

Do I need an investment advisor or can I do it on my own?

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I have worked in the wealth management industry for over two decades and would like to share my thoughts on this very important question, “Should I work with an investment advisor or am I okay to do it on my own?”.

Let’s look at the different ways you can invest and save for your future financial goals.

Do-it-Yourself Investing

Two common approaches to “do-it-yourself investing” are through an online direct investing account or a virtual advice solution.

Online Direct Investing

With an online direct investing or online brokerage account, you can pick your own investments and buy or sell investments online. This channel is suitable for an investor who is concerned about costs, is comfortable with technology, and has the time and knowledge to do their own research on investment options.

This method of investing is cost-efficient as you will not be paying a fee for an advisor. While there will be costs associated with transactions (which will be disclosed on the platform’s website), you will be making all investment-related decisions yourself. At G&F, we partner with Qtrade Investor which enables you to trade or invest in a variety of investment products like mutual funds, stocks, bonds, exchange traded funds, etc.

Virtual Advice

Through our partnership with Aviso Wealth, G&F offers our virtual advice tool: VirtualWealth.

The “virtual advice” or “robo advisor” tool is an online automated investing service which uses an online goal-based questionnaire and matches you to a preset portfolio, typically using exchange traded funds



(ETFs) in order to keep costs low. The portfolio typically has automatic rebalancing to ensure your portfolio continues to match your objectives.

This platform is suitable for someone who is looking for a low-cost, easy-to-use professional automated investment solution to help them accumulate savings. You should be comfortable using technology, as you will need to input your goals and open the account online.

Full Service Advice

Another way to invest is to use a full-service advisor who works with you to review your financial circumstances and financial goals. The advisor will develop an investment plan customized to meet your investment objectives and long-term financial goals. They will meet with you regularly and monitor your financial situation.

You may wonder about the benefits of working with an advisor or planner as it may be more expensive than being a “do-it-yourself investor”. Here are some of the benefits you’ll get from working with an advisor:

- Your advisor will provide a detailed financial plan that’s tailored to your financial goals and your circumstances. As you go through life changes, your advisor will be able to update your plan and investments to meet your short- and long-term goals.
- Your full-service advisor will have access to a wide range of investment options available to create the optimal investment portfolio to meet your unique investment goals, risk appetite, and tax circumstances. They will make sure that your plan is on track with your investment goals and, if needed, make changes.
- Your advisor can also offer many value-added services. This can include tax planning and estate planning. Your advisor can recommend wealth protection strategies by incorporating insurance into your plan.

Over my 20 years helping people with investing, I think one of the most important benefits of working with an advisor is you can avoid common investing pitfalls. Your advisor should help you keep the emotion out of investing. When markets are volatile, investors tend to become fearful. These emotions can result in investors selling in a panic when they see market corrections. On the flipside, they may “chase the market” as it is going up because they have a fear of missing out. Your advisor will help you to stay away from these emotional and impulsive moves and keep you focused on your plan. An advisor can add a lot of value to your portfolio’s long-term return by keeping you on track.

Data suggests that Canadians who work with an advisor have increased their net worth significantly compared to those who invest on their own. Canadians who dealt with an advisor for more than 15 years had 3.9 times the net worth compared to those who did not¹. It's a good decision to work with an advisor, they will help you build your wealth, keep your goals on track, increase your confidence in your plan and increase your savings.

Would you like more information on investing?

There are many, many options and decisions to make around investing. You want to determine the best place you should invest your money. You may also be concerned with choosing investments that are good for others—socially responsible investing choices. G&F's investment advisors can help you make a good investment.

Smart investing begins with sound financial advice. Start by talking about your goals with a G&F investment advisor.

Call our Member Hub to set up an appointment with a G&F advisor: 604-419-8888.

Learn more on our website: <https://www.gffg.com/services/get-investment-advice>

Listen to Anand's podcast about doing it on your own versus working with an advisor:
<https://soundcloud.com/gffgcu/smart-money-podcast-episode-16-self-directed-investing-versus-working-with-an-advisor>

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¹The Gamma Factor and the Value of Financial Advice, Claude Montmarquette and Natalie Viennot-Briot, 2016.