



P R I C E L E S S



Finding words that work when communicating value to investors

Invesco Consulting joined forces with political consultants and word specialists, Maslansky + Partners, in an effort to find the best language when communicating value to clients. The research was completed in July, 2017 and included 15 in-depth interviews with industry insiders, 3 dial-sessions with investors and a survey of 1,000 investors in the US and Canada. The research is one of 17 exercises that make up the largest study ever done on the language of financial services.



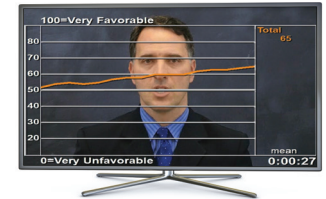
1. In-depth interviews

Get conventional language



2. Dial-sessions

Instantaneous, anonymous and simultaneous



3. National survey

Validate findings



What investors want from advisors

“
CRY 1
Be smart with
my money.
”

“
CRY 2
Help me with
more than
my money.
”

“
CRY 3
Show me
my progress.
”



The “Priceless” vocabulary

Communicating with words that resonate with your clients is essential to becoming “priceless.” The abridged list below of words to use and words to lose is from our national survey of 1,000 North American investors.

Words to LOSE

“Cutting-edge technology”

“Low-cost”

[Hidden costs]

“Premium service”

“Financial plan”

“Our mission”

“Discretionary account”

“Financial freedom”

“AWM Group”

Words to USE

“Smart technology”

“Cost-efficient”

“What you pay matters”

“Full service”

“Financial planning”

“Our approach”

“Advisor-managed account”

“Financial security”

“Anderson Wealth Managers”

Why

“Smart” works and is reliable

“Low-cost” = high-risk

Your interests are aligned

“Premium” implies high costs

“Planning” is ongoing

“Mission” is cliché

“Discretionary” is secretive

“Freedom” is not plausible

“Wealth manager” is more clear

Source: 2017 survey by Invesco Consulting of 1,000 North American investors with investable assets between \$150K and \$5M

The “Priceless” vocabulary: cost-efficient ETFs

Words to LOSE

“Exposure”

“Dial your risks down”

“Bulk beta ETFs”

“Active investment”

“Passive investment”

“Factor-based”

“Leading strategies”

Words to USE

“Participate”

“Adjusts your risk down”

“Market ETFs”

“Professionally managed investment”

“Index investment”

“Objectives-based”

“Progressive strategies”

Why

“Exposed” to virus/cold/radiation

“Adjusting” is plain-spoken

No one knows what “bulk” means

No one knows how to interpret “active”

Why pay for something passive?

Factors are jargon-based

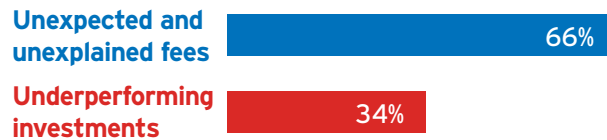
“Leading is reactive; “progressive” is proactive

“
CRY 1
 Be smart with
 my money.”

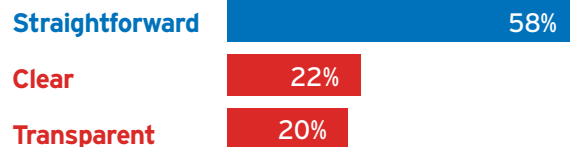
What to say about your costs and why to say it

Being open and straightforward about your costs can help build trust and long-term relationships—if communicated in the right way.

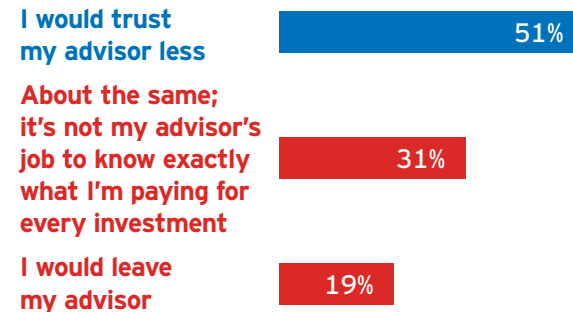
Which of the following would cause you to lose the most trust in your advisor?



