RiA STANDS FOR YOU.

Discover the difference with a Registered Investment Advisor.

A different kind of relationship.

Independent registered investment advisors provide a variety of services to their clients.

This is a series of three hypothetical scenarios that demonstrate how independent registered investment advisors might work with investors to provide tailored solutions to their complex financial needs.

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Number one in a series of hypothetical scenarios.

Investing in your goals.

Dave and Margo Smith's finances had become increasingly complex. Both in their late 40s, they had two young daughters to raise and educate as well as their own careers to consider. And when a major life event left them an inherited property, they realized they needed help.

Dave's dad had died around New Year's, leaving him the valuable summerhouse on Block Island his parents had bought in the late 1960s. Dave also knew that this year his options from the Boston-based tech firm where he'd risen to SVP of product management would vest and become his to sell or keep. They needed smart advice about how to make these new assets work in an overall financial life plan—from someone who was an expert at handling complex needs like theirs. And they wanted to clearly understand how they would pay for that advice and ongoing investment management.

Dave and Margo made an appointment with Peter Hughes, a professional associated with a local registered investment advisory firm with whom Margo served on a community arts council. At their first meeting, Peter listened intently as they discussed their financial questions and concerns. How would the new property affect their tax strategy? Would the custodial accounts they'd opened in the kids' names be adequate to meet future college tuitions? What approach would make the most of Dave's options over the long term? Peter asked questions of his own, too, finding out that one of Margo's goals was to leave her consulting job in a few years and become a teacher.

Dave and Margo felt they'd found in Peter someone who could do more for them, who understood their complex questions and who would be available when they needed him. They were glad to hear his firm was registered with the SEC. He told them that his fee would be a percentage of the assets he'd manage for them, so they would know exactly what they were paying. They liked that the arrangement gave him a shared interest in the success of their investments.

Investors with complex needs are increasingly seeking out independent advice—and one way to assure you're getting independent advice is to work with an independent registered investment advisor (RIA). Benefits of working with an independent RIA include:

Getting advice based on what's best for you: Most independent RIAs pride themselves on strong personal interaction and dedication to your needs. They often have a wide range of solutions and investments to tailor to your needs.

Understanding exactly what you're paying for: Independent RIAs often charge a fee based on assets they manage for you—if they help grow your portfolio, you succeed, and so do they.

Getting advice for your complex needs: Given the rich diversity of specialization throughout the industry, no matter how complex your individual needs, you will likely find an independent RIA who can provide advice that's right for you.

Enjoying a different kind of relationship: The goal of an RIA is to help find solutions that are closely aligned with client needs and objectives, and many independent RIAs enjoy a deep, personal relationship with their clients. This often takes regular, ongoing interactions. And because many independent RIAs are entrepreneurial business owners, the buck stops with them, so to speak, and they frequently have a strong sense of personal accountability to their clients.

Knowing where your money is held: RIAs typically use institutional custodians—generally large brokerage firms or banks—to hold and safeguard their clients' stocks, mutual funds and other assets. These custodians also provide important infrastructure services such as executing trades and preparing monthly brokerage statements for clients. This helps an RIA focus on understanding your needs and providing the best advice possible.

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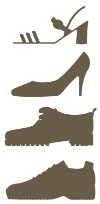
Over the following week, Peter worked up a customized plan for the couple and gave them a copy. First, he advised Dave on how to handle the stock he would get from exercising his options. Since the family's finances were heavily concentrated in the technology industry, Peter reviewed their fund holdings and recommended a diversification plan. He also let them know their assets would be safeguarded at an institutional custodian, a firm Peter used to custody stocks, mutual funds and other assets for his clients.

He outlined specifics for renting the summerhouse, letting them know how tax laws could allow them to deduct a portion of the upkeep, depreciation and insurance costs. Dave was relieved to know that by holding on to the house, they didn't have to worry about the huge tax implications of the cost basis between what his parents had paid to buy it and what it would fetch today. For the kids' college savings, Peter suggested they immediately open 529 plans for their daughters, pointing out the potential tax advantage these would give them.

As they worked together, Dave and Margo felt confident Peter could guide them through future complex decisions and help them achieve their life goals.

This is a fictional situation. Neither the investors nor the advisor are real. The description of independent registered investment advisors is for general information purposes only and does not necessarily reflect the services offered by any particular advisor. Advisors' services, investment strategies and conditions for accepting accounts may vary.

Number two in a series of hypothetical scenarios.



Investment advice that fits.

For most of their married life together, Bob and Delores Bordes had no trouble talking about money matters. It was a necessity for them since Bob, at 55, owned a small lumberyard and land development business, and so much of the family's fortunes rose or fell with the pace of the housing market. Delores, 53, contributed a comfortable base of income and benefits from her job in advertising, but Bob's business was where they made most of the money they put towards their savings.

