

The future of wealth advice

Inside the shifting priorities
of next-gen investors



Investor
Services

Investment counsellors as trusted partners

An estimated CAD 1 trillion of personal wealth is set to transfer from baby boomers to their heirs between now and 2026 in Canada. This unprecedented shift is introducing a new generation of tech-savvy, alpha-driven investors—largely millennials and gen Z—who are requiring investment counsellors to rethink how they build and sustain client relationships.

As this transfer unfolds, investors' expectations of their advisors are evolving rapidly. This younger generation of high net-worth investors (HNWIs) isn't just inheriting wealth; they're inheriting the power to shape the economy according to their values. Their priorities are markedly different, favouring ESG, technology and even emerging asset classes like crypto.

This transition also elevates the importance of legacy planning. How trusts and succession plans are structured will play a critical role in preserving wealth and ensuring alignment with family values. For investment counsellors, the opportunity is clear: to become trusted partners on this journey. RBC Investor Services has the longstanding experience and expertise to support investment counsellors as they embark on this transformational journey.

The core challenges

Younger investors bring different investment goals and expectations to wealth management, as they're often more hands-on, tech-savvy and values-driven. This puts pressure on wealth management firms to meet these expectations, as many next-gen HNWIs also choose to switch providers soon after receiving an inheritance—81% within two years.¹

Investment counsellors and wealth managers face several core challenges:

1

Changing portfolios:

Next-gen HNWIs are less interested in the traditional model of blue-chip stocks and government bonds and instead seek diversified exposure across multiple asset classes and managers.

2

Evolving client demands:

Next-gen clients expect personalized, purpose-driven advice, supported by digital tools and sophisticated strategies. Meeting these expectations is driving record levels of phantom investment, with wealth managers allocating an average of USD 6.8 million to re-platforming their middle and back offices in 2025.²

3

Increasing competition and fee pressures:

Fee pressure and rising client expectations are eroding margin. With the race to “win the advisor desktop,” more than one-third of wealth managers are being highly impacted by market pressures. In 2025, wealth managers saw fee compression (49%) as the top challenge.

1 World Wealth Report 2025: *Sail the great wealth transfer*, Capgemini, 2025.

2 *The Path to 2030 for Securities Processing*, ValueExchange/FIS, June 2025.

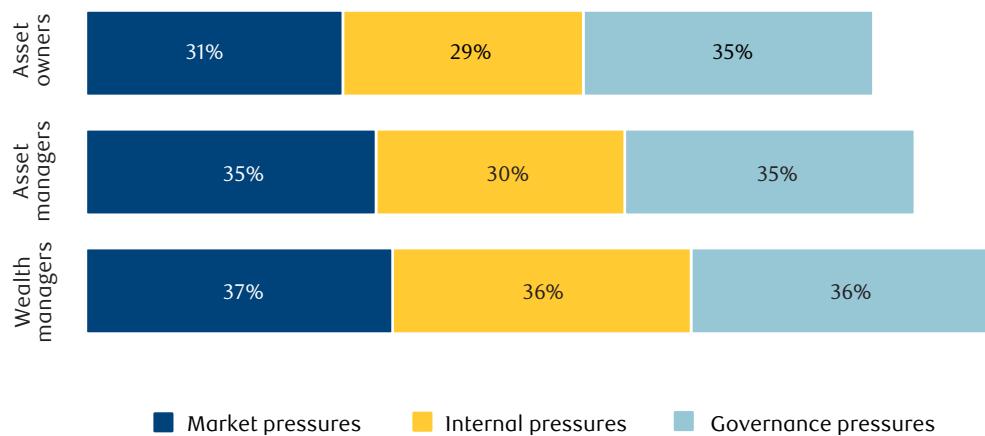


Together, these challenges make wealth management one of the hardest-hit sectors in the Canadian financial markets. What's more, 57% of wealth managers report that resistance to change is blocking or slowing progress within their operations³, signalling the need for a breakthrough in traditional ways of working.

