

Crest Financial LLC
Clear Fees.
Clear Services.
Clearly Different.SM

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19 Questions Answered

On August 25th 2017 in the Wall Street Journal MONEYBEAT Blog Jason Zweig posted "Nineteen Questions to Ask your Financial Advisor". This was meant to create awareness amongst consumers of what they should know about their advisors. Below you will find my answers and thoughts.

1. ***Are you always a fiduciary, and will you state that in writing?*** Yes. In my work as a financial planner my job is to help develop a road map for you to help you reach your financial goals. Working for you, my job is not to sell you products. Working together if it is discovered that you need a product or service you may work with another broker or insurance professional to complete the transaction. If you decide you would like my assistance, you will be given full disclosure as to any other fees or revenues which may arise from the transaction.
2. ***Does anybody else ever pay you to advise me and, if so, do you earn more to recommend certain products or services?*** No. As your financial planner you pay me for the time, service and advice I provide and this will be not colored by any interests other than yours.
3. ***Do you participate in any sales contests or award programs creating incentives to favor particular vendors?*** No. Working with you to help you reach your financial goals is one of the greatest awards.
4. ***Will you itemize all your fees and expenses in writing?*** Yes. Prior to beginning your engagement we will review together your engagement checklist that not only outlines your fees, but the services to be delivered in your planning. At least every three years you will receive a comprehensive fee review that will tally your fees and express them as a percentage of your investment assets.
5. ***Are your fees negotiable?*** Yes. It is your plan. Fees will vary based on the complexity of the situation and the number of meetings to monitor and review your planning.
6. ***Will you consider charging by the hour or retainer instead of an annual fee based on my assets?*** Yes. Paying a monthly retainer or an hourly rate out of your cash flow may be deductible and is often in your best interests. As such you are encouraged to pay via a retainer or by the hour as it probably is best for you financially.
7. ***Can you tell me about your conflicts of interest, orally and in writing?*** Yes. Conflicts are generally best when they are avoided. In the course of your planning as stated if

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the situation creates additional compensation or a conflict this will be discussed and outlined in writing.

8. ***Do you earn fees as advisor to a private fund or other investments that you may recommend to clients?*** No. My recommendations focus on general asset classes and I recommend that you use no-load indexed investments to build your portfolio.
9. ***Do you pay referral fees to generate new clients?*** No.
10. ***Do you focus solely on investment management, or do you also advise on taxes, estates and retirement, budgeting and debt management, and insurance?*** As a financial planner I focus on your goals and your needs and am not exclusively an investment manager. How can anyone manage your investments unless they understand what you are investing for?
11. ***Do you earn fees for referring clients to specialists like estate attorneys or insurance agents?*** No. I am happy to work with your attorney, your accountant or your insurance broker. If you need a referral to a professional I am happy to help and am not compensated for this.
12. ***What is your investment philosophy?*** It begins with refining what you are investing for, and determining what you would like your investments to do for you. Factors such as your attitudes towards risk and returns as well as how much time you have for your investments to work for you need to be accounted for. Your goals, time horizon and risk tolerance will give you a starting point on how you should invest.
13. ***Do you believe in technical analysis or market timing?*** No. Time in the market is more important than timing the markets. Charting what happened before in the markets or technical analysis is not a solid basis for the long term guidance of your investment portfolio. You've probably heard past performance is no guarantee of future returns.
14. ***Do you believe you can beat the market?*** No.
15. ***How often do you trade?*** Rarely. You probably should not be trading more than a few times a year and then only to rebalance your portfolio or to put additional monies to work for you.
16. ***How do you report investment performance?*** Performance is communicated net of fees and is compared to inflation. When designing a portfolio your target return will be expressed as inflation plus an appropriate percentage. As an example a conservative portfolio may seek to earn inflation plus one to two percent. This is done because inflation is a huge factor in reaching your financial goals and it may sound nice if you are earning nine percent, but if inflation is ten percent you are going backwards.

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17. Which professional credentials do you have, and what are their requirements?

Douglas E. Richards's Professional Designations

Designation Name	Granting Institution	Acronym	Year Completed	Course Requirements	Code of Ethics	Continuing Education Required
Chartered Life Underwriter®	The American College	CLU®	1999	10 Parts, each with a two hour exam on a variety of insurance and financial topics	Yes	Thirty hours every two years
Chartered Financial Consultant®	The American College	ChFC®	1999	Builds on the CLU® with three additional parts each with a two hour exam, focusing on: estate, business and financial planning	Yes	Thirty hours every two years
Certified Financial Planner®	Certified Financial Planner Board of Standards	CFP®	2003	Ten hour exam in three parts covering the five key areas of financial planning	Yes	Thirty hours every two years
Accredited Investment Fiduciary®	Center for Fiduciary Studies	AIF®	2016	Two hour exam covering the fundamental expectations and practices for an investment fiduciary	No	Six hours annually

18. After inflation, taxes and fees, what is a reasonable estimated return on my portfolio over the long term? After Inflation, taxes and fees between two to five percent annually may be reasonable depending on your risk tolerance and time horizon.

19. Who manages your money? I do. You can take comfort that the same strategies discussed in your planning are the strategies I use with my family's investments.

It is your money. How your financial advisor answers these questions may have an enormous impact on your investments and your future.

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 Financial Planner and Consultant

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