



# AiteNovarica

MAY 2023

## AITE MATRIX: RIA PORTFOLIO MANAGEMENT AND REPORTING SYSTEMS

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Best-in-Class vendor:



Black Diamond  
WEALTH PLATFORM

## IMPACT REPORT

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## AITE MATRIX: RIA PORTFOLIO MANAGEMENT AND REPORTING SYSTEMS

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## INTRODUCTION

The technology landscape of vendors and clearing/custody firms remains a growing, crowded market of well over 50 firms. In the enterprise space, the market is quite concentrated among established legacy participants. On the other hand, the RIA channel is quite fragmented and growing fast. Established veterans are competing fiercely against newer players that have grown remarkably since inception a few brief years ago.

Aite-Novarica Group's vendor community estimates current RIA market adoption of sophisticated portfolio management and reporting systems at around 40% to 60%. Therefore, out of a total estimated 23,500 RIAs<sup>1</sup> in the market, 9,000 to 14,000 of them use very basic tools. This represents US\$1.2 trillion to US\$1.3 trillion in assets under management (AUM) up for grabs, a substantial market opportunity for vendors.

Key trends within the vendor market for RIA portfolio management and reporting systems, drivers for adoption and challenges, purchasing factors, functionality, and discussion on how technology is evolving to address new market needs and challenges can be found in Aite-Novarica Group's April 2023 report.<sup>2</sup>

This Impact Report compares and contrasts the leading vendors' offerings and strategies, highlighting their primary strengths and challenges. The report recognizes specific vendors for their strengths in critical areas to help financial institutions make more informed decisions as they select new technology partners.

## METHODOLOGY

Leveraging the Aite Matrix, a proprietary Aite-Novarica Group vendor assessment framework, this Impact Report evaluates the overall competitive position of each vendor, focusing on vendor stability, client strength, product features, and client services.

The following criteria were applied to develop a list of vendors for participation:

- Reporting and portfolio management functionality for advisors
- Meaningful share of RIAs operating in the U.S. market

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<sup>1</sup> See Aite-Novarica Group's report [The Small RIA: One Size Does Not Fit All](#), March 2023.

<sup>2</sup> See Aite-Novarica Group's report [RIA Portfolio Management and Reporting Systems: Market Overview](#), April 2023.

Participating vendors were required to complete a detailed product RFI composed of qualitative and quantitative questions, conduct a minimum 60-minute product demo, and provide active client references.

## THE PLAYERS

Figure 1 presents basic vendor information for the participating solutions.

FIGURE 1: EVALUATED VENDORS

Firm	Headquarters	Founded	Target market	Sample clients
<b>Addepar</b>	New York	2009	Single family offices, independent RIAs, BDs multifamily offices, OCIOs, private banks, wirehouses	HSBC, RBC, Morgan Stanley, UBS, Stifel Financial Corporation
<b>Broadridge</b>	Lake Success, New York	2007	Independent RIAs, BDs, self-clearing retail brokers	Equitable, Cetera, Kestra, LPL, Money Concepts
<b>Investnet</b>	Berwyn, Pennsylvania	1999	RIAs, BDs, firms that offer bank and trust services, family offices	Merrill Private Wealth Management, Atria Wealth Solutions, Buckingham Strategic Wealth, LibertyFi, MML Investors Services
<b>InvestCloud</b>	Los Angeles	2010	RIAs, large global wealth and asset management firms	Citi, BNPP, Rathbones, VP Bank, MUFG
<b>Morningstar</b>	Chicago	1984	Financial planning-oriented RIAs (U.S.), holistic investment management (U.K., Canada)	Hixon Zuercher Capital Management, South Bay Financial Partners, JR Prunier Capital Management, Financial Legacy Associates, Brightwater Advisory
<b>Orion Advisor Solutions</b>	Omaha, Nebraska	1999	RIAs, independent BDs	Buckingham Asset Management, Carson, Mariner, Advisors Excel, RFG
<b>SS&amp;C</b>	Windsor, Connecticut	1986	Independent RIAs, independent BDs, family offices	AdvisorNet Wealth Management, Bouvel Investment Partners, Fieldpoint Private, Parallel Financial, RPM Capital Management

