each.

Managing wealth is central to the FT 300 companies. Nearly three-quarters offer wealth management services as a speciality. Clients with $1m-$10m to invest account for 42 per cent of the assets managed by the FT 300. Investors with more than $10m account for another 22 per cent of FT 300 assets.

For all the hype about robo advisers, they have not made much progress in replacing humans yet

This shows that advisers are often more focused on serving wealthy clients rather than those who will become wealthy. While 80 per cent of FT 300 companies say they specialise in serving baby boomers — those born between 1946 and 1964 — only 57 per cent say they specialise in catering for Generation X, born between 1965 and 1980. Just 29 per cent of the FT 300 say they specialise in serving millennials, those born between 1981 and 1995, though this is up from 24 per cent last year.

Wealth managers are taking a keener interest in millennials as this generation's potential becomes clearer. In order to attract such clients, RIAs will have to develop new specialisms. Millennials, in particular, have been shown to care more about socially responsible investing.

For example, according to a Morgan Stanley survey of 800 individual investors in late 2014, millennials are twice as likely as investors overall to invest in companies or funds that aim to provide some social or environmental benefit.

However, only 4 per cent of the FT 300 say socially responsible investing is one of their specialities. While that is up from 3 per cent last year, it is still a niche offering compared to the 60 per cent that offer financial planning, or even the 10 per cent that specialise in estate planning.

Succession Few plan for future

US financial advisers are a greying group that is likely to shrink significantly in the coming years.

The pool of overall advisers — as opposed to to the elite FT 300 registered investment advisers — shrank by 9.1 per cent from 2005-14, according to research company Cerulli Associates.

The lack of replacements could become a problem. Fewer college graduates are willing to slog through extensive training programmes at broker-dealers and wade through regulatory red tape to become financial advisers, says Alois Pirker, research director at Aite Group.

Wealth managers such as Merrill Lynch, Morgan Stanley, UBS and Wells Fargo were once the breeding ground of the next generation; now their on-the-job learning takes much longer and they are producing fewer advisers.

The steep learning curve — coupled with the US Department of Labor's new fiduciary rule that requires advisers to put their clients' best interests ahead of their own — will cause a further contraction in the market, Mr Pirker says. He predicts the adviser headcount may drop by as much as 25 per cent in the next 10 years.

The large segment of ageing advisers has forced wealth managers to focus on succession planning. The industry has slowly realised how important starting earlier in the process is because it can take several years to find and groom replacements.

The irony is that while many advisers are able to help clients prepare for the future, it seems that they are ill equipped to deal with their own transition plans.

Matthew R Beaton

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Baby boomers rush to fill retirement savings gap

Income planning

Increasing lifespans mean this generation may have to work for longer, writes *Peter Ortiz*

Registered investment advisers are stepping up their efforts to assist "baby boomers" — born between 1946 and 1964 — to prepare for retirements that will last longer than those of previous generations.

Eighty per cent of the advisers in this year's Financial Times Top 300 RIAs, which on average advised on $2.6bn in assets in 2015, cater to baby boomers.

Most people in this group have a large retirement savings gap to fill, says Leon Loewenstine, managing director of RiverPoint Capital Management in Cincinnati, Ohio. "A lot of the baby boomers' parents worked for a single company and walked away with a pension," he says. In contrast to their parents, baby boomers need to have saved more and planned early to enjoy retirement, he adds.

The biggest challenge to boomers is their longer lifespans. They are now living into their 90s, so planning for longevity is essential, says Howard Schneider, president of Practical Perspectives, a Massachusetts-based wealth management company.

A survey of RIAs by the Limra Secure Retirement Institute found that 96 per cent offer boomers retirement income planning as a core service.

Planning how to tap into social security benefits has been a big growth area, the survey found. About 67 per cent of the RIAs offer strategies for claiming social security and healthcare planning, compared with 26 per cent in 2011.

About 97 per cent of the RIAs questioned by Limra offer income planning services for the required minimum distribution in the US. This is higher than 62 per cent of RIAs surveyed in 2011. The required minimum distribution is the withdrawal of a minimum amount from a US retirement plan every year after its beneficiary turns 70 years and six months old.

Early days: newborns in a 1950s' hospital — Getty Images

About 81 per cent of the RIAs surveyed are concerned about clients' long-term healthcare expenses compared with 43 per cent in 2011. They recommend long-term care insurance to protect retirement savings.

Planning for Roth individual retirement accounts — in which taxes are paid on money going into the account but withdrawals are tax-free — also saw a boost: 91 per cent of the RIAs surveyed offered this compared with 72 per cent in 2011.

"RIAs have expanded retirement planning activities a lot and the scope is widening day by day," says Jafor Iqbal, assistant vice-president at Limra.

In another survey, nearly 60 per cent of 800 US citizens aged 53-69 questioned by the Insured Retirement Institute expected social security to be a main source of their retirement income, up from 42 per cent five years ago.

Many baby boomers will have to delay retirement to achieve higher social security payments

However, many baby boomers will probably have to delay their retirement plans in order to achieve higher social security payments, especially as defined benefit plans or traditional pensions are no longer available.

Michael Herndon, vice-president in charge of financial resilience at AARP (formerly the American Association of Retired Persons), says: "Many baby boomers and later generations will need to increasingly rely on creating efficient streams of retirement income from their own savings."

Advisers will also discuss more fundamental general finance questions that are becoming increasingly important to clients, especially for those who will use social security as a de facto pension and Medicare as their main healthcare system.

RIAs are also more likely than other types of financial advisers to favour instruments such as exchange traded funds and passively managed funds. They are frequently more sensitive about the costs of products and "insurance products tend to be commission-based, so it doesn't fit with their model", says Mr Schneider of Practical Perspectives.

"They also tend to believe they can outperform the market compared to using higher cost products and can provide a better experience for their clients that way," he notes.

Robo adviser battles inertia to attract rich investors

Wealth care provider: Betterment founder and chief executive Jonathan Stein

Interview Jonathan Stein

Platform founder believes Betterment can compete on its nimble technology, says *Rita Raagas De Ramos*

Betterment has made a name for itself among US retail investors, having grown from a start-up in 2010 to a robo adviser with $4.5bn in assets and 160,000 clients in May.

With 191 per cent growth in assets throughout 2015, Betterment is the fastest-growing business in this year's FT 300 list of registered investment advisers. Only three other RIAs — Summit Financial Wealth Advisors, Catalyst Capital Advisors and Feltz Wealthplan — increased their client assets by triple digits last year.

Betterment's main pitch is that it invests clients' money in a globally diversified portfolio of exchange traded funds and gives them personal, automated advice at a fraction of the cost of traditional financial providers. The company's fees range from 15 to 35 basis points annually, depending on the amount in clients' accounts. Investors with accounts below $10,000 are required to increase their investment by $100 a month to qualify for the annual 35 bps fee. Otherwise clients pay $3 a month. This compares with charges of between 75 bps and 100 bps for the average financial adviser depending on assets, according to SEI Advisor Network, a wealth management service provider.

