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DJIA *	12,417.21	-1.21
Nasdaq *	2,668.35	19.99
SP500 *	1,280.83	3.53
TSX	12,218.82	-7.65
10 Yr Note	2.00%	0.02

1/5/2012 3:05pm ET
Source: SIX-Telekurs
* Real Time Quotes

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The Best Words Of Wisdom For Clients

By Jennifer Hoyt Cummings
A DOW JONES NEWSWIRES COLUMN

-- What advice do advisers most want clients to remember?

-- One adviser tells clients to simulate a bad market before it occurs

-- Another says, "The market doesn't have to make any sense"

Advisers provide a lot of words of wisdom to their clients. In this Broker Talk Q&A we asked what advice they wished all clients would never forget.

Tom Blanchfield is a managing director based in Newport Beach, Calif., with Merrill Lynch Wealth Management. He has 24 years experience and was ranked by Barron's as one of America's top 1,000 financial advisers for 2011. [Dow Jones & Co., which is owned by News Corp., publishes Barron's and this newswire.]

Tom Blanchfield

Piece of advice: Consider reviewing and rebalancing your global investments.

Explanation: "This is important for clients to do in light of the changing market dynamics between emerging and developed nations, as well as today's more skittish relationship between debtors and creditors.

"The historically conservative investor--who has been quite comfortable investing primarily in income-producing debt securities--will not receive anything close to the trailing 30-year returns of the debt market going forward. Given the economic realities at hand, we suggest that investors consider corporate debt, municipal bonds, income producing equities and other alternatives to debt securities that could produce higher returns while still offering the security many of them are looking for.

"Although investors should approach the U.S. markets cautiously this year, with the help of their financial adviser, they can use market volatility to benefit their portfolios. We have been coaching our clients to focus on the long-term, since we feel volatility is here to stay, and continue to help them identify and capitalize on opportunities created by the new investing landscape."

Kurt Rozman

Kurt Rozman is president of Rozman Wealth Management based in Brookfield, Wis. He has 18 years experience.

Advice: Simulate a bad market before it occurs.

Explanation: "Everyone should have two plans for investing: one for a rising market and one for a falling market. One advantage of having two plans is that as the markets change, the portfolio can quickly be adjusted to expand or contract as necessary. This flexibility allows you to have as much risk as needed when times are good, while limiting the downside when times are less favorable.

"This approach is best suited to clients looking to preserve their capital in these uncertain times while still maintaining the long term plan for their financial goals. Simulating different scenarios will help clients understand their investment plan and their emotional stress meter, helping them maintain a level head in the event of a market downturn."

Allan Flader

Allan Flader is an adviser based in Phoenix with RBC Wealth Management. He has 25 years experience.

Advice: Make sure you have a roadmap, but be flexible.

Explanation: "The past few years have been extremely volatile--many of my clients are retired or close to retiring, so this environment has been especially tough for them. They want to make sure that their nest eggs will weather this storm.

"Our job is to help our clients build their retirement road map--we create a needs-based assessment that considers their health, current lifestyle, what they plan on doing during retirement and the legacy they are hoping to leave their family and heirs.

"Our clients understand that nothing is guaranteed, but by giving them options based on what makes the most sense for their unique needs, we can help to paint a more accurate picture on which to base their financial decisions. And if we are faced with a difficult economic environment, as we are now, our clients are prepared to be flexible and adjust their living expenses if necessary."

Ralph McDevitt

Ralph McDevitt is an adviser based in Philadelphia with Raymond James & Associates. He has 27 years experience.

Advice: The market doesn't have to make any sense.

Explanation: "I've used this statement more often than any other for most of my career to try and help clients understand market behavior. Lately, I've shared this observation more frequently as the market has defied logic and explanation for the past year.

"Recognizing the stock market sometimes makes no sense at all, I remind my clients to focus their valuable resources on their own goals, not what the crazy market happens to be doing this past month, this past week, or this past hour."

Michael Markiewicz

Michael Markiewicz is a partner with Fogel Neale Partners based in New York. He has more than 30 years experience.

Advice: Don't listen to the hype. Instead, evaluate your own financial situation and create a detailed plan.

Explanation: "There is so much advice floating around about how to navigate the current financial landscape, it may have seemed as though everyone at your holiday cocktail party was an expert.

"However, most of that information is usually conflicting, and ultimately very confusing. The most important thing to keep in mind is that there is no "one solution fits all." "It's best to evaluate each situation on an individual basis, and do it often--not just once every five years. Take a look at your current net worth, income, goals and age. Then create a specific budget and strategy that plans for cash flow, budgeting, tax planning, and investment planning. That way, no matter what news of the moment is causing market swings, you can be confident that your personalized plan is in place to provide protection."

--Jennifer Hoyt Cummings writes about financial advisers and their jobs, with a focus on news and trends related to large retail brokerages. She covers topics such as adviser compensation, management structure, regulation, products, technology, recruitment and best practices. Jennifer can be reached at 212-416-2474 or jennifer.cummings@dowjones.com. You can also follow Broker's World on Twitter @BrokersWorld

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