

## NEWSRELEASE

FOR IMMEDIATE RELEASE

**New PriceMetrix Report Shows Outperforming Advisors Grew Revenues 34% Over 12 Months; Underperformers Lost 4%****Outperformers Grew Despite Market Turbulence and Aggressively Moved Into Fee-Based Business Products**

**December 12, 2011; Toronto, Ontario** – A new whitepaper report from PriceMetrix, the first choice in practice intelligence solutions for retail brokerages in North America, shows outperforming advisors grew their revenues 34% over a 12 month period ending in June 2011, compared to a 4% drop among the bottom quartile of advisors. The average Outperformer raised his or her revenue from \$581,686 in June 2010 to \$781,960 in June 2011. The average bottom quartile performers started with revenues of \$633,088, and dropped to \$605,564 by the end of the period.

In this report, PriceMetrix identifies a few key reasons why Outperformers achieved their notable success, including a focus on target clients, moving aggressively towards fee-based business and maintaining pricing discipline.

*“Outperformers did not achieve their success by accident,”* commented Doug Trott, President and CEO of PriceMetrix. *“Our analysis shows that superior performance is the result of a careful and considered approach to managing one’s business and one’s clients.”*

To conduct the analysis, PriceMetrix drew on its proprietary database of 3.2 million investors, 500 million transactions, 1 million fee-based accounts, 4 million transactional accounts and over \$900 billion in investment assets. PriceMetrix identified Outperformers by grouping advisors with similar styles of business, such as those focused primarily on fee-based business, and similar length of service. Finally, the firm segmented advisors into quartiles based on their organic revenue growth and asset growth over the 12 month period.

PriceMetrix found that Outperformers remained in a growth mode despite considerable market turbulence in 2010 and 2011. Outperformers opened almost twice as many new accounts as the Underperformers, an average of 93 new accounts versus 50. Furthermore, Outperformers also added larger accounts than the Underperformers – the average size of accounts opened by Outperformers was 37% greater than those of the Underperformers, \$194,966 in assets versus \$142,418.

## NEWSRELEASE

Additionally, Outperformers are moving small households (defined as less than \$100,000 in assets) out of their books and bringing in mid-to-high net worth households (defined as more than \$250,000 in assets) at a faster rate than the Underperformers

*“A key difference for Outperformers is their focus on establishing a more attractive client mix and then proactively improving it. Outperformers recognize that improved productivity of their books is best achieved by ending unproductive relationships to make room for more productive ones,”* said Mr. Trott. *“We found that Outperformers earned \$1,565 more in net revenue for every account they replaced, while the Underperformers earned only \$55.”*

Outperformers are also moving more aggressively into fee-based business and are benefiting from a greater percentage of recurring revenue as a result. Outperformers increased their fee-based business by 21% over the 12-month period compared to just 12% among advisors in the Underperformers. In June 2011, the average outperforming advisor had 29% of his or her client assets in fee-based business products compared to 21% for the Underperformers. Outperformers opened an average of 23 new fee-based accounts versus just 9 new accounts for Underperformers.

Outperformers also demonstrate an ability to maintain their pricing levels despite turbulent market conditions. The average Outperformer increased the RoA on fee-based accounts to 1.51%. Interestingly, the Outperformer's average millionaire household, with \$5.1 million in invested assets, generated an average RoA of 0.91%, while the average millionaire household for the Underperformers had \$5.0 million in invested assets with an RoA of just 0.77%.

*“As we have seen repeatedly, successful advisors have a compelling value proposition and a commensurate pricing strategy,”* noted Mr. Trott. *“They price rationally and they are consistent in their pricing. It comes as little surprise, therefore, that we see premium pricing in our Outperformers.”*

Outperformers are focused on growth and building momentum. PriceMetrix believes that investment firms should be identifying and rewarding all of their Outperformers, and focus on those advisors who **grow** the most – not just those who **produce** the most. PriceMetrix believes it is the Outperformers who represent the engine of growth for investment firms.

PriceMetrix' latest *Insights* whitepaper report entitled 'The Anatomy of Outperformers' can be accessed at [www.pricemetrix.com/Insights](http://www.pricemetrix.com/Insights)

### NEWSRELEASE

**PriceMetrix Contact:**

Amrita Mathur  
Director, Marketing  
416-955-0514 Ext. 350  
amrita.mathur@pricemetrix.com

**About PriceMetrix:**

PriceMetrix is the first choice in practice intelligence solutions for retail brokerages in North America. We help wealth management firms enhance revenue growth, by enabling advisors to identify and action otherwise lost revenue opportunities. By combining industry know-how with powerful aggregated market data, we help our clients increase overall firm profitability.

PriceMetrix directly measures aggregated data representing 3.2 million investors, 500 million transactions, 1 million fee-based accounts, 4 million transactional accounts and over \$900 billion in investment assets. PriceMetrix combines its patented process for collecting and classifying data with proprietary measures of revenue, assets, and households to create the most insightful and granular retail wealth management database available today.

Founded in 2000 and headquartered in Toronto, Ontario, we service a notable range of retail wealth management firms within the United States and Canada. To learn about why our clients love us, please visit [www.pricemetrix.com](http://www.pricemetrix.com) or call and email us at 1-866-955-0514 and [info@pricemetrix.com](mailto:info@pricemetrix.com).