

A straightforward approach to fee-based advice

Despite their business acumen, HNW individuals are not always financially savvy. So the best thing any wealth manager can do for them is offer clear, unbiased advice for a simple fee. That's the philosophy of Steve Davies of Javelin Wealth Management.

There's a big gap between what most wealth advisory firms say, and what they actually do. This is often a financially-motivated thing, where a desire for short-term revenue over-rides the logic of building long-term relationships with their clients.

Determined not to fall into a similar trap of words speaking louder than actions, Steve Davies founded Javelin Wealth Management in Singapore in 2003 to provide straightforward advice for a

And he bases his deliberately-different approach on four guiding principles.

First, Davies and his advisers make recommendations only after clients tell them what they are looking for; secondly, the firm only recommends products that its advisers would invest in themselves; thirdly, the advisers work for the client, not commission; and fourthly, the fact Davies and team own the business means the focus is to put clients first to ensure continued success.



STEVE DAVIES
Javelin Wealth Management

“We provide straightforward advice for a simple fee, and a focus on long-term wealth management.”

simple fee, and a focus on long-term wealth management. This is something he couldn't find for himself.

CLEAR OFFERING

The firm's positioning is now simpler than ever before.

Since early 2015, Javelin Wealth Management has been working with a branding consultant to refine its proposition for clients.

“We have simplified the message quite significantly in terms of telling people what we do, but the core message we are putting across is really centred on what we refer to as *Asking Better Questions*, of advisers and of themselves,” says Steve Davies, chief executive officer of Javelin.

This booklet which Davies put together a couple of years ago has about 20 different questions he encourages clients to ask him and any other adviser they speak to, before they do any business with them.

Further, there are questions he encourages clients to ask themselves, to ensure they are being honest about their real attitude towards risk, for example.

“What we have been really focusing on is coming up with an investment process

MORE EFFICIENT PORTFOLIOS

After obtaining a Capital Markets Services (CMS) licence in 2014, the firm can also run discretionary mandates, based on its model portfolio.

“As a result, it means we are able to run client portfolios more efficiently and take advantage of changes in market conditions more quickly,” says Davies.

To create the portfolio in the first place, the firm’s advisers show clients a typical example of a model portfolio, broken down to explain what they’re investing in and why, and how much it costs.

With almost half of the products in those portfolios being ETFs, Davies can ensure it is low cost and transparent.

The firm’s discretionary managed portfolios aim to invest over a three to five-

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This way, he can be sure of keeping the firm’s interests clearly aligned with those of its clients.

As a result, it doesn’t matter to Javelin whether the portfolio trades multiple times or never.

“We are incentivised to help every client portfolio grow in value because, by doing so, we make more money,” explains Davies.

EFFICIENCY INCENTIVISED

The Javelin model is not one which gets too fussed about scale.

Davies says the firm isn’t looking to do business with too many clients and, in fact, plans to stop taking on new accounts once it reaches a critical mass.

This makes it important, therefore, to always think about how to be more efficient. And Davies has recently spent time and resources installing a new integrated customer relationship management (CRM) and portfolio management system.

“We don’t want to compromise the quality of the advice and quality of the service we offer,” he says.

“We are not a sales-driven organisation; we are relationship driven,” he adds.

Davies can control this by keeping the team small. He has a total of eight people, with three on the relationship management side, a chief investment officer, a head of operations, and support staff. ■

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that is straightforward, transparent, easy to understand, works well, and uses a variety of relatively simple and understandable products for our clients,” he explains.

He makes this work by starting with a minimum investment of USD 500,000 for a diversified portfolio that typically invests in a range of mutual funds and low-cost index funds.

year time period, but with regular reviews and monthly updates.

Davies is also proud of the fact the firm offers a fee structure which is simple and transparent.

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