More than three quarters of Betterment's client assets come from people with less than $1m to invest, while about 18 per cent come from those with $1m to $10m. Just 2 per cent of assets come from clients with more than $10m to invest.

Betterment's founder and chief executive, New York-based Jonathan Stein, expects the company's future growth to come largely from the ultra-rich, especially from those aged over 50, whose accounts represent 30 per cent of the platform's assets, and to some degree the high earners in the 35-50 age group.

"We've seen over the last two years an amazing amount of growth from wealthier customers, who are giving us a higher share of their wallets," Mr Stein says. Its average account was worth $27,000 at the end of 2015, while clients over 50 have average accounts worth about $67,000.

Betterment was initially seen as a robo adviser for young or new investors, but in the past two years more experienced and richer investors have taken to it, Mr Stein says.

> 'What they don't realise is that resisting change may just be like throwing hundred dollar bills out the window'

Wealthier clients' favourite features include its online tax services, such as the ability to assist with tax advice. "We tailor their account to their specific situation and manage it to reduce their overall tax burden," Mr Stein says.

Customers can manage their own investments or their financial advisers can use the tools of Betterment Institutional, launched for advisers in 2015. Mr Stein says Betterment is in the early stages of building client management teams to help external advisers use the tools on the platform. "It's never been about humans versus technology. It's always been about the best of both," he adds.

Overcoming the "barrier of inertia" is Betterment's greatest challenge when trying to attract richer clients. The wealthy tend to prefer to keep their money with companies they already use, in part because of the "hassle of changing providers", Mr Stein says. "But what they don't realise is that resisting change may just be like throwing hundred dollar bills out the window," Mr Stein says.

He adds that the company needs to make the benefits of a potential move to the platform more tangible for this particular group. Betterment's "real competition" is coming from big-brand companies such as Vanguard, Charles Schwab and Fidelity, Mr Stein believes. All three have developed robo-adviser units.

Vanguard's Personal Advisor Services had about $12bn in client assets at the end of 2015, while Charles Schwab's Intelligent Portfolios robo had about $5.3bn. Fidelity is due to roll out its Go service this year.

Betterment partly plans to compete with these large, well-established fund companies through its technology. "One of the advantages we have is we don't have the legacy technology systems and processes that some of the incumbents do," Mr Stein says. "We built everything from scratch, and we don't have that baggage, so we were able to build tools to service customers more efficiently."

Planner's commission aversion pays off

Profile St Germain

Remaining detached in tough times helps to keep clients, writes *Peter Ortiz*

St Germain Investment Management opened in 1924, five years before the beginning of the Great Depression. Surviving the crash helped create a disciplined approach to managing money that has guided the company ever since.

When St Germain, based in Springfield, Massachusetts, was faced with the financial crisis of 2007-08, Michael Matty, its president, along with the manager's chairman, cut their own salaries by a third for six months. This helped the company avoid lay-offs and showed employees it would support them. Mr Matty says: "I told these guys that I will cut my salary to zero before I laid off anybody."

"We're in a business where the market level is generally correlated with the financials of our firm, and having the market down 38 per cent is as bad as it gets," Tim Suffish, senior vice-president in charge of equity markets, says. "We told employees [in 2008] that we've been through bad markets before and we'll do it again with whatever it takes."

The crisis also reinforced the company's mission of protecting and growing client assets without being swayed by market turmoil or hype.

St Germain manages about $1.1bn. It has built its client base mostly by word of mouth and retains fifth-generation investors whose great, great grandparents started with founder DJ St Germain.

The company pays staff a salary rather than using a commission structure. Mr Matty says this allows "guys in the trenches talking to clients to give very objective advice, including putting their money somewhere else".

A salary is the only way to ensure clients receive honest and unbiased advice, he says. "When you know you have a bill to pay in the back of your mind and can make a 6 per cent commission by selling an annuity, it tilts the way you give advice," Mr Matty says.

"The fact that you will be getting paid 20 times more than with another product has to be in the back of your mind."

He stresses that remaining detached during the toughest of times will help the manager keep clients and make money. For example, the business found itself at odds with received wisdom in the 1990s during the dotcom bubble. Its advisers had to explain to clients why the company was raising cash when it thought the stock market was overvalued, he says.

Michael Matty: told staff he would cut his salary to zero

"A big part of our job is to strip emotion away and to look at fundamental valuation of stocks," Mr Matty says.

But one of the best ways to form a solid client base is to build loyalty within the firm, something the staff was reminded of when one of its longest-serving employees died in his 90s. Founder DJ St Germain had hired him as a gardener and promised that once he hit retirement age the company would keep paying him a regular salary, Mr Matty recalls.

"DJ told him 'we will keep you on the payroll', with nothing more than a handshake," he says. "And that is what we did as a company for the rest of his life."

Contractual obligation: the fiduciary rule will not offer protection outside retirement accounts — Getty Images

Duty of care is likely to push fees down

Regulation

Move could make it tougher to find financial help, says *Matthew R Beaton*

Although less dramatic than first feared, the Department of Labor's fiduciary rule is expected to result in big changes to investors' individual retirement accounts (IRAs) in areas such as fees, product options and access to professional advice.

Unveiled in April, the rule requires financial advisers to act in clients' best interests when handling their retirement accounts, putting investors in a stronger position if advisers misbehave. "The DoL rule will have a [positive] impact for investors who have been maybe taken advantage of by high-commission products," says Scott Hanson, co-chief executive at Hanson McClain Advisors, based in Sacramento, California.

Mr Hanson, whose firm manages more than $2bn in assets, warns the rule will not eliminate unscrupulous advisers or offer protection outside retirement accounts as advisers could still put clients in "garbage product" non-retirement accounts without retribution.

But, once the rule takes full effect in January 2018, IRA investors will receive more paperwork from advisers, specifically when they may have more room to act outside clients' best interests. One example of this is the best interest contract exemption (BICE), which can allow advisers to work on a commission rather than a fee basis. Other instances when BICE contracts might apply include when advisers recommend rolling a lower-cost workplace retirement plan into a higher-cost IRA account, or switching from a commission-based IRA account to a fee-based one.

Advisers will have to justify and document recommendations in the BICE each time they occur for each investor, says Tom Corra, chief operating officer for Fidelity Clearing and Custody: "It's going to be incumbent on the [adviser] to determine what characteristics they're going to utilise to justify the rollover, in this case, as in the best interest of the client."

The fiduciary rule is likely to push more IRA accounts overseen by advisers on to a level fee basis, but that is not a fail-safe, Mr Corra says. The adviser still must make the case that any move is best for the client.

Although the industry had concerns that some products would be barred from IRA accounts, there is a long list of acceptable products,

> The rule is likely to push more IRA accounts on to a level fee basis

including variable and fixed annuities and liquid alternative mutual funds. But Fidelity research predicts the rule will push more dollars into cheap passive products within IRA accounts, which, in turn, will lead to downward pressure on fees. This cost-first approach will further hurt products that use active management, where investors pay a premium to managers who choose securities expected to beat, not track, a selected benchmark.

