



# **Roles and Responsibilities of a Broker/Dealer**

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## A Broker/Dealer (B/D) Performs Dual Roles

- 1) As a broker, the b/d will focus on the needs of clients of the firm.....initiating transactions on behalf of clients' accounts
- 2) As a dealer, the b/d will act on behalf of the brokerage firm.....initialing transactions that involve the firm's account

## The B/D and your Broker (Advisor)

A broker/dealer is a firm that oversees the activities of the investment professional (your broker) that handles your account.

A broker/dealer is charged with oversight from the SEC and FINRA to ensure their clients' (your) best interests are being served.

# Broker (Advisor) & Public Entity Decision-Making

This is an ongoing joint effort.....and is based on,

Preservation of principal

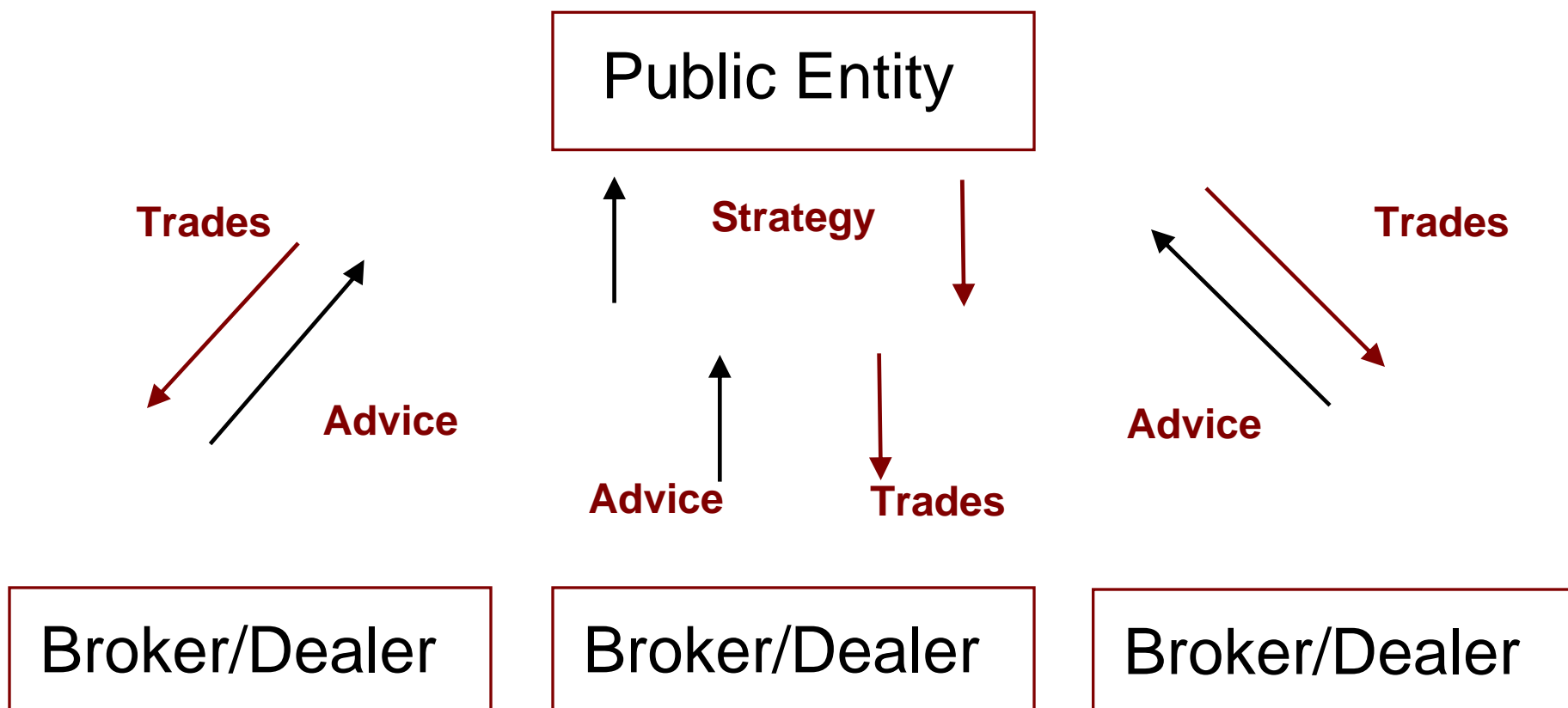
Investment Policy, the basis for portfolio selection

