



Learn the Basics

- ▶ **SET GOALS:** Define what you hope to accomplish financially and over what time frame(s).
- ▶ **RISK:** Understand that all investment products carry some degree—and varying types—of risk.
- ▶ **DIVERSIFICATION:** Manage risk by spreading out your investments within and among different asset classes.
- ▶ **INVESTMENT PERFORMANCE:** Study up on how to figure rate of return and yield.

Find out more at www.finra.org/investors.

How to Find and Work with an Investment Professional

Are you approaching retirement or recently retired? Has a major life event changed your financial situation? Perhaps you're looking beyond a traditional savings account to begin investing, or for someone to help develop a road map for your financial future. These or other situations might have made you think about working with an investment professional. If so, this resource is for you.

FOLLOW THESE STEPS

- 1. SHOP SMART.** Ask friends, family and colleagues who already invest for the names of people they've used. Even if you get a good recommendation, do your own independent review. Interview multiple investment professionals—don't say "yes" to the first person you meet.
- 2. WORK WITH REGISTERED FIRMS AND INDIVIDUALS.** The services you receive, fees you pay and even the investments you're offered will vary depending on the type of professional you select. For example, only individuals and firms registered with FINRA, the Securities and Exchange Commission (SEC) and state regulators can buy and sell stocks, bonds and other securities products. Check backgrounds using these resources:

FINRA BrokerCheck
www.finra.org/brokercheck
(800) 289-9999

SEC's Investment Adviser Public Disclosure Database
www.investor.gov
(800) 732-0330

Your state securities regulator
www.nasaa.org/contact-your-regulator

- 3. UNDERSTAND ACCOUNT OPTIONS.** You can choose different types of accounts when working with a registered financial professional. Make sure you know which kind you're signing up for.

- **Discretionary or managed accounts** give levels of trade authority to the registered financial professional, typically allowing them to buy or sell securities in your account without your approval.
- **Non-discretionary accounts** require your permission for transactions in your account. You and your registered financial professional discuss each investment. They may make recommendations, but you have the final say on investment decisions.
- **Margin accounts** allow you to borrow money from your brokerage firm to purchase securities, which carries risks. Ask whether you're automatically placed into a margin account. If so, ask about the interest rate and the circumstances that will trigger a margin call.

4. KNOW THE WARNING SIGNS OF FRAUD. Financial fraudsters are always evolving their tactics, and anyone can be a target. Often, you can avoid fraud by asking questions and researching any individuals you're considering working with. Learn more at www.finra.org/investors/avoid-fraud.

5. DO YOUR HOMEWORK. Research potential investments, and discuss the risks and rewards with your investment professional. You should also keep them advised of any major life changes that might impact your financial situation. Finally, read and retain your account statements, confirmations and any other transaction information; contact your pro immediately if you see something you didn't authorize or don't understand.

WHO IS FINRA?

FINRA, the Financial Industry Regulatory Authority, is a not-for-profit organization dedicated to investor protection and market integrity. It regulates one critical part of the securities industry—brokerage firms doing business with the public in the United States. www.finra.org.

USE THESE RESOURCES

FINRA Investor Information
Investor Insights, tools and much more to help you invest smarter and safer

www.finra.org/investors

FINRA Investor Help Center
For help resolving potential problems

www.finra.org/investors/need-help

FINRA Securities Helpline for Seniors— HELPS®

Senior investors can call with questions or concerns about issues related to brokerage accounts and investments.

www.finra.org/seniorhelpline

TOLL-FREE:
844-57-HELPS
844 574-3577

ASK AN INVESTMENT PRO:

- ▶ Are you registered? With what organization? Do you hold any other professional credentials?
- ▶ Do you have any disciplinary actions or customer complaints?
- ▶ What experience do you have working with people like me?
- ▶ How are you paid? Commission? Flat fee? Percentage? Something else?
- ▶ What type of products do you sell? What don't you sell? Why?
- ▶ What level of customer support can I expect to receive?
- ▶ Does your firm impose any minimum account balances on customers? What happens if my portfolio falls below the minimum?
- ▶ Are there conflicts of interest that we haven't discussed? (For example, a registered financial professional may receive a larger commission for selling one product over another.)

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