



INVESTMENTS & WEALTH INSTITUTE[®]
formerly **IMCA**



CERULLI
ASSOCIATES

Research | Analytics | Consulting

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Introduction

The Investments & Wealth Institute is a professional association, advanced education provider, and standards body for financial advisors, investment consultants, and wealth managers who embrace excellence and ethics.

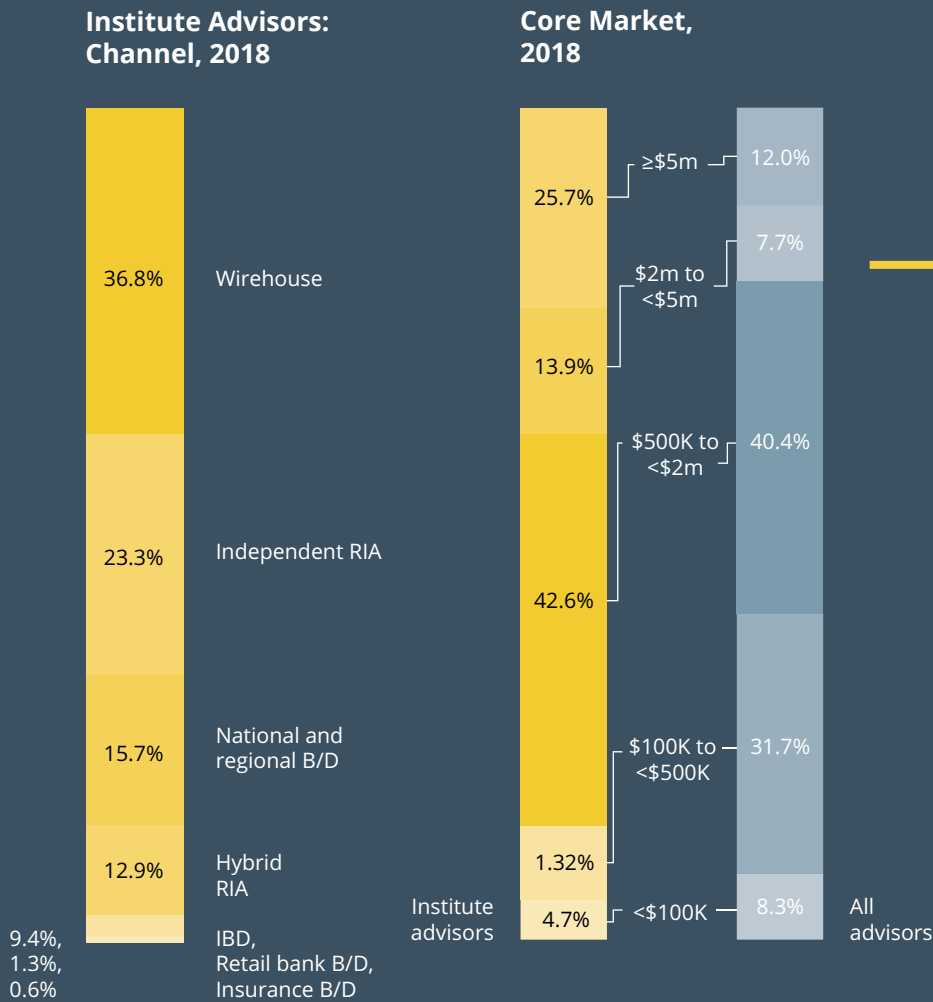
We understand the challenges financial advisors face day-to-day. Succeeding as an advisor means demonstrating value – both what clients get for their money and why relationships matter. The Institute’s professional designations and educational programs help advisors deliver on that value. Since 1985, we have established and enforced high standards for advanced practitioners, delivering premier education that offers a unique blend of Ivy League-level expertise and practical application.

The Institute is proud to serve more than 12,000 members and certificants, including over 8,200 CIMA® certificants and 1,800 CPWA® professionals around the globe. Members provide investment consulting and wealth management services to both high-net-worth retail and institutional clients. Working in partnership with Cerulli Associates, the following series of snapshots has been compiled to highlight how Institute members distinguish themselves relative to their industry peers.