This report explores how investment counsellors can respond with client-centric legacy planning and offerings tailored to the next generation.

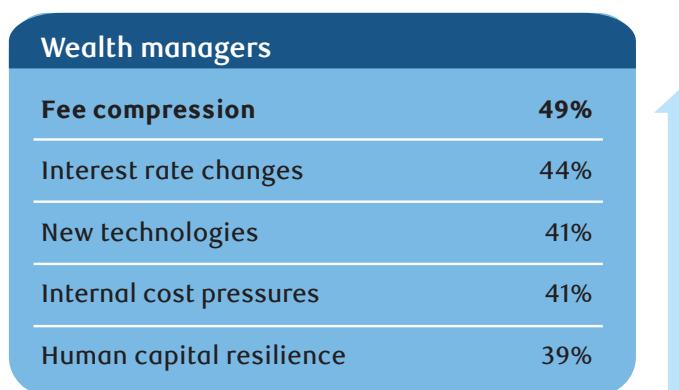
Wealth managers under pressure

% of respondents in each segment highly impacted by each change driver



Source: Asset and Wealth Manager Survey, RBC Investor Services/ValueExchange, 2024.

Challenges top of mind with wealth managers



Source: Asset and Wealth Manager Survey, RBC Investor Services/ValueExchange, 2025.

³ Transforming Canadian Investment Management, RBC Investor Services/ValueExchange, 2025.

The future client

How investment counsellors can innovate their offerings

The definition of a resilient portfolio is evolving. Investment counsellors need to be prepared to guide clients through an expanded universe of opportunities while leveraging platforms that streamline access, reporting and performance. Today's wealth advisors are redefining resilience by combining diversification strategies with technology that delivers transparency and efficiency.

Portfolio diversification

The next generation of wealthy families is fundamentally different in their approach to investments and advisory relationships. Wealthy families are moving away from public stocks and diving deeper into private markets. They're less interested in the traditional model of blue-chip stocks and government bonds, and instead seek diversified exposure across multiple asset classes and managers. In fact, 88% of relationship managers (i.e. an investor's primary advisor) have seen more interest in private equity among next-gen HNWIs as compared their baby boomer counterparts, and that 72% of gen Z and millennial investors believe traditional stocks and bonds won't suffice.⁴

As a result, they're looking to their investment counsellors to help them access alternative investments—including private equity, private debt, real estate, crypto and infrastructure.

According to RBC Wealth Management's 2025 *North America Family Office Report*, portfolio diversification remains a leading priority, with 26% of family offices citing moving into new asset classes as a top investment objective, followed by 25% focused on geographic diversification.⁵

This is reflected in wealth managers increasing their exposure to alternative asset classes, with a third (34%) indicating alternatives as their top portfolio enhancement strategy.⁶ What's more, wealth managers are also looking to increase their exposure to alternative funds by 5% over the next three years. If wealth managers follow through on these strategies, it could reshape investment portfolios in Canada.

Within the private markets landscape, other outlooks vary by asset type:

- **Private debt**, including private credit and direct lending, continues to grow as a favoured allocation (with 6% growth projected over the next three years), benefiting from



elevated interest in non-bank lending solutions.

- **Private equity** is facing headwinds due to reduced exit activity and high borrowing costs. Wealth managers anticipate their exposure to private equity will grow 4% over the next three years. What's more, 20% of family offices are looking to increase their holdings in private equity (direct investments), with growing attraction to private credit and real estate.⁷
- **Mutual funds** are likely to see a jump of 7% over the next three years.

