

INVESTOR EDUCATION

Working with a Financial Professional

A good financial partner can help you build a comprehensive financial plan and pursue your individual financial goals.

This booklet includes questions and considerations for investors as they consider their relationship with a new or existing financial professional.



Working with a Financial Professional

Finding a financial professional can be daunting, but with a bit of planning and the right questions it can feel no different than finding any other professional who supports you in your life. Some investors are surprised to learn that working with a financial professional is about more than just investments and an investment portfolio. A good financial partner can help you build a comprehensive financial plan and pursue your individual financial goals.

In order to make sure you are hiring the best person for your individual financial situation, begin by interviewing potential partners. Remember this is a relationship you are hoping to build with someone – your financial future is at stake.

A STARTING POINT

This booklet is meant as a starting point to help you evaluate financial professionals and determine if a relationship is a good fit for you.

Topics include:

Getting to know a Financial Professional and His/Her Team

Relationship Management: Finding the Right Fit

Money Management: Compensation and Investments

A Focus on Retirement

Making a Match: Building an Enduring Financial Relationship



Before committing to a financial professional, spend time thinking about the type of advice you need, such as:

- investment management
- financial planning
- retirement planning
- business succession
- wealth transfer



Beginning a Relationship

A strong financial relationship starts with a financial professional taking the time to get to know you – not just your financial picture, but your values, goals, and concerns. This includes identifying how you want your financial planning strategy to evolve, and also what you want your money to do for you.

A professional should spend time listening to your passions, hopes and dreams to develop a personalized financial plan; they should also share with you their investment philosophy so you better understand the holistic financial process.

Here are some questions for you to consider as you prepare for an initial meeting:

MEETING THE TEAM

Background

- How many years of experience do you have? What is your educational/professional background and how did you lead to where you are now?
- How did you find yourself going into this profession?
- Do you work individually or as part of a team? If as a team, what are the qualifications, areas of expertise and responsibilities of your team members?

Experience and Qualifications

- How many client relationships do you manage? Tell me about a typical client and/or the portfolio size of an average relationship. What is the size of your “book”, or total Assets Under Management (AUM)?
- Which registrations, licenses and professional designations do you hold? Why did you choose these and how do these help you do your job more effectively?
- Have you or any members of your team been subject to any fine or disciplinary action by your firm or industry regulator?
- How do you stay current on industry trends and developments?

FINDING THE RIGHT FIT

Building a Successful Relationship

- How do you define a successful relationship with clients, and what do you expect from me to ensure that our relationship is successful?
- If we work together will you be my primary contact? If not, who will be and how do they fit into the team structure?
- How often will we be in contact? What is your preferred communication method—email, phone, in person, etc.?
- Where do I fall in terms of wealth level and complexity relative to the other clients you work with?

Partners and Succession Planning

- Do you have established relationships with accountants, insurance providers, attorneys, tax professionals, etc.?
- What's your succession plan? What happens to me if something happens or you retire?
- What steps do you take to ensure privacy/confidentiality?

MONEY MANAGEMENT

Fees and compensation

- How are you and/or your team compensated? What is the structure? How does this structure ensure our interests are aligned?
- Do you charge extra for additional services such as charitable guidance and family governance?
- Describe the benefits I receive in exchange for the fees charged. What will you help me accomplish?

Investment philosophy

- Describe your investment philosophy. How do you (and your team) make investment decisions?
- Describe the relationships you have with the money managers you use. How often do you communicate with them?
- Do you avoid any particular money managers or specific investment strategies? If so, why?
- What are your views on active vs. passive and different investment vehicles?
- How will you communicate investment performance?
- How will you consider my assets that you don't directly manage?
- How will you manage my accounts for taxes?

Services and product offerings

- Does your team offer comprehensive financial planning?
- Does your team specialize in a particular area or offer a broad suite of products and services?
- What services does your team offer outside of investment consulting (e.g. cash management, lending, insurance, trust account services, etc.)? Do any of these products influence your compensation model?



Building an Enduring Financial Relationship

Investors hire a financial professional to help build a comprehensive plan, pursue financial goals, and avoid costly mistakes. It's important that you find a financial partner who understands your needs and can communicate with you in a straightforward manner that builds trust.

After you speak with financial professional you should have a solid understanding of the services you are receiving in exchange for what you are paying – whether you are only seeking investment advice or asking for additional offerings such as family governance, estate planning, trust services and more.

All investing involves risk and uncertainty, but exploring a financial professional's qualifications and ensuring that his/her objectives are aligned with yours can help you manage that uncertainty. Only engage in a relationship if you feel confident in the financial and decision-making strategies. A financial professional can help you prioritize your goals and keep you on the right path financially, so that you can focus on what matters – your passions, family, friends, hopes and dreams.



SPOTLIGHT ON CYBERSECURITY

Do not be afraid to ask for clarification before sharing sensitive data. Black out any unnecessary personal information on tax returns, account statements, etc., if it's not needed.

Some conversations with your potential financial professional:

- Describe your cybersecurity measures.
- Where will my data be stored? Who will have access to it?
- What happens to my data after our relationship ends?
- How do you ensure secure data transmissions?
- Have you ever had a data breach? If so, how was it resolved?



A Focus on Retirement

If you are approaching retirement, one of the most important decisions you will soon face is how to turn your savings into an income stream that will last for decades, given today’s longer lifespans. Luckily, retirees don’t have to go it alone. Working directly with a financial professional who understands both the retirement landscape and your unique needs can help you define your vision for a successful retirement outcome and create a holistic income plan that is designed to last for the rest of your life.

SOME INITIAL QUESTIONS TO ASK

- How long does my retirement savings need to last? How can I estimate my income needs?
- What is a “drawdown strategy and how does that impact our planning?
- At what age should I take my social security benefits?
- How do I manage volatility in retirement?
- Will you be able to help me manage my standard of living in retirement?

RETIREMENT CHALLENGE: MAKING YOUR MONEY LAST

People are living longer, which increases the odds of outliving your retirement savings.



RETIREMENT SOLUTIONS: STRATEGIES TO CONSIDER

Strategies to help retirees balance the need for income and growth against the potential risks.

Protect your principal	Mitigate inflation
Acknowledge the need for growth	Work with a financial advisor
Pursue multiple sources of income	

Source: Society of Actuaries mortality tables (2006 adjusted RP-2014 base rates, Healthy Annuitant) projected with mortality improvement (MP-2017, generationally as of 2017)

Investors should consult their investment professional prior to making an investment decision.

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