

Chicago

Many Happy Returns

Whether helping a wage earner plot a savvy investment strategy or a wealthy entrepreneur preserve his riches, these local financial pros earn high marks by giving smart advice and putting their clients first by SHANE TRITSCH

Early in 2008, investors had to cope with a windfall of bad news—credit markets melting down, inflation heating up, talk of recession, plunging stock prices. But even when fear seemed contagious, a funny thing was happening at the offices of Chicago’s top financial advisers. Their phones were largely . . . quiet. Most clients weren’t calling, needing to be coaxed back in from the ledge. Often that was because the advisers had already taken the initiative and picked up the phone, reminding clients that their portfolios were diversified to weather the storm and that the road map to their financial goals remained intact. In short: They could sleep easy. “On days when your client is losing money, those are tough calls to make,” says R. J. Shook, a researcher and an author in Boca Raton, Florida, whose organization, The Winner’s Circle, studies the financial advice business. Good advisers do it, he says, “because it’s the right thing to do.”

Financial pros who can deliver peace of mind when the going gets tough don’t merely earn the loyalty of clients. They attract new ones and sport growing books of business. They also draw the attention of Shook’s Winner’s Circle, which identifies top advisers, most notably in national rankings published by *Barron’s*. (Shook says his organization receives no compensation from financial advisers or their firms for the rankings; it earns money from book sales, conferences, and research sponsorships.)

To single out Chicago’s top advisers, Shook and his team assembled a mountain of quantitative and qualitative evidence. They solicited nominations from securities firms, banks, and other financial companies; reviewed internal compliance records, customer satisfaction data, and client retention rates (“If they’re losing clients or assets, it’s a sign,” Shook says); grilled members of management and industry peers (“often where we get our best information”); and conducted in-depth interviews with the advisers themselves, by phone and in person.

Because most advisers don’t have audited track records, portfolio performance did not enter into the ranking formula. Instead, the evaluators assigned weight to each adviser’s size of assets managed, revenues produced, and years of experience. Many top local advisers have surrounded themselves with outstanding talent, so Shook and company factored in the strength of their teams as well. Consideration was also given to racial and ethnic diversi-

ty and to smaller account sizes to allow for greater variety.

After The Winner’s Circle arrived at its verdict, *Chicago* interviewed the finalists for the profiles that follow. Our 50 winners are models of what a financial adviser should be, adhering to high ethical standards and employing the industry’s “best practices,” says Shook. They offer objective advice and “open architecture” platforms, with access to a wide range of financial products and services, not just those of their own firms or a few outside companies.

The advisers on our list excel at bringing order to their clients’ financial affairs, managing the risk in their portfolios, and mapping strategies to meet their long-term financial goals. A few specialize in recommending specific investments for clients; most, though, act more as consultants, devising asset allocation strategies but hiring outside money managers to do the actual investing. For clients with large portfolios and complicated financial lives, these advisers can tap a full range of wealth management services, including trust and estate planning, philanthropic advice, credit services, and help with tax strategies.

Our rankings are divided into two lists: one with 40 advisers employed by or affiliated with brokerage houses or banks; the other containing ten registered investment advisers (RIAs), who tout their independent status. The separation is necessary, Shook says, because the two types use different business models and abide by different regulations and standards. There are also differences in their fee structures—something a prospective client should understand before opening an account. (To learn more about financial advisers, including how they are paid, credentials they carry, and questions to ask when hiring one, visit www.cfp.net/learn/ or www.fool.com/fa/finadvice.htm.)

Ultimately, says Shook, the differences between brokers and RIAs aren’t nearly as important as the traits that the best ones share. They “aren’t concerned about making a trade because it benefits them,” he says. “On both lists, they’re looking after their clients’ best interests at all times.”



Independent Advisers

8

STEVE WEINSTEIN

Altair Advisers, Chicago

sweinstein@altairadvisers.com

312-429-3013

Minimum account: \$5 million

Typical account: \$5–\$10 million-plus

IN BRIEF: From the ashes of Arthur Andersen, where Weinstein, 55, and partners formed an investing consulting practice, the firm has grown from \$500 million in client assets in 2002 to \$2.7 billion today. Provides high-net-worth clients with overall investment policy and asset allocation strategy. “We’re constantly searching for the best and brightest managers in all the different asset categories,” he says.

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