

Special Report

Exploring the TAMPs Landscape



Contents

Executive Summary	02
<hr/>	
Understanding TAMPs	03
Overview Services Offered Types of TAMPs	
<hr/>	
The TAMP Advantage	04
TAMP Spectrum Types of TAMPs The TAMP Edge	
<hr/>	
Uses and Users of TAMPs	05
Typical Uses Most Common Users Time Allocation Among Financial Advisors	
<hr/>	
Segmental Targets for Various TAMP Types	06
Fees Charged TAMP Types Targeting Different Segments	
<hr/>	
TAMPs M&A Activity	07
Recent M&As in the TAMP Landscape	
<hr/>	
Competitive Landscape	08
Largest TAMPs by AUM Top TAMPs for Growth Top Performing TAMPs	
<hr/>	
Top Trends in the TAMP Landscape	11
<hr/>	

Executive Summary

TAMPs Landscape



Understanding TAMPs

- TAMPs are fee-based platforms that help financial advisors outsource asset management and research tasks, allowing them to focus on client relationships and business development.



TAMP Competitive Landscape

- Investnet is the market leader with a whopping USD 666 Bn AUM. AssetMark is second with an AUM of USD 99.6 Bn.
- Smaller TAMPs like SmartX and Geowealth have grown rapidly over the last five years.



The TAMP Advantage

- Provides an outsourcing edge, generating cost and operational efficiencies.
- Financial advisors using TAMPs spend about 11% of their time on investment management as compared to 25% if done in-house.



M&A Activity in TAMP Space

- Many firms use M&A to expand their offerings. Dominant players like Investnet have found scale in M&A.
- TAMPs fighting to grow market share have developed their own ways to compete.



Uses and Users of TAMPs

- TAMPs are majorly used by Registered Investment Advisors (46%). Other users are wirehouses, banks, and family offices.
- Outsourcing allows firms to have more time servicing client needs and offer top solutions.



Upcoming Trends

- Industry trends and market forces are likely to continue as tailwinds for TAMPs.
- Shift toward ETF Strategists, increased use of model portfolios and importance of succession planning are some of the key trends.

Understanding TAMPs

TAMPs are fee-based platforms that helps financial advisors outsource asset management and research tasks

- A TAMP provides investment management services to assist financial advisors by outsourcing the management of their clients' investments. It is a tech-enabled platform offering one-stop solution for asset management, from performance reporting to portfolio construction.
- TAMPs typically take care of the back-office investment functions and middle-office proposal generation and support, allowing advisors to focus on client relationships and business development.
- While TAMPs originated nearly 30 years ago, they significantly grew over the past decade, highlighting the rising trend of financial advisors outsourcing investment management.
- Let us look at the various services and solutions offered by TAMPs:

Basic TAMP Solution & Services



Portfolio Management



Investment Due Diligence



Investment Products for HNW Clients



Online Platform for Advisors & Clients

Additional Services & Resources



Financial, Tax & Estate Planning Resources



Retirement Solutions & Services



Practice Management Consulting & Resources



Guidance on Charitable Giving

Transition Services



Transition Plan



Business Setup



Compliance & Legal Support



Tech & Marketing Support

Source: Aranca Research

The TAMP Advantage

TAMPs inevitably provide an outsourcing edge, competitive advantage and business scalability

The TAMP Spectrum

Multiple capabilities layered on to make them different and distinctive

Fully curated – a provider who provides investment management only

Fully open architecture – allowing advisors to build their own investment offering

Types of TAMPs

Mutual Fund Wrap Account

Offers mutual funds with fees that “wrap around” all the investor’s mutual fund trading, rather than the end-client paying individual fees for each fund.

ETF Wrap Accounts

Similar to a mutual fund wrap account, this TAMP solution wraps around ETFs.

Separately Managed Accounts (SMAs)

For end-clients with a significant amount of wealth, TAMPs provide an SMA, which operates like a mutual fund, but with a single investor owning the account’s assets

Unified Managed Accounts (UMAs)

Allows an investor to aggregate assets but separately manage different “sleeves,” or asset groupings.

