

HOW TO CHOOSE A FINANCIAL PLANNER YOU CAN TRUST

WHAT FACTORS SHOULD YOU CONSIDER WHEN CHOOSING A FINANCIAL PLANNER?

We believe that transparency, honesty, and authenticity are essential to any great partnership, especially one with the common goal of your financial peace of mind. We request that you ask every question and voice every concern you may have before trusting us with a cent of your financial resources.

Here's how we compare, as a Fee-Only, Fiduciary, Independent Financial Planner in Arizona:

Sonmore Financial	Other Fee-Based Planners
Paid directly by clients for their services and can't receive other sources of compensation, such as payments from fund providers.	Paid by clients, but also via other sources, such as commissions from financial products that clients purchase. ¹
Act as a fiduciary, meaning we are obligated to put our clients' interests first.	Brokers and dealers (or registered representatives) are simply required to sell products that are "suitable" for their clients. ²
Primarily engaged as a holistic financial planner. We review taxes, investments, estate, insurance, Social Security, Medicare, and more with our clients.	Other planners may only help you with the investments and may not offer financial planning services.
I am a Certified Financial Planner™ and NAPFA (National Association of Personal Financial Advisors) member and adhere to a higher set of standards. These standards include twice as much continuing education as is required by the CFP Board, which is considered by many to be the gold standard credential among financial planners. ³	Other planners may have no professional certifications and their bar for professional standards is the bar set by FINRA, SEC, or their state securities division.
We are locally owned and make the East Valley our home. We strive to make the East Valley a better place to live through helping our clients and being involved in our community. We take pride in doing well for our clients and have the confidence to put our name behind it. We leverage our partnership with Charles Schwab as the custodian of our clients' accounts for financial strength, but still have the accountability of a local team to address service matters in a timely fashion.	Other advisory firms may be regional or nationally owned, with little community involvement.
The niche we serve includes people nearing retirement or already in retirement. This allows us to be very familiar with the unique investment and tax challenges that our clients face in this stage of life.	Other planners may be broader in who they serve, not allowing them to be as intimate with the challenges facing pre-retirees and retirees.



WHAT DO YOU LOVE ABOUT YOUR JOB?

To understand what I love about my job, you first need to understand why I do it. Our clients are mothers, brothers, grandparents, professionals, evangelizers, travelers, private pilots, mountain bikers, and, above all, problem solvers. Our goal is to help our clients create an efficient plan that may provide them the opportunity to retire early. Many of our clients never “retire” in the traditional sense of the word, they simply graduate to spending time with their grandkids, building a strong family legacy, or consulting other professionals in their field.

It's hard to visualize spending more time mountain biking with your friends or family when we're talking about Roth Conversions, tax loss harvesting, gifting appreciated stock to your church, how to exercise your Restricted Stock Units (RSU's) and Incentive Stock Options (ISO's). But when we plan things out to mitigate taxes, payoff the mortgage, build up an investment account to help bridge you to Social Security, and build your HSA to help give you options for health coverage before 65, that is exactly what we're doing. We are helping to enable our clients to spend their time as they wish, not shackled by what they have to do.

We won't be the catalyst for a new manufacturing patent, or spread the gospel to thousands, or go to hundreds of countries, but our clients may, and we are so appreciative of the small part that we get to play in helping our clients spend their time on what truly matters to them.

WHO IS YOUR IDEAL CLIENT?

We work best with investors over age 50 who are in retirement or want to make "work optional" in the next 7-10 years and have accumulated a retirement nest egg of \$500k+. We are a full-service wealth management firm best suited for people who want to delegate all their retirement planning and investment management to us.

WHAT SERVICES DO YOU PROVIDE CLIENTS?

Our service is geared towards those who are approaching “work optional” in the next 7-10 years or are already in retirement. The key to making your retirement all you want it to be is having a financial plan that helps make optimal use of the resources you've allocated. Our services may help give you more of the most important asset of all: time.

The solutions we most commonly address with clients are: How can I retire before 65 with health insurance? How can I mitigate my lifetime tax bill? How do I know if I have enough to retire? If I elect to defer Social Security, which accounts and which positions should I draw from for income? What are the most tax efficient ways to give to the charitable organizations I support? We help our clients build a plan that addresses their whole financial picture with a focus on taxes in retirement, income in retirement, charitable planning, and investments.

WHAT IS YOUR INVESTMENT PHILOSOPHY?

Formulating investment decisions around predictions about the market's current level or its recent performance is a form of market timing that, we believe, will result in a poor investment experience over the long term. Not only is it extremely difficult to do, timing the market – whether speculating on the right time to get in or get out or following the latest investment fad – can also be costly.

At Sonmore Financial, our investment philosophy is an extension of our personal approach to financial services. We custom-build a portfolio from an investment allocation that suits your needs and goals, using low-cost, tax-efficient structures. Ongoing review and counsel help make the most of your assets while helping build financial security.

We typically use mutual funds and index funds from Vanguard, Dimensional, and T. Rowe Price, where we can keep investment vehicle expenses to as low as 0.20-0.30%.



HOW WILL WE COMMUNICATE ABOUT MY INVESTMENTS?

