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Osborne Partners Capital Management

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“How do I avoid making a bad choice when selecting an investment advisor?”

By Osborne Partners Capital Management

Choosing the right investment advisor to help manage your wealth can be quite a challenge. While there are no set criteria that cover everyone, most individuals with a high net worth can cull their list of choices by inquiring about the following:

01 Make certain the investment advisor provides statements from a reputable, independent, third-party custodian. Why? Virtually all investment fraud is committed by firms that not only manage the assets, but also provide the statements that detail the value of the account. Having third-party verification from a firm such as Charles Schwab or TD Ameritrade will validate the value of your portfolio.

02 Do not focus only on the performance numbers provided. And, if you did not receive any, ask why. Ask about the firm's performance in difficult times like the 2008–2009 bear market. Then, instead of taking the firm's word for it, make certain you see a performance composite that verifies those answers. If the staff does not have that information available, that will tell you something. Furthermore, look at the disclosures attached

to the composite performance pages. Remember, the devil is in the details. What percentage of the firm's clients are in the composite? Different percentages will lead to different results. If the percentage is small, ask why. It could be that the firm customizes its client portfolios to be representative of a certain type of client. If that is the case, the firm should also be able to show you other composites that will reflect how the assets of other types of clients performed. Conversely, if the percentage is large—say 70 percent to 80 percent, or more—there is likely little customization in the portfolio; that is fine if you are buying a product, but not if you want a portfolio truly customized to your needs.

03 Find out how long the firm has been around and, more important, familiarize yourself with the level of experience of the people who are going to be managing your money. There is no replacement for experience. Having someone who has been through different market cycles should at least assure you that they have seen some of this before. On the other hand, if you are making a decision about who is going to be managing your assets for the long

term, you may not want a firm whose key executives are nearing retirement.

04 Finally, find out what kind of client services you can expect.

For many firms in financial services, client service means that the staff is happy to answer your questions whenever you call, as long as you do not call often. Ask by what means they will report to you, how often and what that reporting will entail. Make certain they will continue to make an effort to know you and the changes you are going through. If they are not talking to you regularly, how can they manage your assets in a way that is appropriate for you?

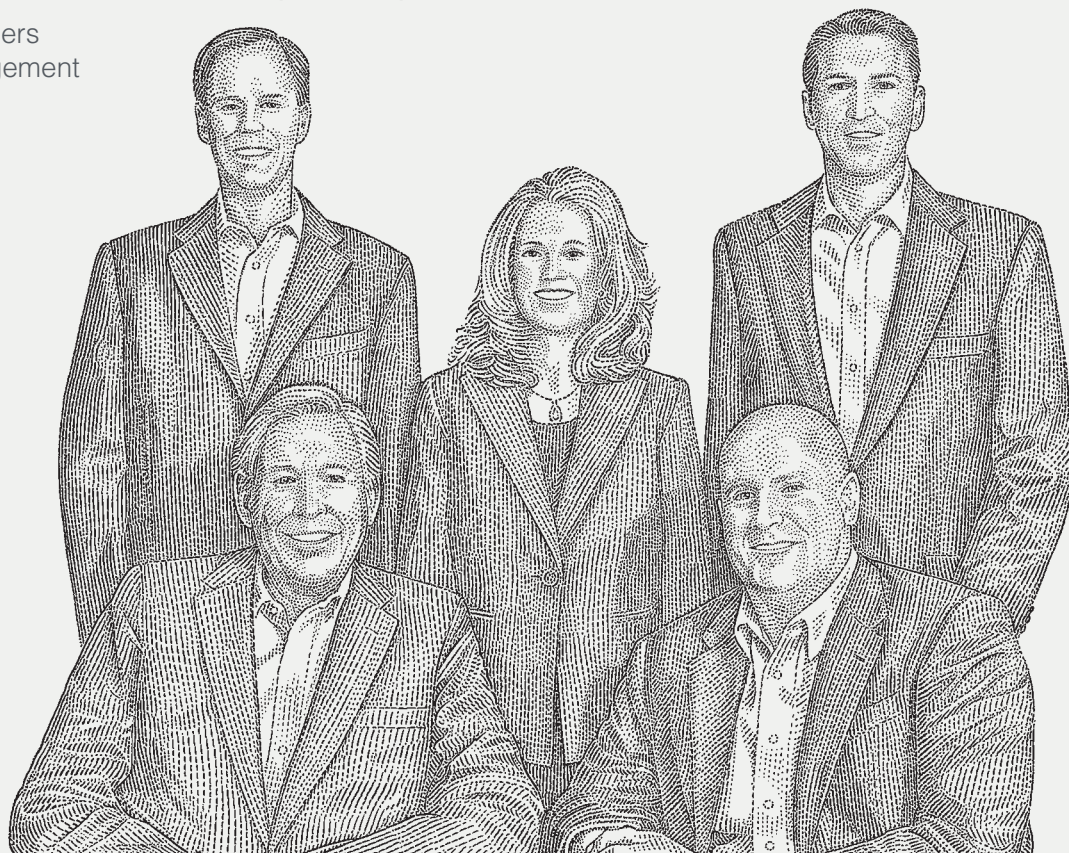
You have worked hard for your money, and you should work equally hard to find an investment advisor who is a good fit for you. We have suggested above that you do two things that many people do not like to do—ask tough questions and read some fine print. We know you may be uncomfortable asking someone a question that they do not want to answer, and we know it requires patience to read all the details in the fine print. However, when it comes to making the best choice for your financial future, we believe both those activities are worth the time and effort. ☺

“There is no replacement for experience. Having someone who has been through different market cycles should at least assure you that they have seen some of this before.”

—Osborne Partners
Capital Management

How to reach OPCM

We have offices in San Francisco and Silicon Valley. Please call Deglin F. Kenealy at 650.485.1835 or 800.397.5101 for further information.



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About Osborne Partners Capital Management

Since 1937, Osborne Partners Capital Management (OPCM) and its predecessor firms have managed diverse portfolios for prominent families and institutions. Unique in its approach, OPCM invests portfolios over five primary asset classes: equities, fixed income, natural resources, real estate and alternatives. Its goal is to improve performance while reducing portfolio volatility and risk. Portfolios are managed in-house by a team of seven—each of whom possesses either a master’s degree and/or a CFA designation. OPCM customizes portfolios based on individual needs, risk-tolerance level and client goals. Each client receives an investment policy guideline detailing investment allocations. OPCM is proud to offer institutional management with a boutique approach to client service.

Assets Under Management
\$1.1 billion (as of 3/31/12)

Minimum Asset Requirement
\$1 million (for planning and investment services)

Minimum Fee for Initial Meeting
None required

Largest Client Net Worth
\$50 million+

Financial Services Experience
113 years (combined)

Compensation Method
Asset-based fees

Professional Services Provided
Planning, investment advisory and money management services

Primary Custodian for Investor Assets
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