

# Market Insight

2025 Global crypto private wealth management industry white paper



## Abstract

- The crypto private wealth management industry is transitioning from a closed “human + bank” model to an “open digital ecosystem.” Driven by global growth in private wealth and high-net-worth individuals (HNWIs), both the concentration of major players and the shift to online platforms are increasing, with the Asia-Pacific region showing the highest growth.
- North America and Europe are mature and stable, while Asia-Pacific shows rapid growth. The Middle East and Latin America are dominated by family offices. HNWIs and ultra-HNWIs are shifting their demands from “pure returns” to “security, privacy, sustainability, and cross-border compliance.” Service models are evolving into two main paradigms: offline advisor-driven and data-algorithm-driven.
- The asset landscape is expanding to include crypto, stablecoins, DeFi, NFTs, and RWA (real-world assets), leveraging on-chain transparency + programmability to enable full-spectrum services, from custody and advisory to yield generation, strategy execution, and on-chain governance. The core values include security, transparency, diversified returns, privacy, and cross-border efficiency.
- The industry is currently facing new challenges, such as custody and smart contract security, regulatory uncertainty, and tax compliance (e.g., frameworks like MiCA, FATF, SFC, MAS).
- As of October 2025, the total market capitalization of crypto is about \$3.7 trillion with around 600 million users. The crypto PWM AUM is estimated between \$25–40 billion, growing at an annual rate of >50%. Key hubs include Switzerland, Singapore, UAE, and Hong Kong, which are progressively forming regulatory, technical, and service standards.
- The crypto PWM products are structured from the bottom-up: basic custody → yield management → structured → family governance.
- Key risks include regulatory compliance, technical and private key security, contract risks, market volatility, and liquidity. Meanwhile, institutionalization, CeFi + DeFi hybrid structures, RWA tokenization, and AI-driven advisory will be the core development themes.
- As regulatory clarity increases, HNWIs’ trust in the market will rise, and licensed institutions will become key players. In a neutral scenario, by 2028, the crypto private wealth management market is expected to reach \$120 billion, with an optimistic scenario seeing it grow to \$200–320 billion.

# 2025 Global Crypto Private Wealth Management Industry White Paper

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# 1. Industry Background & Trends

## 1.1 Overview of Private Wealth Management Industry

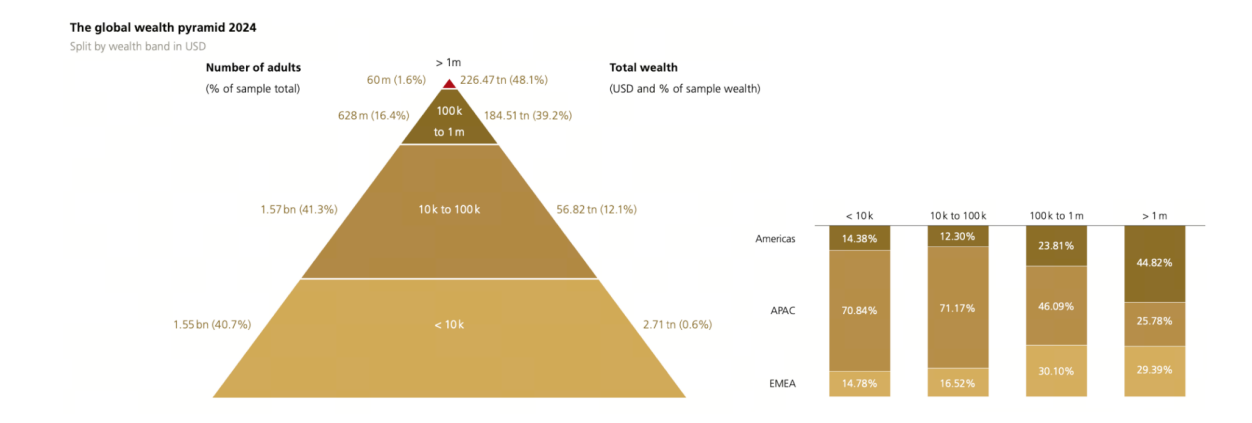
Private Wealth Management (PWM) is a specialized service for high-net-worth individuals (HNWIs), offering comprehensive wealth planning, investment advice, asset allocation, tax, and legacy services. Originating from European private banking traditions, PWM has evolved over centuries and has become one of the most stable high-end services in the global financial system. Its core goal is to help clients preserve and grow their wealth while balancing risk management, tax compliance, and legacy needs.

