

Investing: It's About More Than Returns



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WHILE THE PRIVATE-CLIENT INDUSTRY HAS EVOLVED significantly over the last two decades, traditional commission selling still exists — buying and selling investments for clients and charging a commission for each transaction. But it is a dying breed. The industry has gravitated to fee-only advice. And for good reason — many good reasons.

As you've likely heard advertised, fee-only advisors "do well when you do well." That is, our incentives are aligned. Our fees are based on the value of your portfolio, hence the "we do better when you do better" scenario. But more importantly, being fee-only allows us to play our intended role as advisors. We're not occupied with buying and selling; we spend time getting to know you then build a portfolio of solutions, including protections and investments, that best suit you.

Valuable financial advice is about more than a percentage basis point return. Your portfolio should be rooted in assets that are suitable — assets that protect your wealth and provide you with an appropriate after-tax return relative to your level of risk. A properly structured portfolio is focused less on raw returns and more on things that impact you that you can't quantify. Consider the following:

- **Proper asset location:** According to Vanguard, focus on investment of assets (based on tax treatment) in an account such as tax-deferred/qualified as opposed to taxable, can improve net returns by about three percent.
- **Suitability of investments:** Investments that consider your wealth, your risk appetite, and your objectives. Your advisor should be someone who learns about you well enough to recommend suitable strategies.
- **Fiduciary responsibility:** HBKS® advisors take a fiduciary oath; we are obligated to do what is in our clients' best interests. Acting in a client's best interests includes creating a portfolio unique to their needs and objectives. While some firms claim to treat you as an individual and might ask a few general questions, they tend to lump clients together into the same portfolio construction.
- **Independence:** Brokers or so-called advisors with companies that have their own proprietary products can be incentivized to put you into investment products with high

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commissions, trail fees and other underlying costs that are difficult to uncover and that generate income for the seller but reduce your net-net returns.

- **Fraud:** Unfortunately, there are cases of clients being misled by investment professionals. Prospective clients need to interview references of their advisors and ultimately develop a level of trust. In the same vein, advisors need to be willing to educate and fully disclose the underlying risks of a portfolio as well as the custody of those assets.

Of course, investors desire the best possible returns on their invested dollars. But a suitable portfolio is about more than returns. A good investment advisor delivering real value takes the time to understand your needs and goals, builds a portfolio to address and protect them, then continues to work with you to make adjustments as your life, needs and objectives change.

We're here to help. For more information or to schedule a meeting, call us at **215-735-7530**. Or email me at **wcasey@hbkswealth.com**.

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Bill has a technical background in global banking, asset and liability management and investments, as well as vast administrative experience. He joined HBKS® in 2017 as his firm, Locust Capital Management, merged with HBKS®.

Bill graduated from Lafayette College with a B.A. in economics/finance and from Temple University's Executive MBA program. He is active in his community, volunteering his time as a board member for the Bacharach Hospital Foundation and Carson Valley Children's Aid.

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