


FTA Wealth Advisors Assistants Training

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**Preparing for a 2nd Appointment:
Scans, PBDXL, Tickers, and Risk
Graphs (ParaPlanner)**

Key Points

- ▶ These are the steps I go through to prepare for a 2nd appointment
- ▶ Depending on your file system, yours may vary a little
- ▶ This is based on an electronic filing system with out of office access
- ▶ Process should start immediately after 1st appointment
- ▶ 1. Reviewing, Scanning, and File Naming
- ▶ 2. Complete Portfolio Breakdown
- ▶ 3. Review current investments to chose 8–10 tickers (largest holdings)

Key Points

- ▶ 4. Make sure selected tickers meet the requirements
- ▶ 5. Email selected ticker to planner so they can prepare Zephyr report
- ▶ 6. Research using Morningstar.com and Google.
- ▶ 7. Taking screen shots
- ▶ 8. Using Microsoft Excel as a loss calculator
- ▶ 9. Putting together Risk Graphs in Microsoft Word

Where To Start?

- ▶ After the first appointment, the advisor should give you a file containing the items brought in by the prospective client.
- ▶ Go through the file and separate the documents for scanning.
- ▶ Each document should be scanned individually (data sheet, Q&A, account statements, etc.) into your scan folder.
- ▶ **Be sure to check each account statement for multiple accounts.**

Naming Files Correctly

- ▶ All files should be named so that you can tell what they are without opening them.
 - Example 1 – “Doe, John and Jane Data Sheet”
 - Example 2 – “Doe, John Boeing 401k”
 - Example 3 – “Doe, Jane Edward Jones Roth”
 - Example 4 – “Doe, John Voya Life Ins”

Electronic Files

- ▶ File location

- All files for perspective clients should be keep in the same location on your server. We use a folder called “In Progress”

 > Network > ftaserver > company > FTA Files > In Progress

- ▶ It is important to use a shared file so everyone is working out of the same place and the files stay up to date.

Portfolio Breakdown Excel Spread Sheet – Section 1

*Save a blank version to use as a template

	A	B	C	D	E	F
1	John and Jane Doe					
2						
3	Portfolio Breakdown					
4						
5	Owner ▾	Investment Name ▾	Type ▾	Q or N ▾	Amount ▾	Action ▾
6	Joint	Regions	Checking	N	\$5,000.00	
7	Joint	USAA	Checking	N	\$15,000.00	
8	Joint	Regions	Savings	N	\$10,000.00	
9	MARTHA	SIGMA - (FIDELITY NETBENEFITS)	401K	Q	\$285,064.00	
10	JAMES	EDWARD JONES	IRA	Q	\$141,739.00	
11	Joint	EDWARD JONES	JTWROS	N	\$22,615.00	
12	MARTHA	EDWARD JONES	IRA	Q	\$176,642.00	
13	JAMES	EDWARD JONES	ROTH	Q	\$8,088.00	
14	MARTHA	EDWARD JONES	ROTH	Q	\$8,063.00	
15						
16	Total				\$672,211.00	
17						

Portfolio Breakdown Excel Spread Sheet – Section 2

*Advisor Section

H	I	J	
Current Annuities			#DIV/0!
PP			#DIV/0!
Low Risk			#DIV/0!
Moderate Risk			#DIV/0!
7702			#DIV/0!
Cash in Bank			#DIV/0!
Total	\$0.00		#DIV/0!
Assets Remaining	\$672,211.00		