The Institute serves more than **12,000** investment professionals in **38** countries.

All Exhibit Sources: Cerulli Associates, in partnership with the Investments & Wealth Institute (formerly IMCA)

Serving High-Net-Worth Clients



Analyst Note: Cerulli assigns each advisory practice a core market range based on the investable assets of the majority of the practice's client relationships. Advisors are excluded from core market exhibits if Cerulli deems them generalists not focusing on a specific core market.

- **The Institute's advisor membership** is made up of professionals from across the wealth management marketplace who provide investment consulting and wealth management services to both high-net-worth retail and institutional clients.
- **Institute members differentiate** themselves in today's advisory landscape through their significant experience, advanced education, and ability to meet the needs of high-net-worth clients.

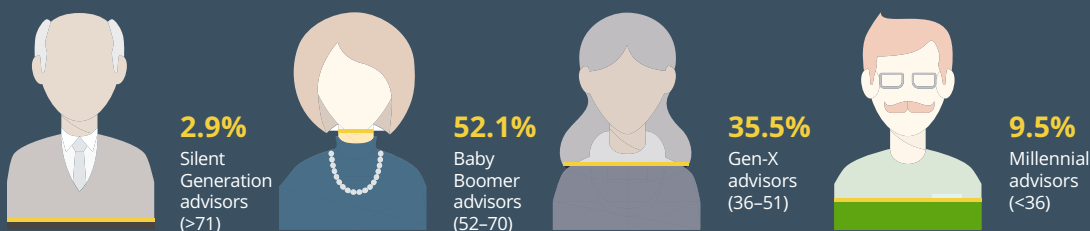
Almost **40%** of Institute advisors serve a core market with more than \$2 million in assets.

Bringing Experience and Perspective to Wealth Management

Institute Advisors: Experience, 2018



Institute Advisors: Experience, 2018 (by Generation)

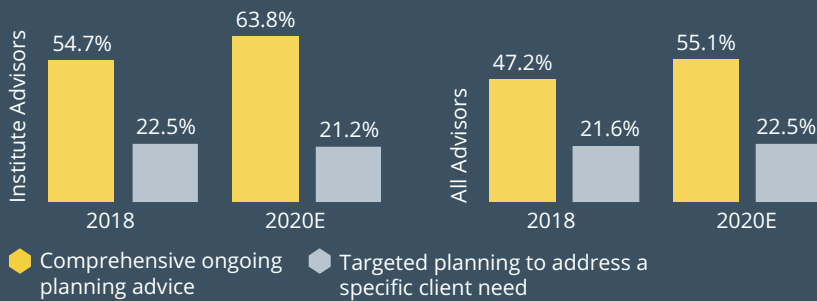


- **Institute members are seasoned advisors** who go above what is expected to deliver the standard for investment advice and expert guidance to high-net-worth clients. More than half bring over 20 years of industry experience.

Institute members are **seasoned advisors** spanning the generations.

Taking a Holistic Approach

Financial Planning Clients, 2018 vs. 2020E



Services Offered, 2018

Financial Planning Services	Institute Advisors	All Advisors
Retirement income planning	93%	93%
Cash management or budgeting	62%	56%
Intergenerational planning	57%	29%
Elder care planning	42%	37%

Advanced Financial Planning Services	Institute Advisors	All Advisors
Estate planning	66%	59%
Charitable planning	63%	49%
Tax planning	56%	51%
Trust services	41%	31%
Private banking	22%	18%
Concierge and lifestyle services	19%	15%
Evaluating third-party lending products	16%	11%

