


Fiduciary

EXPLAINED



Conrad Siegel™



**“Fiduciary” means
a lot of things to
a lot of people.**

HERE'S WHAT IT MEANS TO US



What's in a word? About this booklet.

The following contains our unique definition of the word “fiduciary” as defined under the Investment Advisers Act of 1940. We’ve spent a lot of time seeking a shared understanding of the word and what it means for our unique style of client service. We hope this book gives you the tools to understand what a fiduciary is and, more importantly, what a fiduciary can do for you.

TABLE OF CONTENTS

Our Definition	2
Fiduciary Timeline	3-4
How Many Advisers are Fiduciaries?	5
Full-Time Fiduciary vs. Broker-Dealer	6
Finding a Fiduciary	7
Glossary	8

About Conrad Siegel.

Conrad Siegel is an employee benefit and investment advisory firm headquartered in Harrisburg, Pa. that provides customized retirement, healthcare benefit and investment planning solutions for businesses and individuals. The firm offers unbiased, fee-based services backed by careful attention to detail.

Fee-for-service
We're compensated by the fees clients pay directly, rather than through commissions or brokerage fees. We receive no hidden benefit from the services we provide.

Duty of care
Your doctor and your lawyer have an obligation to adhere to this higher standard, and so do we. We make decisions with an informed, good faith and rational judgement.

Concerned with your best interest
We consider ourselves stewards of your money. We seek to listen and understand you and your priorities.

Accessible
When you contact us, you talk with our client service team so you know the support is coming from real people who know you.

Your advocate
We're here to provide guidance and empower clients by helping them understand the financial decisions they are making and what's at stake.

F I D U C I A R Y

In your corner
You have a vision for your future. We are proactive in helping you bring that vision to life.

Unbiased
Our advisors are independent of any financial institution, which means we can make recommendations without any conflict of interest.

Independent by choice
We've always been an independent firm, free of third-party interests. We believe it's just the right thing to do for our clients, and it positions us to work exclusively for our clients.

Relationship-oriented
We start by getting to know you. Our first priority is to act in clients' best interests and that means we get to know our clients so that we can provide truly customized recommendations.

➔ **Fiduciary def:**

An unbiased, trusted financial advisor committed to knowing and empowering you to make financial decisions in your best interest.



“Fiduciary” TIMELINE

1940

Investment Advisers Act

Prompted by the stock market crash of 1929, this long-awaited U.S. law regulates investment advisors and defines their role and responsibility to protect consumers against misleading or fraudulent investment advice.

1963

Conrad Siegel Opens in Harrisburg, PA

Conrad M. Siegel opened our actuarial firm based on the principles of fee-for-service work with no hidden costs, solid and objective advice, and transparency.

1969

CFP® Designation Created

The financial planning profession progressed when 13 individuals met to discuss a better way of providing financial advice, starting the International Association for Financial Planning®, the College for Financial Planning®, and developing the CERTIFIED FINANCIAL PLANNER™ certification.

2002

Conrad Siegel Launches Investment Advisory Business

After providing employee benefit services for more than 35 years, Conrad Siegel began providing investment services due to client demand. Companies, families and individuals wanted investment services that were just as independent as the firm’s actuarial, recordkeeping and health and welfare consulting services.

2016

Conrad Siegel Opens Second Office

Conrad Siegel opens its second office in Lancaster, Pa. to support our local Lancaster clients and the surrounding community.

2018

Conrad Siegel Opens Office in Naples, FL

Conrad Siegel opened its first office in Florida and third office overall, continuing to expand to meet client needs.

2020

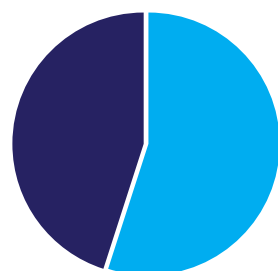
SEC’s Regulation Best Interest Adopted

Financial advisors must comply with Regulation Best Interest, a rule that requires professionals to put clients’ interest first when giving advice and to disclose conflicts of interest. However, it does not enforce the highest fiduciary standard for all advisers.

HOW MANY FINANCIAL ADVISORS ARE *actually* fiduciaries?*

ONLY **5,000** OUT OF **310,000** FINANCIAL ADVISORS ARE TRUE FIDUCIARIES

 = 30,000 ADVISORS ● — BROKER ● — TRUE FIDUCIARY



53% of people mistakenly believe all financial advisors are legally required to act in their best interest

1 in 5 people understand the difference between a financial advisor and a fiduciary

What's the DIFFERENCE?