Source: Vendors

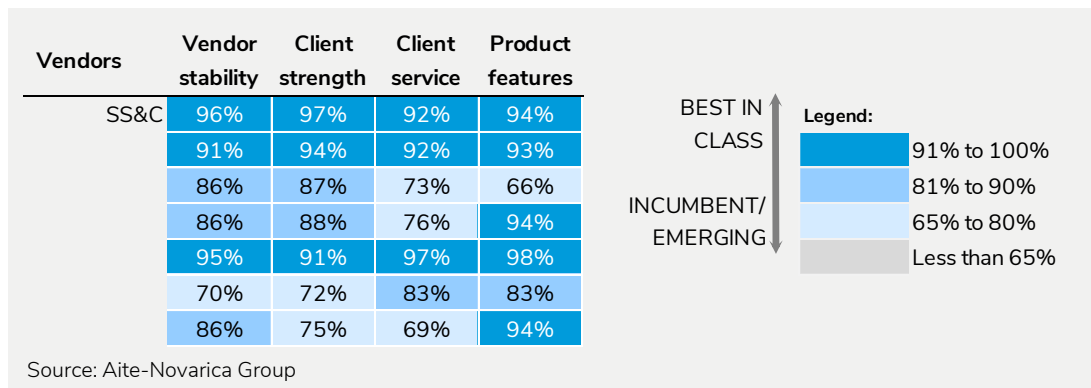
## AITE MATRIX EVALUATION

This section breaks down the individual Aite Matrix components, drawing out the vendors that are strong in each area and how they are differentiated in the market.

### THE AITE MATRIX COMPONENTS ANALYSIS

Figure 2 shows how each vendor scored in the various areas of importance. Each vendor is rated based on data it provided when responding to Aite-Novarica Group’s RFI, product demos, and follow-up discussions as part of the Aite Matrix process. Ratings are also driven by the reference customers of the examined vendors to support a multidimensional rating.

FIGURE 2: MATRIX COMPONENTS ANALYSIS HEAT MAP



### Vendor Stability

The portfolio management and reporting vendor landscape is stable. Its participants are well established, with strong financials, growth rates, and reinvestment in research and development (R&D). All vendors profiled in this report score well in this area, but SS&C led the pack.

### Client Strength

The portfolio management and reporting vendor space for wealth management is noisy, unpredictable, and ultra-competitive. Vendors that lag with their functionality, implementation and integration options, and user experience have their work cut out for them. On the other hand, those that excel in this category are poised to capitalize. SS&C is among the vendors that scored the highest in this category.

### Client Service

Vendors that score well in this category deliver on promises and provide high levels of service and positive cost value. SS&C is one of the firms in the Matrix that excels in this category.

### Product Features

This category considers client feedback regarding the robustness and breadth of the functionality within each vendor's core banking offerings. It also measures important factors such as the ease of upgrades and support for customizations.

