



**All Things Considered:
A Practical Guide to
Fee Only Net Worth Advice**

“In search of clarity for your
personal and financial well being.”

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**A GUIDING
INFLUENCE**

fee only net worth advisors

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FOREWORD

I wrote this White Paper because I believe that the existing framework for financial planning and wealth management is broken. I am not saying that the people delivering these services are acting improperly or being malicious. I am saying that the underlying system they work within has become too focused on its own needs rather than on the people who hire them.

What I mean to say is that the financial system has adopted a product-focus where planning and guidance have been reduced to helping consumers fit efficiently into buying categories. The notion of actually helping unique individuals plan, manage, grow and protect their assets has gone by the wayside in favor of pre-fabricated solutions to typical life stage requirements. It sounds and sometimes feels like feedlot chicken farming, but I digress.

Fifteen years ago I became disillusioned with the financial establishment and critical of many of their practices. I started looking for a more respectful and comprehensive solution. What I eventually found and have been practicing since 1999 has been around for hundreds of years. The approach has just not fit into the new product-based industry. The idea was simple; you hire someone to help you gain control over your net worth, whose job is to help you manage your affairs, not to sell you products.

What had seemed completely obvious for centuries, is now impractical for the financial industry to manage. We assert that the assembly line is an excellent approach for manufactured goods, but for managing wealth it seems presumptuous at best.

So what we've done is adopt an old-fashioned client-focused approach and given it a new name. We call it Fee Only Net Worth Advice. It's how we help people manage their entire net worth on a one-on-one basis. Every client is unique and we work with them to develop an approach that fits each of their needs and goals. And of course we do not sell any products in the process.

It's funny that such a simple and obvious idea is now so contrary to how the industry operates that we need a whitepaper to introduce it. The difference is akin to being guided as a unique individual or family versus being segmented into buying groups for more efficient product sales.

Not to be overly flip about it, this whitepaper is an attempt to introduce a new approach that is also an age old approach.

- I'll begin by talking about clarity because one of the first things a net worth advisor does is develop the big picture. People want a roadmap. They want to know where they are, where they want to go and how to get there.
- I'll urge everyone to think beyond his or her investment portfolios. Yes, stocks and bonds are important but there's too much emphasis put on them. I want people to widen their perspective and adopt a net worth approach. That's the route to a fuller life and a better future.
- I'll explain what fee only Net Worth Advisors are. And I'll describe how they can eliminate the uncertainties and frustrations that are associated with the product-based approach to financial planning.
- I'll discuss the importance of everyone having his or her very own personalized plan. Nobody is in the same boat.
- Because net worth management is a process, I'll run through the various steps so you understand how it works. I'll then explain how net worth advice delivers better outcomes. And I'll end on a discussion about why control is so important. It's your plan but you can only control it if you own it.

Like I said at the beginning: I wrote this paper because I want you to see the merits of our net worth approach and to entice you into learning more about it.



John Amonson, President
Unbiased Wealth Management Inc.

CLARITY IS IMPORTANT IN ALL THINGS

Ask around and you'll find that most people have some life insurance, an investment portfolio and some RRSPs. They'll have an accountant and if they don't officially have a lawyer, they'll know one or two who they can call when necessary.

If you were to ask if they have a proper financial plan, they'd probably say they do – but they'd say it in the same vague tone of voice that you use when talking about your plan. Like everyone else, they're probably not sure whether they have a proper financial plan or not. And they likely aren't too sure whom to call to ask about this.

These are affluent people. They're successful and smart. And yet they're not totally clear about their plan.

That's why clarity is so important. Without it, you're always going to feel uncertain. You will doubt your strategy. You won't feel right about your plan. You might even become unhappy with your advisors. It'll be like living in a financial fog where you never get to see the forest for the trees.

This is no way to deal with your financial affairs. You deserve to see the big picture. You need a comprehensive view of how you, your lifestyle and your assets work together in a way that actually makes sense. You need a straightforward approach that shows you where you are, where you're going and how to get there.

Most people want to feel comfortable about themselves, their lives and their futures. They want to know that they have some control over these things and for that, they need some direction. They need a way to put everything into a context that they can relate to and understand.

That's why Unbiased Wealth Management advises its clients to focus on three things: their **income**, their **behaviours** and their **net worth**. These are the three key areas of everyone's financial life and the guiding principles of net worth management.

It's a given that the better you understand your income, your behaviours and your net worth, the better you can manage them. And the better you manage them, the better your present and future lifestyles will be.

THINK OUTSIDE YOUR PORTFOLIO

Like most people, you probably have someone – a money manager, investment advisor or wealth manager – helping you with your investment portfolio. This is good – but do you know how your portfolio fits into your overall financial plan?

Odds are you don't even have an overall plan. Like too many other people, you probably have several quasi-plans that kind of fit together and, hopefully, they'll sort of somehow work together.

Kind of? Sort of? Hopefully? Somehow? These are not words that instill confidence. And they certainly do not belong in any financial plan. Which is why Unbiased Wealth Management helps clients adopt a net worth perspective.

