

## Special Report

Top  
50  
Fee-Only Advisers

# Investment Adviser Top Dogs

By Matthew Schifrin, Electronically reprinted from October 6, 2008

September 2008 was a black month for Wall Street and most anyone involved in investing. It was a month when 152-year-old Lehman Brothers filed for bankruptcy and once-mighty **Merrill Lynch** was forced into a fire-sale to **Bank of America**. Credit markets seized to the point where panicky investors bid up Treasury bonds to negative yields. A slew of financial institutions failed and stocks plummeted nearly 12% for the month.

You would think that it would be a difficult month to hold an investment conference. Not so if you're Schwab Institutional, which hosted a financial adviser gathering from Sept. 23 to Sept. 26 at Atlanta's Georgia World Congress Center. Despite the gas shortages in neighboring counties, more than 3,500 investment advisers and hundreds of mutual fund companies, insurance providers and asset managers showed up to learn about trends and best practices—and to network.

In an otherwise dismal financial environment, the financial advice business is readying itself for a boom. Consider that in the first half of 2008, Schwab Institutional, the portion of the discount brokerage that services financial advisers, brought in \$34 billion in net new assets.

What's going on is nothing short of a perfect storm for the business of giving financial advice. More than 77 million baby boomers are staring down retirement at the same time that the S&P 500 Index has given back a decade's worth of returns, housing prices have declined more than 20% nationwide since July 2006, and most

of us are facing the scary new reality of defined contribution or "do-it-yourself" retirement planning. It's no wonder that already more than half of people in the U.S. are turning to some form of professional financial advice.

Forbes.com is launching a new Financial Advisers Network, in the hope that we can help the growing armies of advisers better serve themselves and their clients.

Capping off our new financial adviser coverage is a ranking of the biggest, fastest-growing and most promising investment advisers in the business today. Thanks to a partnership with Web-based financial advisory and registered rep tracker, RIA Database, we have compiled a ranking of the top 50 registered investment advisory firms.

Unlike many other rankings, we put in place a few hurdles that set our list apart from most others. First, our rankings use discretionary assets under management as a benchmark rather than the bigger asset figures that firms bandy about in their marketing literature. Our view is that discretionary assets, which don't include certain trusts and real estate assets for example, are the real money that financial advisers have an impact on when it comes to returns. A greater amount of discretionary assets under management is vote of confidence by a firm's clients.

Another important limitation of our ranking is that we excluded from our listing all firms that employ representatives earning commission revenues and those that mostly sell proprietary products. This isn't a small number. Tens of thousands of

financial advisers have licenses that allow them to earn commissions and many work for big brokerages or banks selling proprietary products.

Using data derived from Securities and Exchange Commission Form ADV filings, RIA Database provided Forbes.com with a listing of firms that offer "fee-only" advice. For the most part these fees are a percentage of assets under management, say 1.5%. This differs significantly from old-line commission brokers like those employed by firms like Merrill Lynch (nyse: MER), who earn more if they "churn" your assets or sell certain products, like annuities, that vendors pay high commissions on.

Our listing of the 25 fastest-growing investment advisories singles out those whose assets have swelled the most since January 2008.

Our top 25 up-and-comers list takes a look at registered investment advisories with between \$100 million and \$500 million in discretionary assets under management that grew by at least 30% since the beginning of 2007. These are the firms that have not yet reached "mega" status but are worth keeping an eye on.

Please note that while we approve of fee-based compensation because it holds advisers to a higher fiduciary standard and aligns their interests with those of their clients, we in no way are endorsing or recommending any specific firm from our various adviser rankings. As always, you need to perform your own due diligence on any financial adviser that you entrust with your money.

