



COMPETENCY PROFILE – PROFESSIONAL WEALTH ADVISOR



Proficiency Standard for a Professional Wealth Advisor:

The professional wealth adviser discovers a client's personal life-style choices, financial needs and risk management profile and connects them to the development and implementation of a customized wealth plan to nurture prosperity and security over the client's life cycle.

Professional Wealth advisors must demonstrate the ability to:

1. Build and manage client relationships that result in a successful partnership.
2. Establish realistic goals and make recommendations leading to the creation and implementation of an optimal comprehensive life-long wealth management plan.
3. Establish and implement wealth accumulation and management strategies that may include sophisticated and complex approaches to achieve life goals.
4. Collaborate with clients to preserve wealth and optimize the conversion of assets into income that will meet life long, life-style expectations
5. Develop and implement a wealth transfer plan that reflects the wishes of the client and the needs of the family.
6. Coordinate and monitor a trusted and respected team of experts to provide a fully integrated, well- rounded wealth management service.
7. Use advanced business marketing techniques for building a wealth management practice.



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Professional Wealth advisors must demonstrate the ability to:

Core Competence	Sub Competencies	Knowledge & Skills
Build and manage client relationships that result in a successful partnership	<ul style="list-style-type: none">• Demonstrate duty of care through professional ethical, legal and moral conduct• Use a level and style of communication that is clear and direct providing the client with ample opportunity to ask questions and indicate full understanding of all discussions and material presented.• Appreciate the special circumstances and communication styles that may be related to gender and to age• Identify gaps in client understanding and develop specific client education strategies for both life and wealth issues• Ensure clients are confident with the solution(s) selected by checking for complete understanding and comfort level with the plan	<ul style="list-style-type: none">• Ethical, legal and moral responsibilities to clients• The role that emotion plays in a client's decision making process• Behavioural finance (e.g., identifying risk tolerance through the behavioural biases of your clients)• Cohort effect (e.g., life stages; accumulation stages and age groups)• Conversational client engagement techniques• Communication styles• Barriers to communication• Verbal and non-verbal behaviours• Relationship building, credibility and trust• Importance of right-brain communications styles• How gender may influence learning styles• The role that gender can play in the decision-making process• Role that gender plays in how a client views money, financial planning and wealth management• Appreciating specific lifestyle, health and family challenges that may face more Canadian women than men• Challenges that senior women face due to aging• The planning considerations of single retirement and life on your own• Psychological changes that come with aging• Creating an elderly friendly working environment



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Establish realistic goals and make recommendations leading to the creation and implementation of an optimal comprehensive life-long wealth management plan.	<ul style="list-style-type: none">• Implement a systematic process to discover and organize subjective information specific to the client• Link financial solutions to a client's emotional needs and desired life style at each life stage• Presentation of the full wealth plan document and all subsequent changes• Refer clients to specialized professionals for advice as needed• Conduct regular due diligence to make certain the client's emotional needs, desired life style and risk tolerance remain aligned with their wealth accumulation, wealth preservation, wealth conversion and wealth transfer strategies.	<ul style="list-style-type: none">• Advanced client discovery techniques (e.g., helping clients set/articulate goals; discussing risk, investment objectives and constraints with client)• Return and risk expectations (e.g., contingency planning and fall back plans; predictability and market risk)• Special situations (e.g., life events--separation or divorce, death of a spouse; unexpected change in wealth; loss of employment)• Wealth accumulation reviews (e.g., performance evaluation and reporting)
Coordinate and monitor a trusted and respected team of experts to provide a fully integrated, well- rounded wealth management service.	<ul style="list-style-type: none">• Expansion of the wealth management service through professional relationships.• Build an internal team of individuals possessing a variety of operational and administrative skills to support a wealth management business.	<ul style="list-style-type: none">• Ethical behaviour in wealth management practice• Wealth management business practices (e.g., differentiation; branding strategies)• Effective COI relationships• Team building and management• Types of expertise required and potential team members• Personal limit of expertise, value proposition and value propositions of team members



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<p>Establish and implement wealth accumulation and management strategies that may include sophisticated and complex approaches to achieve life goals.</p>	<ul style="list-style-type: none"> • Provide clients with information on current wealth accumulation options • Determine and confirm a client’s net worth and life style expectations and income needs • Use behavioural finance techniques to determine a client’s risk tolerance • Consider life events and transitions that could affect the plan • Conduct investment product due diligence by accessing and interpreting fundamental and technical analysis research and/or by using appropriate direct fundamental and technical analysis • Implement allocation techniques to help optimize a client’s assets • Manage a portfolio of managed products • Develop wealth accumulation strategies that are consistent with the client’s risk profile • Verify that all recommendations are tax effective and efficient • Measure and evaluate plan performance against client goals and market benchmarks on a regular basis • Assess the benefits and risks of international investing and identify various ways to invest internationally • Select, build and implement strategies that optimally protects a client’s portfolio 	<ul style="list-style-type: none"> • Canadian wealth accumulation market segments • Impact of demographics on financial markets • Challenges to traditional wealth accumulation assumptions (e.g., human capital; accumulation after retirement) • Asset allocation across investments (traditional and alternative investments-- private equity, hedge funds, real estate, commodities, futures) • Equity and debt analysis • Chart pattern recognition and analysis • Structured and securitized products such as ABSs, MBSs, CDOs, CMOs, leveraged and inverse ETFs • Management of client’s overall portfolio <ul style="list-style-type: none"> ○ Concept of ‘overlay management’ ○ Application of overlay management to various managed products • Portfolio solutions (self managed; advisor assisted; managed; lifecycle funds; unified managed accounts) • Tax strategies for accumulation • International investing benefits (diversification, enhanced returns, possible tax benefits) and risks (currency, political etc.) of international • International investing vehicles (ADRs, ETFs, mutual funds, hedge funds, direct investing) • Portfolio measurement and evaluation techniques • Types of portfolio risks and minimization tools and techniques



