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# 150 BEST Financial Advisers *for Doctors*

**HOW TO STAY UP  
IN A DOWN ECONOMY:**

FRIENDLY ADVICE FOR  
UNFRIENDLY TIMES

SURVIVAL SECRETS  
FROM THE EXPERTS

# 150 BEST Financial Advisers for Doctors

[ BY LESLIE KANE, MACC ]

The financial turmoil that has gripped the world since mid-September has put Wall Street on a roller-coaster ride of record-high gains and record-low plunges. If there was ever a time when doctors needed financial advice, that time is now.

To help you get control of your financial picture, *Medical Economics* offers the 150 Best Financial Advisers for Doctors, an exclusive list newly updated for 2008. But more than just a list, the following pages include specific advice from the experts to help you achieve your financial goals. You'll find more of these "Survival Secrets" from our 150 Best Financial Advisers at [www.memag.com/150secrets](http://www.memag.com/150secrets).

Since our last updated list in 2006, we've collected the names of excellent advisers who nominated themselves for consideration. We've also reevaluated each adviser from our previous list. A large number of our physician-readers have nominated advisers whom they would recommend to friends and colleagues. All in all, we wound up with hundreds of very strong candidates. To winnow down the contenders, here's what we looked for:

## Knowledge and experience

Brainpower and wisdom are mandatory, and we looked for advisers with a depth of knowledge about a broad range of financial issues. Credentials count, because they show a background of knowledge. Additionally, retaining some certifications (CFP, for example) requires continuing education. This encourages the adviser to keep up-to-date with financial developments and products.

We also gave an extra nod to those who specialize in physician business or the medical field. Some advisers serve on hospital boards or health-care charitable boards, work extensively with local medical societies, or have a large proportion of physician-clients. Some are even physicians themselves who made career transitions into financial planning.

We also asked for a minimum of about 10 years of experience, although there are some exceptions. Life holds unexpected situations—from bear markets to mortgage meltdowns—and so it's beneficial to rely on someone who has already weathered similar storms.

## Geography

We've tried to come up with a broad geographic range. No matter where you live, there is a top-notch adviser not far away

with whom you can feel comfortable. In addition, many advisers operate across state lines or across long distances. Between e-mail and phone calls, it's possible to use an adviser who is not in your community, as long as you are available for occasional visits. We love technology, but there's no better way to build rapport than through face-to-face meetings.

## Fee arrangements

Advisers charge for their services in various ways, including fee-only and commission. While there are some outstanding advisers who are fully commission-based, for this list we steered clear of commission-only advisers. Investors can expect more objective advice when there is no motivation to steer you toward one product over another. There are also several types of fee arrangements and many variants, so be sure to ask and understand.

Fee-only advisers earn a percentage of the money they manage for you for investment. (Fees typically range from .75 percent to 1.5 percent, depending on the amount invested.) Commission arrangements mean the adviser earns payment when you invest in mutual funds with a load (sales charge). Some advisers charge fee-only for investments, but if they also sell insurance products (which often are part of a comprehensive financial plan), they may earn a commission for insurance policies.

Additionally, you can pay a flat fee to have a financial plan developed. You then have the option of executing the plan yourself or having the adviser manage it for you.

## Minimum portfolio

Many well-established advisers require that you put a minimum amount of money under their management. Others have no minimum investment, but do charge a minimum annual fee. The fee is covered if you keep a pre-set amount with them (say, \$1 million); if you don't have that much, the minimum annual fee applies. Some advisers are flexible about minimums, so if you're interested in an adviser but don't meet his investment level, you might want to inquire anyway. Our list is limited to advisers who require \$1 million or less as a minimum.

## Good standing

We checked each adviser against the national databases of the Securities and Exchange Commission and National Association of Securities Dealers to confirm that they had not been found guilty of any wrongdoing on a national level.



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**Stock markets are down more than 50% in some countries, and even safe corporate bonds are reeling in this financial crisis. What should a physician do during a recession or controlled depression?**

Invest wisely. Review everything. Make sure your money is managed and not indexed, passively managed or held “hoping” it will go back up. The world is different today – everything changed with the financial crisis. Though we could be in a recession for many years, a lot of money can be made during a recession, especially if it is invested wisely. Quite simply, it’s better to invest in areas that will be stable or strong and avoid the rest. Also, you want great companies with great balance sheets that are in needed industries and hopefully pay good, solid dividends.

**Why dividends?**

Dividends help pay you to wait through a recession, and this could be a long one. Also, statistically, dividend-paying stocks tend to do well coming out of bear markets.

**Your firm recently closed your open-ended funds. Can you explain why you feel that open ended-mutual funds are no longer relevant in the current environment?**

While mutual funds have some very helpful characteristics, they also have some shortcomings, especially for

larger portfolios. Many physicians and their advisers invest exclusively in funds, but often this is a more expensive and a less efficient route, even though it is easy and popular. We have a bias toward “customized, individually managed global portfolios” or “traditional, yet customized and individually managed global portfolios” which have provided consistent after-tax total returns. Of course, we have been managing portfolios that way for nearly 25 years. The average mutual fund account is approximately \$28,000, so they are mainly for smaller accounts or daily valued 401(k)s.

