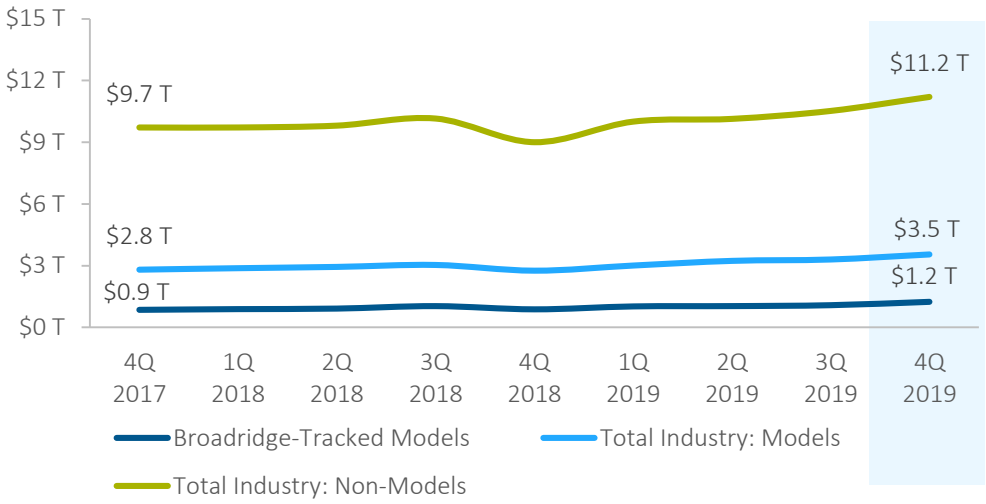
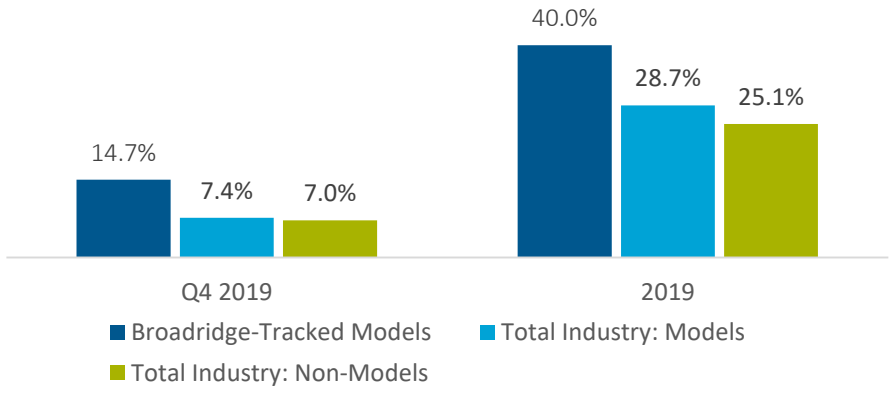
INSIGHT OF THE WEEK

US model portfolio growth poised to accelerate

US MODEL PORTFOLIOS VS. NON-MODELS: ASSETS



US MODEL PORTFOLIOS VS. NON-MODELS: ASSET GROWTH RATES



Source: Broadridge Data and Analytics

Communications
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Models growing faster than non-models

Model portfolios continue to attract widespread attention as solutions that benefit advisors, investors, distributors and asset managers. Advisors are gravitating towards model portfolios so that they can spend more time with clients and prospects.

In 2019 we saw the asset growth rate for the total US models industry reach 29%, with Broadridge-tracked models recording a growth rate of 40%. In comparison, the growth rate of non-models sits at 25%. At year-end 2019, Broadridge through its algorithm tracked $1.2 trillion in models invested in mutual funds and ETFs. This represented 35% of our full-market estimate of the $3.5 trillion US models marketplace. For reference, the marketplace for non-models is $11.2 trillion, which Broadridge also tracks at a detailed level.

Given recent Covid-19 driven market volatility, we expect more advisors to shift a greater portion of their book into models. It is likely that some of the 15% of advisors currently not using models will enter the market via an advisor-led approach. Overall model momentum seems poised to accelerate, further amplifying the need for managers to have a well-established business plan.

Data drawn from our Market Analytics product

Providing unparalleled insight into the U.S. market

- Fund and ETF data for all third-party distribution channels
- Advanced visualization and analytics capabilities
- Pre-built dashboards with tools to drive decisions
- Customizable with your own dashboards, visualizations, and analytics



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