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2015 Top Private Banks and Wealth Managers survey winners



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EDITOR'S NOTE



**intellidex**<sup>®</sup>  
Researching Capital Markets & Financial Services

# A DETAILED, AUTHORITATIVE ASSESSMENT

This is the fourth year Intellidex has undertaken its comprehensive research project on the private banking and wealth management market in South Africa. It is the first time we have done it with Moneyweb as a media partner, which has been an important enhancement to the project, bringing the results to a much wider audience than before. My thanks go to the Moneyweb team for coming on board.

Wealth management deals with a highly sensitive part of clients' lives: the assets that many rely on to support themselves. The relationships these firms form with their clients endure across generations, when they are done right. When not, they can be a major source of client frustration and lead to long-running resentment. Getting it right depends on firms being able to harness excellent skills and capabilities, while bringing sensitivity to often complex client needs.

Interrogating this industry has its challenges. The confidential nature of the client-provider relationship makes it difficult for us to get a complete picture of the quality of it. But we have over the years developed what I believe is an unbeatable approach to obtaining the best possible insights.

My team and I have spent six months researching the industry. This includes a comprehensive survey sent to banks and wealth managers asking them for the facts of their capabilities, but also posing a series of problematic clients for whom the firms pose solutions. This reveals both the capacity of firms to deliver services and the creative thinking they are able to bring to the table.

In reviewing all of the responses I have often been surprised by new solutions firms have come up with that I hadn't anticipated. Overall I am constantly impressed by the depth of intelligent thinking and service capabilities the South African industry is able to offer its clients.

More importantly, though, we conduct a large online survey with clients of the industry. This has been a phenomenal success, with more than 2 400 clients completing the extensive survey this year. That so many are willing to share their feelings and insights on their relationship shows just how important the relationship is to them. We are very grateful for their efforts in assisting us to understand how well the banks and wealth managers do in catering for their clients.

Our assessment is fundamentally qualitative, though we draw on a great deal of data to guide it. I am confident that the assessment is detailed and authoritative. As always, though, it's your opinion that matters and I would be very glad to hear it. Please drop me an email on [stheobald@intellidex.co.za](mailto:stheobald@intellidex.co.za)

**Stuart Theobald, CFA**  
Chairman, Intellidex

Wealth and Investment

## Legacies are built by actions. Not titles.

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## SURVEY KEEPS THE INDUSTRY'S FINGER ON THE PULSE

Money is a very emotional topic. People work very hard to earn it, and they expect their money to work hard in return. It is of course the responsibility of private bankers and wealth managers to put this money to work and to create amplified future wealth, but it is a challenging task.

Relationships involving money are by definition emotional, and in many cases long-term, sometimes spanning decades. It is therefore important to regularly gauge the perceptions in this industry, not only for existing clients to be reassured of the stature of their partners, but also for prospective clients to see which institutions are leading the pack.

Moneyweb is proud to be a partner of Intellidex and to be involved in the latest Top Private Bank and Wealth Managers survey.

The survey has established itself as the premier private banking and wealth management gauge in the country and provides much more insight than the performance measurements normally brandished on marketing material.

This comprehensive survey acknowledges service excellence and innovation in two of the most contested market segments in the South African financial services industry. It also produces invaluable insights about client perceptions.

It is extremely encouraging that a record number of 2 700 members of the Moneyweb community completed the online survey to rate their respective service providers. It represents a significant sample of affluent clients of virtually all the major players in the market, and their perceptions will be compulsory reading for everyone in the industry.

This fourth edition of the Top Private Bank and Wealth Managers survey is the most comprehensive yet, and will set a benchmark for existing and prospective clients in the industry.

**Ryk Van Niekerk**  
Editor, Moneyweb

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# METHODOLOGY 2015

The Top Private Banks and Wealth Managers awards are researched and prepared by Intellidex, a specialist financial services research house.

This is the fourth year we have undertaken the survey. Our research process has two main elements.

The first is a comprehensive questionnaire that the firms complete. The main part of this are five typical client archetypes for which we ask the firms to develop a service proposal. The intention is to clarify just what areas of the market the firms specialise in and their own capabilities. The five are: the passive lump-sum investor, the up-and-coming professional, the successful entrepreneur, the wealthy executive and the internationally wealthy family. We also interrogate the decision making processes at the firms and their costs, as well as obtain details about staffing levels, offices and the size of the businesses. The responses to that questionnaire formed the core part of the scoring process undertaken by the judges.

The second prong is the online client survey from which the People's Choice award is determined. The questions are wide-ranging and designed to assess the different strengths and weaknesses of the private banks and wealth managers. The main areas of focus, though, are on satisfaction levels with products and services and whether clients believe they are getting value for money for fees charged. We also ask questions relating to why clients used private banks and wealth managers and whether their specific needs are being met. Clients also add comments on aspects not covered by our multiple choice format of questions. Here we received some valuable insights and these were used to inform the judging process. A record 2 700 clients participated in the survey.

In terms of the overall judging, we understand that firms have different areas of focus. For example few firms scored really well across all archetypes. Many firms would not be too concerned if they received low scores in areas they do not focus on. Thus, in our minds, the individual archetype winners are at least as important as the overall awards. If a firm is the best in the industry in its specific area of focus and does not pretend to be all things to all people, it deserves recognition for that area of excellence. However, the nature of such a survey rewards the all-rounder – those firms with comprehensive offerings across all categories. Those firms do have a better chance of winning the overall awards. Most firms, however, could provide some services to all the archetypes.

We separate wealth managers and private banks in the awards. Generally, the distinction is whether the institution has a banking licence and includes transactional banking products in its range. Wealth managers, on the other hand, tend to focus on investment management rather than transactional or debt products.

The judging panel consisted of Intellidex chairman Stuart Theobald; financial analyst Orin Tambo and project editor Colin Anthony.

All those who completed the online client questionnaire were entered into a draw to win R10 000 cash.

For more information visit [www.intellidex.co.za](http://www.intellidex.co.za)



# THE BATTLE FOR THE WEALTH MARKET

Top private banks and wealth managers evolve to match the changing needs of the super wealthy

By Colin Anthony

## ARCHETYPE WINNERS

Archetype	Private Banks	Wealth Managers
Passive lump-sum investor	FNB Private Wealth/RMB Private Bank	Sanlam Private Wealth
Up-and-coming professional	Standard Bank: Wealth & Investment	PSG Wealth and Sanlam Private Wealth
Successful entrepreneur	Nedbank Private Wealth	Citadel and PSG Wealth
Wealthy executive	FNB Private Wealth/RMB Private Bank	Sanlam Private Wealth
Internationally wealthy family	Absa PB/W&I and Standard Bank: Wealth & Investment	Maitland

The firms that perform well in this assessment of private banks and wealth managers are fiercely competitive. They're competing for a slice of a market worth with more than R800bn in assets.

The assets under management of all the firms that participate in the surveys that underpin these awards total R801bn while assets under advisement total R1.5-trillion. This represents the bulk of the market. Specialist financial research house Intellidex conducts the assessment process over a six-month period, including a detailed study of the firms' capabilities and a comprehensive client feedback process.

RMB Private Bank/FNB Private Wealth is the top-ranked private bank in this, the fourth assessment of SA's private banks and wealth managers. RMB/FNB declined to participate in last year's survey, saying they were implementing various changes and were not ready to be assessed (though we still ranked them without their input). Clearly their changes have been highly effective and they push last year's winners – Standard Bank's wealth grouping (Standard Bank Wealth & Investment, Standard Private Bank and Melville Douglas) – into second place. Nedbank Private Wealth is third.

In the wealth managers' category (from which entities with transactional banking licences are excluded), Sanlam Private Wealth retains its top spot and PSG Wealth holds onto second place, with Citadel moving up into third place at the expense of a new-look Stonehage Fleming.

Investec entrenches itself as the firm that pleases its clients the most. Investec Private Bank/Wealth & Investment again wins the Private Banks People's Choice award – as it has done every year since we instituted this aspect into the main survey in 2013. The People's Choice awards are determined by clients who rank their private bank or wealth manager on service levels and other issues in an online survey. This year a record 2 444 clients from across the market completed the questionnaire.

Brantam Financial Services wins the People's Choice award in the wealth managers' category, having been ranked second-best last year. One of the questions asked is if clients think their wealth manager could improve its offerings to better meet their needs. "No", responded 88% of Brantam clients.