In 2015 alone, active mutual funds bled $218.3bn while passive mutual funds added $194.5bn in net new money, according to financial data provider Morningstar. Advisers who employ actively managed products are going to have a hard time justifying why they continue to use them, Mr Hanson says. He also thinks high-priced annuities and some real estate investment trusts are likely to be all but eliminated from IRAs.

High-priced annuities in 401(k) defined contribution plans will also be hard to justify, says Paul Moffat, president of Las Vegas-based Arista Wealth Management.

"There are a lot of people in this [retirement] space who will need to be looking in the mirror and evaluating if they're doing the right thing," Mr Moffat says.

Such moves will extend beyond a preference for passive products, says Ginny Stanley, principal at REDW Stanley Financial Advisors, based in Albuquerque.

The fiduciary rule also puts pressure on advisers to obtain the lowest-cost share class within each fund, she says. "I do think it is going to have an effect on fees, probably in the smaller account area," Ms Stanley says.

And the fiduciary rule could make finding a financial adviser more difficult, says Tom Owens, principal at Garde Capital in Seattle. Some advisers — faced with the decision to justify their commission-based model or stop working with less-valuable IRA accounts — may raise their account minimum threshold to essentially eliminate smaller accounts entirely.

But Mr Owens says being rejected by commission-based advisers might be a good thing because they may not have the clients' best interest at heart. He adds that to be truly on "the same side of the table as the client" advisers will have to put the interests of others ahead of their own.

Cyber security goes beyond SEC guidelines

Risk

Watchdog's probe drives industry's response to hacking dangers, reports *Melissa Anderson*

Investment advisers are beefing up cyber security to meet strict new regulatory requirements and, in some cases, client demands.

Following a 2014 Securities and Exchange Commission directive on cyber security, registered investment advisers are expected to bring in new practices to protect clients' money and data from hackers.

These include training staff, carrying out cyber risk assessments and updating lists of people with access to internal networks. Many advisers say they are going beyond the requirements. Some have contracted consultants to perform penetration testing — known as friendly hacking — on their networks. Others use CIA-grade encryption to protect data.

"We see it as a market differentiator in some ways," says Jeffrey Powell, managing partner of California-based Polaris Greystone Financial Group, a registered investment adviser in the FT 300 list.

Polaris Greystone's own additional security measures require clients to answer a private security question — such as "What was your wife wearing on your first date?" — in addition to providing details such as social security numbers, birthdays or signatures. Mr Powell says that additional safety measures are an important factor for many clients.

The SEC's inspectors began probing investment advisers last year to make sure they were addressing the hacking threat. This was after a 2015 report by the commission's Office of Compliance Inspections and Examinations revealed that 74 per cent of investment advisers in one examination had suffered cyber attacks. It also found 43 per cent had received fraudulent emails requesting a transfer of client funds. One adviser lost $75,000 of a client's money because of an email scam, but repaid the client when staff realised their mistake.

In September, the SEC announced charges against St Louis-based RT Jones Capital Equities Management for failing to protect the personal data of 100,000 people, including the firm's clients. RT Jones agreed to pay a penalty of $75,000. No one reported financial harm as a result of the hack and the company offered free credit monitoring services to people whose details had been compromised.

The offence, the commission said, was in RT Jones' failure to have written policies and other measures such as a firewall or encrypted personal data on its server.

"The only thing that's worse than not having policies and procedures is having policies and procedures but not following them. That's where the SEC will step in," says Jay Baris, chair of investment management at law firm Morrison & Foerster.

"One of the bigger changes is in documenting our process better," says Nathan Howard, chief compliance officer at the Moneta Group. He adds: "The future is technology and with technology come risks. We have to be able to prove that we care."

Colleen Brown, a partner at law firm Sidley Austin, says the new requirements have driven a sense of ownership of cyber security in many companies, especially smaller ones. For example, Ms Brown says, most investment advisers have historically outsourced data management. The regulatory and legal liability accompanying the SEC's directives have raised the profile of a matter that had once been considered a vendor's responsibility, she says.

Advisers are looking at the risk posed by third parties, another factor

> 'The only thing worse than not having policies is having policies but not following them'

the SEC is examining. Other regulators, such as the Financial Industry Regulatory Authority and the New York State Department of Financial Services, have turned their attention to external providers.

"Advisers . . . want to make sure they are doing due diligence on whom they are connected with and to whom they have entrusted data," says Rajesh De, a former general counsel of the National Security Agency who is now head of the cyber security practice at law firm Mayer Brown.

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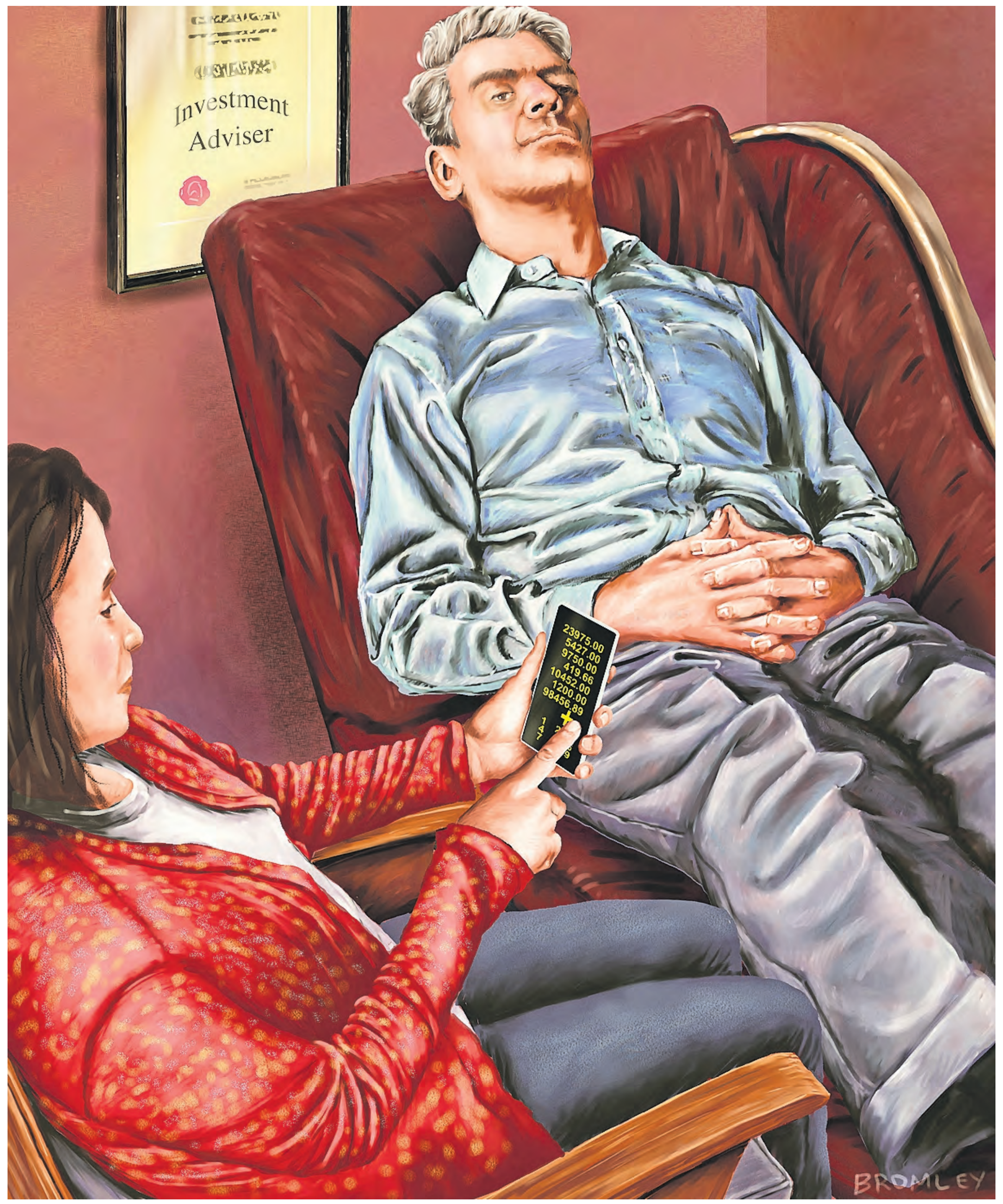
Success with money is in the mind

