

The background of the slide is a dark, blurred image. On the left side, there is a faint, grayscale image of a person's face, looking towards the right. The rest of the background is filled with white, semi-transparent financial data, including numbers and symbols like '+180.98', '-0.21', '4.75', '8.87', '1.54', '7.02', '21', '45', '36', '51', '78', '18.75', '1.36', '5.56', '740.21', and '-6.87'.

BY THE NUMBERS

The Straight Facts
about the
Benefits of Outsourcing

Scott MacKillop

*Founder and CEO,
First Ascent Asset Management*

“

Time is what we want most,
but we use worst.

– *William Penn*



The information in this report comes from the following studies:

- *The Cerulli Report, Advisor Metrics, 2017*
- *Northern Trust, External Investment Management, 2016*
- *Fidelity Financial Advisor Community: Outsourcing Trends, 2018*

THE MAIN PROBLEM FOR ADVISORS: TOO LITTLE TIME

Advisors spend just:

55%

of their time in **client-facing
activities**

17%

of their time on **investment
management**



WHY ADVISORS OUTSOURCE



59%

of advisors who outsource say the desire to
free up time drives their decisions

HOW THEY PLAN ON SPENDING THAT EXTRA TIME



The image features three vertical bars of equal height, each divided into two sections. The top section is white and contains text, while the bottom section is solid orange. The bars are set against a background of a blurred clock face and a desk with papers. The first bar on the left represents 61% for spending more time with clients. The middle bar represents 53% for spending more time growing their business. The third bar on the right represents 50% for providing better service to clients.

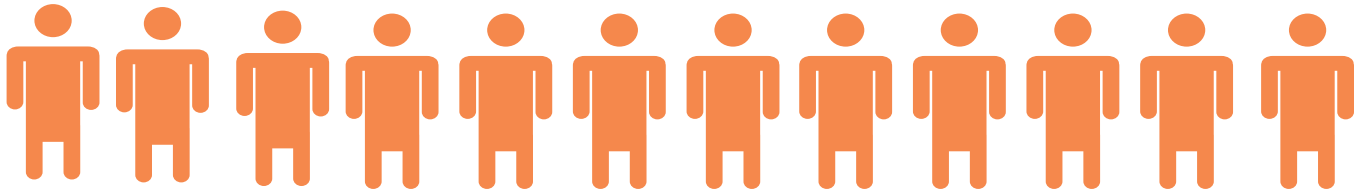
Percentage	Activity
61%	Spend more time with clients
53%	Spend more time growing their business
50%	Provide better service to clients

61%
SPEND MORE
TIME WITH
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53%
SPEND MORE TIME
GROWING THEIR
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50%
PROVIDE BETTER
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CLIENTS

FOR THOSE WHO OUTSOURCE



52%

report a growth in
their client base

45%

are able to offer a wider
range of products

48%

see more consistency
in their investment
process

53%

say spending more time with clients is the primary benefit,
but there are other benefits, too.

37%

say they have better
quality due diligence

34%


report better
investment results

31%

experience more
efficient growth



A recent Fidelity survey found that advisors who outsource functions, including investment management, experience the following benefits compared to advisors who don't outsource.



	advisors who outsource	advisors who don't outsource
Higher client growth	81%	vs 71%
Manage more assets	\$145M	vs \$110M
More frequent AUM growth	95%	vs 89%
Greater compensation	\$365K	vs \$336K

DEEPER RELATIONSHIPS

"...advisors who outsourced were able to focus more on clients and build deeper relationships."

-- Todd Roadman, Senior Vice President Fidelity Clearing and Custody Solutions



In the Fidelity survey, advisors said they liked outsourcing because it:

helped them save time

77%

helped them increase productivity

66%

helped them optimize efficiency

57%

game them time to focus on clients

53%

HOW COMMON IS OUTSOURCING?



40%

**of advisors
outsource at least some
investment management**

17%

**of advisors
outsource all of their
investment management**

60%

**of advisors do not
outsource to external
investment managers**

ADVISORS WHO OUTSOURCE

56%
outsource their
portfolio management

41%
outsource more than
75% of their client AUM

52%
use Turnkey Asset
Managers (TAMPs)

55%
use a combination of active
and passive strategies



ADVISORS WHO DON'T OUTSOURCE

45%

Don't outsource
because investing
is key to their value
proposition

58%

Haven't ruled
out outsourcing
investment
management

25%

Would outsource if
a more affordable
option was available

Advisors who don't
outsource spend

28 hours
per week on investing

HOW HAPPY ARE ADVISORS WHO OUTSOURCE



100%

of advisors with **\$3B** or more
in AUM are satisfied

96%

of advisors who outsource
are satisfied with their decision

60%

of outsourcing advisors have
done so for **5** or more years

37%

have outsourced for more
than **10** years

IS OUTSOURCING RIGHT FOR YOU?



For an objective discussion of the pros and cons of outsourcing your investment management, get our free guide, "Should You Outsource":
firstascentam.com/should-you-outsource-download



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First Ascent is a federally registered investment advisor