

Elite Wealth Management:

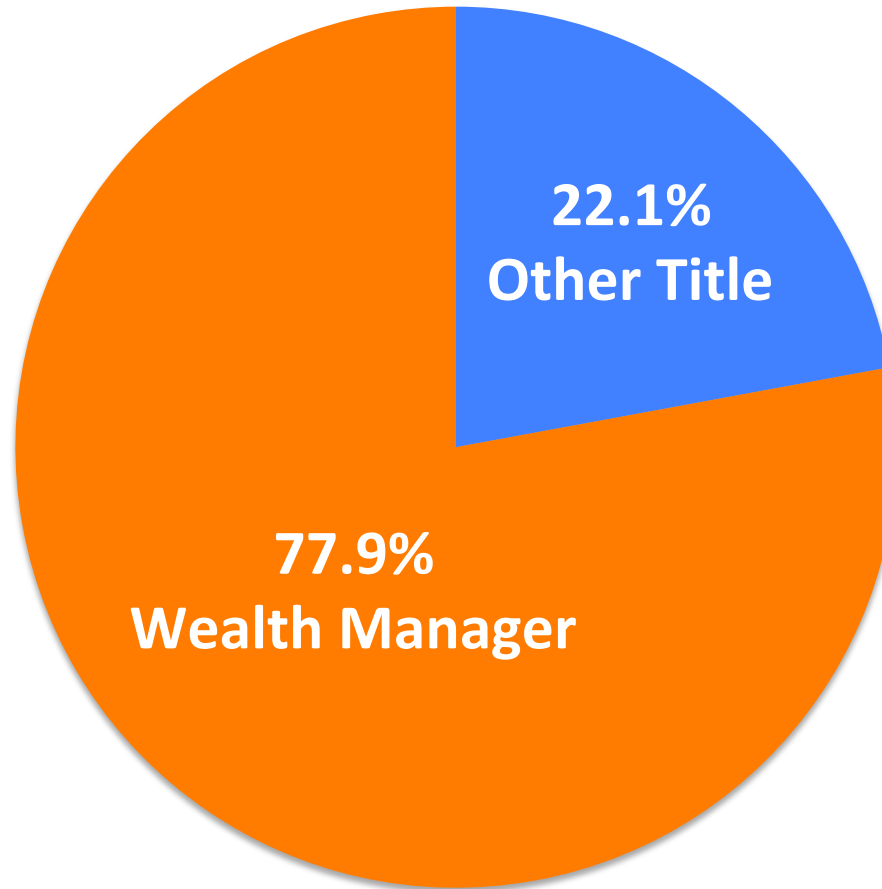
Sophisticated and comprehensive solutions yield multiple benefits for affluent clients and their advisory professionals

Private Wealth & Financial Advisor
Pre-Conference Workshop
March 11, 2013

HSGROVE
ON PRIVATE WEALTH

In Name Only

More than 85% of revenue derived from investments



Most Common Complaints

Stem from superficial relationships between advisors and clients



Lack of chemistry

Underperformance

**Too much talk about products,
not enough focus on solutions**

Poor working rapport

I didn't know you did that

Nothing feels tailored... were you listening?

