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Review of Rockefeller Capital Management

Friday, July 24, 2020

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Rockefeller Capital Management is a full-service financial services firm that grew out of the family office for the storied Rockefeller family. It has 74 investment advisors across nine offices, which are located primarily in major metropolitan areas throughout the country. The firm caters to families managing intergenerational wealth, and it specializes in investments selected through an environmental, social and governance (ESG) lens. It currently oversees more than $5.4 billion in assets under management (AUM).

All information included in this profile is accurate as of July 24, 2020. For more information, please consult Rockefeller Capital Management's website.

Assets under management: $ 5,419,902,221
Minimum investment: None
Fee structure: A percentage of AUM; commissions

Do you have a question?

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Fifth Floor
New York, NY 10111
https://rcm.rockco.com/ (https://rcm.rockco.com)
(212) 549-5100

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Overview of Rockefeller Capital Management

Rockefeller Capital Management's predecessor, Rockefeller & Co., Inc., has roots going back to 1882, when tycoon John D. Rockefeller established the firm to manage his family's immense wealth. In 2018, Rockefeller & Co. became a subsidiary of Rockefeller Capital Management, a joint venture owned by president and CEO Greg Fleming, a former Morgan Stanley (https://www.magnifymoney.com/blog/investing/morgan-stanley-wealth-management-review-ria/) executive; the private equity firm Viking Global Investors; and the Rockefeller Family Trust.

Rockefeller Capital Management is primarily owned by funds affiliated with Viking Global Investors, as well as by a trust representing the Rockefeller family and by firm management. The firm includes Rockefeller Family Office, which services multi-generational wealthy families, and Rockefeller Asset Management, which offers investment management services to high net worth individuals and families, both directly and via the private wealth advisor platform.

In the two years since launching, the firm has grown quickly by aggressively recruiting wirehouse advisors and purchasing established firms, some of which still operate under their own names. The firm has 116 employees, including 74 of whom serve as investment advisors.

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What types of clients does Rockefeller Capital Management serve?

Rockefeller Capital Management still counts the Rockefeller family as a client, and it aims to offer similar services to other families managing intergenerational wealth. However, while high net worth individuals make up nearly two-thirds of the firm's individual investor clientele, the remainder are individual investors who do not have a high net worth (for reference, the SEC defines high net worth individuals as those with at least $750,000 under management or a net worth of over $1.5 million).

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Services provided by an investment manager may have a minimum account balance of $250,000 or more, though some services don't have a minimum account balance requirement at all. The firm may lower minimum account balance requirements for some clients.

In addition to serving wealthy individuals and families as well as family offices, the firm is capable of working with a wide range of institutional investors. The firm's largest institutional client bases include charitable organizations, pooled investment vehicles and corporations or other businesses.

Services offered by Rockefeller Capital Management

Rockefeller Capital Management offers comprehensive financial planning (https://www.magnifymoney.com/blog/investing/financial-plan/) as well as investment advisory services to clients, with services tailored for family offices and long-term investors, as well as those who want to align their portfolios with their values.

Clients who use the Rockefeller Private Wealth Advisor Platform get paired with a private wealth advisor, who may be a certified financial planner (CFP) or a chartered financial analyst (CFA). Clients may have multiple accounts on the platform with different investment approaches for each account.

Clients can receive investment advisory services either on a discretionary basis, meaning the firm can make investment decisions without prior authorization from the client, or on a non-discretionary basis. Rockefeller Capital Management also offers investment consulting services, providing advice to clients who are responsible for deciding whether to execute the trades.

- Investment advisory services
- Financial planning for family office clients

- Investment planning
- Trustee services and estate planning
- Charitable planning
- Insurance planning
- Multi-generational financial planning
- Bill payment and activity reporting
- Cash flow management and budgeting
- Tax planning and preparation
- Retirement planning
- Business planning

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- Retirement plan consulting

How Rockefeller Capital Management invests your money

Rockefeller Capital Management uses an environmental, social and governance (ESG) lens (https://www.magnifymoney.com/blog/investing/values-based-investing/) when selecting equity investment opportunities for its clients. The firm believes that equities that score well on ESG factors are not only good for the broader world, but also tend to outperform the market over the long term.

On the fixed income side, the firm uses macroeconomic analysis and fundamental credit research to select potential securities, including ESG offerings. It uses both tax-exempt and taxable strategies with an eye toward preserving income.

