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**AUSTRALIA'S
TOP 50
FINANCIAL
ADVISERS**



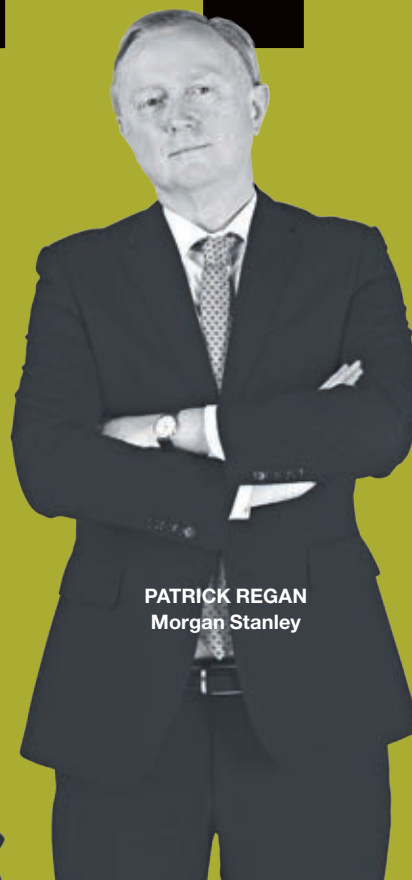
CHARLIE VIOLA
Pitcher Partners



GARTH HU
Morgan Stanley



SUE DAHN
Pitcher Partners



PATRICK REGAN
Morgan Stanley



SCOTT CARMICHAEL
Escala Partners

Who can you trust?



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AUSTRALIA'S TOP 50 FINANCIAL ADVISERS

Story by:
James Kirby

Illustration by:
Steven Moore

The financial advice sector is under intense scrutiny thanks to the royal commission. But the upshot is that the best operators will be more sought after than ever

What a difference a year makes. Australia's Top 50 Financial Advisers list – and the industry it tracks – has changed dramatically in the past 12 months. A royal commission into banking, a blizzard of new tax rules, and a fundamental shift towards breaking away from larger financial institutions marks our 2018 edition.

Last year, our list was an experiment. In this our second year, it is the list not to miss. We have a remarkable 31 new entrants in the tables, with just 19 advisers holding a place in the rankings for the second year. Once again we have run the numbers in conjunction with our partner, New York-based *Barron's*, where the research team that compiles the US Top Advisers list has put its considerable analytical skills to work in the Australian market.

If the list has an overarching theme this year, it is the genuine arrival of boutique operators in financial advice.

We knew this was coming. Figures released earlier this year by ASIC (The Australian Securities and Investments Commission) show the number of financial advisers applying for an independent licence is running at almost double the number of advisers joining larger institutions.

In fact these boutique operators – often founded by a group of successful planners who set up shop independent of their former employer – dominate the top tier of the rankings.

First place this year goes to Charlie Viola of Pitcher Partners, while last year's number one, Scott Carmichael of Escala Partners, stays at the very top, coming in at number five.

We have seven women on the list, one more than last year, with Sue Dahn of Pitcher Partners the highest ranked, at number three.

And these advisers are located just about everywhere, from the office towers of the major cities to discrete practices in leafy coastal towns – there's Les McGuire of Future Proof in Ballina, Nerida Hicks in Nowra and Neil Heriot of Boston Private Wealth in the palm-fringed enclave of Sanctuary Cove on the Gold Coast.

And it's not just the advisers who are changing. Their offerings are being overhauled too, as more clients ask more pointed questions about fees, returns and investment procedures.

There is a clear increase in the popularity of SMAs (Self-Managed Accounts) where the investments are guided by the adviser but the client still holds direct ownership of the assets. In tandem with that, there is a shift away from traditional active managed funds where the client has less control of the investments. Passive investing also continues to rise in popularity with advisers offering an ever-extending range of Exchange Traded Funds.

And of course the practice issue of the year is understanding the array of changes in superannuation rules and regulations that came into the market over

the past financial year. At the same time it's been a horror period for the reputation of financial services professionals, as the royal commission progressively made its examinations of bad practice in consumer banking, mortgage broking, financial advice and small business finance.

