

Use this link to read the full article from Insurance News Net featuring comments by Michael Alexenko, CFA

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On the financial advisor front, professional money managers say that investors have been fed a bill of goods for decades stating that it's "okay" to go cheap on financial advice.

"Individuals investors have fallen for the ridiculous 'You don't pay me anything' line from insincere brokers for decades," said Michael Alexenko, a financial advisor and president of Royal Asset Managers in St. Charles, Ill. "If an investor doesn't ask the obvious question, 'If I don't pay you anything, then how do you get paid?' then he has no one to blame but himself for paying what will likely amount to truly paying more."

The way Alexenko sees it, transparency and the fiduciary standard are "synonymous," while obfuscation and disguise are the favorite practices by those who enjoy playing on an unlevelled field.

"The false conclusion that fiduciary advice costs more is perpetrated by a gang of brokers who benefit from claiming that the other advisor costs too much, while at the same time keeping their own compensation as opaque as possible," he said.

As long as they can hide their costs that are buried in voluminous fund reports they gain the advantage of preying on an uninformed public, he added.

"That's why the fiduciary rule that's on the verge of implementation would have been vastly

improved if it just required full disclosure on costs and allow the buyer to decide where the value really is," Alexenko said.

As always, there are caveats on the issue of financial advisors, clients and fees. It's not uncommon for many independent registered investment advisors to offer some legitimately free advice to small investors who are capable of opening a brokerage account and processing a mutual fund purchase.

"For people with \$25,000 to invest, my pro bono assistance has saved many of them \$1,250 in worthless upfront mutual load costs and unnecessary high annual expense ratios," Alexenko said. "Even the robot advisor can't beat that deal."