

# A!

## Action! Magazine

A MAGAZINE FOR  
PEOPLE WHO GSD  
IN WEALTH MGMT.





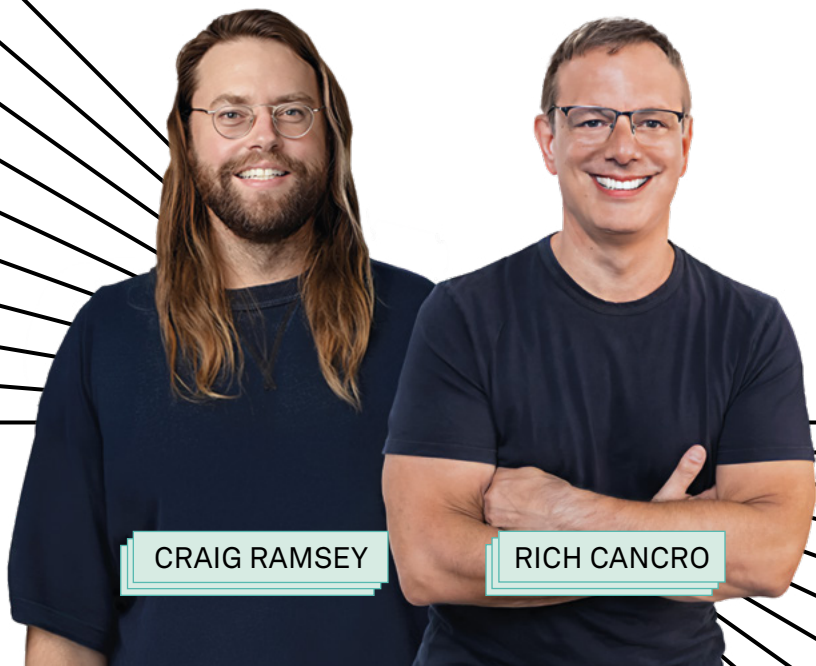
# Now arriving.

Industry experts gather for >drive2025 – the most actionable event in wealth management



- 01 **John O’Connell** Oasis Group
- 02 **Dave Donahoo** Franklin Templeton
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CRAIG RAMSEY

RICH CANCRO

# Take Action

To our amazing clients and partners: Welcome to >drive2025 Let's GSD.

## “What action will I take once I’m back at the office?”

It’s the most important question you can ask yourself at >drive2025.

Far too often, people go to industry conferences ... get inspired ... and then fail to implement anything once they’re back in the office.

Once Monday morning rolls around, real life hits them in the face. The inspiration they felt during motivating mainstage presentations? It dissipates. The energy they felt when talking with like-minded wealth management experts? It evaporates.

But that’s not going to be you. And that’s not what this event is about. We have designed the agenda to maximize your ability to drive meaningful results.

### REIMAGINING THE FORMAT

We challenged our team to reimagine the format – with a goal of making it as actionable as possible, for every person and role that attends. As we went through that process, and reviewed feedback forms from over the years, three things stood out consistently.

>>>

#### 1. CONTENT

Leaders are looking for actionable content that addresses their top strategic priorities.

→ Our solution: Create content pillars in those areas. Client Experience, Operational Excellence and Revenue Growth.

#### 2. PEER PERSPECTIVE

Attendees really enjoy peer-to-peer engagement. One quote summed it up perfectly: “Best practices presentations are great. But the practical tips that come from a day-to-day practitioner are worth their weight in gold...”

→ Our solution: Select 15 Peer Leaders who will co-create content and guide attendees through a series of case-study-driven workshops.

#### 3. COMMUNITY

People value connecting with other leaders to forge new relationships.

→ Our solution: Foster camaraderie through a team-based approach, where 15 small groups work together throughout the event.

Given these new concepts, will there be a bumpy moment or two? Perhaps. Therefore, we ask for your generosity of spirit. But more importantly: we ask for your intensity. If you bring high energy to the product trainings, the workshops and the team events, >drive2025 can be our best – and most actionable – event ever.

### MEET YOUR PEER LEADERS

<p><b>Clint Dunn</b> Beaird Harris</p> 	<p><b>Andrea Kahn</b> Demming Financial Services</p> 	<p><b>Lynda Furnari</b> HCR Wealth Advisors</p> 
<p><b>Adria Rosebrock</b> Hamilton Capital</p> 	<p><b>Nicholas Carr</b> Flagship Capital Advisors</p> 	<p><b>Shannon Swift</b> Towneley Capital Mgmt.</p> 
<p><b>Naomi Valencia</b> Provenance Wealth Advisors</p> 	<p><b>Ayasha Jones</b> BlueSky Wealth Advisors</p> 	<p><b>Denise Reichardt</b> Northeast Financial Group</p> 
<p><b>Melinda Hyre</b> ProVise Mgmt. Group</p> 	<p><b>Carly Labrada</b> Koss Olinger</p> 	<p><b>Diane Gaines</b> Petersen Hastings</p> 
<p><b>Sheila Epps</b> Sage Ruty &amp; Co.</p> 	<p><b>Natalie Wheeler</b> Berkshire Money Mgmt.</p> 	<p><b>Robin Walker</b> Walker Asset Mgmt.</p> 

# Winning client referrals: 5 marketing tips for financial advisors

ABOUT

SCHWAB ADVISOR SERVICES

FOUNDED

1987

ASSETS

\$4.37 Trillion

As of March 31, 2025

LOCATION

WESTLAKE, TX

SCHWAB ADVISOR SERVICES

① SCHWAB TRACKS ADVISOR TRENDS ANNUALLY – WHAT DO YOUR SURVEYS SAY ABOUT GROWTH BY REFERRALS IN THE INDUSTRY?

Referrals remain a leading driver of organic growth for RIA firms. According to Schwab's 2024 RIA Benchmarking Study, referrals from clients and centers of influence (COI) accounted for 67% of new clients and new client assets in 2023.<sup>1</sup>

② WHAT FIRMS ARE EXCELLING AT REFERRAL GROWTH, AND WHY?

It takes intention to win referrals. Firms with a documented plan, ideal client profile, client value proposition, and marketing attracted 67%<sup>1</sup> more clients than those without these plans in place. In addition, intention means building a referral culture and actively seeking client feedback.

③ WE'VE ALL BEEN ASKED TO REFER A BUSINESS – BUT ENOUGH TO GO ON YELP AND SHARE THAT? MAYBE, MAYBE NOT. SO HOW DO FIRMS MAKE REFERRALS PAINLESS?

Referrals can feel more painless if you define your approach and understand what motivates clients to refer. From there, there's several ways to directly – or indirectly – encourage referrals, including hosting client events or creating something shareable.

Referrals are still the backbone of organic growth for registered independent advisor (RIA) firms. Don't take our word for it – the 2024 RIA Benchmarking Study from Schwab shows that referrals from clients and centers of influence (COI) remain the leading driver of organic growth, accounting for 67% of new clients and new client assets in 2023.<sup>1</sup>

It's not automatic that happy clients will refer friends and family to their advisor. Many clients don't even realize that you're open to referrals and others just might not know what to say.

It takes intention on your part to win referrals, but that doesn't mean you have to be aggressive. Firms that cultivate referrals can take a few different approaches. Consider your style: Are you a hunter, a farmer or both?

HUNTING VERSUS FARMING

"Making clients aware you are interested in new business is different from asking directly for referrals," says Jerry Cobb, director, business management consultant for Schwab Advisor Services. "And there's some debate about whether it's okay to ask your clients directly for names or whether it's distasteful. We often refer to this as hunting versus farming."

When it comes to referrals, a hunter is someone who identifies referral potential and then goes after it. Hunters usually do this by asking clients directly for names or to make introductions. Some clients find this approach distasteful, but the clients who are receptive can bring you strong leads.

Farmers take a less direct approach. They plant seeds by cultivating relationships with clients and participating in networks where potential clients are

active. Farming takes time, but it can deliver a steady stream of prospects.

Many advisors do some of both since hunting can be hit-and-miss, while farming is often slow and time intensive. Wherever you fall on the hunting-versus-farming spectrum, it's helpful to know what motivates your clients to make a referral in the first place. Understanding their motivations can help you tailor your referral strategy to what your clients want.

WHAT MOTIVATES CLIENTS TO REFER?

Clients often have reasons of their own for referring their advisor to a friend or family member. Motivations typically fall in three categories:

- **Altruism:** They genuinely want to help someone.
- **Natural connection:** They want to use and expand their personal and professional networks.
- **Sense of importance:** They want to be a difference-maker for family and friends.

Take some time to think about what's most likely to motivate each client. Once you have a sense of what drives them, you can use these five tips to help sharpen your referral strategy.

1. Foster a referral culture

Help everyone at your firm recognize and capitalize on referable moments. Discuss cues that your clients are happy with your work – it could be as simple as receiving a compliment – and how you want to respond. For some, this is a perfect time to ask for a referral. A less direct approach might be to ask for an online review. Even mentioning that you're always excited to help clients like them is a great way to imply that you're open to referrals.

2. Ask for and implement feedback

Learn from your clients whenever possible. Ask them what they value about working with you and how you can make the experience better. If their feedback is enthusiastically positive, consider asking them to share their experience with their network. If you have room

for improvement, thank them for their insights and take action that shows you've heard their concerns.

**3. Create something shareable**

Post a short video with seasonal or timely advice to your social media channels. Or develop a free guide or checklist that your clients can download from your website. This is a great way to seed a referral without asking for one directly. If they share your content, that's an implicit endorsement of your firm.

**4. Invite clients to an event**

An exclusive invitation-only gathering, a fireside chat with your firm's leadership, or an online educational

webinar – all are great ways to deepen client relationships. Fun events also create reasons for clients to invite their friends to get to know you or your firm. In fact, encouraging a client to bring a friend or co-worker to something fun can be a nice gesture that also creates an opportunity for you to walk up and introduce yourself.

**5. Reciprocate**

As appropriate, model the behavior you want to see. If your client is a professional whom you can authentically connect with and recommend to someone else, do so. This then makes it easy to ask them to do the same for you.

**NEXT STEP: CREATE A DOCUMENTED REFERRAL PLAN**

Many firms overlook one of most important steps in developing a successful referral strategy: Creating a documented plan. An effective plan can help your firm maximize its potential to bring in referrals. It clarifies your firm's referral goals as well as each team member's responsibilities, allowing you to organize a range of referral tactics into a comprehensive strategy tailored for your client base. Learn more about how to create a documented referral plan.

READ MORE HERE:



[advisorservices.schwab.com/insights-hub/perspectives/boost-RIA-referral-strategy](https://advisorservices.schwab.com/insights-hub/perspectives/boost-RIA-referral-strategy)

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The Firm Performance Index evaluates firms in the study according to 15 metrics that align with the Guiding Principles for Advisory Firm Success, to arrive at a holistic assessment of each firm's performance across key business areas. It provides comprehensive comparisons for all firms participating in the study, not just within a peer group. The metrics in the Firm Performance Index measure growth in clients, assets and revenue; client attrition; staff attrition; operating margin; time spent on client service; time spent on operations; standardized workflows; written strategic plan and succession plan; and ideal client persona and client value proposition. The Firm Performance Index is calculated among all firms in the study without regard to assets under management or firm type. Firms that rank in the top 20% of the index are included in the Top Performing Firms.