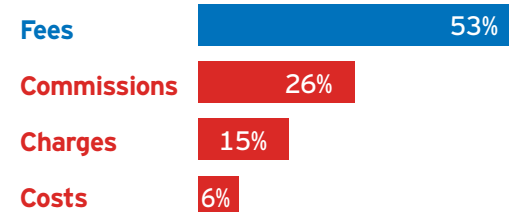
What kind of fee arrangement would you prefer?



If your advisor seemed uncertain about the commissions and fees you had been paying, how would you feel about him or her?



Which of the following do you LEAST like to pay as an investor?



The 30-second smart statement on costs

Investors want to know that their advisors are cost-efficient and not cost-indifferent. I•C pieced together the winning words, phrases and dials with the goal of constructing the right talking points on costs.

ACKNOWLEDGE

Jim,

Thanks for asking about our costs. First, let me say that it's important that we're smart with your money. What you pay matters to us. We feel that it is important for you to know exactly what you pay so there are no unexpected or unexplained costs.

STATE VALUE

As a client of ours, you should know that our ultimate goal is to make sure you achieve your financial goals. With that in mind, we are always looking to design long-term diversified investment strategies built within a planning process and are always looking for the most cost-efficient, high-value ways to manage your money.

DESCRIBE COSTS

With that said, the costs are as follows:

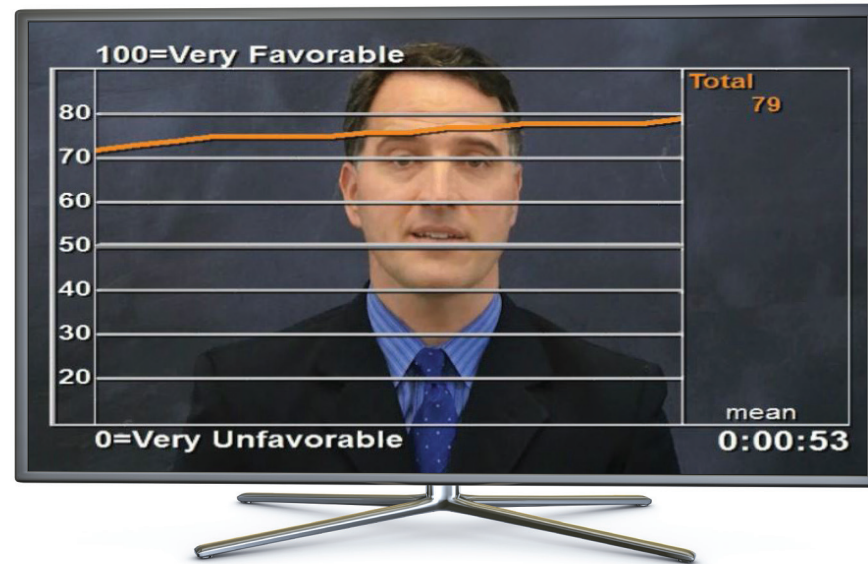
Words and phrases utilised should always be appropriate, applicable and provable. This 30-second smart statement is shown for illustrative purposes only.

Diversification does not guarantee a profit or eliminate the risk of loss.

“
CRY 2
Help me with
more than
my money.”

Words shown to work when describing financial planning

The keynote highlighted a significant challenge for advisors in offering financial plans. Most investors think they have a financial plan, assuming their risk profile, account application and online questionnaires qualify as one. That's why advisors should be prepared to discuss their approach to financial planning.



Investors' response to the language of financial planning



I've been in this business a long time, and over time, I've developed a process for working with my clients that puts them in the best position to succeed.



The first step of that process is asking the right questions to get a picture of your financial situation and where you are today.

The second is understanding what your goals are for the future. The third step provides an honest assessment of how attainable those goals are. Which goals are most realistic? Which are your priorities? The fourth step is to explore what actions we need to take to get there.



Then finally, we have a conversation about how comfortable you are with those actions. Are they things you think you can do?

