

INVESTMENTS

Savant Capital Management, Inc.:
Unbiased Financial Planning
on the Rise



Advisory Team Savant in front of their Rockford offices.
 Front: Amy Barrett, Brian Conroy, Thomas Muldowney, Tracy Beard, Thomas Ptacin, John Schissel
 Back: Derek Carter, Stephen Hicks, Tawn Jacobs, Richard Bennett, Brent Brodeski

Photo By: Jon McGinty

By Jon McGinty

If Savant Capital Management, Inc., were a stock, everyone might want to invest in it. Instead, the Rockford-based organization is an independent, fee-only advisory firm and its principals have to settle for the fact that everyone now seems to want to invest with them. The last time Business Profile Magazine checked in on Savant was 1998, when the firm had five employees, 200 clients and about \$120 million in client assets under management. Seven years later, Savant Capital Management has

multiplied in size on all fronts: 31 employees, nearly 1,000 clients and \$780 million in assets.

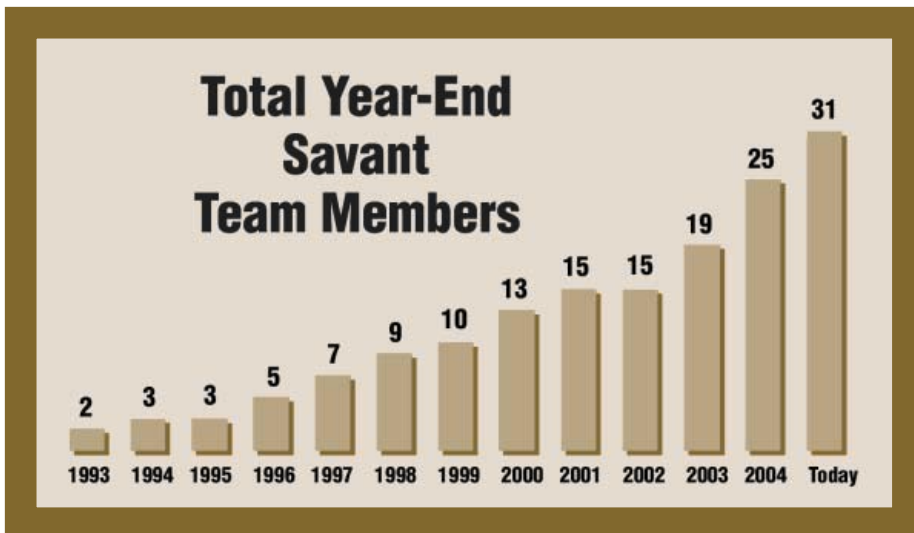
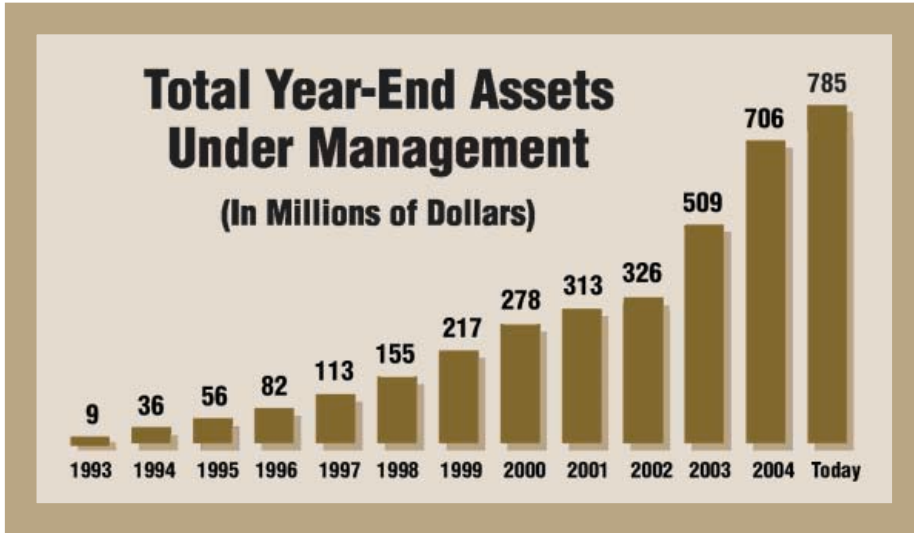
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It's the old story: success breeds success. With offices in Rockford, Freeport and Schaumburg, Savant provides financial planning and investment advice as well as wealth management

services to financially established individuals, trust funds, retirement plans, non-profit organizations and fiduciaries. Savant's mission is to help clients maximize their assets, enhance the quality of their lives and realize their personal and financial goals.