Choosing Ticker for Risk Graphs

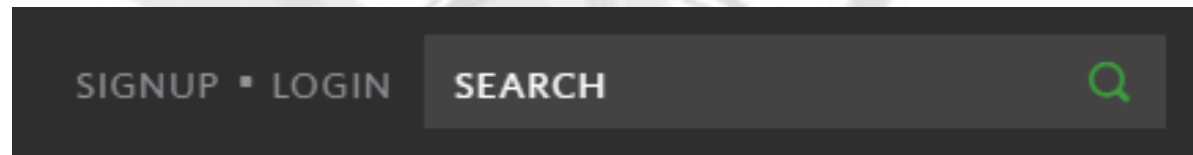
Tickers

- A ticker symbol is an arrangement of characters (usually letters) representing a particular security listed on an exchange, or otherwise traded publicly. When companies issue securities to the public marketplace, they select an available ticker symbol for their securities that investors use to place trade orders. These are usually found on the account statements but sometimes you will do some research to find them.
- Example – The ticker symbol for Apple Inc. is AAPL.
- You will need to review each account statement and choose tickers based on several factors. The goal is to get 10 good tickers to use. In order to do this, you will probably have to start out with 15 to 20 of them to narrow it down to the best 10. (You will occasionally have people that will not have 10 and sometimes you will do more.) Here is the criteria:
- Look for how much the person(s) has invested in that investment. You want to use tickers for the persons biggest investments over all the accounts.
- Once you have a list of the biggest investments, go to www.marketwatch.com to research them. Whenever possible, you should select tickers that go back to 2000 so you see how that investment did during the tech bubble and housing bubble.
- Tech bubble was from around 2000 thru 2003 and housing bubble was from around 2007-2009. The ticker selected needs to at least show the housing bubble. If not, skip that one and move to the next one or select a proxy ticker.

First, open Market Watch in your internet browser.

www.marketwatch.com

In the “Search” box at the top, right of the page, enter the ticker symbol you have select.



Once the information loads, click on the “Advanced Charting” icon. It will be located at the top left side just above the graph.



The first time you use Market Watch, you'll want to change a few things so the graph looks good and only has the information that needs to be there.

