

SENIOR CONSULTANT

The Voice of the Investment Management Consultant

Defining Advice: The Asset/Liability Study

Stephen C. Winks

Editor's Note: The Center for Fiduciary Studies, the Society of Senior Consultants (an affiliate of this publication), Dalbar, the past Chairman of the FPA, the past Chairman of the CFP Standards Board, the President of APIC, top technologists and top advisors (averaging over a billion dollars under advisement) are working collaboratively to define professional investment and administrative counsel for the high net worth market segment ([“High Net Worth Standards Initiative Established, Advisors to Develop Best Practices, Enabling Technology To Be Fostered.”](#) *Senior Consultant*, February 2003, [www.SrConsultant.com/Articles/2003-02-HNW-Standards.pdf](#)). The objective of the High Net Worth Standards Initiative is using this definition of advice to create a technological blueprint that would foster enterprising technology companies to create technology which would (1) reduce the labor intensity of advice; (2) empower the advisor to fulfill their fiduciary responsibility and (3) execute best practices. We are indebted to the good work of those cited above and the advisors (Hugh Anderson, Vince Birley, Guy Cumbie, Harold Evensky, Robby Hazzard, David Perkins, Jim Pupillo, Bob Rowe, Dick Smith and Rich Todd) who are working to elevate the financial advisor and the counsel they provide. The High Net Worth Standards Initiative will organize the investment process so it can be more effectively articulated and delivered by all financial advisors, going beyond what is required by regulatory mandate to establish the most powerful value proposition for the advisor and the technologist. This is in essence best practices.

Certainly every investor wants value to be added, and certainly every financial advisor and every financial services firm wants to add value for the investor, yet it has only been in recent years – with the transparency of the internet – that it has become possible for the investor to determine whether value is actually being added. With this knowledge, the investor has far more questions than answers about the counsel they are receiving. This real-time consciousness of financial well-being, in concert with advances in technology, is requiring financial advisors and their firms to continually and comprehensively address and manage a range of investment and administrative values that were formerly in the exclusive domain of only the largest of institutional investors. Importantly, many of these values are required of advisors in order to fulfill their fiduciary responsibilities. Thus, given the highly competitive nature of the financial services marketplace, high net worth investors with the most assets are sure to become more discerning by competitive market forces about the depth and breadth of the counsel they receive, whether their present advisors are fulfilling their fiduciary obligations and whether value is being added.

The key to advisors winning and keeping clients in the high net worth market segment is how responsive they are to each of their client's specific needs, the

fulfillment of their fiduciary responsibilities and their skill in adding value. This changes the industry in many profound ways. Only recently has it become clear to advisors and their firms that if the advisor is left only to their own devices, without the enabling processes and technologies necessary to add value, there is little or no value the advisor can add ([“Can the](#)

[Managed Account Business Cross the Chasm,”](#) *Senior Consultant*, Sept/Oct 2002, [www.SrConsultant.com/Articles/2002-09-Crossing-Chasm1.pdf](#)). Thus, innovation is required in order to elevate the financial advisor and the counsel they provide. To that end the High Net Worth Standards Initiative is defining professional investment and administrative counsel for the high net worth market segment. It will establish best practices using fiduciary responsibility as a guide and will translate that definition of advice into a technological blueprint that will foster the development of enabling technology. This enabling technology makes it possible for all financial advisors

to fulfill their fiduciary obligations and execute best practices while reducing the labor intensity of the advisor engaging their professional investment and administrative counsel for an ongoing advisory fee.