DIDN'T LIKE RECOMMENDATIONS

Your plan doesn't reflect MY goals

I didn't know who to ask

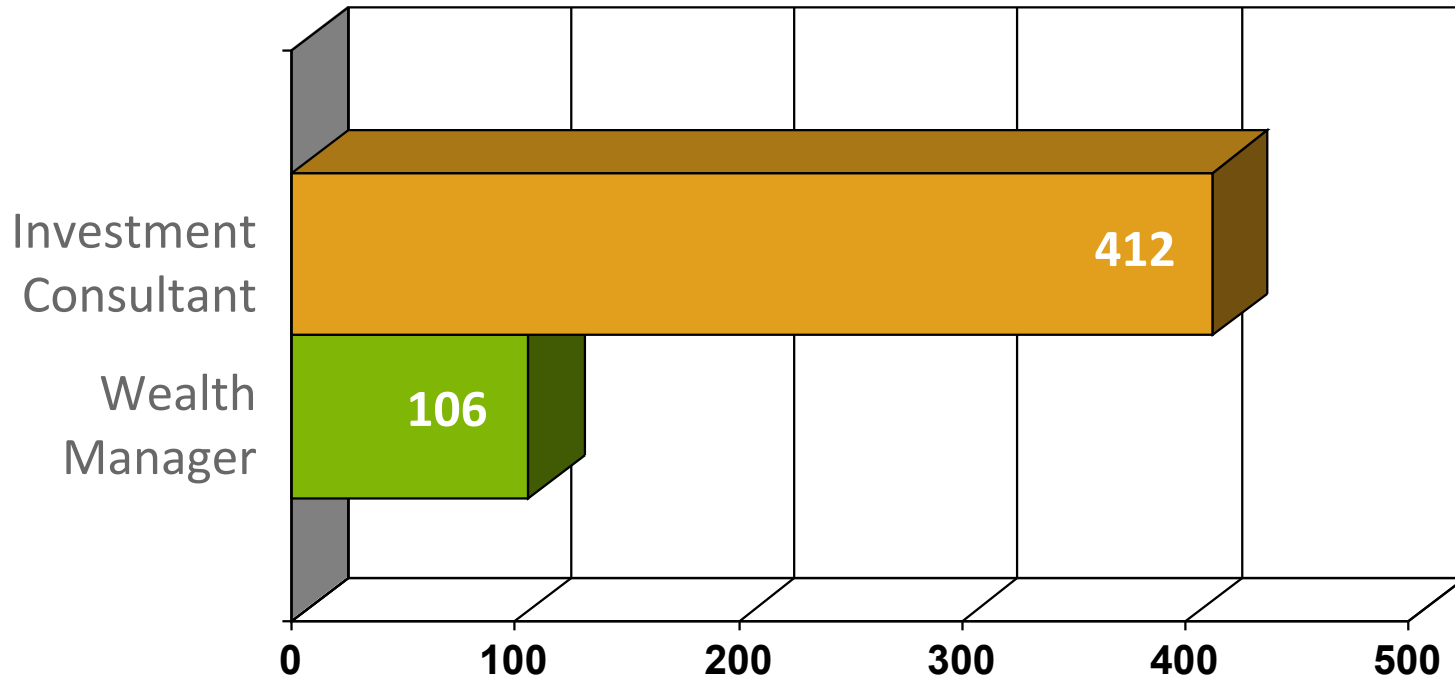
Business Structure & Earning Potential

2009 Income in US\$ by Business Model

	Mean	Median
Investment Consultants	\$202,000	\$139,000
Wealth Managers	\$416,000	\$268,000
Elite Practitioners	\$1,042,000	\$541,000

Number of Clients

Time available per client varies widely



Fact-Finding Activities

Using acquisition to increase familiarity

	Investment Consultant	Wealth Manager
Use an interview guide	23.9%	75.1%
Engage in formal interview process	24.4%	83.6%
Send fact finder	25.7%	12.3%

