



The Benefits of Working with a Registered Investment Advisor (RIA)



Agenda

- What Our Clients Want 2
- What We as RIAs Deliver 4
- The Profile of an RIA 6
- The Profile of a Registered Representative 7
- How We Differ From Registered Representatives 8
- Which Option is Right for You? 10
- Wrap Up 11

What Our Clients Want

An Independent Relationship for the Long-Term

Our clients want a relationship with a financial professional where they know they both are working towards the same goal

Make investment decisions with your best interests in mind



We are a **fee-only**

Registered Investment Advisory firm (RIA)

Our Objective is:

TO HELP YOU ACHIEVE YOUR GOALS

What Our Clients Want

Personalized, Focused Financial Advice

Our clients have chosen to work with us for a number of very important reasons

They want a financial advisor that:

- ✓ Puts their interests first
- ✓ Understands their specific financial situation
- ✓ Offers straightforward advice that reflects their long-term goals
- ✓ Recommends investment solutions that best fit their unique needs
- ✓ Uses a fee structure that encourages unbiased advice

What We as RIAs Deliver

An Independent Relationship for the Long-Term

- Whether we are helping you plan for retirement or save for your children's education, **YOUR** objectives are **OUR** objectives.
 - ✓ As an RIA, it is our fiduciary duty to act in your best interest – we are legally bound to put our clients' interests first
 - ✓ We will take time to understand you and your specific financial situation
 - ✓ We will strive to ensure your needs are being met through a personal relationship and committed pursuit of your investment goals
 - ✓ We will make portfolio recommendations consistent with your objectives



What We as RIAs Deliver

Personalized, Focused Financial Advice

- ✓ We charge for our services based on a percentage of assets managed
 - So its important to us that your investments **continue to grow**
- ✓ We are required to disclose how we are compensated
 - So you can have a clear understanding of our fees
 - The only compensation we receive is directly from you – we do not accept third party income



The Profile of an RIA

Registered Investment Advisor - Independent

Primary Function

- Advice

Compensation

- Typically charge a flat fee for advice and/or a percentage of assets under management

Responsibility to Client

- Fiduciary – RIAs are legally bound to serve the interest of their clients

Regulation

- RIAs are either overseen by the Securities and Exchange Commission (SEC) or by state regulatory agencies

The Profile of a Registered Representative

Typically an Employee/Contractor of a Broker-Dealer Firm

Broker-Dealers are primarily in the business of buying and selling securities for their clients

Primary Function

- Facilitate securities purchase and sale transactions for their clients.

Compensation

- Usually commission-based

Responsibility to Client

- Ensure investment recommendations are suitable for client and provide best execution of client orders

