

Press Release

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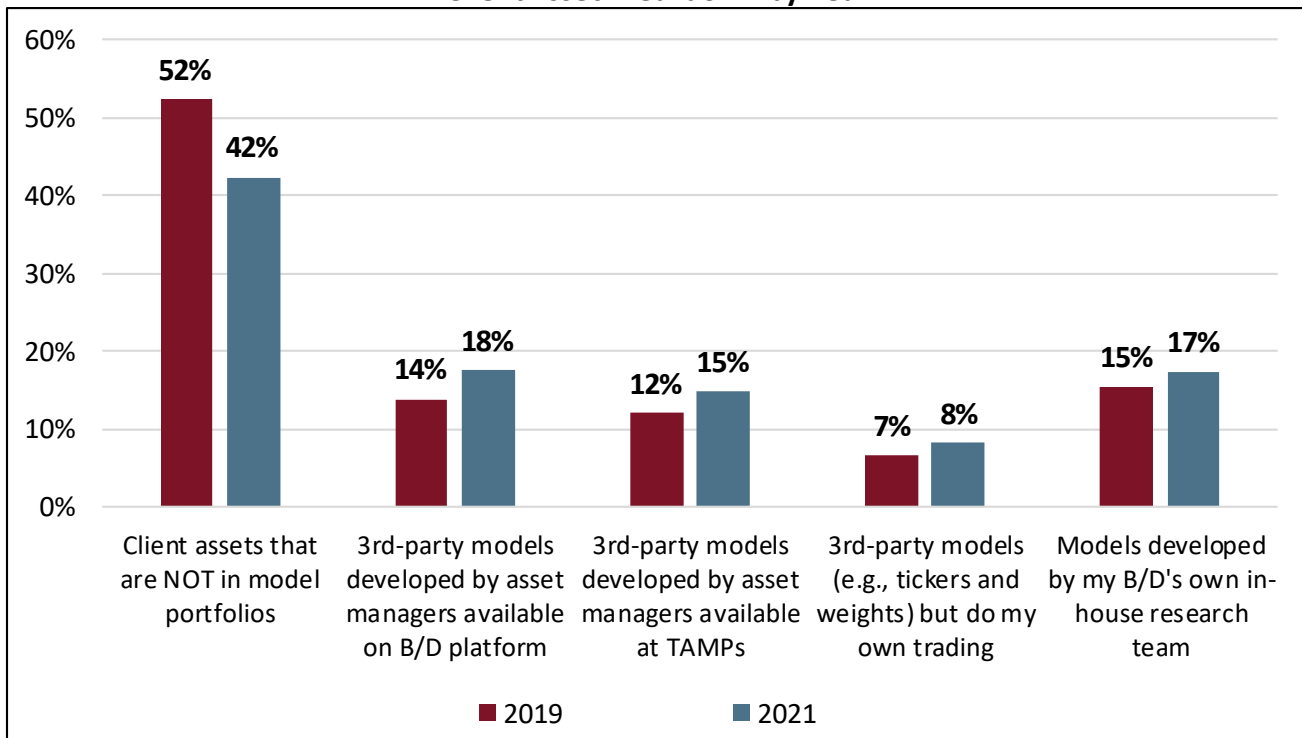
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Third-Party Model Portfolio Use Proliferates among Advisors

October 24, 2019, Needham, MA – The shift to fee-based compensation, growth of advisory platforms and the need for advisors to provide more comprehensive financial planning have fueled the growth of assets in third-party models. According to FUSE Research Network’s latest Advisor Trend Monitor Series Report – *Model Portfolios: The Advisor View*, published in conjunction with WealthManagement.com, advisors expect to allocate nearly one-third of their assets to third-party model portfolios developed by asset managers in the next two years. This heightened interest in and increasing adoption of models by advisors have asset managers rushing to manufacture and/or participate in this emerging trend as models offer a new avenue by which to distribute their investment strategies.

Client Asset Breakdown by Year



Source: FUSE 2019 Model Portfolios: The Advisor View

As Patrick Newcomb, Director of BenchMark Research explains, “The direction is clear: advisors are increasingly using models to support the investment management portion of their practice. By 2021, advisors expect to allocate 18% of client assets to third-party model portfolios developed by asset managers on broker/dealer platforms and another 15% on models available at TAMPs. Given this growing appetite for models, asset managers need to more effectively target advisors who are looking for model portfolios outside of their home-office research team’s offerings.”

In addition to the discussion on client asset breakdown, the report also focuses on why advisors utilize third-party models. “Nearly 40% of advisors believe that models deliver better investment outcomes for their clients,” notes Newcomb. “Advisors also reported outsourcing to model portfolios because they believe their core value to clients is holistic financial planning (17%), they’re easy to implement (14%), and ultimately allows the advisor to efficiently scale their business (11%).”

The FUSE Advisor Trend Monitor Report – *Model Portfolios: The Advisor View* examines the following topics: advisor preferences in third-party model use, how asset managers can most effectively work with advisors, model manager leaders and more. Survey findings are presented at the aggregate level, as well as by distribution channel, age, size of book and gender.

The FUSE Advisor Trend Monitor is a survey-based report series that provides timely insight into advisor views on a range of issues central to asset managers’ strategic decisions. With the ongoing support of our partner, WealthManagement.com, FUSE releases a total of six reports annually that make up the Advisor Trend Monitor series.

For details about obtaining a copy of *Model Portfolios: The Advisor View*, please email Jason Heinhorst at jheinhorst@fuse-research.com or call (720) 221-5223.

[About FUSE Research Network LLC](#)

FUSE was launched in 2008 with the view that research and consulting support for asset managers has failed to evolve with the changing needs of the client. The future competitive environment will demand that clients make important business decisions within shorter and shorter timeframes.

In order to support clients in this setting, FUSE provides a dynamic research platform that covers our clients’ current and future decision areas (strategic and tactical). Our goal is to become an invaluable business partner through the delivery of highly informed and forward-looking recommendations that are among the critical inputs our clients need to optimize results.

