Successful Advisor's Toolkit

FPA EB NexGen Community

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www.FPAEB.org

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Questions

- How long have you been in the profession?
- What type of firm do you work in?
- What are you passionate about?

Who is This?

Who is This?

Michael Kitces
MSFS, MTAX, CFP®, CLU, ChFC, RHU, REBC, CASL

www.Kitces.com

Nerds Eye View Blog

FA Success Podcasts #281

Financial Advisor Tech Solutions Map

May 2022 | Latest version available at: kitces.com/fintechmap

= Category Newcomer = Enterprise

Nerd's Eye View | kitces.com

Advisor Toolkit – More than Software

- Education & Training
  - Membership Organizations
  - Conferences
  - Continuing Education
  - Coaching
  - Study Groups
  - Books
- Information Sources
  - Daily news
  - Newsletters and blogs
  - Podcasts
  - Professional resources

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- ❖CFP Board
- ❖Financial Planning Association (FPA)
- ❖National Association of Personal Financial Advisors (NAPFA)
- ❖Investments and Wealth Institute (IWI)
- ❖Financial Women of SF *(FinancialWomenSF.org)*

My Fave FPA Benefits

- Discounts of CFP Exam and 15% off Kaplan courses
- Discounts on **UPS Overnight Delivery**
- Discounts on **Office Depot**
- Discounts on **Quickbooks, Emoney, Riskalyze, Tolerisk**, etc.
- **Scholarships** through College for Financial Planning and local FPA Chapters
- **FPA Group Long-Term Disability** (60% of income up to $20k/mo)

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❖ FPA NorCal Conference *(FPANorCal.org)*

❖Financial Planning Association

- ❖FPA Retreat (April 2023)
- ❖NexGen Gathering (in Las Vegas 8/23-25)
- ❖Residency (11/11-16)
- ❖FPA Annual Conference (in Seattle 12/12-14)

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Experts to Follow

- Nick Murray (www.NickMurray.com)
  - Nick Murray Newsletter (monthly)
- Morgan Housel (@MorganHousel)
  - *"The Psychology of Money"*
- Michael Kitces (www.Kitces.com)
- Brene Brown (www.BreneBrown.com)
- Greg Valliere (https://perspectives.agf.com)
- David Kelly (JP Morgan)
- Brian Wesbury (First Trust)
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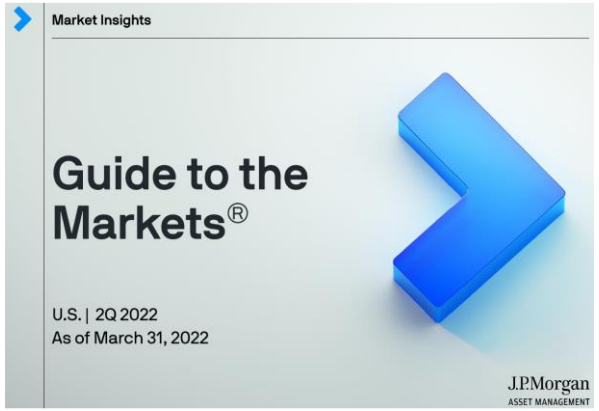
Experts to Follow – David Kelly



