



A MAGAZINE FOR PEOPLE
WHO GSD IN WEALTH MGMT

SPECIAL EDITION
TECHNOLOGY TOOLS FOR TODAY
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**From noise to
knowledge:**
Joel Bruckenstein
on how RIAs can
harness AI power



Your wealth management machine



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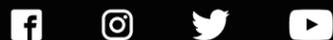


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New year, new challenges



RICH CANCRO

What separates the T3 conference from every other industry event is that when it comes to advisor technology, this is where attendees lock in.

In years past, advisory firms were challenged to find the right fit of tech platforms and tools. A big part of assembling a tech stack was figuring out what you liked, what matched your budget, and most importantly, determining which technology added the most value.

With the advent of Artificial Intelligence-powered capabilities for investment advisors, the biggest challenges ahead will be getting educated and formulating a strategy so a firm can actually take advantage of what it's investing in.

There's no question AI is beginning to have a transformative impact on the wealth management space. We are in the early innings of this highly impactful evolution. But staying on top of this new wave of technology means we have to acknowledge it is different from others we've had in the past.

The Internet innovation wave helped a surge in scaling industry practices. Platforms drove operational excellence and spurred more investment toward growth. Firms transitioned to a largely paperless environment, and thanks to e-commerce giants like Amazon, many now grasp the importance of delivering frictionless, personalized service online.

AI-powered technology will drive the processes that advisory firms rely on and relentlessly work to make them more efficient at a speed far surpassing any human capacity.

So, how do you build value for your clients when smart automation continues to spread? Let me briefly share the way we've approached this at AdvisorEngine.

We've been intentional about the technology we are developing for our clients. Fundamentally, what are our goals as a technology partner? We've narrowed it down

to three: driving our clients' operational excellence, their growth, and the depth of their engagement with clients and prospects.

We've made foundational investments over the past two years to become AI-ready, constructing a modern architecture to support a rich data set and to accelerate the further delivery of smart automation capabilities in key areas of our end-to-end wealthtech platform.

We're leveraging our AI domain expertise to develop smart automation that actually solves real issues for our clients, derived from a large and broad data set which includes several years of industry data, thousands of workflows, and from building multiple robust and deep integrations.

We're sharing what we learn as we go, too; we've sponsored research with The Oasis Group on categories of AI-powered tools and are making it available to all RIAs, because we believe everyone benefits from understanding how to make the best of these capabilities.

This supplement explores just how AI and automation are leading the transformation of services and business strategy in our space, with actionable insights throughout.

As you navigate this conference, I'd encourage you to think beyond the transaction of selecting a vendor. Think about building a learning culture within your firm. Think about the client experience you want to create five years from now. Think about the problems you want AI to solve, not just the capabilities it offers.

Because at the end of the day, the firms that lock in at T3 aren't just locking in technology for their businesses. They're locking in their competitive advantage for the next decade of growth.

Rich

Rich Cancro
AdvisorEngine CEO

AI IN WEALTH MANAGEMENT:

Practical strategies for client success

Matt Gagnon used to do research like most investment advisors.

He'd spend a couple of hours looking up different indicators, such as data from major stock indexes and fiscal policy trends, compiling insights that would give him a sense of the direction of markets.

Now he uses an AI-powered search engine to aid his research. Gagnon, founder of Financial Empowerment LLC in Plano, Texas, created a prompt to gather all the data points for his market update workflow.

"It takes about a minute to gather information, which I then download and verify for accuracy," Gagnon says. "Usually, it does a good job identifying key themes that help me get started. I can then read the underlying sources myself and add my own insights."

The AI tool doesn't write the update for him, Gagnon adds. "I'm still heavily involved in making sure I agree with the analysis and that the statistics cited are accurate."

Gagnon is among the growing number of wealth management professionals adding AI-powered tools into their daily practice. According to Schwab's latest Independent Advisor Outlook Study (IAOS), more than half of RIA firms are already using AI, and another third are exploring its potential.

Financial advisors are looking to AI to help enhance client service, streamline operations and deliver more personalized, data-driven advice. Those who have adopted these tools say they can deliver value almost immediately – if a firm knows how to use them.

PERSONALIZING FINANCIAL PLANNING AT SCALE

One of AI's greatest strengths is its ability to process and interpret massive amounts of data in seconds. For AI for financial advisors, this means you can create customized financial plans faster and more accurately than ever before.

- **Dynamic risk profiling:** AI tools go beyond static questionnaires by assessing client risk tolerance based on behavioral data, spending patterns and real-time market responses.
- **Life stage recommendations:** AI-powered software can track client milestones – such as marriage, children, retirement goals – and automatically recommend plan adjustments.
- **Scenario modeling:** Using predictive analytics, advisors can run hundreds of "what-if" scenarios instantly, helping clients understand the potential long-term impact of their decisions.

With the right AI tools for financial advisors, you can provide deeply personalized advice for every client, even as your business scales.

ENHANCING PORTFOLIO MANAGEMENT WITH AI-DRIVEN INSIGHTS

Portfolio management is one of the most time-intensive aspects of wealth advising; however, AI portfolio management tools are streamlining the process and improving outcomes.

- **Market trend analysis:** AI algorithms process real-time market data, news sentiment, and historical patterns to identify opportunities and risks more quickly than manual analysis.
- **Tax-loss harvesting automation:** Specific AI platforms automatically scan portfolios for tax-loss harvesting opportunities, suggesting trades to improve after-tax returns.
- **Risk management alerts:** AI can flag unusual portfolio activity or overexposure to a sector, giving you the chance to take proactive measures before risks escalate.

"AI can make rebalancing recommendations at the individual security level and it can do a risk assessment report on a portfolio, highlighting potential vulnerabilities," says Will Trout, director of securities and investments at Datos Insights. "It can also explain portfolio returns, like where a 5% return came from – account reporting is a great use case because it's tough to get that wrong."

When you combine human expertise with AI portfolio management software, you deliver sharper insights and more agile decision-making.

IMPROVING CLIENT COMMUNICATION AND ENGAGEMENT

Your clients don't just want good results – they want consistent, clear communication. AI client engagement tools are making that easier than ever.

- **AI-powered chatbots:** Provide instant answers to basic client questions, freeing up your time for higher-value conversations.
- **Content personalization:** AI can recommend targeted articles, reports and videos tailored to a client's portfolio and interests.
- **Predictive engagement:** By analyzing interaction patterns, AI can suggest the optimal times and channels for connecting with clients.

When used strategically, AI client engagement platforms keep your clients informed, reassured and connected – strengthening long-term relationships.

“AI frees up time for every single part of the business, for personal time with clients, being able to focus on their goals and aspirations,” says Michael Casey, president of American Executive Advisors in Alexandria, Virginia. “Every day is a sprint to the finish and being able to pick up another 15 or 20 minutes is huge.”

AI also allows for more frequent and educational client communications, including “personalized investment summaries” and client education, being able to follow up with an intelligent perspective on what purpose a structured product solves or on opportunities specific to health savings accounts,” says Trout.

STREAMLINING COMPLIANCE AND REGULATORY TASKS

AI can help you stay ahead of regulations while saving valuable time.

- **Automated documentation:** Generate compliance reports in real-time, eliminating the need for manual data entry.
- **Regulation monitoring:** AI scans legislation and regulatory updates, summarizing the changes most relevant to your practice.
- **Fraud detection:** Machine learning models can detect unusual transactions that may signal fraud, protecting your clients' assets.

“The most widely publicized early use case has been for note-taking, which has a related compliance function, to document advisors' conversations alignment with their investment policy statement,” says Trout. AI tools can also “help accelerate some onboarding requirements like KYC (know your client) and AML (anti-money laundering),” adds Trout.

ELEVATING MARKETING AND LEAD GEN

The same tools that power AI in client management can also help you grow your book of business.

- **Client segmentation:** AI can organize prospects and clients based on financial goals,

demographics and behaviors, allowing for highly targeted outreach.

- **Predictive lead scoring:** By analyzing engagement and behavior data, AI can identify leads most likely to convert.
- **Content optimization:** Natural language processing can evaluate your marketing materials for tone, clarity, and SEO strength.

With AI, your marketing efforts become more precise, saving time and money while attracting the right clients.

One example: using AI to improve your firm's website. “If you wanted to, you could upload your whole website onto one of these engines and say, ‘Tell me how to improve my website,’ says Joel Bruckenstein, president of T3 Technology Tools for Today. “You can give a description of what your value-add is to clients, and then say, here's my website. Does it reflect what I do and what our core values are, as well as they could?”

SUPPORTING BEHAVIORAL FINANCE COACHING

Even the best plan can be undone by emotional decisions. AI helps you act as a behavioral coach by identifying patterns before they negatively impact outcomes.

- **Behavior tracking:** AI can detect impulsive trading or deviations from the agreed strategy.
- **Sentiment analysis:** AI reviews market sentiment to anticipate client concerns and prepare your response.
- **Goal tracking dashboards:** Interactive visuals powered by AI help clients stay committed to their plan.

With behavioral data at your fingertips, you can guide clients toward better long-term results by identifying patterns in their decision-making, recognizing potential pitfalls before they occur and addressing emotional responses that could derail their financial plans.

“AI can do a behavioral profile that gives the advisor a much broader, bigger picture of the client, a much richer profile,” says Trout. “It also allows identification of prospects in a more systematic way that goes beyond just what is known about the client's level of income,” adds Trout.

MAXIMIZING EFFICIENCY WITH WORKFLOW AUTOMATION

The right AI tools can drastically improve productivity.

- **Meeting Prep:** AI gathers relevant client data, market updates and portfolio performance into a single briefing.
- **Follow-up automation:** Automatically send meeting summaries, reminders and action steps.
- **Task prioritization:** AI ranks daily activities based on urgency, client importance or revenue impact.

More efficiency means more time for what matters most – strategic thinking and client relationships.

“We've been using Jump AI for the last six months, and it's been amazing to see how it

streamlines note-taking, task assignment and preparedness for client meetings, whether it's a full financial planning session or a quick virtual call," says Marc Shaffer, a certified financial planner at Searcy Financial headquartered in Overland, Kansas.

Casey uses AI for client performance reports and presentations for clients and prospects.

Gagnon says having AI summarize financial market performance and identify top market-related news from a prior month "can give you a starting point to draft specific comments and do your own research."

He adds that you still need to verify the output and sources used to ensure they are correct.

Gagnon relies on Perplexity, which has a \$20 monthly subscription. "I like that Perplexity lists its online sources and doesn't make things up, plus it has different modes for deep research and normal everyday queries," he says.

