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Driving fee-based change offshore: Insights from Miami's wealth management leaders

At a Miami roundtable, executives discussed how education, technology, and transparency are driving the shift to fee-based managed accounts.

BY ISABELLA ELWAW

Fee-Based in the Offshore Fast Lane

inCadense and Citywire Americas co-hosted a high-level executive roundtable in Miami, bringing together senior leaders from the wealth management industry to discuss trends in managed accounts, fee-based models, and international investing. Attendees included Paula Alvis, Branch Manager at Snowden Lane; Luis Cedeno, Head of Investment Products and Strategy at BCI; Alexis Hoshi, Director of Investment Advisory at Credicorp; Victoria Mukovozov, Partner at LarrainVial Securities; Daniel Schwartz, Managing Director at Latam Financial Partners; and Eric Termini, Complex Manager at Raymond James. Over the course of the discussion, participants shared candid insights into the challenges and opportunities of moving from transactional to fee-based business, leveraging technology, and managing complex client portfolios across multiple custodians.

Isabella Elwaw, Head of Investor Relations for U.S. Offshore at Citywire, moderated the discussion alongside A.J. Harper, Managing Partner and Co-Founder of inCadense. David Gutierrez (Citywire) and Guy Fiumarelli, Head of Strategic Partnerships at inCadense, were also in attendance.

The SMA Wave Isn't Coming—It's Already Here

The conversation opened with the rapid growth of separately managed accounts (SMAs), a major driver of fee-based solutions in the United States. In the past five years, SMAs in the U.S. have grown to 50 percent of assets—a trend that is beginning to echo internationally. Eric Termini noted that Raymond James' internationally focused SMAs had grown 42 percent in assets under management year over year, with accounts up 36 percent. Yet, SMAs still represent only about 30 percent of international business, leaving a significant opportunity for expansion.

"Even with this huge migration, 70 percent of our international business is still very transactional," Termini said. "The opportunity is clear, but it starts with education. Advisors need confidence and understanding to present SMAs to clients effectively."

No More Hiding the Ball

Schwartz continued: "Layered on top of this are ongoing regulatory changes. For example, Brazil updated its rules last year, requiring banks to disclose all fees, including mutual fund retrocessions, consistently across both advisory and brokerage services. There is no longer any room for opacity."

He added that the move to fee-based advice also changes the relationship dynamic: it puts the advisor on the same side of the table as the client, creating a shared mandate to collaborate on selecting and hiring money managers—rather than the advisor "selling a product." In the offshore context, that alignment carries an added expectation: the investment solution needs to arrive with the operational features and functionality that global clients require, including multi-currency and non-dollar capabilities, as well as the ability to manage and oversee assets across multiple custodians.

Alexis Hoshi added, "We've talked about regulation and firm-level changes, but there's a third driver: competition itself. Chile is ahead on this front, but Peru and Colombia over the past five years have seen a significant rise in independent advisors offering fee-based services. They've sparked an uncomfortable yet necessary conversation around pricing and business models. From our experience, what we've tried to communicate is that this is an additional service available on our platform. Some advisors will prefer a fee-based model, while others may lean toward a traditional broker-dealer approach. The key is ensuring that

clients know the difference upfront." Hoshi emphasized that the mix of models will persist, but transparency is now non-negotiable as clients become more fee-aware and independent competition increases across the region.

The Real Transformation: The International Infrastructure Matters

A.J. Harper noted, "As fee-based business accelerates in offshore Miami, the real transformation is happening behind the scenes, in the middle, and back-office. Advisors and firms want to deliver institutional-quality managed accounts across multiple custodians, currencies, and jurisdictions, but the operational burden is heavy. inCadense is built to bridge that gap: we provide the infrastructure and workflows that connect custody, trading, rebalancing, reporting, and oversight so firms can scale fee-based managed accounts efficiently, consistently, and with confidence."

Education and advisor support emerged as a recurring theme. Advisors are increasingly faced with a growing menu of investment solutions, from mutual funds and ETFs to SMAs and private market offerings, and must determine which strategies are best for their clients. "We have onboarded more than 90 international strategists on our platform," Alvis explained. "To make it manageable, we issue a weekly newsletter highlighting our top picks in each sector. It's essentially a cheat sheet for advisors to help them make decisions quickly and confidently."