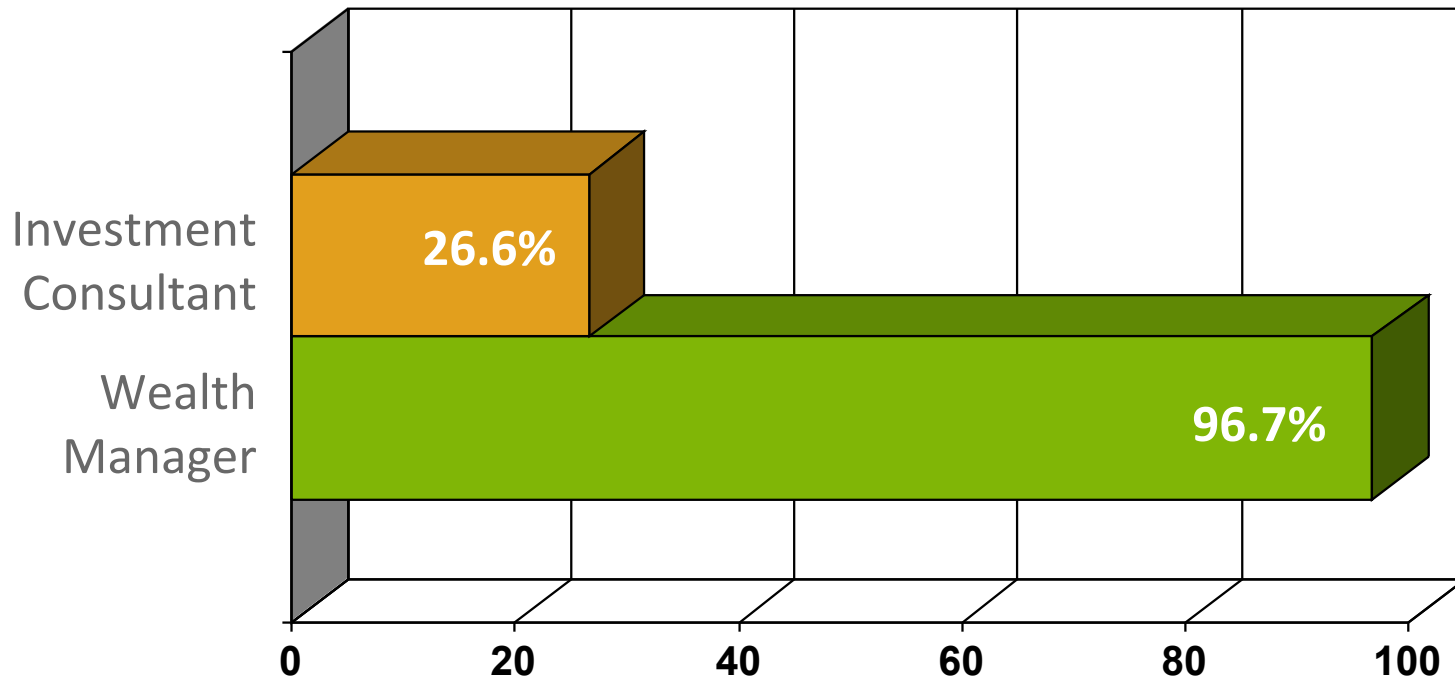
Reporting Activities

More analytical and structured approach

	Investment Consultant	Wealth Manager
Investment policy statement	72.4%	72.1%
Written situational assessment	25.7%	58.7%
Formal plan	34.2%	63.6%
Financial projections	63.9%	75.1%

Introduce Clients to Third-Party Experts

Operates within a hand-picked network of specialists



Positioning Investments

Keeping client objectives at the forefront

	Investment Consultant	Wealth Manager
We regularly discuss their investment strategy	46.4%	65.8%
We regularly discuss how my portfolio is designed to achieve their agenda	16.7%	82.2%
My clients have a clear understanding of the investment approach I'm taking	47.8%	68.4%

Narrowing the Business Focus

>75% of advisors specialize in a particular client type

	Investment Consultants	Wealth Managers	Elite Practitioners
Corporate Executives	63.2%	39.4%	21.3%
Family Businesses	37.1%	61.5%	88.5%
Private Businesses	34.9%	63.5%	90.2%
Medical Professionals	31.5%	32.7%	19.7%
Retirees	38.0%	10.6%	13.1%
Widows/Widowers	26.2%	12.5%	9.8%
Professionals	19.9%	18.3%	26.2%
Inherited Money	12.8%	15.4%	14.8%
Celebrities	4.0%	5.8%	18.0%

Communicating with Clients

Time spent upfront builds trust and confidence

	Investment Consultant	Wealth Manager
I spend as much time as necessary explaining concepts/answering my clients' questions	69.0%	94.4%
I can explain complex concepts in an easy-to-understand way	54.4%	69.5%
I am very patient while providing explanations	77.9%	74.0%
I know how to explain things to my clients	77.4%	82.9%

