Pathways to Growth

2023 Advisor Benchmark Study

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.

Source: Capital Group's Pathways to Growth: Advisor Benchmark Study, 2023.

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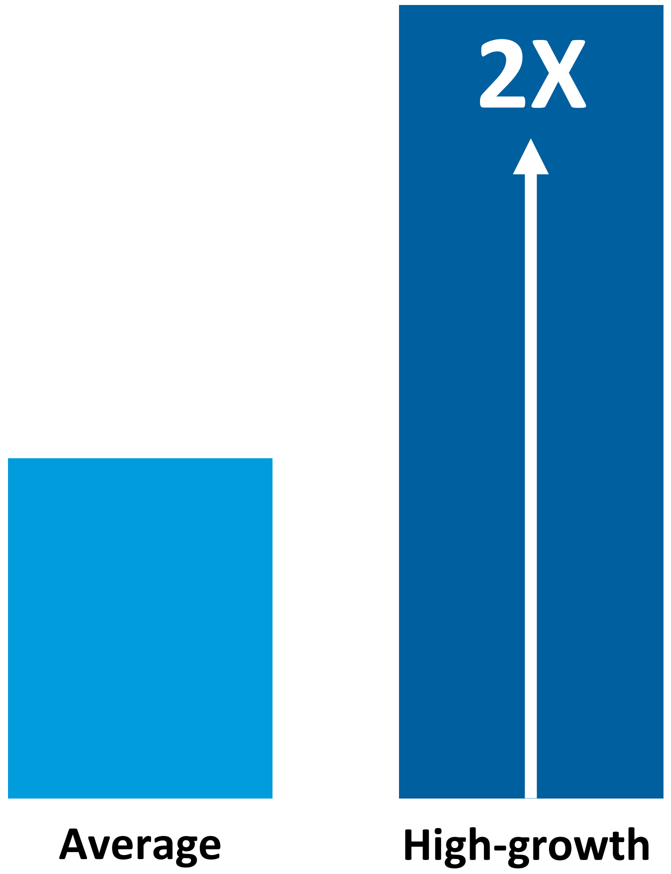
What has helped some advisors grow at more than double the growth rate of their peers?



Agenda

Key success trait of high-growth advisors

An interactive growth model (Pathways to Growth)

How you can get started

Pathways to Growth study

Capital Group's Pathways to Growth study: Methodology

Nearly 3,000 advisors nationally

through 3 waves of research

over 4 years

Participants ranging by **age, tenure, AUM and channel**

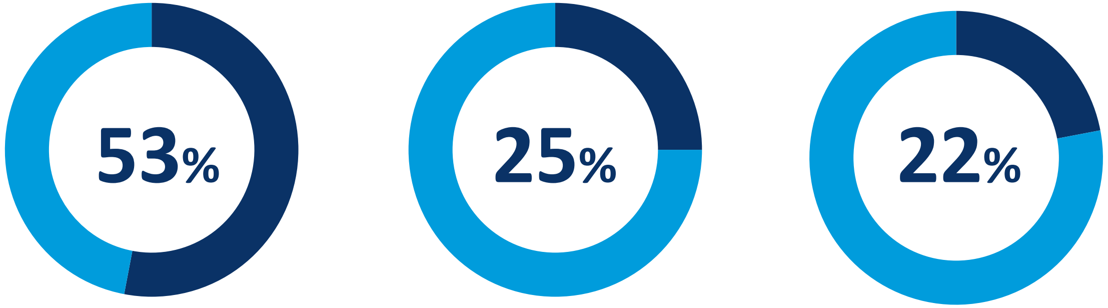
Includes more than 500 advisors with a **HNW client focus,** and more than 600 advisors with a **focus on institutional retirement plans**

Source: Capital Group's Pathways to Growth: Advisor Benchmark Study, 2020-2023.

