JAN 2019

ISSUE 88

ADVISORS magazine

INSIGHTS WITH BETHENNY FRANKEL

What is a Fiduciary?
Ambiguity confuses investors

Three Pillars of a Custom Portfolio
Accustomed to personalization

Letting go of 'Buy and Hold'
Tailored wealth solutions


THE HIGHER THE ALTITUDE
THE BIGGER THE PICTURE
WE GIVE YOU THE GIFT OF BEING THERE.
NETJETS
Global Resources of Birkshire Hathaway • 50 Years of Leadership • All for you

inside. in-depth. in-step.
ADVISORS
magazine

ISSUE 88 | JAN 2019

Publisher
Erwin E. Kantor

Managing Editor
Michael Gordon

Editor
Jude Scinta

Editorial
Harold Gonzalez
Susan Berry

Staff Writers
Robert Jordan
David Gargaro
Amy Armstrong
Matthew D. Edward
Sandy John
Jane Meggitt

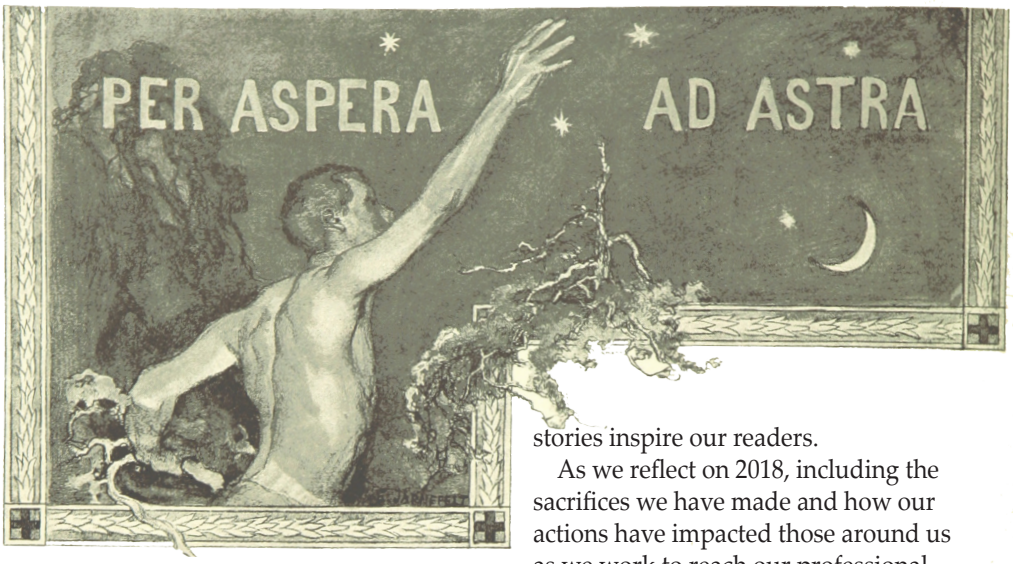
Contributors & Guests
Steven Selengut, IAR
Vitaliy Katsenelson, CFA
Michael Adair, CFA

Illustrators
Khalil Bendib

Marketing / Advertising
Sean Rome

Billing
Eric Daniels

For digital downloads contact:
editorial@advisorsmagazine.com



Recently, I've noticed that whenever I've told people that work keeps me busy and that it's tough to find "me time," they almost always reply with a quip that goes something like this: "That's good; when you're busy time flies!"

I chuckle because I've said much the same to many a counterpart of mine. But, someone said something to me not too long ago that stood out from the rest: "I hope you're not burning the candle at both ends. I hope you're using some of your time on yourself too."

I've come to realize that being an entrepreneur can be challenging and time-consuming. Finding a balance between life and work is key to a healthy and successful business, and this needs to be taken to heart by those of us in the entrepreneurial realm.

2019 will be the year I break away from emails, tweets, WhatsApp, IG, Facebook, LinkedIn, my cell phone and everything else that relates to work when I'm not at work. Today, we are so consumed and distracted by the matrix of the internet that we tend to be blindsided by what's important. And I don't mean the importance of politics or other current events, but rather self-awareness.

Success means different things to different people. Here at "Advisors Magazine," we enjoy profiling people in the national business spotlight, and others who maybe aren't as well-known but who are making a difference through their work. We write about financial and business topics, educating our readers about the nature of success and other subjects of interest such as managing personal finance, investing, insurance, business and retirement.

We cover these areas because success stories inspire our readers.

As we reflect on 2018, including the sacrifices we have made and how our actions have impacted those around us as we work to reach our professional aspirations, let's reset and focus on self-growth, self-improvement, learn to be selfless, and of course, be kind to others around us.

Welcome to another edition of "Advisors Magazine" as we look into the future with an open ear and open mind.

Check out our cover story on serial entrepreneur and trailblazer Bethenny Frankel on page 14 covered by Jude Scinta. We highlight Frankel's bstrong intiative, a growing program that provides financial relief to people who have been affected by natural disasters and other people who are in emergency crisis situations. On page 20, CFA Michael Adair takes us on a learning journey by exploring the three pillars of a custom financial portfolio. And then we tackle the often-confusing topic of what it means to be a fiduciary in the financial services industry. Just what is the "fiduciary rule" or standard? What is expected of financial advisors, and how can investors be sure the professional they are working with is, indeed, working in their best interests? Check out our feature story written by journalist Mathew Edward on page 8.

Entrepreneurs and business professionals, I leave you with these words to take you into the New Year – my favorite quote, a popular Latin phrase, "Per Aspera Ad Astra!" which means, through hardships to the stars.

Happy New Year!

Erwin Kantor

Erwin Kantor, Publisher

JAN 2019 CONTENTS

Serial entrepreneur Bethenny Frankel, creator of the Skinnygirl brand, shares her thoughts on business, money management, and stepping into the world of global disaster relief.

digital issue

BAUME & MERCIER

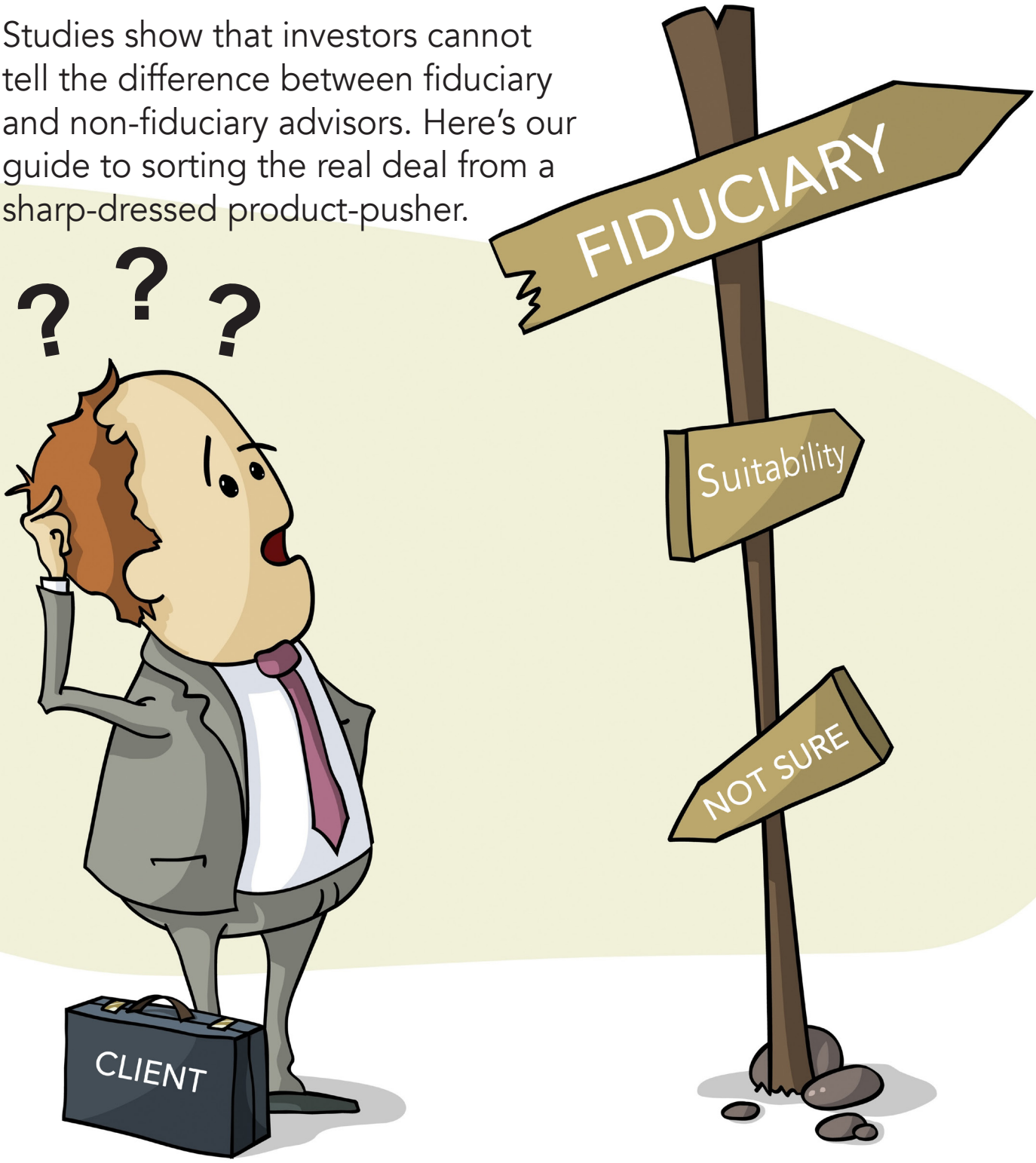
MAISON D'HORLOGERIE GENEVE 1830

BY MATTHEW D. EDWARD

WHO AND WHAT IS A FIDUCIARY?

Industry ambiguity leaves investors confused. A dilemma for government, professionals, and consumers.

Studies show that investors cannot tell the difference between fiduciary and non-fiduciary advisors. Here's our guide to sorting the real deal from a sharp-dressed product-pusher.



Several studies show few investors can spot the difference between a fiduciary advisor's disclosure and a broker-dealer's. Investors, however, often fail to realize that the difference eludes them, allowing less-than-forthright service providers to take advantage of clients.

A RAND Corp. study, released earlier this year, bears this out. The study, conducted for the Securities and Exchange Commission (SEC), found that 90 percent of respondents said proposed Form CRS – a draft investor-advisor relationship disclosure document – would help them make informed decisions regarding financial products. In addition, 75 percent reported that the proposed form helped them understand the terms related to conflicts of interest that broker-dealers and advisors may bring to their client relationships. But when put to the test the survey participants, who were interviewed following the questionnaire, showed that they correctly comprehended very little, and large gaps in their knowledge persisted.

"They did not appear to have synthesized the information and be able to apply it," the study authors reported. "Others seemed to misunderstand the differences between account types and financial professionals from the beginning, never fully grasping it."

Financial services professionals, too, often define fiduciary differently from each other.

"My clients see me as a truly unbiased advocate," said Derek Kilgore, a financial representative of Northwestern Mutual Investment Services, LLC. "They trust me because they see that not only am I morally on the right track to make decisions in their best-interests, but legally I am obligated to do so."

Certified Financial Planners, Registered Investment Advisors, and the Series 65 license all require some form of fiduciary commitment from the professionals who hold those designations. The details can vary, but generally the fiduciary obligation boils down to putting clients' best interests before the potential payoff from commissions or the impact on firm fees.

"Rather than quote legal jargon … For us it means that you make decisions that are in the absolute best interest of the client," said Clinton Canon, chief executive officer of Canon Capital Management, Inc., a fiduciary firm that includes an annual fee review for clients to ensure they understand what their fees pay for and why.

"Advisors Magazine" has long asked financial services professionals to define fiduciary. The most common responses given by fiduciaries include putting clients' interests first, charging fees only, and not holding any vested interest in the products sold to investors. Broker-dealers, meanwhile, tend to follow the less-stringent "suitability" standard – which means that a client can be sold a product so long as it will benefit their investment picture. The product does not, however, have to be the best option available to that client in the marketplace, so proprietary investments, such as some annuities, can be ethically sold according to this standard. The difference between the fiduciary and suitability standards, however, means little if clients fail to comprehend it.

Know Your Retirement Plan Advisor

Technical Title	Registered Representative	3(21) Limited Scope Advisor	3(38) Designated Investment Manager
Commonly Known Titles	Account Executive, Broker, Financial Advisor, Financial Consultant, Financial Professional, Insurance Agent, Relationship Manager, Retirement Planner, Securities Broker, Stockbroker, Vice President	Financial Advisor, Financial Professional Investment Advisor, Investment Advisor Representative (IAR), Retirement Plan Advisor, Retirement Plan Consultant, Retirement Planner, Wealth Advisor, Wealth Manager	Fiduciary Investment Advisor, Fiduciary Investment Manager, Financial Advisor, Financial Professional Investment Advisor, Investment Advisor Representative (IAR), Investment Manager, Retirement Plan Advisor, Retirement Plan Consultant, Wealth Advisor, Wealth Manager
Can they accept commissions or hidden fees?	Yes	No	No
Do they act as a fiduciary[1]?	No	Yes, but it is shared with sponsor	Yes
Additional Comments	Many registered representatives receive incentives for selling certain investment products or recommending certain vendors. Be cautious when using this type of advisor for a retirement plan as it could result in excessive fees or biased advice.	These advisors are referred to as "co-fiduciaries" since they only share in the fiduciary responsibility pertaining to plan investments. The ultimate decision for investments rests with the employer, so the liability does, too.	Working with a 3(38) advisor allows employers to transfer the highest level of investment liability allowed under ERISA[2]. Investment managers make the investment decisions, so they are ultimately liable for them.

[1]In April 2016, the Department of Labor passed a final rule to address conflicts of interest in retirement advice that will make any advisor providing retirement investment advice a fiduciary. A number of exemptions and exclusions are associated with the rule, making it even more important to read the fine print on an advisor's agreements, and ask them to disclose all compensation and acknowledge their fiduciary status in writing. The final rule becomes effective on 4/1/2017, and full compliance with the exemptions laid out in the rule will be required on 1/1/2018.
[2]Employee Retirement Income Security Act of 1974.

Fiduciary defined.

Defining fiduciary has challenged officials for some time. SEC Chairman Jay Clayton several times has emphasized that fiduciary is a nebulous term, and one that

self-described fiduciaries can easily work around. The SEC currently is soliciting feedback on its proposed Regulation Best Interest, which seeks to define the disclosure responsibilities of different financial services professionals; the word "fiduciary" does not appear in the proposal.

