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**Frequently Asked Questions (FAQs)**

1. **How do I find a financial advisor?**

You may be referred to a financial advisor any number of ways. However, the decision to engage a financial advisor is best made by making personal contact, accepting a complimentary consultation, considering the professional qualifications and experiences of the advisor, and then trusting your intuition to choose someone in whom you feel confident. A good financial advisor will become part of the family, someone who wants to be included in all the important financial decisions you make in life and the important events that happen along the way.

1. **What is financial planning?**

Financial planning is an ongoing process used to help you make sound financial decisions and achieve goals in your life. These goals include objectives developed for savings, starting a family or a business, educating oneself or a child, building a retirement future, or building a legacy for family, charity or for a community. It also includes creating a safety net or contingency plan for unexpected events such as illness, job loss or untimely death.

1. **Do you offer a complimentary initial consultation?**

We use this initial visit to learn about your needs and expectations, to share our capabilities, and to determine how effectively we can work together.

1. **Do you contact me before making any changes to my investments?**

We do if the investment strategy selected is not discretionary and if this is your preference. However, we can take discretion in some strategies or when you personally authorize limited discretionary trading.

1. **Can you help me with my company benefits and retirement plans?**

Yes, we can assist you in understanding and working with your executive compensation rewards, as well as your company retirement plan programs and options. For business owners we can assist in the development and implementation of select employee benefit programs.

1. **Can you work with my other advisors such as my attorney and accountant, etc.?**

Yes, we believe that a team approach results in more effective and well-coordinated planning.

1. **Please describe Dougherty’s Financial Planning Process.**

The process for financial planning involves extensive data gathering of all financial information. First, we will request that you complete one or more of our data gathering questionnaires, as well as provide us with all of your financial information. We will gather important tax and legal documents from your accountant, attorney, insurance agents, bankers, and stock brokers, as necessary.  Once we have obtained this information, we will begin preparing financial statements. The financial statements include a balance sheet, an income tax projection, as well as a cash flow analysis. We will also provide you with support pages to determine how we developed the balance sheet and other financial statements. We will then have a data verification meeting with you to ensure that we have all pertinent and accurate information. From there, we will develop other projections, such as education funding, estate death tax, retirement calculations, IRA distribution analysis, insurance reviews and survivor analysis. When this is complete, we discuss your overall financial situation as well as what issues you prioritize for us to address in each area. The areas that we will cover include basic finance issues such as refinancing mortgages or other debt, analyzing a client’s liquidity and discussing any cash flow and/or savings issues that may arise. We will spend time discussing how to reduce income taxes and funding children’s educations in a tax-efficient manner, if applicable. In addition, we will review all of your existing estate documents. We will also analyze risk management exposure and adequacy. Furthermore, we will analyze and assist in optimizing an overall investment strategy to meet your goals. If you are near or in retirement, we will spend a great deal of time discussing those issues including distribution strategies from retirement plans. This would include utilizing NUA opportunities as well as any “back door” Roth possibilities.

Once we provide you with recommendations, we will then assist in the implementation phase.

During the implementation phase some of the value-added services that Dougherty & Associates provides could include—speaking with the client’s employer’s human resources personnel, accountants, actuaries, bankers and insurance agents to ensure that everyone is on the same page.

For example, we often see clients who have complicated will and trust documents. However, the titling of their assets and beneficiary designations are incorrect.  As a result, their estate will not flow properly. Therefore, if major changes are needed we will discuss this with the client’s attorney. Often, we will meet with the client and his/her attorney to review estate planning strategies. The same applies for income taxes, in that we will provide any information that we are aware of, in advance of income tax preparation time to the client’s accountant. This will only be done should we have the client’s authorization. We will also provide the bank with updated financial statements to facilitate any lending and/or refinancing on behalf of the client. We will always assist in the implementation of any recommendations the client has prioritized wherever possible.

