

Advisor Insights—Perspectives from ACG Wealth

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For this new series, we have asked guest bloggers from established financial advisory firms to provide their views on the market and changes in the industry. ACG Wealth, Inc., is an independent investment management and advisory firm with offices around the country. We've asked one of their founding partners, Joseph ("Jody") P. Young Jr., to participate in a Q&A for our first Advisor Insights blog post.

WisdomTree: *What markets are you most excited about today?*

Young: We think globally, but given the fantastic growth we've been seeing in the United States, we currently believe it is the place to be.

WisdomTree: *What about the so-called "economic slowdown" those in the media talk about?*

Young: At ACG Wealth, we tend to ignore the media. We believe that they're trying to make everything political these days. We do see that economic growth is slowing, but it's still positive. And we don't foresee any recessionary pressures for this year.

WisdomTree: *So, what are your expectations for U.S. equities?*

Young: Well, we believe equity markets and the economy are very distinct. We don't believe they always move in lockstep, and we do believe that the discounting methods may be getting toppish, but for now, we still like U.S. equities.

WisdomTree: *And what are your expectations for the bond market?*

Young: We believe that the U.S. bond market is not only much bigger than the equity markets, but smarter as well. On the whole, America is more fully employed than at any point in recent history. We're seeing wage growth creeping up. And we don't foresee any inflationary pressures for this year, either. We believe these factors all bode well for the bond market this year.

However, we are very cognizant of credit risks this late in the cycle and are avoiding high yield in favor of investment-grade and municipal bonds.

WisdomTree: *What do you think are some of the biggest risks to the U.S. market today?*

Young: We're heading into election season again with very big elections in 2020. And from our perspective, one of the biggest risks to the U.S. market and economy is the political environment, as other risks like rhetoric, consumer confidence and policy changes cannot always be foreseen.

WisdomTree: *Would you say you are currently over-weight in the U.S.?*

Young: Truthfully, we do not benchmark our strategies and focus more on providing absolute returns rather than relative ones. So, the ideas of "under-weight" and "over-weight" don't truly apply to us. Our focus is on seeking to provide the best returns for our clients on a total and absolute return basis. And currently, we believe the U.S. offers the best opportunities for that.

WisdomTree: *We've talked a lot about the U.S., what do you see globally?*

Young: First, we do see that global geopolitical risks are heightened, but it's been this way for years. And while people talk a lot about trade wars, what's currently going on with China is actually just a renegotiation of trade terms that were put in place more than 60 years ago. We believe the U.S. dollar will remain strong, at least over the short term, and expect that this may cause some challenges with emerging markets.

Industry Trends

WisdomTree: *What are some of the key trends you're seeing with your clients today?*

Young: I would say the first trend we've seen is that clients are savvier than ever, and they want—and expect—truly personalized advice, rather than cookie-cutter approaches.

WisdomTree: *How can advisors go about providing more personal advice?*

Young: One example is using a financial planning-based approach where advisors begin by learning everything they can about the client, their financial picture and their goals. Then they create a plan that addresses all of their financial needs and then work backward to determine the investments and other solutions they need to pursue their overarching goals.

WisdomTree: *What is your take on any trends regarding fees?*

Young: We believe clients seem more concerned with value than fees. Everyone who pays a fee for a service wants to be sure they're getting good value for their money—and financial services clients are no different. They want and expect advice to go far beyond investments to include everything from help with taxes or buying a car to advice on financing or selling their business, setting up a donor-advised fund—or anything in between.

WisdomTree: *Have technology advances changed the way advisors interact with their clients?*

Young: In our experience, this is less about technology and more about individual client preference. Clients today want to engage when, where and how it's convenient for them. We believe advisors should take the lead from their clients and enable them to drive the ongoing engagement process.

For some, that means in-person meetings several times a year (at their home or office) and regular phone calls as well. For others, it may mean doing everything online and through email with the option to call

when they need it. And for a growing number of clients, it means a combination of online access and control, in-person meetings and phone calls. Of course, engagement isn't simply about the investments or financial plan. Additional resources like webinars and events where clients can have fun, network or gain a better understanding about a wide range of topics, financial and otherwise, can be beneficial.

WisdomTree: *What do you think will be the end result of these trends?*

Young: We expect these trends will help to create better experiences—and potentially better results—for both the client and for the advisor who is better able to serve them in the ways they and their family deserve.

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