

## **What is the fiduciary standard?**

The fiduciary standard was established as part of the Investment Advisers Act of 1940 and states that the advisor must place the client's best interest before his or her own. For instance, faced with two identical investments, but with different fees, an advisor under the fiduciary standard would be compelled to recommend the one with the least cost to the client, even if it meant fewer dollars for the advisor.