

10 QUESTIONS TO ASK A FINANCIAL ADVISOR

FROM FORBES*



CHOOSING A FINANCIAL ADVISOR CAN SEEM LIKE A DAUNTING TASK.

Many firms can appear similar if you don't know the right questions to ask. Because of this challenge, Forbes compiled a list of "10 Questions to Ask a Financial Advisor" to help you understand the most important qualifications to look for. Please see below for WaterOak's answers to these important questions.

It's not easy finding a financial advisor. After all, you have to trust this virtual stranger enough to reveal your financial situation—or hand your money over—to him or her.

1. ARE YOU A FIDUCIARY?

As a Fee-Only advisor, we take on a fiduciary responsibility to choose investments that are in the best interest of the client. It is our opinion that only Fee-Only advisors can truly work with a client in a fiduciary capacity.

WaterOak Advisors does not participate in any of the following fee or investment arrangements:

- We do not sell insurance.
- We do not sell annuities.
- We do not sell any investments with commissions.

FEE-ONLY VS. FEE-BASED

While a Fee-Only advisor's sole compensation is from the client, a Fee-Based financial advisor can receive fees paid by you, commissions, or revenue share arrangements. While both Fee-Only and Fee-Based financial advisors may have accounts they manage where they charge a percentage of the assets they manage, the investments they place inside these accounts can be and typically are very different.

2. HOW DO YOU CHARGE FOR YOUR SERVICES, AND HOW MUCH?

We are a Fee-Only advisor that is compensated solely by the end client with neither our firm nor any related party receiving compensation that is contingent on the purchase or sale of a financial product (Source: NAPFA Fee-Only Standards).

For discretionary investment management, our fee is based on a percentage of assets under management. Fees start at 1% and decline based on the size of client assets. We offer comprehensive wealth planning to clients that meet our minimums as a complimentary service at no additional cost. Consultations and second opinions for investment management are free and are available upon request.

3. WHAT LICENSES, CREDENTIALS OR OTHER CERTIFICATIONS DO YOU HAVE?

For licenses, all consultants within our office are required to hold the Series 65 license, which allows them to dispense advice to end clients. Our consultants are registered with the SEC as investment advisor representatives. Often a misconception among prospects, holding more licenses does not mean that a financial advisor is more competent. Most financial advisors simply hold more licenses because they sell commissioned products.

Beyond licenses, there are several high quality professional designations that we believe are essential to provide advanced consulting. Our employees' advanced degrees and designations include MBA, CFA, CFP®, CIPM and EA.

[CFA](#)
[CFP®](#)
[CIPM](#)
[EA](#)

4. WHAT SERVICES DO YOU/DOES YOUR FIRM PROVIDE?

For clients that meet our minimums, our core offering is discretionary investment management. Included with that service is a dedicated Portfolio Consultant and access to our team of specialists. Our specialists include the wealth planning group, our investment committee and our client services team. All of this is executed with a focus on high touch client service due to the sensitive nature of our business.

5. WHAT TYPES OF CLIENTS DO YOU SPECIALIZE IN?

We serve both individual clients and foundations. Our individual clients are high net worth individuals with complex financial opportunities, most of whom are either in retirement or are approaching retirement. We also help business owners to diversify risk away from their core line of business. For certain clients, we also function as an alternative to a family office, dealing with complex financial planning, tax preparation and coordinating estate planning.

For foundations, we function as their Chief Investment Officer. Our consultative approach helps determine the characteristics that are desired by each institution based on their return objective, risk tolerance, time horizon and liquidity needs. Once the discovery process is complete, we will create an Investment Policy Statement (IPS) for each client. The IPS will assist us in both creating an appropriate investment portfolio as well as acting as our guide during each year's fiduciary review process.

6. COULD I SEE A SAMPLE FINANCIAL PLAN?

Sample plans are available on our website.

Our firm's Wealth Plus Consulting process is unique. Financial plans are delivered by a team of specialists that only practice financial planning for 100% of their time. Most financial advisors' job descriptions include business development (sales), investment management, and financial planning, which decreases their ability to deliver expert advice on any one particular topic.

Your assigned Portfolio Consultant brings in the wealth planner as needed to provide analysis and advice on

- how and when you can retire
- an advanced draw down plan in retirement
- asset protection
- insurance
- many other items beyond the markets

While we started in 1997 as an investment management firm, we are proud to be one of the minority of wealth management firms with full-time wealth planners on staff.

7. WHAT IS YOUR INVESTMENT APPROACH?

Our investment strategies are designed in the same fashion as many of the country's largest endowments, foundations and pension plans. Our structured, academic-based approach helps to remove much of the guesswork from investing.

By bringing an institutional process to individual portfolios, our clients are able to access the investment sophistication of a large endowment or foundation, all while holding their money in their own account at a high quality third party custodian to provide a firewall to protect their assets.

8. HOW MUCH CONTACT DO YOU HAVE WITH YOUR CLIENTS?

The number of meetings is typically driven by the complexity of the client. Our clients tend to interact with our client service team 5-10 times per year on average—several times a year with their assigned Portfolio Consultant and with a Wealth Planner as needed. Our focus is on high touch client service. Our service team handles day to day communications and our consultants coordinate the strategic meetings.

9. WILL I BE WORKING ONLY WITH YOU OR WITH A TEAM?

Our consulting process starts and ends with a team approach, centered around your assigned Portfolio Consultant.

Surrounding the Portfolio Consultant are groups of specialists, including the firm's

- Investment Committee
- Wealth Planning Group
- Client Service Team

The Portfolio Consultant will lean on each of these groups in order to ensure that each client meets their investment and planning objectives.

10. WHAT MAKES YOUR CLIENT EXPERIENCE UNIQUE?

WaterOak clients enjoy Fee-Only services that are typically reserved for the largest portfolios in the country. Our investment philosophy has been validated time and time again by academic research. This means data-driven decisions for each client's future. We help remove the guesswork from investing.

Individual attention and elite client service are the foundation of our client experience. Our boutique scaled team approach has helped us earn many accolades that almost no other firm headquartered in the state of Florida can boast. Our size provides us the ability to have a sophisticated in-house portfolio management team and access to exclusive strategies.



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1) Are you a fiduciary?

2) How do you charge for your services, and how much?

3) What licenses, credentials or other certifications do you have?

4) What services do you/does your firm provide?

5) What types of clients do you specialize in?

6) Could I see a sample financial plan?

7) What is your investment approach?

8) How much contact do you have with your clients?

9) Will I be working only with you or with a team?

10) What makes your client experience unique?