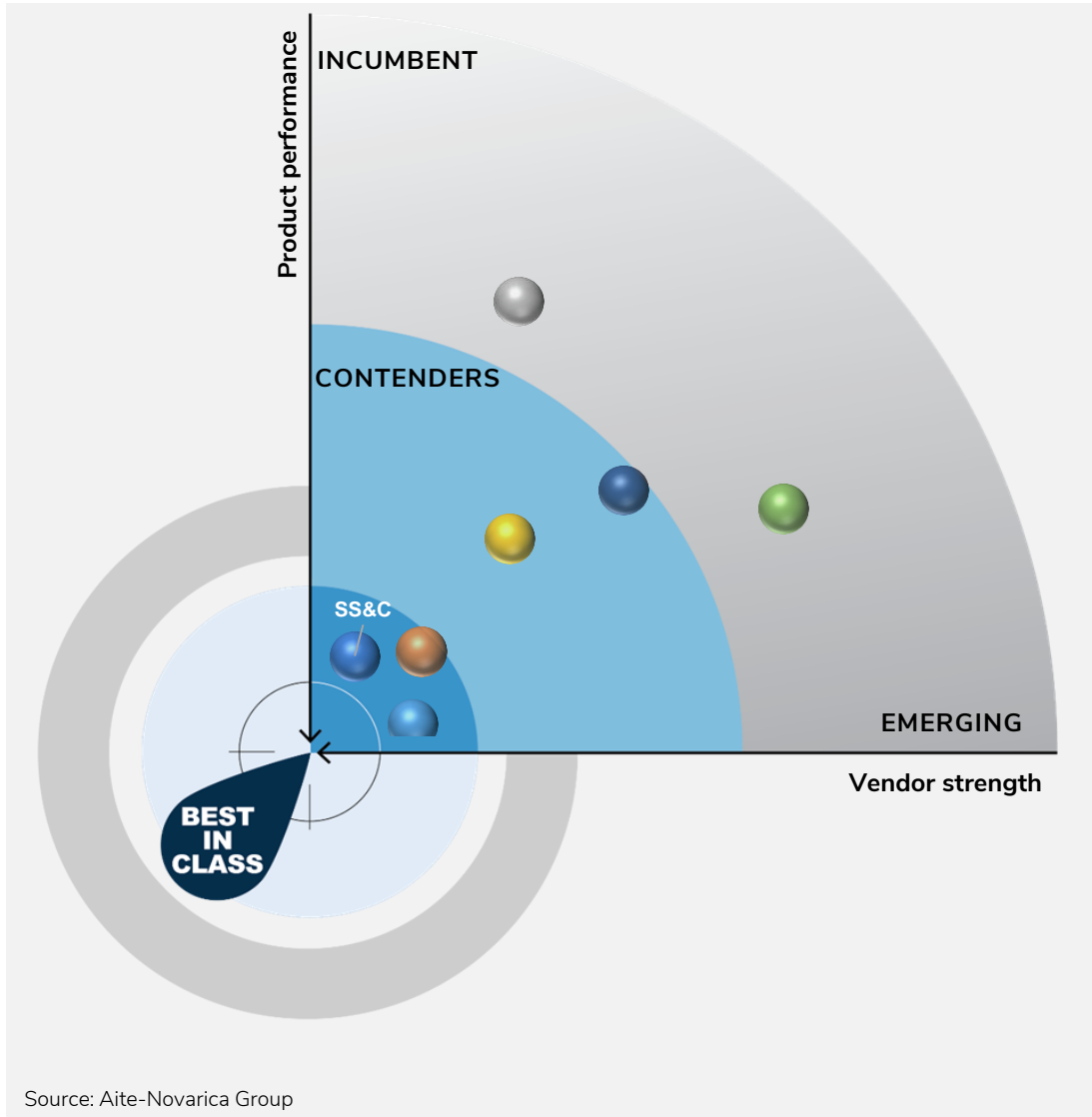
## AITE MATRIX RECOGNITION

The final results of the Aite Matrix recognition are driven by three major factors:

- Vendor-provided information based on Aite-Novarica Group's detailed Aite Matrix RFI document
- Participating vendors' client reference feedback or feedback sourced independently by Aite-Novarica Group
- Analysis based on market knowledge and product demos provided by participating vendors

Figure 3 represents the final Aite Matrix evaluation, highlighting the leading vendors in the market. The results speak for themselves. SS&C is positioned toward the inner circle, emerging as one of the leaders.

FIGURE 3: AITE MATRIX FOR PORTFOLIO MANAGEMENT AND REPORTING PROVIDERS



Source: Aite-Novarica Group

### Best-in-Class Vendor: SS&C Black Diamond

This award recognizes a vendor’s experience in the portfolio management and developing market, including total client base, overall client growth, and recent successes.

SS&C took the top spot in Aite-Novarica Group’s vendor strength category and tied with another vendor in the product strength category. Today, over US\$2.2 trillion in assets, managed by roughly 2,000 wealth managers, are administered by Black Diamond. The company’s full technology offering across securities accounting, front- and back-office

operations, performance and risk analytics, regulatory reporting, and healthcare information services is highly rated by the clients Aite-Novarica Group interviewed during the client reference process. Over the past few years, the company has entered into select merger and acquisition (M&A) deals and technology partnerships to strategically develop a broad platform that includes capabilities beyond reporting (e.g., CRM, financial planning, rebalancing). The investments are bearing fruit. Today, Black Diamond offers a wide range of independent advisors, wealth managers, independent broker-dealers, and RIA aggregators a first-class portfolio management, reporting, client communications, billing, and trading rebalancing platform through its web-based application. Additionally, Black Diamond provides top-tier outsourced daily reconciliation and data management services for the advisor back office.

