

Guide to Fee-Based Financial Planning

with Principal Securities, Inc.



Your clients may benefit from holistic financial planning

Many investors may not have the skills, knowledge, and tools to evaluate their financial needs independently. They may need help. Whether a client wants to build, protect, withdraw or transfer wealth, helping them create a holistic financial plan can show them how to spend, save, and invest to reach their goals.

Looking to grow your business?

Consider offering fee-based holistic financial planning through Principal Securities RIA – it can:

- **Help you earn planning fees while promoting other services that you may be able to provide.**
Not all of your current and prospective clients may want to purchase products or move their investments. Some may simply seek objective financial advice from a trained advisor. Fee-based financial planning can help you address your clients' needs — whatever they may be. And, you can earn a fee for the time you spend working with them.
- **Strengthen client relationships and encourage clients to value you as their financial advisor.**
Holistic financial planning helps enable you to assess your clients' comprehensive financial goals — current and future. Providing a financial plan that aligns with their objectives may help you develop stronger, longer-lasting client relationships.
- **Vest clients in the planning process.** Clients willing to pay a fee for objective financial advice are demonstrating commitment to financial planning. And, some of them may be more likely to implement the plan than those who receive free advice.
- **Provide you stability regardless of market and economic circumstances.**
Holistic financial planning services are needed during all market and economic environments. Offering fee-based financial planning may help diversify your product offering in an effort to minimize the impacts of market volatility on your business.

Frequently Asked Questions

Q: If I offer fee-based financial planning, do I have to provide the service to all clients I work with?

A: No. You have flexibility to identify financial planning clients.

Q: What title can I use when offering financial planning services?

A: Principal Securities Investment Adviser Representatives (IARs) may hold themselves out as a “Financial Advisor” or as an “Investment Adviser Representative”.

Q: Am I required to obtain a recognized industry certification, such as CFP®, ChFC® or CLU® to offer financial planning?

A: No.

Q: What types of financial planning services can I provide through Principal Securities’ Registered Investment Adviser?

A: We offer the following financial planning types. Please see the Planning Tools Guide (MM4879) for an overview of tools available for each.

- Personal Financial Planning
 - Executive Financial Planning
 - Business Consulting
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Q: What should I consider when determining my fee?

A: You have the flexibility to charge your client a flat fee or an hourly fee for the plan within pre-set limits. When setting your fee think about:

- Your hourly rate along with the number of hours you anticipate spending in the planning process and presenting the plan
- Complexity of your client’s financial situation based on their number of goals
- Customized objectives and recommendations

Please note that you cannot rebate fees for implementation of other financial products or services.

Q: Once I decide to offer fee-based financial planning, how do I get started?

A: We offer ready-to-use tools and home-office support to help you:

1. Promote and add fee-based financial planning to your business model
2. Engage financial planning clients
3. Develop financial plans

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Ready to start engaging financial planning clients?

Consider contacting clients to schedule a series of two or three meetings to cover the following steps:

Step 1: Gather Information

- Familiarize yourself with their goals and collect enough information to determine the plan type and your fee quote
- Review and complete the client agreement

Step 2: Analyze their financial status and assess their goals

- Engage your client in a detailed discussion of their goals, beliefs and values
- Answer any questions they have about the planning process

Step 3: Develop their financial plan

- Assess the information you've collected
- Develop and finalize the financial plan, engaging your client as-needed to confirm direction

Step 4: Present their customized financial plan

- Discuss the plan with your client and, upon the client's request, confirm their agreement with any action or implementation steps you recommend
- Finalize required paperwork

Keep in mind that clients are not under any obligation to implement your recommendations.

Step 5: Implement the plan upon their request

- Clarify implementation steps and provide illustrations for the action steps you recommend
- Complete any product applications needed to help your client take action toward achieving their goals

Step 6: Monitor the plan ongoing to keep it aligned with their goals

- Review the plan and help your client understand any progress that has been made, and how the plan has helped
- If adjustments are needed to the plan, review and confirm recommended changes with your client
- Establish a time-frame for the next plan review

Simplify your financial planning process.

Access resources at advisors.principal.com > New Business > Submit Business
> Principal Securities/Broker-Dealer > Fee-Based Planning Services Checklist.

**Let our team help you with marketing support, training,
case consultations and plan reviews.**

Interested in learning more?

Contact our Financial Planning Team
at 888-774-6267, x51916 or x22456.



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