Traditional PWM is centered on “human + bank”, emphasizing trust and customized solutions. However, in the last decade, changes in wealth structures and the integration of fintech have driven a paradigm shift in the industry. On one hand, global wealth is growing rapidly, with the number of HNWIs steadily rising. On the other hand, the rise of information transparency and digital assets is changing clients’ investment behavior and risk preferences. The PWM industry is now evolving from a “closed banking relationship model” to an “open digital ecosystem.”

## 1.2 Global Wealth Management Market Trends

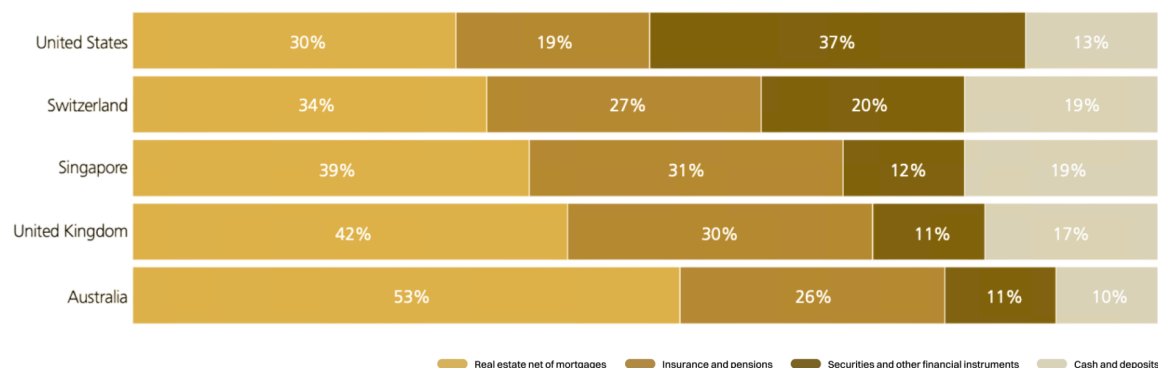
According to Boston Consulting Group’s Global Wealth Report 2025, the global private wealth total reached \$255 trillion by March 2025, with 40% controlled by HNWIs. By 2030, the global private wealth size is expected to grow at a 5% CAGR, reaching around \$330 trillion. Wealth growth in the Asia-Pacific region (7%) significantly outpaces that in North America and Europe (3–4%).

Figure 1: The global wealth pyramid 2024



In asset allocation, traditional assets remain dominant, with stocks, bonds, and real estate comprising about 80% of the total. However, the importance of alternative investments is increasing, including private equity, hedge funds, infrastructure investments, and digital assets. HNWI's are now pursuing more liquid and innovative investment models to achieve excess returns and risk diversification.

Figure 2: Global asset allocation



Gate Research, Data from: UBS

Gate Research

## 1.3 Global Wealth Management Market Structure

The global wealth management market is divided into three main regions:

1. North America and Europe: Mature markets with robust regulations and developed private banking systems. Institutions like UBS, Morgan Stanley, and Citi Private Bank manage large client bases and have well-established trust systems.
2. Asia-Pacific: Emerging markets with rapid growth, with China, India, Singapore, and Hong Kong becoming regional hubs. The region has a high level of wealth digitalization, and fintech companies are accelerating their entry into PWM.
3. Middle East and Latin America: Wealth is concentrated in family offices and state funds, which blend investment and governance functions.

