WrapManager
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How 360 Degree Wealth Management is Different

Our 360 Degree Wealth Management approach is a different from that of many other wealth managers who either manage your money themselves or create a passive portfolio of mutual funds and automatically rebalance it.

Many sophisticated institutional investors, such as pension funds and large foundations use an approach to investing similar to ours. They use Modern Portfolio Theory to manage their risk. According to Modern Portfolio Theory, to adequately diversify your portfolio investments should be spread among different classes of assets whose returns are not highly correlated. Based on the groundbreaking work of Harry Markowitz and William Sharp, Modern Portfolio Theory asserts that investors should allocate their investments among different asset classes and match their asset allocation to their risk tolerance. Once the institution has an asset allocation, it hires different investment managers to make the specific investments in each asset class. Usually an investment committee will manage this portfolio of money managers over time and make changes when managers fail to perform or the needs of the institution change. WrapManager has been providing a similar service for individual investors for over eight years.

Why do we use money managers instead of mutual funds? Mutual funds are an excellent vehicle to begin building wealth. They provide diversification and professional management with a low investment minimum. However, funds can offer some real disadvantages as well. Mutual funds often generate unwanted capital gains taxes, even if you did not own the fund when the selling occurred. Funds cannot be customized to eliminate a particular stock you may already own outside the fund. Many of the best funds carry relatively high fees: front-end loads, redemption fees, annual management fees, and 12b-1 fees. For small investors, the benefits of fund investing more than make up for these disadvantages. However, as an investor's net worth grows, more sophisticated solutions become available. Money managers can provide many of the same benefits as mutual funds with the flexibility of owning individual securities, often at a comparable cost to mutual funds.

How do we monitor your portfolio over time? We reach out to you over the phone at least once per quarter and review your portfolio with you. First we will look at your progress toward your goals. Are you on track or do we need to make adjustments to your plan? We sometimes make strategic changes to your asset allocation if your circumstances or your risk tolerance have changed. Occasionally, we will make tactical adjustments to your allocation based on market conditions—temporarily overweighting or underweighting a particular asset class or segment. Finally, we review your managers and decide if they are still the best choices for you. Unlike managers who are strict asset allocators, we do not automatically rebalance quarterly.

Particularly in taxable accounts, we favor letting gains run and managing under-performing managers out of your portfolio.

WrapManager can help you take advantage of these sophisticated solutions. Unlike mutual funds, many of the best institutional managers don't work directly with retail investors. WrapManager provides access to these managers for people with as little as $500,000 to invest. We are managed money specialists. We will build you a custom, diversified portfolio of managers and monitor them over time. Our clients are busy, successful people who rely on us to manage their portfolio of investment managers so they can focus on living their lives. To find out what we can do for you, call (800) 541-7774 or click for a FREE Money Manager and Asset Allocation Proposal today.