Equities

Returns and valuations by sector

GTM | U.S. | 14

	Energy	Materials	Financials	Industrials	Cons. Disc.	Tech.	Comm. Services*	Real Estate	Health Care	Cons. Staples	Utilities	S&P 500 Index	
S&P weight	3.9%	2.6%	11.1%	7.9%	12.0%	28.0%	9.4%	2.7%	13.6%	6.1%	2.7%	100.0%	Weight
Russell Growth weight	0.5%	0.9%	2.5%	6.1%	18.5%	46.2%	10.5%	1.7%	8.9%	4.2%	0.0%	100.0%	
Russell Value weight	7.1%	4.1%	20.8%	11.0%	5.0%	9.3%	7.1%	4.9%	17.9%	7.4%	5.4%	100.0%	
Russell 2000 weight	6.6%	4.0%	15.9%	15.5%	10.2%	13.7%	3.2%	7.8%	16.6%	3.5%	3.0%	100.0%	
QTD	39.0	-2.4	-1.5	-2.4	-9.0	-8.4	-11.9	-6.2	-2.6	-1.0	4.8	-4.6	Return (%)
YTD	39.0	-2.4	-1.5	-2.4	-9.0	-8.4	-11.9	-6.2	-2.6	-1.0	4.8	-4.6	
Since market peak (February 2020)	56.6	52.3	29.3	27.2	41.8	58.3	24.3	25.8	36.5	26.8	14.1	38.4	
Since market low (March 2020)	255.2	138.3	126.6	118.2	107.7	129.9	74.0	102.0	89.4	66.9	77.2	109.0	
Beta to S&P 500	1.3	1.1	1.1	1.1	1.1	1.1	1.0*	0.7	0.8	0.7	0.4	1.0	β
Correl. to Treas. yields	0.3	-0.1	0.1	0.0	-0.3	-0.3	-0.2	-0.2	-0.3	-0.2	0.0	-0.2	ρ
Foreign % of sales	37.6	54.8	21.7	33.0	34.2	58.7	48.4	17.0	37.9	44.9	2.0	41.8	%
NTM earnings growth	38.9%	5.3%	-5.9%	30.1%	19.4%	12.2%	4.9%	8.5%	5.5%	6.0%	3.1%	9.3%	EPS
20-yr avg.	85.5%	18.2%	21.3%	13.6%	16.7%	14.2%	10.5%*	6.5%	8.9%	8.0%	4.0%	11.5%	
Forward P/E ratio	11.5x	16.0x	14.4x	19.9x	27.8x	24.4x	18.1x	21.9x	16.5x	21.2x	21.3x	19.5x	P/E
20-yr avg.	14.1x	14.7x	12.4x	16.2x	19.0x	18.3x	19.7x*	16.4x	15.2x	17.1x	15.0x	15.5x	
Buyback yield	0.8%	2.1%	3.5%	2.0%	1.6%	2.3%	3.3%	-1.5%	1.3%	1.4%	-0.9%	2.1%	Bbk
20-yr avg.	1.5%	0.8%	0.2%	2.1%	2.3%	2.9%	1.4%	-1.3%	1.9%	1.8%	-1.0%	1.7%	
Dividend yield	3.3%	1.9%	1.9%	1.6%	0.7%	0.9%	0.9%	2.7%	1.6%	2.6%	2.9%	1.5%	Div
20-yr avg.	2.7%	2.5%	2.3%	2.2%	1.4%	1.1%	1.3%*	4.1%	1.9%	2.8%	3.9%	2.1%	