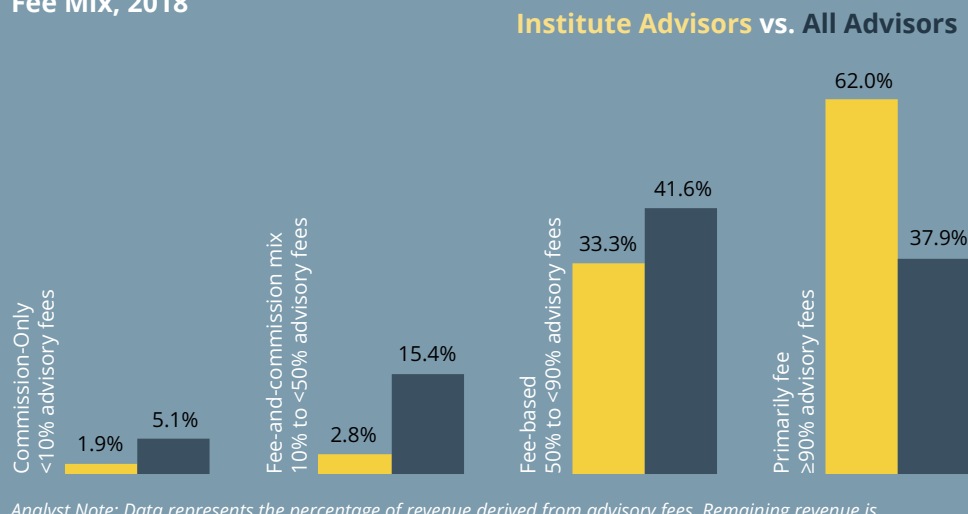
Investment Planning Services	Institute Advisors	All Advisors
Investment manager due diligence	80%	61%
Total number of services offered	9.6	8.9

- Institute members place an emphasis on holistic advice, with more than half (55%) of their clients receiving comprehensive ongoing planning.** In addition to being more likely to provide investment manager due diligence, members are more likely to offer financial planning services such as intergenerational planning as well as advanced planning services, including charitable planning and trust services, than their peers.

More than three-quarters of Institute members' clients receive targeted or comprehensive planning advice.

Delivering Fee-Based Advice

Fee Mix, 2018



Analyst Note: Data represents the percentage of revenue derived from advisory fees. Remaining revenue is commission-based.

Advisor-Reported Portfolio Discretion Breakdown, 2018 vs. 2020E

Managed Accounts Program Type	Institute Advisors		All Advisors	
	Current	2020E	Current	2020E
Rep-as-portfolio-manager (RPM)	27%	32%	20%	23%
Brokerage	17%	10%	27%	19%
Mutual fund advisor (advisor discretion)	14%	16%	16%	18%
Rep-as-advisor	12%	11%	15%	15%
Separate accounts	16%	16%	9%	9%
Mutual fund advisor (home-office discretion)	6%	4%	7%	8%
Unified managed accounts	8%	11%	6%	8%

Analyst Note: Independent RIAs are excluded. Portfolio discretion data is self-reported by advisors.

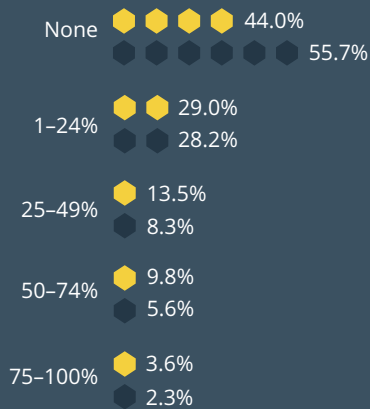
- Members are nearly twice as likely to report operating in a primarily fee-based practice relative to the industry average (62% vs. 38%, respectively). By 2020, members expect brokerage assets to make up just 10% of their client assets.

Institute members expect to use rep-as-portfolio-manager programs for **one-third of their assets** by 2020.