Clients can invest via several strategies:

- **Separately managed account strategy:** Uses separate accounts headed by individual investment managers
- **Fund strategy:** Invests mainly in mutual funds and exchange-traded funds (ETFs) (https://www.magnifymoney.com/blog/investing/what-is-an-etf/)
- **Discretionary or non-discretionary private wealth advisor strategy:** Relies on a personalized wealth advisor for guidance on investment strategies
- **Unified managed accounts (UMA) strategy:** Uses a combination of the above strategies in a single account

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Fees Rockefeller Capital Management charges for its services

Rockefeller Capital Management gets paid via fixed fees, commissions and a percentage of assets under management, all of which are negotiable. The fee schedule (https://www.magnifymoney.com/blog/investing/financial-advisor-cost/) depends on the service provided.

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Financial planning and family office service fees: For ongoing, comprehensive financial planning, available to family offices, clients pay an annual retainer fee that ranges from $50,000 to $500,000, depending on the complexity of their financial situation and the firm's analysis.

For more limited Wealth Strategy Planning Report and Analysis over a six-month period, clients may pay a one-time fee of $15,000 to $25,000. The firm charges hourly fees for unbundled family office services, such as bill pay or tax preparation.

Investment management fees: In the firm's wrap fee program, clients pay a single fee, which includes a client fee of up to 2.00% of assets under management and a management fee of 0.15% to 1.00%.

Family office clients are subject to different rates, paying an open architecture fee schedule for investment advisory services. The maximum investment advisory fee under that structure is 0.50% of assets under management, which clients pay in addition to an investment manager fee of 0.10% to 2.50% of assets under management.

Additional compensation: Rockefeller Capital Management is also a registered broker-dealer. That means that some of its personal wealth advisors may receive a commission for selling certain securities. Separately, while the firm typically uses an asset-based fee model, the firm may occasionally charge performance-based fees, depending on the client's situation and the investment strategy. This fee may be charged in addition to or instead of an asset-based fee.

Rockefeller Capital Management's highlights

- **ESG Focus:** Rockefeller Capital Management makes it easy for clients concerned about the impact of their investments to ensure that their portfolio aligns with their values through its focus on environmental, social and governance integration.

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- **Flexible services:** Clients can choose how involved they want to be in the management of their portfolio, since they can choose either discretionary or non-discretionary management services. The firm also offers a broad array of portfolio strategies and an extensive menu of services to family offices.
- **No disciplinary disclosures:** Rockefeller Capital Management has not had any legal or disciplinary events (see more information below).

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Rockefeller Capital Management's downsides

- **Unclear fees for wealth management:** Since the firm's fees are negotiable, it's difficult for potential clients to determine how much it will actually cost them to work with Rockefeller Capital Management. With a maximum fee of 2% to 2.50%, in addition to other fees, clients could end up paying more than twice the industry average of 1.17%, according to a 2019 study by RIA in a Box (https://www.riainabox.com/blog/2019-ria-industry-study-total-average-fee-is-117).
- **High fees for financial planning:** The firm's fees for financial planning are significantly higher than what many other firms charge. A 2018 Kitces (https://www.kitces.com/blog/average-financial-plan-fee-hourly-retainer-aum-plan-cost/) study found a maximum retainer fee of $17,500 for a financial plan, while Rockefeller Capital Management's retainer fees start at $50,000. That said, financial planning for multi-generational wealth may require more work than more straightforward plans.
- **Potential conflicts of interest:** Since some advisors receive commissions for selling certain securities, they may be financially incentivized to recommend those products, presenting a potential conflict of interest.

Rockefeller Capital Management disciplinary disclosures

Rockefeller Capital Management has no disclosures, meaning it has a clean disciplinary track record. The SEC requires all registered investment advisors to disclose any civil, regulatory or criminal actions related to the firm, its employees or its affiliates that may be material to a client's

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evaluation of the firm on their Form ADV (https://www.magnifymoney.com/blog/investing/form-adv-financial-advisor/) paperwork.

Rockefeller Capital Management onboarding process

Potential clients can reach out to local offices (https://rcm.rockco.com/contact-us/) to connect with the firm or send an email to info@rockco.com (mailto:info@rockco.com).

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New clients can expect to work with a personal wealth advisor to discuss their financial goals and risk tolerance to find an investment approach that works for them. Advisors will share portfolio performance details with clients at least on a quarterly basis.

Is Rockefeller Capital Management right for you?

Rockefeller Capital Management may be a good choice for those looking for help managing intergenerational family wealth or interested in impact investing. Investors concerned about fee transparency and keeping a lid on costs, however, might be better served by a different firm.

As always, when choosing financial services, it's important to understand the approach of the provider and how much you're paying for services. It's best to research multiple firms and ask questions of different advisors (https://www.magnifymoney.com/blog/investing/questions-to-ask-a-financial-advisor/) to make sure you choose the one that's best for you.

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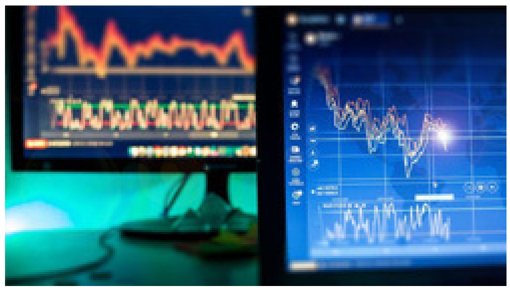

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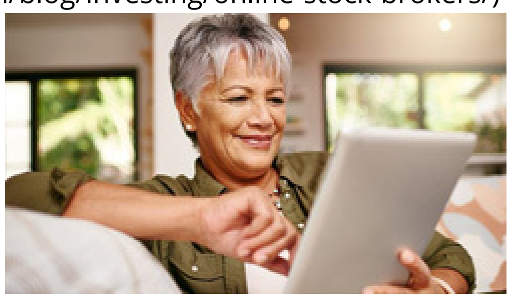

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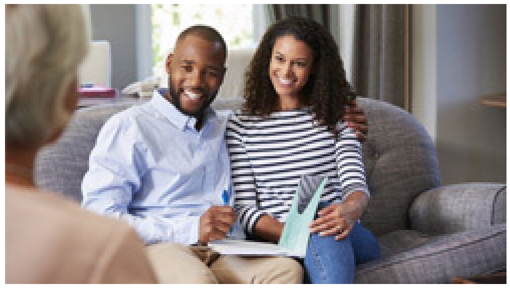

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What Is a Trust and Why Should You Set One Up?

Tuesday, July 21, 2020

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A trust is an asset and estate manager that you can use throughout your life and after you die. As a legal entity, it has a trustee, or manager, and appointed beneficiaries, and provides detailed instructions for how you want your belongings handled when you pass away.

Trusts help your loved ones understand what you'd like done with your estate and also gives you control over how your wealth is disbursed. Here's what you need to know about this estate planning tool to decide if you should set one up.

How does a trust work?

Do you have a question?

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How does a trust work?

A trust is a legal entity that serves to manage your assets both while you’re alive and after you die. The assets placed inside the trust are known as the corpus. Trusts can hold a variety of assets, including cash accounts (https://www.magnifymoney.com/blog/banking/best-checking-accounts/), real estate, investments, heirlooms, life insurance and business interests.

There are three main parties involved in a trust:

- **Grantor:** This is the person who makes the trust. If you’re building a trust for yourself, you are the grantor.
- **Trustee:** This is the trust manager. Sometimes the grantor and the trustee are the same person.
- **Beneficiaries:** These are the people, groups of people, and/or organizations that will inherit the contents of the trust.

If you’re the grantor, you will establish a trust that is a good fit for your needs (more on the types of trusts below). Depending on the type of trust you have, you’ll own and manage the trust for your lifetime (revocable trust), or you’ll no longer own or manage your assets once they’re in a trust (irrevocable trust).

Do you have a question?

After you decide on a type of trust, you'll appoint a trustee, choose your beneficiaries and place the assets into the trust. When you die, the trustee gains instant control. This person will handle the distribution of your assets, which can happen fairly quickly if your instructions are clear.

If you have placed age limitations on when beneficiaries can receive specific assets, your trust can live on until they come of age. It can also stay intact to provide financial assistance to loved ones or to protect assets.

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Do I need a trust?

If you don't have a partner, children and assets — like a home or valuables — you might not need a trust. But for many people, estate plans (https://www.magnifymoney.com/blog/life-events/estate-planning928592985/) like a trust can be helpful. A trust can help you ensure your assets are managed according to your wishes during your lifetime, if you were to become incapacitated and after you pass away.

To figure out if you should get a trust, think about your needs, your future and what your family would do when you die. The size of your estate as well as your age and marital status should all factor into your decision. The following are common reasons for getting a trust:

- **Clearly direct where and when your assets are distributed:** If you have specific plans in mind about where you want your money to go and how you want it distributed to beneficiaries, a trust might be worth the investment. Trusts provide clear-cut directions for beneficiaries to handle your assets and end-of-life wishes.
- **Avoid probate court:** Another common reason to create a trust is that it helps you avoid probate, a lengthy legal process that wills must go through to determine the proper distribution to heirs. It's time-consuming — anywhere from a few months to a few years — and can be costly due to attorney and court fees. Because of this, many people choose trusts over wills to avoid probate.
- **Potentially minimize taxes:** Some people also use trusts for tax planning purposes, as they can reduce inheritance or estate taxes.

