# 15 Questions to Ask When Choosing a Financial Advisor

**Announcer:** Welcome to the Empowered Investor Podcast. Have you ever felt overwhelmed by the sheer volume of choices and voices telling you how to plan or invest for your future? With a straightforward approach, host Keith Matthews of Tulett, Matthews & Associates cuts through the noise to help you create a winning action plan for you and your family. The decision-making framework discussed in this show could transform you and your investment experiences and will increase your odds of becoming financially secure. Learn more and subscribe today at TMA-invest.com.

**Keith:** Welcome to The Empowered Investor. My name is Keith Matthews and I'm joined by my co-host Marcelo Taboada. Marcelo, how are you today?

**Marcelo:** Keith, I'm doing great. I'm enjoying the first few days of the fall. They've been quite nice days and everybody's back to the office. Everything's buzzing. We have healthy snacks now, and we're back to team lunches. I'm loving it.

**Keith:** Yeah. It is amazing to walk into the kitchen now and see a whole bunch of people laughing and having fun around the kitchen table. It's like it just happened yesterday. Most of the group is back four days a week; some are back three days a week, and then a little bit of hybrid, but it's just great. The energy is fantastic.

**Marcelo:** Yeah. It's great to see clients still here.

**Keith:** Oh, 100%. We're doing client meetings now in the boardrooms. It's just amazing to see people and to walk through things in person. We're dealing with prospects that come in. Some of that was quite impersonal on a team's call, especially if you didn't know the person. So if you're meeting a person for the first time to try to evaluate whether they should, this fits exactly in line with our topic today, but if they want to evaluate who they should work with, it's nice to do that in person. So today's topic is a carryover from last week where we started reviewing how to evaluate value from your advice provider, from your financial advisor or advisory firm. But we're switching gears, Marcelo. We're going to talk about what questions to ask and how to evaluate the advisor or the advisory firm that you're potentially going to choose. So we're going to cover a whole series of steps and questions to ask. We're also going to turn this into a guide in a few weeks from now, which will be downloadable off the website, which we're very excited about.

**Marcelo:** And free.

**Keith:** Yes. But the goal here is to help investors. So let's jump into it. What's step one in terms of how to evaluate what type of person you should work with or firm?

**Marcelo:** Yes. So I think that's a great point. The first step, and I'll break it down into two parts. The first part should be you got to ask yourself, what services do you really need as an investor, as a person, right? For your family. So do you need retirement planning? Do you need cash flow planning? Do you need advanced financial planning, or do you need estate planning as well? So you got to ask yourself, what are the services that I need at this moment? So that's the first thing.

**Keith:** And of course you got to ask yourself, tied into all that, is I need investment advice.

**Marcelo:** Yes, of course. Of course.

**Keith:** You skipped that part, Marcelo. You went into all the other areas but you missed the investment advice.

**Marcelo:** Which is pretty ironic. But yeah. So that's the first part. The second part is what type of investor are you? Are you a speculator? Are you more of a long-term investor, and you feel like you can have the patience?

**Keith:** And of course nobody wants to admit that they're a speculator, and everybody will say, of course, I'm a long-term investor. Now the reality of it is if a person likes to chase ideas and likes to be a mover and shaker and try to move in and out of things, they're more akin to speculating. They may not actually realize it. It's a hard question you got to ask yourself. Are you in it for the long-term, and do you want to have a proper investment plan, or do you want to chase?

**Marcelo:** 100%. That's a very good point. Then, are you a controller or a delegator? That's a big one because if you're more of a controller, you're going to have a hard time dealing with a firm that just takes over and guides you through an integrated process, right? Because you have to delegate.

**Keith:** That's right. If you're a controller, you need to work with a firm that is going to be a non-discretionary firm where you have the final say in absolutely everything.

**Marcelo:** Correct.

**Keith:** If you're a delegator, you might be able to work with a firm that provides a consistent investment discretionary service.

**Marcelo:** And the last one is, are you a conservative or an aggressive investor? Some firms will have investment styles that are a bit more aggressive in nature. Think about a hedge fund, for example, or somebody who's picking individual stocks versus a more conservative approach. So we're going to walk you through the things to ask an advisory firm, but all these questions as it relates to the things that you need and who you are as a person, they do matter in the evaluating process. So I would say that's the first step.