How can we help you stay on track? We'll build on this conversation at every check-in. Having a tried-and-true formula like this provides a firm foundation so you know what to expect and can feel confident that we're being thorough.



CRY 3

**Show me
my progress.**

15 "Priceless" ideas from investors on better review meetings

Invesco Consulting asked 1,000 investors how their review meetings could be better. The most notable 15 responses (good and bad) are below.

1. "The number of meetings is determined by me."
2. "A comprehensive summary of the previous year's activity."
3. "A little less technical jargon."
4. "Active listening rather than just plain pontificating."
5. "Discovering any gaps I may have been overlooking."
6. "Doing it over FaceTime, or other video conferencing."
7. "Doughnuts and coffee in the meeting."
8. "Getting documents in advance of my meeting/the ability to submit my questions prior to meeting to streamline the meeting."
9. "Have a definitive goal and purpose for the meeting."
10. "If we received a follow-up email every time to summarise the conversation and planned trades (sometimes, but not always)."
11. "Look at all my expenses."
12. "Occasional contacts i.e. touching base throughout the year, to assess if further consultation is necessary."
13. "Perhaps a pre-meeting email or letter outlining what he believes we should cover. Maybe even a vocabulary worksheet as we really are very unaware of the market nuances and investment strategies."
14. "Respect. I just want him to try to make me feel like I am worthwhile."
15. "Wine and cheese with the meeting."

The review meeting checklist

Investors want mutual preparation for review meetings. They have complex lives in motion. They need time to review everything that has happened in their lives since the last meeting. This checklist is designed to help.

Life changes	
<input type="checkbox"/>	Work
<input type="checkbox"/>	Household income
<input type="checkbox"/>	Household expenses
<input type="checkbox"/>	Household debt
<input type="checkbox"/>	Possessions: purchase/sale/loss/gain
<input type="checkbox"/>	Bank/financial accounts
<input type="checkbox"/>	Residence(s)
<input type="checkbox"/>	Health of you and your family
<input type="checkbox"/>	Marital or family status
<input type="checkbox"/>	Dependents
<input type="checkbox"/>	Other

Service satisfaction	
<input type="checkbox"/>	Your convenience in working with us
<input type="checkbox"/>	Your online account access

Investment satisfaction	
<input type="checkbox"/>	Your investments are not performing as expected
<input type="checkbox"/>	Your risks are not in-line with expectations
<input type="checkbox"/>	The markets have caused you to rethink your investments
<input type="checkbox"/>	There are other investments you would like to discuss

Financial planning and services update	
<input type="checkbox"/>	Your financial plan needs to be updated
<input type="checkbox"/>	Your loans/mortgage may not be cost effective
<input type="checkbox"/>	Your insurance coverage may not be appropriate
<input type="checkbox"/>	Your estate plan needs to be updated
<input type="checkbox"/>	Your charitable giving strategy needs updating
<input type="checkbox"/>	Your children/grandchildren's financial needs have changed
<input type="checkbox"/>	Your investments may be exposed to excessive taxes

The review meeting conversation guide

The review meeting conversation flow is designed to provide a review meeting that clients want.

I Hear from the client

- **History** ("What has happened since our last meeting?") *"Are you more or less confident about your finances since we last talked?"*

- **Transitions** ("What is happening now?") *"Is anything happening now that could impact your financial future?"*

- **Principles** ("How did you get here?") *"What has changed about your financial attitudes since we last met?"*

- **Goals** ("Where are you going?") *"How do you feel about the long-term goals we talked about in our previous meetings?"*

II Review/preview holdings

- Review current portfolio

- Discuss results

- Discuss future opportunities

III Review services

- Review current services

- Review future service needs

In the review meeting, asking the right questions in the right order

There's a better chance of getting the "whole truth" from clients when advisors ask the right questions in the right order. The questions below, borrowed from the I-C program, "Fi-natical Curiosity," are engaging, open-ended and asked in the order from easy to hard and from objective to subjective.

History

Changes since the last meeting

- "Let's begin by hearing from you. Do you have any questions or concerns from the pre-meeting checklist?"
- "Has anything changed since we last talked?"
- "Are you more or less confident about your finances since we last talked?"
- "Have you had any financial emergencies?"