Psychology Ingrained prejudices and experiences dictate our attitudes to risk, writes *Bruce Love*



You cannot ignore how people think about money — and the methods by which they psychologically separate their cash into different "buckets". One bucket for retirement, one for vacations, a couple for kids and education, and so on. Advisers are taking a greater interest in these thought processes in order to understand how they affect investor decision making.

Drew McMorrow, chief executive of Massachusetts-based Ballentine Partners, is one of a growing number of wealth advisers who believe in behavioural finance. He applies a method to help clients better understand their mental accounting decisions to fit his clients' aspirations into an investment strategy, because different portfolios will have different goals and varying degrees of risk.

Mr McMorrow says this method helps his clients understand and confront their behavioural biases when investing. If someone is scared of losing money, for example, they can better deal with market downturns if only a few "buckets" are affected.

Over the past decade, behavioural finance researchers have been trying to understand the psychological principles that govern investor behaviour, such as an aversion to losses.

The concept, says Nicholas Barberis, professor of behavioural finance at Yale University, has been used to understand why many people are uncomfortable investing in risky asset classes.

At the other end of the spectrum is overconfidence, when people overestimate their ability relative to others and overestimate the precision of their forecasts.

"This has been rigorously linked to excessive trading in brokerage accounts and to the associated poor investment performance," says Prof Barberis.

Using modelling and big data analysis researchers have found that people often attach too much importance to outcomes they have personally experienced. An investor will be more comfortable investing in the stock market if they have experienced good returns.

"This is called the 'experience effect,' and it isn't optimal. We should pay attention to all past data, not just the data we have lived through," says Prof Barberis.

He adds that we still do not know for certain which are the most important psychological principles that affect our investment decision-making processes. He also believes that consensus about what might be sound investments may be different in the future.

For example, one commonly understood principle is extrapolation, when people think past performance is a good guide to future outcomes. As the legal disclaimers on mutual fund advertisements state, however, this is not the case.

Michael Liersch, head of behavioural finance at Merrill Lynch, says he thinks that investors should approach concepts of behavioural finance with a healthy degree of scepticism.

He maintains that simply acknowledging that investors have preferences and biases can help them better understand their own trading and asset allocation decisions.

"Traditional economists shied away from emotion in the marketplace," says Mr Liersch. "But the market proved to be anything but dispassionate."

Jordan Waxman, managing partner of New York-based HSW Advisors, agrees: "The market is based on myriad emotional decisions and gut reactions."

Mr Waxman, whose firm is part of national adviser HighTower's network, says he often sees investors inappropriately "anchoring" their investing. "All they're thinking about is the price in which they bought and the price at which they want to sell," he says. "This creates lopsided portfolios."

Mr Waxman says he tries to understand his clients' goals in a bid to comprehend the psychology of their investment decision-making.

"Investors usually think and talk in terms of emotion, and it's the adviser's job to work out which emotions are impacting their decision-making," says Mr Waxman, who explores his clients' early experiences of money problems — such as where they come from, what moves clients and what information they have received in the past. "These experiences translate into their values and can drive their behaviours towards investing," he says.

Whether it is judging the suitability of an investment for a particular client — the regulatory bar that governs broker-dealers — or putting the best interests of the client first, Merrill Lynch's Mr Liersch argues that the principles behind behavioural finance are directly in line with regulatory constraints on the industry.

"Fiduciary rules, under which registered investment advisers operate, require the adviser to put the best interests of the client first. That's exactly what behavioural finance does," says Mr Liersch.

Prof Barberis is quick to point out that behavioural finance is still a young field, and so far the research has focused mainly on understanding the psychological drivers of investing behaviour — specifically investing mistakes.

"Sometimes, we can be too casual or too quick when trying to diagnose the root of someone's investing behaviour," says Prof Barberis. "Even if we can successfully identify the faulty thinking behind an investment decision, it's hard to know how to change it. People have wrong-headed intuitions about how to invest, but these intuitions are often strongly held and hard to change."

Lexicon A guide to the language of behavioural finance

Experience effects Attaching too much importance to outcomes you have personally experienced. You should pay attention to all past data, not just the data you have lived through.

Extrapolation Thinking that past performance is a good guide to future performance. It is not.

