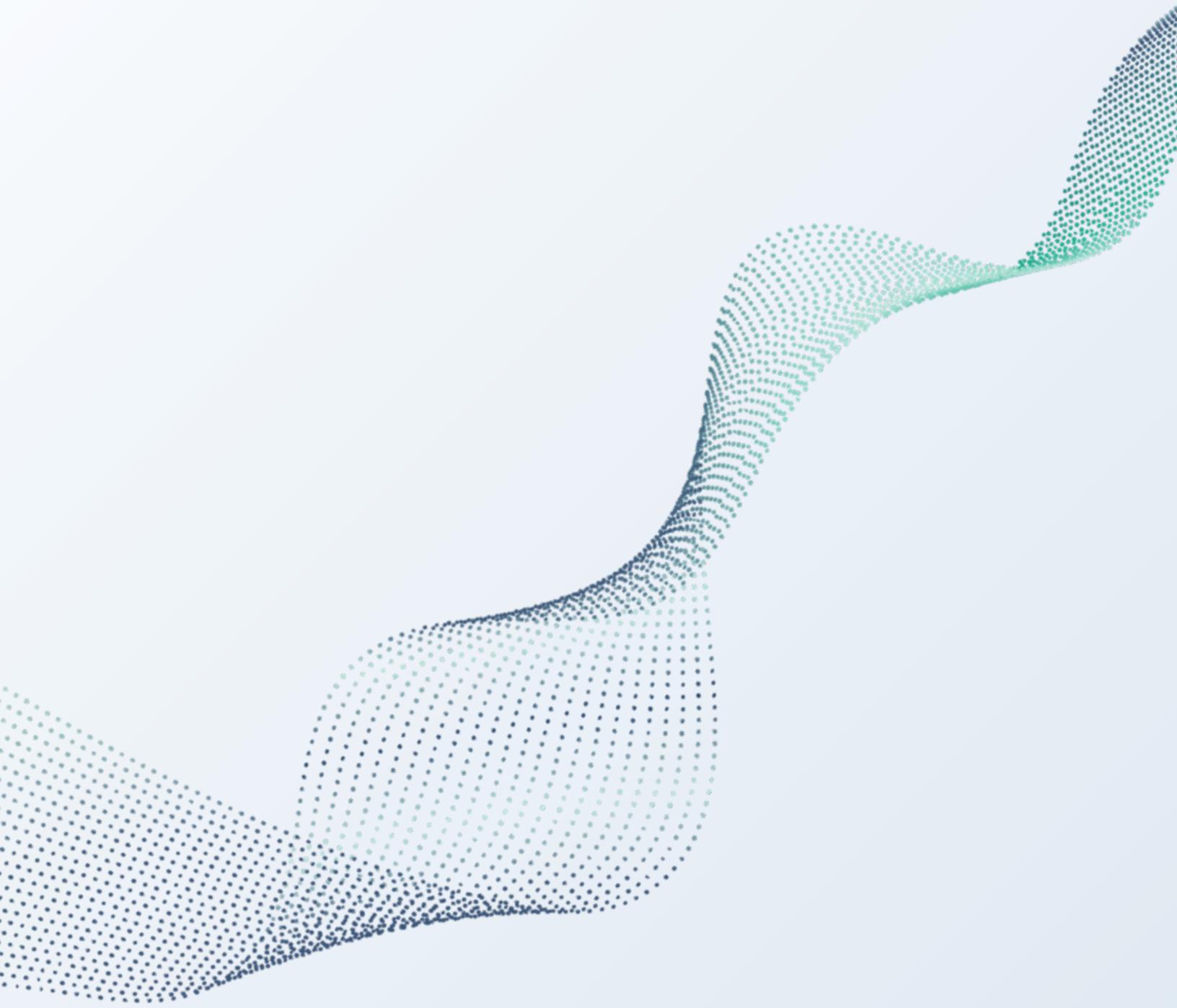




# Advisor Success Level





Discovery Data created the Advisor Success Level (ASL) to better assist clients in segmenting and prioritizing outreach to practicing retail financial advisors. ASL is calculated using up to 8 profile data points.

No one profile point on its own can be relied upon to determine the size of an advisor's practice; however, a group of the following factors are highly accurate in establishing, at a minimum, the relative success level an advisor is in comparison to all advisors in the industry. If a profile point is not available for an advisor then it is excluded from the ASL calculation. The less profile points used, the lower the ASL Confidence Score.

