



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

*A Fiduciary Standard applies to retirement & ESA accounts