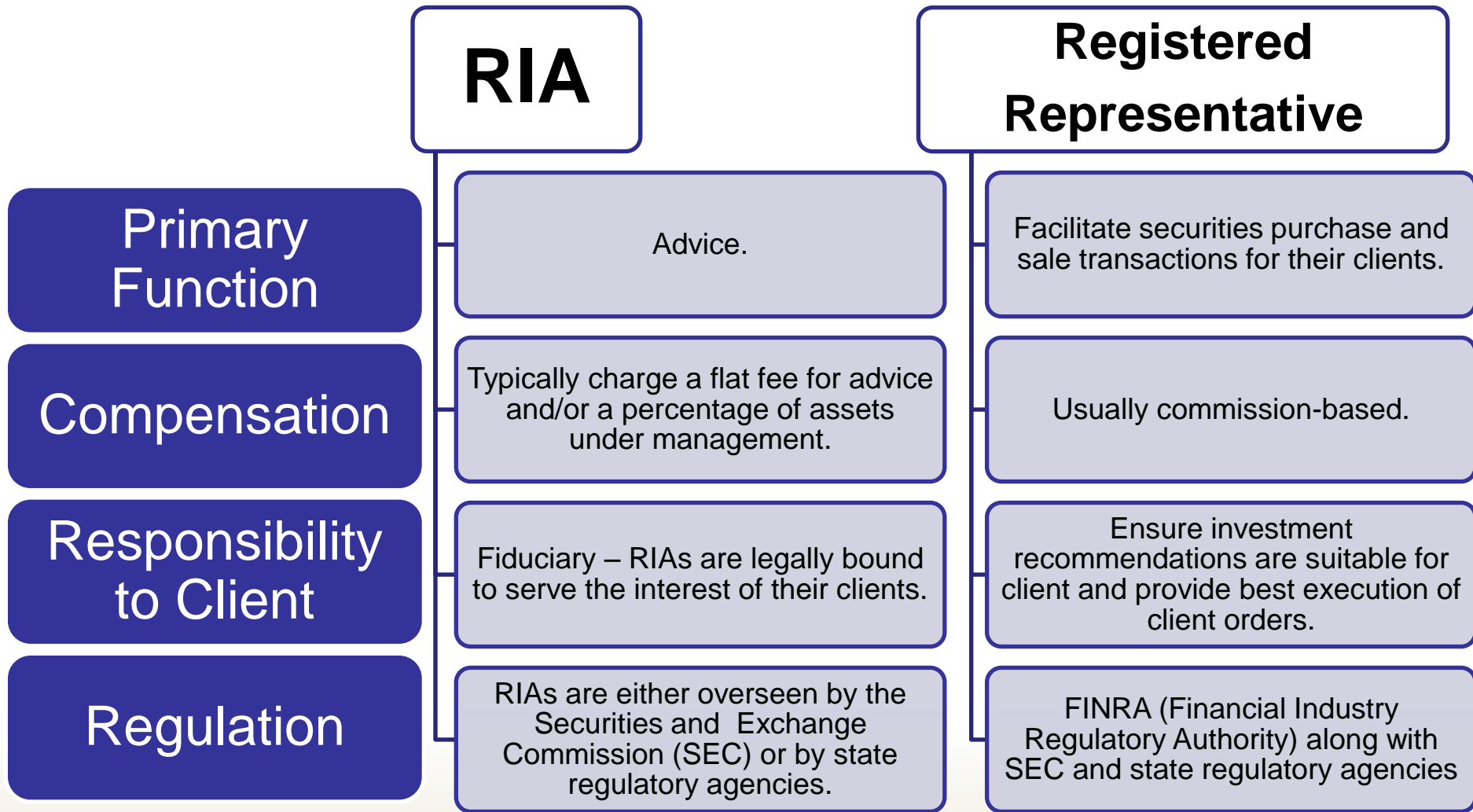
Regulation

- FINRA (Financial Industry Regulatory Authority) along with SEC and state regulatory agencies

*Only 8 percent of those individuals interviewed with household income of \$75K or more feel a broker-dealer is most likely to provide them with the best advice,**

*Survey, "Most Would Turn to Independent Financial Advisors During This Difficult Time", conducted September 11 to 14, 2008 by Opinion Research Corporation.

How We Differ from Registered Representatives



How We Differ from Registered Representatives

RIAs and Registered Representatives are Very Different

Some people think Registered Representatives are similar to RIAs, but:

- They are usually compensated by commissions on product transactions
- Typically not held to a fiduciary standard
 - When making a recommendation, held to “suitability standards”
- Suitability standards say they can recommend certain securities or investments if they believe they are *suitable* for a particular investor
 - But they are not required to put your *best* interest first

Which Option Is Right for You?

Questions You Should Ask Yourself

What am I looking for — assistance with buying/selling individual securities, investment advice, or both?

How do I want to pay my financial professional? Fees? Commissions?



Do I want to take a longer-term, holistic approach to management of my investments or make it more transaction oriented?

How important is it that my financial professional have a fiduciary responsibility to put my interests first?

*60 percent of individuals surveyed said they are more comfortable receiving financial advice from someone who is paid a flat fee or percentage of assets versus 23 percent for a person who is paid on commission for products they sell.**

*Survey, "Most Would Turn to Independent Financial Advisors During This Difficult Time", conducted September 11 to 14, 2008 by Opinion Research Corporation.

Wrap-Up

- Alternatives can be confusing
- Know what you want and need
- Understand the different advice options
- Choose the one that best suits your objectives

For more information about RIAs, visit:

www.sec.gov/divisions/investment/advoverview.htm

or

www.sec.gov/divisions/investment.shtml