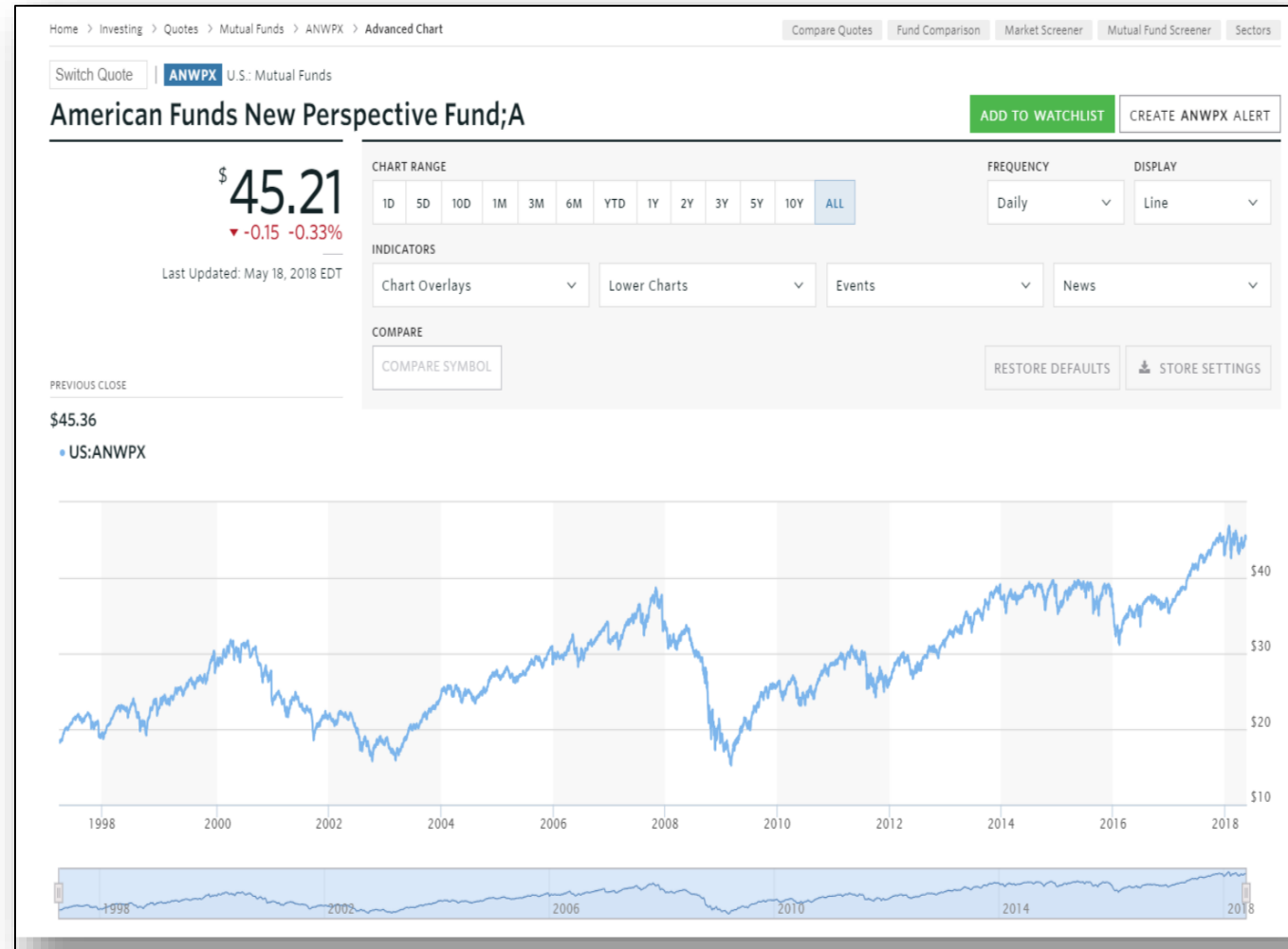
1. Click the "All" icon

2. Click the "X" icon to remove these items.

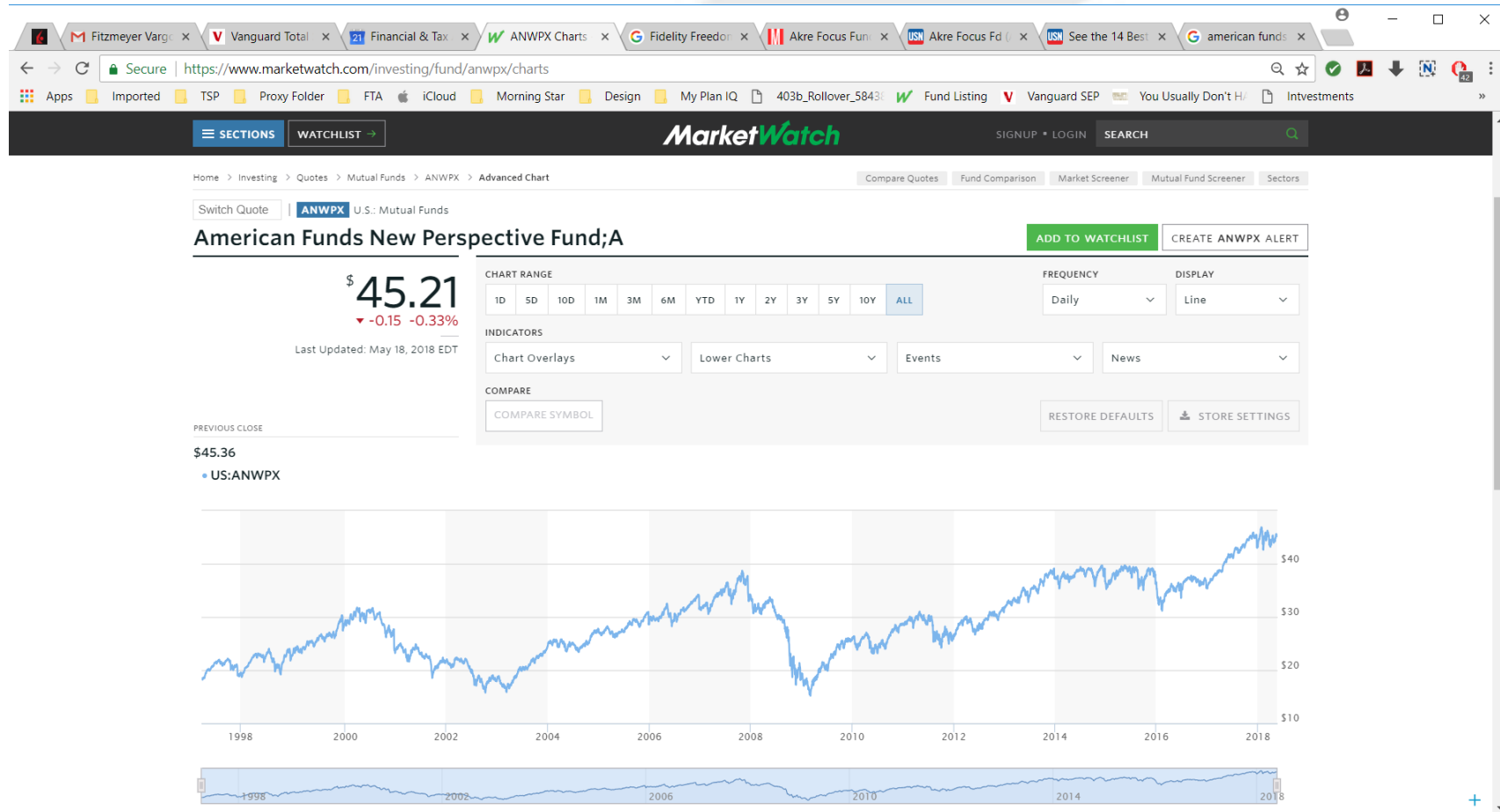
3. Click "Store Settings"

