



Ginsburg Financial Advisors, Inc.

Personal Financial Planning & Investment Management

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What Is a Fiduciary?

How Does Being a Fiduciary Align Our Goals With Those of Our Clients?

Why Is A Fiduciary Important to Investors?

Happy 244th Birthday America!

The United States of America is still one of the greatest countries on earth. Our standard of living is among the highest in the world and the freedom our citizens have is unparalleled. The resiliency of our country has been tested many times throughout its 244-year history. In each instance we have become stronger. We have confidence this will continue to happen, especially if leadership becomes more united in its desire to move the country forward.

Many Struggling Are Not Being Well Served

Saying we live in uncertain times is an understatement. The COVID-19 epidemic has not only created a health and economic crisis, but it has shined a spotlight on inequality and social injustices. Our political system is also as polarized as it has ever been during our lifetimes. The lack of leadership at the federal level has deepened these divides leading many to question whether our politicians are true civil servants or self-serving, career politicians.

In a perfect world, politicians should be (legally) held to a higher standard, where they put the best interests of their constituents and our country ahead of their party affiliation and desire to get reelected. As honorable as this fiduciary obligation may seem, it may be impractical considering that what is in the best interest of one subset of the electorate may not be in the best interest of another, let alone the entire country. In other words, self-interest or partisan brinksmanship does not effectively consider appropriately serving all constituencies.

Not all is lost, however, as politicians can still act in the best interests of their constituencies, not just their party's supporters by adhering to a fiduciary duty to compromise. Imagine the progress that could be made in our country if the two major parties agreed to compromise (it is not a four-letter word!) more often so each of them could attain incremental progress while moving our country forward. Both party constituencies would be better served. We at Ginsburg Financial Advisors ("GFA") take our fiduciary duty to our clients very seriously.

What Is a Fiduciary?

A fiduciary is a person or legal entity that has the power and responsibility of acting for another in situations requiring total trust, good faith, and honesty.¹ The Cornell Law Dictionary considers the

"Helping You Shape Your Financial Future Since 1981"

Ginsburg Financial Advisors, Inc. – A Registered Investment Advisor
Securities through Cetera Advisor Networks LLC* – Member FINRA/ SIPC
(*doing business in California as CFGAN Insurance Agency)

Ginsburg Financial Advisors, Inc. and Cetera Advisor Networks LLC are separate companies

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fiduciary's duty to be the highest standard of care because it entails an obligation to act in the best interest of another party. As fiduciaries, financial advisors are obligated to put their clients' financial interests above their own. Our clients should take comfort in knowing GFA strictly adheres to the duties of a fiduciary as outlined within the Investment Advisors Act of 1940 and the CERTIFIED FINANCIAL PLANNER™ (CFP®) Board of Standards Code of Ethics and Standards of Conduct.

How Does Being a Fiduciary Align Our Goals With Those of Our Clients?

Our mission is to help our clients live better lives and worry less. Serving as a fiduciary to our clients validates this commitment by helping clients feel at ease knowing they have a trusted advisor helping them make prudent financial decisions on their behalf. Our greatest reward is seeing our clients more focused on living meaningful and fulfilling lives while having less anxiety about their money. Each of GFA's Advisors and investment professionals are CERTIFIED FINANCIAL PLANNER™ Practitioners that are required to adhere to the CFP® Board of Standards ("CFP® Board") high standards of professional competency and ethics. The CFP® Board's Code of Ethics specifically states that all CFP® Professionals must act in the client's best interest.²

Why Is a Fiduciary Important to Investors?

Our responsibility is to respond to any client need by determining how we can best do so while eliminating or minimizing potential conflicts of interest. We evaluate each client's needs, goals, and desires and compare these objectives to the amount of risk that the client should accept to pursue them. This may mean that our evaluation could be different from the perceptions some clients have about their willingness to take risk.

Our recommended investment strategies are tailored to address client goals and the unique circumstances detailed in their financial plans. The primary objective of formulating client-specific investment strategies is to ensure clients' investment portfolios are continually positioned to meet their distinct financial needs and goals, while not exceeding the appropriate amount of risk they should take to pursue these goals. (Behavioral research has shown that people are more emotionally affected by losses than by gains. Specifically, the feelings clients derive from experiencing, for example, negative portfolio results, is 3.1 times more extreme than the feelings derived from the same absolute level of gains.)³

We utilize multiple asset classes, including cash, stocks, bonds to diversify each client portfolio. We include "alternative" assets where effective to construct and manage well-diversified investment portfolios. We design strategic target percentages for each asset class (such as Large U.S. company stocks) with the intention to optimize expected returns and minimize risk. Generally, we use mutual funds and exchange traded funds with daily liquidity instead of individual securities (stocks and bonds). This process tends to further reduce risk in client investment portfolios. We review each client's investment portfolio at least quarterly and make recommendations for prudent adjustments as may be needed based upon our understanding of client's goals and lifestyle needs, now and in the future. We also look for opportunities to make tactical adjustments to our strategic investment allocation to enhance the return potential of client portfolios. This tactical asset allocation overlay seeks to take advantage of perceived market dislocations or to reduce risk in tenuous market environments. We have learned over the years that minimizing losses during periods of declines in the financial markets is more important than trying to maximize returns when the markets are rising. Over a long time period, this process tends to make client investment

portfolios grow more consistently with less volatility, helping our clients sleep more soundly at night.

