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## Advisory Fee or Commission?

I want my clients to fully understand the types of financial services I provide. The bulk of my business is conducted under a fee-based structure, which I prefer. Some types of business are not available in that structure, and earn me commission. If you have any question about what type of business I am discussing with you, please ask!

### Fee-Based Advisory business

This accounts for most of my business revenue. In this capacity I am supervised by Cambridge RIA and am held to the standard of acting in my clients' best interests.

1. Financial Planning – an upfront fee, varying from \$1000 - \$4000
2. Investment Management – an annual fee (see attached for fee schedule) broken down into components that account for Cambridge's fee for supervision and service, a portfolio manager fee (as applicable) and my fee.
  - a. Advisor-Managed Models
  - b. Custom advisor-managed Portfolios
  - c. Outside Portfolio Managers
    - i. Frontier Portfolios – Managed by Frontier Asset Mgmt
    - ii. Morningstar Active-Passive Portfolios – Managed on the CAAP platform by Morningstar
    - iii. Northern Trust Strategist ETF/Index Portfolios

### Commission Business

This is a smaller part of my business revenue – it is a good fit when there is not an appropriate fee-based option. In this capacity I am held to the standard of making suitable recommendations. These products (insurance products and mutual funds) have built-in commissions that are paid to me by the company involved, rather than as a disclosed fee. Some examples of this business are:

1. Insurance sales – Life, Long-term care, and disability insurance
2. Some annuities – Fixed and variable annuities that are the best fit for the client but are not available in a fee-based structure.
3. Brokerage investment accounts – I still have some old accounts that are not fee-based and provide commissions to my business. I rarely open new accounts of this type.

Please see Attachment: Cambridge publication “Understanding the Differences between Commissionable and Advisory Accounts”