

# Uncovering the product preferences of today's advisors

Insight to help asset managers expand and deepen advisor relationships.



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Learn about the research >

## Executive Summary

Shifting advisor priorities and investor preferences, coupled with ongoing market and regulatory challenges, spell a notable shift in product demand for asset managers.

This, the second of two reports on the results of our latest Broadridge survey of U.S. advisors, takes a closer look at the product innovations, developments and interests reshaping the market, and how asset managers can best position themselves for success.



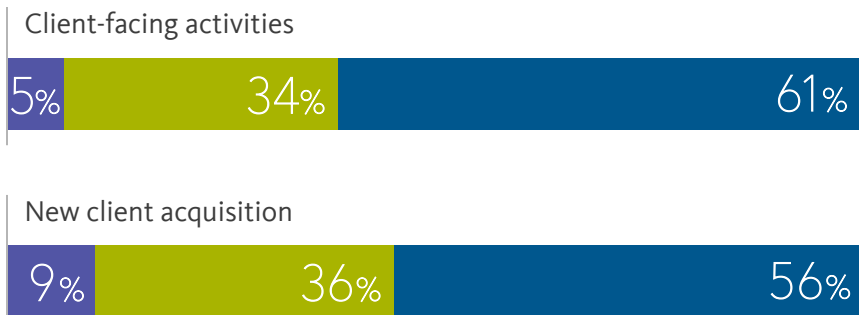
The first report, *The Future of Advisor Engagement*, can be viewed [here](#).

Advisors want to spend more time on client-facing activities and new client acquisition.

**ANTICIPATED CHANGE IN TIME ALLOCATION IN THE NEXT YEAR**

(% of advisors)

■ Less time ■ No change ■ More time

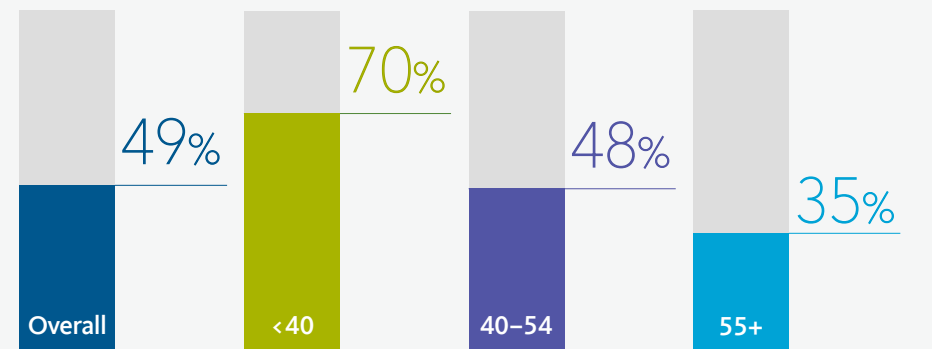


Numbers do not total 100% due to rounding.

As advisors focus more time on marketing and holistic advice, packaged solutions requiring less time grow in appeal.

**PLANS TO INCREASE HOLISTIC PLANNING BY ADVISOR AGE GROUP**

(% of advisors)



Fewer than 1% of advisors plan to decrease focus on holistic planning.