**Keith:** All right. Those are great points, Marcelo. So self-evaluation, understand who you are, what stage of life you're at, what services you need, really ask those questions to yourself, and then go shopping and then go finding. I guess in today's world, it's a little easier because a lot of information is available on the website, it's on the internet, but you can start doing due diligence there and then you can start doing meetings with advisory firms. So we're going to switch gears and go into step two here, which is explore your options. And we've broken them down. We have a series of steps and questions and things to look for in various categories. And they do tie into what we discussed last week. So category one is competence. You need to review the competence of the advisor or advisory firm. So what does that mean, Marcelo, reviewing competence?

**Marcelo:** Yeah. It essentially means, can the person do the job and can they do it well, right?

**Keith:** Yeah. But lead us in here. What do you need to ask yourself?

**Marcelo:** Yeah. So we have a few questions here, but the first one is you ask a very simple question: what are the services you provide? So the things you should be looking for are investments, retirement planning, estate planning, tax services. Ask a very open question: what services do you provide? They should be able to answer it, right?

**Keith:** Yeah, they should be able to answer that, but we'll go into this in a little bit more detail. Not only what do you provide but show me how you provide it. Show me what it looks like. Because everybody's going to say in today's world, I provide retirement planning. But there's a very different way of providing that. One's a really thorough way and one's a less thorough way.

**Marcelo:** Then the second one is, I think this is the biggest one, is do you have a defined investment philosophy? We've talked about this subject so much. We've had an episode about it, but this one's a big one. And I think we can break this down in a few sections. So once you've asked the question, do you have a defined investment philosophy, you get more into the how, right? Is the philosophy consistent across your client base? In other words, are all your clients getting the same investment philosophy? That's one of the things you got to ask.

**Keith:** Why is that important, Marcelo?

**Marcelo:** Because you want consistency. You don't want to have somebody who has an investment philosophy for a particular type of client and then another investment philosophy for another type of client. You want that person to be consistent across the board because that's what works at the end of the day.

**Keith:** Yeah. And what you're describing is not, do you have a philosophy for a conservative investor versus one that wants growth? Because that should all be within the same investment philosophy.

**Marcelo:** Correct.

**Keith:** What you're referring to is this idea of, you can go to some supermarket-type operations where the advisor will say, I do everything. It all depends on what kind of client I'm working with. So I am offering hedge funds. I'm offering diversified portfolios. I offer speculation. I offer random investing thoughts and ideas and chasing. And those are many distinct investment philosophies in there. So what you're really referring to is you should work with an advisor or an advisory firm that has one approach and consistently uses it with all clients.

**Marcelo:** Correct. So once you've asked that, Keith, that's a great segue for the next one. Explain the top principles of your investment philosophy, or you can ask the advisor to put them in writing to have something in writing about what is exactly his investment philosophy. So once you've gone through the process of asking if he has one and if it's consistent, you may want to see that in writing or what are the top principles. So this would be like the 10 commandments, right? Like it's something in writing set in stone, and it should be like the game plan.

**Keith:** Yeah. So this is where it gets a bit tricky, I find always, because many investors don't know what's the right game plan. Okay. So somebody says, here's my game plan, but is it the right one? Is it a competent game plan? And so there's a couple of questions that you have set up here, which can help an investor start to identify that. But what are those questions?

**Marcelo:** This is a big one. So the first one is, do you believe in market timing? Then we have, do you believe in manager selection or manager rotation? Do you believe you can consistently beat the market? How often do you trade, and what does rebalancing look like? So that's a set of five questions that should give you an idea of how the investment philosophy works.

**Keith:** That's good. Those are questions that the advisor should be able to back up with the right answer. Now, why are those good questions?

**Marcelo:** Yeah. So believe in market timing. That's the easiest one for me because we have so much evidence that it doesn't work, and it's hard because you have to get it right twice. You've got to get out at the right time and you have to get back in. Then we also have the evidence from many studies that a simple plain vanilla portfolio of a 60/40—60 percent equities and 40 percent bonds—does better than the models that are trying to time the market. So get out of the market at the right time, get back in, or try to make active calls: this sector is going to do better, that economy is going to do better. We have the evidence that it doesn't work. So you don't want to see that in an investment philosophy.