As investment professionals, we are acting in a capacity of trust and charged by our clients to render “comprehensive and continuous advice.” By extension,

THE KEY TO ADVISORS WINNING AND KEEPING CLIENTS IN THE HIGH NET WORTH MARKET SEGMENT IS HOW RESPONSIVE THEY ARE TO EACH OF THEIR CLIENT'S SPECIFIC NEEDS, THE FULFILLMENT OF THEIR FIDUCIARY RESPONSIBILITIES AND THEIR SKILL IN ADDING VALUE



because we are providing counsel for the benefit of others, we have fiduciary responsibility. Fiduciary responsibility and its associated liability are not determined by investment performance but rather, by a prudent investment process. This requires us to manage a prudent process as defined by statutes, case law and regulatory opinion letters. So, in managing fiduciary responsibility, it is not whether you win or lose the game (make or lose money), it is how you play the game. Though every financial advisor aspires to add value in absolute terms, this implies skill which is difficult to define. However, a prudent process can be defined. The 27 practice standards identified by the Center for Fiduciary Studies (["The Center for Fiduciary Studies Proposes Practice Standards,"](http://www.SrConsultant.com/Articles/2000-12-FiduciaryStudies.pdf) *Senior Consultant*, Dec. 2000, <http://www.SrConsultant.com/Articles/2000-12-FiduciaryStudies.pdf>), which are necessary for us to fulfill our fiduciary responsibilities, have been organized into an investment process consisting of six financial services that constitute a prudent process as required under the regulatory mandate of UPIA, ERISA, UMPERS, and UMIFA. The six financial services are: (1) asset/liability study, (2) investment policy, (3) strategic asset allocation, (4) manager search and selection, (5) performance monitor and (6) tactical asset allocation.

The High Net Worth Standards Initiative will establish the value proposition of each of the six financial services that constitutes a prudent process. It will organize the investment process so the value proposition of each of its six financial services can be articulated and delivered in its most powerful form for both the financial advisor and the technologist who is developing enabling technology. This is a win/win initiative in that technologists will develop technology required by regulatory mandate, assuring market acceptance, while the financial advisor and the counsel they provide is greatly elevated.

The initial focus of the High Net Worth Standards Initiative will be on the first of the six financial services that constitute a prudent process – the asset/liability study. The asset/liability study sets the stage for everything we do because it is not possible to add value unless an investment recommendation can be

reviewed in the context of all the client's holdings, both assets and liabilities. Only then is it possible for the advisor to determine if their recommendation improved overall portfolio returns, reduced risk, or enhanced the tax efficiency, liquidity or cost structure of the client's assets as a whole. The asset/liability study is the "before photograph" of a prospective client's investment portfolio. It establishes the performance benchmark from which you measure the value you add and establishes the range of investment and administrative values which you will address and manage. Most clients have no idea what level of return they are realizing on all their assets as an investment portfolio. They may have assets held in trust, retirement plans, IRA rollovers, insurance

IT [THE ASSET/LIABILITY STUDY] ESTABLISHES THE PERFORMANCE BENCHMARK FROM WHICH YOU MEASURE THE VALUE YOU ADD AND ESTABLISHES THE RANGE OF INVESTMENT AND ADMINISTRATIVE VALUES WHICH YOU WILL ADDRESS AND MANAGE

contracts, multiple brokerage accounts, bank accounts, mutual funds, private equities – all custodied at different institutions. The investor typically has not had the benefit of anyone capable of looking continuously and comprehensively at all their holdings as an investment portfolio. Because each of these individual investments was one of a series of disjointed, unrelated investment transactions made without a cohesive investment focus and because no one was held accountable for investment results, it is not possible for the advisor to know whether their recommendations were adding value or not. The asset/liability study interjects a new level of accountability and a new discipline within which one can make more informed investment decisions.