The screenshot displays the Market Watch interface for the American Funds New Perspective Fund;A. The current price is \$45.21, with a change of -0.15 (-0.33%) as of May 18, 2018. The chart range is set to 1Y, and the frequency is Daily. The display is set to Line. The indicators section shows Chart Overlays, Lower Charts, Events, and News. The compare section has a compare symbol field. The chart area shows the price of the fund and two indicators: SMA(50) and MACD(12,26,9). The SMA(50) indicator is a blue line, and the MACD(12,26,9) indicator is a red line. The x-axis shows dates from May 22 to May 21. The y-axis shows prices from \$37.5 to \$45.0. The MACD indicator has a y-axis from -1 to 0. The chart area has a zoom slider at the bottom.

You want to use tickers that have a history from 2000 to the present date whenever possible but must at least go back far enough to show the 2007 time frame. By making those changes, your chart should look like the example below and if you store the settings, it should automatically go to this for each ticker.



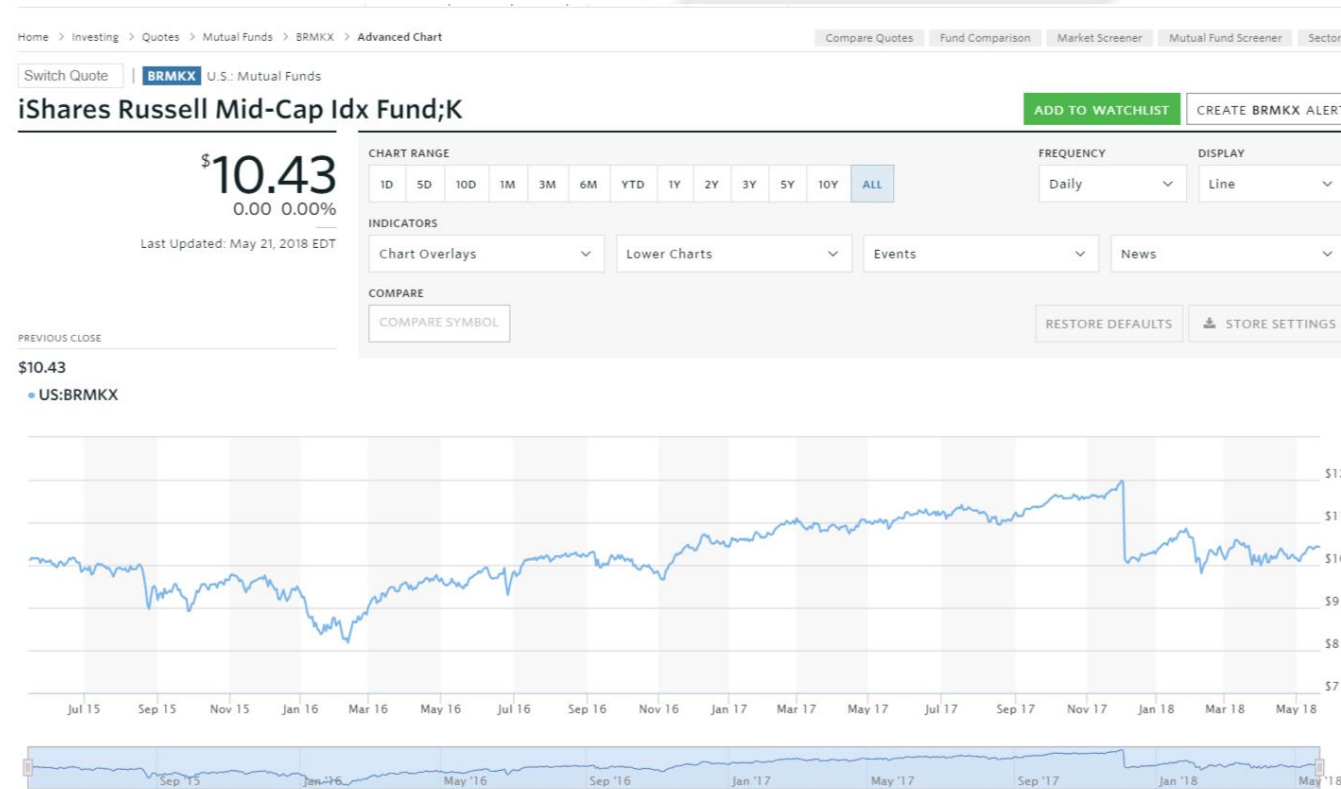
This example shows a good example of a ticker that would be a perfect selection for a risk graph. Notice the drop during the tech bubble and the housing bubble.



