

High net worth clients no fluke

Fiona Harris

Personalised service and smaller client bases are telltale signs of success in the high net worth market and the results of a very targeted and planned business strategy.

Byron Capital Private Investors tops the list of dealer groups working in the high net worth space, with its two advisers averaging funds under advice (FUA) of \$343,000. This is calculated by dividing FUA at December 2006 by the number of advisers.

This very private, independently-owned boutique group focuses on building long-term client relationships designed to deliver a holistic service, including tax planning, superannuation,

wealth creation, private portfolio management, estate and succession planning, and insurance.

Byron Capital provides specialist advice on all asset classes, particularly listed property, listed fixed interest and shares, using its own in-house research team.

Fees are based on funds under management (FUM).

Other dealer groups specialising in the high net worth space share similar features, particularly fees charged on FUM and strong capabilities in direct investing.

This is particularly a feature of Perth-based Hogan and Partners, which has more than 39 years' experience in stockbroking, offering services



BRAD CHURCH: QUALITY THE KEY

TOP 20 FUA PER ADVISER

Dealer group	Report date	Dec06 FUA (\$m)	June06 FUA (\$m)	Change in FUA (\$m)	Dec06 no. of advisers	June06 no. of advisers	Change in advisers	Advisers hired	FUA per adviser (\$m)
Byron Capital	31/12/06	687	620	67	2	2	0	0	343.5
Hogan and Partners	31/12/06	320	270	50	1	2	-1	0	320.0
Brady and Associates	31/12/06	230	210	20	1	1	0	0	230.0
Heraud Harrison	31/12/06	919	833	86	6			0	153.2
Kingston Capital	31/12/06	1000	800	200	7	7	0	0	142.9
Dixon Advisory & Superannuation Services	31/12/06	1200			10			5	120.0
Gannon Growden Schonell and Associates	31/12/06	1300			11			0	118.2
Telstra Super Financial Planning	31/12/06	3388			29			3	116.8
Centric Wealth Advisers	31/12/06	3700	3,000	700	32	30	2	0	115.6
Macquarie Wealth Management	31/12/06	4400			59	50	9	11	101.7
Dunross Securities (QLD)	31/12/06	300			3			0	100.0
Fred Parrish Financial Services	31/12/06	190			2			0	95.0
Gilham Financial Management	31/12/06	280	240	40	3	3	0	0	93.3
Providence Wealth Advisory Group	31/12/06	184			2			0	92.0
Goodman Private Wealth Advisers	31/12/06	180	158	22	2	3	-1	0	90.0
State Super Financial Services Australia	31/12/06	6806	6109	697	77	81	-4	0	88.4
Mercer Wealth Solutions	31/12/06	4027	3691	336	53	53	0	0	76.0
Financialline Brisbane	31/12/06	225			3			0	75.0
WHK Group	31/12/06	6700	6700	0	93	93	0	0	72.0
ABN Amro Morgans	31/12/06	27,000	25000	2000	400	400	0	30	67.5

SOURCE: InvestorSupermarket

in shares, warrants, instalments and options.

However, despite the enviable FUA such businesses manage, it is by no means a fluke they have been successful in attracting such client bases, and further, that other dealer groups are now emerging in this space.

This is the case with Brisbane-based Goodman Private Wealth Advisers, which this year is celebrating 20 years of business.

"The first 10 years of this business' existence, it was a one-man band with John Goodman [founder and chairman]," Goodman Private Wealth Advisers chief executive and senior adviser Brad Church says.

"Twenty years ago, our market was not as

clearly identified as today. But 10 years ago we decided to be a real business, a permanent business and that's when the hard work started.

"Now it is our quality of what we do that sets us apart."

Church says its ideal clients are successful families with \$500,000 to invest. A typical client will have \$1 million to invest. These clients want personalised service so the business limits its client base. Church says this gives Goodman Private an edge over larger players.

"Some of the larger groups are probably spread a bit thin," he says.

What this means is that businesses such as Goodman Private are now competing with the likes of State Super Financial Services Australia, which was ranked 16th on the top 20 dealer groups list based on the net worth of their clients.

State Super is one of the largest superannuation funds in Australia with close to 160,000 members.

However, Church is skeptical about the quality of service clients may be receiving in such super funds. He says super funds such as State Super and Telstra Super Financial Planning may appear on the list because they have such huge member bases.

"All you need is one account with \$100 million and you've got an impressive funds under advice figure, whereas we deal with families," he says.

"We've got about 80 clients per adviser, while some businesses have thousands. It tells a very different story." □

BOTTOM 10 FUA PER ADVISER

Dealer group	Dec06 FUA (\$m)	Dec06 number of advisers	FUA per adviser (\$m)
Ballast Financial Management	100	18	5.6
Brighton Hall Securities	50	8	6.3
Millennium3 Financial Services	3500	485	7.2
Guardian Financial Planning	1350	184	7.3
AFG Financial Planning	1200	141	8.5
Wealthsure Financial Services	1400	142	9.9
Mawson Securities	1000	100	10.0
Total Financial Solutions Australia	1200	115	10.4
Australian Unity Funds Management	260	24	10.8
Professional Investment Services	15,000	1379	10.9

SOURCE: InvestorSupermarket

TOP LOSSES IN NUMBER OF ADVISERS

Dealer group	Dec06 number of advisers	Jun06 number of advisers	Change in advisers
AMP Financial Planning	1231	1264	-33
Mawson Securities	100	116	-16
ANZ Financial Planning	363	373	-10
Epic Adviser Solutions	35	41	-6
Western Pacific Financial Group	57	62	-5
Tandem Financial Advice	87	92	-5
State Super Financial Services Australia	77	81	-4
FYG Planners	31	33	-2
Genesys Wealth Advisers	398	400	-2
Suncorp Financial Planning	216	217	-1
Securitor	414	415	-1
Hogan and Partners	1	2	-1
Goodman Private Wealth Advisers	2	3	-1
SBP Financial Services	1	2	-1
WB Financial Management	35	36	-1

SOURCE: InvestorSupermarket

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- Brad Church, Goodman Private