

# Broadridge Fi360 Solutions Webinar Series

ELIGIBLE FOR CONTINUING EDUCATION CREDIT FROM FI360 AND IWI.  
CFP BOARD ACCEPTANCE PENDING



Advyzon Investment  
Management

---

# The Operational, Fiduciary, and Cost Implications Of Partnering With A TAMP

4.28.2022

Brian Huckstep, CFP®, CFA – CIO Advyzon Investment Management

Meghan Holmes - COO Advyzon Investment Management

## Learning objectives –

- Understand what a Turnkey Asset Management Program (TAMP) is and how it works
- Review factors that help you decide whether partnering with a TAMP might be right for your firm and for your clients
- Recognize which processes can be outsourced to a TAMP and which cannot
- Understand how to appropriately select and monitor a TAMP provider

# Advisor Growth Barriers

17%

Average expected  
annual net new asset  
growth rate over the  
next 5 years. [1]

1.  
Balancing time & priorities
2.  
Finding, developing, and  
retaining talent
3.  
Creating operational  
efficiency [2]

# Advice Value Stack [3]



# Service Expansion

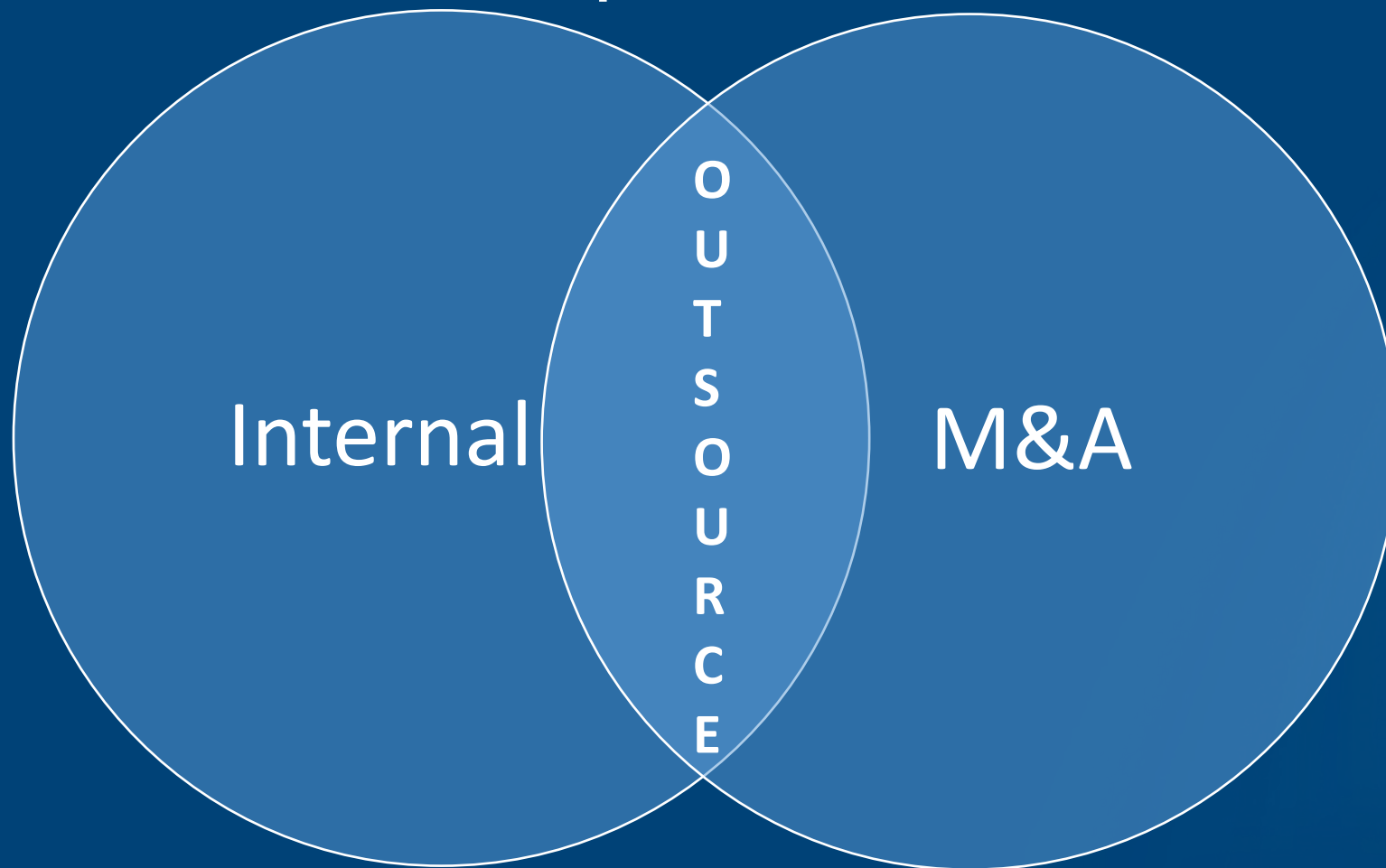
Schwab's 2021 Benchmarking Study[4] showed ongoing increases in specialized services such as:

