

Questions To Ask Your Financial Advisor

You should always be able to ask as many questions as you'd like when working with your financial advisor. So, before you have your annual review, think carefully about what you'd like to ask.

Here are a few suggestions:

- *Are my goals still realistic?* When you first began working with your financial advisor, you may well have articulated several financial goals. For example, you might have said that you wanted to pay for most of your children's college education, or that you'd like to retire at age 55, or that you hope to travel internationally every year during retirement. In fact, you could have many different goals for which you're saving and investing. When you meet with your financial advisor, you'll certainly want to ask whether you're still on track toward meeting these goals. If you are, you can continue with the financial strategies you've been following; but if you aren't, you may need to adjust them. The same is true if your goals have changed. You and your financial advisor will want to build a strategy to address any new or different goals such as emergency cash needs, having adequate insurance protection or estate planning.

- *Am I taking on too much* — or too little — risk? Put market declines in perspective. The financial markets always fluctuate, and these movements will affect the value of your investment portfolio. Suppose you watch the markets closely every day and track their impact on your investments. You may find yourself fretting over their value and wondering whether you're taking on too much investment risk for your comfort level. Conversely, if during an extended period of market gains your own portfolio appears to be lagging, you might feel that you should be investing more aggressively, which entails greater risk. In any case, it's important to consult

with your financial advisor to determine your risk tolerance and use it as a guideline for making investment choices.

- *How will changes in my life affect my investment strategy?* Your life is not static. Over the years, you may experience any number of major events, such as marriage, remarriage, loss of a spouse, birth of children or grandchildren, changing jobs or illness leading to early retirement. When you meet with your financial advisor, you will want to discuss these types of changes, because they can affect your long-term goals and your investment decisions.

- *How are external forces affecting my investment portfolio?* Generally speaking, you will want to create an investment strategy based on your goals, risk tolerance and time horizon. And, as mentioned, you may need to adjust your strategy based on changes in your life. But should you also make changes based on outside forces, such as interest rate movements, political events, inflation, new tax legislation or news affecting industries in which you have invested substantially? Try not to make long-term investment decisions based on short-term news. Yet, talk with your financial advisor to make sure your investment portfolio and spending strategy are not out of alignment with relevant external factors.

By making these and other inquiries, you can help yourself stay informed about your overall investment picture and what moves, if any, you should make to keep advancing toward your goals. A financial advisor is there to provide you with valuable guidance — so take full advantage of it.

This article was written by Edward Jones for use by your local Edward Jones Financial Advisor.

Edward Jones, Member SIPC