The SEC proposal comes after the controversial Department of Labor (DOL) fiduciary rule was struck down by a federal appeals court last year. The Obama Administration pushed the DOL to develop a fiduciary rule after the SEC resisted doing so. The then-incoming Trump Administration delayed the rule's implementation to 2018, and the Fifth Circuit Court of Appeals struck the regulation down entirely last June. At issue, the meaning of the word fiduciary and the mechanics of compelling everyone from insurance brokers to financial planners to act according to their clients' "best interest," which is a difficult-to-define concept. Clayton, in testimony to the Senate, said as much.

"There have been a lot of buzzwords, like fiduciary. Fiduciary can mean a lot of different things in a lot of different contexts. I wanted to make sure we level-set on that," Clayton said at the annual Financial Industry Regulatory Authority conference last May. He added that fiduciary's vague definition was the reason the SEC's proposed Regulation Best Interest's draft language left the term out.

Under "Proposed Rule: Regulation Best Interest," the SEC would require broker-dealers to put investors' best interests ahead of their commission concerns or bottom-line. The proposal, however, does not define what best interest means and appears to say that the rule will not be as strict as the fiduciary standard used by Certified Financial Planners and other financial advisors.

"I thought calling [advisor and broker-dealer standards] fiduciary and then defining them would not make it clear that the relationship models were different," he said.

Clayton, months later, further explained his comments in a meeting of the Senate Committee on Banking, Housing, and Urban Affairs. During the December meeting, Sen. Elizabeth Warren (D-Mass.) criticized the SEC for hesitating to use the term fiduciary.

"When your own study shows that disclosures don't work to help regular investors to make informed decisions, will you move away from a disclosure-based approach in your final rule and just adopt a uniform fiduciary standard for both advisors and brokers as Congress instructed in [Dodd-Frank]?" Warren said.

Warren, who officially announced New Year's Eve 2018 that she is exploring a run for president, backed the implementation of the DOL rule and has repeatedly sought to impose a fiduciary standard. Warren's office did not return a request for comment by press-time.

Responding to Warren, Clayton said that the fiduciary standard often falls short in protecting investors as advisors can "contract around it" using "informed consent." Clayton conceded that the SEC still may use the fiduciary for all finance professionals, but that changes would wait until after the public comment period closed.

"While the two standards are based on common principles, under the proposal, some obligations of broker-dealers and investment advisers will differ because the relationship models of these financial professionals differ," Clayton said during prepared testimony at the meeting. "But – importantly – the principles are the

same, and I believe the outcomes under both models should be the same: retail investors receive advice provided with diligence and care that does not put the financial professional's interests ahead of the investor's interests."

"Advisors Magazine" reached out to the SEC for more information regarding fiduciaries contracting "around" their obligations, but the agency did not respond by press-time. Within the fiduciary advisor community, however, some assets do not require the rigorous disclosures afforded to others. Unqualified assets – those which, unlike a 401(k) plan or other retirement account, for example, cannot receive any sort of tax deferments or incentives – were apparently not covered under the DOL's proposed rule.

"[The DOL rule] only affects the qualified asset base, not the unqualified asset base … It only applies to half their assets," said Wes Morris, managing member of Morris Financial, Inc.

Morris added that he prioritizes investor education so that his clients are aware of how their decisions can affect their finances.

The reality, however, is that even new SEC regulations by themselves likely will do little to improve investor awareness. Even tighter fiduciary rules may still leave investors open to unfair contracts or to advisors with no intention of acting in the client's best-interest. That begs the question, how can investors protect themselves?

Roles, responsibilities, and titles—how many is too many?

Wealth managers routinely tell "Advisors Magazine" that the industry's proliferation of titles, licenses, and documents written in legalese can confuse even experienced investors. Not only does the term "fiduciary" lack an agreed upon definition, but so do the wide variety of job titles prospective investors have to wade through when selecting an advisor. Is every service-provider who calls himself or herself a financial advisor or wealth manager really one? No, not always, several long-time wealth managers have said throughout the years.

"These people were selling themselves as investment advisors and they're just insurance people … We see it all the time, people have been sold [indexed annuities], but there's nothing backing them up," said Mark Larsen CFP®, CMFC, founding partner, managing director and chief executive officer of Purus Wealth Management.

Larsen, whose firm is a Registered Investment Advisor, added that many commission-driven brokers provide little, if any, support to clients after making a sale. Many non-fiduciary service providers also possess thin credentials, Larsen said, highlighting how California insurance brokers only need to complete a 52-hour course. Some of these providers then represent themselves to clients as "investment advisors," and few investors know the industry's nuances well enough to question these labels.

The RAND Corp. study also touches on the confusion caused by the industry's complexity, stating that "retail investors should not have to parse through legal distinctions to determine" the type of advice they are going to receive.

"Instead, retail customers should be protected uniformly when receiving personalized investment advice about securities regardless of whether they choose to work with an investment adviser or a broker-dealer," the report states.

Not all advisors agree that its wise – or even possible – to provide uniform protections, however. Many non-fiduciary advisors worry that a uniform standard could expose them to lawsuits. And there is also the possibility that compliance costs will rise and create pressure on current fiduciaries to move upmarket. If fiduciaries move upmarket, investors with fewer assets may find themselves without access to solid financial advice.

"I don't think that you can make a regulation that forces everybody to put their clients' best interests at heart. Whatever regulation there is, there will be people that find ways to violate it," said Victor Connor, CRPS®, WMS, branch manager at Connor Financial Group. "The overwhelming majority of brokers truly have their clients' best interests at heart … [But] they're not the ones that make the news."

The government may justify increased regulation by invoking high-profile cases like that of disgraced investment advisor, Bernie Madoff now serving life in prison for his infamous multi-billion-dollar Ponzi scheme, but many advisors counter that outliers, both good and bad, should not steer the policy debate.

"The target, the playing field is always moving because of that exception, because of that one guy, that one gal who wants to bend the rules or step over the line," Morris said. "We're seeing a moving target for guys like me who are doing it the right way."

Follow the money.

Investors interviewing prospective advisors for the first time need to ask the right questions. It is said that forewarned means forearmed, but navigating the complex investment landscape requires considerably more

forewarning than buying a car, or even a home. Investors need to do their research before they meet with an advisor, understand the differences between the various professional licenses and designations, and know how to spot a vague answer.

Not an easy task, and one that becomes even more difficult when the investor is a first-timer or lacks confidence in their ability to understand financial issues. An advisor who wants to can often get around investors' concerns with vague or overly complicated answers that leave them feeling overwhelmed. In contrast, an honest advisor is probably going to be open to investor challenges, follow-up questions, and will likely lay everything out in simple language.

"I encourage people, 'Don't just talk to just me, there are other good advisors out there, with my firm with other firms that you should probably talk to,'" Morris said. "I have no problem sharing with them that I'm a human being, I make mistakes, and here's where you can find that I've made professional mistakes, which have never hurt the client."

Many prospective investors approach financial advisors with either minimal, or incorrect, knowledge regarding what a fiduciary does and how they are paid. And many investors can be made vulnerable by the assumption that all financial professionals are fiduciaries.

"I don't know what clients assume," said Richard Moran, CFP®, senior financial advisor at Moran, Hesing & McElravey, LLC. Moran said few clients come to him with any understanding of fiduciary.

Moran suggested that new investors need to ask their prospective investor about their experience, credentials, and to explicitly explain the costs involved. Morris, furthermore, said that investors should look to the FINRA website to check advisors' complaint history and how those issues were resolved.

Following the money is key, many advisors said. If an advisor declines to fully explain how they are paid, investors would be better served elsewhere. Additionally, not relying on the law to provide guarantees remains a prudent choice for investors. Advisors who describe themselves as devoted to the fiduciary mindset all tend to say the same thing: they do it because they want to, not because they have to.

"It's the unbiased, unwavering, non-apologetic placement of my clients' interest above mine," Morris said. "I assured my clients that we're not going to do anything different because of [the proposed regulation], not that it doesn't apply to us, but we're already doing that."

QUESTIONS TO ASK YOUR FINANCIAL ADVISOR.

Meeting a financial advisor for the first time can be stressful. It can also be difficult to keep in mind all of the questions you want, and need, answered. The following list was compiled by "Advisors Magazine" after we spoke to more than a dozen financial services professionals and asked them what the best initial meeting questions are. And, if you already are working with an advisor, discussing some of these questions at your next meeting may give you further insight to their philosophy, processes, and what fees you are paying.

1. What is your experience and what credentials do you hold? (again, remember, knowing the differences between the various financial designations is key here)
2. How much would I pay per year for an advisory account? How much for a typical brokerage account? What would make those fees more or less? What services will I receive for those fees?
3. Are there any additional costs that we did not cover in the last question? What are those costs for?
4. Tell me how you and your firm make money in connection with my account. Do you or your firm receive any payments from anyone besides me in connection with my investments?
5. Can you describe to me any conflicts of interest you may possibly have and what your criteria are for determining whether something is, or isn't, a conflict of interest?
6. What is your investment process? How will you choose the products you recommend to me?
7. Has your firm ever been disciplined? For what type of conduct?
8. Who is the primary contact person for my account, and is he or she a representative of an investment advisor or a broker-dealer? What can you tell me about his or her legal obligations to me? If I have concerns about how this person is treating me, who can I talk to?

Does the Investment Advice You are Receiving Have Anything in Common with This?

Bad advice is bad advice. There is no other way to put it.
Do you feel out of control, blind to the process, and are you ending up with results that well, just plain stink?

Our mission at CSSC Investment Advisory Services is to fundamentally change the way financial services are rendered, by transferring the balance of power away from traditional brokers, investment consultants, and vendors of financial products into the hands of the investing public, where it belongs.

Because the financial security of so many families depends upon the investment results of public and private retirement plans, we developed a newly patented, transparent, and defendable investment advisory process - a "best practices" process - that can help to enhance the chances of improved investment results within such plans.

We invite you to see how
Changing the Process, Changes the Results®

CSSC
INVESTMENT ADVISORY SERVICES, INC.

Visit us online at www.csscias.com or contact a member of our Consulting Team at (888) 844-2772

Advisory Services offered through CSSC Investment Advisory Services, Inc., a Registered Investment Adviser

1790-09-00

BETHENNY FRANKEL

BY JUDE SCINTA

INSIGHTS WITH

Bethenny Frankel

Trailblazing through life.

Bethenny Frankel is cast in the national spotlight as a prolific entrepreneur, a reality TV star crowd-pleaser, a "Shark Tank" investor, and more recently as a pioneer in international disaster relief efforts that some say put the U.S. government to shame. Since she's been interviewed by print, broadcast, and digital platforms countless times, "Advisors Magazine" was surprised to hear Frankel's answer when we asked her, "What is the one thing that you've never been asked, but you wish someone would?"

"I guess, what I want," she said.

The simplicity of her answer is juxtaposed with its depth – and the paradox is that Frankel has built companies and organizations, both profitable and charitable, to help people get what they want.

As far as never being asked the question before, well, it's not surprising. Society tends to assume that the rich and famous already have what they want.

As Frankel thought more about the question, she said: "I would say more sleep, peace, balance and love. I put love and relationship first." And then she added, "If you asked me if I'd rather have a gift certificate to Hermes or TJ Maxx, I would say the Maxx hands down."

Though the latter seemed a bit out of context, it sheds light on Frankel's relationship with money.

Frank on Financials

Current stats on financial literacy tell us that Americans claim less than glowing scores when it comes to understanding

personal and business finance and investing. In fact, nearly two-thirds of Americans can't pass a basic financial literacy test according to the 2016 National Financial Capability Study by the FINRA Foundation.

Frankel says she's not surprised by people's lack of knowledge on financial matters and how it impacts their lives and companies.

"Being a good business person doesn't mean knowing everything about business. I am very strategic, and business-minded, but not very knowledgeable about financial planning, banking, tax structures, and a myriad of other necessary areas," she said. "What is important is to know what you know and what you don't, and to surround yourself with experts. That said, you need to have a very good conceptual understanding of your investment strategy so you can manage the decisions in an educated manner."

Frankel says she has learned about business "from doing business." On-the-job training appears to have served her well.

"Business is like case law, and every time you experience something negative or positive, you bank it and use it in future decisions, negotiations, and strategy," she said.

Likening it to other aspects of our lives that need careful and conscious management to maintain optimum health and performance, she shed more light on her financial philosophy.

"It's like a relationship with food or exercise – have a healthy relationship with money where you know when to splurge and indulge, you know when to hold back, and that bingeing isn't healthy. Don't spend what you don't have. Most concepts in life are basic," she said.

Most fans of Frankel know that she has 8-year-old daughter, Bryn – particularly those who have followed Frankel's life on Bravo's "The Real Housewives of New York City," the TV show that propelled her to fame. So how does a mom who ranks among the highest paid reality stars – and is a fierce businesswoman who sold her Skinnygirl liquor company to Beam Global in 2011 for a reported $100 million talk to her daughter about money?

"I simply try to teach her the value of a dollar and how lucky she is compared to the less fortunate. I am strict but indulgent and teach her about relief work to try to give her a sense. Kids don't understand unless they see first-hand," Frankel said.

"Timing is everything."

On a recent episode of ABC's prime time hit "Shark Tank," Frankel – who premiered as a guest Shark in 2017 and returned in the role for the current season – schooled the inventors of a new beverage seeking an investment from the Sharks. She told them that they were "in the weeds" when they revealed they were manufacturing their product themselves.

"…If I did not do a deal in my cocktail business, I would have gotten swallowed," said Frankel, referring to her multimillion-dollar deal with Beam. "Everybody would have – everybody did – copy me, and I knew I needed muscle and distribution," she told the anxious entrepreneurs.

Many owners would agonize over the decision to relinquish control of their business and many would hang on because they couldn't sell what they built.

Photo credit: Jamie Cody Photography

Frankel, however, knew it was the right time for her to sell Skinnygirl – but, there was a condition, and one that would pay off mightily for Frankel. "Forbes" reported that as part of the deal with Beam "Frankel smartly negotiated to keep the rights to the brand name "Skinnygirl" … This means she can use the powerful brand name to market other products."

