



**Competitive Differentiation in
the RIA Channel:**
Building a Moat with Alts

July 2026

Alts as a Moat: The RIA Differentiator

Robo-advisors and digital platforms have commoditised basic portfolio management. Betterment, Wealthfront, and Schwab Intelligent Portfolios deliver index-based allocation at 0 to 25bps -- a fee level that advisory practices built on asset allocation alone cannot survive. The defensible moat is access to alternatives: products robo-advisors structurally cannot deliver. RIAs with a credible alts program retain clients at 75 to 100bps, attract HNW prospects who have outgrown digital platforms, and generate referrals from a demographic that shares advisors. Alts are a business moat.

0-25bp

Robo-advisor fee for standard index portfolio

75-100bp

Avg. RIA fee with active alts program

22%

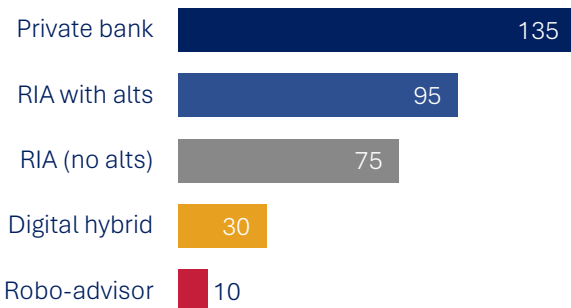
Annual AUM growth: RIAs with 10%+ alts

\$84T

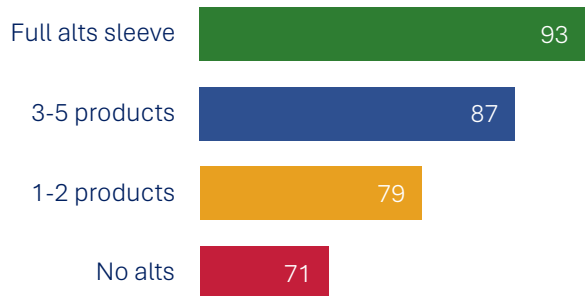
Wealth transfer to millennials -- the next contest

FEE LANDSCAPE AND RETENTION EVIDENCE

Advisory Fee by Channel (bps, avg. all-in)

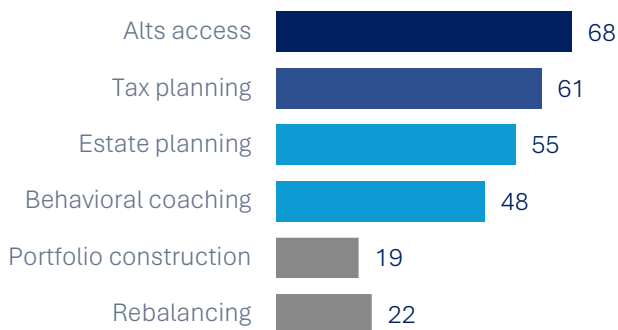


3-Year Client Retention Rate by Alts Adoption (%)

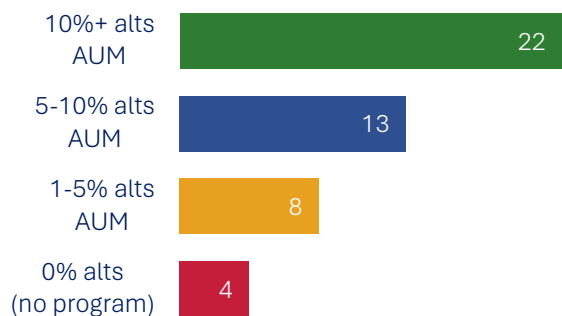


DIFFERENTIATION STACK AND GROWTH EVIDENCE

Why HNW Clients Stay with an RIA (% citing, top-3)



Annual AUM Growth Rate by Alts Penetration (%)



The RIAs winning on net new assets are generally not competing on price -- they are competing on complexity. Alts access is the primary complexity signal: it tells a prospective client that the advisor has sourcing relationships, diligence capability, and operational infrastructure that no algorithm can replicate. The secondary moat is the engagement depth that alts create -- PE, private credit, and real asset positions generate LP communications, co-invest decisions, and ongoing tax events that require advisor involvement. Each alternative holding is a structural retention mechanism. Robo-advisors are architecturally excluded from this dynamic.



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