

THE VALUE OF A FEE-ONLY ADVISOR

How to ensure that your financial future won't be harmed by hidden motives.

4 BENEFITS OF FEE-ONLY



Fiduciary

Obligated to put client's best interests first at all times.



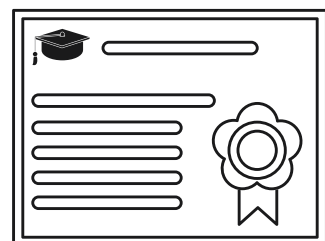
Unbiased Advice

Loyalty is to the client, not a financial company.



Transparency

No hidden costs/incentives from commissions or product sales.



Expertise

Feature professional designations or affiliations - CFP®, CFA, NAPFA member.

IS YOUR FINANCIAL ADVISOR TRULY YOUR ADVOCATE?

High Level of Conflict

Broker

- Never held to a fiduciary standard.
- Transaction based.
- Incentivized with commissions & product sales.
- Non-transparent compensation structure.

Fee-Based: Broker & Hybrid Registered Investment Advisor (RIA)

- Are not held to a fiduciary standard 100% of the time.
- Fee & transaction-based.
- Incentivized with commissions & product sales.
- Can market themselves as fiduciaries but act as brokers; can market fee-only compensation, but still charge commissions and hidden fees.

Mixed Level of Conflict

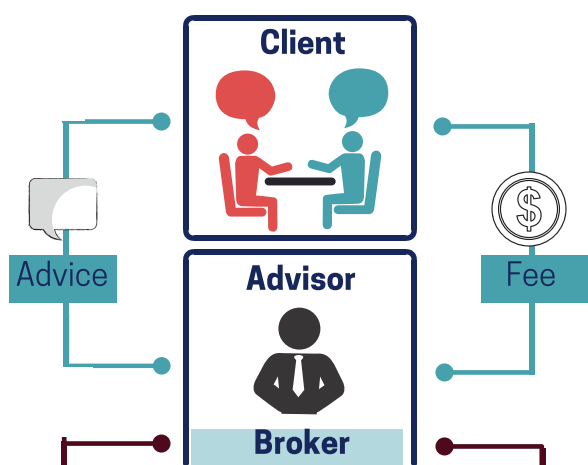
Zero Level of Conflict

Fee-Only: True Fiduciary Registered Investment Advisor (RIA)

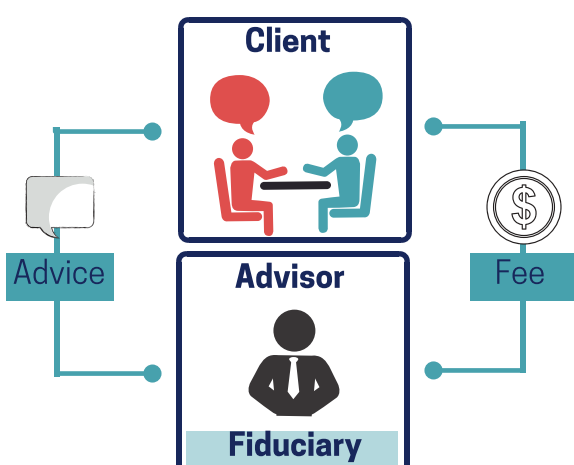
- Held to a fiduciary standard 100% of the time.
- Strictly compensated a fee for advice.
- No commissions or product sales.
- 100% transparency.

FEE-BASED: A WOLF IN SHEEP'S CLOTHING

Fee-Based



Fee-Only



While not all of these building blocks are conflicted, they are the usual suspects for hidden fees. Be sure to ask the right questions about these types of investments.

QUESTIONS TO ASK YOUR ADVISOR



Do you have any credentials?

(i.e. CFP®, CFA) You only want a highly qualified professional to manage your assets.



How will I pay for your services?

Know your advisor's fee module. Fee-only, commission, or salary?



May I have a copy of your ADV form?

An ADV form is a federal disclosure document that advisors are required to share with you.



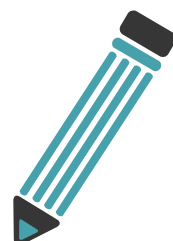
Are you held to a fiduciary standard?

Make sure that your advisor puts your interests before their own.



What are your portfolio fees?

Advisors sometimes omit the **Annual Expense Ratio** & trading expenses that you'll also incur.



Can I have this in writing?

Not all advisors provide you with a written agreement. Make sure to keep a copy and file for future reference.

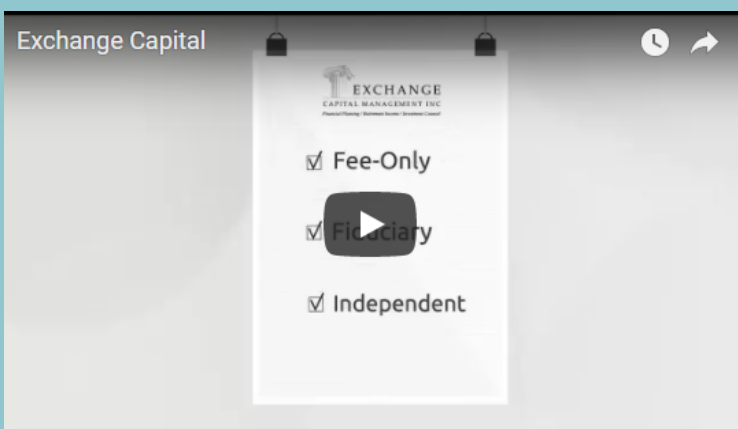
HOW CAN YOU FIND A FIDUCIARY?

1

The National Association of Personal Financial Advisors (NAPFA)



As you've learned, many advisors claim to hold a fiduciary standard, yet they may not always have your best interests in mind. Check out **NAPFA's Comparison Tool** for tips on choosing the right advisor and view a sample advisor Fiduciary Oath.



2

The Fee-Only Network

Fee-Only Network provides a one-stop shop for fee-only fiduciary advisors who operate under a strict fee-only compensation model. **Find a fee-only advisor near you!**



3

Is Exchange Capital Management, Inc. the firm for you?

We are a fee-only fiduciary Registered Investment Advisor offering investment counseling and financial planning services. **Schedule a no obligation Discovery Meeting** and feel secure knowing that we are strictly held to the fiduciary standard.



EXCHANGE

CAPITAL MANAGEMENT INC

Financial Planning | Retirement Income | Investment Counsel

www.exchangecapital.com | info@exchangecapital.com | (734) 761-6500