Registered Investment Advisors (RIAs) vs. brokers — both go by “financial advisor”, but their responsibilities and obligations are different. Here's a snapshot comparison.

REGISTERED INVESTMENT ADVISOR

BROKER-DEALER

Responsibility

#1 responsibility is to client

Responsibility

#1 responsibility is to broker

Legal

Full-time fiduciary: Legally obligated to act in your best interest at all times

Legal

Sometimes legally obligated to act in your best interest only on a part-time basis in specific situations

Motivation

Serves clients as an advisor, motivated by your goals

Motivation

Functions as a salesperson, motivated to sell specific investment products

Fees

Only charge on a fee-for-service basis and cannot earn commissions on investment recommendations

Fees

Fee structure varies and advisor may earn commissions or kickbacks on investment recommendations

*Robbins, Tony. (2017). *Unshakeable*. Simon and Shuster.

FIVE STEPS FOR *finding a fiduciary...*

Just 1.6% of advisors are full-time fiduciaries, which makes it difficult to find an independent, qualified financial advisor who will work in your best interest. Here's a clear guide to find not just a fiduciary, but one who will be the right fit for you and your financial goals.

- 1. Start Your Search** with the online 'find an advisor' resource from the National Association of Personal Financial Advisors (NAPFA). Membership in NAPFA is contingent upon being a full-time fiduciary.
- 2. Ask Family, Friends or Colleagues** for recommendations. You'll get opinions from trusted sources who can speak to their own experience. Be sure to ask advisors you are referred to if they are a fiduciary.
- 3. Conduct a Review** of the advisor's credentials. If they are a CERTIFIED FINANCIAL PLANNER™, they are held to a fiduciary standard by the CFP Board. A Chartered Financial Consultant® is held to a fiduciary standard by The American College of Financial Services. Know the difference between the advisor's title and his or her credentials because advisors can have the title of financial planner without a CFP® certification.
- 4. Ask Advisors** you interview if they are a full-time fiduciary and what fees they charge. Some advisors may be dually registered, meaning that they can act as a fiduciary in some instances and a broker in others.
- 5. Have a Conversation** with potential advisors to find someone who matches with your investment philosophy. Find out how they communicate with clients, their areas of expertise and their approach to financial planning.

At Conrad Siegel, all of our investment consultants are full-time fiduciaries. Our firm was built around a fee-for-service model and a commitment to building and maintaining trusted relationships with our clients.

GLOSSARY

Fiduciary

A person to whom property or power is entrusted for the benefit of another; legally obligated to act in the best interest of their client at all times.

Fee-for-Service

A transparent fee structure that means the advisor only receives payment for services; advisor cannot earn commissions on investment recommendations.

Broker

An individual or firm that sells investment products; not designated as a fiduciary.

RIAs

RIAs are Registered Investment Advisors, legally obligated to act in the best interest of their clients at all times, and operate on a fee-for-service basis.

CFP®

A CFP® is a CERTIFIED FINANCIAL PLANNER™ who has received certification from the Certified Financial Planner Board of Standards and met the standard of excellence for financial planners. These professionals have met extensive training and experience requirements, and commit to the board's ethical standards that require them to put their clients' interests first.

Advisor

A professional providing financial or investment advice; interchangeable with consultant, planner, etc.

Hybrid Advisor

A hybrid advisor (ie. dually registered) represents both a Registered Investment Advisor and a broker/dealer. These advisors operate on both a fee and a commission-based model. When working with them, you should be clear which model they are operating under.

SEC Regulation Best Interest

Established a "best interest" standard of conduct for broker-dealers. It does not enforce the highest of all standards, the fiduciary requirement.

Disclaimer

All investment advisory services and fiduciary services are provided through Conrad Siegel Investment Advisors, Inc. ("CSIA"), a fee-for-service investment adviser registered with the U.S. Securities and Exchange Commission which operates in a fiduciary capacity for its clients. Investing in securities involves the potential for gains and the risk of loss and past performance may not be indicative of future results. Any testimonials do not refer, directly or indirectly, to CSIA or its investment advice, analysis or other advisory services.