

How to choose an investment advisor



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FINANCIAL VIEW
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Many people know of someone who has had a less than favourable experience when investing with the assistance of an investment advisor. I've worked for one of the country's largest banks, a large U.S. based full service brokerage firm and now as an independent investment advisor with the highly regarded Canadian full-service brokerage firm Queensbury Securities Inc. in Fonthill. Over the years, I've been surprised by the amount of people who are unsatisfied with their investment advisor. This is not because of poor performance, but because of poor service.

Who needs an investment advisor? A wide range of people do. Simply put, the best time to invest in the market is when you have money available to invest. People who have investible funds, coupled with the desire to have a sound financial plan in place, often seek out the services of an investment advisor.

Secondly, people who are inexperienced in managing their money in the markets. Many people try to invest on their own through discount brokerage accounts on line. While some succeed, many more do not. Investment advisors have to complete a number of courses to become licensed. These include the Canadian Securities Course (CSC), the Conduct and Practices Handbook (CPH) and the Wealth Management Essentials Course (WME), as well as ongoing continuing education. Without these courses, it is illegal for them to trade on the market.

Thirdly, people who do not have the time or resources to properly manage their portfolio or who are looking for a second opinion. They will benefit greatly by partnering with the advice of a qualified investment advisor who can make investment recommendations based on the investor's goals and risk tolerance; together, investment decisions can be made.

Obviously, the more comfortable you are with your advisor, the greater the potential for success. This comfort is based on a number of aspects in the client-advisor relationship including mutual respect, knowledge sharing, dedication, investment choices and trust. All these aspects reflect the quality of service.

Finding the best investment advisor to meet your needs involves a little work on your part. You need to know a few things about them.

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First, what are their qualifications? Investment advisors should have the Wealth Management Essentials certificate. This is the most difficult course advisors are required to take and without it they cannot trade on the market. Often a firm will hire advisors without this certificate so long as they successfully complete the WME within two years. I have known advisors who have been unable to pass the WME after three attempts and their clients were split up among several other advisors within the firm. So, before trusting an advisor with your money, make sure they are fully qualified.

Second, how long have they been an investment advisor? Generally, you would want someone who has been in the industry for at least three years. Unfortunately, many advisors who are just starting out do not have much market experience.

Third, do they have quotas set by their firm that they must meet to keep their job? Investment advisors should keep your best interests at the forefront of all investment recommendations. You want to ensure that they aren't subjected to outside pressures which could cloud their judgment.

As stated earlier, I have met my share of people who have related stories of poor service and disappointment with investment advisors. With over 28 years experience in the financial services industry, and an award winning track record for outstanding customer service, I'm dedicated to changing some of the negative perceptions about the industry in which I work. There are excellent advisors out there; you just have to be diligent in your search for the right fit you and your family.

To discuss this article or to arrange a free, no obligation review of your portfolio, please contact me at larry.gallant@queensbury.com or by calling 905-892-2100.

Larry J. Gallant is a independent investment advisor with Queensbury Securities Inc., a member of the Canadian Investment Protection Fund and the Investment Industry Regulatory Organization of Canada.