



WP

WEALTH PROFESSIONAL

WWW.WEALTHPROFESSIONAL.CA

ISSUE 4.9 | \$12.95

THE NEW FIXED INCOME

Where are advisors headed now that bonds are out of favour?

OIL ON THE REBOUND

Why now is the time to reinvest in the energy sector?

GENERATION NEXT

A chat with one of Bay Street's youngest CEOs

CANADA'S OUTSTANDING ADVISORY TEAMS

Ten of the country's leading teams reveal the secrets to their success

ALEXANDRA HORWOOD & PARTNERS

Richardson GMP



Toronto, ON

Established: 2010

Number of employees: 4

Target clients: \$1 million+ in liquid investable assets, business owners, successful mining executives, inheritors, agricultural families, entertainment professionals

AUM: \$165 million

It's been a rapid ascent for Alexandra Horwood & Partners since its formation back in 2010. Targeting high-net-worth clients, the team has accumulated \$165 million in AUM, but that's just the tip of the iceberg as far as its ambitions go. Associate investment advisor Ghinel Bozek reveals how the tightly knit group has been able to build up such a loyal client base in its short history.

"We want to grow our business very quickly — last year we added \$40 million in net new assets," she says. "This year we are on track to add \$50 million. It has always been our experience that when we do the best possible job for our clients, our business grows organically. As our clients' trust with us grows, the more wealth we accumulate."

The team was founded by Alexandra Horwood, who holds the distinction of being the youngest wealth management director and portfolio manager at Richardson GMP. She reveals the high standards she applies to her business.

"We have always been big fans of Warren Buffet and follow his investment philosophies," Horwood says. "So we have always

invested in high-quality, concentrated and balanced portfolios. We have streamlined our investment management so that our clients' portfolios have 10 to 12 core investment holdings that are professionally managed with the highest accountability and expectations."

When catering to the high-net-worth segment, client expectations tend to be lofty: There's a lot of money involved, and that potentially means big losses. Accordingly, the Horwood team has strict criteria it applies when considering investments in order to mitigate risk.

"We look at only the top 1% of investment options across Canada," Horwood says. "Number one on our list is a solid track record, but we are also looking for a 10% annualized rate of return after costs, as well as first quartile against peers — outperforming the respective benchmark and peer group after costs."

This policy has served Horwood and her team well, and expansion plans are already underway as Alexandra Horwood & Partners makes its transition into strictly portfolio management.

"The switch will have benefits for our clients in many ways," Bozek says. "The costs for clients are now tax-deductible. We have also shifted the administrative costs from our clients onto us. It really is providing that enhanced, institutional level of service that has a higher degree of professional and ethical requirements."

WP: *Have the latest CRM2 requirements had a major impact on your business?*

Ghinel Bozek: We have always been direct and clear on the services we provide. Our costs are very competitive, and the services we provide for those costs represent value for our clients. We are transitioning our business 100% to portfolio management, which will be completed by the end of 2016. That will add to our transparency when it comes to costs for the clients.

WP: *One of the big investment stories of 2016 has been low fixed-income yields. Do bonds still hold an important place in your portfolios?*

GB: We still find we are generating really good rates of return in fixed income. There is a lot of opportunity in the private lending space with Canadian companies, so we haven't moved away from it. It is still a very important part of a balanced portfolio.