Rank*	Company	Assets (\$mil)**	City
1	Veritable	9,410.4	Newtown Square, PA
2	Rockefeller & Co	7,044.0	New York, NY
3	Harris MyCFO	5,805.6	Menlo Park, CA
4	Silvercrest Asset Management Group	5,555.1	New York, NY
5	Ronald Blue & Co	5,362.3	Atlanta, GA
6	Geller & Co	5,270.4	New York, NY
7	SCS Capital Management	4,701.3	Boston, MA
8	Aspiriant (formerly Quintile Investment Advisors)	4,092.9	San Francisco, CA
9	Calibre Advisory Services	3,552.8	Waltham, MA
<b>10</b>	<b>Mercer Global Advisors</b>	<b>3,524.3</b>	<b>Scottsdale, AZ</b>
11	Welch & Forbes	3,394.2	Boston, MA
12	KLS Professional Advisors Group	3,049.1	New York, NY

\* This is only a portion of the Top 50 Fee Advisors. Not the full rankings. The rules for our rankings of investment advisers and investment advisories: Top 50

\*\* Discretionary assets under management growth from 12/31/06 to 9/30/08

1. All firms are registered investment advisers ranked based on discretionary assets under management as defined by the Security and Exchange Commission as of Sept. 30, 2008.
2. Greater than 50% of their business must serve the retail marketplace.
3. Advisers must provide financial planning services, portfolio management for individuals

or conduct due diligence on third-party advisers.

4. They must not be doing business as a broker/dealer, bank or insurance company.
5. They can neither charge commissions nor have registered representative employees at the firm.
6. A majority of the RIA's business must not be invested in proprietary products.

Data provided by RIA Database

## #10 Mercer Global Advisors



Courtesy of Mercer Global Advisors

Scottsdale, AZ

Gene Dongieux, Executive Vice President

[www.merceradvisors.com](http://www.merceradvisors.com)

Discretionary Assets (mil): **\$3,524.3**

Assets under management: **NA**

Number of clients: **4,000**

Average account size: **NA**

Account minimum: **none**

Number of Accounts: **15,858**

### Investment philosophy:

Our strategies are based on academic research into the relationship between risk and return. We employ a quantitative model that tilts toward small-cap and value stocks, and we have large international exposure.

### Best call:

Looking for new asset classes and adding them to the portfolios, enabling us to capitalize on recent strength in emerging markets. We don't believe that a 10% allocation to international assets is enough. We're about 35%. Frontier markets are the next thing, but you have to do it in a diversified manner.

### Worst mistake:

The dot-com period was difficult. It was dominated by large-cap, U.S. growth companies, and

we're tilted toward smaller, value-oriented internationals. It was difficult for clients because of the greed and fear, and in retrospect, we should have been even more thorough in educating our clients on the academic foundations of our work.

### Current advice:

You've got to be a long-term stock investor or not at all. There is no short-term stock investing that is going to give you predictable returns.

### Most admired investor or businessman:

David Booth, CEO of Dimensional Fund Advisors. He's a University of Chicago M.B.A. graduate and someone who really saw the value in academic research on portfolio management.

### Clients' biggest concerns:

Retirement, which in the case of many of our

clients, who are dentists, means monetizing their business. The typical dentist is an aging baby boomer, and the rate of new dentists entering the field is only 8,000 per year. Plus, many of these new dentists don't want to open their own practices, so we help our clients find buyers and maximize their assets held outside of the business as well.

### Firm's distinguishing feature or competitive advantage:

We've come to specialize in serving the needs of dentists, both as financial advisers and as business consultants. Practice consulting accounts for 40% of our business and helps our clients build more profitable practices, which usually translates into higher valuations for the practice when they look to sell. Starting with the Michigan Dental Association in 1992, we are now affiliated with 13 different state dental and medical associations.

Highlighting added for emphasis.

# Top Advisers

## Big And Getting Bigger

By Forbes.com staff, Reprinted from October 6, 2008

For companies that derive revenue based on a percentage of assets under management, getting bigger--fast--can be very lucrative. It also can be a sign that the firm's investment advisers are smarter than their competition. With help from Charlotte, N.C.-based RIA Database, Forbes.com has compiled a listing of the 25 firms whose assets have grown the most since the end of 2006.