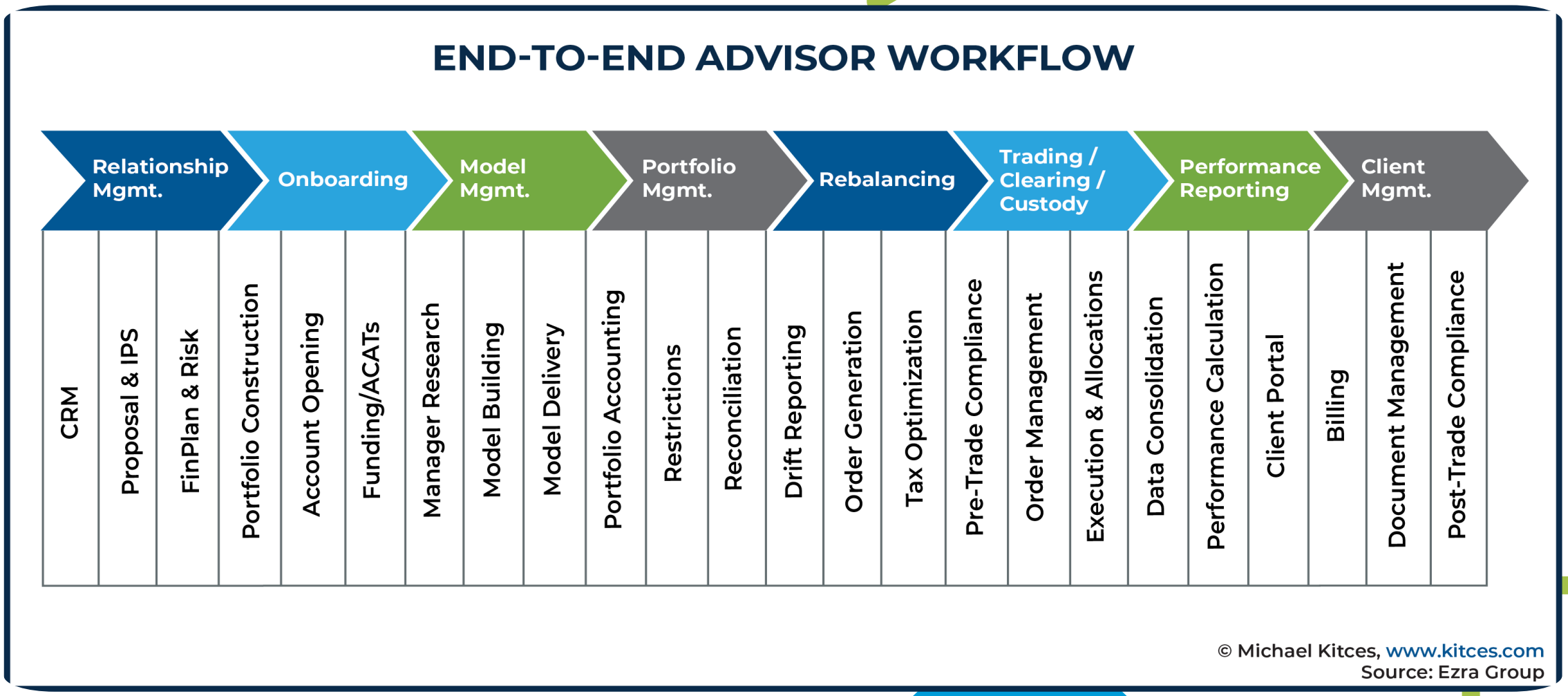
Source: FactSet, Refinitiv Datastream, Russell Investment Group, Standard & Poor's, J.P. Morgan Asset Management. All calculations are cumulative total return, not annualized, including dividends for the stated period. Since market peak represents period from 2/19/20 to 3/31/22. Since market low represents period from 3/23/20 to 3/31/22. Correlation to Treasury yields are trailing 2-year monthly correlations between S&P 500 sector price returns and 10-year Treasury yield movements. Next 12 months (NTM) earnings growth is the percent change in next 12-months earnings estimates compared to last 12-months earnings provided by brokers. Forward P/E ratio is a bottom-up calculation based on the most recent S&P 500 Index price, divided by consensus estimates for earnings in the next 12 months (NTM), and is provided by FactSet Market Aggregates and J.P. Morgan Asset Management. Buyback yield is net of share issuance and is calculated as last 12-months net buybacks divided by market cap. Dividend yield is calculated as the next 12-months consensus dividend divided by most recent price. Beta calculations are based on 10-years of monthly price returns for the S&P 500 and its sub-indices. *Communication

J.P.Morgan

Valuable Podcasts

- Michael Kitces
- You're a Financial Planner…Now What (YFPNW)
- Freakanomics
- Tim Ferris
- Malcolm Gladwell
-

End-to-End Workflow



End-to-End Workflow

Popular Platforms

All-In-One

These tools are primarily used for All-In-One:

- Orion Advisor Services
- Envestnet Tamarac
- Black Diamond
- Morningstar Office
- Advyzon
- InData
- FinFolio
- Advisor360
- Arcons Technology