## BEST IN CLASS: SS&C

SS&C is a large publicly traded (NASDAQ: SSNC) financial services technology provider with a market capitalization of US\$13.1 billion as of year-end 2022. It is one of the largest hedge fund and private equity administrators and mutual fund transfer agents. The Windsor, Connecticut-based company has a full technology offering across securities accounting, front- and back-office operations, performance and risk analytics, regulatory reporting, and healthcare information services. Founded in 1986, the company has over 24,000 employees, with over 400 dedicated to the Black Diamond Wealth Platform, and operates in 40 countries globally. Its revenue in 2022 was US\$5.3 billion, a 4.6% increase year over year.

Today, over US\$2.2 trillion in assets, managed by roughly 2,000 wealth managers, are administered by Black Diamond. Firms that use Black Diamond Wealth Platform include Klaas Financial, Fieldpoint Private Bank and Trust, Avior Wealth Management, Triad Hybrid Solutions, and Portfolio Solutions.

SS&C has a notable history of acquisitions in financial services, especially in the institutional capital markets. In 2015, the company acquired Advent Software for US\$2.7 billion (announced the same day as the Fidelity/eMoney acquisition). In the Advent transaction, SS&C also acquired the Black Diamond Wealth Platform, which had been purchased by Advent in 2011 for US\$73 million.

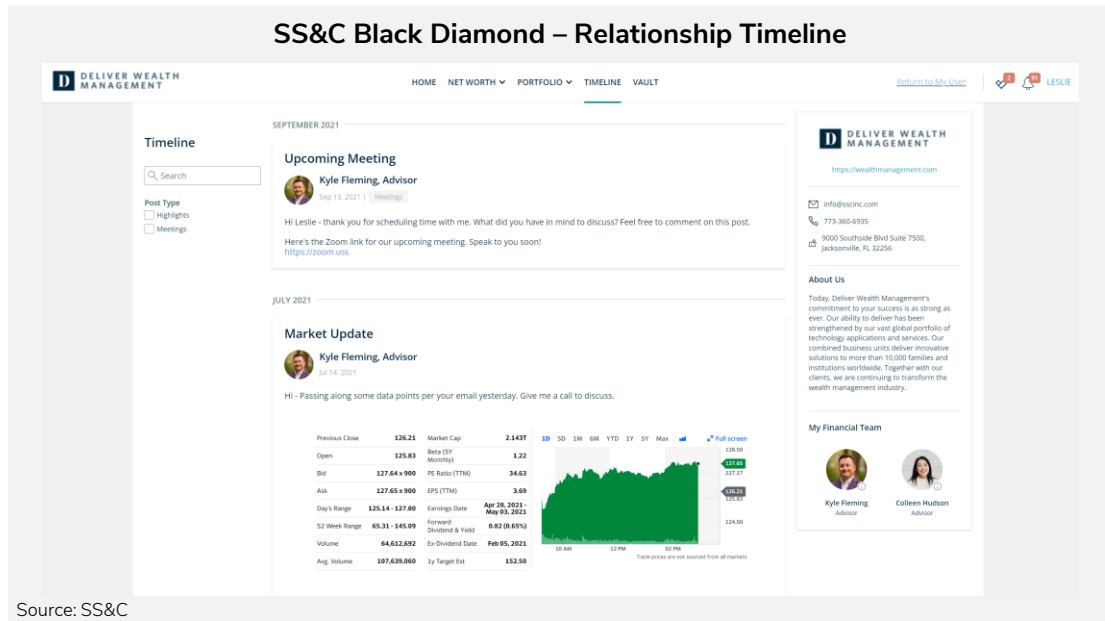
Over the past few years, the company has entered into select M&A deals and technology partnerships to strategically develop a broad platform that includes capabilities beyond reporting (e.g., CRM, financial planning, rebalancing). Following are a few notable deals:

- **August 2022:** SS&C announced its acquisition of the sell-side Tier1 CRM business and related assets from Tier1 Financial Solutions. Tier1 CRM is a leading provider of sell-side CRM solutions targeting capital markets and investment banks.
- **May 2020:** SS&C acquired Innovest Systems, a leading provider of web-based technology systems for trust accounting, payments, and unique asset servicing.
- **January 2018:** SS&C acquired Alps Advisors, an open architecture boutique investment manager focused on investments in clean energy and energy infrastructure, with US\$16.6 billion in AUM. Firm AUM as of year-end 2022 was US\$19.0 billion.