Rank*	Firm	City	State	Website	Discretionary Assets (\$mil)	Asset Growth (\$mil)	Executive	Executive Title
1	Geller Family Office Services	New York	NY	www.gellerco.com	\$5,270.4	\$4,382.2	Martin Geller	CEO
2	Aspiriant (formerly Quintile Investment Advisors)	San Francisco	CA	www.aspiriant.com	\$4,092.9	\$2,662.1	Robert Wagman	President
3	Veritable LP	Newtown Square	PA	www.veritablelp.com	\$9,410.4	\$2,126.3	Michael Stolper	General Partner
4	Symmetry Partners	Glastonbury	CT	www.symmetrypartners.com	\$3,305.8	\$1,774.2	Patrick Sweeny	Principal
5	Choate Investment Advisors	Boston	MA	www.choate.com	\$1,684.8	\$1,640.8	Todd M. Millay	Managing Director
6	Ronald Blue & Company	Atlanta	GA	www.ronblue.com	\$5,362.3	\$1,453.6	Russell Crosson	President, CEO
7	Harris MyCFO	Menlo Park	CA	www.harrismycfo.com	\$5,805.6	\$1,453.2	Steve Braverman	President
8	Ballentine Finn & Company	Wolfeboro	NH	www.ballentine-finn.com	\$1,955.0	\$1,261.0	Roy Ballentine	President
9	Budros, Ruhlin & Roe	Columbus	OH	www.b-r-r.com	\$1,313.9	\$1,174.4	James Budros	Principal
10	Clifford Swan Investment Counsel	Pasadena	CA	www.cliffordswan.com	\$1,923.6	\$1,140.9	Peter Boyle	President, CEO
11	KLS Professional Advisors Group	New York	NY	www.klsadvisors.com	\$3,049.1	\$903.4	Robert Schorr	CEO
12	Birch Hill Investment Advisors	Boston	MA	www.birchhilladvisors.com	\$894.5	\$894.5	Miner Crary	Founder
13	Fiduciary Counselling	St Paul	MN	www.fidcouns.net	\$1,792.4	\$891.0	Carol Caruthers	President, CEO
14	Tolleson Private Wealth	Dallas	TX	www.tollesonwealth.com	\$1,679.6	\$804.7	Eric Bennett	CEO
<b>15</b>	<b>Mercer Global Advisors</b>	<b>Scottsdale</b>	<b>AZ</b>	<b>www.merceradvisors.com</b>	<b>\$3,524.3</b>	<b>\$749.2</b>	<b>David Barton</b>	<b>President</b>
16	Gresham Partners	Chicago	IL	www.greshampartners.com	\$1,933.7	\$723.6	Edward Neild	President
18	SJS Investment Consulting	Sylvania	OH	www.sjsinvest.com	\$907.0	\$688.0	Scott Savage	President

\* This is only a portion of the Top 25 Firms. Not the full rankings. The rules for our rankings of investment advisers and investment advisories: Growth

1. Growth was calculated from discretionary assets under management data as defined by the Security and Exchange Commission from Dec. 31, 2006, to Sept. 30, 2008.
2. Greater than 50% of their business must serve the retail marketplace.
3. Advisers must provide financial planning services, portfolio management for individuals

4. They must not be doing business as a broker/dealer, bank or insurance company.
5. They can neither charge commissions nor have registered representative employees at the firm.
6. A majority of the RIA's business must not be invested in proprietary products.

Data provided by RIA Database

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## About Mercer Advisors

Headquartered in Scottsdale, Arizona, Mercer Advisors is one of the largest fee-only personal financial advisory, practice management, and transitions companies in the United States. The company is staffed by a rapidly growing multidisciplinary team of more than 300 financial advisors, investment experts, attorneys, CPAs, MBAs, practice management and transitions consultants, and many other experienced professionals. Mercer Advisors has a base of more than 3,300 clients and manages more than \$3 billion in assets.

Mercer Advisors specializes in the dental industry and recently has launched a comprehensive solution to help dentists take complete control of their personal and financial lives. 360° Planning™ provides Mercer Advisors clients with a customized practice business plan, a comprehensive personal financial plan, and custom, industry-leading dental office software (OnTrack®) that provides real-time actionable data to drive continual practice improvement.

To learn more about how Mercer Advisors can help get you on the road to success and financial freedom, call 1-877-MY360PLAN (1-877-693-6075) or visit [www.MercerAdvisors.com](http://www.MercerAdvisors.com).



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