Future competition will focus on how to integrate digital technology, cross-border compliance, and multi-asset service capabilities to meet the diverse needs of global clients.

## 1.4 Evolving Demands of High-Net-Worth Individuals

According to Morgan Stanley, HNWI's wealth management demands are shifting from a "return-focused" approach to a focus on "security, privacy, and sustainability." Traditional clients prioritize long-term stable returns and legacy planning, while a new generation of wealthy

individuals, especially digitally native groups, emphasizes flexibility, self-management, and on-chain transparency.

This generational shift has led to a division in PWM service models: some firms still focus on offline advisor relationships, while others are shifting towards data-driven and algorithm-based wealth management. Clients are no longer satisfied with passive portfolios but want to engage in strategy development and on-chain asset management.

Additionally, cross-border asset allocation demands have increased. As barriers to capital movement lower, there is a clear trend toward global asset integration, with tax planning and identity compliance becoming new pain points. Clients now prefer institutions that can provide integrated compliance services across multiple jurisdictions.

## **1.5 Private Wealth Management in the Digital Asset Era**

The development of blockchain and digital assets has brought structural changes to the PWM industry. Asset classes have expanded to include cryptocurrencies, stablecoins, DeFi protocols, NFTs, and RWA, extending wealth management from the traditional financial system into the on-chain economy.

The key advantages of digital assets lie in transparency and programmability. All transactions and asset movements are on-chain verifiable, reducing intermediary costs and trust costs. Meanwhile, the trend of combining DeFi and CeFi is redefining the boundaries of wealth management services, extending them to include yield generation, strategy execution, and on-chain governance.

However, the digital asset PWM faces challenges such as custody security, smart contract risks, regulatory uncertainty, and the need for tax transparency. Regulatory bodies worldwide are advancing industry standardization through frameworks like MiCA (EU), FATF (Global), SFC (Hong Kong), and MAS (Singapore), laying the foundation for compliant wealth management.

## **2. Crypto Private Wealth Management: Definition and Standards**

### **2.1 Definition**

Crypto Private Wealth Management (Crypto PWM) refers to a comprehensive service system based on blockchain infrastructure, focused on managing digital assets, and offering services such as asset custody, configuration, risk management, yield optimization, tax planning, and privacy protection for high-net-worth clients. Unlike traditional PWM, Crypto PWM combines "financial professionalism" with "on-chain technical capabilities," requiring an understanding of macro-financial logic as well as expertise in smart contracts, crypto security, and regulatory compliance.

The core characteristics of Crypto PWM are threefold:

- 1. Digitalized Asset Form: All assets are fully digital.
- 2. On-Chain Verifiability: All transactions and reports are verifiable on the blockchain.
- 3. Client Sovereignty: Clients retain ultimate control over their assets.

Crypto PWM represents a structural shift from centralized banking systems to decentralized financial networks.

## 2.2 Differences from Traditional PWM

Table 1: Traditional vs. crypto PWM

| Dimension             | Traditional PWM                   | Crypto PWM                                                        |
|-----------------------|-----------------------------------|-------------------------------------------------------------------|
| Asset Classes         | Stocks, Bonds, Funds, Real Estate | Cryptocurrencies, Stablecoins, DeFi Protocols, NFTs, RWA          |
| Custody Methods       | Bank Accounts, Trust Structures   | Self-custody Wallets, Multi-Signature Wallets, MPC Secure Custody |
| Compliance Mechanisms | KYC / AML / CRS                   | On-chain Identity (DID), KYT, Zero-Knowledge Proof                |
| Revenue Sources       | Management Fees, Performance Fees | Profit Sharing, Protocol Incentives, Staking Yields               |
| Disclosure Models     | Ledger Records, Reporting Systems | On-chain Verifiability, Real-time Auditing                        |
| Client Profile        | Traditional Wealthy Individuals   | Crypto-native, Tech-driven, High Autonomy                         |

Crypto PWM can be seen as a “disintermediated wealth management infrastructure,” built through smart contracts and on-chain identity systems to create a transparent, automated trust mechanism.