The firm also entered into technology partnerships with RightCapital, DPL, and Morningstar. SS&C will likely make further deals over the next 12 to 18 months.

- **April 2022:** SS&C began integrating Sustainalytics' ESG data into SS&C Advent platforms to power portfolio management and analytics workflows for its global client base. Morningstar Sustainalytics is a leading global ESG research, ratings, and data provider. This partnership makes sustainable investing analytics available to SS&C's clients. This partnership allows SS&C to deliver turnkey access to powerful, comprehensive ESG analytics and reporting.
- **August 2021:** DPL Financial Partners, a leading turnkey insurance platform for RIAs and SS&C, launched the SS&C Advent Insurance Marketplace. This insurance solution for RIAs enables advisors to access and manage a wide range of fee-only products directly through the Black Diamond Wealth Platform and DPL's proprietary Product Discovery Tools.
- **October 2019:** RightCapital, a leading financial planning tool that enables advisors to create comprehensive financial plans, entered into a technology integration with Black Diamond Wealth. The collaboration positions RightCapital as SS&C's strategic platform partner for financial planning. The integration allows advisors to seamlessly use both systems to generate comprehensive financial plans for clients via a user-friendly interface. Advisors can also memorialize key planning milestones from RightCapital's system to Black Diamond's unique Relationship Timeline feature (Figure 4).

FIGURE 4: RELATIONSHIP TIMELINE



## Aite-Novarica Group's Take

Aite-Novarica Group observes that Black Diamond's intuitive dashboards, robust functionality, smart integrations, and top-tier service deliver a sleek, sophisticated client experience.

Its top five differentiators are as follows:

- Dedicated service model provides clients with a personal representative
- Intuitive, thoughtful design; increases adoption rates while decreasing implementation and training times
- One of the most expansive data networks in the industry
- Relationship-based pricing
- Seamless handoffs from sales to implementation to service

The company has a well-established and highly competitive value proposition among advisor technology providers. Today, Black Diamond offers a wide range of independent advisors, wealth managers, independent broker-dealers, and RIA aggregators a portfolio management, reporting, client communications, billing, and trading rebalancing platform

through its web-based application. Black Diamond also provides outsourced daily reconciliation and data management services for the advisor back office. The SS&C ecosystem is illustrated in Figure 5.

