

ALWAYS
YOUR TRUSTED
PARTNER

Finding a Trusted Advisor for Life

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INVESTOR'S RESOURCE

When to hire a professional

Generally, the more assets and accounts you have, the more you stand to gain by hiring a professional, particularly one with expertise in both investment management and advanced planning. Planning skills can be useful to ensure all your financial assets are working more efficiently, eliminating waste and strategies that overlap or counteract each other.

When choosing a professional, compare your assets and desired services to their typical client.

- If you have fewer assets or less complexity than your advisor's typical client, you risk getting lost in the shuffle. Maybe this means your account is not watched as closely, or you don't hear about the latest strategies that could apply to your situation.
- If you have more assets and complexity than your advisor's typical client, you risk not having access to the expertise and resources you require. You may get exceptional attention and personalized service, but at the expense of experience and expertise. You also want to make sure your advisor isn't using you as a guinea pig to expand their knowledge or test new strategies.

Many advisors have moved to a team-based business model to better serve their clients as it scales without sacrificing personalized service, depth of expertise or quality of advice. It's important to ask prospective advisors to describe their typical clients, other types of clients they hope to attract, and how your situation compares to each.

People with small amounts to invest may not need to engage at all with a professional unless they have limited investment knowledge and no time to learn. Investment products and access to information have evolved so much over the years that small investors—with a little education and guidance—can make their own decisions and save some fees in the process. Many online sources have risk-tolerance questionnaires all of which point you to a pre-defined group of investments.

Top Three Reasons

TO HIRE A PROFESSIONAL



REASON #1

You don't have a plan

Even if you are excellent at setting goals and making spreadsheets, a professional usually has more experience and better tools to gauge your financial situation and provide strategic advice beyond investing.

Developing a basic idea of what it will take to accomplish your main goals is the top priority. Once the initial framework for goals is put into place, the next step is to plan for contingencies—death, disability, aging, your parents, your children, job changes, and more. Preplanning for change is a key part of wealth management and plays a bigger role

as your portfolio grows over time, yet it often is neglected in more basic discussions. After planning for the contingencies, you can work scenarios and strategy into your framework to help you make decisions over time. You can also determine the rate of return you need over time and ways to leverage the latest tax, estate, and other strategies to your benefit.



REASON #2

When you realize you need advanced planning or face big, new decisions

Sometimes change is an unpleasant surprise. Other times, you can anticipate change but remain uncertain about whether you are fully prepared for it. However it happens to you, when facing big life changes, chances are you need to hire a professional—and someone who understands both investing and other wealth management strategies.

It's particularly important for those with complex portfolios and life circumstances to have a professional take a holistic approach to their financial situation. Advanced planning should include all of your finances and portfolio decisions. It should cover:

WEALTH ENHANCEMENT Tax strategy, benefits analysis, “what if” projections.

WEALTH PROTECTION/PRESERVATION Insurance recommendations, liability measures, multigenerational planning, educating beneficiaries.

WEALTH TRANSFER AND GIVING Estate planning, philanthropic options, planning for parents, preparing heirs.

Today, even with advancements in technology, it often takes a live human, as opposed to a software projection, to accurately identify, calculate and define your situation and answer the questions that matter most to you.

Questions You May Have

Planning in these areas can help you answer questions such as:

- How can I save the most in taxes right now?
- Is it better to pay more taxes today because money will likely last longer?
- How and at what age should I take Social Security or pension income?
- What are the best ways to fund the cost of children's or grandchildren's college expenses?
- Where is the best place to save money (pre-tax, after-tax, tax-free, tax-deferred) for my goals?
- Which accounts should fund my lifestyle needs and how (and in what order)?
- How much and what type of life insurance do I need?
- What can be done to help protect my portfolio from the rising healthcare costs and aging-related expenses?
- How might my parents' needs affect my portfolio?
- How can I help protect my portfolio against liability or perhaps being unjustly taken?
- What is the best way to transfer my assets upon death?
- Would changing my strategy or investment approach give me a potentially better long-term result?
- Is there a better way to gift money to certain causes I feel strongly about?

REASON #3

When you want a higher level of investment expertise and capacity

Investment professionals are all different, with a wide range of strengths, expertise and weaknesses. The advisor you begin your career with may not be the advisor you need later in life. Just as other professionals develop in their careers, so do financial advisors. There are many ways to specialize and niches to serve in the big world of investing, so it's important to be sure the person or organization you choose has the level of expertise and service you need.