**Keith:** To me, I guess it's not so much the 60/40 or whether you're 80/20 or even 100 percent. It's got to do with this: you need to stay the course. And for advisors and strategies that say they can outdo things by actively trading, evidence shows that it's just not producing. So if your advisor says, or the advisory firm says, I can out-trade, I can out-smart, I can out-think the market, chances are they won't be able to do it. That should be a warning bell. You should say to yourself, I'm not sure about this advisory group or the advisor.

**Marcelo:** Then we have, do you believe in manager selection or manager rotation? We talked about the SPIVA report in the last episode of how we have evidence that managers don't beat the market over long periods of time. And even worse, we have the persistency report created by the SPIVA group as well, which shows what happens if you identify the mutual funds that won or beat the market over a certain period of time. Do they beat the market after you've chosen them? So for example, if you have the five-year number and you say 10 percent of portfolio managers beat the market, and you say, okay, I'm going to pick those and look at what happens after five years, 10 years, 15 years. We also have evidence that they don't keep winning, right? So it's not only hard to choose a manager that beats the market long-term, but it's also hard to choose a winning manager, quote-unquote, that's going to keep on winning because we have evidence that doesn't work. So those are the things that you should be looking at.

**Keith:** I agree with you 100 percent. The backbone of how the advisor or advisory firm answers these questions gives you clues and hints as to what you should pursue or not pursue. I think those are great, Marcelo. I also like the question, show me what a portfolio looks like that you would offer, that you would manage. Show me that's consistent across your client base if you can. And then show me what that portfolio looks like over time. And what I mean by that is, how did you manage money? How did the firm manage money during bear markets and bull markets? It's so telling because ultimately what you want to see is consistency. You want to see rebalancing during bear markets. You want to see the attempt to add more capital into bear markets. And if you look at a portfolio over time and have the advisor explain what that looked like, that will give you clues as to whether the firm sticks to its philosophy or not. And I think that's all part of this philosophy part.

**Marcelo:** You mentioned the rebalancing there, and I'll just lump those two in: how often do you trade and what does your rebalancing look like? How often do you trade should be as little as possible, and the rebalancing should be systematic. So systematic, what does that mean? It should be set in rules. So if your advisor says, I rebalance twice a year—let's say June and January—it should be done then. And that's it. If you start seeing something like they're moving stuff around outside of those set periods, I think that's a red flag, and you don't want to see that.

**Keith:** Yes, but if there's a market downturn, you can be rebalancing in market downturns and different periods. So you can have a little bit of flexibility around that, but your point is very well taken, which is show me that you have a process, right?

**Marcelo:** A process, yeah.

**Keith:** And this gets back into what are some of the mistakes that individuals make around this concept of competence? How do investors get trapped into sometimes selecting the wrong advisor?

**Marcelo:** Let me ask you, you've been around longer than I have. What are the traditional ways that people used to evaluate or what are the things that people used to look for in an investment advisor in old times?

**Keith:** Old times? Wow, that's really putting me out there. So don't worry, but I think some of the incorrect ways to evaluate advisors are things like age. Sometimes people tend to look and say, the older the advisor, they must be really good. Or I'd always hear, the advisor, wow, what a fun person. They're the life of the party. You don't hire somebody because they're the life of the party. You hire them because they're competent and they're good. The best one I used to say, oh wow, the person's an amazing golfer. But again, these are habits that you think if they're great at these things, maybe they're going to be a great advisor. They'd be fun to be with, but you don't necessarily want fun in your advisory services. You want competence. You want the right structure in the firm, which we'll talk about next. You want the right set of principles. You want the right set of services. And sometimes the younger advisors that are using the right principles are the better advisor and group to be with versus the most seasoned advisor who's using the wrong principles.

**Marcelo:** And the internet has shifted this whole environment that we have now of forums and online reviews and having so much information online that it's definitely shifted the power back to the consumer. And now people can make a way more informed choice about every service, including what we do.