"Timing is everything," Frankel told "Advisors Magazine. "You have to know when to hold and when to fold. And you cannot be emotional. I also was a nobody with no money. I needed my first pile, street cred, and couldn't risk losing everything. It was nothing or everything. Now I can be riskier. Acquiring real wealth is hard unless you have a few big hits." When asked if she sought the advice of mentors or trusted advisors for guidance, she added, "I have always gone with my gut. I talk to different people, but I run my own game for the most part."

Since then, Frankel has expanded the Skinnygirl brand to include jeans and other apparel, shapewear, and her latest launch, Skinnygirl Hair & Body care. The new line satisfies the must-haves of today's health and safety conscious shoppers opting for eco-friendly products touting vegan all-natural plant-derived ingredients free of paraben, sulfates, and silicones – and of course, there's no animal testing involved.

Photos Courtesy of Bethenny Frankel

Running Towards Disaster

In an interview airing on MSNBC last May, news anchor Craig Melvin said to Frankel as he wrapped up their conversation, "You've become like this one-woman American Red Cross." Frankel had just given him a rundown of what she had been working on over the last year.

> WE ACCOMPLISHED ONE OF THE LARGEST PRIVATE RELIEF EFFORTS, IF NOT THE [LARGEST], IN U.S. HISTORY. WHAT WE DID WITH NO RESOURCES AND NO EXPERIENCE IS UNPRECEDENTED.
>
> bethenny frankel

In 2017, Frankel torpedoed her energy in a new direction with such tenacity that it established her as a trailblazer in international disaster relief. (We should realize by now that Frankel doesn't just "kinda sort of" do something.)

When Hurricane Harvey hit Houston that year, it caused a reported $125 billion in damage in the Houston metropolitan area and Southeast Texas.

"People were really helpless, and to me that was a massive crisis," Frankel told "PEOPLE Now," an online news show from "PEOPLE Magazine." "I managed to raise $300,000 in-kind and in donations."

That was the start of Frankel's disaster relief "bstrong" initiative which has quickly grown via her vision, leadership, and partnerships with other charitable and response organizations.

When Hurricane Maria devastated Puerto Rico months later, Frankel was told it was too dangerous for her to go. She went anyway chartering a plane and amassing supplies for distribution which she helped to hand out. Others watching Frankel reached out to her and offered additional planes and assistance.

Recent efforts of the bstrong relief program include supplying cash cards, food, toys, and supplies for victims of Hurricane Florence in North Carolina, Hurricane Michael in Florida. Hurricane Willa in Mexico, as well as assisting victims of the Woosley and Paradise Fires in California – including delivering truckloads of aid to six American Red Cross Shelters and to search and rescue teams. Frankel travels to disaster locations, often many times per operation, to meet with locals and assist with relief efforts – she's in 110 percent.

Now here's a head-scratcher. During our research for this article, "Advisors Magazine" was unable to find national news coverage of the bstrong disaster initiatives besides the aforementioned MSNBC interview; however, Frankel's team told us that CNN also aired a story covering the team's relief efforts. Nor did we find any record of acknowledgement from U.S. government officials. Frankel forges on anyway.

What does bstrong give Frankel that her other ventures do not? And, does she feel differently when she is focused these relief and charitable efforts than she does when she's working on Skinnygirl, "Shark Tank" or reality TV projects, and other ventures? Here's what she had to say:

"The bstrong global relief effort has had a way more significant impact on my life and the world, and was way more challenging than any of my business endeavors. We have saved thousands of lives in many countries and U.S. territories. We accomplished one of the largest private relief efforts, if not THE [largest], in U.S. history. What we did with no resources and no experience is unprecedented. It was a massive start up and it was emotional and terrifying, yet, so rewarding."

FAST TALK

with Bethenny Frankel

How many companies do you own?

"I would have to count."

How many people do you employ?

"A half a dozen and decreasing. I am farming out most of my business. I don't desire a large staff and I want to simplify."

What job title do you give yourself?

"None."

Want to share your age?

"48."

What's your latest product launch?

"Skinnygirl Skin & Body care!"

Do you see a difference between genders in their approach to their work?

"I don't see age, race, gender, or religion. Be the best. That's who succeeds."


KEEP WALKING.
JOHNNIE WALKER.

THE THREE PILLARS OF A Custom Portfolio

By Michael Adair, CFA®, AIF

As a consultant to some of the best and brightest financial advisors, CPAs, and attorneys in the Southeast, I spend my time helping financial professionals land more high-net-worth clients. If there is one thing these investors are accustomed to it is personalization. Whether it is buying a house, a car, or a portfolio, wealthy investors want their purchase tailored to them.

As advisors, we must be able to articulate our formula for portfolio customization to our clients. For high-net-worth clients, I often find that there are three main tenets of a custom approach, which I outline below.

Pillar 1: Personalized Portfolio Management

One of the cornerstones of a custom strategy is the ability to personalize a portfolio. High-net worth clients tend to be sophisticated investors with complex needs — assets in many different places and in many different types of vehicles. Each client has unique investment goals, and many also express the desire to align portfolios with their moral compasses and personal feelings about the economy or markets. In addition, it is rare that a client comes to a manager with a completely blank slate, so we often need to work around existing portfolios, unrealized gains/losses, and other behavioral biases that may exist with the client and his/her investment holdings.

To meet the goals and expectations of high-net worth clients, investment consultants and portfolio management teams work with clients to develop unique plans for each unique goal. Once the plan is in place, an Investment Policy Statement that serves as a guide for portfolio construction and investment decision mak-

Galaxy℠: Our Proprietary Portfolio Analysis Software
Sample Output

ing is typically built, basically putting the plan into a formal document.

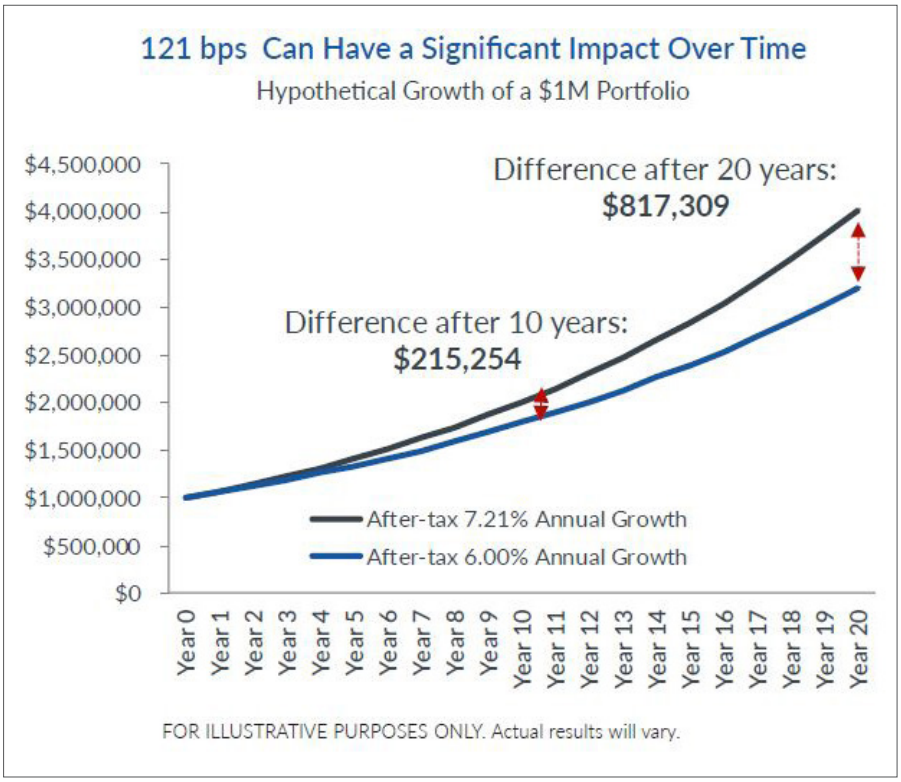
ANALYTIC TOOLS

Investment firms and industry software typically will include personal benchmarks to measure each portfolio's performance and adjust investment allocations to suit client goals and objectives. Using analytic tools, advisors can develop a plan based on each client's target return goals.

Our firm uses proprietary portfolio analysis software to help illustrate how our custom strategies work for each client. We input key data about the client's portfolio and investment strategy into the tool, which simulates the portfolio's outlook over the long term and helps give clients a complete financial picture. The result is one comprehensive report that takes a holistic look at clients' assets — retirement accounts, trusts, IRAs, etc. — including the tax aspects. Based on variations in strategies and asset allocations, the software generates possible portfolio outcomes. What makes this tool particularly powerful is that it's not just a hypothetical portfolio — it shows the possibilities for a client's existing assets. With these simulations, clients can compare and contrast our recommendations to what they're currently doing. Software and analytical tools are very important in advising high-net-worth clients and building custom strategies.

Pillar 2: Active Tax Management

Active tax management is a key element of any wealth management plan. While it is difficult to pinpoint what percentage of after-tax return is added through tax alpha, our in-house study shows that it may be up to 121 basis points.1 Over time, this can have a significant impact. Furthermore, the lack of tax



management can cost an investor as much as 25% of returns.[2]

Prudent advisors take a methodical three-step approach that is a function of open communication among the client, financial advisor, tax professional, and portfolio manager:

STEP 1: Planning and Tax Budget

One key element of the Investment Policy Statement is tax. Advisors must formulate a tax budget for each client which defines the annual budget for ordinary income, short-term gains, and long-term capital gains.

The portfolio manager should work closely with the client's financial advisor and tax professional (CPA) to develop and manage the tax budget.

From the very start of the relationship, when clients transition assets to their manager, the firm should proactively manage to the tax budget. That budget then becomes an ongoing part of the portfolio's active management at money management firm.

STEP 2: Asset Location and Implementation

As advisors begin building a client's portfolio, the first consideration of active tax management is the concept of "asset location" — in other words, putting the right securities in the right accounts to create tax efficiency and maximize the client's after-tax returns.

Asset location also applies to the mutual fund space. We typically prefer to minimize mutual fund holdings in high-net worth client portfolios, opting to own individual stocks and bonds as core holdings. However, we understand that there are situations in which mutual funds may be appropriate (particularly with regard to specific market niches). Mutual funds distribute their capital gains annually, which can provide a tax management challenge. Nevertheless, we strive to implement appropriate strategies to minimize the tax burden.

STEP 3: Tax Budget Management

Portfolio managers take active steps toward managing to the client's tax budget and finding efficiencies where possible through strategies such as:

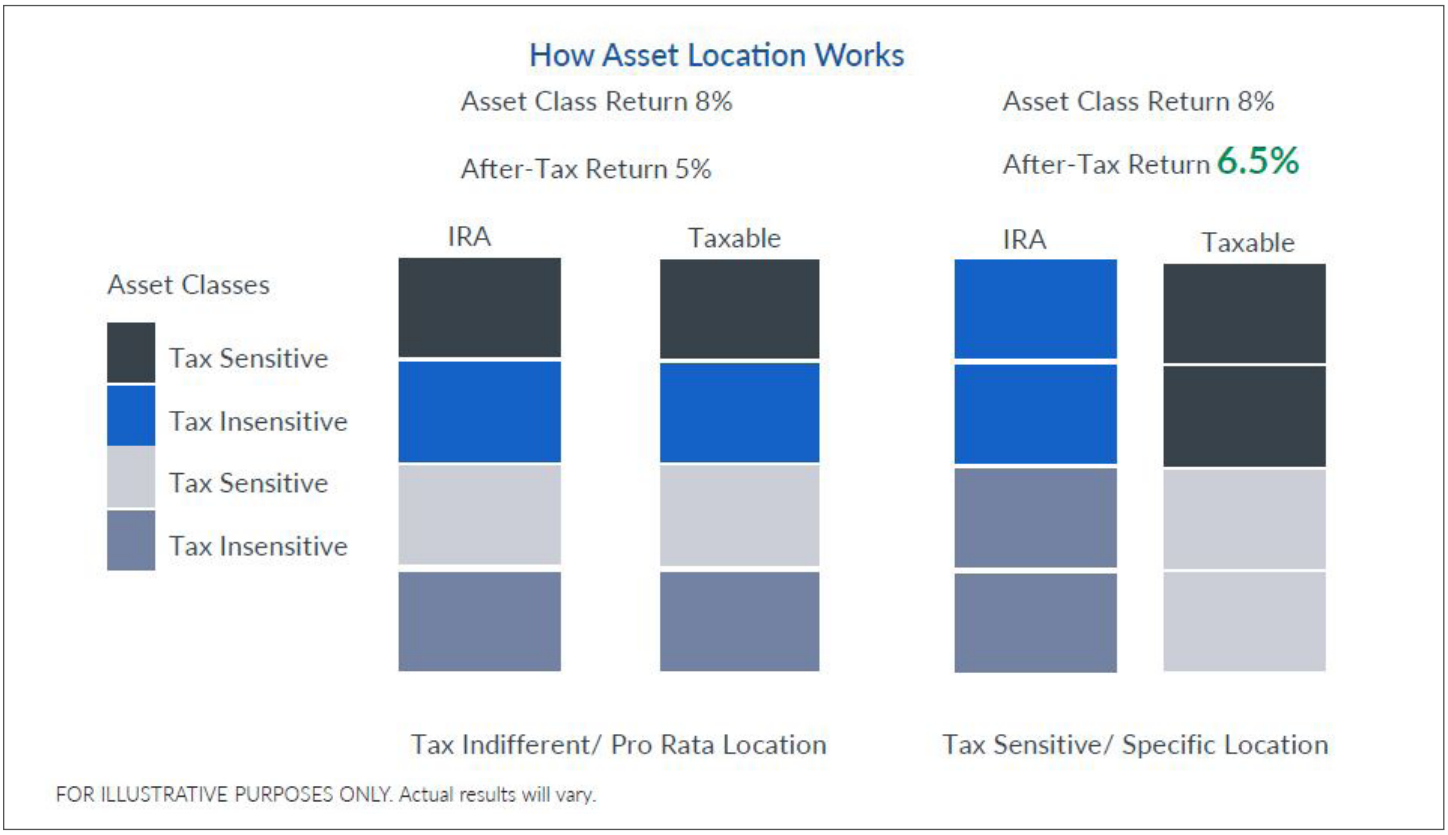
Long-Term Capital Gains
Realizing Losses
Offsetting Gains with Losses
Tax Lot Management

The key to tax management is ensuring that the financial advisor, the accountant, and the portfolio manager are all on the same page. Good advisors take pride in their work helping clients create and implement their own customized tax plans.

In our next column, we look to explore more about these individual steps and strategies, as it relates to tax management in portfolios.

