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Want the best financial advice? Get ready to get personal, says financial planner Natalia Sandjian. GOODLUZ - FOTOLIA.COM

DIVERSIFYING A PORTFOLIO MEANS GETTING PERSONAL

BY PHILIP FINE

Natalia Sandjian's investing advice is less about the investment and more about the investor. As a financial planner at National Bank, knowing her clients helps to steer them toward sound investments that make them feel comfortable. That means sitting down for a couple of sessions with the potential investor and asking a lot of questions.

"The client is sometimes caught off guard by how much information we're required to collect," Sandjian says of her queries, which touch on everything from the person's family, to their professional and financial status, as well as their investment knowledge. "They say 'I can't believe you need all this in order to make an investment recommendation.'"

The knowledge garnered from these questions protect the client. She would warn people away from a professional who simply pushes an investment without knowing the circumstances of a client's life, including whether or not they have dependents, their housing situation, whether they own a company, are salaried or self-employed, how close to retirement they might be, and what type of risk they are willing to tolerate.

"Can you imagine going in to meet with a doctor and, without even describing anything about yourself, your history, or symptoms, he writes up a prescription?" Sandjian asks. "How much value would you put into that advice?"

A client may come in with \$50,000 to invest for five years, for instance, and want it to be locked in with a certain return in mind.

"If you don't assess how much liquidity that customer has access to in case of emergency, you don't know if that investment is suitable for them," she explains.

But that's just one variable that makes up a client's profile. There are seven different investment profiles in the NBI Private Wealth Management service, from the person who is seeking regular interest income and modest long-term capital growth, to someone looking for maximum capital growth over the long term. Once those profiles are established, much of the investment work is in the hands of portfolio managers.

"The NBI Private Wealth Management service benefits from National Bank

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Investments' 100 per cent open architecture, where only external portfolio managers from around the world are selected based on the quality of their management and the performance of their funds," says Sandjian.

While she does not tell her clients how to invest, she does stand behind the principles of portfolio diversification. That means the client should not be putting all their investment eggs in one basket, even for an area like real estate, which has seen steady growth.

"We have clients who say they plan to sell their home and buy a condo or go into a rental situation, and then liberate a certain amount of assets that could provide an income at retirement. That's a valid aspect of planning for some clients," she says.

Her advice is to plan for the worst and hope for the best, offering the example of someone in the United States whose home equity shrank drastically in the real estate crash of 2008.

"Imagine if that person is just nearing retirement and was hoping to cash out on the value of that property," she adds. "That's why it's important to have a diversified approach."

With her investment recommendations, Sandjian says she is simply trying to help her clients recognize risks, while also trying to achieve their goals. And it all starts with getting to know her clients.

For more information on NBI Private Wealth Management, visit nbc.ca/pwm.

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