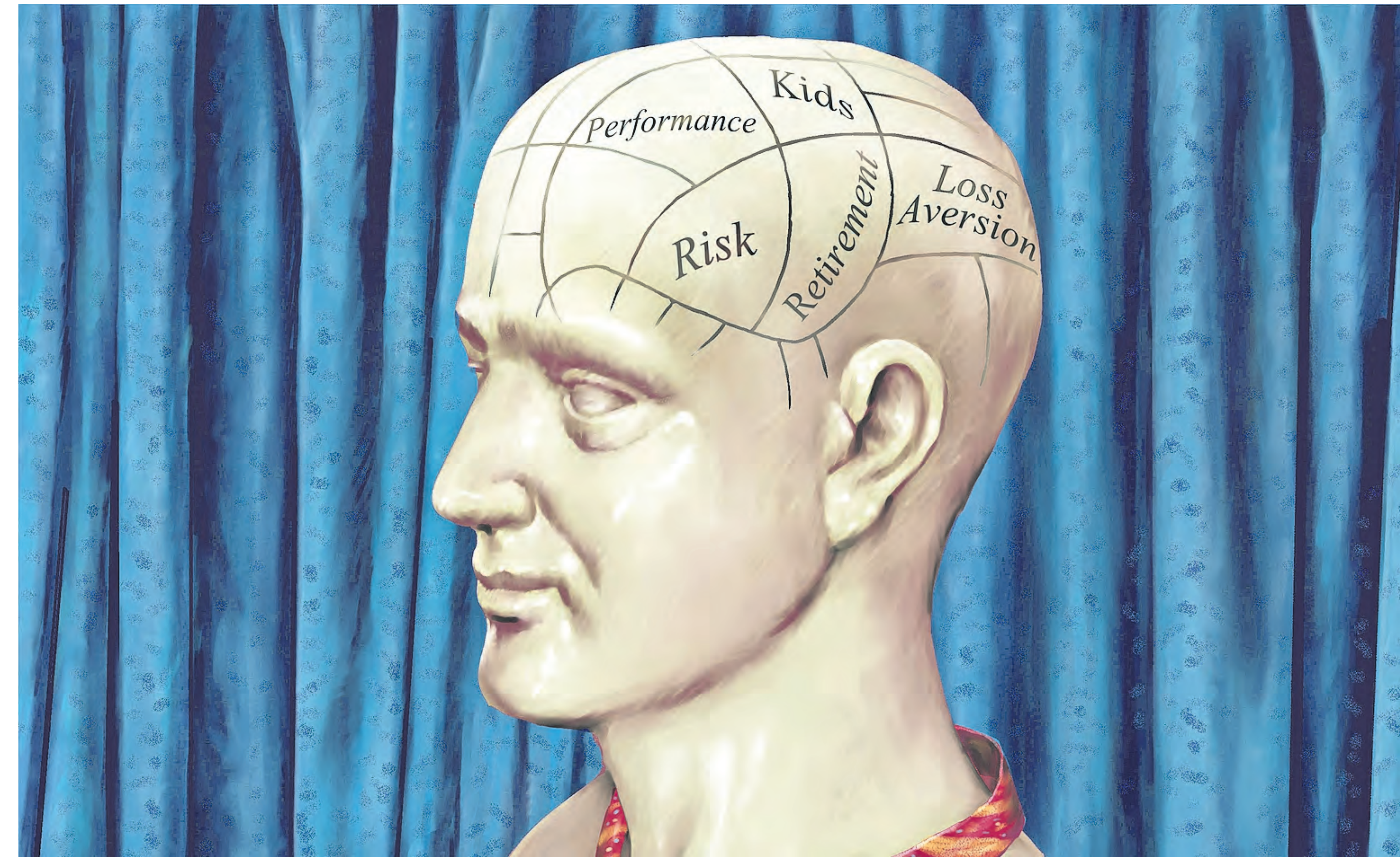
Loss aversion When you are more sensitive to potential losses and can miss the out on the benefits of a riskier investment strategy.

Overconfidence Overestimating your ability, relative to others, and overestimating the precision of your forecasts. This leads to excessive trading and the associated poor performance.

Source: Professor Nicholas Barberis, Yale University

> 'Economists shied away from emotion, but the market proved anything but dispassionate'

FT 300 Top Registered Investment Advisers



RIAs of the year

Listing Our snapshot of the best registered investment advisers in the US

FT 300

The FT 300 top registered investment advisers in the US listed alphabetically by state

Name	City	Client segments served: Retail (individuals with less than $1 million)	High Net Worth (individuals with $1 million - $10 million)	Ultra-High Net Worth (individuals with $10 million+)	Institutional
ALABAMA					
HighTower Twickenham	Huntsville	✓	✓	✓	✓
ARIZONA					
Galvin, Gaustad & Stein, LLC	Scottsdale	✓	✓	✓	
MRA Associates	Phoenix	✓	✓	✓	✓
TCI Wealth Advisors, Inc.	Tucson	✓	✓	✓	✓
United Planners Financial Services	Scottsdale	✓	✓	✓	✓
ARKANSAS					
Sowell Management Services	North Little Rock	✓	✓		✓
CALIFORNIA					
AMI Asset Management	Los Angeles	✓	✓	✓	✓
Aspiriant	Los Angeles		✓	✓	✓
Atlas Capital Advisors	San Francisco		✓	✓	✓
B|O|S (Bingham, Osborn & Scarborough)	San Francisco		✓	✓	✓
Baker Street Advisors, LLC	San Francisco		✓	✓	
Beacon Pointe Advisors	Newport Beach	✓	✓	✓	✓
California Financial Advisors	San Ramon	✓	✓	✓	
Callan Capital	La Jolla		✓	✓	✓
Camden Capital, LLC	El Segundo	✓	✓	✓	
Cardiff Park Advisors	Carlsbad	✓	✓	✓	
Checchi Capital Advisers, LLC	Beverly Hills	✓	✓	✓	✓

FT 300 Top Registered Investment Advisers

FT 300

The FT 300 top registered investment advisers in the US listed alphabetically by state

		Client segments served			
Name	City	Retail (individuals with less than $1 million)	High Net Worth (individuals with $1 million - $10 million)	Ultra-High Net Worth (individuals with $10 million+)	Institutional
Churchill Management Group	Los Angeles	✓	✓	✓	✓
Clifford Swan Investment Counselors	Pasadena	✓	✓	✓	✓
Covington Capital Management	Los Angeles		✓	✓	✓
Dan Goldie Financial Services LLC	Palo Alto	✓	✓	✓	
Destination Wealth Management	Walnut Creek	✓	✓		
Dixon Financial Services, Inc.	Lafayette	✓	✓	✓	✓
Dowling & Yahnke, LLC	San Diego		✓	✓	✓
Efficient Market Advisors, LLC	San Diego	✓	✓		
Ensemble Capital Management	Burlingame	✓	✓	✓	✓
Evanson Asset Management	Carmel	✓	✓	✓	
First Republic Investment Management, Inc.	San Francisco	✓	✓	✓	✓
Genovese Burford & Brothers	Sacramento	✓	✓	✓	✓
Golub Group	San Mateo	✓	✓	✓	✓
Hanson McClain Advisors	Sacramento	✓	✓	✓	✓
HighTower San Diego	San Diego		✓	✓	
HoyleCohen, LLC	San Diego	✓	✓	✓	✓
Index Fund Advisors, Inc.	Irvine	✓	✓	✓	✓
Jackson Financial Management	Costa Mesa	✓	✓	✓	✓
Kestra Private Wealth Services, LLC	San Diego	✓	✓	✓	✓
L&S Advisors, Inc.	Los Angeles	✓	✓	✓	
Lido Advisors, LLC	Beverly Hills		✓	✓	✓
Lodestar Private Asset Management	Alamo	✓	✓	✓	✓
Mission Wealth Management, LLC	Santa Barbara	✓	✓	✓	✓
Morton Capital Management	Calabasas	✓	✓	✓	✓
Parallel Advisors, LLC	San Francisco	✓	✓	✓	✓
Personal Capital	San Carlos	✓	✓	✓	
Pillar Pacific Capital Management	Pacifica	✓	✓	✓	✓
PlanMember Financial Co.	Carpinteria	✓	✓		✓
Polaris Greystone Financial Group	San Rafael	✓	✓	✓	✓
Private Ocean Wealth Management, LLC	San Rafael		✓	✓	✓
Pure Financial Advisors, Inc.	San Diego	✓	✓	✓	
Rand & Associates	San Francisco	✓	✓	✓	✓
Raub Brock Capital Management, LP	Larkspur	✓	✓	✓	✓
RS Crum, Inc.	Newport Beach	✓	✓	✓	
Sand Hill Global Advisors	Palo Alto		✓	✓	✓
Scharf Investments, LLC	Scotts Valley		✓		✓
Signature Estate & Investment Advisors, LLC	Los Angeles	✓	✓	✓	✓
United Capital Financial Advisers, LLC	Newport Beach	✓	✓	✓	✓
Westmount Asset Management, LLC	Los Angeles	✓	✓	✓	✓
Willow Creek Wealth Management, Inc.	Sebastopol	✓	✓	✓	✓
COLORADO					
BSW Wealth Partners	Boulder	✓	✓	✓	✓
Colorado Financial Management	Boulder	✓	✓	✓	✓
Crestone Capital Advisors	Boulder			✓	
Innovest Portfolio Solutions	Denver	✓	✓	✓	✓
Intervest International, Inc.	Colorado Springs	✓	✓	✓	✓
Wakefield Asset Management	Englewood	✓	✓		✓
CONNECTICUT					
Bradley, Foster & Sargent, Inc.	Hartford	✓	✓	✓	✓
Connecticut Wealth Management, LLC	Farmington	✓	✓	✓	✓
Greenwich Investment Management, Inc.	Stamford		✓	✓	✓
Investmark Advisory Group, LLC	Stratford	✓	✓	✓	✓
Relyea Zuckerberg Hanson, LLC	Stamford		✓	✓	
DISTRICT OF COLUMBIA					
Alexandria Capital, LLC	Washington	✓	✓	✓	✓
Farr, Miller & Washington, LLC	Washington	✓	✓	✓	✓
Lynx Investment Advisory	Washington		✓	✓	✓
FLORIDA					
ARS Wealth Advisors	Saint Petersburg	✓	✓	✓	
BigSur Wealth Management LLC	Miami			✓	
Bott-Anderson Partners, Inc.	Jacksonville		✓	✓	✓