Part of his prompt: "Scour the web for the most recent (last market close and/or last month end, whatever is more recent) data on U.S. financial market activity, including major stock indexes (S&P 500, Dow Jones, Nasdaq), asset classes (equities, fixed income, real estate, alternative investments), the economy (monetary and fiscal policy, growth and inflation, and labor market trends), significant market movers, and notable developments in commodities, interest rate markets, and geopolitical events."

Gagnon adds he tells it to only use reputable, U.S.-based online sources like NBER and the St. Louis Fed. "I ask it to look for themes and trends and describe how the environment has changed from last month and year," he says.

BEST PRACTICES FOR FINANCIAL ADVISORS USING AI

Start small: Test AI tools in one or two areas before expanding. "Start with the simple stuff," says Bruckenstein. "Learn about prompts because the whole key to getting good results from any of these large language models is providing good prompts. Once you get more comfortable, you can try to do more with it."

"Let's say historically, you send all your clients gifts for Christmas or the holidays. You could just go to the ChatGPT model and say, 'I have a client whose hobbies are this and their interests are this. Could you please suggest a good gift for them that costs less than \$100? Usually, you might spend 15 minutes or half an hour searching the web, while ChatGPT will give answers to you in 60 seconds.'" Make sure not to include personal information that can be used to identify your clients.

Focus on data quality: AI's accuracy depends on clean, up-to-date data. "Understanding how to source data and know how to verify data can make a big, big difference," Bruckenstein.

Be transparent: Explain AI use to clients to build trust. "I let clients know that I use AI to optimize portfolios," says Casey. "The feedback is very favorable because they know they're using it for their work. It's an efficiency tool, and it's only getting better."

Stay compliant: Ensure AI meets all regulatory standards. "The very first thing you need to think about is compliance," says Bruckenstein. "Rule number one: protect your client information. You need an AI policy."

If you are doing something on the internet, you don't want to be putting their social security numbers or any PII [personally identifiable information] out on the internet. However, if you are a larger firm and can run your own version of Copilot or ChatGPT on your data, and that's

isolated from the internet, that's a different story."

Keep the human touch: Use AI for efficiency and insights, but maintain empathy as the foundation of client service.

"The communications function is really important because it allows the advisor to retain a personal touch while being able to scale, so it's a major efficiency lever in that sense," says Trout. But when using AI for client communications, "it has to sound like the advisor. It has to be specific and relevant to the individual client, which still requires some hands-on work," says Trout.



“AI works best as an augmentation tool, not a replacement. Clients want empathy and trust from their advisor, and AI frees us to spend more time on those user aspects.”

Marc Shaffer, Searcy Financial

THE BOTTOM LINE

AI isn't here to replace financial advisors – it's a powerful ally helping them become more effective, insightful and truly client-focused. Across industries – from healthcare and law to manufacturing and education – AI is revolutionizing how professionals work, make decisions and connect with those they serve.

"AI works best as an augmentation tool, not a replacement," says Shaffer. "Clients want empathy and trust from their advisor, and AI frees us to spend more time on those user aspects."

"AI will never replace a human unless humans allow it to for the sake of convenience," says Alajahwon Ridgeway, owner of A.B. Ridgeway Wealth Management in Lafayette, Louisiana.

For financial advisors, adopting AI tools in areas such as personalization, portfolio management, client engagement, compliance, marketing, and workflow automation enables the delivery of smarter, faster and more tailored advice than ever before.

Advisors who adopt AI tools will gain a distinct competitive edge, setting themselves apart in a rapidly evolving market. The sooner you weave AI into your daily workflow, the sooner you – and your clients – will experience its transformative impact, unlocking greater efficiency, deeper trust, and stronger long-term relationships.

Advisors may also benefit from the use of AI by their current providers, whose "developers are now able to write code faster and produce upgrades to whatever technology you're currently using," says Bruckenstein. "The cost of developing and bringing software to the market is going to decrease and that's going to benefit everybody."

"AI is going to be transformative, not just for financial planning but for almost every aspect of the business," says Casey. "It feels like its use is increasing exponentially, so I imagine it touching pretty much every area of our lives."



JOEL BRUCKENSTEIN

The state of AI and wealth management

The rapid development of AI-powered tools has already made some industry roles redundant, says the founder of the Technology Tools for Today conference.

Veteran wealth technology consultant Joel Bruckenstein says the financial advisory industry is undergoing its most dramatic technological shift in decades, as artificial intelligence tools move from curiosity to necessity at a pace that has surprised even tech observers like himself. In a conversation with Action! magazine, Bruckenstein argues the technology promises to fundamentally alter the economics of wealth management by automating the majority of administrative work that consumes so much of an advisors' normal day. Yet Bruckenstein cautions realizing these benefits requires financial professionals to develop a new literacy around AI tools, learning not just how to use them but how to evaluate their reliability and explain their outputs to regulators. He also notes it will potentially eliminate entire job categories, and the speed of its evolution means today's cutting-edge applications can become obsolete within weeks.

The following is an edited transcript of the conversation.

ACTION! MAGAZINE: Let's start with AI. Is adoption getting ahead of best practice here?

JOEL BRUCKENSTEIN: I wouldn't say that. I would put it a little bit differently. I think there's a lot of concern about regulatory oversight, general best practices, cybersecurity, all the usual concerns. Whenever there's something new in technology, advisors tend to be a little more conservative and maybe they don't educate themselves the way they should.

People don't realize for instance that using a Large Language Model (LLM) that's free on the Internet is different from something that's custom-built for advisors with a lot of guardrails around it. We need to educate advisors about how to safely use AI and help them understand what the actual use cases are. Because advisors are like, 'Okay, AI is great. What's it gonna do for me?'

There's a lot of talk about AI and operational efficiency. That's certainly part of it, but it's not all of it. It's not going to replace advisors. What it's going to do is make advisors a lot more efficient, free up a lot of their time, so they can do less back-office tasks and grunt work and spend much more time in front of clients. The statistic that generally gets kicked around in the industry is that advisors spend no more than 40% of their time, and usually less, on client-facing tasks. We'd like to see that a lot higher.



ACTION!: When you think about the introduction of AI tools into the RIA space, the adjectives that people use are incredible, rapid, mushrooming ... You've seen these types of tech trends before. What's your critical take on it?

BRUCKENSTEIN: I think everybody was skeptical at the beginning, including me. I don't think anybody envisioned just how fast and how rapidly things would change. We were joking about it with a bunch of tech people earlier. Whatever we're talking about right now, probably tomorrow, someone's gonna be obsolete already. Literally, that's how fast it's changing. So it's very hard to predict the trajectory of it and where it's going to go, but we do know it's going to be transformative, and it's going to critically change the way advisors serve their clients. That we do know.

ACTION!: What's changing from the perspective of advisors then?

BRUCKENSTEIN: The fastest adoption is with AI notetakers, because it's low-hanging fruit. If you've done your due diligence and bought one that was made for this industry, it's already got some guardrails around it. They've gone through the compliance checks. It doesn't really interfere with anything, and because it's not, quote, unquote, giving advice, which is what the former United States Securities and Exchange Commission (SEC) was so anal about, it is considered safe. This SEC is a lot more libertarian. They are trying, from everything I hear, to foster innovation, and they understand that AI can deliver better results, potentially for clients, at a lower cost. So, as an advocate for advisors, as an advocate for their end users, I buy into that, and I think that's why it's going to be transformative.

ACTION!: Where are the gaps? In any kind of software development, there's an evolutionary cycle. It's still early innings.

BRUCKENSTEIN: If there's a gap, it's a lack of understanding on part of some of the new entrants into the space about how regulated this industry is; about privacy concerns, security concerns, vetting concerns; all the things that go into building a new product. Because a lot of new companies, when they start out, they don't think so much about those things. They think more about their marketing budget than their cybersecurity budget and their compliance budget.

But overall, I'm really pleased with the way things are going, because AI is influencing so many things that advisors don't see behind the scenes. Every company in this space is now using AI in some way, shape, or form, in encoding and development. So that means better products, quicker to market.

You still need a human. It's not going to get you 100% of the way. But it can get you 50%, 60%, or even 80% of the way there, and then you bring in the human to do the more complex stuff that AI doesn't have a full understanding of yet, or the capabilities to do yet. Everybody benefits from that. [Generative AI platform] Claude came out with a financial services version. It didn't exist two months ago. And next week or next month, we'll be talking about things that didn't exist today, that will exist by time this article actually gets read. I can go to Claude right now and get a full, operational, fully vetted Monte Carlo simulation model. It used to take

“ A firm will have a need that they think one of their vendors should build, and it's just not economical for the vendor to do it. So they'll do it themselves with AI. And that's fantastic. There'll be apps like that in a few years in every advisory firm.

people months to build those things. Now I can just get it in an instant.

ACTION!: Do you expect RIAs to start vibe coding and building their own tools?

BRUCKENSTEIN: I've talked about this with a lot of people in the industry, and the way I think about it is, look, since I started in the business, some advisors have tried to build software for their own firm. And some of them tried to commercialize it. First of all, it was a big investment that maybe took years, and ... certainly less than 5% of those things that got built for an individual advisory firm ever really got traction. We always say advisors are like snowflakes. No two are the same. Or, if you met one advisor, you've met one

advisor. So there's going to be a firm that has a need that they think one of their vendors should build, and it's just not economical for the vendor to do it. They'll do it themselves with this technology. And that's fantastic. And there'll be apps like that in a few years in every advisory firm. Some of them will be very complex, some of them will be very super simple. They'll be everywhere.

But it's not going to change the fundamental need that if you want to maintain something at an enterprise scale, it will need constant reinvestment. There's constant security checks. People think you build it and it's done. That's just the first check you write. It's ongoing checks, forever. That said, do you want to take that on? It's very difficult to run a successful RIA firm and a successful technology firm at the same time. I know a few friends who have tried to do it, and they're not getting much sleep. Let's put it that way.

I should add, the trend is swinging back towards instead of trying to assemble a tech stack yourself, let the professionals handle it. I do think advisors want to simplify their tech stacks. They don't want 25 tech vendors. They want to rationalize what they're doing, minimize the amount of interactions they have. Integrations are still much better than they were, but not as good as they could be. And a lot of advisors still get caught in that web of when something's not working, one side says it's the other side's fault, and vice versa.

ACTION!: It's been said that software will eat the world. What will AI eat in wealth management? It's been suggested it will be CRM providers.

BRUCKENSTEIN: Somebody said that to me just the other day. Nope, wrong. The way I think about it, the definition of CRM, and the design of CRM is going to change. We may call it something else. It is going to have a lot of the same functionality, but it'll do it differently. For example, there are a lot of complicated front-end interfaces right now in CRM. That's slowly going to go away because you're just going to be able to tell AI what you want, and you won't need to interact with that interface. It'll still be doing the same stuff, but it will be doing it better, faster, more efficiently, and we may not call it CRM.