Pillar 3: Customized Risk Management

Last, but not least, any sound investment management plan includes a robust risk management strategy. A good advisor should customize these strategies to each client — a necessary step since individuals have unique levels of risk tolerance. Investors tend to dislike losses more than they like gains — a concept known as loss aversion. At the same



time, some risk is necessary to achieve financial goals. It's our job to help clients develop and define a risk budget and then adjust the investment strategy to match.

Perhaps the most salient story about the markets recently has been the return of volatility. The U.S. is currently nine years into the bull market, and the present economic expansion is on its way to becoming the longest in history. Eight years of federal intervention has suppressed market volatility and minimized the need for risk management as a source of alpha.

However, many market participants believe the extended period where low volatility and beta have dominated will change over the next few years. When the market declines, active risk managers have historically outperformed beta managers since active managers have the ability to reduce risky asset exposure and take advantage of opportunities.

Sound risk management solutions should provide active risk management techniques such as strategic asset allocation, rebalancing, and downside loss controls, implemented through three levels of portfolio risk management:

LEVEL I: Strategic Asset Allocation

As a first step, one would custom-build a portfolio for each client's investment goals using the appropriate asset allocation, seeking an efficient risk/return trade-off. I like to think of this as designing your asset allocation plan, utilizing the tenets of modern portfolio theory and hoping to end up somewhere close to the efficient frontier.

Most "do-it-yourself" investors stop here.

LEVEL II: Dynamic Asset Allocation

Research and economic factors should drive strategic and tactical investment decisions. Research teams at investment firms should proactively monitor changing risk factors over time, including risks associated with individual sectors or securities. This should lead to the overweighting and underweighting of various asset classes as they come in and go out of favor. The goal here is to have an opinion and then do something about it and strive not to be the type of advisor that says, "here is what is going on in the economy, but let's stay the course, hold your hand and never do anything about it." Let's be the type of planner that says, "here is what is going on and here is what we are doing about it."

Some investment firms employ this but most stop here.

LEVEL III: Personalized Downside Risk Management

Managing volatility is especially important during non-normal market periods. The ability to customize a risk plan is an important piece of a personalized approach. Having the ability to develop a unique risk budget for a client allows the consultant to potentially limit losses in the portfolio while adhering to the client's overall risk budget.

RAISE CASH TO MANAGE AND MITIGATE RISK

During times of adverse market conditions, an advisor may recommend a move to cash based on

a recession outlook. Individual portfolio managers managing custom portfolios can then tailor the amount to move based on guidance from the firm's asset allocation committee and adjust based on each client's personal strategy and risk tolerance.

What makes risk management strategy powerful is when it's customized to each client, providing a truly personalized investment management experience. No two investors are exactly alike, and so no two risk strategies at the firm can be exactly alike.

Conclusion

I believe differentiated and sophisticated investment management capabilities can help clients grow and protect their assets, further increasing the probability that they achieve their financial goals. The three key tenets of portfolio customization add further value for clients. Through personalization, tax management, and risk management, portfolio manager are empowered to implement and customize individual strategies which are tailored to each client.

Each client's dedicated portfolio manager should personally implement and manage the investment strategy after crafting the Investment Policy Statement and further assess the current market volatility along with any updates to the client's personal situation. After this, the advisor should make the appropriate changes to each individual client's portfolio. Good advisors will consistently examine the portfolio to expose inefficiencies and highly additional investment opportunities.

1 Average tax alpha generated between 2008 and 2017 from five randomly selected real client accounts (from five separate senior portfolio managers) used in a City National Rochdale internal study. For more information, see our white paper, Tax Alpha: Enhancing Returns Through Active Tax Management.

2 Weinberg, Ari I (2012, October 16). A magical tax-loss harvesting machine? Forbes. Retrieved from https://www.forbes.com/sites/ariweinberg/2012/10/16/a-magical-tax-loss-harvesting-machine/#6f09b0f47a5e

VION Receivable Investments, headquartered in Atlanta, Georgia, is an international provider of receivable investment services to businesses managing consumer and commercial receivables. VION provides a single, comprehensive source of expertise in commercial receivable factoring and consumer receivable purchasing, valuations, and process consulting.

VION Receivable Investments
400 Interstate North Parkway
Suite 800
Atlanta, GA 30339
877.845.5242 phone
678.815.1557 fax

Mesquite Corporate Center
14646 N. Kierland Blvd.
Suite 122
Scottsdale, AZ 85254
480.729.6419 phone
866.260.1826 fax

123 North College Avenue
Suite 210B
Fort Collins, CO 80524
877.845.5242 phone
970.672.8714 fax

11921 Freedom Drive
Suite 550
Reston, VA 20190
703.736.8336 phone

VION Advisory Services
18017 Chatsworth Street
Suite 28
Granada Hills, CA 91344
818.216.9882 phone
818.891.8738 fax

VION Europa
Paseo de la Castellana 95-15
(Torre Europa)
Madrid 28046
Espanha
+34 91 418 50 88 phone
www.vioneuropa.es

Atlanta • Phoenix • Fort Collins • Reston • Los Angeles • Madrid

vioninv.com

LETTING GO OF 'BUY AND HOLD'

TAILORING WEALTH SOLUTIONS TO MEET RETIREMENT TIMELINE

BY MATTHEW EDWARD

The traditional buy-and-hold investment strategy lauded by financial advisors and press alike fails to help investors who find themselves retiring into a down market. Investors instead need a tailored wealth solution designed to meet not only their financial goals, but their retirement timeline.

"The concept of buy and hold investing is promoted more than anything in the financial media and we do not subscribe to that anymore because our clients are on a very specific timeline in life and we have no control over when the markets are going to go up or go down," said Jim Gebhardt, CFP®, president and wealth advisor of Gebhardt Group Inc. "If they have another lost decade in the middle of their 60s then they're going to be in trouble."

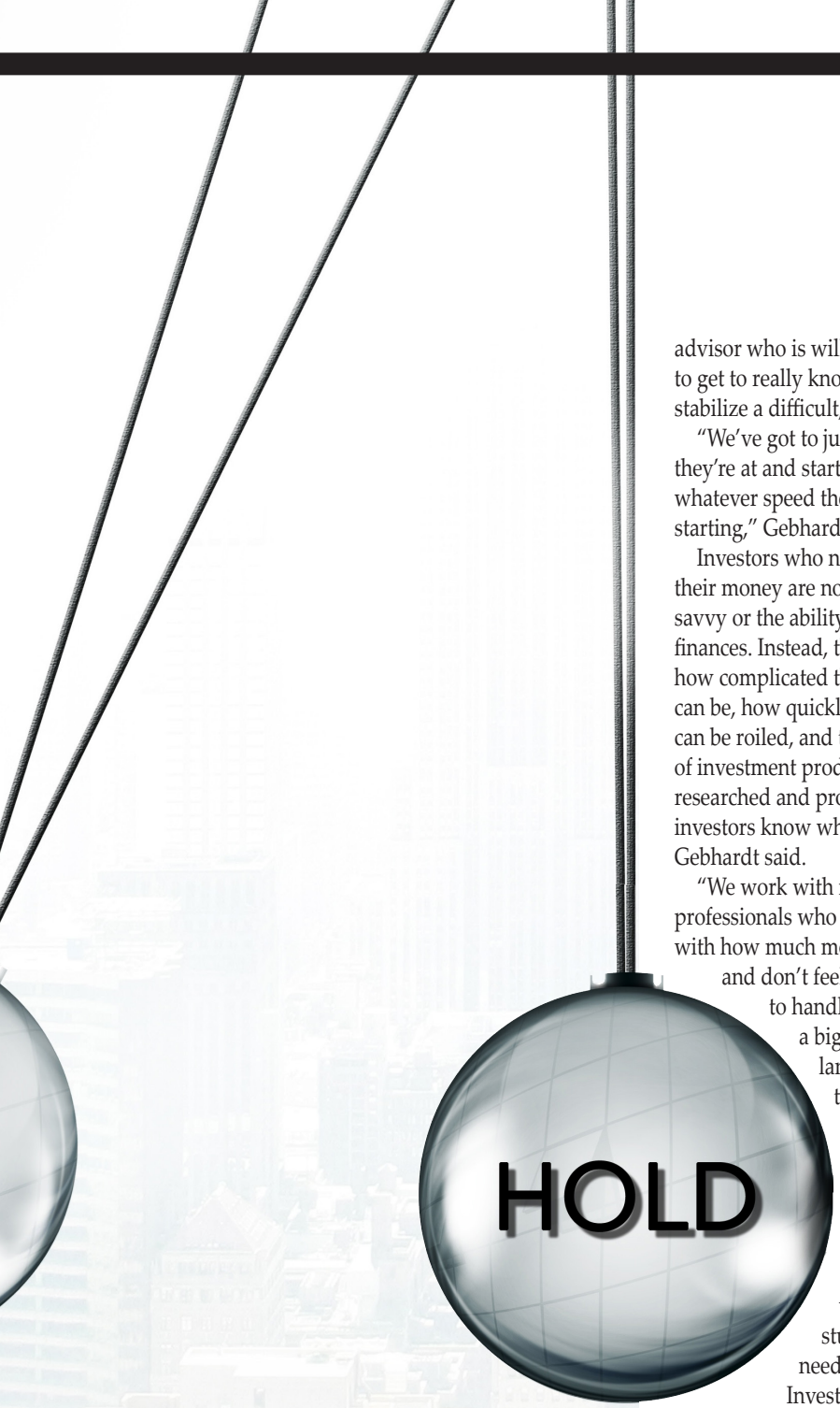
Gebhardt Group, based in Lafayette, California, provides comprehensive wealth management, retirement planning, and financial planning solutions for investors who, most often, come to the firm in a state of transition. The firm maintains a $1 million minimum from new investors to sign on, but waives that requirement if a prospective client is a "good fit."

'Remodeling money' over 'buy-and-hope'

Gebhardt Group provides tailored wealth management solutions for clients, who typically come to the firm when life's complexities spur them to seek help. The company's process called the Wealth FORMation Experience™ – Family, Occupation, Recreation, Money – allows clients to identify what matters most and work with their Gebhardt Group advisor to reach it.

"More often than not, our clients come to see us during a major life transition," Gebhardt told "Advisors Magazine" during a recent interview. "They're confused, they're overwhelmed and stuck … Our very first meeting with the client is what we affectionately refer to as the 'bag-of-crap analysis' Clients gather all their most important financial documents and we sit down and go through all of it with them… We're getting a sense of what they're about, what they're going for, why did they come and see us today?"

Clients dealing with major life events such as a death in the family, divorce or an inheritance need an advisor who can connect with them empathically and understand their unique financial picture. Often, life changes can be traumatic for prospective investors and a trusted



advisor who is willing to take the time to get to really know them can help stabilize a difficult, chaotic situation.

"We've got to just meet them where they're at and start the process at whatever speed they're comfortable starting," Gebhardt said.

Investors who need help managing their money are not necessarily lacking savvy or the ability to handle their own finances. Instead, these investors know how complicated the modern market can be, how quickly the financial system can be roiled, and that the plethora of investment products cannot be researched and processed alone. Good investors know when to ask for help, Gebhardt said.

"We work with many successful professionals who do feel overwhelmed with how much money they now have, and don't feel responsible enough to handle it on their own; or, a big pile of money has landed in their lap and they're confused and don't know what to do. It is a difficult process even for people who are financially savvy," he said. "People who can do all of this stuff themselves still need advice."

Investors, after all, need a team to handle their finances properly – an estate attorney, financial planner, and wealth manager, just to name a few. Gebhardt Group starts its client-advisor relationship with a thorough accounting of the investor's financial situation and a tailored plan. Clients need an advisor who can give them "clarity and confidence," Gebhardt said, adding that he works to relieve investors' sense of "overwhelm and paralysis" as well.

"The planning aspect of the relationship is really what drives the ultimate long-term success … It's not just a one-time thing, it's a process, it's not static," Gebhardt said. "When clients come through the door, that's where we start. We start with planning."

The Gebhardt Group takes clients financial challenges on holistically, developing a customized solution that fits their individual needs. Cookie-cutter asset allocation or buy and hold – what Gebhardt refers to as "buy, hold and hope" – strategies are out of the question, and instead clients get advice that dovetails with their specific financial goals. Tailored financial plans also allow Gebhardt to manage investor risk more effectively as well.

"From a planning perspective every solution we're providing is customized to the clients' circumstances," he said. "Our asset management process is very customized in that regard … [clients] often are taking on a lot more risk than they're aware of. Once they realize that they want to be driving in the right lane at 60 mph in a Suburban but they're actually going 80 [mph] in the left lane in a Corvette they take swift action to make major changes in their investing behavior.

And while many clients are interested in knowing how the sausage gets made, most simply want the broad strokes needed to understand whether they are on track to reach their desired financial future. Gebhardt described this process as "remodeling" clients' money to make it work more efficiently for them.

"It's not as much about education anymore … They want to know that what we're doing supports their overall financial goals and that they're on track. Most clients don't want to learn how to fish. They want the fish caught, prepared and served ready to eat," Gebhardt said.

Longevity Risks

Longevity presents a major risk to today's investor, with lifespans of 90 or

more threatening even the most carefully laid retirement plans.

"The real issue is that the clients themselves don't think they're going to live that long," said Gebhardt, adding that clients often laugh and express incredulity when presented with a financial analysis that assumes a 99-year lifespan. "They can't see how long that retirement could be for them, and that's without doing anything to account for advances in healthcare or technology or medicine."

Longevity risk poses a much-misunderstood threat to investors and Gebhardt Group works with those clients to navigate the many pitfalls that aging can bring. "Sandwich" generation investors – those who care for elderly relatives and adult children at the same time – especially can suffer from delayed planning and savings as multiple, competing priorities bombard them relentlessly.

"They're fighting two fires," Gebhardt said. "They're fighting the fire of aging parents and they're fighting the fire of being able to afford and pay for whatever education needs might be left. Those are challenging clients to work with but we roll up our sleeves and help them figure how to make it work."

The sandwich generation tends to delay retirement, but Gebhardt believes that many tools can be used to shore up a sandwich investor's position. Indexed annuities and universal life insurance with living benefits both can support sandwich generation clients by covering their "foundational expenses," he said.

"They would love some kind of pension, but most of our clients do not have pensions unless they are in the public arena," Gebhardt said. "For most of our clients using insurance strategies is a way to manufacturer lifetime income guarantees."

