



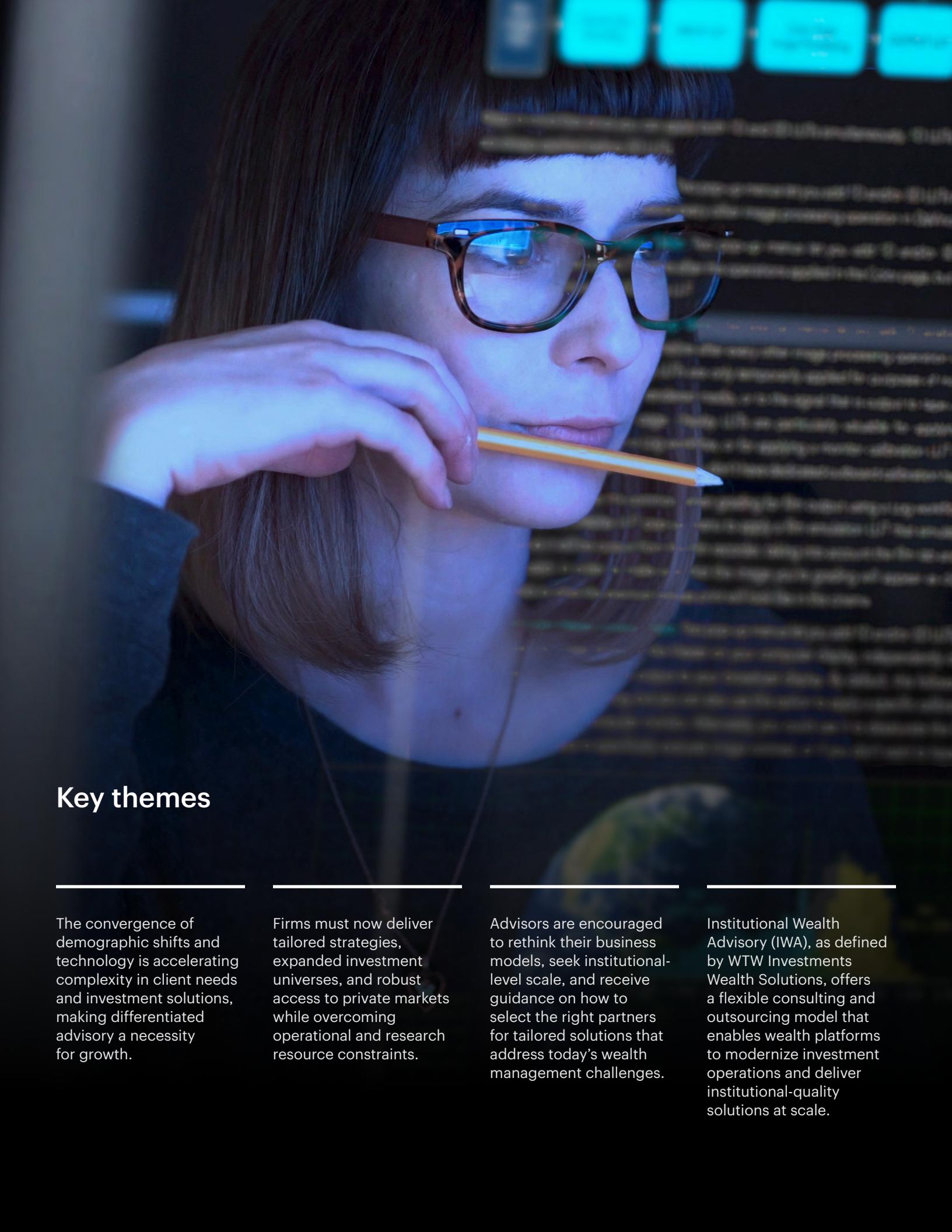
Scaling wealth management: Institutional wealth advisory



Executive summary

Converging industry trends create an unprecedented growth opportunity for wealth managers. However, the increasing complexity is exposing resource and capability gaps that may hinder wealth firms' ability to scale and fully seize the opportunity before them.

This white paper explores how industry trends and client demands are reshaping investment management. Importantly, it offers guidance on how wealth managers can partner to enhance scale, as well as add institutional-quality research and portfolio construction and management capabilities to help improve investor outcomes.



