ZENIKI WEALTH
EXPERT ADVICE AT A FAIR PRICE

How to Choose a Financial Advisor

Table of Contents

Introduction 2

How Financial Advisors Help 3

Things to Consider When Selecting a Financial Advisor 3

Your Checklist for Comparing Financial Advisors 6

Disclosures 7

Introduction

So you've decided to work with a financial advisor.

While some people want to work with an advisor to understand when they can retire or how much money they need for retirement, others are looking for someone to help them manage their investment strategy during volatile periods in the market. There are also folks who just want to combine their investment strategy, tax plan, estate plan, cash flow, real estate investments, health insurance, and Social Security into one comprehensive package.

This guide explores the potential value today's financial advisors offer as well as things to consider as you look for a firm to help you.

How Financial Advisors Help

Financial advisors advise on the client's investments and finances, which may include investment allocation, tax planning, estate planning, insurance planning, and retirement planning, based on each client's unique situation and goals.

According to a recent study, the majority of Americans with an advisor believe that if they work in retirement, it will be by choice rather than necessity. As such, you may be better off partnering with a financial advisor who understands your financial situation and the current market trends.

Things to Consider When Selecting a Financial Advisor

Whether this is your first time working with an advisor or you are looking to change advisors, we want to make sure you're in good hands. As you research your options, we recommend that you keep these characteristics in mind. **You can also jump to the full checklist on page 6.**

1. Transparency with fees

Many investors believe that they should be able to trust their financial advisor—and your definition of trust is unique to your needs. Because your advisor is responsible for giving you advice on managing your wealth, think about what makes an advisor and their recommendations trustworthy in your opinion. For example, you probably want them to be completely transparent about fees and reporting, right?

When it comes to financial advisors, whether you are looking to work with a registered representative of a broker-dealer or an advisor who is dually registered, you need to read the fine print. Some advisor firms are fee-only firms, meaning they charge advisory fees, and that's it. Others are fee-based firms, meaning they may make commissions on product sales on top of advisory fees they charge to their client. Regardless of their fee structure, all advisors owe their clients transparency and should disclose all conflicts of interest (e.g., commissions or incentives to sell specific products) and fees.

Look for a firm that is transparent about its fees. Don't be afraid to ask questions and request its fee disclosure document. For some firms, this information is required to be delivered via Form ADV Part 2A. We recommend understanding how your advisor is paid. It will provide you with the insight and necessary information to determine if they are the right advisor for you.

You can go into more detail by seeing what the firm has reported to the SEC. You can find that out here.

2. Breadth of knowledge

There's more to financial advice than stocks and bonds.

We recommend that you look for an advisor who demonstrates a willingness to understand your specific needs. Depending on your needs, this may include offering more than investment recommendations. In some instances, you may need an advisor or firm that can offer you a broader set of services, including tax planning, estate planning, insurance analysis, real estate analysis, education planning, and/or employee benefits.

Not sure which topics you might want your advisor to have a firm grasp on? **We've got you covered with our recommended checklist on** **page 6.**

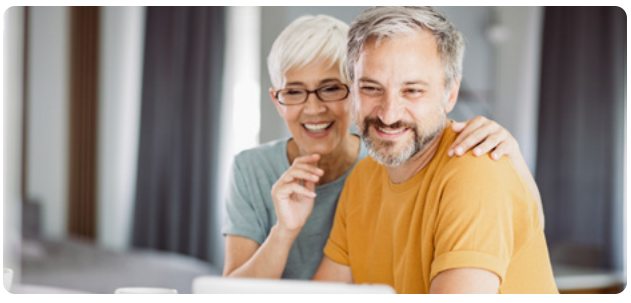
3. Qualifications and credentials

Are you looking for a specific service? Does that service require specialized knowledge? If so, you may also want to consider what certifications your advisor has. These certifications provide training in specific areas that can provide your advisor with relevant knowledge. Many of these certifications require ongoing continuing education in order for someone to continue to use said credentials.

Keep in mind that credentials don't guarantee better service or better outcomes, but they can be an indication of an advisor's attempt to pursue specific knowledge and, in many instances, to continue learning through the continuing education requirements.