**Keith:** So those are some of the mistakes that I've seen happen in the past, but I will suggest that individuals need to, for competence, the last part of the equation is, does the advisor or the advisory firm have a series of team members that are qualified, have the right designations? And designations to look for are CIM, CFA, CPA, Plan Fin, which would be the financial planning designation in Quebec, and then CFP in Canada. These are important designations because you don't want to be working with an advisor that's more in a sales culture. And I just think that there's background that you need to know, and it's not necessarily age-based. So process and making sure that the advisory firm and the advisor has the right set of processes and principles trump lots of other things that sometimes individuals get drawn to.

**Marcelo:** 100 percent. And these designations, they take work, they take time to study, you have to maintain them, you have to do continuing education credits. So it's not a one-and-done thing because this business is evolving constantly. Tax laws are changing, investment rules are changing. The principles may be universal, right? An investment philosophy should be pretty consistent, but things change in terms of taxes, financial planning rules, how they relate to how people draw income. So all these designations, what they do is they keep you abreast of what's going on, and it's a good thing.

**Keith:** Absolutely. 100 percent agree with you, Marcelo. Let's move to the next area that we want to focus in on, and that is advice structure. So the structure of the organization that you are considering working with. What are the key things to look at here, Marcelo?

**Marcelo:** Yeah. So one of the key things to look for is, how do you get compensated? Does the advisor or the advisory firm get any commissions? Then we have unbiased versus biased advice. So fiduciary responsibility towards me and my family, what does that mean exactly? And then you want to look at the architecture of the firm. Is the firm offering an open architecture where they can choose many different providers, or do they have in-house products? So these are the things that you should be looking at. So maybe we should now break it down, Keith.

**Keith:** I think the philosophy behind this area is you need to understand how the firm or the advisor works. What's the structure? The most favored structure for all clients would be, I want advice that suits my needs, that's unbiased, and that's always looking out for my best interests. As opposed to working with a group that you say to yourself, ah, there's a hidden agenda. Are they recommending that because it's good for me, or are they recommending that because it's good for them? There's a nuance in this whole process, but it is extremely important. So ultimately, you'd like to see zero commissions whatsoever, zero compensation that's tied to in-house products. You almost have to say to yourself, I don't want to work for a firm with in-house products because they're always going to offer their product and say it's the best. And so there's this whole debate about trying to make sure you somehow strive towards a service that's unbiased, protects your interests, and has a fiduciary sort of responsibility to do the absolute best for you and your family.

**Marcelo:** And the things you should be looking for, like we said with the investment philosophy, if the advisor is willing to put it in writing, that is a good thing. So if they're willing to put in writing how they get paid, how they disclose conflicts of interest, if there's any commissions, these are things you want to see. Because if somebody can put it in writing, it's pretty much set in stone is a big word, but it is a better indicator than if they just say it verbally, right?

**Keith:** Yeah, but the problem with the writing nowadays though, I hear you loud and clear, but the challenge with that is there's been a lot of advancements and improvements in the industry in the last decade. And you have disclosure documents that now state that advisory firms must disclose conflicts of interest. The problem with all that is it's all disclosed in fine print and people can't see it. When was the last time when you go sign up for a telephone at one of the telephone providers? They throw this 10-page document forward with lots of small print, right? And so somewhere in there, there's these conflicts and issues. And I think individuals, they have to understand what's the spirit of the firm and the advisor that I might be reviewing. And if the spirit is open architecture, which means I can offer everything, only compensated by you, a dear client, a potential client, I don't receive any commissions whatsoever, I'm not allowed to receive commissions. Now you're starting to put the odds in your favor. Yes, that's something that this structure is critical.

**Marcelo:** Right. It's obvious in any service provider, right? If you're asking these questions that are considered tough questions, and if the person gets nervous or they're shady about answering them, I think that's a pretty straightforward red flag that you should be paying attention to.