## OVERALL RANKINGS: PRIVATE BANKS

FNB Private Wealth/RMB Private Bank	23	1
Standard Bank: Wealth & Investment	22	2
Nedbank Private Wealth	21	3
<b>People's Choice winner: Investec Private Bank</b>		

What is noticeable is how all the highly ranked firms are constantly implementing changes to improve their offerings to a highly demanding wealthy client segment. A change of name and realignment of offerings here, an acquisition bringing in wider services there – stand still and you're losing in this market.

The changes are mostly triggered by client demand, which is ever-evolving.

"Continued volatility in the financial markets both here and abroad, geopolitical risk and regulatory squeeze have made clients more demanding as they now, more than ever, require solutions that address their intricate needs and demands in this ever-growing, complex environment," says Daniel Kriel, CEO of Sanlam Private Wealth.

"If we look at how this demand has effected what we do on a day-to-day basis, there has been a marked increase in demand for offshore investments and equity (locally and abroad) mandates. We have also seen a healthy increase in clients wishing to better structure their wealth and estate positions and provide more efficient solutions for themselves and their families."

Eric Enslin, CEO of FNB Private Clients, says the increased regulatory environment and compliance burden have put a lot of pressure on client relationships and cost models. "Indications are that these trends are here to stay."

Other client trends noted by Enslin are reducing debt levels and increasing cash investments. He has also seen an increased appetite for offshore financial services offerings. Contributing factors to this, he says, are further relaxation of foreign exchange allowances and a need for diversification. "There's also a sense that in the past two years the local stock market performance has reached its peak and that our markets are expensive relative to offshore opportunities." Another factor is the possibility of further rand weakness driven by SA's economic outlook and a stronger US performance.

As an example of how client demand instigates

## OVERALL RANKINGS: WEALTH MANAGERS

Sanlam Private Wealth	4,387	1
PSG Wealth	4,157	2
Citadel	4,104	3
<b>People's Choice winner: Brantam Financial Services</b>		

changes within firms, Galileo Capital expanded its offshore investment offering to include indexed investments combined with direct share portfolios. Executive director Warren Ingram says that aspect of the business has grown more than 100% a year over the past two years. It is now developing representative offices in the US and Australia because "the sustained drive from our wealthiest clients to move the bulk of their investment assets overseas continues. The weak rand has slowed this trend slightly but has certainly not stopped it."

FNB Private Wealth recognised the need for a bias towards a client's balance sheet rather than income and therefore changed its entry criteria to be more of a net asset value play (R15m NAV or more), says Enslin. Another adaptation is that it now reports on and services clients under a family construct "because we focus on the holistic needs of the wider family rather than individuals. The family construct and our unique client profitability model allow us to relationship price our clients across the various banking, lending, advice and fiduciary product holdings."

Another notable trend is that there is little appetite for intricate investment products. Ronald King, head of technical support services at PSG Wealth, says most assets from high net worth clients go into share portfolios, "but we have seen a substantial increase in lump-sum investments into our income funds." PSG thus appointed a new fixed interest team in 2013, expanding its research capabilities.

There are plenty more examples of changes and improvements – of never being satisfied.

PSG Wealth has expanded its estate and trust services department and is strengthening its offshore platforms. Now it is consolidating its securities and unit trust platforms into one integrated platform. Sanlam Private Investments was renamed Sanlam Private Wealth and acquired international businesses to strengthen its trust services, among other areas. Standard renamed its Private Clients to Standard Wealth & Investment and added a new unit to capture clients that don't quite qualify to be clients

of their wealth divisions, in so doing attempting to offer a cradle-to-grave private banking and wealth management proposition. Stonehage is merging with UK-based Fleming Family & Partners and has moved its market focus exclusively to the top end, ultra-wealthy segment. Absa's restructuring has probably been among the most intense as it aligns its offerings with that of its parent, Barclays. But it has also noticed that for clients, "service quality and value for money are becoming more important than the performance of the organisation" and it is strengthening accordingly. And Nedbank Private Wealth South Africa has absorbed its international specialist team and aligned the two businesses in terms of client engagement processes, products, services and fees.

For the wealthy, all of this means that they receive best-practice service and products and, coupled with a strong-running JSE over the past few years, have been getting excellent returns as well. FNB's Enslin points out that the wealth market segment growth has been outperforming other client sub-segments.

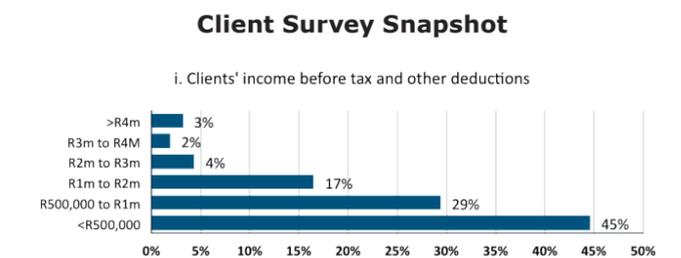
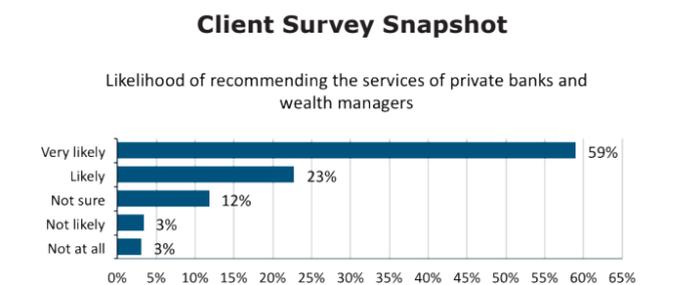
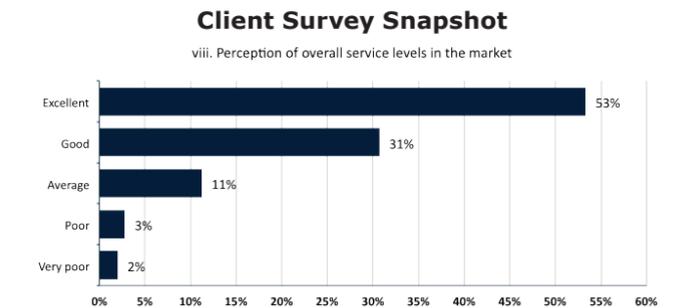
Sanlam's Kriel reports that 2014 continued to deliver good returns off the back of the strong market returns and investor confidence in 2013. "This resulted in another successful year for both our clients and our business."

The good times in terms of portfolio performances, however, might not last much longer. PSG's King expects 2015 to be a difficult one for the market. "Growth in South Africa will be subdued given increased taxes and concerns about Eskom and other infrastructure providers," he says. "We believe that companies who will shine this year are those who focus on their personal relationships with their high net worth clients."

The importance of personal relationships and building trust is emphasised by just about every private bank and wealth manager. Those factors are at the core of each firm's strategy and wealth managers particularly stand or fall by it. It is impossible for us to measure how successful each firm is in that endeavour, but the People's Choice survey reflects which firms are best at it.

Brantam's success in that survey was based on it. The firm was founded 27 years ago and MD Derek Sumption says the clients who started with it are all retired and Brantam is now advising their offspring, who are mostly in the accumulation phase. The firm does no marketing – clients refer family and friends. And Investec Private Bank's ability to form trusting relationships is summed up in this verbatim comment from a client, submitted in the People's Choice survey: "Caters for my every need, gives me the opportunity to save and invest on the JSE. Exceptional client services provided by my private bank."

Ryan Tholet, head of Investec Private Bank, sums up why the personal touch is so important in the wealth market: "In essence, an exceptional client experience evokes a positive emotional response. By taking the time and effort to deliver an exceptional experience, we win our clients' hearts and loyalty."



# THE ARCHETYPES

Each client has different needs and private banks and wealth managers tend to specialise in certain niches. While the overall awards favour institutions that cater to a broad range of client types, that doesn't necessarily mean they are the best for your particular niche. The rankings here reflect the best institutions for particular client types. These archetypes, drawn up following consultation with industry players, best cover the typical spread of needs.

Each private bank and wealth manager was asked how they would cater for the needs of each of these typical clients. Our panel of judges then assessed those responses, together with client feedback from the client survey, to give scores to each institution. The top three for each client type are listed here.