Thomas A. Muldowney started the forerunner of Savant in 1986 in Rockford, responding to his frustration with how financial services were typically provided—suspicious advice given away for free in exchange for the sale of an

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-- Thomas Muldowney,
Savant Partner

investment product. He later formed a partnership with Brent Brodeski in 1992. Together, they co-founded the current investment management firm (Savant Capital Management, Inc.). The two firms later merged. Savant’s third partner, Dick Bennett, joined in 1998 and started the Freeport office. The Schaumburg office opened in 2004.

Savant is unique. They are not associated with any bank, insurance company, brokerage or mutual fund. They earn fees only from their clients. This independence is intended to guarantee the objectivity of their financial advice. “Most competitors’ financial

‘plans’ are often sales plans intended to sell a particular product,” states Brodeski. “We don’t sell products; we provide great results, outstanding service and a world-class experience.”

“Ours is a purely fiduciary relationship with our investment management clients,” affirms Muldowney. “We are paid to stand in your shoes, look through your eyes and give you advice as if we were you, with no outside obligations, no surprises—no kidding.”

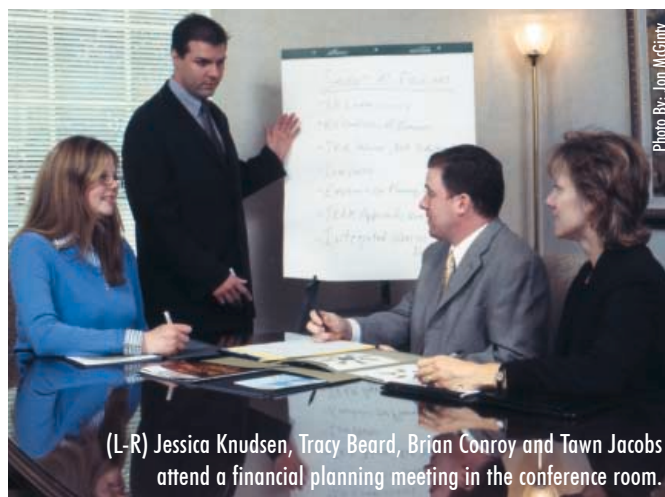
Savant offers two basic services: financial planning and investment management. Depending on a client’s needs and circumstances, they may utilize one

or both services. To facilitate their planning process, Savant has developed a comprehensive system which they call the Wise Wealth Integrator™. This process is broken down into four primary stages with each consisting of multiple steps. They are:

- ***The Wise Wealth Visioning Exercise™***
- ***The Wise Wealth Planning Program™***
- ***The Wise Wealth Implementer™***
- ***The Wise Wealth Review Sessions™***

INVESTMENTS

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(L-R) Jessica Knudsen, Tracy Beard, Brian Conroy and Tawn Jacobs attend a financial planning meeting in the conference room.

During the Visioning Exercise, clients are asked to “bare their souls” and describe their current situation—their dangers, strengths and opportunities—and then encouraged to set goals, both personal and financial.

“Everybody has a plan of some sort, if only by default,” adds Brodeski. “They may know where they are and where they are headed, but with comprehensive planning, they can target their ideal financial future.”

The Planning Program is used to identify obstacles that stand in the

client’s way and to develop strategies to overcome them.

“At this point, we teach clients about their various options similar to selecting arrows in a quiver,” stresses Brodeski. “There may be a hundred choices, but we help our clients focus on pulling the arrows (strategies) that hit their bull’s-eye.”

During the Implementer stage, Savant helps clients prioritize their planning goals and build an investment portfolio using the Wise Wealth Investment Solution™ which is another proprietary

process. This investment process also consists of four stages:

- ***The Wise Wealth Investment Strategy Review***
- ***The Wise Wealth Investment Transition***
- ***The Wise Wealth Investment Manager***
- ***The Wise Wealth Portfolio Review***

The goal of the Strategy Review is to show clients how they may be able to increase their return, lower their risk and reduce both taxes and cost.

