



Comparing Brokerage and Advisory Accounts

Deciding if a brokerage account or an advisory account is right for you is an important investment decision. Below are characteristics of when each may make sense, along with a summary comparison of these points to help you determine which is best for you.

A brokerage account is more suitable for clients who:

- Prefer to make investment decisions themselves and need a broker to execute the orders
- Prefer to have only occasional advice or recommendations of specific investments and make the final decision on whether to act on a recommendation
- Plan to buy a few securities and implement a buy-and-hold strategy over a longer period of time
- Prefer to pay per transaction
- Like the freedom to use margin, trade options, etc.

An advisory account is more suitable for clients who:

- Want or need advice and guidance when making investment decisions
- Want to turn over the day-to-day investment decisions to an investment professional
- Want to follow a disciplined investment strategy
- Want to engage a financial advisor as a fiduciary with a duty to provide ongoing investment services.
- Desire a portfolio with numerous securities, with frequent transactions or rebalancing
- Wish to work with a financial advisor where the fee is consistent and not tied to the number or type of transactions
- Would like access to third party money managers.
- Would like access to services such as performance reporting, ongoing investment advice and portfolio monitoring, or general administrative services.

Summary Comparison Brokerage vs. Advisory

| Brokerage | Advisory |
|--|--|
| Best Interest Standard and/or Suitability Standard | Fiduciary Standard |
| Advice and guidance on investment decisions not always needed | Ongoing desire for advice and guidance when making investment decisions |
| Want the final say on investment decisions | Willing to delegate ultimate investment decision |
| Transaction-based charges (commissions, mark-ups, loads) | Asset-based quarterly fee |
| Desire to employ a long-term buy and hold strategy | Regular rebalancing |
| Maintain flexibility in investment strategy decisions | Desire to follow a disciplined investment strategy |
| Services provided, as suitable | Advisory Agreement defines services provided for fee charged |
| Desire execution of unsolicited trades | Investment advice and enhanced services provided by Advisor |
| Want to perform the day-to-day management of your account with assistance from Advisor | Willing to turn over day-to-day management to professional portfolio manager |