

Digging Deeper:

Additional Questions for your Final Advisor Candidates

Note: You do not need to ask all of the questions below; pick those that fit your needs.

The questions below are designed to build on the information advisors have already provided to ValuesAdvisor (which can be found on the platform on their "Full Profile," and listed below under Questions on ValuesAdvisor Platform). Advisors should be willing to take the time to help you understand both the question and the answer.

ValuesAdvisor does not ask advisors about their financial performance or fees, so we've also included some questions here to help you begin to understand both.

ABOUT THE FIRM

1. Please describe the firm's current ownership structure, past and present, and its succession plan.
2. Are there any built-in bias or inherent conflicts resulting from the firm's structure?
3. Is there any anticipated restructuring in the next 5 years?
4. Is the firm dually registered?

Questions on ValuesAdvisor Platform

- Genesis Story: "How the firm's founder became interested in impact and values aligned investing."
- Number of years the firm has been licensed to offer advisory services.
- Past or ongoing litigation, regulatory actions, or government investigations involving the firm or team.

ABOUT THE TEAM

5. Who will be my primary relationship manager (if not the advisor)?
6. Who are the members and how long has the team been working together that will ultimately be responsible for managing our portfolio?

Questions on ValuesAdvisor Platform

- Number of years the firm/team/individual has offered impact or values-based investment services.

THE ADVISOR'S IMPACT EXPERTISE

7. How many impact managers in each asset class (public stocks, public bonds, real assets, private equity, private debt, cash & equivalents) have you performed due-diligence on over the past 3 years and are currently approved on your platform?
8. Please provide 2 sample due-diligence memos (may be redacted).
9. Do you provide due diligence services for direct impact investment opportunities? Be sure to define what "direct impact" means to you in your answer.
10. What kind of educational support or resources do you offer your clients on topics related to their impact interests?

Questions on ValuesAdvisor Platform

- Impact Measurement and Reporting: "A client can expect the following communications, measurement and reporting on their social results."
- Discerning Goals and Priorities: "How and how often the advisor

communicates about meeting financial and impact investment goals.”

- Available Resources to Help Clients Make Better Decisions: “The resources the advisor has available to help clients make better decisions.”
- Case Study: an Example of a Meaningful Investment: “An example of an investment that had significant meaning for a client.”
- UN SDG Implementation United Nations Sustainable Development Goals: “The team has experience using UN SDGs goals to track social impact in the following ways, if applicable.”

FINANCIAL PHILOSOPHY

11. What sets your firm apart from the competition, and allows your firm to generate superior performance and service?
12. Please describe your process for identifying, evaluating, and selecting investment opportunities. Are there any restrictions on what I can invest in (ie: do you have a pre-approved list)? If so, what is the process for placing an investment on that list?
13. What asset classes do you invest in and how does that strategy inform your portfolio construction?
14. Do you offer your services as discretionary (advisor can buy and sell without clients’ consent), non-discretionary or both?
15. Does your firm have model portfolios (a set of investments for a group of clients with the same goal)? If so, what is likely to be suitable for me?
16. Please explain to me what your definitions of active and passive investing, and how they would apply to an investment strategy for me.

Questions on ValuesAdvisor Platform

- Team's Investment Philosophy and Style: "The team's investment philosophy (e.g. active versus passive) and style is."
- Team's compensation structure

FEE STRUCTURES

17. Does your firm receive additional compensation for selling investment products?
 - a. Is the product proprietary or 3rd party?
 - b. What percentage of the firm's income is derived from selling product?
 - c. How does the firm address any potential conflict of interest that could arise from both advising clients and selling product?
18. How do you disclose additional fees to your clients, if applicable?
19. Provide a clear delineation of the total cost structure associated with the management of a client's portfolio, including all sources of compensation you, your employer, or any affiliate, parent, subsidiary, or related party may earn as a result of providing services and/or management of a portfolio.

Is there an extra fee for providing due diligence services for direct impact investment opportunities?
20. Who is your primary financial institutional custodian and what are their fees?

Questions on ValuesAdvisor Platform

- Number of years the firm/team/individual has offered impact or values-based investment services.