Financial advisers, especially mid-tier professionals in the larger banks, provided a considerable caseload for the commission. But there was also trouble at the top layer – the level from which we draw our list. Few will forget celebrity adviser Sam Henderson being hauled over the coals by the commission for pushing inappropriate products, or the dramatic sight of Terry McMaster, head of Dover Financial, being ferried away from the courts in an ambulance after he collapsed during a particularly heated session. (Henderson has now retired from the industry.)

As our number-one adviser this year, Charlie Viola at Pitcher Partners, told *The Deal*, the most surprising thing about the royal commission was, in fact, the sheer number of surprises.

Scott Carmichael from Escala Partners, the inaugural champion of our list, says the current painful and public examination of the financial advice sector will all be for the better: "The commission will bring about a change in the promotion of quality advice," he suggests.

Usefully, these events have prompted an urgent reaction from financial advisers on almost every level. Two of the more progressive developments that have intensified in recent months are the move to upgrade educational standards in advice and the rise of self-described "ethical advisers".

Clearly it's been too easy for too long to get qualified as a financial adviser and the recent creation of FASEA (Financial Adviser Standards and Ethics Authority) to reform standards across the sector was a bold move.

Unfortunately, the first call by the agency to demand considerably higher educational standards has been met with resistance from the very people who asked for changes initially, such as the Financial Planning Association. The FASEA board, led by company director Catherine Walter, is now facing an uphill battle after the body's inaugural chief, Deen Sanders, resigned unexpectedly earlier this year. FASEA is currently hunting for a new CEO.

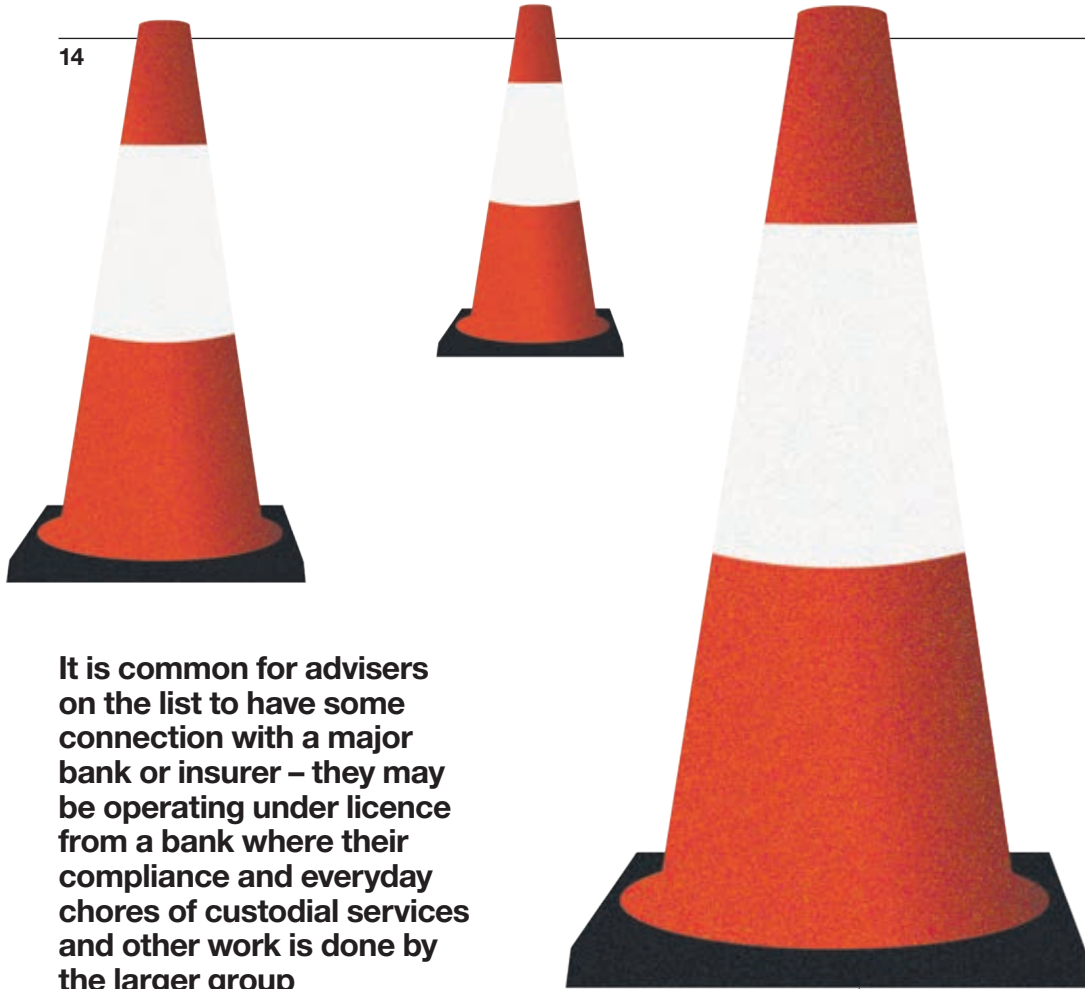
The one sector within the industry that seems to have the fewest complaints – and the fewest complaints against them – is the group of self-branded ethical advisers, who are invariably well-qualified professionals. Many of these advisers had left the major banks long before the current exodus. Ethical planners can cost more than conventional planners, but the movement towards advice with a view to sustainability and social good is surely welcome.