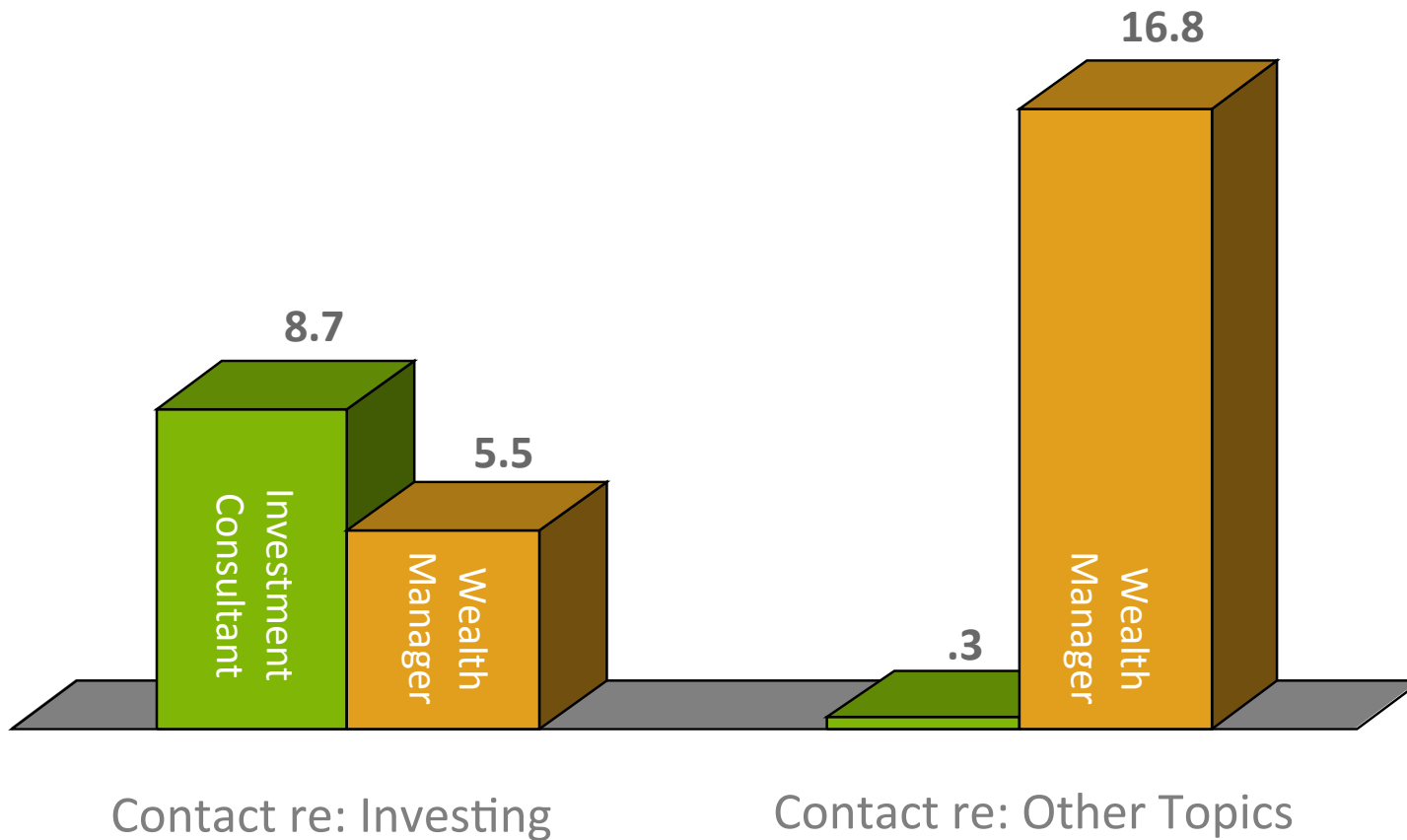
Reasons for Client Contact

More selective and tailored interactions pay dividends

	Investment Consultant	Wealth Manager
Insights when dramatic economic or political changes occur	24.2%	71.7%
Regular perspectives on economy/market	72.4%	63.9%
Updates on changes that will impact their portfolios	48.2%	69.9%
Updates on changes that will impact their goals and agendas	8.5%	87.7%

Initiating Contact in the Past Year

Developing a non-investment dialogue is differentiating



Client Rapport

A sense of alignment and shared goals

	Investment Consultant	Wealth Manager
We “connect” on important issues	80.5%	86.2%
We have chemistry	55.3%	81.8%
I know what my clients like to talk about aside from investing	29.3%	84.0%
We see eye-to-eye on important things	56.5%	82.5%