Intention drives results

High-growth advisors

Deliberate about where they spend their time*

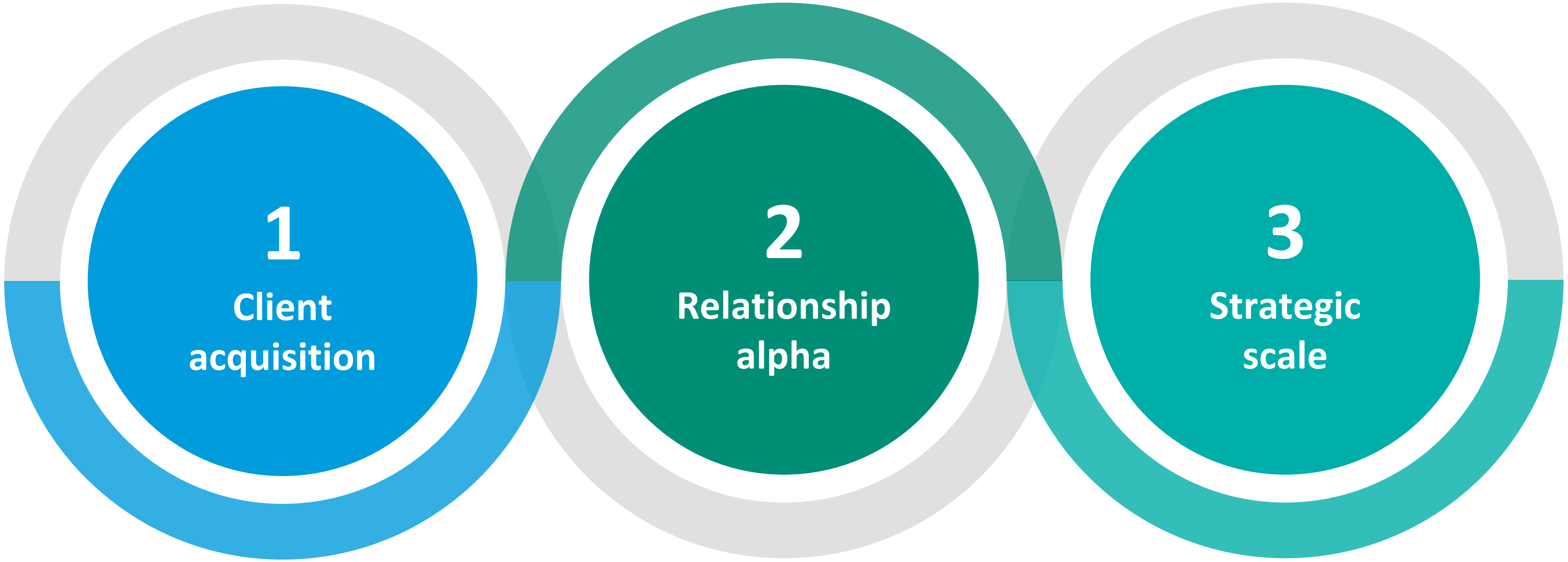


Client management	Investment management	Practice/business management
+2.7 pts	–5.5 pts	+2.8 pts

*Average high-growth advisor segment responses to question: "What percent of your time is spent in the following areas?"

Source: Capital Group's Pathways to Growth: Advisor Benchmark Study, 2023.

Pathways to Growth: An interactive growth model



Client acquisition insights

New clients represented

63%

of **AUM growth** for high-growth advisors in 2022

vs.

44%

for the average advisor

Source: Pathways to Growth: Advisor Benchmark Study, 2023.