Key themes

The convergence of demographic shifts and technology is accelerating complexity in client needs and investment solutions, making differentiated advisory a necessity for growth.

Firms must now deliver tailored strategies, expanded investment universes, and robust access to private markets while overcoming operational and research resource constraints.

Advisors are encouraged to rethink their business models, seek institutional-level scale, and receive guidance on how to select the right partners for tailored solutions that address today's wealth management challenges.

Institutional Wealth Advisory (IWA), as defined by WTW Investments Wealth Solutions, offers a flexible consulting and outsourcing model that enables wealth platforms to modernize investment operations and deliver institutional-quality solutions at scale.



I. Introduction

Wealth managers are standing at the threshold of an unprecedented growth opportunity, driven by the convergence of key trends — from the great wealth transfer and demand for greater customization to the explosion of innovative technologies and access to alternatives. While these trends present significant opportunities for wealth management and advisory firms, they also expose resource constraints and capability gaps that may hinder their ability to scale.

The U.S. wealth market has remained resilient and now represents approximately \$67 trillion in liquid investable assets¹ — more than any other region globally. Between 2015 and 2024, human-advised relationships grew at a compound annual growth rate (CAGR) of 1.8% — triple the rate of population growth (0.6% CAGR)² — underscoring rising investor engagement driven by increasing wealth and complexity of needs.

Over the next 25 years, \$105 trillion in generational wealth is expected to transfer — primarily from baby boomers to millennial heirs³ — accelerating the demand for tailored investment solutions. As private markets accessibility in the retail space grows, alternative assets within the U.S. wealth channel are projected to reach \$3.0 trillion by 2029 (17% CAGR),⁴ with global alternatives AUM expected to reach \$29.2 trillion over the same period.⁵

However, competition is fierce, and to seize this moment, wealth firms need institutional-level investment acumen, research and tools. This white paper describes the challenges for wealth managers, the complexities of constructing and managing institutional-level portfolios that incorporate alternatives, and the suite of skills and tools — defined as Institutional Wealth Advisory (IWA) — required to enable wealth management and advisory firms to prosper.



II. Challenges of evolving client demands for wealth firms

As wealth firms and advisors prepare for the next generation of investors, they must adapt to shifting priorities.

Greater need for customization

Nearly three in ten wealth management firms expect defining their unique value proposition to remain a pressing need⁶ — namely as investor demographics shift toward younger generations demanding greater portfolio customization. To effectively compete, firms must identify and deliver differentiated investment solutions that produce meaningful outcomes aligned with clients' personal financial goals.

Access to alternatives and diversified sources of income

Following 2022's peak inflation — which pushed stock-bond correlations positive for the first time in decades — investors have increasingly prioritized diversified income sources to provide downside management. At the same time, one-third of U.S. wealth firms see private markets as the top investment opportunity over the next five years, while 40% see it as the greatest opportunity within the next 12 months.⁶ As investors increasingly recognize alternatives as a means of achieving better portfolio resiliency — typically leading to greater long-term wealth accumulation — advisors must expand access not only to private markets, but also to other differentiated return sources beyond traditional equities and bonds.

Expanded investment universe

Over the last three years, the breadth and depth of product choices has emerged as a critical driver of advisor selection — with half of High Net Worth (HNW) and Ultra High Net Worth (UHNW) clients citing product availability as a key factor, up from just one-third in 2022.⁷ This shift underscores the growing expectations of advisors to bring new investment ideas to clients in order to grow their client base. However, meeting this demand often requires deep resources and expertise to identify unique asset managers who offer greater potential for value creation.



