

**Whitcomb & Hess**  
**Investment Advisory Services**  
**10 Frequently Asked Questions**

**1. How does W&H select the investments for a client's portfolio?**

We believe that each one of our clients is a unique investor. Therefore, we tailor each client portfolio to match that investor's objectives and risk tolerance. We research and use some of the best no-load mutual funds available in order to maximize return while minimizing risk. We can also offer stocks, bonds, and many other traditional investments.

**2. What does it mean to be independent advisors?**

As independent advisors, we are not tied to any particular mutual fund family or company. We don't receive any incentives to favor one investment over another, and we do our own fund research. This means that we can give objective advice, and offer the very best investments impartially.

**3. Why does W&H charge asset-based fees?**

In our opinion, asset based fees best align our interests as advisors with those of our clients. By charging 1% of assets under management, if we grow client wealth, the total amount of our fee also increases. Many advisors make commissions from trading activity. In some cases, this gives the advisor incentive to trade frequently rather than grow the client portfolio.

**4. Why did W&H get into asset management?**

Many of our tax and business clients were happy working with us, and wanted to know if we could give investment advice. In other words, we simply responded to the growing demands of our clients.

**5. How does being a CPA firm help me as an investment client?**

Tax implications can have a huge impact on investment decisions. Different types of accounts are taxed differently, and tax code changes often. Being a CPA firm, our advisors understand how taxes affect overall investment return and when investment gains can be eroded by paying unnecessary tax.

**6. Why did W&H decide to use Charles Schwab as the custodian of assets?**

We chose Schwab because they are an independent firm that offers independent investment research. This allows them to offer a broad range of investment products, giving us the ability to offer them to our clients. They also use state of the art technology and have a tremendous support team.

**7. What is the role of a Custodian (i.e. Charles Schwab)?**

The custodian is the place where client assets are held. Schwab holds client funds, executes trades, alerts us to closing funds, as well as offering many of the benefits from the previous question.

**8. How will I know what I am being billed by W&H?**

Most of the time, clients prefer to have our fees withheld directly from their accounts. These clients receive a quarterly statement showing how the fees were calculated and how much they amounted to. Clients who prefer to pay our fees "out of pocket" will receive a quarterly invoice.

**9. How often is my portfolio reviewed?**

Our advisors are constantly watching market conditions and monitoring client portfolios to make sure they remain appropriate to the investor. When our quarterly statements are compiled, our advisors perform a more thorough review of every client portfolio to check asset allocation and performance.

**10. What other services are provided by the Investment Advisory team?**

In addition to putting together client portfolios and giving investment advice, our team also has the ability to put together in-depth (yet easy to understand) financial plans to help our clients reach retirement, college planning, or other financial goals. We strive to be the first place people come for sound, objective advice on any financial question they may have, so we often handle questions on insurance, selling a home, refinancing a loan, and many other day-to-day financial issues.