However, it is important to keep in mind that trusts are generally more costly and complex to set up in comparison to wills. You will also have to deal with ongoing maintenance.

Trust vs. will: What's the difference?

Do you have a question?

You can have both a trust and a will. They are both estate planning documents, but they play different roles.

Functionality: A will is a document stating how you want your assets and affairs handled when you die. It's a legally enforceable document that can be as specific or as general as you want it to be. For instance, if you have minor children, you could detail who retains guardianship if you pass before they are legal adults.

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A trust, on the other hand, is not just a document but a legal entity that houses your assets, accounts and belongings while you're alive and then when you die. You give a third party, the trustee, the permission to manage your assets and when you do pass, your beneficiaries will inherit what you've left for them.

Probate: Wills go through probate, the court responsible for settling wills and estate plan to make sure they're followed to the best of their ability. Probate is public record, which means that anything left in a will will become part of the public record. The potentially lengthy court proceedings can also be costly.

Most trusts don't go through probate since the grantor has already given control to the trustee. This means your information isn't made public and you'll avoid potential costs associated with the often time-consuming process of probate.

Ability to update and change: Another key difference between wills versus trusts is that wills can be updated and changed throughout your lifetime. On the other hand, some trusts don't allow for changes to be made after assets have been transferred into a trust.

Types of trusts

You can choose different types of trusts depending on your needs. Most trusts fall into one of several categories:

- **Revocable trust:** This type of trust lets the grantor maintain ownership throughout their lifetime as well as make changes to the trust as they see fit. With a revocable trust, you can make changes and even terminate it as the grantor or trustee.
- **Irrevocable trust:** With an irrevocable trust, the person who opens up or manages the trust does not have power to change documents, details, beneficiaries or any other part of the trust after it's created. Revocable trusts are typically converted into an irrevocable trust when the grantor dies.

Do you have a question?

- **Testamentary trust:** This type of trust works alongside a will and goes into effect after a person dies. This trust can also be considered revocable since it can be updated while you're alive.
- **Living trust:** A living trust is a trust that takes effect when you're alive. While many revocable trusts are living trusts, if you create an irrevocable trust when you're alive, that counts as a living trust as well.

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Commonly used types of trusts	
Marital or "A" trust	A type of irrevocable trust where your surviving spouse is the beneficiary; designed to help them avoid paying any taxes on those assets.
Credit shelter trust	Also known as a Bypass or "B" trust, it allows beneficiaries to inherit assets without paying estate taxes; usually for couples with a lot of money who want to minimize tax liabilities when a surviving spouse dies.
Charitable trust	A trust that lets you leave your assets to charities and organizations of your choice, usually nonprofits.
Blind trust	With a blind trust (https://www.magnifymoney.com/blog/investing/blind-trust/), the grantor doesn't know how the holdings (or assets) are doing, leaving it up to the trustees to handle it; usually a trust that elected officials use to avoid conflicts of interest.
Insurance trust	A type of irrevocable trust that has a life insurance policy as an asset; helps minimize estate tax liability.
Spendthrift trust	A type of irrevocable trust that makes qualified distributions to beneficiaries rather than a transfer of assets; meant to protect beneficiaries from themselves.
Special needs trust	A trust that is set up for a special needs child to manage assets and provide instructions for care.
Education trust	A type of living trust made specifically for a beneficiary's education costs; can be multiple beneficiaries with a percentage that goes toward each.

Setting up a trust

1. Choose your type of trust

The first step to setting up a trust is figuring out which type of trust is right for you. The most popular type is a revocable living trust since it gives you control over your assets and lets you manage your account while you're still alive.

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While it's a good idea to set up a trust as soon as you're able to, circumstances can change throughout your life that may cause you to update your trust. A revocable trust gives the majority of people the flexibility they like.

2. Iron out the details

After you've determined the type of trust you want, you'll need to get your trust documents in order. Identify which assets you'd like to go into the trust, as well as your beneficiaries and how you'd like for everything to be distributed.

This is also a good time to list out any conditions necessary. For instance, if you have young beneficiaries, you might give them a minimum age to reach before getting their inheritance.

3. Create your trust document

While a lawyer isn't required for setting up a trust, hiring a professional help might be worth it. You can hire a trust or estate attorney or a financial advisor (https://www.magnifymoney.com/blog/investing/financial-advisor/) who specializes in estate planning. This person can help you set up a declaration or deed of trust, or your official trust document.

Once your document is completed, it needs to be notarized. You also may have to file trust documents with your state.

