

With stocks near record highs, these pros are staying focused on the long term.

THE TOP 100 INDEPENDENT ADVISORS

Dale Stephanos for Barron's

Top 100 Independent Financial Advisors

Here are America's leading independent financial advisors, based on assets under management, revenue generated for the advisors' firms and quality of practices. We assigned the No. 1 advisor a score of 100 and compared the rest with the winner. N denotes that the advisor was not on last year's list.

RANK		Name	Firm	Location	Retail (Up to \$1 mil)	High Net Worth (\$1 mil-10 mil)	Ultrahigh Net Worth (\$10 mil+)	Founda- tions	Endow- ments	Insti- tutional	Team Total Assets (\$mil)	Typical Account Size (\$mil)	Typical Net Worth (\$mil)
'14	'13												
41.	33.	Timothy Grimes	Grimes	Westborough, Mass.	•	•	•				1,977	3.5	7

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COVER STORY

With stocks near record levels, the top 100 independent financial advisors are keeping focused on the long term. Our annual roster.

Scaling the Heights

By Steve Garmhausen

The following has been excerpted



Timothy Grimes

Barron's has ranked independent advisors since 2007. As with our other advisor listings, which include names from big Wall Street firms, this one is based on assets under management, quality of practices, revenue that advisors generate for their firms, and other factors.

Investment performance is not an explicit criterion, because the clients of the advisors have widely differing goals. Since many are quite wealthy—the typical customer of the top 100 has a net worth of \$19.66 million—the goal is often

asset preservation.

But clients of the top 100 tend to be very satisfied, rewarding the advisors with lots of referrals. The top 100 indies as a group enjoy a client retention rate of 98%.

This year's top 100 independent advisors are thriving. Average team assets for 2014 were \$4.3 billion, compared with \$3.6 billion in 2013. Revenues jumped in 2014, as well, with the average team pulling in \$20 million in 2014, up from \$16.2 million in 2013.

The upward trend isn't new: Over

the past five years, average assets among our top 100 independent advisors have risen a total of 43%, all at a time when the stock market rose by 116%.

Timothy GRIMES

Grimes
Westborough, Mass.
Assets: \$1.98 billion
Rank: 41

Thirty-five years ago, when he decided to become one of the earliest independent, fee-based financial advisors, Grimes realized he was jumping into uncharted territory.

"I was one of the few that was embracing the fee-based approach," says Grimes, 65, referring to the practice of forgoing fat sales commissions in favor of a long-term trickle of fees. "I remember having to give the whole concept an awful lot of thought."

If Grimes had been able to see the future, he wouldn't have worried one bit. Today, his firm manages nearly \$2 billion for 1,448 clients, and counts 18 team members, including seven advisors. What's more, the industry as a whole has moved increasingly toward the fee-based business model validating Grimes' decision.

Grimes and his team are known for their fiercely independent investment management. "We work very hard to tune out the Wall Street noise," he says. "While we use some of its research, we process it in our own way and within our own culture."

A native of North Attleboro, Mass., Grimes started his career with life insurer Paul Revere, in Worcester, Mass. Among his duties: developing products such as disability-income plans and retirement plans.

Though he enjoyed the work, Grimes eventually developed an entrepreneurial itch, and decided he wanted to work one-on-one with individual clients to help solve their financial problems. Changing careers at age 30, the father of a young family knew that money would be tight at first. But Grimes had gotten to know medical professionals in the region's many hospitals in the early 1980s, when he had designed benefits packages for them and he worked hard to cultivate a clientele of physicians for his new advisory firm.

Today, Grimes is close friends with most of those early clients, often fishing with them or taking them to Red Sox baseball games. In fact, Grimes credits his friendships with clients for much of his business success.

The friendships help with client retention, but they also give Grimes special insight into what each client needs. "The more you know about an individual person, the better you can serve them," he says.

Grimes makes no bones about the fact that his firm's specialty is investment management rather than extensive financial planning. His son Kevin, 39, is the firm's chief investment officer.

The firm uses individual stocks as the core of its equity portfolios; they allow the firm to better control risk, taxes, and costs, and to tailor hold-

ings to individual clients, Grimes explains. The firm uses mutual funds for tactical exposure, or the ability to seek shorter-term profits.

On the fixed-income side, the firm is using mutual funds and exchange-traded funds these days to more easily make the tactical allocations required in the challenging interest-rate environment. "That being said, as recently as three years ago, we were allocating to individual bonds, and this is something that we certainly will go back to in a different interest-rate environment," says Grimes.

Though he has no plans to retire, Grimes has had the opportunity to take stock of his long career. "My hope is that my clients' perspective is they're better off for having known me." ■

