



# 19 Questions to Ask Your Financial Advisor

The Wall Street Journal recently published an article “19 Questions To Ask Your Financial Advisor” by Jason Zweig. We felt it properly highlighted the issues and struggles investors face in today’s environment. The industry is froth with misguided representations and those looking to make a quick dollar—or more accurately, many dollars—at your expense.

We felt it might be a good exercise to answer Jason’s questions so you have all the TCG facts. His suggested answers where he shared are included. We have never shied away from the truth. Trust is hard to earn, and easy to lose. Thank you for the trust you put in us.

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# Questions to Ask Your Financial Advisor

## 1. Are you always a fiduciary, and will you state that in writing?

- » Jason's Answer: Yes.
- » TCG Answer: Absolutely. Since our founding, we have acted as a fiduciary and put the needs of our client first. At TCG, we believe in doing what is best for the client, not simply what is suitable.

## 2. Does anybody else ever pay you to advise me, and, if so, do you earn more to recommend certain products or services?

- » Jason's Answer: No.
- » TCG Answer: No. We have a saying, "You work for who writes your check." In our case, that is you—the client. We work for you, and this is why we are constantly searching for the investment options to best fit your goals.

## 3. Do you participate in any sales contests or award programs creating incentives to favor particular vendors?

- » Jason's Answer: No.
- » TCG Answer: No. As a fee-based advisor, we sit on the same side of the table as you. Our primary goal is to best manage the risk within your portfolio with the best tools available, not those that bonus the highest.

## 4. Will you itemize all your fees and expenses in writing?

- » Jason's Answer: Yes.
- » TCG Answer: Yes. All fees are itemized on your statement.

## 5. Are your fees negotiable?

- » Jason's Answer: Yes.
- » TCG Answer: We have a fee schedule filed with the Securities and Exchange Commission which we follow in order to ensure fairness for each client. However, we never want that to be the reason an agreement is not reached.

## 6. Will you consider charging by the hour or retainer instead of annual fee based on my assets?

- » Jason's Answer: Yes.
- » TCG Answer: Yes, different situations may require different arrangements.

## 7. Can you tell me about your conflicts of interest, orally and in writing?

- » Jason's Answer: Yes, and no advisor should deny having any conflicts.
- » TCG Answer: Yes. TCG discloses all potential conflicts of interest, and employees are required to disclose many pieces of personal information for compliance purposes. Our annually filed ADV disclosure document lists all potential conflicts.
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## 8. Do you earn fees as an adviser to a private fund or other investments that you may recommend to clients?

- » Jason's Answer: No.
- » TCG Answer: No. The needs of the client and what is best for them comes first.

**9. Do you pay referral fees to generate new clients?**

- » Jason's Answer: No.
- » TCG Answer: No. We do not pay for referrals.

**10. Do you focus solely on investment management, or do you also advise on taxes, estates and retirement, budgeting and debt management, and insurance?**

- » Jason's Answer: Here the best answer depends on the need of the client.
- » We believe in an overall wealth management process that includes investment management as one of the components. We focus on financial planning—including estate planning, taxes, and insurance as part of that process. However, we are not attorneys and do not sell insurance products, so we work to maintain a list of vetted service providers to assist clients with specialized needs.

**11. Do you earn fees for referring clients to specialist like estate attorneys or insurance agents?**

- » Jason's Answer: No.
- » No. We have worked with a number of specialists, and if the client has a need we try to help them find someone to best match their situation.

**12. What is your investment philosophy?**

- » TCG Answer: At TCG, we believe the core of any investment strategy should be proper asset diversification set to meet defined goals. We manage each portfolio with a strategy tailored to individual investment experience, risk and return objectives, and general financial situation—all while keeping fees low and avoiding excessive trading.

**13. Do you believe in technical analysis or market timing?**

- » Jason's Answer: No.
- » TCG Answer: Do not be misled by someone who tells you they can time the market. While they may get lucky once, historical trends show that a long-term, diversified approach to investing increases the likelihood of successfully meeting your goals. Technical analysis may be a component of overall trends, but not used to time the markets.

**14. Do you believe you can beat the market?**

- » Jason's Answer: No.
- » TCG Answer: No. Over the short-term, one may be able to beat the market but over the long-term that is very challenging. However, we believe the focus should be on balancing the risk within your portfolio to achieve the return needed to meet your goals.

**15. How often do you trade?**

- » Jason's Answer: As seldom as possible, ideally once or twice a year at most.
- » TCG Answer: Due to TCG's holistic investment management process, we strongly consider both the impact of transaction costs and taxes on any potential trade. If the expected benefits of placing the trade do not outweigh the trade cost and tax impact, then we will not place the trade. This results in few transactions throughout the year, with many investment portfolios having zero trades over the course of a year.

**16. How do you report investment performance?**

- » TCG Answer: We report investment performance as "net of fees" whenever possible, as well as provide a comparable benchmark to your account. While clients can log in to their online portal any time to review their account, we do like to meet with clients annually at a minimum to review their account and make any necessary adjustments.

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

- » TCG Answer: On staff, we have multiple Certified Financial Planners and have additional team members going through the process. We also have staff currently at various levels throughout the Chartered Financial Analyst program.

**18. After inflation, taxes and fees, what is a reasonable estimated return on my portfolio over the long term?**

- » TCG Answer: Every client will be different based on their risk tolerance, investment allocation, and their expected return to meet their goals. We are strong proponents of the financial planning process, as it establishes expectations and the return targets to meet financial objectives.

**19. Who manages your money?**

- » TCG Answer: TCG Advisors. We manage our own money and our employees 401(k) the same way we manage our clients. That should be the expectation of all firms.

## Bonus Questions:

**20. How do you define risk, and how do you manage it for clients?**

- » TCG Answer: All investment involves risk—the key is how you manage that risk and make it work for you when possible. We have developed a proprietary PRISM risk overlay model that is the lens in which we allocate strategies. Our investment committee meets monthly to review market conditions and establish where we are in our risk level. When determined, client portfolios are allocated to fit within the established risk spectrum, but not out of balance with the risk profile indicated on their investment policy statement. Advisors also review and discuss with clients their account to see if any changes in their life have occurred that would impact their risk level.

**21. How big do you want your firm to become?**

- » TCG Answer: TCG wants to always keep our clients first. As long as our continued growth allows for us to maintain our key focus, then TCG will not target a certain size. We grow because of our clients, therefore not growing means we are not servicing clients in the best manner.

**22. How do you evaluate and provide evidence that your investment strategies are effective?**

- » TCG Answer: Evaluating investment manager performance must be done with a long-term focus and should not be done without considering your financial goals. To correctly evaluate investment performance, one must consider the investment's risks and returns relative to your financial goals. If an investment outperforms its index, by only dropping 25% when the index dropped 30%, it would technically be considered an effective investment, but could seriously impact your ability to achieve your long-term goals.

**23. Why should I do business with you instead of a competitor?**

- » TCG Answer: Our firm believes in doing what is best for the client, period. The commitment we have to our clients means we do not simply invest your money—we work with you to manage your wealth. Diversified strategies and an institutional approach to individual investment management are defined processes with deliverable results. Financial information is abundant and you need someone you can trust to help guide you

We hope the content above helped provide insight on the types of questions you should always ask your advisor and our take on them. As always, we invite you to reach out to TCG Advisors by phone at **512-306-9939** or by email at **advisors@tcgservices.com** if you have any questions.

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