**About the 2024 RIA Benchmarking Study**

Schwab designed the RIA Benchmarking Study to capture insights in the RIA industry based on survey responses from individual firms. The 2024 study provides information on topics such as asset and revenue growth, sources of new clients, products and pricing, staffing, compensation, marketing, technology, and financial performance. Since the inception of the study in 2006, more than 4,800 firms have participated, with many repeat participants. Fielded from January to March 2024, the study contains self-reported data from 1,304 firms that custody their assets with Schwab and represents \$2 trillion in assets under management, making this the leading study in the RIA industry. Schwab did not independently verify or validate the self-reported information. Participant firms represent various sizes and business models. They are categorized into peer groups by AUM size. The study is part of Schwab Business Consulting and Education, a practice management offering for RIAs. Grounded in the best practices of leading independent advisory firms, Business Consulting and Education provides insight, guidance, tools, and resources to help RIAs strategically manage and grow their firms.

Past performance is not an indicator of future results.

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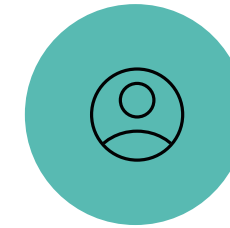
<sup>1</sup> Results for firms with \$25 million or more in AUM.

# Tech trends / Schwab Independent Advisor Outlook Study 2024

BIGGEST DRIVERS OF CHANGE IN RIA INDUSTRY



43%  
Technology



18%  
Clients

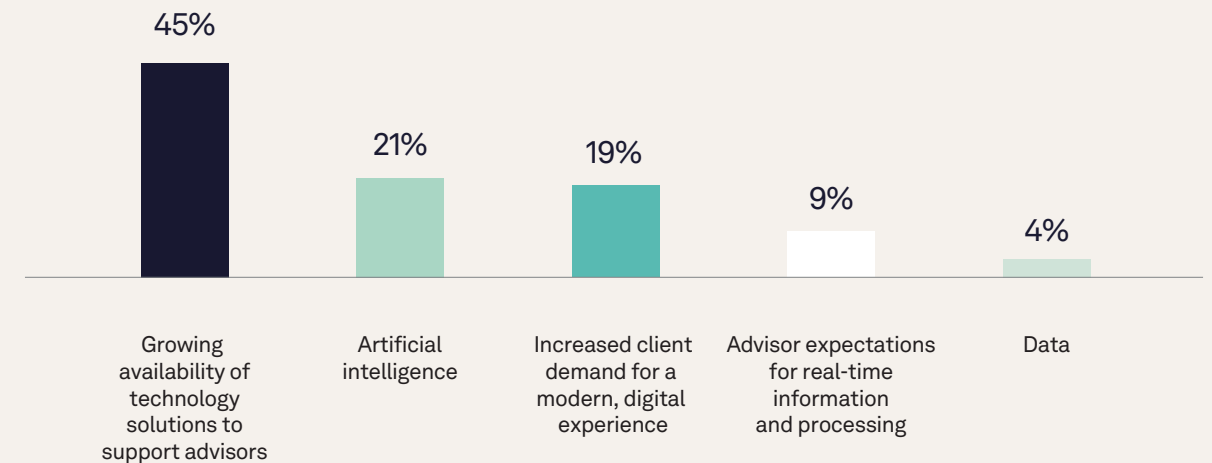


22%  
Regulation



17%  
Advisors

TOP TECHNOLOGY-RELATED DRIVERS OF CHANGE IN THE RIA INDUSTRY



# Revolutionizing Alts investment reporting: It's time to update legacy practices



JEREMY LANGLOIS

Managing Director,  
Data Solutions,  
iCapital

## ① WHAT ARE SOME OF THE COMPLEXITIES THAT GROWING FIRMS ENCOUNTER WHEN USING ALTS?

At iCapital, we like to break it down into three main categories – Learn, Invest and Manage. The Learn phase encompasses how advisors navigate the complexities in the pre-trade process, entailing diligence and investment education. Once client objectives are fully understood, the allocation to alts, by asset class and percentage exposure, can be mapped. While the choices can be overwhelming, alternative investment platforms like iCapital are making product education and selection easier with a library of educational materials, research, and even certification courses. Similarly, alts platforms are making the investment process (Invest) smoother through the use of portfolio construction tools, multi-asset investment workflows and pre-built model portfolios. iCapital has reimaged the entire investment experience, directly integrating with Funds/GPs to create a straight-through digital experience and a clean electronic signature (no more sticky notes and missing signature pages!). Of course, direct deals executed off-platform present complexities in completing subscription documentation and finalizing all closing steps in a compliant manner. The post-trade environment (Manage) is perhaps the least understood and the most complex. Follow-on servicing of alternative investments acquired off-platform requires diligent oversight and planning for upcoming events (capital calls, distributions and transactions), as well as accurate and timely data reporting. The lack of industry standards creates chal-

lenges for those without the expertise and technology to support this step in the process. Alts data management becomes more complex as alts portfolios grow and offline alts documentation is still provided in a plethora of formats (unstructured/analog), residing in a variety of potential locations. The underlying data is only actionable if the documents and imbedded data can be extracted, normalized and validated. This process requires the right combination of technology and oversight to transform this data into a structured and digital format, delivering insights within a total investment reporting construct. iCapital's tech-enabled Alts Data Management solution, combined with its disruptive Direct Ledger Technology (DLT), supports the entire industry with infrastructure to more efficiently process and share alts data.

## ② HOW ARE ADVISORY FIRMS TRACKING THEIR USE OF ALTS TODAY?

We find that most firms use one of four methods.

1. Manual processes. Alts tracking is handled manually, which comes with added cost, time and data accuracy challenges. This entails accessing documents from multiple portals, then manually downloading, naming, and saving these documents. The next step involves transcribing the data from the PDFs into their reporting system and conducting a final manual reconciliation. In the event a document is missing, they must not only identify which is missing but then reach out to the GP or Fund Admin to request the missing document.
2. A combination of manual processes and technology. This approach entails the combination of manual document sourcing and a collection of non-integrated technologies in an attempt to "scrape" the data from PDFs into a spreadsheet. From here, the data must be configured to a reporting system-friendly format, and then uploaded manually, followed by a final reconciliation.

With the two approaches described above, there is little to no true data validation occurring during the process. This can lead to inaccurate data being loaded into reporting systems and potentially inaccurate performance returns be reported to clients.

3. Outsource. Hire a firm that specializes in managing alternative data in an efficient, scalable and accurate manner. This is where iCapital's Alts Data Management solution comes in.
4. Do not provide. Many firms do not provide consolidated reporting, but rather have their clients rely on the fund managers' reports for portfolio-specific returns. Alternately, some firms rely on platforms that weren't purpose-built for alternatives and cannot properly track alts. This can lead to downstream issues with incorrect data being reported to clients

## ③ HOW DO FIRMS INTEGRATE ALTS REPORTING INTO THEIR EXISTING PORTFOLIO MANAGEMENT STACK?

Unfortunately, many firms do not have the proper alts reporting tool in their tech stack to support reporting consistently and accurately (particularly in the independent RIA channel). Again, alts acquired through a platform like iCapital will automatically come with reporting and document storage benefits. For firms doing direct investments or with legacy alts portfolios, far too many are relying on internal teams and manual processes to update reporting systems. For large position counts and growing portfolios (particularly cumbersome when acquired through advisor M&A), this becomes an ongoing challenge. Managing capital activities alone in a large portfolio can quickly overwhelm an internal staff, causing valuation updates for reporting to be delayed, rushed, and prone to error, or worse – forgotten. Thankfully, more firms are turning to alts data management providers to leverage

the power of AI/ML technology to pull alts documents at scale, retrieve key data points and deliver that data, once normalized, directly into reporting systems. iCapital’s Alts Data Management business, leveraging both technology and professional oversight, is now part of every discussion we have with clients about consolidated investment reporting services. Our ability to connect directly with fund administrators greatly enhances our ability to process data efficiently. We believe total wealth reporting must include alts reporting on a consistent basis in order to make the most informed data-driven decisions.

## In recent years, investors have shown a heightened interest in alternative investments, driven by their desire to attain substantial returns with reduced exposure to market risk and the high volatility typically associated with publicly traded stocks.

Alts platforms like iCapital have disrupted the industry and streamlined an inefficient process around investing in alts and managing the associated data. Yet advisers still face the challenge of managing the data for alts purchased off-platform (perhaps inherited from a legacy adviser). Off-platform alts data-tracking, reporting and auditing challenges can put them at risk of regulatory issues or missed investment opportunities and quickly become overwhelming. To provide a holistic alts offering, advisers need to manage the alts data from across the ecosystem, both on- and off-platform. Fortunately, technology and associated support services are stepping in to help investment managers address these challenges, bridging certain reporting gaps and opening new opportunities for optimizing portfolios.

Where do reporting problems typically start? Off-platform alternative asset reporting is a nuanced process with data collection, processing and utilization challenges. Looking closer, several areas create pain points, increasing the potential for missed opportunities and decision-stalling for investors and their wealth management teams.

### 1. Data quality and lack of uniformity

“The complexities in tracking and managing off-platform alternative investments start with the avalanche of data that needs to be processed,” says Jeremy Langlois, Managing Director, Data Solutions at iCapital, the data and reporting specialists within the firm. “Alternative investment data can be delivered from various sources, such as custodians, specialized alternatives platforms, or directly from fund managers. This translates to data lacking uniformity, subject to its originator.” Additionally, alternatives could either be invested by wealth manager discretion or directly through fund managers, creating even more complexity in the type of data that requires tracking. This is a complicated endeavor for wealth managers and their teams, who rely on human effort to aggregate the right data from emails, pdfs, portals, and other formats, and then process that data further downstream.

### 2. Data schedules and the human element

Creating uniformity in reporting for alternative investments is a challenging task. There currently isn’t a catch-all solution. Aggregating data for alternatives with less uniform fiscal schedules is difficult and time-consuming. Combining liquid custodial data with alternative assets into a cohesive report requires a thorough understanding of the transactions and performance metrics that drive the analysis and ultimate decision-making. This, too, is a labor-intensive manual process subject to human errors requiring further careful auditing. Over-

## “The complexities in tracking and managing alternative investments start with the avalanche of data that needs to be processed.”

whelmingly, current alternative investment reporting practices are both time consuming and fraught with extra steps necessary to ensure accuracy and reconcile unavoidable human errors. Moreover, teams within the same organization often create their own reporting frameworks, resulting in redundant overlaps and a lack of uniformity.

### 3. Data nuances

Another problem is accurately tracking capital calls, distributions, and related capital account statements. When advisers track alternative investments outside of a portfolio accounting system or other software, it can hinder accurate reporting due to the inability to capture the nuances of different transaction types. For example, alternatives often involve different distributions, like generic (short and long-term) or return of capital, each being either recallable or non-recallable. “Even more tracking problems are encountered with system drawbacks that limit the information necessary to accurately report it, like netted transactions or broad characterizations,” adds Langlois. Reporting on alternative investments requires a broader range of transaction events to ensure accurate performance reporting, especially for private equity, hedge funds and real estate investments.

### Is there a better way of reporting alternative assets?

There is! Reporting uniformity, agility and efficiency can be achieved by adopting a technology-enabled and human-driven approach. Technology alone is not a magic solution. Technology helps by unifying the process, removing some of the blind spots and removing friction points. It is a valuable tool that can improve the reporting process, but only when paired with human talent, which can more adequately inject nuanced discernment and thus augment reporting activities and the resulting output. For enhanced reporting, a balanced approach that elevates the human involvement must be embraced, promoting transparency and efficiency throughout the process. We are still in the early stages of transformation, but there is an opportunity to embrace change and improve your existing reporting operations.

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# 3 tips for RIAs to help build a successful team and retain talent



BILL COPPEL

Chief Client  
Growth Officer,  
TradePMR

## ① WHAT DO HIGH PERFORMERS LOOK FOR IN LEADERSHIP?

Financial advisors look for leaders that provide a clear vision and direction for the organization. Top-performing advisors want to be successful and to do that they want to understand where the organization is headed and how their work contributes to achieving the desired objectives.