- Tax planning and strategy
- Estate planning
- Charitable planning
- Family education

A 2022 study from Cerulli [5] found the top three areas of expected expansion are:

- Trust services
- Digital advice platforms
- Concierge/lifestyle services

# Options



# What is a TAMP?

## Turnkey Asset Management Program

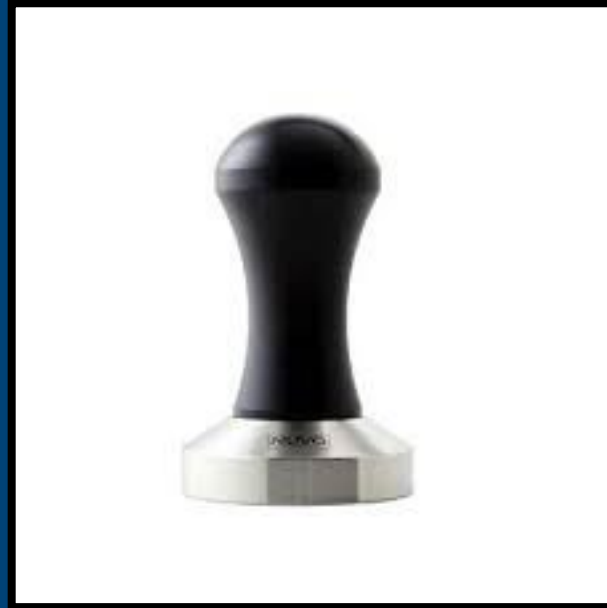
A fee-based platform that provides financial advisers with investment capabilities along with mid and back-office support.

- Investment research
- Portfolio construction
- Trading and rebalancing
- Tax-loss harvesting
- Risk profiling
- Performance reporting
- Billing
- Data reconciliation
- Technology
- Practice Management
- Marketing





Advyzen Investment  
Management



# Top reasons for using a TAMP

1.

Having additional time to serve clients

2.

Ability to offer best-of-breed investment management

3.

Making expenses scalable in the event of a market downturn

4.

Achieving operational cost savings and gaining efficiency [6]

# Programs

Proprietary Models

Third Party Marketplace

Trading

Mutual Fund / ETF Wrap

Traditional SMA

UMA

# Recapture And Repurpose Your Time

Avg Hours Spent Weekly Without A TAMP Partner		Avg Hours Spent Weekly With A TAMP Partner
2	<b>Selecting and reviewing individual funds</b>	0
4	Building and updating fund allocations	0
2	Monitoring portfolio performance	0
4	Producing fund and market commentaries	0
8	Trading	2
n/a	Selecting / monitoring your TAMP partner	2
4	Attracting new clients	8
18	Routine client update meetings / planning	22
4	Running your business - overhead	4
2	Continuing Education	2
48	Average Hours Per Week	40

- Usually represented with a funnel of progressing filters
- Initial quantitative screens whittle the fund list down to a manageable fund count
- Fundamental research includes routinely reading prospectuses, semi-annual updates and commentaries
- Screening is done routinely
- A minority of the funds that are available today were available 20 years ago
- Of the 7,210 mutual funds currently for sale in the US, only 2,734 were available 20 years ago - less than 38%. (\*Source: Morningstar)
- Funds change frequently and your portfolios require frequent preening

# Recapture And Repurpose Your Time

Avg Hours Spent Weekly Without A TAMP Partner		Avg Hours Spent Weekly With A TAMP Partner
2	Selecting and reviewing individual funds	0
<b>4</b>	<b>Building and updating fund allocations</b>	<b>0</b>
2	Monitoring portfolio performance	0
4	Producing fund and market commentaries	0
8	Trading	2
n/a	Selecting / monitoring your TAMP partner	2
4	Attracting new clients	8
18	Routine client update meetings / planning	22
4	Running your business - overhead	4
2	Continuing Education	2
48	Average Hours Per Week	40

- Assembling portfolios into thoughtful asset classes with multiple risk levels can have a very large impact on the success of client portfolios.
- A seminal study by Gary Brinson and Gilbert Beebower found that asset allocation explained over 90% of the variation in returns.
- Entering portfolios into portfolio management systems is time consuming and can be an error prone, manual exercise
- Are you certain that you are using the best share class available to your clients? Is a similar fund available for you to use on a No Transaction Fee list? A TAMP partner can on these tasks for you.

