

# Bob Fragasso

{Walking the Walk}

*Firm:* Fragasso Group affiliated with LPL  
*City:* Pittsburgh  
*Age:* 58

*Years as a Rep:* 32  
*Years with Current Firm:* 8  
*Production:* \$2.9 million  
*AUM:* \$400 million

*Mix:* 100% managed accounts  
*Specialty:* Long-term financial planning



**Pro bono:** Fragasso's financial services for the Pittsburgh Action Against Rape earned him the honor of being the first male on the organization's board.



**When the firm** Bob Fragasso was working for was bought by another in 1995, he felt the new, combined entity was not good for him or his clients, so he did what many brokers only talk about—he left.

Now in charge of his own firm, the Fragasso Group, affiliated with Linsco/Private Ledger, Fragasso refers to himself as “chief cultural officer”; that is, he gets to call the shots as he feels best serves the interest of his clients, himself and his employees—no matter how unconventional. For example, Fragasso pays his employees with salaries instead of commissions (to quell internal competition) and holds weekly roundtable discussions among the group around a stack of pepperoni pizzas.

Fragasso doesn't stray from his long-term ideology, even if it means losing big money. “I had clients in the late 90s complaining that they were getting only 29 percent when their friends were getting 60 percent somewhere else.” Needless to say, they soon understood why many of their friends lost their shirts—imprudent asset allocation.

“We don't take hot-dot seekers. My clients get a businesslike approach with businesslike returns,” says Fragasso. By businesslike he doesn't mean minuscule returns, as one happy customer relates. “Bob and his group helped me diversify my whole portfolio—my children graduated from college debt-free and I'm going to retire when and how I want,” says Bob King, a client for 20 years.

Fragasso clients understand that prudence beats sex appeal in the long run, because he teaches clients to understand market history and the simple, but oft overlooked, concept of mean reversion.

Fragasso migrated his book to a discretionary, fee-based operation three years ago. And the proof of his talent is in the results. Nondiscretionary accounts heavily underperformed the discretionary ones. His client's know what kind of service they're getting and it shows—Fragasso and his team have a 99 percent client retention rate through bull and bear markets. —John Churchill

Photograph: Lori Stahl