Client acquisition insights

New clients represented

63%

of **AUM growth** for high-growth advisors in 2022

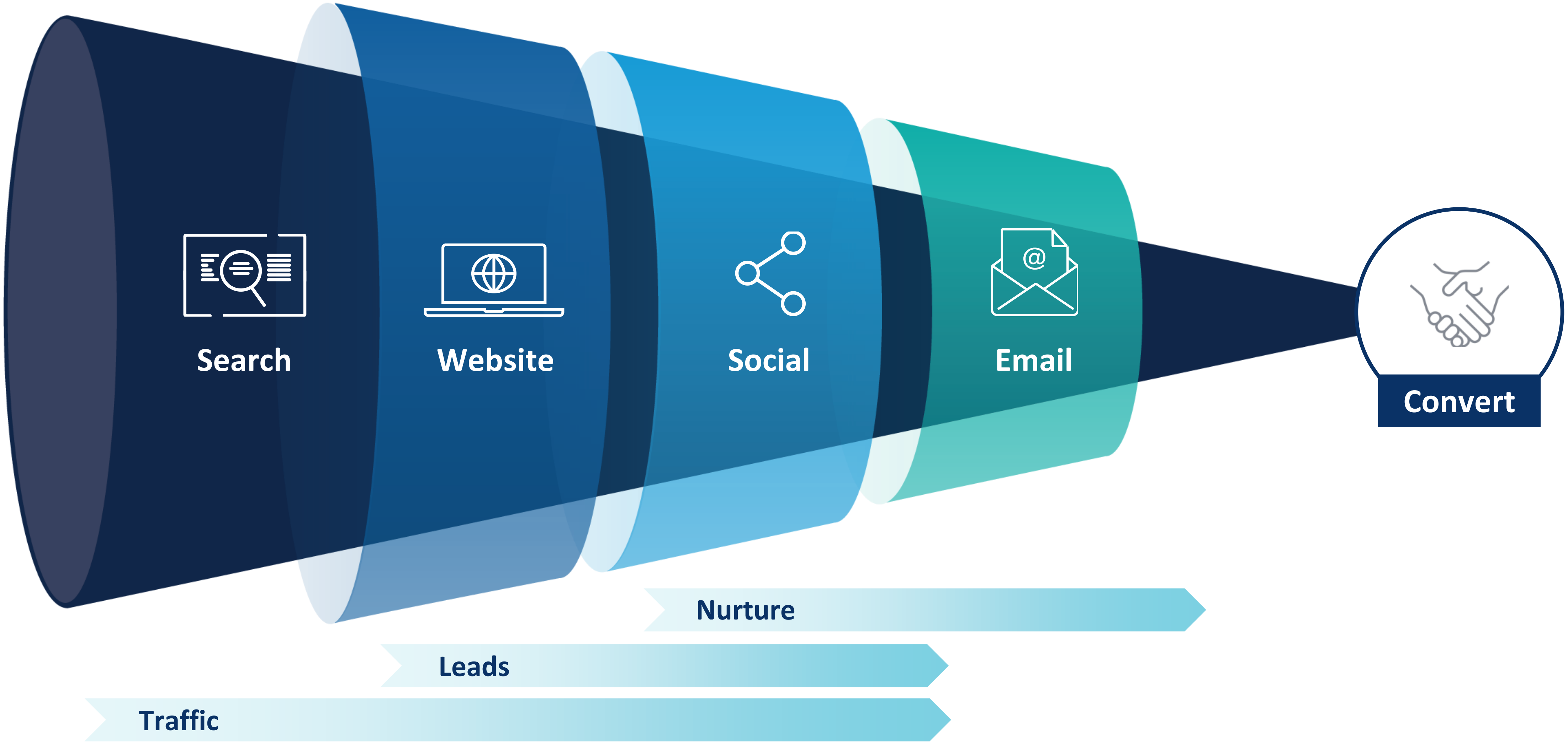
Branding

Marketing

Prospecting

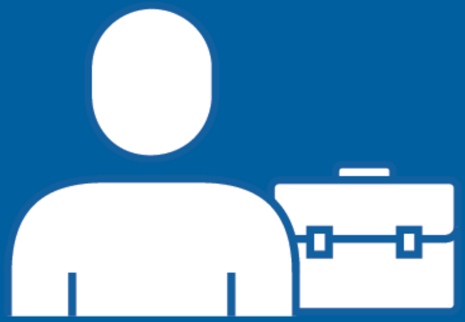
Source: Pathways to Growth: Advisor Benchmark Study, 2023.