By reviewing all the client's assets and liabilities as an investment portfolio, the finan-

cial advisor establishes the return being generated on all their assets as an investment portfolio. The client, for the first time, begins to understand if they are taking 150% of the market's risk for 50% of its return. They begin to understand if their portfolio has been constructed in an income and estate tax efficient manner. They begin to understand the trade-off between tax efficiency, liquidity, cost structure and performance. They begin to understand that mutual funds are three times more expensive than managed accounts, and managed accounts are 40% more expensive than ETFs and folios. The asset/liability study doesn't just open up a whole new investment world for the investor that makes more informed investment decisions possible, it

opens up an investment process through which informed investment decisions can be made, as well as a level of disclosure that assures little or no conflicts of interest on the part of the advisor. Most importantly, this level of disclosure incorporates a range of administrative values that make it possible for advisors to fulfill their regulatory mandated fiduciary responsibilities. All this starts with the asset/liability study. The advisor assumes the responsibility to be accountable for their investment recommendations. The asset/liability study provides a continuous and comprehensive diagnostic evaluation of all the client's holdings, quantifying and managing key investment and administrative values

necessary for the client to achieve their goals and objectives, while enabling the advisor to fulfill their fiduciary responsibility and execute best practices. Because of the continuous and comprehensive nature of this counsel and the range of values evaluated, just by virtue of the advisor performing an asset/liability study, an advisor is likely to find 20-30 ways they can enhance their client's financial well-being. The asset/liability study is a wonderful tool to establish and differentiate the advisor's value proposition relative to the counsel the client presently receives.

The Center for Fiduciary Studies research cites statute, case law and regulatory opinion letters that support the fiduciary responsibility inherent in each of the six financial services that comprise the investment process. In executing an asset/liability study, the first of



the six financial services that comprise the investment process, the advisor should review all of the client's assets and liabilities, as well as ascertain:

- Investments are managed in accordance with applicable laws, trust documents and written investment policy statements (IPS).
- IPS, trust documents, custodial/brokerage agreements, service agreements, ADVs, prospecti, performance reports are reviewed and evaluated.
- Fiduciaries are aware of their duties and responsibilities.
- Fiduciaries are parties in trust and are not self-dealing.
- Full disclosure of any potential conflict.
- Service agreements are in writing and do not contain provisions that conflict with fiduciary standards of care.
- There is documentation to show timing and distribution of cash flows and the payment of liabilities.
- Assets are within the jurisdiction of US courts and are protected from theft and embezzlement.

Traditionally the financial advisor has been preoccupied with investment values like risk, return, tax efficiency, liquidity, cost structure and time, yet if one is to fulfill their fiduciary responsibilities there are many administrative values that must be addressed and managed as well. The administrative values inherent in the review of all trust, custody and policy documentation and the auditing for fiduciary responsibility require expert counsel and a substantial commitment of resources and time on the part of the advisor. This is in addition to continuous and comprehensive management of investment values. Thus, if one were to organize the asset/liability study to maximize its value proposition for the advisor and the technologists creating enabling technology, it would have to incorporate the full range of investment and administrative values required under regulatory mandate. This complies with the spirit of "comprehensive and continuous" advice. In doing so, we reduce the labor intensity of advice as many of our fiduciary responsibilities are structural in nature and can be mitigated by reporting and disclosure. By structurally incorporating into the asset/liability study, the reporting, disclosure and diagnostic tools necessary to address the

investment and administrative values required by fiduciary responsibility, we greatly reduce the labor intensity of advice and automatically bring a large number of advisors more closely aligned with fiduciary responsibility. Just by virtue of an advisor working within the context of the investment process, they are automatically fulfilling their fiduciary responsibilities that can be mechanically managed. Though there are limitations as to the elements of fiduciary responsibility that entail reporting and disclosure which can be mechanically managed, more than 80% of the advisor's fiduciary responsibility can be managed in this manner. The practical consideration in executing an asset/liability study is whether a client's existing advisor has structured their

**JUST BY VIRTUE OF AN
ADVISOR WORKING WITHIN
THE CONTEXT OF THE
INVESTMENT PROCESS,
THEY ARE AUTOMATICALLY
FULFILLING THEIR FIDUCIARY
RESPONSIBILITIES THAT CAN
BE MECHANICALLY MANAGED**

portfolio to be in compliance with their regulatorily mandated fiduciary responsibilities. If, for example, there is no written investment policy statement, which will be the case with most high net worth investors, there is nothing to evaluate. If there is no investment policy, not only is the advisor not fulfilling their fiduciary responsibility but it is very likely the client's portfolio lacks a cohesive investment focus and, as a consequence, performance is sure to suffer. Thus, the procedural considerations of engaging one's professional investment and administrative counsel impact compliance with fiduciary responsibility, portfolio performance and the range of values that are being professionally managed.