Life 2.0

Financial advisors help investors reach "Life 2.0," Gebhardt said. Achieving financial goals requires not just serious work and perseverance, but the presence of a trusted advisor who can be counted on to provide unbiased advice when the chaos turns the market upside down. New algorithmic tools like "robo-advisors" promise to handle investment planning, but lack the personal understanding needed for such a tailored task.

"What is missing is the thing that people really covet the most, which is that sense of human connection and wanting to feel understood," Gebhardt said. "Obviously, with a computer there's no way to do that, there's no connection or sense of human understanding. We don't see the risk of the robo-advisor being a threat right now. We've had some very meaningful client relationships come in as a result of the fact that they reached the point where they wanted a human involved."

Reaching Life 2.0 requires emotional control and reasoning. Investors often allow emotions spurred by the endless parade of bleak financial headlines or poor advice from dubious sources to control their decision-making; a trusted advisor can help bring a client back from the brink and serve as a voice of reason.

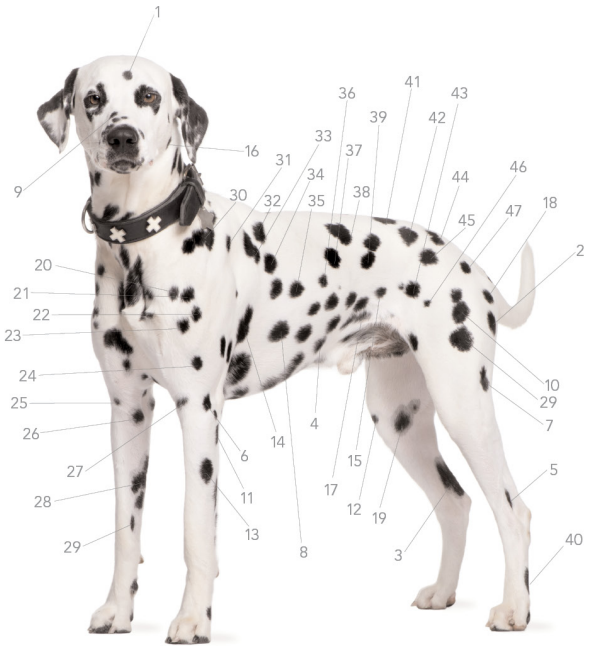
"They don't really know how to get down that side of the mountain … The risk pendulum always tends to swing from fear to greed, then from greed to fear," Gebhardt said. "The [market] correction that we're going through right now is a great reminder that it's not always smooth sailing, there's often turbulence."

Gebhardt knows how financial turbulence can dash aspirations. His dream since he was 9 years old was to become a professional golfer. He was a talented high school player. Yet he lacked the financial resources to pursue his passion any further. Teammates of his, meanwhile, went on to play professionally and enter the PGA. The experience turned Gebhardt on to financial advising and the power planning could have in helping others He developed a strong desire to help others with money and later went to Wall Street before founding Gebhardt Group in 2005.

"A truly great financial professional can really act as someone's dream protector and that's not a phrase I use enough but deep down that's what I think we provide our clients," Gebhardt said. "It's my job to help protect that."

For more information on Gebhardt Group Inc., visit: gebhardtgroupinc.com

47 Of Everything And Everything In Its Place



Organize
What a mess! Cars in the shop, trucks in storage, equipment everywhere. PR*VIDE is a proven asset and inventory tracking management system for public safety that lets you know at a glance where to find your stuff, especially in a crisis.

Share
People out in the field can track equipment they need to get their jobs done. No specialized training or dedicated devices needed, just a web browser.

Manage
PR*VIDE is so easy to set up and use, you can move from mess to managed in only a couple of weeks. PR*VIDE is powered out of the box by world-class technology designed for stability and speed of deployment.

Extend
Need to add more users? PR*VIDE can scale up to thousands of users. Even across agencies.

Control
Budgets are only getting tighter. Stay in control of your department's assets without breaking the bank to do it.

"Get Smarter" by visiting...
Provista.com/public_safety today for a solution brief and a free product demo. Let's get started!

IAEM Conference, November 11-18 in Las Vegas (booth 210 hosted by IBM)

BY MATTHEW EDWARD

Man and Machine: Hybrid advising model benefits investors

A synergistic approach to financial planning

A severe market meltdown earlier this year left do-it-yourself investors unable to reach their automated advisors, showcasing the limits of so-called "robo-advising" platforms. Investors reported issues with big name platforms such as Betterment, Wealthfront, TD Ameritrade, and Vanguard, and T. Rowe Price suffered a complete, albeit temporary, outage.

"You pay for what you get, and that holds true for investing … Those risks fall into what we saw two weeks ago when the world's largest robo-advisor shut their phones off and these people had no one to talk to," said Anthony M. Calabrese, CFP®, PPC, a partner and senior vice president at Beacon Wealth Management Group, LP. Calabrese maintained that there is "validity" in using robo-advisors to manage money, but that Beacon Wealth Management Group's automated tools include access to a human advisor.

Based in both Parsippany and Union, N.J., Beacon provides high-touch, customized wealth management solutions to high net worth individuals, small business owners, and corporate clients. The firm requires a $100,000 minimum to sign on as a client, but makes exceptions for prospective investors who fit well with the advising team's philosophy and working style, Calabrese said.

The sort of "hybrid advising" model used by Beacon may provide better results, a human touch, and leverages the asset allocation and calculation power robo-advisors can bring to the table, Calabrese said during a recent interview with "Advisors Magazine."

Hybrid advising allows Beacon Wealth Management Group to create better, stronger relationships with clients. The firm also works to build trust with clients through financial education and open availability, what Calabrese described as a "whole new experience" for investors accustomed to working with larger, more impersonal wealth management providers.

"We're changing the status quo of the industry. It's high-touch, it's relationship building and we genuinely enjoy building relationships with our clients," he said.

Strong client relationships allow Beacon to give straight advice when needed. Calabrese said the straight-talk approach is needed more now as some investors forget the lessons of the 2008 financial crisis.

"There's an economic cycle that has never failed … [Investors] want to chase returns, and if they're not getting the returns they think they should be getting they're going to move down the street. And there's plenty of advisors who are investing their money without regard for risk," Calabrese said. "We take a conservative approach. This cycle will eventually end."

Beacon Wealth Management Group develops tailored financial plans based on clients' financial goals, but uses proven tools to help investors make sure their money is working for them.

"We tailor it to the clients' specific needs and what their goals and objectives are, and their risk tolerance," Calabrese said. "But at the same time we're not trying to reinvent the wheel, and I don't think clients want that. They want something that's been proven to work and something that they're not the guinea pig on."

For more information on Beacon Wealth Management Group, visit: bwmglp.com

BEACON WEALTH MANAGEMENT PLANNING, INC.

Anthony Calabrese is a registered representative with and securities offered through LPL Financial, member FINRA/SIPC.

BY MATTHEW D EDWARD

Left to Right: Wesley A. McCann, Financial Advisor Nicole A. McGuckin, Client Service Associate Mitchell R. McCann CRPC®, Private Wealth Advisor

FINANCIAL PLANNING DURING THE COUNTDOWN TO RETIREMENT

Those critical five years

"The five years leading up to retirement involves a transition to a new stage of life, and this transition takes a great deal of planning — both emotionally and financially," said Mitchell R. McCann, private wealth advisor and managing director at McCann Retirement Strategies (MRS).

Based in Bloomfield Hills, Michigan, McCann Retirement Strategies provides what McCann describes as "business planning" for soon-to-be retired investors. MRS is a private wealth advisory practice of Ameriprise Financial Services, Inc., and works with investors currently undergoing a transition in life such as retirement, divorce, sale of a business, or the loss of a loved one.

"I have a very narrow focus, and it's come with years of developing my core competence," McCann told "Advisors Magazine" during a recent interview. "My investment techniques and methods have evolved from my early years as an investment broker, to my mid-career of practicing the theories of modern portfolio management, to today. Presently, our methods are built on the thinking and philosophy that dividend growth consistently compounds our clients – and our own – money in good economic times and not so good economic times."

McCann eschews the asset allocation model practiced by many advisors and instead relies on historical trends in dividend payouts.

"It's a simple, straightforward plan designed to create growing income. And, what's more, because we adhere to strict standards, our clients have the confidence knowing we're committed to putting their best interest first. We give each of our clients a report card annually, so they can see how their income has grown," said

McCann Retirement Strategies believes in guiding clients in their planning for the many different goals that they may have. These plans could include looking for income generation, stability and growth.

McCann, and he added, "Our job is performance."

Operating from the belief that investing is like running a small business, McCann treats each client like they are an owner in a diversified conglomerate. In his conversation with "Advisors Magazine," he repeatedly stressed that he does not build "financial plans," but rather "business plans." McCann says that "retirement is all about income," and sees investing as an "age-weighted" exercise that has three stages: the accumulation stage, the transition stage, and the distribution stage.

"Generating sufficient cash to meet your needs will be a primary objective until you die. During your accumulation years, you must make wages, salaries, and bonuses do double duty, providing for current needs while investing for your future. Our goal is for the invested cash to generate sufficient interest, dividends, and capital appreciation to meet your future needs when your wages, salaries, and bonuses are no longer your primary sources of income. Your long-term challenge then will be to balance your cash flow between your current cash needs and your need to accumulate cash for the future," McCann points out.

During the critical five years prior to retirement is when McCann Retirement Strategies excels, and McCann has packaged his proprietary process.

"Since I decided to specialize in this area back in 2003…I've taken all this experience and created my own workbook titled, "The Five Years Before You Retire and Beyond-Making the Emotional and Financial Transition to Retirement," explained McCann.

When asked about the distribution stage of life, McCann reiterated that "generating sufficient cash to meet your needs will be a primary objective until you die, and for some even after they die." To help clients bridge the financial transition to retirement, the McCann Retirement Strategies team looks at all the aspects that may affect a client's financial position. "We do the math," McCann says.

Rather than working through client expenses by listing out liabilities and working through spending point -by-point, McCann takes an approach that works with the investor's personality, not against it. During a thorough examination process, McCann takes clients along a journey to recount their spending habits as they existed over the past two years.

"If you really want to know your spending habits, do the checkbook drill (a phrase McCann coined over a decade ago)," McCann suggests.

He recommends adding up everything you've spent over the past twenty-four months and simply dividing it by 24. This will give you your average monthly spending for the past two years. McCann says you will probably be shocked by the amount.

Once clients pin down their expense statement, McCann Retirement Strategies helps them build an income statement to meet and exceed their retirement expenses.

"Investing for retirement is completely different than investing before retirement," McCann said.

Generally, the firm looks at three areas when building client business plans for retirement: safety, income and growth. McCann stressed that investors need to secure those three investing pillars in that order.

Often, McCann will unpack a new or prospective investor's current portfolio or financial plan, only to find it is burdened with too many investment schemes, managers and products. He calls these over-burdened portfolios "financially unhealthy." McCann says during his 30-plus years of experience he has witnessed,

time and again, that financially unhealthy portfolios often produce high fees and subpar returns.

McCann Retirement Strategies offers a rather simple solution to generate retirement income. McCann uses historical trends to identify companies that pay dividends and maintain strong growth rates. Building upon identifiable income streams such as Social Security and pension amounts, McCann leverages a dividend growth philosophy, which helps structure his clients' income statements in order to meet their expense statements.

"For clients, we address income and total return potential to help with wealth accumulation, it's the best of both worlds – income and total return potential for wealth accumulation," he said.

When asked about recent market volatility, McCann explained his philosophy on market trends and investment strategies.

"We participate in the economy, we don't bet on the economy. Economic cycles are hard to predict, and are almost impossible to outsmart," he said, "McCann Retirement Strategies wishes to directly own a diversified group of companies that generate cash and earn above average returns on capital."

McCann says one of McCann Retirement Strategies greatest attributes is the team's willingness to share their thinking with others and openly demonstrate their discipline and consistency to providing safety, income, and growth to their investors. He believes these methods allow him to sidestep marginal returns provided by the many "financially unhealthy" portfolios he sees regularly.

Believing that there is a need for better investor education, McCann spends a great deal of time lecturing. His longevity in the financial industry and his commitment to education has translated into a large following.

Those who remain grounded and disciplined in basic principles can survive upheavals far better than those who do not," said McCann. "Power comes from education. If we can make the people we talk to better investors, then that may solve some of the problems they have-both emotionally and financially."

"I honestly think too many people are confused about how to invest money. Here at MRS, we are long-term investors, and rarely do we try and predict the direction of the stock market, the economy, interest rates, or elections. We spend zero time listening to those that try," McCann said. "We look to buy great companies when they are cycling down in price. We study the facts and financial condition of our companies and seek to own them when their historical price/dividend is in our favor. We look at the clients' accounts as running a business and we seek a large margin of safety."

McCann says that his practice works with "real people making real transitions."

"Our clients are retiring or selling their business, or they recently went through a divorce or lost a loved one," he said. "McCann Retirement Strategies understands that these are as much emotional issues as they are financial. We take the time to guide our clients every step of the way during these transitional moments we all face." ■

For more information on McCann Retirement Strategies, visit: ameripriseadvisors.com

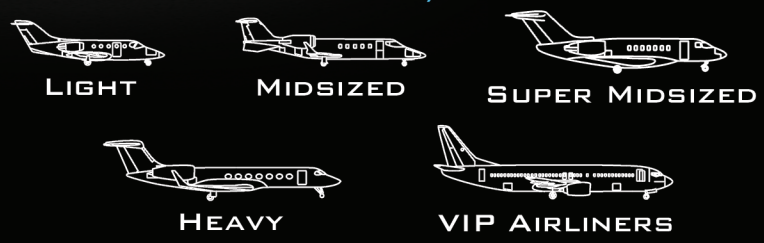
Worldwide Jet Charter Service

As the only true global jet charter provider, Privé Jets has become the preferred partner for elite travel agencies and savvy travelers around the world. With customers in over 70% of the globe, Privé Jets has the experience and knowledge to handle all your private aviation needs.

Jet Charter Service

- True global service
- All aircraft are charter certified
- Newest model jets available
- Ready to fly in just 4 hrs. notice
- No membership required
- Agents available 24/7

Access to Over 6,000 Aircraft



Awards & Recognitions

As an award-winning private jet charter company, and proud INC 5000 company, Privé Jets strives to provide the highest level of personal service while offering meaningful experiences for all our private jet charter customers worldwide.

World Travel Awards Winner 2014 — Caribbean's Leading Private Jet Charter

World Travel Awards Winner 2014 — South America's Leading Private Jet Charter

America's Fastest-Growing Private Companies — Inc. 5000

With agents available 24/7, Privé Jets is more than capable of handling any and all requests that you might have.

