

# Why Does Exchange Have In-house Investment Management?

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October 3, 2022



When considering which wealth-management firm would be the best for your assets, you'll find some notable differences between the building blocks of one firm versus another. One distinguishing aspect of these firms is how they do their investment management. Firms either hire their own team of portfolio managers or outsource investment management to another firm. Most do the latter.

At Exchange, we have an in-house investment management team. They work together with your advisors to develop a portfolio tailored to your long-term financial plan. While this alone is a great benefit, there are a few advantages to having your investment management team under the same roof as your advisors.

## **It's Cheaper**

The cost of outsourced investment management is typically charged to the client. Some firms manage their way around this by charging a lower wealth management fee. Others choose to not lower their fees regardless of the additional expenses outsourcing can bring. We think an in-house portfolio management team is cheaper for our clients than the alternative and easier to understand.

## **It's Customizable**

Some clients prefer to have eyes on their portfolio and offer insight into what they want their portfolio to invest in. External investment management makes customization extremely difficult because you rarely get to talk to the external investment strategist and the strategist is not directly focused on just your account or our wealth-management firm.

An internal portfolio management team provides direct customization because they can focus on your needs. They also have the resources to look up previous notes and have direct access to the advisor who manages your financial plan. The portfolio manager and the financial advisor work together to create a plan and portfolio unique to your specific needs.

## **It's Direct**

A direct relationship is what clients strive to have with their financial advisors. With an internal investment management team, your advisor is going to have a direct relationship with that in-house team. This relationship doesn't only extend directly to your advisor, you can talk to the portfolio management team and see them when you come into the office for a meeting. This can provide you with a firsthand connection to the investment management team.

When a firm outsources its investment management, the portfolio manager does not dedicate themselves to just our clients because they work with a variety of clients from different firms. With an in-house team, you can feel assured they are strictly focused on your portfolio.

## **The Bottom Line**

There are many ways to staff an investment management team. Exchange believes our internal team of portfolio managers provides value to our clients and assures us that we have a team dedicated to your portfolio.

If you have any questions about how else internal investment management could be beneficial to you, consider scheduling a discovery meeting or giving us a call.