Advisors, particularly RIAs, appreciate leaders who give them freedom to execute without micromanagement and are able to provide the appropriate support. Empowerment is the key here.

With respect to other members of the firm beyond advisors, these top performing individuals seek leaders who invest in their development, challenge them with stretch assignments and help advance their careers. If this does not happen, they will walk. This includes meaningful and timely feedback that is constructive with the aim of helping them improve, hit their goals and advance their career.

Finally, high performers respect leaders whose actions align with their words. Integrity and consistency are key attributes top performing talent has a keen eye for. You can't fake it.

## ② IN A COMPETITIVE TALENT MARKET, DO YOU TALK ABOUT COMPENSATION UP FRONT?

There is no right or wrong answer here. So, I will use an answer I learned in business school: it depends. In a competitive talent market, discussing compensa-

tion up front is nuanced depending on the situation. If you're talking to an advisor, compensation is going to be a strategic conversation that is likely to be a top discussion point.

As it relates to other professionals in a wealth management firm, you may be better served discussing the vision and direction of the firm and the value of being a part of the organization. Staying focused on the role and how it ties back to building a high-performing team sets a clear expectation for the candidate. In the end, it comes down to the right fit, skill, attitude and a commitment to achieve results as a team.

## ③ WHAT DRIVES AWAY TALENT?

In my experience, there are what I call the three deadly sins that repeal the best talent. (1) Poor leadership: Meaning lack of vision, a micromanagement mindset, inconsistency and a misalignment of the firm's actions with its principles, values, and vision. (2) Limited growth opportunities: There needs to be a clear path to skill development; advancement coupled with challenging and interesting assignments. Nothing will turn off talent more than the same old same old. And (3) allowing a toxic culture to prevail. This includes when office politics replace vision and values; a failure to develop an inclusive environment for ideas and perspectives; inadequate or unclear communication; or fostering an environment fueled by blame over recognition. I am sure there are others, but committing any of these three will lead talented performers to the exit.

Does it ever feel like there just aren't enough financial advisors out there to meet the demand from retail investors? There's data that shows this isn't just in your head.

Researchers at Cerulli Associates found that the number of new advisors joining the industry just barely offset the number of trainee failures and retirements. With 37.5% of advisors expected to retire over the next decade, the advice industry "has a headcount problem," Cerulli concluded.<sup>1</sup>

Of course, just about everyone wants to build a team that can achieve sustainable business growth. Actually doing it is often easier said than done. In fact, increased competition is making it more difficult than ever to attract and retain top talent, according to Carolyn Armitage, Founder and CEO of RIA Circle and Wealth Management Consulting.

Carolyn and I talked about this challenge on a recent episode of Synergize, the TradePMR podcast where I host conversations with people from a variety of disciplines about what it takes to grow a business. She told me that if RIAs want to make the right hires – people who can help position the firm to capitalize on the growth opportunities in today's market – there are three things they can focus on. Here are some things we covered in that conversation, which you can check out anywhere you get your podcasts.

### 1. Have a mission, a strategy to achieve it, and some non-negotiables

While this may seem like more of a big-picture issue for businesses that wouldn't necessarily impact hiring, it's absolutely crucial for bringing on and retaining high-quality new employees. High-performing people often want to know that there's a purpose to their work beyond the day-to-day grind and achieving sales objectives. Having a clear vision and a set of guiding values can help them be fully committed. If you want to attract people who see your company as more than

just another job, be able to give a clear answer to questions like: Why are we doing this? Where is the company headed?

"It's so easy for folks to hire people that they like, and it's really hard for them to get rid of people that they like, even if they don't really fit the bill for what [is] needed for the organization," Carolyn said in our conversation. "If you can really hone in on what you're looking to achieve and what are the skill sets to get there, that will help you define more of a niche for the people for you to recruit and retain."

### 2. Find how to best utilize your resources

Oftentimes, organizations are underutilizing the people they already have on their team. Whether it's because someone is in a role that doesn't best suit their skills, or because the business hasn't offered them a path for advancement, these people are at risk of leaving for somewhere where they are more likely to grow.

Like with technology – where people can sometimes get distracted by the latest and greatest tools rather than just maximizing what they already have – a good leader needs to have a good assessment of what they already have on their team and make sure it's aligned with the company's purpose. Ideally, the leader of a growing business will embrace all different types of personalities and have them in the right roles to maximize their skills sets and strengthen the overall organization.

### 3. Know yourself

Be honest about who you are as a CEO and as a leader. That might sound strange at first, but the more authentic and self-aware you can be about your strengths and weaknesses, the more you'll be able to appreciate how other peoples' differences can add value. This can help you be more intentional when looking to hire people with skill sets that complement your own.

Instead of just hiring people who you like or who are just like you, look for differentiation to maximize the abilities of your team. The last thing you want is to be like the emperor who has no clothes. Instead of surrounding yourself with "yes" people, surround yourself with a variety of thoughts and opinions to increase the number or perspectives you have.

RIA Circle, Wealth Management Consulting, and TradePMR, member FINRA/SIPC, are unaffiliated companies.

<sup>1</sup> The Financial Advisor Industry Has a Headcount Problem, Cerulli. Published Jan.16, 2024

# How the UMA is changing the advisory space



ALEX THOMPSON

CPO, SMArtX

① ADVISORY FIRMS SOMETIMES NOTE SLEEVE REPORTING IS A CHALLENGE WHEN USING UMAs. HOW HAS SMARTX WORKED TO ADDRESS THOSE CONCERNS?

At SMArtX, sleeve-level data is at our core. Unlike traditional systems that try to add sleeves onto an account-level structure, our platform is designed with independent sleeve-level books of record (IBORs) that are directly linked to the account-level IBOR. This ensures full transparency, allowing each sleeve's positions, cash balances and performance to be accurately tracked while still providing a unified view at the account level. This structure addresses the common reporting challenges advisors face with UMA accounts. It enables precise performance attribution by sleeve, aligns seamlessly with model strategies and simplifies overlay management by resolving conflicts in overlapping positions. Advisors and clients benefit from clean, reliable data that integrates smoothly with their preferred reporting platforms, ensuring a familiar and intuitive experience. With SMArtX, you get all the benefits of sleeves without the traditional drawbacks.

② WHERE DO TAXES IMPACT CLIENTS THE MOST WHEN TRADING HAPPENS? WHAT ARE THE EVOLVING STRATEGIES FIRMS CAN TAKE TO BE MORE TAX EFFICIENT?

Taxes can be a major burden for clients, especially when transitioning to a new model—particularly when legacy holdings are liquidated, causing high turnover. To address this, SMArtX introduced the Transition Analysis Tool in 2024. This tool allows advisors to move assets into UMA portfolios while minimizing tax impact by performing real-time lot-level calculations to assess liquidation costs and automate trades, ensuring the transition stays within a client's capital gains budget.

Beyond the initial transition, SMArtX also offers Tax Loss Harvesting and Tax Impact Calculations in our Rebalancer, giving advisors proactive tools

to minimize taxable events and offset losses throughout the year. What truly sets us apart is our ability to optimize taxes at the account level while still providing clear sleeve-level visibility. Unlike traditional UMA platforms that limit tax lots to specific sleeves, our flexible approach can significantly boost after-tax returns, especially when paired with custodian-supported lot optimizations.

③ ADVISORS DON'T SEE THE BACKEND CONNECTIONS THAT ENABLE UMAs. CAN YOU TALK ABOUT THE INTEGRATION WORK DONE WITH DATA PROVIDERS? WHAT SORT OF EFFORT GOES INTO BUILDING THESE OUT – WHAT SORT OF COORDINATION TAKES PLACE, HOW LONG, WHAT ARE THE CHALLENGES?

The SMArtX platform is built for real-time connectivity, delivering a true UMA experience with precise sleeve-level details. We pull live pricing from multiple market data vendors and allow for seamless swapping of vendors in real time, ensuring portfolios are always up-to-date with the latest valuations—critical for intraday trading and effective risk management. On the trading side, our embedded workflow management enables real-time order routing to custodians and executing brokers. As trades are filled, post-trade allocation messages flow back into SMArtX, maintaining a live book of record throughout the day. This lets advisors and asset managers submit multiple trading instructions across different sleeves, all processed as they come in.

At the end of each day, SMArtX syncs with custodians via nightly batch files, ensuring our account- and sleeve-level books remain tightly aligned for accurate reporting, trading compliance and performance tracking.

This real-time infrastructure makes SMArtX's UMA engine resilient, scalable and uniquely capable of supporting both advisor-led customization and asset-manager-traded strategies within a single account—all with the precision of a modern portfolio accounting system.

**T**echnology continues to advance multiple segments of the financial industry into a more efficient and user friendly experience.

A core target of this revolution is the independent advisor and broker/dealer space, which has seen the continued amalgamation of services to promote unified technological hubs and integrated solutions across multiple services. Clients are also becoming increasingly savvy as firms marketing directly to consumers are helping to educate the end client, who in turn

demands these advantages from the advisors.

These developments have created new possibilities for reporting, administering and managing client accounts and has led to a new ‘must have’ on the list of technological requirements: unified managed accounts or UMAs.

### HOW IS YOUR UMA SLEEVED?

A key construct of the UMA is the idea of “multiple strategies, one account.” The idea can be further expanded to encompass multiple kinds of strategies including in-house asset allocations, model delivery strategies, or simply just individual securities. Each element within the account is segregated into ‘sleeves’, which acts as a virtual account within the UMA and houses all the securities related to any given investment strategy.

**Sleeves enable the investor to understand the performance of that individual strategy or group of holdings, despite it being held in the same account as other strategies and does not incur any additional costs or burdens on the investor.**

A fundamental and very important aspect to this ‘sleeving’ is the UMA operator’s ability to actually manage the sleeves by keeping the book of record at the sleeve level. This is different to having securities in a single account and a reporting program trying to break them out. A true UMA provider will maintain the sleeves within the account in this way to provide accurate sleeve-level reporting.

While UMAs in and of themselves create a better solution to accomplishing the same goal that the creation of multiple SMAs attempts to do, UMAs also facilitate the next stage in advisor oversight of client accounts, called Unified Managed Households. This function is typically performed by a reporting tool, such as SS&C Advent’s Black Diamond product and brings together the accounts of all entities under a single client relationship. This can include qualified and non-qualified brokerage accounts, private placements, direct real estate investments, CITs and other

## UMAs ARE THE NEXT EVOLUTION IN MANAGED ACCOUNTS

The key benefit to UMA is the idea that multiple strategies can be managed within a single account. This equates to **1) reduction of administrative/operational burdens, 2) potential for lower expenses, and 3) single source information flow.** Each of these elements in and of themselves equate to a better user experience but, combined in a single solution, they are a giant leap for investment advisors.

investment structures.

Technology is constantly changing the way we live our lives. Innovation in the advisory space is no different as technology streamlines the investment management process and operational administration of client accounts.

**New ideas and tools are helping time be salvaged, money saved, headaches avoided, and the generally better experience for both advisors and clients is shaping a new paradigm that will clearly define a demarcation between the advisor of yesterday vs the advisor of tomorrow.**

## THIS METHOD OF SLEEVING ALSO PROVIDES FOR MULTIPLE ADVANTAGES ACROSS KEY ELEMENTS OF AN ADVISORY BUSINESS:

TAXES	PERFORMANCE REPORTING	ALLOCATION & DRIFT CORRECTION	FEES
Using broker lot optimization, you can have tax efficient trading across strategies that is not possible with various separate accounts or with tax lot tagged sleeves.	This sleeving methodology provides manager-specific performance attribution in the context of the whole account, so you know what is working for your clients, and what is not.	Drift is managed at the sleeve level and sleeves are brought back into line for individual model strategies with no crossover to other sleeves within the account. Otherwise, drift is managed at the account level and a change to any strategy allocation will cause rebalances to the rest of the account.	Without this type of sleeve-level technology fees are estimated based on theoretical or static weights instead of accurately calculating fees based on actual sleeve values.