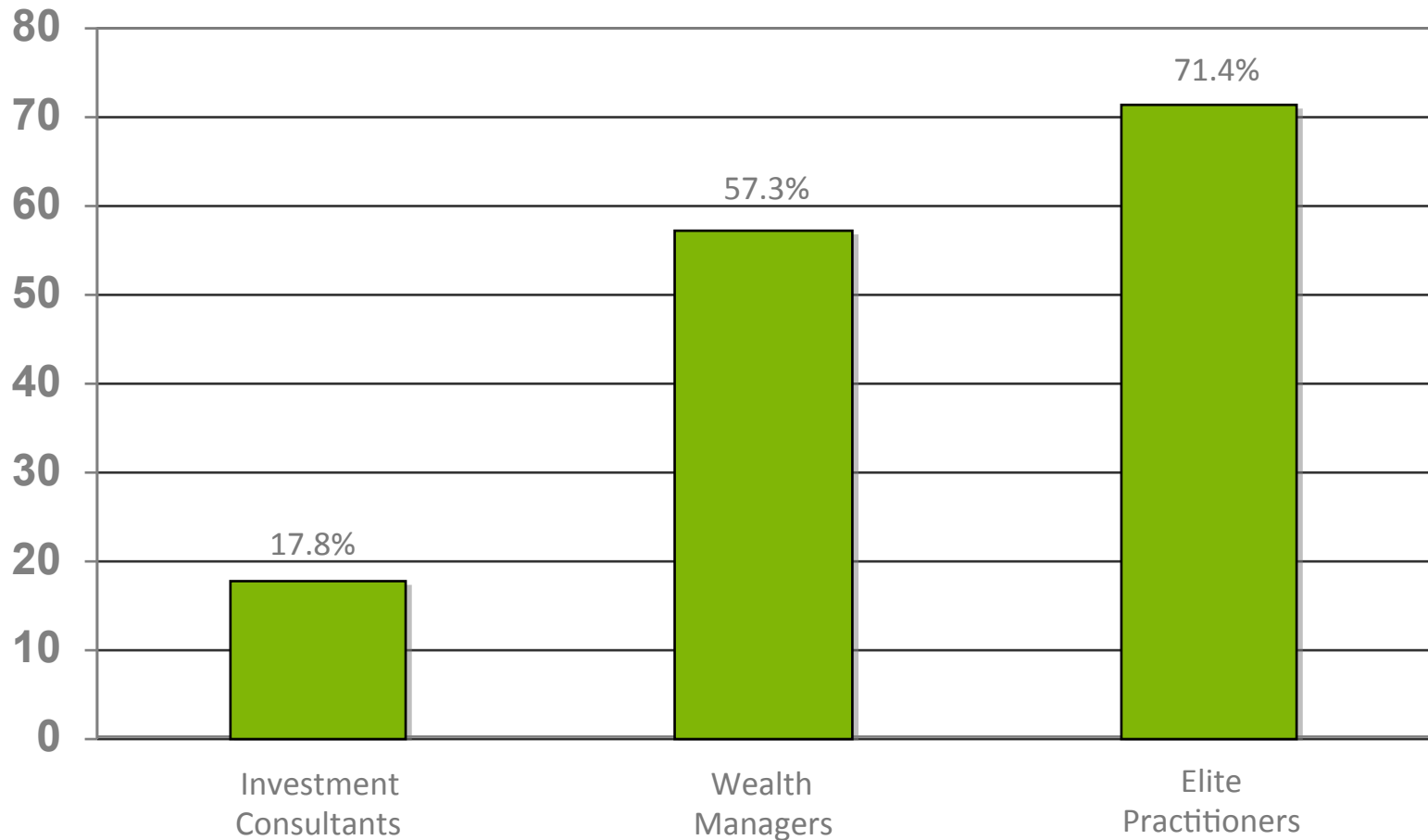
Client Awareness

Higher levels of overall client knowledge

	Investment Consultant	Wealth Manager
I have an in-depth understanding of all the important people in my client's life	13.6%	80.3%
I know what's really important to my clients	15.3%	88.5%
I understand my clients' goals and objectives	26.4%	80.3%
I understand my clients' goals, concerns and interests outside of investing	26.5%	81.4%