		Client segments served			
Name	City	Retail (individuals with less than $1 million)	High Net Worth (individuals with $1 million - $10 million)	Ultra-High Net Worth (individuals with $10 million+)	Institutional
Cumberland Advisors	Sarasota	✓	✓	✓	✓
Dimension Capital Management	Miami		✓	✓	✓
Finser International Corporation	Miami	✓	✓	✓	✓
GenTrust	Miami			✓	✓
Global Financial Private Capital, LLC	Sarasota	✓	✓	✓	✓
Moisand Fitzgerald Tamayo, LLC	Orlando	✓	✓		✓
Premia Global Advisors	Coral Gables		✓	✓	✓
ProVise Management Group, LLC	Clearwater	✓	✓	✓	✓
Resource Consulting Group	Orlando	✓	✓	✓	✓
Ruggie Wealth Management	Tavares	✓	✓	✓	✓
Singer Xenos Wealth Management	Coral Gables	✓	✓	✓	
Water Oak Advisors	Winter Park	✓	✓	✓	✓
WE Family Offices	Miami			✓	
GEORGIA					
A. Montag and Associates	Atlanta		✓	✓	✓
Atlantic Trust	Atlanta		✓	✓	✓
Balentine	Atlanta		✓	✓	✓
Berman Capital Advisors, LLC	Atlanta		✓	✓	✓
Brightworth	Atlanta	✓	✓	✓	✓
Buckhead Investment Partners	Atlanta	✓	✓		✓
GV Financial Advisors	Atlanta		✓	✓	
Homrich Berg	Atlanta	✓	✓	✓	✓
SignatureFD, LLC	Atlanta		✓	✓	
Stewardship Financial Advisors, LLC	Stockbridge	✓	✓	✓	
Willis Investment Counsel	Gainesville		✓	✓	✓
ILLINOIS					
Archford Capital Strategies	Swansea	✓	✓	✓	✓
Balasa Dinverno Foltz LLC	Itasca		✓	✓	✓
Brookstone Capital Management	Wheaton	✓	✓		✓
Brownson, Rehmus & Foxworth	Chicago		✓	✓	✓
Chicago Partners Wealth Advisors	Chicago	✓	✓	✓	✓
Cozad Asset Management, Inc.	Champaign	✓	✓	✓	✓
Dearborn Partners, LLC	Chicago	✓	✓	✓	✓
EMBREE FINANCIAL Group	Chicago	✓	✓	✓	✓
Geneva Advisors, LLC	Chicago	✓	✓	✓	✓
HighPoint Advisor Group, LLC	Downers Grove	✓	✓	✓	✓
JMG Financial Group, Ltd.	Oak Brook		✓	✓	
Leonetti & Associates, LLC	Buffalo Grove	✓	✓	✓	✓
Rappaport Reiches Capital Management	Skokie	✓	✓	✓	
Rothschild Investment Corporation	Chicago	✓	✓		✓
Savant Capital, LLC	Rockford	✓	✓	✓	✓
Segall Bryant & Hamill	Chicago	✓	✓	✓	✓
Strategic Wealth Partners	Deerfield	✓	✓	✓	✓
The Mather Group	Chicago		✓	✓	
Whitnell & Co.	Oak Brook	✓	✓	✓	
INDIANA					
Bedel Financial Consulting, Inc.	Indianapolis	✓	✓	✓	✓
Column Capital	Indianapolis	✓	✓	✓	✓
Donaldson Capital Management, LLC	Evansville	✓	✓	✓	✓
Sheaff Brock Investment Advisors, LLC	Indianapolis	✓	✓	✓	✓
Valeo Financial Advisors, LLC	Indianapolis	✓	✓	✓	✓
IOWA					
Foster Group, Inc.	West Des Moines	✓	✓	✓	✓
Honkamp Krueger Financial Services, Inc.	Dubuque	✓	✓	✓	✓
Steele Capital Management, Inc.	Dubuque	✓	✓		✓
KANSAS					
Creative Planning, Inc.	Leawood	✓	✓	✓	✓
Financial Advisory Service, Inc.	Leawood	✓	✓	✓	
Sunrise Advisors	Leawood	✓	✓	✓	✓

