



Ophthalmologist Scott Stevens moved the \$440,000 left in his pension plan.

## Shoot The Messenger

Your investments have tanked. Here are seven signs it may be time to fire your financial adviser.

BY DEBORAH ORR

**I**N SEPTEMBER, WHEN HUNDREDS OF investors with more than \$1 million in financial assets were surveyed, 57% said they planned to dump their current financial advisers and only 6% said they'd recommend him or her to a friend.

"I've never seen this level of discontent, not even after the dot-com bust," says Russ Alan Prince, whose Redding, Conn. firm conducted the survey. "People are running from their financial advisers."

With stocks sinking and big brokers

and banks brought low by their own bad investments, the rich folks Prince studies—and the less wealthy ones, too—are wondering whether the fat advisory fees they've been paying are worth it.

"They still get paid no matter how much money we lose," laments Scott Stevens, a Bend, Ore. ophthalmologist who just fired the firm to which he had been paying 1% of assets to manage his practice's pension fund. Stevens, 47, insists he told the partner handling the account that his main goal was preservation of capital, but that, as the stock market rose through last year, the adviser didn't rebalance to reduce his equity exposure. In September, Stevens says, with the account down 10% from its Jan. 1 balance of \$650,000, he called the adviser and was told to sit tight because his stock allocation was already as conservative as the adviser would recommend (at a bit below 60%). Finally, in early November the disaffected doc moved the \$440,000 left to another firm.

Is your adviser earning his keep? Here are some factors to consider in deciding whether to fire (or hire) a financial pro.

### UNDERPERFORMANCE

"Investors have always given financial advisers too much credit for results in bull markets and too much blame for losses in bear markets," says Jack B. Waymire, cofounder of PaladinRegistry.com, which matches investors with advisers. His service screens advisers for education, professional accreditation and a clean regulatory record, but not performance, since it hasn't found a practical way to compare or verify their claims. Still, you as the individual client do have a way: Your money manager should be ready to set benchmarks against which you can judge the performance of various segments of your portfolio. For example, your blue-chip value holdings might be benchmarked against the Russell 1000 Value Index. Make sure to measure performance net of the adviser's fees. And settle on the comparison index in advance.

If your pro has consistently underperformed, get a satisfactory explanation why, find another one or move your money into