Private markets are becoming central to portfolio construction. Once the sole realm of large corporate and institutional investors, the rise of liquid alternatives and

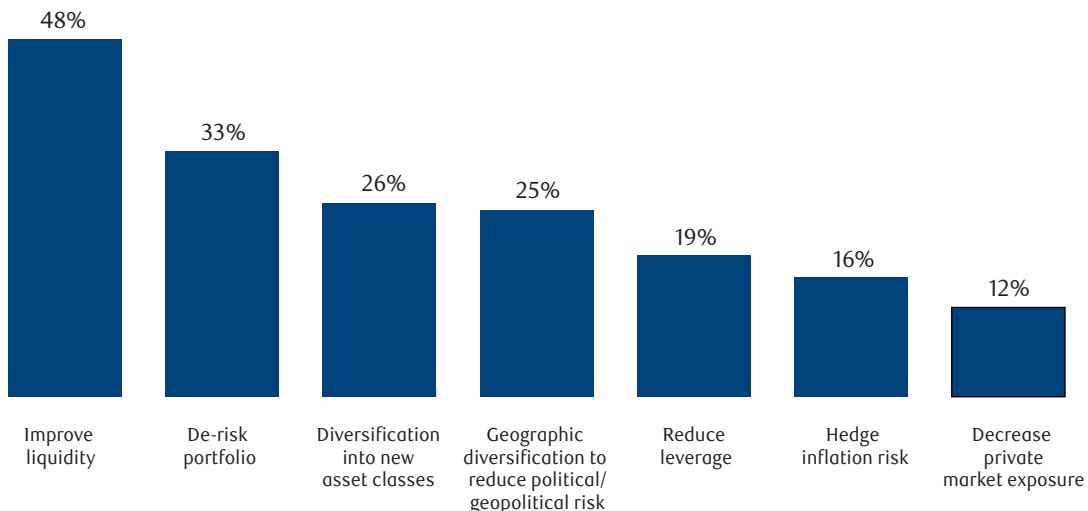
⁴ *World Wealth Report 2025: Sail the great wealth transfer*, Capgemini, 2025.

⁵ *The North America Family Office Report*, Campden Wealth/RBC, 2025.

⁶ *Transforming Canadian Investment Management*, RBC Investor Services/ValueExchange, 2025.

⁷ *The North America Family Office Report*, Campden Wealth/RBC, 2025.

Family office investment objective



Source: *The North America Family Office Report*, Campden Wealth/RBC, 2025

initiatives like the proposed Ontario Long-Term Funds are helping democratize access, making private assets more attractive to HNWIs of all ages.

For HNW families and individuals, many private opportunities are in local or family-owned businesses, which offer highly personalized exposure to specific markets or regions. These assets often sit outside the scope of standardized investment products, requiring bespoke administration—from reporting and valuation to custody.

And younger generations are accelerating this shift. According to Bank of America, 72% of millennial and gen Z investors believe traditional stocks and bonds won't be sufficient to meet their goals. And their goals are increasingly focused on more responsible choices.

But improving liquidity is also rapidly rising in importance (up to 48% in 2025 from 27% in 2024)⁸, as the limited number of exits in private equity markets results in more illiquid assets sitting on balance sheets. The desire for yield is balanced by a need for greater exit flexibility in traditionally illiquid assets. Investment counsellors should weigh diversification benefits against clients' growing demands for optionality.