### THE BENEFITS

The key benefit to UMA is the idea that multiple strategies can be managed within a single account. This equates to **1) reduction of administrative/operational burdens, 2) potential for lower expenses, and 3) single source information flow.** Each of these elements in and of themselves equate to a better user experience but, combined in a single solution, they are a giant leap for investment advisors.



#### REDUCTION OF ADMINISTRATIVE/ OPERATIONAL BURDENS

UMAs provide the flexibility to house multiple investment elements in a single account, so advisors can choose the custodian best for them and not have to open relationships with multiple firms. UMA use also leads to lower investment minimums, and UMAs, particularly when administered through a platform such as a TAMP, eliminate the need for advisors to find a manager and establish a dual contract relationship.



#### LOWER EXPENSES ARE BETTER FOR YOUR CLIENTS

Due to the reduced burden on the investment manager and the elimination of the need to set up a specific account, fees associated with strategies tend to be lower. The elimination of the need for multiple accounts equates to lower administrative burdens, as well as lower costs associated with the operation of a growing advisory business.



#### SINGLE SOURCE INFORMATION FLOW

Single accounts provide consolidated information flow, especially if the UMA provider is a TAMP or similar investment platform. Single source also provides a more holistic view of client exposures to various aspects of the market and enables advisors to better manage client accounts to their specific risk/reward objectives. Better information flow leads to better decisions and better service for your clients.

# CRM or bust: why RIAs who ignore their core systems are leaving money on the table



CRAIG ISKOWITZ

Founder & CEO  
Ezra Group

You can always spot the CRM power users in a firm. They're the ones who don't spend ten minutes before every meeting digging through old emails. They don't miss follow-ups. They don't show up surprised by client life events they should've known about. And – almost without fail – they're the ones bringing in the most business.

But they're rare.

For every advisor who uses their CRM like a growth engine, there are five who treat it like a filing cabinet – at best. In many firms, even basic functions like client segmentation, pipeline tracking, or relationship mapping go underused or ignored entirely. That's not a software problem. It's a strategy problem.

We've worked with dozens of RIAs who invested in top-tier CRM platforms, only to let them gather digital dust. But we've also seen what it takes to turn things around: specific workflows, smart training, executive buy-in and a relentless focus on usage.

In this article, we're laying out the playbook we use with advisory firms to increase CRM utilization – not just as a data warehouse, but as an operational system that drives revenue, improves client service and saves valuable time.

## START WITH THE REALITY: ADVISORS DON'T WANT TO USE CRM

The first thing to understand is that advisor pushback is almost guaranteed. CRM is seen as surveillance – Big Brother watching from the cloud. And in some cases, that paranoia is just cover for a deeper problem: underperformance.

We tell our clients this bluntly: if an advisor fights CRM adoption too hard, it often means they're not doing much worth tracking.

But most advisors aren't trying to be difficult. They're busy. They want more time, more revenue, or both. So, the pitch shouldn't be about compliance – focus on outcomes.

- Want to make more money? Successful advisors use their CRM to identify top prospects, track lead conversion and replicate what works.
- Want more time? A CRM can help automate follow-ups, centralize client data and reduce prep time before meetings.

“CRM isn't a burden – it's a lever.”

This framing flips the conversation. CRM isn't a burden – it's a lever.

## CLEAN THE DATA OR DON'T BOTHER

One of the biggest barriers to CRM adoption? Garbage data.

We worked with one firm that had 30,000 CRM records – but only 3,000 clients. The rest were decaying leads from third-party sources, former clients, and duplicates. Advisors had to wade through this mess to find anything useful.

If your CRM isn't clean, no one will trust it. And if no one trusts it, no one will use it.

Key data hygiene steps include:

- **Purge low-quality records:** Leads with no interaction in 12+ months? Archive them.

- **Standardize households, trusts, and entities:** Too many systems lump business data under individual client profiles. That's a mistake. Set up entities as standalone records and link relationships clearly.
- **Track the right fields:** If your CRM can't tell you who your clients are, when they started, or what services they use, it's failing. Don't assume “it's in the PDF.” Get it in the system.

CRM is only as good as the structure behind it. Build that foundation first.

## SET EXPECTATIONS AND MONITOR UTILIZATION

Software licenses and consulting fees aren't cheap. If advisors aren't using the system, you're burning cash.

We create dashboards for our clients to track key usage metrics: tasks created, meetings logged, emails sent, pipeline entries updated. The numbers don't lie. You'll quickly spot which advisors are engaging and which are coasting.

Then you have choices:

- **Coach them up:** Show them how CRM helps them close more business.
- **Call them out:** If it's passive-aggressive resistance, let them know it's visible.
- **Cut them loose:** Some advisors are quietly undermining the team. If they won't adapt, it may be time to part ways.

Technology won't fix culture problems. But it will reveal them.

## TRAIN, MARKET AND REPEAT

Too many firms treat CRM implementation like a one-time project. Buy the software, run a week of training and hope for the best.

That doesn't work.

CRM adoption needs the same ongoing attention you give to external client communication. In fact, you should think of it as internal marketing.

- **Tailor training to different learning styles:** Some want to read documentation. Others need videos or live demos. Offer all three.
- **Communicate why it matters:** Not just how to use the software, but why it makes their job easier.
- **Reinforce consistently:** Reminders, refreshers and one-on-one nudges go a long way.

You wouldn't stop marketing to a client after onboarding. Don't stop supporting your team after rollout.

### SEGMENT CLIENTS WITH PURPOSE

Another CRM blind spot? Service-level segmentation.

Too many firm owners give every client equal time, regardless of AUM. That's not sustainable. The 80/20 rule holds: 20% of your clients generate 80% of your revenue. Your best advisors should be spending time with them – not fielding emails from small accounts.

Use your CRM to:

- Segment clients into quintiles or tiers
- Align top advisors with top clients
- Automate touches for lower-tier clients through call centers or digital channels

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Yes, it sounds harsh. But every airline passenger gets to their destination – some just fly coach.

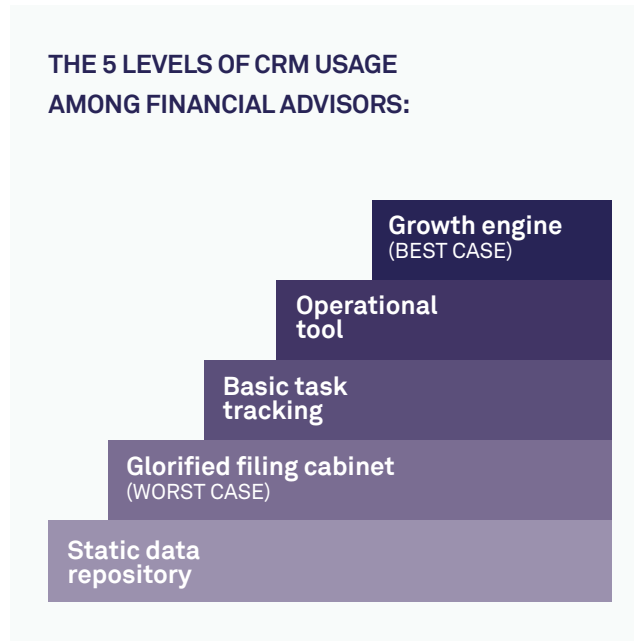
### STANDARDIZE THE LEAD-TO-CLIENT JOURNEY

Most advisors treat every lead like a prospect. That's a mistake.

You need clear qualification criteria – and your CRM needs to reflect them. We train firms to define:

- **Leads** as unqualified contacts (e.g. bought lists, cold inquiries)
- **Prospects** as leads that meet firm standards (e.g. AUM threshold, relationship potential)

Then, standardize how you handle them. Who follows up? When? With what content? CRM workflows should



enforce this rhythm. Done right, CRM becomes a playbook – not a passive database.

### CRM IS NOT OPTIONAL. IT'S INFRASTRUCTURE.

Some advisors will always want to work “their way.” That might mean offline notes, private spreadsheets or skipping CRM altogether.

You can't scale a business that way.

We tell clients this: If your star advisor gets hit by a bus, can someone else pick up their pipeline tomorrow? If not, you don't have a business – you have a liability.

CRM isn't a choice. It's infrastructure. And it only works if it's part of your culture.

### FINAL THOUGHT: CRM SUCCESS STARTS AT THE TOP

If firm leadership isn't using the CRM, no one else will.

Executives need to lead by example – logging activity, pulling reports, and asking the right questions. Make CRM usage part of compensation conversations. Make it part of performance reviews. Make it *the way you run the firm*. When you do, CRM stops being a nuisance. It becomes the system that runs your business – efficiently, intelligently and at scale.

# AI in compliance: enhancing human judgment, not replacing it



PARKER ENCE

CEO & Co-Founder, Jump

## ① AI USE IS GROWING RAPIDLY AMONG ADVISORS. WHAT DIRECTION DO YOU SEE THE TECHNOLOGY GOING IN OUR SPACE?

We've moved past curiosity and wariness to excitement and adoption. 42% of advisors are already using general tools like ChatGPT and about the same number have adopted AI meeting tools. Jump users are already using AI to prepare for conversations, capture key points, streamline follow-ups and extract insights from client discussions. These tasks used to take hours. Now, they take minutes. But zooming out, remember that what makes this last wave of AI, generative AI, different is the power to “read and write” messy and unstructured data. Almost everything advisors do includes “unstructured data,” whether conversations, emails, texts or documents. So, over time, AI won't just support the back office. It will become a proactive partner, surfacing trends, risks and opportunities tailored to each client relationship.

It will ultimately transform every aspect of what advisors do in the same way the internet or mobile devices changed everything.

## ② THERE ARE SEVERAL AREAS IN CLIENT SERVICE THAT ADVISORS CAN USE AI IN. HOW DO YOU BALANCE AUTOMATING SERVICE WHILE KEEPING IT UNIQUE/DIFFERENTIATED?

Delivering personalization at scale is the elusive holy grail of client service and engagement. AI makes this more possible than ever. AI not only takes care of the behind-the-scenes busywork and frees up advisors to focus on the parts of the relationship that truly require human insight, but it also does so through powerful customization and personalization tools that match the firm's unique service model and style or tone. One example in Jump's case: advisors can load examples of their old emails and Jump will use them to draft highly personal-

ized client follow-ups. These drafts reflect not only the content of the most recent client interaction (like a meeting), but also the advisor’s tone, preferences, communication style and even the firm’s unique meeting types

### ③ HOW WILL AI AGENTS CHANGE THE WAY ADVISORS INTERACT WITH CLIENTS? WHAT IS A GOOD AI AGENT EXPERIENCE LIKE?

We think of great AI agents like an Iron Man suit that allows advisors to do so much more than they can do alone. So, a good AI agent will be a trusted extension of the advisor, giving them leverage. Imagine a whole factory of helpful robots or a whole army of recently graduated Harvard undergraduates who are able to do anything you need to move the firm forward. For example, look at the things an advisor needs to do for every client interaction: write compliance documentation, update the CRM, send a client recap email, delegate follow-up tasks to the operations or investments team and schedule the next touchpoint with the client. A great AI agent will anticipate and complete these for the advisor, all with “human in the loop” oversight. The best AI agents feel invisible when they need to be and helpful when it counts. Over time, clients experience more clarity, consistency and responsiveness without the advisor spending more hours to deliver it.

**We're at a turning point in the financial services world. AI isn't just changing how we handle information – it's completely reshaping how advisors connect with their clients.**

And compliance work is quickly becoming a showcase for AI's practical benefits. As regulations get more and more complex, financial advisors face a clear choice: stick with manual processes that pull them away from client relationships or jump on board with AI solutions that handle the administrative headaches while letting them focus on what they do best.