# Recapture And Repurpose Your Time

Avg Hours Spent Weekly Without A TAMP Partner		Avg Hours Spent Weekly With A TAMP Partner
2	Selecting and reviewing individual funds	0
4	Building and updating fund allocations	0
<b>2</b>	<b>Monitoring portfolio performance</b>	<b>0</b>
4	Producing fund and market commentaries	0
8	Trading	2
n/a	Selecting / monitoring your TAMP partner	2
4	Attracting new clients	8
18	Routine client update meetings / planning	22
4	Running your business - overhead	4
2	Continuing Education	2
48	Average Hours Per Week	40

- Your clients depend on you to be able to explain performance and performance attribution when markets move up, move down, or don't move
- Some TAMPs include portfolio performance reporting as part of their deliverable
- Some make research on underlying funds available to share
- Some offer periodic webinars for advisors to hear from portfolio managers, who are also available for questions during and after the webinar.

# Recapture And Repurpose Your Time

Avg Hours Spent Weekly Without A TAMP Partner		Avg Hours Spent Weekly With A TAMP Partner
2	Selecting and reviewing individual funds	0
4	Building and updating fund allocations	0
2	Monitoring portfolio performance	0
<b>4</b>	<b>Producing fund and market commentaries</b>	<b>0</b>
8	Trading	2
n/a	Selecting / monitoring your TAMP partner	2
4	Attracting new clients	8
18	Routine client update meetings / planning	22
4	Running your business - overhead	4
2	Continuing Education	2
48	Average Hours Per Week	40

- Routine communication is important to your clients
- Commentaries that explain drivers of performance and financial headlines can help clients stay the course with their investment policy statement, even when things seem to go off course in the short run
- Doing the macroeconomic research, writing, design work, and compliance review that goes into a quality client-ready pieces can be a full time job in itself

# Recapture And Repurpose Your Time

Avg Hours Spent Weekly Without A TAMP Partner		Avg Hours Spent Weekly With A TAMP Partner
2	Selecting and reviewing individual funds	0
4	Building and updating fund allocations	0
2	Monitoring portfolio performance	0
4	Producing fund and market commentaries	0
<b>8</b>	<b>Trading</b>	<b>2</b>
n/a	Selecting / monitoring your TAMP partner	2
4	Attracting new clients	8
18	Routine client update meetings / planning	22
4	Running your business - overhead	4
2	Continuing Education	2
48	Average Hours Per Week	40

- Trading a few hundred client accounts can be a very stressful and time consuming task
- Doing it manually can be error prone, with dire financial and reputational risks
- Using automated tools can be confusing, as some of them contain many bells and whistles
- TAMPs typically employ teams of highly experienced traders, who are experts with their trading systems
- TAMP trading experts are often experienced at doing block trades and have relationships with ETF providers to get better pricing with “creates” and “redeems” when they have large blocks to trade



# Portfolio Assignment – Fiduciary Responsibility



- Portfolio assignment is the task of helping a client select the best investment strategy and risk level for them. It involves very complex discussions with clients and their families that should not be left to a basic questionnaire or even today's most complex AI.

# Which Accounts Might Be Best To Put On a TAMP

- Accounts that are less complex work well in TAMP portfolios
- Tactical clients can easily switch between portfolios on a TAMPs platform with a few mouse clicks from an advisor
- Younger clients tend to be more homogenous (as investors) than older clients. As people approach retirement, they often have unique situations that require customization
- If you are considering retirement or selling your practice, partnering with a TAMP now can ease the transition process for everyone involved when the transition happens

# Technology



# Billing

How do  
TAMPs bill?

Who pays the  
TAMP fee?



What billing method  
and frequency is  
supported?

Can advisors  
customize their  
fees?

