

COMPASSROSE

# Financial Advisor Checklist

## What to Ask and What to Look For in a Financial Advisor

▶ **What credentials does the Advisor possess?**

You may want to look for certification credentials in the financial industry such as Certified Financial Planner or Chartered Financial Analyst. Other credentials such as advanced degrees (Master's or Ph.D.) in Finance, Economics or related field are also of value.

▶ **Years of experience**

It takes time to gain knowledge, build skills, and acquire expertise in client management. Look for an Advisor that has at least five years of experience. Younger Advisors can be excellent, but years of dealing with complex issues is important for investors with significant assets.

▶ **Track record in the industry**

Check out Finra's Broker Check service at [brokercheck.finra.org](http://brokercheck.finra.org) for an Advisor's record of customer complaints and disciplinary actions.

▶ **Is the Advisor truly independent to serve you?**

Only Registered Independent Advisors are required to always act in your best interest.

▶ **Who controls your money?**

It is important that the Advisor use a separate custodian firm to ensure that the Advisor cannot access your assets for personal or illegal purposes.

▶ **Investment strategy**

Who will manage your investments, and how? Is the Advisor the portfolio manager or is this responsibility outsourced to someone else? Know the identity and investment approach of the portfolio manager. Be especially aware of the differences between active portfolio management and index investing.

**Communication**

▶ Be direct in your expectations of regular communication with your prospective Advisor. *Caution: Advisors are busy, but you deserve attention.*

▶ **Help with other investments**

Some advisors may provide help and advice for 401ks, 529 Plans, and other accounts that they do not directly manage and are held elsewhere.

*Note: many Advisors do not provide this service.*

▶ **Investment minimum**

Many Advisors set minimums to help them ensure that they can serve a reasonable number of clients. Be sure to ask if you qualify for the minimum investment.

▶ **Compensation**

Advisors can get paid from multiple sources: you, mutual funds, insurance companies, broker/dealers, etc. Be sure to ask for full disclosure of how they get paid, when they get paid, and how much. *Note: it is important that you are comfortable with the compensation arrangement prior to agreeing to becoming a client.*

▶ **What does your gut say?**

The highest standard for a business relationship with an Advisor is trust. *If you don't feel that you could trust the Advisor...walk away.*

*To discuss this list, or any other concern about hiring a Financial Advisor, please contact Compass Rose Private Investment Management. Jim or Karen are available to speak to you.*

(603) 319-8211



**COMPASSROSE**  
Private Investment Management