$8 Trillion and Climbing: The Model Portfolio Moment

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Key Takeaways

- As of April 2025, third-party model portfolios hit a record $7.96 trillion in AUM, reflecting a dramatic advisor shift toward scalable efficiency and deeper client engagement.
- Despite early resistance, more than 80% of fee-based advisors now use models, with investors showing overwhelming support for the curated strategies they provide.
- WisdomTree's flexible solutions equip advisors to leverage experienced investment management insight while retaining control and enhancing client value.

As of April 2025, third-party model portfolio assets under management (AUM) reached a record $7.96 trillion.1 If you'd asked me five years ago whether we'd hit that number this quickly, even as optimistic as I was, I would have been surprised on the upside.

That perspective comes from my time at an NYC-based RIA. We prided ourselves on doing everything in-house. As stock pickers, we viewed outsourcing not as an opportunity, but as a threat to our value. So, I understand why many advisors hesitate to move from managing investments entirely in-house to leveraging third-party models.

But today, more than 80% of fee-based advisors are using models not because they're less capable, but because they're focusing on what truly matters to clients.2

The Why behind the $8 Trillion

Model portfolios are helping advisors rethink where their time is best spent. The benefits are well documented, but here are the three I hear most from advisors I work with:

- **Efficiency That Scales:** Models streamline research, trading and rebalancing—freeing up capacity to grow your business without expanding your team.
- **Potential Compliance Support:** A more-consistent, documented process can help support fiduciary responsibilities in an evolving regulatory landscape.
- **Focus on What Matters Most:** By sharing portfolio management, advisors can spend more time delivering the personalized planning that clients truly value.

What Investors Actually Think about Models

If you're hesitant to adopt models out of fear that it might diminish your perceived value—consider this from WisdomTree's Model Portfolio Research Study:3

- 90% of investors *welcome* third-party models in their portfolio
- 70% believe those models will *improve* performance
- And most striking of all—75% fewer investors would consider leaving an advisor who uses and promotes models compared to one who doesn't

In other words, this isn't about giving up control. It's about delivering thoughtful investment strategies while still being the trusted guide your clients rely on.

WisdomTree's Portfolio Solutions

At WisdomTree, we offer flexible solutions that let advisors leverage WisdomTree insight in a way that aligns with their desired level of involvement.

CIO-Managed Portfolios

WisdomTree's CIO-Managed Portfolios blend active insights with passive discipline to support a range of client goals—from growth to income to wealth preservation. Built on an open-architecture framework, they include building block sleeves and multi-asset portfolios aligned with our Model Portfolio Investment Committee's views. While primarily strategic, these portfolios are tactically adjusted throughout the year to reflect evolving market conditions across equities, fixed income and currencies.

Shared CIO: Custom Collaboration

For advisors who want to stay involved in portfolio design, Shared CIO offers a partnership with our investment team to build custom models—without strategist fees. Portfolios can be personalized by strategy, manager or trading frequency and implemented using ETFs within a flexible, scalable framework. Advisors also benefit from operational support and access to client-ready marketing resources.

No-Cost Trading with Quorus

Through our recently announced strategic relationship with Quorus, advisors using WisdomTree custom models can access no-cost trading and rebalancing—helping reduce friction while maintaining personalization and efficiency.

Rolling Out Models: Start Smart

Rolling out models doesn't have to be an "all-in" decision from day one. I often recommend starting with client segments that are most open to change—what we call Open Olivers and Backseat Barbaras. These are clients who either welcome innovation or prefer the advisor to take the lead entirely.

Consider beginning with IRAs or other tax-deferred accounts, where transitioning portfolios won't create tax friction. And when you're ready, leverage the tested messaging we've created from our *Client Talking Points* resource—designed to help advisors communicate the value of model portfolios clearly and confidently:

- *"This model integrates the insights of a full-time investment team and is still tailored to your unique goals."*
- *"Think of me as your financial MD—I'm bringing in specialists to enhance your overall financial health."*

It's not about abdicating responsibility—it's about scaling your value.

Conclusion: From $8 Trillion to $13 Trillionand Beyond

This $8 trillion milestone is more than just a headline; it reflects a broader shift in how advisors operate.

Having lived both sides of this—first as a stock picker at an RIA, now helping advisors scale with models—I've seen firsthand how freeing up time from portfolio construction opens the door to deeper client engagement and business growth.

And this shift is only accelerating. Broadridge projects model portfolios will grow by 15% annually, reaching $13.2 trillion by 2029.4

Advisors who embrace this trend are better positioned to focus on what clients value most: clarity, planning and trusted guidance. If you're still doing everything yourself, I've been there. But you don't have to stay there.

Let's move forward, together.

1 Jack Pitcher, "More Financial Advisers Are Outsourcing Investment Decisions," The Wall Street Journal, 6/12/25, https://www.wsj.com/finance/investing/more-financial-advisers-are-outsourcing-investment-decisions.

2 Ibid.

3 Source: WisdomTree's Models Research Initiative. Interviews conducted 10/16/19–7/21/20. WisdomTree's Models Research Initiative maintained a +/- 2.3% margin of error among consumer investors across generations and a +/- 6.2% error rate among financial advisors. A mixed methodology was applied that included a robust base of more than 2,000 constituents in the models' value chain, as well as dozens of in-depth interviews that were conducted on the topic.

4 Elaine Misonzhnik, "RIA Model Portfolio Assets Rose 5.5% in Q1," WealthManagement.com, 7/11/25, https://www.wealthmanagement.com/investing-strategies/rias-see-over-5-jump-in-model-portfolio-assets-in-the-first-quarter.

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