Press Release
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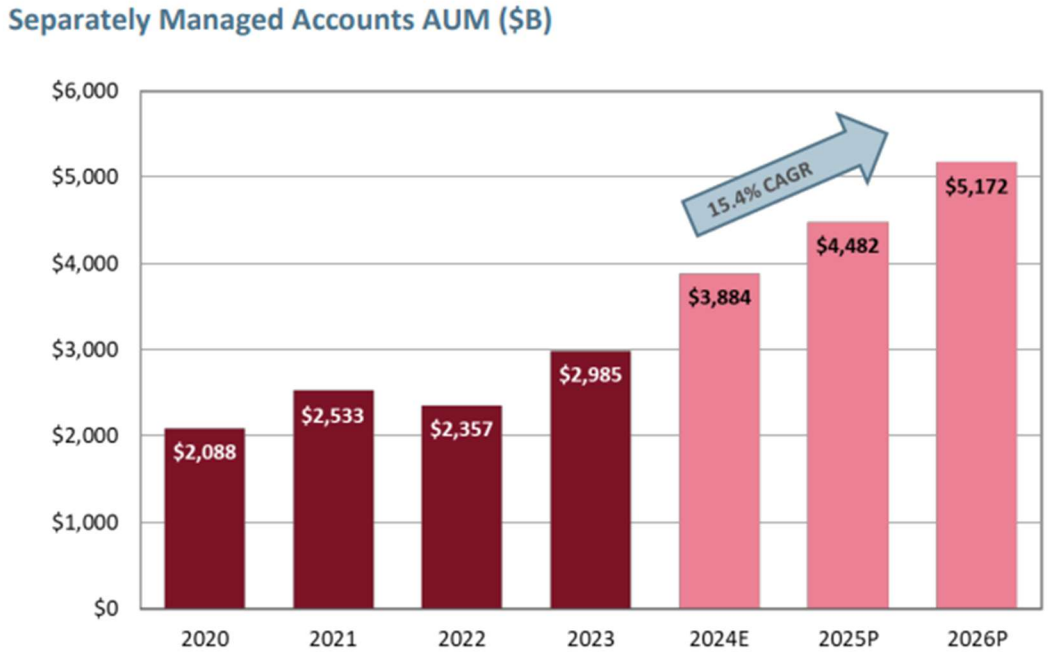
# Separately Managed Account (SMA) Assets to Top $5 Trillion in 2026

*Scale helps asset managers offer an array of services*

*March 7, 2025, Needham, MA* – Separately managed accounts (SMAs) are among the fastest-growing product vehicles in the industry as investors seek to personalize portfolios for tax purposes, concentrated stock positions, or other preferences. FUSE Research Network, an asset management research and consulting provider, projects that total SMA assets will top $5.1 trillion in 2026, reflecting a 15.4% CAGR over 2025 and 2026. Such a growth rate would be higher than FUSE 2025 estimates for mutual funds (3.5%) or collective investment trusts (7.7%).




*Source: FUSE Research Network, MMI, Cerulli*

Continued growing demand for tax management and personalization is fueling the growth of SMAs. Direct ownership of the underlying securities enables investors to exclude specific companies or business sectors from the portfolio. However, the most common benefit is more precise tax management (including tax-loss harvesting). A FUSE survey of financial advisors found that 31% of advisors plan to boost their use of SMAs in 2025; only ETFs rated as more likely to see increased usage by advisors in that survey.

Overall SMA growth has been enhanced by broader adoption of model delivery, where the asset manager communicates portfolio changes for the platform to execute, rather than the traditional model of the asset manager handling the trading. “This is operationally easier and cheaper to implement than manager-traded SMAs, so model delivery is sometimes an easier entry for an asset manager into the SMA business.,” said Loren Fox, Director of Research at FUSE Research Network.

Also accelerating growth has been the emergence of Direct Indexing, which essentially applies a tax-loss-harvesting capability on a customized index (or, increasingly, on an active portfolio). As Direct Indexing expands, it will help shape the competitive landscape. “Direct Indexing is gradually becoming table stakes for distributors,” Fox said.

Leading SMA managers are leveraging their size and scale to take advantage of this growing market. Notably, the biggest players tend to offer multiple options. Rather than choose between manager-traded and model-delivered SMAs, eight of the top 10 offer both. And nine of the 10 largest SMA managers also offer Direct Indexing.

**10 Largest SMA Managers by AUM**

| Firm | 3Q 2024 Total SMA Assets ($B) | Manager-Traded SMAs? | Model-Delivered SMAs? | Direct Indexing Business? |
|---|---|---|---|---|
| Goldman Sachs Asset Management | $403.0 | √ | √ | √ |
| Morgan Stanley Investment Management | $364.6 | √ | √ | √ |
| JP Morgan Investment Management | $334.9 | √ | √ | √ |
| BlackRock | $327.3 | √ | √ | √ |
| Fidelity Investments | $200.2 | √ | X | √ |
| UBS Asset Management | $192.7 | √ | √ | √ |
| Northern Trust Asset Management | $181.2 | √ | X | √ |
| Franklin Templeton | $144.2 | √ | √ | √ |
| Capital Group | $107.2 | √ | √ | X |
| AB Global | $106.8 | √ | √ | √ |

*Source: FUSE, MMI, Cerulli, company websites*

Top 10 managers also continue to pursue acquisitions, partnerships, and product innovation to bolster their competitive positions in the growing SMA market. For example, Goldman Sachs supplemented its in-house proficiency by partnering last year with TAMP/fintech GeoWealth to create SMAs, UMAs, and models for the RIA channel; BlackRock acquired SpiderRock, a provider of option overlay strategies for SMAs, last year; and Franklin Templeton continues to expand its Canvas direct indexing platform to apply tax-loss harvesting capabilities on a wider range of portfolios.

“As SMAs have become more innovative and complex, the SMA market has gotten more concentrated among the larger managers; the 10 largest SMA managers by assets represented 65% of the market at the end of 3Q 2024, up from 52% three years earlier,” said FUSE Research’s Fox. “Smaller SMA managers can still thrive, but the competition will intensify as the stakes increase.”

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