

## Q&A: Financial advisor

# Ferret out fees, philosophies

Ask prospective financial planners or investment advisors to answer the following questions. Then compare their answers.



**Advisor:** \_\_\_\_\_

**Firm:** \_\_\_\_\_

**Date:** \_\_\_\_\_

1. Outline your experience as an investment advisor.

---

---

2. What are your professional qualifications?

---

---

3. Do you personally manage investments in each investor's account, or will someone else (for example, a mutual fund manager) make investment decisions?

---

---

4. Do you personally research your recommendations, or do you rely on other people? Whose research do you use (brokerage research departments, mutual fund managers)?

---

---

5. What is your investment philosophy? Have you ever managed a client's money through a bear (down) market? How are you handling investments in this recession?

---

---

---

---

6. Do you provide tailored portfolios, or is an investor's money "pooled"—as in mutual funds—with others?

---

---

7. What type of investments will you use to achieve my financial goals?

---

---

8. Do you provide a prospectus for every investment you recommend?

---

---

9. How are you compensated?

*Check all that apply to my account.*

- Commission       Annual 12B-1 commissions  
 "Wrap account"       Fee only  
 Commission and fee       Hourly rate  
 Other (explain) \_\_\_\_\_

---

---

10. Do you receive "soft dollar" benefits (for example, trips for selling certain mutual funds, free research, and so on) for selling any investments? If yes, explain.

---

---

