



BETRO | MILESZKO
& COMPANY

Choosing The Right Financial Advisor

SIX CRITICALLY IMPORTANT REQUIREMENTS

- **FULL SERVICE** – Successful investing is more complicated than simply buying and selling mutual funds, stocks and bonds. It requires a comprehensive understanding of your tax, estate and retirement planning issues, and how each is affected by the investment decisions being made on your behalf. If your investment advisor simply buys and sells securities without fully understanding the implications it has on your tax, estate or retirement plans, you may be doing yourself a disservice. Choose an experienced advisor that has the resources and expertise to advise you on all the elements of your financial plan to avoid costly mistakes in the future.
- **INDEPENDENT** – Your financial advisor should be completely independent both in terms of research as well as custodial relationships. For example, you should avoid an advisor who invests in Fidelity funds if they also use Fidelity's custodial services. The relationship behind the scenes can create a conflict of interest and may lead to advice which is biased and subjective. Also, be sure your advisor does not receive compensation from any of the companies he or she invests in on your behalf, another red flag and conflict of interest. Finally, be sure your advisor is not also serving as your account custodian. Most reputable investment advisors use independent custodians such as Charles Schwab to hold your assets, execute trading instructions, and send account statements directly to you as the legal account owner.
- **DIRECT ACCESS TO PRINCIPALS** – As an investor entrusting your assets to an advisory firm, you should have direct access to the firm's principals who are ultimately responsible for your investments. If you are unable to speak directly with a principal, chances are you're dealing with a firm that is too big to serve your needs in a personalized manner. To receive a level of personal service and attention you deserve, work with an advisory firm that allows you direct access to the decision makers at all times and make sure they are familiar with your personal needs and goals.
- **INVESTMENT FLEXIBILITY** - Choose an advisor that has lots of flexibility in what he or she can invest in, and avoid managers that invest in only one thing. Narrowly focused investment policies such as Vanguard funds or "small cap value" stocks can severely limit your return potential and subject your investments to the additional risks of being too highly concentrated in one type of investment or style. The advisor you work with should have the resources and expertise to integrate all of your mutual funds, ETFs, stocks, bonds and CDs into a coordinated and cohesive strategy designed for you.
- **CUSTOMIZED PORTFOLIOS** – Many advisors rely on using "model" portfolios, not because it benefits you but because it benefits them. The fact of the

matter is, no two investors are alike and therefore, you should not be forced into the same allocation as other investors. If your advisor is unwilling or unable to integrate your legacy positions or personal preferences into their investment strategy, it's very likely they have too many clients and not capable of providing you with a customized portfolio. Also, choose an advisor that utilizes a proactive investment approach. If your advisor simply held on to your investments during the recent financial crisis and told you to just focus on the "long term" without making changes, you should find another advisor who is proactive.

- **FEE BASED** – There are many reasons why brokerage firms like Merrill Lynch and Morgan Stanley are scrambling away from a "commission-based" business model to a "fee-based" model. To make sure your advisor's interests are aligned with yours', be sure to work with a professional who charges a fee as a percentage of assets under management, and avoid working with an advisor that is receiving compensation or commissions from the companies he/she invests with. Also, be sure to avoid firms that recommend you invest in their own proprietary funds or products – another major conflict of interest.

Betro | Mieszko & Company is an independent wealth management firm providing comprehensive investment advice to individuals and families. By using a proactive approach to investing, the firm focuses on generating superior returns for each client while carefully considering relevant tax, investment, estate and retirement planning issues. For more information on our services or to request a complimentary investment evaluation, please contact John Mieszko at (508) 698-4949 or visit www.betromieszko.com to learn more about how we can help you develop and manage an investment plan that's right for you and your family.