### THE COMPLIANCE CHALLENGE FINANCIAL ADVISORS CAN NO LONGER IGNORE

Let's be honest – compliance isn't just a box to check. It's one of the most critical responsibilities for financial advisory firms today. The stakes? Higher than ever: serious penalties, reputation damage and potential legal trouble for those who fall behind.

Yet surprisingly, many wealth management firms still rely on manual compliance processes that just aren't sustainable anymore. In a 2024 enforcement action, the SEC fined 26 financial firms over \$390 million for widespread use of unapproved communication methods, including WhatsApp and personal text messages<sup>1</sup>. With penalties this severe, can human-powered compliance really keep up?

### THE HUMAN COST OF MANUAL COMPLIANCE

For years, compliance teams have been stuck with labor-intensive workflows that create vulnerabilities while pulling advisors away from their most important work – building real connections with clients:

- **Human Error:** When compliance officers manually process mountains of data, mistakes happen that can trigger costly fines and audit failures.
- **Regulatory Blindspots:** Without automated monitoring, compliance teams might miss crucial deadlines, exposing their firms to unnecessary risks.
- **Relationship Drain:** Every hour spent documenting compliance is an hour not spent understanding clients' financial goals and aspirations.

### REIMAGINING COMPLIANCE THROUGH TECHNOLOGY

The promise of AI in compliance isn't about replacing human judgment – it's about enhancing it. The most effective solutions support advisors by capturing what happens in meetings and automatically handling the administrative work that has traditionally eaten up so much of an advisor's day.

What makes modern AI compliance tools game-changing:

- **Accurate Meeting Documentation:** Automatically captures key points from client conversations, ensuring nothing gets lost or misremembered.
- **Instant Compliance Recordkeeping:** Creates time-stamped records and standardized documentation that meet firm and regulatory standards – without added effort from the advisor.
- **Relationship-Centered Design:** Technology that runs quietly in the background, allowing advisors to stay fully focused on the client during meetings.

With the right AI tools, compliance no longer means hours of post-meeting paperwork. Advisors can spend more time doing what they do best – building trust, offering personalized guidance and strengthening client relationships.

### WHAT'S HOLDING ADVISORS BACK? DEBUNKING AI COMPLIANCE MYTHS

Even with all the benefits AI brings to compliance workflows, many advisors are still hesitant to adopt it. That hesitation often comes down to a handful of persistent myths:

1. **Myth 1: “AI will get me in trouble with regulators.”** Top AI platforms are built with compliance at their core – creating timestamped records, automating disclosures and reducing human error. In many cases, they actually strengthen a firm's audit readiness.
2. **Myth 2: “I'll lose control over what's documented.”** Compliant AI tools don't publish anything without approval. Advisors can review and edit everything to

ensure the tone, accuracy and style reflect their own, with full control over what is ultimately synced to CRM or communicated to clients.

**3. Myth 3: “Compliance teams won't trust AI.”** Once compliance officers see how consistently AI platforms capture notes, update records and track changes, they often become strong advocates for adoption.

**4. Myth 4: “If I didn't write it, it's not compliant.”** What matters most in compliance is accuracy – not authorship. AI can help capture more context and nuance than post-meeting memory. Of course, publishing AI-generated content before reviewing it is a big no-no - advisors must take full responsibility for any content they publish.

**5. Myth 5: “It's too risky or too new.”** AI compliance tools are already used by hundreds of advisor teams, RIAs and broker-dealers. These systems are tested, trusted and built to meet the industry's highest standards.

The truth? AI isn't a compliance risk – it's a compliance advantage. And the sooner advisors clear these hurdles, the faster they can reclaim their time and refocus on what really matters.

### THE FUTURE OF FINANCIAL ADVICE

The financial advisory industry is facing pressure from all sides – robo-advisors, changing client expectations and increasingly complex regulations. Yet the core value remains unchanged: meaningful human relationships that lead to truly personalized financial guidance.

By automating the administrative side of compliance, advisors can double down on their core strength: understanding not just the numbers, but the dreams, fears and aspirations behind them. They can be fully present with clients, building the trust that no algorithm can replicate.

This is more than a tech shift – it's a return to the fundamentals of financial advice. By handling the documentation burden, AI allows advisors to focus on what really matters: understanding clients and helping them achieve their financial goals.

<sup>1</sup> SEC.gov | Twenty-Six Firms to Pay More Than \$390 Million Combined to Settle SEC's Charges for Widespread Recordkeeping Failures. (n.d.). <https://www.sec.gov/newsroom/press-releases/2024-98>

# Why organic growth is declining – and what to do about it



STEPHANIE BOGAN

Organic growth has been the backbone of successful advisory firms for decades, but the latest data shows it's becoming harder to achieve. Client referrals, once the dominant driver of new business, have declined a steep 23% over the past five years<sup>1</sup>, and many firms are struggling to fill the gap. Meanwhile, the fastest-growing RIAs are adapting, shifting from passive referral dependence to intentional marketing, client experience and talent strategies that fuel sustainable growth.

The reality? Growth is no longer accidental. It's a formula driven by time, investment and strategy.

<sup>1</sup> Cerulli Associates, 2024

## THE GROWTH DIVIDE: WHAT TOP FIRMS DO DIFFERENTLY

One of the most striking differences between top-growing RIAs and their peers is where they spend their time and resources.

Top advisors spend<sup>2</sup> 25% of their time on growth while the rest:

- 10-12% of their time on business development and marketing, compared to 4-5% for average firms.
- 3-5% of revenue on marketing and growth initiatives, while most firms invest 1-2% or less.
- 2x more effort on formal client experience strategies, leading to greater share of wallet and referrals.

Put simply: High-growth firms prioritize and invest in growth.

## WHAT'S REPLACING REFERRALS?

Referrals may still be king, but they're in sharp decline. Competition is rising, client loyalty is shifting and younger generations rely more on digital experts, online reviews and social proof than word-of-mouth recommendations. This trend will accelerate, so expect the traditional referral channels to continue their descent.

The firms that are successfully replacing lost referral volume are doing three specific things:

1. **Strategic Marketing** – The days of relying solely on personal networks are limited. RIAs investing in SEO, digital content and email marketing are acquiring 30% more inbound leads<sup>3</sup>.
2. **Client Experience as a Growth Engine** – Firms that systematically collect client feedback and refine their service models see 26% more new client assets<sup>4</sup> compared to those that do not.
3. **Talent Development & Delegation** – Growth-focused firms don't expect advisors to do it all. They leverage advisor time with standardized service models, specialized staff support and expand their firms to include business development specialists to free up advisor capacity.

## WHY MANY FIRMS ARE STUCK

As a result of these trends, a growing number of firms are struggling to grow. The most common bottlenecks:

- **Over-indexing on service, under-indexing on growth** – being in the day-to-day weeds keeps advisors from optimizing client value and capacity (aka revenue per advisor) or investing time in growth.
- **No formal growth plan** – 55% of firms<sup>5</sup> without a documented growth strategy report stagnant revenue.
- **Technology adoption** – Firms using technology to deliver deeper services, systematize service models, and leverage AI-powered tools grow 28% faster<sup>6</sup> than those relying on manual processes.

**Organic growth isn't gone – it's just evolved.**

The firms that thrive will be those that systematize services, leverage technology, and free up advisor capacity to deliver a more specialized client experience - the growth currency of the future.

If you're intrigued, you can take this **Growth Readiness Assessment** to identify where your firm can accelerate growth.

<sup>2</sup> 2024 Schwab RIA Benchmarking Study <sup>3</sup> Schwab, 2024 <sup>4</sup> FiComm, 2024 <sup>5</sup> Schwab, 2024 <sup>6</sup> McKinsey, 2024

# MODEL FOR BUILDING A SUCCESSFUL ADVISORY GROWTH READINESS QUIZ

## HOW TO USE THIS WORKSHEET

Use this self-assessment to evaluate where your firm stands across key growth areas. For each statement, rate your firm on a **scale of 1 (Not at all) to 5 (Fully Implemented)**. After completing the quiz, review your results to identify areas for strategic focus.

### SECTION 1

Score 0/25

#### BUSINESS MODEL & PROFITABILITY

- Our firm has a clearly defined brand identity and market positioning aligned with our ideal client profile.
- We have established systems, processes and workflows to capture economies of scale to improve efficiency, reduce costs, and optimize margins.
- Our business model is structured to maximize enterprise value and ensure a viable succession strategy.
- We actively track and respond to shifting client expectations and demographic trends.
- We have a strategic plan in place to attract and retain top talent in a competitive hiring market.

### SECTION 2

Score 0/25

#### CAPACITY & SERVICE MODELS

- We have a clear marketing and branding strategy that effectively differentiates us in the marketplace.
- Our firm has structured training and career paths to develop next-generation advisors and leaders.
- Our advisors and teams have the capacity to manage client relationships effectively and profitably at every segment level.
- We maintain a high level of client experience and engagement leveraging integrated technology and automation.
- We have a strategic plan in place to attract and retain top talent in a competitive hiring market.

### SECTION 3

Score 0/25

#### LEADERSHIP & HUMAN CAPITAL

- We have structured leadership roles that support firm growth beyond founder dependence.
- Our firm has processes in place to develop future successors and transition leadership roles effectively.
- We have a strategy for maintaining profitability through reinvestment and operational efficiencies.
- Our firm leverages technology and automation to improve advisor productivity and scalability.
- We have a strategy in place for driving strategic growth.

### SECTION 4

Score 0/25

#### BUSINESS LONGEVITY & DISRUPTION READINESS

- We actively monitor industry trends and competitive pressures to adjust our strategy proactively.
- Our firm has the ability to adapt to disruption, regulatory shifts, and evolving client needs.
- We have structured plans to scale sustainably without overextending resources or advisors.
- Our talent pipeline and career paths are robust enough to support long-term growth and firm continuity.
- Our firm has a culture of continuous improvement, innovation, and operational adaptability.

#### TOTAL SCORING SCALE

- 80-100** — Your firm is well-positioned for sustainable growth and scale.
- 60-79** — You are making progress, but key areas require strategic improvement.
- 40-59** — Your firm is growing, likely experiencing growing pains that need to be addressed.
- Below 40** — Your firm may be struggling to grow effectively – focus on core capacity and foundational growth strategies.

## REFLECTION QUESTIONS

What are the top challenges keeping your firm from growing more effectively?

Key Takeaways

How does your firm compare to industry benchmarks for growth, profitability, and capacity? Where are changes needed?

Key Takeaways

Where do you see the biggest opportunity for improvement in your business model?

Key Takeaways

What actions can you take to strengthen your firm's business model and growth strategy?

Key Takeaways

## KEY INSIGHTS

- 1 Advisor Capacity is a key bottleneck of growth, highlighting the importance of operational
- 2 Operational efficiency is a key driver of scalability, profitability and capacity optimization.

- 3 Effective growth and longevity call for a more professionalized firm with a clear strategy, effective leadership, profitability focus and enterprise value growth.
- 4 Structured leadership and advisor development, talent retention, and intentional human capital strategies are critical to driving and sustaining growth and longevity

# What got you here won't get you there: The new rules of organic growth for RIAs



TINA POWELL

Chief of  
Community,  
Intention.ly

Ask any successful financial advisor about their clients and they light up like a Christmas tree. But ask them about their marketing? The energy drops. Eyes shift. Suddenly, everyone's not so bullish anymore.

I was recently talking to an advisor – let's call him Noah. Noah's not some rookie trying to find his niche. This advisor's a beast: \$30 billion in AUM. Multi-office RIA. CFP®. Built the firm from scratch over 40 years ago. He's got a rockstar team and a brand most firms would kill for.