4. Fund and register your trust

After your trust is created, you'll need to fund it through a financial institution, which can be done online or in person.

Do you have a question?

At this point in the process, you will also need to register your trust with the IRS for tax purposes, which can be done online or by submitting a form by mail. Your trust will get its own unique taxpayer identification number (TIN).

How are trusts taxed?

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Trusts can help minimize the tax implications of inheritance. How trusts are taxed depends on the type of trust and the assets within the trust. Cash, stocks (https://www.magnifymoney.com/blog/investing/buy-stock/) and most real estate assets are not taxed when you inherit them. But if you sell them — like a home, for example — you may have to pay capital gains tax.

Some trusts leave the taxation up to the grantor rather than the beneficiaries. For instance, if you have a simple trust, you're required to distribute income annually to beneficiaries and this income is taxed. The trust can't distribute to a charitable organization and doesn't have a grantor. A complex trust is the opposite of a simple trust: You have a grantor, you don't make annual payouts to your beneficiaries and you have charitable organizations that are set to receive some of your funds. Grantors who have at least some of the power — like through revocable trusts — are taxed rather than the beneficiaries.

Trusts are required to file Form 1041 every year the trust has at least $600 in income. If you have a grantor trust and report income and expenses on your own tax return, however, the extra Form 1041 isn't required.

An estate attorney or financial advisor can help you create a trust that best fits your situation. Consider consulting or hiring one before you create a trust.

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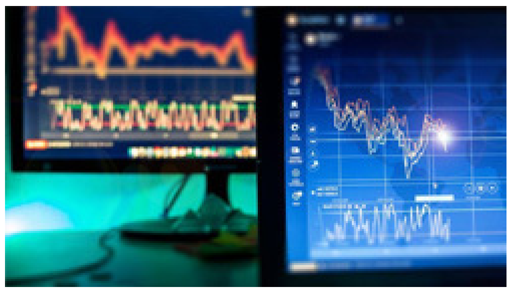

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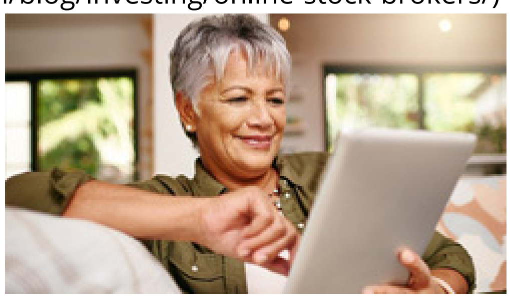

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Best Roth IRA Account Providers of 2020

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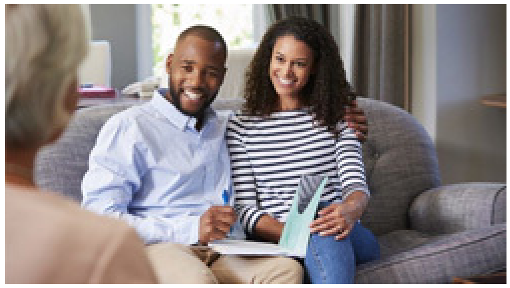

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Review of Captrust

Monday, July 20, 2020

Editorial Note: The content of this article is based on the author's opinions and recommendations alone and is not intended to be a source of investment advice. It may not have not been reviewed, commissioned or otherwise endorsed by any of our network partners or the Investment company.

Written By

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Captrust is an independent registered investment advisory firm headquartered in Raleigh, N.C., with more than 30 offices nationwide and plans to grow larger. The current team of nearly 625 employees manages the portfolios of wealthy and middle-income individuals and families, including business owners, professional athletes and certain retirement plan participants. The team also offers financial planning to those clients. Institutional investors, such as pension and profit-sharing plans, account for the bulk of the firm's assets under management (AUM).

Do you have a question?

All information included in this profile is accurate as of July 20, 2020. For more information, please consult Captrust's website.

Assets under management: $389,150,706,027

Minimum investment: Generally $50,000, but can be waived

Fee structure: A percentage of AUM; hourly charges; fixed fees; performance-based fees

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Headquarters location: 4208 Six Forks Road, Suite 1700
Raleigh, North Carolina 27609
captrust.com (https://www.captrust.com/)
(800) 216-0645

Overview of Captrust

Do you have a question?

The idea of Captrust, legally known as CapFinancial Partners, LLC, initially brewed in the late 1980s when co-founder Fielding Miller grew dissatisfied with what he viewed as conflicts of interest in parts of the financial services industry. Miller and his partner, David Perkins, teamed up to build a fee-only (https://www.magnifymoney.com/blog/investing/fee-only-financial-planner/) advisory firm, where clients typically pay a transparent percentage of assets under management. Miller and Perkins, along with a team of 11 former employees from the brokerage firm Interstate/Johnson Lane (later acquired by Wachovia), opened their shop in 1997. Captrust registered as an investment advisor with the SEC in 2003.

