



Safe Harbor Financial Advisors, LLC

Frequently Asked Questions

- 1. Please tell me about the financial planning process.** Financial planning is a multi-step process that provides you with two important things: (1) An in-depth review of your current financial situation, and (2) a blueprint that shows you how to achieve your future goals and objectives. At Safe Harbor Financial Advisors (SHFA), the financial planning process consists of a number of distinct steps (see our Financial Planning Process outline for details on our unique financial planning process). The critical point to understand is that financial planning is a process...not an event.
- 2. How do you create this blueprint?** First we focus on your goals, objectives, priorities, and values. For instance: you may want to reduce current and future income taxes; you may want to fund a quality education for your children or grandchildren; undoubtedly, you want to enjoy a financially secure retirement. Some people want to create wealth and leave a legacy for their beneficiaries or charities. You may be already on the road to meeting these goals and simply need a new strategy, professional insight, or to fine-tune your plan. You may just be starting out, or you may be somewhere in between. Whatever your situation may be, you probably need a periodic assessment of where you are on the road to meeting your financial goals. That's why we do an in-depth review of your current financial situation. Next, you need to know how you can achieve (or continue working toward) your goals. By focusing on cash flow, investments, taxes, retirement plans, estate planning, insurance issues, savings opportunities, and other general financial matters, we design a financial blueprint for you.
- 3. Sounds like a lot of work!** Maybe, but the good news is if you follow your plan and maintain discipline, you can reach your goals. We try to make the process as easy as possible. Besides giving you professional advice SHFA can also help you implement and monitor your plan, if you wish.
- 4. Who can benefit most from your services?** Anyone seeking financial peace of mind. We serve people at all income levels, from all walks of life. You may work with us on a one-time, as needed basis or on an ongoing basis. We welcome clients who need a one-time financial consultation or a second opinion, as well as those who need comprehensive financial planning and possible monitoring services. Also, corporations or organizations needing quality, unconflicted financial education for their employees or members can benefit from our financial education programs.
- 5. What is "fee-Only" financial planning and why should that be important to me?** Because we are Fee-Only financial planners, all conflicts of interest regarding compensation are removed. We do not sell financial products and there are no third-party relationships or outside influences to color our thinking and recommendations. In addition, our firm is a Registered Investment Advisor (RIA); as such, we must comply with a host of regulations designed to protect the consumer. One important question you should always ask when considering a financial planner's services: "May I please have a copy of your

ADV Part II?” This document contains important information about a planner’s qualifications, fiduciary duties, history of any past violations, etc. We would be happy to send you a copy of our ADV Part II. Please contact us to request your copy, or download and read our ADV Part II from www.safeharborfinancialadvisors.com.

- 6. I understand the benefits of working with a Fee-Only financial planner, but I might need to obtain financial products. How will I be able to do that?** We will offer specific recommendations and opinions regarding the purchase of various financial products. So, if you need to obtain an insurance policy or a new mortgage, invest in mutual funds, or find an estate planning attorney or tax professional, we can direct you to the resources you need and help you obtain these products and services. We can also help you implement your plan and set up your accounts.
- 7. Does Safe Harbor Financial Advisors provide only comprehensive financial planning?** No. While a comprehensive plan can provide great benefits, we can limit our services to your specific needs, such as cash management and budgeting, investment analysis or college education funding.
- 8. My spouse and I are just beginning to build for our financial future. There is so much to learn! We need help and guidance to get started. Will you accept us as clients?** Yes. Most firms have income and/or net worth minimums but, we realize that everyone has financial needs. We are proud to work with people from all income levels, and all walks of life. Remember, “You don’t have to have a fortune to start building one.”
- 9. I have already accumulated substantial assets and I think I am doing quite well. But, things seem to be getting more complicated. I want to be sure I am on track. Can you help me?** Yes. People who need more sophisticated financial planning or advice will find our services to be advantageous. If you need a professional review or a second opinion to ensure you are on track, we are happy to provide that.
- 10. I understand that having appropriate legal documents is a key part of a comprehensive financial plan. Do you offer that service?** SHFA does not provide estate planning document preparation services since that is work for a qualified attorney. We can review an existing estate plan and conduct an analysis and make recommendations with respect to the financial issues. Further, SHFA has an affiliation with Reilly Law, PLC, an estate planning law firm serving clients in Virginia, Maryland, and the District of Columbia. George Reilly, principal planner at SHFA, is an attorney specializing in estate planning, and through Reilly Law, PLC can provide Safe Harbor clients with a comprehensive estate plan that ties into their financial planning. That is a separate client engagement and there is no obligation to use the services of Reilly Law, PLC. Information about the Peace of Mind Planning process offered by Reilly Law can be found at www.ReillyLawPLC.com.
- 11. What types of securities do you provide advice for?** We provide advice for most types of securities, including mutual funds, stocks (as they relate to your portfolio), bonds, bank deposits, variable and fixed annuities, and limited partnerships. We can also advise you on mortgages, budgeting and cash flow issues, 401(k), 403(b) and other retirement programs, stock options, life and disability insurance, etc. If it has to do with money and finances, we can provide counseling, guidance, and resources for you. We want you to know you can call on us with any and all of your financial concerns. One of our slogans is “Financial Planning and Advice for Everyday Life.” You should call us when you have a major life

