



FT 300 Ranking June 2014

FT 300 Ranking Criteria from the Financial Times:

"The principle behind the Financial Times 300 is to center the criteria on the affluent and wealthy investors who tend to be readers of the Financial Times. We assessed the registered investment adviser (RIA) practices from the perspective of current and prospective investors.

The Financial Times' methodology is quantifiable and objective. We went through the database of RIAs who are registered with the US Securities and Exchange Commission, and selected those practices reporting to the SEC that they had \$300m or more in assets under management. That ensured a list of firms with established and institutionalized investment processes. The RIA firms had no subjective input. The FT then invited qualifying RIA firms - more than 2,000 - to fill in a lengthy application that gave more information about their practices. We augmented that information with our own research into the practices, including data from regulatory filings.

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 assets under management, asset growth, the firm's years in existence, industry certifications of key employees at the firms, SEC compliance record and online accessibility:

- Assets under management (AUM): signals experience managing money and client trust.
- AUM growth rate: growing assets is a proxy for performance, as well as for asset retention, and ability to generate new business.
- Firm's years in existence: indicates reliability as a firm, and experience managing assets through varying market environments.
- Compliance record: provides evidence of past client disputes; a string of complaints can signal potential problems.
- Industry certifications (CFA, CFP, etc): shows technical and industry knowledge, obtaining these designations signals to clients a professional commitment to investment skills.
- Online accessibility: illustrates commitment to providing investors with easy access and transparent contact information.

We present the FT 300 as an elite group, not a competitive ranking of 1 to 300. We acknowledge that ranking the industry's most elite advisers from 1 to 300 is a futile exercise, since each advisory firm takes its own approach to its practice and has different specializations."