

## Five Steps for Finding a Fiduciary Advisor

### ① Locate a CEFEX-Certified Registered Investment Advisor

The Centre for Fiduciary Excellence (CEFEX) is an independent global assessment and certification organization headquartered in Toronto, Canada. Their assessment process is based on ISO 19011 and is conducted in accordance with ISO 17021. CEFEX certification provides an independent due diligence and verification of a firm's conformance to a defined legal standard and its qualification to serve as a professional fiduciary. ISO is the International Organization for Standardization, located in Switzerland. It is an independent international standards organization in 162 countries.

CEFEX certification is conferred only after an investment firm has successfully undergone a comprehensive due diligence process that includes a detailed assessment of the firm's operational data, client files, and procedures. It also includes on-site interviews with the firm's key personnel. Continued certification is subject to an annual recertification audit and "peer review".

Go to <https://www.cefex.org/CertifiedAdvisors/> and search for CEFEX-certified advisors in your area.

### ② Locate a Certified Financial Planner™

CFP® professionals are bound by a Code of Ethics with the highest principles and standards, centered around the following seven Principles: **Integrity, Objectivity, Competence, Fairness, Confidentiality, Professionalism and Diligence**. These Principles are general statements expressing the ethical and professional ideals CFP® professionals are expected to display in their professional activities. The Principles form the basis of CFP® Board's *Rules of Conduct, Practice Standards and Disciplinary Rules*. These documents together reflect the CFP® Board's recognition of CFP® professionals' responsibilities to the public, clients, colleagues and employers. The fiduciary standard is at the core of the *Rules of Conduct*. CFP® professionals are always required to place the interest of their clients ahead of their own at all times. When CFP® professionals provide financial planning or material elements of financial planning, they owe to the client the duty of care of a fiduciary as defined by CFP® Board. A fiduciary is one who acts in utmost good faith, in a manner he or she reasonably believes to be in the best interest of the client.

Go to <http://www.letsmakeaplan.org/choose-a-cfp-professional> and search for a CFP® professional in your area

### ③ Better understand the advisor's business model with these 7 questions:

1. How are compensated?  Commission  Fee-only  Fee-Commission Hybrid  Don't Know ("DK")
2. How much am I going to be charged in fees or commissions?  0%  ½%  1%  2%  3%  4%  5%  6%  \_\_\_%  DK
3. How much are you going to get paid up front from this transaction? \$ \_\_\_\_\_  Don't Know
4. What are the annual fees that I pay outright or are embedded in the product?  ½%  1%  2%  3%  4%  \_\_\_%  DK
5. Are you encouraged to sell proprietary or preferred products?  YES  NO
6. Is there a sales quota that determines your overall compensation?  YES  NO
7. Do you participate in sales contests that qualify you for prizes or other benefits?  YES  NO

### ④ Have the advisor and their supervisor to sign the fiduciary oath below:

I believe in placing your best interests first. Therefore, I am proud to commit to the following five fiduciary principles:

- I will always put your best interests first.
- I will act with prudence, which is, with the skill, care, diligence, and good judgment of a professional.
- I will not mislead you, and I will provide conspicuous, full and fair disclosure of all-important facts.
- I will avoid conflicts of interest.
- I will fully disclose and fairly manage, in your favor, any unavoidable conflicts.

Advisor \_\_\_\_\_ Firm Affiliation \_\_\_\_\_ Date \_\_\_\_\_

Supervisor \_\_\_\_\_ Firm Affiliation \_\_\_\_\_ Date \_\_\_\_\_

The fiduciary oath was created by the **Committee for the Fiduciary Standard**

[www.thefiduciarystandard.org](http://www.thefiduciarystandard.org)

⑤ Get Answers to survey questions so you can compare and decide	ADVISOR A	ADVISOR B	ADVISOR C
1. <b>Independence:</b> Is advisor independent or part of an insurance company, investment company, wall street firm or a bank?			
2. <b>Experience:</b> How many years has advisor been in business?			
3. <b>Continuity of service:</b> How long does advisor expect to stay with their current broker-dealer? What happens when they leave?			
4. <b>The Decision Process:</b> Does the advisor have a formal process for developing recommendations?			
5. <b>Quality Controls:</b> Is the work done by advisor reviewed by anyone and is the approval documented?			
6. <b>Products:</b> Is the advisor limited to the financial products available through the firm he/she gets paid by?			
7. <b>Cost:</b> Does the advisor utilize low load or no-load investment products?			
8. <b>Sales Commission Pressure:</b> How is the percentages of the advisor's total compensation split between commissions vs fees?			
9. <b>Transparency:</b> Will advisor provide full disclosure of all fees and costs?			
10. <b>Multiple Advisor Team:</b> Does advisor have access to professionals with expertise in other areas like taxes, legal or accounting?			
11. <b>401(k) Expertise:</b> Is advisor familiar with the fiduciary requirements for roll overs from a 401(k) plan?			
12. <b>Fiduciary:</b> Will advisor and their supervisor sign the fiduciary oath?			