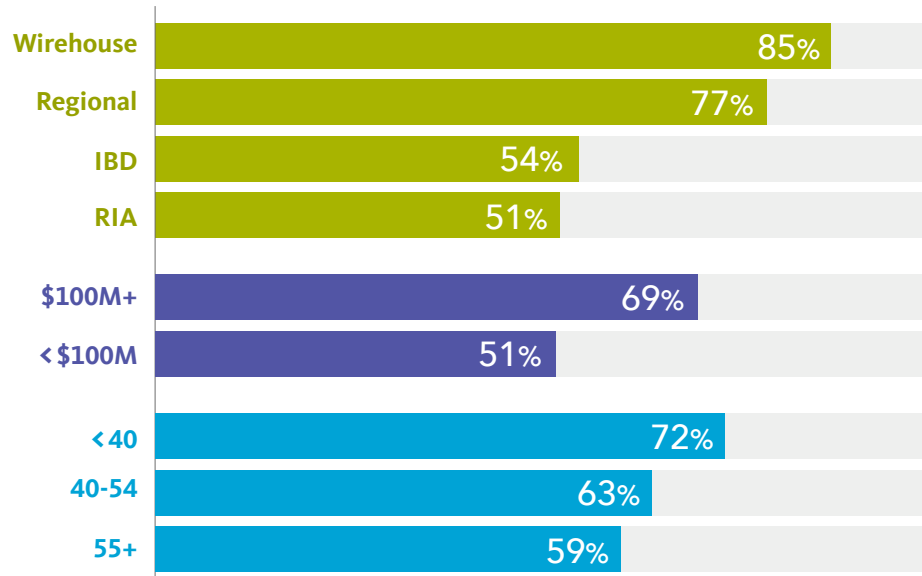
## SMA and ETFs fit into this approach.

The customization, transparency and tax advantages of separately managed accounts (SMAs) lure advisors while requiring less intensive research on their part.



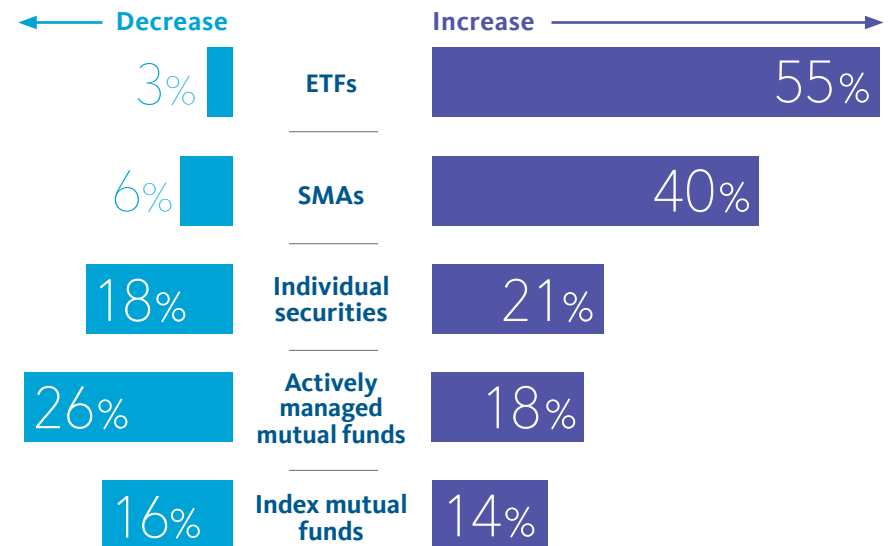
Advisors are more likely to use SMAs if they are younger, have higher AUM and are in a wirehouse or regional channel.

### LIKELIHOOD TO USE SMAs BY CHANNEL, AUM AND AGE GROUP (% of advisors)



ETFs are growing in popularity and usage due to their liquidity, ease of trade, tax advantages and lower cost than mutual funds.

### ALLOCATION CHANGE EXPECTED OVER THE NEXT TWO YEARS (% of advisors planning to increase or decrease usage)





**ESG AND RESPONSIBLE INVESTING**

More than 80% of investors have yet to discuss responsible/ESG options with advisors despite widespread awareness.



A majority of the responsible/ESG investing discussions held with advisors were initiated by the investor.



For more perspective on ESG, read our white paper. >>

Climate change, diversity and social justice issues have increased investor awareness and interest in ESG, yet few related advisor-investor conversations have taken place. Asset managers can take the lead here, offering ESG products and educating advisors.



## CRYPTOCURRENCY

Asset managers and advisors must prepare to satisfy a growing curiosity about cryptocurrency.

68%

of advisors say that clients have requested crypto exposure.

