

# Insights from Tom Moran,

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As the financial advisory profession has grown dramatically over the past decade, investors have more choices than ever before to how they invest their hard-earned savings. It's important to consider asking your current or prospective advisor the following essential questions to make sure that you are making the most informed investment and advisory decisions.

## Are you a fiduciary?

There are two broad types of advisors: fiduciary and transaction-based. Advisors who act in a fiduciary capacity are required to make recommendations that are in the best interest of their clients. Transaction-based advisors make recommendations that are suitable based on each client's circumstances, but also frequently offer financial products on behalf of a firm, and therefore must strike a balance between meeting sales objectives and ensuring appropriate investments.

## How do I enter into a fiduciary relationship with my financial advisor?

After you enter into an advisory agreement, your advisor has a fiduciary duty under the Investment Advisers Act, and the firm and your financial advisor should explicitly acknowledge an advisory relationship and obligations to you.

## How are you compensated?

It is important to understand the costs associated with both the services and underlying investments being recommended, including if there are any minimums. There are generally three types of compensation options:

- Fee-only: clients pay a flat fee for the advice or plan generated by the advisor.
- Fee-based: advisors earn compensation based on the assets they are responsible to manage; they earn more when investment values increase and less when values decrease.
- Commission: costs are based on each transaction in a particular product or investment vehicle.

Note that fees for advisory programs for Wells Fargo Financial Network clients include advisory services, performance measurement, transaction costs, custody services and trading. Fees are based on the assets in the account and are assessed quarterly. There is a minimum fee per calendar quarter to maintain these types of accounts.

## Do you have experience working with clients similar to me?

The relationship you have with your advisor is key. Finding someone who understands your circumstances, needs and desires ensures that your experience is based in confidence and trust.

## What are your qualifications?

There are many paths to becoming a financial advisor. All of these paths and certifications require stringent standards of mastery and ongoing education.

## What is your investment philosophy and how do you manage investment portfolios for your clients?

It's important to identify how the advisor addresses factors like risk, returns, costs and tax consequences. Investment philosophy includes methodology, as well as investment vehicles – like stocks, bonds, mutual funds or ETFs – used to create your own personalized strategy.

## What can I expect if I work with you?

Standards of service vary greatly, so be sure to ask about the frequency of meetings, interactions and accessibility. Consider your own needs and preferences – do you prefer more hands-on or more independence – to help ensure that it's compatible with the approach being described.

Answers to questions such as these can provide awareness about the individual you are considering, but ultimately, selecting a financial advisor comes down to relationship. Can you envision a long-term partnership? The decision to team up with a professional advisor should be based on your own level of confidence and trust.



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*Moran Wealth Management was founded 30 years ago by our Chairman and CEO, Thomas Moran, and his business partner Earl Sistrunk. Today, Moran Wealth Management is one of the leading fiduciary fee-based investment firms in Florida, and is the only Independent Florida Advisory firm ranked nationally in the Barron's Top 100 Independent Advisors<sup>(1)</sup>. We take our role as fiduciaries seriously, and we employ a highly personalized and comprehensive approach to wealth management, including a focus on education of investments and risks. We are proud of our practice's growth since inception in 1990. Our comprehensive team approach strives to ensure that our clients receive the individualized attention they deserve. Our group is collectively owned by 17 equity partners, including additional members of the Moran family, who intend to continue the strong legacy of financial advice and investment management for generations to come.*

<sup>(1)</sup>The Barron's Top 100 Independent Advisors rankings are based on assets under management, revenue generated for the advisors' firms and the quality of the advisors' practices. Investment performance isn't an explicit factor because clients have varied goals and risk tolerances.

Note: Investment products and services are offered through Wells Fargo Advisors Financial Network, LLC (WFAFN). Moran Wealth Management is a separate entity from WFAFN. 0621-03536

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