

# QUESTIONS TO ASK YOUR FINANCIAL ADVISOR

*Whether or not One Degree Advisors is the right fit for you, we want to help ensure you work with the right people. These questions can be used when evaluating any financial advisor.*

## **Are your recommendations in my best interest? (Are you a fiduciary?)**

Yes. We take our fiduciary duty seriously to always act in our clients' best interest. Our firm has been built on a foundation of placing clients' interests before our own. We recommend for clients the same investment strategies used in our personal accounts. Our commitment to honest and ethical behavior has allowed us to build a successful firm.

## **Will your recommendations be comprehensive or focused on one area?**

For our clients, we serve as a single point of contact for your financial needs. Every client has a financial plan and bullet point checklist detailing the actions needed to achieve unique financial goals. These action items are coordinated with accountants, attorneys, and other professionals, as needed.

## **Do you have the knowledge and experience necessary to help me?**

Each of our financial advisors is a CERTIFIED FINANCIAL PLANNER™ (CFP®), which is widely regarded as the premier level of certification for financial planners. CFP® professionals are required to pass a rigorous exam covering investments, taxes, retirement and income planning, risk management, and estate planning. CFP® professionals must also adhere to a strict code of ethics and participate in ongoing educational courses. We spend significant time and money to ensure our firm stays up to date on the latest financial, legal, and tax planning developments.

## **How often will I hear from you?**

We typically meet twice annually. Outside of strategy meetings, we analyze your tax return, beneficiary designations, and investment plan, just to name a few. Each quarter you will receive a performance report that clearly shows what is going on in your accounts. Client education is a big focus of our firm. We publish monthly client memos explaining what current financial headlines mean for you, as well as weekly financial insights on The One Degree Blog and YouTube channel. In addition, you are always welcome to call or email any questions to our dedicated advisory team.

## **Will you also help me solve financial issues I may encounter in the future?**

Yes. We have assisted clients in solving an assortment of financial issues such as 401(k) plans, family deaths, disability, tax issues, real estate, Social Security, Medicare, health insurance, college, gifting, and almost any other financial issue imaginable. While we certainly don't have all the answers, through our network of resources, we work with you to get the answers you deserve.



## What will be my total investment expense, how much will you be compensated, and where can I see this in writing?

Our fee starts at \$1,875 per quarter, which covers the first \$750,000 of investments under management. When assets under our management exceed \$750,000, a percentage-based fee is applied. This deduction is detailed in the quarterly statement we provide to you. We bill on a quarterly basis using the annual fee schedule below [1]:

Investment Portfolio Amount	Annual Rate
\$750,000 to \$1,500,000	1.00%
\$1,500,000 to \$3,000,000	0.85%
\$3,000,000 to \$5,000,000	0.75%
\$5,000,000 to \$10,000,000	0.65%
\$10,000,000+	0.50%

Example 1: A client with \$900,000 would pay an annual rate of 1.00%. Each quarter (every 3 months), 0.25% would be deducted from the client's account.

To put this fee in perspective, most days the stock markets move more than 0.25%. The majority of the investment portfolios we build have an average internal expense of less than 0.16% annually. The combined expense is almost half the industry average [2].

It only makes sense to hire a financial advisor, or any professional, if the services they provide exceed the fees being charged. In other words, the time and effort saved, plus the tax savings and potentially increased investment returns need to exceed fees charged. The proposal we present to you will clearly illustrate our objective for value to exceed fees.

## Where do you keep my money and how can I see it?

For your convenience and safety, we primarily use Charles Schwab as the custodian for our client assets. Charles Schwab administers more than \$7.65 trillion in assets [3]. As custodian, Charles Schwab holds your funds and provides reporting to you and the IRS. Your accounts can be viewed at any time at <https://client.schwab.com/>.

One Degree Advisors, Inc. is a registered investment adviser. Past performance is no guarantee of future results.

[1] We may charge a higher percentage on assets below \$750,000 to help accommodate a lower out-of-pocket fee, as discussed with the client.

[2] ICI Research Perspective: Trends in the Expense and Fees of Funds, 2022. <https://www.ici.org/system/files/2023-03/per29-03.pdf>

[3] Total client assets and brokerage accounts based on combined data for Schwab and TD Ameritrade as of May 31, 2023, using company reports.