



get advice

Feature article: Working with an adviser

You're in it for the long term so make this a relationship that works.

You've found your dream adviser – what happens next?

Well, the first thing you'll probably do together is to work on a plan. So make sure you've done your homework. After all, a plan is only as good as the information you put into it.

If you've worked through the six steps, tried out some of the tools and started to think about what you need, then that's a great place to start.

Working on your plan

Take all your thinking and your paperwork to the adviser. Make sure you tell them about:

- Your goals
- Your basic finances: income, savings, expenses and debts
- Existing pensions, savings and investments
- Your dependants
- Any big expenses that you know are coming up – for instance, supporting your children through university
- Any money that you know will be coming in in the future – for instance, an inheritance
- Your attitude to risk

The paperwork

To find out how much EPS pension you have earned already (in today's money terms) as well as of how much you can expect when you retire, you should contact your Employer.

For pensions you're currently paying into, you'll need the most recent annual statement from your pension provider or employer. However, it's possible you've paid into other occupational, personal pensions over the years. To find out the value of these, you'll have to contact each provider or your previous employer (for occupational pensions) and ask.

For any mortgages, you'll need the most recent statement from your lender.

Although it might seem a lot of work, it's worth taking the time to track all this down so you – and your adviser – can get an accurate overview of your position.

Checking your plan

The advice you receive should be in writing and given without obligation. Once your adviser has put together your plan, take it away and then check it carefully. Make sure it covers:

- Your needs and goals
- The overall strategy
- Recommended investments

- Exactly why the adviser is proposing these investments
- Investments that are spread among different product types and markets
- Information about managing those investments
- Cash for an emergency fund
- The risk associated with the plan
- All the costs involved – entry fees, exit fees and anything else – expressed meaningfully in rupees.
- A prediction of how much income will be generated and how this matches your income needs
- How easy it is to change the plan

What to look out for

Remember, the adviser gives advice but you take the decisions.

If you're not happy with any aspect of the plan, you should say so. Don't be afraid to keep asking questions – you should understand and be comfortable with everything.

If you're not, walk away.

Here are some things to watch out for and question:

- Investments from one company only
- Investment in one type of asset only
- Long-term investments when your needs are short term
- No cash you can get at in an emergency
- Advice to borrow to invest
- Whiffy tax arrangements