



Steps to Finding the Right Advisor

One of the greatest advantages of having a financial advisor is knowing that you have a financial expert on your side who is looking out for your best interests. To find an advisor you need to understand what you need, ask the right questions and find someone you trust.

Here are some tips:

1. Ask people you know and trust:
 - Word of mouth is valuable; seek referrals from your bank manager, family, friends, professionals (e.g. accountants, lawyers).
2. Interview candidates:
 - Make a list of your needs, goals and objectives (e.g. tax planning, retirement planning, investment planning, insurance, etc.).
 - Call each advisor on your list and ask for key information including their experiences, areas of specialty, etc. This will help you determine if they are qualified to provide the services you need.
3. Choose your advisor: - See “Questions to ask a Prospective Advisor” below
 - Check references
 - Validate if they have the expertise you need
 - Are they objective?
 - Do you have their full attention?
 - Do they understand your needs, goals and objectives?

Key questions for the ‘do it yourself’ investor

1. Education: Does your potential provider offer investor education?
2. Convenience: Does your potential provider offer comprehensive telephone, online or face to face support? What are the hours of operation?
3. Cost: Does your potential provider charge competitive commission and fee rates?
4. Accessibility: Does your potential provider offer multilingual support? Are their services provided in languages other than English?
5. Tools & Research: What type of investment research or planning tools does your potential provider have to assist you in making important financial decisions?

Questions to ask a prospective advisor

Q. Are you certified by or registered with a recognized association in Canada?

In Canada, there are a number of titles used to refer to financial professionals, including: Financial Advisors/Planners/Managers, Investment Advisors/Managers, etc. They may be certified by one of several regulated organizations including the CFA Institute, Financial Planner Standards Council, The Canadian Association of Financial Planners, Institute of Canadian Bankers and the Investment



Funds Institute of Canada. You can visit the websites of the organizations to see if a planner is in good standing.

Registered advisors or planners must legally and ethically put your interests above their own.

Hiring someone from a large firm offers built in safety as larger firms typically have compliance departments that help direct and guide employees as they observe ethical and legal standards.

Q. How will you help me plan for my retirement?

Look for a holistic and individual approach to help you identify your financial goals and align them with the appropriate diversified allocation of assets.

A sound retirement plan should include:

1. Determining the right time to retire based on current savings and future income needs.
2. Building an income plan.
3. Turning your savings into income.
4. Managing your wealth through advice based products and services.
5. Maintaining your financial security through insurance.
6. Planning your estate including your Will, power of attorney, etc.

Q. How often will you review my plan? How will you keep me up to date on my investments?

The frequency and method (e.g. phone, face to face, email) should be established between you and your advisor up front.

Q. Do you have clients who would agree to providing references about you?

Be sure to specify if you would like to read client testimonials/letters of recommendation or if you would like to speak with other clients like yourself. If you speak to the clients, ask how he/she is better off as a result of working with this advisor, which should indicate how the advice meets his/her goals.

Q. Do you work on a fee only basis, a commission basis or both?

A commission-based advisor earns a fee each time he or she sells an investment for you. Annual commissions on your account should not total more than 2-3 per cent of the account's total value (industry standard is 1 percent).

For fee-based advice you will pay an annual fee of between 1 and 2.5 percent of the total money your advisor is managing for you, for all the services your advisor provides (including trades, meetings, reports, etc.).



Q. What is your philosophy on client service?

Look for an advisor who wakes up each morning asking how they can best be of help to their clients that day. A good advisor will keep you top of mind, for example sending you interesting articles or relevant information to your particular financial situation.

Once you have hired your financial advisor, here are some tips to maintaining a strong relationship:

- Tell your advisor about your needs, goals and risk tolerance and update his/her of any changes
- Ask the advisor to send you a written list/plan of your financial goals to ensure they fully understand you
- Discuss the frequency and format (e.g. face to face, telephone, email) of your reviews and meetings
- Keep a file of all correspondence, statements and confirmations to avoid any potential misunderstandings

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