Build a high-converting digital pathway to your practice



KEY SUCCESS TRAIT

Intention drives results



High-growth advisors

Have a consistent growth mindset … even in volatile times

63% of 2022 AUM growth from new clients

3X marketing spend

Nearly twice as likely to have standard operating procedures (SOPs) for prospecting

Source: Capital Group’s Pathways to Growth: Advisor Benchmark Study, 2023.

Relationship alpha insights

High-growth advisors garnered

3x

the number of **referrals***

Personalized services

Client satisfaction & referrals

Retirement plan advising

*Compared to the average advisor in our study.
Source: Pathways to Growth: Advisor Benchmark Study, 2023.

Deepen your value to clients with added services

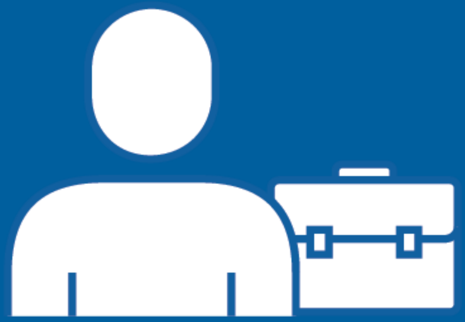
Tax and estate planning

Life milestones and transitions

Philanthropy and gifting

Business and career transitions

Intention drives results



High-growth advisors

Pursue high-impact growth and efficiency strategies

Target a wider range of customer profiles and generations

Offer a **broader range of services** to clients

Nearly **3** out of **4** seek efficiency through use of models

More time spent on and have **higher confidence** about team management

Source: Capital Group's Pathways to Growth: Advisor Benchmark Study, 2023.

Strategic scale insights

High-growth advisors spent

14%

more time on **practice management** and 18% less time on **investment management.***

Planning and productivity

Team management

Goals and SOPs

*Compared to the average advisor in our study.

Source: Pathways to Growth: Advisor Benchmark Study, 2023.

Develop high-performing teams through employee engagement

Leadership

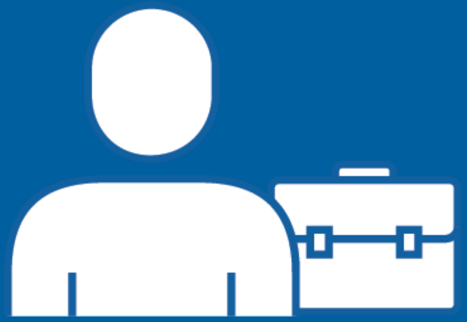
Recruiting and skill development

Professional growth and retention

An enabling infrastructure

Team culture and unity

Intention drives results



High-growth advisors

Create accountability

Nearly 3X less likely to operate without measurable business goals

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~ 20% more likely to have SOPs for client service, goals-based planning and fiduciary standard of care