But here’s what Noah told me – unapologetically – behind closed doors:

“Tina, our marketing just isn’t working. We’ve grown on referrals forever, but that pipeline’s slowing down. We know we haven’t kept up.”

**Boom. There it is.**

And guess what? Noah’s not alone.

At Intention.ly, I talk to firms like Noah’s everyday – before they become clients. You know what I hear?

Frustration. Disappointment. Panic (the kind they won’t admit out loud). What used to feel like a temporary dip in growth is starting to look like a pattern.

And the kicker? They all know it.

They’re the first to admit their marketing is outdated, inconsistent and mostly guesswork. Here’s just a sampling of what I’ve heard in the past month alone:

- “Our website’s ancient. It doesn’t reflect who we are now, and it definitely doesn’t bring in the right clients.”
- “We should be doing more with content and social, but we’re too busy – and we just don’t know how.”
- “There’s no real marketing strategy or plan. We’re just throwing a bunch of things at the wall and hoping something sticks.”
- “People visit our site, but then...nothing. Honestly, we don’t have a clear path for them to book a meeting or engage with us.”
- “We’re spending money, but I have no idea what we’re getting in return.”

This is happening across the board – even at some of the best firms.

Outdated websites. Scattered content. Messaging so bland it’s impossible to tell one firm from another.

What’s the cost to those firms?

**Answer: Their next million-dollar client.**

But here’s the part most firms miss...marketing isn’t some Harry Potter spell.

It’s not magic. It’s a muscle most advisors aren’t working.

If you want to build a predictable, scalable, referral-amplifying organic growth engine in 2025, then it’s time to get intentional. (Yes, I said the I-word. We built a company on it.)

Here’s the formula. Put it in your phone. Ready?

- Modernize your website so it works as hard as your employees.
- Publish content that actually says something – and means something to the right people.
- Train your team to dominate LinkedIn, not just scroll it.
- And most importantly, turn client experience into your firm’s best sales rep.

“Everyone in your firm can be a growth driver – no matter their role.”

**Everyone in your firm can be a growth driver – no matter their role.** From client service to compliance, when your team is aligned around strategy, voice, and experience, growth becomes a shared mission.

Noah’s story isn’t just a story. It’s a wake-up call. Because the truth is, you already have what it takes – but only if you stop winging it and start engineering your growth.

You’re not behind.

You’re just one sharp, focused, intentional move away from doing it right.

Now let’s get to work.

# The long view: diversification for uncharted waters



JEFFREY SCHULZE

CFA, Head of Economic and Market Strategy

**ClearBridge Investments:** The economy and markets are entering uncharted waters and policy uncertainty appears likely to remain elevated in the near term. This only further underscores the benefits of diversification for equity investors.

1 A digestion period for US stocks was not unexpected coming into 2025, with the third year of a bull market typically experiencing more muted returns. Unfavorable policy sequencing that prioritized tariffs first before tax cuts by the Trump administration has further contributed to equity market volatility.

2 While US equities have outperformed over longer time horizons, international stocks tend to pick up the slack when domestic markets falter. A rotation out of the Magnificent Seven and into international, value and dividend growers highlighted the power of diversification during the first quarter.

3 The economy and markets are entering uncharted waters and policy uncertainty appears likely to remain elevated in the near term. This only further underscores the benefits of diversification for equity investors.

## “Diversification is the only free lunch in investing.”

Harry Markowitz  
American economist,  
Nobel Prize laureate

### ENTERING UNCHARTED WATERS

The first three months of 2025 marked the worst quarter for the S&P 500 Index since 2022, bringing the benefits of diversification back to the fore. Then came the Trump administration’s “Liberation Day” tariff announcements on April 2, which led to a new round of selling as the announced tariff rates exceeded even the most pessimistic expectations. Much remains unknown including the possibility of trade deals being reached. However,

with the economy and markets entering uncharted waters, the balance of economic and market risk has shifted unfavorably, in our view. The ClearBridge Recession Risk Dashboard remains in overall green “expansionary” territory, but similar to the early days of the COVID-19 pandemic, many indicators on the dashboard do not yet reflect what is currently happening.

There is one change on the dashboard this month with ISM New Orders worsening to red following last month’s deterioration to yellow. Deteriorating business (and consumer sentiment) has been one of the key risks emerging given the elevated uncertainty over the past few months, but the degree to which weaker “soft” survey data translates into poor “hard” results will be critical. Looking ahead, we would expect indicators like Credit Spreads – which are currently nearing yellow territory – and Commodities to be the first areas to roll over.

### EXHIBIT 1: US RECESSION RISK INDICATORS

	March 31, 2025	February 28, 2025	January 31, 2025	
Consumer	Housing Permits	↑	↑	↑
	Job Sentiment	×	×	×
	Jobless Claims	↑	↑	↑
	Retail Sales	↑	↑	↑
	Wage Growth	↑	↑	↑
	Commodities	↑	↑	↑
Business Activity	ISM New Orders	×	●	↑
	Profit Margins	↑	↑	↑
	Truck Shipments	●	●	●
Financial	Credit Spreads	↑	↑	↑
	Money Supply	↑	↑	↑
	Yield Curve	×	×	●
<b>Overall Signal</b>	↑	↑	↑	

↑ Expansion ● Caution × Recession

Data as of March 31, 2025. Source: BLS, Federal Reserve, Census Bureau, ISM, BEA, American Chemistry Council, American Trucking Association, Conference Board, and Bloomberg. The ClearBridge Recession Risk Dashboard was created in January 2016. References to the signals it would have sent in the years prior to January 2016 are based on how the underlying data was reflected in the component indicators at the time.

Based on the dashboard alone, the probability of a recession over the next 12 months is in the neighborhood of 35%, a figure we are subjectively increasing to 50% due to the worse-than-expected tariff announcement and our perception of risks skewing negative for the economy and markets. Our assessment of the economy begins with the dashboard but incorporates many tools as well as our own judgement and experience, along with that of our colleagues at ClearBridge. In speaking with our colleagues over the past few days, three words best encapsulate the recurring themes across those conversations: skepticism, unknowns and diversification.

Skepticism and unknowns are specific to the current environment; skepticism regarding the near- and intermediate-term consequences of recent policy decisions, which the market is signaling may be worse than the administration believes. Unknowns on the positive side include the potential for more market-friendly policy develop-

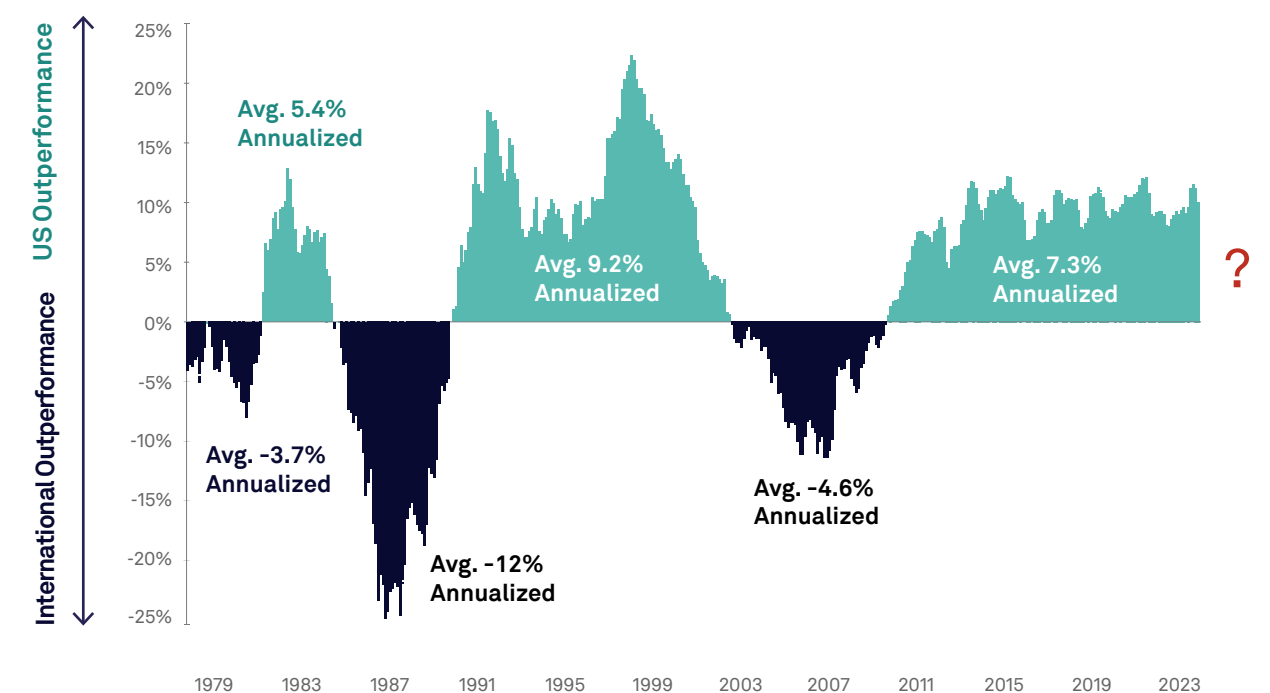
ments such as trade deals and the possibility that tariff revenue is used to fund larger than expected tax cuts. Conversely, there are risks that the long-term benefits the administration is seeking may fail to offset the associated costs. This line of thinking drives our perception of an unfavorable risk skew, which leads to the third recurring theme: diversification.

### ALLOCATE ACROSS GEOGRAPHIES, SIZES AND INVESTMENT STYLES

Over the past several years, diversification has felt less like the free lunch described by Nobel Laureate and modern portfolio theory pioneer Harry Markowitz, and more like a drag on returns. This has been a headwind to active managers as a narrow group of stocks powered most of the benchmark’s upside. However, our colleagues have stuck to their knitting in building diversified portfolios (generally with a quality bias) which is now paying off. According to research firm Strategas Research Partners, 59.8% of active managers outperformed in the first quarter. If that were to hold up for the balance of the year, it would mark the second-best year for active managers since the Global Financial Crisis (GFC). The importance and benefits of diversification apply at many levels, a fact many investors were reminded of in the first three months of the year with the previously red-hot Magnificent Seven stocks falling -16.4% while left-for-dead international equities (MSCI All Country World Index ex-US) rose 4.6%. Constructing a diversified portfolio entails more than just geographic allocation, however, with market cap and investment style important considerations as well. While the relative outperformance of non-US stocks has garnered the lion’s share of headlines lately, value stocks in the S&P 500 have outperformed their growth counterparts by 11.7% so far in 2025. Part of the reason that geographic leadership has been in focus, however, is that it stands in stark contrast to consensus expectations coming into the year that US equities would handily outpace their international peers once again.

Geographic leadership tends to persist for much longer than investors generally appreciate. US stocks have consistently outperformed their international peers dating back to the GFC. While this sounds remarkable, it is hardly unprecedented, with a somewhat shorter but meaningfully stronger period of US leadership occurring throughout the 1990s and into the early 2000s.