As Doug Turek of Professional Wealth – another stayer on our list, this year at number 22 – says: "Anything that is positive for the industry is welcome just now."

Turek also suggests that while the dramas that put the profession on the front page rage on, most professionals like him are fully occupied trying to bring clients



For extended information on the Barron's TOP 50 go to theaustralian.com.au/top-50-advisers



It is common for advisers on the list to have some connection with a major bank or insurer – they may be operating under licence from a bank where their compliance and everyday chores of custodial services and other work is done by the larger group

up to speed on the major regulatory changes of the past year while navigating investment markets that are as tricky as ever. “It is surprising how many clients are still not across the detailed changes to super – even the big news such as the cap on tax-free income for retirees, which is now very much in place,” he says.

Turek, like many veterans of the list, has long been fully independent, with no alignments or ties to any bank or major institution.

As Sue Dahn of Pitcher Partners explains: “We never accept commissions, we never peddle our own products ... and we don’t use investment platforms so we can keep the costs down.”

Nonetheless, it is common for advisers on the list to have some connection with a major bank or insurer – they may be operating under licence from a bank where their compliance and everyday chores of custodial services and other work is done by the larger group. Though a few advisers do not use investment platforms as a pragmatic way to get access to a selection of funds, most will use at least one of the major platforms such as BT Wrap, Macquarie Wrap, Netwealth, Powerwrap and Xplan.

As with last year, we have found that top advisers can be aligned or non-aligned. Three of our top 10 are aligned to a big bank – in total, 21 advisers have confirmed they are aligned and 29 are non-aligned.

Certainly, the advisers are answering more questions from clients on the precise nature of their relationship with bigger institutions such as the major banks or AMP.

Paul Nicol of GFM Wealth Advisory, who is ranked 27 this year, welcomes the higher standards asked of his team: “We have had a spike in referrals from clients who have been speaking with colleagues, families or friends,” he says. “In many ways the royal commission has been good for our business, and more importantly, good for the industry, which is in desperate need of a shake-up.”

That shake-up is definitely on its way, as three related developments combine to trigger a reshaping of the financial services sector:

- A split between face-to-face advice at the top end and robo-advisers at the middle to lower end.
- The phased ending of commissions. Even though commissions were banned in 2013, there are still around half a million people paying trailing commissions each year under so-called grandfathering arrangements.
- The related rise in passive investing products, such as index funds and ETFs, as commissions fade as a factor in recommendations.

No doubt the robo-advisers – low-cost, highly automated groups that depend heavily on off-the-shelf recommendations – will thrive in this new atmosphere as many of the funds left on the table will be at the low-to-middle end of the spectrum.

Companies such as Ignition Wealth, Six Park, Stockspot and a range of smaller start-up operations will increasingly become mainstream.

Meanwhile, Adviser Ratings, a specialist consultancy group within the sector, estimates that more than 50 per cent of more than 20,000 advisers in the market today will leave the industry over the next five years. As this group leaves the sector, they will leave no less than \$900 billion in the market to be managed by someone else.

Perhaps a major outcome of this trend will be the rise of boutique planners for the middle to top end. The top end might begin where clients have investable assets of more than \$1 million, and importantly, that \$1 million should not include the value of the family home.

