

Starting from Scratch: The Rise of a ‘Young Gun’



Alexandra Horwood, Director, Wealth Management, Portfolio Manager, Chartered Investment Manager (CIM®) initially pounded the pavement, shadowed mentors and attended countless networking events to start an Advisory practice. Success eluded her, until she found her niche.

Learning the ropes

I joined the family practice, The Horwood Team, in 2010 as an entry-level assistant making \$32,000 a year. I did the paperwork, the filing and the coffee runs – learning the business from the ground up. I have been fortunate to have parents in the business who are great mentors and who taught me to have integrity, be an independent thinker and always be honest. I watched them lead by example when it came to the value of hard work, always putting clients first, and telling it like it is, never shying away from difficult conversations.

Like everyone on the team, I had to do the exams and attain my licensing before I could move up. And eventually I did, becoming an Associate. When you are starting out, have very little experience, and look young to boot, it can conspire against you. Despite a commitment to networking, my business-building efforts were really unsuccessful... *for a long time.*

My father would quote Winston Churchill to me: “never, never, never give up.” So I persisted – thick-skinned and tenacious – shadowed other successful Advisors in the firm, and met with complementary professionals from areas where I had a lot to learn, like Tax & Estate Planning.

Never, never, never give up.

The tipping point: Finding a niche

My process was to pound the pavement evenings and weekends, attend a variety of functions, meet as many people as possible, and maintain the discipline of following-up early morning the very next day. Since I accepted pretty much every sponsored event or conference invitation that came into my Inbox, I found myself – about five years ago – at the Prospectors & Developers Association of Canada (PDAC) annual convention in Toronto. As the largest mining conference in the world, it draws about 30,000 delegates. At PDAC, I connected with a few mining executives who consented to meet with me and our director of Tax & Estate Planning, Mike George, a great mentor and brilliant tax accountant who served as an instant and significant value add for my prospective clients. Together we listened, asked thought provoking questions, and Mike offered strategies for tax savings. Every single person that I brought to meet with Mike and I signed on to be a valued client. And given how fast word-of-mouth travels, referrals soon followed. Three years ago I bought my first booth at the conference and I’ve never looked back.

Having a niche is the fastest way to grow; when you do an exceptional job, your reputation precedes you. Over time I have acquired a depth of understanding and a passion for this group. My clients are smart, affluent, successful executives with shared opportunities and challenges. I consider how they can best save tax, properly diversify their portfolios, and ensure they have put measures in place to mitigate personal risk – such as wills, estate planning and appropriate insurance – given that many travel to politically unstable or remote areas frequently. Also, within a proper niche, people are likely to be connected on LinkedIn. When I meet prospective clients, we are inevitably linked to a mutual connection, providing me with a warm lead, or a referral. And given the industry network I have cultivated, I am eager to reciprocate. For example, a contact of mine mentioned he was looking for a CFO and I was able to provide a useful introduction.

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My niche focus allowed me to develop critical mass, leave The Horwood Group in 2015 to start my own business, transition to a fee-based model, and organically grow my business from about \$18 million under management to \$100 million. In 2016, I grew my book by another 25% and today manage over \$185 million – all fee-based. I do what I learned to do from the start – work hard and maintain a high service ethic. I have been fortunate at a young age to garner some media attention, and a few industry accolades along the way, including my ranking this year as the top female Advisor in Canada on *Wealth Professional's* “Top 50.”

Next-level success with discretionary investment management

While it was an enormous amount of work, the transition to discretionary management has been integral to next-level success. In fact my group – Alexandra Horwood & Partners – were the second-fastest growing team out of 200 in my firm in 2015. The approach is truly win-win: my clients’ after-tax costs are the same or lower without a reduction in revenues for my business. And there is no doubt that discretionary management allows me to provide more value more efficiently.

Where it all began was trust. When we would approach clients to recommend and seek approval for investment decisions they said, *we trust you to make the decisions*. So, in our effort to streamline processes, portfolio management made sense as the next logical step. We are now able to rebalance easily, and make changes on their behalf with fewer meetings, calls and less administration. The workload is now off of our clients. Things happen faster, more efficiently, and clients are happy with the costs they pay and the value they receive.

