

## Top 5 Things to Look for in a Financial Advisor

### *Why do you need financial advice?*

- You need another set of eyes to give you a new perspective, or someone who can spend more time reviewing your finances.
- The 1-800 or computer-generated advice you've been receiving is not personal enough. Perhaps you want a different kind of experience, with personalized, real advice from a live person.
- You want to slow down or start traveling the world, but you're not sure how to get started.
- You would like to turn your 401(k) into a paycheck, but don't know how.
- You are seeking peace of mind that your affairs are in order if the unexpected were to happen to you or your loved ones.

### *Finding the right financial advisory firm*

When thinking about hiring a financial advisor, the most important questions to ask yourself are:

1. Who is competent, qualified, and willing to be on my side?
2. Who is really trying to help me rather than trying to satisfy their own agenda?

Being able to discern truth and the real intentions of individuals, organizations, and businesses are essential to your success and a lasting peace of mind. You have worked hard to build your future; you need someone you can trust to help you manage it. **Your financial advisor must be your partner and advocate in making your future dreams a reality.**

The following are the **five most important things** to look for when selecting a financial planner/advisor:

## 1. TEAM

Seek a financial advisor that has a team approach. It is impossible for one advisor to be all things without the help of other experts. A good advisory firm includes specialists, back-office support staff, and compliance personnel. They will also align themselves with strong business partners (custodian(s), technology, human relations, etc.).

***TIP:** Look for a financial advisor that has a culture that employees enjoy. You are investing in a relationship—find out the tenure of the staff and whether there is a great deal of turnover. You don't want to start over with a new relationship every couple of years.*

***BEWARE:** Of an advisor that won't call you back or lacks communication. That makes it difficult to build trust in your relationship with them.*



## 2. LOYALTY

Hire an advisor that is a **Fiduciary**. This means that your advisor, by law, must work in your best interest.

- A Registered Investment Advisor (RIA) is a company that is registered with the SEC or the State, that act as a fiduciary and provides financial advice for a fee.
- Many in the industry are licensed “sales” persons, not fiduciary advisors. For example, in the United States there are over 600,000 individuals licensed to sell you a financial product (a security) for a commission. This is often in their best interest, not yours.

*TIP: Choose an advisor that is investing in you, not in their own agenda.*

*BEWARE: If you don't know how your advisor is paid or they say, “It doesn't cost you anything”: don't walk away, RUN!*

## 3. PROFESSIONAL

Seek a Financial Advisor committed to being fully competent. This means hiring a team that includes:

- Certified Financial Planner Professional(CFP®)  
<https://www.cfp.net/>
- Chartered Financial Analyst (CFA)  
<https://www.cfainstitute.org/pages/index.aspx>
- Master of Business Administration (MBA)  
<https://www.investopedia.com/terms/m/mba.asp>
- Accredited Investment Fiduciaries (AIF)  
<https://www.fi360.com>

*TIP: What all those ABC's really mean is that the firm has professionals that strive to know their craft well and that they are looking out for YOUR best interests.*

*BEWARE: Of new advisors to the financial planning or investment business that do not have finance specific education and are not partnered with a team of professionals that do.*

## 4. TRANSPARENCY

Seek a firm that is transparent, that clearly discloses fees, explains things in plain English, and communicates their conflicts of interest. Finding an RIA (Registered Investment Advisor) means you will know how your advisor is being compensated—no secrets and always discloses conflicts of interest. Below are 3 ways an RIA can be compensated:

- **Assets under management fee:** This means that your advisor will charge you a fee based on how much you have invested in an account that they manage.
- **Financial Planning Fee:** This fee can vary from \$500 to \$10,000+ depending on complexity and the advisor (the planning fee could also come in the form of a retainer fee each year).



- **Hourly Fee:** An advisor can charge by the hour, similar to CPA's and Attorney's. These rates vary depending on the advisor (\$150 per hour to \$500 per hour or more).

**TIP:** Find an advisor that is transparent, fully discloses their compensation, and has a reasonable fee structure.

**BEWARE:** Of salespersons that work on commission or a fee based advisor that charges more than 1.5% per year.

## 5. INNOVATION & SECURITY

Seek a firm committed to keeping up with current events (economic, tax, and estate), ever changing technologies, cyber security, and new ways to stay connected. Protecting your assets includes safeguarding your personal and financial information; look for an advisory firm that has a strong culture of protecting your data.

**TIP:** Look for a firm that is growing, seeking to improve, and comes across as professional.

**BEWARE:** Of advisors that are sending you confidential information in an unsecure way, or requesting information to be sent to them in an unsecure way.

### FINAL TIP:

Follow your gut. If something doesn't feel right or sound right, it probably isn't. If your advisor or the firm you are considering meets the points listed above, you're headed in the right direction.

There are many qualified and honest financial planners out there. While we hope you will consider Fidelis Wealth Advisors in your journey toward financial health, we are committed to helping you choose an advisor that will do the very best for you. These steps should give you a good start to finding an advisor that will put you first.

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