

# *The Right Questions to Ask*

## An Investor's Guide to Finding Good Advice

If you've never worked with an investment advisor, the whole notion of trusting someone to help you make decisions about how to invest your money can be a bit overwhelming. Where do you start? How do you know the advisor is any good? How can you tell if the advice you are getting is worth paying for?

### **It's a Lot Simpler Than it Seems**

Investment advisors come in all shapes and sizes these days, but there's a relatively simple way to determine whether your efforts to find the right advisor are moving in the proper direction. First, you need to ask a few questions to get comfortable with a prospective advisor. Start with these:

- What is your area of expertise?
- Is your firm independent? If not, who do you work for?
- How do you get paid?

If you're satisfied with the answers, the next step is to sit down and talk about your financial situation. At this stage, it's time to sit back and listen carefully to what the advisor has to say.

### **Did Your Advisor Ask the Right Questions?**

To help you put together a solid investment plan, an advisor needs to know a lot about you. To get this information, the advisor needs to ask a lot of questions. Questions such as:

- What are your investment objectives?
- How much do you earn each year?
- What is your net worth?
- How much risk are you willing to accept?
- What is your investment time horizon?
- How much cash do you need on hand or within easy access?
- What is your tax situation?
- How much do you invest in your 401(k) plan each month?
- What are your marital status and family situation?
- How much of your current portfolio is in taxable investments? Tax-deferred?

If he or she skips over this part of the investment process and moves right to making investment recommendations, you should consider another advisor. Once you've found an advisor who asks the right questions, formulates an investment plan, explains the investment plan and answers your questions clearly, there's just one more thing left to do before you sign on the dotted line. To make sure you are comfortable with the decision you're about to make, you've got to ask yourself a question. That question isn't, "Can't I find it cheaper somewhere else?" The question is, "Will I get value for my money?"

Whether or not you select us to help you manage your money, if the answer to that question is "Yes," you've just found your new advisor.