Frequently Asked Questions

What is an RIA firm?

RIA (Registered Investment Advisor) refers to a firm in the business of managing investments or giving investment or financial planning advice. An individual who works for an RIA is known as an Investment Advisor Representative (IAR). Depending on an RIA's assets under management, the firm is required to register with either the US Securities and Exchange Commission (SEC) or with a state's securities division. Wallick Investments is registered with the South Carolina Attorney General's Office and licensed in North Carolina as well. Wallick Investments, LLC is an RIA firm specializing in building, implementing and managing investment portfolios with integrity and professional excellence.

How is an RIA different from a brokerage firm?

RIAs are paid a percentage of the value of the assets they manage for clients, an hourly fee or a fixed fee. A brokerage firm is usually paid by commissions for trades and transfer payments from mutual funds and/or insurance companies based on the products sold. For additional information concerning Wallick Investments' fees, please see page 23. Instead of legally adhering to the same "suitability" standard a brokerage firm and its financial advisors must uphold, an RIA and its IARs must adhere to a fiduciary standard of care laid out in the US Investment Advisers Act of 1940. This stricter standard requires an RIA to provide additional transparency and its employees must act and serve a client's best interests with the intent to eliminate, or at least to expose, all potential conflicts of interest which might incline an investment advisor consciously or unconsciously— to render advice which is not in the best interest of the client. For additional information about the fiduciary standard, see our inside back cover.

Are our accounts safe?

Wallick Investments, LLC and our custodian(s) have established policies and procedures and take significant precautions in order to protect ourselves and our clients against data theft. These precautions include equipping all computers with firewalls and security software, avoiding the use of wireless internet connections when possible, using Secure Socket Layer (SSL) technology encryption, restricting access to information, not releasing information to any outside parties not legally requiring such information and maintaining all client files in locked and fireproof safes. Clients also have protection against custodian financial collapse through Securities Investor Protection Corporation (SIPC) insurance and additional account protection through underwriters at Lloyd's of London.

Separate Accounts vs. Mutual Funds

A mutual fund is a pooled account. Many investors own a portion of one fund. When the fund manager makes a change, it affects all the investors. When investors buy or sell large quantities of a fund, it forces the manager to make large purchases or sales of securities he may not believe is best for the fund. The manager earns a fee for managing the fund and because most mutual funds are sold through a financial advisor, the advisor and their firm also receive compensation. This is usually accomplished through an advisory fee, a load (an up-front mutual fund fee) or increased management fees which are shared with the advisor and their firm.
With separate accounts, investors own a portfolio of securities which are individually managed by the portfolio manager. The manager has the ability to make changes to individual accounts without affecting other clients' accounts. The manager earns a fee for managing the accounts. If there is an outside advisor involved, they also receive compensation, usually in the form of an advisory fee.