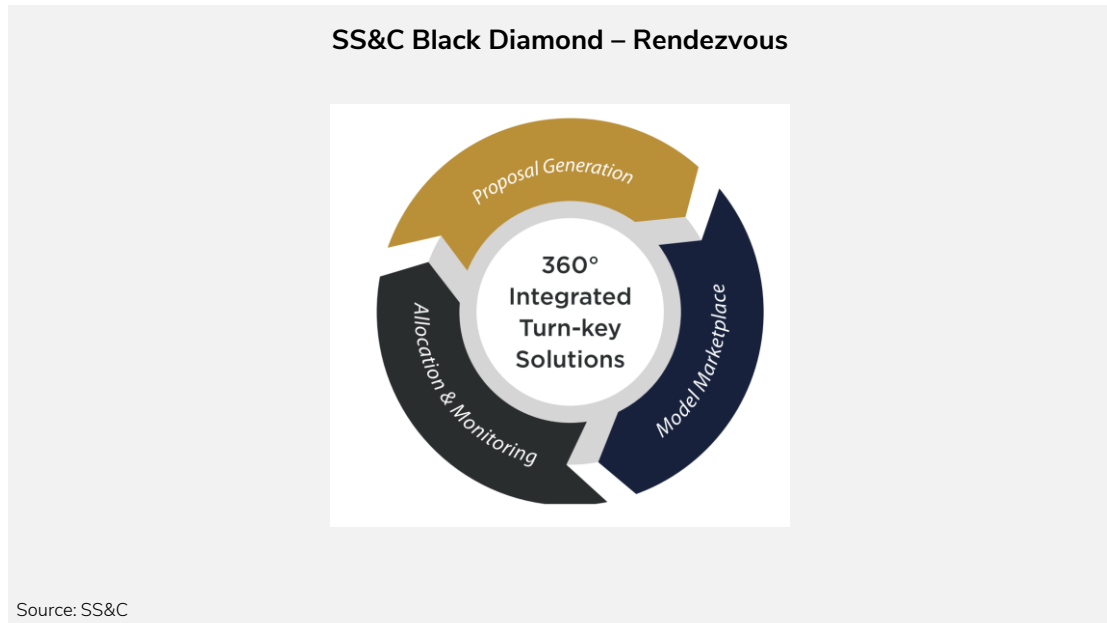
FIGURE 5: CONNECTING THE SS&C ECOSYSTEM



In December 2022, SS&C launched Rendezvous, a Black Diamond-integrated turn-key solution for advisors. Rendezvous is the first integration native to the Black Diamond Wealth Platform. It delivers streamlined access to proprietary proposal generation, data analytics, and an open architecture model marketplace. Rendezvous allows advisors to leverage their own investment ideas alongside SS&C’s investment capacity and Black Diamond’s rebalancing functionality.

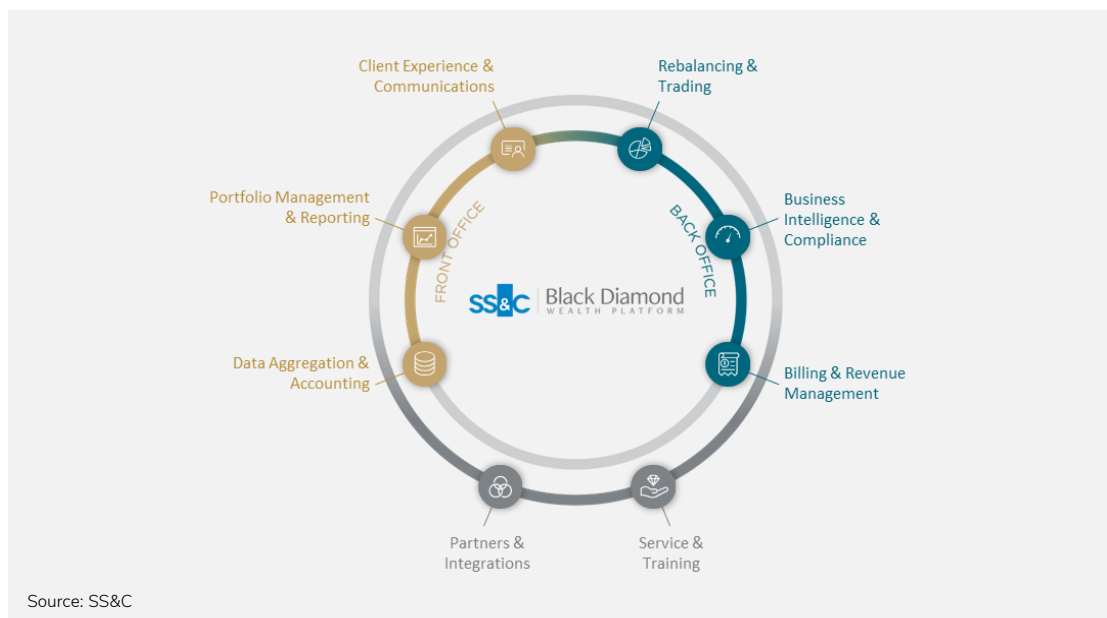
Key features of Rendezvous include access to AI-driven client risk questionnaires, goal-based model recommendations, automated allocation, and rebalancing workflows (Figure 6).

FIGURE 6: SS&C RENDEVOUZ



Rendezvous is part of SS&C's “Partners & Integrations” section (Figure 7). It will be a fully integrated marketplace and proposal generation tool that is part of the Black Diamond user experience and seamlessly integrates with the rebalancer toolset.

