



## PRESS RELEASE

# Advisors Have Changed How they Select Investments Asset Managers Must Adjust Quickly

Boston, MA, December 19, 2011 – Financial advisors have dramatically changed the way they view investment choices and how they construct portfolios for their clients. Newly released data show that, following the financial crisis of 2008, advisors have adopted a more tactical approach to asset allocation and fund selection, and have abandoned many of the traditional metrics used in selecting investment products.

Those findings are included in a new research report, *Investment Trends in the Financial Advisory Profession: Key Implications for the Investment Management Industry*, just released by Advisor Perspectives. The report was co-authored by Robert Huebscher, CEO of Advisor Perspectives and Bob Veres, editor of Inside Information. The report draws on over 1,000 responses from independent and dually-registered financial advisors to a recent survey of readers of both publications.

“These shifts in advisors’ decision making and buying patterns have created a rare opportunity to gain market share in a highly competitive market place,” Veres said. “Organizations that are able to understand and respond quickly to these changes will succeed where others will stumble. “

When selecting investment products, advisors indicated that they rely on a number of qualitative criteria, such as an understanding of the processes used by fund managers, and rely less on quantitative factors, such as the ratings assigned to funds by third parties. Those shifts, according to the study’s authors, are fallout from the financial crisis, and reflect the needs of advisors to construct portfolios that better insulate clients from extreme adverse market movements.

“Our study ranks those criteria that advisors now use to select investment vehicles – such as funds, ETFs and separately managed accounts – as well how they select individual products,” Huebscher said. “Fund companies can use this information to build their marketing strategy and determine the messaging that will resonate most clearly with financial advisors.”

The study segments the advisory channel based on type of firm (independent versus dually registered), size (based on assets under management), and the type of clients served (from mass affluent to ultra-high net worth). Results are broken down along each of these dimensions; for example, the report shows how investment selection criteria differ between independent and dually-registered advisors.

“Navigating this period of change presents a challenge to asset managers,” Huebscher said, “who operate in a highly competitive marketplace. The feedback we have received



from our study is that it will help fund companies identify those strategic elements that will give them an advantage over their competitors.”

To obtain an executive summary of the study, or to inquire about purchasing the study, contact [sales@advisorperspectives.com](mailto:sales@advisorperspectives.com).

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