

How to choose a financial adviser

Your complete due diligence checklist

By Andrew Hallam, author of Millionaire Teacher
& The Global Expatriate's Guide To Investing



Andrew recommends you check...

Your investment adviser

The firm

- The firm is regulated by a 'proper' financial regulator (i.e., one that enforces high standards and its rules) such as the UK FCA, the Dubai FSA, the US SEC, or the Singapore MAS.
- You have checked the firm's claims to be authorised and regulated against the regulators public register.
- The website has photos of the people behind the firm and their full professional biographies.
- The person you are dealing with is professionally qualified to at least UK level 4. They can clearly evidence this and a history of providing regulated financial advice.
- The firm is recognised as a leader in its space and has received widespread recognition in the consumer press, by client feedback on objective platforms, and by independent peers.
- The firm is sufficiently large and has a long enough trading history (in excess of 10 years) as to confer stability and experience in dealing with international and cross-border investment.
- The firm has a clear regulatory statement on its website explaining how licensing works in your jurisdiction and what to do if you are ever dissatisfied.

Yes No

Yes No

Yes No

Yes No

Yes No

Yes No

Yes No

The advice process

- You are provided with clear terms of business and have read and understood them.
- All the advice you receive is detailed in writing in a suitability report which you have read and understood.
- You are not locked into **any** contractually binding investment period where you have exit penalties, i.e. you can buy and sell at any time.

Yes No

Yes No

Yes No

How to choose a financial adviser Your complete due diligence checklist

Andrew recommends you check...

Your investment adviser

The investment service

- The firm has an investment philosophy which invests in low cost, globally diversified index funds.
- Your portfolio is constructed according to your specific needs, taking into account your investment objectives, time horizon for the assets, risk profile, cash flow needs and other factors specific to you.
- You get a disciplined approach to your investment strategy that goes beyond just stock picking or selecting investments based on their past performance.
- The firm re-balances your investments annually as investments stretch your portfolio out of shape.

Yes No

Yes No

Yes No

Yes No

The fees and charges

- The firm provides you with a written confirmation of all fees and charges that you will be expected to pay.
- The firm does not accept commissions and does not pay its advisers on commission.
- You'll have competitive, transparent fees that align the firm's interests with yours. If your portfolio does better, they do better. As opposed to paying them for years of work upfront on day 1 (which in all likelihood will never get done).
- You know exactly what you pay for the investment advice and services and this is clearly separated from product charges instead of bundled altogether.

Yes No

Yes No

Yes No

Yes No

Please note that this list is far from exhaustive. It will however ensure your outcomes are substantially better than relying on a friend's referral, free lunches, corporate sponsors, seminars organised by your employer or accepting a meeting with a cold caller!

If you answered 'no' to ANY question, proceed with caution.

For more information, why not read The Global Expatriates Guide to Investing, which is available to buy from Amazon.