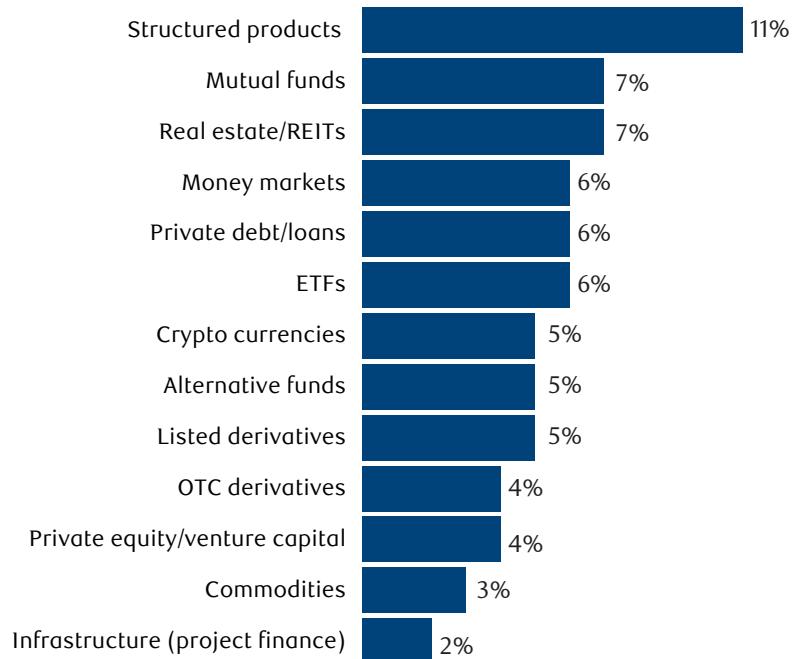
Digital assets are also increasingly entering the mainstream. For many next-gen HNWIs, crypto currencies and other digital assets are part of a broader, diversified portfolio, yet much of this activity remains outside the traditional (regulated) custody structures, and therefore cause an under-discussed risk for investors. In 2013, the Ontario Securities Commission (OSC) reported that, of the 10% of all Canadians holding one form of digital asset, the



Sylvia Rizk,
Senior Director, Business Development

“The next generation of HNWIs is not just inheriting wealth—they’re inheriting the power to shape the economy according to their values. This new cohort of tech-savvy, alpha-driven investors is making investment counsellors rethink their business models and how they give advice.”

AUM exposure changes for wealth managers (average expectation for the next three years)



Source: *Transforming Canadian Investment Management*, RBC Investor Services/ValueExchange, 2025

average held CAD 82,998 in crypto currencies. And wealth managers project a 5% growth in crypto currency assets under management over the next three years.

With crypto adoption in North America growing, there's an increasing need for Canadian wealth managers to offer the same levels of safe keeping and asset oversight that

they have been doing for more established holdings. This is encouraging firms to build out digital-asset capabilities rather than losing next-gen clients to alternative providers. And across markets, financial institutions are working to integrate crypto into mainstream challenges and advancing custody trials. For investment counsellors, it's key to bring structure and trust to an emerging asset class.



Aligning capital to values

Wealth is increasingly viewed as a tool for change, with younger generations accelerating a shift toward environmental, social and governance (ESG) priorities. These investors are moving beyond return-focused strategies to align their capital with sustainability, long-term impact and values-driven goals. This shift not only reflects what families invest in but also how they measure performance and show impact.

The rising generation looks to their investment counsellors to also provide a broader, values-driven lens. HNWIs are demanding transparent ESG reporting, credible frameworks for stewardship and responsible governance policies. As a result, the market is seeing growth in impact investing. Advisors and investment counsellors who can deliver impact and accountability are well positioned to build trust with the next generation of investors.

- **Responsible choices:** Global impact investing assets exceeded USD 1.57 trillion in 2024⁹, with family offices leading in climate, food and social equity initiatives. What's more, investor demand is the second-highest driver for responsible investment growth (43%), with 29% saying that younger investors are pushing for more responsible investment choices¹⁰. There is also less adherence to the concept that responsible choices mean lower returns.
- **Transparency:** Concerns about greenwashing are driving demand for outcome-based measurement and transparent ESG scoring. In fact, nearly two-thirds of global HNWIs now request traceable ESG score on asset holdings, and clients increasingly believe ESG-aligned investment can deliver market-rate returns.¹¹ This means investment counsellors can show value by not only offering the right investment opportunities but measuring impact.
- **Active participation:** Proxy voting rates in North America are growing by more than 30% each year, largely driven by increases in individual participation. With 32% of wealth managers highlighting shareholder servicing as their biggest

operational weakness¹², this is a core issue. It shows the necessity to meet next-gen investors where they are.