“Every advisor will tell you, clients want interaction. They want to be able to talk to their advisors. That's how you build trust. But someday, there may be some shorter meetings or tasks that can be pushed to AI.

The same thing is happening in portfolio construction. You just tell the AI agent, I want you to build a portfolio, starting with the Russell 1000, that has a value tilt and quality tilt. I want it to be 75 stocks, blah, blah, blah, blah, blah. And in minutes, it'll do it. Is it replacing a functionality? No, it's using the same functionality. It's just making it easier to do. I wouldn't even call that putting it in a new wrapper. It's taking a new approach to it. It's taking the wrapper away and exposing the guts.

You don't need a risk tolerance questionnaire. Just talk. You can have a conversation that actually makes the risk tolerance part of onboarding a little more natural as opposed to how we do it now. So whatever your process is, if it gets you to the results you need in a more comfortable way for the advisor and the client, that's a win. We don't know what that's going to look like in a few years. It will be different than today, but it will still capture the data that's necessary to build an appropriate portfolio for the client.

ACTION!: There are concerns AI promotes some bad practices; for instance, you came to a meeting expecting a peer conversation but found only notetaker agents in attendance.

BRUCKENSTEIN: Sometimes, if you have a meeting with 10 people, five are only tangential to the conversation, and they're there for one specific thing. Why should I sit through an hour of a discussion when only five minutes of it is relevant to me? And maybe I'm not even going to speak. I need to hear what the other people say. I can just then record the whole thing and go to AI and say, 'This is what's relevant to me, tell me what was relevant in that hour that I need to know?' You just saved 55 minutes. Yeah, it's uncomfortable, because AI technology is going to disrupt us in ways that we haven't even imagined yet. But it doesn't need to be a bad thing. It's just different.

ACTION!: End clients will probably take the same approach. Talk to my AI agent.

BRUCKENSTEIN: And that's fine, if they like it, but I don't think that's coming that soon, because so much of what advisors do is behavioral. Every advisor will tell you, the clients want the client interaction. They want to be able to talk to their advisors. That's how you build trust. I think there may be some shorter meetings or things that can be pushed to AI. Someday, yeah. But not now.

ACTION!: You touched on portfolio construction. There was a recent discussion about how using AI in spreadsheets was causing hallucinations in some of the calculations, so maybe stay away from that right now.

BRUCKENSTEIN: You just made a comment that makes me angry. If you're talking to a large GPT, that's true. But again, there are dedicated apps out there today and all they do is Excel calculations, and some do it better than "The Best Excel Master in the Universe." So again, it's about using the right tools. When we make generalities, that's when we fall into problems. And if we don't understand, if we're using the wrong tool for the job, that's when we have problems. When you make a blanket statement like that, I'm not criticizing you. That's what 99% of the people in this room do. But that's wrong. I was at a conference a couple of weeks ago, and an attorney asked a compliance question of ChatGPT, knowing he was going to get a hallucination by the way he asked the question. My answer was, 'The problem's not with the GPT. It's with you.' Because you use the wrong tool, and you ask the question the wrong way. You framed it in the wrong way.

ACTION!: Firms though are being asked to understand what's driving their outputs. That requires a level of technical expertise. A GAI tool is not a word processor.

BRUCKENSTEIN: Do I need to understand entirely how a word processor works? No. But I generally have a good understanding of how to use it. There is a level of knowledge you need to be able to explain to a regulator, what is this portfolio management tool that you've created? How did it come to these calculations? I know the answer to that question. Again, it comes back to what tool are we talking about? If you're talking about a free LLM, you are absolutely correct. I would not recommend that any advisor use those models for anything business-related, maybe for things like brainstorming, getting directions or asking it to plan a vacation.

I would recommend using a deterministic model-based LLM. It's based on data from a provider. They know where every data point comes from. It doesn't go out to the Internet and ask questions. Every answer comes from their data that is fully vetted. If you use Perplexity's paid model, it will give you citations about everything. You can look at those citations and vet them: This came from the Federal Reserve Bank of New York. Probably good data. This came from XYZ capital, I've never heard of them. Probably not good data.

So we need to educate advisors to understand how to vet the models, because it's not rocket science. The ex-SEC Commissioner made it sound like it's a black box. LLMs to some extent, are. Most of them are not black boxes. You can say, Okay, that's a great answer. Where did you get this data from?

If I want to know something about compliance, and I want to use Chat GPT or Gemini, I'm not just asking them a question. I will ask, 'Could you please go to the SEC website and find me some citations about this? I need to know more about this particular topic.' It's not going to hallucinate, because I'm telling it where to go to get the answer. And if it can't get the answer there, it'll come back and say, either it doesn't exist there, or I couldn't find it there, or something like that. It's a totally different way of prompting. So if you know what you do, there's very little chance of a hallucination.

ACTION!: Is this why T3 launched the AI University?

BRUCKENSTEIN: If an advisor is educated about AI and asks the right questions, they'll be a great consumer of this product. And if they ask all the wrong questions, you probably don't

even want them as a client until they learn. The latest Schwab survey said over half of advisors are already using AI and another 20 percent plan to use it over the next three years. This is something you need to do hands on. Use it with caution at the beginning, until you feel you understand it. Take some courses online, talk to people, colleagues who know what they're doing. But, yes, you need to learn it, and you need to use it, and you can't wait.

ACTION!: Are advisors expected to become programmers?

BRUCKENSTEIN: You learned how to use Microsoft Word and Excel. You learned how to use the Internet. This is no different. I have a friend who's 75 years old. He started using AI for creative ideas. Now he is holding hour-long conversations every day with Chat GPT, and he finds it very useful for what he's doing. At the beginning, he didn't know what he was doing. But he has an inquisitive mind. He said, 'This is where the world's going. I gotta get on top of this.'

ACTION!: There are plenty of firms that rely on one person, a superuser, to understand all of the tech they use, and that's the extent of their engagement with it.

BRUCKENSTEIN: AI is going to democratize technology. You won't need to go to that guy to ask him to run a custom report. AI will do it for you. That model is outdated already. A lot of people just don't know it yet. Some firms don't need a receptionist anymore. Some may not need as many administrative assistants. Same for people who reconcile within firms. If there's a person doing it, it'll take a fraction of the time it takes now. If you have three CFAs on staff, you'll probably need one. All of that manual work on the tax side, particularly the tax reporting side, is slowly going away. All the work is not going to 100% go away, but 80% of it will go away, and what's left will be higher value stuff that humans are still better at.

ACTION!: Where does that leave young people trying to get into the industry?

BRUCKENSTEIN: The way an advisory firm functions is rapidly changing, the kind of skills they need are rapidly changing. Universities are a little behind the curve in supplying the skill set that today's graduates need to succeed in advisory firms. Having said that, there's still an advisor shortage in the industry. So there's room for new advisors. I think every advisory firm of scale, the regional and the national ones, they're all going to have data scientists. A lot of them are starting to hire PhDs in AI. Because to your point, maybe they want to build some of their own stuff. But they just want to strategize about how they take advantage of AI? What's the low-hanging fruit? And it may be different for different types of firms. So are there still jobs available in this industry? Hell, yeah. Are we hiring more people to reconcile portfolios? No. So if that's what you studied in school, you got a problem. But if you happen to be fluent in AI and data science, I can think of 100 firms that will hire you tomorrow.

Financial advisor strategies for guiding young clients



SULEMAN DIN



BERNICE NAPACH

Millennial and Gen Z investors are reshaping the landscape of wealth management.

Tech-savvy, socially conscious and eager to build financial independence, these young clients are entering the investment world amid economic uncertainty, market volatility and a constant stream of digital information.

For financial advisors, this shift presents both a challenge and a competitive edge: how to attract, engage and manage the expectations of young investors who want fast results but need long-term financial strategies.

Here's how today's top advisors are meeting younger clients where they are, while also helping them stay grounded, informed and focused on the future.

START WITH EMPATHY, NOT ASSUMPTIONS

Young clients don't want to be talked down to – they want to be understood. This generation is navigating a financial landscape unlike any that has come before it.

Many are recent graduates managing student loan debt, entry-level salaries and rising living costs. Others are in their 30s, juggling homeownership, career advancement, young families and aspirations to invest, all while facing inflation, market volatility and a barrage of conflicting advice from social media.

"They're aware that they need to save for retirement, but they're also starting to build a family or they want to buy a house, or they want to go on vacation," says Logan Ribeiro, client advisor at Crestwood Advisors, based in Boston, Massachusetts. This struggle among young clients

to balance short-term and long-term goals can be overwhelming, according to Ribeiro. Their financial concerns are real, complex and deeply personal. Advisors who lead with empathy – asking questions before offering answers – can build trust from the very first meeting. It's not about having all the answers upfront; it's about showing genuine interest in their unique journey.

"Young clients like to see a level of professionalism, but they also want a trusted person that they can speak to – someone who has an understanding and empathy towards them as an individual, who's kind and not judging them," says Ribeiro.

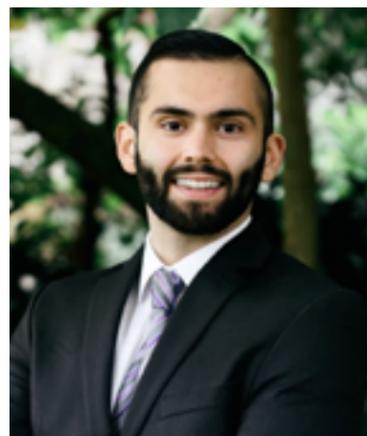
Tip: Start with open-ended questions like:

- "What are your biggest financial goals in the next 3 to 5 years?"
- "What's your experience with investing so far?"
- "Where do you typically go for financial advice or information?"

Then, practice active listening. Reflect what you hear, ask follow-up questions and avoid rushing into jargon-filled explanations. When clients feel listened to and respected, they're more open to learning and more likely to follow your guidance.

"Meet them where they are. That's really

important to them," says Kate Atwood, managing partner and president of Founders Grove Wealth Partners in Richmond, Virginia, noting that some young clients understand key financial concepts like the power of compounding while others lack basic financial knowledge. "So I really want to identify what's important to them. Is it more peace of mind? Or is it knowing about particular investments and how they can get started. That really dictates the conversation."



“They're aware that they need to save for retirement, but they're also starting to build a family or they want to buy a house, or they want to go on vacation.”



