



Roles and Responsibilities of a Financial Advisor



Most people usually perceive financial advisors as suited-up professionals who just help you choose an appropriate fund, but there is much more to it than just guiding an investor to the right fund

Here are some of the crucial roles and responsibilities of a financial advisor:

1. Organising and managing finances

Many of us have a busy schedule, and it so happens that we tend to neglect the discipline aspect of investing. As a result, we struggle to keep our finances in check.

Hiring a financial advisor would be beneficial since they can examine your net worth, help you identify your goals, and recommend ways to help you fulfill your aspirations.

2. Structuring your investment plan

A financial advisor diversifies and allocates your assets into different types of investments like bonds, real estates, stocks, etc.

This helps reduce the risk of decline in value of your portfolio.

3. Controlling behavioural risk

Does panic get the best of you? Do you sell your stocks hastily when the market falls?

The roll of a financial advisor also entails counselling the investor through market volatility, and control the risk that follows emotions.

4. Planning for retirement

Investment planning is imperative for a financially secure future. But it so happens that a retirement is often overlooked by many.

A financial advisor can guide you to a clearer investment path and design an entire plan to help achieving a financially stable retirement.

5. Planning the bigger picture

There are some advisors who are solely investment focused. Then there are advisors who focus on the other aspects of your financial life like debt reduction, tax planning, insurance, child's education, vacation planning, and more.

Thus, hiring a financial advisor is much more than just getting fund recommendations. There's more to it than what meets the eye.