**What do you think of the passive asset allocation and indexed systems that some books, bank trust departments and many brokers are championing today?**

We believe that money must be managed. Many approach investment “management” investing as a static system of indexing and passivity. Countries, companies, societies, consumers and all elements that drive financial markets are dynamic and ever-changing. All one needs to do is look at historic opportunities to preserve and create wealth – like in the U.S. in 2008, 1999 to 2002, the early 1970s and the 1930s, and other historic worldwide events like emerging Asia, emerging Europe, renewable energy trends and various technology revolutions. Such periods have led to asset class boom and bust cycles in real estate, oil, metals, currencies, bonds, interest rates, etc. Passivity is a guaranteed way to lose, at worst, and have inferior results, at best. It’s easy to just do what is simple, but is it best? Is it sustainable? These questions need to be answered by anyone who is serious about their portfolio results and performance.

**What do you mean by “oversimplifying the process”?**

Long-term success depends on the flexibility of an unencumbered investment approach that completely avoids, for example, having a country bias, region bias, asset class bias, market cap bias, etc. Investors need to think globally without the encumbrance of borders.

**What is your investment philosophy?**

We have a philosophy based on best practices. We believe the great investment performance of many “best-in-class” endowments, private investors like Warren Buffett and John Templeton, and scholars like Benjamin Graham and Larry Ellis can be captured in a disciplined approach. Each best practice attempts to do simply one thing sustainably: Maximize the benefits of each investing tool. These tools – diversification and concentration, careful security analysis and a “price matters” orientation to capture excess returns – must be used in portfolio man-

agement because “money doesn’t manage itself.” These things require talent and skills that can be identified but, of course, must be implemented with consistency and discipline, unencumbered by the fear and inertia-driven psychological poisons that reduce investor returns. In other words, you need to use diversification and concentration effectively. Our investment philosophy is spelled out in the *AMA Physicians’ Guide to Financial Planning* and *Twelve Steps to a Carefree Retirement*, both of which are both available through the AMA.

**Your books, interviews and website discuss sustainability, ethics and responsible investing. Should investors be concerned about what types of investments are in their portfolios as long as they are profitable?**

We think being responsible and ethical as investors is important. Would you want a gun manufacturer in your portfolio? How about a tobacco producer? Do you want companies in your portfolio that reward mediocrity? We don’t want to profit from companies that are directly or indirectly harming people. We also want to avoid companies that are unethically managed. We think values and ethics are part of a sustainable portfolio. If 2008 proved one thing, it is that ethics, transparency, virtue and values matter in investing. It’s amazing that so many people have their money held or managed by companies that had to be bought or merged to keep from going under, or in some cases paid millions in bonuses to their managers as they destroyed value for their shareholders. The bottom line is that everyone needs to take a long, hard look at their portfolio’s investments – who manages them, where they are held – and ask the tough questions. It’s common sense that people would want their portfolio ethically managed and in ethical companies.

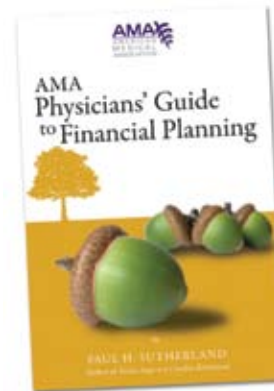
**How do you serve a national clientele from northern Michigan?**

We have three offices throughout the U.S. and travel extensively to our clients. For some clients we take care of everything by phone, fax, teleconference, e-mail or webinars. I think clients don’t mind the geography and travel problem, because there is not a great deal of fee-only advisers with our track record of success. There are few fee-only advisers with a deep bench like ours that are objective and serve the physician community. We celebrate our 25th year in 2009, and we have not

found our locations – Traverse City, Michigan, Onalaska, Wisconsin, or Maui, Hawaii – to be a problem.

**And how can you help physicians?**

We save physicians time, add financial efficiency and, hopefully, help them be happier and more at ease. We advise physicians on all aspects of financial planning, including retirement, insurance, estate planning, tax planning, budgeting and investment management. We also advise on business management, liability management, career choices and even second home advice. Because we are fee-only (no commission), our clients know we are giving our best, most objective advice and focusing on their best interests. Naturally, our clients come mainly from referrals, their advisers or from doctors who have read the *AMA Physicians’ Guide to Financial Planning*. We have been managing global portfolios for nearly 25 years and helped our clients grow and perpetuate an environment where life’s greatest moments can flourish.



**Your *AMA Physicians’ Guide to Financial Planning* addresses the concept that “money and your career’s job is to support you in your life goals and commitments and those of your family.” Could you elaborate on that?**

At some point in their careers, physicians may find themselves burned out, tired and not very happy. They forget that the real purpose of work

is to support the lifestyle they desire. Questions like, “What do we want for our family?” “What do we want our lifestyle to be?” “What do we want at retirement?” and “Do I really need to work these hours?” need to be asked. But it is hard enough to just practice today, let alone trying to have a family life, a personal life and to be able relax and enjoy life. By helping with financial planning, we give our clients more time to be with their families and friends and pursue other interests. The bottom line is that we offer physicians financial peace of mind, knowing their financial affairs are well-managed and moving in the right direction.

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