A Highly Consultative Approach

Collaboration, contact & customized communications



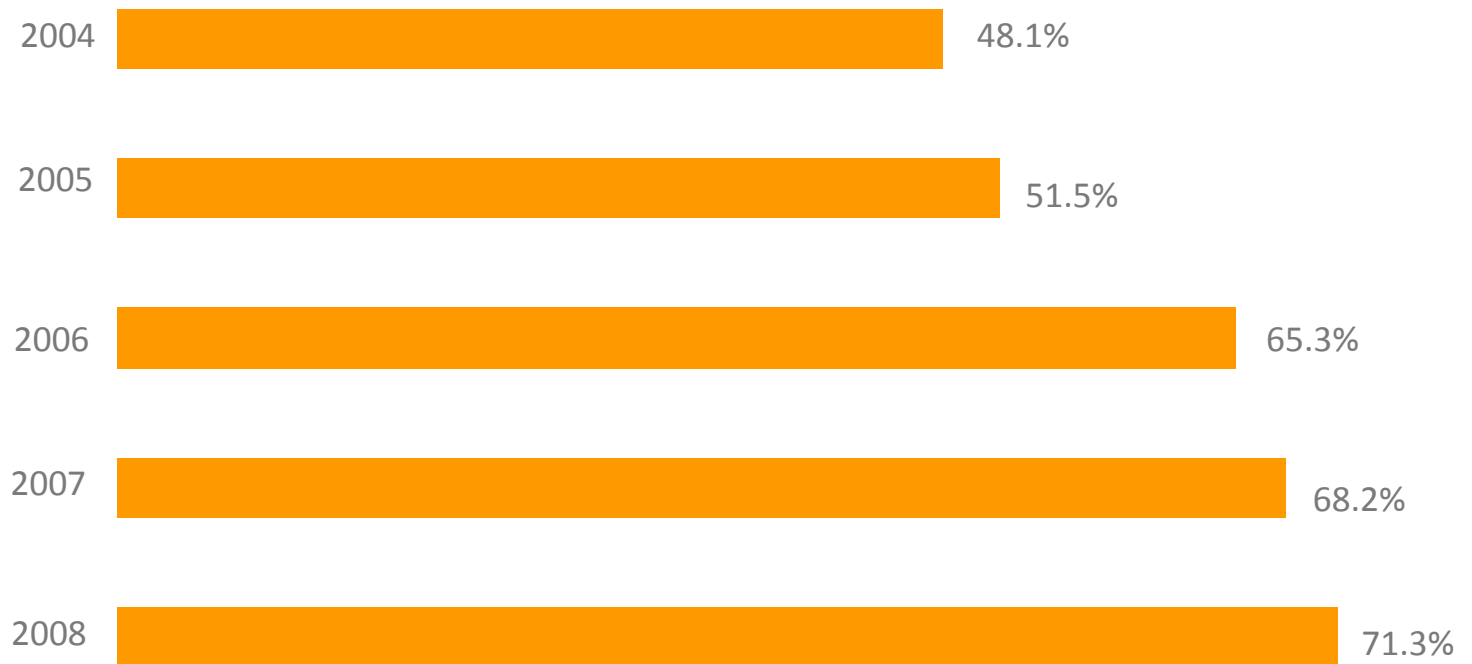
The Concerns & Priorities of Wealth

Solutions delivered via a wealth management platform

Loss of wealth	88.6%
Mitigating income taxes	84.7%
Taking care of heirs	79.2%
Adequate medical insurance	77.3%
Working with high-quality advisor	72.7%
Sufficient money in retirement	71.5%
Paying for kid' s/grandkid' s education	48.3%
Being sued	47.3%
Losing job or business	40.0%
High-quality personal security	28.2%
Taking care of parents	28.1%
Making meaningful charitable gifts	27.8%

