

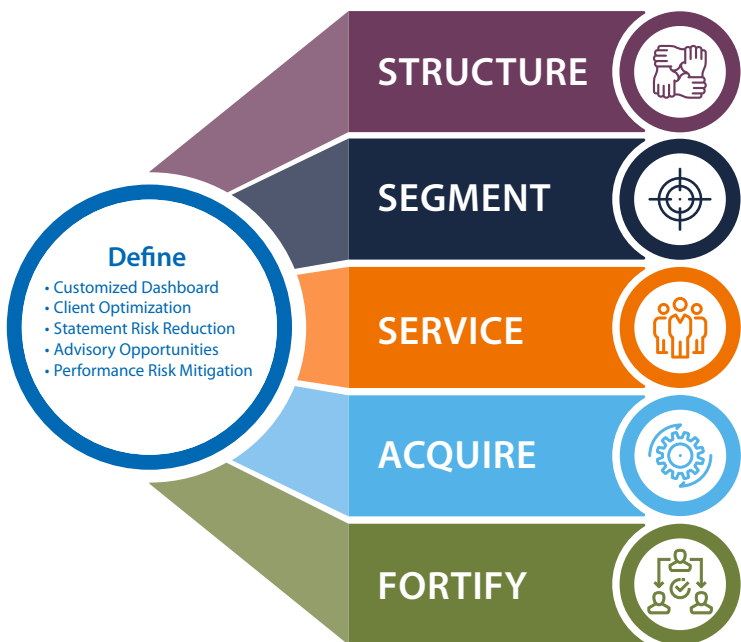


TOUCHSTONE INVESTMENTS
 PRACTICE ANALYSIS REVIEW
Annual Impact Report
 2023

If you intend to holistically build a profitable practice, you will need a deliberate approach to identify areas of opportunity – we will partner with you to do just that.

The Touchstone PAR Program, a customized practice analysis review program, begins with a partnership between you and your Touchstone accountability coach. Based on your needs and our extensive diagnostics, together we will develop a comprehensive plan - broken into manageable, actionable steps, so that you can see results early.

TOUCHSTONE PAR PROGRAM



Thousands of financial professionals have improved efficiency, scalability and service with measurable impact to their practice by engaging with Touchstone's PAR Program.

Touchstone's accountability model sets their program apart and when we combined it with their actionable tools, the PAR Program truly helped us elevate our business.

–Broker Dealer CIO

EXPERIENCE By The Numbers for 2023

Actively helping financial professionals assess and improve areas of their practice is in our DNA. Touchstone brings you foundational knowledge drawn from 107,000+ hours of consulting with 15 broker-dealers.

12,390+

Consulting Hours Completed

715

Financial Professionals/Teams Served

2,750+

Consulting Interactions

500+

Diagnostic Dashboards Delivered

120+

Progress Reports Delivered

Top Themes of 2023

- ▶ Putting Cash to Work
- ▶ Improving Client Experience
- ▶ Creating Client Segmentations
- ▶ Implementing a Process for Growth

IMPACT By The Numbers for 2023

A primary focus that differentiates Touchstone is our business consulting capabilities. The results shown here prove that we work to add alpha to your practice the same way we seek to add alpha to your portfolio.



Average Change in **Assets** in FP/Team Books

AVERAGE IMPROVEMENT

+14%



Savings of 13 hours **Due Diligence** (Rev Per Hr/\$1001)

AVERAGE IMPROVEMENT

\$13,000



Percentage Reduction in # of **Orphan Investments**

AVERAGE IMPROVEMENT

-22%

Total # Orphans Identified in 2023 = 69,500+



Average Change in **Revenue** in FP/Team Books

AVERAGE IMPROVEMENT

+10%



Percentage of Increase to **Advisory**

AVERAGE IMPROVEMENT

+15%



Percentage of households making up Bottom 4%

AVERAGE IMPROVEMENT

18

REASSIGNMENTS

The History of PAR – Benefit from over a decade of experience



Facts we have found that are important
Let's see how you stack up?

FACTS - Average Book of Business in 2023

- ▶ Avg. Return on Assets = **57 bps**
- ▶ Avg. # Households = **312**
- ▶ Avg. # Strategies = **426**
- ▶ Avg. # Orphans = **183**
- ▶ Avg. Revenue/Hour = **\$1,001**
- ▶ Avg. Households/Bottom **4%** = **35%** of Total Households

What's Next?

Together, we can unlock areas of focus that are important to you that can help improve growth, achieve scalability, strengthen relationships, empower team structure, maintain a pipeline and more.

We have a seasoned team at the ready, who are eager to partner with you, monitoring progress and offering guidance every step of the way. Contact your Touchstone representative today to find out more about how we might help you take your practice to the next level.

Touchstone's commitment is unparalleled. The depth of their PAR data analysis and strategic action plans that break out each step for improving, have been a game changer for us. They are proven partners that help you see it through.

