

# S&P Dow Jones Indices

A Division of [S&P Global](#)

## FA Talks

### How Are Advisors Maximizing Index Provider Value?



**Niko Finnigan, CFA®, CAIA®**  
Partner - Wealth  
Delta Wealth Advisors



**Robert H. Mooney III, CPM®**  
Managing Director and  
Private Wealth Advisor  
Sunpointe Investments



**Brendan Powers, CFA®**  
Director of Product Development  
Cerulli Associates



**Brandon Hass**  
Global Head of Client  
Solutions Group  
S&P Dow Jones Indices

**FA Talks is an interview series where industry thinkers share their thoughts and perspectives on a variety of market trends and themes impacting indexing.**

The shift toward indexing in wealth management continues to accelerate as many advisors reorient their core value proposition from investment management to financial planning in response to shifts in client expectations. Despite growing adoption of index-based solutions, recent research suggests that many advisors are not maximizing the resources index providers offer them. This creates an opportunity for advisors to deepen their engagement with index providers and unlock additional value for their practices.

S&P Dow Jones Indices (S&P DJI) and Cerulli Associates hosted a discussion with senior leaders from two wealth management firms to learn more about how they are using index-based strategies and engaging with index providers to support their practices. To hear the entire discussion, watch [Evolving Trends Redefining Index Usage](#).

**Cerulli research reveals a significant gap: 98% of advisors surveyed use index-based products, but only 33% use index provider content and 27% actively engage with index providers.<sup>1</sup> What's behind this underutilization?**

**Brendan:** This research is based on a survey of about 300 financial advisors and interviews with 25 wealth management executives. We found that advisors generally want to use more index-based products—they currently allocate about 46% of client assets to index-based strategies and plan to increase that to 49% by 2026.<sup>2</sup>

But here's the disconnect: Despite the evolution of index-based products and advisors' growing interest in index methodology when selecting these products, they're not taking full advantage of index providers. Many advisors simply aren't aware of the scope, scale and breadth of capabilities that index providers can bring to bear. Advisors often get information from asset managers building the products rather than going directly to the source—the index providers themselves.

<sup>1</sup> The Cerulli Associates whitepaper "[Redefining the Role of Index Providers](#)" was sponsored by S&P Dow Jones Indices. Please see page 5. Survey sample includes those who allocate at least 10% to ETFs.

<sup>2</sup> Please see page 2 of Cerulli Associates' "[Redefining the Role of Index Providers](#)."

## What capabilities do index providers offer that advisors might not be aware of, and how can these resources support wealth management practices?

**Brandon:** Index providers offer much more than just the benchmarks themselves. We provide extensive research capabilities.

For example, [SPIVA®—S&P Indices versus Active](#)—is now in its 21<sup>st</sup> year. We examine the entire active management universe and compare it to appropriate indices, looking at what outperforms, what underperforms and how these trends evolve over time. We also analyze persistence—the ability to consistently outperform or remain in top quartiles. Much of this research is written specifically for financial advisors.

We also provide extensive education about our indices' methodologies—you can search for any S&P DJI index online and find the methodology deck. We actively seek feedback through public consultations on existing indices and work with firms on custom indexing solutions. Someone might come to us wanting a combination of different exposures, and we'll work with them in the lab to create exactly what they need.

The key is that we don't operate in a vacuum. We're constantly listening to what the market demands and how we can innovate our index methodology to support the ecosystem going forward.

## How do advisors currently engage with index providers in their practices, and what resources have you found most valuable?

**Rob:** We engage with index providers in several ways beyond just using their indices. Index providers typically offer a robust library of thought leadership that we use in our practice. For example, S&P DJI has white papers for seemingly everything, and [SPIVA](#) is a go-to resource to help inform or reinforce decisions about where active or passive management may make sense.

We also use index provider content to help educate our clients. An S&P DJI [white paper](#) that my clients have particularly engaged with discusses how small companies with earnings historically perform versus an index that tracks small companies without earnings. The Dividend Aristocrats® research also resonates with clients, especially during inflationary periods. And the [Daily Index Insights](#) email that S&P DJI distributes is a must-read for staying current on the markets.

**Niko:** One thing I appreciate about working with index providers like S&P DJI is that they provide the facts about indices—you're not being pushed into an investment product. We probably get a dozen or more calls and emails every day from someone trying to pitch a new investment strategy that has outperformed over the past three months. But I'm trying to build portfolios for three decades. I want content that helps me better understand long-term implications without necessarily being sold something.