## PASSIVE LUMP-SUM INVESTOR

Private Banks	Score/5	Rank
FNB Private Wealth/RMB Private Bank	4,50	1
Nedbank Private Wealth	4,17	2
Standard Bank: Wealth & Investment	4,15	3

Wealth Managers	Score/5	Rank
Sanlam Private Wealth	4,42	1
Brantam Financial Services	4,17	2
Galileo Capital	4,08	3

Nelly recently retired from the bank she had worked at for 30 years, having turned 65. Throughout her career she contributed to the employer's defined contribution pension fund which is now worth R5m. She also maintained a retirement annuity fund which has a pre-tax value of R2m. She has no other investments. Nelly got divorced five years earlier and used the divorce settlement as part-payment on a retirement home in which she already lives, and the balance of her mortgage is R1.5m. Her two children are financially independent. She would like to pay the

mortgage balance now as well as settle her other debts of R350,000 (balance of car loan plus a revolving credit loan).

She would like a lump-sum payment but is not sure if she can afford to take one out, given that she estimates that her income requirements would be about R20,000 a month (net) and that she still feels fit and healthy. Throughout her life she played tennis and ran regularly, though now her exercise is confined to brisk walks in the evenings.

She requires a plan to structure her investments to support her for the remainder of her life.

## UP-AND-COMING PROFESSIONAL

Private Banks	Score/5	Rank
Standard Bank: Wealth & Investment	4,42	1
FNB Private Wealth/RMB Private Bank	4,33	2
Nedbank Private Wealth	4,30	3

Wealth Managers	Score/5	Rank
Citadel/ PSG Wealth	4,33	1
Sanlam Private Wealth	4,18	3

Tina is in her 30s and is an established actuary at a prominent asset consultant. She has enjoyed frequent promotions in her relatively short career. She has some assets but is still mostly in the accumulation phase. She owns a holiday home on the coast that she rents out, valued at R1.2m which is fully paid off. She and her husband have a primary residence valued at R2.0m, which has R1.5m outstanding on the mortgage held in an access bond. They are married in community of property and are planning to have children soon. Some of their friends have told them they have started a family trust and Tina would like to know if she and her husband should open one now in relation to their future children's financial security.

Tina has directed her free cash flow into a stockbroker account that now has NAV of R1m. She is quite conservative and prefers buying blue chip stocks and ETFs. She doesn't have the time to research investments, so prefers to have ideas suggested to her by her stockbroker.

Her basic salary has just been increased by 30% to R1.5m a year and she will be entitled to performance-related bonuses that will be between R600,000 and R1m in the current year. She owns an SUV worth R450,000 with an outstanding loan of R300,000. Tina and her husband have not done any estate planning

## SUCCESSFUL ENTREPRENEUR

Private Banks	Score/5	Rank
Nedbank Private Wealth	4,50	1
FNB Private Wealth/RMB Private Bank	4,40	2
Standard Bank: Wealth & Investment	4,35	3

Wealth Managers	Score/5	Rank
Citadel/ PSG Wealth	4,33	1
Sanlam Private Wealth	4,18	3

Robert runs a portfolio of businesses including a coal transport company, a property development company and 60% of a mining supplies company that now exports to five countries. He has been successful – the companies are all profitable. Last year he banked dividends of R8m and has a net asset value of R40m. His property development company has been quiet lately, but with demand starting to improve, he would like to borrow money to develop high-end executive suites on an unencumbered property he owns in Clifton, Cape Town.

The coal transport company has been growing nicely and has got to the stage where Robert needs to introduce a BEE partner to help the business grow. He is concerned about complying with Eskom's new procurement rules. Last year the business earned a profit before tax of R7m.

The mining supplies company is requiring ever more working capital as it begins to enter export markets. Robert would like to put a trade finance facility in

place to facilitate growth. The facility could possibly be secured by the company's factory building, which is valued at R20m and is unencumbered. This company, established in 1998, is held in an offshore trust structure in the Isle of Man but due to recent publicity he is worried about its tax compliance.

Ever the entrepreneur, Robert hasn't done any in-depth needs analysis on what risk cover he needs versus what he currently has. He is the sole source of income in the family, which includes his wife and three daughters, aged 10, eight and four.

Robert has properties including houses in Camps Bay and on the Vaal River, and owns three vehicles. While he has the transactional basics of a banking relationship covered, his priority is his businesses and his development objectives.

## WEALTHY EXECUTIVE

Private Banks	Score/5	Rank
FNB Private Wealth/RMB Private Bank	4,42	1
Investec	4,40	2
Standard Bank: Wealth & Investment	4,35	3

Private Banks	Score/5	Rank
Sanlam Private Wealth	4,60	1
Citadel	4,50	2
Maitland	4,32	3

Julius has climbed the corporate ladder and at age 51 is now an executive director of a JSE-listed hospital group. His own investment company, with an NAV north of R130m, is one of the largest partners of the BEE consortium that owns 26% of the company, so the majority of his wealth is exposed to the share price of the hospital group. Julius is nervous about what effect competition authority investigations into the health market and the prospect of a national health insurance scheme will have on the value of the hospital group and is eager to protect his investment vehicle from any downside risk.

Julius has also taken an interest in alternative investments involving private equity and hedge funds.

Besides the investment holding company he uses for the BEE structure, Julius has kept all other investments in his name. He would like to know what legal vehicles he should use to invest in alternative asset classes, as well as what options he would have to invest in hedge fund and private equity funds offshore.

He earns R6m annually in salary and dividends, and close to a quarter of this is surplus to his living requirements and is accumulating in his cheque account.

### INTERNATIONALLY WEALTHY FAMILY

Private Banks	Score/5	Rank
Absa Private Bank and Absa Wealth & Investment Management	4,33	1
Standard Bank: Wealth & Investment	4,33	1
FNB Private Wealth/RMB Private Bank	4,32	3

Wealth Managers	Score/5	Rank
Maitland	4,73	1
Stonehage	4,57	2
Sanlam Private Wealth	4,25	3

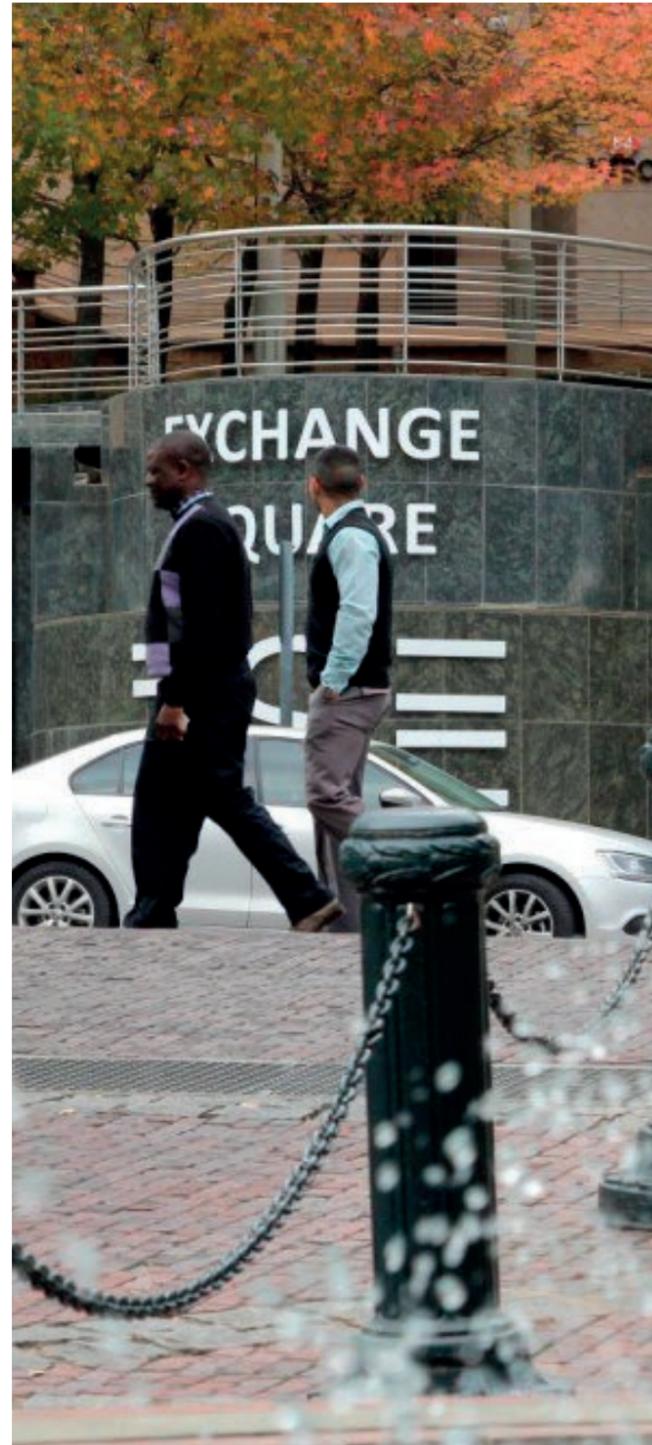
Zainab is the second generation of a family that even by world standards is extremely wealthy. Now 55 years old and following the death of his father, Zainab has assumed the mantle of family patriarch.

