

Lessons in Asset management

Asset management is a concept that people are oftentimes wary of. Although they do want their hard earned money to beget huge yields and interests, people are not always comfortable with the idea of other people managing their money. Add to these doubts the number of stories circulating of investors losing their money because of companies that have folded during the dot.com boom.

But asset management need not be something that you have to be afraid of. In fact, it can be pretty rewarding financially as you are able to spread your money across different investment products. This is better than putting your money in banks where the yield is not even enough to combat the inflation rates of the currency and the rising costs of living. When done the right way, your money can serve you until your retirement. The trick is to find the right asset investment manager and to get involved in the investing.

Below are some lessons on how to start and survive asset management. Read on before you get into the program.

1. Choose your manager wisely

When hiring an asset management person make sure that you know him or her. If you don't know anybody who can do it for you, ask for people to recommend managers that are good. Start asking your families and friends as they will give you more personalized choices. When asking for recommendations and referrals, do a little background check first. Ask how many years the person is working for the one who made the recommendation. Ask for his accomplishment and his track record over the years. A good performance for one person may not be good for another.

Do not just be contented with one referral. Get a lot and then compare each one to the other. That way, you can select the person that you feel is the best among the best. When evaluating their expertise, look both on the paper and in person. Remember that these people are very good with charming their clients. So it's good to base your decisions also on something that is really concrete.

2. Have a say

A common mistake of most people who hire asset management people is once they get someone, they wash their hands off the entire thing. Don't. Show the guy or gal that you want to take an active part in managing your assets. This will prevent any hanky-panky because they know that you are monitoring your money.

Do not give the full control to the manager when it comes to making investment decisions. The final say should always be yours. So before investing in something, the person you hire should first present you with the background of the investment and if possible show other possible investments that are similar to it so that you will have the chance to compare.

3. Learn the biz

It is not enough that you know what the goings on of the asset management, you also need to understand it. Some people may not give full control to their managers but will sign anything that these managers give them without really understanding what the papers are saying.

Remember that although you have worked with the same person for years or a friend of yours know him personally, he or she can still rob you of your money. Asset management is a risky and cruel business. Make sure that you are prepared to stand guard over your investments.