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KENTUCKY					
ARGI Investment Services	Louisville	✓	✓	✓	✓
MCF Advisors, LLC	Covington	✓	✓	✓	✓
LOUISIANA					
Resource Management, LLC	Metairie	✓	✓	✓	
Summit Financial Wealth Advisors	Lafayette	✓	✓	✓	✓
MARYLAND					
Baltimore-Washington Financial Advisors	Columbia	✓	✓	✓	✓
Bridgewater Wealth & Financial Management, LLC	Bethesda	✓	✓	✓	✓
FBB Capital Partners	Bethesda	✓	✓	✓	✓
Heritage Investors Management Corporation	Bethesda	✓	✓	✓	✓
HighTower Bethesda	Bethesda	✓	✓	✓	✓
Maryland Capital Management	Baltimore	✓	✓	✓	✓
Wagner Bowman Management Corp	Baltimore	✓	✓	✓	✓
MASSACHUSETTS					
Adviser Investments	Newton	✓	✓	✓	✓
Athena Capital Advisors LLC	Lincoln		✓	✓	✓
Aureus Asset Management, LLC	Boston	✓	✓	✓	✓
Ballentine Partners, LLC	Waltham		✓	✓	✓
Boston Private Wealth LLC	Boston	✓	✓	✓	✓
Congress Wealth Management	Boston		✓	✓	✓
F.L.Putnam Investment Management Company	Wellesley	✓	✓	✓	✓
Grimes & Company, Inc.	Westborough	✓	✓	✓	
GW & Wade, LLC	Wellesley	✓	✓	✓	
New England Private Wealth Advisors, LLC	Wellesley		✓	✓	✓
O'Brien Management, LLC	Boston	✓	✓	✓	✓
SCS Financial	Boston			✓	✓
St. Germain Investment Management	Springfield	✓	✓	✓	✓
The Colony Group	Boston	✓	✓	✓	✓
Wilkins Investment Counsel, Inc.	Boston		✓	✓	✓
Zevin Asset Management, LLC	Boston	✓	✓	✓	✓
MICHIGAN					
Center for Financial Planning, Inc.	Southfield	✓	✓	✓	✓
Diversified Portfolios, Inc.	Bloomfield Hills	✓	✓	✓	✓
Financial Advisory Corporation	Grand Rapids	✓	✓	✓	✓
FormulaFolio Investments LLC	Grand Rapids	✓	✓	✓	✓
Integrated Investment Consultants, LLC	Birmingham		✓	✓	✓
Plante Moran Financial Advisors	Southfield	✓	✓	✓	✓
Retirement Income Solutions, Inc.	Ann Arbor	✓	✓	✓	
Schechter Investment Advisors, LLC	Birmingham		✓	✓	
Zhang Financial	Portage	✓	✓	✓	✓
MINNESOTA					
JNBA Financial Advisors	Minneapolis	✓	✓	✓	✓
SilverOak Wealth Management LLC	Edina	✓	✓	✓	
Stonebridge Capital Advisors, LLC	Saint Paul	✓	✓	✓	✓
MISSISSIPPI					
Medley & Brown, LLC	Ridgeland	✓	✓	✓	✓
MISSOURI					
Acropolis Investment Management, LLC	Chesterfield	✓	✓	✓	✓
BKD Wealth Advisors, LLC	Springfield	✓	✓	✓	✓
Buckingham Asset Management	St. Louis	✓	✓	✓	✓
Droms Strauss Wealth Management	St. Louis	✓	✓	✓	✓
Frontier Wealth Management, LLC	Kansas City	✓	✓	✓	✓
Krilogy Financial LLC	St. Louis	✓	✓	✓	✓
Moneta Group	Clayton	✓	✓	✓	✓
Plancorp, LLC	St. Louis	✓	✓	✓	✓
Zemenick & Walker, Inc.	St. Louis	✓	✓	✓	✓

		Client segments served			
Name	City	Retail (individuals with less than $1 million)	High Net Worth (individuals with $1 million - $10 million)	Ultra-High Net Worth (individuals with $10 million+)	Institutional
NEBRASKA					
Bridges Investment Management	Omaha	✓	✓	✓	✓
Carson Wealth Management Group	Omaha	✓	✓	✓	
WealthPLAN Partners	Omaha		✓	✓	✓
NEVADA					
Arista Wealth Management	Las Vegas	✓	✓	✓	✓
HighTower Las Vegas	Henderson	✓	✓	✓	✓
NEW JERSEY					
Advisors Capital Management, LLC	Ridgewood	✓	✓	✓	✓
CFS Investment Advisory Services, LLC	Totowa	✓	✓	✓	✓
CRA Financial LLC	Northfield	✓	✓	✓	✓
Delta Financial Group, Inc.	Basking Ridge	✓	✓	✓	✓
Modera Wealth Management, LLC	Westwood	✓	✓	✓	✓
Pathstone Federal Street	Fort Lee		✓	✓	✓
Personal CFO Solutions, LLC	Chester	✓	✓	✓	
Private Advisor Group, LLC	Morristown	✓	✓	✓	✓
Tradition Capital Management, LLC	Summit	✓	✓	✓	✓
NEW MEXICO					
REDW Stanley Financial Advisors, LLC	Albuquerque	✓	✓	✓	✓
NEW YORK					
Ascent Wealth Partners, LLC	Utica	✓	✓	✓	✓
Beekman Wealth Advisory, LLC	New York			✓	
Betterment	New York	✓	✓	✓	✓
Catalyst Capital Advisors LLC	Huntington	✓	✓		
Douglass Winthrop Advisors LLC	New York		✓	✓	✓
Evercore Wealth Management, LLC	New York		✓	✓	✓
Financial Partners Capital Management, LLC	New York		✓	✓	✓
Forbes Family Trust	New York		✓	✓	
GM Advisory Group, Inc.	Melville	✓	✓	✓	✓
HPM Partners LLC	New York		✓	✓	✓
HSW Advisors, HighTower	New York		✓	✓	
Joel Isaacson & Co., LLC	New York	✓	✓	✓	
Kings Point Capital Management, LLC	Great Neck	✓	✓	✓	✓
Klingman & Associates, LLC	New York		✓	✓	✓
Lebenthal Asset Management	New York	✓	✓	✓	✓
LVW Advisors	Pittsford		✓	✓	✓
M. Griffith Investment Services, Inc.	New Hartford	✓	✓		
Morse, Towey & White Group	New York	✓	✓	✓	
New Providence Asset Management	New York		✓	✓	✓
Offit Capital	New York		✓	✓	✓
Ogorek Wealth Management LLC	Williamsville	✓	✓	✓	
RCL Advisors, LLC	New York	✓	✓	✓	✓
Silvercrest Asset Management Group	New York		✓	✓	✓
Snowden Lane Partners	New York		✓	✓	✓
The Bapis Group, HighTower	New York	✓	✓	✓	✓
The Portfolio Strategy Group, LLC	White Plains		✓	✓	✓
Treasury Partners, HighTower	New York		✓	✓	
NORTH CAROLINA					
Biltmore Family Office, LLC	Charlotte			✓	
Cornerstone Financial Partners	Huntersville	✓	✓	✓	
Delegate Advisors	Chapel Hill			✓	
Hamilton Point Investment Advisors	Chapel Hill	✓	✓	✓	✓
Novare Capital Management	Charlotte	✓	✓	✓	✓
Smith, Salley & Associates, LLC	Greensboro	✓	✓	✓	✓
Stearns Financial Group	Greensboro	✓	✓	✓	✓
Triad Financial Advisors, Inc.	Greensboro	✓	✓		
OHIO					
Bartlett & Co., LLC	Cincinnati	✓	✓	✓	✓
Beacon Capital Management	Centerville	✓	✓	✓	✓

