

Investing Today

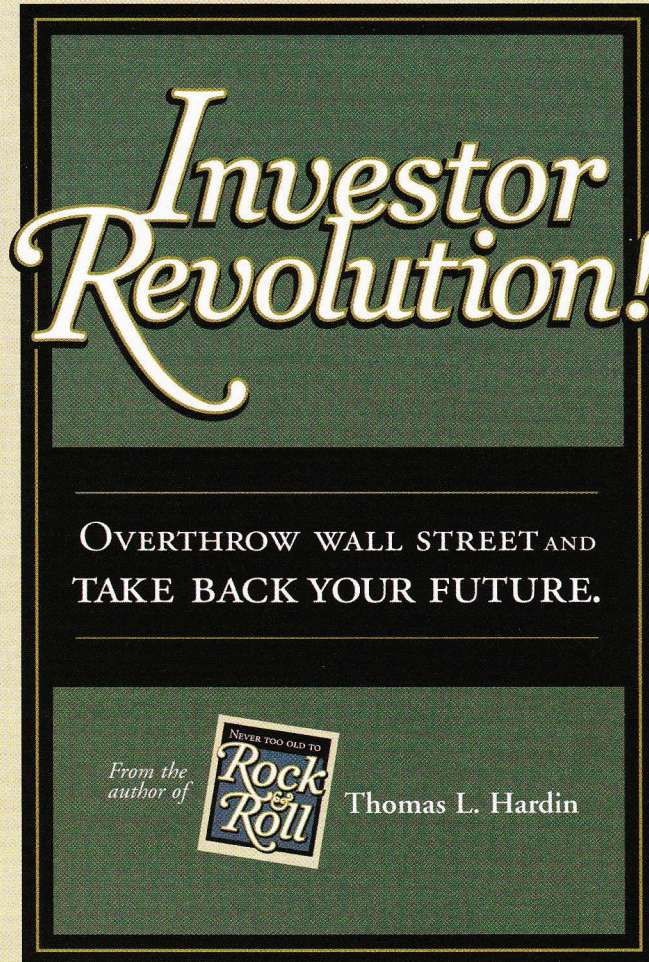
A Zionsville firm offers a holistic approach to wealth management.

by Shari Held

WHEN TOM HARDIN was a kid growing up in Zionsville, there were only four television channels and limited viewing choices. “You could look through the four channels and decide whether you liked *The Honeymooners* better than *I Love Lucy*,” he says. “Today you can’t stop flipping because you never know if you are watching the very best of what is available from the 100 channels.”

The same phenomenon has occurred in other industries, including Hardin’s area of expertise, the financial sector. He calls it the “Investor Revolution,” which happens to be the title of his newest book which came out earlier this year. His first book, “Never Too Old to Rock & Roll,” addressed Baby Boomers and life and money after 50. “Investor Revolution” focuses on the revolutionary way investing has changed in recent years. “We have moved to an era where there are lots of choices, lots of information [about investments],” says Hardin, CEO and managing director of Zionsville-based Canterbury Investment Management LLC. “What is needed is a process to manage it.”

And that is exactly what Canterbury, the firm Hardin



founded four years ago, has spent the last few years developing.

Beyond Wall Street.

Twenty-five years ago, investing was a much simpler process. There were fewer choices and less information, and what little there was, was typically controlled by Wall

Street. The Wall Street model created standardized products, such as mutual funds and broker consult programs, and sold them through their distribution channels. “It didn’t make sense to have investment managers dealing directly with individuals then because there were fewer high-net-worth individuals

and the technology hadn’t advanced far enough to make it practical,” Hardin says. Financial products were standardized—investors owned a fraction of a fund that everyone else owned. But simplicity didn’t necessarily equate with success.

“Historically, individual investors haven’t done very well,” says Hardin, a chartered market technician and a certified financial planner who has 30 years of experience in the industry. Before founding Canterbury he was a senior vice president and senior portfolio management director of Smith Barney’s Portfolio Management Group. “Over the last 80 years, the stock market has averaged a little over a 10 percent return—that’s 7 percent after inflation. The amount of risk and volatility that we have had to deal with to get that 10 percent has been huge. And you only get the 10 percent if you don’t make a mistake.”

Computers and the Internet have totally changed the playing field, allowing individual investors access to more information and options than ever before. Given that, some investors have opted to make their own investment decisions.

“It is difficult to do it yourself,” cautions Hardin.



BRENT SMITH PHOTOGRAPHER

“Customization is about being client-centered not product-centered” says Tom Hardin, CEO and managing director of Canterbury Investment Management and author of “Investor Revolution!”

“The more choices and information we have, the more anxiety, procrastination and paralysis are generated. People are afraid to make a decision, and, if they do, they almost always have buyer’s remorse. They don’t know if they have made the best decision or not.”

But advances in technology also provided investment managers with many useful tools. “In terms of measuring risk, we do things today we couldn’t have done five years ago,” Hardin says. “If you can’t manage risk, you can’t manage the outcome.”

A different model.

Canterbury not only uses

current market technology, it also developed proprietary tools—the Portfolio Thermostat™, which helps keep a portfolio’s volatility within a predictable range, and the Wealth Management Benchmark®, which assists each client in determining his or her individual life and financial goals.

“The future is about true customization,” Hardin says. “Today we are seeing individuals with a much higher net worth, and people aren’t institutions. People need to integrate their lives with their money. That requires a different delivery model.”

Canterbury, which has headquarters in Zionsville with branches in Noblesville and Indianapolis, works exclusively with high-net-worth individuals who typically invest in excess of \$2 million. The firm buys primarily individual stocks and bonds and some specialized securities used to reduce risk.

Using a holistic approach that defines personal wealth as everything a client values, the firm leads clients through the dynamic WMB process—finding out what is important to them, addressing more than 60 issues, and developing a highly customized plan for achieving it. “Only four or five questions and then ‘I’ve got the perfect product for you’—that is not customization,” Hardin says.

Another big component of the process is personal coaching. Dr. Craig Overmyer, Canterbury’s personal wealth coach, coaches clients on issues that relate to their relationship with money, including how to stick with a process and a system.

“Customization requires a relationship with the portfolio manager making the decisions, as well as coaching,” Hardin says. “Customization is about being client-centered not product-centered.” Canterbury’s Investment

Policy Committee—Brad Herndon, CMT, CFA; David Vomund; Kim Dale, CRPC; and Hardin—has 74 years of combined experience. As chief investment officer, Hardin makes the final decisions.

Four years ago, Canterbury began with only three employees. Today the firm has 12 employees and has more than tripled its assets. Clients pay only one fee, a portfolio management fee, which is a percentage of the assets managed.

“We saw a need and we saw a niche,” Hardin says. “The way to invest today is to create a relationship with a revolutionary portfolio manager who can develop a customized portfolio for you and make decisions based on your wants and needs. The wave of the future is creating processes like what we are doing here. And that is a place where Wall Street is not going to be able to go.” ■