

# POWER TO THE PEOPLE!

*We aim for nothing less than a revolution with The Spear's 500: a guide to the private-client industries which puts power into the hands of the private clients*



**WILLIAM CASH**  
IS EDITOR-IN-CHIEF OF SPEAR'S

As I write, I am feeling something of the same excitement as I did shortly before the first edition of *Spear's* went to press in the spring of 2006. *The Spear's 500*, our new essential guide to the top private client advisers, wealth managers, lawyers and service providers for high net worth individuals and their families, is the first comprehensive guide across all these private client fields in the world.

We believe *The Spear's 500* will be a landmark publishing event for the wealth management industry. Our ambition is for this guide to become the new bible of the industry for both HNWs and their advisers. And we want it to go global too: future editions are planned for Europe, Asia and America.

Ever since that first edition of *Spear's*, whose *Spear's Index of High Net Worth Wealth Managers* was reproduced in *The Times*, those Indices have been at the heart of what makes us the UK's top wealth management and private client media company. The Spear's Research Unit's expert analysis of key performers has led the media to call us the 'Forbes of Europe' and 'The New Yorker of finance'.

With our editions in Russia and Asia, no other wealth management title has the global reach or recognition of *Spear's*, partly as a result of our long-standing partnership with British Airways, where *Spear's* is read in First Class and Business lounges and cabins. What has always set Spear's Indices apart is that our focus has been on client-facing individuals rather than just the brass plaque with the firm's name on.

*The Spear's 500* is now recommending the top 500 professionals (typically the top 25 or 50 in each sector, along with rising stars) across the spectrum of wealth management, tax advisory services and private client practice in the UK. Such is the success of London's wealth management industry today (it employs 23,000 people and contributes £3.2 billion a year to the UK's GDP) that we now have HNW and UHNW client managers; the former is for clients with investible assets of \$1-30 million, the latter for

those over \$30 million.

But as any private banker will tell you, such figures are flexible. A friend of mine whose family had banked with Coutts for generations recently had her breakfast ruined by a letter saying that the minimum account level was now £1 million, and if the bank did not receive the necessary funds within 28 days, her account would be closed. A quick call to a senior director soon changed their threshold, but the old world of personal-relationship private banking is largely extinct.

## TEAM EFFORT

Our Research Unit is backed by a team of financial writers, experts and columnists that have included many of the top names in the business and legal world such as Luke Johnson, Martin Vander Weyer and Joshua Rosenberg. Today our columnists include Sarasin's economics guru Guy Monson, freud communications' crisis management expert Edward Amory, property columnist Ross Clark (page 110) and distinguished lawyer Martyn Gowar.

*The Spear's 500* features our major Spear's Indices as Band One (page 7): private bankers, HNW and UHNW wealth managers, multi-family offices and private investment offices; family lawyers; tax lawyers; accountants; defamation lawyers; reputation managers; and property advisers. In addition, we have expanded our team of analysts to cover new Indices such as HNW-focused private equity, insurance and lawyers specialising in immigration, crime, landed estates and litigation.

We are also including the top HNW service providers as Band Two: business angels, security advisers, interior designers, equine advisers, art advisers, philanthropy, yachts and aviation, 'fixers' and concierges and many other services from classic cars to wine merchants. The latter are both especially

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➤ tax-efficient investments as they are regarded as 'deteriorating assets' by HMRC — despite the evidence from any auction that values for vintage wine and cars have continued to soar in the last decade.

The global wealth management and private client industry has long needed such a full-service reference guide for HNWs, who have long regarded London as the private client capital of the world. The first issue of *Spear's*, which launched inside the palatial atrium of HSBC Private Bank on St James's Street, chronicled how the rubber-soled bankers of Zurich and Geneva (for whom being back at one's desk at 2pm remains a religion) were losing their private-client crown to their sharper-suited counterparts in Mayfair, St James's and Canary Wharf.

### THE INDIRECT DIRECTORY

I said above that *The Spear's 500* was the first guide of its type in the world. That is not quite true. At the very first Spear's Wealth Management awards back in 2007, we created a special award for Dr Günter Woernle, a dogged German lawyer who was also the author of *The Wernlin Directory to Private Banking and Asset Management in Switzerland and Liechtenstein*. He was a self-deprecating man who saw dark humour in his heroic task of creating nothing less than an Almanach de Gotha of Swiss private banking. (When I asked him why he called it *The Wernlin Directory* when his name was Woernle, he replied: 'That was my old Huguenot family name. Unfortunately, some members of my family in the South of Germany changed our name in the 18th century.')

Dr Woernle travelled to London to receive the award which I handed to him in the main saleroom of Sotheby's on Bond Street. In so many ways, Dr Woernle is the true inspiration behind *The Spear's 500*. One key difference, however, is that while *The Wernlin Directory* is dry with each entry limited with Beckettian brevity to the principal partners' names and address, we hope the experience of reading *The Spear's 500* will be more like the literary version of a beauty parade, conveying the personality of each adviser, with short, witty and often colourful bios. Our model is more Hazlitt — who once lived in the same City street where *Spear's* has its corporate HQ — than Beckett.

In my office, on my desk, is a red-bound copy of the twelfth edition of *The Wernlin Directory* (2006/7) — his last. The first edition had been published back in 1995 when the it was known as *The Private Bankers of Switzerland*. Despite its title, it became a bestseller, largely as a result of the small contact directory that Dr Woernle had attached to the back of the guide. At the time, the Swiss banks

were still extremely reluctant to give any information on their institution. Transparency and publicity were to be avoided in the private banking sphere.'

That *Spear's* published our first issue in the same year that Dr Woernle published the final edition of his private banking magnum opus was fitting as we have aimed to continue his pioneering work. It is a testament to his dogged research over many years that he finally persuaded the highly secretive world of Swiss and Liechtenstein wealth management and private banking to co-operate with him.

