

The Value of Outsourcing



Model portfolios offer solutions for advisors looking to outsource some, or all, of their investment responsibilities. By freeing up valuable time, advisors can focus on strategic areas of business development such as client acquisition, financial planning, and other revenue generating activities.



Benefits of Outsourcing



Reduced Liability/Regulatory Risk

Trading:

- maintaining best execution
- avoid front-running situations
- avoid trade errors

SEC Hot Buttons:

- reverse churning
- lowest cost available share class
- 12-B1 fees

Added layer of due diligence/compliance



Added Business Value

Model usage creates:

- streamlined models and processes
- potential higher enterprise value

Ability to develop a succession plan that helps realize the full value of the business



Scalability for Advisor/Practice

Let go of underlying asset management responsibilities and time spent:

- building,
- trading, and
- rebalancing portfolios



Improved Client Experience

Our models offer an elevated client experience that drives:

- loyalty
- longevity
- referrals



Access to Wealthcare's Menu of Model Portfolios

Blueprint for asset allocation and fund selection

- Specialty implementations offer customization
- Low cost options
- Less volatile portfolios

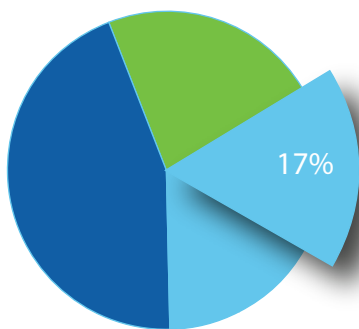
Per a Dimensional Fund Advisor Study, model portfolios have **higher advisor revenue** and **asset growth rate**.

- Top reason cited was to provide practice scalability (77.2%).
- They have **higher AUM** per Advisor (\$131MM vs \$106MM).
- They have **more clients** per Advisor (127 vs. 88).
- They have **higher revenue** per Advisor (\$899k vs. \$709k).
- They have **higher asset growth rates** (26% vs 17%).

84.8%
of Fast Growing
Practices use
Investment Models

Advisor's Time Allocation, 2018

Source: Cerulli Associates



Core Activities

- 20% Client meetings
- 10% Preparing for client meetings
- 9% Prospecting for new clients
- 5% Professional development

Process-Dependent Activities

- 17% Investment research and trading
- 9% Financial plan creation
- 7% Client service problems

Managerial

- 10% Managing day-to-day operations and administration
- 7% Practice management (e.g. business planning, staff development, marketing)
- 5% Compliance and other

When you outsource your models, you have more time to focus on revenue generating tasks leading to better advisor and client experiences!

Talk to a Wealthcare sales representative today to learn more about creating value in your practice through outsourcing.

Results from Dimensional 2020 US Advisor Benchmarks Study, participating firms with >\$250K annual revenue. 169 firms <25% quartile, 290 firms 25th-75th quartile, 170 firms >75% quartile

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