

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
10	Mercer Global Advisors	3,524.3	Scottsdale, AZ

* This is only a portion of the Top 50 Fee Advisors. Not the full rankings.

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

The rules for our rankings of investment advisers and investment advisories: Top 50

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

#3 Harris myCFO

Menlo Park, CA
Steve Braverman, President
www.harrismycfo.com

Discretionary Assets (mil): **\$5,805.6**
 Assets under management: **\$7.5 billion**
 Number of clients: **26-100**
 Average account size: **\$3.8 million**
 Account minimum: **NA**
 Number of Accounts: **1,980**



HARRIS
myCFO™

Highlighting added for emphasis.

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