Implementation challenges of alternatives

As alternatives adoption grows, advisors face a dual set of challenges: implementing these strategies in a way that manages risk and potential capital loss, while integrating them effectively into portfolios through appropriate position sizing, rebalancing and liquidity management. The higher return potential available within alternatives comes with different types of risk:

- **Operational risk**

Alternatives introduce a host of new challenges for wealth managers such as underlying investment complexity, liquidity risk, valuation and transparency issues, and of course high expenses, which should be mitigated prior to investing capital

- **Due diligence demands significant resources**

Identifying differentiated alternative strategies within a fast-growing opportunity set of 12,000+ investment products requires specialized skill sets to isolate the most compelling investment opportunities with confidence. Doing so also necessitates rigorous research, which can take an experienced team 200+ hours⁸

- **Integrated portfolio solutions are required**

We believe building and managing alternatives exposures within multi-asset portfolios demands a deep understanding of how strategies interact to extract the greatest risk-adjusted returns — therefore, digitally-enabled asset allocation expertise is key to successful portfolio integration

- **Unlocking meaningful exposure at lower entry points**

To satisfy client demand for alternatives, firms must overcome traditional access hurdles — delivering valuable exposure without the high minimums that have historically limited participation



III. Institutional wealth advisory

Institutional Wealth Advisory (IWA) was created to bring wealth platforms a flexible model for accessing a range of institutional wealth consulting services to address these new challenges. From turnkey fund solutions to individual services — such as manager research or asset allocation — to a complete end-to-end solution, this offering from WTW Investments Wealth Solutions enables wealth platforms and managers to provide differentiated solutions and drive more growth over time.

IWA enables wealth firms to:

- Modernize and scale investment, research, and operations with the goal of increasing efficiency, reducing costs and improving client outcomes
- Eliminate distractions so wealth managers can do what they do best:
 - growing their business
 - building relationships with clients
 - and focusing on the core needs of their clients
- Deliver investment management differentiation in an increasingly competitive space

IWA is purposefully designed to integrate seamlessly into a wealth firm's existing ecosystem, delivering tailored investment management solutions that are both rigorous and client-centric. IWA simplifies operations through fit-for-purpose strategies — designed to meet the unique needs of HNW clients while enhancing efficiency across the investment management process.



Research

- **Top tier investment research**
 - Investment due diligence
 - Operational due diligence
 - Curated shortlist of top ideas
- **Custom research projects**
 - Lease access to a research pipeline
- **Capital markets data**

Asset allocation and portfolio solutions

- Holistic support for constructing multi-asset portfolios
- Digitally-enabled tools for portfolio design and construction
- Alternatives and private markets allocation services
- Safeguarding portfolios
 - Risk management and stress testing
- **Cash flow planning**
 - Liquidity analysis
 - Private markets modelling

Fund solutions

- White labels and custom investment solutions
- Multi-asset solutions
- Turnkey alternative fund solutions
 - Diversified credit
 - Real assets
 - Liquid diversifiers
 - Private equity



Research

These services provide access to our global research team of 100+ manager research specialists,⁹ a robust investment due diligence framework, a curated pipeline of high-conviction managers, and a comprehensive research universe covering more than 9,500 global asset managers and over 37,000 products.¹⁰

Importantly, access to our operational due diligence process — designed to identify and mitigate potential concerns early — can give advisors confidence that risks are being thoroughly evaluated. Historically, 10 – 15% of new strategies¹¹ have failed our ODD underwriting process.

Our global platform and scale enable us to access limited manager capacity, achieve meaningful fee efficiencies and manage operational risks effectively, all of which contribute to delivering stronger net results for clients.

From 200+ hours to one breakthrough: How WTW's due diligence engine discovered a hidden gem

Our research team identified a compelling opportunity in Latin America's high-yield debt market, where improving macroeconomic fundamentals and mispriced risks — exacerbated by idiosyncratic volatility and cautious global investor sentiment — created a rich environment for generating alpha. However, accessing this alpha required a skilled local manager. Following extensive due diligence, our global research professionals — led by an analyst based in Guatemala — selected a firm with deep institutional knowledge, experienced regional debt teams, and strong local networks. Since then, this manager has delivered positive results in-line with our expectations for above average market returns.¹²