FIGURE 7: SS&C BLACK DIAMOND WEALTH PLATFORM



### Basic Firm and Product Information

- **Headquarters:** Windsor, Connecticut
- **Founded in:** 2003
- **Number of employees:** 24,000; 400 dedicated to Black Diamond
- **Ownership:** SS&C is publicly traded (NASDAQ: SSNC).
- **Key financial information:** SS&C's revenue in 2022 was US\$5.283 billion. Black Diamond's revenue was over US\$550 million.
- **Key products and services:** The Black Diamond Wealth Platform comes with back-office tools, as follows: rebalancing and trading, business intelligence and compliance, and billing and revenue management. The front office has client experience and communications, portfolio management and reporting, and data aggregation and accounting.
- **Target customer base:** Mainly RIAs, insurance-owned broker-dealers, employee broker-dealers, and large RIA-aggregators
- **Number of enterprise clients:** Advent (a division of SS&C) has 4,000 clients in over 50 countries.
- **Average net new clients per year:** Just over 300 new clients per year for the past three years
- **Global footprint:** Almost exclusively domestic (U.S.)
- **Implementation options:** Platform is delivered exclusively as SaaS via a web browser through a private cloud offering. Servers and storage sit in an SS&C-owned Tier-3 data center.
- **Pricing structure:** This is a subscription-based service model. Black Diamond can support either AUM-based pricing or account volume-based pricing. The pricing is customized per client to support the unique needs of the relationship. It considers elements such as accounts, custodians, types of assets, allocation to alternative assets, and whether their clients hold concentrated positions or other unsupervised assets. All items are included in the subscription base model. However, some functionality can be eliminated if a firm does not need or want it. Aite-Novarica

Group estimates that pricing runs from around 15 bps for enterprises to 85 bps for small RIAs, depending on the scope of the contract and total AUM.

- **Integration Partners:** Black Diamond offers over 55 integrations, covering compliance, CRM, custodians, financial planning, portfolio analytics, trading and rebalancing, and more, in its network.

### Key Features and Functionality Based on Product Demo

Black Diamond representatives provided Aite-Novarica Group with insight into how Black Diamond offers its functionality, as follows:

- **Portfolio management and reporting:**
  - Drag-and-drop report builder and access to prebuilt templates
  - Branded PDF reports with the ability to add market commentary
  - Holistic client management, including portfolio maintenance, report sharing, and communications
- **Business intelligence and data mining:**
  - The business intelligence dashboard displays enterprisewide market value, management fees, relationships, and net flows.
  - Users can build, run/schedule, and save data reports to support operational, compliance, and client management needs.
- **Data consolidation/aggregation:**
  - Direct feeds with major custodians and institutions
  - Access to the Advent Custodial Data Network, featuring over 800 custodians
  - Third-party aggregation through ByAllAccounts and Quovo
  - Automatic alternative investments data through SS&C GlobeOp's TNR accounting platform
  - Supports the addition of manual accounts
- **Rebalancer:**
  - Tightly integrated proprietary application
  - Portfolio drift notifications
  - Model-building capabilities for client portfolios
  - Tax-efficient rebalancing

- Tax-specific rule customization
- Integrated workflows and notifications
- Straight-through trade processing via FIX
- **Client portal:**
  - Desktop, mobile, and tablet friendly
  - Curated real-time watch list, top holdings, external resource links, and more
  - Balance sheet and net-worth reporting
  - Alerts from advisor (e.g., portfolio was rebalanced)
  - Expandable portfolio view cards (e.g., performance) that can be filtered by account
  - Secure document vault organized by file folder (e.g., reports, statements)

### Top Three Strategic Product Initiatives Over the Last Three Years

- Rebalancing
- Data aggregation
- Full platform upgrade, including the client portal

### Top Three Strategic Product Initiatives for the Next 12 to 18 Months

- Digital client onboarding
- Enhanced rebalancing/trading and financial planning capabilities
- Subscription-based model marketplace for broker-dealer users

### Client Feedback

Three clients provided feedback for SS&C. These clients value and are impressed by its reporting, data accuracy, interface, and mobile application. Black Diamond is also very impressed with SS&C's management team—always engaged, organized, and available.