**Keith:** Yeah. 100 percent. So let's move on now. We're going to go to our, what we called last week, the four C's. We're going to go to the second C, which is coaching. Ultimately, every individual needs good coaching, and coaching can feel a little different depending on who you are as a potential investor. What we refer to as coaching is, are you getting the right style of feedback to help you with your day-to-day investment planning or your month-by-month or your annual discussions? And so what comes to mind for you in terms of this, Marcelo? How do you review? Am I getting good coaching?

**Marcelo:** Yeah. So for me, it goes back to, what are the services you provide? So if you're hiring a firm and you're looking for just a yes-man, it's not good, in my opinion. You want somebody that gives you the advice that is good for you, even if it's not what you want to hear. So going back to the market timing question or something that you may want to do, something harmful during the bear market because your portfolio is down 15%. If you go to the advisor and you say, I think we should sell or maybe do some market timing or get out of the market, a proper advisor should be able to explain to you with evidence why that doesn't work. So what you should be asking the advisor is, how do you provide this service of coaching? How do you do it? How do you navigate these events with your clients? Then the second thing that comes to mind is, how often will I be contacted? Will that be a meeting? How many meetings a year, newsletters, updates, videos, podcasts? And then is the advisor going to be available if you have a life-changing event or you have a bonus and you want some coaching around these issues? These are the things that you should be asking for.

**Keith:** Those are all great points. And you know, it's funny when you said the first one, it made me think, you're right. There's a difference between a facilitator and an advisor. And a facilitator, you used the term yes-man, it could be yes-woman, but a facilitator is someone that allows a transaction to occur for you. But what people really need is an advisor/coach. And it's a huge distinction. A facilitator just allows you to get trades done and strategies executed and is always saying yes to you. And that's not what investors really need all the time. They need a process. They need guidance. And sometimes that guidance is a little counterintuitive compared to what their gut is saying.

**Marcelo:** If you start your advisory relationship, I put myself in the shoes of a client, and if I'm sitting on the other end of the table and I have a person who doesn't challenge me, just does what I say, I lose respect for them. Like, I'm looking for authority. I'm looking for guidance. I'm looking for professional advice. And if you're just a yes person and you're not getting that...

**Keith:** All right. So that takes care of very well, Marcelo, the area of coaching. Let's go to the next C, which is convenience. And convenience can also be referred to as convenience and great service.

**Marcelo:** Right. Here is where you get into, you want to ask really, two questions come to mind. One is, what is your average account size? And this is simple, right? You want to know that the advisor is dealing with somebody in a similar situation as yours with the same level of complexity. And the second one is, how many clients do you personally serve? This is going to be a great indicator of how personalized the service is the advisor is going to give you at the end of the day. Because if the advisor is dealing with 250 clients, maybe he won't have time to answer that question when you get that bonus out of the blue.

**Keith:** So this gets back into when you're reviewing an advisor, an advisory firm, service, is the ability to speak and be taken care of, is that important to you? And if you say, yes, it is, which most people would say, you then have to ask yourself, do they have the capacity and the capability of giving me that convenience?

**Marcelo:** 100 percent.

**Keith:** I'm amazed, even today, Marcelo, we speak to individuals that are prospects or coming in and they'll say things like, I reach out to my firm and I don't get phone calls back. I reach out and I get the runaround. I reach out, and that's just, that stuff shouldn't be happening.

**Marcelo:** We see that a lot, unfortunately.

**Keith:** And a lot happens because when you ask a team, how many clients do you work with? They'll say, oh, 1,252. How can you serve 1,252 families? And you say, yes, I have a big team, but that's a big number. And right down to robo-advisors. This is the extreme, of course. We were talking about this offline before the show. They serve hundreds of thousands of clients. And how many times, Marcelo, are you getting phone calls back from your friends saying, yeah, I'm working with a robo-advisor, but Marcelo, can you answer the questions because I can't get any answers from them?

**Marcelo:** Yeah. That happens to me often.

**Keith:** So understanding the scale, understanding how many clients they work with, understanding the sophistication level around that, I think is critical to understanding whether you will get good service and good convenience. So, Marcelo, the last section here is continuity. And there's two parts of continuity. There's continuity within your family if you're the person doing the research, and there's continuity of a firm. Let's start with your comments on continuity of the family.