## 2.3 Core Value

The core value of Crypto PWM is reflected in four key dimensions:

- 1. Security and Transparency: On-chain records ensure traceability of asset ownership and transaction pathways, preventing information asymmetry.
- 2. Yield Diversification: Through DeFi protocols, staking, and RWA (Real World Asset) channels, it enables compound returns.
- 3. Sovereignty and Privacy Protection: Clients maintain control over their assets, with privacy protected through encryption and zero-knowledge technologies.
- 4. Cross-Border Liquidity and High Efficiency: 24/7 uninterrupted settlement reduces cross-border transfer and foreign exchange costs.

## 2.4 Global Crypto Market Size

As of October 2025, the global crypto asset market capitalization is approximately \$3.7 trillion, with around 600 million crypto users worldwide, of which 45% are based in Asia. The total value locked (TVL) in the DeFi ecosystem is about \$120 billion, mainly concentrated in popular networks such as Ethereum, Arbitrum, and Solana. The market capitalization of stablecoins is around \$160 billion, positioning them as a core medium for crypto fund flows. Digital assets have gradually evolved from speculative investment tools to institutional assets, with an increasing number of banks, family offices, and hedge funds entering the crypto asset management space.

Figure 3: Global crypto market size



## 2.5 Crypto PWM Market Size

Currently, Crypto PWM is still in its early stages. According to estimates from Messari and Galaxy Research, the global assets under management (AUM) in crypto PWM range between \$25 billion and \$40 billion, with an annual growth rate exceeding 50%. Major markets are concentrated in regions such as Switzerland, Singapore, UAE, and Hong Kong, which have relatively favorable regulatory and tax policies.

Key participants include:

1. Crypto Family Offices: Such as Sygnum and Zerocap, which provide on-chain trust and family office management services.
2. Institutional Custody and Banking Platforms: Such as Anchorage and Coinbase Institutional.
3. DeFi Wealth Management Protocols: Such as Yearn, Enzyme, and Sommelier, offering automated yield strategies.

It is expected that by 2030, the Crypto PWM market AUM will surpass \$100 billion, becoming a significant part of the global PWM market.

## 2.6 Industry Standards

The industry standards mainly encompass three categories: regulatory standards, technical standards, and service standards.

- 1. Regulatory Standards: Regulatory frameworks for digital asset custody and advisory services have been introduced by entities such as the EU's MiCA, Singapore's MAS, and Hong Kong's SFC.
- 2. Technical Standards: These include MPC (Multi-Party Computation) security, DID (Decentralized Identity) systems, and on-chain audit standards, which are gradually becoming unified.
- 3. Service Standards: These include mechanisms such as KYT (Know Your Transaction), risk-level classification, and yield transparency disclosure, which are being implemented by institutions.

The establishment of these standards will be essential for the institutionalization and globalization of Crypto PWM.

## 3. Service Architecture

### 3.1 User Segmentation and Profiling

The traditional PWM industry typically categorizes clients based on their asset size into High Net-Worth Individuals (HNWI), Ultra High Net-Worth Individuals (UHNW), and Family Offices. The same approach is used to classify clients in Crypto PWM.

Table 2: Crypto PWM users profile

| Client Category | Asset Size   | Characteristics                         | Main Needs                                              |
|-----------------|--------------|-----------------------------------------|---------------------------------------------------------|
| Crypto HNWI     | \$1M - \$10M | Crypto-native, high-risk tolerance      | DeFi yields, privacy protection, self-management        |
| Crypto UHNW     | \$10M+       | Diversified, institutional operations   | Cross-chain allocation, custody, security, tax planning |
| Family Offices  | \$50M+       | Professional teams, stable return focus | Compliant custody, RWA funds, reporting and auditing    |

Crypto PWM clients exhibit characteristics of "high professionalism and high engagement." Crypto HNWIs tend to be highly involved in asset allocation and demand sophisticated tools and

interfaces. UHNW clients focus more on risk control and cross-border compliance, while institutional clients prioritize transparency, audit standards, and tax structure design.