USA International	+1-305-917-1600	Spain	+34-91-1895156
United Kingdom	+44-208-099-0375	Mexico	+52-55-11689725
Brazil	+55-11-3711-9296	Switzerland	+41-43-508-0344

Virtuoso — Specialists in the Art of Travel

Wyvern Broker

info@privejets.com | www.privejets.com

*Prive Jets is a Private Jet Charter Brokerage Company and it does not own or operate any aircraft.

Accepted Credit Cards: MasterCard, VISA, American Express

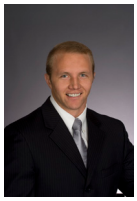
TUDOR HERITAGE
CHRONO

BY SANDY JOHN

Dispelling the 'Magic bullet' Myth

Reaching financial goals through education

Americans need to do some serious work on financial planning. About 40 percent of respondents participating in the 2018 U.S. Financial Health Pulse survey said they don't plan ahead financially, reports the Center for Financial Services Innovation. Almost as many aren't sure they are taking the steps necessary to meet their financial goals.



CERTIFIED FINANCIAL PLANNER™ Eric D. King, founding partner of Bridges Wealth Management, believes that the best way to help people in this situation is through education.

"I'm an educator at heart. We spend a lot of time helping clients come to conclusions on their own. Unless they really see the value of the actions and want to implement the changes we suggest, those changes are going to be short lived," he said. "Our job is to educate them on how they can achieve what they want to achieve. Once they understand what it's going to take to get where they really want to go, they'll move heaven and earth to get there."

But, the education process can take time, he added. "Everybody tends to think there's some magic bullet or secret sauce that the wealthy possess. What's lacking is the understanding and acceptance that it takes time and discipline to achieve your financial goals."

King, who comes from a long line of educators, said that helping people to learn is in his DNA. Becoming a financial planner allowed him to combine his interest in how money works with his desire to help.

Unlike some advisors, King isn't opposed to the use of robo-advisors or other financial planning digital platforms or apps – he thinks they can help educate consumers.

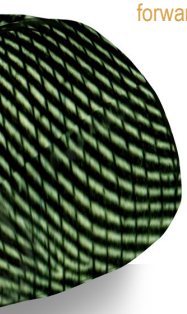
"I think robo-advisors are great. I think these apps are raising awareness. They seem to be engaging a demographic that is younger than what we have seen in the past. Financial literacy in the country is dismal right now, and anything that we can use to help with that is positive for the industry as a whole."

While robo-advisors might be a good place to start, consumers can benefit from the experience and perspective a professional advisor brings to the table, he noted.

"In the end, do we really trust a machine to do everything for us? The danger with robos is that the result is only as good as the information

- Bridges Wealth Management is a financial services firm committed to helping our clients improve their long-term financial success. Our customized process is designed to help you understand your options. We believe that process is much more important than product.

- We encourage you to explore our site and learn more about the services we provide. Should you have any questions or would like more information on our firm, please feel free to contact us. We look forward to hearing from you.



we provide. And, oftentimes, we don't know what we don't know."

Bridges Wealth Management is a full-service financial planning firm with offices in Corvallis, Eugene and Salem, Oregon. There's no minimum investment required, because so many clients refer their children or friends to the firm. King regards referrals as a vote of confidence from clients, calling them "the biggest metric by which we judge ourselves."

"Being referred means our clients trust us enough to talk to their friends or family about how we're helping them," he said. "We don't spend time on marketing and trying to tell people how great we are. We'd much rather have our own clients talking about what we've done to help them in their own planning process."

While every client is an individual, and is treated as such, clients share many of the same concerns, King said. Most worry about having enough money to retire comfortably. To provide customized financial plans that incorporate each client's unique variables, Bridges Wealth Management uses a consistent process to discover the client's goals and analyze their wealth situation. Each custom plan is reviewed on a regular basis.

As retirements stretch longer and the sandwich generation deals with aging parents and their own "boomerang" children's needs, King focuses on controlling as many variables as possible.

"We strive to create situations that give clients the greatest flexibility in coping with change," such as the ability to access capital if they must cover long-term care needs. "We also preach to clients that they need to make sure their own financial houses are in order before they worry about helping their adult children. The biggest help that we feel our clients can choose for their children is to not be a financial burden on them later on," he said, adding that preparing for all possibilities is part of the process. "We ask pretty direct questions in our fact-finding process to see if there's something that is a concern to them," such as their parent's health or their children's financial standing, King said. "We try to minimize and mitigate the risks of these variables. We obviously can't account for everything, but luck favors the prepared."

As a CERTIFIED FINANCIAL PLANNER PRACTITIONER™, King is obligated to operate in a fiduciary manner, which he describes as living by the golden rule.

"We should treat our clients the way we would want to be treated. We should make recommendations that we would implement ourselves."

The idea that planners should practice what they preach is important to King. In fact, he believes potential clients should always ask a planner "what they are doing personally."

"If I'm going to take advice from someone on any subject, I want to know that they are walking the walk. How can you be a fiduciary for someone else if you're not even willing to do it yourself? If I'm not saving and investing and doing the things I'm talking with clients about every day, how can anyone believe me? What someone is doing in their own life speaks volumes to their credibility," he said.

For more information, visit: Bridges Wealth Management

Cured With Flavors
of another favorite

Every Arturo Fuente OpusX cigar is crafted from rum barrel-cured, Dominican tobacco, and hand-wrapped in robustly flavored rosado leaves. Find yours today.

BY MATTHEW EDWARD

A PRESCIRPTION FOR THE Financial Health of Dental and Medical Professionals

Medical and dental professionals dedicate their lives to improving others' wellbeing. These can be rewarding careers in many ways, including financially, but often at a high cost in time and energy. As a result, for many doctors and dentists managing their finances and planning for retirement frequently become lower priorities to be figured out "later" – which is not ideal for their long-term financial wellness.

"The sooner doctors seek a specialized advisor who understands their situation, the better," said Troy V. Zerveskes, principal of Advisory Resource Group, a Newmarket, New Hampshire-based firm that provides financial planning, retirement, investment management, insurance, and practice-based services primarily to physicians and dentists. "It's critical to develop a personal financial strategy that is coordinated with the practice. For these small business owners, it can be hard to tell where their personal life stops, and practice life begins. It is the successful integration of the two that can make all the difference."

Zerveskes brings this holistic perspective and in-depth industry knowledge to his work with medical and dental professionals. He and his firm draw on experience advising doctors to anticipate common concerns and develop a financial plan that addresses their personal needs in addition to the practice. This allows Advisory Resource Group to understand the very complex and specific problems that their clients face.

"By working almost exclusively with professionals and their practices, we recognize the nuances of what it takes to operate and plan for them successfully," Zerveskes told "Advisor Magazine" during a recent interview. "In the same way a patient needing a procedure selects a specialist, clients work with us because they appreciate that we see situations similar to theirs with regularity."

Many financial advisors focus only on acquiring clients who are in the later stages of their careers and close to retirement, when individuals are at the peak of their wealth. Because of his understanding of the professional life cycle, Zerveskes structured Advisory Resource Group to work with clients at every stage of their career.

"We provide support during the difficult and less glamorous times of our client's lives as well as at the end when the decisions and planning needs are more abundant," said Zerveskes. "In the beginning of a doctor's career [for example] they utilize our services to help provide the framework for acquiring or starting a practice. This can be a daunting task especially given the significant cost of practices in the midst of paying for student debt, purchasing a home, and starting a family. In the later stages, clients utilize our services to coordinate practice transition with retirement. This process is best started as many as ten years in advance, but is often initiated far too late because of competing interests that may also need to be addressed – like funding a child's college tuition."

Zerveskes believes education often proves the key to inspire and assist professionals with taking charge of their financial future. To that end, Advisory Resource Group has provided financial literacy training to top medical and dental schools such as Harvard, Tufts, and Boston University since 2003. He also founded and continues to facilitate the locally esteemed Dental Resource Group, a gathering of the region's leading dental advisors.

"In general, doctors are over-marketed to, by providing education first, we demonstrate our knowledge of their industry and that we have their best interests at heart," said Zerveskes.

Just as doctors and dentists exist in an industry of generalists and specialists, so do advisors. Zerveskes sees himself as a generalist who facilitates the appropriate specialists to assist clients with the acquisition, transition, and day-to-day needs of professional practices. "The days of one advisor who believes they can be all things to their clients are over," he said.

Zerveskes believes that having a detailed understanding of both a client's personal and professional life is crucial to making good decisions. "At the same time, it is imperative for our firm to partner with other resources vital to the planning process, such as transition consultants, practice management consultants, industry attorneys and CPAs, dental lenders, and a wide host of others," he points out. "We assist with the selection and facilitation of trusted resources with whom we have experience working… [and] that's definitely a key component of our value proposition."

For more information see www.advisoryresourcegroup.com or contact Troy directly at tzerveskes@advisoryresourcegroup.com

ADVISORY RESOURCE GROUP
Planning | Investments | Insurance | Education

NOT YOUR PARENTS' RETIREMENT

Preparing for lifetime income

Long-gone pension plans and reliable Social Security benefits allowed older generations to retire with a peace-of-mind that today's savers lack. The modern investor instead contends with 401(k) plans, chaotic market shifts, and an impossibly wide-range of investment products – add in increased longevity and retiring with enough money becomes more complex than anyone 40 years ago might have imagined.

"With the replacement of pensions with 401(k) plans and the uncertainty of Social Security's ability to maintain future benefits, the responsibility to provide retirement income has been placed squarely on individuals," said Steve Walther, founder of Eagle Financial Group, LLC. "To ensure you're poised for lifetime income, we develop a personalized income plan that will incorporate assets managed by us as well as assets held elsewhere."

Eagle Financial Group based in Eagle, Idaho, provides customized retirement, insurance, and estate planning solutions. The firm does not maintain a minimum asset requirement and instead assesses prospective clients by "fit." They don't want to create a "revolving door" of clients, and prefer to develop long-term relationships, partner Kevin Andrews said.

After more than 20 years in the financial services industry, Steve and Kevin joined their individual practices to form Eagle Financial Group in 2013. Reese Phillips II – who had built a career in banking & real estate - was added to the team early in 2018 for his experience and background in business development.

"Each member of our team – Steve, Kevin, and Reese – has a unique strength that gives Eagle Financial Group the ability to help more individuals and businesses in their quest for planning and creating financial roadmaps," Walther said.

Long-term care and increased longevity loom large for today's savers. Long-term care can drain lifetime savings quickly, and can be especially hard-hitting when an investor still supporting children also has to care for an ailing older relative. These "sandwich generation" investors face pressures from above and below, and it takes a steady advisor who can develop a tailored solution to assist these clients.

"When you have a loved one who is facing a long-term care situation it's hard," Phillips told "Advisors Magazine" during a recent interview. "You worked a lifetime to acquire your wealth and in one triggering event it can all be lost to long-term care. Longevity and the potentially draining effects of long-term care are two of the most important hurdles facing Americans today … Long-term care costs will derail the best plan if we don't take into account what will happen."

Eagle Financial Group takes client situations on an individual basis, developing custom solutions to prepare investors for their financial futures. The firm takes a comprehensive look at clients' finances to ensure a holistic financial plan with a level of resiliency against sudden market changes.

"To ensure you're poised for lifetime income, we develop a personalized income plan that will incorporate assets managed by us as well as assets held elsewhere," Walther said. "It is natural to experience emotions like fear and greed in response to changes in

the markets. Our income planning strategy will help you manage those emotions by segmenting your retirement years into defined time periods, each with their own investment objective and time horizon."

Educating clients so that they can successfully navigate tough financial decisions is a priority for Eagle Financial Group. Andrews' and Walther's unorthodox backgrounds aid them in relating to clients who may feel overwhelmed by the jargon-heavy financial industry.

"I studied geography and art and language, and I started off on the route towards going to education and then realized that I like the business that we're in today," Walther said. "But I was able to take that focus on education and turn it into educating clients on the financial process."

Andrews also took a circuitous route to finance, starting as a biochemistry major and later deciding to turn the analytical skills he learned studying science to helping others financially.

Empowering clients to make their own decisions allows investors to take charge of their financial future. Eagle Financial Group acts as a fiduciary for clients, meaning that investors' best interests come before the bottom-line.

"It's not the advisor's plan, it's the client's plan, so getting down to what they want to achieve and what they want to accomplish is the most important thing," Walther said. "And of course, with everything we do it starts with education and clear objectives."

"A fiduciary is a person that has the power and responsibility of acting for another in situations requiring total trust, good faith and honesty. We take that responsibility very seriously," Andrews added.

Walther illustrated this with an analogy of why people go to a butcher versus a dietician.

"In the case of the butcher, we trust them to sell us a good piece of meat, but have no expectation they would send us down the street to the fishmonger because fish is healthier for the heart," he said. "In the case of the dietician, though, we expect healthy advice based on our own interests and needs. In financial services, brokers are like butchers that sell financial products instead of meat, and fiduciaries are like dieticians giving advice in your best interest."

Investors often can be spooked by financial headlines or enticed by something they heard or read on the internet and as a result, lose sight of their long-term goals. A good advisor keeps an eye on the client's objectives to provide guidance during turbulent times.

"Things happen…Life happens," Andrews said. "One of the most important aspects of any plan are the 'F' words…Feelings & Family."

Eagle Financial Group puts client interests first, and sometimes that means the managing of the clients' emotions and expectations. Acting as the emotional coach to our client's planning is as equally important to all of the other financial aspects."

For more information on Eagle Financial Group, LLC, visit: eaglefg.net

EAGLE FINANCIAL GROUP, LLC

Securities and Advisory Services offered through American Independent Securities Group, LLC.

Member FINRA/SIPC 1036 E. Iron Eagle Drive, Suite 105 ID. 83616 1-866-485-4635

Eagle Financial Group, LLC is not affiliated with AISG, LLC

BY MATTHEW D. EDWARD

FINANCIAL PLANNING OVER ADHOC INVESTMENT ADVICE

Looking beyond stocks, bonds, and 401(k)

Today's investors need more than piecemeal stock-by-stock advice and cookie-cutter asset allocations. Longer lifespans, long-term care, and an ever-lengthening list of investment products require a skilled financial planner to ask the right questions and guide investors.