To ensure you're engaging with a skilled wealth manager, you should have comprehensive discussion with all prospective professionals about your access to:

- Top-flight institutional managers
- Various opinions on how markets will gain, lose or fluctuate (capital market assumptions)
- Forward-looking data assumptions for use in constructing portfolios
- Abilities to monitor balances and performance metrics for accounts held outside their firms
- Integrated investment recommendations for all accounts, no matter their location

There are also differences in how professionals approach advanced planning, particularly when it comes to the level of proactivity, how to apply new ideas and

strategies to your plan, and collaboration among your advisors. A proactive firm and advisor can clearly outline a roadmap of systems and processes they will use to prioritize and address your needs.

Also, ask about industry certifications and what each means, such as CFP®, AWMA®, CIMA® and CFA®. These designations signify advanced qualifications for investment advisors and wealth managers and usually indicate ongoing proof of expertise in their fields.

Ask prospective professionals whether they have a professional network or other ways to learn about new ideas and assess whether or not they apply to your specific situation. Such conversations should be non-billable to you, in addition to collaborative meetings with your CPA, attorney, and other professional advisors.



A LITTLE BIT ABOUT OUR PROCESS

At Investor's Resource, our process includes an optional dimension to help interested clients hold a more meaningful conversation about life's purposes and passions, and how they relate to their portfolios.

This is very useful for clients who prioritize religious tithing, philanthropic giving, family giving, and bequeathing. Through this additional step, clients engage in a deeper discovery process to connect their portfolio plans to their mission. As a result, we provide an Alignment Plan, which outlines avenues to accomplish mission-critical objectives outside of their immediate family circle. This is not traditional philanthropic planning; it is an assimilation of talents, leadership principles, and financial capacity that takes "making a difference" to a new level.

The higher your net worth, the pickier you should be when hiring professional wealth advisors. There are many out there who have hundreds of hours of training, thousands of hours of experience, and are paid well for doing vital work. But you deserve the right one to meet your needs. Do not lower the bar and accept less than you deserve.



Top questions to ask when hiring a financial advisor

HOW LONG HAVE YOU BEEN DIRECTLY MAKING INVESTMENT DECISIONS ON BEHALF OF YOUR CLIENTS?

The more assets you have, the more important it is to work with someone who has direct experience in serving clients and picking investments versus just being a part of the industry. It also might be important to understand the level of work they put into making investment recommendations, or do they recommend the portfolios of a single manager? Finding advisors with an advanced level of investment expertise can be challenging.

WHAT WAS YOUR EXPERIENCE PRIOR TO YOUR CURRENT POSITION, AND WHY DID YOU DECIDE TO TAKE THIS JOB?

Every advisor has a story. Knowing where someone spent time in their past gives investors a deeper look into the personality of their advisor. Seasoned advisors have usually been in more than one place, and you can learn a lot about the person by asking this question. In the end, if you aren't aligned in personal philosophy or aren't impressed by their previous experience, there's probably not a good basis for a long-term relationship.

HOW ARE YOU COMPENSATED?

More and more Financial Professions have moved away from commission-driven business models and now are fee-based advisors. In the fee-based model, some advisors have a set pricing schedule based on the level of assets you bring. Others have customized schedules. Usually management fees are a percentage of the assets they directly manage. Some companies advise on the totality of your portfolio no matter the location and may or may not have different pricing schedules for assets held outside their firm. Either way, most advisors tend to give discounts to individuals with higher assets or family members who aggregate their assets together. And, most advisors tend to charge a little more (percentage-wise or a flat initial or ongoing fee) if they are doing work other than pure investment management.

WHAT ARE YOUR TOP PRODUCTS AND SERVICES? WHO'S YOUR CUSTODIAN?

We used to ask, "What products and services does your company offer?" Today, more and more the products offered by these advisors may look the same because advisors don't have to have just a single investment custodian. The truth is many of the large firms have a very similar pool of the same basic products. So, it's the services surrounding these products, maybe some specialty products, that set organizations and advisors apart. Be sure to familiarize yourself with all of your prospective firm's business channels —brokerage houses, wirehouses, independent broker dealers, insurance broker dealers, captive agents, and RIAs (registered investment advisors).

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Q & A

Top questions to ask when hiring a financial advisor—continued

WHAT IS YOUR INVESTMENT PHILOSOPHY AND PROCESS?

Not all advisors construct their own portfolios. Some tend to introduce the portfolios of others. Either way, having a strong portfolio construction, selection, monitoring, and benchmarking process is what you are looking for. Established businesses will have this and will have a continuity plan so the process is documented and can be implemented in the absence of any one individual.

ARE YOU A FIDUCIARY AND IF SO, AT WHAT LEVEL?

Legislation passed in 2019 changed the landscape of how clients and advisors interact. You may not see it directly, but the SEC adopted Regulation Best Interest standard of conduct, which is something you should know about and understand.

