

Investment Advisers

Although most people would use an "o," we purposely spell adviser with an "e" when we talk about investment advisers. That's because the laws that govern this type of investment professional spell the title this way.

Many investment advisers are also brokers—but these two types of investment professional aren't the same. So as you choose among different professionals, here's what you need to know about **investment advisers**.

- > **What they are:** An investment adviser is an individual or company who is paid for providing advice about securities to their clients. Although the terms sound similar, investment advisers are not the same as financial advisors and should not be confused. The term financial advisor is a generic term that usually refers to a broker (or, to use the technical term, a registered representative). By contrast, the term investment adviser is a legal term that refers to an individual or company that is registered as such with either the Securities and Exchange Commission or a state securities regulator. Common names for investment advisers include asset managers, investment counselors, investment managers, portfolio managers, and wealth managers. Investment adviser representatives are individuals who work for and give advice on behalf of registered investment advisers.
- > **Who regulates them:** The SEC regulates investment advisers who manage \$110 million or more in client assets. Advisers who manage less are regulated by the securities regulator for the state where the adviser has its principal place of business. Because they primarily engage in the buying and selling of securities, broker-dealers and registered representatives typically do not have to register as investment advisers. But some do, which is why it is so important to find out exactly which services a professional who wears multiple hats will provide for you and what they will charge for their services. You can get background information on both SEC- and state-registered investment advisers by using [FINRA BrokerCheck](#) or calling us toll-free (800) 289-9999. You can also get background information by visiting the SEC's [Investment Adviser Public Disclosure database](#).
- > **What they offer:** In addition to providing individually tailored investment advice, some investment advisers manage investment portfolios. Others may offer financial planning services or, if they are properly licensed, brokerage services (such as buying or selling stock or bonds)—or some combination of all these services.