

IN THE NEWS: June 15th, 2018

Welcome to the June issue of *Advisor Insights*, an e-newsletter that provides you a roundup of the most important financial services industry news.

[Citing Vanguard, InvestCloud Expands its Trans-Atlantic Footprint](#)

InvestCloud has purchased the U.K.-based client engagement tech company rplan for \$20 million, it announced Monday. Extolling the need for fund managers to pay attention to “the success of companies like Vanguard,” InvestCloud is touting its acquisition’s direct-to-consumer capabilities as a way for managers to grow their reach. The acquisition comes at an interesting time for rplan. The company, which was launched in 2010, notified its own retail customers earlier this year that it would be discontinuing its direct-to-consumer investment platform, citing a lack of scale. At the time, rplan said it would focus on the business-to-business market, with its co-founder, Andy Creak, telling *The Financial Times* that “the best opportunities for us lie in the business-to-business market and not in the direct-to-consumer one.”

[Why it’s Time for the U.S. Government to Expand its Toolkit to Address Retirement Security](#)

Despite years of trying to improve the 401(k) system, American retirement policy has not managed to address the scary problems we have heard time and again: almost half of Americans do not have access to a retirement plan at work. And among those who do, millions have saved far too little for a secure retirement. In fact, the U.S. Government Accountability Office recently called for a comprehensive evaluation of the U.S. retirement system, and U.S. Sens. Todd Young (R-Ind.) and Cory Booker (D-N.J.) have introduced legislation that would create a commission to do just that. While a commission could elevate some of the issues, the real problem with U.S. retirement policy can be summed up simply: the government keeps using the same tools to help people invest for retirement, and these tools are either the wrong ones for the job or need to be sharpened to make any impact.

[HNW Equate Wealth with Something Other Than Money](#)

A recent [survey of high-net-worth individuals](#) commissioned by Boston Private, a publicly traded wealth management and private banking firm that manages \$7.8 billion in assets, found that

generations define wealth quite differently. Many of the 300 participants, with between \$1 million and \$20 million in assets, defined wealth as a “peace of mind” (65 percent). While baby boomers (69 percent) and Gen X participants (68 percent) said wealth meant “peace of mind,” only 53 percent of millennials defined it as such. Many millennials defined wealth simply as “happiness.” Out of those who were business owners, 29 percent said material possessions are what changed their wealth priorities—a much higher percentage than other generations.

[Avoid Paying Taxes Forever, Blackstone Tells UHNW Clients](#)

Blackstone Group LP has an enticing pitch for the ultra-wealthy: Invest in hedge funds and avoid paying taxes forever. The private-equity firm’s Lombard International is leading the charge to promote exclusive insurance vehicles that can contain hedge fund investments. Lombard is urging hedge funds to sign on and working with private banks such as JPMorgan Chase & Co. and Bank of New York Mellon Corp. to market the investments to their rich customers. The pitch is working. Clients have put about \$3 billion into the products in the past year, with Lombard attracting most of that business.

[Robert Downey Jr., Jay Z, Durant Back Life Insurance Start-Up](#)

The company isn’t a well-known name in Silicon Valley, but its investors certainly are. San Francisco-based Ethos Technologies Inc. was founded last year, the product of two Stanford MBAs. The company’s core product is a streamlined, and affordable process for buying term insurance -- which pays out benefits if the insured dies within a certain time frame. Ethos just raised \$11.5 million in a round led by Silicon Valley luminary Sequoia Capital. Other investors in the round, however, were less predictable, including the venture fund of Jay Z’s entertainment company Roc Nation, Robert Downey Jr.’s Downey Ventures, basketball star Kevin Durant’s Durant Co. and Will Smith’s Smith Family Circle. While life insurance may not seem like a typical focus for Hollywood moguls, more and more venture capitalists are piling into the insurtech space. According to a May report from research firm CB Insights, the number of venture capital investors participating in the sector increased to 217 in 2017 from 53 in 2012. Since 2012, those investors have plowed \$9 billion into the industry.



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To receive the (2018) Five Star Wealth Manager award, researched and managed by Five Star Professional, a wealth manager must meet 10 objective eligibility and evaluation criteria associated with wealth managers who provide quality services to their clients. (4383) wealth managers in the (New Jersey area) area were considered for the award. (415 award winners) were named 2018 Five Star Wealth Managers which represents 9% of the total wealth managers in the area. Wealth managers do not pay a fee to be considered or placed on the final list of (award year) Five Star Wealth Managers. The Five Star award is not indicative of the wealth manager's future performance

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