

---

# PETER MALLOUK OF CREATIVE PLANNING ON HIS “FAMILY OFFICE FOR ALL”

**Jeremy Schwartz — Global Chief Investment Officer**  
**06/04/2019**

On last week’s “Behind the Markets” podcast, we spoke to Peter Mallouk, president of Creative Planning, a \$40 billion registered investment advisor (RIA) and one of the country’s largest independent RIAs.

Creative Planning was born out of an insurance business in the 1980s. The company became one of Mallouk’s clients in 1988, and as he continued to expand his clientele for legal, estate and tax work, he saw an opportunity to evolve his services on a broader scale.

In 2004, Mallouk took over Creative Planning when it had only a few dozen clients, and he has expanded it into a firm with more than 30,000 clients today.

Mallouk attributes his success to being early to many trends in the industry: Creative Planning dropped its dual registration status and transitioned from being both a brokerage firm and an independent advisor to focus on the independent advisory element.

Mallouk also focused on passive investments and the exchange-traded fund (ETF) structure well ahead of his peers. He described being an early adopter and having to educate clients on the efficient structure of ETFs.

## **Big or Small?**

I described Creative Planning as a large independent firm. Mallouk contrasted Creative Planning’s size with the trillion-dollar brokerage platforms and still sees his firm as being in its early days, with independent firms being relatively new. Mallouk said his definition of “big” would be double or triple where his firm is today.

Mallouk said that he sees 10 firms with \$25 billion or more in assets, and he believes more strategic buyers will enter the space. He was not surprised that Goldman Sachs wanted to acquire a firm like his (Goldman recently acquired United Capital, a \$25 billion RIA), and he also would not be surprised if a large custodian were to acquire one of the large independent firms.

One of the most interesting sections of the podcast was Mallouk’s description of what it means to be a fiduciary. In Mallouk’s view, selling your own products puts you in direct conflict with your clients’ interests.

## **Acquisitions or Organic Growth?**

In the last year, Creative Planning had \$1.5 billion of organic growth and completed a \$500 million acquisition, and it plans to continue on that trajectory.

Mallouk thinks the breadth and depth of services at Creative Planning is what makes it an attractive firm to join. Creative Planning has 50 traders, a team focused on alternative investments, fixed income and other specialists.

One *Barron's* article described Creative Planning as "A Family Office for All," and that headline is prominently displayed in Creative's buildings and ingrained in its culture.

Mallouk said his clients' main concern today is one they struggle to articulate: that the world is always changing. [Volatility](#) and swings in equity prices obviously are no different for any generation, but some experts hold the view that the market moves much more quickly and ferociously today. For example, during the fourth quarter of 2018, the equity market plummeted and then recovered in the span of a few weeks.

This was a great conversation with one of the leading RIAs in the country. Please listen to the full conversation below.

For standardized performance and the most recent month-end performance click [here](#) NOTE, this material is intended for electronic use only. Individuals who intend to print and physically deliver to an investor must print the monthly performance report to accompany this blog.

For more investing insights, check out our [Economic & Market Outlook](#)

View the online version of this article [here](#).

## **IMPORTANT INFORMATION**

**U.S. investors only: Click [here](#) to obtain a WisdomTree ETF prospectus which contains investment objectives, risks, charges, expenses, and other information; read and consider carefully before investing.**

There are risks involved with investing, including possible loss of principal. Foreign investing involves currency, political and economic risk. Funds focusing on a single country, sector and/or funds that emphasize investments in smaller companies may experience greater price volatility. Investments in emerging markets, currency, fixed income and alternative investments include additional risks. Please see prospectus for discussion of risks.

Past performance is not indicative of future results. This material contains the opinions of the author, which are subject to change, and should not to be considered or interpreted as a recommendation to participate in any particular trading strategy, or deemed to be an offer or sale of any investment product and it should not be relied on as such. There is no guarantee that any strategies discussed will work under all market conditions. This material represents an assessment of the market environment at a specific time and is not intended to be a forecast of future events or a guarantee of future results. This material should not be relied upon as research or investment advice regarding any security in particular. The user of this information assumes the entire risk of any use made of the information provided herein. Neither WisdomTree nor its affiliates, nor Foreside Fund Services, LLC, or its affiliates provide tax or legal advice. Investors seeking tax or legal advice should consult their tax or legal advisor. Unless expressly stated otherwise the opinions, interpretations or findings expressed herein do not necessarily represent the views of WisdomTree or any of its affiliates.

The MSCI information may only be used for your internal use, may not be reproduced or re-disseminated in any form and may not be used as a basis for or component of any financial instruments or products or indexes. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each entity involved in compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties. With respect to this information, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including loss profits) or any other damages ([www.msci.com](http://www.msci.com))

Jonathan Steinberg, Jeremy Schwartz, Rick Harper, Christopher Gannatti, Bradley Krom, Tripp Zimmerman, Michael Barrer, Anita Rausch, Kevin Flanagan, Brendan Loftus, Joseph Tenaglia, Jeff Weniger, Matt Wagner, Alejandro Saltiel, Ryan Krystopowicz, Kara Marciscano, Jianing Wu, Brian Manby and Scott Welch are registered representatives of Foreside Fund Services, LLC.

WisdomTree Funds are distributed by Foreside Fund Services, LLC, in the U.S. only.

You cannot invest directly in an index.

**DEFINITIONS**

**Volatility** : A measure of the dispersion of actual returns around a particular average level.&nbsp;nbsp;.