event such as a new job, a baby, a marriage or divorce, or if you are planning to buy a new home or start a business. We also want you to call us with more common everyday questions, like “How should I invest my 401(k) or 403(b) plan?;” “When should I claim my Social Security benefits?;” “How can I reduce my taxes?;” “What advice can you offer on refinancing my home?;” “How can I maximize my Flex Spending Account, Cafeteria Plan or Section 125 Plan at work?;” etc.

12. If I use Safe Harbor to develop a financial plan, am I obligated to purchase the recommended products? Absolutely not. We offer recommendations which in our professional opinion will meet your needs, but you are under no obligation to purchase them. In today’s competitive market, it makes sense to shop around. For instance, if you need a life insurance or disability policy, we will suggest the kind of policy, which riders and what amounts may be best for you. We will then direct you to a choice of companies that can provide a quality product at competitive price. If you wish, we can help you purchase investments and set up your accounts with a third party custodian such as a discount broker.

13. Tell me about your investment philosophy. As financial planners and investment consultants, we believe in the following fundamental principals with regard to designing an investment portfolio: The purpose of a client’s investment portfolio is to fund current and future needs. The portfolio design must take into account those needs as well as tolerance for risk. It is important to remember that no one can predict the future and it is difference of opinion that makes a market. Investment and economic “experts” provided with the same information often come to different conclusions.

We do not suggest that we can, or that any money or mutual fund managers that we recommend, will make the correct decision every time. We do believe, however, that studying the historic trends and relationships of investment classes and the philosophies and approaches of successful investment managers can provide valuable insight. The appropriate allocation of investment assets for our clients’ goals and risk tolerance is the most important component in developing an investment portfolio. We believe that having a diversified, well-balanced portfolio, following passively managed long-term buy and hold strategies, and having patience will increase the likelihood that clients will achieve their long-term financial objectives.

14. How do you select investments for a client? We consider the current economic conditions, the outlook for various asset classes or types of securities and how they may fit within a portfolio. For stock mutual funds, we focus primarily on the philosophies, experience and track record of the management team. We will also frequently recommend index funds as they are inexpensive and tax efficient. With fixed income investments, we look for the best yield available for a given quality of security. As fiduciaries we try to obtain the most appropriate investment vehicles to meet client objectives, while being very conscious of total expenses and risk exposure.

15. How do you price for financial planning services? The fees are based on the actual time involved in meeting with you in person or over the phone, researching and analyzing your current situation, and providing specific recommendations and implementation assistance (if appropriate).

- 16. How much will my financial plan cost?** Fees are determined on a project basis; the total fee for an engagement will vary from client to client based on the specific needs and complexity of the situation. An estimate is provided after the Get Acquainted Meeting, when your personal needs are fully identified. For more information see the link on our website for Our Services and Fees.
- 17. Are your fees tax deductible?** Yes. Section 212 of the Internal Revenue Code permits an itemized deduction for tax and/or investment advice in the miscellaneous section of Schedule A. It is subject to a 2% floor of the adjusted gross income on a personal tax return.
- 18. Once my financial plan is completed, will our relationship end?** The actual engagement of services may end, but most clients choose to return. Financial planning is a process, as opposed to an event, and we offer ongoing services, periodic reviews and day-to-day consultation as requested and needed.
- 19. Does Safe Harbor offer income tax preparation services?** Yes. In addition to providing income tax analysis and recommendations, SHFA offers clients the opportunity to have their federal and state returns prepared and electronically filed at a reasonable fee. All returns are prepared or reviewed by a tax attorney.
- 20. How can I get started?** The first step is an initial inquiry from you. Call us at **(703) 829-SAFE (7233)** or e-mail us at info@SafeHarborFinancialAdvisors.com. We offer an initial no cost, no obligation Get Acquainted Meeting, either on the phone or in our offices. For Get Acquainted Meetings, appointments are scheduled typically during regular business hours of 9-5 Monday through Friday with evening and Saturday hours available to accommodate client schedules. Should you decide to engage our services, we will discuss which services are appropriate for you. Most people find the financial planning process to be rewarding. The end result, of course, is greater peace of mind. We look forward to helping you build a brighter financial future.
- 21. Where can we meet?** The main office of Safe Harbor Financial Advisors, LLC is in Historic Occoquan, Virginia, conveniently located just off I-95 at the Route 123 exit. Other meeting locations are available at executive suites in Arlington (Ballston), Fair Oaks, Tysons Corner, and Reston.