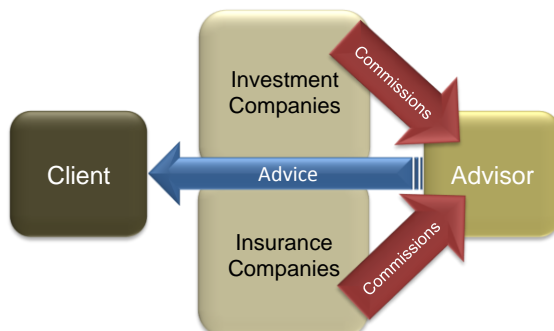


Follow the Money

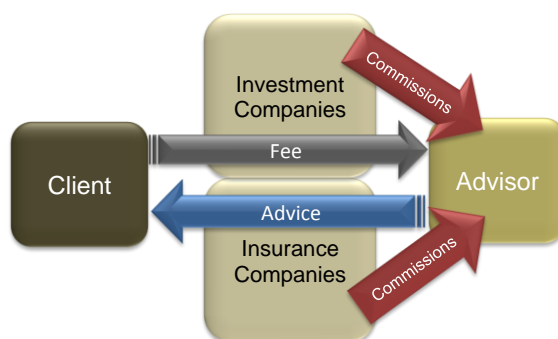
It seems like everyone calling themselves a financial advisor these days claims the same thing - that they provide **independent, objective and unbiased advice in your best interest**. So how can you tell the difference between objective advice and a sales pitch? Follow the money.

Commission-Based Advisor



Often referred to as "free advice," in this framework you get the type of advice that product providers are happy to pay for. Insurance and investment companies pay out the highest commissions for their most expensive products, to encourage their sale. Even if an advisor is 'independent' in the sense that they don't work directly for a product provider, financial advisors working for commissions have strong financial incentives to recommend highest cost products, and to present them as favorably as possible to their clients. After studying the issue for four years, the UK's financial regulator concluded that *the conflict of interest commissions create is so prone to abuse that they decided to **ban them***.

Fee-Based Advisor



With stories of abuse increasingly common, some investors began seeing commissions as 'bad' and fees as 'good.' In response, a number of firms began charging fees along with commissions, and called it 'fee-based' advice. Sounding awfully similar to 'fee-only' but with a big difference, Wall Street did what it could to shift the focus off of what matters – commissions and the conflict of interest they create. Don't be fooled.

Fee-Only Advisor



'Fee-only' refers to the method of compensation in which planners are only paid fees directly by their clients, and do not accept commissions or compensation from any other source. In this framework, your recommendations are not influenced whatsoever by incentives to steer you toward particular products or companies. Taking commissions and kickbacks out of the equation, you're opened up to the full spectrum of products available - including low-cost insurance, discount brokerage firms, and no-load mutual funds. Truly independent and unbiased, you can rest assured your recommendations are free of hidden agendas.

If you're looking for independent, objective, and unbiased financial advice that's in your best interest, find out how your advisor is paid.