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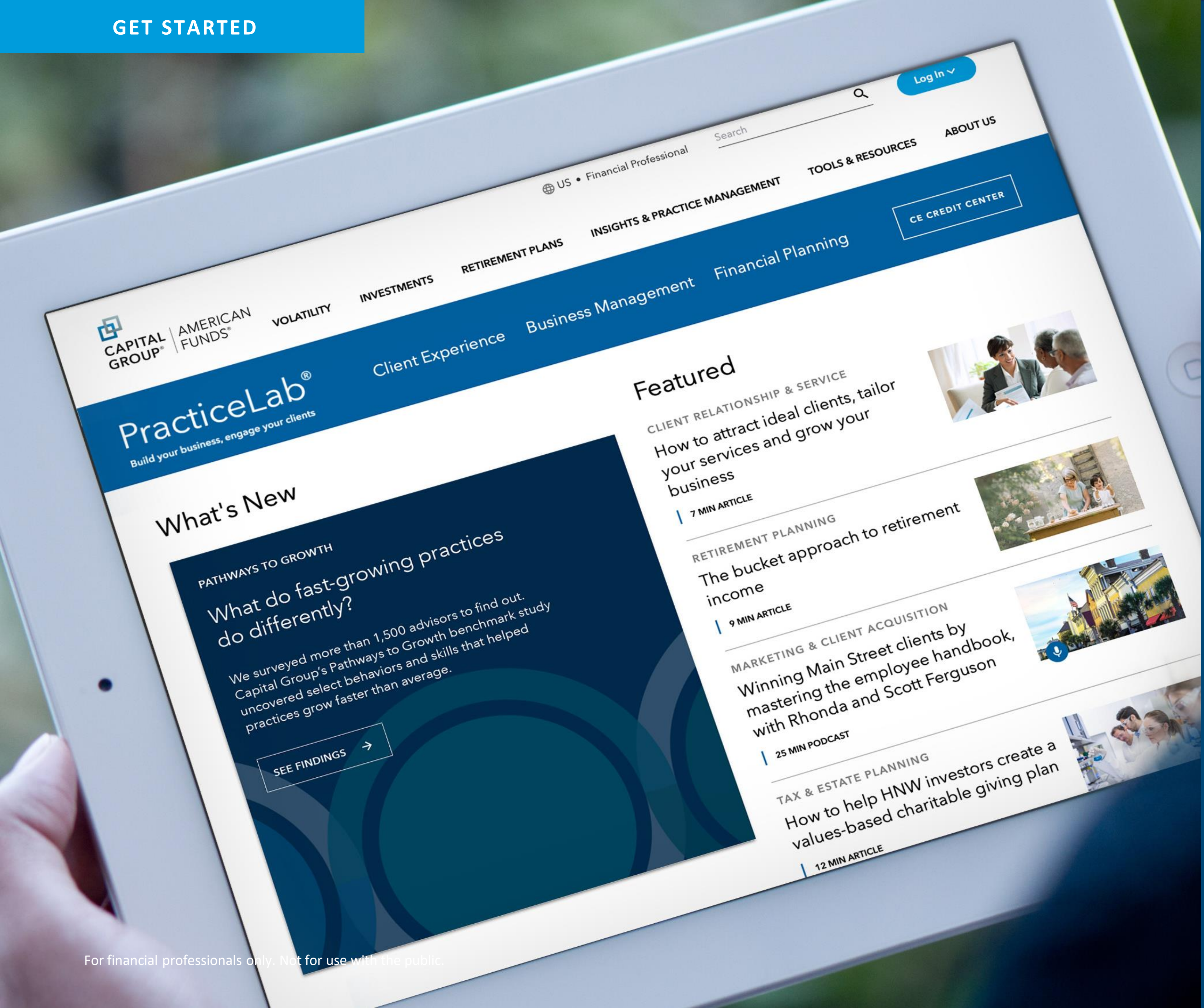
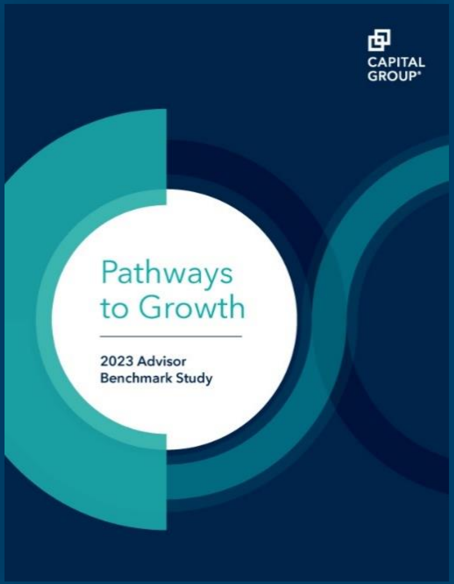
45% more likely to have SOP for leadership leave of absence

Source: Capital Group’s Pathways to Growth: Advisor Benchmark Study, 2023.

