



SS&C Technologies The North American Adviser Experience with Turnkey Asset Management

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Agenda



- Introductions
- What is a TAMP?
- TAMP Service Examples
- Benefits to the Advisor
- Benefits to the Asset Manager
- Which TAMP is for me?
- Regulatory factors for offering or using a TAMP

What is a TAMP?



- **Turnkey Asset Management Program** (TAMP) provides independent Advisors outsourcing services for back, middle and front office functions.
 - TAMP Advisors are provided access to resource intense services such as research, portfolio allocation strategies, periodic rebalancing, reconciliation, performance and reporting.
 - TAMPs are a form of fee-account, which charge fees based on a percentage of the total assets managed in the program.
- Types Available:
- ✓ Mutual Fund Wrap Accounts
 - ✓ Exchange-Traded Fund Wrap Accounts
 - ✓ Separately Managed Accounts
 - ✓ Unified Managed Accounts
 - ✓ Unified Managed Household

The TAMP Background



- Initially developed in the 1980's, experiencing significant growth over the past decade in the US
- According to Cerulli research, **54%** of investment professionals utilize some form of a TAMP program
- TAMP assets have exceeded **\$2.2 trillion** in the US
- Trend is moving from SMA TAMPs to UMA TAMPs primarily due to efficiency in processing and value add
- Market has become bifurcated between very large TAMP platforms and 'everyone else'

TAMP Service Examples

Front Office

- Portals
 - Client
 - Advisor
 - Asset Manager
- Questionnaires
- Proposals
- CRM

Middle Office

- Active Management
- Personalization
- Model Market Place
 - Multi-Manager
 - Multi-Model
- Manager Due Diligence
- Research, Analytics

Back Office

- Statements
- Performance
- Billing
- Reconciliation
- Custody
- Execution Services

TAMP Benefits to the Advisor



Financial Planning and Sales

- Offloading of administrative and research functions allowing Advisors to focus on Financial Planning, Relationship Management and growth



Cost Savings

- Eliminate multiple service costs and licensing fees required to manage a platform
- Reduce staffing costs related to administration, research and general overhead



Market Access

- Advisors can access unique investment products like foreign or alternative investments.



Outsourcing

- Allows Advisors to outsource the management of assets



Personalization

- Advisors can personalize client' portfolios, manage tax efficiency and increase transparency through direct ownership of securities.

TAMP Benefits to the Asset Manager



Growth in AUM

- Growth in Assets Under Management distributing through multiple platforms



Cost Savings

- Reduce costs related to back-office services provided by platform



Outsourcing

- Eliminate multiple service costs and licensing fees required to manage platform technology



Market Access

- Distribute complex products like Alternatives or Private Equity bundled with standard products



Data Integrity

- Single source of data aggregated from multiple custodians

Which TAMP solution components are important to me?



- Research and due diligence, model monitoring
- Passive Management v.s. Active Management
 - Passive: Funds / ETF's, Robo...
 - Active: Tax Efficient, Direct Indexing, Customization
- Client Specific Exceptions (eg. exclusions, over-weights, allocation weights)
- Tax Aware (Tax Loss Harvesting, Min Gain Rebalance...)
- Diversification of Managers, Models and Asset Types
- ESG Investing
- Billing (WRAP fees, Advisor Fees)
- Statements – White Labelling

How much does a TAMP cost



- Clients should expect to pay based on AUM
- Ranges and rates will vary based product and service offering complexity
- Fee components include:
 - Manager Fee
 - Advisor Fee
 - Platform Fee
 - Specialty Fees (tax services, bill payments, and others)
- Ranges for clients ranges from 0 (Advisor pays all) to 150 bps for full service active management

Regulatory Factors



- TAMP's are a service for licensed Financial Advisors, not available to direct investors
- Fiduciary relationship remains with the Independent Advisor
- TAMP requires local advisory license
- Domestic investors accounts only
- Access to Foreign Asset Managers through sub-advisory agreements

Questions?



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