Termini also emphasized the importance of structured scheduling for product walkthroughs and limiting meetings with wholesalers to designated days, calling it a form of "air traffic control" that reduces operational chaos and preserves advisor productivity.

Participants highlighted SMAs as particularly appealing because of their flexibility and customization potential. Portfolios can be tailored for custom mandates whether ESG constraints, sector concentration limits, client-specific restrictions, or other bespoke objectives. "Each account becomes its own ecosystem," Cedeno said. "You can't do hand tailoring without the infrastructure to track it, and technology allows differentiation at scale. That's where SMAs really shine in a fee-based model."

The discussion then turned to alternative investments and private markets. High-net-worth clients are increasingly seeking access to private equity, venture capital, and other alternatives, yet integrating these into managed accounts remains challenging. Cedeno explained: "We would love to incorporate private markets into discretionary solutions, but not all of the custody platforms fully support it. It limits our ability to deliver a truly unified solution for offshore clients."

Operational and regulatory challenges were a central concern. The subscription process for private market investments is labor-intensive and heavily AML-intensive, particularly for Latin American clients where documentation often requires translation. One executive said, "The subscription process can be a deterrent. It's time-consuming and complex, and scaling it is nearly impossible without integrated tools."

From "Held-Away" to Fully Managed

Participants emphasized that partnerships are critical for independent firms competing with large institutions. Platforms were highlighted as game-changers for managing "assets held away," enabling advisors to consolidate and monitor accounts across multiple custodians. Alvis said, "This has been a huge driver this past year. Advisors can now see and manage assets held away, whether discretionary or non-discretionary. Clients really appreciate the transparency, and it's a win-win for everyone."

The highest-impact evolution is when consolidation moves from reporting to implementation—so advisors can not only see held-away assets, but also manage them across multiple custodians through a unified managed household approach. Platforms like inCadense support both sides of that equation: multi-custody visibility and reporting, paired with the ability to implement and oversee managed accounts consistently across custodians within a single household view.

Another key theme was the integration of AI into wealth management operations. While AI is not yet widely applied in portfolio construction, executives agreed it is increasingly used for back-office functions, email communication, compliance forms, and regulatory tasks.

Mukovozov noted, "I think finance is a challenging area for AI. Numerous empirical studies from various universities show that the predictive power of AI has significant limitations, particularly when it comes to understanding how financial markets operate. That said, AI can still be very useful as a digital assistant."

The roundtable also explored the importance of strategic partnerships for scaling internationally. One executive discussed how firms must navigate different custodians, regulatory environments, and client expectations across Latin America. "Local banks often restrict access to foreign advisors to protect their clients," one participant said. "The ability to work with platforms that consolidate multi-custody accounts is essential for providing seamless service internationally."

BlackRock x Citi: Blueprint for Scale

Executives cited specific examples of collaboration between asset managers and custodians. The recent BlackRock–Citigroup (Citi) partnership announcement was highlighted: BlackRock will be newly managing around $80 billion of Citi's wealth-client assets via separately managed accounts while deploying its Aladdin Wealth® technology to Citi's network. This illustrates how fee-based solutions can be customized to simplify portfolio management, supported by internal teams and external technology partners that help navigate operational and regulatory challenges. "There's an unlock in the fee-based shift where asset managers can support advisors more intimately than with a traditional mutual fund structure," one participant said.

This value unlock between the largest players in the market needs to be extended to all market participants—making asset managers and wealth managers more efficient and better connected through open platforms that deliver international SMA features and functionality, and that enable financial advisors to grow their offshore books of business. That will drive the Latin America and offshore fee-based transition to rival U.S. rates.

What Comes Next

Looking forward, the panel agreed that the wealth management industry is evolving toward a combination of SMAs, private markets, AI-enabled operational support, and strategic partnerships. The Miami roundtable underscored that while the opportunity for fee-based growth is significant, success will depend on robust education, strong technology infrastructure, and collaboration across the ecosystem. "It's clear that the tools and opportunities exist," one participant concluded, "but education, infrastructure, and partnerships are the keys to scaling globally and delivering integrated client solutions in a fee-based world."