

Asset manager discussion post 3

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Investment Planning Investment Planning Q I would ask the client about his current situation as it relates to financial management. For instance, I would propose that he provides a record of his income, tax returns, investment portfolio among others. This question will help summarize the client's present situation and determine the type of advice I can give him. The second question would be about the targets set by the customer. Precisely, I would inquire how much money he wants to make after how long. Data gathered in such a context will help to ascertain whether the client has smart goals. The two questions will assist in determining the best investment plan for the customer, one that will suit his income, expenses, and the plans he has (Mentz, CWM, CAM & CTEP, 2009).

Q 2

Considering the client has an interest in portfolio, it is essential that he consider diversifying his investments. The move is critical because of risks of loss of investments in the future. For this case, the client will combine investments with negative or low correlations and eliminate some risks unique to a given portfolio. Another way of handling speculative risks is through insurance, which gives the investors an assurance of safety of their wealth (Godfrey, 2005). The companies work in a way that they compensate clients in cases of a loss. It is a means of ensuring financial stability and continuity of business. If the customer wishes to have a guaranteed financial safety, he should consider insuring his invested property. It, as a result, follows that risks are inevitable for all investments, which planners must plan to curb in the process of advising clients.

References

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