His father established numerous trusts and companies in various offshore jurisdictions to house the assets that now hold the family fortune. He suspects these are unnecessarily complicated and wants to know whether it would be more efficient – from a taxation and cost point of view – to consolidate these into one or a handful of structures.

His accountant tells him that the total asset value has grown to R3.2bn, but more than half of this is accounted for by the family's 51% interest in an international hotel group. Apart from these investments, the family owns properties in six countries and has a 50% interest in a 2007 Lear jet.

Besides business, Zainab has keen interests in art and philanthropy. The current structures were set up by his father's personal accountant and they have not

been reviewed for more than a decade. He requires sophisticated tax and estate planning across multiple jurisdictions. His two daughters have no interest in succeeding him in the family business, so he needs to think carefully about succession planning, and whether the family should even continue to own the hotel business when he retires or dies.



# PEOPLE'S CHOICE AWARDS

Top private banks and wealth managers based on client feedback

## TOP PRIVATE BANKS

Rank	Overall	Overall satisfaction level (out of 5)	Likelihood of referral (out of 5)	Weighted score (out of 5)
1	Investec Private Bank	4,31	4,36	4,33
2	Nedbank Private Wealth	4,14	4,15	4,14
3	RMB Private Bank	3,97	4,24	4,10

## TOP WEALTH MANAGERS

Rank	Overall	Overall satisfaction level (out of 5)	Likelihood of referral (out of 5)	Weighted score (out of 5)
1	Brantam Financial Services	4,70	4,86	4,78
2	Galileo Capital	4,65	4,76	4,71
3	PSG Konsult	4,51	4,60	4,56

### PEOPLE'S CHOICE

The People's Choice awards are based on nothing but feedback from clients. As a result they are a very important part of Top Private Banks and Wealth Managers Awards and the outcome is strong endorsement of the winners.

The opinions of clients in any market segment are an important factor in assessing a company's services and products. In the case of our survey, these opinions also serve as one of the checks to the information provided by the firms themselves.

We asked clients of private banks and wealth

managers all about their service providers in an online questionnaire conducted earlier this year. More than 2 700 respondents started the survey while 2 444 completed it.

These awards are based purely on that feedback. Two sets of responses went into these rankings with equal weight given to each: clients' overall satisfaction levels and their willingness to recommend their service provider to friends and family. For this industry, client referrals are critical. In fact, quite a few wealth managers do very little marketing and rely only on word of mouth.

But some clients are happier than others. In the private banks category, Investec Private Bank wins for the third time in the three years we've conducted this award – an achievement that matches the group's "out of the ordinary" claim.

The core questions in the survey related to client perceptions of the standards of service, the range of products to suit their specific needs and other satisfaction ratings. We also invited them to comment on aspects outside the range of questions and answers, and the responses informed the final judging process. Investec received high rankings across all the service and satisfaction levels but what is particularly impressive is that, out of 80 freeform responses to a question on how well clients' needs were catered for, only three were mildly negative. Many commented on the quick response to queries and easy access to their relationship manager. Furthermore, nearly 70% believe they get good or very good value for money. Nedbank Private Wealth, ranked second, also received

good scores on service levels. Its clients often referred to the "extra mile" it was prepared to go for them, though there were negative comments too.

In the wealth manager category, Brantam Financial Services, which ranked second last year, edges out last year's winner, Galileo Capital.

A notable factor for Brantam was that 88% of clients say the firm simply cannot improve on its offerings any further to meet their specific needs. Another is that nearly 95% were likely or highly likely to recommend the firm to friends or family.

"Responsive", "knows our personal story", "caters for diverse needs" and "the service is personal", are some of the freeform comments. None were negative.

Galileo was praised for, among various factors, going the extra mile and providing excellent service and client interaction.



**R10 000  
CASH PRIZE  
WINNER**

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**CONGRATULATIONS**

**TO OUR R10 000 CASH PRIZE WINNER:**

**MR PAT MACLAREN OF WINCHESTER HILLS, JOHANNESBURG**

# HOW THEY FARED

## ABSA PRIVATE BANK/ABSA WEALTH & INVESTMENT MANAGEMENT

Archetype	Score (out of 5)
Lump-sum investor	3,8
Up-and-coming professional	3,8
Successful entrepreneur	3,9
Wealthy executive	3,9
Internationally wealthy family	4,3

### OVERALL

After a period of intense restructuring – both within Absa's wealth offerings and in aligning with the model followed globally by parent Barclays – the benefits of Barclay's parenthood are coming through strongly. Like some other large banks, Absa approaches the market through two distinct business units. Its private bank focuses on transactional and lending products required by high earners, while its Wealth & Investment Management business focuses on those with assets that need managing. What was Absa Wealth has been beefed up with the integration of stockbroking, discretionary asset management and the AIMS (Absa Investment Management Services) platform to form Wealth & Investment Management. Few can match the group's extensive range of services.

### SERVICE FOCUS

The Barclays tie-up provides it with the ability to access wealth management capabilities worldwide. But the group is excelling in exploiting other areas as well, for example, expanding its family office segment and aligning it with the Barclays Wealth family office and "key clients" proposition. Similar realignments have been taking place across the various segments. One of the benefits of the family office expansion is that products previously offered only to institutional clients are now available to family office clients. These include direct brokerage services, philanthropy, corporate & investment banking solutions and an integrated fiduciary and advisory offering globally.

### WHAT CLIENTS SAY

During all the restructuring Absa has worked hard keep the client's interests in focus. "In recent years we continue to see a change in clients' behaviour as service quality and value for money are becoming more important than the performance of the organisation," it says. While its rankings in our client survey were generally strong, the feedback shows this is a work in progress. Absa Private Bank scored in the middle of

the range for overall satisfaction levels. Absa Wealth & Investment got more of a positive thumbs up from clients. It seems customers are pretty impressed with the service they receive from the wealth managers who are assigned to them. One describes his banker as "the most professional person I have ever dealt with". Another said his wealth manager was key to his relationship and he'd change banks if that manager moved. Other clients complained about the usability of the wealth management website while another said his personal banker was not proactive enough.

### WHAT WE SAY

Absa caters well to all of our archetypes, reflecting strength of breadth and depth. We were particularly impressed with its ability to offer institutional products to private clients. Absa has already transformed into a formidable wealth player in the market. As the extensive changes and realignments made across its offerings settle in, it will only get stronger. It scores best from us for its internationally wealthy family offering, where its Barclays global network is able to deliver great capabilities.

We weren't convinced that it would be able to bring the personal touch to retirees looking for advice on their pensions, but it shows sophisticated insights into difficult wealth challenges like multiple jurisdictions and concentration risks faced by entrepreneurs whose wealth is tied up in their own companies. Barclays' global compliance requirements mean we also doubt it is well suited to manage clients with complex tax issues across international jurisdictions.

### ELIGIBILITY

Absa Private Bank: R750 000 with exceptions.  
Absa Wealth & Investment Management: net income of R7m/year. Family office: R200m net asset value.

## BRANTAM FINANCIAL SERVICES

Archetype	Score (out of 5)
Lump-sum investor	4,17
Up-and-coming professional	4,00
Successful entrepreneur	-
Wealthy executive	-
Internationally wealthy family	-

## OVERALL

Brantam is an investment practice that operates predominately in the retired persons market. Its focus is purely on our first two archetypes and refers those with more complex needs to others. The group was founded 27 years ago and is proud that the clients who started with it are all retired and Brantam is now advising their offspring, who are mostly in the accumulation phase.

