

Top 401 Retirement Advisers

Thursday May 28 2015

www.ft.com/reports | @ftreports



Illustrations: James Fryer

Elite professionals who advise companies

Name	Company	City	Plan segments served			
			Mega plans (\$500m+ in assets)	Large plans (\$100m to \$500m in assets)	Mid-size plans (\$10m to \$100m in assets)	Small & micro plans (Under \$10m in assets)
Prattes, Jason A.	Pence Wealth Mgt	Newport Beach				✓

The entry above is extracted from the California section of the FT Top 401 Retirement Advisers report.

Top 401 Retirement Advisers

Methodology How we compiled the list

We aim to provide a list of elite professionals who specialise in advising US employers on their defined contribution (DC) plans, writes **Loren Fox**.

The Financial Times and Ignites Research, the FT's sister company, contacted large US brokerages, independent advisers and other wealth managers to identify qualified applicants. Our partner, Broadridge Financial Solutions, provided data that helped to identify advisers specialising in serving DC plans, including 401(k) pensions and

other DC accounts.

In total, 646 qualified, so 62 per cent—or the top-scoring 401—made the list. Applicants were required to have \$25m in assets and at least 20 per cent of their client assets in DC plans. The qualifying advisers completed a questionnaire about the nature of their practice, the clients they serve, their investment recommendations and more. We added that information to our own research.

The formula used to grade advisers was based on seven

factors, which resulted in a numeric score. They were:

- **DC assets under management**, which signals experience.
- **Growth in DC plan business**, measured by growth in both assets and the number of plans the adviser services. Growth is a proxy for performance as well as for client retention and ability to generate new business.
- **Specialisation in the DC business**, which is measured by what percentage of the overall assets managed by the adviser

are in DC plans and how that concentration has changed.

- **Years of experience advising DC plans**, which indicates experience of managing DC plan assets in various economic and interest-rate environments.
- **Participation rate in DC plans advised**. This looks at the effectiveness of the DC plans under management by measuring what proportion of employees is participating on average.
- **Industry certifications**, which show the technical knowledge

that is important in the specialised DC plan industry.

- **Compliance record**, because a string of client complaints can signal problems.
DC plan assets under management accounted for about 50 per cent of each adviser's score. Roughly onethird of the score derived from growth in the adviser's DC business (as measured in both assets and number of plans advised), and the concentration of the adviser's business in DC plans.

www.PenceWealthManagement.com

Jason Prattes is a Financial Advisor with, and Securities and Advisory services offered through LPL Financial, a Registered Investment Advisor. Member FINRA/SIPC.