

# CASE STUDY

TYPICAL CASE STUDY OF THE CLIENTS WE WORK WITH

## BRIDGEWATERCAPITAL

Bridgewater Capital has a fee-based AUM revenue model. They have a mix of “go-to funds” with one fee for management schedule and a few other outside managers with a different fee schedule. They pay platform fees to their broker/dealer and RIA. There are also internal costs for the funds which add to the costs clients pay. They have an outside reliance on managers that puts them in an uncomfortable role of not knowing how to explain events in the portfolio until after they happen.



Bridgewater Capital became a member of Advisor Revolution and now they have open access to a completely transparent portfolio management platform - and many expansion services. They know all positions in all portfolios at all times. They are provided weekly and monthly summaries of the portfolios and their results. As a member, we helped them redefine how they were billing their clients and as a result, they were able to increase their quarterly revenue while reducing the overall costs paid by their clients.

	Before	After
Manager Fee	1%	.11%
M.F. Expenses	2.5%	0%
Advisor Fee	1%	1.75%
Client Cost	4.5%	1.75%
Advisor Profit	1%	1.64%

The Advisor Revolution model has provided control over billing their clients. The table below shows the benefits gained for Bridgewater and their clients. Their savings each year are significant and it only gets better over time through the Advisor Revolution pricing model. Their starting member fee was just \$56,000 for their first year. They had \$50 million in assets under management, which means they were paying only 11 basis points in total platform fees. The only extra cost for their clients was a \$9 per trade fee.

The Bottom Line? Bridgewater Capital was able to save their clients several percent in overall management costs! Simplification, more control, better productivity and significant internal cost savings to clients means more revenues to your firm. See the chart for a better sense of how the Advisor Revolution client/manager fee restructure benefits both the client and the adviser.

## GETINTOUCH

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