

The Benefits of Working with a Registered Investment Advisor

Personalized, Focused Financial Advice

A key component of planning your financial strategy is finding the right advisor to help you reach your investment goals. With over 300,000 professionals working under the title of "personal financial advisor" today¹, it can be difficult to know which one to choose.

It is important to find an advisor that has the freedom and independence to find financial solutions that best fit your unique needs. Independent registered investment advisors (RIAs), one of the fastest growing segments in the industry, take the time to get to know you, to understand your personal and financial goals, and to build a relationship that is focused on helping you meet your investment objectives.

Discover how an independent RIA can work for you:

An RIA is legally bound to work in your best interest.

Under the Investment Advisers Act of 1940, registered investment advisors are held to a fiduciary standard of care. By law, they must ensure that each investment recommendation they make is based on your best interest. In the event that a conflict of interest should arise, RIAs are required to let you know. Additionally, they are required to have a written code of ethics that governs their actions and fully discloses how they are compensated.

Most RIAs work under fee-based compensation.

It's important to understand exactly how your advisor is compensated. Most independent RIAs charge a flat fee or a fee based on the assets they manage for you. This straightforward system is easy to understand, is fully disclosed to you in writing, and provides additional incentive for your advisor to grow your assets.

RIAs are required to maintain public business records.

RIAs must file a Form ADV with the Securities and Exchange Commission that describes exactly how they do business and how they are compensated. Form ADV consists of two parts. Part 1 contains information about the advisor's business regarding ownership and regulatory matters. Part 2, including two sections known as the

At a glance:

- RIAs provide long-term investment advice for overall financial circumstances
- RIAs typically charge a flat fee or a fee based on assets under management, aligning their compensation with your goals
- RIAs act as fiduciaries, making decisions with your best interests in mind and disclosing conflicts of interest



¹Cerulli Intermediary Distribution Quantitative Update, Oct. 11, 2011
http://clients.cerulli.com/files/pdf/Cerulli_Intermediary_Distribution_2011_Info_Packet.pdf

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ADV Brochure and Brochure Supplement, outlines the advisor's services, fees, background, and strategies in addition to information on the specific advisor providing financial advice. Before you hire someone to be your advisor, always ask for, and carefully read, both parts of Form ADV. You can find a copy of an investment advisor's most recent Form ADV on the SEC's Investment Advisor Public Disclosure website at www.advisorinfo.sec.gov.

Many RIAs operate as independent business owners.

As entrepreneurs, most independent RIAs have a vested interest in building long-term relationships with satisfied clients. They generally have relationships with a wide network of professionals who have expertise in a variety of areas including accounting, estate planning, and insurance. These networks allow the RIA to design a comprehensive strategy to meet your individual goals and objectives.

Independent RIAs can advise on complex financial needs.

Many independent RIAs specialize in meeting the complex financial needs that often come with significant wealth. Some are experts in trusts and intergenerational planning, while others focus on sophisticated investment strategies for high net worth investors. You can even find an independent RIA with expertise in managing family businesses and building sustainable succession plans. Whatever your needs, you are likely to find the financial advisor that is right for you.

Most independent RIAs work with a third-party custodian.

That means that your assets are held by an independent third-party custodian, such as TD Ameritrade, Inc., and that you will receive regular statements from that custodian detailing every transaction in your account, in addition to any reports that your RIA may send. RIAs that maintain custody of clients' assets, such as when managing a private limited partnership, must obtain an annual audit by a third-party accounting firm to verify client assets and records.



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