We often run into prospective clients who are surprised at what we can do once they meet with us," said Andy Schelitzche, CFP®, ChFC®, a partner in Manifest Wealth Management. "Most still view our industry as 'I need somebody to help me invest this account,' and once they realize how much more we can go into, or what other help they can get, they are pleasantly surprised – there's not a lot of information out there explaining to clients what financial advisors can do.

Manifest Wealth Management's advisors, with offices in Maple Grove and Duluth, Minnesota, can offer (through Waddell & Reed) comprehensive, customized financial planning strategies to investors across the income spectrum. The advisors offer estate, investment, retirement, insurance, and other planning services, covering the areas clients need to consider to achieve the financial future they want. Opting to work with any "engaged" client who shares their values, the advisors do not maintain a minimum to invest.

To help clients identify financial goals and manage expectations, the advisors with Manifest Wealth Management start with the big questions, and then hone in on which tools can provide answers, Schelitzche told "Advisors Magazine" during a recent interview.

"We try to create a comprehensive view of everything the clients are doing and what is important to them, then working backwards to create a plan to pursue their goals," he said.

People often delay dealing with their finances, either because they feel intimidated by the industry's penchant for jargon or the opaque, numbers-heavy explanations often thrown at them by advisors. Manifest Wealth Management works to break down financial decisions into comprehensible language so that clients can understand how their money is working for them. And while some clients may be more hands-on than others, Schelitzche puts education at the center of everyone's financial plan.

"I think a lot of people end up coming to us because they may have some interest in investing or personal finance, and they want a professional they trust who is knowledgeable and can guide them," Schelitzche said. "Our philosophy has been to tell clients upfront that we'll give them as much, or as little, information as they want, but we want them to understand why we might make a recommendation or how something fits."

Schelitzche has recently taken this focus on education to the community, speaking at high schools and small businesses. Few people receive a genuine personal finance education anymore, regardless of whether they went to high school, college, or even graduate school, he said. Most people even lack an awareness of basic financial tools like saving strategies, meaning that

Manifest Team

Andy Schelitzche, CFP®, ChFC

Jason Kuss, Partner

Kevin Florey, RICP
Vice President

Theresa Corey
Office/Client Relationship Manager

Kristin Montgomery
Associate

Krista Peterson
Associate

even relatively simple lessons can translate into significant results, Schelitzche said.

Financial planning revolves around education. But education can only go so far, and a trusted advisor who can make sense of shifting market conditions is indispensable. Manifest Wealth Management's advisors work with clients during turbulent times to ensure that investors make informed decisions with their money. In the era of automated financial tools often called "robo-advisors," investors often can be left adrift when markets take a turn for the worse and news cycles blare constant negativity. Without a solid advisor, do-it-yourself investors can find themselves without a voice of reason at the worst time.

"If something goes wrong with the algorithm there's not a lot of help there, you're more or less on your own," Schelitzche said. "Investing has a very big emotional component. What's underrated about working with an advisor is that we can help put emotions in perspective, especially in times like this where we see the market dropping significantly. People make emotional decisions with their dollars and if you're the only gatekeeper to your dollars, you can often make some bad decisions if left to your own devices."

Clients need to approach a prospective advisor armed with the right questions, Schelitzche said. Foremost is to pin down how an advisor gets paid, which can usually be done by looking at which – and how many – products there are on offer. A wealth manager who keeps circling back to the same product, in every situation, might not be entirely aboveboard, and investors should be wary when the same idea gets repackaged over and over, he added.

"It's an industry where trust is, I think, the most important factor, and finding an advisor who works on your behalf at all times is incredibly important," Schelitzche said.

As a comprehensive financial planner, Schelitzche can offer a wide-range of tools for clients to pursue their goals. The wealth management industry, he hopes, may move away from the sales mentality many advisors begin their careers with, and instead move toward a more genuine planning mindset. A broader mindset can benefit investors who may not realize how close they are to their financial goals because their exposure to wealth management tools remains limited to stocks, bonds, or a 401(k), he said.

Some signs in the industry point toward positive change already, Schelitzche said.

"There is movement is away from being the investment advisor to the planner and to a professional that helps the clients in every aspect of their finances, rather than only in how they're going to invest their IRA. The younger generation of advisors, they're already starting to move in that direction."

For more information on Manifest Wealth Management, visit: manifestplanning.com

MANIFEST
WEALTH MANAGEMENT

Andy Schelitzche is a Financial Advisor offering Securities and Investment Advisory Services through Waddell & Reed, Inc., a Broker/Dealer, Member FINRA/SIPC, and Federally Registered Investment Advisor. Waddell & Reed and Manifest Wealth Management are unaffiliated entities

BY DAVID GARGARO

Using Real-World Scenarios to Educate Clients

Tailoring examples to personal situations

Many financial advisors provide clients with reams of information about financial products in their portfolios. These documents go into detail on risk factors, fund components, past performance, future projections, and other facts and figures. Weatherly has a client base of intelligent, hardworking individuals who often don't have the time to research our recommendations, or they have expertise in other industries.

Clients can also have difficulty relating investment strategies to their individual situations. There can be a disconnect between how small changes today will impact the future. Carolyn P. Taylor, founding partner of Weatherly Asset Management, L. P., believes that financial advisors should use realistic examples to more clearly demonstrate how different investments and strategies fit clients' lives and goals.

"Whenever we discuss investment options with clients, we innately seek thorough knowledge of their circumstances surrounding life, livelihood and learning style and relate strategies to real life examples; allowing us to gauge their understanding of the issues," said Taylor. "We tailor scenarios to clients' investment goals to ensure we communicate the important details, and enable them to make informed decisions."

Taylor has more than 35 years of portfolio management experience. In 1994, she founded Weatherly Asset Management, a registered investment advisory firm that offers money management and wealth preservation services to high-net-worth individuals, small businesses, and institutional clients. The firm's core focus is on custom investment portfolios and planning, including - retirement, tax, philanthropic, college and financial planning, as well as estate and wealth transfer guidance.

Weatherly seeks to learn problems deeply, create solutions that are uniquely relevant – and communicate them in a manner that feeds their clients' hearing style.. While some clients will understand advisors' explanations right away, others need repetition or additional support. The firm's advisors will pause during a conversation to ask questions while discussing complex strategies to ensure clarity. . They will repeat examples in different ways to see what clients latch onto, and use common jargon from everyday life to help them grasp concepts more easily.

"We are committed to client education, and use different tools to help clients understand their investments," said Taylor. "We publish monthly blog posts on various topics, and engage in both verbal and written communication based on how they want to receive information from us."

While young investors are adept at using technology to access financial information, they sometimes get caught up in the ability to receive instantaneous data. Verbal conversations bridge the gap between financial advice and the application to their portfolios. Taylor uses various approaches to make the investment process easier to understand and more comfortable. The firm's advisors combine different tools, such as graphical representations, summary documents and numerical analyses, to ensure that clients understand their options.

"We'll even engage clients using humorous scenarios based on their lives to lighten the mood and educate them," said Taylor. "However, we treat investing, and our clients' funds, very seriously, as they've put their trust in us. The goal is to help clients make the best investment decisions for the long-term, and it's gratifying when they express their appreciation for helping them to achieve their financial goals."

For more information on Weatherly Asset Management, visit: weatherlyassetmgt.com

Here's to Smooth Sailing Helping to sustain your legacy through strategic financial advice and planning

WEATHERLY ASSET MANAGEMENT

http://www.weatherlyassetmgt.com/adv/
Working with a highly-rated adviser does not ensure that a client or prospective client will experience a higher level of performance or results. Past performance is not necessarily indicative of future results.

thewebempire™

“Complete, inspired, non-traditional web services, for all type of businesses”

John Varsamis | CEO

WEB DESIGN & DEVELOPMENT | **SEM** SEARCH ENGINE MARKETING | **NET** DATA CENTER SERVICES

From Our Clients:

“The Web Empire delivered more than expected”

“ doubled our clients in less than 3 months ”

“I would recommend The Web Empire without any hesitation!”

“ **The Web Empire has allowed me to focus more on what I love to do** ”

“ **exceptional level of integrity** ”

“ very helpful and always attentive to the needs of my business ”

“My project is treated as the highest priority and deadlines are never missed”

“SEO helped us appear at the 1st page of Google”

“ clever interactive design ”

www.thewebempire.us

718 717 2867

Custom Website Design Complex API Development Search Engine Marketing
Vertical Markets Solutions CMS Based Platforms NY Based Data Center

Multiple Times Awarded For Our Services:

Proud To Be A 5 Star Google Rated Company:

UNDERSTANDING INVESTOR BEHAVIOR AND MOTIVATION

Avoiding "one size fits all" investment plans

Professional financial advisors regularly use investor surveys and questionnaires to learn more about their clients. These tools assist with gathering useful client information, such as current levels of income, debt levels, savings, investment knowledge, risk preferences, retirement goals and so on. They provide a general framework for finding investment strategies and products that fit that client.

However, these tools have limited effectiveness, since they put the client into a general category of similar investors. According to Donald F. Morgan, Founder of Independent Wealth Connections, you must dig deeper into getting to know the client as a person to avoid creating a cookie cutter or "one size fits all" investment plan. This includes understanding their behavior in the face of different financial and investment scenarios, and creating a plan that fits them under these circumstances.

"Why would you buy something if, in the moment of crisis, you sell it at the worst possible time," said Morgan. "People can prepare themselves to manage that moment when it seems that everything is going wrong. We help people through those times, and structure the process ahead of time to understand who they are and what they are trying to accomplish."

Morgan is a financial consultant who has been in the financial services field for 40 years. He employs a four-step consultative process that involves discussing clients' financial goals, assessing their current and future needs, and analyzing their investment portfolios to help ensure proper diversification, liability management and asset allocation. Independent Wealth Connections assists clients with, and provides advice on, investments, financial planning and insurance.

It's relatively easy to work with clients when the markets are doing well and portfolios are strong. However, it is essential to develop a true understanding of the client's behavior and motivations during periods of market volatility. Investors can make rash decisions during these times. However, volatility can be beneficial as it removes the false idea that the markets are always stable and increasing.

Financial consultants must be teachers as much as they are investment professionals. Different people learn in different ways, which is why it's important to know clients from a behavioral standpoint. Morgan has made client and community education a central component of his mandate as a financial professional. He will explain what is happening in a client's portfolio and the markets, avoiding jargon where possible, to ensure that they understand and feel confident in their decisions.

"Everything comes down to the circumstances of the individual customer, such as their preferences, how they deal with different events, and even their family environment," said Morgan. "We work hard to help people understand where they are today, what they own, why they own it, and what it means to them now and in the future."

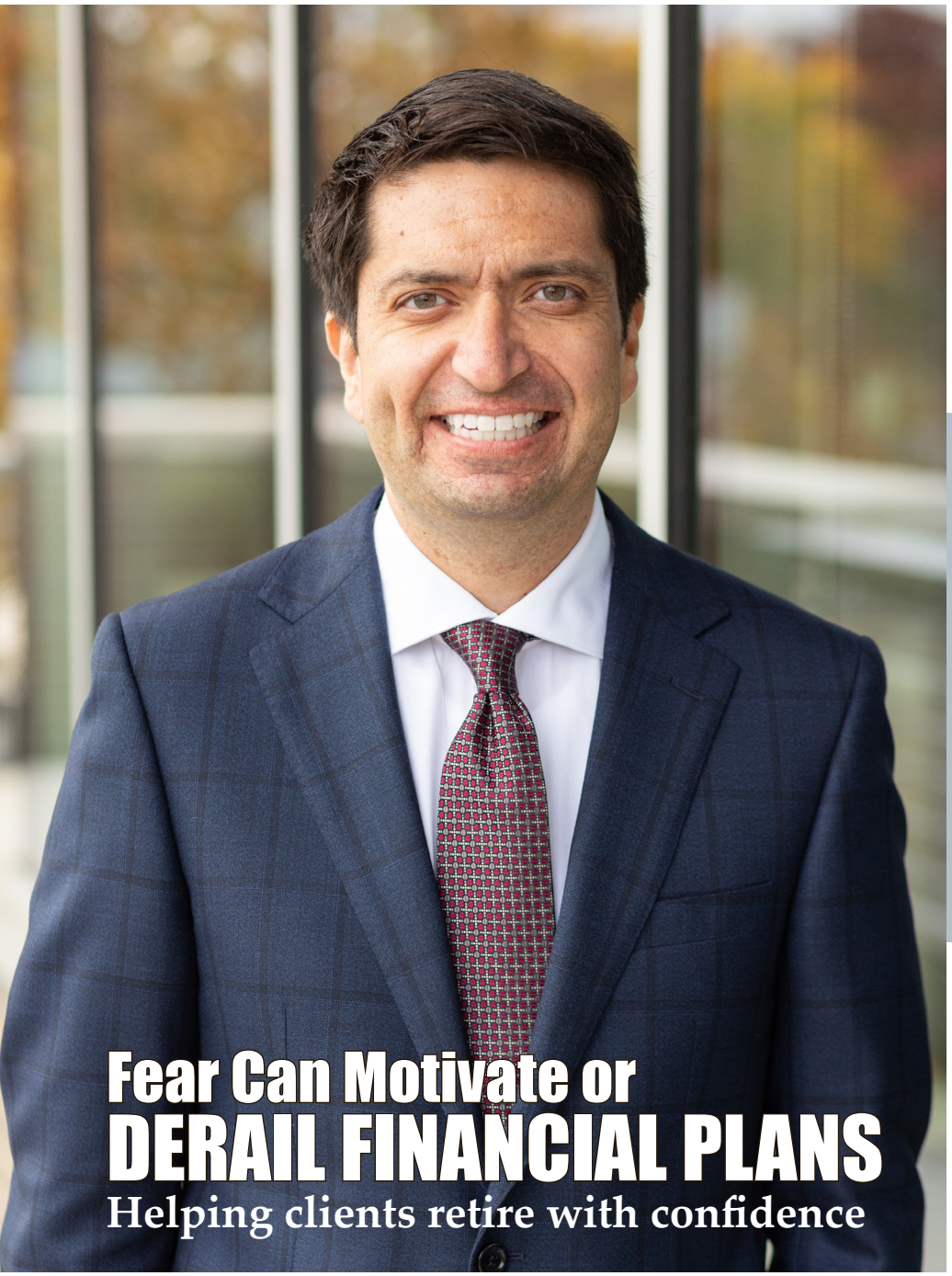
For more information on Independent Wealth Connections LLC, visit: independentwealthconnections.com

Independent Wealth Connections

There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and may not be invested into directly

BY MATTHEW EDWARD



Fear Can Motivate or DERAIL FINANCIAL PLANS

Helping clients retire with confidence

In a perfect world, people would use the rational parts of their brains when making investment decisions. They would listen to their financial advisors and follow the retirement and wealth management plans laid out for them – through good and bad times, as well as bear and bull markets. A well-developed and properly updated financial plan should hold up through most circumstances.

