

## MAKING CENTS

### HOW TO PICK A MONEY MANAGER

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**A**t some point during the market turmoil of the past few years, nearly everyone questioned the wisdom of professional asset management. People everywhere were proclaiming that they didn't need to pay thousands of dollars for someone to show them how to lose money.

Although I am biased in favor of hiring professional managers, let's talk about the pros and cons – especially thorough turbulent times that leave many dazed and confused.

Starting with the cons, first on the list has to be that not every manager is a good choice. Picking a good one may be the hardest part of working with a professional. To find a good fit for you, talk about your biggest concerns, deepest fears and best wishes for the perfect manager for you. As you talk about your true desires for your assets, listen carefully to what a manager says. Does he or she believe that they can work successfully given the ground rules that you have laid down?

I'm not asking you to judge a good manager from a bad one, just to try to hone in on the style of manager that may be right for you. This may take several meetings or interviews with several

managers of differing styles to make a good choice.

Beyond your qualitative cons, there are other factors such as cost, track record, tax efficiency and flexibility or specialty that you want to consider. For example, if you are looking for growth in your portfolio, a fixed-income specialist may not be your best choice for a growth portfolio.

On the pro side, there are many good reasons to consider. First and foremost is that most money managers do money management all day, every day. That is a big difference from overreacting to headlines or making your decisions based on articles or today's news.

Another good reason is access to information. Even in these days of easy access to information at the click of a mouse, professional managers still have the edge in research and information. Getting good information is one thing, but analyzing it all takes time.

Whether you already have a manager or are thinking of hiring one, know your short- and long-term objectives, and understand your options.

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