–Investment Adviser Senior Vice President

Why Touchstone

DISTINCTIVELY ACTIVE is in our DNA

Distinctively Active Management

- ▶ Access to highly skilled institutional asset managers not typically available to average investors, made possible through our sub-advised model
- ▶ Proprietary asset manager selection and monitoring methodology ensures a disciplined, repeatable results-oriented process
- ▶ A distinguishable approach to active investment management better positions investment portfolios to meet long-term goals

Partners in Practice

Practice Analysis Review PAR Program

- ▶ Practice Management consulting that is among the most comprehensive in the industry
- ▶ Insights from working with over 5,000 financial professional teams
- ▶ A personalized plan with a customized dashboard to help monitor progress
- ▶ Accountability partner to help implement actionable improvement plans

Thought Leadership

- ▶ Unique perspectives on the economy and markets that help you think differently about investing
- ▶ Strategic and Tactical allocation guidance applying the Touchstone Asset Allocation Committee's market perspective to asset classes for portfolio construction considerations
- ▶ Access to sub-adviser and industry experts' insights and investment perspectives relevant to today's market

An advisory account should only be recommended if it is suitable for the client. Advisory accounts may not be appropriate for every client. One should understand that advisory relationships involve a different standard of care than brokerage and typically require an ongoing duty to provide advice and monitoring.

Please consider the investment objectives, risks, charges and expenses of the Funds carefully before investing. The prospectus and the summary prospectus contain this and other information about the Funds. To obtain a prospectus or a summary prospectus, contact your financial professional or download and/or request one at TouchstoneInvestments.com/resources or call Touchstone at 800.638.8194. Please read the prospectus and/or summary prospectus carefully before investing.

Investment return and principal value of an investment in a Fund will fluctuate so that investor's shares, when redeemed, may be worth more or less than their original cost.

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The Pursuit of Scalability

How This Practice Increased Recurring Revenue Advice-Based Business from 8% to 50% of Assets in 3 years

Though he was acutely aware of the common industry theme, for Daniel, transitioning from traditional brokerage to an advisory practice seemed overwhelming. He stressed at the thought of having to sort through all of the client accounts to assess the assets to be transitioned as well as the idea of having the conversations with clients.

To take his business to the next level, Daniel knew he would need to become more scalable. We began working with Daniel to transition book to advice-based wealth management at a time when his practice was less than 8% flat advice-based. This included:

- ▶ A Diagnostic Dashboard
- ▶ Overall opportunity highlights
- ▶ Isolating assets most appropriate and likely to move based on a number of factors

This gave Daniel a clear roadmap for improvement. Having not focused on advisory services in the past, Daniel was concerned about having the conversations with clients. Equipped with Touchstone's 10+ years of advisory conversion experience, we collaborated with him to develop his Personal Value Proposition and scripts that detailed the benefits of fee-based accounts.

- ▶ **First 6 months converted 15% into advisory platforms**
- ▶ **By the 4th year, transitioned \$150 million+ in client assets**
- ▶ **Regular strategy meetings with Touchstone consultant to continue focus on next wave of conversions**

The Opportunity for Risk Reduction

How This Team Decreased Unique Investments of its Total Book By 40% To 34% of Which Were Orphans

Carlos' branch manager introduced him to Touchstone because he had not been able to carve out the time needed to perform qualitative and quantitative analysis of his clients' investment portfolios – he knew that the significant number of investments were a potential liability but taking time to focus on it seemed paralyzing to him.

Touchstone focuses on delivering all of the needed data in an organized and actionable way to free up his time to do what Carlos does best – providing advice to his clients. This included:

- ▶ A Diagnostic Dashboard
- ▶ Identifying the unique number of investments
- ▶ Identifying the number of orphans (Single client owns it in 1 account)

Despite Carlos already being aware of the risk, the numbers were much higher than he expected. Our process identified the vulnerable investments which provided him with a clear pathway for contacting clients to suggest different solutions. Carlos was then able to hand over the analysis to a junior partner who then setup five households for consultation each week.

- ▶ **First 5 months reduced unique investments by 168**
- ▶ **57 of those unique investments were orphans**
- ▶ **Bi-Weekly check-ins with Touchstone consultant resulted in refreshing the Dashboard re-energizing Carlos to continue**

The Challenge of Strategic Planning

How This Business Re-Defined 2 Senior Leadership Roles, Added 1 FTE & Re-focused its Service Model

Cindy heard through a mentor about Touchstone's distinctive approach to Strategic Planning. Cindy had a number of strategic ideas the prior year but struggled to execute them. She wanted to hone the definition of roles within the practice, was considering adding another person to the team and was resolute that her business needed to refocus on its service model.

With so many areas of attention, Touchstone suggested we conduct our Strategic Planning Offsite. This included:

- ▶ A "pre-meeting" with Cindy
- ▶ A survey sent to the team in advance
- ▶ A Diagnostic Dashboard
- ▶ A KOLBE® Assessment

The magic created at offsites is driven by establishing a setting that encourages everyone to speak freely – where the sales assistant should be as vocal as the financial professional, and by removing daily distractions – phones ringing, email, etc. Perhaps the most telling aspect though is the outcome of the anonymous survey - we have found surprising trends (both challenges & opportunities) that become essential to the discussion. We designed one-hour sessions that addressed specific areas identified and included outside experts where needed, to assist.

- ▶ **Fostered healthy, renewed team communication**
- ▶ **Developed timelined Action Plan**
- ▶ **Assigned Roles & Responsibilities**
- ▶ **Refreshed Service Model – Added Proactive Touchpoints**

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