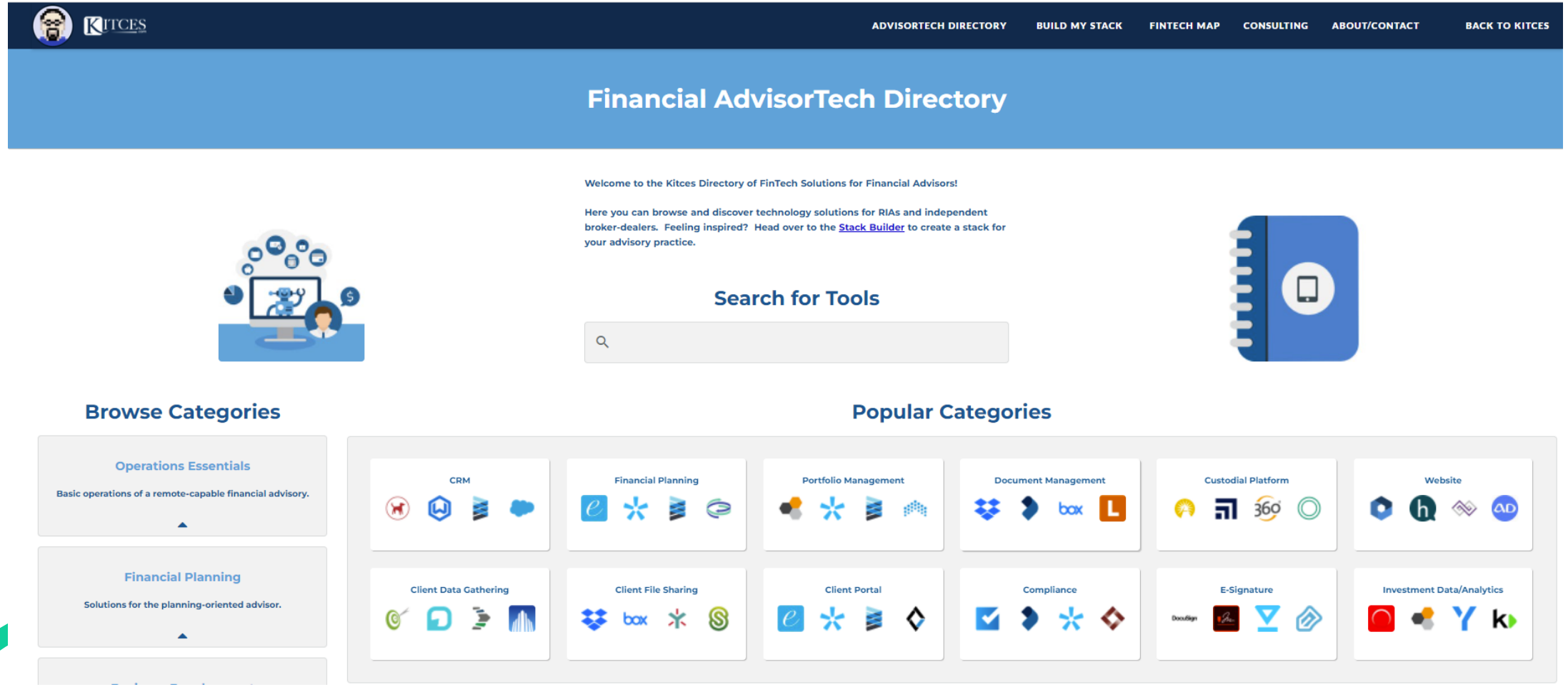
Custodial Platform

These tools are primarily used for Custodial Platform:

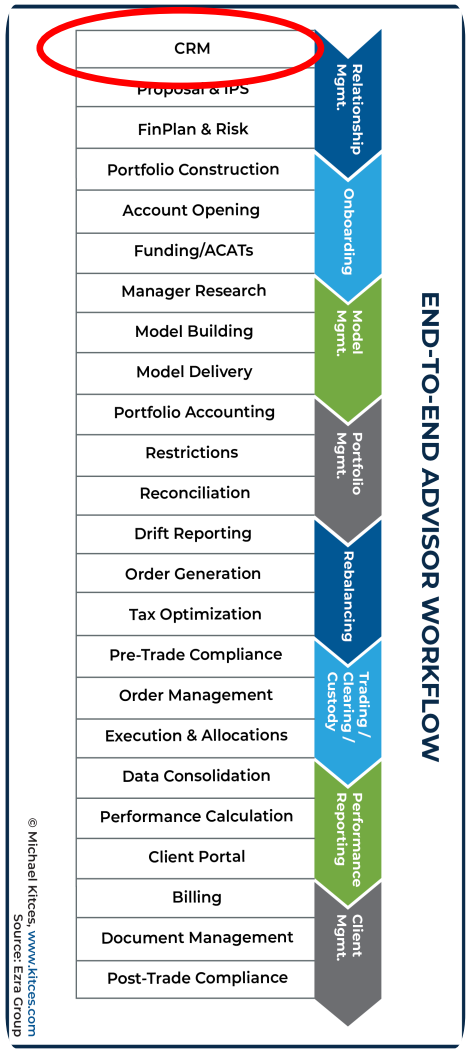
- Fidelity Wealthscape
- LPL ClientWorks
- Pershing NetX360
- Altruist
- Betterment For Advisors
- E*Trade Advisor Services
- RBC Black
- SEI
- Folio Institutional
- TradePMR
- Cetera AdviceWorks
- AssetMark
- Schwab Advisor Services

Online AdvisorTech Directory

www.FinTech.Kitces.com



End-to-End Workflow - CRM



These tools are primarily used for CRM:

