

HIGHER STANDARDS

Richardson GMP is the first Canadian Investment Advisory firm to be certified for fiduciary excellence



In this day and age of low investor confidence, Wall Street scandals and the European debt woes, families with significant assets are suffering under a crisis of confidence. This is the reason Richardson GMP chose to be held accountable to setting higher standards for its Portfolio Management and Separately Managed Account Platforms, says Andrew Marsh, Chief Executive Officer of Richardson GMP.

Richardson GMP was recently named the first Investment Advisory firm in Canada to be certified for fiduciary excellence by CEFEX, the Centre for Fiduciary Excellence, LLC. CEFEX is an independent organization committed to improving the fiduciary practices of the industry (“fiduciary”: *Latin* meaning “trust,” a legal or ethical relationship of confidence or trust between two or more parties).

“By standing up and saying that we’re willing to be held to a higher standard, we are demonstrating that we are leaders in the business of wealth management,” says Marsh. “We take our professional standards very seriously. In these times, when clients are having difficulty knowing what and whom to trust, they can feel confident that at Richardson GMP trust is synonymous with the work that we do.”

The standards successfully met in the CEFEX certification describe how an Investment Advisory firm assumes responsibility for managing a client’s overall investment management process, which includes the selection, monitoring and de-selection of investment managers, as well as developing processes to implement investment strategies and fiduciary practices on an ongoing basis.

According to CEFEX General Manager Carlos Panksep, the certification indicates that Richardson GMP’s interests are aligned with those of investors.

“Through CEFEX’s independent assessment, the certification provides assurance to investors, both institutional and individual, that Richardson GMP has demonstrated adherence to the industry’s best fiduciary practices,” Panksep said.

Richardson GMP has been certified for its provision of wealth management services utilizing separately managed accounts and discretionary account management. The annual certification process involves a detailed assessment of operational data and procedures, followed by on-site interviews with key personnel.

While Richardson GMP has scored something of a coup in being the first CEFEX certified Investment Advisory firm in Canada, Marsh says that it isn’t completely surprising.

“It’s a desire to hold ourselves to **higher standards** and the vision for what we know Richardson GMP stands for.”

“There is a risk for larger firms to say they are willing to be held to a fiduciary standard, especially if they are managing thousands of advisors across the country. We don’t see how they can possibly have the process and controls in place to ensure they adhere to those standards. They just wouldn’t accept the liability that comes with that responsibility.”

“However, because we attract seasoned professionals with longstanding client relationships, and we are careful to keep our business to a manageable size, we feel confident about being held to those standards.”

Richardson GMP plans to use the CEFEX certification as part of its marketing strategy and will engage Advisor Partners in a collaborative discussion on the best way to utilize this official recognition. In addition, now that the firm has been certified, its

Advisors can independently earn the designation of Accredited Investment Fiduciary (AIF), signifying that they can act in the capacity of a fiduciary with proper training and the firm’s support.

Richardson GMP expects the certification to open many new doors. “One opportunity where our CEFEX certification will resonate is working with endowment funds, charitable organizations, scholarship programs and foundations that have millions of dollars to manage and bequest. Board members of these organizations are realizing that as stewards of that wealth, there is considerable liability on their shoulders and they can’t take this responsibility lightly,” Marsh says.

“The glaring opportunity is to get in front of these organizations and say we are willing and able to advise them in the capacity of a fiduciary.

This value added relationship will set us apart from competitors who are merely sitting in front of them as salespeople.”

Marsh says that living up to the high standards of the certification is an organization-wide commitment that pervades all aspects of Richardson GMP.

“It’s a belief in trying to stand out as a better organization. It’s a desire to hold ourselves to higher standards and the vision for what we know Richardson GMP stands for. It’s a commitment from everyone – including myself, our high-quality Investment Advisors and the passionate group of professionals in our back office,” Marsh says.

“This certification is something we are all quite proud of and believe is yet another step in the direction of differentiating ourselves and delivering a very high level of service to our clients.” ■