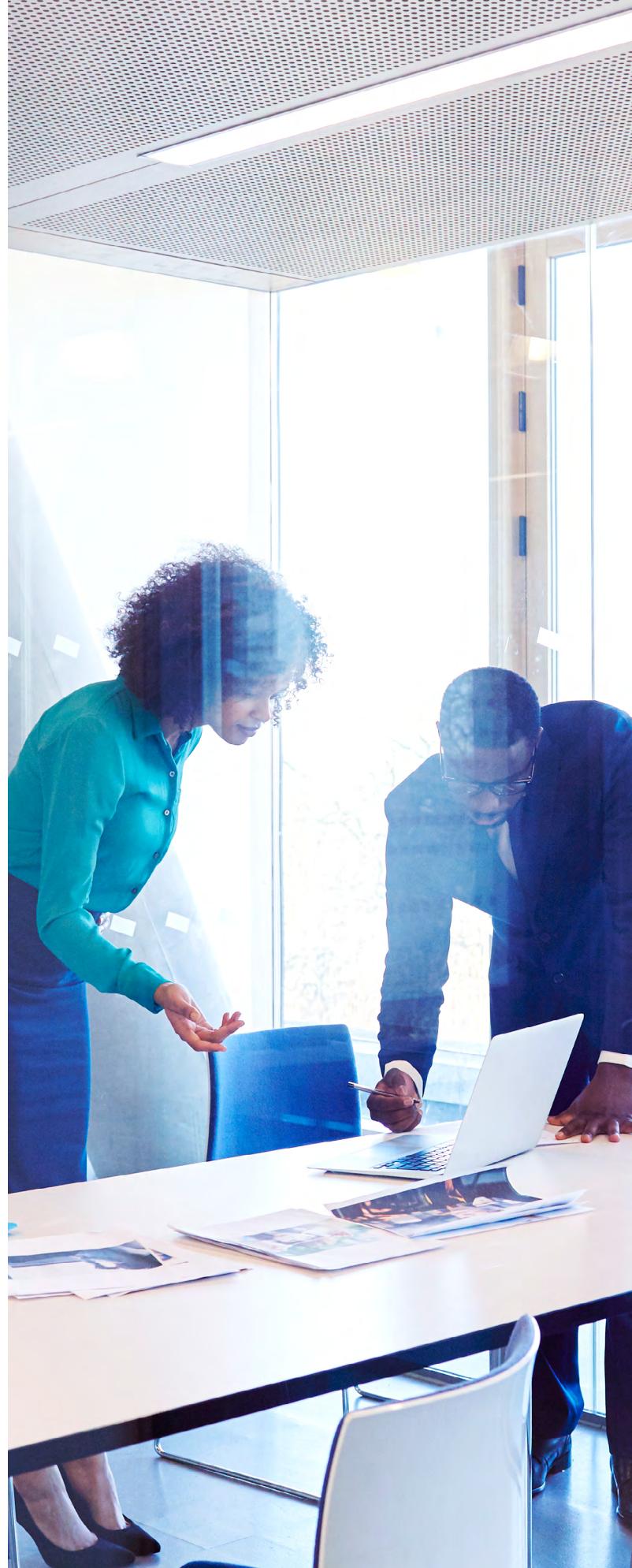
Asset allocation and portfolio solutions

With decades of experience in guiding clients through their asset allocation decisions, we collaboratively work with wealth advisors to evolve client portfolios and capture the broader opportunity set.

Our asset allocation and portfolio solutions services support the integration of alternatives in a manner that aligns with long-term objectives and reinforces investment and fiduciary oversight. Using proprietary portfolio construction technology, we can create bespoke asset class solutions and seamlessly integrate them into multi-asset portfolios.

Evolving investment strategy through partnership: WTW and atomos

Seeking new clients and differentiation, atomos — a \$9 billion wealth management and financial planning services firm — faced barriers of in-house investment capabilities and challenging portfolio performance. To solve for this, atomos partnered with WTW Investments — integrating bespoke, pooled solutions and strategic asset allocation into their ecosystem to enhance their investment proposition. This strategic partnership has contributed to portfolio outperformance and cost savings, enhanced client engagement, and importantly, helped atomos' broader business growth.





Fund solutions

WTW Investments currently manages \$36 billion globally¹³ in our turnkey asset class solutions and has co-created over 300 strategies with asset managers, some of which are exclusively available to our clients. With the breadth of managers and strategies available globally, identifying truly high-conviction managers has become an increasingly difficult task. To help clients navigate this landscape, we have created 16 global fund solutions throughout the years across asset classes,¹⁴ beginning in 2005 with a fund which leveraged our best-ideas approach within a diversified, multi-asset framework.