## SERVICE FOCUS

Brantam lists as a competitive advantage its service levels to clients. Every firm claims superior service but few can boast of advising a second generation of clients. "They're not just a number, we know our clients and their circumstances," says MD Derek Sumption. The firm does not market itself as clients refer family and friends.

The group offers four basic products – retirement annuities, preservation funds, living annuities and discretionary portfolios. All products use Brantam's range of six unit trust funds.

## WHAT CLIENTS SAY

What it does it does well and its clients love it, simple as that. Last year it was ranked second-best wealth manager by its clients, this year they ranked it the best. Notably, 88% of clients say Brantam cannot improve its offerings any further to meet their specific needs. They are also eager to recommend Brantam to others, with almost all clients saying its "highly likely" they would recommend it to friends or family.

One client said: "They are always eager to help and build a personal relationship that goes a long way." Another told us: "They have had my implicit trust from day one, and that has been repaid over and over with the most excellent service and performance."

## WHAT WE SAY

We like the competitive, flat fee structure on assets and that it focuses on its strengths without trying to be all things to all people. We also like the fact that Brantam is open and concise about what it offers and communicates it in a very straightforward and accessible way. That's particularly important for its core focus of the retired market. We think the solutions on offer for this segment are very good, but the firm is less likely to be a good fit for complex financial needs involving multiple jurisdictions.

## ELIGIBILITY

None – new clients are generally referred by existing clients.

## BRENTHURST WEALTH MANAGEMENT

Archetype	Score (out of 5)
Lump-sum investor	3,67
Up-and-coming professional	3,33
Successful entrepreneur	2,33
Wealthy executive	2,83
Internationally wealthy family	-

## OVERALL

Brenthurst operates within the high net worth client market, with most clients aged 50 or older. It does not provide discretionary management and predominately uses external products, but does have arrangements with selected fund managers who manage specific funds for Brenthurst.

## SERVICE FOCUS

The firm has evolved with changing demands from clients. From investment and retirement planning, it expanded into offering tax planning and structuring, fiduciary services and financial planning for different clients, not only retirement focused.

Brenthurst has a formalised fund selection process in which all financial planners are members of the group investment committee. All financial planners meet regularly with fund managers and fortnightly committee meetings determine the house view which planners use to dispense advice.

## WHAT CLIENTS SAY

Clients were very complimentary about Brantam in their individual comments but not as generous in the individual rankings on specific issues. On overall service levels, however, 87% ranked it very good or excellent and nearly 90% were likely or highly likely to recommend it to friends or family.

## WHAT WE SAY

This is the first year that Brenthurst is participating in this survey. We were impressed with the rigorous financial needs analysis and risk profiling each client undergoes. Because it does not do discretionary management itself its capacity is focused on advice to the client. That is important with clients who are new to the market and need an independent adviser. Brenthurst did not provide us with much detail on its fiduciary and estate planning abilities which made that difficult to assess.

## ELIGIBILITY

Any

## CITADEL

Archetype	Score (out of 5)
Lump-sum investor	3,50
Up-and-coming professional	-
Successful entrepreneur	4,33
Wealthy executive	4,50
Internationally wealthy family	4,08

## OVERALL

Citadel has been busy over the past year. It has arranged its business around the needs of different client archetypes. Together with its parent company, Peregrine, it has created an international family office service for the ultra wealthy. It has bought 100% of Wealth Corporation, which focuses on the retiree market. And it has formed a relationship with Mercantile Bank and is its official wealth manager, with a focus on entrepreneurs. It has also beefed up its philanthropy capabilities and has a specific focus on the female market.

All of these changes means Citadel has become a much more comprehensive wealth manager, capable of servicing a much wider market.

## SERVICE FOCUS

The firm's new areas of focus are clearly succeeding – Citadel is the winner in the successful entrepreneur archetype and runner up in the wealthy executive archetype. Its old bread-and-butter retiree market is now in the Wealth Corporation, which provides core financial planning solutions.

The one segment that is not part of its focus is the up-and-coming professional. It says that typically such clients require banking, lending and risk solutions and direct equity solutions from an investment perspective. While it is able to provide the majority of these solutions either in house or through partnerships, "it isn't what drives our business".

Citadel now provides advice across all financial planning aspects of a client's portfolio and can implement the advice through its wide range of in-house skills.

## WHAT CLIENTS SAY

An extremely high score from clients on "general advice on managing your wealth" shows Citadel continues to excel in the most important area and has not been distracted by the new areas of focus. Overall though clients were a bit reticent in giving Citadel high marks for service levels compared to other firms, but still on average rated it "very good". One client told us he has "a down to earth good relationship and discuss my portfolio and expectations for the future"

with his wealth manager. Another says his Citadel wealth manager "has my best interest at heart and is someone I can trust with managing my funds."

## WHAT WE SAY

Citadel has made a concerted effort to move into the higher-income segments of the wealth market, though is consciously moving away from retirees, which were its typical market five to seven years ago. That segment is now being left to the Wealth Corporation, though we felt it would help to see a closer relationship between Wealth Corporation and Citadel, such that it is able to present itself as a united front to the market. It is in our view unfortunate that the retired market seems to have drifted out of Citadel's focus area.

The stronger offerings in the family and ultra-high net worth markets, as well as its philanthropy unit, make Citadel a more well-rounded wealth advisory firm. This focus also complements capabilities of its parent, Peregrine, which is accomplished in hedge funds and sophisticated financial engineering.

## ELIGIBILITY

No minimum criteria provided but its new average client has approximately R12m of discretionary assets. New clients within Wealth Corporation average R3m. Clients in the Peregrine Family Office have in excess of R100m in discretionary assets.

## FNB PRIVATE BANK/RMB PRIVATE BANK

Archetype	Score (out of 5)
Lump-sum investor	4,50
Up-and-coming professional	4,33
Successful entrepreneur	4,40
Wealthy executive	4,42
Internationally wealthy family	4,32

## OVERALL

RMB Private Bank and FNB Private Wealth are the private banking divisions of FirstRand Bank, with each entity resonating in different areas. For example, FNB uses FNB Private Wealth to service the entrepreneurial market where FNB Business Banking has built a strong market presence and client base. RMB Private Bank aligns with Rand Merchant Bank in corporate banking. The two brands service about 60 000 families.

## SERVICE FOCUS

With so many clients, the group has taken extra care to manage what it calls "the complexity of relationships and financial services requirements" of wealthy families. RMB Private Bank has introduced a new service model to improve the ratio of family units

per private banker. It has also structured its ultra-high net worth teams to have a dedicated private banker to focus on the day-to-day transactional needs of the family, as well as a dedicated manager who focuses on the family's full balance sheet. It now reports on and services clients under a family construct "because we focus on the holistic needs of the wider family rather than individuals".

FNB Private Wealth has shifted its delivery model to focus on servicing the top tier of the wealth market, with its private bankers the single dedicated point of contact for all clients' banking and investment planning needs.

### WHAT CLIENTS SAY

RMB and FNB Private Clients are a very happy bunch – their feedback averages out at "very good", one notch below "excellent". RMB Private Bank was ranked third-best by its clients, ahead of the feedback given for FNB. One client said, "FNB Private Clients went through a rough patch in terms of service, but they have now resolved all of their problems and continue to offer the kind of top-quality service I've been accustomed to." Quite a few FNB Private Clients complained that it takes too long for their wealth managers to get back to them.

### WHAT WE SAY

In response to our questions, FNB Private Clients and RMB Private Bank displayed the deepest capability in the South African market to handle the difficult needs of complex clients. Last year the group declined to participate in this survey, saying it was in the process of strengthening various units. Clearly that process has been successful.

The excellent scores across all archetypes make FNB/RMB the overall winner in the private banking category. It reflects excellent management capabilities and attention to detail across all segments of its wealth offerings, something that was reflected in the advice and offerings submitted in our survey. The integration of the various units appears seamless. Also impressive is its Private Wealth Academy, an in-house programme developed with GIBS, to provide a pipeline of private bankers. Another aspect that reflects the success of this business is that both wealth offerings are attracting new clients – 11% of FNB Private Wealth clients have been with it for less than a year as have 15% of RMB Private Bank clients.