On a scale of 1 to 5, with 1 meaning “very dissatisfied” and 5 meaning “very satisfied,” SS&C scored an impressive 4.2. The vendor clearly has contented customers that appreciate and recognize SS&C's key strengths (Table A).

TABLE A: SS&C CLIENT REFERENCE CHECKLIST

CLIENT REFERENCE CHECKS	AVERAGE SCORE (BASE: 3)
User interface	4.7
Support for customization	4.0
Ease of implementation/integration	4.3
Ease of upgrades	4.0
Responsiveness to suggested product changes	3.7
Features and functionality	4.3
Average	4.2

Source: SS&C client feedback, Aite-Novarica Group

Table B displays the vendor’s strengths and weaknesses.

TABLE B: KEY STRENGTHS AND CHALLENGES, SS&C

STRENGTHS	CHALLENGES
Support and service	Transparency in service tickets (status updates)
User interface	Responsiveness to custom client suggestions
Access to the senior management team	
End-client experience	
Customization capabilities	

STRENGTHS	CHALLENGES
Custodial interfaces	
Development staff	
Client portal	

Source: SS&C client feedback

## CONCLUSION

### Buyers:

- Since RIAs and independent advisors have become the primary distribution channel for much of the financial advice Americans receive, they need to report holistically or as close to it as possible. However, firms committed to providing a holistic view and becoming the primary advisor must seek solutions from vendors to generate consolidated reports that include alternative investments, insurance, and credit products.
- Aite-Novarica Group has seen significant advances in proposal generation among several vendors and expects this to become a central reporting capability as advisors demonstrate their value proposition to clients. This is especially important as advisory models continue to embrace financial planning and holistic client financial management.
- Virtually any angle a financial advisor can exploit in a fiduciary manner to capitalize on the largest transfer of wealth currently underway should be nurtured and supported. This new generation prioritizes the use of technology, and their client reporting absolutely needs to reflect that. While enhanced analytics and performance measurement are widely available, firms have a unique opportunity to improve client engagement by making reports more meaningful for their end investors. Firms should exploit this window to take advantage of technological advances to provide more context to client reports, for example, natural language technology that can digest and analyze data and produce a narrative that brings the data to life.
- The value a financial advisor brings to the table needs to be clear and transparent—even to the most cynical private client. Accountability has come to the forefront. Wealth practices need to embrace and practice their fiduciary duty to balance personal values, financial outcomes, and legacy planning for their clients. One of the best ways to demonstrate this accountability is through client reporting because it can inform advice and execution, present options, and, ultimately, demonstrate value and accountability.
- Firms without client reporting outputs that are customizable and interactive, wherein clients can view holdings, transactions, and performance on an intraday basis in real

- time and accessible through any device, are operating at a clear disadvantage today. New features and functionality, such as customizable and interactive outputs, integration of wealth planning to mobile devices and tablets, and sustainable investment impact reporting, will proliferate. This presents a unique opportunity for firms to build loyalty and brand recognition and provide clients with a more consistent experience. It's certainly not too late for firms that are not there yet to catch up. In fact, fear of adoption will cost them—both in dollars and credibility.
- The due diligence list and selection process is long, but Aite-Novarica Group recommends that buyers ask a handful of questions at the outset. Ask and verify how vendors' solutions will communicate data between components of the data stack. Ask about future platform integration plans, the CRM, the client portal, the product development pipeline, enhancements, staffing, and client references. On the pricing side, Aite-Novarica Group expects continued competition on price as platform providers fight for market share and RIAs scale their services across mass-affluent and HNW investors. RIAs that guarantee a minimum asset amount on the platform can negotiate further. Vendors are employing multiple pricing models to accommodate clients and embrace enterprise contracts.

## ABOUT AITE-NOVARICA GROUP

Aite-Novarica Group is an advisory firm providing mission-critical insights on technology, regulations, strategy, and operations to hundreds of banks, insurers, payments providers, and investment firms—as well as the technology and service providers that support them. Comprising former senior technology, strategy, and operations executives as well as experienced researchers and consultants, our experts provide actionable advice to our client base, leveraging deep insights developed via our extensive network of clients and other industry contacts.

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