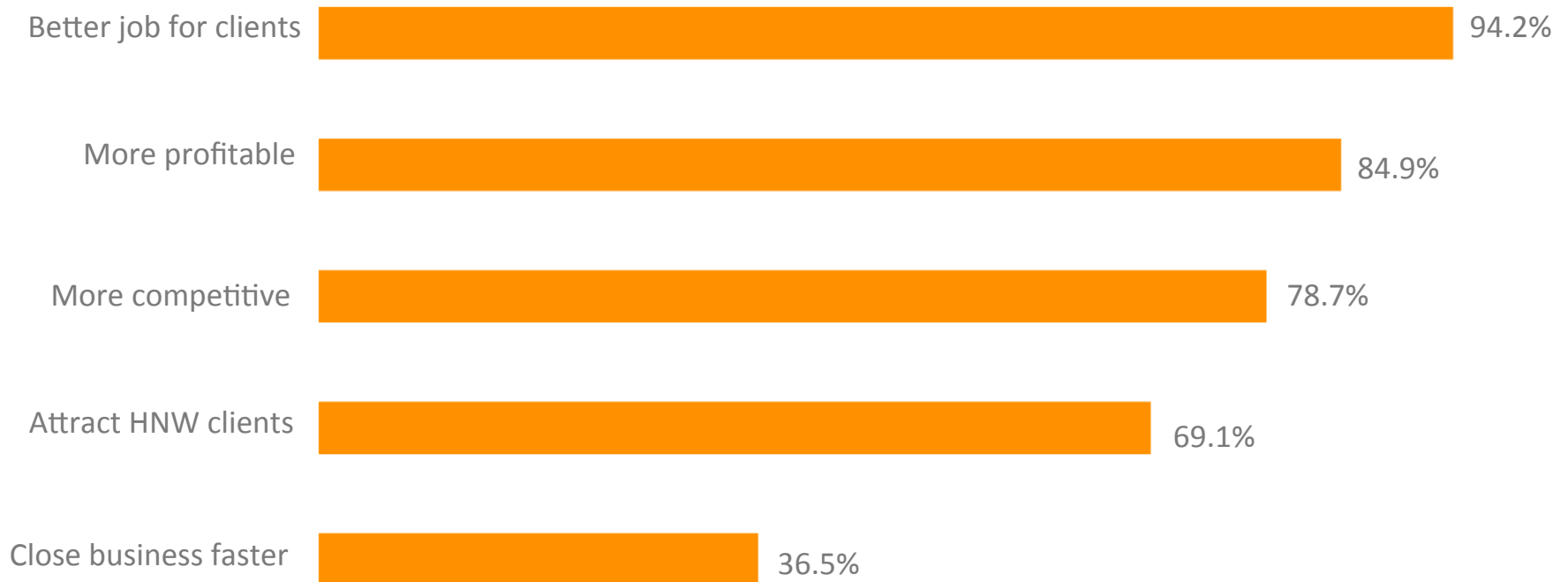
Planning to Reposition

Increased interest among advisory firms in the MFO model



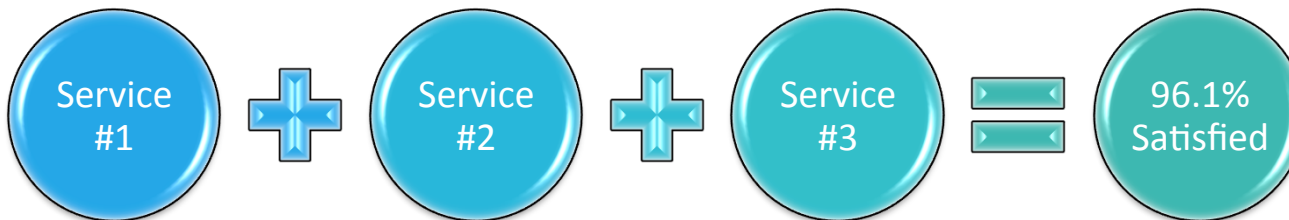
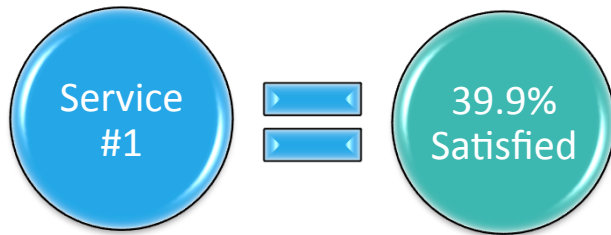
Motivations for Change

