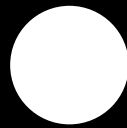




Financial **SAFEGUARD**



FINANCIAL ASSISTANCE: FINANCIAL ADVISORS



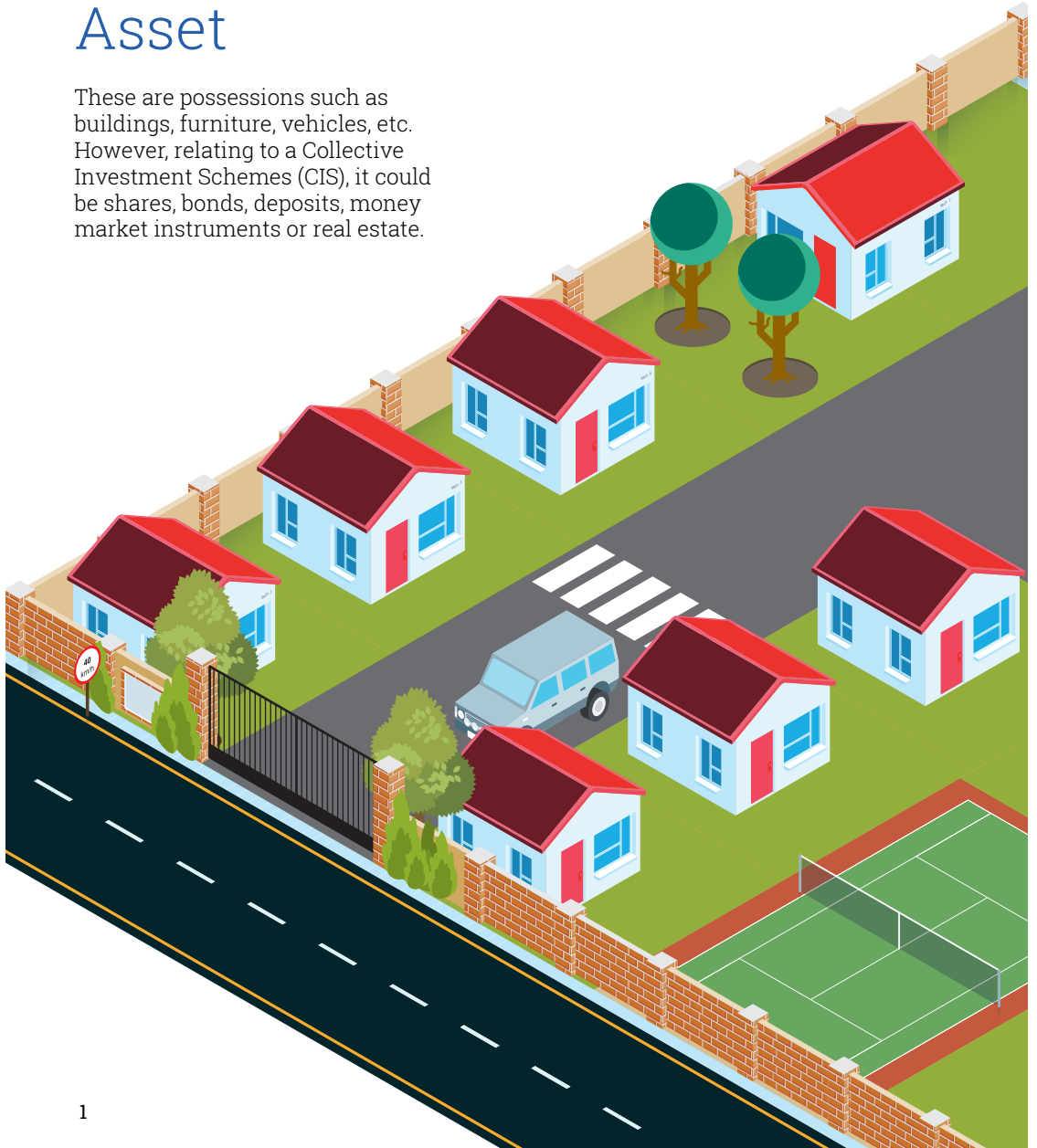
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Words and meanings •

Asset

These are possessions such as buildings, furniture, vehicles, etc. However, relating to a Collective Investment Schemes (CIS), it could be shares, bonds, deposits, money market instruments or real estate.





Financial Services Provider (FSP)

An FSP is authorised by the Financial Sector Conduct Authority (FSCA) in terms of the Financial Advisory and Intermediary Services (FAIS) Act to give financial advice or to provide you with financial services and products.

Financial Advisor

A Financial Advisor is a professional who can provide you with financial advice. He can also recommend certain financial products and services in response to your financial needs, budget and goals.

Investment

When you put money into an investment product for a specific time period. You do so in order to make more money than you originally invested. Investment products include shares, property or unit trusts.

Commission

Is the money that is payable to a Financial Advisor when they sell you a specific financial product or provide you with a financial service.

Portfolio

A combination of assets like shares and other securities managed on behalf of investors by the investment manager.

Someone to help me with my finances

Why do I need someone to help me with my finances?

Financial assistance will help me with:

- Setting my financial goals
- Staying on track with my finances
- Reaching my financial goals
- Saving money
- Understanding financial products
- Investing my money
- Making my money work for me
- Avoiding costly mistakes
- Looking after the things that I own
- Reducing complexity
- Securing my standard of living
- Protecting my income





When financial advice helps me •

When does financial advice help me?

