

U.S. Managed Accounts 2025

Prioritizing Tax Optimization

OVERVIEW & METHODOLOGY

The Cerulli Report—U.S. Managed Accounts 2025: Prioritizing Tax Optimization is the result of ongoing research and analysis of the managed account marketplace by Cerulli Associates. Cerulli Associates has tracked the fee-based managed account marketplace for over 20 years. It tracks the size of the market for managed account products, the marketshare of product providers and distributors, the growth in assets, and the fees for managed account programs and asset management products. The first chapter of the report covers managed accounts sponsors' pursuit of automated tax optimization and account aggregation at a household level, detailing the necessary steps to get there and remain competitive in the marketplace.

USE THIS REPORT TO

- Review eight core services to consider when building a long-term tax optimization strategy and developing a unified managed household (UMH)
- Analyze the results of the managed accounts industry as it grew 19.8% in 2024, closing the year with \$13.7 trillion in assets
- Learn about the increased demand for customization in conjunction with the popularity of direct indexing and tax-optimized solutions, which has bolstered the separately managed accounts vehicle in recent years

QUESTIONS ANSWERED

- How can wealth management firms implement tax optimization across the entire household and build toward a unified managed household (UMH)?
- What are the major obstacles facing sponsors engaging in platform consolidation?
- Which areas of the managed account market offer the most opportunity for asset managers?
- What products are gaining marketshare in managed accounts and how are they being implemented?
- How are firms implementing account customization?
- What managed account program types have exhibited the strongest growth and which are poised for future growth? Who are the leaders in each space?

PRODUCT DETAILS

Included with Purchase

- Digital report in PDF format
- Unlimited online firm-wide access
- Exhibits in Excel
- Key findings
- Analyst support
- Interactive Report Dashboards

Interactive Report Dashboards

Interact and explore select report data with Cerulli's visualization tool.

Market Sizing: Assets, Accounts, Flows, and Projections: A detailed view of the total managed account industry with data on assets, flows, and accounts. Examine managed account assets by program type, channel, packaging, and discretion, and review the change over time. Create customized industry projections with user inputs for market growth and flow as a percentage.

Sponsor Leaderboards: Discover the top sponsors by assets among managed account program types, channel, discretion, and packaging. Moreover, explore a leaderboard of the top sponsors and how their assets are distributed across program types.

Programs by Asset Class and Investment Vehicle: A comprehensive view of the asset classes and investment vehicles that make up the various managed account program types.

Separate Account Asset Managers: Asset Sizing and Leaderboards: Understand the separate account asset manager landscape with data on industry assets and leaderboards for the top separate account asset managers by total assets, asset type, and asset category/objective.

Taxation On Top

Over the last decade, Cerulli has been asking managed account sponsors about the top development priorities for their platforms in the coming year. In every year since 2022, “Providing better portfolio construction support for advisors” has been the most frequently cited initiative, until “Improving tax management capabilities” was added in 2025, and drew responses from 82% of respondents, by far the highest level of consensus ever on this question.

Managing Director of Advisory Programs at a major national B/D:
“One thing we do very well is educate, and the conversations that we’re having with advisors are that tax optimization is table stakes. Everyone in the industry is doing it. And based upon our clients, surveys and external surveys, clients are expecting if you’re talking about wealth management that you’re incorporating taxes into that conversation.”

With consumer and advisor expectations continually being lifted by their experiences with other industries, platform sponsors have been forced to recognize that the status quo with regard to tax consideration on their platforms is no longer acceptable. Platform providers have long preferred the disclosure that they do not provide tax advice, while at the same time implying that their complicated strategies will reduce clients’ taxes, that is, only if the clients’ tax professionals fully understand and include all facets of the wealth manager’s strategy. Unfortunately, communication between wealth managers and clients’ tax professionals is neither required nor easily facilitated, often resulting in clients not even receiving the full benefit of the actions taken on their behalf.

Firms with a focus on higher-net-worth clients are more likely to fully implement tax planning and preparation into their practices, but this approach remains fairly limited, with wealth managers frequently deterred by what they perceive as a high carrying cost of staff needed to address the peak demand of the first quarter tax filing season. Wealth managers truly committed to a comprehensive financial planning approach should reconsider their approach to tax advice and planning to maximize their value to clients moving forward. In 2024, Cerulli’s Affluent Invest Tracker survey found that 76% of respondents agreed that it was important for their provider to make their finances less complicated. Pairing financial planning with sophisticated tax advice meets this criterion for clients, regardless of wealth managers’ preferred strategy. Providers that opt out of this service extension risk substantial declines in their value relative to more responsive peers.

Related Research: Retail Investor Solutions 2025

Exhibit 1.01
Platform Sponsors: Platform Development Priorities, 2023 vs. 2025

When added to the survey, focus on tax management dominates.

Source: Cerulli Associates | **Analyst Note:** Sponsors were asked, “What are the top-three priorities for your managed account business in 2025?”

Platform Development Priorities	2023	2025
Improving tax management capabilities (e.g., transition, loss harvesting)	N/A	82%
Providing better portfolio construction support for advisors	52%	43%
Expanding the use of third-party asset allocation strategists/model providers	31%	32%
Working toward a unified managed household (UMH)	28%	29%
Increasing the use of home-office discretionary managed account products	45%	29%
Platform consolidation	31%	21%
Simplifying fees across managed account platforms	21%	21%
Reducing the expense of managed account products and/or platforms	28%	14%
Other - Adding alternatives/privates (2025 responses)	21%	14%
Responding to compliance and regulatory issues	24%	11%
Rationalizing the number of products and asset manager relationships	17%	4%

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