

	Brokerage	Advisory
Level of contact	Less frequent contact, usually initiated by the client	High level of contact, usually initiated by the advisor
Compensation structure	Commission paid on every transaction	Regularly paid fees, either as a flat fee or, more commonly, as a percentage of assets under management
Products & Services	Exchange traded securities, such as stocks, mutual funds, bonds, etc., some private placement products	A wide range of securities, products and services based on the advisory program selected; the client receives regular and ongoing investment advice
Client Involvement	Mid- to high-level client involvement, depending on amount of trading the client wants to pursue: a buy-and-hold client might have mid-level involvement, usually initiating occasional account reallocations; an actively trading client might have a high level of involvement in stock selection and portfolio reallocations	Relatively high level of client involvement in order to develop a comprehensive financial strategy that provides ongoing advice as the financial markets and client's circumstances change over time