Better still, the lower end of the market will almost certainly see a shift from dealing with poorly qualified, sales-driven planners at major banks to robo-advisers that depend heavily on passive investments. If so, it would be a trend that should greatly reduce the number of rogue advisers and sales-driven practices that have blighted the industry in recent years. **D**

How we did it

The Top 50 Financial Advisers list is a joint venture between *The Australian* and New York-based *Barron’s* – from the same stable as the *The Wall Street Journal* – which has been producing the US top advisers list since 2004.

Under our arrangement, the *Barron’s* team collects, analyses and presents the data for the list – *The Australian* then creates the editorial. In other words, there is a separation of powers between the researchers and the writers, a robust structure that eliminates any potential conflict of interest. (At least two of our top advisers this year are regular contributors to the newspaper’s WEALTH section.)

The list is not yet comprehensive. No doubt there are still top advisers out there who have not yet participated in the survey, but with a year-on-year increase in applications of 50 per cent, we are confident the list is already highly representative of the best of the industry.

The mechanics of the list work like this: Advisers who wish to be ranked complete a survey of more than 70 questions about their practice; *Barron’s* then applies its ranking formula to generate the numbers. There are three key categories of data: (A) assets under management, (B) revenue and (C) quality of practice.

On the release of our inaugural list in 2017, some advisers and commentators asked why investment returns were not a factor. Matthew Barthel, executive editor, Dow Jones Wealth and Asset Management, oversees the *Barron’s* list. He says every client has a different risk profile and returns are primarily a function of asset allocation and risk taken. In the interest of fairness, *Barron’s* has always looked at indicators of client satisfaction rather than a flat assessment of investment returns.

As Barthel argues, the worst advisers get the most public attention – a point that has been proven beyond all reasonable doubt over the past few months. At the same time, the best advisers are often little known in the wider world outside their professional channels.

Key variables in the survey include fees, qualifications, length of time in the industry, regulatory track history, and charitable and philanthropic work.

Primarily, the Top 50 Financial Advisers list is designed for you, the reader, to help you find a financial adviser who best suits your needs.

The list

The 2018 list of financial advisers big and small is spread across Australia's cities and regions



**AUSTRALIA'S
TOP 50
FINANCIAL
ADVISERS**

Rank 1

2017 NR (not ranked)
Name Charlie Viola
Firm Pitcher Partners
Location Sydney
Years of planning experience 19
Minimum account size No minimum
Size of team 20
Funds under advisement \$1.7 billion

Rank 2

2017 NR
Name Garth Hu
Firm Morgan Stanley
Location Melbourne
Years of planning experience 11
Minimum account size \$5 million
Size of team 6
Funds under advisement \$1 billion

Rank 3

2017 NR
Name Sue Dahn
Firm Pitcher Partners
Location Melbourne
Years of planning experience 20
Minimum account size \$1 million
Size of team 40
Funds under advisement \$3 billion

Rank 4

2017 NR
Name Patrick Regan
Firm Morgan Stanley
Location Sydney
Years of planning experience 12
Minimum account size \$2.5 million
Size of team 9
Funds under advisement \$1.8 billion

Rank 5

2017 1
Name Scott Carmichael
Firm Escala Partners
Location Melbourne
Years of planning experience 20
Minimum account size \$2.5 million
Size of team 5
Funds under advisement \$940 million

Rank 6

2017 NR
Name David Leon
Firm Morgan Stanley
Location Adelaide
Years of planning experience 14
Minimum account size \$500,000
Size of team 6
Funds under advisement \$2 billion

Rank 7

2017 NR
Name Ravi Agarwal
Firm MEDIQ Financial Services
Location Melbourne
Years of planning experience 8
Minimum account size No minimum
Size of team 30
Funds under advisement \$400 million

Rank 8

2017 NR
Name Ben James
Firm Escala Partners
Location Melbourne
Years of planning experience 20
Minimum account size No minimum
Size of team 4
Funds under advisement \$495 million

Rank 9

2017 NR
Name Craig Emanuel
Firm Morgan Stanley
Location Brisbane
Years of planning experience 20
Minimum account size \$1 million
Size of team 4
Funds under advisement \$460 million

Rank 10

2017 NR
Name Paul Alexander Anthony Burgon
Firm Lipman Burgon & Partners
Location Sydney
Years of planning experience 13
Minimum account size \$1.5 million
Size of team 15
Funds under advisement \$850 million

Rank 11

2017 NR
Name David Simon
Firm Integral Private Wealth
Location Sydney
Years of planning experience 17
Minimum account size \$1.5 million
Size of team 16
Funds under advisement \$750 million