The full range of investment and administrative values implied by an advisor providing comprehensive, continuous counsel follows. The section and subsection references noted below cite the Center for Fiduciary Studies'

research, which reference statute, case law and regulatory opinion letters authenticating each investment and administrative value required to be addressed under fiduciary responsibility. By virtue of the regulatory mandate of the Uniform Prudent Investor Act (UPIA), which governs high net worth investors, the following investment and administrative values would have to be incorporated in an asset/liability study.

Investment Values

- Risk (§2.1, §5.1)
- Return (§2.2, §5.1)
- Tax efficiency (§5.1)
- Liquidity (§1.5, §5.1)
- Cost structure (§5.1, §5.4, §5.5)
- Time (§1.5, §5.1)

Administrative Values

- Review policy, trust and legal documents (§1.1)
- Fiduciaries are aware of fiduciary responsibilities (§1.2)
- Fiduciaries and parties of interest are not involved in self-dealing (§1.3)
- Service agreements and contracts are in writing and do not conflict with fiduciary standards of care (§1.4)
- Documentation of timing and distribution of cash flows and liabilities (§1.5)
- Assets are within U.S. jurisdiction and protected from theft and embezzlement (§1.6)
- Selected asset classes are consistent with the identified risk, return and time horizon (§2.4)
- The number of asset classes is consistent with portfolio size (§2.5)
- There is detail to implement a specific investment strategy (§3.1)
- The IPS defines duties and responsibilities of all parties (§3.2)
- The IPS defines diversification and rebalancing guidelines (§3.3)
- The IPS defines due diligence criteria for selecting investments (§3.4)
- The IPS defines monitoring criteria for investment options and service vendors (§3.5)
- The IPS defines procedures for controlling and accounting for investment expenses (§3.6)
- The IPS defines appropriate structured, socially responsible investment strategies, when applicable (§3.7)



- The investment strategy is implemented in compliance with the required level of prudence (§4.1)
- The fiduciary is following applicable “safe harbor” provisions, when elected (§4.2)
- Investment vehicles are appropriate for the portfolio size (§4.3)
- A due diligence process is followed in selecting service providers, including the custodian (§4.4)
- Periodic reports compare investment performance against the appropriate index, peer group and IPS objectives (§5.1)
- Periodic reviews are made of qualitative and/or organizational changes of investment decision makers (§5.2)
- Control procedures are in place to periodically review policies for best execution, sort dollars and proxy voting (§5.3)
- Fees for investment management are consistent with agreements and the law (§5.4)
- “Finders fees,” 12(b)1 fees or other forms of compensation that may have been paid for asset placement are appropriately applied, utilized and documented (§5.5)

As you consider what is required of the advisor in providing an asset/liability study for a prospective client, the thoroughness and the comprehensive nature of their counsel clearly sets the advisor apart. Yet the labor intensity of professional investment and administrative counsel also becomes self-evident. An incredible amount of work is initially required with a prospective client in order for the advisor to be able to add value. This level of counsel is so unusual that advisors capable of working within the regulatory mandate of UPIA find they can literally win clients at will. Yet, to make that level of counsel cost-effective, the advisor must require prospective clients to have substantial assets. Reducing the labor intensity of comprehensive counsel and providing greater investor access to high level counsel is one of the primary objectives of the High Net Worth Standards Initiative.

There are several observations to be made in defining and developing the enabling technology necessary for an advisor to effectively offer an asset/liability study, fulfill their fiduciary responsibility and execute best practices.

