

Ten Critical Questions Every Investor Should Ask Their Advisor

- 1. Are you independent or captive? Just mutual funds or insurance?**
 - A. Independent Full Service Advisor can bring the entire market to you.
 - B. Insurance and Annuity agents can only sell insurance products.
 - C. Captive Mutual Fund Agents can only sell Mutual Funds and generally for only one company.

- 2. How big does my portfolio have to be for me to reach my goals?**
 - A. We use 6% return estimate to give a quick idea of what you will need for living expenses.
 - B. EX: \$1,000,000 X 6% annual return is \$60,000 a year in retirement not touching principle.
 - C. Other factors that may lesson your saving burden may include your large, monthly Social Security check or your monthly pension from the United Auto Workers Union and perhaps your Delta, Bellsouth or Enron stock that you know will come back if you just wait it out.

- 3. How will Inflation affect my portfolio?**
 - A. Have you hedged the inflation?
 - B. What are some ways to protect my portfolio?
 - C. What about Deflation and Stagflation?

- 4. How much money can I safely withdraw from my portfolio and am I in danger of outliving my assets?**
 - A. What is the likelihood that I will make my goals?
 - B. Do you know how insurance can protect my goals in certain situation?
 - C. How many variables have you planned for and/or protected me from?

- 5. Do I have clear investment objectives, and do you know what they are?**
 - A. Are my goals the ones that are propelling my investment?
 - B. Do my goals include children?
 - C. Do my goals include charitable giving?

- 6. What investment strategy best meets my objectives and why?**
 - A. How much risk is necessary?
 - B. How many options do I have?
 - C. Can I change my mind and how often?

- 7. Should I pursue active or passive management?**
 - A. What are the costs/fees associated with both?
 - B. Buy and Hold or Daily Supervisions?
 - C. Set and Forget?

8. What is the best way to assess my portfolio performance?

- A. Peg Ratio: Which one are we using? Dow Jones 30, S&P 500, or Russell 2000?
- B. Better than my neighbor?
- C. Never losing money?

9. Should I manage my own portfolio?

- A. Is cheaper better?
- B. Do I save money making my own decisions?
- C. Do I have to budget to invest?

10. What should I look for in an Investment Advisors? Tell me what is important to look for.

- A. Honesty? D. Friendliness? G. Independence? J. Interpersonal Maturity?
- B. Knowledge? E. Integrity? H. Communication skills? K. Accessibility
- C. Experience? F. Low Cost? I. Sensibly Savvy? L. Familiarity?