51%

of all investors have talked or want to talk about crypto with their advisor.

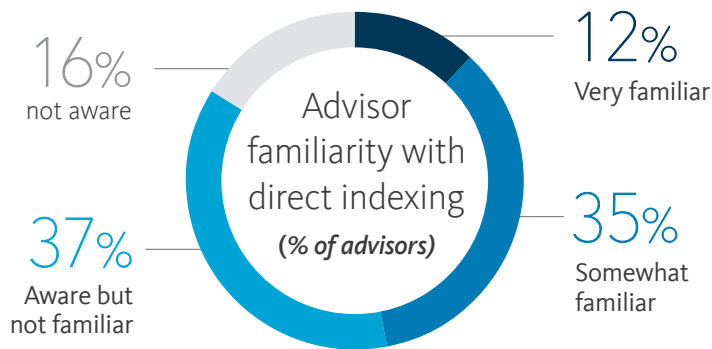
80%

of Millennial investors have or would like to discuss crypto with their advisor.

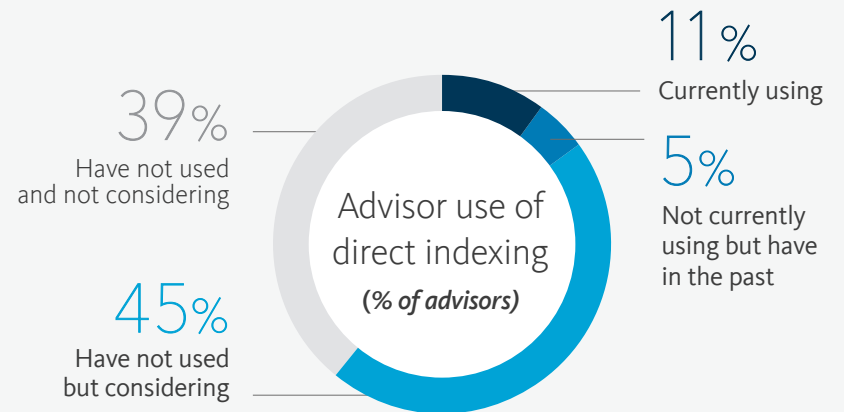


## DIRECT INDEXING

There is broad advisor awareness of direct indexing (or custom indexing). However, few advisors have fluency with this strategy.



Among those advisors who are aware of direct indexing, 16% have used it and an additional 45% are considering it.



Both advisors and end clients have awareness of but relatively low familiarity with ESG, crypto and direct indexing, signaling a need for asset managers to educate advisors and provide them with materials to engage their clients.

## Asset managers have a unique opportunity to deepen relationships with advisors.

Asset managers should take the lead on training as to how ESG, crypto and direct indexing are best deployed, and for whom.

Asset managers are the number one way advisors learn about new investment opportunities.



## Advisors ranked “keeping me up to date on investment opportunities” as the top benefit of external wholesalers.

This underscores the value of education and the chance to strengthen relationships.

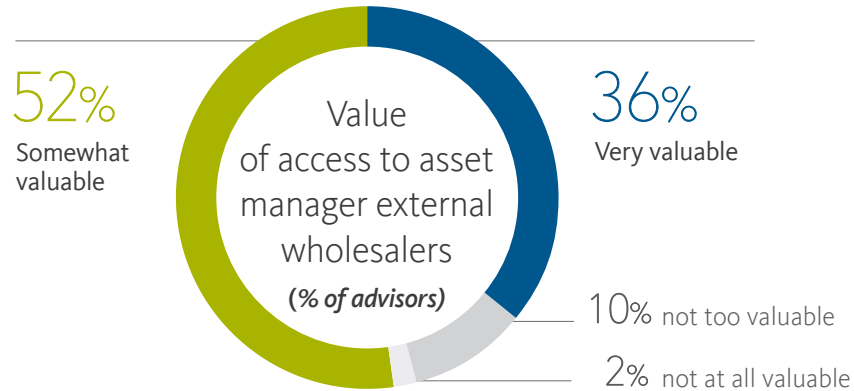
### TOP BENEFITS OF EXTERNAL WHOLESALERS FOR ADVISORS