1. Technology

Continuous, comprehensive counsel implies the management of real-time information in order for the advisor to address and manage continuously the full range of investment and administrative values required by regulatory mandate. The necessary real-time diagnostic measurement of risk, return, tax efficiency, liquidity and cost structure can be structurally incorporated in the asset/liability study so these metrics are automatically available to all. This greatly accelerates the evolution to fee-based advice. By incorporating the auto-

THE DESIRE OF ALL CONSUMERS THAT VALUE BE ADDED, IN CONCERT WITH THE TRANSPARENCY OF WEB-BASED ACCOUNT PERFORMANCE, MAKES IT A CERTAINTY THAT THE INDUSTRY WILL EVOLVE TO ADDING VALUE THROUGH THE ENGAGEMENT OF FEE-BASED PROFESSIONAL INVESTMENT AND ADMINISTRATIVE COUNSEL

matic measurement of a broad range of values in the asset/liability study, investors will come to expect this accountability and a much higher level of counsel it facilitates. It also implies that the advisor will evolve a skill set more like that of an asset manager than a commission salesperson. The advisor of the future will be addressing and managing investment and administrative values, rather than selling financial products. The firms that support financial advisors will be more engaged in process management designed to specifically address and manage a broad range of investment and administrative values than product management where it is not possible to add value. The resources and focus of the industry’s most successful firms, by extension, will be on the

processes and technology necessary to add value, not financial products. The desire of all consumers that value be added, in concert with the transparency of web-based account performance, makes it a certainty that the industry will evolve to adding value through the engagement of fee-based professional investment and administrative counsel.

2. Access

The only way to manage technology is to provide universal access to all advisors; otherwise advisors will always view their firms as never being responsive enough to catch up with each of their needs. The only way to avoid being an inhibitor to the advisor’s ability to add value is to be ahead of technological innovation on every front. This means that advisor support organizations that are not technologically based and/or web-centric have little hope of being responsive to their advisors’ needs.

3. Complementary Professional Disciplines

There are areas of counsel which require the review of wills, trusts, custody agreements, brokerage agreements and vendor contracts that require specialized outsourced expertise. Similarly, the investment consideration of the income and estate tax efficiency of the client’s portfolio will require outsourced accountable expertise. Comprehensive counsel requires accountable, objective, third-party, expert counsel in law, accounting, tax and trust which either must be engaged at client expense and/or provided by the advisor within their practice or through their supporting firm. This will lead to the standardization and commoditization of many of these technical areas as the financial advisor acts as buying agent for their clients, driving down cost and enhancing, through their management, the value derived from these services. Though the prospective client may already engage these professional services, the role of the advisor is to coordinate and manage outsourced expert counsel for maximum impact. Over the next decade these evaluation considerations will be greatly simplified and the consumer will be increasingly well served.



4. Pricing

In the \$25+ million ultra high net worth market, the asset/liability study is viewed by the advisor as a marketing tool which allows the advisor to find 20-30 ways to improve the ultra high net worth client's well-being. The asset/liability study is typically done at no cost to the client because of the substantial on-going advisory fees that are likely to be gained in winning the relationship and because of the limited number of clients (typically no more than 20) that can be managed at this level. At the very high end of the market for prospective clients (\$250,000,000 to \$500,000,000), the focus is on literally providing best-in-class solutions for every consideration. Chris Poch at Smith Barney is the most accomplished figure in the industry in marshaling all the Smith Barney, Citigroup and external resources to create best-in-class solutions for these ultra, ultra high net worth clients. Thus, the market forces driving the asset/liability study at the highest end of the market are totally customized services that incorporate anything that is important to the client. This requires

massive scale and massive resources to compete.

