

BENEFITS OF WORKING WITH AN INVESTMENT ADVISOR



- Assistance in financial planning
- Portfolio management
- Provides investment advice

Before you start looking for an Advisor, ask yourself what you need in the way of professional advice. It is important to match the Investment Advisor's credentials to your situations/ needs.

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IS YOUR MONEY IN SAFE HANDS?

In order to advise investors on investing in the stock market, an Investment Advisor should obtain the Registered Investment Advisor Status from the Securities and Exchange Commission of Sri Lanka (SEC).



SELECT A SUITABLE INVESTMENT ADVISOR AND ENHANCE YOUR FINANCIAL WELL-BEING

In the stock market, selecting the right Investment Advisor is a challenging task. After all, your Investment Advisor plays an important role in your financial future.

Investors should be mindful to work with Investment Advisors registered with the SEC who have achieved a benchmark level of professional qualifications.





HOW TO FIND AN INVESTMENT ADVISOR

There are plenty of Registered Investment Advisors, who would render their services. It is upto you to evaluate and select one who is going to work in your best interest, give you good advice and help achieve your financial goals.

To find a competent Investment Advisor, you need to settle on the services you need and then schedule meetings with several potential Investment Advisors and make a decision based on who meets your requirements.

Personal recommendations from friends or family is also a way to find an Investment Adviser. However, make sure to do your own evaluation on the individual, as what is good for one person may not be good for another.

When you are looking for Advisors, you should also check their professional credentials. You can verify credentials of Registered Investment Advisors from the SEC website. These credentials indicate a certain level of education and competence of the Advisor. The SEC website also provides other important information such as regulatory actions involving the investment professional, their qualifications, experience etc.

QUESTIONS TO ASK BEFORE YOU HIRE AN INVESTMENT ADVISOR



What is your experience and track record?

Look for someone who has been in business for several years and has the background to deal with your particular issues. You should not select an Investment Advisor based only on the Advisor's experience.

What is your investment philosophy?

You will need someone whose investment philosophy corresponds with yours and who will appreciate and abide by your tolerance for risk.

How will our relationship work?

You will want to know whether you can talk to your Advisor directly or more likely to be interacting with a member of his or her staff.

Which stock broker firm do you work for?

It will be beneficial for you to know the credentials of the stock broker firm. It is always best to work with a stock broker firm that follows ethical trading practices.

ANATOMY OF A REGISTERED INVESTMENT ADVISOR

Flexes creative muscle

The Advisor comes with new and creative solutions to meet the investor's needs.

Committed to you

Trustworthiness and integrity are the most important traits of an Advisor.

Can take a gut punch

The Advisor would not fall when markets go down and he will manage risk.

Will do his home work

The Advisor would give recommendations based on research and analytical reasoning

Puts himself in your shoes

The Advisor should be empathetic and understanding towards the investor's financial needs.



MAKING THE MOST OF THE RELATIONSHIP

Think of your relationship with your Advisor as a partnership, with both of you working to achieve your financial goals. You both have responsibilities in making it a success and similar to any relationship, open and honest communication is vital.

- Make sure that all correspondence is given in written form
- Be prepared for each meeting and review your investments, account statements etc.
- Ask clarifications if you don't understand advice given by your Investment Advisor.
- Inform your Investment Advisor if you encounter changes in personal or financial circumstances.

INVESTMENT ADVISOR AND AGENT

At times stockbroker firms may appoint any person or a corporate body as an Agent. The primary role of an Agent is to introduce new clients to the stockbroker firm. Unlike an Investment Advisor, an Agent shall not be permitted to handle any funds belonging to the Clients or to accept or make payments to the Clients of the Stockbroker.

When an individual approaches you and encourages you to invest in the market it is best to verify if he is an Agent or an Investment Advisor.