

## Why We Invested in Altruist – Increasing Access to Financial Advice



Adams Street is proud to announce that we invested in the \$112 million Series D of Altruist, a vertically integrated, digital investment and custodial platform for independent financial advisors.

### Large, Growing, Underserved Market

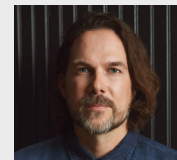
In the US, 40,395 registered investment advisors (RIAs) manage \$97.8 trillion in assets.<sup>1</sup> The market is growing rapidly, with assets under management (AUM) increasing 19.5%, revenue advancing 23.3%, and the number of clients seeking professional advice climbing 6.2% year-over-year in 2021.<sup>2</sup>

Historically, RIAs with lower AUM have lacked access to affordable, reliable technology. Large players such as Charles Schwab and Fidelity dominate the RIA software stack with their custody platforms. However, high account minimums and fees, combined with poor customer service and competition with RIAs on their consumer assets, mean large incumbents have often failed to adequately cater to the smaller AUM end of the RIA market.

Beyond custody services, advisors need additional functionality to manage client assets and grow their businesses. This has historically resulted in advisors stitching together various point solutions from asset management, practice management, and marketing/CRM software providers. This means advisors often find themselves burdened with managing an inefficient technology stack and passing the cost of expensive software tools on to clients.



## Altruist



**Jason Wenk**  
CEO, Founder  
Altruist

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**Headquarters**  
California



Additionally, it has become imperative that advisors offer tech-enabled experiences to engage and market to younger clients, who are expected to collectively inherit \$30 trillion over the next few decades. Digitally native Millennials and Gen Z'ers are accustomed to easy-to-use platforms such as Robinhood. However, the traditional advisor tool stack requires manual, time-consuming, paper-based procedures for account opening, funding, trading, reporting and billing.

Because of these challenges, RIAs are turning to new solutions, such as Altruist, to simplify and improve their tech stack, as well as provide an all-around better customer experience to clients.

## **Novel Technology Empowering RIAs of All Sizes**

Altruist's intuitive, fully integrated platform equips financial advisors with best-in-class tools to run their businesses at industry-leading costs. The platform helps advisors scale faster, removes manual paper-based workflows, and delivers a better digitally native experience for clients.

Digitally opening and funding accounts takes minutes, reporting is simple, and flexible fee billing accommodates different business models. These efficiencies empower RIAs to focus on what truly matters to them – delivering tailored advice that builds their clients' wealth. And by doing away with account minimums, Altruist allows financial advisors to serve anyone, regardless of their wealth level.

Further deepening its technological advantage, Altruist recently received regulatory approval to self-clear assets and launched this capability. This was no small feat. Self-clearing requires a high-scale, high-performance, and high-security technology platform that integrates with other financial institutions and regulators. It must also manage millions of accounts, dozens of account and security types, and millions of transactions per day.

This major milestone accelerates the speed with which Altruist can bring industry-leading features to customers. As a fully digital, vertically integrated custodian built exclusively for RIAs, we believe Altruist is positioned to become the platform of choice for this market.

## **Strong Leadership**

Reshaping the RIA market to equip advisors with the proper toolset that allows them to efficiently run their businesses through automated processes requires deep structural change. Building a sophisticated custodial and clearing platform like Altruist is a challenge that requires years of dedicated technical and industry expertise.

As such, operating effectively in this market requires deep domain knowledge and strong customer empathy. Altruist Founder Jason Wenk has been in wealth management for more than two decades and started two other businesses in the space. Jason even built his own RIA from the ground up, allowing him to experience firsthand the challenges of scaling a business and serving clients with inferior tools.

Having tracked the company's progress for several years, Adams Street developed deep conviction in Altruist's future after meeting the incredible senior team, including Jason and those he has brought on to lead the next phase of growth.

Adams Street is excited to partner with Altruist as it continues its mission to make independent financial advice better, more affordable, and more accessible. Congratulations to the Altruist team on the many major milestones achieved this quarter, including the launch of Altruist Clearing, the acquisition of SSG, and the Series D fundraiser. ■

1. Source: [RIA Channel](#).
2. Source: Charles Schwab [2022 RIA Benchmarking Study](#), July 2022.

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