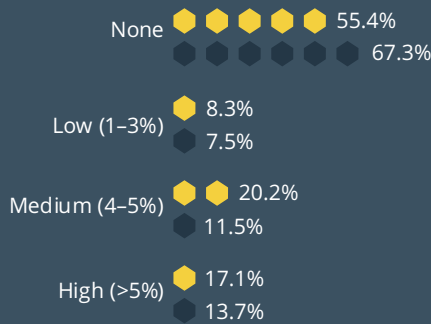
Solutions for Complex Clients

Institute Advisors vs. All Advisors

Separate Accounts Allocation, 2018



Alternatives Allocation, 2018



Advisor-Reported Product Mix, 2018 vs. 2020E

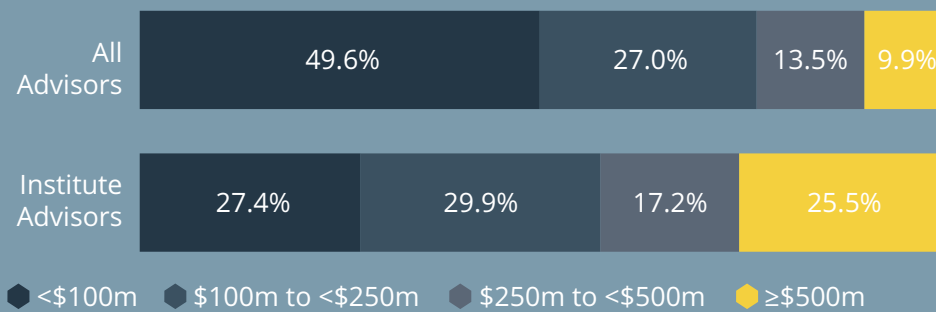
Product Type	Institute Advisors		All Advisors	
	Current	Expected 2020	Current	Expected 2020
Mutual funds (including liquid alternatives)	29.4%	27.0%	37.1%	28.6%
Individual equities	13.3%	11.6%	10.6%	14.7%
ETFs	19.8%	23.7%	11.9%	18.7%
Variable annuities	3.3%	3.0%	14.2%	6.5%
Individual fixed income	9.5%	9.3%	5.0%	7.6%
Money markets, deposit accounts, cash	3.6%	3.1%	2.5%	3.0%
Other insurance (e.g., fixed annuities, variable life, long-term care)	1.3%	1.5%	7.2%	5.0%
Separate accounts	16.1%	16.7%	7.4%	12.2%
Alternatives (excluding liquid alternatives)	3.2%	3.8%	3.5%	3.0%
Other product types	0.5%	0.4%	0.8%	0.6%

- **Institute advisors are more confident** in offering sophisticated investment solutions to their high-net-worth clients, due to the advanced education they receive through the Institute's offerings.
- **Investment products such as hedge funds, options, exchange-traded fund (ETF) strategies, and real estate investment trusts** are more likely to be offered to an Institute advisor's clients than the average advisor's clients, benefiting the client with additional diversity in investment choice and performance.

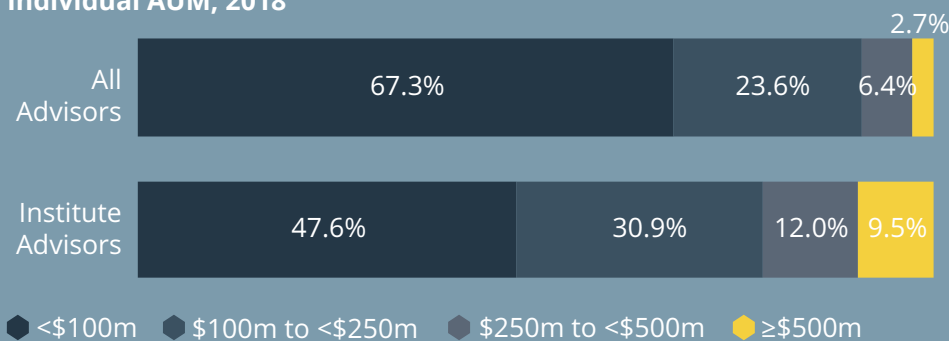
Institute members are **more likely** to use sophisticated vehicles and strategies to help their clients achieve their goals.

Managing More Assets for Large Practices

Practice AUM, 2018



Individual AUM, 2018



- **More than half (52.4%) of Institute members** have an individual assets under management (AUM) of greater than \$100 million versus one-third of all advisors. These sophisticated professionals are also more likely to be part of large, successful practices. One-quarter of members work in a practice with \$500 million-plus in assets under management.
- The **Certified Investment Management Analyst® (CIMA®)** certification is the peak international, technical portfolio construction program for investment consultants, analysts, financial advisors and wealth management professionals.
- The **Certified Private Wealth Advisor® (CPWA®)** certification program is an advanced credential created specifically for wealth managers who work with high-net-worth clients, focusing on the lifecycle of wealth: accumulation, preservation, and distribution.

42% of Institute members are part of practices managing \$250 million or more in assets.