Unified Managed Households (UMHs)

For households with multiple individuals, such as children and parents, TAMPs handle the investments of the entire household within a single structure

Access to professional investment research and models

Fee-based account relationships that can be implemented in as little as 90 days

Outsourcing edge, business growth and competitive advantages

Streamlined trading and execution

The TAMP Edge

Enhanced compliance & risk management

Comprehensive performance reporting, increased scalability and operational efficiencies

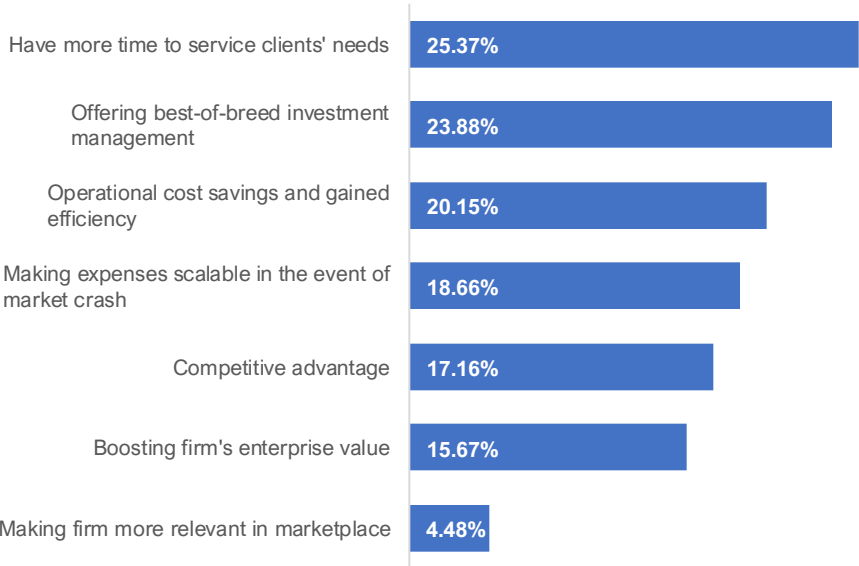
Efficient portfolio construction & rebalancing and improved technology integration

Allows firms to offload time-consuming back-office functions and enables them to focus on gathering assets, acquire new clients, and service existing clients

Uses and Users of TAMPs

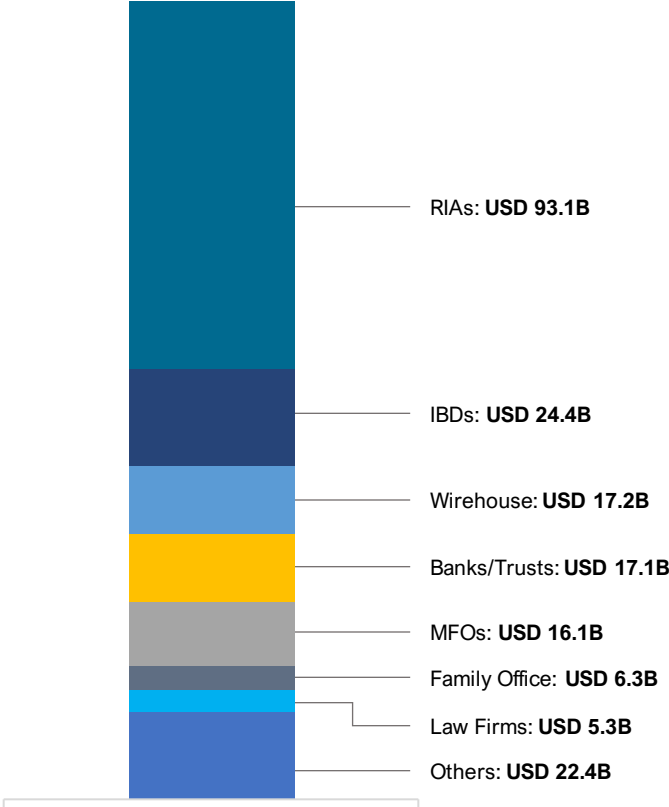
RIAs are the prominent users of TAMPs, followed by IBDs, wirehouses and banks

