TorreBlanc Industry Brief for Wealth Management

Advisor-Ready View, Strategic Implications & Unifying Chain

Why a UMA-first architecture isn't a differentiator anymore—it's the baseline.

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From Vision To Value

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1. Introduction — Why this brief, why now

The wealth management landscape is shifting under our feet: custodial pricing models are evolving, wirehouses are reorganizing around founders' private-market wealth, leading voices are challenging traditional allocation frameworks, and large managers are moving deeper into secondaries. At the same time, managed account platforms are accelerating, powered by personalization and tax optimization. Understanding these events is essential for advising clients: they signal how revenues will be earned, where balance-sheet and liquidity risks migrate, and which platform capabilities must be modernized to compete.

This brief brings together insights from across the wealth management landscape, including recent announcements and articles, connecting the dots to reveal a broader narrative. We'll explore how these developments intersect and share our perspective on what they mean for managers navigating an industry in motion as it relates to their operating model and unified architecture.

2. Article Analyses

A. Pershing introduces a new custody fee schedule for RIAs

Summary: BNY Pershing rolled out a tiered, asset-based custody pricing approach for RIA firms, reframing how it competes against "zero-fee" custodians that monetize elsewhere (e.g., cash spread, order flow). Coverage points to selective, contract-cycle rollouts and basis-point tiers with cash-related charges.

Article Framing. *Trend with competitive realignment.* The framing is largely explicit: simplify/clarify pricing, compete with zero-fee models, and scale technology investments. (Citywire/WealthManagement historical context on subscription/zero-fee options underscores a longer arc.)

Impact on Wealth Management: (if framing holds).

- Revenue model transparency will pressure RIAs to rationalize custodial relationships, re-price client agreements, and revisit cash sweep economics. Ops/Tech must support multi-custody fee analytics, pass-through calculations, and client communications at scale.

- Platform selection will increasingly weigh API quality, billing data feeds, and operational SLAs—not just ticket costs. (Advisors will seek dashboards that reconcile custody fees, cash yields, and platform benefits.)

Publication & Date: RIABiz (June 18, 2025)

B. Morgan Stanley designates "Founders Specialists" to capture private-market wealth

Summary: Morgan Stanley is labeling a few hundred of its ~15k advisers as "founders specialists" to serve clients whose wealth is concentrated in private companies, with emphasis on liquidity engineering, asset location, and the firm's workplace/stock-plan channel.

Article Framing: *Structural shift* toward private-market wealth and longer private company lifecycles. Framing is explicit, with rationale tied to fewer public listings and the growth of concentrated private positions.

Impact on Wealth Management: (if framing holds).

- Advice models must incorporate private-asset liquidity solutions (tender offers, private credit lines, pre-IPO planning), cross-balance-sheet risk, and bespoke collateralization. Data models must accommodate cap-table, vesting, and valuation data.

- Competitors will respond by verticalizing advisory designations and deepening workplace-to-wealth funnels—driving integrations between equity compensation platforms and advisor desktops.

Publication & Date WealthManagement.com (June 18, 2025)

C. Ric Edelman advocates 10%–40% crypto allocations

Summary: Ric Edelman (DACFP) told CNBC that advisors should consider 10%–40% client allocations to crypto, a major step up from his prior low-single-digit stance, citing mainstreaming (e.g., ETF access) and longevity-driven changes to portfolio construction.

Article Framing: *Challenging the canon*—an explicit call to reframe strategic allocation beyond 60/40, grounded in longevity and adoption curves.

Impact on Wealth Management: (if framing holds).

- Model portfolios and IPS templates may require crypto sleeves, policy controls (suitability, KYC/AML), custody/valuations, and tax-lot tracking across qualified and taxable accounts. Advisor training and risk disclosures must scale.

- Ops/Tech: need for reconciliation with crypto custodians, pricing oracles, and performance/attribution that handles high-volatility, 24/7 markets.

Publication & Date. CNBC (June 27, 2025)

D. Wellington eyes private-equity secondaries

Summary: Wellington Management (>$1T AUM) is exploring a secondaries platform to buy/sell private-equity stakes—extending its alternatives expansion (e.g., private real estate credit) and pursuing liquidity solutions for institutions facing slow exits.

Article Framing: *Strategic diversification*—an implicit acknowledgment that private markets/secondaries are now integral to full-suite offerings for institutional and (increasingly) wealth channels.

Impact on Wealth Management: (if framing holds).

- Expect broader secondary-exposure products (registered interval/tender funds) and distribution partnerships into wealth. Firms will need client-suitability guardrails and cash-flow modeling for irregular distributions and NAV lags.

- Platform data must support look-through reporting and liquidity risk dashboards for illiquid vehicles.