TEACH THE VALUE OF LONG-TERM THINKING

Patience is not a default setting for many young investors, who are accustomed to next-day delivery and real-time feedback. Advisors must reset expectations about how wealth grows.

"The most effective way to engage young clients is to give them immediate wins inside a long-term framework," Nathan Sebesta, owner of Access Wealth Strategies in Artesia, New Mexico. "I show them real numbers, projections and how small actions now compound over time. When they can track their progress on an app or dashboard, they stay engaged. We do not need to change the fundamentals of long-term planning. We need to change how we communicate it."

Utilize visuals, planning tools and historical data to illustrate the distinction between short-term performance and long-term success. Break down compound interest. Illustrate the impact of staying invested. Framing investments as chapters in a story rather than isolated events can help keep them grounded and more relatable.

"The visual aspect of what we do is incredibly important," says Kyle Playford, financial planner at Freedom Financial Partners in Oakdale, Minnesota. "If clients can see what their portfolio looks like at age 70 if they just took a little more risk in their retirement savings, it's a no-brainer. Show rather than tell is a big thing."

Van Spankeren.

But young clients also have many short-term goals, such as paying off student

loans or buying a home, or both. "They've likely only experienced a bull market, so we share how markets ebb and flow," says Thomas Van Spankeren, principal and wealth advisor at Rise Investments in Chicago, Illinois. "This is a challenge because young investors tend to be short-sighted. A quilt chart is usually a good start."

The multi-colored chart Van Spankeren uses shows the annual performance of multiple asset classes since 2000, including YTD for 2025.

SET CLEAR EXPECTATIONS AROUND RISK

Young investors often sit at two extremes of the risk spectrum – either chasing high-stakes wins or fearing any market fluctuation.

Some come to the table with a "go big or go home" mindset, inspired by crypto surges, meme stocks and influencers claiming overnight wealth. Others are more risk-averse, shaped by firsthand experiences of financial crises,



“The most effective way to engage young clients is to give them immediate wins inside a long-term framework vacation.”



pandemic-era layoffs or rising living costs. Both groups bring emotion into the equation, which can cloud decision-making.

As a financial advisor, your role is to be the voice of clarity in the chaos, to strike a balance between encouraging ambition and tempering unrealistic expectations. This means having honest, data-driven conversations about risk tolerance, time horizons, diversification and volatility. Educate through modeling:

- Use simple risk profiling tools to help clients understand their comfort zones.
- Walk through hypothetical scenarios: What happens if the market drops 15% next quarter? What if a risky investment triples, only to crash?
- Show comparisons between aggressive portfolios and more balanced ones over different timeframes.

“With retirement money, younger investors may be more aggressive. However, with their general savings, they should probably be more conservative,” says Heidi Foster, VP and wealth advisor at American Wealth Management in Reno, Nevada. “I try to let them have an idea of how many unexpected things could be coming, then I tend to use a barbell approach with their investments, letting them find all the fun and excitement of aggressive investments in their retirement accounts, then a more conservative, moderate type allocation in their savings. Unexpected things often come up – a destination wedding or three destination weekends in one year or their car breaks down.”

Mitch Hamer, founder and lead advisor of Intersecting Wealth, which offers investment advice through RIA Stratos Wealth Advisors, says it’s not just a matter of educating young clients but also re-educating them. He tells them, “Forget what you think you know that you learned on TikTok or Instagram Finance.” He helps clients “understand how fear and greed can lead to poor decisions, such as panic-selling during a market dip or chasing returns without a strategy and frames risk as something to manage, not avoid. I remind them that responsible investing doesn’t mean boring returns; it means sustainable, repeatable growth.”

Managing risk is not a consideration only for investments, says Playford. “There are also risks around income protection. We run a what-if scenario, like what if something happens to you next year or if you die or get a disability. You’re going to have either good cash flow or you’re going to

have to roll back your budget and change your lifestyle if there isn’t enough life insurance. Maybe you can get some more life insurance. If you’re young and relatively healthy, term insurance might make sense.”



“Forget what you think you know that you learned on TikTok or Instagram Finance.”



Tip: Your role? Not just a portfolio manager, but truth-teller, guide and coach – someone who can filter hype, simplify complexity and keep clients grounded when emotions run high.

TAILOR COMMUNICATIONS

If your client communication still revolves around lengthy PDFs, quarterly reports, and formal review meetings, you risk losing the attention – and engagement – of younger clients. Millennials and Gen Z expect a communication style that mirrors the rest of their digital lives: fast, accessible and personalized.

Think mobile-first, not paper-first. These clients prefer quick, digestible updates they can review between meetings or while on the go. That might mean a monthly market recap video, a two-minute voice note explaining a portfolio shift or an app-based dashboard that tracks their goals in real time.

“They are a generation that’s used to getting everything that they want right away,” says Mike Byrnes, president of Byrnes Consulting, which serves advisors. Quick response times and almost anytime accessibility are important to young clients, explains Byrnes, adding that this means “after-hours accessibility and long weekend accessibility,” and not leaving clients “waiting and waiting” for responses.

“Young people will want to have a lot of quick short conversations -- to make them come into the office is a chore – like video chats and personalized video messages,” explains Byrnes. “Give them little nuggets of information and be proactive. When there’s some market turmoil, put a little five-minute video and send it to them. An older client might want to have their handheld a little more. The younger client just wants to know that the advisor is proactively looking at these things.”

But don’t confuse brevity with simplicity. Young investors want to understand the why behind your recommendations – not just the what. They’re eager to learn, and they appreciate advisors who can break down complex financial topics into clear, actionable insights without being condescending.

“When they communicate that they want things quickly, but then they don’t want too much,” says Foster. “They’re perfectly content only to talk when they want to talk, which might be similar to all clients – sometimes just once a year if nothing’s happening. But if something is going on with their lives that they’re trying to figure out, they might want to talk every week for a month.”

“One of the things that has worked well for us with the younger generation,” says Atwod, “is when they send an email, we respond right away, saying ‘We’ve received your email. Please give us x number of days and we’ll get back to you shortly. Often, they’re good with a response. They’ll take that versus me trying to send some long, lengthy email back.’”



“They are a generation that’s used to getting everything that they want right away.”

Modern communication strategies that resonate:

- Text or email nudges for progress milestones (“You just hit your savings goal—great job!”)
- Short video clips explaining current market trends or account activity
- Interactive tools and dashboards that show their financial progress visually
- Quarterly check-ins with links to personalized content, not static PDFs
- Quick explainer voice memos when something changes in their financial plan

Also, consider offering multiple communication options and asking new clients about their preferences upfront. Some may want frequent touchpoints, while others prefer a “set it and forget it” model with occasional updates.

By adapting your communication style to fit how young clients live and learn, you reinforce your value – and build loyalty in a digital-first generation.

“These conversations can get really overwhelming, fast,” says Hamer. “They have to be in little bite-sized increments of 15- to 25-minute meetings. In the age of TikTok and Instagram reels, you’re competing for seconds of people’s time.”

ALIGN MONEY TO MEANING

For many Gen Z and Millennial investors, money isn’t just a means to an end – it’s a reflection of who they are and what they care about. This generation is deeply values-driven; they want their financial decisions to align with their ethics, identity and long-term vision for the world.

That could mean investing in ESG (environmental, social and governance) portfolios, supporting companies that promote diversity and inclusion, avoiding industries that don’t align with their beliefs (like fossil fuels or firearms) or backing startups led by underrepresented founders.

Others may define financial success not by how much they accumulate, but by how much freedom their money gives them – whether that’s the ability to travel, start a business, take a sabbatical or give generously to causes they believe in.

As a financial advisor, helping clients connect their financial plans to their personal purpose unlocks deeper engagement, trust and motivation. When money is tied to meaning, clients are more likely to stay the course – even during tough market cycles.

To bring purpose into the planning process, start by asking clients about the causes, communities or personal goals they care about most. Introduce values-based investing or impact portfolios that align with those priorities.

Encourage them to set aside funds for meaningful experiences, such as travel or education, not just for traditional goals. Explore options such as charitable giving, donor-advised funds or mission-driven investments. And instead of focusing solely on retirement, reframe the conversation around lifestyle: What do you want life to look like at 50? What does freedom mean to you?

Ultimately, showing clients that money can be a tool for freedom, security and social impact helps transform financial planning from a chore into a profoundly personal journey.

“In my first meeting with a new client, we talk about their ‘perfect day’ and how they want life to look and feel,” says Chandler Fugate-Laus, founder and financial planner at Moneyfluent, a woman-owned virtual planning firm in Columbus, Ohio, that specializes in serving millennials. “Immediate results can coexist with long-term goals if we pair what’s achievable now with understanding how today’s decisions impact the future.”

“Flexibility is key for the lives of young investors,” says Brandon Galici, founder of Galici Financial in San Juan Capistrano, California. “For many, that translates into financial plans that don’t follow the ‘old school way’ of first maxing out of their retirement account, but

instead taking advantage of their company’s 401(k) match first, then opening a brokerage account to finance future purchases and experiences such as travel, concerts, sports events and hobbies.”

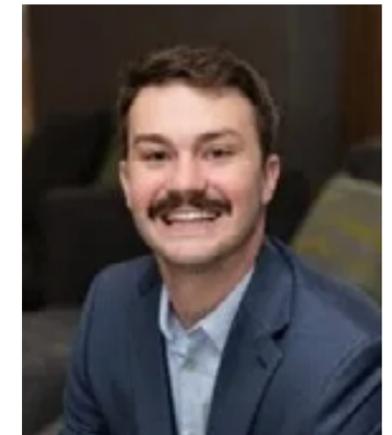
“This group still wants to save and invest for retirement, but it’s just not a top goal. Then we’re looking into brokerage accounts much sooner,” says Galici, adding that those savings can be used for more short-term “high-level goals” like buying a house or starting a family sometime in the future. They don’t know when, but it’s before retirement and they don’t need the money now.” His firm’s motto: maximize life today, plan for tomorrow.



BE A GUIDE, NOT A GATEKEEPER

Young clients aren’t just looking for someone to manage their money. They’re seeking a trusted partner who can help them navigate a complex world and build a future with confidence. That means showing up not as a gatekeeper of information, but as an educator, coach and collaborator.

By managing expectations with honesty, creativity and respect, financial advisors can cultivate lasting relationships – and help shape the next generation of financially empowered adults.



“Flexibility is key for the lives of young investors.”

Five steps to prepare your financial advisory practice to serve clients with special needs

ANN HYNEK

Hestia Wealth & Wellness
Founder, Financial Advisor, &
Special Needs Planning Consultant

Financial advisors often pride themselves on tailoring advice to each client, yet one group remains largely overlooked: individuals with intellectual and developmental disabilities (IDD) and their families.

