



RONALD SADOFF

Founder | Sadoff Investment Management

Home Base: Milwaukee

AUM: \$1,050 billion

Age: 75

Clients: 614

Career Began: 1978

Civic and Charitable Affiliations: Founder-president, Milwaukee College Prep, a four-campus inner-city charter school



What's your practice niche?

Our investing style is our niche. Minimum account size is \$1 million, and they vary from retirement plans to foundations to corporations to trusts to individuals. Our easy-to-understand style uses a methodology of identifying stocks and industries likely to outperform the market. I started to develop it when I was in college. Over the years, the niche grew as I explained to potential clients my unique investing strategy, which is low risk and focused on performance.

Portfolio construction:

We do our own portfolios, and there are two main styles. We stay pretty much fully invested in major bull markets, and we highlight when to get out. In terms of stock selection, our methodology is distinct: we line up all the stocks in an industry — automobiles, drug companies, housing and so on — to see if certain price trends have taken place. We track over 100 indicators. We're looking for industries that have been in a major sharp downtrend — like banking stocks were from the 2007 peak. Generally, we buy those stocks and hold them for the whole bull market cycle.

Client service style:

When a client comes in, we sit down with them and detail our style and strategy. Client communication is very important. All clients can call us whenever they like, and we promptly get back to them. We always touch base with them once or twice a year, and we put out a monthly client newsletter. We view the clients as family. Our holiday, birthday and anniversary cards feature paintings I've done, and many clients have told me that they save them because they like my artwork.

Biggest challenge you've overcome:

The only time in my business career that I had to bounce back was when high tech stocks were running at several hundred times earnings, but we didn't have

that industry since what we buy are [stocks] coming out of a long-term downtrend. The whole investment community believed that high tech was the future, but we didn't have those stocks. That was a rough period. But we stuck to our style and strategy. High tech went up but then took a nasty tumble — and our style and strategy caught on again.

Philanthropy and its role in business:

Nineteen years ago I started a charter inner-city school, and today we've got four campuses with nearly 2,000 children. That hasn't impacted my business; it's just my giving money to a great cause. But what I do look for is performance, whether it's with clients' funds or my charitable giving. I want to see these kids excel, and we follow and track them for years afterward.

Business advice to other advisors:

This is a fun business because it incorporates everything [important]. You have to be able to distinguish yourself and be different from the competition. Most of the time people will [opine] that they're either positive or negative, bullish or bearish. But the next question you have to ask is: What would cause you to change your opinion? That's essential.

You can't be in business and be correct in all the decisions you make. Everybody has failures once in a while. But what makes you is how you get up and get back on your feet again. You need that bounce-back facility.

On being chosen for the Advisor Hall of Fame:

It's a nice frosting on the cake. To be honored for what you've been doing with the same style and strategy for about 40 years is very rewarding. We've outperformed the S&P 500 over a long period of time. So it's a nice congratulations.

**"You have to believe
in yourself."**

Research Magazine's Hall of Fame criteria: passed rigorous proprietary screens, have served a minimum of 20 years in the industry, have acquired substantial assets under management, have demonstrated superior client service and have earned recognition from their peers and the broader community for the honor they reflect on their profession. Preliminary judging in the contest was by Research magazine Editor in Chief Janet Levoux and Executive Editor Kenneth Silber. Final judging was performed by a distinguished panel of experts: Mark Elzweig, principal, Mark Elzweig Company, Ltd.; Michael Finke, professor, Texas Tech University; and Jon Henschen, president, Henschen & Associates. <https://www.thinkadvisor.com/2015/11/30/2015-advisor-hall-of-fame/>. Information supplied for this ranking mostly came from the advisors. The firm applied for the award and not all advisors applied. The firm did not pay any fees to participate. The award was independently granted. The firm did not have to be a part of any organization to be eligible for the award. This ranking should not be construed as a guarantee to any performance or service level, nor should it be construed as a recommendation from current clients.