### ELIGIBILITY

FNB Private Wealth income of R1m a year or R3m to invest. RMB Private Bank minimum income of R1,5m a year or net asset value of R15m.

## GALILEO CAPITAL

Archetype	Score (out of 5)
Lump-sum investor	4,08
Up-and-coming professional	3,75
Successful entrepreneur	-
Wealthy executive	4,00
Internationally wealthy family	-

### OVERALL

Galileo Capital offers independent investment and estate planning advisory services to high net worth individuals and their families. It does not offer corporate services. It has a range of subsidiaries offering asset management, financial planning and fiduciary services as well as short-term brokerage. Galileo Wealth Management houses the high net worth division.

### SERVICE FOCUS

Galileo is a growing firm that now spans trust and fiduciary services, wealth management and insurance broking. It is focused on developing a long term relationship with wealthy families and has a low ratio of wealth managers to clients. Most of its clients are either retired or approaching retirement and in need of wealth planning.

Working on the principle that a wealth manager cannot be completely objective if he or she works for a product provider, Galileo does not own any financial products. Wealth managers earn a salary and an annual performance bonus based on the profitability of their division. There is no link between a wealth manager's remuneration and fees earned from clients. Advisers are not given new business targets nor are they incentivised to bring new assets to the business. They are directly incentivised to retain clients and their performance bonuses will be compromised if they lose a client. The group has lost only 12 clients in 10 years. Galileo Capital executive director Warren Ingram says because of a sustained drive from clients to move the bulk of their investment assets overseas, the firm has expanded its offshore investment offering to include indexed investments combined with direct share portfolios. This aspect of the business has grown by more than 100% a year over the past two years. Galileo is now developing representative offices in the US and Australia.

The group has also recently launched SA's first online financial advice and investment company, SmartRand, in response to a growing demand from younger investors for online investment solutions.

### WHAT CLIENTS SAY

Galileo makes an effort to go the extra mile for clients and they have clearly noticed that, reflected in scores well above the 90% mark on the core service rankings. Galileo ranks second among wealth managers based on client feedback with 84% saying they are highly likely to recommend it to friends and family.

One client said, "Having considered other wealth managers before retirement I am completely happy with my choice of Galileo Capital. Their service and interaction with their clients is excellent." Another spoke of their relationship with their wealth manager of over 10 years during which time he'd proved himself "time and again". Another described her wealth manager as "an outstanding person. Always given excellent advice, proved always to be correct decision. Well groomed, so well-mannered and so professional."

### WHAT WE SAY

Clearly a growing business, this is a firm that knows its market and services it well. It did not compete in the successful entrepreneur and wealth executive archetypes which are clearly outside its market focus. We like the way it puts client interests first by eschewing in-house financial products and in terms of its remuneration policy. It also goes the extra mile in terms of costs by pushing product providers to reduce fees. Ingram explains: "When we started in 2005, the cheapest diversified portfolio we could offer clients cost 1.3% per year (ex VAT and our cost). Today we have succeeded in reducing this cost for clients to 0.35% (ex VAT and our cost). We accomplished this by using our public/media profile to persuade product providers to launch indexed, fixed asset allocation portfolios for our clients. More than 60% of our assets under management are in indexed portfolios and this trend is increasing."

We also like that fact that should a relationship manager disagree with any recommendation from a Galileo colleague, he or she can make use of external service providers.

Galileo clearly does an excellent job of working with less sophisticated clients that need a dependable and efficient service provider to manage their wealth as they move toward retirement and beyond. We have no doubt Galileo does an excellent job in this segment.

### ELIGIBILITY

Minimum assets of R5m.

## INVESTEC PRIVATE BANKING/INVESTEC WEALTH & INVESTMENT

Archetype	Score (out of 5)
Lump-sum investor	4
Up-and-coming professional	4,07
Successful entrepreneur	4,25
Wealthy executive	4,40
Internationally wealthy family	3,48

### OVERALL

Investec focuses equally on all target markets reflected in our archetypes, specialising in asset management, wealth & investment and specialist banking. Private Banking and Wealth & Investment are separate legal entities but the integration between the two is seamless.

### SERVICE FOCUS

Despite being a big, well-established private banker and wealth manager, Investec prides itself on its entrepreneurial culture, citing an ability to be "nimble, flexible and innovative". It also focuses on select market niches (young professionals, entrepreneurs, high net worth and ultra-high net worth individuals) and balances that approach with strong risk management discipline.

In the UK, Wealth & Investment is the third-largest private client investment manager with £27bn under management while the South African business holds the leading position with assets of R256bn.

Its integrated offering across the specialist bank and investment management is impressive as are its UK/SA transactional capabilities. Its UK private bank account is now available to South African Investec clients. That forms part of a new innovation introduced last year: Investec One Place. This aligns products, channels, processes, operations and strategies of the private banking and W&I divisions, providing client access to banking and investment services, locally and internationally. Investec says this was driven primarily by demand from its internationally mobile clients who "think globally".

Investec largely uses in-house products complemented with third-party products as required.

### WHAT CLIENTS SAY

We instituted the People's Choice award – in which clients rank the services of their private banks and wealth managers – in 2013 and Investec has won the private banks category every year. That is some achievement and it gives credence to Investec's claim that "a great client experience" is its strongest

competitive differentiator. Clearly clients do believe they're receiving an "out of the ordinary" experience. One client said: "I've stuck with Investec for over 10 years. Their service is excellent. Absolutely no complaints. They sort out any problems which I raise (albeit very few) efficiently and immediately." A client of the Wealth & Investment business said: "My wealth manager makes me feel completely relaxed in terms of my financial status. It is invaluable to have no concerns or fears about my finances at my age."

There was also extensive praise from young professional clients who feel they get excellent value for money from Investec.

### WHAT WE SAY

Holding onto the People's Choice award is no mean feat given the increasingly competitive nature of this survey. Every firm has its philosophy but Investec can proudly boast that its "great client experience" and "out of the ordinary" slogans are validated by the practical experiences of its clients.

Investec reflects all-round strength across our archetypes, but its strong point is sophisticated investors with complex financial needs ranging from structured finance to international investment strategies. At the lump sum end of the market, clients typically don't have the cash-flow profile that matches Investec's strengths. At the other end of the market, Investec does not operate the family office model of some of its competitors that focus exclusively on the top end of the market, so this is a gap in its offering. We also feel Investec is generally shy of tax structuring for clients, perhaps because of its strict UK-based compliance rules.

### ELIGIBILITY

Private Banking R800 000 a year; W&I from R1m with a holistic wealth management service targeted at a client with investable assets of at least R20m.

### MAITLAND

Archetype	Score (out of 5)
Lump-sum investor	3,67
Up-and-coming professional	3,60
Successful entrepreneur	3,67
Wealthy executive	4,32
Internationally wealthy family	4,73

### OVERALL

Maitland offers multi-jurisdictional administrative, advisory and fiduciary services to private, corporate and institutional clients. It does not pursue any

aggressive marketing strategies and business flows from word of mouth.

### SERVICE FOCUS

It focuses on high net worth to ultra-high net worth international families, with complex financial and business interests across various jurisdictions.

One of Maitland's strengths is the range of jurisdictions in which it operates. It has a presence in British Virgin Islands, Canada, Cayman Islands, Ireland, Isle of Man, Luxembourg, Malta, Mauritius, Monaco, SA, UK and the US.

Another strength is its long-standing legal services offering, supported by its institutional fund administrator. That platform is made available to a family's investment portfolio.

Maitland does not involve itself in underlying asset management. "We are on the client's side of the table and deal with asset allocation and selection and monitoring of managers, but do not get involved in asset selection," says Richard Ngwenya, senior manager of business development. However, in addition to investing client funds with third-party managers, it does offer two in-house products primarily to smaller clients, a global multi-asset fund and a flexible fund of funds.

### WHAT CLIENTS SAY

Too few Maitland clients completed our online survey for any meaningful analysis.

