

WHAT CAN A TURNKEY ASSET MANAGEMENT PROGRAM DO FOR INVESTORS?



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Today's fast paced markets and ongoing global uncertainty make managing your money more challenging than ever. Investors may wonder what they can do to ensure that their portfolio can withstand the next recession or global crisis.

Like many, you may be using a financial advisor. Financial advisors offer an important safeguard for investors at all levels of savviness but that only offers you one opinion on the security and best decisions for your wealth. During times of market volatility and life changes, one opinion may not offer you all the options available to you. Everyone is human and the stock market naturally brings out emotions like fear and greed for even the most rational of us. [Research in the field of behavioral economics](#) suggests that no one is completely immune from biases that may affect sound judgment.

Without checks and balances, you could be risking more than you think.

Fortunately, a recent trend, called a Turnkey Asset Management Program, or "TAMP" may help you feel more confident about your money.

A TAMP Adds Important Checks and Balances

As talented and prudent most financial professionals tend to be, one person simply can not be everything to everyone. That is especially true when it comes to complex topics like financial advice. Everyone has a certain set of knowledge. If you choose to rely on one financial professional, you will be benefitting from that individual's knowledge and experience, but may be missing other perspectives, which can lead to unexpected risks and results.

A Turnkey Asset Management Program allows investors to benefit from having more than one professional keep an eye on their money. Here is how these platforms work:

Instead of trying to do everything themselves, a financial advisor will partner with a TAMP. You then work closely with your financial advisor, and the day-to-day management of your investments goes to the TAMP staff.

A high-quality TAMP likely includes a team of specialists and an investment committee. Then you and your advisor will be watching that team and providing any input as needed.

This approach brings multiple checks and balances. With more than one professional watching your account, you get a disciplined, systematic approach, which helps avoid these natural human biases.

By utilizing this strategy, your account is far less likely to get too out of balance, and you stay within your appropriate risk profile. While of course there is no guarantee with investments, it is this disciplined approach that can bring more consistent results and help you achieve your goals.

A TAMP Brings Specialization and More Options

Along with checks and balances, working with a financial advisor / TAMP team can bring you more expertise and more options. For example, some specialized TAMPs expand the advisor's offerings, and give you access to:

- Alternative investments, including private equity, private credit, etc.
- Access to institutional strategies
- Access to actively managed portfolios

Previously, few individuals had access to these options, but the growth of TAMPs brings these more sophisticated strategies to you.

All of this can serve you as your wealth grows and help you stay diversified in an unpredictable world.

A TAMP Brings More Financial Planning

By freeing up your financial advisor's time, the TAMP enables your advisor to spend significantly more time working directly with you to plan your strategy. This is critical to building wealth, as investing is only part of the formula for achieving your financial goals.

Financial planning takes several forms, all of which benefit when your advisor has more time to focus on these priorities:

- Getting financially organized so you know where you stand and feel in control
- Creating a financial plan that helps you clarify your goals, then creates a roadmap for you to get there
- Tax planning strategies that can help you save money and accelerate your efforts
- Estate planning work to help you find strategies to protect your assets and pass on wealth in the most tax-efficient manner possible
- College planning, to help you accomplish your family's education goals in the most cost-effective way possible
- General financial needs, such as help with refinancing your mortgage, making large purchases, or restructuring debt—so you can avoid expensive mistakes

All of these things take time. When an advisor is burdened with day-to-day investment management, other aspects of planning may not be a top priority. But by freeing up time, you benefit by getting more of this help, which can make a significant difference to your financial health.

Different TAMPs for Different Needs

Be aware that not every turnkey asset management program is the same. Some of these TAMPs cater to the more simple needs of younger people. Others, such as Cardea, are more sophisticated and are structured to help those who have more complex needs and financial lives.

What Do TAMPs Offer?

As mentioned previously, each TAMP is different. Here is a general overview of what TAMPs offer:

Customized Approach to Managing Your Investments

Most TAMPs give you access to core models built and managed by a team of specialists. With more basic TAMPs, the offerings may be limited. With higher-end TAMPs, you may have more diverse options.

Normally, the TAMP team invests your money into core models based on a set strategy and rules that you and your advisor agree upon.

Access to Third-Party Strategists

Some investors prefer a more tailored approach. With some TAMPs, you will have access to third-party strategists to help you take advantage of more sophisticated strategies, such as:

- Active management strategies that strive to generate above-market returns with equal or less risk
- Environmental, social, and governance (ESG) investment strategies
- Option strategies that enable you to generate more income from your portfolio
- Fixed income strategies

In these cases, there is a specialist in each area guiding your portfolio. Your assets are placed into a separately managed account that is overseen by that strategist.

Integration of Alternative Investments

Many institutional and high-net-worth families rely on alternative assets to help balance their portfolios and smooth out volatility. However, most retail investors do not usually have access to these types of investments, which can include private equity, private credit, real estate, co-investing, and more.

When your financial advisor partners with the right TAMP, you can get access to these investments.

A TAMP Usually Means More Service

One of the biggest benefits to you as a client is the best of both worlds:

- A dedicated advisor who is freed up to spend more time with you finding better financial planning strategies
- A dedicated TAMP team watching your portfolio on a daily basis so it can be proactively managed

The more complex your financial life, the more you can benefit from another perspective on your investments.

The end result? Less uncertainty and additional confidence—which is something we all could use more of.

This is not an offer of sale of securities. All investing involves risk, and particular investment outcomes are not guaranteed.

Endnotes

1. <https://proactiveadvisormagazine.com/behavioral-bias-affect-financial-advisors/>



Kendall Borchardt AIF®

National Sales Director

Kendall has over 25 years of experience in the financial services industry. She started her career in 1993 at Dean Witter/Morgan Stanley in Houston and soon transitioned to the investment advisory side of the business, where she worked at a family office, exclusively with high net worth professional athletes, handling all aspects of their financial needs.

After working directly with clients for several years, Kendall made a shift to the fee-based consulting side of the business. She has a diverse background working with many types of financial advisors – registered investment advisors, single family offices, foundations, wire-houses, and independent advisors. She has also represented a variety of money managers - emerging managers, mutual funds, exchange traded funds, separately managed accounts, custom bond portfolios, and private equity.

Kendall believes this business is relationship driven and that the core of her success is delivering a very high-end style of service and products for advisors and their high net worth and ultra-high net worth clients. A niche, very specialized investment offering, a simple and user-friendly interface coupled with trusted service, helps advisors deliver a customizable and responsive experience to their clients and differentiate themselves from their competition. Her goal is to allow advisors to focus on growing their assets, revenue and profitability.

She has a B.S. in Economics from the University of Houston and has successfully passed the following regulatory exams: Series 7, 24, 63, and 65. She also attained the Accredited Investment Fiduciary® (AIF) designation from the Center of Fiduciary Studies. Kendall has served in numerous board positions at the local Georgia chapter of the Financial Planning Association (FPA), as well as President in 2011 and Chairman in 2012. She enjoys playing tennis, traveling, sailing and outdoor activities with her family.