Rank 12

2017 28
Name Claire Mackay
Firm Quantum Financial
Location Sydney
Years of planning experience 9
Minimum account size No minimum
Size of team 9
Funds under advisement \$378 million

Rank 13

2017 NR
Name Matt Koch
Firm Morgan Stanley
Location Sydney
Years of planning experience 34
Minimum account size \$2 million
Size of team 7
Funds under advisement \$1.474 billion

Rank 14

2017 4
Name Thomas Murphy
Firm Escala Partners
Location Sydney
Years of planning experience 18
Minimum account size \$5 million
Size of team 11
Funds under advisement \$1.17 billion

Rank 15

2017 37
Name Tim Mackay
Firm Quantum Financial
Location Sydney
Years of planning experience 13
Minimum account size No minimum
Size of team 9
Funds under advisement \$378 million

Rank 16

2017 NR
Name Neil Heriot
Firm Boston Private Wealth
Location Sanctuary Cove, QLD
Years of planning experience 30
Minimum account size \$500,000
Size of team 5
Funds under advisement \$333 million

Rank 17

2017 NR
Name Paul Lyons
Firm Morgan Stanley
Location Melbourne
Years of planning experience 24
Minimum account size No minimum
Size of team 3
Funds under advisement \$650 million

Rank 18

2017 5
Name Phillip Gillard
Firm Shadforth Financial Group
Location North Sydney
Years of planning experience 22
Minimum account size No minimum
Size of team 2
Funds under advisement \$332 million

Rank 19

2017 NR
Name Michael Lee
Firm Shadforth Financial Group
Location Perth
Years of planning experience 30
Minimum account size No minimum
Size of team 2
Funds under advisement \$313 million

Rank 20

2017 NR
Name Mark Schultz
Firm Elston
Location Ballina, NSW
Years of planning experience 14
Minimum account size \$800,000
Size of team 70
Funds under advisement \$1.6 billion

Rank 21
2017 NR
Name Dean Ireland
Firm Elston
Location Fortitude Valley, QLD
Years of planning experience 13
Minimum account size \$2 million
Size of team 70
Funds under advisement \$1.6 billion

Rank 22
2017 6
Name Douglas Turek
Firm Professional Wealth
Location Melbourne
Years of planning experience 13
Minimum account size \$1 million
Size of team 4
Funds under advisement \$315 million

Rank 23
2017 15
Name Sally Huynh
Firm Shadforth Financial Group
Location Brisbane
Years of planning experience 15
Minimum account size No minimum
Size of team 1
Funds under advisement \$308 million

Rank 24
2017 NR
Name Michael Dwyer
Firm Shadforth Financial Group
Location Brisbane
Years of planning experience 12
Minimum account size No minimum
Size of team 2
Funds under advisement \$350 million

Rank 25
2017 8
Name Mark Minchin
Firm Minchin Moore Private Wealth Advisers
Location Mosman, NSW
Years of planning experience 15
Minimum account size No minimum
Size of team 20
Funds under advisement \$980 million

Rank 26
2017 10
Name Chris Smith
Firm VISIS Private Wealth
Location Brisbane
Years of planning experience 19
Minimum account size \$500,000
Size of team 10
Funds under advisement \$255 million

Rank 27
2017 9
Name Paul Nicol
Firm GFM Wealth Advisory
Location Camberwell, VIC
Years of planning experience 19
Minimum account size No minimum
Size of team 27
Funds under advisement \$750 million

Rank 28
2017 7
Name Campbell Sorell
Firm Shadforth Financial Group
Location Melbourne
Years of planning experience 17
Minimum account size No minimum
Size of team 3
Funds under advisement \$295 million

Rank 29
2017 NR
Name Justin Hooper
Firm Sentinel Wealth Management
Location Sydney
Years of planning experience 36
Minimum account size No minimum
Size of team 11
Funds under advisement \$1.208 billion

Rank 30
2017 19
Name Troy Theobald
Firm Robina Financial Solutions
Location Robina, QLD
Years of planning experience 22
Minimum account size \$250,000
Size of team 16
Funds under advisement \$275 million

Rank 31
2017 NR
Name Paul Ashworth
Firm Cameron Harrison Private
Location Melbourne
Years of planning experience 22
Minimum account size \$1 million
Size of team 11
Funds under advisement \$555 million