### WHAT WE SAY

Maitland's strength is in the internationally wealthy family market where its winning score of 4.73 out of five is the highest score gained by any wealth manager across all archetypes. Its response was highly detailed and had all options covered. It is also strong in the legal aspects of wealth management: estate and tax planning as well as such things as pre-nuptial contracts and cohabitation agreements. For complex family arrangements across multiple jurisdictions, Maitland can't be beaten. On other client archetypes there's less scope for Maitland's strengths to be applied. Retirees and young professionals, for instance, should only consider Maitland if it's part of a broader family relationship.

### ELIGIBILITY

Minimum net asset value of R50m.

### NEDBANK PRIVATE WEALTH

Archetype	Score (out of 5)
Lump-sum investor	4,17
Up-and-coming professional	4,3
Successful entrepreneur	4,5
Wealthy executive	3,85
Internationally wealthy family	3,85

### OVERALL

Nedbank Private Wealth is the high-net worth wealth management business within the Nedbank Group both in South Africa and internationally. It was formed in 2012 with the consolidation of all Nedbank's local and international offerings, including BoE and Fairbairn. It has offices in SA, London, Isle of Man, Jersey, Guernsey and the United Arab Emirates.

### SERVICE FOCUS

Nedbank is capable of catering to the full spectrum or archetypes and offers a comprehensive portfolio of advice and services.

International services are offered to South African clients through specialist advisors based in SA with international product and operational support offshore. The objective is to seamlessly fulfil both South African and international client needs across the entire wealth management spectrum within one business. To further this objective, Nedbank Private Wealth South Africa has absorbed the international specialist team that formerly represented Nedbank Private Wealth internationally and aligned the two businesses in terms of client engagement processes, products, services and fees to clients. There is in effect one international offering to the South African market as compared to a "suitcase banking" model that sits alongside the South African offering.

For any investment strategy, Nedbank has three distinct methods available to implement its investment strategy in South Africa and internationally: strategy solution (fund of funds); segregated fund portfolio (direct single strategy/asset class funds); or a separately managed account (bespoke portfolio utilising listed securities, unlisted instruments and/or funds).

### WHAT CLIENTS SAY

Clients are clearly satisfied, rating it second in the People's Choice survey. This is a strong improvement over last year. Extra add-ons are particularly welcome, with one client praising the firm for inviting clients to presentations by business leaders, enabling clients to make informed decisions about investing in that business.

Clients said their relationship managers were willing to "walk the extra mile" though one client expressed frustration at being asked to fill out personal balance sheet forms despite having been with Nedbank for 40 years.

### WHAT WE SAY

Nedbank Private Wealth has capabilities across all archetypes but its strengths lie in first three – passive lump-sum investor, up-and-coming professional and successful entrepreneur. It was very strong on the successful entrepreneur archetype, winning that category. We were particularly impressed with its detailed thinking on black economic empowerment exposures. It also offered detailed, integrated solutions for the property development and cross-border finance.

Nedbank's growth opportunity is in the internationally wealthy family segment. Apart from normal bank lending products, its structured lending facilities are interesting. Basically it allows for full flexibility to structure debt around client needs, which can be particularly useful for entrepreneurs and executives trying to leverage complex financial exposures. One differentiator is its trust/fiduciary heritage, stemming back to 1834. It also has a focus on charity savings.

Its investment management capacity boasts of strong market-beating returns. Indeed its general equity returns are impressive with their funds ranking highly. This is also an interesting competitive differentiator, though comes with the risk of conflicts if clients are directed to in house funds. That's no problem while funds are top performers and match client needs though.

### ELIGIBILITY

R1.5m/year or R5m investable assets.

### PSG WEALTH

Archetype	Score (out of 5)
Lump-sum investor	3,92
Up-and-coming professional	4,48
Successful entrepreneur	4,33
Wealthy executive	4,08
Internationally wealthy family	3,97

### OVERALL

PSG Wealth, part of the PSG Konsult group, has a novel business structure with a geographical footprint across SA, giving it access to high net worth individuals not reached by its main competitors.

While the arrangement is similar to a franchise system (each branch office is its own profit centre), all financial advisers are employees of PSG Wealth Financial Planning. A technical advisory services team drafts all high-end financial plans and investment recommendations and signs off on others, so clients from Kimberley to Sandton get the same treatment.

## SERVICE FOCUS

PSG Wealth has done much restructuring and refining of its offerings over the past two years and continues to do so. The focus is on the bulge bracket in the market – lump-sum investors and reasonably wealthy entrepreneurs and executives. However, it has beefed up its offering in the high net worth family space through PSG Group’s acquisition of Grayston Elliot last year, which specialises in detailed tax structuring, special purpose vehicles and philanthropy. PSG Wealth’s estate and trust services department is expanding, with a new node planned for Gauteng. It also plans further strengthening of its offshore platforms, to be announced in the next few months.

## WHAT CLIENTS SAY

Voted the third-best overall wealth manager by clients, PSG Wealth is clearly getting a lot of things right. More than 90% rated it good or excellent on overall service levels while 80% rated it the same on value for money. A large number of PSG clients – 265 – responded in freeform comments to a question on how well it catered for specific needs and they were overwhelmingly positive. Some interesting comments were: “My investment has tripled,” and, “Always informative and they don’t make me feel like my money is insignificant because it’s not millions.” We also enjoyed this one: “Is receptive to my own research and responds with cogent reasons for either accepting or rejecting.”

Even on the question of where it could improve, there were mostly positive comments, though issues highlighted include more regular contact and communication, more diversified global investments (something PSG is working on) and “better returns on investment”.

## WHAT WE SAY

Its distribution reach is one of its main strengths – it has a massive network of tied advisors across the country and has an excellent range of services on offer through them. Overall one gets the feeling that PSG really does some good thinking on solutions for clients needs, ranging from tax, risk, and a more rare ability to understand the business needs of clients and their personal circumstances. That thinking also drives many of the improvements the firm constantly implements. It is also impressive in thinking creatively about difficult problems clients may encounter. It doesn’t hesitate to call on the rest of the PSG group,

whether it’s a JSE listing or specialised property finance that a client needs.

Runner-up in the overall wealth manager category, PSG Wealth is the winner in two archetypes, the up-and-coming professional and successful entrepreneur (tied with Citadel) – a reflection that it really excels in its main client segments. It will be interesting to see how it performs in future in the ultra wealth categories where it is strengthening.

## ELIGIBILITY

PSG Wealth investment platform: minimum R500 recurring or R20 000 lump sum. It has kept the minimum lump sum required for the PSG Wealth Tax Free Investment Plan to R6 000, in support of National Treasury’s intention to encourage greater savings.

## SANLAM PRIVATE WEALTH

Archetype	Score (out of 5)
Lump-sum investor	4,42
Up-and-coming professional	4,48
Successful entrepreneur	4,18
Wealthy executive	4,60
Internationally wealthy family	4,25

## OVERALL

Previously Sanlam Private Investments, the business changed its name to Sanlam Private Wealth in June last year as part of the migration of all its businesses to the Sanlam brand. Prior to that, it acquired majority stakes in Summit Trust, an independent trust services group headquartered in Geneva, and in UK-based Merchant Securities, a company specialising in investment & wealth management, execution-only stockbroking and corporate finance. In SA it introduced its fiduciary and tax service and integrated its UK and SA businesses. This has meant a dramatic increase in scale of the business and its capabilities in providing comprehensive wealth management solutions.

## SERVICE FOCUS

Sanlam Private Wealth now caters fully to all market segments, reflected in its strong ranking in every archetype. Operating 20 international offices, services include investment management, advisory, fiduciary and tax, stockbroking, online trading, art advisory and non-transactional banking services. Given its size, it emphasises its “strong personal relationships” with clients “built over time and spanning generations”.

## WHAT CLIENTS SAY

Not ranked in the top three, Sanlam nevertheless achieved a high overall score from clients: 86% ranked

its overall service as good or excellent and about 80% were happy with the value for money they were receiving. Its shares/derivatives trading also received a particularly high ranking while clients were more than happy with its general advice on wealth management. Individual comments were largely complimentary but negative ones revolved around meetings and personal touch, showing the group can probably improve in this area – though it must be said that other clients praised its regular communication.

## WHAT WE SAY

An extremely impressive all-round performance from Sanlam Private Wealth sees it winning the overall wealth manager of the year award. That was built on being ranked at least in the top three in every archetype and being ranked the winner in two: lump-sum investor and wealthy executive.