Compared to traditional PWM, Crypto PWM clients are younger, more tech-oriented, and possess a higher level of digital financial knowledge. Their needs are no longer limited to "trust in advisors" but are more inclined towards "verifiable systems."

## **3.2 Product Spectrum**

The product architecture of Crypto PWM is similar to traditional private wealth management in terms of hierarchical logic—ranging from "custody and security" to "investment and returns" and finally to "legacy and governance." However, due to differences in underlying assets, technological architecture, and revenue sources, Crypto PWM displays noticeable differences in product composition and risk management approaches.

Typically, PWM product systems can be divided into four categories:

1. **Basic Custody:** Includes cold wallet custody, multi-signature accounts, and MPC secure custody solutions.
2. **Revenue Management:** Includes staking, DeFi liquidity mining, and automated yield aggregation.
3. **Structured Investments:** Includes neutral strategy portfolios, stablecoin yield funds, and RWA asset channels.
4. **Comprehensive Family Services:** Includes on-chain trusts, estate planning, privacy identity management, and tax advisory.

Table 3: Crypto PWM product category

| Product Category              | Traditional PWM Product Type                                | Crypto PWM Product Type                                                           | Technology or Mechanism Support                                                        | Return and Risk Characteristics                                          |
|-------------------------------|-------------------------------------------------------------|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Custody Products              | Bank account custody, trust accounts, third-party custody   | Cold wallet custody, multi-signature accounts, MPC secure custody                 | Multi-party secure computation (MPC), hardware isolation, decentralized key management | High security, strong verifiability, low liquidity                       |
| Yield Management              | Fixed-income investments, stock funds, structured notes     | DeFi staking, liquidity mining, yield aggregation strategies                      | Smart contracts, automated yield aggregators                                           | High yield volatility, risk related to protocol security                 |
| Structured Investments        | Private equity, hedge funds, bond + option combinations     | Stablecoin yield portfolios, delta-neutral strategies, RWA funds                  | Algorithmic strategies, on-chain derivatives markets, cross-chain bridges              | Customizable yields, strict risk control needed                          |
| Insurance & Protection        | Life insurance, trust insurance, tax optimization insurance | Smart contract insurance, protocol security insurance, on-chain credit protection | Decentralized insurance protocols (e.g., Nexus Mutual)                                 | High transparency but unstable risk models                               |
| Comprehensive Family Services | Family trust, estate planning, charitable funds             | On-chain trusts, digital estate management, privacy identity (DID) governance     | Smart contract trusts, zero-knowledge proof identity authentication                    | Balances long-term governance, privacy protection, and asset sovereignty |

Gate Research, Data from: Gate

 Gate Research

It is evident that Crypto PWM has evolved from a closed trust structure to an open protocol-based system that is verifiable on-chain. While traditional PWM relies on financial institutions' legal trust and advisory systems, Crypto PWM builds service boundaries through cryptographic trust and code execution logic.

A significant change brought about by this structure is that Crypto PWM's product innovation cycle is much shorter. New strategies (e.g., Restaking yield portfolios, cross-chain RWA funds) can be quickly iterated and launched. However, the speed of risk transmission is also faster, requiring PWM institutions to have on-chain risk monitoring and protocol due diligence capabilities.

From a client experience perspective, Crypto PWM's product offerings are more modular and customizable. Users can choose from a range of configurations based on their risk preferences, return goals, and compliance identities, with flexible switching between “full custody mode” and “self-management mode.” This flexibility makes it particularly attractive to the younger HNW client base.