Whether through off-the-shelf alternative fund solutions — providing turnkey access to private equity, private credit, real assets and hedge funds — or a fully outsourced, multi-asset solution for advisors looking to delegate portfolio construction and manager selection entirely — our collaborative approach to fund solutions supports a range of advisor and client needs. These services combine our research and asset allocation practices to deliver dynamic, customized investment solutions, through vehicle types accessible to retail investors.

Improving investor outcomes through institutional-quality access — Alliance Witan's journey

Recognizing that their single-manager equity mandates carried style biases that increased potential for inconsistent performance, the Board of Alliance Witan¹⁵ initiated a search in 2016 for a new manager to improve investor outcomes. Alliance Witan sought a solution offering a distinct investment approach that could serve as a core holding for individual investors' long-term savings. WTW's approach — which involved selecting top stock pickers and focusing on their highest-conviction ideas, while combining managers in a cost-effective structure — stood out. Appointed in 2017, WTW continues to manage the equity portfolio, adjusting allocations and replacing managers as needed. Importantly, under the current portfolio structure, retail and professional investors have access to institutional-quality investment management, supporting long-term capital growth and rising dividends.





For 40 years, WTW has been a leading institutional investment consultant driving innovation and currently serves many of the largest asset owners in the world. Over that time, our proven process has delivered differentiated outcomes and breakthroughs that matter for our clients. Whether saving for retirement or building long-term wealth — it's the same standard of excellence we've delivered to pensions for decades, now available to personal portfolios.

\$176B

in WTW AUM globally¹⁶

468

Global discretionary clients¹⁶

100+

Researchers¹⁷

230+

Operations
and trading¹⁸

950+

Investment
professionals¹⁸

70+

Portfolio management
professionals¹⁸

300+

New strategies created
with managers¹⁹

\$66B

Private markets assets
under supervision globally²⁰

\$23B

Private markets global AUM²⁰



Choosing the right partner

As advisors seek external support to compete in the expanding wealth space, selecting the right partner is critical. Without thoughtful evaluation, firms risk increased administrative burden, fiduciary challenges, unintended risks and strategic misalignment. We believe key criteria of a successful partner include:

→ Pedigree and track record

→ Resources and capabilities

→ Investment philosophy and innovation model

→ Strategic alignment on future initiatives

We believe the outlook for wealth managers is promising. Rather than focusing on the mechanics of attracting the next generation of investors, advisors should feel empowered in their ability to succeed in this competitive space. IWA offers a flexible model that meets advisors where they are — enhancing investment capabilities to help them evolve. By streamlining investment operations and gaining access to differentiated strategies, advisors can shift their focus to what matters most — growing their business, deepening client relationships and positioning clients for long-term success.

For more information on IWA and WTW Investments Wealth Solutions, please contact:

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Footnotes

1. <https://www.henleyglobal.com/publications/usa-wealth-report-2024>
2. <https://www.mckinsey.com/industries/financial-services/our-insights/the-looming-advisor-shortage-in-us-wealth-management>
3. <https://www.cerulli.com/press-releases/cerulli-anticipates-124-trillion-in-wealth-will-transfer-through-2048>
4. FUSE Forecast, 2025
5. FUSE Alternative Investments Research Update, 2025
6. TAI Global Wealth Study 2025
7. 2025 EY Global Wealth Research Report
8. WTW data as of December 31, 2023
9. WTW Global Research headcount as of December 31, 2024
10. WTW Research Products as of March 31, 2025
11. WTW Operational Due Diligence Data as of March 31, 2025
12. As of November 30, 2025. Past performance is not a reliable indicator of future returns
13. WTW data as of December 31, 2024
14. WTW data as of June 30, 2025. Not all fund solutions are available to U.S. investors
15. Formerly Alliance Trust. Alliance Trust and Witan merged to form Alliance Witan in October 2024; the UK's largest ever investment trust merger
16. WTW Global AUM and client count as of September 30, 2024
17. WTW Research headcount as of December 31, 2024
18. WTW colleague counts as of June 30, 2024
19. WTW Research Products as of December 31, 2023
20. WTW Private Markets AuS/AuM data as of June 30, 2024

About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help you sharpen your strategy, enhance organizational resilience, motivate your workforce and maximize performance. Working shoulder to shoulder with you, we uncover opportunities for sustainable success — and provide perspective that moves you. Learn more at wtwco.com.



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