

What are (should be) the priorities for a financial advisor?

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June 1st 2017 - XVth INTERNATIONAL CIFA FORUM



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Phase 1. First contact with the investor

- *Mission:* establishing the client and personal financial advisor relationship
- *Outcome:* trust, engagement, accountability and financial education

Phase 2. Gathering client data and determining **goals and expectations**

- *Mission:* defining a personalized and life-cycle wealth management plan
- *Outcome:* personal financial plan + investment recommendations

Phase 3. Monitoring the financial plan and the client-financial advisor relationship



Investment advice: tailoring the service

Investment advice = the provision of **personal** recommendations to a client in respect of one or more transactions relating to financial instruments

Tailoring the service: investor profiling

→ Suitability assessment:

- knowledge and experience in the investment field
- +
- personal financial situation (with a focus on loss aversion)
- +
- investment objectives (including risk tolerance)

=

investment services and financial instruments suitable for the investor

→ **Suitability report** specifying the advice given and how that advice meets the preferences, objectives and other characteristics of the investor



Proximity and sympathy are key components of the client-financial advisor relationship and the real source of **value for our job**

Some investor's key questions:

- ✓ What about my personal situation (family, job, health ...)? Has it changed?
- ✓ What about the general economic landscape? What about the markets?
- ✓ What about my investments? Are they performing? Do they meet my needs and expectations?

→ The role of the financial advisor:

- Holding strategy or need for portfolio rebalancing?
- Financial education: enhancing financial literacy and comprehension
- Life-cycle perspective and wealth management solutions

Trying to define who is the financial advisor ...

Neither generalist, nor specialist:

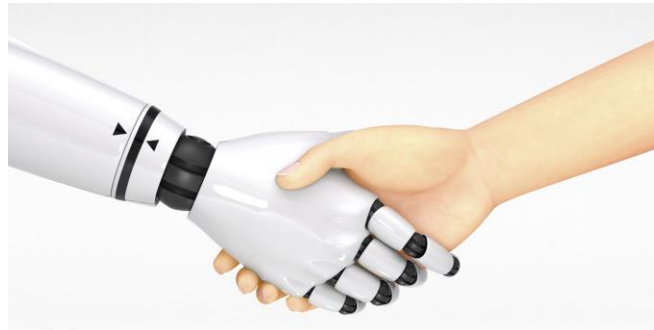
The need for a holistic view: financial advisors do not need to be savvy in everything. What we really need is the ability to listen, understand and envisage tailored-solutions

in other words the ability of ... being human

Fighting roboadvice? Human vs. machine?

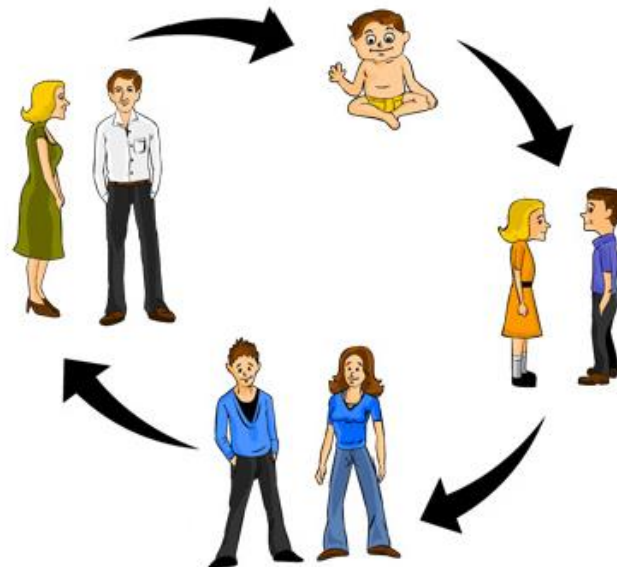
Trust enhancement and financial engagement do not require a fight between human and robot advisors → **FinTech and big data** analytics as supporting tools for financial advisors and investors

= robo-for-advisor



Financial advice has both an economic and a *social* value

- **Financial education**
- **Investor protection** (granted by the Italian Constitution)
 - Financial advice is a full-fledged service aimed at offering personalised and integrated solutions (investment management, tax planning, retirement, family and health protection ...)



Knowledge speaks, but wisdom listens

(J. Hendrix)

Thank you

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