Our Compensation Promotes Objectivity and Ensures Our Fiduciary Duty

We are a fee-based financial advisory firm that is predominately compensated for its services by receiving a management fee quarterly based on the value of a client's investment portfolio. Such an arrangement helps eliminate conflicts of interest since our goals are aligned with those of our clients. This fee-based service model also helps validate our objectivity, especially when selecting and managing a client's portfolio, since all investment decisions are made with a focus on what we think is best for each of our clients. When our clients do better, we do better. Our incentive is to deliver consistently good results so we can continue to serve our clients effectively and efficiently throughout their lives. Simply stated, our success is fully aligned with the success of our clients. We are pleased to report that we have second and third generation clients within families.

When appropriate, we will charge either an hourly-fee or project-based fee when clients request a one-time engagement for the preparation of a financial plan or unique specific financial analysis. The amount of this fee depends on the complexity of the engagement and is calculated on our standard hourly rates or a fixed "not to exceed" amount. These fees are always reviewed and agreed to in writing prior to our initiating the financial planning assignment.

Larry P. Ginsburg, CFP® is also licensed to transact purchases of insurance (life insurance, health insurance, disability insurance, and long-term care insurance) that may be appropriate to achieve the needs or goals outlined in a client's financial plan. Larry's affiliation with Cetera Advisor Networks, LLC, one of the nation's largest and most successful independent broker/dealers serving the financial planning community, provides us access to a wide menu of quality insurance companies and their products. Having access to a wide range of products not only provides the opportunity to obtain the most comprehensive product at the best possible value but enables us to maintain an objectivity not always available in other financial planning or brokerage firms. Larry Ginsburg and GFA earn a commission based on standard rates when clients purchase these products. GFA will only recommend insurance products to clients when deemed appropriate for effectively addressing a current or future need or financial goal. Larry's & GFA's insurance commissions are typically about 1% (one percent) of our total annual revenue. We offer this service to assist our clients in obtaining the right coverage, just as we help recommend adjustments to client property and casualty insurance (homeowners, auto, earthquake, umbrella, employee benefits). We are glad to coordinate with client property and casualty insurance agents/brokers to assist clients in being appropriately protected.

You Are Number One!

Please feel free to ask us any questions you may have about our role as your advisor. We know from experience that earning your trust, confidence, and loyalty as a client can only occur if we deliver on our promise to do what we say we will do. Once clients have personally experienced our consistency of delivering service, advice, and results, they can then become comfortable knowing they can rely on us. Our highest priority is to accomplish this objective.

Who Are the GFA Team Members and What Do They Do?

Larry P. Ginsburg, CFP®*
President/Owner

Ext. 222

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Responsible for planning and ensuring our client experience functions at the highest level; Chief Compliance Officer; Chief Investment Officer; responsible for maintaining a “client centric” focus among all team members. Chief Humor Officer.

Judy Hirotaka, CFP®, ChFC®, CWS®, CDFIA®
Senior Client Advisor

Ext. 206

jhirotaka@ginsburgadvisors.com

Manages client relationships and assists clients with setting goals and priorities that help them live fulfilling and sustainable lives.

Jack Bellamy, CFA, CFP®
Director of Investment Management

Ext. 207

jbellamy@ginsburgadvisors.com

Directs portfolio management activities including investment research and preparing client portfolio allocation recommendations; oversees trading and portfolio data management; Chief of Investment Committee Meeting (quarterly financial markets/investment management discussions).

Diane Garcia
Office Manager

Ext. 203

dgarcia@ginsburgadvisors.com

Supervises administrative staff; is responsible for human resources and organizing office operations and procedures to maximize our time serving clients. Guides and leads administrative team in providing exceptional customer service based on a deep understanding of our clients’ needs.

Charlie Schwab
Client Services Associate

Ext. 204

cschwab@ginsburgadvisors.com

Responsible for assisting the Director of Investment Management and Client Advisors with preparation of financial plans, research projects, and assist in implementing approved trades.

Chris Bush
Senior Administrator

Ext. 209

cbush@ginsburgadvisors.com

Administrative support to all office staff; assists client with opening accounts; “cashiering” functions (money deposits to accounts and transfers to and from client accounts to their designated bank account); including family/charitable gifting and insurance.

Ann Bevan
Senior Administrator

Ext. 201

abevan@ginsburgadvisors.com

Administrative support to all office staff; assists client with opening accounts; “cashiering” functions (money deposits to accounts and transfers to and from client accounts to their designated bank account), including family/charitable gifting and insurance.

References:

¹ U.S. News “What Is a Fiduciary Financial Advisor?” 24 February 2020

² CFP Board’s *Code of Ethics and Standards of Conduct*: <https://www.cfp.net/ethics/code-of-ethics-and-standards-of-conduct>

³ American Psychological Association “Psychological Science Agenda” January 2015

This information was compiled by Ginsburg Financial Advisors.

This communication is designed to provide accurate and authoritative information on the subjects covered. It is not, however, intended to provide specific legal, tax, or other professional advice. For specific professional assistance, the services of an appropriate professional should be sought.

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Before investing in ETFs and mutual funds, investors should carefully consider a fund's investment objectives, risks, charges and expenses. Fund prospectuses contain this and other information and may be obtained by asking your financial advisor. Read prospectuses carefully before investing.

A diversified portfolio does not assure a profit or protect against loss in a declining market.

Asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns.