



# FIVE QUESTIONS TO ASK YOUR FINANCIAL ADVISOR/PLANNER

Making the decision to hire a financial advisor is an important decision to get right. In doing so, you take significant steps toward your financial future. With so many financial advisors out there, how do you know which one is right for you and your situation? To save time in narrowing down your search, it's important to take inventory of what you're looking for in an advisor. As part of the interview process, here are some of the key questions to ask:

## WHAT'S UNIQUE ABOUT YOUR FIRM?

Each advisor has unique characteristics, specialties or focus for which they are known. These traits may add value to you as a client and provide more synergy to the client-advisor relationship.

## WHAT'S YOUR INVESTMENT PHILOSOPHY?

It's important to have the same investment philosophy as your advisor. Because when investments may underperform, a shared approach will help you adhere to the best long-term strategy. Having an alignment of your investment style is also an important factor. If socially responsible, values-based, or faith-driven investing is important to you, find out whether or not this is an option with the advisor.

## ARE YOU A FIDUCIARY?

As a fiduciary, the advisor is bound to putting clients' interests first. Non-fiduciaries need only provide recommendations that are suitable to you as an investor at the time of sale. There could be inherent conflicts of interests that they may or may not have to disclose.

## WHAT ARE MY TOTAL COSTS (INVESTMENTS, CUSTODIAL, ETC.)?

In addition to paying the advisor for their service, find out what other fees are involved to get a better idea of your total all-in costs. Over time, these additional fees could be detrimental to your savings and cause a drag on your portfolio's performance. Your biggest cost could also be tying up your investment principle or even cause severe surrender or account close-out fees.

## HOW ARE YOU COMPENSATED?

There are a variety of ways and combinations by which advisors can be paid. Advisors are compensated for their professional services. The pricing structure can vary from firm to firm. Advisory fees could be charged as a percentage of total assets or maybe linked to transactions via a broker-dealer commission. Clearly understanding how the advisor is compensated and if there are any conflicts of interest related to any product or service they offer is key to a long-term client-advisor relationship.