In its response to our questionnaire, it never missed a trick and came up with some novel solutions. Its ability both to advise clients on an optimal investment strategy, and then directly implement it itself, makes for a strong proposition and it designs strategies to suit individual needs. It is clearly capable on fiduciary and estate planning as well as risk cover.

With the successful entrepreneur, it covered each individual issue in great detail but there was a sense that the solutions needed more integration.

A worthy all-round winner in a fiercely competitive market.

## ELIGIBILITY

Discretionary portfolio management: R1m; global discretionary portfolio R1,5m; wealth management: R10n net investable assets. These are under review.

## STANDARD BANK: WEALTH & INVESTMENT

Archetype	Score (out of 5)
Lump-sum investor	4,15
Up-and-coming professional	4,42
Successful entrepreneur	4,35
Wealthy executive	4,35
Internationally wealthy family	4,35

## OVERALL

Since winning last year’s Private Bank of the Year award, this large group has been busy. It has changed its name from Private Clients to Wealth and Investment, both to eliminate confusion in the market between Private Bank and Private Clients and to reflect its holistic financial planning that incorporates wealth

creation, lifestyle requirements, wealth preservation and estate planning and philanthropy, both onshore and internationally. Wealth & Investment has established an associate segment that has a slightly different service model to capture clients that almost qualify (see eligibility below) to ensure that they are given access to the offering as they establish their wealth. In this way Standard Bank attempts to offer a cradle-to-grave private banking and wealth management proposition. Offshore investment manager Melville Douglas forms an integral component of Standard Bank’s wealth offering with its portfolio management.

## SERVICE FOCUS

The three wealth entities combine to form a strong proposition across all market segments. This is a massive player both in SA and in Africa, and it has a strong international presence. Its client-to-wealth and relationship manager is 50:1 and it prides itself on always responding “before the sun sets”.

Interestingly, whereas previously the relationship manager was the primary contact, it now positions the relationship manager and wealth manager as the primary contacts, offering immediate access to both specialists. Depending on the structure of their affairs, clients may even be appointed two wealth managers, one locally and one internationally. For clients requiring discretionary investments, it also allocates a portfolio manager.

The business follows an investment process defined by the wealth and investment strategy group. It determines the monthly house view and establishes an asset allocation model. It also has strong capabilities in philanthropy and inter-generational wealth.

Impressively for a business this big, its staff turnover is below 3%. Staff retention strategies include opportunities for global secondments and learning opportunities by accompanying the CEO on international trips.

## WHAT CLIENTS SAY

Client service could do with some polishing up. Wealth & Investment clients were happier than their Private Bank counterparts – more than 85% rated overall service levels as good or excellent, but only about 65% of Private Banks did so. (Too few Melville Douglas clients completed the online survey for their scores to be meaningful.)

Only 60% of Private Bank clients and 74% of W&I ones would recommend it to friends or family –lower than most of its competitors. Both entities were also ranked relatively poorly on value for money.

## WHAT WE SAY

The group is our runner-up in the overall private bank category, winner in the up-and-coming professional archetype and is ranked in the top three of every other category. That reflects its all-round strength in being able to cater for those client archetypes. Certainly the priority should be on improving client service levels, its one area of weakness.

We like the emphasis the group has put on integrating the three units and we're really impressed with the low staff turnover – though that doesn't affect the scoring it is an important factor in this market.

The group also differentiates itself somewhat by its fiduciary and trust capabilities which are stronger than some of its direct competitors.

It also boxes smart with its size, providing clients access to numerous prestigious events, including such things as London Fashion Week, art exhibitions locally and globally, jazz evenings, sporting events and even an evening with the team from Spud, including John Cleese.

## ELIGIBILITY

Private Banking: R750 000 a year; Wealth & Investment: investable assets of \$1m.

## STONEHAGE FLEMING FAMILY & PARTNERS

Archetype	Score (out of 5)
Lump-sum investor	-
Up-and-coming professional	-
Successful entrepreneur	-
Wealthy executive	-
Internationally wealthy family	4,57

## OVERALL

Stonehage announced its merger with UK-based Family Office Fleming Family & Partners in November last year to form an international multi-family office group. It no longer competes in any market segments except for the internationally wealthy family. It has 13 offices across seven countries. It offers a range of intergenerational and multi-jurisdictional wealth management services.

## SERVICE FOCUS

Stonehage Fleming's international family office proposition has been greatly enhanced by the merger through the addition of substantial investment management, private equity, corporate advisory and wealth planning capabilities. Its target market is firmly in the ultra high net worth family and individual space.

Its whole business is based on servicing 250 ultra-wealthy families, which gives you some sense of how focused it is.

It punts its "key advisor" function as its core differentiator. As the senior representative of the group responsible for the total relationship with the client, the key adviser is highly qualified and experienced and provides general and strategic advice aligned to the family's specific needs.

## WHAT CLIENTS SAY

Not enough clients completed the People's Choice survey.

## WHAT WE SAY

Stonehage has redoubled its focus on the internationally wealthy family market and only completed that section of our questionnaires to the industry. Clearly the firm believes it is better off operating exclusively in the ultra-high net worth market, where it always has excelled. Last year it won the internationally wealthy family category and this year it ranks second.

The firm is clearly well-positioned for our wealthy family archetype. From the corporate advisory to art advisory and an in-house law firm, it is clear Stonehage is at the top of its game.

Its solution to the tricky questions we posed was comprehensive – though it did lack some detail – and the internal capacity to deliver is pretty much unrivalled. It is structured to be able to deal with the compliance risks of tax work and the law firm is independent – thus ringfencing risk.

## ELIGIBILITY

Caters primarily to the \$50m+ market.



# A FEW OF THE OTHERS

**While our survey includes all of the main players and covers the bulk of the market, there are a few firms that do not participate. Here we cover their key features.**

## SASFIN

Sasfin Holdings runs entrepreneurial, corporate, commercial, institutional and private client divisions. It offers a multi-faceted approach to financial planning across investment, retirement, tax, estate and risk planning. It also draws on specialists from other divisions when needed, including asset management, securities, forex, short-term insurance, health care and investment research.

The group listed on the JSE in 1987 with the business market its core target market. It acquired a banking licence in 1999 and evolved into wealth management through the acquisition of the private client, stockbroking, financial planning and corporate finance businesses of Frankel Pollak (now SasSec).

Sasfin states on its website that it will "soon start to offer high-net-worth individuals transactional banking capabilities".

## DYNASTY

A private wealth and investment management firm, Dynasty has its own listed unit trusts with independently selected underlying fund managers.

All investment advice is provided or endorsed at director level. If required, specialist advice (for example input on sophisticated estate planning structures) is sourced

externally from its network of professional advisers. The process begins with a general assessment of client requirements which are presented to an experienced, multi-skilled investment committee. The committee interacts frequently but meets formally on a quarterly basis to review portfolio performances, analyse economic research – both global and domestic – and to debate the outlook on various asset classes.

A multi-skilled investment committee assesses client requirements and formulates investment portfolio design documents that deal with the quantitative aspects of each portfolio. It also reviews portfolio performances, researches the outlook on asset classes and monitors risk and return, runs a performance attribution programme and analyses a database of manager and fund returns.

The firm frequently hosts investment presentations at which clients interact with their fund managers.

## ALPHA WEALTH

This boutique provides investment and wealth planning services for high-net-worth individuals, families, selected institutions and charitable trusts. Services include financial planning, investment management, portfolio management offering full discretionary managed share portfolios and non-managed accounts, tax advisory and fiduciary services.

## WE ASKED CLIENTS TO RANK WHAT FACTORS WERE MOST IMPORTANT IN CHOOSING A PRIVATE BANK/WEALTH MANAGER. IN PERCENTAGE TERMS, CLIENTS RATED THESE FACTORS IN ORDER OF IMPORTANCE

Rank (number one being the most important)	Client Survey Snapshot				
	1	2	3	4	5
The quality of service I receive	28%	11%	6%	12%	44%
The prestige/exclusivity I get dealing with my bank	20%	14%	21%	22%	24%
The competitive pricing of my bank relative to the market	12%	15%	32%	22%	19%
The excellent advice I feel I get	23%	13%	12%	19%	34%
The fringe benefits (like airline lounge access or airmiles/loyalty points)	30%	10%	15%	15%	31%

# HIGH Society

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