- **Partnerships:** Some family offices and institutions are forming direct partnerships in areas such as land stewardship and community resilience—extending their influence beyond financial returns.

By embedding strong governance—by articulating the family mission or through an investment charter—wealth can be stewarded responsibly while advancing societal goals.

Ultimately, success will mean guiding next-gen clients toward investments that deliver performance and positive impact, aligned with their values.

“We are seeing a shift with some families, especially the next generation, from seeking pure financial returns to investments that are made with the intention of generating a positive impact as well. In other words: investing with purpose.”



Hermann Leiningen,
Managing Director,
International Family Office Investments,
RBC Enterprise Strategic Client Group

Delivering the right experiences

Due to this rise in more customized, diverse investment options, the nature of wealth advice is changing—and the next generation of HNWIs increasingly expect their advisors to understand and present them. This means that conversations with clients should become more focused and tailored.

RBC Investor Services supports investment counsellors with a deep understanding of the unique nature of alternative investments, providing administrative support, dealing with issuers to obtain pricing, handling capital call process and submitting required reporting.

9 Sizing the Impact Investing Market 2024, Global Impact Investing Network, October 2024.

10 Canadian Responsible Investment Trends Report, Responsible Investment Association, 2025.

11 World Wealth Report 2025: Sail the great wealth transfer, Capgemini, 2025.

12 Transforming Canadian Investment Management, The ValueExchange/RBC Investor Services, 2025.



“The next generation doesn’t want filtered advice—they want transparency and a complete view of their wealth. To stay relevant, counsellors should build fresh relationships and not be seen as just ‘your parents’ advisor.’”



Anneke Keenleyside,
Private Banking,
RBC Wealth Management

But many investment counsellors are not yet as comfortable initiating conversations around such products unless clients bring them up first. Closing this gap may be critical as the next generation of HNW clients expects proactive—not reactive—guidance.

On the use of alternatives specifically, the important of KYP (know your product) and suitability is heightened as products become increasingly complex. KYP requires advisors to fully understand the structure and risks of the investment products they recommend, while suitability ensures that each recommendation aligns with the client’s objectives and risk tolerances.

Investment counsellors need the confidence and tools to explain these choices clearly and responsibly, ensuring clients feel informed and supported. Advisors who position themselves as open-minded guides, able to simplify complexity and deliver big-picture clarity, will have the strongest competitive advantage. And most importantly, investment counsellors must also find ways to strengthen their relevance and avoid being perceived as simply “your parents’ advisor.”

By building greater comfort in these discussions, investment counsellors can meet younger investors’ expectations for transparency and personalization—key to earning long-term trust.

Investment counsellors are also under pressure to provide clients with a rich digital experience that includes real-time

data, portfolio tracking, automated rebalancing and other self-serve tools. Alongside this, democratized platforms (e.g. feeder funds, tech portals) are expanding access to alternatives for a broader HNW segment, while tech-enabled tools like real-time reporting, model portfolios and digital engagement are helping scale complex offerings.

But this doesn’t diminish the need for human touch. As tech platforms increase individual investors’ ability to execute portfolio strategies on their own—buying and selling at the click of a button—investment counsellors’ ability to offer a sober second opinion become more critical. It’s not a competition between data-driven investor decisions and human advice; it’s a matter of finding the right hybrid model to meet investor needs. And human interaction becomes especially important during times of volatility, when personalized advice can help to balance client emotions and unintentional biases.

Investors continue to see the benefits of sitting down with their counsellors and discussing their financial situation, and it’s important that investment counsellors let their clients know they’re available to discuss potential investment strategies at any time. The relationship must be strong enough for clients to feel comfortable talking about untraditional investments like crypto and saying, “Here’s what I’m thinking. Here’s what I want to try.”

At the end of the day, gen Z and millennial clients expect personalized and purpose-driven advice, delivered with the convenience of digital tools.