Choosing Proxy Ticker (not enough history)

- ▶ Occasionally, you will need to pick a proxy when the perspective clients portfolio has an investment that you want to use on the Risk Graphs, but that investment doesn't have the necessary history (example on the next slide).

Choosing Proxy Tickers (example)



Choosing Proxy Tickers (continued)

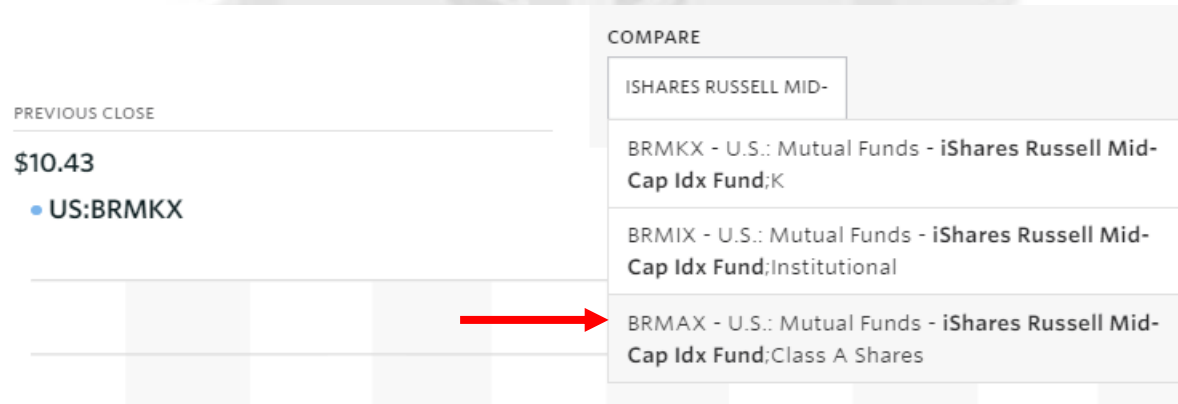
- ▶ You will need to select a proxy that is as similar to the actual investment as possible.
- ▶ You **MUST** be able to explain why you selected a certain proxy.
- ▶ Let the advisor know that you are using a proxy and why.

Start Here!!!