Redtail

Wealthbox

Salesforce

AdvisorEngine

ProTracker

Ebix SmartOffice

Equisoft

These tools have other purposes but can also be used for CRM:

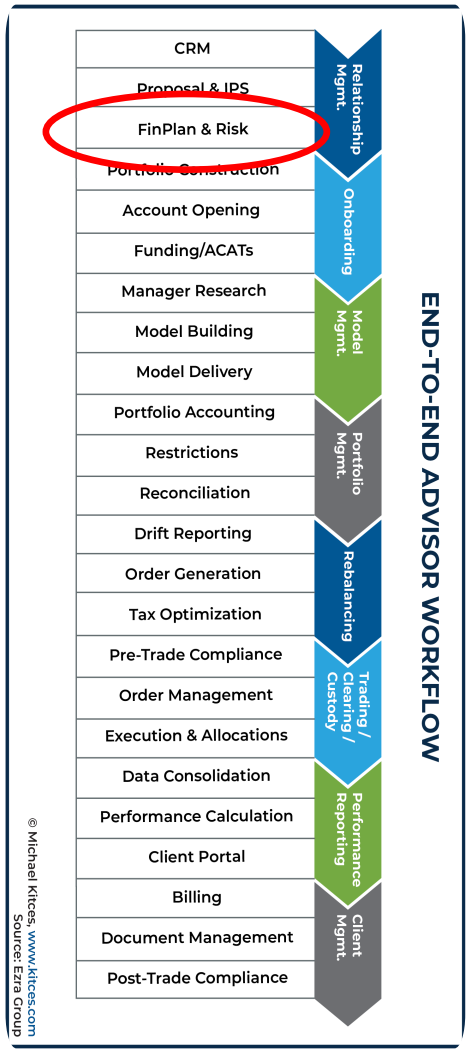
Envestnet Tamarac