Cash flow and budget considerations

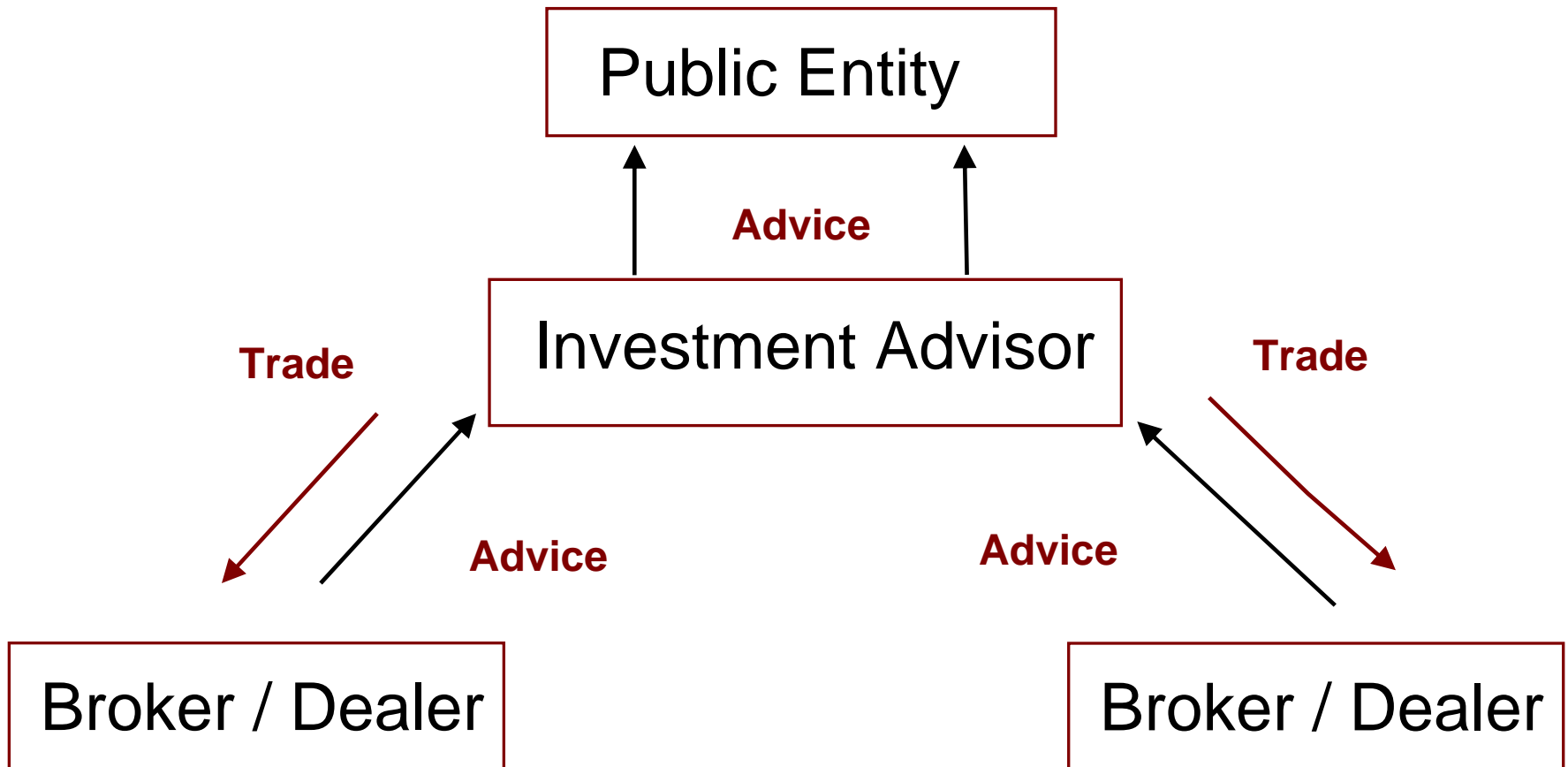
Risk Tolerance and Management

Strategy

## B/D Advisor to Public Entity Diagram



# Investment Advisor to Public Entity Diagram



# What to look for in your Broker (Advisor)

Experience in public funds investing

Competitive Pricing

Independent Thinking

Market Knowledge

Strategic & Tactical Ideas

Willingness to educate you

# What to look for in your Broker/Dealer

Analytical Tools

Credit Analysis

Economic Research

Fixed Income Research

Trade Execution and Clearance



# B/D or Investment Advisor? Relevant Factors

Active or Passive Management

Staffing and Systems in place for internal management

Value-added return for the additional cost of fee-based management

Accountable regardless of whether internal or external management of your portfolio

We are in this together; keep the dialogue alive.

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