However, people are often ruled by their emotions, which can overcome logic. Fear –as well as anger, among other strong emotions – can make clients throw their financial plans out the window and ignore the advice of their financial planners. Large swings in the market, as well as changes in people's lives, can compel people to make rash decisions.

Jake Falcon, Chartered Retirement Planning Counselor® (CRPC), founder and chief executive officer of Falcon Wealth Advisors, understands how changes in a client's life situation can have a significant effect on their financial life, as well as other aspects of their world. He typically deals with people nearing or in retirement; people in this demographic have different challenges and needs than those who are many years and decades from retirement. Given this experience, Falcon is better able to understand his clients' motivations, and can assist his clients with achieving their financial goals.

"I encourage my clients to think about the importance of their goals as they save toward retirement," said Falcon, who has more than 10 years of experience in the financial services industry. "I want my clients to enjoy themselves in their retirement years. My goal is to help them retire and reach their goals with confidence so that they can enjoy their lives."

In 2016, Falcon – along with Cory Bittner, CRPC, chief operating officer – founded Falcon Wealth Advisors, which provides clients with goals-based financial plans. Its wealth advisors act in a fiduciary capacity and follow the firm's independent business model to research and select stocks and bonds for its clients. The firm offers custom financial planning and transparent wealth management solutions. Its clients are usually within 10 years of retirement, or are already retired, and typically work with publicly traded companies.

Not all emotional responses to investment results are compelled by fear or anger. Some clients are driven by greed. With recent years

of high returns, some clients will react when their portfolio does not grow as rapidly in the immediate term as it has in previous years. Some will want to change their financial advisors' strategies to get those higher returns, even though the risk could be significantly higher. It could involve shifting away from an established plan that is geared toward long-term growth, and moving toward making investment decisions based solely on the return.

"An investor's attitude can change simply because their portfolio did not perform as well as the U.S. market," said Falcon. "I often remind clients to not let fear or greed drive their decisions. We put a plan in place, and we have a process that helps them to achieve their goals for the future."

Some fear is relatively minor and comes from not knowing enough (in their minds) about the terminology and what different investments actually mean. Jargon exists in every industry, and it's a fact that some advisors hide behind the language of the investment industry. This can impede clients' financial literacy, and make them uncertain about their investment decisions, particularly when the markets become erratic.

Education is one of the best ways to combat this type of fear. Falcon, who is also responsible for the professional development of team members, ensures that his team diligently translates jargon into language that clients can understand. They will meet with clients in person, rather than via phone, so that they explain concepts in a face-to-face setting, where clients can ask questions and advisors can determine whether they understand the issues.

"As a financial advisor, you can help to alleviate your clients' fears by being true to your fiduciary duties," said Falcon, adding that a fiduciary is required to operate in the client's best interests without regard to product commissions or other forms of compensation. "You must act like a fiduciary when dealing with clients' assets at all times. When this does not happen, you must articulate when you are acting as a broker or salesperson rather than a fiduciary. Some clients might not be clear on this fact when talking to other financial professionals. We make sure to provide total clarity for our clients so that they can make educated decisions."

The professionals at Falcon Wealth Advisors share their financial knowledge and expertise with clients in various ways. One example is that Bittner, who completed the Investment Strategies and Portfolio Management Executive Education Program through the Wharton School at the University of Pennsylvania (as has Falcon), works with clients to create and implement comprehensive, goals-driven financial plans and investment strategies. Other examples include educational content for clients created by the firm's advisors and delivered via blogs and podcasts on different topics, such as current financial issues, the firm's processes, and advisor methodologies. Topics are communicated in a language that clients can understand, and repeated where necessary.

"We also create customized solutions that fit the specific needs and goals of our clients, and we meet with them at least twice a year to go over their investments to make sure that they are on track," said Falcon. "We make sure that our clients have financial security, and are generating enough money so that they will not run out during retirement. It's about helping them to retire and use their capital to do the things they want to without the fear of running into trouble."

For more information on Falcon Wealth Advisors, visit: falconwealthadvisors.com

FALCON
WEALTH ADVISORS

streamlined efficiency **quality** *professional* elegant

NETJETS®

Netjets Torch

A brand moodboard of Netjets the brand with key brand values noted

Call-out to The Financial Industry:
Teach advisors how to advise

Ron Cook Jr
Investment Advisor Representative

Shift from sales to planning

"There needs to be a huge shift in the financial industry, it really starts at the top, when we're getting into the business all we are taught are sales processes. It shouldn't be a sales process, they should teach us how to build plans then to know what best products will fit their situation" Cook told "Advisors Magazine" during a recent interview. "Advisors need to be trained on how to be true advisors by teaching how to build plans. A lot of people that we see come through the door have just been sold products that really have no purpose towards their goals."

Investors need to take a careful look at how their advisor gets paid.

"You always ask how someone gets paid in any situation in life, not just advisors. How they get paid tells a lot how someone will sway you towards certain products or ideas without the consideration of other possible solutions" said Ronald B. Cook Jr., founder of RC Wealth Advisors. He also cautioned that low fees and commissions do not always equal a more honest advisor. "People don't mind paying for anything as long as there's value being provided."

RC Wealth Advisors, based in Plainville, Massachusetts, provides investors approaching retirement with financial planning, sustainable income development, and tax and risk management services.

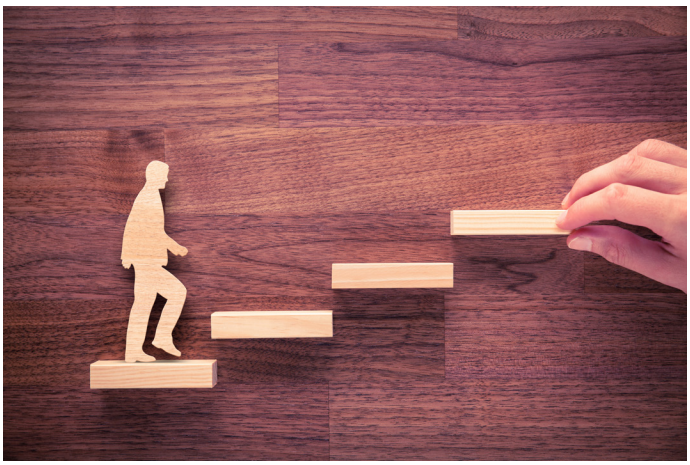
Prospective clients need to follow the money when looking at advisor options. Often, advisors line up and sell products with more concern for their bottom-line than the investors' retirement.

RC Wealth Advisors acts as a fiduciary for its clients, meaning investors' best-interests come before the firm's bottom-line. Cook said he treats clients as if investors' funds were his own or a family members. That attitude runs in the family, with Cook's grandfather facing a brutal Medicaid ordeal that spurred Ronald Cook Sr. to enter the financial services profession on a mission to protect others from being abused or forgotten by the system. Cook Jr. followed his father into financial advising several years later.

Teaching clients how their money works and how to achieve their financial dreams is front and center for Cook, who works hard to dissolve industry jargon into something understandable to people who are not finance experts. Cook also focuses on introducing clients to the wide variety of financial products out there – the sheer volume of which can intimidate even highly educated investors – and working with them to choose the right tools to make it to retirement.

"Getting organized and educated is everything in our process. The biggest thing is just keeping it simple. They're trying to make financial decisions after a few hours of listening and studying," Cook said. "Boiling it down into a risk-adverse and tax efficient Retirement Plan, if possible."

For more information on RC Wealth Advisors, visit: rcwealthadvisors.com



ALPHA LOSS CONTROL SERVICES

Setting New Standards for Risk Management Servicing.

- Property/Casualty Surveys
- Garagekeepers Liability Surveys
- Products Liability Surveys
- Worker's Compensation Surveys
- Fleet Surveys
- High-value Homeowner Surveys
- Inland Marine Surveys
- Contractors Liability Surveys
- Builder's Risk Surveys
- Ergonomic Studies

- ***ELECTRONIC** INSPECTION **REPORTS** & PHOTOGRAPHY*
- *EASY **ONLINE** REQUEST **SUBMISSIONS***
- ***PERSONALIZED** CUSTOMER SERVICE*

Alpha Loss Control Services, Inc. was established in 1989 to provide quality loss control servicing. We are a full-service commercial, residential and industrial property inspection company that services a wide range of industries.

Erich C. Beswick, C.S.T., S.S.C., is the President and Chief Consultant for Alpha Loss Control Services, having over 25 years of experience in the loss control industry. He has assembled an expert team of highly trained inspectors provide services throughout Florida, Georgia, Louisiana and Texas.

To our present and valued customers, we thank you for your continued support. To potential new customers, we invite you to give us a try. You won't be disappointed, and we even guarantee it!

We believe that quality service should be the *standard* for this industry--*not the exception.*

Main | 561.745.5661 Fax | 561.244.1926

visit us online | www.alphalosscontrol.com

BY DAVID GARGANO

Putting Together the Pieces of the Financial Planning Puzzle

Creating a customized picture for clients

Many investors look at financial and retirement planning from a singular point of view. In essence, they put money into their portfolio, which has one goal: grow as much as possible for the ultimate result of funding their investment goals. For all intents and purposes, it's a box made of money, held together with compound interest.

Financial plans are not that simple. They consist of multiple components that do different things at different times for different purposes. For many clients, especially those who have accumulated sufficient assets to hire a financial advisor, those components typically include funding retirement, covering children or grand-children education costs, buying a second home, setting up a donor-advised fund and leaving some money behind for the family. Each of these components will likely be addressed by different financial instruments each of which would have different risk, return, liquidity and time horizon features. It wouldn't make solid financial sense to put all of your money into a savings account for the purpose of funding your retirement, or all of it in one stock for that matter.

Simon Holford, chief executive officer and managing partner of Pasadena Private Wealth, believes that financial planning is like putting together a puzzle. It consists of many different parts, all of which are required to create a complete financial picture for the client. The overall goal is to create a financial plan that helps the client to achieve specific investment goals.

"It can be challenging for clients to put all the pieces of their financial puzzle together," said Holford. "When I first meet with clients, many of them don't have all the pieces in place. I help them identify what they are missing, find those key pieces, and work with them to make the picture of their financial lives that much clearer."

Holford founded Pasadena Private Wealth in 2018, along with managing partners Iain Whyte, who serves as chairman, and Bryan Muth, director of retirement plans. The firm provides total wealth management services, which include financial planning, portfolio management, real estate services, business consulting, retirement counseling, and trust and estate planning.

> "It is Not Enough to take steps which may some day lead to a goal; each step must itself be a goal and a step likewise."
> – Johann Wolfgang von Goethe

Every client's financial puzzle is different, as it will involve different goals, needs, financial resources, expenses and so on. In many cases, changes in the client's situation along the way will alter the final picture. While some advisors will still recommend off-the-shelf solutions, customized financial planning is often the best approach for tailoring the products to the client – and not vice versa.

Holford built Pasadena Private Wealth on the foundation of providing clients with personalized, responsive financial services. The firm's advisors take a "three-dimensional approach" to evaluating their clients' financial lives. This involves conducting a thorough analysis of an individual's balance sheet, rather than just their investment portfolio. This enables

them to develop a better understanding of their goals and situation from a personal, professional and business perspective. The advisors will then put together a customized wealth strategy that combines the client's portfolio assets, real estate investments, and business interests.

"We often start with figuring out the client's personal index, which is the rate of return they need from the assets to do what they want to achieve," said Holford. "Once we've developed the appropriate portfolio, we'll assign their assets to different compartments in seeking to help them achieve specific goals."

Given that people are living much longer, often into their 90s, financial plans must be built with clients' longevity in mind. Retirement can last for 30 years or more, and if not properly planned for, people can easily outlive their retirement funds. It's essential to factor this into the planning process, and build a mix of portfolio assets, rental real estate and private equity investments that are designed to deliver under different scenarios, including changes in lifestyle, variances in the market and other situations.

Holford and the other advisors with Pasadena Private Wealth provide clients with different portfolio offerings that have different risk profiles and time horizons, which can address changes in lifestyle, as well as variances in market conditions.

"We put together various risk management portfolio strategies to deal with various scenarios," said Holford. "We'll also factor long-term care into financial plans, and stress test them for various potential costs. We'll even work in hybrid policies that include life insurance with long-term care riders."

Financial advisors, and the industry as a whole, should focus on helping clients to look at financial planning from a multi-pronged approach. Rather than investing for a singular purpose, advisors should help clients to segment their investments for specific goals. Each asset or group of assets should be aligned for different purposes. Advisors should evaluate the different groups of assets based on their respective performance, and not at just the overall portfolio's performance. It's important to help clients understand that different parts of their portfolio have different purposes.

As Holford and his team of advisors treat their clients' portfolios from the perspective of an intersection of investment, real estate, and business concerns, they leverage technology to create comprehensive financial plans, which also enables them to evaluate their clients' balance sheets. This supports communications with their clients, educates them on the status of their overall financial picture, and provides more responsiveness when making changes to their investment strategy.

"We use technology to help clients view their financial information from their own portal," said Holford. "They can view both their financial plan and their balance sheet, giving them their whole financial picture in one place. This enables them to get a comprehensive picture of their financial performance, and allows us to better update clients on progress towards their financial goals.

For more information on Pasadena Private Wealth, visit: pasadenaprivatewealth.com

PASADENA PRIVATE WEALTH

LIVE FOR

AT THE HEART OF ROLEX
LIES A STRONG AND POWERFUL BELIEF:
LIVE FOR GREATNESS.
THE VERY SPIRIT OF WHO WE ARE,
IT DEFINES OUR TIMEPIECES.
MAKES OUR CROWN ICONIC.
YET GREATNESS IS WITHIN EVERYONE.
PASSION. DRIVE. INSPIRATION.
THEY EXPLAIN THE HOW AND WHY
RECORDS ARE BROKEN.
BREAKTHROUGHS ARE MADE.
MOUNTAINS ARE CONQUERED.
MORE THAN A DESTINATION,
GREATNESS IS A JOURNEY
THAT NEVER ENDS.

GREATNESS

OYSTER PERPETUAL DAY-DATE II
IN PLATINUM

ROLEX