Lately, though, they'd been having more heated discussions, and Delores thought she knew why. Before, most of their decisions were based on whether to spend on certain luxuries or save money. They had similar goals and tastes, owning their townhouse on Lake Shore Drive in Chicago and enjoying sailing on the lake in the summer—and their view of the water in the winter. But now their son was ready to start running the company, and Bob wanted them to retire by the time they were both 60. They were facing money and life decisions that were far more complex.

They asked other small business owners for referrals to a professional planner, someone who had lots of experience working with family-owned business-succession issues. Also important to them was finding someone willing to spend the ongoing one-on-one time they felt was necessary to find solutions that fit their unique situation.

They found Lilly Beckman, a registered investment advisor who specialized in financial matters for family business owners. When they met her over lunch, she emphasized that she was a small business owner, too, and that as an entrepreneur she felt a strong sense of personal accountability to her clients. Bob and Delores talked from salad through dessert about their complex needs, and felt confident from Lilly's conversation that she understood the myriad decisions they had to make about their retirement.

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After meeting with Lilly, Bob and Delores chatted easily about their financial future for the first time in months. They continued to meet with her over the next several months, developing their goals. Lilly wanted to concentrate on defining the structure of their son's succession first, since the way the transfer occurred would determine other financial moves they might make. Lilly told them how tax rules allowed them to gift a portion of the business tax-free to their son, and then additional amounts each year after that. They could also create a family limited partnership to transfer part of the business to their son while still holding the operational reins, or have him pay them in a series of installments funded by the profits from the business. Whatever they decided, a written succession plan was their first immediate goal.

She also encouraged Bob to think about setting up a sole proprietor 401(k), outlining the advantageous yearly contribution ceiling this could bring him. She advised them to look at purchasing long-term care insurance, a necessity for their financial plan, and to consider trusts that could protect a part of their assets from taxes should one of them die. And in looking at warmer places to live in retirement, she pointed out which states had low or no state income tax—which would allow them to keep more of the relatively high annual income they would have—as well as those which honored the federal government's estate tax exemption.

Lilly felt she'd been able to make a real difference for Bob and Delores, providing expertise that would allow them to achieve their goals. And with a written plan in place and Lilly to guide them, Bob and Delores felt secure about what the future would bring.

Number three in a series of hypothetical scenarios.

Retiring forward into a new life.

Steven Whitehead started to realize how complicated his feelings about retirement were when he received notice from his employer, a large global oil company based in Texas, that it would be offering sizable early retirement packages to those in upper management who might want it. Financially, it would be a smart move for him, adding to an already impressive pension plan, a well-funded IRA and 25 years' worth of vested company stock awards. But emotionally, thinking about life without work chilled him.

He decided to ask the advice of a man he remembered from his college years at Rice University, James Nitsch, who had become a registered independent advisor with a firm in Houston. James was happy to hear from him. He offered to drive down to Steven's office so they could talk.

Steven felt a real connection with James as he shared the story of his wife's death only two years before. Since then, he hadn't wanted to think about retirement—he had never even made out a will or health care directive, although he worried about the possibility of leaving his two grown daughters and their young families with difficult decisions. But when his company's memo came, he knew he had to make a positive change.

In his career as an independent financial advisor, James had handled the affairs of many executives, so he was no stranger to the process that Steven would have to go through. He cautioned Steven to not only think about his specific finances, but also to focus on what he wanted to do with his life after work. Did he want to consult and keep his hand in the oil business, or would he be happier devoting his time to family and pursuing new goals? Steven had always been an adventurer at heart, mountaineering in Europe and the American West as often as his schedule had allowed. James urged Steven to take time to conceptualize his goals. Later, they'd talk about how to fund Steven's vision.

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As Steven thought about his future, James worked on developing a financial plan. They continued to meet and share concerns and ideas, forming a close relationship as they did so. James knew that a top priority of Steven's estate planning would be to get a will created right away, for his client's protection. James also showed Steven how factors like return and inflation might determine the amount he could withdraw from his pension and IRA each year. Both of Steven's parents had lived into their late 80s, so he might need to make his assets last another 30 years.

Other considerations James outlined in the written plan he prepared for Steven included the cost of medical benefits in his early retirement years and expenditures for long-term care insurance. He also recommended a plan for Steven to diversify his holdings in his company's stock. And since one of Steven's goals was to help pay for his grandkids' college educations, James showed him how gifting allowances for college savings accounts called 529s could let him begin with substantial amounts right away.

As their relationship evolved, Steven felt he was getting long-term guidance to help him with complex decisions about his future. He'd decided to spend more time outdoors—hoping to summit Mt. Rainier in time and maybe even take his grandchildren with him. For James, there was satisfaction in helping Steven develop his "life plan"—and in knowing that he would be there for him along the way.

Visit www.riastandsforyou.com for more information.

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