

STEP BY STEP WITH MONEY

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Now that we are ‘**Saving Money**’ we may decide that we need a financial advisor. This week (22) I will share my views on how to select a financial advisor. My views are assisted by the Financial Markets Authority.

Before selecting a financial advisor, we should review why we started our network marketing business. Again, become clear on our WHY. Then use this method of determining our WHY to decide why we need a financial advisor. What do we want from a financial advisor. REMEMBER, we are in control and we are not just going to follow the advice provided by our financial advisor without questioning their recommendations. After-all, it is our money.

All advisors have a legal responsibility to act with care, diligence and skill, not to mislead, deceive or confuse. Our advisers should be authorised financial advisers and have the New Zealand Certificate in Financial Services. Financial advisers are required to undertake continuous development to maintain their professional competence and gain new knowledge and skills. Authorised financial advisers who do not have their certificate must have an alternative qualification endorsed in financial planning.

How do we find these people? We could start by asking friends or family members for referrals. Get recommendations from people whose financial needs, stage of life is similar to ours. Ask the Financial Markets Authority for referrals. Research the advisors on LinkedIn, Facebook or Google, Twitter, etc. We should get an initial view of the advisor.

All advisors should provide us with their disclosure documents, which should include useful information about the advisor. We should expect our advisor to (not in order of importance):

- ! Understand our circumstances and goals;
- ! Explain their recommendations and why it is good of us right now. They have to understand the investments they offer (don't assume they understand it). They have to recommend investments that suit our needs, i.e. meeting our personal needs compared to our risk tolerance;
- ! Advise whether they do not offer investments that would suit us better;
- ! Explain how they are paid. Are they paid an initial planning fee, do they charge on the value of the assets under management or do they charge fees for selling a product;
- ! What services do they provide, some people are only investment advisors, retirement or insurance advisors, find someone that suits our needs;
- ! What type of clients do they specialise in, some advisors specialise in social responsibility investments;
- ! Provide us with a sample financial plan. We may get an example of a detailed plan or a snapshot. This will give us an idea of the type of information we want for our plan;
- ! What is their investment approach/philosophy? We may want low cost funds, index funds or constantly trade the market based on our risk tolerance;
- ! How much contact do they have with us. This may be once a year, quarterly. This depends on our level of involvement and fees we willing to pay;
- ! Will we work with the financial advisor or their team? We may like the financial advisor but have reservations about the team member we work with. This needs to be dealt with now;
- ! Is the financial advisor interested in us? We are experts in determining whether people are interested in us because our business is being interested in people. Did our financial advisor speak 90% of the time or was it more equal with the advisor asking about our goals and philosophy;
- ! Explain their complaints process and who the dispute resolution provider is.

Please note that we may become a wholesale investor without knowing it. We should ask our financial advisor.