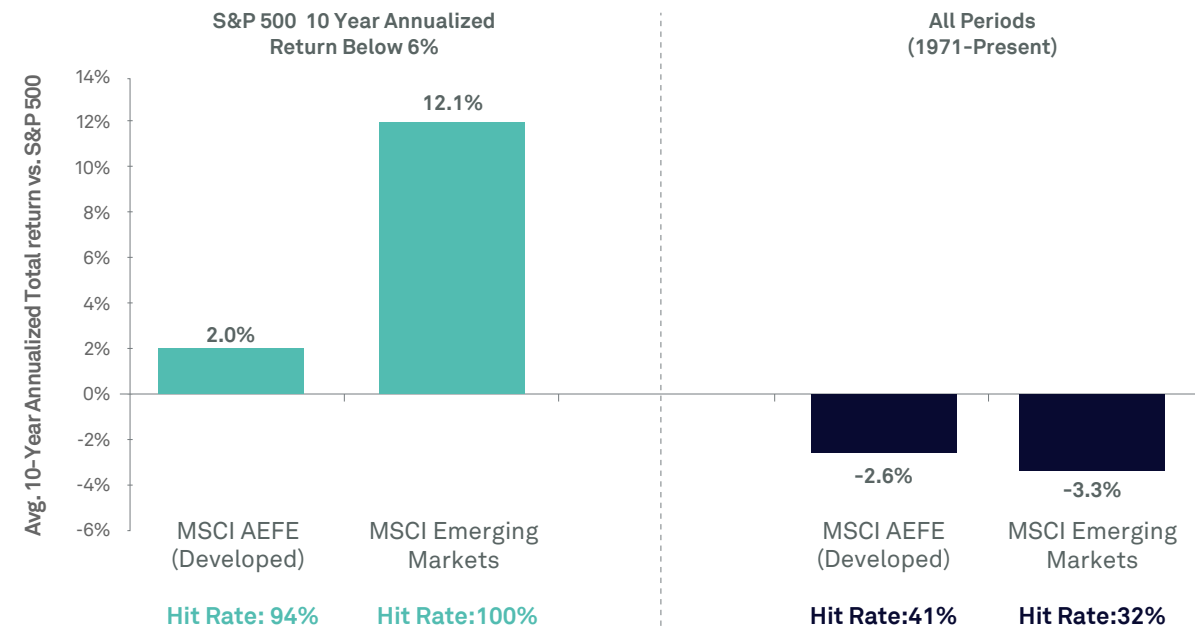
### EXHIBIT 2: GLOBAL LEADERSHIP CYCLES



Note: Data shows rolling five-year annualized performance differential between S&P 500 and MSCI ACWI ex-US indices. Data as of March 31, 2025. Sources: FactSet, S&P, MSCI.

Historically, international equities have provided the greatest diversification benefits when US stocks have been challenged. While this can occur on a short-term basis like what we've seen recently, the effect is magnified over longer time horizons. Since 1971 when the S&P 500 has delivered less than 6% annualized over a 10-year period, the MSCI EAFE (developed) and the MSCI Emerging Markets indexes have outperformed by an average of 2.0% and 12.1%, annualized, respectively. Importantly, the hit rate for outperformance is greater than 90% for each benchmark. Although the United States has outperformed over the long haul, international equities tend to pick up the slack when US markets falter.

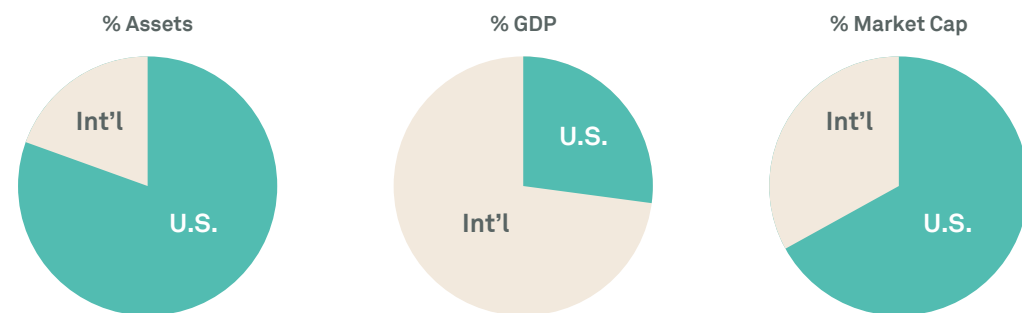
**EXHIBIT 3: DIVERSIFICATION MATTERS**



Note: Data shows 10-year rolling monthly periods. Data as of March 31, 2025. Sources: Morningstar, S&P, MSCI.

This is an important component of diversification: by garnering exposure across asset classes, long-term returns can be improved by reducing portfolio volatility. This helps to smooth out returns as leadership cycles tend to ebb and flow. One dynamic helping support investor focus in non-US stocks is relative valuations, with the cohort still trading near 25-year lows to US peers even after this year's robust outperformance. Importantly, US investors are quite underweight international equities while non-US investors have poured over \$9 trillion into US stocks over the past five years, according to research from Apollo. Should these flows reverse, it could lead to continued upside for the group, bolstering the diversification benefits.

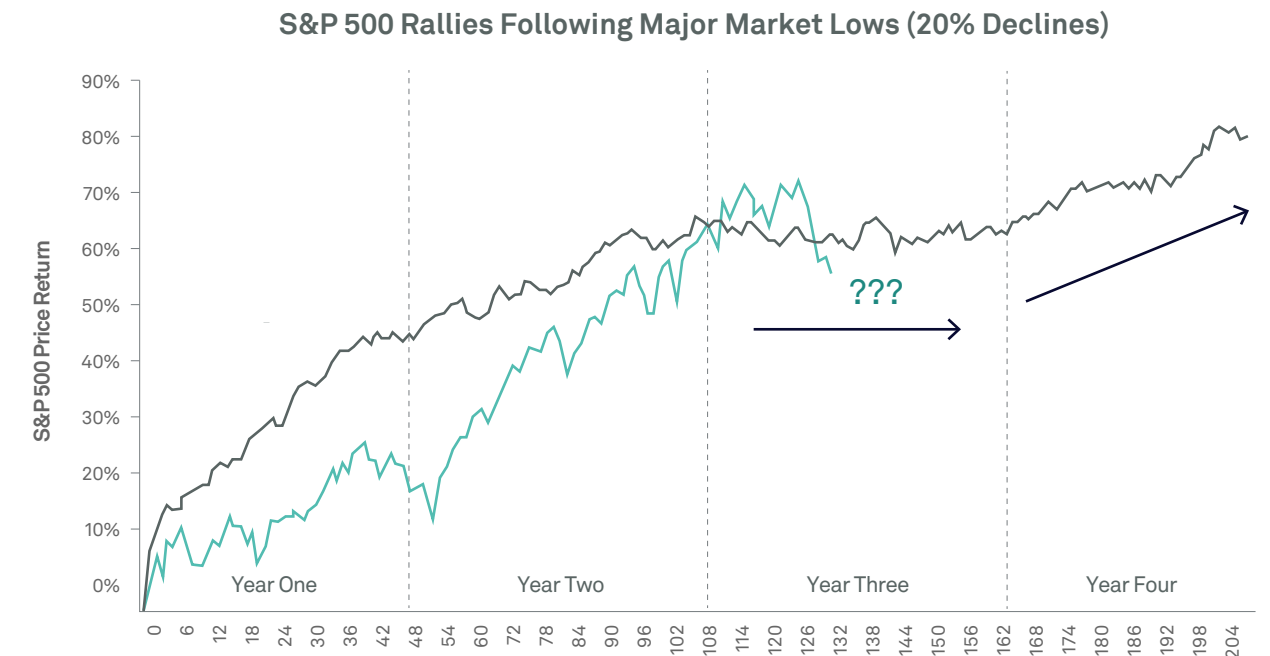
**EXHIBIT 4: HOME COUNTRY BIAS**



Morningstar Category Assets as of Feb. 28, 2025. GDP as of Dec. 31, 2024. MSCI World Index as of March 31, 2025. Sources: Morningstar, IMF, MSCI, FactSet. Data most recent available as of Mar. 31, 2025.

Trade turmoil aside, recent equity market weakness and the leadership rotation have also been driven by other unrelated dynamics including crowded positioning and the potential for AI capex rationalization. One underappreciated aspect may be the typical maturation of the bull market, with new bull markets (those following -20% declines) experiencing a period of digestion during their third year before seeing a resumption of the rally in year four. The current bull market had its third birthday approximately six months ago, meaning we are square in the middle of the historical digestion period.

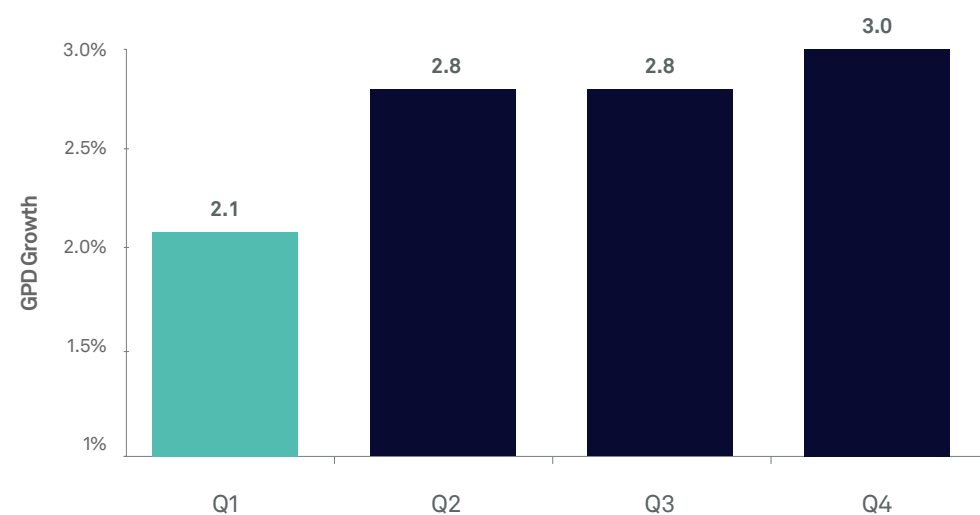
**EXHIBIT 5: THE YEAR-THREE DIGESTION**



Data as of March 31, 2025. Sources: FactSet, S&P Global.

While the trade war and policy uncertainty are all but certain to weigh on revenue growth, profit margins and ultimately earnings, the economy has been on solid footing with consumer spending holding up and a healthy labor market. A soft patch appeared to be emerging even before policy uncertainty became elevated, which is a typical dynamic as the first quarter has been the weakest of the year over the past ~15 years. This was likely amplified in 2025 by unfavorable weather and a tough flu season – January was the coldest since 1988 and the flu season was the worst since 2010 – meaning the economy may be facing a larger-than-normal soft patch to begin the year, but also that the source of some weakness is likely to fade as we move through the year. The primary driver of recent market weakness – and one that is certainly not underappreciated – has been elevated policy uncertainty, however. Coming into the year, our view was that policy sequencing presented a risk of first-half choppiness as the administration prioritized less-market-friendly policies (tariffs, immigration, DOGE) before turning to more market-friendly goals (tax cuts, deregulation) later in the year. Should visibility emerge in the coming months and uncertainty fade, one overhang on US equities would ebb. Historically, when the US Policy Uncertainty Index, a measure compiled by financial economists at three leading universities, has been high (above 155), as is the case today, the S&P 500 has delivered average returns of 9.3% over the subsequent six months and 18.1% over the subsequent 12 months.