Uses of TAMPs



Users of TAMPs

USD 2 Trillion Market



Time Allocation Among Financial Advisors (2023)

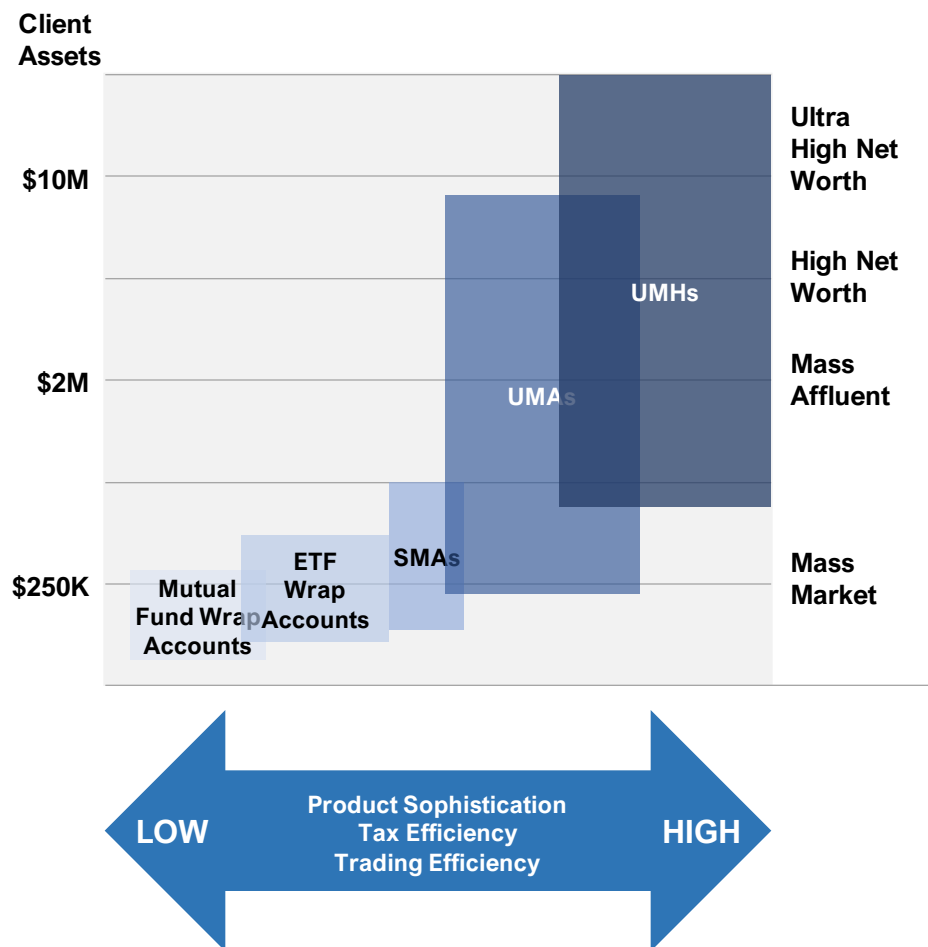
Account Type	Outsource	In-house
Client Facing Activities (Meetings, meeting preps, plan creation, prospecting)	61%	49%
Investment Management (Research, due diligence, monitoring, trading)	11%	25%

Source: 2024 America's Best TAMPs

Segmental Targets for Various TAMP Types

Mutual Fund and ETF Wraps are focus on the mass market while UMHs are favored by UHNW clients

TAMP Types Targeting Different Segments





- Technological advancements in the TAMP landscape have enabled practices that, a few years ago, were available only to the wealthiest investors. It is anticipated that they will keep setting the standard for wealth management technology.
- TAMPs are suitable business solutions for all types of wealth managers. For instance, trust companies can gain a degree of investment sophistication not available with the conventional in-house model.
- With TAMPs, RIAs can concentrate on risk management and asset allocation models, eliminating the possibility of performance disputes.
- For multi-family offices, TAMP solutions offers management of additional assets and efficient sophisticated investments.