The SEC's Regulation Best Interest establishes a "best interest" standard of conduct for broker-dealers and financial advisors when making a recommendation to a retail customer of any securities transaction or investment strategy involving securities, including recommendations of types of accounts. It seems that by definition, a good financial professional would always act in the client's best interest. However, an Investment Advisor Representative who is affiliated with a Registered Investment Advisor is obligated to act with a fiduciary duty of care in all of their client's financial matters.

DO YOU DO FINANCIAL PLANNING OR WEALTH MANAGEMENT IN ADDITION TO INVESTING, AND WHAT IS YOUR PROCESS?

There is a difference between financial planning and full wealth advisory services. Matching your need to their service offering is key. A mismatch means you are the firm's largest client and therefore the proverbial guinea pig, or you are a small client and risk getting ignored. Knowing what the meeting process is and how that firm goes about planning will help you determine how comfortable you might be in the long run with your choice. And, of course, make sure you are getting a good return on your fee investment.

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ABOUT THE AUTHOR

Shari Burnum, CFP®, founder and president of Investor's Resource located in Madison, Alabama, is an independent wealth manager with over 30 years of experience working with individuals, families and investors who have complex needs. She draws insights from her experience in wealth management as well as extensive research and good old-fashioned street smarts. You can reach Shari by email at shari@invresource.com.

WHY WE WROTE THIS E-BOOK

Unfortunately, too many families don't talk about money. This often results in the loss of time and money as family members try to figure out how to care for loved ones and settle estates after death. Much of this can be avoided with more complete planning and better communication.

The steps and information contained in this booklet are part of our VisionMapping program. This is a proprietary process Investor's Resource developed to help individuals and families who want to preserve their wealth and leave a legacy beyond their monetary assets. It creates a comprehensive life plan, involves a deeper level of planning and goal setting and is designed to help you leverage your assets to create a richer, more rewarding life and legacy.





YOUR TRUSTED PARTNER FOR LIFE

Life isn't all about money. This sentiment might sound odd coming from a team of financial advisors, yet it is a foundational belief that leads us to deliver a different level of services to our clients.

Experience has taught us success comes when you are able to pursue your true passions, seek fulfillment, and share your vision with those you love. Over the years, we have also learned just how much money can shape life experiences and change how your story plays out.

We believe holistic financial planning is an integral part of preparing for and living your best possible life. It's purposeful planning that can give you confidence, peace of mind, and the freedom to pursue what brings you joy.

This is what makes us different at Investor's Resource. We're not about selling products and sending you reports. And we

don't see life in terms of dollars and cents. We are about giving you the solutions, advice, and creative guidance you need to live confidently to and through retirement.

We want to provide solutions and services that give you the ability to answer life's greatest questions. Because answering questions like "What's next?" and "Why not?" builds a more enriching story.

We believe this commitment to your entire life—not just your retirement—is what sets us apart. It's what makes us different, better, and not just a financial advisor. It makes us a lifelong partner.



OUR CORE VALUES

We can say we're better than other firms and get results for our clients all day long. What really sets us apart—and makes us who we are—is what we believe. These beliefs drive everything we do, every single day.

TRUST

Perhaps nothing is more important to an advisor-client relationship than trust. But we know trust isn't something you give away easily. Trust is earned, and our people know exactly how to earn it: by working harder and smarter to get you results. Tireless effort goes into keeping our finger on the pulse of what's important to you and helping you achieve it. We are completely committed to a trusted partnership to help you live a fulfilling, rewarding life.

OBJECTIVITY

Objectivity is a value we've held since day one because it gives us the ability to do what's best for you—to search high

and low to find the resources to help you achieve your goals. It means we don't have preferences or relationships that affect our judgment. We've actually taken this objectivity and independence to the next level, becoming personal fiduciaries aligned with a registered investment advisor firm.

INTEGRITY

Building a lasting relationship with you is of utmost importance to us. Because we're so invested in you, your story, and your legacy, we want to see it through. To see our work help you live the life you want. But lasting relationships are built on integrity. Sincerity. Transparency. Honesty. Respect. You can rest assured if you work with us for five years or fifty, we will always do the right thing. Without exception.

LET US HELP YOU BUILD A RICHER LIFE.

Only an experienced team dedicated to looking at all the dimensions of your life can provide an added level of guidance needed to build a richer life. Only a business committed to best-in-class resources in a constantly changing world can serve as a true trusted partner. Our business and its people are passionate about you, your vision, your life and your legacy—and how money can further those to and through retirement. The possibilities within your life story mean everything to us.

Neither RFG Advisory and its Investment Advisory Representatives nor Private Client Services and its Registered Representatives provide tax, legal, or accounting advice. This material has been prepared for informational purposes only and is not intended to provide, and should not be relied on for tax, legal or accounting advice. Please consult your own tax, legal, and accounting professionals for guidance on such matters.



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