

# Choosing a Financial Adviser

## Learn to ask the right questions.

**Take the time to choose a financial adviser who has the necessary qualifications, experience and, as importantly, is someone with whom you feel comfortable. After all you don't want just anyone helping you manage your money and your future.**

Whether you know a little or a lot about investing, trust your judgment about whether a candidate will listen to and answer your questions. Remember, you're in control and ideally this is a relationship that will last for years. Don't be afraid, however, to make a change if it becomes clear your first choice was not the right one. Also, you may have different needs as your finances evolve over time.

Where to begin? Ask for referrals from friends, family or work associates, but never assume that who's right for them is right for you. Start by screening candidates over the telephone. Once you've narrowed the field, conduct in-person interviews and speak to references.

### THE TELEPHONE SCREENING

- Are you registered to sell investments?
- What are your formal qualifications?
- How much experience do you have?
- What types of clients do you have?
- How many clients do you have?
- What hours do you work and when are you not available?
- Will you be handling my account personally or do you have an assistant?
- Can you provide me with references from your existing client base?

### IN PERSON INTERVIEW

- Describe your formal qualifications? What do they involve?
- What types of investments are you registered to sell?
- Are you restricted to certain companies in the products you offer? If so, what companies are they?
- How are you paid?
- How often will you contact me?
- What is your investment philosophy?
- How long has your adviser worked with you?
- How satisfied are you with his/her services?
- What are his/her strong points? Weak points?
- Does your adviser have any special areas of expertise?
- Have you ever been disappointed or surprised by anything in your relationship with your adviser?
- How often do you hear from him/her regarding your investments?
- Who normally initiates the calls?
- How quickly are your calls returned?

Visit our website at [www.albertasecurities.com](http://www.albertasecurities.com) and you'll find a range of timely, practical and non-promotional information, including more factsheets on the basics of investing, avoiding fraud, the top investing mistakes and our parent/teacher resources for helping young people learn about money management and investing wisely.

## Finding the Right Match

### CONSIDER THE FOLLOWING

- Get the most from your adviser's expertise and experience by having a clear view of your values, goals, and wishes in life - both short and long-term. The ASC website can help you establish a solid starting point for those first conversations with an advisor.
- Have clear expectations about the help you want from an adviser. Do you want him/her to develop and implement an investment plan? Or are you simply looking for a plan and will take care of the rest yourself. Either way, you'll still need to stay involved with your money.
- Advisers are compensated: on fee only basis, which is typically an hourly or fixed rate; based on a percentage of the money being managed; by commission; or by fee/commission where a fee is charged for a plan and a commission is earned on products sold.
- Common financial adviser designations include: Certified Financial Planner (CFP), Certified Financial Analyst (CFA), Canadian Investment Management (CIM), Chartered Financial Analyst (CH.F.C.). Visit our website at [www.albertasecurities.com](http://www.albertasecurities.com) for descriptions of what the designations represent.
- If you're planning to change advisers and the new one suggests switching products, ask questions about fees and the respective long-term performance of your current portfolio and the product(s) he/she is recommending. Also ask about potential compensation for him/her should you switch. Make sure it makes sense for you, not just for your adviser.

### SOURCES

For further information or assistance:

Alberta Securities Commission(ASC):  
[www.albertasecurities.com](http://www.albertasecurities.com)

The Financial Advisors Association of Canada:  
[www.advocis.ca](http://www.advocis.ca)

Investment Funds Institute of Canada:  
[www.ific.ca](http://www.ific.ca)

### WORTHY WORDS

**Investment Madness: How Psychology Affects Your Investing and What to do About It**

Nofsinger, John. Prentice Hall, 2001.  
ISBN# 0130422002

**Investing for Canadians for Dummies, 2nd Edition**

Tyson, Eric & Martin, Tony. John Wiley & Sons, Ltd.,  
2004. ISBN# 0470833610