Account Type	Investment Fees	Management Fees	Total Fees
Mutual Fund Wrap	0.5%–1.5%	0.5%–1.5%	0.75%–1.5%
ETF Wrap	0.1%–0.25%	0.5%–1.0%	0.75%–1.25%
SMAs	0.5%–1.0%	1.0%–1.75%	1.5%–2.5%
UMAs	0.4%–0.6%	0.75%–1.5%	1.5%–2.5%
UMHs	Negotiable along lines of UMA, with modest fees (0.01%–0.03%) for held-away assets		

Source: 2024 America's Best TAMPs

TAMPs M&A Activity

Several prominent TAMPs have found scale in mergers and acquisitions

2024  

GTCR, a private equity firm, agreed to purchase AssetMark in a deal valued at \$2.7 billion.

2022  








AssetMark completed its acquisition of Adhesion Wealth, a leading provider of wealth management technology solutions to RIAs, TAMPs and asset managers.

2021  




Sammons Financial Group acquired Beacon Capital Management, a next-gen RIA and TAMP, to expand into the growing advisor marketplace. The deal size was \$80 million.

2020  








AssetMark acquired OBS Financial, a \$2 billion-plus TAMP, gaining access to 300+ financial advisors and 21 banks serving 6,500 investors.

2020  




Orion Advisor Solutions merged with Brinker Capital to have a collective AUM of \$40 billion, massively extending the scale and capabilities of the combined firm.

2018  

Vestmark acquired Adhesion Wealth, seeking to expanding its portfolio management and trading solutions business in the RIA landscape

2018  




Investnet completed the acquisition of FolioDynamix from Actua Group in a deal valued at \$195 million

2018  










Focus Financial Partners announced the merger of Loring ward with Focus partner firm, The Buckingham Family of Financial Services in a deal worth \$235 million.

Source: Capital IQ, Aranca Research

Competitive Landscape (1/2)






10 largest TAMPs by AUM

Companies	AUM (USD Bn)	Year Program Began	Type of Program	Strategic Features	Type of Products
 INVESTNET	666.0	1999	<ul style="list-style-type: none"> Mutual Fund Wrap Traditional & model only SMA UMA/UMH Third-party strategists 	<ul style="list-style-type: none"> Institutional-quality research and advanced portfolio solutions Data aggregation and analytics platform Dynamic cloud-based innovation for digital financial services 	<ul style="list-style-type: none"> Mutual fund wrap ETF models SMA Advisor-directed UMA/UMH Fund strategist portfolios
 ASSETMARK.	99.6	1994	<ul style="list-style-type: none"> TAMP Mutual fund & ETF wrap Custom SMA/UMA Guided portfolios 	<ul style="list-style-type: none"> Account aggregation & rebalancing Customized portfolios & custom reporting suite Financial planning & risk management tools Integration with 3rd – party platforms Private labeling & institutional client support 	<ul style="list-style-type: none"> Mutual fund wrap ETF models SMA ESG Advisor-directed UMA/UMH
 SEI	95.6	1993	<ul style="list-style-type: none"> TAMP Managed account solution Strategist portfolio solution Advisor-directed 	<ul style="list-style-type: none"> Client portals and compliance tools Direct indexing Integrated trust services Model marketplace Research and due diligence 	<ul style="list-style-type: none"> Mutual fund/ETF wrap Customized high-net-worth strategies SMA and UMA Strategist portfolio solutions
 ORION	63.1	2001	<ul style="list-style-type: none"> TAMP Mutual funds & ETFs SMA Financial planning 	<ul style="list-style-type: none"> Behavioral finance tools Account aggregation & rebalancing Private labeling & institutional client support Model marketplace 	<ul style="list-style-type: none"> Advisor-directed mutual funds SMA Fixed income High net-worth
 MORNINGSTAR	41.8	2001	<ul style="list-style-type: none"> TAMP Multi asset mutual funds & ETF models SMA and UMA Strategist models & sub-advisory services for RIAs 	<ul style="list-style-type: none"> Easy to navigate wealth platform and innovative digital solutions Planning & execution tools Investment and market insights Back-end office support Client portals 	<ul style="list-style-type: none"> Mutual fund and ETF models Equity & fixed income SMA Advisor-directed UMAs Target risk and goal-based strategies