This broad point of view is not just about your investment portfolio. It is a process that's different from anything you're likely to have experienced before. It takes all of your assets into account, including you, your attitudes and your behaviors with money. It's about your personal financial habits and how they can either work for you or against you.

You'll see that difference right from the start. You'll work with Net Worth Advisors who differ from other financial advisors in three significant ways:

1. Their scope is all encompassing. It's much more than just your investment portfolio. It includes your income, your home and vacation properties, your business, if you have one, and everything else you own. It's all of your assets and all of your liabilities – including your kids' future education costs and other commitments. Plus, it takes into account your behaviors and attitudes towards money. Are you a saver or a spender? What's your risk tolerance? Do you like to take "long shots" and regret it later, or do you like a "sure thing"? And so on.

The scope also includes assessing other matters, such as a thorough review of your Estate Planning documents to ensure your Estate Plan aligns with your wishes. They also review your insurance coverage – do you have too little or too much? Do you have the appropriate type of insurance? They look at other areas such as ensuring efficient tax planning. It could be as simple as setting up a Spousal RRSP or as complex as an Estate Freeze and setting up a Family Trust.

2. They absolutely abstain from selling financial products. Most other financial advisors specialize by helping you select and buy products like mutual funds, life insurance, stocks, bonds etc. Not so with Net Worth Advisors. Their job isn't selling. Their job is serving you by acting as your financial guide.
3. Their focus is entirely on you. Their objective is to help you find and maintain a proper balance point between your current lifestyle goals and the lifestyle you'd like to enjoy in the future.

It is a different way to think of your affairs. It might take some getting used to. But once you realize that you actually understand what's going on. Once you see that you can actually control the process... it just makes so much sense.

WOULDN'T IT BE NICE IF WE COULD LIVE ON HOPE?

You'd be amazed at the number of successful, affluent people who are hoping their investments will somehow fund a long and prosperous retirement.

They've done many of the right things. They've got accountants and lawyers and insurance advisors. They work with financial planners, brokers, money managers and wealth managers. They have nice homes, flush bank accounts, stocks and bonds and they've accumulated some desirable assets. They've got good money coming in and yet, something doesn't feel quite right.

They'd probably have trouble putting their finger on just what that 'something' is. But if you peeled away their concerns like the layers of an onion, you'd probably end up with a statement to the effect that:

"It's as if nobody's in charge of my financial affairs. Maybe I'm supposed to be in charge, but I'm not the right person for the job. I think I have made some good decisions along the way and am working with some pretty smart people... but what I need to see is the big picture. Who can do that for me?"

This concern about a lack of clarity and cohesive leadership are significant issues. And their prevalence has led to the development of the fee-only Net Worth Advisor model, used exclusively at Unbiased Wealth Management.

Talk to Unbiased's clients and they'll tell you that they like this approach for a couple of reasons:

1. It provides an effective leadership and teamwork process that lets Unbiased unite a client's advisory team and focus their respective skills on clear and specific objectives.
2. It does not require a 'changing of the guard'. Clients often like their existing team or parts of it, and are relieved that they don't all need replacing. There may have been no fundamental problem with their services – except for the absence of a leader to guide the overall strategy.
3. Its fee-only model means that Unbiased sells no products and receives no commissions or fees from third parties. The only compensation Unbiased receives comes directly from their clients. It lets Unbiased be... well, unbiased.

FINANCIAL PLANNING WOULD BE SIMPLE – IF ONLY PEOPLE WERE PREDICTABLE

Unfortunately, people are not predictable – especially when it comes to their financial affairs. And as they become more affluent and their net worth becomes even more complex, they depart even further from the so-called norms.

You'd think that people like this would seek out a personalized solution to deal with the complexities of their affairs. But no, it seems many wealthy people choose to follow a product-driven, cookie-cutter solution for their financial plan. It's as if they have chosen to buy 'off the rack' as opposed to taking the time to get a custom fit.

Which begs the question. Why don't they get a 'custom fit' for their complicated financial affairs? Part of the answer lies in the fact that the industry is product driven. Revenues and advisor remuneration are generally based on product sales. The rest of the answer lies in the fact that it's not easy for people to shift their focus away from the traditional approach and explore new solutions.

That 'shift of focus' has also been a challenge for traditional, product-based advisors. Many have labored under the conundrum of serving a client's needs by selling them products. This product-centric focus is core to how the financial services industry works, so there is no easy way around it.

The situation is entirely different for the Net Worth Advisors at Unbiased Wealth Management. They're not dependent on any product line or restricted to any financial service. Their only limit is their self-imposed rule against selling any products. This complete independence broadens their perspective immensely. It also removes any potential conflicts of interest between client and advisor.

At Unbiased, they make two predictions about their clients. One is that they are all different from each other and that their requirements are unique. You can see why this is, just by looking at the various circumstances of their clients:

- Some have already retired and want guidance on how to maintain their lifestyle
- Others are young professionals who want to avoid the mistakes they've seen others make
- Some people want help dealing with a divorce or cashing out of a company
- Others are people in their 50's, wanting to preserve their lifestyle into retirement
- Others wish to discuss estate matters, like how best to distribute their assets to the next generation

The other prediction is that not only will their clients benefit from a custom fitted financial plan, it's likely their cost will be about the same as buying 'off the rack'.

