

## Get The Help That Works For You

You have a lot of choices in selecting investment advice.

The most important component in help is information and advice. This is an area that has developed enormously in recent years. The growth of the investment industry and changes in the way it is regulated have spawned a myriad of sources of information and advice, ranging from "free" to "expensive", with an equally broad range of quality.

Free help can be surprisingly good because it's the principal way that on-line brokerages try to earn your loyalty. There are two limitations here, even with the best of free advice. First, a lot of the information is relatively unprocessed, so you have to know how to separate "good" stocks from "good-for-you" stocks. The second limitation - and it's a serious one - is that free information is aimed at helping you pick a stock, rather than build a portfolio, so you're pretty much on your own in this respect.

"Inexpensive" help can be good, too - as long as the help really is as inexpensive as it first seems. For instance, some financial advisers offer personal financial advice at loss-leader prices, then encourage the purchase of "investments" with big hidden commissions. These can be a reasonable choice even though your earnings are reduced by that commission, as long as you hold them to their full term. If you need your money early, though, the resulting penalties can wipe out most of your earned gain. As with free help, you have to put in some research time to understand the nature and value of the help you're getting. Plus, you're not necessarily getting the diversified portfolio you should have.

"Expensive" help is what I offer - at least, newspaper columnists keep telling their readers that a managed portfolio is expensive. My clients, however, keep recommending me to their friends, so they must think they're getting good help and good value.

My job is not to sell you stocks. Rather, I'm here to build portfolios - and wealth for my clients. Since I charge a fee based on the value of your portfolio, the only way I can improve my lot is not by selling more stocks, but by improving the worth of your portfolio.

A portfolio begins with an evaluation of your financial situation, your goals and needs, and the way your portfolio should be oriented (are you interested in 'green' technologies or 'ethical' stocks, for instance?). This analysis yields an initial portfolio of securities that will help you realize your goals in a reasonable time, at a level of risk you can tolerate. After that, your

portfolio is traded as required to maintain performance, but as the focus is on long-term value, that may happen less than in a managed account you'd see elsewhere.

As to your own involvement, that's elective. By its nature, a managed account can be traded without the need for specific permission for a sale or purchase (a feature that pays significant benefits if the market is changing fast, as may happen when a government minister makes an unexpected announcement, or changes course 180 degrees).

I send out a letter every quarter with my observations on current market conditions and an overview of what's been sold and what's been bought (precise details of your own account are available from your monthly statement). Reviews are available as required, though my clients find that almost any question or comment can be handled with a quick call to my assistant or to me.

I hope this helps you make up your mind how to direct your investments; if you have any questions, I am, as I say in my client letters, as close as your phone.