

Former BlackRock, Principal Exec Launches Consultancy

The asset management veteran has branched out to create a consulting firm targeting the independent registered investment advisor channel.

By Tony Rifilato | December 4, 2023

A former BlackRock and Principal Asset Management executive has established a consulting firm that aims to help independent registered investment advisors adopt and navigate new technologies.

Mike Casciano, who joined Principal in 2021 to ramp up the firm's multi-manager model portfolio suite and platform, told FundFire he left the firm in August to launch EVO Wealth Consulting.

A spokesperson for Principal did not immediately respond to a request for comment on whether it has replaced Casciano's role.

Prior to joining Principal, Casciano spent nearly 15 years at BlackRock and helped jumpstart the asset management giant's retail portfolio consulting business in 2015. He also led BlackRock's model distribution efforts in partnership with fintech provider 55ip beginning in 2020, according to a bio.

Casciano said he expects to formally launch EVO in the first quarter of 2024 and is currently marketing to prospective RIA clients. He spent the past three months establishing EVO and performing due diligence on potential technologies for advisors, he said.

EVO plans to help "growth-oriented" advisors determine which technologies to integrate in order to automate time-consuming processes such as client acquisition and onboarding, as well as financial planning, portfolio management and ongoing client services.

Casciano is also planning to work with asset managers to bolster their distribution and marketing efforts in the RIA channel.

“There's a ton of asset managers out there, but there's only a few of them that dominate the models business,” he said. “As more of these [RIA] firms start incorporating technology, they're naturally going to want access to either more third-party models, or they're going to want help building their own proprietary models.”

The consultancy aims to introduce advisors to third-party asset managers and technology providers, and help build client service platforms that are easy to implement and use.

Many advisors aren't even aware of the direct-indexing, tax management, customization and other technology services that players such as Parametric, 55ip, and Smartleaf currently provide, Casciano said. Many firms are not currently using total portfolio overlay management, he added.

Most advisors looking to grow and spend more time on financial planning and advice find it difficult “because they don't have the knowledge and expertise. That's where technology can help.”

Casciano has partnered with SmartLeaf Asset Management, a fintech provider offering portfolio management overlay and trading capabilities that Principal teamed up with last year to launch a suite of nearly 40 customizable model portfolios, as reported.

Smartleaf will act as a subadvisor to clients EVO works with. It will also build custom portals where advisors can incorporate a mix of models, funds and separately managed accounts, and select direct-indexing and tax-management strategies or environmental, social and governance screens, said Gerard Michael, Smartleaf's co-founder and president.

Casciano also has an agreement with Grantham, Mayo, Van Otterloo & Co.'s “Nebo” platform, which the Boston-based asset manager launched last year. The platform automates portfolio construction processes associated with customized model portfolios for RIAs.

“As the industry is increasingly pushing back on risk scores and model portfolios as cookie-cutter, there is a growing need for better technology and behavioral finance-based approaches to be able to truly design and deliver personalized portfolios,” said Tim Welsh, president of Nexus Strategies, which counts Nebo as a client.

Casciano said he's working to line up additional partnerships, but will also refer advisors to providers that he does not have partnerships with, such as Adhesion, 55ip and Vestmark.

“It's going to depend on what the needs and wants of each of the wealth managers are,” he said.

Casciano is the latest executive to ditch a large firm to start his own shop. Last year, former UBS Wealth Management Americas executive Paul Hatch launched Vestria Capital in a bid to help independent RIAs grow through capital, technology, operational support and other resources, as reported.

Time will tell whether advisors who need such services are willing to pay for it, said Michael Camp, who leads 55ip's distribution efforts, in an email.

"If you think about some of the [turnkey asset management platforms] and middle-office platforms like a [Dynasty Financial Partners] or a [Focus Financial Partners] ... the advisors can roll in the cost to the management fee," he said. "The problem with a direct consultancy is that the business can't really pass the cost, so that makes them reluctant to make the investment."

Casciano said that EVO can complement turnkey asset management platforms or RIA aggregator firms.

He added that he can work with clients by providing a flat consulting fee or through potential revenue-sharing agreements with select technology partners.