

# A Husband's Point Of View

## A.M.H. Financial Services



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With the COVID 19 pandemic right now I know that you are being inundated with information. I also know that many of you have a lot of questions regarding your finances. Please do not hesitate to call me at any time and I will do my best to answer those questions for you. Together we will get through this trying time! The important thing is to not panic. We will get through this and the markets will recover.

I am asked on a continuing basis what the difference is between the banks and a professional Financial Advisor (myself). As a professional Financial Advisor I have the designation CFP (Certified Financial Planner) which means that I have a fiduciary responsibility to my clients. Everything that I do and all of the advice that I give out is done with my clients best interests in mind. As a CFP I am held to higher standards and can not and do not give my clients advice that is going to benefit me in any way. I work solely for my clients.

As an independent advisor I am not tied to any company or product which enables me to make the best decisions for my clients. I do not work on a quota system so I don't have monthly quotas that I am trying to meet. I have contracts with approximately 18 companies which gives me a wide base to work from in helping my clients to establish financial plans and goals that will work the best for them.

I have clients that I have worked with for over 30 years, and in some instances I now work with their children as well.

At the banks it is their mission to work to improve their financial status. Their staff have quotas that they have to meet. As a result when someone walks in to their establishment they are always looking to sell them products to up their quotas and their bottom line.

Another disadvantage to dealing with the banks is that often when you go in there they have new staff so you don't get the opportunity to really get to know your advisor. Often times the advisor is fresh out of high school, very young, and in some cases still living at home with mom and dad. Is that really the person that you want to get financial advice from?

On a final note, I would like to ask that you help to end the pandemic by doing your part and staying home unless absolutely necessary. If we all cooperate and do this we can end the pandemic much sooner. We all want things to get back to normal and this is a very easy and simple way to get there.



**A Husband's  
Point of  
View**



### On the Lighter Side

Where is the worst place for a dog to shop? A flea market.

What do you call it when a giraffe swallows a toy jet? A plane in the neck.

What noise does a 747 make when it bounces? Boeing, Boeing, Boeing

I just read a book about rabbits. It was ribbiting.

If someone wanted to become a professional lie detector, what would they need? A lie-sense



## Should you trust a bank with your investments?



**Where do you want your money to take you?**

In a culture where we often value convenience over quality, banks and credit unions have become a one stop shop for many of our financial needs. You can't even walk into your bank without being propositioned (what's called 'hits' by banking insiders) to meet with their in-house financial advisor, but before you step off the tile floor and onto the carpet you may want to think twice.

Banking customers are being pushed more than ever to use the banks in-house 'financial advisor' in order to get a bigger share of your wallet. Tellers and bank employees are trained to cross-sell and fill their daily quota of 'hits' by encouraging you to not only do your checking with them, but also mortgages, personal loans, and of course investing your life savings. However, the quality and diversity of investment products offered at your local bank or credit union is somewhat limited, and their recommendations generally incur higher fees.

Banks are the perfect place for checking and savings accounts, G.I.C.s, and securing a home mortgage, but they were never designed to provide high-quality investment advice at a reasonable cost. Know before you roll over your retirement savings to your local bank/credit union that you may be at a disadvantage compared to other sources of independent specialized wealth advice. Banks, large and small, offer a big convenience to have your loans, checking, and investments under one roof, but far too often this convenience can come at a steep price through above average fees, various conflicts of interests, and overall quality of advice.

The investment "advice" at banks and credit unions tends to gravitate towards the offering of only a couple different types of asset classes (usually mutual funds/ETFs and Variable Annuities), which could leave you at a disadvantage because the bank's financial advisor doesn't have the freedom to provide a wide range of investment vehicles to you. It's kind of like going to a Ferrari dealership looking for a reasonably priced fuel-efficient vehicle and expecting the car salesman (the 'financial advisor') to refer you to a Toyota dealership - it's just not going to happen - he's going to try to convince you to overpay and buy something that may not be appropriate for you.



**Higher Fees:** no matter how you slice it, banks are typically controlled by large corporations and publicly-traded corporations are tasked with creating shareholder value and shareholders want to see big profit margins and quotas. So, banks and credit unions tend to be some of the biggest purveyors of expensive, costly investment products like Mutual Funds and Variable Annuities, which can cost you BIG in the neighborhood of 3-4% per year (many times these fees are hidden from plain sight). According to their website, one popular regional bank charges 1.20% to manage a portfolio of mutual funds, but that's not entirely the whole story. The average mutual fund can run around 3% a year in fees, so after you tack on 1.20% you're paying the bank and the advisor behind the desk a whopping 4.20% per year! To average a 7% return after fees your investments would have to earn 11.20% per year, which can keep your future financial goals far from reach. What a great plan....for the advisor and the bank!

Why would a bank constantly churn out recommendations to buy expensive Variable Annuities and Mutual Funds? It's simple: Profit margin. With interest rates so low and consumers turning to online-only banks, in-house investment management has become a high-margin profit center for bricks and mortar banks while also creating a 'stickier' relationship with customers.