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<p>Collaborate with clients to optimize the conversion of assets into income that will meet life long, life-style expectations.</p>	<ul style="list-style-type: none"> • Determine and confirm a client’s life style expectations and income needs • Inform clients on the features and benefits of alternative conversion strategies • Clarify what the pre-retirement client needs to protect and the extent of the protection needed in order to have sufficient resources to meet retirement lifestyle expectations and needs. • Present the pre-retirement client related strategies for wealth preservation with details on how these strategies may benefit the client • Plan for life events, transitions and special situations that may affect the plan • Discuss long term health care options with clients • Consider all of the client’s assets that could be used to generate income • Identify risks including health related risks and recommend strategies to manage risks to retirement income expectations • Provide clients with a well established plan creating comfort similar to that of receiving a regular pay cheque 	<ul style="list-style-type: none"> • Characteristics of today’s retirees • Unique challenges of women facing retirement • Phases of retirement Risk management process (identify, quantify, prioritize, mitigate risks) • Types of Risk and minimization tools and techniques • Relationship between human capital and a client’s wealth • Asset protection techniques • Small business protection • Client earning power protection (e.g., insurance – disability; accident and sickness) • The long-term care continuum (costs – government versus private pay) <ul style="list-style-type: none"> ○ Home care ○ Assisted living ○ Long term/nursing home care ○ Palliative care • Risk management and Investment Performance • Income projection - Time value fluctuation (TVF) principles • Appropriate asset allocation techniques for wealth conversion • Maximization of after-tax income • Sources of income (e.g., government or private pension ; registered or non registered accounts; part-time employment) • Leveraged income strategies (e.g., reverse mortgages) • Retirement Income Vehicles(including the insured annuity strategy)



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<p>Develop and implement a wealth transfer plan that reflects the wishes of the client and the needs of the family</p>	<ul style="list-style-type: none">• Consider the issues faced by the family after the death of a client• Review the type and extent of a client's assets and estate documents• Identify important estate desires and asset transfer issues from the client's perspective• Determine a client's views on charitable and other gifting strategies• Explain what strategic philanthropy is and how it works to your client and distinguish it from charitable giving• Inform the client on the legal and tax consequences of various wealth transfer options including trusts and refer to third party experts as required• Assist the client to understand how the structure of the trust achieves the client's financial planning goals while at the same time protecting the legitimate business interests of the corporate fiduciary.• Review the structure and key provisions of the trust agreement or will to assess its effectiveness to carrying out its terms and to ensure that the trustees potential legal liability for non-compliance is minimized.• Identify issues relevant to trustee responsibilities in the ongoing operation and management of a trust• Identify when and why the external specialist is required during an estate administration in order to ensure the best service and advice is obtained at a reasonable cost to the estate or trust.• Help entrepreneurial clients prepare their business for sale• Confirm the alignment of assets with beneficiaries and the client's wishes• Create and implement an optimal transfer strategy for personal and business assets	<ul style="list-style-type: none">• Size, demographics and issues of the wealth transfer market• Components of a wealth transfer plan• Psychological, sociological and neurological processes of aging• Common wealth transfer mistakes• Wealth transfer and bereavement• A client's life transitions (e.g., divorce; retirement; mental health; gifting; grandchildren)• Cross-border and offshore issues / property owned in US/US estate tax• Partnership, shareholder, buy/sell agreements• Strategies for transfer of family business• Living legacies (e.g., family/private foundations; charitable giving; bequests)• Planned charitable giving• Strategic philanthropy<ul style="list-style-type: none">◦ Takes into account estate, tax, financial planning objectives with the personal philanthropic objectives.• Family and the wealth transfer process• Dealing with non-traditional families• Use of Third party expertise specific to wealth transfer (e.g., corporate executor; agent for executor)• Trustee responsibility and legal liability• Execution of wealth transfer (e.g., wills and instructions; executors; guardians; revocation; registration of property; beneficiary designation; dying intestate)• Tax and probate fee planning (e.g., deemed disposition; attribution; exemptions)• Strategies for transfer of assets and property Estate freezes• Trusts (e.g. myths; advantages; types; taxation) for wealth transfer• How a business is valued<ul style="list-style-type: none">◦ Different valuation methods



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Use advanced business marketing techniques for building a wealth management practice	<ul style="list-style-type: none">• Define, articulate and position approach in providing wealth management services• Identify client segments aligned with your wealth management business model• Construct a professional development strategy for yourself on both life and wealth management issues• Earn the right to request and receive quality referrals by delivering on your unique value proposition	<ul style="list-style-type: none">• Facilitate and present (e.g., concise; informative; relevant; effective; engaging; presenting complex ideas in an understandable way; conversational techniques and approaches) Segment a book and streamline a business model to become a more effective wealth manager• Establish service levels that are appropriate to the client, transitioning inappropriate clients• Advanced marketing and prospecting tactics (e.g., target market; unique value proposition)• Extend client relationships through their family and friends