Client-centric legacy planning

From wealth to legacy

Wealth advice is no longer transactional. It now spans protection, succession, philanthropy and purpose. The service model is shifting from seamless digital interactions and personalized products to holistic, client-centric advice.

Client-centric legacy planning recognizes that trusts and succession planning are critical vehicles to encode family values, protect wealth and sustain cohesion across generations. With younger investors expecting modern, personalized advice, investment counsellors need to show how legacy structures can translate wealth into impact.

Integrated guidance

HNW clients increasingly expect one-stop solutions that cut across accumulation, protection, succession and philanthropy. Nearly half of global HNW clients now expect to deliver a unified model that spans, tax, legal, estate and investment planning.¹³ For investment counsellors, that means going beyond technical execution and positioning themselves as coordinators of multi-disciplinary strategies.

- What they value most is a clear, holistic view of their entire wealth picture, so investment counsellors should:
- Act as the orchestration point—coordinating legal, tax, trustee and philanthropic specialists to implement a cohesive strategy
- Present a clear, consolidated view of wealth (and increasingly diversified assets) rather than fragmented silos of holdings or reports

- Proactively propose structural adjustments in trusts and grow the confidence to explain new investment choices clearly and responsibly, ensuring clients feel informed and supported

According to RBC Royal Trust research, only 30% of Canadians currently have a full estate plan—even though more than 90% say such plans are important—underscoring the role of advisors as integrators and guides. And a lot of the time, the *why* behind a plan is much more important than the *how*.

Trusts as a framework for legacy

Trusts are a powerful tool for legacy planning. Ultimately, wealth transfer is about more than passing on assets; when thoughtfully structured, trusts are a way to embed philosophy and to preserve family cohesion and continuity.

In short, trusts are about more than assets—they’re about legacy. RBC Royal Trust data reinforces that

- **Customization:** Trusts and succession plans can encode family values, philanthropic commitments and distribution principles, ensuring wealth reflects intent.
- **Continuity:** Dynasty trusts and other long-term vehicles enable multi-generation wealth transfer while preserving

RBC can deliver an end-to-end advice journey for HNW families: RBC Royal Trust helps establish and administer estates and trusts, anchoring legacy plans, while RBC Investor Services provides private wealth clients with global safekeeping, valuation, custody and reporting on their assets, giving counsellors the foundation they need. And of course, delivering digital-led experiences requires good data on all the assets under management. RBC Wealth Management layers on a curated access to alternatives and tax/estate planning support, so advisors can discuss complex products confidently.

13. 2024 EY Global Wealth Management Industry Report, EY, 2024.

14. "Dynasty trusts: preserving family assets for future generations," RBC Wealth Management, 2025.



governance and control. Properly structured, they preserve assets across multiple generations, ideally in a jurisdiction without restrictive perpetuity rules.¹⁴

- **Protection:** Trusts safeguard against tax inefficiencies, creditor claims and family disputes, ensuring assets are invested for the benefit of children, grandchildren and all future descendants.

Choosing the right trustee is as important as the structure itself. A misaligned trusteeship can undermine administration and strain family relationships. Clarifying values and goals helps prepare the next generation, equipping inheritors to embrace responsibility.

Legacy readiness rising

There are a lot of pitfalls that can happen when you're transferring wealth from one generation to the next, but

the appetite for legacy planning is growing. Adoption of will and estate plans rose from 42% in 2023 to 53% in 2025¹⁵, yet many plans remain incomplete or uncoordinated. And younger Canadians are more philanthropic and more likely to lead with values when it comes to estate planning: 53% of 18–34-year-olds having wills include charitable gifts¹⁶ (compared with only 13% of those 55+) and younger investors are a top driver for responsible investment growth (29%).¹⁷

Client-centric legacy planning should span both the current principals and the next generation of heirs. And with younger investors not always likely to stick with their parents' wealth managers or investment counsellors, early engagement is key. Bring the rising generation into the ownership structure. Advisors who build early relationships with inheritors will better retain family relationships through the great wealth transfer.