date:		<b>Prioritizing Household Annual Spending</b>				
<b>PAGE 1 OF 2</b>		<b>2019 TOTAL</b>	<b>FIXED</b>	<b>VARIABLE</b>	<b>OPTIONAL</b>	<b>2020-21 TOTAL</b>
		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>HOUSING</b>						
101	Mortgage					
102	Rent					
103	Property Tax					
104	Mortgage Ins					
105	Homeowner Ins					
106	Water & Sewage					
107	Electricity					
108	Natural Gas					
109	Propane and Oil (Fuel)					
110	Telephone					
111	Cable - SatelliteT.V.					
112	Trash Removal					
113	Appliances					
114	Furnishings-lamps-etc					
115	Furniture & Bedding					
116	Home Improvements					
117	Domestic svcs-lawn-snow					
118	Computer & Software					
119	Internet					
120						
121						
149	<b>TOTAL HOUSING</b>					
<b>LIVING EXPENSES</b>						
151	Groceries					
152	Food Out					
153	Adult Beverages					
154	Tobacco					
155	Magazines-Books-Kindle					
156	Membership Dues					
157	Laundry & Dry Cleaning					
158	Hair, Nail, services					
159	Cosmetics-Shaving					
160	Mens' Clothing					
161	Womens' Clothing					
162	Children's Clothing					
163	Pet Care and Food					
164	Child Care					
165	Youth Camps					
166	Donations					
167	Gifts					
168	Personal Cash					
169						
170						
199	<b>TOTAL LIVING EXPENSES</b>					

PAGE 2 OF 2		2019 TOTAL	FIXED	VARIABLE	OPTIONAL	2020-21 TOTAL
		A	B	C	D	E
<b>VEHICLES</b> In this section write expenses for the various vehicles you have						
201						
202						
203						
204						
299	TOTAL VEHICLES					
<b>FUN - Trips, Sports, Movies, Casinos. Football, Baseball or Basketball games</b>						
301	Vacation - flights, hotels, etc					
302	Vacation - Lodging only					
303	Sports Vehicles					
304	Entertainment					
305	Recreational Activities					
306	General Sports Equipment					
307	Mini Trips - Travel - Airlines					
308	Mini Trips - Lodging only					
309	Day Trips -Transportation only					
399	TOTAL FUN					
<b>MEDICAL EXPENSES by person - Physicians, Dental, Eye Care, Clinics, Prescriptions</b>						
401						
402						
403						
404						
459	TOTAL MEDICAL					
<b>PERSONAL INSURANCE Premiums for Life, Disability, Long Term Care, Health, HSA</b>						
451						
452						
453						
499	TOTAL INSURANCE					
<b>OTHER REAL ESTATE - second home costs</b>						
601						
602						
699	TOTAL OTHER REAL ESTATE					
<b>EDUCATION - Elementary, HS, College Tuition and Fees</b>						
701						
702						
799	TOTAL EDUCATION					
800	<b>ALL TOTALS BEFORE TAXES</b>					
<b>INCOME TAXES</b>						
801						
802						
803						
804						
899	TOTAL TAXES					
900	<b>TOTAL CASH OUTFLOW</b>					

<b>ASSET ALLOCATION OF YOUR CURRENT ACCOUNT HOLDINGS</b>			% of Grand Total	Conservative	Moderate	Aggressive
Asset Class	Name of Funds in Each Asset Class for Acct#	\$ Amount				
Cash Equivalents - Bank Accounts, Money Market			%			
	<b>CASH EQUIVALENTS TOTAL</b>		%	0%	0%	0%
Stable Value Fund/Fixed Annuity/CD			%			
Short Term Bonds			%			
Intermediate Bonds			%			
Long Term Bonds			%			
	<b>BONDS TOTAL</b>		%	80%	60%	35%
Large Cap Value Stocks (USA)			%			
Large Cap Growth Stocks (USA)			%			
Mid Cap Stock (USA)			%			
Small Cap Stocks (USA)			%			
	<b>US STOCKS TOTAL</b>		%	10%	25%	40%
Foreign Developed Markets Stocks			%			
Emerging Markets Stocks			%			
	<b>INTERNATIONAL STOCKS TOTAL</b>		%	5%	7%	10%
Real Estate & REITS			%			
	<b>REAL ESTATE TOTAL</b>		%	5%	8%	15%
OTHER			%			
OTHER			%			
OTHER			%			
<b>Grand Total as of this date _____</b>			%	100%	100%	100%