

5

Five key benefits of
independent financial advisors >



The right investment
advisor does what's
right for you.

What is an independent financial advisor?

Independent registered investment advisors (RIAs) are professional independent advisory firms that provide personalized financial advice to their clients, many of whom have complex financial needs.

Because these advisors are independent, they are not tied to any particular family of funds or investment products.

As fiduciaries, they are held to the highest standard of care—and are required to act in the best interests of their clients at all times.

They are registered with either the Securities and Exchange Commission or state securities regulators.

Why does it matter if your advisor is independent?

Many independent advisory firms are owned by the individual advisors who run them, so they forge deep, personal relationships and have a strong sense of accountability to their clients.

As one of the fastest-growing areas within the financial services industry, independent advisors have increased their assets managed by more than 16% year over year since 2009. Within in the next two years (2022-2023), independent advisors will control 16.3% asset marketshare alone.²

1 Customized guidance based on your entire financial picture

Independent advisors are not tied to any particular family of funds or investment products. So whether you need help with retirement planning, a tax situation, estate planning, or managing assets at multiple places, independent advisors have the freedom to choose from a wide range of investment options in order to tailor their advice based on what's best for you.

2 A relationship that's responsive, attentive, and personal

To offer advice closely aligned with your goals, independent advisors must first build a strong understanding of your situation. As a result, many independent advisors focus on building deep relationships with their clients. This often takes regular, ongoing interactions. And because many of these advisors are entrepreneurial business owners, they hold themselves personally accountable to their clients.

3 A fee structure that is simple and transparent

Independent advisors typically charge a fee based on a percentage of assets managed. This fee structure is simple, transparent, and easy to understand. It also gives your advisor an incentive to help grow your assets. When you succeed, your advisor succeeds.

4 A high level of expertise to support your complex financial needs

Independent advisors can help investors address the variety of complex investment needs that arise when you accumulate significant wealth. While specific services vary from firm to firm, they are often described as financial “quarterbacks” focused on your holistic financial picture. Some advisors are specialists in certain investment strategies. Others can assist you with comprehensive services, such as estate planning or borrowing, the sale of a business, complicated tax situations, trusts, and intergenerational wealth transfer.

5 Your money is held by an independent custodian, not the advisor firm

Independent advisors use independent custodians, like Charles Schwab and others, to hold and safeguard clients' assets. For many investors, this provides a reassuring system of checks and balances—your money is not held by the same person who advises you about how to invest it. Charles Schwab has provided custodial services to independent financial advisors for over 30 years. We are proud to support over 13,000 of these firms and the important work they do for their clients.

Visit FindYourIndependentAdvisor.com for more information.

¹Registration does not imply a certain level of skill or training.

²Cerulli, US RIA Marketplace 2020 report.