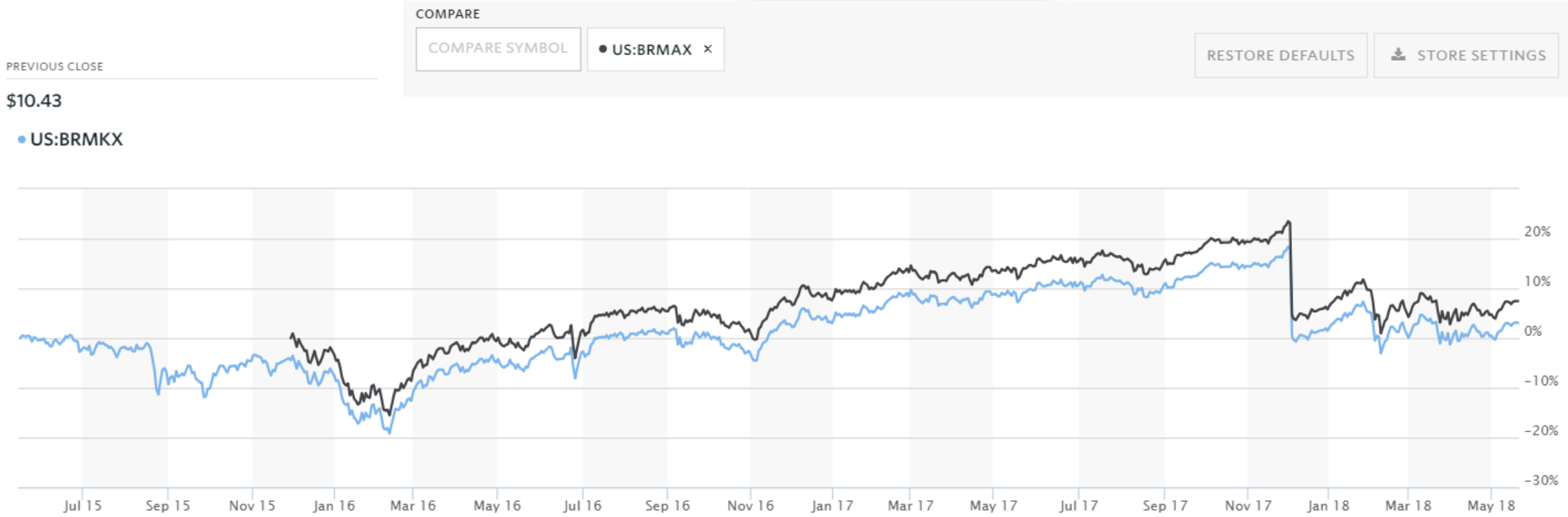
- ▶ Notice that this ticker is a Class K Share (indicated by the K at the end of the investment name).



- ▶ First, try checking the Class A Shares of the same fund by typing in the name of the fund (without the K) into the compare box. If multiple options pop up, select the one that says “Class A Shares”.



Notice that the Class A Shares go back further than the Class K but still not far enough. Now you need to look For another option.



Find the Prospectus

Use Google or your preferred search engine and search for the funds Prospectus. Usually you will find information that will help you (see example)

Summary Prospectus

Key Facts About iShares Russell Mid-Cap Index Fund

Investment Objective

The investment objective of iShares Russell Mid-Cap Index Fund (formerly known as BlackRock Midcap Index Fund) (the "Fund"), a series of BlackRock FundsSM (the "Trust"), is to seek to track the investment results of an index composed of mid-capitalization U.S. equities.

Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy and hold Class K Shares of the Fund.

Description:

The investment objective of iShares Russell Mid-Cap Index Fund (formerly known as BlackRock Midcap Index Fund) (the “Fund”), a series of BlackRock Funds (the “Trust”), is to seek to track the investment results of an index composed of mid-capitalization U.S. equities.

So, you would search for a “Mid-cap Index fund”

This was the third search down on google:

[Vanguard Mid-Cap Index Fund \(VMCIX\) - US News Money](https://money.usnews.com/funds/mutual-funds/mid-cap...mid-cap-index-fund/vmcix)

<https://money.usnews.com/funds/mutual-funds/mid-cap...mid-cap-index-fund/vmcix> ▼

See Vanguard **Mid-Cap Index Fund** (VMCIX) mutual fund ratings from all the **top** fund analysts in one place. See Vanguard **Mid-Cap Index Fund** performance, holdings, fees, risk and other data from Morningstar, S&P, and others.

Could it really be that easy?



Sometimes.....YES!!

But you still need to compare them.