With one in twenty people identifying as neurodivergent, an estimated \$5 trillion in wealth is expected to transfer to this community over the next decade. Advisors who prepare to serve these clients with compassion, accessibility and expertise will not only meet an important social need but also position their firms to lead within one of the most underrecognized opportunities of the Great Wealth Transfer.

Here are five actionable steps you can take to prepare your practice and meaningfully engage this growing client base

BUILD EDUCATIONAL AND TECHNICAL COMPETENCE

Advisors who help people with IDD need to know about both money and real world. When it comes to family and estate planning, there are numer-

ous complex rules governing Special Needs Trusts, ABLE Accounts, and government benefits such as SSI, SSDI and Medicaid. You can get the latest news by signing up for updates from groups like The Arc of the United States or the ABLE National Resource Center.

ENSURE ACCESSIBILITY

Accessibility is more than just having ramps and parking spaces. It means creating both physical and digital spaces where clients feel safe, focused and welcome. When you're at work, pay attention to how things smell and sound. Don't use strong cleaning products or perfumes. Turn off the doorbell chime, use softer lighting and warm colors and ensure there is a quiet space for a client to retreat to if someone feels overwhelmed.

Ensure that your website and other digital materials are accessible to people with disabilities when accessed online or in digital form. Use simple words, big fonts and pictures to help people understand important ideas. Make sure the colors are distinct enough and give shorter summaries of long documents. These small, thoughtful changes demonstrate that you care about your clients and want them to feel at home. They also often make your practice a more comfortable place for everyone.

SPEAK CLEARLY

Anyone can get confused by complicated financial jargon, but this is especially true for people who think and learn in different ways. Avoid using technical language when speaking. Meetings should be shorter, and you should check in periodically to see if a break would be beneficial.

Talk to the client directly instead of going to a family member or caregiver. Send them written summaries after meetings to help them remember what was said.

You and your team might want to think about getting training in disability sensitivity or inclusive communication. Being kind and clear are two qualities that go hand in hand to strengthen relationships.

EVALUATE AND EVOLVE YOUR SERVICE MODEL

Advisors serving clients with IDD benefit from building a network of trusted professionals – estate attorneys, accountants and Medicaid Waiver specialists among them. These relationships help address the numerous transitions families experience, such as transitioning to adulthood, establishing guardianship, completing education or seeking employment.

Clear and consistent pricing models, such as flat fees or subscriptions, can also reduce uncertainty and give families greater confidence in the planning process.

By pairing these operational adjustments with empathy-driven service, advisors can transform inclusion from a guiding principle into a repeatable and sustainable part of their practice.

BE AUTHENTIC

To truly be inclusive, you must live by your values, not just change your surroundings. You really mean it when you hire people with IDD or help current employees get certifications to work with IDD clients. Best Buddies and your area's disability chambers of commerce are two programs that can help you find people to hire and train.

Clients notice when what your business says and what it does are the same. You build trust, inspire loyalty and make people feel like they belong, which is suitable for both employees and clients.

SERVICE, NOT CHARITY

Preparing your practice to serve clients with intellectual and developmental disabilities isn't an act of charity – it's an act of leadership. It builds stronger businesses, empowers teams and delivers lasting dignity to the families you serve. Advisors who take these steps aren't simply widening access; they're redefining what it means to offer truly personal financial guidance – where doing good for others and doing well as a firm move forward together.

Referral strategies for financial advisors: How to build a business that grows itself



SULEMAN DIN

I hear it from financial advisors all the time: How do I grow my business through referrals without feeling like I'm asking for them?

It's one of the most common and most personal challenges in our industry.

Earlier this year, I had the opportunity to meet with dozens of professionals at AdvisorEngine's >drive2025 conference in West Palm Beach. Not just financial advisors, but also the people who power their success behind the scenes: operations managers, client support specialists and client engagement leads.

In those conversations, one truth became clear: the best referral strategies today don't come from scripts or sales tactics. They come from authentic relationships, thoughtful communication and a strong sense of community shared across every role in the firm.

Here's what those professionals had to say about how they're driving growth and the lessons every advisory business can learn from them.

COMMUNITY: THE HEART OF REFERRAL SUCCESS

Some of the best financial advisor referral strategies begin outside the office. Strong community engagement builds credibility and awareness that naturally convert to client introductions.

"Our referrals mainly come from community involvement," said Ruth Johnson, financial advisor at Godfrey Financial Associates. "It's just tons of community events. The owners do a ton in the community and are involved in lots of different things, and that's really cool. That really keeps the referrals coming in."

This relationship-first approach isn't just effective – it's sustainable. "Community involvement and relationship building give us many referrals," added Gail Salerno, operations lead at ProVise Management Group, LLC.

Or, as Johnson summed it up, "Community involvement gives us more business than we can handle."

When advisors become trusted figures in their local networks – through volunteering, hosting events, or supporting charities – they transform community goodwill into lasting business growth.

SMART MARKETING THAT MULTIPLIES TRUST

Traditional media can still play a role in a modern marketing plan if it complements authentic engagement.

"A ton of business from the radio, like almost all of our business comes from the radio," Johnson said. "It's outrageously expensive. It's like \$10,000 a year. But we get like three times that in business."

The key is alignment. Advisors are finding that when brand visibility through channels like radio or podcasts is reinforced by community presence and strong digital profiles, clients come to them pre-qualified and confident.

GENERATIONAL REFERRALS: GROWING BEYOND ONE RELATIONSHIP

Sustaining a referral-driven advisory business means thinking generationally. Today's referrals often come from a client's children or family members who have already witnessed the advisor's value.

“We open trusts up, and then the beneficiaries of these trusts are their children,” said Sheila Epps, application support analyst at Sage Ruddy. “They make it so that once the grantor of the trust passes, the children want to stay with us.”

Other firms build those relationships informally. “We get generational referrals through relationship building with our clients’ children,” shared Andrea Earls, client services associate at OJM Group, LLC.

Epps added that technology has made these multigenerational relationships easier to maintain: “Zoom has been a game changer – all of our clients are snowbirds, so they have a residence here, but they live somewhere else part of the year, so they’ll do Zoom at that point. Or it’s the kids that move away.”

For advisors, connecting across generations builds continuity and a future referral network that sustains the practice for decades.

TECHNOLOGY THAT ENHANCES HUMAN CONNECTION

Modern referral systems depend on relationship management tools that keep advisors organized and responsive.

“The way the AI notetaker is supposed to work is while you’re on a Zoom call,” explained Len Alvarez, tech lead at AdvisorEngine. “The AI tool is just listening, recording and summarizing everything in real time. If there’s a follow-up meeting, it will automatically generate CRM actions based on the things that came out of it.”

Automation doesn’t replace personal touch. It frees advisors to focus more on it. With AI and CRM workflows handling repetitive tasks, advisors can give clients the attention that sparks advocacy and referrals.

TURNING CLIENTS INTO AMBASSADORS

Creative referral programs help advisors make advocacy feel natural rather than transactional.

“We called them ambassadors,” said Mark Shreve, financial advisor at Brogan Financial. “And that kind of helps the mindset. The mindset of the client, too, is that they might be more willing to give referrals without us even asking.”

Advisors who celebrate client loyalty through ambassador events, appreciation programs, or personalized gestures reinforce the gratitude and connection that drive referrals.

CONTENT MARKETING: A NATURAL PATH TO VISIBILITY

For firms less comfortable with direct asks, content marketing offers a softer, yet powerful alternative.

“If you’re an advisor and you’re uncomfortable asking for referrals, maybe you’re doing something more like Pump Up Your Asset,” said Melinda Hyre, director of operations at ProVise Management Group, LLC, referring to her firm’s podcast. “I feel like that’s a way more natural way to do it than the other way around.”

Her perspective highlights how sharing insights publicly builds both trust and reach. “I feel like if I were going to do anything, it would be that – something where you’re putting content out on the internet,” she added.

When advisors educate and engage through podcasts, blogs or webinars, clients and prospects see them as thought leaders and naturally want to introduce others to them.

FINDING THE RIGHT BALANCE

Each advisory team has its own rhythm. “We have one or two [advisors] that are just rock stars and bring in the business,” Hyre admitted, “and then we’re kind of stagnant on that.”

The takeaway: success in referral generation isn’t about copying another firm’s playbook. It’s about identifying the mix of authenticity, visibility, and structure that fits your culture and your clients.

THE BOTTOM LINE

Financial advisor referrals don’t come from asking more – they come from connecting better.

By combining community involvement, authentic relationships and smart use of technology, advisors can create referral ecosystems that grow themselves.

When clients see you as a trusted part of their lives and their communities the introductions follow naturally.

Key takeaways for advisors

- 1 **Lead with authenticity:** Clients refer advisors they genuinely trust.
- 2 **Engage your community:** Local visibility converts to credibility and referrals.
- 3 **Invest in technology:** Use AI and CRM tools to enhance follow-through.
- 4 **Think generationally:** Build relationships with clients’ families early.
- 5 **Empower ambassadors:** Celebrate advocates who share your story.
- 6 **Create valuable content:** Let education and expertise generate introductions.



The future of wealth management: Personalization, private markets and technology

SULEMAN DIN

How Artificial Intelligence fits in the service of asset management is just one facet of a robust discussion about the impact of emerging technology on the industry, notes Tyler Porterfield, leader of the Platforms effort for Franklin Templeton.

Porterfield's team manages relationships with custodians, TAMPs, fintechs and the home offices of national RIA systems, representing all capabilities and properties across Franklin Templeton. In a conversation with Action! magazine, Porterfield discusses the renewed case for active management beyond simple benchmark-beating, the growing integration of private markets and tokenized assets into client portfolios, and how emerging technologies are democratizing sophisticated investment strategies once reserved for ultra-high-net-worth clients. He also explores the challenges and opportunities of building outcome-oriented portfolios in an era where the investable universe is rapidly expanding, and why maintaining human judgment and investment philosophy remains critical even as automation transforms the industry.

An edited transcript of the conversation follows.



Tyler Porterfield

SVP & Head of Private Wealth Platforms, Franklin Templeton

ACTION! MAGAZINE: The market has witnessed an undeniable shift in asset management toward passive. But there's been a revival of interest in active management, particularly amid unforeseen economic volatility. What are your thoughts on this?

TYLER PORTERFIELD: The market is still drastically in favor of passive. This is a very fee-conscious, margin-compressing industry that we're in. And so, of course, if passive is working, if you can get it at a fraction of the cost of active, that is going to attract a lot of interest. So, why have people more recently come around to the idea of blending more of their portfolio exposure back towards active?

