



May 15<sup>th</sup>, 2020

## **Robert Gordon & Associates, Inc.**

We are registered as an Investment Advisor with the SEC (Securities & Exchange Commission).

Brokerage and investment advisory services and fees are different. This is important for retail investors to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisors, and investing.

### **What investment services and advice can you provide me?**

Robert Gordon & Associates, Inc. (RGA) employs CERTIFIED FINANCIAL PLANNER™ Professionals to deliver investment advisory services to retail investors and operates under a fiduciary standard with all relationships. The two services we offer to retail clients are Comprehensive Financial Planning and Professional Asset Management.

**Comprehensive Financial Planning** is the road map that looks at where you've been, where you are now, what financial goals and milestone you are trying to achieve, and maps out specific steps to get there. The comprehensive financial plan analyzes your current insurance, income tax, investments, retirement plans, and estate plans and lays out specific action items for how you can immediately improve your financial situation and make better financial decisions in the future toward your goals. The frequency of monitoring the plan can range from quarterly reviews to bi-annual reviews.

**Professional Asset Management** involves directly managing current and future investments. The proper management of an investment portfolio should involve formulating an asset allocation strategy, researching and choosing the best investments, developing accumulation and drawdown strategies, regular rebalancing, tax planning, and regular monitoring. RGA has no restrictions on the types of accounts we can open for our clients and we have no restrictions on the investment products that we can use. We are able to monitor client accounts in real time, and regularly review accounts at least annually. RGA prefers a discretionary relationship but may offer a non-discretionary relationship in limited circumstances or for a limited duration. Investment advisor discretion means the advisor can initiate transactions in client accounts without the client signing off on each transaction. A non-discretionary relationship means that the advisor makes the recommendation, but the client is responsible for making the ultimate decision and must sign off on each transaction. Clients can set limitations in either type of relationship. Our stated household investment account minimum is \$50,000.

**Conversation Starters:** *“Given my financial situation, should I choose an investment advisory service? Why or why not?” “How will you choose investments to recommend to me?” “What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?”*

### **What fees will I pay?**

We charge for the Comprehensive Financial Plan based upon the complexity of the client's financial situation and how much time we believe we will have in developing the plan. No two client situations are the same, but we have built enough plans over the decades to review a few key pieces of financial information and give a firm

quote for the plan. The plan automatically includes full access to a CFP® Professional that can help with implementation of the plan to maximize the probability of success. The minimum that we charge for a comprehensive financial plan is \$1500. The potential conflict of interest in the financial plan is that we may recommend using our asset management services instead of keeping your current advisor or choosing another service provider.

We charge for professional Asset Management based upon a percentage of assets that we directly manage. This structure puts our interests directly in line with the clients to reach your investment objectives while managing investment risk and keeping costs as low as possible. Fees will be billed quarterly in arrears based on the closing market value in the investment account(s) at the end of the prior quarter. Fees will be prorated with respect to amounts deposited or withdrawn to investment accounts during each quarter. Our asset management fee only applies to assets that we directly manage. This may create a potential conflict of interest in our recommendation around assets that we are currently managing or assets that you may be managing outside of our control.

There will be fees charged by the investment company that markets the mutual funds and exchange traded funds which we use to build portfolios. Since we do not participate in any revenue sharing agreement, we have an incentive to look for low cost products that align with your investment objective.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

**Conversation Starter:** *“Help me understand how these fees and costs might affect my investments. If I give you \$100,000 to invest, how much will go to fees and costs, and how much will be invested for me?”*

### **What are your legal obligations to me when acting as my investment advisor? How else does your firm make money and what conflicts of interest do you have?**

**When we act as your investment advisor**, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you.

**Conversation Starter:** *“How might your conflicts of interest affect me, and how will you address them?”*

### **How do your financial professionals make money?**

The CFP® Professionals that you work with may be compensated by a set salary, a percentage of the revenue they bring in for the firm, or a combination of the two. Because compensation can be tied to assets managed, there may be a conflict of interest to bring more assets under direct management.

### **Do you or your financial professionals have legal or disciplinary history?**

No. You may visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple tool to research the firm or its financial professionals.

Full SEC disclosure brochure and privacy policy can be obtained from our website. [www.rga-advisors.com](http://www.rga-advisors.com)

You may call to request a copy of all disclosure information 217-698-4844

**Conversation Starter:** *“Who is my primary contact person? Is he or she a representative of an investment advisor or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?”*