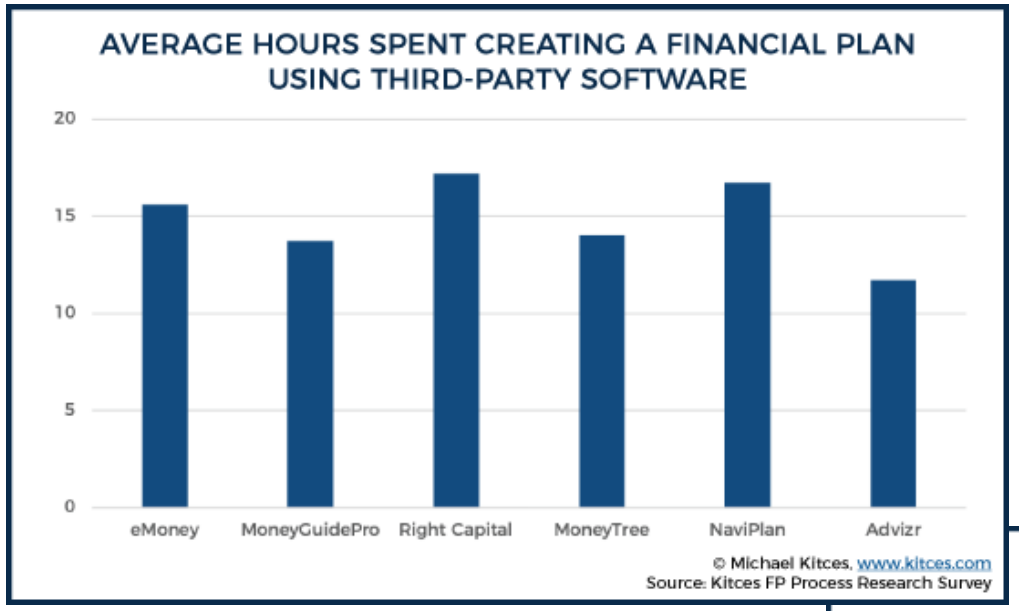
Advyzon

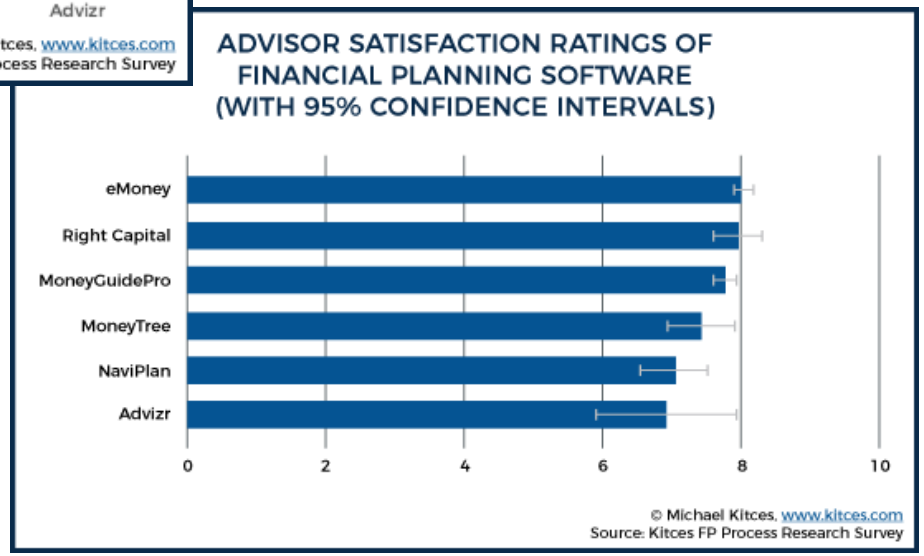
Finartis

Arcons Technology

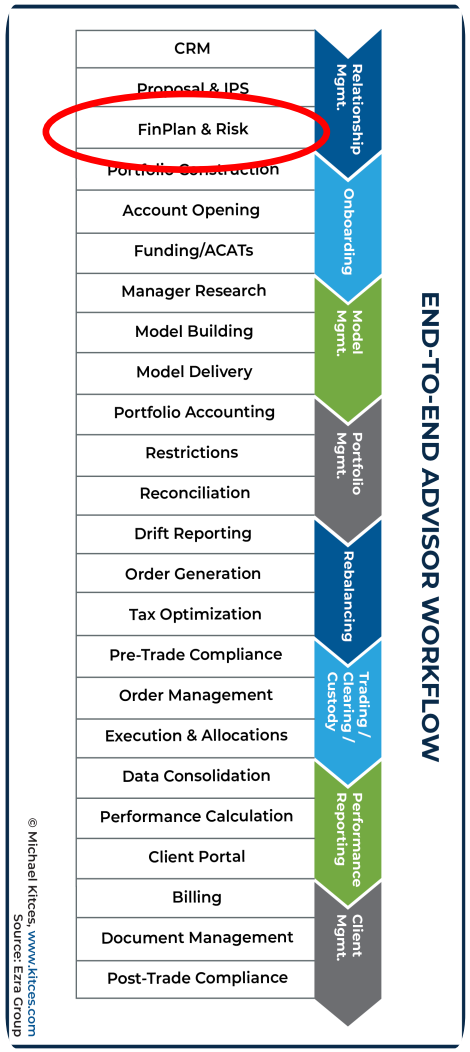
End-to-End Workflow – Financial Planning

