FREEDOM ADVISORS

3 Functions to Outsource to Grow Your Advisory Practice

You launched your investment advisory practice with one goal in mind: To help your clients grow and sustain their wealth through careful planning, managing risk and staying true to defined investment goals.

As an experienced investment advisor, you know that managing a client's wealth requires more than merely setting goals on paper. Your clients' success requires professional portfolio design and management.

When it comes to building and managing portfolios, you can:

Hire an In-House Professional

Hiring an in-house investment manager can provide more control over managing investments and allocations day-to-day, but it also requires a great deal of effort, time, and financial resources to find and keep the right professional.

Outsource Portfolio Activities

Partnering with the right qualified turnkey asset management platform (TAMP) can allow you to delegate portfolio construction and management and account supervision activities to skilled professionals with years of proven experience.

The result? Outsourcing portfolio-specific activities to a TAMP places those essential responsibilities in the hands of skilled professionals, giving you the time and space to focus on what you do best – helping your clients reach their financial objectives.

And, as your clients grow their wealth and income, your reputation grows as well. That can help your business reach new heights.

3 Functions to Outsource

To effectively manage and grow your practice, you must pay close attention to the following:

Portfolio Construction

Portfolio Maintenance

Account Administration

The right outsource partner can provide the technology, processes, and expert staff to fulfill the thousands of tasks involved with successful portfolio management on your behalf and under your brand. These tasks range from manager search and due diligence (initial and ongoing), establishing capital markets assumptions followed by asset allocation modeling, investment model design and creation, portfolio construction, performance reporting and communication, to ongoing oversight and rebalancing, and much more.

Of course, your client portfolios are in accounts that must be set up, funded, and carefully maintained over time. Here again are thousands of tasks across your client base in the course of a year, from account set up, integration with the custodian, funding from bank wires to transfers, and ongoing maintenance such as changes to address, name, and beneficiary. Then there is the continuous stream of cash flow in and out of the accounts including additional one-off deposits, dividends, interest, systematic investments, one-off withdrawals, and systematic withdrawals, some of which are time sensitive, such as required mandatory distributions.

When the right partner gives you the confidence to outsource these important, time-consuming functions, you are freed from the burdensome operational and administrative requirements. So, which is the right partner for you? We believe Freedom Advisors is that firm. Large enough and experienced enough to provide all the systems, programs, and services to address your needs, but small enough to know you and your advisory practice. Every advisor’s business matters to us. Your business, your needs, and your opinions will matter to Freedom Advisors.

Let’s take a closer look at how we provide three critical functions to help grow your advisory practice.

1 Portfolio Construction

Whether you wish to outsource to model providers or build your own custom models, our professional investment team designs and builds portfolios or starting templates for your convenience to meet a multitude of different investor objectives and needs. The construction process begins with exhaustive due diligence and asset selection that includes:

- A comprehensive vetting of money managers and strategies to identify those that have proven to follow a consistent and successful process through multiple market cycles.
- A focus on developing blended portfolios using carefully selected managers and strategies with expertise in similar asset classes and different investment approaches and strategies.
- The deliberate selection of complementary, low correlation strategies that provide diversification and potential portfolio stability, particularly during periods of market instability.

Every model portfolio is constructed with a keen understanding of different client risk profiles and investment objectives. Assets are allocated by type and weight, seeking to optimize returns and manage portfolio risk.

The Takeaway

With Freedom Advisors, you have the confidence to know the model portfolios available or those you build have been created and curated on a strong foundation of research, due diligence, and design. Ultimately, portfolio construction is about creating portfolios that meet your clients' needs over time, easily managed to adapt to changing economic or market environments.

This brings us to the next stage of managing your clients' wealth, where we are equally adept.

2 Portfolio Maintenance

Client portfolios are never designed to be static. Events occur from all directions that warrant changes. Investor objectives change due to a life event. Economies slide into recession. Interest rates change and alternative sources of income are needed to meet client needs. Markets witness periods of volatility that can stress portfolios that are built to last through retirement. Securities and funds under- and over-perform, requiring a fresh look at current allocations.

Whatever the issue or influence is on the positions held in a portfolio, you need to have the flexibility to make the adjustments you deem necessary, and you need to be able to do that on a moment's notice with seamless execution. Freedom Advisors recognizes the importance of this and provides a platform that allows you to efficiently:

- Monitor portfolio positions and performance
- Rebalance on a scheduled basis or spontaneously
- Schedule systematic investments and withdrawals
- Manage individual and block transfers
- Track cash inflows and outflows

The Takeaway

Portfolio maintenance tools are only useful when they allow you to efficiently execute the tasks you need to keep your clients' portfolios optimized. The Freedom Advisors platform provides this efficiency so you can focus on the more critical aspects of your practice, like strengthening client relationships and prospecting for new clients.

3 Account Administration

As you know all too well, back-office operations and administrative functions are extremely important in managing your clients' accounts. These functions, however, can be real time thieves, and that is why it makes sense to outsource. Freedom Advisors provides premier account administration services, including:

- **Account Opening:** Fully integrated, accurate account opening workflow right from your client's household view in Freedom Advisors through to your chosen custodian. This includes funding the account whether by bank wire, ACH, or transfer of assets from other investment accounts. Our Advisor Services team manages the entire process.
- **Trading:** Reliable, efficient execution of trades from initial portfolio construction to cash flows to rebalances.
- **Reporting:** Comprehensive and flexible reporting for your practice and individual client reporting that can be customized to meet your requirements.
- **Reconciliation:** Data files from custodians and aggregation services are processed daily, ensuring you always have up-to-date information.
- **Aggregation:** Assets held in outside accounts like 401(k) and 529 plans are captured and aggregated regularly.
- **Billing:** Monthly billing in arrears processed automatically and audited by our finance team ensures accurate and timely payment to you, your firm, the custodian, and investment managers.

The Takeaway

The administrative end of portfolio and account management requires specific protocols and actions to ensure accuracy in trading and maintenance. Our team has the experience and business knowledge to handle all of these back-office and account administration tasks for you while keeping you informed in real-time.

Outsourcing: More Efficient Than In-House

The decision to outsource time-consuming and complex operational and administrative functions is the quickest and easiest way to scale your practice. Designed to free advisors to spend their time where they can have the greatest impact and make the biggest difference, Freedom Advisors is a turnkey platform offering a complete portfolio management solution, comprehensive outsourcing of operations, and high-touch service.

Contact Us

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