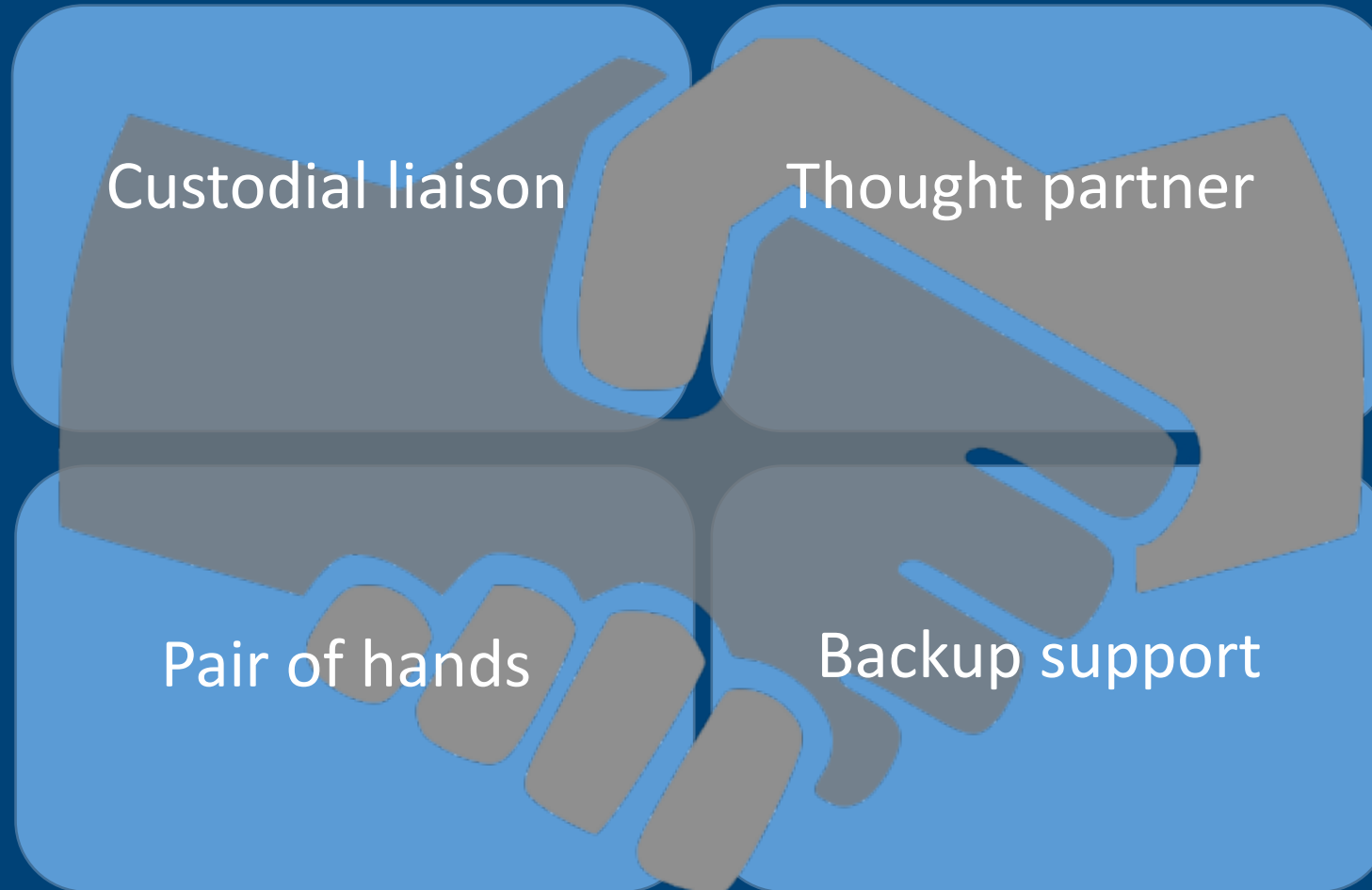
# Talent

Schwab's Independent Advisor Outlook Study <sup>[7]</sup> identified the following as top challenges of talent management:

1. Finding
2. Managing
3. Training and developing
4. Creating a cohesive culture
5. Knowing how to compensate and reward talent



# Service Team Support



# Questions to Consider

Does their investment philosophy align with mine?

Investment  
Philosophy

Service  
Model

Does their service model address my needs?

Will their technology enhance my offering?

Technology

Fees

Can I justify their fees?

What is the risk benefit of partnering with an outsource provider?

Risk  
Transfer

Time  
Savings

How much time will I save by outsourcing some or all of this function?



Advyzon Investment  
Management

# Questions



# Thank you!

**If you would like to contact Advyzon  
Investment Management for additional  
information, please call or email –**

**(844) 340-1898    [sales@advyzonim.com](mailto:sales@advyzonim.com)**

**[www.AdvyzonIM.com](http://www.AdvyzonIM.com)**

# References

- Casperson, Nicole. (2021, February 8). *RIAs leverage TAMP tech the most: Report*. Investment News. <https://www.investmentnews.com/rias-leverage-tamp-tech-the-most-report-202508> [6]
- Cerulli Associates. (2022, March 1). *RIAs Defend Marketshare with Service Expansion*. News. <https://www.cerulli.com/news/rias-defend-marketshare-with-service-expansion> [5]
- Charles Schwab. (2022, January). *Independent Advisor Outlook Study, January 2022*. Research. <https://www.aboutschwab.com/research> [1] [2]
- Charles Schwab. (2021, July). *2021 RIA Benchmarking Study, July 2021*. Research. <https://www.aboutschwab.com/research> [4]
- Slatter, Scott. (2021, December 16). *Maximize the Value of Your Firm; Understanding factors that can influence valuation*. Fidelity Institutional insights. <https://institutional.fidelity.com/app/literature/white-paper/9857852/maximize-the-value-of-your-firm.html> [3]