THE ANATOMY OF NET WORTH MANAGEMENT

Net Worth Management is a process that requires your on-going participation and that's not for everyone. To begin with, there are four conditions that you will have to come to terms with in order to enjoy a relationship with Unbiased Wealth Management:

- You have to collaborate with the Net Worth Advisors on your team.
- You can expect them to challenge you and hold you to your commitments.
- They'll make recommendations, some of which you may not like.
- You'll have to accept that they don't sell products and get paid by you alone.

To get a sense of how they operate, their planning, implementation and review process is outlined for you:

1. They'll get to know who you and your family are and what's important to you.
2. They'll need to understand your unique situation and goals.
3. They'll conduct a detailed inventory of your assets, liabilities and associated documents as well as the circumstances behind them.
4. They'll analyze your situation and identify opportunities and threats to goal achievement.
5. Together with you, they'll develop a written agreement, a policy that outlines your goals and how decisions will be made on a go-forward basis.
6. They'll develop and present recommendations for moving forward.
7. They'll work with you and your other advisors to ensure implementation happens smoothly.
8. Because the implementation stage is where human nature and inconsistencies often derail a plan, they will work with you regularly to help you stick with your program.
9. Throughout the process, they have sophisticated record keeping that keeps your critical information in one accessible place for you.
10. They regularly monitor and review your progress; they meet with you and they help you update your plan along the way.

BETTER OUTCOMES FROM INTEGRATED ADVICE

No matter what your age, if you feel that you have reached a point in your life where you have too much to lose by not taking control, then now is the time for qualitative improvements in your financial affairs.

In the simplest of terms, it's time to stop and take stock of your life. To look at where you are today and where you want to be tomorrow. Yes, you'll need a plan but plans are relatively easy to develop. Implementing them is the tough part. So the challenge is finding someone to guide you through the difficult bits and be there for the long haul.

The better guides tend to be Net Worth Advisors. They can help you capitalize on all of your assets. They'll get your advisors to work together as a team and they'll be there, at your side, to make sure you understand the complicated stuff.

At the very least, your Net Worth Advisors will make sure you appreciate the implications of your decisions in regards to the recommendations of your advisory group. No matter how complex the issue, you'll handle it.

As a client of Unbiased Wealth Management, you will participate in your affairs with far more confidence than you can ever imagine. Without overwhelming you with facts, Unbiased will keep you informed and focused on your objectives. They'll support you in your leadership role and work with you to minimize your confusion and your time commitments.

And not only will you become conscious of the behaviors most likely to help you get to where you want to go, you'll also always have a Net Worth Advisors in your corner, consistently nudging you to choose the better, more productive course.

KNOWLEDGE IS POWER, CLARITY IS CONTROL

The ultimate benefit of net worth management is having control over your affairs and your future. Ironically, the concept of having such control causes many people to hesitate at the brink of adopting a net worth strategy.

- They're concerned that they'll have to become experts in financial planning, investments and insurance. They don't. A Net Worth Advisor will help them through all the complexities of any matter. This support is ongoing and available whenever they need it.
- They have full lives to live so they can't afford to spend too much time on their financial affairs. They won't. They now have a framework in place that dramatically reduces their management burden.
 1. They have an Investment Policy that they wrote so they can believe in it.
 2. They have a proper plan that they understand because they helped create it.
 3. And whenever they need a second opinion or just a sounding board, they can call on their Net Worth Advisor.

This paper began by stating that clarity is the first thing that every client must have. It is that important, because with clarity:

- You will see the **big picture**.
- You will get a comprehensive view of how you, your lifestyle and your assets can align in a way that actually makes sense.
- You will get a straightforward approach that shows you where you are, where you're going and how to get there.
- You will acquire complete control over your finances, your lifestyle and all of your assets. For now and for the future.

A BRIEF SUMMARY OF FEE ONLY NET WORTH ADVICE

- Many people are put off about their personal financial affairs. They're frustrated because no one seems to be looking after the big picture. Yes, they have accountants, financial planners, brokers, lawyers and other advisors. But they're all focused on their own special areas. No one is putting all the pieces together.
- People are also disillusioned by the fact that the emphasis always seems to be on some investment or insurance product. Wouldn't it be better if there was more of an emphasis on your individual needs?
- It seems that the financial industry is not setup to focus on an individual's needs. Solutions tend to be generic and driven by available product options.
- Even when clients are affluent and their portfolios large enough to justify a comprehensive, personalized approach, real alternatives to the industry norms are near impossible to find.

This white paper outlines a proven alternative for wealthy individuals and their families. It's unique in the marketplace.

It's a personalized plan for an individual's entire net worth. It's called Fee Only Net Worth Advice and it is most appropriate for families earning 500k and higher, or with investment assets in excess of \$2 million or a Net Worth of at least \$5 million.

If Unbiased Wealth Management sounds like the guiding influence that's been missing from your advisory team, call today to book a private conversation with a fee only Net Worth Advisor.

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