

NAPA WEALTH



MANAGEMENT

## Frequently Asked Questions

**Q.** How often am I contacted by NWM?

**A.** We contact you quarterly (after each billing) and we meet at least once a year to review your financial goals – more often if your needs should change. For those who live outside of the area and are unable to meet face to face we recommend having a phone meeting at least once a year.

**Q.** What is the difference between a Registered Investment Advisor (RIA) like Napa Wealth Management and a broker?

**A.** The main difference is this: *a RIA has a responsibility to you* - a broker may not. A RIA has a *fiduciary* duty to place a client's interests ahead of his/her own. Brokers have no such obligations. A broker is essentially a sales agent – and rather than your interests coming first, a broker's first duty is to his firm. A broker is encouraged to sell you his firm's products – not always your best buy – and not always in your best interests. You may not be offered the most economical fee/commission payment option, or fees might be hidden, disguised or paid by the funds to the broker.

Brokers do not always clearly describe themselves as brokers but there is a big difference between a Registered Investment Advisor and the other similar titles used by brokers such as financial advisor, financial consultant, or financial planner. The nature of a broker's compensation and his relationship with his employer might diminish a client's chance of achieving a fee-efficient, well-performing portfolio. If a broker takes commissions from the funds that he buys, his decisions might be biased or self-serving. The integrity of advice might be compromised. When sales incentives or job security issues drive a Broker's buying decisions, his/her client's interests might suffer.

**Q.** How much time should I allow for my first meeting?

**A.** We recommend about 50 minutes to an hour which is sufficient for most people.

**Q.** How is my account billed?

**A.** We bill in advance on a quarterly basis. Depending on the month your funds are deposited into your TD Ameritrade account, we place you in the following month's billing. For example, if your funds hit your account on October 15<sup>th</sup>, you will be placed in November 1<sup>st</sup> billing and will continue to be billed quarterly (your next billing date would be February 1<sup>st</sup> in this example).

**Q.** Who makes the investment decisions regarding my portfolio?

**A.** Simply stated, we do. NWM will act on your behalf as your investment manager. You won't be bothered with phone calls and sales pitches about why you should buy or sell a security. We manage your account so you can enjoy not worrying about the stock market. Our investment research and trading is managed by Tim Ayles, our Chief Investment Officer. Of course, you receive confirmations each time a trade is performed in your account.

**Q.** How often will I receive statements?

**A.** You will receive statements and performance reports quarterly from NWM when you are billed along with an annual statement in January. You will receive statements from TD Ameritrade monthly and trade confirmations when trades are made. They can come in the form of paper or electronic statements through email.

**Q.** Will I have online access to my accounts?

**A.** Yes. You will be provided with a login and password to view your accounts online.

**Q.** What is NWM's relationship to TD Ameritrade?

**A.** TD Ameritrade is the custodian. NWM is the Registered Investment Advisor. NWM acts as the advisor in managing your account which is held (in custody) at TD Ameritrade on your behalf. The custodian's role is to support the relationship between you and NWM by streamlining back office procedures. TD Ameritrade's support allows NWM to spend more time managing your portfolio and helping you achieve your financial goals.

**Q.** What is the advantage of working with a firm like NWM?

**A.** NWM is an independent wealth management firm. We don't work for a Wall Street "parent" company – we work for our clients. Our clients receive a financial plan, at our expense, so we have a blueprint to work from in helping them reach their financial goals. As a team of advisors with over 70 years of combined financial experience, we've earned professional credentials (two Certified Financial Planners™ and an Enrolled Agent) and have a seasoned Chief Investment Officer dedicated to portfolio design and management. We perform our own research and design our investment portfolios with individual securities – stocks, bonds and ETFs – and rarely use mutual funds. Mutual funds are often rife with added fees

which simply add to the cost of investment management. We take pride in being a high-touch firm by contacting our clients regularly, something that most people tell us they didn't experience with their last advisor.