We've also worked with index providers to expand our knowledge of indices. In particular, the white papers they produce allow us to consume information when we want. It is pure education. Since the indices are rules-based, the data and insights they provide allow back-testing strategies to see how they perform in different scenarios. I always tell our clients that making trades is like taking a test—you want to spend more time preparing for the test than actually taking it. So you want to be researching and studying the investment you are considering ahead of time, not making hasty trades when markets are volatile.

## The Cerulli research shows index methodology is increasingly important to advisors.<sup>3</sup> As an advisor, how do you evaluate the indices underlying passive strategies, such as ETFs and direct indexing SMAs?

**Niko:** Methodology is critical because it gives us comfort in building long-term plans. What's interesting from the research is that methodology ranks as the fourth most common criterion when reviewing indices, after fees, performance and asset manager brand.<sup>4</sup> But methodology is what comes through over time.

Having rules-based indices allows us to back-test different scenarios. We can say to clients, "If inflation spikes, here's what may happen to this part of the portfolio." It gives clients added comfort to understand how each portfolio component may respond to different market scenarios.

Because you can test against various market conditions, you can speak to clients proactively about what to expect, rather than just reacting to what the market gives you.

Also, the rules-based nature of indices eliminates the unexpected surprises you might get with active management, where a manager might dial down risk when you thought you were adding risk, or vice versa. With index-based strategies, while we don't have defined outcomes, we do have more control over the expected characteristics.

<sup>3</sup> Please see page 11 of Cerulli Associates' "Redefining the Role of Index Providers."

<sup>4</sup> Please see page 11 of Cerulli Associates' "Redefining the Role of Index Providers."

**Rob:** Given the number of indices available, we can build more granular models to target specific client outcomes. While the objectives of the models can vary, indices allow us to effectively implement our capital market assumptions in a transparent way. This helps us focus on financial planning and keeping our clients invested, especially when markets get challenging.

Furthermore, when I'm looking at a specialized corner of the market, I look to see who built the index to track it. The index provider's capability and resources to evolve their indices as underlying companies in these markets change over time is crucial. You want providers who can adapt their methodologies as markets evolve.

## **The Cerulli research identified index-based product “power users”—advisors allocating 75% or more to index-based strategies who engage more deeply with index providers. What sets them apart, and how might other advisors follow their lead?**

**Brendan:** Power users are distinct in several ways. They're typically younger than 45, work in independent or hybrid RIA channels and often build their own model portfolios. Nearly one-third have average client sizes of USD 2 million or more in investable assets.<sup>5</sup>

What really sets them apart is their approach to evaluation. They're much more likely to prioritize index methodology and expense ratios when selecting index-based equity ETFs. About 89% of power users rank quality of index design and methodology in their top three considerations when reviewing an index for ETF use, compared to 82% of all advisors.<sup>5</sup>

They're also more likely to use supporting educational content—69% versus 60% for all advisors—and they consider the index provider's brand more heavily, at 64% versus 56% for all advisors.<sup>5</sup> These advisors want to understand the nuances of an index, including constituents, rules and rebalancing frequency, so they can clearly articulate to clients why and how index-based strategies work.

As one independent RIA told us: “I think it's important, if I'm going to be investing people largely in index funds, I should be explaining why I'm doing that.”<sup>5</sup> This group recognizes that to effectively use index-based strategies, you need to understand what is under the hood.

## **Direct indexing has become increasingly popular among wealth advisors. How is index design evolving to support this demand?**

**Brandon:** Direct indexing has been around for over 30 years, but recent technological convergence—fractional shares, improved interfaces, more cost-efficient trading infrastructure—has made it more accessible for high-net-worth and mass-affluent markets.

Direct indexing addresses the historical trade-off between scale and customization. You can now deliver both simultaneously. Within a direct indexing strategy, you can track well-known indices by owning the underlying securities and customize the exposure to fit a client's preferences.

We're seeing platforms expand beyond the conventional large-cap core offerings to include income tilts, volatility reduction, multi-factor approaches, values-based investing and even offerings across international equity and fixed income components. We're also seeing interest in solutions like long-short strategies based on our intellectual property.

As an index provider, we're constantly having conversations like this one, listening to client demands and innovating our methodology to support the evolving ecosystem.

**Brendan:** As awareness of index providers' capabilities grows, and as advisors use more complex products like direct indexing that require deeper index-level understanding, we expect to see much greater engagement between advisors and index providers. The gap we identified in our research represents a significant opportunity for advisors to enhance their practices by tapping into resources that are already available but currently underutilized.

Explore additional insights on index-based strategy usage and ways index providers can support advisors in the Cerulli Associates whitepaper “[Redefining the Role of Index Providers](#)” and the video “[Evolving Trends Redefining Index Usage](#)” episode.

