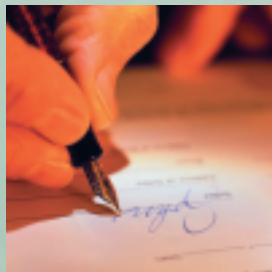


Is the recommended product SFC-authorized? Or is it authorized or regulated in other places? Remember, different places may offer different levels of investor protection. Why has your adviser recommended an unauthorised product to you? Does the manager of the unauthorised product have a good and long track record? How are your interests protected? Your adviser should exercise due care in selecting appropriate products for you. Merely seeking a higher return is not a convincing cause.

Don't sign away your rights

Have you read and fully understood the client agreement? What are the services provided? What are your rights and responsibilities? If in doubt, ask your adviser to explain. Don't sign it if there is anything you don't understand.



Be careful if you are asked to sign a disclaimer. What are the responsibilities your adviser is disclaiming? How will this affect your legal rights? If the disclaimer states that your adviser does not offer you advice but only executes your orders, does this reflect the true situation? Don't sign it if that is

not the case. Please note that the disclaimer may not be a separate sheet; it can form part of the client agreement.

A professional adviser will be pleased to answer your questions. If your adviser cannot explain things clearly, seek a second opinion.

Where the client agreement provides for an ongoing service, your adviser should regularly monitor your investments and keep your profile updated after the initial sale of the product. He should inform you if he is aware of any apparent problems with your investments. On your part, remember to review your financial plan from time to time to ensure it is still right for you.

To check your adviser's licence status and compliance history, and whether a product is SFC-authorized, please visit the SFC corporate website at www.sfc.hk.

To learn more about investment advisory services and the key features of different investment products, please visit the SFC-operated Electronic Investor Resources Centre (eIRC) at www.eirc.hk.

Securities and Futures Commission

8th Floor, Chater House
8 Connaught Road Central
Hong Kong

Investor Hotlines

Tel: 2840 9333 Fax: 2524 3718

Questions to Ask When Seeking Investment Advice



You may engage an investment adviser if you want to entrust your financial affairs to a professional and rely on his advice to achieve your financial goals. However, given increasingly complex products and the fact that most advisers get paid from sales, how do you ensure you are given suitable advice?

The best way to safeguard your interests is to ask the right questions. The more questions you ask, the more likely you are to get advice that suits your needs. Remember, it is your hard-earned money, which you may hope to retire on!



Know your own investment objectives

What are your investment goals? How much can you set aside to invest? Are you making a long-term investment? What is your risk tolerance; in particular, how much can you afford to lose? Remember, the higher the return you seek, the higher the risk.

Client information is key to suitable advice. So, a good adviser should try his best to know his client by thorough questioning before giving advice. Be prepared to tell your adviser about yourself.

Get to know your adviser

Ask questions about the adviser. Is the adviser licensed or registered? What experience and qualifications does he have? What products and services does he offer? Will the adviser offer you an ongoing service after the initial sale of a product? Shop around before you decide what is best for you.

Carefully consider the financial plan

Is the advice provided in writing? Your adviser should give you a written financial plan that sets out the reasons for his recommendations, based on your needs and profile. If not, request one. Read it carefully and keep a copy for reference.

Why is the advice suitable for you, given your circumstances? Does the financial plan meet your investment objectives? Ask these questions.

How will this investment make money? What will affect the return?

What are the risks? How are these consistent with your risk tolerance? What is the maximum you could lose?

What are the fees and charges that you will pay upfront, on an ongoing basis, and upon exit?

What if you suddenly need cash? Is there any penalty for early encashment?

Why borrow to invest? Why put all your money in only one product? Beware of the high risks of these strategies.

Are there any other options apart from the recommended product? Why are other options not suitable?

Know the recommended product

Do you understand the recommended product? How does it work? What are the pros and cons? Your adviser should fully explain to you the nature of the product and the risks it bears. It is not enough for your adviser to hand over documents saying, “read these, they explain the product and its risks”. You have every right to ask your adviser to explain. It is unwise to put money into something you don’t understand.