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Budros, Ruhlin & Roe, Inc.	Columbus	✓	✓	✓	✓
Carnegie Investment Counsel	Pepper Pike	✓	✓	✓	✓
Fairport Asset Management	Cleveland		✓	✓	
Fairway Wealth Management LLC	Independence		✓	✓	
Foster & Motley, Inc.	Cincinnati	✓	✓	✓	✓
McDonald Partners, LLC	Cleveland	✓	✓	✓	✓
OBS Financial Services, Inc.	Whitehouse	✓	✓		✓
Pinnacle Wealth Planning Services, Inc.	Mansfield	✓	✓	✓	✓
RiverPoint Capital Management	Cincinnati	✓	✓	✓	✓
SJS Investment Services	Sylvania	✓	✓	✓	✓
Spero-Smith Investment Advisers, Inc.	Cleveland	✓	✓	✓	✓
Summit Financial Strategies, Inc.	Columbus	✓	✓	✓	✓
Truepoint Wealth Counsel	Cincinnati		✓	✓	✓
OKLAHOMA					
Mariner Wealth Advisors-Oklahoma, LLC	Tulsa	✓	✓	✓	✓
Retirement Investment Advisors, Inc.	Oklahoma City	✓	✓	✓	✓
Tom Johnson Investment Management, LLC	Oklahoma City	✓	✓	✓	✓
OREGON					
AKT Wealth Advisors, LP	Lake Oswego	✓	✓	✓	✓
Ferguson Wellman Capital Management	Portland	✓	✓	✓	✓
Sloy, Dahl & Holst, Inc.	Portland	✓	✓	✓	✓
TRUE Private Wealth Advisors	Salem	✓	✓	✓	✓
PENNSYLVANIA					
Bluestone Capital Management	Wayne	✓	✓	✓	✓
Clark Capital Management Group	Philadelphia	✓	✓	✓	✓
Concentus Wealth Advisors	King of Prussia	✓	✓	✓	
CooksonPeirce Wealth Management	Pittsburgh	✓	✓	✓	✓
HBKS Wealth Advisors	Erie	✓	✓	✓	✓
HJ Wealth Management LLC	Plymouth Meeting	✓	✓	✓	✓
Hoover Financial Advisors, PC	Malvern	✓	✓	✓	
Ironview Capital Management	Blue Bell	✓	✓	✓	✓
JFS Wealth Advisors, LLC	Hermitage	✓	✓	✓	✓
Mill Creek Capital Advisors, LLC	Conshohocken		✓	✓	✓
ParenteBeard Wealth Management	Lancaster	✓	✓	✓	✓
RTD Financial Advisors, Inc.	Philadelphia	✓	✓	✓	✓
Sage Financial Group	Conshohocken	✓	✓	✓	
Schneider Downs Wealth Management Advisors, LP	Pittsburgh	✓	✓	✓	✓
Veritable, L.P.	Newtown Square			✓	
Wescott Financial Advisory Group LLC	Philadelphia	✓	✓	✓	✓
TEXAS					
Ackerman Capital Management, LP	Dallas		✓	✓	✓
Beaird Harris	Dallas	✓	✓	✓	✓
Briaud Financial Advisors	College Station		✓	✓	
Covenant	San Antonio	✓	✓	✓	✓
Durbin Bennett Private Wealth Management, LLC	Austin	✓	✓	✓	✓
Insight Wealth Partners, LLC	Plano	✓	✓	✓	
Oxbow Advisors, LLC	Austin		✓	✓	✓
RGT Wealth Advisors	Dallas		✓	✓	
Sather Financial Group, Inc.	Victoria	✓	✓	✓	✓
SFMG Wealth Advisors	Plano	✓	✓	✓	
South Texas Money Management, Ltd.	San Antonio	✓	✓	✓	✓
Tolleson Wealth Management	Dallas			✓	
VERMONT					
Manchester Capital Management, LLC	Manchester		✓	✓	✓
VIRGINIA					
Azzad Asset Management	Falls Church		✓		✓
Edelman Financial Services, LLC	Fairfax	✓	✓	✓	✓
Glassman Wealth Services	Vienna	✓	✓	✓	✓
Mason Investment Advisory Services, Inc.	Reston	✓	✓	✓	✓
McLean Asset Management Corporation	McLean	✓	✓	✓	✓
PagnatoKarp	Reston		✓	✓	
Partners in Financial Planning, LLC	Salem	✓	✓	✓	✓
Sullivan, Bruyette, Speros & Blayney, LLC	McLean		✓	✓	✓
The Burney Company	Falls Church	✓	✓	✓	✓
Verus Financial Partners	Richmond	✓	✓		
VWG Wealth Management at HighTower Advisors	Vienna		✓	✓	✓
West Financial Services, Inc.	McLean	✓	✓	✓	✓
WASHINGTON					
Brighton Jones	Seattle	✓	✓	✓	✓
Empirical Financial Services, LLC	Seattle		✓	✓	✓
Fisher Investments	Camas	✓	✓	✓	✓
Freestone Capital Management, LLC	Seattle	✓	✓	✓	✓
Garde Capital, Inc.	Seattle	✓	✓	✓	✓
Greene Wealth Management, LLC	Seattle	✓	✓	✓	✓
Petersen Hastings	Kennewick	✓	✓	✓	✓
Schmidt Financial Group, Inc.	Kirkland	✓	✓	✓	
WISCONSIN					
Annex Wealth Management, LLC	Elm Grove	✓	✓	✓	✓
Sadoff Investment Management	Milwaukee	✓	✓	✓	✓

Methodology Selection criteria

This third edition of the Financial Times 300 has assessed registered investment advisers (RIAs) on desirable traits for investors.

To ensure a list of established companies with deep, institutional expertise, we examine the database of RIAs registered with the US Securities and Exchange Commission and select those that reported to the SEC that they had $300m or more in assets under management (AUM). The Financial Times' methodology is quantifiable and objective. The RIAs had no subjective input.

The FT invited qualifying RIA companies — more than 1,500 — to complete a lengthy application that gave us more information about them. We added to this with our own research into their practices, including data from regulatory filings. Some 520 RIA companies applied and 300 made the final list.

The formula the FT uses to grade advisers is based on six broad factors and calculates a numeric score for each adviser. Areas of consideration include adviser AUM, asset growth, the company's age, industry certifications of key employees, SEC compliance record, and online accessibility. The reasons these were chosen are as follows:

- AUM signals experience managing money and client trust.
- AUM growth rate can be a proxy for performance, as well as for asset retention and the ability to generate new business. We assessed companies on both one-year and two-year growth rates.
- Companies' years in existence indicates reliability and experience of managing assets through different market environments.
- Compliance record provides evidence of past client disputes; a string of complaints can signal potential problems.
- Industry certifications (CFA, CFP, etc) shows the company's staff has technical and industry knowledge, and signals a professional commitment to investment skills.
- Online accessibility demonstrates a desire to provide easy access and transparent contact information.

Assets under management and asset growth, combined, comprised roughly 80 to 85 per cent of each adviser's score.

Additionally, the FT caps the number of companies from any one state. The cap is roughly based on the distribution of millionaires across the US.

We present the FT 300 as an elite group, not a competitive ranking of one to 300. This is the fairest way to identify the industry's elite advisers while accounting for the firms' different approaches and different specialisations.

The research was conducted on behalf of the Financial Times by Ignites Distribution Research, a Financial Times sister publication.

Loren Fox

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