Yet for high net worth investors with between \$1 million and \$10 million in assets, we still have the fiduciary responsibility to review wills, trusts, custody agreements, etc., which require the engagement of outside professional disciplines. The actual cost incurred in engaging outside counsel to conduct such reviews is \$5,000 to \$10,000. Thus, one of the defining characteristics of high level professional investment and administrative counsel is whether clients are willing to incur a \$5,000 to \$10,000 expense to allow you to fulfill your fiduciary obligations and to provide continuous comprehensive counsel. Many advisors use this as an acid test. If clients are not willing to pay for high level counsel, then why would advisors waste the limited time they have available to engage their services in providing high level counsel to clients who would not appreciate the depth and breadth of their work. There are far more investors who want value to be added than there are advisors capable of adding value. So any waste of the time and effort to fulfill one's fiduciary obliga-

tions with a client who doesn't appreciate can easily be avoided by simply recusing oneself from such engagements. Importantly, by engaging outside independent professional disciplines, the advisor builds bridges to the legal, accounting and trust communities which will appreciate the level of their counsel and who, in the best interest of their clients, will reciprocate with introductions to their best clients.

At the highest end of the market the asset/liability study is the best sales tool known to man; at the lower end of the high net worth market, it is the primary means to quickly weed out short-term or unfulfilling relationships.

5. Conflicts of Interest

Full disclosure of all forms of compensation and all relationships to assure the investor's best interests are always being well served has been one of the most controversial aspects of advisors fulfilling their fiduciary responsibilities. A major inhibitor to high level counsel and supporting financial services firms acknowledging the fiduciary responsibility of their

SMART INVESTMENTS MAKE LOYAL CLIENTS

Your expertise and iShares

The resources at iShares.com are designed specifically with advisors in mind. They are the same ideas and concepts institutional asset managers use.

Visit iShares.com to access our ETF products, advisor portfolio strategies and precise, yet easy-to-use tools. Make more informed investment decisions for your clients.

iShares *Industrial strength investment tools from* BARCLAYS GLOBAL INVESTORS

iShares are distributed by SEI Investments Distribution Co. (SEI). Barclays Global Fund Advisors (BGFA) serves as an advisor to iShares. Barclays Global Investors Services (BGIS) assists in the marketing of iShares. BGFA and BGIS are subsidiaries of Barclays Global Investors, N.A., none of which is affiliated with SEI. For complete information, call 1-800-iShares (1-800-474-2737) for a prospectus. Read it carefully before investing. There are risks involved with investing, including the possible loss of principal.

© 2003 Barclays Global Investors. All rights reserved. iShares is a registered trademark of Barclays Global Investors, N.A.



advisors has been the perceived conflict of interest of an advisor being an employee of a brokerage firm which both custodies assets, executes trades and possibly even manages the client's assets. As an employee, the advisor has no leverage to act in their clients' best interests in securing best-in-class custody and clearing, and possibly best-in-class asset management, if their choices are limited. These perceived conflicts of interest can be mitigated by firms (1) documenting every trade executed and providing volume weighted average daily pricing (VWAP), which is considered best execution in the institutional markets; (2) providing open and unlimited access to investment options; and (3) documenting the merits of their own proprietary asset management in the context of the comparable investment options available at the time of investment. Many advisors who are, in fact, working within the context of UPIA with their high net worth clients and who are providing high level counsel, are being characterized by independent advisors as not being able to fulfill their fiduciary responsibilities simply by virtue of their being employed by a brokerage firm. The type of disclosure cited above can be automatically done at little cost and structurally incorporated into the investment process so it is clear to all that there is no conflict in interest, making it possible for all financial advisors to fulfill their fiduciary responsibilities whether they are employed by a brokerage firm or not. The surest way to diffuse a conflict of interest question is for the advisor to acknowledge they are acting in the capacity of a co-fiduciary.

6. Education

Every financial advisor should be aware of their fiduciary responsibilities. Through institutions like the Center for Fiduciary Studies, an advisor can actually be credentialed to conduct a fiduciary liability audit which, in one week, empowers the advisor to evaluate the full range of investment and administrative values that must be managed in order for an advisor to fulfill their fiduciary responsibility. This not only reinforces the value of the six financial service investment process but breathes life into the important administrative values that constitute high level counsel and which often are ignored or overlooked. The client can clearly discern high level counsel through a fiduciary liability audit. The fiduciary liability audit is a wonderful way to win new relationships, is integral to an asset/liability study and is essential to high level counsel.

