

# Registered Investment Advisors vs. Broker-Dealers



## Understanding the investment advisory space and making the right decision for your family

### Registered Investment Advisors vs. Broker-Dealers

Before choosing a financial partner to help grow and protect your wealth, it's crucial to learn the main differences between the various types of advisors so you can choose the approach that fits you best. The two most common options are Broker-dealers and Registered Investment Advisors (RIAs).

- 1. Broker-dealer:** An intermediary of investment transactions who buys and sells investments on your behalf.
- 2. RIA:** An investment advisor who provides guidance on the best products and solutions that align with your preferences, objectives, and values .

The primary differences between broker-dealers and RIAs lie in two areas: their level of fiduciary responsibility (i.e. putting the client's interests first) and their fee structure.

	Broker-Dealer	RIA
<b>Fiduciary Responsibility</b>	Normally registered with FINRA, which means they are required to provide suitable recommendations based on a client's needs but are <i>not required</i> to put their client's best interests first.	Regulated by the SEC and bound by fiduciary responsibility, which means they are held to a higher standard and are legally required to put their clients' best interests ahead of their own
<b>Fee Structure</b>	Typically compensated for each transaction, potentially leading to recommended products that generate higher commissions. Can also be compensated as a percentage of assets under management.	Exclusively compensated based on the amount of assets under their management, creating mutual incentive to grow their client's wealth.
<b>Custodian</b> (where assets are held)	Varies between institutions	Typically an RIA will use Fidelity*, Apex or Charles Schwab to hold customers' assets and securities for safekeeping.
<b>Protecting Your Assets</b>	Protected under SIPC (Securities Investor Protection Corporation) <a href="http://www.sipc.org">www.sipc.org</a>	Protected under SIPC (Securities Investor Protection Corporation) <a href="http://www.sipc.org">www.sipc.org</a>

\* Stableford is currently partnered with Fidelity who is responsible for over 2.13 Trillion dollars in assets under management (2016)

For more information on the value of working with a straightforward, yet sophisticated investment advisor who can provide you and your family with peace of mind, visit [StablefordCapital.com](http://StablefordCapital.com).



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