

WS+B HEDGE, ALTERNATIVE & PRIVATE EQUITY FUNDS

NEWS AND UPDATES FROM WS+B'S HEDGE AND PRIVATE EQUITY FUNDS SERVICES TEAM

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Communication ranks most important for investors

Recently, the SEC has recommended a rule to tighten the fiduciary standard for broker-dealers, which currently only applies to investment advisors. However, it seems that investment clients aren't too concerned with the new standard. According to a survey conducted by J.D. Power & Associates, investors may be confused about new standards, but are clear on what they want from their advisors: frequent communication.

Topping the list of what investors view as most valuable is clear communication of reasons for investment performance from their advisors. As a result of the economic downturn, investors feel the need for increased outreach from their advisors. Investors are also turning to online communication more than ever, with more than half of investors saying they regularly visit their advisors' websites to view recently posted documents and tax information. Advisors may want to take advantage of this by continuously posting news and updated information on their website, and utilizing their websites as a means of communication. According to the study, non-traditional forms of communication are becoming more widely accepted among all age groups. There has been a vast increase in e-mail communication, with only 19% of investors exchanging an email with their advisors in 2008, compared to 52% in 2011.

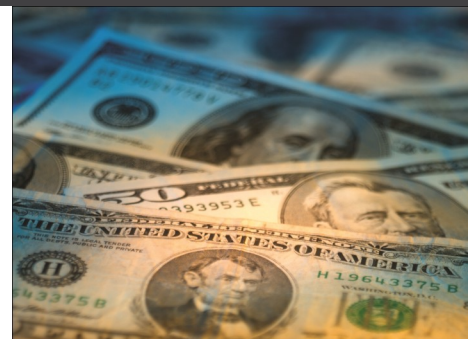
The following best practices are also important to investors:

- A clear explanation of fees
- Proactive advice from advisors regarding new products, services or accounts
- Reviewing or developing a strategic plan within the past 12 months
- Providing a written financial plan
- Discussing risk tolerance changes and implementing where appropriate within the past 12 months

This is good news for advisors. Implementing these key best practices can improve the client-advisor relationship. Improving and establishing effective communication procedures is an inexpensive way to improve client satisfaction levels, which have typically been higher with clients in fiduciary relationships.

Participants in the study included 4,200 full service investors in the United States who make some or all of their investment decisions with an investment advisor.

[Click here for the J.D. Power & Associates Report](#)



If you have any questions please contact Ken DeGraw, Team Leader of our Hedge and Private Equity Funds Services Team:

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