Unlocking Advisory Growth with WisdomTree Portfolio Solutions

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Ryan Krystopowicz, CFA
Head of RIA Portfolio Solutions Distribution & Specialists

Key Takeaways

- WisdomTree has recently launched the WisdomTree Portfolio Solutions program, with three primary pillars: Portfolio Consultations, Model Portfolios and Custom Model Portfolios.
    - **Portfolio Consultations:** WisdomTree offers tailored insights for advisors to optimize and manage their in-house portfolios effectively.
    - **Model Portfolios:** Advisors can outsource portfolio management to WisdomTree's CIO-Managed Portfolios, saving time, improving client satisfaction and reducing costs.
    - **Custom Model Portfolios:** Advisors can collaborate with WisdomTree to create customized portfolios, retaining some control while leveraging expert insights.

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In today's fast-paced financial landscape, advisors need robust support to manage their clients' portfolios effectively. This is where WisdomTree comes into play, offering comprehensive solutions to help advisors grow their business—all with the goal of becoming their strongest partner.

Introducing WisdomTree Portfolio Solutions

This program is designed to cater to the unique needs of advisors, providing tools and expertise that streamline portfolio management. The platform is divided into three main categories:

1. *Portfolio Consultations*: Tailored Insights for Advisors Who Create Portfolios In-House

Advisors who prefer building and managing portfolios in-house can benefit immensely from WisdomTree Portfolio Consultations. This service offers in-depth evaluations of existing portfolios, helping advisors identify potential risks and fund overlaps and optimize their portfolios based on their stated objectives.

These consultations could be likened to a wellness check for portfolios, potentially offering actionable ideas and insights that advisors might not have considered. Plus, advisors maintain control of investment management while benefiting from WisdomTree's extensive resources and investment expertise.

A use case we commonly see from advisors is quarterly check-ins with the investment team to hear how the WisdomTree asset allocation views align or deviate from their current investment positioning.

2. *CIO-Managed Models*: Outsourcing with Flexibility

For advisors looking to outsource their portfolio management, WisdomTree CIO (Chief Investment Officer)-Managed Portfolios could serve as a solution. Designed by the WisdomTree Model Portfolio Investment Committee, these model portfolios come in a variety of risk tolerances and investment objectives.

WisdomTree CIO-Managed Portfolios are available on multiple third-party platforms, making it easy for advisors to access and outsource their portfolio construction. Three of the most common benefits of outsourcing we hear from advisors are:

- Time savings: Research has shown that advisors who outsource at least 90% of their assets save an average of 8.4 hours per week on investment management.1
- Better client satisfaction: More than 80% of advisors reported both stronger client relationships and increased client retention as a direct result of outsourcing.2
- Reduced costs: More than 50% of advisors who are currently outsourcing their investment management have reported a decrease in operating costs since they began outsourcing, with 40% seeing declines in costs of 5% or more.3

Aside from full-on outsourcing, the second most common use case we see from advisors using our CIO-Managed Portfolios is for targeted asset class exposure. Examples include advisors looking for an equity sleeve targeting high income or an alternative sleeve targeting lower correlation to traditional equity and fixed income securities.

3. *Shared CIO Services:* Collaborative Customization

For advisors who want to retain some control over their portfolios while leveraging WisdomTree's expertise, the Shared CIO service offers a collaborative approach. This service combines the benefits of Portfolio Consultations and CIO-Managed Portfolios, allowing advisors to work closely with the WisdomTree investment team to create bespoke portfolios tailored to their clients' needs.

Many advisors find this custom model service appealing because they remain in the driver's seat, with the flexibility to use their preferred managers and determine their level of involvement.

This service is ideal for advisors in growth mode who want a customized solution without fully relinquishing control. For example, WisdomTree helped a firm design a simplified, volatility-targeted suite of model portfolios focused on total returns and benchmark outperformance. We facilitated the transition to these model portfolios and provided ongoing support, ensuring a smooth implementation and a customized client experience.

Final Thoughts: Empowering Advisors for Success

The WisdomTree Portfolio Solutions program allows advisors to streamline their operations, gain valuable insights and focus more on building strong client relationships. Whether through Portfolio Consultations, CIO-Managed Portfolios or Shared CIO services, WisdomTree provides the tools and expertise advisors need to grow their business effectively.

Interested in exploring how WisdomTree can help you enhance your advisory practice? Contact us today to learn more about our tailored solutions and how we can support your growth journey.

1 “Impact of Outsourcing” whitepaper by AssetMark and ©2020 BlackRock, Inc. All rights reserved. Quoting: Cerulli Associates, “U.S. Advisor Metrics 2018: Combatting Fee and Margin Pressure.” Time savings estimation assumes 20% time savings x a 45-hour work week x 50 weeks per year = 450 hours saved.

2 The Impact of Outsourcing study was conducted in partnership with 8 Acre Perspective, an independent research firm, and represents the second installment of original research conducted by AssetMark in 2019. Seven hundred fifty-seven financial advisors participated in the study, completing an online survey between September and October 2021.

3 Impact of Outsourcing study by AssetMark.

Important Risks Related to this Article

For financial advisors: WisdomTree Model Portfolio information is designed to be used by financial advisors solely as an educational resource, along with other potential resources advisors may consider, in providing services to their end clients. WisdomTree’s Model Portfolios and related content are for information only and are not intended to provide, and should not be relied on for, tax, legal, accounting, investment or financial planning advice by WisdomTree, nor should any WisdomTree Model Portfolio information be considered or relied upon as investment advice or as a recommendation from WisdomTree, including regarding the use or suitability of any WisdomTree Model Portfolio, any particular security or any particular strategy.

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References to CIO (Chief Investment Officer), “CIO-Managed”, “Shared CIO” are meant as general references to WisdomTree Model Portfolio subscriptions, consultation regarding WisdomTree Model Portfolios, and WisdomTree Model Portfolios that may be customized to firm-specific objectives or unique firm-specific investment needs (“custom model portfolios”), and WisdomTree is not acting in an investment advisory, fiduciary or quasi-fiduciary capacity in connection therewith. Such material, and any assistance provided as described herein, including portfolio construction, WisdomTree Model Portfolios, custom model portfolios, asset allocation stress testing, assessments, discussions, output or other assistance (whether by WisdomTree personnel or digital tools) are (i) for information only and are not intended to provide, and should not be relied on for, tax, legal, accounting, investment or financial planning advice, (ii) not personalized investment advice or an investment recommendation from WisdomTree, and (iii) intended for use only by a financial professional, with other information, as a resource to help build a portfolio or as an input in the development of investment advice for its own clients. Such financial professionals are responsible for making their own independent judgment as to how to use such information.