Rank 32
2017 12
Name Luke Eres
Firm Innate Financial Services Group
Location Keilor, VIC
Years of planning experience 22
Minimum account size \$500,000
Size of team 9
Funds under advisement \$600 million

Rank 33
2017 NR
Name Craig Sawyer
Firm PKF Wealth
Location Newcastle West
Years of planning experience 19
Minimum account size \$30,000
Size of team 3
Funds under advisement \$350 million

Rank 34
2017 2
Name Will Hamilton
Firm Hamilton Wealth Management
Location Glen Iris, VIC
Years of planning experience 33
Minimum account size \$1.5 million
Size of team 8
Funds under advisement \$470 million

Rank 35
2017 NR
Name David Raitis
Firm Shadforth Financial Group
Location Melbourne
Years of planning experience 24
Minimum account size No minimum
Size of team 3
Funds under advisement \$252 million

Rank 36
2017 NR
Name Claire Dickinson
Firm Morgan Stanley
Location Sydney
Years of planning experience 25
Minimum account size No minimum
Size of team 2
Funds under advisement \$760 million

Rank 37
2017 NR
Name Brad Wira
Firm Shadforth Financial Group
Location West Leederville, WA
Years of planning experience 17
Minimum account size No minimum
Size of team 6
Funds under advisement \$306 million

Rank 38
2017 14
Name Neil Kendall
Firm Tupicoffs – The Independent Financial
Planners
Location Brisbane
Years of planning experience 16
Minimum account size No minimum
Size of team 25
Funds under advisement \$952 million

Rank 39
2017 NR
Name Jeanette Brookes
Firm Morgan Stanley
Location Melbourne
Years of planning experience 32
Minimum account size No minimum
Size of team 3
Funds under advisement \$1.052 billion

Rank 40
2017 21
Name Daniel White
Firm Shadforth Financial Group
Location Brisbane
Years of planning experience 12
Minimum account size No minimum
Size of team 2
Funds under advisement \$239 million

Rank 41
2017 NR
Name Andrew Foster
Firm Morgan Stanley
Location Perth
Years of planning experience 23
Minimum account size No minimum
Size of team 10
Funds under advisement \$1 billion

Rank 42
2017 NR
Name Les McGuire
Firm Future Proof Financial
Location Ballina, NSW
Years of planning experience 11
Minimum account size No minimum
Size of team 15
Funds under advisement \$290 million

Rank 43
2017 NR
Name Kyoung Walker
Firm Shadforth Financial Group
Location Melbourne
Years of planning experience 18
Minimum account size No minimum
Size of team 3
Funds under advisement \$238 million

Rank 44
2017 NR
Name Andrew Harrison
Firm Shadforth Financial Group
Location North Sydney
Years of planning experience 22
Minimum account size \$400,000
Size of team 1
Funds under advisement \$205 million

Rank 45
2017 13
Name Jonathan Manuel
Firm Prosperity Wealth Advisers
Location Newcastle
Years of planning experience 16
Minimum account size \$10,000
Size of team 21
Funds under advisement \$497 million

Rank 46
2017 11
Name Nerida Hicks
Firm Bridges Financial Services
Location Nowra, NSW
Years of planning experience 13
Minimum account size \$10,000
Size of team 6
Funds under advisement \$282 million

Rank 47
2017 NR
Name Andrew Pidgeon
Firm Shadforth Financial Group
Location Perth
Years of planning experience 13
Minimum account size No minimum
Size of team 5
Funds under advisement \$273 million

Rank 48
2017 NR
Name Darren Withers
Firm Elston Private Wealth
Location Bundall, QLD
Years of planning experience 24
Minimum account size \$700,000
Size of team 70
Funds under advisement \$1.6 billion

Rank 49
2017 22
Name Peter Nonnenmacher
Firm Hillross Macarthur
Location Campbelltown, VIC
Years of planning experience 27
Minimum account size \$100,000
Size of team 10
Funds under advisement \$202 million

Rank 50
2017 NR
Name Timothy McLaughlan
Firm Elston Private Wealth
Location Canberra
Years of planning experience 9
Minimum account size \$50,000
Size of team 70
Funds under advisement \$1.6 billion



For more on the
Barron's Top 50 go to
[theaustralian.com.au/
top-50-advisers](http://theaustralian.com.au/top-50-advisers)