“Our clients live in an absolute-return world, not a relative-return world.”

One is because passive has been on such a tear and there's concern about concentration risk. Two, I think there is a bit more of a move away from thinking just in a relative-return framework to an absolute-return framework, and toward outcome-oriented solutions. Our clients live in an absolute-return world, not a relative-return world. So outpacing an index that's up by 20 percent, by 150 basis points, it doesn't matter to them as much as being up 21.5 percent, of course. This

is like going back to the future here, but the idea that you can design smarter portfolios that are more customized to the investor by looking for objectives, rather than looking for outperformance or minimizing underperformance, is coming back into vogue as well.

Some of the statistics you see around the success rate of active managers are a bit skewed, because so often, people just quote at a high level, 'X percent of active managers that are benchmarked against the S&P 500 trailed the benchmark over the trailing five years, or ten years.' And that's accurate. But it also assumes that that's the only objective those managers have.

Oftentimes, the better value of an active manager in a category like domestic large-cap equity isn't about trying to beat the S&P 500, but about delivering index-like performance with lower volatility, a higher overall yield profile, or a combination of both. So if that's the objective and the client understands it, you can underperform the S&P 500 in a raging bull

“The better value of an active manager isn't always about beating the benchmark, but about delivering outcomes that matter to the client.

market and still accomplish your objectives of higher yield and lower volatility. So I think that people are coming around to the idea of measuring and weighing the success of active managers based on objectives beyond just absolute return and outperformance of their stated benchmark.

ACTION!: Your Franklin Templeton colleague, Tony Davidow, has discussed the new wave of alternative investments. Do you see new approaches to active investing as well?

PORTERFIELD: I do. I think that we're going to see continued evolution in the way that financial advisors build exposure to private market, alternative strategies, into client portfolios, in a smarter manner. And by smarter, I mean: One, you can do it more cost-effectively and efficiently by blending public and private partnerships into the same vehicles. Of course, there are regulatory guidelines around liquidity parameters in 40 Act funds. But you can also think through the way to design models.

If you start with your allocation to an asset class, let's just say it's fixed income, and maybe Client X has a target of 40% allocation fixed income. Now, how much of that fixed income really needs to have daily liquidity versus can you pick up a yield premium by taking, of that 40%, maybe 25% of it in daily liquid mutual fund or ETF? That's the way we've historically gotten fixed-income exposure. Maybe 15% of it can be in something that provides liquidity on a limited-trade-window basis, thereby providing a much greater illiquidity premium to the client. Advisors thinking about it first in terms of broad exposure to the asset class, and then second, in terms of whether or not that exposure should be public market or private market, can help make sure that you are not misallocating to strategies that have an illiquidity profile.

ACTION!: What then are some of the challenges wealth management is trying to solve for in the current market, and how does that impact private wealth?

PORTERFIELD: One of the largest macro trends right now that, as an industry, we are trying to solve for is achieving balance between solving for personalization vs. scale and efficiency in financial advisor practices. Technology is at the intersection of that trend. Technology is allowing for greater personalization without compromising scale. Historically, to scale objectives, you had to align your investment profiles across clients and investment portfolios. Now, with the advent of the next-generation custom indexing, TAMP platforms have the ability to run model portfolios that allow you to rebalance in very client-specific ways, without it being a time- and effort-consuming activity for the financial advisor. It's going to allow financial advisors, brokerages, and RIAs to achieve both scale and personalization objectives inside of portfolios at the same time.

ACTION!: The diversification changes you've noted – are they due to technological innovation, or just lessons learned from the market in the last couple of years, such as increased pricing

pressure and volatility?

PORTERFIELD: All of the above – I'll take this question in reverse order. First off, if you look back about 15 to 20 years ago, there was a giant short-term wave towards liquid alternatives. That was due to many people convincing themselves that you could get the diversification benefits of alternatives without having to sacrifice the liquidity profile of mutual funds and ETFs. It feels like that was definitely overstated and oversubscribed to as a narrative.

What we're doing now is we are intentionally building products that don't violate that liquidity profile conundrum, but are a little bit more user-friendly for weaving into model portfolios. You're able to, from an operational subscription basis, access via NSCC ticker trading directly on custodial platforms' mutual fund programs, and that just allows a lot more time that was spent working through subscription documents to get the same level of private markets exposure, to be redeployed toward building better client relationships, knowing the clients better, and making sure that the portfolio is being designed for them is really bespoke to the client situation, rather than just fitting them to a number and a risk profile.

ACTION!: As a product provider, has it gotten easier to be more bespoke? And does everything have to be customized? Are there cases where off-the-shelf solutions work better?

PORTERFIELD: Across the industry, you've seen a lot of hyper-specialized ETF launches. Those can be used as components to build personalized portfolios for clients. I also think the advent of fractional trading, direct indexing and broader usage of the SMA vehicle at a lower minimum allows for hyperpersonalization for the client that doesn't have to be delivered in a packaged, registered 40 ACT product as well. That's where we're seeing the greatest benefit to the end client – advisors who are adopting the types of investing platforms that allow them to, in a really efficient way, design a portfolio around a client's specific needs, goals, outcomes and financial trajectory, without it being for the lowest common denominator, something that can appeal to the broadest masses, which is the history of most mutual funds.

ACTION!: There's a higher bar for sophistication. The average retail investor with even a small amount to invest can diversify into alternatives, cryptocurrency, FX, precious metals, even private equity markets. The expectation now is to give me much more.

PORTERFIELD: Yes to all of that. In the past, the hyperpersonalized portfolio was the domain of the ultra-high-net-worth investor. Technology has enabled the delivery of personalized portfolios at much lower minimums for mass affluent investors. And that is absolutely a good thing.

ACTION!: We've touched on this a bit – within the model marketplace, what are trends that you're paying attention to, that you think your peers should be paying more attention to as well?

PORTERFIELD: One we talked a little bit about, which is blending in private markets allocations. And the second one is around blending in exposure to digital assets. We've seen a rash of spot coin ETFs and ETPs that have been brought to market. But I really think that all of this fits into the broader thematic of expanding the investable universe, which will improve diver-

sification benefits. And there are a lot of assets, going back to what has historically been the domain of the ultra-high-net-worth investor.

There are a lot of assets that have very low to no correlation to public markets and capital markets in general, that you just had to buy outright in whole units, you know, whether it's classic cars or intellectual property, physical real estate. Now, with the advent of blockchain technology, you can tokenize those assets and deliver the same exposure at the same efficiency level, broadly and effectively across portfolios, at the sizing that makes sense for each individual client.

ACTION!: What are the innovations that your team is working on?

PORTERFIELD: What we're working on the most right now is custom model solutions for an RIA or broker-dealer, where they want an investment manager to fit into their overall value proposition and investment ecosystem. There are a lot of different points on that spectrum, from being a provider of tools and maybe educational research to assisted model creation and full OCIO work. We're making sure that we have a flexible offering that can fit well on that continuum, where our client wants us to sit.

From that point, we can assemble different tools, different components of portfolios, and different ways to think through rebalancing to make sure that model creation is aligned with the vision that group has for their investment platform. And then what we're really looking forward to is the continued tokenization of assets that historically have not been able to be built into liquid client portfolios.

It will be interesting to see what that will do to the efficient frontier and to the diversification benefits we should be able to realize from the greater incorporation of those asset types into client performance.

ACTION!: Does that open your team up to a larger clientele?

PORTERFIELD: When you're as large and as broad as Franklin Templeton, the perfect client is any client. It's up to us to make sure we're the perfect investment manager for the client. We have the tools, the human talent and the intellect to do that now. And so, our ambition is less about understanding what the perfect client is for us, and more focused on ensuring that we have a broader suite of potential clients that we can access. And, making sure we are crafting our message, our value proposition, and our engagement plan around not having just one message to the whole world, but rather, one message to each individual client on what we can be for them.

Also, the strategic relationships we're building, whether it's between AdvisorEngine, OSAM and their Canvas platform, or other custodians, are all part of the value chain. We can build more together, so two + two can equal more than four as a result of collaboration, even across entities that might have historically been more competitors. This is going to push the industry forward, and it makes it easier for the client because everything's centralized and connected.

ACTION!: The discussion around AI is ubiquitous. How does it play into the work that your team is doing at large?

PORTERFIELD: We're spending so much time on it right now. No two people will have the same journey when it comes to adopting artificial intelligence tools in their business and personal work. But it's become very clear: AI certainly isn't going away, and it has a lot to offer in terms of improving the quality, speed, and efficiency of many time-consuming tasks, regardless of where you sit in the industry.

If you can outsource such tasks to these tools, you can shift a lot of time bank capacity towards more human, interpersonal tasks, away from the rote execution in our jobs. The biggest beneficiary will be the end client, because their financial advisors will know them better. There will be less time spent on tasks that can be outsourced to the agents.

On the other hand, it's very crucial not to just fully outsource. You want to keep a hand on the wheel and train the models as well, so they can keep learning and keep getting better, to ensure accuracy, protect PII, and make sure that not everybody sounds and acts the same, too.

I shudder at the vision of a future for this industry where every investment manager has the same value proposition and the way they think about running money is exactly the same, because it's all informed by the same set of base algorithms. That is not in the client's best interests. We need to make sure that where there's investment culture and a philosophy, that can't be distilled down to ones and zeros.

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NAVIGATING AI COMPLIANCE:

A risk-based framework for financial services in 2026

BETH HADDOCK

Building AI governance without stifling innovation

The regulatory landscape for artificial intelligence (AI) in financial services has evolved since the initial fear that AI use would poison fiduciary duties. Yet many firms find themselves paralyzed between the promise of AI-driven momentum and the fear of compliance missteps. As we move into 2026, a clearer picture is emerging: regulators are taking a measured, principles-based approach that is technology-neutral and emphasizes existing registered investment advisors (RIA) compliance framework. A common framework to deliver services in the best interests of clients, fair and balanced business development and other familiar obligations rather than creating entirely new regulatory regimes.

THE REGULATORY RESET

Recent developments signal a shift toward pragmatic oversight. The SEC's proposed rule on predictive analytics has been withdrawn, and new executive orders promoting federal oversight of AI are designed to create efficiencies rather than duplicative state-by-state regulations. For RIAs and other financial services firms, this means one critical directive: **follow existing controls and guidelines.**

The message from regulators is increasingly clear – they're approaching AI with a technology-neutral stance. Whether you're using a spreadsheet, a robo-advisor, or a large language model, the fundamental requirements remain unchanged: uphold your fiduciary duties, protect consumers, maintain robust cybersecurity and data protection and conduct thorough due diligence.

