



## 2012 Philadelphia Five Star Wealth Managers

In a consumer study about dynamics between wealth managers and their clients, Five Star Professional polled wealth managers and consumers about communications. Both groups said that connecting three to four times a year is the right communications strategy, but expectations are not aligned in all areas:

- 29 percent of consumers want to be contacted by their wealth manager whenever events require an update; only 7 percent of wealth managers say they contact clients based on the impact of events.
- 63 percent of consumers say they receive the right amount of communication from their wealth manager.

*From research conducted by Five Star Professional, April 2011.*

Wealth managers, broadly defined, are those individuals who help you manage your financial world and/or implement aspects of your financial strategies. Common examples of wealth managers

are financial advisors, financial planners, investment advisors, tax advisors and estate planning attorneys.

How do you find a wealth manager with experience, who has a good base of clients with high retention rates, and who has undergone a regulatory and complaint review? And when you find them, are they accepting new clients?

*Philadelphia* magazine and Five Star Professional partnered to find wealth managers who satisfy 10 objective eligibility and evaluation criteria that are associated with wealth managers who provide quality services to their clients. Among many distinguishing attributes, the average one-year client retention rate for this year's award winners is more than 96 percent.

“Don't listen to other people. Investigate for yourself. Be wary of advisers who say they never had a down year.”

— *Five Star Wealth Manager*

### A Select AWARD

The 2012 Five Star Wealth Managers are a select group, representing less than 3 percent of the wealth managers in the Philadelphia area.<sup>(1)</sup>

Although this list is a useful tool for anyone looking for help in managing their financial world or implementing aspects of their financial strategies, it should not be considered exhaustive. Undoubtedly, there are many excellent wealth managers who, for one reason or another, are not on this year's list.

### Award CANDIDATES

In order to consider a broad population of high-quality wealth managers, award candidates are identified by one of three sources: firm nomination, peer nomination or pre-qualification based on industry standing. Self-nominations are not accepted. Philadelphia award candidates were identified using internal and external research data, including a survey to more than 15,100 registered financial services professionals and all identified financial service companies in the area that are registered with FINRA or the SEC.

# Determination OF AWARD WINNERS

Award candidates who satisfied 10 objective eligibility and evaluation criteria that are associated with wealth managers who provide quality services were named 2012 Five Star Wealth Managers.<sup>(2)</sup>

## Eligibility Criteria – Required<sup>(3)</sup>

1. Credentialed as an investment advisory representative (IAR), a FINRA-registered representative, a CPA or a licensed attorney.
2. Actively employed as a credentialed professional in the financial services industry for a minimum of five years.
3. Favorable regulatory and complaint history review.<sup>(4)</sup>
4. Fulfilled their firm review based on internal firm standards.
5. Accepting new clients.

## Evaluation Criteria – Considered<sup>(3)</sup>

6. One-year client retention rate (the average one-year client retention rate of this year's award winners is more than 96 percent).
7. Five-year client retention rate.
8. Non-institutional discretionary and/or non-discretionary client assets administered (this year's award winners administer an average of \$103 million in client assets).
9. Number of client households served (on average, this year's award winners serve 282 households).
10. Education and professional designations.

## Research DISCLOSURES

- Wealth managers do not pay a fee to be considered or placed on the final list of Five Star Wealth Managers.
- The Five Star award is not indicative of the wealth manager's future performance.
- Wealth managers may or may not use discretion in their practice and therefore may not manage their clients' assets.
- The inclusion of a wealth manager on the Five Star Wealth Manager list should not be construed as an endorsement of the wealth manager by Five Star Professional or *Philadelphia* magazine.
- Working with a Five Star Wealth Manager or any wealth manager is no guarantee as to future investment success, nor is there any guarantee that the selected wealth managers will be awarded this accomplishment by Five Star Professional in the future.
- Five Star Professional is not an advisory firm, and the content of this article should not be considered financial advice. For more information on the Five Star award and the research/selection methodology, go to [www.fivestarpromotional.com](http://www.fivestarpromotional.com).
- <sup>(1)</sup> 2,847 award candidates in the Philadelphia area were considered for the Five Star Wealth Manager award. 773 (approximately 28 percent of the award candidates) were named 2012 Five Star Wealth Managers.

<sup>(2)</sup> Wealth managers were required to certify that any information they provided was accurate.

<sup>(3)</sup> Criteria 4, 8 and 9 do not apply to attorneys or CPAs.

<sup>(4)</sup> As defined by Five Star Professional, the wealth manager has not:

- Been subject to a regulatory action that resulted in a license being suspended or revoked, or payment of a fine.
- Had more than a total of three customer complaints filed against them (settled or pending) with any regulatory authority or Five Star Professional's consumer complaint process.
- Individually contributed to a financial settlement of a customer complaint filed with a regulatory authority.
- Filed for personal bankruptcy.
- Been convicted of a felony.

Five Star Professional conducts a regulatory review of each nominated wealth manager using the Investment Adviser Public Disclosure (IAPD) website. Five Star Professional also uses multiple supporting processes to help ensure that a favorable regulatory and complaint history exists. Data submitted through these processes was applied per the above criteria:

- Each wealth manager who passes the Five Star Professional regulatory review must attest that they meet the definition of favorable regulatory history, based upon the criteria listed above.
- Five Star Professional promotes via local advertising the opportunity for consumers to confidentially submit complaints regarding a wealth manager.
- Five Star Professional contacted approximately 1 in 12 households identified as having a high propensity to use the services of wealth managers in order to provide consumers the opportunity to submit complaints regarding a wealth manager. More than 85,600 households in the Philadelphia area were contacted.

The Five Star Wealth Manager selection criteria was updated for the 2012 award year. 2005 – 2011 Five Star Wealth Managers scored highest in overall satisfaction based on feedback from clients, peers and industry experts. No more than 7 percent of wealth managers receive the award each year. The selection process for the 2005 – 2011 award winners can be found at [www.fivestarpromotional.com/2011/wealth\\_managers\\_research\\_overview.php](http://www.fivestarpromotional.com/2011/wealth_managers_research_overview.php).



The Five Star award goes to less than 7 percent of wealth managers.

## Insights from Five Star Wealth Managers

“Wishful thinking is not planning. If you plan for the worst, you will never be unpleasantly surprised.”

“Clients don't care how much you know until they know how much you care.”

“Only invest in something that you understand.”

“What matters most is how you recover from setbacks.”