1. **As an Investment Management client, how often will you meet with me after the initial investments are implemented?**

In general, this will largely be influenced by your input. We prefer to meet several times in the early part of any client relationship to make sure that our clients understand all of our services and have established a comfort level with their investment strategy and its components. As our relationship evolves, you may want to meet frequently or prefer to just have semi-annual meetings to discuss your investment strategy and changes that may affect your financial planning. These topics may include tax law changes, family and relationship changes, etc. Our goal is to accommodate your preferences as well as to be flexible and responsive to our client’s needs and changing circumstances. We strive to make ourselves available to you when you need us and will proactively reach out to discuss your portfolio, important tax law changes or even to just catch up on what is going on in your life

1. **How often will I be updated on my investment portfolios?**

You will receive a monthly statement online or via the mail from the custodian, which will list your securities and the associated current values as of month-end. Furthermore, as securities are traded, you will receive a confirmation statement with full details of each buy or sell.

1. **How does Dougherty & Associates select outside (private) portfolio managers?**

We look for portfolio managers with consistent, excellent long-term track records. We consider only what you would refer to as “world class’’ managers. Screening managers is part of our process as well as that of some of our strategic partners such as IPC, SEI and Envestnet. Our philosophy is that we are investing with the portfolio manager.  In other words, we are selecting managers, not the actual mutual fund or management company. Therefore, if one of our recommended managers leaves a fund or management company, it is not unusual for us to follow that manager.

1. **What methodologies/disciplines does Dougherty & Associates employ with regard to mutual funds?**

The due diligence and investment selection process is extensive. For mutual fund analysis, we screen the entire universe of mutual fund offerings utilizing Morningstar Advisor Workstation and the PMC/Envestnet platform. We also have access to the screening output of Lincoln Financial Advisors and Envestnet. Morningstar is a recognized leader in mutual fund data and research. Because we are affiliated with a registered investment advisor, we are not limited to a proprietary family of funds or to proprietary product solutions.

1. **What does “discretion” mean?**

Discretion means having the ability to trade in client’s accounts without the client’s permission. This does not mean that Dougherty & Associates has custody. The custodian, such as Fidelity, IPC, First Clearing or SEI, maintains custody. Discretion simply means that we are able to make trades on a client’s behalf without contacting the client in advance.

1. **Do we have to stay with Dougherty & Associates for any length of time?**

Obviously, we would like every client to stay with our service forever. However, there is no obligation to do so.

1. **How is Dougherty & Associates affiliated with Lincoln Financial Advisors?**

Dougherty & Associates is an independent firm and is not an affiliate of Lincoln Financial Advisors. Our individual planners choose to be affiliated with Lincoln Financial Advisors as our compliance and due diligence partner because their scale and breadth of scope provides multiple opportunities to serve our clients without bias using an extensive array of open architecture solutions. Lincoln Financial Advisors’ due diligence, compliance and security systems, as well as deep bench of legal, tax and financial planning experts, help us serve our clients well.

1. **How is Dougherty & Associates compensated for their services?**

Dougherty & Associates is compensated by the fees we charge for comprehensive financial planning when clients engage us for this service. Our planners are also affiliated with a Registered Investment Advisor firm, Lincoln Financial Advisors. As such, in the managed asset programs we utilize, we receive fees and we take fiduciary responsibility for our clients.

1. **What makes Dougherty & Associates different from banks, brokerage firms and/or other financial advisory firms?**

Dougherty & Associates is different from other financial advisory and brokerage firms as well as banks in a number of ways. Our service initiatives are designed to be unparalleled. We provide advice on all aspects of your finances, while at the same time assisting you with the implementation of the recommendations. No detail of your financial situation is overlooked. Reviews are undertaken of employment agreements and contracts, real estate leases, wills, trust agreements, employee stock option agreements, property and casualty insurance, non-qualified deferred compensation agreements, investments, buy-sell agreements, retirement plan documents and business income tax returns. Interaction with your other advisors, such as actuaries, accountants, attorneys, bankers and other key resources to ensure that everyone is working on your behalf is routine.

Our team focuses on your financial goals. We provide unparalleled service and unbiased advice. In our investment management program we take fiduciary responsibility. We are not only stewards of your wealth but also of your well-being.

Associates of Dougherty and Associates are registered representatives of Lincoln Financial Advisors

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