THE DAP FRAMEWORK: DUE DILIGENCE, AI GOVERNANCE AND PRIVACY

Due diligence: Know what you're buying

Before deploying any AI tool, firms must understand its limitations and how data will be used to train models. The first question should always be: Can we opt out of data training, or does this vendor provide a "walled garden" environment that protects our and our clients' information?

Critical due diligence questions extend beyond functionality:

- What cybersecurity controls are in place? Look for SOC 2 reports or equivalent third-party testing.
- Review the vendor's website thoroughly – understand their privacy policies, cookie usage, data sharing with other vendors and marketing practices.
- Determine the appropriate permission level: Is this tool permitted for general use, permitted only with human oversight, or not permitted for certain functions based on data sensitivity and confidentiality requirements?

Remember: AI vendors are not fiduciaries to your clients. That responsibility remains squarely with you.

Risk-Based Classification

Not all AI applications carry the same risk profile. Firms should categorize tools according to their potential impact and risks:

High-risk applications process confidential client data, create individual profiles, make automated decisions, or directly support client services and investment decisions. These require the most stringent controls and oversight.

Moderate risk applications have limited decision-making capabilities or are used exclusively for internal purposes. These need appropriate guardrails but can operate with somewhat less intensive monitoring.

Low-risk applications focus on productivity enhancement without touching sensitive data or decision-making processes. These can be deployed more readily while still maintaining basic security standards.

GOVERNANCE: IT'S NOT OPEN SEASON

Certain firms may have made the mistake of treating public generative AI tools like ChatGPT as free-for-all productivity enhancers. The reality is more nuanced. There's a significant difference between public GenAI tools and enterprise-level solutions with proper data protections.

Firms should establish clear governance structures – whether through an AI Officer role or an AI Committee – to oversee tool approvals and usage policies. A simple but powerful framing principle for all AI interactions is the fiduciary prompt:

"I am a fiduciary and a SEC-registered RIA. You are helping me serve the best interests of my clients."

This reminder keeps the focus where it belongs: on client interests rather than mere convenience.

The Core Rules

The baseline requirements can be straightforward:

- **Only approved tools** may be used for work purposes
- **No proprietary or personal information** may be input into unapproved tools
- **No customer data** may be input without explicit authorization
- **Your existing Code of Conduct applies**—what you couldn't do without AI, you still can't do with it

THE VALID FRAMEWORK: FIVE ESSENTIAL PRINCIPLES

To operationalize AI governance, firms should implement the VALID framework – a memorable acronym covering the key control points and risks:

Validate all AI-generated content and outputs. Don't publish, distribute or rely on AI output without human review and verification.

Avoid personal information unless using approved tools specifically designed for such data. This includes names, Social Security numbers, tax IDs, account numbers, physical addresses and any employee or candidate-sensitive information.

Look out for lies – or more technically, hallucinations. AI systems can confidently produce incorrect, fabricated or nonsensical information. Remain alert to errors, anomalies and signs of bias in all outputs.

Insulate sensitive data by protecting confidential, personal, or proprietary information. If you need to enter confidential information, use only tools specifically approved for that purpose and vetted for it.

Disclose AI usage when appropriate, particularly with third parties or external audiences. Consult with compliance teams to determine when disclosure is required..

PRIVACY AND INTELLECTUAL PROPERTY: THE THIRD RAIL

It bears repeating: AI tools are not internal systems. Treating them informally as such is a fundamental error that can lead you vulnerable to serious data breaches and regulatory violations.

Your AI Policy should make it clear that the following should not be shared:

- Client data or confidential information (unless using specifically approved tools)
- Company logos or intellectual property
- Proprietary methodologies or strategies

When in doubt, treat AI tools as you would treat post-ing information on a public website – because in many cases, that's effectively what you're doing.

USE CASE CONSIDERATIONS

Different business functions carry different risk profiles when integrating AI:

Point of sale and marketing: Generally low risk for productivity uses (drafting initial content, brainstorming), but escalates to medium risk when used for client-facing pitches. Marketing applications require particular care – while AI can assist with time-saving editing, firms must use the fiduciary prompt and maintain final human judgment. Client letters present special challenges: avoid inputting personal information and be cautious about losing the authentic tone that clients expect.

Investment Process: This is categorically high-risk un-

less limited to pure productivity tasks. While the SEC's predictive analytics rule hasn't advanced, the need for due diligence and caution with LLM-based or robo-advice remains paramount. AI can assist with investment committee materials and operational tasks, but human intervention is critical. AI tools – including approved ones – cannot conduct automated or systematic processes or make sensitive decisions (employment, investment) without human review unless specifically approved for such autonomous operation.

THE INVEST PRINCIPLES: GOVERNANCE FOR INVESTMENT ADVICE

For firms using AI in investment advisory contexts, six principles provide a comprehensive governance framework:

Intellectual property compliance: Ensure adherence to organizational IP policies, licenses, and data usage agreements. Violating vendor terms of service can expose firms to legal liability.

Neutrality and bias mitigation: Detect and address potential biases in both data and models during development and deployment. AI systems can perpetuate or amplify existing biases in training data.

Validation and quality assurance: Validate all data inputs and outputs. Ensure training data is clean, properly annotated and reliable.

Evaluation of performance: Define metrics specific to each use case. Implement ongoing monitoring and performance reporting to catch degradation or drift. Continuously test performance and track errors to refine, calibrate and improve the outputs.

Standardized model governance: Apply approved methodologies for model selection and tuning – secure governance committee approval before deploying new models or applications.

Transparency and traceability: Maintain clear documentation and full audit trails covering data sources, architecture decisions and model development choices.

LOOKING AHEAD: ENFORCEMENT AND EVOLUTION

We're still in the learning phase of AI regulation. The next wave of enforcement cases will help define the boundaries and expectations. Until then, firms should focus on fundamental principles rather than trying to anticipate specific regulatory requirements that haven't yet been articulated.

THE CONVERGENCE CHALLENGE: CRYPTO, AI AND TRADITIONAL FINANCE

An emerging area of concern is the convergence of digital assets, AI, and traditional finance. AI engines can accelerate both market volatility and system vulnerabilities. Firms must:

- Stay within established risk tolerance levels
- Avoid speculative applications
- Actively look for conflicts of interest
- Recognize that AI can amplify existing market dynamics

LOOKING AHEAD: ENFORCEMENT AND EVOLUTION

We're still in the learning phase of AI regulation. The next wave of enforcement cases will help define the boundaries and expectations. Until then, firms should focus on fundamental principles rather than trying to anticipate specific regulatory requirements that haven't yet been articulated.

IMPLEMENTATION: FROM PRINCIPLES TO PRACTICE

Translating these principles into operational reality requires concrete processes:

Model development and approvals: Adopt standardized methodologies for model selection, training, and hyperparameter tuning. Obtain Model Governance Committee approval before deployment.

Ongoing bias mitigation: Develop strategies to identify and address potential biases throughout the model lifecycle. Conduct regular bias detection during both development and deployment.

Performance evaluation: Define clear metrics for each AI application based on its specific use case. Implement regular monitoring and reporting mechanisms to identify issues early.

Quality assurance: Establish rigorous requirements for data collection, cleaning, and annotation. Implement validation procedures and quality checks before training models.

Documentation and transparency: Create clear documentation processes covering architecture, training data, and performance metrics. Maintain comprehensive audit trails, including model versioning, to ensure traceability.

Data governance: Ensure data definitions are accurate and consistent. All data must adhere to Enterprise Data Governance Principles, with clear procedures for validation and quality control.

CONCLUSION: BALANCE AND JUDGMENT

The path forward for AI in financial services requires neither reckless adoption nor paralytic caution. Instead, firms should apply the same rigorous risk management and fiduciary principles that have always governed their operations. The technology may be new, but the obligations are not.

By implementing robust governance frameworks like DAP, VALID and INVEST, firms can harness AI's potential while maintaining the trust and protection that clients deserve and regulators require. The firms that will thrive are those that treat AI as a powerful tool requiring careful oversight – not as a magic solution exempt from traditional controls.

RISK ASSESSMENT CHECKLIST

High Risk

MAXIMUM CONTROLS REQUIRED

- Processes confidential client data
- Creates individual client profiles
- Makes automated decisions
- Supports client services or investment decisions
- Requires governance committee approval
- Mandatory human oversight for all outputs

Moderate Risk

STANDARD CONTROLS

- Limited decision-making capabilities
- Internal-only applications
- No direct client impact
- Requires manager approval
- Regular monitoring protocols

Low Risk

BASIC CONTROLS

- Productivity tools only
- No sensitive data processing
- No decision-making function
- Standard security requirements apply

AI VENDOR DUE DILIGENCE CHECKLIST

BEFORE SELECTING ANY AI TOOL:

- Can you opt out of data training?
- Is there a "walled garden" data protection?
- Security certification verified?
- Privacy policy reviewed and acceptable?
- Third-party data sharing practices understood?
- Cookie and tracking policies acceptable?
- Marketing data usage reviewed?
- Terms of service reviewed for IP rights?
- Vendor's financial stability assessed?
- Data residency requirements met?
- Incident response procedures documented?
- Contract includes data deletion provisions?

USE CASE RISK MATRIX

REMEMBER: HUMAN INTERVENTION REQUIRED FOR ALL APPLICATIONS

MARKETING & COMMUNICATIONS:

- Editing assistance: LOW RISK
- Client letters: MEDIUM RISK (privacy concerns)
- Social media: LOW RISK (with review)
- Sales pitches: MEDIUM RISK

INVESTMENT OPERATIONS:

- Committee materials: MEDIUM RISK
- Research assistance: MEDIUM RISK
- Automated trading: HIGH RISK
- Portfolio recommendations: HIGH RISK

CLIENT SERVICES:

- Committee materials: MEDIUM RISK
- Research assistance: MEDIUM RISK
- Automated trading: HIGH RISK
- Portfolio recommendations: HIGH RISK

THE VALID FRAMEWORK QUICK REFERENCE

V - VALIDATE OUTPUT

- Human review all AI-generated content
- Cross-check facts and figures
- Verify logical consistency

A - AVOID PERSONAL INFORMATION

- No client names, SSNs, account numbers
- No physical addresses
- No employee/candidate sensitive data
- Only use approved tools for PI

L - LOOK OUT FOR LIES

- Check for hallucinations
- Identify anomalies or errors
- Test for bias in outputs
- Verify unusual or surprising claims

I - INSULATE DATA

- Protect confidential information
- Use approved tools for sensitive data
- Treat AI tools as external third parties
- Follow data classification policies

D - DISCLOSE

- Determine if disclosure required
- Consult compliance team
- Document AI usage in client files
- Be transparent with external audiences

INVEST PRINCIPLES IMPLEMENTATION

For AI in Investment Advisory:

I - INTELLECTUAL PROPERTY COMPLIANCE

- IP policies documented and followed
- License agreements reviewed
- Data usage agreements in place

N - NEUTRALITY & BIAS MITIGATION

- Bias detection protocols established
- Regular testing during development
- Ongoing monitoring post-deployment

V - VALIDATION & QUALITY ASSURANCE

- Data inputs validated
- Outputs verified
- Training data clean and annotated

E - EVALUATION OF PERFORMANCE

- Use-case-specific metrics defined
- Monitoring procedures implemented
- Performance reporting in place

S - STANDARDIZED MODEL GOVERNANCE

- Approved methodologies applied
- Governance committee approval obtained
- Model selection documented

T - TRANSPARENCY & TRACEABILITY

- Architecture documented
- Training data sources recorded
- Full audit trails maintained
- Model versioning tracked

Using AI and technology to market smarter



MARIE SWIFT

Founder and CEO, Impact Communications

For years, wealth managers and financial planners have heard the same refrain: “You need to market more.”