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Today, the firm manages more than $389 billion in assets, mostly from retirement plans (https://www.magnifymoney.com/blog/investing/retirement-plan/). Just under $15 billion comes from wealth planning clients. The team of 624 includes 326 employees who hold investment advisory and research roles.

The firm has completed more than 40 acquisitions since 2006, with plans to grow further. Captrust is primarily owned and operated by Miller and other employees, although private equity firm GTCR recently made an investment to help fuel additional growth.

What types of clients does Captrust serve?

Captrust's client list includes many individual investors as well as high net worth individuals, who the SEC defines as having at least $750,000 under management or a total net worth of at least $1.5 million. Business executives and owners as well as professional athletes will find specific resources for their needs, such as succession or benefits planning.

Generally, the firm requires individuals to invest at least $50,000 to open an account, although certain managed accounts may require an investment of $100,000 or more. Advisors can waive that requirement under certain circumstances.

In addition to its work with individual investors, the firm also has a large institutional business. It serves retirement, pension and profit-sharing plans; banking and thrift institutions; endowments; charitable organizations; state and local governments; insurance companies; investment companies; and corporations and other businesses. In fact, some companies hire Captrust to help their employees manage their retirement accounts and plan for their financial future.

Services offered by Captrust

Do you have a question?

For individuals and families, Captrust's team manages their portfolios and helps them plan for their financial futures.

The financial planning (https://www.magnifymoney.com/blog/investing/financial-plan/) process typically starts with determining financial goals, then modeling income, expenses and savings scenarios to determine the likelihood of reaching those goals, and finally providing the necessary actions to make sure clients prove successful. Topics addressed can include education planning, retirement planning (https://www.magnifymoney.com/blog/investing/retirement-planning-basics/), estate and legacy planning, charitable giving and insurance needs. Financial plans or other insight is offered on an a-la-carte consultation basis.

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As for investment management, Captrust can help clients build and manage a suitable portfolio by conducting an asset allocation (https://www.magnifymoney.com/blog/investing/asset-allocation/) analysis and identifying appropriate managers and mutual funds. Clients can choose to give Captrust discretionary control over their account, meaning clients do not sign off on each trading decision, or they can listen to investment advice from Captrust but make the final decisions themselves, known as a nondiscretionary arrangement.

Here is a list of services that Captrust offers:

- Investment advisory services (separately managed and wrap fee accounts; discretionary and non-discretionary)
- Financial planning services
  - Retirement planning
  - Estate and legacy planning
  - Charitable gift planning
  - Education planning
  - Tax planning
  - Business succession planning
  - Corporate benefits planning
  - Cash flow planning and projection
  - Insurance planning
- Employee benefit plan services
- Publications of periodicals or newsletters

Do you have a question?

Nearly 250 of Captrust's advisors are also separately licensed as broker-dealers, meaning they can buy and sell investments for clients outside of any advisory relationship and earn commissions. The firm's affiliated broker-dealer is CapFinancial Securities. More than 100 advisors can also sell insurance products, such as life insurance and variable annuities.

How Captrust invests your money

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Captrust clients can expect to receive custom portfolio recommendations tailored to their specific needs, based on factors like their goals, time horizon, risk tolerance, net worth, net income, tax situation and age. The recommendations may include a mix of U.S. and international stocks and bonds, mutual funds (https://www.magnifymoney.com/blog/investing/how-mutual-funds-work/), commodities, options strategies, margin transactions, real estate, cash and strategic opportunities. Clients can opt for a Captrust financial advisor or the Captrust investment committee to manage their account and recommend specific strategies.

In the firm's separately managed account program, the advisor can recommend appropriate third-party portfolio managers who will have discretionary authority over the account. Typically, managers in this program use long-only equity and fixed income strategies, although occasionally, managers are recommended that short securities or use options, futures (https://www.magnifymoney.com/blog/investing/futures-trading/), derivatives or other more sophisticated strategies. Clients in this program must custody their assets with Pershing.

Fees Captrust charges for its services

Generally, clients pay a fee (https://www.magnifymoney.com/blog/investing/financial-advisor-cost/) calculated as a percentage of assets under management. Each fee is negotiated directly with the individual financial advisor, and thus can vary by advisor. Captrust does set maximum fees, however, which are outlined in the table below:

Maximum Rates for Most Investment Advisory Accounts*	
Assets under management	**Maximum annual fee**
$0 to $500,000	2.25%
$500,001 to $1,000,000	2.00%
$1,000,001 to $2,000,000	1.75%

Do you have a question?

