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Bessemer adds record new clients, to stay solo

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BOSTON (Reuters) - Wealth manager Bessemer Trust added a record number of new clients last year and expects to keep growing as wealthy Americans reconsider whom to trust with their millions after last year's financial crisis.

The 102-year-old company also plans to stay independent, sitting out the industry's current round of consolidation.

"Clients are concerned about the safety of their portfolios and they are worried about some of the institutions managing it," Robert Elliott, senior managing director Bessemer said at the Reuters Global Wealth Management Summit in Boston on Wednesday.

New York-based Bessemer, founded to manage money for Andrew Carnegie's business partner Henry Phipps, said 170 new clients came to the company last year, bringing in about \$3.6 billion in assets.

The company, which manages roughly \$55 billion and jumped in industry rankings to No. 13 this year from No. 20 last year, prides itself on its independence and having none of the problems or conflicts that have plagued some of its rivals.

Traditionally Bessemer expects its client roster, currently numbering about 2,000, to grow about 5 percent a year, but last year's circumstances were unusual and Elliott expects more new clients in the coming months.

Bessemer is not alone in winning new business in the highly competitive wealth management industry where managers court clients by offering top investment products as well as offering other services

ranging from investment banking to finding experts in real estate and art.

Smaller, independent asset managers and those known for their conservative strategies have profited most from the downturn, industry experts said.

Facing a new investment environment, wealthy clients, who often made their money themselves in business, are now asking their advisers probing questions about balance sheets, transparency and whether the company took bail-out money from the government. Bessemer did not.

"People really are nervous about whom they can trust and Wall Street did very little to distinguish itself in that respect," Elliott said, adding that the company now counts "escapees from firms whose franchises had been tarnished," among its clients.

Already well-represented on the U.S. East Coast and the U.S. West Coast, Bessemer recently opened an office in Denver to be closer to clients who made their fortunes in the energy business, Elliott said.

While the financial crisis forced many wealth managers to cut costs by laying off staff, Bessemer was able to selectively hire and reign in costs by lowering bonuses last year.

Bessemer plans to sit out the current round of consolidation in the wealth management industry where big players are eager to snap up smaller rivals to add expertise and assets.

"We have been courted by everyone who is out there," Elliott said. "But we are staying independent. It is the right way to serve our clients."