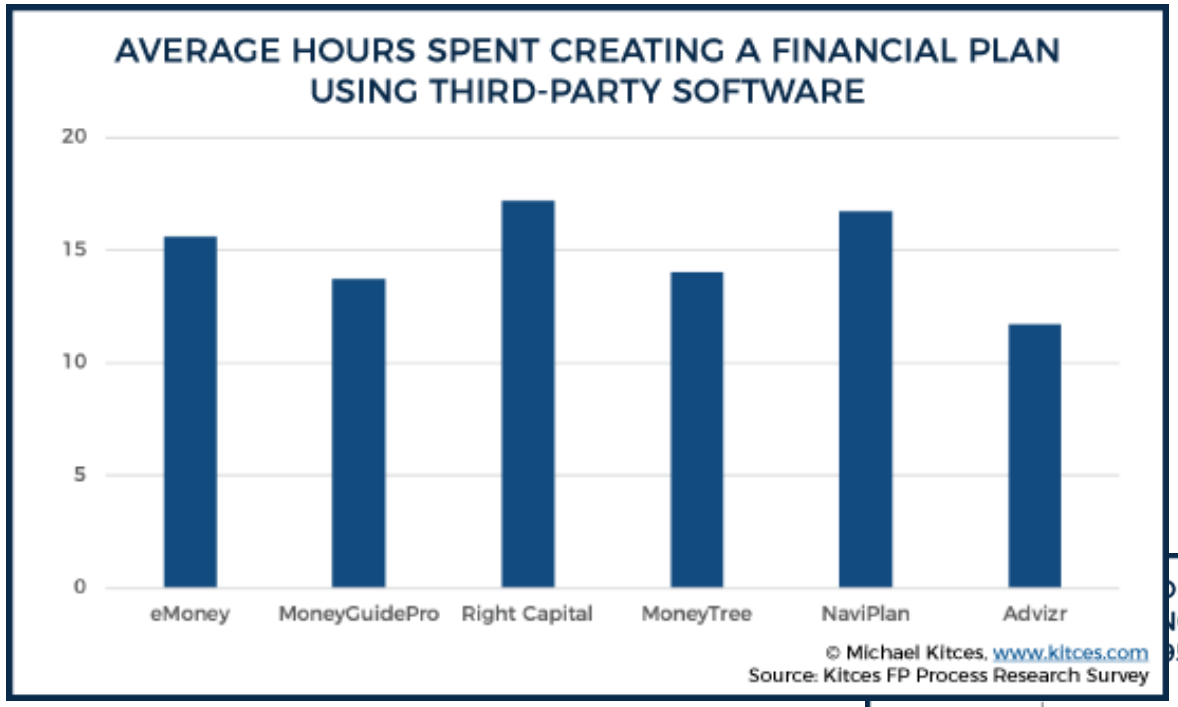


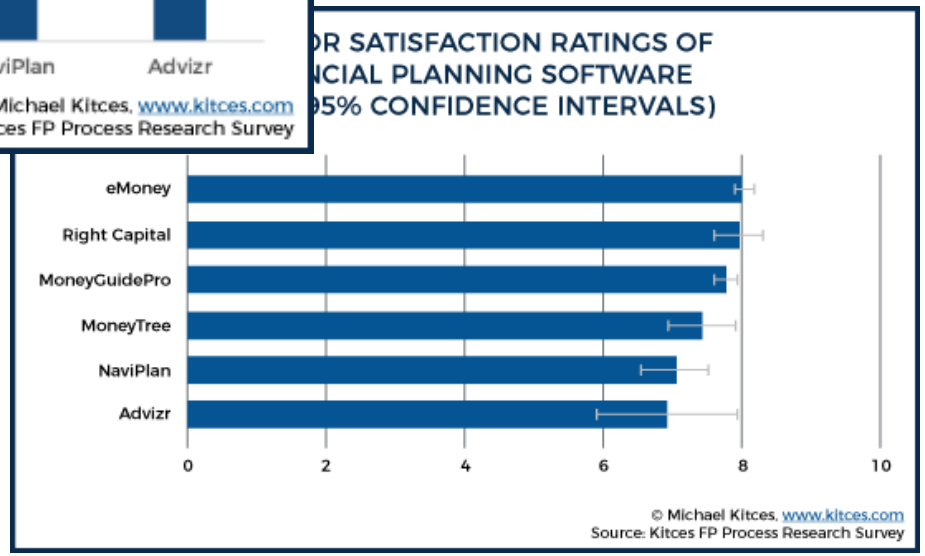




End-to-End Workflow – Financial Planning







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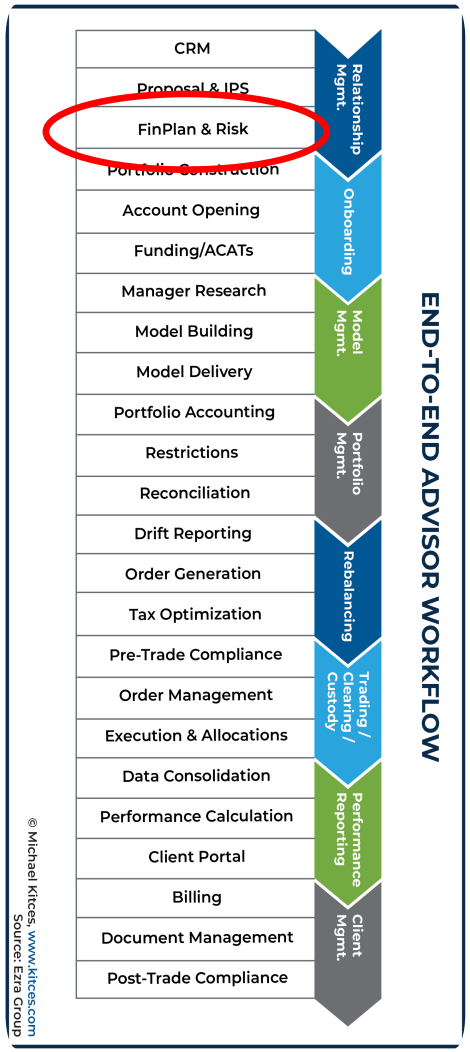

