

NEWS

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Advyzon Releases Third Annual Asset Allocation Study and White Paper

Special report uncovers trends in how financial advisors shifted client assets in 2023

CHICAGO, IL (June 27, 2024) – [Advyzon](#), a comprehensive service and technology platform and portfolio management solution for financial advisors and investment managers, has just released “[What’s Going On With Assets in 2024?](#)”, Advyzon’s third annual asset allocation study that reveals new trends in how financial advisors are investing client funds.

With deep dives into the subtle shifts around asset allocation, the paper looks at how the more than 1,500 advisory firms that use Advyzon for portfolio reporting allocated client funds at the close of 2023. Authored by [Kelly Fitzpatrick](#), Senior Product Owner at Advyzon, the special report also takes a look at the evolution of the equity and fixed income markets over the course of the past five years, analyzes top holdings at the security level, and provides insights on how advisors are utilizing alternative investments.

Among the highlights from the latest study: Advisors once again reduced their cash allocations in 2023, and the gap between ETFs and mutual funds widened significantly last year, building on findings from [last year’s white paper](#) that showed ETFs dethroning mutual funds as the top investment vehicle for advisors.

Advyzon's cloud-based platform combines portfolio management, customizable performance reporting, trading and rebalancing, client web portals, client relationship management (CRM), client billing, and document storage – plus a model marketplace with access to third party strategists via turnkey asset management with [Advyzon Investment Management \(AIM\)](#) – making it easy for advisors to run their financial planning and investment advisory firms while managing their client accounts with efficiency and ease. Advyzon currently serves over 1,500 advisory firms. Data for this study was pulled anonymously from all firms to protect client data.

CASH IS NO LONGER KING

One of the main findings of the 2024 study was that advisors once again reduced their cash allocations in 2023. According to [Brian Huckstep, CFA, CFP®](#), Chief Investment Officer of AIM – a turnkey asset management program (TAMP) under the Advyzon umbrella – this makes sense in context.

“The end-of-year expectation in 2023 was that the Fed would lower rates six times in 2024,” said Huckstep. “That may have prompted some investors to preemptively exit cash and very short-term bonds to seek better returns in longer-dated bonds or other investments.”

On the other hand, this shift means some advisors may have missed out on higher-than-average yields in short-term debt and cash equivalents.

ETFs EXTEND THEIR LEAD

While ETFs dethroned mutual funds as the preferred investment vehicle for investors at the close of 2022, the gap widened significantly last year. Advisors had nearly 30% allocated to ETFs at the end of 2023, compared to roughly 22% via mutual funds.

Huckstep flagged two important trends in ETFs. First, a rise in “buffer ETFs” meant to minimize downside risk. These ETFs are filling the role that structured notes once held. Second, “The ETFs that have been rising in popularity are the lower-priced ones” – with one exception: SPDR’s SPY. Huckstep pointed out that at 0.09%, SPY’s price tag is triple that of Vanguard’s VTI or IVV. However, since SPY debuted 31 years ago, investors may have decades worth of capital gains that they don’t want to realize – even if switching funds means lower fees going forward.

THREE TRENDS TO WATCH THE REMAINDER OF 2024

Huckstep also flagged three trends to watch for in the remainder of this year:

1. The yield curve and its potential to impact bank stocks
2. The rising burden that corporate debt may put on equities
3. How the election could impact investing overall

When it comes to the election, Kaitlin Hendrix, Asset Allocation Research Director at [Dimensional Fund Advisors](#) – whose actively managed funds are available via the AIM platform – suggests advisors keep their clients focused on the long term: “Stocks have rewarded disciplined investors for decades, through both Democratic and Republican presidencies, as shareholders are investing in companies that focus on serving their customers and growing their businesses regardless of who is in the White House.”

The full report also reveals:

- How each of the main security types performed
- What the top holdings of 2023 were
- What trends industry experts are watching over the next year

To read the full report and download the white paper, [please click here](#).

ABOUT ADVYZON AND ADVYZON INVESTMENT MANAGEMENT

Advyzon provides comprehensive, intuitive, cloud-based wealth management technology and investment management services for independent financial advisors and registered investment advisors (RIAs). The Advyzon tech platform combines portfolio management, customizable performance reporting, trading and rebalancing, client web portals, client relationship management (CRM), client billing, and document storage, along with investment management services and a model marketplace offered by Advyzon Investment Management, LLC. A team of entrepreneurs led by CEO Hailin Li, Ph.D., CFA®, Advyzon strives to innovate in strategic and useful ways. Financial advisors inspire Advyzon's innovation and integrations. Their exceptional technology and unmatched service exist to improve the advisor experience – whether it's via portfolio and firm management or client relationships and growth. To learn more about Advyzon, visit www.Advyzon.com. To learn more about Advyzon Investment Management (AIM), visit www.AdvyzonIM.com.

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