Our approach to investment management and financial planning is driven by you, and you alone. With your comprehensive wealth management plan in place, you will continue to communicate and meet with our planner to help ensure that we can serve your needs at every turn. We meet with our clients annually at a minimum. For several of our clients, we meet with them semi-annually. We meet once in the spring after tax season, where we typically cover tax planning topics. Then, we typically meet once in the fall, where we work to address any year-end deadlines that may impact your plan, like gifting appreciated stock, contributing to your HSA, or doing a Roth conversion.

Outside of our review meetings with clients, we have a monthly blog and newsletter relevant to what is going on in our clients' lives, and share periodic webinars.

Our clients have access to us by email and phone. We intentionally limit the number of households we work with so we can place a high priority on the clients we have.

HOW DO YOU GET PAID?

We are a fee-only financial planning firm. This means we are compensated only by our clients, without earning commissions for product sales or referrals. This is different than fee-based, where advisors often have conflict of interests.

Depending on an individual's situation, we typically bill 1-1.5% of assets that we manage. This is an annual fee that is billed on a quarterly basis.

When assessing us or any other financial planner, we believe there's only one basic, economic reason to hire a financial planner. It is, of course, because you've come to believe that his/her advice will be of considerably greater benefit to you than its cost.

The question you'll need to answer for yourselves is *Does it seem probable to you that our advice will:*

- Either cause your lifetime portfolio return to be at least 1-1.5% a year higher than it would otherwise have been, and/or;
- Save you the equivalent of 1-1.5% a year in time, effort, worry, and record-keeping, and/or;
- Save you more than 1-1.5% a year in the cost of mistakes we may be able to help you avoid?

If any combination of those three benefits sums to more than 1-1.5% a year, then your economic decision would seem to be made. Likewise, of course, if you're pretty sure all three don't add up to at least an annual 1-1.5%, we should probably just part as friends.

HOW WILL YOU MEASURE AND EVALUATE MY SUCCESS/FAILURE?

We feel that those who judge their portfolio by its performance relative to some narrow benchmark are focusing on an issue that is largely irrelevant to their ultimate financial success. The only benchmark we believe you should care about is one that indicates whether you're on track to achieve your financial goals. Risk is measured as the probability that you won't meet your financial goals. We feel that investing should have the exclusive objective of minimizing this risk.

Several of our clients' main objective is maintaining their lifestyle through retirement. This is simply a math problem that we can help solve to determine if we are on or off track working towards that target. If there was a stretch of time where a portfolio averaged a 20% return, but it ultimately meant you ran out of money, I think you'd agree with me that is a failed plan and the benchmark of success



was incorrectly measured. On the contrary, if there is a stretch of time where a portfolio averages 5%, but you are able to maintain your lifestyle through retirement, I think you would agree that is a successful plan.

CAN YOU TELL ME WHY THE LAST TWO CLIENTS YOU LOST STOPPED WORKING WITH YOU?

Our approach to financial planning and investment management is goal focused and planning driven. We believe that all failed investing is market focused and current outlook-driven and all successful investors act continuously on their plan. All failed investors react continually to the markets, and always the wrong way. It is not possible to react one's way to investment success.

We believe that these foundational beliefs differ from most things you will hear on financial media outlets and differ from what several individuals believe as well. We communicate these beliefs consistently in our client onboarding and recurring client communication to make sure that the clients we have on board are good fits for our service and to help them focus on their goals instead of the uncontrollable nature of the markets. Occasionally, we are not able to identify that someone isn't a good fit until the markets decline (which may happen every year). In these scenarios, we approach our client and offer to help them find a new planner to work with that might be a better fit.

We maintain a very high client retention rate and we think you'll see why we have been named a Top Financial Advisor in Chandler by Expertise.com and contributed our financial expertise in *Forbes*, *CNBC*, *Bloomberg*, *MarketWatch*, *USA Today*, and many more major publications.

WHERE ARE MY INVESTMENTS HELD AND HOW CAN I SEE THEM?

For your convenience and safety, we use Charles Schwab Institutional as our custodian. As a custodian, Charles Schwab holds your funds and provides reporting to you and the IRS. Our clients are able to view their accounts online through Charles Schwab or through their easy-to-read quarterly reports that you can receive by mail or email.



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- [1. <https://www.feeonlynetwork.com/fee-only-vs-fee-based-financial-advisors/>](https://www.feeonlynetwork.com/fee-only-vs-fee-based-financial-advisors/)
- [2. <https://www.feeonlynetwork.com/fee-only-vs-fee-based-financial-advisors/>](https://www.feeonlynetwork.com/fee-only-vs-fee-based-financial-advisors/)
- [3. <https://www.yahoo.com/video/cfp-fiduciary-215719812.html>](https://www.yahoo.com/video/cfp-fiduciary-215719812.html)

Important Disclosures:

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Past performance is not indicative of future results. No client or prospective client should assume that future performance of any specific investment or investment strategy made reference to directly or indirectly by Sonmore Financial or indirectly via a link to a third-party website, will be profitable or equal any corresponding indicated performance levels. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will be suitable for a prospective client's investment portfolio.

