



## Straining through the alphabet soup

**Making sense of an adviser's various qualifications is an important step in assessing competence**

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Call it the dirty little secret of the investment community: anyone, regardless of professional qualifications, can call themselves a "financial planner." While the title implies some sort of specialized knowledge and training, in most of the country there are no rules and regulations for those who call themselves a "financial planner."

That means people shopping for an investment adviser, financial coach or financial planner must look beyond the person's name to the alphabet soup of initials that appear afterwards.

The more initials, the better. More initials mean more qualifications, more time spent learning and studying and, hopefully, more experience.

"Outside of Quebec, anyone can call themselves a financial planner," said Ann Bowman, vice-president of communications and investor relations with the non-profit Financial Planners Standards Council.

The group wants its Certified Financial Planner, or CFP, designation to be the gold standard for the financial advisement field, which it touts as "the mark of the competent, ethical, professional financial planner." Currently about 17,000 people across the country boast the CFP logo on their business cards, indicating they have successfully completed the group's course requirements and adhere to the FPSC's code of ethics.

"CFP represents the largest identifiable body of planning professionals in Canada, so there is a CFP professional that can serve the interests of Canadians working in any sector and in every community," said Bowman. "Because of the rigour of the standards, because of the relevance of the standards ... the CFP professionals define the profession today in Canada."

For most people, a larger and more mature investment portfolio means more complex issues and solutions are required.

That in turn calls for a more qualified adviser, suggested the Bank of Nova Scotia associate portfolio manager David Bruce.

The Toronto-based adviser has more than his share of acronyms vying for space on his business card. Besides a bachelor and master's of science, he has a DBA (diploma of business administration,) a CIMA (Certified Investment Management Analyst) designation, a CIM (Canadian Investment Manager) and PFP (Professional Financial Planning) designations, both from the Canadian Securities Institute. In addition, his associate portfolio manager title is a designation from the Investment Dealers Association that allows him to make discretionary investments on behalf of clients. He is also currently working on his portfolio manager qualification.

Armed with a healthy helping of professional designations, Bruce is hesitant to suggest that one is superior to another or that one will suffice for clients. He suggests an adviser should have a university degree, and least one of the top designations that include portfolio manager, Certified Financial Planner, CFA (Chartered Financial Analyst) and CA (chartered accountant).

Another Toronto-based analyst, Frank Wiginton of TriDelta Financial Partners, has three sets of professional designations after his name besides CFP, but says that if it comes down to one, his CFP qualification must always be mentioned.

"I have three others from the Canadian Securities Institute: the CIM, which is what's required if you want to be a portfolio manager or manage money; the Financial Management Advisor, another financial planning type of a designation and a FCSI (Fellowship of the Canadian Securities Institute) which requires a lot more experience in the industry."

As a minimum requirement, he would insist on a CFP or RFP (Registered Financial Planner) designation because both entail more significant education requirements than other financial planning designations, but he suggests that would-be clients hold out for more than just one such professional qualification.

Like Bruce, Wiginton is working toward adding new professional designations to his business card. In his case, it is the Trust and Estate Practitioner accreditation, which will give him more knowledge of tax and regulatory aspects of estate planning.

Besides one or two professional designations, an investor should be looking for an investment adviser intent on adding to his or her knowledge base.

"If you have been 10 or 15 years in the industry, why isn't your continuing education resulting in other designations? You want to be working with someone who has seen as least one full market cycle and been through at least one bear market," said Wiginton.

That would pretty much disqualify any adviser who has been in the business less than five or six years and has enjoyed the bull market.

Continuing education for investment professionals is also crucial because the business and regulatory framework is constantly changing, Wiginton noted.

"The financial services industry is a very dynamic and volatile environment, there are always new products, new tax laws, there are always new changes and new investment opportunities. You need to be keeping abreast of it to be able to advise people appropriately."

"Maybe there is a great new product out there, or maybe the 'great new product' that everybody's talking about really isn't so great."