More content. More visibility. More follow-up. More differentiation. Yet most advisory firms are lean by design, compliance constrained by necessity and focused first and foremost on serving clients well. The result? Marketing often feels like a constant game of catch-up.

Today, technology and artificial intelligence are finally shifting that equation. Used thoughtfully, AI doesn't replace the human judgment, empathy, or trust that sit at the heart of advisory relationships. Instead, it can help advisors market more consistently, follow up more effectively and make it easier for prospective clients to say “yes” with confidence.

CONSISTENCY IS THE NEW COMPETITIVE ADVANTAGE

In research my team has conducted over the years, one theme shows up repeatedly: firms that commit to consistent, values-based communication tend to see stronger organic growth over time. That doesn't mean publishing something brilliant once a quarter. It means showing up regularly with useful, relevant insights that reinforce who you are and how you help.

Marie Swift is founder and CEO of Impact Communications (www.ImpactCommunications.org), an award-winning marketing and public relations firm specializing in the wealth management and financial services industry. Catch Marie and her team at the T3 Technology Tools for Today Conference (www.T3Conferences.com) happening March 9-12, 2026, in New Orleans. You'll find them in the Media Center.

This is where AI excels. Advisors can now use generative tools to draft blog posts, newsletters, social content, short videos and client-facing commentary at a pace that would have been unthinkable just a few years ago. The key is not volume for volume's sake, but alignment.

When AI is trained or guided with a firm's brand voice, messaging priorities and compliance guardrails, it becomes a powerful first-draft engine. Humans still edit, refine and approve, but the heavy lifting is dramatically reduced. The firms doing this well aren't "outsourcing" their voice to AI. They are codifying their voice so it can scale.

SMARTER PROSPECTING AND LEAD GENERATION

AI is also reshaping how advisors generate and qualify leads. Predictive analytics and CRM-integrated tools can help identify which prospects are most likely to engage, what topics resonate with them and when outreach is most timely. Instead of generic drip campaigns, advisors can deploy more personalized, relevant messaging that reflects a prospect's stated interests or life stage.

Even referral-based firms benefit here. According to Adobe Digital Insights, AI has become a major driver of how consumers find, evaluate and engage with financial services online. AI-driven insights are increasingly influencing how and when referrals occur, often behind the scenes. Prospects research advisors extensively before ever reaching out. Technology helps ensure that when they do, what they find is current, credible and compelling.

VISIBILITY IN AN AI-DRIVEN SEARCH WORLD

Search is changing. Today, advisors must think beyond traditional SEO to include Answer Engine Optimization (AEO) and Generative Engine Optimization (GEO). Prospects are asking questions directly to AI-powered tools and search engines, not just typing keywords into Google.

Firms that publish clear, authoritative, plain-language content are far more likely to be surfaced in these environments. AI can help advisors identify common client questions, structure content in a way that is easy for search and AI engines to interpret, and repurpose long-form insights into multiple formats that improve visibility across platforms.

Once again, consistency matters. Firms that publish sporadically or rely on outdated content risk becoming invisible in an increasingly AI-mediated discovery process.

FOLLOWING UP AFTER THE FIRST MEETING

One of the most overlooked marketing moments in an advisory firm is what happens immediately after a "get-acquainted" meeting. Prospective clients are evaluating not just your recommendations, but your responsiveness, clarity and professionalism.

AI tools can help advisors generate timely, customized follow-up emails that recap key discussion points, outline next steps and reinforce value, without sounding templated. Meeting notes can be summarized, action items flagged and personalized resources suggested, all within minutes. This level of polish and responsiveness builds confidence and momentum, especially for prospects who are speaking with multiple firms.

PROPOSALS THAT ACCELERATE DECISIONS

Proposals are another area where technology can dramatically improve outcomes. AI-assisted proposal tools can help advisors tailor language, visuals and structure to different client profiles, making it easier for prospects to understand the value being offered and how the relationship will work.

Clear, well-organized proposals reduce friction and shorten decision cycles. They also signal professionalism and preparedness, two attributes that matter deeply in a trust-based business. Advisors still need to ensure accuracy, compliance, and suitability, but AI can streamline the process, enabling proposals to be delivered faster and refined more efficiently.

“Used correctly, AI frees advisors to be more human and more focused on the relationships that matter.”

HUMAN-GUIDED AI WINS

None of this works without human oversight. Compliance review, ethical judgment and emotional intelligence cannot be automated away, nor should they be. The most successful firms I see are those that treat AI as an assistant, not an author; a strategist, not a decision-maker. They establish clear standards, keep humans in the loop, and focus on using technology to enhance trust. They also recognize that marketing is not a one-time campaign, but an ongoing conversation with the marketplace.

AI and modern technology won't make advisors less human. Used correctly, they free advisors to be more human, more present, and more focused on the relationships that truly matter.

HOW TO GAIN AN AI ADVANTAGE ACTIONABLE TIPS YOU CAN IMPLEMENT NOW

AI is increasingly acting as the “first introduction” between advisors and prospective clients. To earn more AI-driven referrals and convert them into real relationships, advisory firms need to adapt how they structure, publish and present their digital content. Here are practical, advisor-friendly steps to take.

1. STRUCTURE YOUR CONTENT FOR AI READABILITY

AI systems reward clarity and organization:

- Use clean page layouts with clear headings and subheadings
- Write in plain language, avoiding jargon where possible
- Add FAQ-style sections that directly answer common client questions
- Keep paragraphs short and focused on one idea at a time

AI assistants extract and recommend content they can easily interpret. If your explanations are clear to humans, they’re usually clear to AI too.

2. BUILD EDUCATIONAL DEPTH, NOT JUST SURFACE CONTENT

AI-referred visitors tend to be researchers, not casual browsers:

- Create in-depth guides, walkthroughs and explainer articles
- Offer comparison pieces (e.g., options, strategies, trade-offs)
- Include decision-support tools, checklists or frameworks
- Design pages that answer both “quick questions” and logical follow-ups

AI systems favor content that fully satisfies curiosity. The more thoroughly you help users understand a topic, the more likely AI is to recommend your insights.

3. OPTIMIZE FOR CONVERSATIONAL QUESTIONS

AI queries sound like real conversations, not strings of keywords:

- Use headers that mirror how clients actually speak (“How does X work?” or “What should I consider before...?”)
- Provide a short, direct answer immediately under each question
- Follow with a deeper explanation for readers who want more detail

This structure helps AI match user intent to your content, making your answers easier to surface in AI-driven results.

4. STRENGTHEN TRUST SIGNALS ON EVERY KEY PAGE

AI may bring visitors to your site, but trust converts them:

- Clearly display credentials, certifications and professional designations
- Include compliance-appropriate testimonials or social proof where allowed
- Make regulatory disclosures easy to find, not buried
- Provide clear next steps: contact forms, scheduling links or calls to action

Once AI opens the door, prospects still evaluate credibility the old-fashioned way. Professionalism and transparency build confidence quickly.

5. PUBLISH TIMELY, RESPONSIVE COMMENTARY

Freshness matters more than ever in AI discovery:

- Publish quick-turn insights on market volatility, tax changes or economic news
- Add short commentary pieces tied to current headlines or events
- Update older content with new context or recent developments

AI systems prioritize relevant, up-to-date material, especially when users ask time-sensitive questions. Speed plus clarity increases visibility.

6. THINK OF AI AS THE NEW FRONT DOOR

AI is shaping first impressions long before a prospect reaches out:

- Review your website and content as if an AI assistant were introducing you
- Ask: “Does this clearly explain who we serve, how we help, and why we’re credible?”
- Align messaging across blog posts, FAQs, bios and service pages
- Include media attention and awards you have received

Advisors who align their digital presence with AI discovery patterns capture attention earlier and enter client conversations with greater authority.

7. BUILD AUTHORITY THROUGH CREDIBLE THIRD-PARTY VISIBILITY

PR still matters. AI systems look for signals of authority, not just activity:

- Secure bylined articles, quotes or media mentions in respected financial, business and local outlets
- Prioritize publications your ideal clients already trust, not just those with large audiences and prestigious names
- Apply for and complete all appropriate directory listings and membership page profiles
- Submit for awards and rankings, then publicize your wins
- Repurpose earned media placements across your website, social channels and advisor bios
- Create a dedicated “In the Media” or “As Seen In” section to showcase third-party validation

AI may introduce you, but third-party credibility helps close the trust gap. Advisors who invest in thoughtful PR strengthen both human confidence and AI-driven visibility at the same time.

Ring in the new year with consulting services and white papers from the fintech authorities!

Did you know that T3's co-founder and conference producer Joel P. Bruckenstein, CFP® and hand-selected strategic partners offer a variety of services to assist financial services and fintech companies reach more advisors? Joel and his team also produce content that helps RIAs select, implement, and maximize the investment of their technology solutions.

Services for RIAs include:

- › Technology evaluations onsite and virtually
- › Core technology selection for key business functions, such as CRM, financial planning, investment platforms, performance reporting, and specialty planning applications
- › Designing and managing projects to create data lakes and data warehouses
- › Management of implementation projects to implement core, specialty, and data technologies

Services for national RIA networks, custodians, broker/dealers, OSJ's and insurance companies, include:

- › Overall technology strategy and software selection
- › Vendor selection
- › Product positioning
- › Training and presentations
- › White papers and special reports

Services for fintech companies include:

- › Product positioning
- › White papers and special reports



t3 Technology
Tools for Today



Contact Joel to discuss your needs and interests:
Joel@JoelBruckenstein.com