“Many clients have a shotgun approach to assembling their portfolio,” states Brodeski. “We help them optimize their assets and strategies to build a ‘winning team’ portfolio.”

Some clients utilize their financial plans, yet choose to manage their own investments. Others choose to hire Savant to manage their portfolio on a continuing basis. Such management includes asset allocation, disciplined rebalancing, tax-management, continuous monitoring and ongoing evaluation of the client’s investment and strategies.

“Periodic adjustments are necessary because things change,” says Muldowney. “Goals, marriages, family, kids in college, health; they all affect investment strategies.”



Savant has been recognized in numerous national publications, and has contributed to several books on financial planning.

INVESTMENTS



Advisory Team members Tawn Jacobs and Stephen Hicks confer over the layout of the Savant newsletter SAVANTalk.

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-- Brent Brodeski, Savant Partner

Savant’s core philosophy is structured around broad global diversification, utilizing no-load, low-cost index funds, passive asset class funds, structured investments and exchange traded funds. The goal is to maximize after-tax returns. Savant avoids speculative actively managed funds...they are too expensive and risky.

According to Muldowney, “Sadly, most clients select their investments in a random fashion based on rumors, tips and astrology (i.e. Morningstar Stars)! When they’re done, they cross their fingers and hope it works.” Instead, by using index, passive and structured investments, our investors reduce their risk, reduce costs, reduce taxes and increase certainty. They benefit from more consistent performance and earn market-based returns. We teach investors to stop chasing hot returns and to start demanding market-based returns.”

“As our business has expanded, we [partners] found that we couldn’t be experts in all areas,” recalls Brodeski. “We wanted to grow beyond the knowledge and talent of the original partners.”

Using the “Mayo Clinic” model, Savant has hired the best and brightest specialists, as well as leveraged outside vendors and service providers, to create a synergistic and integrated team that is more effective collectively, than separately.

According to Brodeski:

- The **Advisory Team** functions like the doctors who diagnose and prescribe;
- The **Client Services Team** functions like nurses who coordinate and manage work flow;
- The **Investment Services Team** are like pharmacists who fill the prescriptions to make client portfolios feel better;
- The **Administrative Team** supervises and supports the other teams.

Savant’s success has been nationally recognized in many publications. In 2004, Robb Report/Worth Magazine named Savant Capital Management, Inc. as one of the “100 Most Exclusive Wealth Advisors” in the U.S. for the eighth consecutive year. Only one other Illinois firm was included on the list. Also in 2004, Medical Economics Magazine included Savant in the list of “Top 150 Advisors in the Nation for Physicians.” The 2005 edition of J.K. Lasser’s “New Rules for Estate and Tax Planning” recognizes Savant as the sole “Top Financial Advisor” in Rockford, and one of just a handful in Illinois. The July/August 2005 issue of Bloomberg Wealth Manager will mark Savant’s fifth consecutive appearance on their list of the nation’s top wealth managers. Savant has been named to Bloomberg’s distinguished list each of the five years it has been assembled.

Savant is also a co-founder of the Zero Alpha Group (ZAG), a nationwide network of eight fee-only investment advisory firms. They provide a national voice for consumer advocacy to promote investment policy and lobby investment providers to reduce costs for their clients.

In the future, Savant plans to evolve into a regional firm, opening offices in Madison, Milwaukee, Sterling, Chicago and its suburbs.

“Rockford was a great place to start this company,” recalls Brodeski. “We created a reputation, an image, and a buzz. We gave our clients confidence, great results and a reliable approach. Now we have an opportunity to expand into larger markets outside Rockford.”

In 1994, Savant restored a stately home on State Street, where the symbolic rock and logo were visible to all who passed by. The firm relocated farther east near the I-90 tollway in 2000 in order to provide more space for the growing business. That space has become crowded again, as Team Savant continues to expand, and so they have begun to look for a new location in the Rockford area. Savant has moved once and may do so again. But, like the rock (which was relocated from the first site to the second), Savant is here to stay – and on track to be even bigger the next time we check in.