

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?

Yes, we follow the fiduciary standard.

We are a Fee-Only advisor that takes 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

A Fee-Only advisor's sole compensation is from the client. Conversely, a Fee-Based financial advisor can receive multiple forms of compensation: fees paid by you, commissions from investment products, or revenue share arrangements. While both Fee-Only and Fee-Based financial advisors manage accounts where they charge a percentage fee based on 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, compensated solely by the end client with neither our firm nor any related party receiving compensation contingent upon 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. Consultations and second opinions for investment management are also complimentary and are available upon request.

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

Licenses, credentials and certifications are all different. Licenses generally allow advisors to sell commission based products to investors. The Series 65 license is required for Fee-Only advisors. All advisors within our office hold the Series 65 license, allowing them to dispense advice to end clients for a fee. We do not carry multiple licenses; however, we strongly believe in continued learning. Credentials and certifications are generally geared toward advanced education but not all credentials and certifications are equal in regards to education and effort.

There are several well-regarded professional designations that we believe are essential to provide expert advice. Our employees' advanced degrees and designations include MBA, CFA, CFP®, CDFP®, CPWA® and CIPM.

[CFA](#)
[CFP®](#)
[CDFP®](#)
[CPWA®](#)
[CIPM](#)

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 Wealth Advisor and access to our team of specialists including investment management, financial planning and our client service 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?

Our individual clients are high net worth individuals with complex financial needs, most of whom are either in retirement or are approaching retirement. We specialize in serving individual clients with taxable assets. We also help business owners to diversify risk away from their private investments. For certain clients, we function as an alternative to a family office, dealing with complex financial planning, tax preparation and coordination of estate planning.

Regarding foundations, we function as their outsourced 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. We provide guidance establishing an Investment Policy Statement (IPS) for each institutional client. The IPS will assist us in both creating and maintaining an appropriate investment portfolio.

6. COULD I SEE A SAMPLE FINANCIAL PLAN?

Sample financial plans are available upon request.

Your assigned Wealth Advisor will provide advice regarding:

- how and when you can retire
- a spending plan in retirement
- asset protection
- insurance
- many other items beyond the markets

7. WHAT IS YOUR INVESTMENT APPROACH?

Our systematic approach helps to remove much of the guesswork from investing. We believe both conventional active and passive management are suboptimal. We manage strategic and tactical investment strategies utilizing a combination of individual stocks, individual bonds, ETFs and mutual funds, customized to your risk and tax preferences

Our focus on after tax returns is how we differentiate ourselves from other advisors. We also incorporate a client's legacy assets into the investment plan and customize each portfolio based on taxes and risk. Our goal is to provide our clients with the same levels of customization and sophistication as large family offices.

WaterOak clients hold their investments in their own account at a third party custodian (TD Ameritrade, Fidelity Investments or Charles Schwab) 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 and several times a year with their dedicated Wealth Advisor. Your dedicated Wealth Advisor serves as the primary contact coordinating the advice we offer.

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

Our consulting process starts and ends with a team approach, centered around you and delivered by your dedicated Wealth Advisor. Surrounding the Wealth Advisor are groups of specialists, including the firm's

- Investment Committee
- Portfolio Management Committee
- Financial Planning Committee
- Client Service Team

The Wealth Advisor will coordinate these groups in order to ensure that each client meets their investment and planning objectives.

10. WHAT MAKES YOUR CLIENT EXPERIENCE UNIQUE?

WaterOak clients receive customized advice delivered by experienced Wealth Advisors and supported by a team with respected credentials. Our firm is Fee-Only and we serve as fiduciaries for our clients. We do not sell insurance, annuities or any commission products.

Individual attention and high client service are the pillars 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.



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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?