7. The Relationship Between the Advisor, the Technologist and the Traditional Broker/Dealer

Registered investment advisors (RIAs) who engage their professional investment and administrative counsel for an on-going advi-

sory fee and who do not engage in commission sales and do not receive commissions, do not have to be licensed to sell securities and do not need the services of a broker/dealer to house their securities licenses and to provide administrative and product support. Charles Schwab has built a massive business around providing access to product, administrative and technological support to RIAs. The cost of technology has come down to the point that it is now cost-effective for RIAs to develop their own investment process, technology and in-house technical and administrative resources that are far faster, better and cheaper than using the services of a traditional broker/dealer. (See ["How Are Top Advisors Growing Their Business in Today's Difficult Market?"](#) *Senior Consultant*, April 2003, www.SrConsultant.com/Articles/2003-04-Top-Advisors-Grow.pdf). This direct advisor access to superior technology and a superior value proposition will require broker/dealers, especially the major wirehouses, to re-evaluate how they manage their technology. The role the traditional broker/dealer can play in facilitating innovation is quite substantial as they are closer to many of the reporting and disclosure requirements entailed in managing fiduciary responsibility than third party technology vendors. The broker/dealer is far more capable of documenting every trade against VWAP to assure best execution than anyone else. Yet, in account aggregation and the management of the necessary investment analytics required in continuous, comprehensive counsel, account aggregation firms like By All Accounts can execute faster, better and cheaper than the broker/dealer. The advisor who controls the client relationship through the depth and breadth of the counsel they provide will increasingly become the primary driver of the industry, and brokerage firms and technology firms will fight over the loyalties of the financial advisor. The brokerage industry needs the technologist as much as the technologist needs the brokerage firm, but both need the financial advisor more than each other. This bodes well for the elevation of the financial advisor and the counsel they provide.

Conclusion

In the coming weeks the High Net Worth Standards Initiative will go beyond the Center for Fiduciary Studies' 27 practice standards to define the depth of counsel which is best practices. This is an extraordinary undertaking. The depth of counsel incorporated by the standards initiative in the asset/liability study will establish the range of investment and administrative values that advisors are obligated by fiduciary responsibility to manage and will facilitate the development of enabling technology that will entail the advisor's most powerful value proposition.

SENIOR CONSULTANT

THE VOICE OF THE INVESTMENT MANAGEMENT CONSULTANT

JAMES P. OWEN
Co-Founder

STEPHEN C. WINKS
Co-Founder, Publisher & Editor-in-Chief

SYDNEY LEBLANC
Consulting Editor

MAMIE WOO MCNEAL
Production Editor

EDDIE BRYANT
Marketing Consultant



Advisory Board

JERRY BOTT
Bott Anderson

JOHN BROCK
Brock-Hazzard/Wachovia Securities

DICK CHARLTON
New England Pension Consultants

BOB CLUCK
Canterbury Capital

HAROLD EVENSKY
Evensky Brown & Katz

JEFF FRUM
Wells Fargo

RICH GLEASON
Salomon Smith Barney

KATHLEEN E. HEGENBART
Salomon Smith Barney

BRIAN HUNTER
Prudential Securities

GREG HUNTER
Merrill Lynch

BILL JOHNSON
CapTrust

JOHN KELSEY
Salomon Smith Barney

KEITH PHILLIPS
Morgan Stanley Dean Witter

BOB ROWE
Morgan Stanley Dean Witter

DICK SMITH
Cap Group

JIM YANNI
Yanni Partners

SENIOR CONSULTANT

1457 Crystal Springs Lane
Richmond, Virginia 23231

Ph 804-643-1075 ■ Fax 804-643-1544

WWW.SRCONSULTANT.COM