Maximum Rates for Most Investment Advisory Accounts*	
$2,000,001 to $5,000,000	1.50%
Over $5,000,001	1.25%
*Excludes separately managed wrap accounts.	

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Most accounts adhere to the maximums outlined in the table above. For separately managed wrap accounts (both fixed income and equity), however, the maximum advisory fee to Captrust is as follows:

Maximum Rates for Equity and Fixed Income SMA Accounts	
Assets under management	**Maximum annual fee**
First $1 million	Up to 2.25%
Next $4 million	Up to 1.75%
Over $5 million	Up to 1.25%

On top of the advisory fee, clients will also owe an additional third-party manager and platform fee that ranges from 0.20% up to 1.00%.

Clients can bundle their advisory fee with transaction and custodian costs, known as a wrap fee account. Alternatively, clients can choose to pay a standalone advisory fee to Captrust and pay transaction and custodian costs separately, known as a non-wrap account. Either way, clients are still responsible for internal mutual fund and ETF fees (https://www.magnifymoney.com/blog/investing/investment-fees/). Fees typically are payable quarterly in advance, and can be automatically deducted from their account.

For consultations on specific issues, fees vary by service and are negotiable. Generally, clients pay flat fees ranging from $10,000 to $250,000 on an annual basis. Separately, a limited number of investors in three private funds pay performance-based fees that Captrust shares in.

Captrust's highlights

Do you have a question?

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- **Customized portfolios:** Advisors create custom portfolios specifically tailored to each client. The firm does not take a one-size-fits-all approach.
- **Low account minimums:** Unlike many firms that require six or seven-figure investments, Captrust's advisors generally require only $50,000 to establish an account, which can be waived under certain circumstances.
- **Broad menu of services:** Clients are able to choose among many different product offerings. Options include handing over control of the account or holding onto the final decision-making, and paying one bundled fee or paying separately for advisory, trading and custodian costs. Clients also can choose whether they prefer their financial advisor (https://www.magnifymoney.com/blog/investing/financial-advisor/), Captrust's investment committee or a third party managing their account. Finally, the firm provides specific resources for business executives and owners, professional athletes and retirement plan participants.
- **Industry recognition:** Nearly a dozen Captrust advisors or teams recently landed on the Barron's Top 50 Institutional Consulting Teams ranking. Additionally, the National Association of Plan Advisors (NAPA) recently included Captrust on its 2019 list of the top defined contribution advisor teams and on its list of the top defined contribution advisor multi-office firms.

Captrust's downsides

- **Potentially high fees that aren't published upfront:** Clients negotiate fees with each individual advisor, so it's difficult to compare prices without shopping each advisor. Clients who end up paying fees close to the maximums allowed are paying fees higher than compared with the national industry average, which is 1.17%, according to a study from RIA In a Box (https://www.riainabox.com/blog/2019-ria-industry-study-total-average-fee-is-117). The maximum rate for most accounts up to $500,000 at Captrust is 2.25%.
- **Conflicts of interest related to certain commission revenue:** Advisors at Captrust can earn commission revenue on certain products, such as life insurance and variable annuities. That income creates a potential conflict of interest, since advisors have a financial incentive to recommend one product or investment over another.
- **Pays for referrals:** Captrust pays certain third parties for referrals. Anytime someone recommends Captrust, investors should always ask what specifically is going to the

Do you have a question?

recommendation, and what that person stands to gain from it.

Captrust disciplinary disclosures

The SEC requires registered investment advisors to disclose on their Form ADV (https://www.magnifymoney.com/blog/investing/form-adv-financial-advisor/) any civil, regulatory or criminal issues related to the firm, its employees or its affiliates that would be material to clients when evaluating the firm or the integrity of the management team. Captrust has no such events to disclose. However, the firm adds that each individual financial advisor who acts as a portfolio manager has their own Form ADV, so clients should refer to those forms to learn more about events against a specific advisor.

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Captrust onboarding process

To learn if a Captrust advisor is located near you, use the Find an Advisor (https://www.captrust.com/find-an-advisor/) tab on the firm's website. Potential clients can contact the firm by calling their toll free number at 800-216-0645, or by filling out the form (https://www.captrust.com/contact-us/) on the Contact Us page. The form requests your name, contact information and a brief message.

Before a relationship formally begins, Captrust provides clients with a written agreement that details fees and services. Once on board, it is the client's responsibility to notify Captrust in writing of any changes to their goals or financial situation. Clients should expect periodic reviews from their advisor.