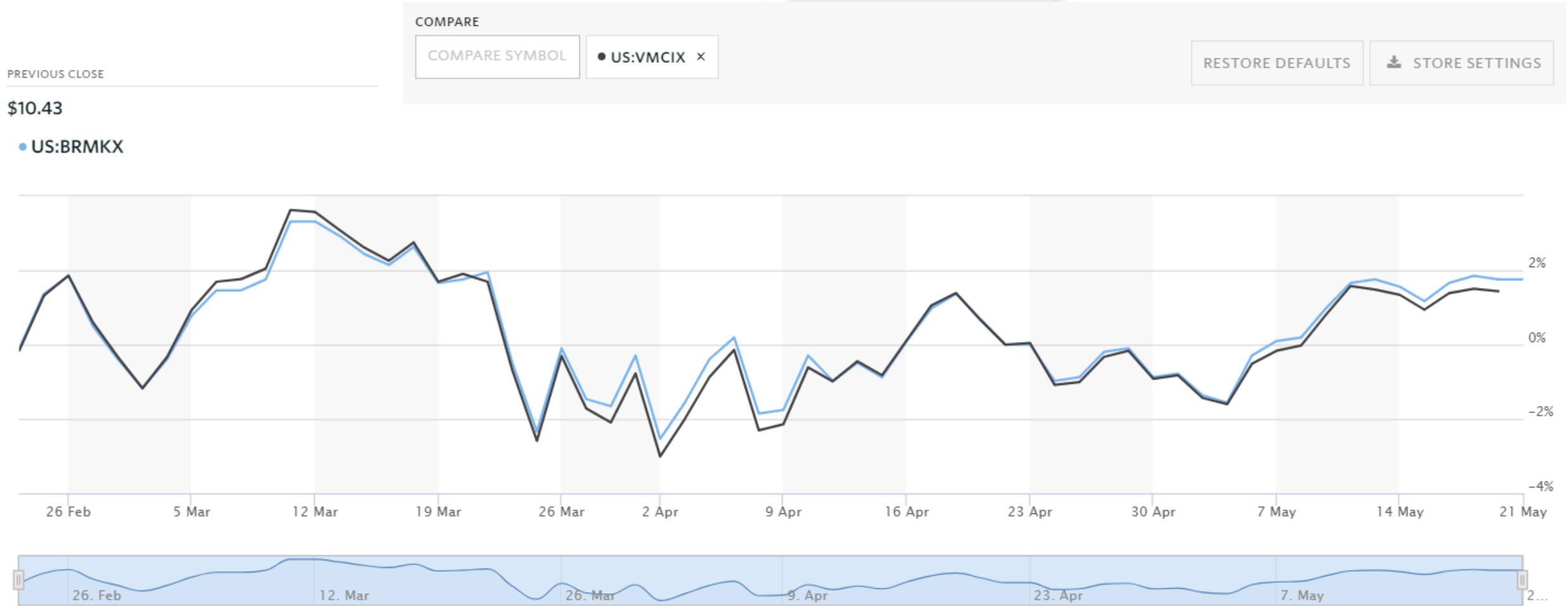
The ticker for the Vanguard Mid-Cap Index Fund is VMCIX