His 856-page guide allowed much-needed light to appear through the dark wall of secrecy that had for so long prevented HNWs approaching banks or asset management firms. In the past HNWs have had to go through a murky network of self-referring, fee-hoovering third-party lawyers and 'advisers' who have not always had client interests at heart — only their own referral and kickbacks.

But it was no easy task for the lawyer. 'Had I known the difficulties that I would encounter twelve years ago, I would have never started this venture,' he wrote as he signed off his last edition in July 2006. The challenge, he added, was not so much obtaining data that was publicly available but rather to go a 'step further' in the interests of ensuring 'accuracy and timelessness of information' by obtaining his directory data directly from the Swiss banks and financial service companies themselves.

This is the same exacting challenge we set ourselves in compiling *The Spear's 500*. Almost without exception, we have been fortunate enough to have the full and diligent co-operation of the leading individuals of the wealth management and private banking industry. Most realise that in this new age of financial transparency, trying to attract clients by virtue of being highly secretive, indeed 'under the radar', belongs to a different era.

To give an example of our unrivalled level of industry co-operation and access, when we asked criminal lawyer Angus McBride of Kingsley Napley for a client referral, he put us onto Rebekah Brooks, former CEO of News International, whom he had just succeeded in getting acquitted of all charges in the high-profile phone-hacking trial. 'If you are in trouble, his number should be your first call,' she told *Spear's*. For her full client referral, see page 159.

Having spent the last six months working on this project with all the *Spear's* team, led by editor Josh Spero and Giulia Cambieri, head of the

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Spear's Research Unit, I can hardly believe that a lone lawyer could produce such a path-breaking guide all on his own.

## INSIDE THE GUIDE

In an industry as fluid and fast-changing as London's wealth management world, we know there will doubtless be some people we have left out who perhaps deserve recognition. People change jobs, firms merge and we like to be current, which is why we will be regularly updating our Indices online.

At the heart of *The Spear's 500* — which we hope will become like *Chambers* is for the legal profession — is a revised methodology for deciding who makes each category, based on peer review and client referrals, which will make them even more transparent, informed and authoritative. They are also backed up by Spear's in-house research and analysis, informed by reader feedback, client interviews and questionnaires. The information gathered by our Research Unit also goes on to inform the nominations at the Wealth Management Awards and our Young Turk Awards (for under-35s).

*The Spear's 500* also includes new factboxes so you can instantly know what position each individual occupies, along with the size of their firm and their fees (often worth negotiating). As with *The Wernlin Directory*, there is also a directory at the back of our guide.

## CASH FLOW

How the landscape of wealth management has changed since the first edition of *Spear's*. When *Spear's* launched, the Sunday Times Rich List revealed 160 new entries to the list, with 54 billionaires 'born, living or making their money' in Britain or British territories. The top 1,000 entries then added up to over £300 billion. Today, the total wealth of those on the Rich List is £519 billion — up from £449.65 billion last year.

So there is no shortage of HNW clients looking for the best wealth managers and advisers. John Kampfner, author of a new history of the super-rich, quotes the old adage that when it comes to making money, 'The first £10 million is the hardest.' He adds that once you've secured that amount, 'any half-decent investment adviser should keep you on track.'

Our experience at *Spear's* is that, alas, this is very often not the case. I know this only too well from my own family's experience as I detail in my account (page 196) of how the Cash family — who used to hold the Royal warrant for our famous Cash's school name-tapes and had weaving factories in Coventry, America and Australia — were badly advised with regard to the succession issues of our business

(founded in 1870 by JJ Cash) which ended up being sold to a Hong Kong-based clothing company.

Despite the fact that my ancestor Sir William Cash was president of the Institute of Chartered Accountants and chairman of the Abbey National Building Society for many years in the early 20th century, we lacked sufficient family financial management skills (or advice) to navigate our manufacturing business (who made the labels for Levi jeans and shirt companies like Hilditch & Key) through the Sixties and Seventies. Our own family accounting firm of Cash, Stone later merged into what is now Deloitte. Back in the 1970s, when tax was over 90 per cent, there were no next generation programmes for 18-25-year old scions to be incarcerated with fellow trust-fund kids in the Palace Hotel in Gstaad for a long weekend. Still, if I were today running a weaving-loom company in an industrial estate in Coventry — which I did try to buy back earlier this year — then I would have been glad for *The Spear's 500*.

One of the more interesting trends I have noticed in reading through the entries to this guide is the number of former industrial, retail and manufacturing British families, like mine, whose core business today — third or fourth generation — is providing private-client advice to a new generation of entrepreneurs themselves as asset managers or multi-family offices. Indeed, many such families are recycling their fortunes as boutique players as part of the financial services industry. Take the legacy of Lord Hanson, whose family now runs their own private-equity shop, Hanson Asset Management, which we have written about (page 144).

For too long, family business owners, high net worth entrepreneurs, or those inheriting family wealth or family businesses have been let down by their private client advisors, especially at the time of the recent financial crisis. *The Spear's 500* allows HNWs to better informed in their choices. Complacency, lack of accountability and lack of transparency are key factors — combined with the fact that many families and individuals have been afraid to move advisers or wealth managers due to not being aware of other options.

Clive James once said that he hoped that one day 'having much more money than you will ever need will look as pointless as taking bodybuilding too seriously'. Judging by the feedback the Spear's Research Unit get from our HNW readers while we compile our Indices and judge our awards, we are not yet anywhere near that point in the history of HNW wealth management.

Finding the best advisers is still a difficult and serious matter, but we hope this guide will help preserve and protect family fortunes. *f*