15 "Succession Planning Among the Super Wealthy Ticks Up," The Wall Street Journal, May 21, 2025.

16 "More than half of younger Canadians are including charitable giving in wills: RBC Royal Trust Survey," RBC Wealth Management, July 19, 2022.

17 Canadian Responsible Investment Trends Report, Responsible Investment Association, 2025.

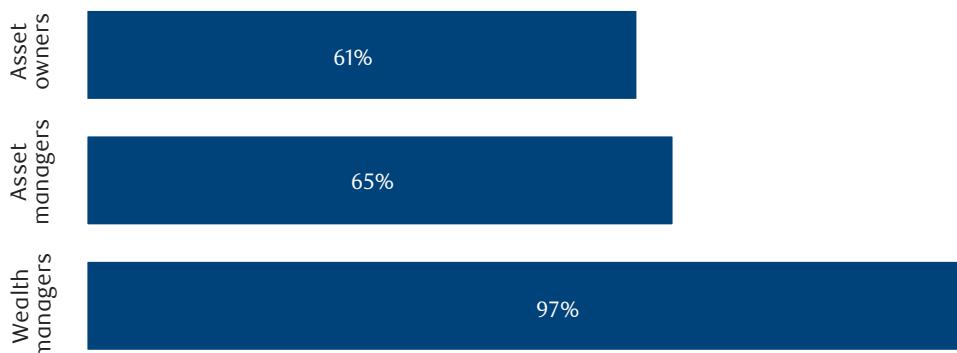
Creating a win-win

Almost every wealth manager (97%) in Canada is driving transformation in their investment operations in 2025, meaning that the key question is not *if* change is needed but *how* best to realize that change. But often the problem is in execution. How do advisors navigate through a highly complex web of legacy platforms to deliver change at this scale?

The growing millennial and gen Z investor cohort is demanding more of their investment counsellors as these digitally proficient investors look to build high-performing, resilient portfolios within an unpredictable marketplace. As a result, it's important for investment counsellors to leverage their custodian for support, freeing them up to focus on their clients and in building strong, sustainable businesses.

Wealth managers lead in their change ambition

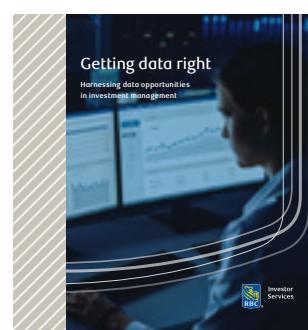
Total % of respondents from each segment running projects



Source: *Transforming Canadian Investment Management*, RBC Investor Services/ValueExchange, 2025.

RBC Investor Services adds value to investment counsellors by providing access to trusted data via their chosen consumption channel. Providing investment counsellors with clean, usable data to develop insights for their clients is a role we take very seriously—and as custodians, we're the guardians of valuable portfolio data.

The data and related insights are equally essential for investment counsellors' own businesses as they evolve their strategies. This data allows them to formulate the insights that generate differentiated value for their clients, enabling investment counsellors to be that sounding board



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About RBC Investor Services

RBC Investor Services delivers investment servicing solutions to Canadian asset managers and asset owners, insurance providers, investment counsellors and global financial institutions. With more than 1,700 employees and offices across the globe, our focus is on safeguarding the assets of our clients and enabling their growth. Part of Royal Bank of Canada, Canada's largest bank¹⁸, RBC Investor Services has over CAD 2.7 trillion of assets under administration. Learn more at rbcis.com.

With more than 30 years of experience providing services to investment counsellors and family offices, RBC Investor Services understands the unique requirements

of private clients. We combine innovative technology with an unwavering focus on service excellence and risk management to support our clients, and add value through our:

- consultative partnership backed by experienced professionals
- solid product and service offering tailored to manager needs
- flexible, interactive digital reporting solutions
- broad range of thought leadership and market insights

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¹⁸ As at July 31, 2025.

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