

“It is very important to know the clientele, know what the needs are, what the focus is. It is a relationship that demands a great deal of trust, because they have to trust me to do the right thing for them.”
— Susan Howson, Mackie Research Capital Corp.

A joint venture with the Investment Industry Association of Canada
ADVISOR/CLIENT PROFILE

Presented by Accretive Advisor™

Standing the test of time

By PAUL BRENT

Jane Smith's relationship with her advisor is an intergenerational affair that has been going on for more than a quarter-century.

Ms. Smith (not her real name), an Ottawa-based publicist, shares the same financial advisor as her mother and brother. Her relationship is also somewhat unique because the advisor, Susan Howson of Mackie Research Capital Corp., is based hundreds of kilometres away, in Toronto.

The relationship has stood the test of time and distance for one simple reason — it works.

“I met Susan through my father, who had used her predecessor as a broker,” says Ms. Smith. “She has been part of my family for quite a while now and I think that is why I have stuck with her, even though we are in different cities. She knows the background, she knows the history. She is like an extended member of the family. For that reason, there is an element of trust there that I think I would have a hard time replacing.”

Trust is an extremely important component of the relationship. That is because Ms. Smith takes a decidedly hands-off approach to her investments.

“I let Susan manage quite a bit and I think again that is why I have kept up the relationship,” says the publicist. “I read what I can, I try to keep up, but I just don't have the time or the knowledge to manage things the way that she does. I feel confident that she is doing what needs to be done, and we talk enough that I feel that I know what is going on.”

“And when there are times that I'm not sure, she is there and available to answer any queries that I might have.”

Ms. Smith, who has two children and a husband who, like her, operates his own business, shrinks the distance between her and her advisor primarily through regular phone communication — the two discuss investments and financial strategies an average of two or three times per month.

As well, she stops in to see Ms. Howson at her Toronto office whenever business takes her to the city.

The fact that both Ms. Smith and her husband are self-employed is a complicating factor: “There are good years and not-so-good years,” is how she characterized the family's finances, and part of



Susan Howson of Mackie Research Capital Corp. views her relationship with clients as a long-term commitment to a profitable partnership.

the advisor's job is to ensure that there is adequate cash flow to maintain the household as well as pay for retirement and their children's future education.

“To have someone managing the income so that we are keeping up with our RRSPs, RESPs and doing what we need to do, that is peace of mind.”

Ms. Howson, for her part, views the long-term relationship with Ms. Smith and other such clients as a serious, almost humbling commitment.

“I have the full responsibility for making any decision as to what to invest in and how to invest it,” Ms. Howson says. “So it is very important to know the clientele, know what

the needs are, what the focus is. It is a relationship that demands a great deal of trust, because they have to trust me to do the right thing for them without them partaking of the immediate decision of investing.”

On the other side, clients

I prefer long, steady growth for clients' investment portfolios

such as Ms. Smith bear the responsibility of updating her advisor on changes in their financial circumstances or retirement goals.

“Because she is an entre-

preneur, there is a constant awareness that her income is not a steady, regular income,” Ms. Howson says. “My job is to try and balance that aspect and monitor the situation with her, to ensure she is getting the best investment advice and planning for her over

the long term.”

Ms. Howson sends out regular morning email commentaries on the stock market and mails out a quarterly letters to her clients — “people will

open envelopes whereas email gets lost in the ether” — and has regular phone conversations or face-to-face meetings to take stock of key milestones and incorporate any key changes to investing and retirement plans.

In the specific case of Ms. Smith, Ms. Howson's work for her and her husband included setting up tax-efficient education savings plans for their two children, who are now in their mid-teens, and the establishment of RRSP and tax-free savings accounts for Ms. Smith.

“There is always a process of monitoring the tax situation, whether it will affect her or not, and then the constant review of the portfolio to ensure

that opportunities are maximized as much as possible — on a conservative basis. As I tell my clients, ‘I don't aim to shoot the lights out; I prefer long, steady growth’ ” for clients' investment portfolios, Ms. Howson says.

“It is really managing the big picture and helping me keep up with things so that I know that things will be okay in the future, both for the kids and the rest of the family,” Ms. Smith says of her smooth-running relationship with Ms. Howson.

“I think what always impresses me is she is always in touch. She lets me know what she is doing, and she makes sure I'm comfortable with her decisions.”