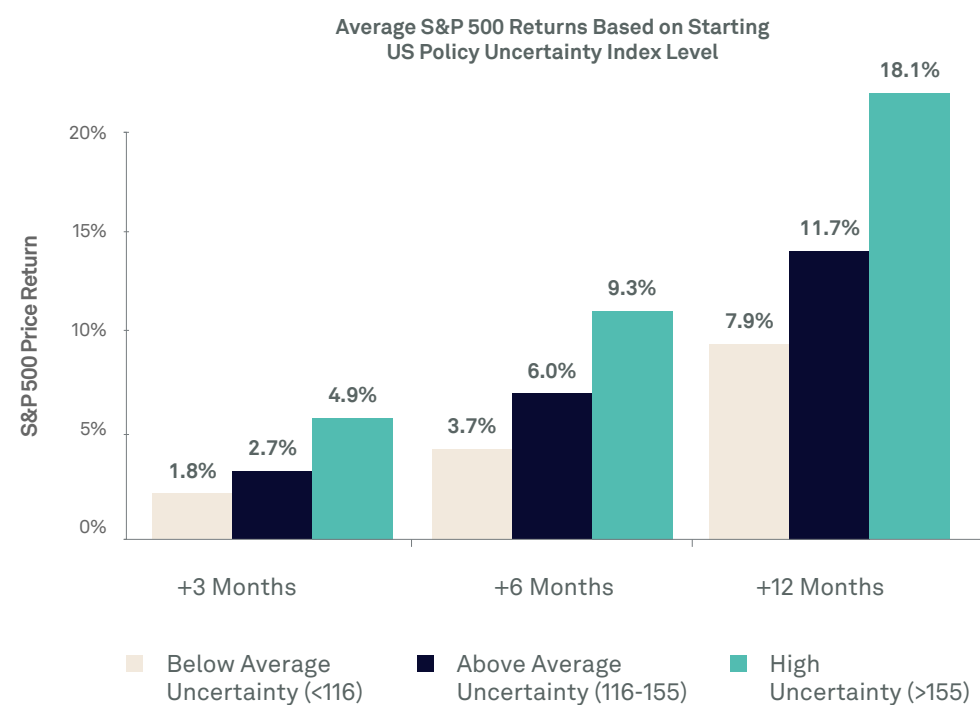
**EXHIBIT 6: 1Q GROWTH SCORE COMMON**



Note: 2010-present, ex-2020. Sources: US Bureau of Economic Analysis (BEA), Macrobond. Data as of March 27, 2025, latest available as of March 31, 2025.

Policy uncertainty tends not to remain elevated for sustained periods. However, should it remain so in the coming quarters, past trends may not be realized. This is a distinct possibility due to the harsher and broader than expected Liberation Day tariff announcements. Although volatility will likely remain elevated as market watchers attempt to parse out the economic implications and ultimate settling point for tariffs should trade negotiations progress, investors have typically been rewarded as policy normalizes.

**EXHIBIT 7: CERTAINTY IN UNCERTAINTY**



Note: Data shown from 1985 – present. Data as of March 31, 2025. Sources: Macrobond, S&P, FactSet, Economic Policy Uncertainty.

One way to help navigate through a period of elevated uncertainty is to focus on higher-quality companies with proven track records managing through periods of turmoil. Focusing on companies with a consistent ability to increase their dividends – a byproduct of being able to grow profits throughout the ups and downs of a cycle – is one such approach. These types of equities had been out of favor in the United States, experiencing a period of historically large underperformance relative to the broader benchmark. Following similarly large periods of underperformance in the late 1990s and early 2020s, dividend growers went on to pull ahead of the benchmark in subsequent years, making their recent run an encouraging sign.

**DEFINITIONS**

The **ClearBridge Recession Risk Dashboard** is a group of 12 indicators that examine the health of the US economy and the likelihood of a downturn.

The **Magnificent Seven** stocks are Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA and Tesla.

The **S&P 500 Index** is an unmanaged index of 500 stocks that is generally representative of the performance of larger companies in the United States.

The **MSCI ACWI ex US Index** captures large and mid-cap representation across 22 of 23 developed market countries (excluding the United States) and 24 emerging market countries.

The **MSCI EAFE Index** is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the US and Canada.

**WHAT ARE THE RISKS?**

All investments involve risks, including possible loss of principal. Past performance is no guarantee of future results. Please note that an investor cannot invest directly in an index. Unmanaged index returns do not reflect any fees, expenses or sales charges.

**Equity** securities are subject to price fluctuation and possible loss of principal. Large-capitalization companies may fall out of favor with investors based on market and economic conditions. Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks.

**Commodities** and **currencies** contain heightened risk that include market, political, regulatory, and natural conditions and may not be suitable for all investors.

**US Treasuries** are direct debt obligations issued and backed by the “full faith and credit” of the US government. The US government guarantees the principal and interest payments on US Treasuries when the securities are held to maturity. Unlike US Treasuries, debt securities issued by the federal agencies and instrumentalities and related investments may or may not be backed by the full faith and credit of the US government. Even when the US government guarantees principal and interest payments on securities, this guarantee does not apply to losses resulting from declines in the market value of these securities.

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# The evolving role of AI in wealth management



RAJ MADAN

CIO/CTO of  
AdvisorEngine

Artificial intelligence-powered applications have quickly mushroomed within the wealth management industry. Advisory firms can now choose from tools that can help them do everything from organizing and responding to client requests to hosting podcasts.

There's plenty of excitement surrounding the potential these AI tools can offer. But financial advisors need some perspective on how they can use these tools to enhance client relationships while navigating potential pitfalls.



JOHN O'CONNELL

Founder & CEO of  
The Oasis Group

## THE AI REVOLUTION IN FINANCIAL SERVICES

Large Language Models (LLMs) are the most popular type of AI systems and they have quickly penetrated our everyday lives, appearing in everything from document creation to email composition and spreadsheet analysis.

You probably have already experimented with one of these tools. The current landscape features several leading players:

- **OpenAI's ChatGPT:** The pioneer that introduced LLMs to the mainstream and powers Microsoft's Co-pilot. GPT-4o now supports multi-modal inputs including text, audio, images and video.
- **Google's Gemini:** Reaching a significant user base through integration with Google search, while also offering Gemma as an open model alternative.
- **Anthropic's Claude:** Distinguished by its focus on safety and alignment, Claude is designed to be helpful, honest, and harmless while minimizing risks like misinformation.
- **Meta's Llama:** An open model with a vast user base through Meta's platforms.

- **DeepSeek:** A recent entrant that made waves with claims of greater efficiency and reduced computational costs, impacting markets, particularly chip manufacturers.

Not all are created equally though. Each one has their own strengths and weaknesses. Some are more error-prone than others. Some offer more functionality in their paid versions than what's freely available to the public.

Here's one thing to keep in mind when using any of these LLMs: They are constantly being "trained" on data, in other words, they ingest what users input and that becomes part of their "intelligence." So don't put anything in that would be considered sensitive, proprietary or your duty to protect, such as client information. Doing so would be exposing that data!

## CURRENT APPLICATIONS

Financial institutions aren't merely experimenting with AI – they're actively implementing it across multiple functions. Here's just a sampling:

1. **Administrative Support:** Meeting note transcription, client briefing preparation, and automated workflow creation.
2. **Security Enhancement:** Fraud detection through anomaly identification in transaction patterns.
3. **Client Engagement:** Chatbots providing immediate responses to client inquiries.
4. **Personal AI Assistants:** Tools like AdvisorEngine's JumpApp, which securely converts advisor-client conversations into tasks, notes, and compliance records, saving significant time for wealth managers.

Firms can benefit from enhanced efficiency these tools offer. Streamlined compliance documentation and an increased capacity to serve more clients are two emerging advantages to be gained from the newest crop of tools hitting the market.

However, there are some areas that do not offer the robustness a fiduciary would require.

There could be potential inaccuracies in financial analysis if models use outdated training data; there are real regulatory concerns around transparency and accountability of AI-generated advice, as well as the privacy risks when handling sensitive client information, which we already mentioned.

There's also a real risk that over-reliance on generative AI tools could also result in a cookie-cutter effect in client communications and outreach. The best approach still is to consider them complementary tools that augment human advisors' capabilities rather than replacing their judgment and interpersonal skills.

There's no doubt automation will save advisors significant time and add meaningful value for their clients. However, we're not the only ones accessing these tools.

## SECURITY CONCERNS

If there's a real downside to the AI revolution, it's that it brings substantial security risks.

Today's crude phishing scams and emails still manage to ensnare end clients and even RIA firms, costing them millions of dollars in losses. These same scams will become alarmingly

sophisticated when powered by generative AI.

Criminals are creating synthetic identification documents to fraudulently access accounts, while voice cloning technology can now replicate someone's voice from just a 15-second audio sample. In one particularly troubling case, a finance worker transferred \$25 million after a video call with what turned out to be a deepfake "chief financial officer."

Financial institutions must remain vigilant as these technologies become more accessible and convincing.

## BEYOND CHATBOTS

We're now witnessing the emergence of sophisticated AI assistants that go far beyond the basic chatbots you may have encountered while trying to buy an airline ticket or in online banking.

The new AI assistants can access and analyze comprehensive client data – from investment portfolios and banking transactions to insurance policies and estate plans – to nearly instantly provide integrated financial insights that previously required extensive manual analysis.

These digital assistants will effectively function as financial copilots. They can continuously monitor client accounts, market conditions, and life events to proactively identify opportunities and risks that might otherwise go unnoticed.

By analyzing patterns in client data, AI tools can anticipate significant life events often before clients themselves have begun considering them. This works for advisors too: automating routine administrative tasks and data analysis helps uncover moments for meaningful outreach to clients, in addition to freeing advisors to focus on the emotional and high-judgment aspects of wealth management.

## AGENTIC AI

Perhaps the most significant evolution in wealth management AI is the shift toward what experts call "agentic" systems – AI that doesn't just analyze information but can take appropriate actions based on that analysis.

Unlike earlier AI tools that primarily generated content or recommendations, these new systems have limited decision-making authority within clearly defined parameters. For example, an agentic AI might automatically rebalance a portfolio when market movements push allocations beyond predetermined thresholds or trigger tax-loss harvesting opportunities when conditions are optimal.

Industry leaders emphasize these agentic capabilities are being implemented with extensive safeguards. Clients maintain ultimate control through preference settings, approval requirements for significant actions and the ability to override automated decisions.

## THE HUMAN FACTOR

When you have computers that can look and speak like humans, how does that impact actual people and relationships?

The growing prevalence of AI companions is occurring against a backdrop of increasing social isolation in American society. Harvard researchers found that 21% of U.S. adults are expe-

“The most successful advisory practices will be those that thoughtfully integrate technology while preserving and enhancing the human elements that clients ultimately value most.”

riencing feelings of loneliness, highlighting a potential void that digital relationships could fill for many people.

According to Forbes, the six leading AI companion applications have collectively amassed approximately 52 million users, demonstrating substantial market demand for artificial relationships that simulate human connection. In

fact, 25% of young adults believe artificial intelligence could eventually replace human romantic relationships, according to a report by The Institute for Family Studies.

Already, AI is being positioned as a mental health resource. The Wall Street Journal has reported on the development and implementation of AI-powered wellbeing companions specifically designed for students.

These developments raise profound questions about the future of human connection across all relationship types, including professional ones such as the advisor-client dynamic in financial services. AI companions that can simulate empathy and understanding will challenge traditional assumptions about the need for humans in relationship-based services.

## BE PREPARED

Strategically adopting AI tools will allow firms to do more at reduced costs. But the new tools come with their own unique challenges.

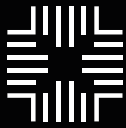
**The need for heightened digital security measures will become even greater.** Financial institutions must implement rigorous protocols governing system access and client data protection. The sensitive nature of financial information makes wealth management firms particularly attractive targets for cybercriminals, placing data security at the forefront of technology implementation considerations. Industry regulations are expected to continue tightening around AI systems that process client financial data.

**Undoubtedly, AI will reshape the traditional advisor-client dynamic.** The relationship model that has defined wealth management for generations is undergoing substantial transformation as AI is tasked with increasingly complex aspects of financial planning and portfolio management. This shift should prompt financial advisors to reconsider their core value proposition, and focus more on emotional intelligence, complex problem-solving, and life coaching aspects that remain distinctly human challenges.

AI will alter how firms operate, but the most successful advisory practices will be those that thoughtfully integrate technology while preserving and enhancing the human elements that clients ultimately value most.

 AdvisorEngine

# Your wealth management machine



Portfolio  
Management



CRM



Digital  
Onboarding



Client  
Portal



Business  
Intelligence

44

For more information  
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