

Elevating the Art of Financial Advisory: Designing and Implementing Custom Model Portfolios

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Key Takeaways

- WisdomTree and Adhesion have partnered to offer advisors a comprehensive solution that combines personalized investment strategies with efficient execution, enhanced operational efficiency and advanced tax optimization services.
- The integration of WisdomTree's custom Model Portfolios with Adhesion's platform allows advisors to manage portfolios with greater precision and less manual intervention, freeing up valuable time for client service and business development.
- By leveraging the respective strengths of WisdomTree and Adhesion, advisors can deliver impactful investment management services to their clients, enhancing operational efficiency, scalability and the ability to provide personalized, tax-optimized investment strategies.

I have the pleasure of working with advisors all across the country, and one of the most common themes I hear is how time- and resource-intensive it is to build, trade and rebalance individual client portfolios. Add tax considerations to the mix, and the time available to nurture existing relationships or cultivate new ones dwindles significantly.

Our goal at WisdomTree is to make advisors more efficient, help them grow, and provide them with a more scalable investment solution to deliver to their clients. This is exactly why we teamed up with Adhesion.

Our collaboration offers advisors access to WisdomTree's experienced Model Portfolio Investment Team to co-create a custom investment experience that is supported by the robust trading, rebalancing and tax-optimization services offered through Adhesion. This partnership not only streamlines the investment management process but also significantly enhances the advisor-client relationship. Let's explore the benefits and how our advisory clients have leveraged these services to their advantage.

Benefits for Advisors:

- **Comprehensive Investment Solutions**

The integration of WisdomTree's custom Model Portfolios with Adhesion's platform offers advisors a comprehensive solution that combines personalized investment strategies with efficient execution. Our custom Model Portfolios provide the foundation for a tailored investment approach, while Adhesion's automated trading and rebalancing ensure that these strategies are implemented efficiently across client accounts.

- **Enhanced Operational Efficiency**

Adhesion's automated trading and rebalancing capabilities allow advisors to manage portfolios with greater precision and less manual intervention. This efficiency frees up valuable time for advisors to focus on client service, business development and other high-value activities to grow their business.

- **Advanced Tax Optimization**

Adhesion's tax management services are a game-changer for advisors seeking to optimize their clients' after-tax returns. Through strategies such as tax-loss harvesting and careful management of capital gains, advisors can provide significant tax savings, thereby enhancing the overall value proposition to their clients.

Real-World Applications and Examples

Scenario 1: Managing Diverse Client Portfolios

- **Challenge:** An advisor manages a broad range of client portfolios, each with unique investment goals and tax considerations. They struggle with the time-consuming process of manually rebalancing portfolios and implementing tax-efficient strategies.
- **Solution:** By leveraging our custom model services, the advisor builds portfolios that align with their unique clients' investment goals. Through Adhesion, they then automate the trading, rebalancing and tax-loss harvesting process across all client portfolios, ensuring that each remains aligned with its target allocation in a tax-efficient manner.
- **Outcome:** The advisor successfully manages a diverse set of client portfolios with improved operational efficiency and delivers personalized, tax-optimized investment strategies, all while clients benefit from a tailored investment approach that considers their unique circumstances.

Scenario 2: Scaling the Advisory Practice

- **Challenge:** An advisor seeks to scale their practice by expanding their client base without sacrificing the quality of investment management services.
- **Solution:** The advisor adopts new customized model portfolios, utilizing Adhesion's platform for seamless execution. This combination allows for easy scaling of investment strategies across new and existing clients, with automated trading and rebalancing ensuring consistent implementation.
- **Outcome:** The advisor efficiently scales their practice, accommodating a growing client base without the additional operational burden. Their clients then receive consistent, high-quality investment management services, fostering trust and long-term relationships.

Scenario 3: Enhancing After-Tax Returns

- **Challenge:** Clients increasingly demand strategies that not only achieve their investment goals but also optimize after-tax returns.
- **Solution:** The advisor works with WisdomTree to design investment strategies tailored to each client's needs. Through Adhesion's platform, the advisor implements these strategies while taking advantage of advanced tax management techniques to minimize tax liabilities.
- **Outcome:** Clients enjoy personalized investment strategies that are not only aligned with their goals but also optimized for tax efficiency, leading to enhanced after-tax returns.

Conclusion

By combining WisdomTree's asset allocation expertise with Adhesion's cutting-edge trading, rebalancing and tax management platform, advisors can be equipped to deliver impactful investment management services to their clients. This partnership not only enhances operational efficiency and scalability but also enables advisors to provide their clients with personalized, tax-optimized investment strategies. In today's competitive landscape, leveraging such innovative solutions is crucial for advisors aiming to differentiate their services and achieve long-term success.

Model rebalancing and trading will be provided by Adhesion Wealth, a provider of outsourced investment management solutions, giving their advisor clients direct access to a platform that will deliver a more customizable approach with advisor input. WisdomTree's Portfolio and Growth Solutions enable advisors to prioritize customizable brand practices and fact sheets, investment design of models and efficiencies across implementation, trading and tax transitions, which can serve as a springboard toward their growth.

Important Risks Related to this Article

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