

HAMILTON LANE: PERSONALIZATION AND DATA ARE CRITICAL FOR WEALTH MANAGEMENT

By Anna Lyudvig - November 4, 2021

Hamilton Lane, a private markets investment management firm, has been increasingly trying to extend its reach into wealth management, according to Erik Hirsch, Vice Chairman and Head of Strategic Initiatives.

On October 28, the firm entered a \$47m Series C funding round into TIFIN, as a new strategic investor.

Hamilton Lane joins J.P. Morgan Asset Management, Morningstar, and Broadridge, after their initial investment in TIFIN's Series B round.

TIFIN works closely with its strategic investors to facilitate innovation in the industry, and will partner with Hamilton Lane to explore adding alternatives to its suite of WealthTech capabilities.

"We see TIFIN as a terrific strategic partner. We think the opportunity in that channel is large and investors and wealth advisors will increasingly need tools and technologies to help them better access the private markets,"

Hirsch told Traders Magazine.

Hamilton Lane has a long history of strategically investing from its balance sheet into a variety of different partners, focused on data and technology. The company previously invested in companies that are focused on analytics engines, portfolio construction and back-office.

"We have a long history of lending capital, as well as providing our strategic advice, to try to help those companies grow and be successful. This is a continuation of that strategy," Hirsch commented.

He said that geographic expansion for US continues



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to be an important theme for Hamilton Lane, as well as using data and technology to broaden their reach into the market segments that they cover.

“TIFIN is part of that over-all strategy,” he stressed.

TIFIN, which stands for Technology In Finance, enhances the value proposition for wealth managers and broadens the access to wealth management by combining investment intelligence, data science, and technology.

According to Vinay Nair, Founder and CEO of TIFIN, the firm was created to help make



Vinay Nair

investing a powerful driver of financial well-being by eliminating frictions investors face and understanding the individual investor’s preferences and goals.

TIFIN uses artificial-intelligence technology that recognizes the uniqueness of each investor, and this helps to match individuals with investment advisers and asset managers.

“Our proprietary algorithms assemble the specifics of each individual investor’s portfolios and goals and calculate the most advantageous advisors and asset managers with recommendations,” he said.

This additional capital, alongside existing funds from prior capital raises will support TIFIN’s continued growth, additional acquisitions, onboarding top talent as well as working with the strategic partners to help accelerate their fintech innovation initiatives.

“Our growth to date is a sign of the potential the combination of financial expertise, AI and software technology has to address issues individuals face in managing their wealth to achieve financial freedom and wealth accumulation,” he added.

Hirsch said that the private markets historically have largely

been available to large institutional investors, and it has been very challenging for non-institutional investors to gain access.

Part of the firm’s focus is to broaden that reach out to democratize access to a broader group.

“We think technology is going to be one way to do that successfully,” he added.

According to Hirsch, personalization and data are critical for the future of wealth management, because those tools are the most efficient way to help address some of the access issues that retail investors face.

He added that retail investors can be split into two groups – those that want to have a partner, a wealth advisor, and those that want to control their own destiny themselves.

In both of those groups, in order to be successful and to scale are going to require more and more tools and technology to do a better job.

“We see that as absolutely critical for the success of both the wealth advisor as well as the do-it-yourself investor,” he added.

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