If you're considering handing over your largest financial asset to your bank or credit union it pays to read all the fine print and ask the tough questions about conflicts of interest, fees, and diversity of investment products offered. For a second opinion on your investments or insurance contact us!

## What does a Financial Advisor do?

So, what is a financial advisor exactly? A financial advisor/planner takes your goals and dreams and translates them into numbers within a time frame. Depending on your financial situation and life stage, a comprehensive financial plan would include everything from financial management (cash flow, net worth statement), to an insurance review, examination of investments, tax planning, and retirement and estate planning. That's a big enchilada.

A financial plan gives you a very clear idea of where you're at—financially-speaking—and where you're headed. If you've ever wondered if you should pay down the mortgage faster or invest in your TFSA instead, a financial plan will clarify which choice is best for you and your goals.

Anyone can be a "financial advisor" or "planner" with some misleadingly calling themselves financial planners when they are actually investment and insurance salespeople.

One way to cut through the confusion is to look for professionals with the following designations:

CFP	(Certified Financial Planner)
CIWM	(Certified International Wealth Manager)
CLU	(Chartered Life Underwriter)
CPA	(Chartered Professional Accountant)
DFA	(Distinguished Financial Advisor)
EPC	(Elder Planning Counselor)
F.PI	(Financial Planner)
PFP	(Personal Financial Planner)
R.F.P.	(Registered Financial Planner)



The Financial Planning Standards Council (FPSC) is the national professional association that certifies financial planners and establishes and enforces financial planning standards. The CFP is considered the gold-standard designation. I personally hold the CFP designation and have since 1986.

Here are some reasons to work with a financial planner:

1. Plan for retirement. Fewer Canadian enjoy ye olde "defined benefit pension plan" where the employer guarantees paying a fixed or inflation-adjusted amount of income in retirement. And, with the rise of the "gig" economy, even the less-desirable "defined contribution pension plan," where the employee's contribution is defined but the employer's payout amount is not, is out of reach for many workers. According to a survey conducted by the FPSC, only a quarter of Canadians have an employer-sponsored RRSP savings matching program. This means that more of us need to take the wheel when it comes to our retirement savings. Having a financial plan is the first step in ensuring that our retirement is comfy, not cramped. For pre-retirees, having a plan 5-10 years prior to the expected retirement date is important in order to make the best decisions.
2. Unify financial goals with your partner and family members. Have you ever been a victim of financial infidelity? According to a survey by the FPSC, 34% of us keep financial secrets from our romantic partners. In some cases, these may be relatively harmless, yet, over time, these financial indiscretions can derail us from reaching our goals. A planner is an impartial third party who can better align a family's conflicting financial goals and prevent relationship break-ups over money.
3. Pay less in taxes. We don't have control over how our investments perform. However, we do have some control over how much we pay in taxes. A financial planner often works with other professionals, such as your accountant or lawyer, or with their own in-house team to ensure that all the pieces of your financial life fit together in the most tax-advantaged way.
4. Give yourself peace-of-mind. Many of us are stressed about money: feeling guilty about how much we've spent or financial mistakes we've made, and then feeling worse because we can't afford to take that vacation we desperately need. Having a financial plan clarifies our goals so we can make better spending and investing decisions, which will improve our overall wellbeing.

Financial Advisor  
Since 1976



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Take a look at our new website!

[www.amhfinancial.ca](http://www.amhfinancial.ca)

AMH Financial Services is a full-service firm. We offer services to help you examine your financial goals and select the options that will best suit your needs, timeframe and investment style. We believe in helping you create a comprehensive financial plan for your family that includes planning, insurance and portfolio management.

**MY COMMITMENT AS A FINANCIAL ADVISOR IS TO HELP PEOPLE TO REACH THEIR FINANCIAL GOALS. IF YOU HAVE A FAMILY MEMBER, FRIEND OR COLLEAGUE WHO YOU FEEL COULD BENEFIT FROM A CONVERSATION WITH ME, I WOULD BE PLEASED TO SPEAK WITH THEM WITHOUT OBLIGATION.**

I believe that every individual has an unalienable right to make the best and most effective use of hard-earned income, to have easy access to up-to-date and informed advice, and to be able to provide for short and long-term requirements.



My mission is to help you to make an educated decision that you are comfortable with!

I am committed to serving the individual customer with investment and financial portfolios which will meet current needs and provide for future requirements and situations.



*Want to feel more confident about reaching your financial goals?  
We can help you with that!*



I want to get ready for my financial future



I want to plan for my retirement



We want to get ready for our life together



I want my children to get ready for a better financial future

With so much conflicting advice in the news, online, even from friends and family, making sound financial choices is difficult. Eliminate the confusion and make informed financial decisions with help from a professional.

**Call us today (780) 425-4058**

