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Have you outgrown your financial advisor?

Maybe you aren't all that happy with your advisor. But you're still with them, wondering if you could do better, pay less, or get more personal attention. Could you?

In focus group research with affluent investors, they consistently said they'd like a better return, a closer relationship, and more tailored advice.* Here are guidelines that can help you decide if you need a different advisor.

Investment performance.

Even the world's best portfolio managers can't always avoid losses. But if your portfolio isn't performing as well as or better than similar industry benchmarks, it may be time to move on.

LOOK FOR AN ADVISOR WHO:

- » Provides a regular accounting of gains and losses and clearly articulates how he or she measures performance. For example, does the advisor compare portfolio performance to recognized industry benchmarks?
- » Is forthcoming about all investment costs and fees and how they impact your returns.
- » Takes measures to keep your investing costs low. For example, where your advisor places your trades can make a big difference. If your advisor trades for you at a firm that charges \$200 per trade, versus \$20, you may want to keep looking.
- » Is sensitive to the amount of investment risk you're willing to accept as you pursue your investment goals and offers products and strategies you're comfortable considering.

"I should be doing better for what I'm paying."

A closer relationship.

It's a challenge to predict the quality of the relationship you'll have with a new advisor. Only time will tell. But in addition to your own first impressions, there are tangible clues that can help you evaluate how responsive and accountable an advisor may be.

"I need somebody who listens. Collaborates. Is accountable just to me."

LOOK FOR AN ADVISOR WHO:

- » Has a lower client-to-advisor ratio. While this doesn't guarantee more follow-through for you, the odds may be better.
- » Has the resources to handle administrative issues efficiently. Many independent advisory firms outsource bookkeeping and computer support to an established financial custodian so that advisors are free to focus on their clients' needs.
- » Works with other clients like you. It's smart to avoid being the client with the largest or smallest portfolio. If you have the smallest, you may get the least attention. If you have the largest, the advisor may not have the resources to handle the financial issues you face.
- » Receives the bulk of compensation from fees based on your assets rather than sales commissions. While the advisor is compensated even if your assets lose value, there's more incentive to grow them and work for your long-term success.
- » Has a fiduciary responsibility to act in your best interests—a legal requirement for some, but not all, professionals who offer investment advice. In contrast, some advisors are held to a suitability standard, where financial products are recommended to you based on your financial profile, circumstance and stated objectives.

More tailored advice.

The degree of customization you can expect from an advisor is largely dependent on the number of investment products and strategies available to him or her. Where the advisor works is important.

LOOK FOR AN ADVISOR WHO:

» Offers a wide range of investment options from multiple sources—not just the firm’s own proprietary products. For example, firms such as independent Registered Investment Advisors (RIAs), generally have access to products from multiple firms.

» Can show you examples of plans that can help meet your needs.

» Has the professional connections, experience, research, and support necessary to create and execute a strategy with the sophistication you require.

“I don’t want a cookie-cutter approach.”

of

Do you have a healthy financial relationship?



Do this quick checkup.



My advisor has the expertise to address my complete financial picture—even when it changes.



I get the attention I want. My advisor understands what’s important to me and advises me accordingly.



I get tailored advice. It reflects a deep understanding of my personal situation and goals—there’s nothing “cookie-cutter” about it.



I’m satisfied that I’m getting good value. My advisor fully explains the fees I pay and how they impact my returns.



If I’m unhappy with my portfolio’s performance, I get a clear explanation for why it isn’t doing better.

Where to start.

For a growing number of affluent investors, the search for a different kind of relationship is leading to independent Registered Investment Advisors (RIAs). With an RIA, you can expect:



Accountability.

Advice is tailored to your goals and based on what’s best for you—there’s no other agenda.



A different kind of relationship.

An RIA forms a close relationship with you—one that’s responsive, attentive, and personal.



Knowing what you pay for.

Fees are typically based on a percentage of assets managed.



Discover the difference with a Registered Investment Advisor.

FIND AN ADVISOR

To see a list of independent Registered Investment Advisors in your area:

visit riastandsforyou.com.

There is no guarantee as to any expected level of investment performance that can be achieved when working with any Registered Investment Advisor. Investing involves risk, including the potential loss of principal invested. Past performance is not a guarantee of future results.

The purpose of this information is to educate investors about working with an independent Registered Investment Advisor (RIA). Charles Schwab & Co., Inc. (“Schwab”) provides custody, trading, and operational support services for RIAs. Registration does not mean a government agency approves an advisor or reviews his or her qualifications.

Many independent RIAs and other financial services professionals receive compensation for services in a variety of ways. It is the responsibility of each investor to determine which method of compensation offers the lowest total costs and best aligns the interests and needs of the investor with those of the investment professional chosen.

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