Source: 2024 America's Best TAMPs

Competitive Landscape (2/2)

10 largest TAMPs by AUM

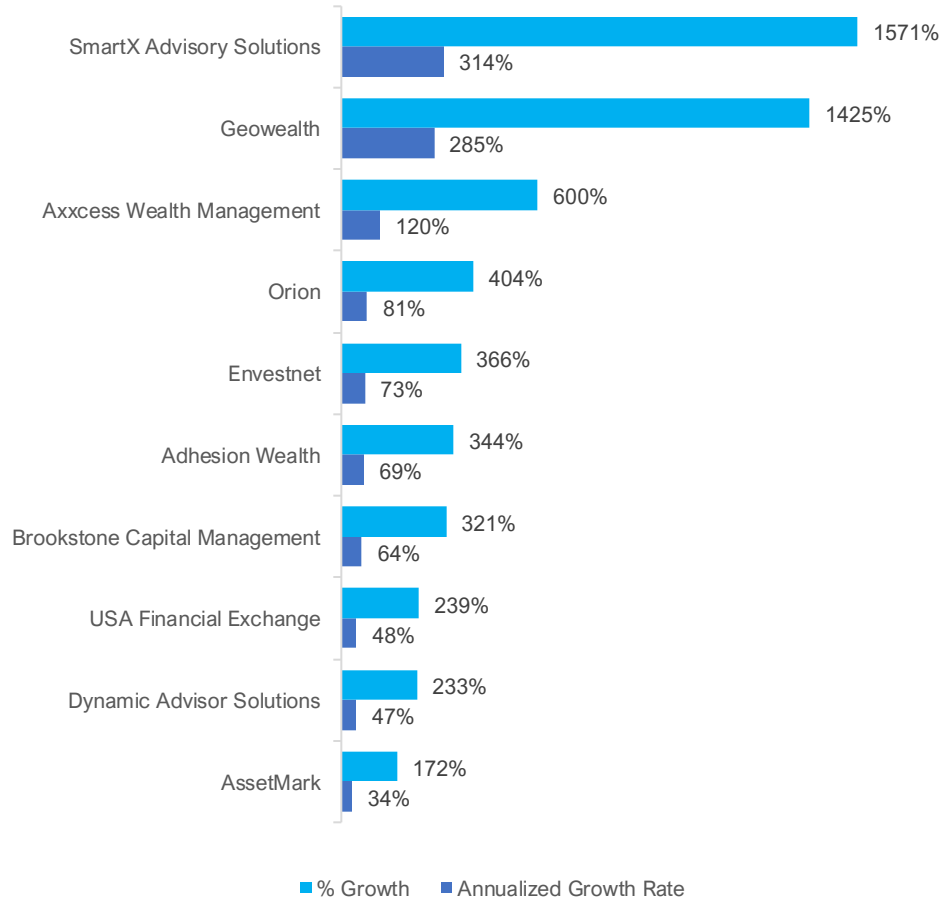
Companies	AUM (USD Bn)	Year Program Began	Type of Program	Strategic Features	Type of Products
	40.6	2014	<ul style="list-style-type: none"> Open architecture Advisor as PM OCIO Traditional & model SMA Full operational support 	<ul style="list-style-type: none"> Customized portfolios Marketing support Compliance tools Succession planning Custodian agnostic 	<ul style="list-style-type: none"> Direct indexing SMAs ETF models Model-based portfolio solutions
	37.9	1997	<ul style="list-style-type: none"> Comprehensive advisor platform Open architecture evidence-based models Custom and managed options 	<ul style="list-style-type: none"> Institutional client support and integrated trust services Account aggregation & rebalancing Customized portfolios Succession planning Tax-loss harvesting 	<ul style="list-style-type: none"> Mutual fund & ETF models Proprietary mutual funds Equity and fixed income SMAs Target risk and goal-based strategies
	33.0	2018	<ul style="list-style-type: none"> Financial technology for managed account solutions and TAMPs 	<ul style="list-style-type: none"> Account rebalancing Direct indexing Marketing support & model marketplace Unified or smart billing Integration with 3rd-party platforms 	<ul style="list-style-type: none"> Alternative strategies Billing & cash management OCIO services Open architecture Trading OMS
	28.5	2010	<ul style="list-style-type: none"> TAMP: SMA and UMA Multi-asset mutual fund & ETF model Strategist and advisor-directed models 	<ul style="list-style-type: none"> Customized portfolios & custom reporting suite Account aggregation & rebalancing Compliance & risk management tools Integration with 3rd-party platforms Private labeling & institutional client support 	<ul style="list-style-type: none"> Mutual fund and ETF models Proprietary mutual funds ESG Target risk and goal-based strategies Tax sensitive
	12.0	-	<ul style="list-style-type: none"> TAMP OCIO SMAs & UMAs Private equity, private credit Hedge fund 	<ul style="list-style-type: none"> Client portal Custodian agnostic Customized portfolios Marketing support Financial planning tools 	<ul style="list-style-type: none"> SMAs, funds, ETFs Model management Financial planning Third party sub-advisors Digital client experience

