

Choose Your Custodian Wisely: A Checklist for RIAs

> What to look for and how to know which custodian is best for you

Of all the business decisions you make, choosing a custodian is one of the most important. Partnering with the wrong custodian can be detrimental to both you and your clients. So, it is essential to choose your custodian wisely. Fortunately, due diligence can empower you to make an informed decision and ultimately find the perfect custodian to support the success of your business. This checklist will help you through the process.

Preparing to Use the Checklist

The answer to “Which custodian is best for my business?” is different for every RIA. Before you begin using the checklist to evaluate custodians, answer the following questions to better identify your needs. Your answers will create a blueprint for the type of custodian you need.

**1. How small or large is your RIA?
What is your AUM?**

2. Who are your clients?

**3. What types of assets do your
clients hold?**

**4. What types of accounts do
your clients currently have and
potentially need?**

5. What services do you currently provide clients?

6. Are there additional services you would like to provide?

7. What are your goals for your business in the next year? Two years? Five years?

8. What are the biggest challenges facing your firm today?

Evaluating Custodians: The Checklist for RIAs

Use this checklist to measure how well a potential custodian can deliver the support you need. Check the box next to each deliverable a custodian meets.

Note: The more deliverables a custodian meets, the better aligned it is with your RIA.

Comprehensive Custody and Clearing Services

While many custodians offer similar services, the innovators offer flexible and customizable custody and clearing solutions. A prospective custodian should demonstrate flexibility and be able to offer tailored essential custodial services that are designed to empower the success of your business.

This custodian offers:

- Works with other RIAs that are similar in size to your firm.
- Provides consistent support that is not contingent on your business hitting aggressive growth goals.
- Provides the same exceptional service to every RIA, regardless of size. Does not expect smaller RIAs to accept a lower quality of service.
- Has scalable solutions that will fit the long-term needs of your business.
- Offers products that fit what your clients need (based on their assets and accounts) and the custodial experience you want to give them.

A Relationship-Based Service Culture

The culture surrounding your custodial relationship can either make you feel supported or leave you feeling disappointed. Knowing you personally, understanding your business and goals, and providing personalized attention are ways a custodian can create a service-oriented culture.

Flexible Investment Solutions

Whether you primarily serve clients whose investment accounts are small and simple, or you work with clients that have more complex accounts, you are the expert on your clients' investment needs. Therefore, it is up to you to choose a custodian that offers investment products that are appropriate for both your clients' current and future needs.

Integrated Banking Products

Integrated custodial and banking solutions make it possible to give your clients the all-around financial support they are now demanding. Consider choosing a custodian that offers both consumer banking products for your clients, as well as banking solutions for your business.

Innovative Technology

Your custodian's technology platform impacts the efficiency and accuracy of the services you provide to your clients. Ideally, a custodian will offer innovative technology and a reliable open-architecture platform that supports integration across everything from trading, to reporting, to practice management.

This custodian:

- Holds deep discovery meetings with every RIA to learn about the needs and business goals of each firm.
- Gives you direct access to a relationship manager (or team) that knows you personally, so you don't have to go through a call center when you need assistance.
- Maintains relationships through face-to-face meetings and regular communication.
- Does not have its own internal advisors that compete with RIAs for clients.

This custodian offers:

- Support with simple investment products such as exchange traded funds, equities, and bonds.
- End-to-end processing of alternative investments such as hedge funds, private equity, non-traded real estate investment trusts, managed futures and limited partnerships.

This custodian offers:

- Access to traditional banking products that can be offered to clients as part of a holistic financial experience. For example, this may include high yield checking accounts, savings accounts, bill pay services and everything in between.
- Access to services that are not widely available through all banks — such as portfolio-based mortgages and jumbo loans.
- RIA lending (succession lending, merger lending, acquisition lending) to support your business needs.

This custodian offers:

- Robust investment management and trading tools with analytics from leading data providers, sophisticated order execution features and post-trade processing applications that are easy to use and reliable.
- An open-architecture technology platform.
- Integration with your preferred third-party technologies.
- Training and personalized user support for all software and systems.
- A digital advice platform with resources to help better service clients and drive business growth.

Business Development, Management and Marketing

Your goals and business will change over time. Whatever goals you have now and in the future, your custodian should help you implement strategies to achieve them.

This custodian:

- Business startup services and support for emerging RIAs.
- Transition services to guide you through mergers, acquisitions, and other major business changes.
- Access to in-house consultants that can assist with operational improvements such as workflow enhancement and efficiency improvement.
- Ongoing learning opportunities via monthly calls, access to research, and industry trend updates.
- Compliance tools and regulatory guidance.
- Marketing services to help attract new clients and support business growth.

Flexible Pricing

Cost is an important consideration when choosing a custodian. Low pricing is appealing, but don't overlook the other aspects of a custodian's pricing structure.

This custodian offers:

- A transparent pricing structure that is clearly defined and easy to understand.
- Flexible pricing options that fit your firm now and give you the ability to make changes in the future.

Learn More

This checklist is a starting point to help you find the custodian that best fits your business. For more suggestions on how to choose a custodian, or to learn about Axos Clearing and its offerings, [book a free consult](#).

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