Publication & Date: LiveMint/Bloomberg (June 19, 2025)

E. "60/40" losing ground (combined summary of two articles)

Combines Summary: InvestmentNews highlights breakdowns in the negative correlation between stocks and bonds since 2019 and the resulting push toward alternatives (interval funds, specialized niches). 8Figures synthesizes the historical role of 60/40 but argues that post-COVID inflation/rate dynamics and 2022's dual drawdown require re-tooling diversification.

Article Framing. *Fundamental shift*—explicit and implicit arguments converge that 60/40 is under structural pressure; investors need broader real-asset/alt sleeves and dynamic risk management.

Impact on Wealth Management (if framing holds).

- Home-office models will add alts, real assets, and TIPS; advisor education must address liquidity, pricing, and client expectation setting. Proposal systems need to illustrate regime-dependent correlations.

- Risk/Perf stacks must support scenario analysis beyond mean-variance to reflect inflation regimes and tail dependencies.

Publications & Dates InvestmentNews (May 14, 2025), 8Figures blog (June 18, 2025)

F. Managed accounts reach $13.7T; UMAs poised to overtake RPM

Summary: Cerulli reports $13.7T in managed account AUM for 2024 (+19.8% YoY), with UMAs and SMAs leading flows and five-year CAGRs, under a narrative of personalization and platform consolidation (tax optimization cited as reliable "alpha").

Article Framing. *Secular trend*—explicit: personalization + tax optimization + consolidation are re-architecting sponsor platforms; UMAs are on track to surpass rep-as-PM programs.

Impact on Wealth Management (if framing holds).

- Operating models must prioritize model orchestration, sleeve accounting, tax-aware rebalancing, and multi-custody automation. Data needs standards for householding and intent-driven personalization.

- Vendor strategy tilts toward UMA-capable platforms, integrated billing, and advisor UX that normalizes product/fund/SM/Direct Indexing under one envelope.

Publication & Date Cerulli Associates Press Release (July 17, 2025)

3. TorreBlanc Point of View

Cross-Article Themes

1. Shift from price-takers to platform strategists. Custody pricing clarity (Pershing) and UMA ascendance (Cerulli) push firms to treat platform economics—fees, sweeps, tax alpha—as competitive levers, not back-office details.

2. Private-market mainstreaming. From Morgan Stanley's founder specialization to Wellington's secondaries push, private-asset mechanics are moving into the wealth mainstream—demanding new liquidity, valuation, and suitability playbooks.

3. Portfolio construction is being re-written. The critique of 60/40 and Edelman's crypto thesis both argue for broader exposures and regime-aware risk controls—supported by UMA personalization at scale.

Cause-and-Effect Pathways (what's driving what)

- Market structure & demographics → Allocation change → Platform redesign. Inflation/ rates + longevity concerns (60/40 stress; crypto debate) drive allocation changes that, in turn, require UMA-grade orchestration, tax tech, and new sleeves (alts/crypto).

- Private wealth concentration → Advisory specialization → Data & liquidity tooling. Founders with concentrated private wealth spur specialist advisory tracks and the need for cap-table data flows, secondaries access, and tailored credit—promoting integrations between workplace equity systems and advisor desktops.

- Custody fee transparency → RIA economics scrutiny → Multi-custody analytics. As custodians simplify/shift charges, RIAs must model, disclose, and optimize end-client economics; home offices need fee-sensitivity analytics to defend ROI.

Unifying Chain: Required changes to the Wealth Management Operating Model

People

- Build specialist roles (Founders/Private Liquidity, Digital Assets, Tax Optimization) and expand advisor education on illiquids and crypto policy. Update compensation to reward planning-plus-platform outcomes, not just AUM growth.

Process

- Institutionalize multi-custody fee & cash economics reviews, liquidity planning for private holdings, and tax-aware UMA workflows (direct indexing, loss harvesting, sleeve trades). Govern with model change controls and scenario-based IPS updates.

Technology

- Prioritize an integration fabric that connects: custodial billing/fee data → UMA/portfolio engines → performance/attribution → client reporting; add cap-table/private-asset data sources; enable crypto connectivity (pricing, custody, 24/7 reconciliation).

Data

- Establish a householding & personalization layer (object model for client goals, tax constraints, alt eligibility), fee transparency datasets, private-asset metadata (valuation, liquidity terms), and regulatory evidence for suitability/KYC/AML. Use an MDM/IBOR backbone to keep UMA sleeves, alts, and crypto coherent.

4. Conclusion — UMA is now Table Stakes

The through-line across these events is platform primacy: winners will operationalize pricing transparency, private-market access, and personalized portfolio construction. In practice, that means equipping advisors with specialized capabilities, consolidating to UMA-first architectures, enriching data to reflect new assets/fees, and tightening governance for regime-aware portfolios. Firms that move now will answer client questions with confidence—and convert market noise into durable differentiation.

TorreBlanc can help. We apply our proven discovery to roadmap method—current state assessment, target operating model, and vendor/platform selection—then drive delivery with UMA, direct indexing, and middle office expertise.