A more robust and profitable model has broad appeal



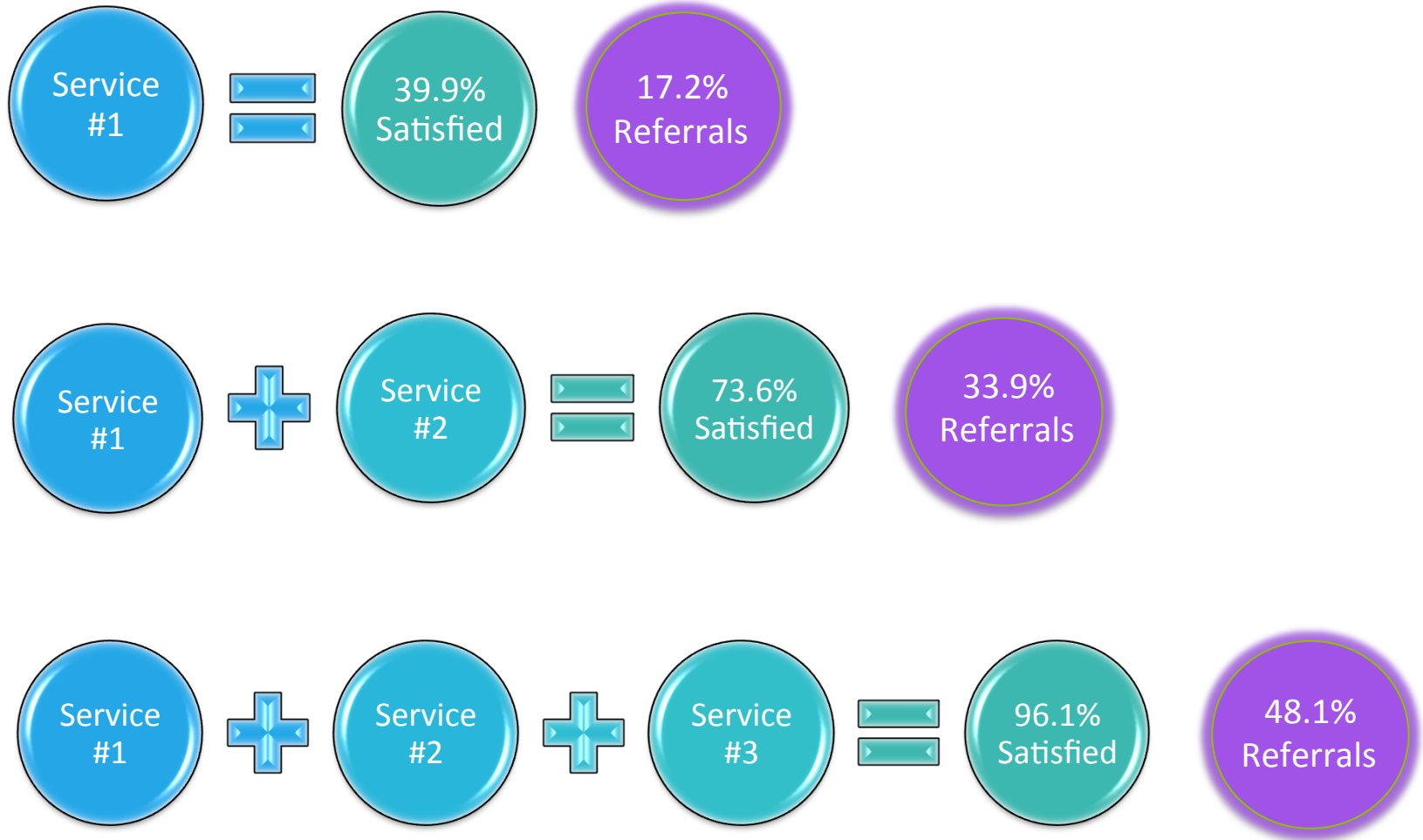
The Art of Advice

A broader and deeper relationship can yield satisfaction



The Art of Advice

A broader and deeper relationship can lead to growth



All Parties Must Realize Benefits

Elite Wealth Management assumes at least a 2-party relationship

