

WHY YOU NEED...

ACTIVE VERSUS PASSIVE INVESTOR RETURNS (A-PIR)

Projected Market Changes

- **Market share trends**

For the last three years passive (index) investments had net *inflows* of \$512 billion while actives had *outflows* of \$735 billion.

In the last 15 years actives had net inflows of \$653 billion compared to \$1,129 billion for passives.

This trend can change if the benefits of active investing are recognized.

Demonstrate Long Term Benefits

- **Difference in what investors actually earn**

Investing benefits are only about the investor, not the investment.

Starting from a statistical deficit (lower expenses and higher returns)...
can investors ever benefit more from active investments?

Capture Share of Passive Market

- **Discover opportunities in vulnerabilities**

Sustaining market share requires sustainable differentiation.

Statistical differences of expenses and returns are unsustainable.

Develop and exploit reasons to select your commoditized product.

Retain Share of Active Market

- **Capitalize on strengths of Active market**

Answer asset erosion by describing investor benefits that active investments provide.

Questions?

- **What Is A-PIR?**

A-PIR compares the actual investor returns earned in active and passive investments.

- Short term... 1 and 3 years
- Long term... 5, 10 and 15 years
- During market stresses

A-PIR reports the advantages and disadvantages to investors of both active and passive investing.

- **How You Can Use A-PIR?**

Develop effective messaging... *"How does an investor choose?"*

Develop decision tools... *"Find the facts and support the choice"*

Improve communication... *"Accentuate the positive, eliminate the negative"*

▪ **How Does A-PIR Improve an Advisor’s Practice?**

Three practice benefits are derived from a-PIR:

- Equips advisors to make meaningful active investment recommendation.
- Provide low cost answer to asset allocation and capital preservation.
- Documentation to support acting in client’s best interest.

▪ **What You Can Learn from A-PIR?**

How to discuss active and passive investing without the bias of advocacy:

- When is active investing better?
- When is passive investing better?
- How much difference does it really make?

The ways to enhance active investments to compete more with passives.

The ways to enhance passive investments to compete with other passives.

▪ **What Does A-PIR Cost?**

For institutional use

- May be used internally (no redistribution) \$2,500
(Includes complimentary copy of 2017 QAIB¹ Report)

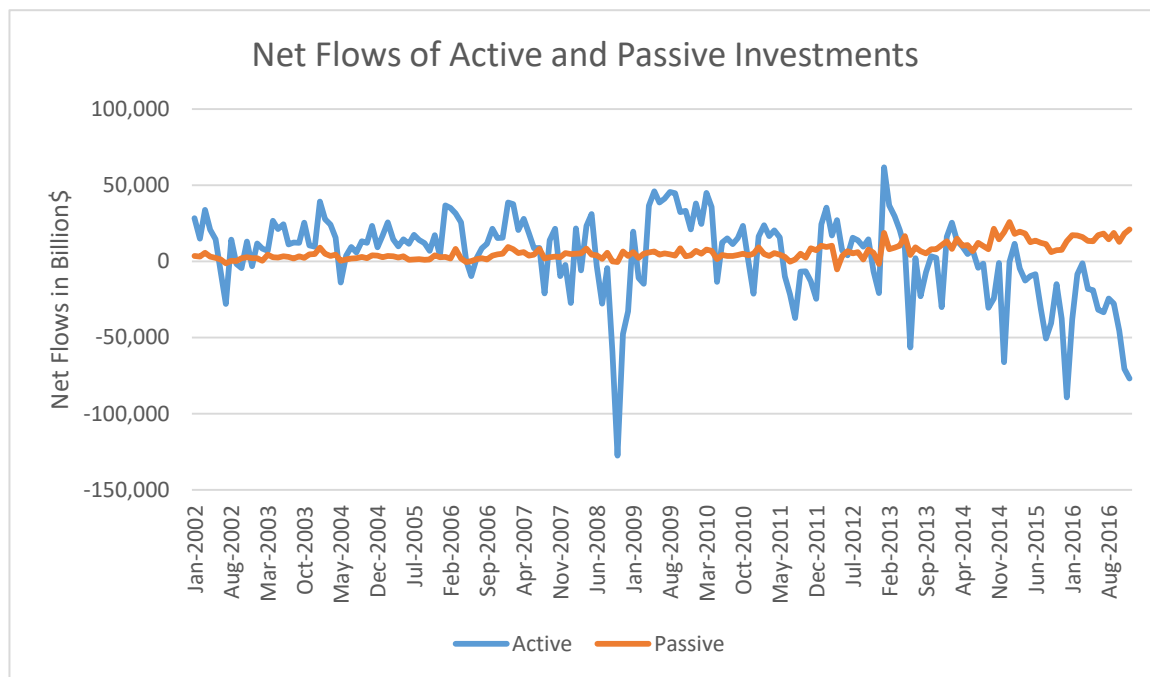
For distribution

- May be used in advertising and deliverable to clients/advisors \$5,500

Advisor practice edition (highlights only)

- Personalized with name of practice for client distribution \$250

Cash Flows



¹ DALBAR’S 2017 edition of the Quantitative Analysis of Investor Behavior.