Is Captrust right for you?

If you are looking for a financial advisory firm that works with modest income investors in addition to the wealthy, and that offers financial planning around topics such as retirement, education and stock compensation in addition to portfolio management, use the advisor search tool to learn if a Captrust advisor is in your area. Similarly, business executives and owners as well as professional athletes may want to consider Captrust since specific resources are dedicated to investors like them.

Do you have a question?

That said, it's up to you to negotiate a reasonable fee with Captrust that does not approach the maximum allowed, since those maximums can climb as high as two times the national average. Investors looking for wrap accounts who prefer not to use Pershing to custody their assets may want to look elsewhere as well, as Captrust requires those clients to use Pershing.

Whenever you're shopping for a financial advisor, you should always research at least two or three options and make sure you understand the difference in services and costs. Otherwise you risk paying too much, which cuts into your returns, or missing out on key financial planning items that could help secure your and your family's financial future.

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- Best Credit Cards (https://www.magnifymoney.com/blog/best-of/best-credit-cards-441283625/)
- Best Reward Credit Cards (https://www.magnifymoney.com/blog/credit-cards-2/best-rewards-credit-cards-880921658/)
- Best Balance Transfer Credit Cards (https://www.magnifymoney.com/blog/balance-transfer/best-balance-transfer-credit-cards741905817/)
- Best Personal Loans (https://www.magnifymoney.com/blog/personal-loans/where-to-get-the-best-personal-loan-rates-online268781204/)
- Best Student Loan Refinance Options (https://www.magnifymoney.com/blog/college-students-and-recent-grads/refinancing-a-student-loan1091646352/)
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- Best Auto Loans (https://www.magnifymoney.com/blog/reviews/6-best-auto-loans-buying-used-car114605026/)
- Best Debt Consolidation Loans (https://www.magnifymoney.com/blog/personal-loans/best-debt-consolidation-loans1398706665/)
- Best Online Brokers (https://www.magnifymoney.com/blog/investing/online-stock-brokers/)
- Best Robo Advisors (https://www.magnifymoney.com/blog/investing/robo-advisors/)

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Popular Resources

- Credit Score Guide (//www.magnifymoney.com/guides/credit-score-guide/)
- Complain to the CFPB (//www.magnifymoney.com/learn/complaint-about-credit-card/)
- Deal with a Collections Agency (https://www.magnifymoney.com/blog/consumer-watchdog/debt-in-collections/)
- Credit Monitoring & Identity Theft Guide (https://www.magnifymoney.com/blog/identity-theft-protection/guide-credit-monitoring-and-identity-theft-protection886376409/)
- Guide to Eliminate Credit Card Debt (https://magnifymoney.com/blog/balance-transfer/the-fastest-way-to-pay-off-10000-in-credit-card-debt/)
- Compare Personal Loans (//www.magnifymoney.com/compare/personal-loans/)
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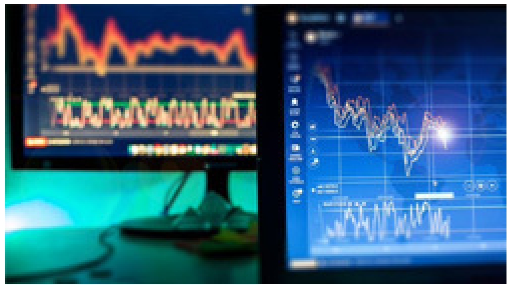

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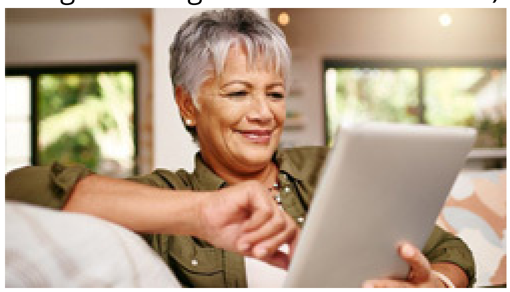

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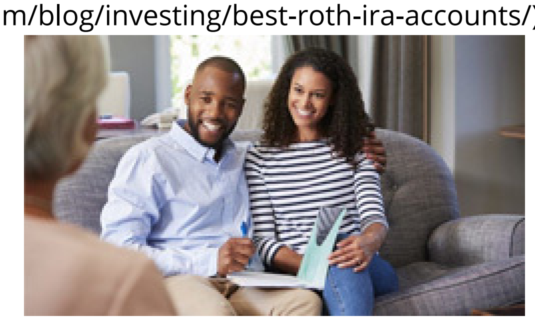

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