

Atlantic Trust, Glenmede Top Wealth Rankings

By Tom Stabile

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Boutique firms grabbed the top spots in a new ranking of nearly three dozen wealth management brands by high-net-worth investors, with **Atlantic Trust**, **Glenmede** and **Rockefeller Wealth Management** snaring the win, place and show positions. The **Luxury Institute** survey also found a slight rebound for a few big-name brands, such as **U.S. Trust** and **HSBC Private Bank**, that had lower rankings in recent years.

The smaller-scale shops whose brands have a narrow focus on wealth management rode their perceived expertise to the best showing in the survey, says **Milton Pedraza**, CEO of the Luxury Institute. “They are pretty much viewed as the neurosurgeons of wealth management,” he adds.

The March survey of 500 investors, each with at least \$5 million in net worth and \$200,000 in income, looked at several factors, including investors’ perceptions of each brand’s overall product and service quality, its level of exclusivity, the social status of its clients, its quality of client service, and price “worthiness.” The survey – which sliced up the data through lenses such as gender, age and net worth – also quizzed respondents on whether they would refer the firm to others or consider it for their own next wealth management “purchase.”

The study combines several of the quality and exclusivity survey results into a 10-point “Luxury Brand Status Index,” on which Atlantic Trust scored the highest with a 6.96 and **Ameriprise** ranked lowest among the 35 brands with a 5.14. Glenmede notched the second spot with its 6.78 score and Rockefeller’s 6.67 was good for third. [See chart with the top 20 brands and their index scores at the end of this article.]

The other big theme beyond the strong showing for the boutiques was a rebound for a few of the larger brands that had seen some slippage in recent years, such as U.S. Trust, **JPMorgan**, **Deutsche Bank**, HSBC and **Morgan Stanley Smith Barney**, all of which did better this year, Pedraza says. “A lot of these firms had challenges when the mother brands were damaged by negative public relations,” he adds. “They’re coming back up.”

Pedraza says U.S. Trust’s apparent effort to rely more on its historic brand name and less on the association with its **Bank of America** parent may be one reason for its return to higher ratings. “Bank of America is known more as a consumer and corporate bank, not a wealth management company,” he adds. The U.S. Trust brand was 16th in the overall ratings in last year’s survey, but took fifth place this year.

Still, much of the credit for larger firms rebounding probably should go to individual relationship managers or advisors who have soldiered through their parent firms’ troubles by offering a high level of expertise and trustworthiness to their clients, Pedraza says.

A few big-name brands still haven’t gotten back on track in the ratings, particularly **Merrill Lynch**’s brokerage, **Citi Private Bank**, **Credit Suisse Private Banking** and **UBS Private Wealth Management**, none of which scored higher than 5.45 on the index. The mean for the whole 35-brand sample was 5.81.

“You see some of the brands at the bottom are still damaged, probably the effect of having such challenging dislocations of their reputations in the last few years,” Pedraza says. “It’s hard to overcome that. And it’s hard for the individual [advisors] to compensate for the corporate culture. It’s hard for those firms, when they are scaled so large, to have a consistent culture of expertise and trust.”

Expertise was the standout trait that helped Glenmede in the rankings, after it notched the top rating for delivering superior products and services. Pedraza says the firm has always scored well in the annual survey but has seldom made it into the final published rankings because it usually lacked the minimum number of respondents rating it. This year, it got the needed 50 respondents.

“Finally, this year they have a statistical sample where we could include them,” he adds. “It was always a lack of awareness. But they’ve done some advertising and they are getting their name out there.”

Another likely boost for Philadelphia-based Glenmede was its 2009 expansion to New York, Pedraza says. “A lot of the smaller firms realize they need to be in the largest city where the wealthy are congregated,” he adds. “We see a lot of the smaller boutique private banks expanding, and rightly so.”

And these firms are also getting their names out through advertising and other brand-awareness building techniques, he adds.

Atlantic Trust excelled on the question tracking respondents’ “willingness to recommend” the brands. Its score of 63% tied with **Fidelity Investments** for the top slot in this category. The mean percentage for the whole 35-brand sample was 45%.

Pedraza says Fidelity probably fared well here because its product set garners respect, even though the firm scores lower on categories such as exclusivity. Atlantic Trust’s result, however, plays right into its perceived top status.

The top recommendation score ties in neatly with Atlantic Trust’s record \$1 billion in new client assets last year, 75% of which came from referrals by clients or intermediaries such as lawyers or accountants, says **Jack Markwalter**, chairman and CEO of the firm, a division of **Invesco** that has \$17.5 billion in client assets. Atlantic Trust didn’t qualify for the survey last year, Pedraza notes.

Markwalter says that a big contributor to both the referrals and Atlantic Trust’s higher profile is the firm’s expanded nationwide “blitz” of events – seminars, luncheons and other get-togethers for clients where its top executives and investment thinkers share their market views and other insights with clients and prospective customers. The firm is holding more than 60 such events this year, many beyond its 11-office footprint.

Among the new markets Atlantic Trust has visited in recent weeks are Cleveland, Minneapolis, Winston-Salem, N.C., and Sacramento, Calif., often drawing several dozen people to its events. It also is hitting big markets such as Chicago, where it had three events last week, and San Francisco and Palo Alto, Calif., where it has sessions this week.

“We’ve chosen not to advertise,” Markwalter says. “We feel that meeting with clients in these small and mid-size groups lets us demonstrate our intellectual insight about the markets. Clients hear it and see it, and get to experience the Atlantic Trust brand. It builds brand loyalty.”

The survey also asked respondents if they were willing to pay a premium for a firm’s wealth management services. Only three of the 35 brands scored 50% or higher on the question, with Atlantic Trust garnering a “yes” from 69% of respondents, Bessemer hitting 52% and **Brown Brothers Harriman** getting 50%. The median score was 34%.

“You don’t have a majority saying these firms earn their fees,” Pedraza says. “The industry overall is not doing a good job on that scale.”

**Top 20 Wealth Management Brands
2011 Luxury Brand Status Index ratings**

Rank	Wealth Management Brand	Luxury Index	2010 rank
1.	Atlantic Trust Private Wealth Management	6.96	not ranked
2.	Glenmede Trust	6.78	not ranked
3.	Rockefeller Wealth Management	6.67	3
4.	Bernstein Global Wealth Management	6.54	2
5.	U.S. Trust	6.44	16
6.	U.S. Bank Private Client Group	6.36	5
7.	Bessemer Trust	6.33	12
8.	Northern Trust	6.29	14
9.	HSBC Private Bank	6.21	18
10.	Brown Brothers Harriman	6.15	not ranked
11.	J.P. Morgan Private Client Services	6.10	15
12.	Deutsche Bank Private Wealth Management	6.08	23
13.	J.P. Morgan Private Bank	6.04	13
14.	Fifth Third Private Client	6.02	28
15.	Morgan Stanley Smith Barney Wealth Management	6.01	25
16.	Goldman Sachs	5.98	21
17.	Neuberger Berman Private Asset Management	5.95	8
18.	Boston Private Bank and Trust	5.89	1
19.	PNC Wealth Management	5.88	17
20.	BB&T Wealth Management	5.80	9

Source: Luxury Institute

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