



# Useful Questions

To ask an Independent Financial Adviser.

We know that investing can be daunting. That is why most investors can benefit from sound financial advice. For us, good advice depends on a combination of expertise and independence.

We've put together 5 key questions to ask an adviser. Depending on how he or she responds, it will give you a very good sense of whether you can work together in achieving your financial goals.

## 1 Are you **licensed to provide advice**?

It's important that your adviser has the right experience, track record and qualifications.

As an authorised financial service provider (FSP), the adviser will have a licence number issued by the Financial Services Board. All the relevant details specific to the FSP are available on the website [www.fsb.co.za](http://www.fsb.co.za) - allowing you to verify that the adviser is in good standing with the industry regulator.

It's good practice for advisers to be members of the Financial Planning Institute of Southern Africa (FPI). The purpose of the FPI is to ensure the highest level of competency and ethics in the industry.

The highest professional financial planning qualification attainable is a Certified Financial Planner (CFP®). You can find qualified advisers in your area on the website [www.letsplan.co.za](http://www.letsplan.co.za)

## 2 **What services** can I expect from you?

The adviser should be able to crisply define his or her areas of expertise, such as:

Financial planning | Implementation (of financial plan) | Tax management  
Estate planning | Retirement planning

This will set the framework for the relationship and should be communicated to you in terms that are easily understood.



### 3 How do you ensure that the advice you give is appropriate?

The adviser should, in every instance, provide objective advice that suits your situation and needs. He/she should conduct a comprehensive financial needs analysis. This analysis should focus on identifying your current financial knowledge and experience, ability and willingness to take risk and current financial situation. Defining the gap between the current situation and desired outcome helps to create the financial plan.

At Coronation, we believe that investors are better served by advisers who have no vested interest in recommending one product over another. Independence reduces the potential for conflicts of interest.

### 4 How often will I meet with you?

Financial reviews are critical to any successful plan and the adviser should meet with you at least once a year. At this time, changes to your personal circumstances can be discussed as well as taking stock of the investment environment and economic outlook.

Establish the type of proactive communication and engagement that will best suit you by enquiring about the different levels of service offered. In addition, obtain a clear understanding of the frequency and type of reporting that will be provided. It's vital that expectations are aligned.

### 5 What will I pay for these services?

The fee that you pay will be determined by the type of service and its potential to add value. To ensure independence from the underlying investment product provider, it's best practice for advice fees to be set through a direct negotiation between you and your adviser.

Fees are typically set as a percentage of your total investment and can be paid upfront and/or on an ongoing basis.



But before engaging an independent financial adviser (IFA), ask yourself 2 questions:

#### 1. How much does it cost to live my life?

Your lifestyle reflects your priorities and attitudes toward money. It's important for you to understand your priorities to assist the IFA in developing a financial plan that meets your individual goals.

#### 2. What goals do I want to achieve?

Define your desires and needs. Do you want to buy a new house, plan for retirement, go on a world tour, fund your children's university education or start a business?

If in doubt about investing,  
it's a good idea to seek independent investment advice



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