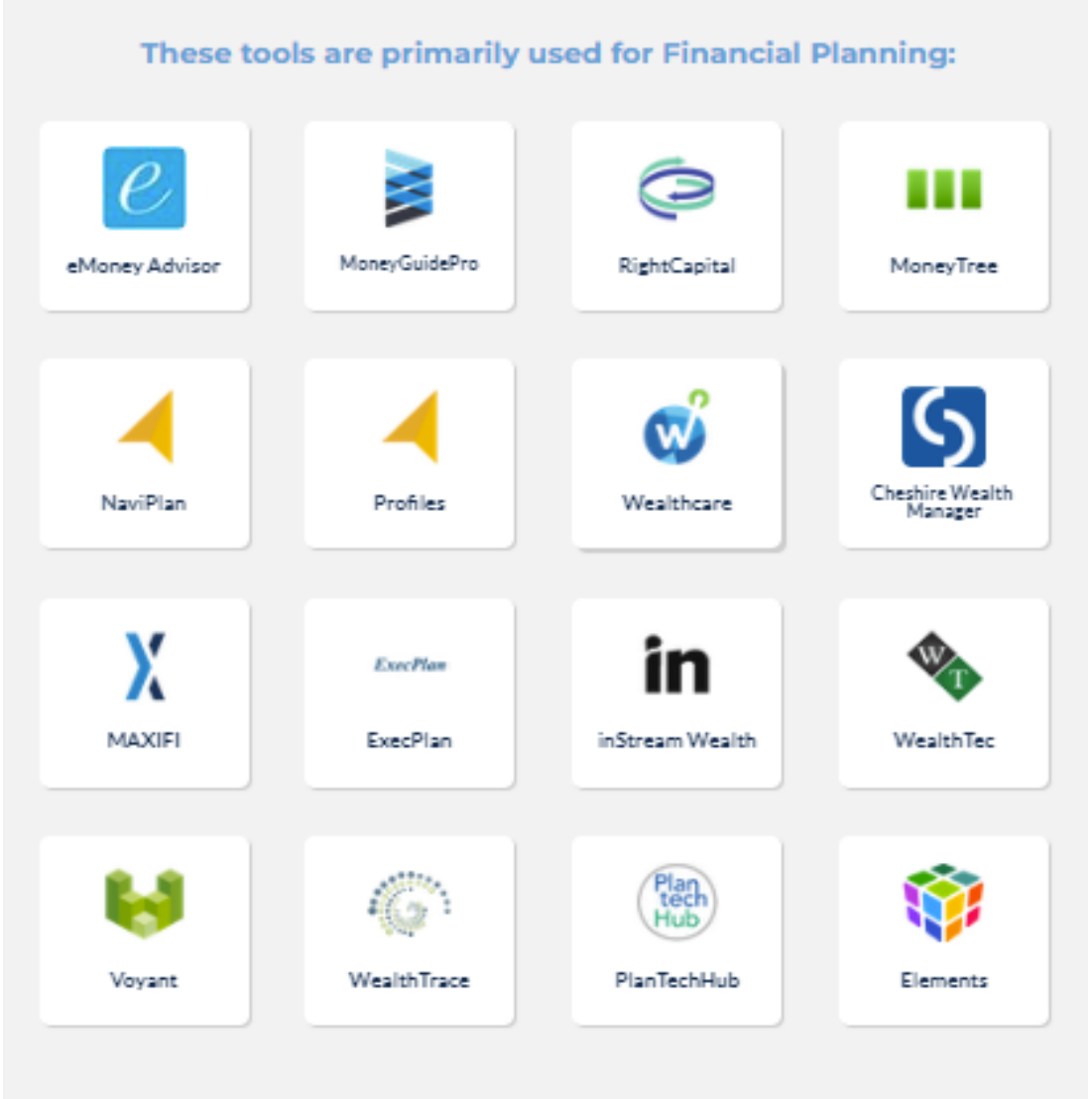

Thank You!
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