Type in the proxy here

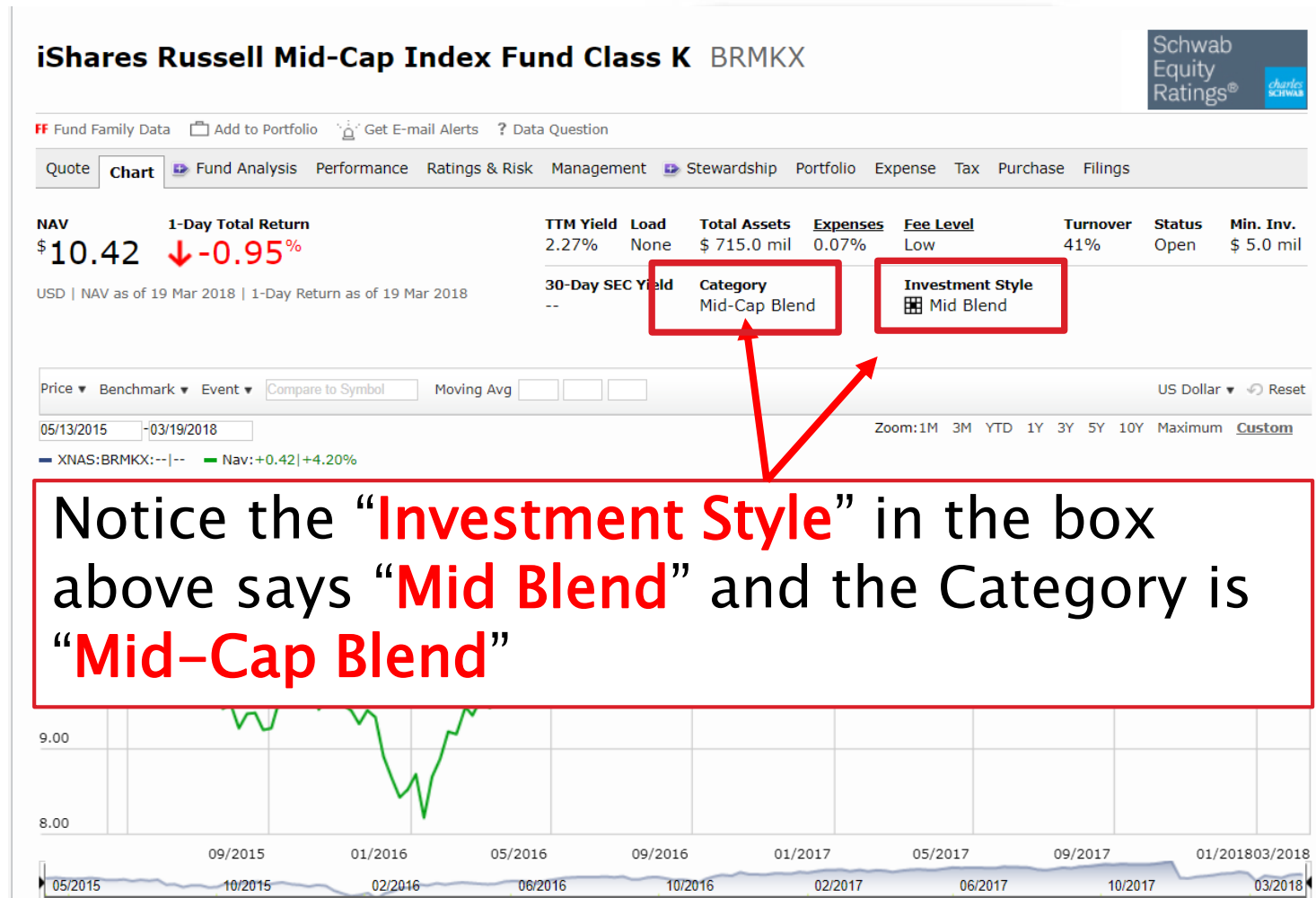


It will then show the two tickers being compared

Do you think this is a good proxy?



But sometimes you have to do some more research.
Morningstar.com is another good resource to find the investment
category and investment style.



Notice the “**Investment Style**” in the box above says “**Mid Blend**” and the Category is “**Mid-Cap Blend**”

- ▶ Use Google to search for “**best mid cap blend mutual funds**”*
- ▶ You will generally see something like this:

✓ 64 Best Mid-Cap Blend Mutual Funds - US News Money
<https://money.usnews.com/funds/mutual-funds/rankings/mid-cap-blend> ▼

* Based on Morningstar category previously show

Start with the best

As previously described, start with the #1 ranks fund and compare that to the one the client has using the method shown on the previous pages to make sure this is an acceptable proxy. If not, work your way down the list until you find one that is.

135 matches (64 ranked)

SORT BY:

Ranking

CARD

Mid-Cap Blend ✕

Mutual Funds ✕

Clear All

Government Street Mid Cap Fund

GVMCX | Mutual Fund

 #1 in Mid-Cap Blend

The investment seeks capital appreciation. Under normal circumstances, at least 80% of the fund's net assets (includ...[more](#))

▲ 23.18% Returns (1-yr) | 1.10 Expense Ratio | \$50.06M Total Assets



Risk Graph Minimum and Maximums Recap

- ▶ The ticker symbol you are using for the Risk Graph must have a history that goes back far enough to house the 2007–2008 “Housing Bubble”
- ▶ Whenever possible, they should show the 2000–2003 “Tech Bubble” and 2007–2008 “Housing Bubble”
- ▶ If you are using one that has multiple drops, use the biggest 3. Otherwise it just looks cluttered.