**Marcelo:** Yeah. So I think this is a big one because we've seen it many times, how much stress it can add to a family when there's no continuity in the plan. Let's say the main breadwinner dies or there is a separation that happens, and then you're stuck with the situation where, okay, what happens now? So the first question I would ask the advisor is, will my spouse and I both get the service? You want to make sure that they're both getting the same level of service no matter what. Then, will you be patient with my spouse? And you ask as a follow-up, show me what that looks like. And that's if you're the breadwinner in your family and something happens to you, how will that firm or advisor take care of your wife or your spouse? That is a huge one, right? Because a lot of the times, it's one person who takes care of the money. And then the advisor may tend to overlook the person who's not financially savvy or doesn't get involved in the meetings too much. So that's a big one. And then one of the biggest ones for me, and I think the industry is going to go through a lot of challenges regarding this one, is what is your team's continuity plan? So what is the succession plan of the firm? So if you're engaging an advisor who's 60 or 65 or around that age, you want to know what happens next. What happens when they retire? That's a big one.

**Keith:** You're right in all these areas. And let's just break it down for a second. There's two really important parts here. One is continuity of the advice for my whole family. Does my whole family get the advice? And really, husband, wife, or partners. And I think it's important. I think it's important that people understand what that looks like. It's huge. How do you treat both of us in a meeting? If I'm not here and my partner wants to come in and they're less savvy, will that person get great service? Or will it appear condescending? And you do see this, and that's just no place for that.

**Marcelo:** What's that term people use now, mansplaining? So you don't want to do that with the other person's spouse, right? You want to make sure you listen to everybody and you engage everybody in the meeting. I think it's a natural thing that happens where the person who naturally takes care of all the money is going to gravitate more towards dominating the conversation. But I think your role as an advisor is to also check in with the other person and ask open-ended questions and try to at least gauge what the level of engagement is. And if it's not there, maybe dedicate a bit more time. And being patient means maybe you're going to have to go back and try to explain in more simpler terms what things are and how things work. And that's okay, but you need to dedicate the time.

**Keith:** 100 percent. Absolutely. You talked about continuity, the second type of continuity, which is continuity of the firm or the advisor. And I think that's critical. The average age of many advisors in North America is north of 55, 55, 60. You've got to have young team members. I'm so proud of where we are as a firm. This is a small tangent here. We've got a couple of older kind of founder advisors, Don Tulett and myself, and then a whole series of younger advisors. And we're preparing the firm to last 30 to 40 years. It's critical. So, Marcelo, this is a long list of items to look at. I did have an idea that we're just throwing in here right now. I know in our firm, we always tell individuals that you should have a discovery meeting, a proposal meeting, and then at the end of the day, the client gets to choose or the potential client gets to choose whether they feel there's a good fit. Do you want to just highlight quickly what an individual should do when they go and visit a firm, visit an advisor, what they should expect out of a discovery meeting? And then what should a really good proposal meeting look like?

**Marcelo:** Yeah. So the discovery meeting should be about you, not the advisor. So if the advisor, it's like the first date, you want to be listening as an advisor from the point of view of the client. I always think that the discovery meeting, 80 to 90 percent, should be the person talking about his situation, and it should be an inquisitive meeting where you're trying to describe, first of all, the services you're looking for, why are you there, and why are you sitting down in front of the advisor. And the advisor should be able to get a good understanding of where the person's at, where they want to be, and how they're going to get there. I think that's pretty much how a discovery meeting should go. So it's a lot of open-ended questions, a lot of listening. And that also puts the ball a bit in the court of the client because you have to be open and share the information because otherwise it's going to be hard for the advisor to gauge what you need.

**Keith:** Okay, fair enough. So what you're saying is if you're a potential client, you're going to interview a firm and then the firm turns around and just starts talking about themselves in that discovery meeting, that should be a warning signal right there. Get up and run. So that meeting really needs to be about, if you're the potential client, you need to feel like you're being heard in that first meeting. So what do you think should happen in the second meeting?