(% of advisors ranking among top 3)





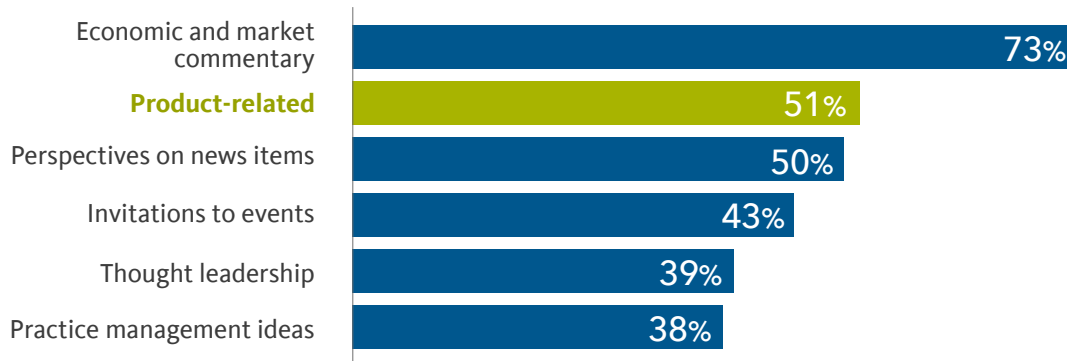
Overall, access to wholesalers remains important to advisors.



A majority of advisors prioritize reading product-related emails from asset managers.

Product-related emails are also a valuable part of the asset manager resource mix.

#### TYPES OF ASSET MANAGER EMAILS ADVISORS PRIORITIZE TO READ



## It pays to deliver products that align with changing priorities.

Asset managers must deliver solutions that enable advisors to spend more time with clients and meet evolving investor preferences. Innovative offerings allow for increased wholesaler effectiveness, strengthened advisor relationships and improved marketing ROI.

## Broadridge can help.

We deliver the analytics and strategic expertise asset managers need to stay in front of fast-moving trends and make more informed decisions. Working side by side, we'll help create a distribution strategy to execute on every opportunity.

**For more insights, contact [matthew.schiffman@broadridge.com](mailto:matthew.schiffman@broadridge.com)  
or visit: [broadridge.com/resource/distribution-insight](https://broadridge.com/resource/distribution-insight)**

*“Given the confluence of ever-changing investor product demands and the continued advisor belief in the importance of wholesalers as key sources of information, asset managers have an opportunity to expand and deepen relationships by ensuring they help advisors stay current on new trends.”*

MATT SCHIFFMAN  
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## ABOUT THE RESEARCH

This survey was conducted in September 2021. Advisors were invited to participate via email and the survey was administered online. 400 financial advisors with \$10M+ AUM and a minimum of 20% of AUM in ETFs and/or mutual funds participated.

### Additional studies cited:

*The Broadridge Investor Survey.* Conducted during October and November of 2021. Polled 1,000 U.S. investors through an online quantitative survey. Investors aligned with the following screener criteria: Age 25+, primary or shared decision-makers for household decisions about money, had \$25K+ in household income and \$10K+ in investable assets (not including workplace plans). They invest outside of workplace plans (annuities, ETFs, individual securities and/or mutual funds). **Learn more >**

*The Evolving Advice Business Model.* Conducted January and February 2021. Polled 400 financial advisors with at least \$10M in AUM and 20% of AUM in ETFs and/or mutual funds. **Learn more >**

Broadridge, a global Fintech leader with over \$5 billion in revenues, provides the critical infrastructure that powers investing, corporate governance and communications to enable better financial lives. We deliver technology-driven solutions that drive business transformation for our clients and help them get ahead of today's challenges to capitalize on what's next.

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