When I:

- Get my first job
- Get a promotion
- Buy a car or my first home
- Get married
- Start a family
- Plan for my children's education
- Inherit or win some money
- Have been retrenched
- Open my own business
- Approach retirement
- Want to reduce my debt



The advice I need ●



I have just found out I am going to have another baby, and I would like to know what I can do now to save for my children's tertiary education.

Do I need financial advice?

Batseba's story

Batseba was very upset.

Batseba had invested money with a Financial Services Provider.

The Financial Services Provider promised to double her money in 30 days.

Batseba wants to access some of her money she gave to the FSP.

Batseba cannot get hold of the Financial Services Provider.

What did Batseba do wrong?

Did Batseba:

1. Ask the Financial Services Provider for their registration number?
2. Check if the Financial Services Provider is registered with the FSCA?
3. Do background checks?
4. Avoid money-making ideas where she gets a lot back for putting in very little?
5. Take time to find out whether they were able to deliver on what they promised?

Things Batseba must remember in the future!

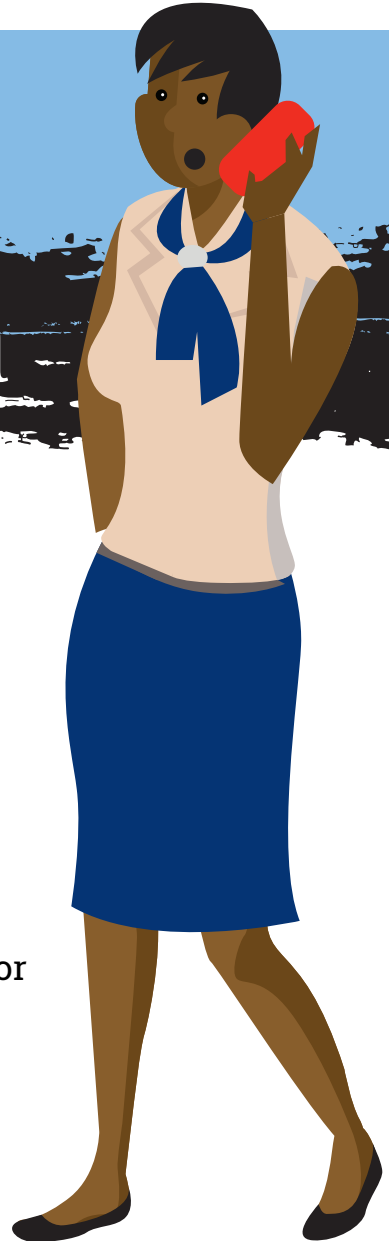
1. Do not invest or give money to just anybody.
2. Confirm if the person or company you are dealing with is authorised with the FSCA to sell that specific financial product?
3. Find out if they represent a trusted company with a good history?
4. Request evidence of the Financial Advisors experience and qualifications. If the Financial Advisor works for an FSP, request for the FSP's license number.
5. The Financial Advisor/FSP must ensure that they understand your needs and budget in order to sell you the right financial product.
6. Verify the Financial Advisors/FSPs contact details.
7. If someone makes you an offer of making a lot of money in a short space of time, you should think twice before investing your money.



Batseba



Most people need help when making financial decisions. You can search for a qualified, authorised and licensed Financial Advisor/FSP in your areas. All you need is your area code. Visit www.fsca.co.za or call 0800 20 3722.



Selecting my financial advisor ●

How to select your Financial Services Provider.

Things to ask your Financial Services Provider and to think about	Yes	No	Comments
Are you authorised with the FSCA?			
Are you working under supervision?			
Are you qualified as a FSP?			
Do you have references?			
Do you know about my current financial situation?			
Can you identify my financial needs?			
Can we discuss my financial goals?			
Can you create a financial plan to meet my financial needs and goals?			
Will you meet me at least once a year to discuss my financial needs?			
Do you have someone who will take over my financial well-being if you are no longer able?			
Can you explain the different product options?			
Can you discuss why a particular product is right for me?			
Can you explain the cost of your services and how this will affect the chosen product?			
Finally ask yourself, did you feel comfortable with them?			

Questions



Answers

- 1. What is the difference between a Financial Advisor and a Financial Services Provider?**
- 2. Where can I find a list of authorised Financial Services Providers?**
- 3. Why must I seek financial advice?**
- 4. What is the risk of not using an authorised Financial Services Provider?**
- 5. How much do Financial Advisors charge for their services and how?**

A Financial Advisor can work independently as a Financial Services Provider (FSP) like an insurance company for example:

Both have to be authorised and licensed to provide you with financial advice, services or products.

You can search for a qualified, authorised and licensed Financial Advisor/FSP in your area. All you need is your area code. Visit www.fsca.co.za or call 0800 20 3722.

You may purchase a financial product that is not suited to your needs, goals or budget. You will then take on the responsibility for what could be very complex and financially risky decisions. You also run the risk of losing your hard-earned money.

The information you receive may not be from a qualified individual and if the information is not correct, you may lose your hard-earned money.

Financial Advisors are paid in various ways, including fees and commissions. Most financial products include charges designed to cover the cost of the financial product itself and the cost of advice. The cost of advice is either built into the overall product charges or taken directly from the value of the investment you make.

Notes ●

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Notes ●

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Financial Advisors



The purpose of this booklet is to explain how to choose the right authorised Financial Services Provider (FSP).



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FSCA Contact Details

Riverwalk Office Park, 41 Matroosberg Road, Ashlea Gardens, Extension 6, 0181, Pretoria, South Africa | 012 428 8000 | Share call number: 0800 20 FSCA (3722) | info@fsc.co.za | www.fsc.co.za