Transitions

Changes that are happening now

- "What's going on in your life right now that could impact your financial future?"
- "Is there anything happening at work that could impact your financial situation?"
- "Can you tell me about your family?"
- "Have you been putting out many fires?"
- "What is standing between you and your financial goals?"

Principles

How they feel about their finances

- "What is the weakest link in your financial picture?"
- "Have markets impacted your attitude towards investing?"
- "What challenges are you seeing?"

Goals

What they want their money to do for them

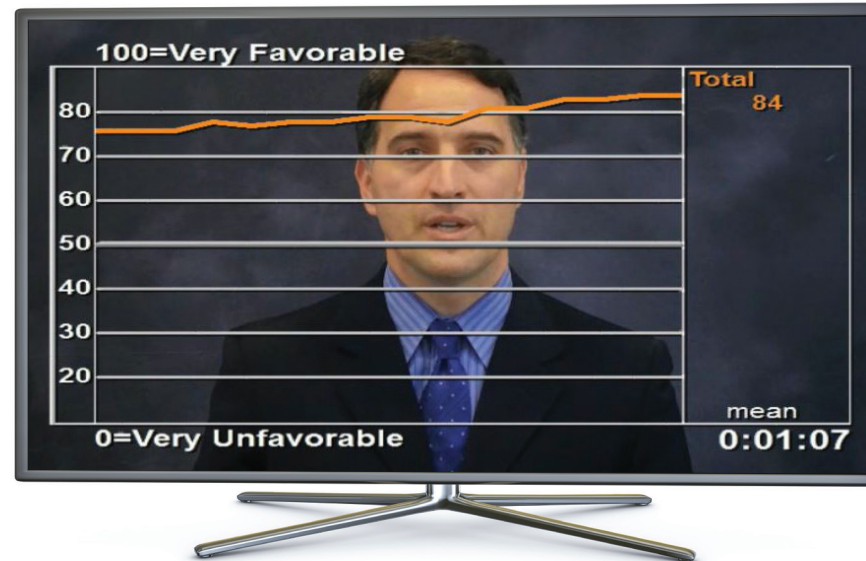
- "What has changed about your investment goals?"
- "If we were sitting here three years from today, what would have happened to make you happy?"
- "I want to make sure that I get this right. Is there anything you can think of that I should have asked but did not?"

Review meeting client-centered opener

Getting the review meeting off to a strong start is essential. IC tested different approaches with investors. The client-centered opener produced some of the highest dials in the research. The opener begins with the meeting objective, follows with a 3-part agenda of hearing from the client, reviewing the investments then reviewing the services, and ends with a chance for the client to modify the agenda.

CRY 3

**Show me
my progress.**



Investors' response to the review meeting opener



Thank you for taking the time to speak with me. The purpose of this meeting is to make sure you're on track as we work to make your goals a reality. There are a few things I want you to walk away with after the time we have today.



First, I would like to hear from you. I know a lot can change between visits, and I would like to know if anything has changed recently that could impact your financial future and your long-term plan.



Second, I would like you to feel confident about the investments in your portfolio. We will take a look at the securities you own and how they have performed since we last spoke.

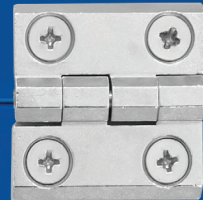
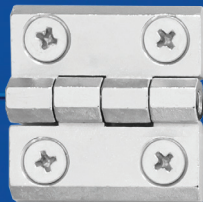


Finally, I would like you to feel confident that you know what you're paying for and that you're only paying for what you need. It's my responsibility to provide services that are well-matched with your objectives. For that reason, we'll review your services and costs to make sure we are working efficiently and effectively for you.



Before we get started, is there anything I've missed or you would like to cover? If not, we can get started right away.





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"Priceless" is based on our work with Maslansky + Partners and "The Question Guys" (Bret Nicholas and Paul Lowrie). Invesco Distributors, Inc. is affiliated with neither Maslansky + Partners nor "The Question Guys."

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