- 1 NUMBER OF REGISTERED STATES** - As an advisor's business grows, the number of registered states naturally increases as investor clients move out of state and the advisor gets referrals around the country.
- 2 NUMBER OF REGISTERED TEAM MEMBERS** - The larger an advisor's practice, the more there is a need for an increasing number of team members.
- 3 YEARS IN THE INDUSTRY** - The longer an advisor is in the industry the higher the likelihood the advisor has a larger practice.
- 4 YEARS AT CURRENT FIRM** - The longer an advisor's tenure at a firm, on average, the higher the likelihood the advisor has a larger practice.
- 5 FIRM TYPE** - On average, advisors at wirehouses have the largest practices, followed by those at traditional employee-advisor firms, independents, insurance then brokerage firms that do not practice wealth management, such as stock traders.
- 6 SELF-REPORTED PRODUCTION** - Advisors subscribing to industry publications often report production. This number is often understated and there are limited production ranges from which to select. However, combined with other profile points this number can be an important contributor to the measure of an advisor's practice size.
- 7 SELF-REPORTED ASSETS** - Advisors subscribing to industry publications often report assets. This number is often understated and there are limited asset ranges from which to select. However, combined with other profile points this number can be an important contributor to the measure of an advisor's practice size.
- 8 RIA OWNER AUM OVERRIDE** - For those advisors associated with corporate platforms who also own their RIA firm, the assets under management (AUM) reported by the RIA firm is the most accurate measure of an advisor's practice size. The success level calculator in the following chart shows the RIA firm AUM is half that of the advisor's self-reported assets because a dually-registered advisor typically has some portion of client assets on the brokerage side and not all advisory AUM.



## ADVISOR SUCCESS LEVEL CALCULATOR

In each category for which an advisor can be measured, the advisor's success level will be a number with 1 being the highest and 5 being the lowest. For instance, if an advisor is registered in 31 states, the advisor's level for that category will be 1. The levels are added up and divided by the total number of categories for which the advisor is measured, then rounded to the nearest decimal point (i.e. 1.4). If a category does not apply to an advisor, it will not be included in the calculation. When an advisor is associated with more than one firm and has different success levels, we will only use the best level available for that advisor as we will not publish multiple success levels for an advisor.

SUCCESS LEVEL	REGISTERED STATES	REGISTERED TEAM MEMBERS	YEARS IN INDUSTRY	YEARS AT CURRENT FIRM	FIRM TYPE	SELF-REPORTED PRODUCTION	SELF-REPORTED ASSETS	RIA OWNER AUM OVERRIDE
1	31+	5+	25+	20+	Wirehouse	\$1MM+	\$250MM+	\$125MM+
2	20 - 30	3 - 4	15 - 24	15 - 19	Traditional	\$500 - 999K	\$100 - 249MM	\$50 - 124MM
3	6 - 19	1 - 2	10 - 14	10 - 14	Independent Corporate Platform Independent Retail RIA	\$250 - 499K	\$50 - 99MM	\$25 - 49MM
4	2 - 5	N/A	4 - 9	4 - 9	Insurance	\$100 - 249K	\$25 - 49MM	N/A
5	0 - 1	N/A	0 - 3	0 - 3	Non-Wealth	<\$100K	<\$25MM	N/A
EXAMPLE — LEVEL	20 - 30	1 - 2	25+	N/A	Traditional	\$100 - 249K	<\$25MM	N/A
	2	3	1	N/A	2	4	5	N/A
ADVISOR SUCCESS LEVEL: 2.8					ASL CONFIDENCE SCORE: 75.0%			



## ASL CONFIDENCE SCORE

An ASL determined using all 8 profile points will be the most accurate. All success levels will be accompanied by an ASL Confidence Score, as shown below.

NUMBER OF PROFILE POINTS AVAILABLE	CONFIDENCE SCORE
8	100.0%
7	87.5%
6	75.0%
5	62.5%
4	50.0%
3	37.5%
2	25.0%
1	12.5%
0	0.0%

The ASL in combination with the Confidence Score equips Discovery Data clients with a quick measure of advisor practice size, allowing for improved segmentation.



[discoverydata.com](http://discoverydata.com)



732-933-1899



[contact@discoverydata.com](mailto:contact@discoverydata.com)