### 3.3 Service Process

A typical Crypto PWM process includes five stages: Client Identification and Due Diligence (KYC/KYT), Asset Evaluation and Allocation Recommendations, Execution and Custody, Performance Tracking and Auditing, and Compliance and Tax Optimization. After clients

complete registration and verification through the on-chain identity system, the advisory team formulates an allocation plan based on on-chain data and risk preferences. Execution and custody rely on smart contracts and MPC technology to automate execution and ensure security, with all actions verifiable on-chain. Performance reports and risk monitoring are generated in real-time, ensuring transparency and auditability.

### **3.4 Value-Added Services**

Crypto PWM institutions typically offer a range of value-added services, including education and research reports, market insights and trend analysis, cross-border tax and legal consulting, privacy identity management, and on-chain trust structure design. These value-added modules help clients achieve full-cycle management, from asset allocation to legacy governance, further enhancing client retention and service depth.

## **4. Product Case Studies**

The following section uses Morgan Stanley as an example to illustrate the service structure and investment strategies of traditional private wealth management (PWM) institutions. It then analyzes Gate Private Wealth Management as a case study to highlight the unique features of crypto wealth management in terms of return generation, strategy evolution, and client customization—offering a comparative perspective on the core differences and operational practices between traditional and crypto-native PWM providers.

### **4.1 Traditional Private Wealth Management: Morgan Stanley**

Traditional PWM institutions primarily target high-net-worth individuals (HNWIs) with assets exceeding USD 5 million, providing comprehensive wealth management and asset allocation plans based on their specific goals. The world's top ten wealth managers by AUM include Morgan Stanley, UBS, J.P. Morgan, and Goldman Sachs, most of which are also leading global investment banks. This integration allows clients to access cross-departmental resources, including product innovation, research capabilities, and institutional-grade market insights.

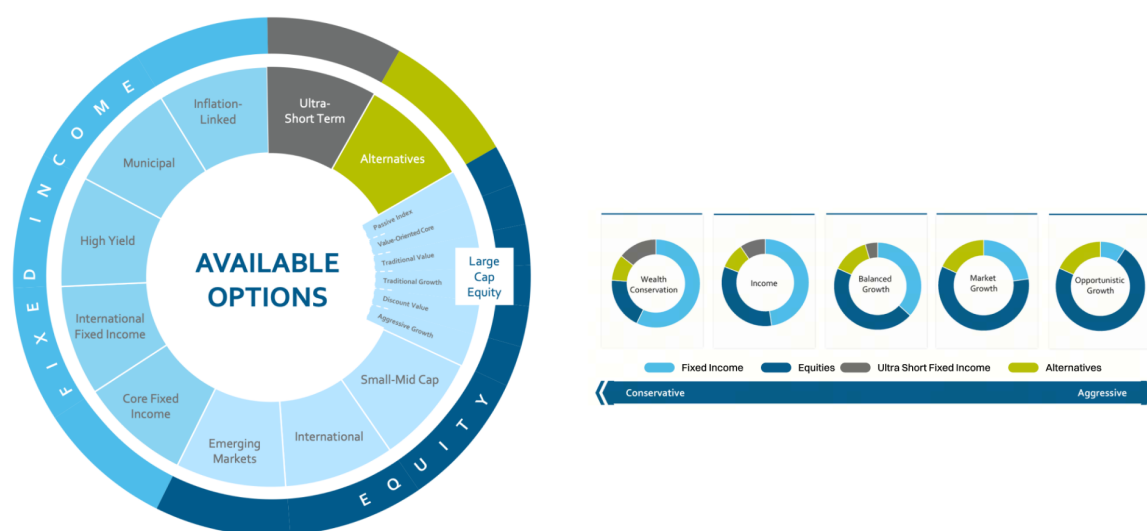
Morgan Stanley Private Wealth Management (PWM), founded in 1977, provides portfolio management, tax optimization, insurance, and family office services. As of Q2 2025, Morgan Stanley's total AUM exceeded USD 8.2 trillion, accounting for roughly 45% of the company's total revenue. The PWM division employs around 80,000 professionals across 45 countries, with 350 dedicated teams serving ultra-high-net-worth clients (UHNWIs) with tens of millions in assets—addressing financial needs across their entire wealth lifecycle.