Get started on your Pathway to Growth



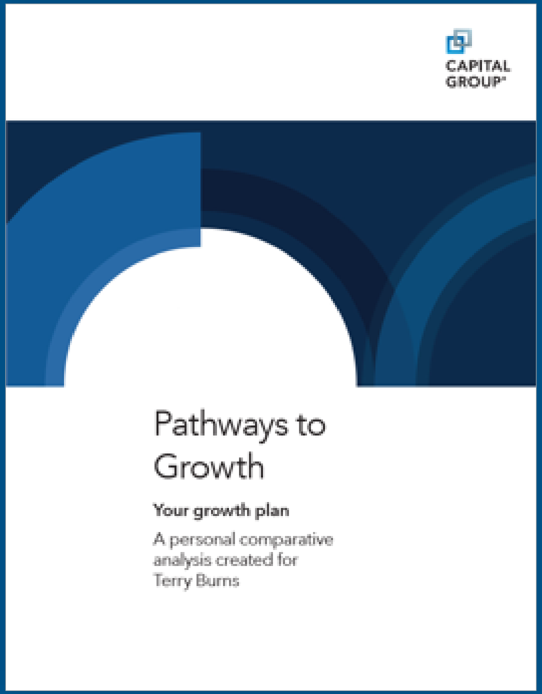
Download the Pathways to Growth report

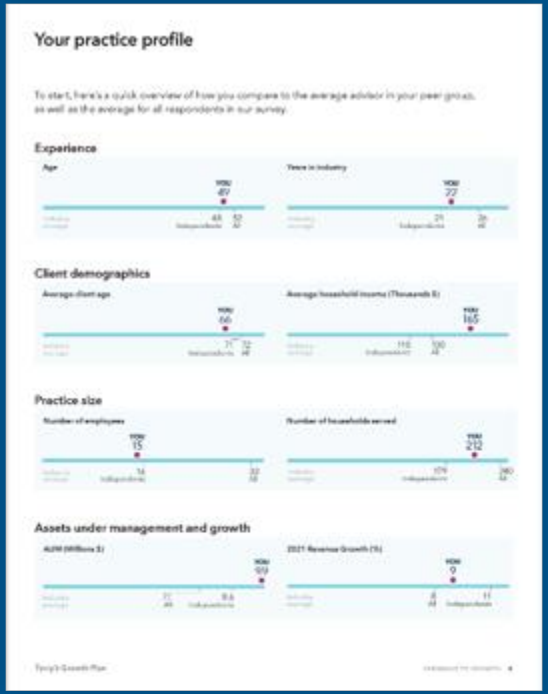


Get your personalized growth plan in three easy steps

1. 20-minute survey
2. Personalized results
3. Tailored development

Your Growth Plan personalized report

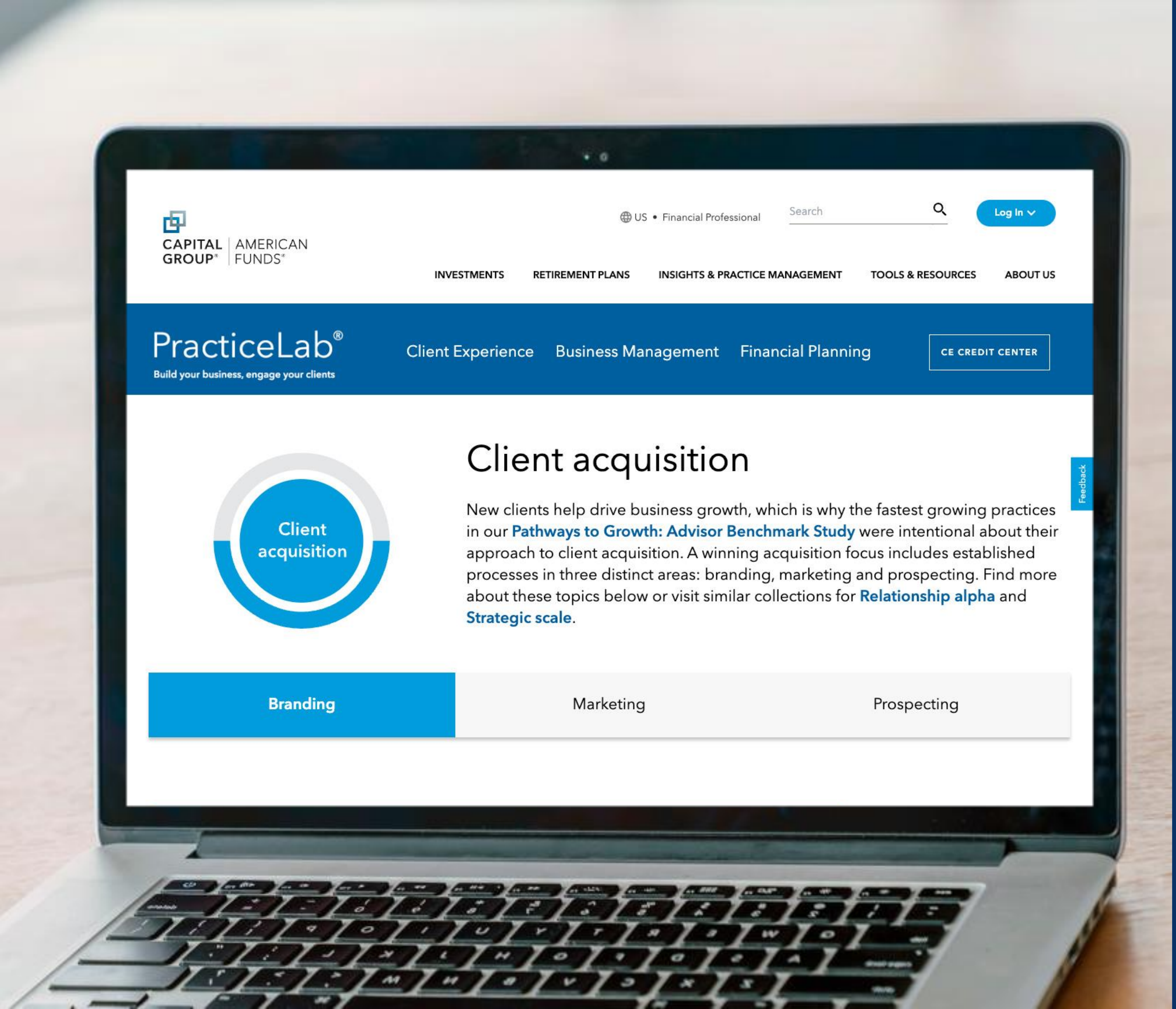




Comparative practice profile

Results dashboard

Development plan worksheet



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*American Funds is a gold award winner in Corporate Insight Annual Asset Management Monitor – Advisor Awards, December 2022.

Important information and disclosures

Capital Group, partnering with behavior and analytics firm Escalent, conducted a multiyear advisor benchmarking study among a representative total of nearly 3,000 financial advisors in the U.S. This study established a benchmark for behaviors and assessed the relationship between those behaviors and practice growth. The online study was first fielded in 2020. Capital Group was not revealed as the sponsor. The data in this presentation reflects the latest wave of data collected in 2023 among more than 1,500 financial advisors and reflects 2022 growth. Participants ranged in career tenure, firm types, practice size (AUM, revenue, number of employees) and client specialty, including those who worked with high net worth clients or provided advisor-sold retirement plans. We analyzed results based on dozens of factors, including things like model portfolio usage, AUM, retirement plan assets, efficiency models, technology adoption and practice management behaviors. Decision tree analysis and regression models were used to understand success linkages.

*American Funds is a gold award winner in Corporate Insight Annual Asset Management Monitor — Advisor Awards, December 2022. Corporate Insight recognized American Funds' PracticeLab hub, podcast and webinars as part of their 2021 Financial Advisor Survey, where they analyzed asset managers' specific site features and distributed awards in gold, silver and bronze based on the quality of desktop tools and features in five areas: homepages, practice management resources, fund profile pages, login and registration, and portfolio diagnostic tools. Corporate Insights used proprietary software to evaluate and compare the full digital capabilities of 20 firms' websites. For practice management resources, they evaluated firms based on positioning, range of topics, publication frequency, content format and value-added features.

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