**Marcelo:** Yeah, the proposal meeting is pretty much the advisor should show you the how. First of all, like how they're going to get you, like they should be able to summarize what your needs are and your goals. They should be able to explain to you how they're going to build the plan for you and how it's going to be executed. So it's pretty much a presentation and a game plan of how they're going to help you. So how much money you'll be saving, how the money will be invested, what the financial planning would look like, what the succession planning would look like, the estate planning, all this should be in a very cohesive and comprehensive presentation that the client then takes home, evaluates with his family, thinks about it, comes back with questions, and you take it from there. But that's essentially what an effective proposal looks like to me.

**Keith:** Yeah, I agree 100 percent, of course. And it's really the how and the show. So dear firm, you've just listened to me. Now it's your turn to tell me what I need, how you're going to do it, and actually they have to show you what it looks like. Because otherwise, how can you commit to a process where you don't really understand what's going on and how it's going to be done? And I know this is a bit of a thorough way to do things, but this two-step process that we're talking about here is really the best way for investors at large to go through this interview process, this meeting process, this discussion process with their advisor or advisory firm. It's the best way for them to kick the tires.

**Marcelo:** 100 percent. And we've just given you, we're going to put this in a guide and all that, but we've just given you very good questions to ask. These questions should be asked in the discovery meeting because if there's not going to be a good fit, there's no reason why you should move to a proposal meeting. It should be fairly evident after a discovery meeting if there's a good fit. It could happen that after the proposal meeting, there is a realization that there's no fit, right? But it should be fairly evident from the get-go if there's a good fit.

**Keith:** Yeah, after the proposal meeting, the discovery meeting, sometimes firms are going to try to rush things through. They're trying to be efficient. They're trying to say to themselves, oh my goodness, how do we deal with all this? But the reality of it is if you're a diligent investor, Canadian, looking to try to figure out what's going on, what advisor, what advisory firm, take your time, go to the meetings. You need to be aware that you will need to share information to really allow a firm or an advisor to assess where you're at. You've got to go into those meetings open to share. And if you're open to share, your expectation should be that now I want you, dear advisor or firm, to show me exactly how it's going to work. And really open up the kimono and show me how it's going to work. How am I going to get my services? And I think only after you go through that process do you really truly have a good understanding as to whether there's a great fit here for what you're looking for and what the firm can do and how they can deliver the services.

**Marcelo:** 100 percent. And one other thing before we forget. To me, and I think you agree with me, Keith, it's crucial that both people in the relationship, so both spouses, attend the discovery meeting. Because I think when only one person attends it, there might be a disconnection after. It's happened to me a few times where I meet with one person only, and then I get to the proposal, and the other person is like, "Oh, I didn't know we were doing this." So I think it could break the communication a little bit and add some tension in the relationships if it's not done as a couple.

**Keith:** Yeah, absolutely. Couples should always work together. This goes back to our podcast that we did on couples and the importance of being on the same page financially. So Marcelo, this has been a great podcast, a great episode in terms of all the questions that individuals can ask, review, and think about. What are the final takeaways here?

**Marcelo:** Look, my takeaway is simple. It blows my mind that there are people who take more time to do research on a vacation or where they're going to eat on the weekend than it takes them to research a financial advisor or an advisory firm. So my takeaway is just do your research, be inquisitive. This is your money. Like I said in the last episode, the bar should be super high when you hire somebody.

**Keith:** Agree 100 percent. And the only thing I'll add in there is while you're doing your research, you need to get a sense about process and structure and the way the philosophy works, and then second, focus on the people that will be helping you. But it is a process. Due diligence does take time. So Marcelo, thank you so much for joining me today and sharing insights and coming up with a whole series of questions and thoughts that our listeners should ask when they're trying to figure out who is the right advisor and who is the right firm for them.

**Marcelo:** Absolutely. It was a pleasure. Thanks, guys. Enjoy, and we'll see you next time.

**Announcer:** You've been listening to the Empowered Investor Podcast hosted by Keith Matthews. Please visit TMA-invest.com to subscribe to this podcast, learn more about how his firm helps Canadian investors, or to request a complimentary copy of *The Empowered Investor*. Investments and investing strategies should be evaluated based on your own objectives. Listeners of this podcast should use their best judgment and consult a financial expert prior to making any investment decisions based on the information found in this podcast.