

Adhesion Wealth Advisor Solutions Launches Behavioral-Driven Investment Portfolios Based on Behavioral Finance Research

Customizable Solutions Allow Advisors to Better Understand Each Client's Investing Biases and Create Portfolios and Communications to Best Serve Each Individual Client

February 4, 2014 – Charlotte, NC – Adhesion Wealth Advisor Solutions Inc. (“Adhesion”), a leading provider of turnkey investment solutions for wealth advisors nationwide, is pleased to announce the launch of the Adhesion Behavioral Driven Investing solution --- a customizable tool that allows wealth managers to not only identify the specific behavioral biases of each of their clients, but also to capitalize on those biases, protect investors against their own innate emotions and create tailored advisor-client communications that reflect the informational processing preferences of each individual investor.

Based on the research and writings of Michael Pompian, CFA, CFP and author of “Behavioral Finance and Wealth Management,” Adhesion’s Behavioral Driven Investing solution guides advisors through a 3-step process:

- 1) PLAN – a customizable questionnaire allows advisors to assign a specific Behavioral Investor Type (“BIT”) to each investor and then strategize based on the biases associated with that BIT.
 - a. The Passive Preserver – low risk, emotional investor, mental accounting
 - b. The Friendly Follower – low to moderate risk, cognitive investor, framing
 - c. The Independent Individualist – high risk, emotional investor, availability
 - d. The Active Accumulator – high risk, emotional, over confident
- 2) CAPITALIZE – create goals and implement an investment plan using modular portfolio solutions geared towards the identified BIT of each investor, such as core and satellite or “buckets of money” modular portfolios.
- 3) GUARD – against behavioral biases. Advisors can take the information that they have garnered for each client, generate customized communications and reports that address the needs of each specific investor type and then work with each client to ensure that their portfolio stays invested in a manner that protects them from their own emotional biases and tendencies.

“The process of implementing our Plan-Guard-Capitalize steps can help financial advisors add real value to their client relationships; the kind of value that sets them apart from simply being stock-pickers or the ubiquitous “robo-advisors.” ,” says Michael Stier, President and CEO of Adhesion. “If any good can come out of bear markets like what we experienced in 2008, it is the realization that our biases and emotions will almost always work against us during uncertain market times. Investors need to know that when the tide turns, their financial advisor already has the wheel and will keep them on course. And that’s what these tools and portfolios can do.”

Behavioral Finance, which is defined as the study of effects of social, cognitive and emotional factors on the investment decisions of individuals, is far from a new phenomenon. The study has roots dating back through the 20th century, though Fama, Hansen and Shiller were awarded a Nobel Price in Economics just last year for their work in the field.

“We’ve spent a century talking about and examining “why” advisors need to look at and understand behavioral finance for their investors,” says Barrett Ayers, Chief Solutions Officer at Adhesion. “There are countless articles written and seminars given every year that explain the importance of this study. What Adhesion is now offering is the “how to” piece of the puzzle. How can advisors come to learn each of their clients’ individual investing biases and how can the advisor then act in the best interest of their client through customized portfolio construction and reporting systems. Adhesion allows advisors to seamlessly integrate this knowledge into their practices, heighten the client’s experience and build trust. That’s the only type of emotional bias that we want these investors to have.”

Be sure to check out Barrett Ayers presenting on “An RIAs Guide to Harnessing Behavioral Investing”, Thursday February 20th at 4:30 ET. RIAs from across the country will be tuning in to learn how to make behavioral finance strategies work for you and your clients. Please follow the [link](#) to register for this free webinar.

For more information, or to speak with an Adhesion executive, please contact Melinda Staab at Melinda@DAIPartnersPR.com or 443.831.5111.

About Adhesion Wealth Advisor Solutions

Founded in 1999, Adhesion’s flexible solutions and high-touch service model are specifically designed to enhance an investment advisor’s value to their clients. Adhesion

serves as a true partner to their client advisors, providing a scalable, flexible and customized Investing-Monitoring-Reporting solution. The Adhesion turnkey approach also addresses the unique needs of each client firm, providing the tools that enable them to improve their client experience and more profitably grow their business from within while achieving operational excellence. Located in Charlotte, NC, Adhesion currently has more than \$13 billion in assets under administration. For further information, visit Adhesion Wealth Advisor Solutions at www.adhesionwealth.com.