Source: 2024 America's Best TAMPs

Top Performing TAMPs

10 fastest growing TAMPs over the last 5 years and best TAMPs in 2024

Top TAMPs for Growth



2024 Top TAMPs by Category

Best Service



Best Technology



Best Model Marketplace



Top TAMP (Overall)



Source: 2024 America's Best TAMPs

Top Trends in the TAMP Landscape



Shift toward ETF Strategists

- The market is seeing a shift away from SMAs to third-party strategists mainly driven by significant cost reduction, as a lot of TAMPs are looking to get more strategist models on their platforms, particularly small start-up players.
- Through Envestnet's manager portal, Natixis provides a wide range of these models, constituting the broadest range of models available in the market. As Morgan Stanley and Merrill Lynch progressively shift assets into low-cost structures, business is also rising for wirehouses.



Rising TAMP M&A Activity

- Some incumbents use M&A to expand what they can offer advisers. Dominant players like Envestnet have found scale in M&A. GTCR, a private equity firm recently agreed to buy AssetMark, a prominent TAMP, in a deal taking the wealth management platform private more than five years after its IPO.
- Smaller businesses have been merged into larger businesses, like AssetMark's deal with Adhesion Wealth and Orion's acquisition of Brinker.



Model Portfolios

- Many RIAs are realizing the superior investment outcomes of model portfolios in addition to their improved efficiencies, as the need for scalability and growth grows.
- Cerulli reports that improved investment performance (47%), efficiency in managing client portfolios (38%) and control and consistency in client investments (32%) are the top three justifications offered by financial advisers for asset allocation modeling.



Process Driven Succession Planning

- Succession planning is naturally receiving more RIA attention driven by the surge in M&A activity in the TAMP and RIA landscape. Further, more than 111,500 investment advisers (about one-third of the workforce and AUM) may retire over the next decade, making succession planning a top priority for many businesses.
- The right TAMP can direct the succession planning process by looking out for key employees, maintaining company culture, providing consistency and comfort to clients and optimizing overall company value.

Source: Flyer Financial Technologies, Wealth Advisor Alliance



2500+

Global Clients

500+

Strong professional team across
multi-disciplinary domains

120+

Sectors and sub-sectors
researched by our analysis

80+

Countries where we have
delivered projects

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