Do your due diligence to see what certifications are available, what they require, what knowledge is expected to be attained by an individual holding said certifications, and what is required to maintain the certifications. That will allow you an opportunity to see if a certification aligns with your specific needs. Some common designations include:

- **CERTIFIED FINANCIAL PLANNER™ professionals**
- **Chartered Financial Analyst® charterholders**
- **Chartered Financial Consultant®**
- **Certified Plan Fiduciary Advisor**



4. Level of service

Does the firm you're looking into have a dedicated financial planning department and a dedicated investment management team? Does it offer active and passive investment options to match your strategy? Does your advisor make every decision on their own, or do they consult with a team? What level of detail do they go into when making recommendations for you?

These are the kinds of questions you may want to ask during your search.

To start, we recommend searching online to see if you can easily find answers to these questions. Transparency about their process may not guarantee a certain level of service, but it will help inform you on what additional questions to ask when you are vetting potential advisors.

5. Personal connection

Circling back to your definition of trust, what type of relationship do you want to have with your financial advisor? Consider what will make you feel like you have a true partnership with your advisor.

We always recommend partnering with someone you feel you can trust and enjoy talking to. Again, what you find trustworthy is completely unique to your needs. Responsiveness, friendliness, and professionalism are a few examples of traits to think about when you are selecting a financial advisor.

ZENIKI WEALTH
EXPERT ADVICE AT A FAIR PRICE

Advisor Selection Checklist

ADVISOR	Zeniki Wealth	FIRM #2	FIRM #3
Is my advisor proactive?			
Is my advisor responsive?			
Is my advisor transparent?			
Is my advisor thorough?			

FIRM	Zeniki Wealth	FIRM #2	FIRM #3
Fee-Only Fiduciary	✔		
Comprehensive Financial Plans	✔		
Insurance Management & Review	✔		
Scenario and “What-If” Analysis	✔		
Debt Management and Consolidation Strategies	✔		
Social Security Optimization	✔		
Roth Conversion Optimization	✔		
Education Savings Strategies	✔		
Retirement Withdrawal Strategies	✔		
Investment Location Strategies & Optimization	✔		
Tax Loss Harvesting	✔		
Account Review for Proper Beneficiary Designations	✔		
Charitable Giving Strategies	✔		
Detailed Tax Forecasts Years in Advance (Down to the Line Item)	✔		
Unique, Non-Traditional Tax Advantaged Strategies	✔		
Individual Stock and Bond Strategies	✔		
Management of Entire Wealth (Public & Alternative Investments)	✔		
Customized & Comprehensive Investment Reporting	✔		
Trust Type Comparison & Analysis	✔		
Trust Set-Up, Management & Administration	✔		
Will & Trust Document Drafting/Review	✔		
Estate Tax Reduction Strategies	✔		
Tax Minimization Strategies for Business Sales	✔		
Legal Structure Recommendations	✔		
Business Valuations	✔		
Corporate Document Drafting/Review	✔		
Firm Peace of Mind Rating	30 / 30	/ 30	/ 30
Total Peace of Mind Rating	30 / 30	/ 30	/ 30

Disclosures:

- Information presented is general in nature and should not be viewed as a comprehensive analysis of the topics discussed. It is intended to serve as a tool containing general information that should assist you in the development of subsequent discussions. Content does not involve the rendering of personalized investment advice nor is it intended to supplement professional individualized advice. Please consult a professional before applying any of the approaches or strategies referenced directly or indirectly in this report.

- Hiring a qualified advisor, financial planner and/or diversifying your portfolio does not guarantee investment success, and does not ensure that a client or prospective client will experience a higher level of performance or results. No guarantee or warranty is made that any results, projections, or other information being represented in this presentation will be met or sustained.

- Information presented is very limited in nature and for illustrative purposes only. This is not an exhaustive or comprehensive detailing of items to look for or consider when procuring the services of a financial advisor or firm. Other more appropriate options with varying selections and unique benefits may be available that are better suited for your individual needs and circumstances. There is no guarantee that anything referenced herein will be appropriate or suitable.