Throughout the process of transitioning our clients to a discretionary approach, we levered the opportunity to meet, re-evaluate risk tolerance, investment goals, cash flow needs, etc. It was a great way to refresh our relationships and continue to forge trusted, productive partnerships.

High product partner expectations

I have a rigorous set of investment criteria. I look for a long track record with a high annualized rate of return since inception after costs; where possible a fund that outperforms the benchmark or peer group; low volatility; liquidity; RRSP eligibility; and investment managers who are unique and properly incentivized. As for my product partners, I look for service excellence, including immediate response time. In my practice, we return calls and emails with lightening speed, so I want to work with similarly efficient professionals.

BMO Global Asset Management, and my wholesaler Laura Tase, have been exceptional at delivering on my high expectations.

For emerging market exposure without high volatility, one strategy I integrate into my client portfolios is [BMO Asian Growth and Income Fund](#). There are a lot of options out there, but my goal is to have my clients participate in the upside and be protected from market risk. The Fund achieves those things for my clients, and for me, since I invest alongside my clients in each and every one of my investment recommendations.

Providing gold-standard service

My team has created [two service levels for our clients](#): a “Gold-Standard Service” for clients who invest \$500,000+ and a “Platinum” package for those who have entrusted over \$1 million to us. The former includes our family office model, meaning we access preferred professionals for our clients in order to deliver comprehensive legal, tax and financial guidance as a *team*. Our one-stop shop style not only provides the best independent investment management, but also incorporates estate planning, philanthropy, insurance, benefit plans, wills and so on – all under one roof. The next level of service features reduced costs, a greater emphasis on Tax & Estate Planning, and more sophisticated elements, such as one-on-one meetings with Canadian

investment managers, and mentorship of our clients' kids, so that they acquire a financial education.

All of our clients have access to our hard-working professional team, and a rapid, thoughtful response to calls or emails. We are action-oriented, and thrive on accountability. You need to be available all the time in this business, there is no other option. Your clients' finances do not come to a halt if you go on vacation, so part of being a good leader is to set the tone. Even when I am across the world, I make myself available. And I am fortunate to have a great team of partners who complement each other: two associate Investment Advisors, who are hands-on with all client operations, trading, planning, etc., and an administrative assistant who frees up our time, so that we can focus on our clients.

Parting advice to other young guns

For Advisors starting out, I am proof that your persistence – and hard work – will be rewarded. Once you experience some initial success, find your niche, and adopt a service model that works for you and your clients. The rest is simply about doing a great job. That is the way to build your business: exceed expectations and your clients will become your salesforce.

More on BMO Asian Growth and Income Fund:

Soundbite

Insights: No Fear Investing in Asia



Alexandra Horwood - Director, Wealth Management, Portfolio Manager at Richardson GMP

Alexandra was ranked the top female investment advisor in Canada on the Top 50 Advisors list by Wealth Professional, 2017. Alexandra has also been highlighted as a Young Gun (Top 40 under 40 Investment Advisors in Canada) by Wealth Professional for two years running. Alexandra actively manages the personal financial affairs for many successful mining executives, business owners, inheritors and executives. Her integrated family office service model adds value by liaising with all your advisors in the role of your personal CFO. Alexandra is a multi-award-winning, goal-oriented wealth professional with an unsurpassed work ethic. She focuses on maximizing returns through long-term investing while protecting your assets from market risk. Alexandra's intellectual vigor drives her to research and challenge the underlying facts behind every investment decision. Alexandra is a Chartered Investment Manager (CIM) and a Life Insurance Agent.

A gifted student, Alexandra graduated with an Honours Bachelor of Arts & Business, Major in Legal Studies from the University of Waterloo and also studied abroad at Australia's Macquarie University. After distinguishing herself during co-op placements at Franklin Templeton Investments, Pricewaterhouse Coopers, Research in Motion (now Blackberry), and Microsoft, Alexandra joined The Horwood Team at Richardson GMP in 2010 and quickly rose to become the youngest Director, Wealth Management, Portfolio Manager at Richardson GMP. Her growing team is solidified with the formation of Alexandra Horwood & Partners in 2015.

Alexandra is married to Andrew, Institutional Sales at TD Securities, and they have one son, Mason. In her spare time Alexandra loves to cook, exercise and read.

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