<sup>5</sup> Please see page 19 of Cerulli Associates' “Redefining the Role of Index Providers.”

**General Disclaimer**

© 2025 S&P Dow Jones Indices. All rights reserved. S&P, S&P 500, SPX, SPY, The 500, US 500, US 30, S&P 100, S&P COMPOSITE 1500, S&P 400, S&P MIDCAP 400, S&P 600, S&P SMALLCAP 600, S&P GIVI, GLOBAL TITANS, DIVIDEND ARISTOCRATS, DIVIDEND MONARCHS, BUYBACK ARISTOCRATS, SELECT SECTOR, S&P MAESTRO, S&P PRISM, GICS, SPIVA, SPDR, INDEXOLOGY, iTraxx, iBoxx, ABX, ADBI, CDX, CMBX, MBX, MCDX, PRIMEX, HHPI and SOVX are trademarks of S&P Global, Inc. ("S&P Global") or its affiliates. DOW JONES, DJIA, THE DOW and DOW JONES INDUSTRIAL AVERAGE are trademarks of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks together with others have been licensed to S&P Dow Jones Indices LLC. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. This document does not constitute an offer of services in jurisdictions where S&P Dow Jones Indices LLC, S&P Global, Dow Jones or their respective affiliates (collectively "S&P Dow Jones Indices") do not have the necessary licenses. Except for certain custom index calculation services, all information provided by S&P Dow Jones Indices is impersonal and not tailored to the needs of any person, entity or group of persons. S&P Dow Jones Indices receives compensation in connection with licensing its indices to third parties and providing custom calculation services. Past performance of an index is not an indication or guarantee of future results.

It is not possible to invest directly in an index. Exposure to an asset class represented by an index may be available through investable instruments based on that index. S&P Dow Jones Indices does not sponsor, endorse, sell, promote or manage any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. S&P Dow Jones Indices makes no assurance that investment products based on the index will accurately track index performance or provide positive investment returns. Index performance does not reflect trading costs, management fees or expenses. S&P Dow Jones Indices makes no representation regarding the advisability of investing in any such investment fund or other investment vehicle. A decision to invest in any such investment fund or other investment vehicle should not be made in reliance on any of the statements set forth in this document. S&P Dow Jones Indices is not an investment adviser, commodity trading advisor, commodity pool operator, broker dealer, fiduciary, promoter" (as defined in the Investment Company Act of 1940, as amended), "expert" as enumerated within 15 U.S.C. § 77k(a) or tax advisor. Inclusion of a security, commodity, crypto currency or other asset within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, commodity, crypto currency or other asset, nor is it considered to be investment advice or commodity trading advice.

These materials have been prepared solely for informational purposes based upon information generally available to the public and from sources believed to be reliable. No content contained in these materials (including index data, ratings, creditrelated analyses and data, research, valuations, model, software or other application or output therefrom) or any part thereof ("Content") may be modified, reverse-engineered, reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of S&P Dow Jones Indices. The Content shall not be used for any unlawful or unauthorized purposes. S&P Dow Jones Indices and its third-party data providers and licensors (collectively "S&P Dow Jones Indices Parties") do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Dow Jones Indices Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON AN "AS IS" BASIS. S&P DOW JONES INDICES PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Dow Jones Indices Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

S&P Global keeps certain activities of its various divisions and business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions and business units of S&P Global may have information that is not available to other business units. S&P Global has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

In addition, S&P Dow Jones Indices provides a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate or otherwise address.

**Delta Wealth Advisors Disclaimer**

Delta Wealth Advisors LLC is a registered investment adviser. Information presented is for educational purposes only intended for a general audience. The information does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and are not guaranteed. Delta Wealth Advisors LLC has reasonable belief that this marketing does not include any false or material misleading statements or omissions of facts regarding services, investments, or client experience.

Delta Wealth Advisors LLC is not providing tax, legal or accounting advice. Consult a professional tax or legal representative if needed.

**Sunpointe, LLC Disclosures**

Sunpointe, LLC ("Sunpointe") is a registered investment adviser. Advisory services are only offered to clients or prospective clients where Sunpointe and its representatives are properly licensed or exempt from licensure.

The information provided is for educational and informational purposes only and does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status or investment horizon. You should consult your attorney or tax advisor.

The views expressed in this commentary are subject to change based on market and other conditions. These documents may contain certain statements that may be deemed forward looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected. Any projections, market outlooks, or estimates are based upon certain assumptions and should not be construed as indicative of actual events that will occur.