WealthADV Benefits

> Enhanced Return Opportunities

> Boost Firm Profitability

> Distinctive Client Service and Reporting

> Scalable Growth for Your Practice
Enhanced Return Opportunities

Advisors strive to put more dollars in their client’s pockets through the use of external managers. However, even the best external manager with the best traders cannot accommodate the individual tax and compliance issues of each account holder. By bringing trading decisions back in-house with WealthADV an advisor can: i) efficiently provide personalized attention to the specific tax, pre-trade compliance, and rebalancing needs of each client using the overlay management tools of WealthADV; ii) provide additional alpha to the client through access to an open architecture library of skilled managers; and iii) reduce drag on performance through significantly lower product costs.

Taxes Matter!
Potential to eliminate performance drag associated with non-coordination of tax management across sleeve managers can result in upward of 30 – 60 bps\(^1\) using the powerful tools of WealthADV to facilitate personalized and active tax management:

- Coordinate trading activity across all managers, resulting in “sleeveless portfolio management”. Avoid the cost of unnecessary trades and wash sale violations.
- Year-round, opportunistic tax loss harvesting versus a calendar approach.
- Delay trades until gains become long term.

Potential to boost after-tax returns upward of 100 - 200 bps versus mutual funds:
- After-tax returns of actively managed equity mutual fund lag pre-tax returns by 220 bps\(^2\).

Product Costs Matter!
Lower product costs upward of 100 bps with “In-house” Overlay Management versus outsourcing discretionary management to external managers. Reduced drag from lower cost goes straight to bottom line return results.

Continuous Monitoring & Rebalancing Matters!
Potential to boost returns upward of 20 bps with “event driven” rebalancing vs. semi-annually or annually\(^3\).

Good Managers Matter!
Construct “powerhouse” portfolios for your clients from a comprehensive set of investment strategies from both nationally renowned and “boutique” managers covering all major style categories of domestic and international equities.

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1. Overlay Portfolio Management in a Multi-Manager Account, David Stein & Greg McIntire
Boost Firm Profitability

Not only does In-House Overlay Management with WealthADV provide opportunity for enhanced investment returns over mutual funds and separately managed accounts, it also can significantly lower the product cost for advisors. The cost of subscribing to third party investment strategies is often substantially less than the total cost of ownership for either mutual funds or separate account management. The total cost of the WealthADV Platform – including third party manager models, portfolio management technology, and outsourced back office and client reporting – is generally half that of actively managed equity funds or SMAs.

<table>
<thead>
<tr>
<th>Traditional Investment Products</th>
<th>Cost Range - Product Only</th>
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<tbody>
<tr>
<td>Actively Managed Equity Mutual Funds</td>
<td>0.95% to 2.25% (expense ratio)</td>
</tr>
<tr>
<td>Separately Managed Equity Managers</td>
<td>0.90% to 1.45% (platform cost)</td>
</tr>
<tr>
<td>From Third Party Overlay Manager</td>
<td>1.25% and 1.95% (platform cost)</td>
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Cost for the complete WealthADV Platform - including Investment Strategies

- Represents a savings in the range of 30 to 140 basis points over the product-only costs of mutual funds or SMAs.
- Given the average net income for a typical RIA is less than 10 basis points, the potential to add 30 to 140 basis points to the firm’s bottom line, in addition to gaining access to a state-of-the-market technology platform, is very compelling.
Distinctive Client Service and Reporting

Distinguished client service and a professional image are critical to a successful advisory practice. However, the personnel and technology cost required for this high level of service can be daunting. With the WealthADV Platform there is now a solution. Deliver a high level of personalized investment management service without needing to acquire additional people or technology. Distinguish your practice in your client’s eye, and from the competition, with WealthADV.

1. Deliver highly polished, graphic rich, professional report packages to your clients:
   - Report Wizard to easily create customized report packages,
   - Facilitates CFA Institute GIPS compliant performance reporting,
   - Sophisticated attribution analysis, custom benchmarks,
   - Report performance by manager, class, style, sector, type, household…

2. Rich, branded online web site for clients to access account data and published reports.

3. Personalized investment management service for clients while maintaining operational efficiency:
   - Easily accommodate client-specific mandates/ preferences/ constraints not possible with SMAs and mutual funds;
   - Craft tailored composite strategies containing proprietary & best-in-class 3rd party models;
   - Perform client-specific active tax management/ minimization.
Scalable Growth for Your Practice

“Elite advisors focus on their core competency of building strong relationships with their clients, and outsource areas outside of their proficiency.” 1 “Wealth managers who outsource their investments, back office, and even practice management functions earn significantly higher incomes than those advisors who try to do it all themselves.” 2

Free up the principals’ time to focus on building the business

- Powerful “Advisor Dashboard” provides immediate access to both firm and client level information with just a few mouse clicks (“Power at the point of attack!”)
- Hiring, training and managing turnover of in-house operations staff is a significant burden for RIAs.
- Leverage over 150 years of combined back office experience with WealthADV;
- Virtual office capability: Additional physical offices represents a significant technology and operational hurdle for RIAs. Now with WealthADV, an RIA can function anywhere there is internet access.
- Immediate business continuity capability and upgraded data security.

Variable costs for market leading capabilities that scale with the growth of the RIA’s practice

- Institution-class technology infrastructure without the capital investment and ongoing administration

1. Strategies for Success, CEG Worldwide LLC
2. All The Right Moves, CEG Worldwide LLC