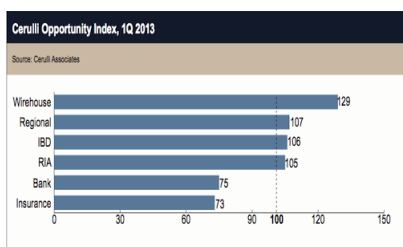


## Wirehouses still widest distribution pipeline: Cerulli

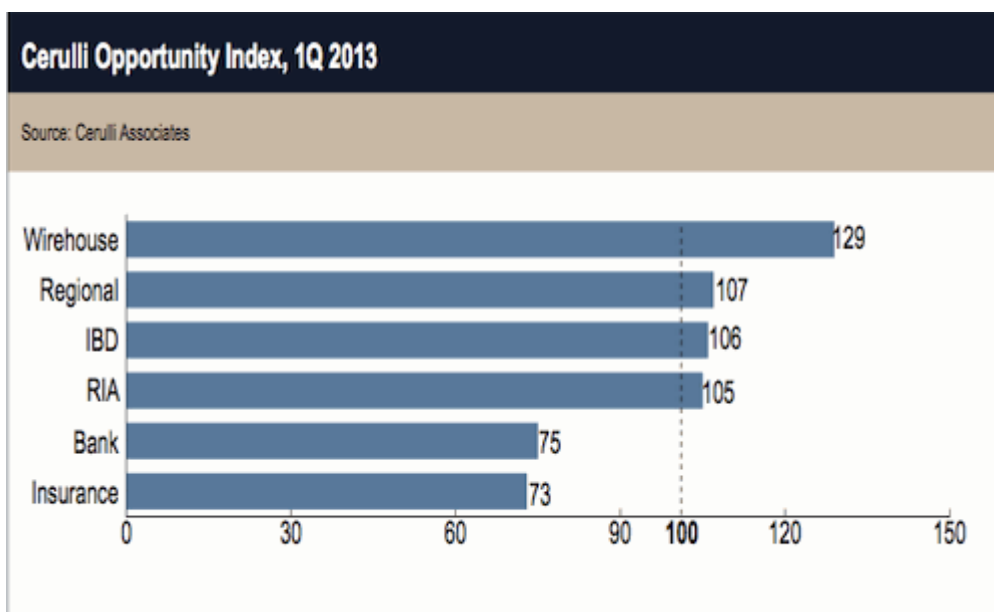
By Editor Test Thu, Jun 13, 2013

*"Insurance broker/dealers, with minimal assets and heavy use of proprietary products rank last," said Bing Walbert of Cerulli Associates.*



Despite their higher costs and the shrinkage of their share of financial asset sales since 2007, wirehouses are still the most inviting sales pipeline for product manufacturers, according to the June edition of the Cerulli Edge-U.S. Asset Management Edition, from Boston-based Cerulli Associates.

The four remaining wirehouses are Merrill Lynch Wealth Management, Morgan Stanley Smith Barney, UBS and Wells Fargo & Co. Their estimated share of sales has fallen to 41% from 48% since 2007, but that's still more than double the market share of the next largest channel, regional broker/dealers, with 16%.



"Despite well-publicized market share losses, wirehouses still control the largest share of assets among advisor channels. Asset managers should consider these firms the single best opportunity to gain flows today," said Bing Waldert, director at Cerulli Associates, in a release.

"Our proprietary Opportunity Index helps asset managers and product manufacturers understand how to best allocate their resources among various distribution channels," he added. "The index considers addressable assets, projected growth, and profitability. We analyze additional factors when evaluating the attractiveness of these opportunities, including advisor openness to working with wholesalers, use of

packaged products, and predominance of proprietary products.”

“Cerulli still considers the wirehouses to be the most attractive distribution opportunity, with a score of 129, largely owing to their dominant asset market share,” Walters said. “Insurance broker/dealers, with minimal assets and heavy use of proprietary products rank last. The quickly growing registered investment advisor channel ranks on par with regional and independent broker/dealers.”

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