

Why Does Exchange Have a Minimum?

By: Exchange Capital Management

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Wealth management firms provide a variety of services to their clients. Typically, individuals find when they reach a certain level of assets, professional services are needed. However, most firms have set their own minimums to ensure that their services provide real value for both parties. An asset minimum is the required amount of investable assets you must have to be eligible to partner with a wealth management firm.

Exchange has a required minimum of \$500,000. While that is our required asset level, most of our clients have \$1,000,000 or more to invest. It may come as a surprise to find that this minimum is in place to benefit those we work with.

How Does a Minimum Benefit You?

Exchange provides long-term financial planning and portfolio management for our clients. For this work, we charge a fee which is a percentage of the assets entrusted to our care.

We strive to create a financial plan tailored to your specific circumstances and long-term goals. It is not uncommon to find that higher asset levels usually indicate more complexities in a plan. Additionally, lower asset levels can limit our portfolio management strategies. Therefore, we find it harder to justify our cost of service for those with fewer complexities.

Lastly, without a minimum, our resources would be spread thin amongst a larger client base. We take pride in the level of service and dedication towards every one of our client's plans and portfolios. Sacrificing this service would have adverse effects on our existing clients and our relationships with them.

How Does a Minimum Benefit Us?

Our asset minimum allows us to maintain our identity as a boutique advisory firm. We think of boutique as the quality of care and service we give to our clients, rather than just size. Being a boutique firm allows us to be more intentional, focused, and communicative with our clients. By sticking to a minimum and maintaining a boutique status, we can be confident the work we are doing is worth the percentage you are paying.

The Bottom Line

A minimum makes sure we are suitable for your needs and can provide great service. We want to ensure we can dedicate our time to your assets and financial well-being. Consider scheduling a discovery meeting if you have any additional questions about why our minimum is beneficial for you.