Notably, beginning October 15, 2025, Morgan Stanley expanded access to cryptocurrency investments across all client segments, allowing digital asset allocations within any account type, including retirement accounts.

Morgan Stanley's wealth management process generally consists of three key steps:

1. **Client Goal Definition** – Establishing financial and personal objectives, including family goals, cash flow needs, risk tolerance, succession planning, tax considerations, and legal constraints. These parameters shape both long-term strategic and short- to medium-term tactical boundaries.
2. **Financial Planning & Asset Allocation** – Employing both strategic (long-term) and tactical (short-term) allocation approaches. Strategic allocation is reviewed annually and based on long-term capital market assumptions, while tactical allocation adjusts more frequently (about 3–5 times per year) in response to the CIO's market outlook. Asset allocation typically drives about 90% of overall portfolio returns.
3. **Portfolio Construction, Risk & Tax Management** – Portfolios are built using a hybrid approach combining active alpha generation and passive cost control, enhanced by tax optimization strategies to improve after-tax returns. Products are categorized across five risk levels—Conservative, Income, Balanced, Growth, and Aggressive—and diversified across equities, fixed income, alternatives, and tax-efficient solutions to align with different risk, liquidity, and tax profiles.

Figure 4: Example of Morgan Stanley PWM products



Given the bespoke nature of PWM products, institutions rarely disclose detailed portfolio performance. For instance, Morgan Stanley's MRJIX, a conservative mixed-asset strategy fund, achieved a 7.10% return over the past year, with volatility and drawdowns significantly lower than the S&P 500 benchmark—demonstrating the fund's strong risk-adjusted and diversified return profile.

Figure 5: MRJIX vs. S&P 500



Gate Research, Data from: Portfolioslab

Gate Research

Despite variations among individual client strategies, traditional PWM products share several common characteristics:

1. **HNW/UHNW Focus** – Entry thresholds typically range from hundreds of thousands to several million USD. Structured and private offerings often have higher minimums to ensure client sophistication and long-term capital stability.
2. **Diversified Core-Satellite Allocation** – Portfolios are built around a stable “core” (e.g., bonds, blue-chip equities, and cash) complemented by “satellite” exposures (e.g., emerging markets, technology, PE/VC, or thematic funds) to capture growth opportunities.
3. **Emphasis on Risk and Drawdown Control** – Leverage is used conservatively. In volatile markets, maximum drawdowns are typically capped around 10–15%, and in capital-preservation mandates, even below 10%.

4. **Stable, Moderate Returns** – Annualized target returns generally range between 5–8%, with 68–92% allocated to defensive assets and 8–32% to growth assets. More aggressive clients may have 10–30% exposure to alternatives seeking excess returns.
5. **Holistic Family Wealth Management** – Strategies often incorporate trust structures, family governance, and tax-advantaged accounts to minimize estate taxes and enhance intergenerational wealth continuity.
6. **Long-Term Investment Cycles** – Portfolios are typically reviewed quarterly or annually to avoid short-term market timing, with adjustments made primarily in response to significant valuation or policy changes.

## **4.2 Crypto Private Wealth Management: Gate**

Traditional institutions are typically guided by long-term and stable growth, whereas crypto wealth management operates in a highly volatile and innovative market, developing a more dynamic and flexible return model. Beyond the usual “holding-for-appreciation” logic, crypto private wealth management offers more diversified income sources, including staking, lending, liquidity mining, and arbitrage strategies.

Despite its more technical and open structure, crypto wealth management retains a similar full-service philosophy to traditional private banking — following the process of “needs assessment → tailored planning → product allocation → data tracking → periodic review.” This section uses Gate’s Private Wealth Management (PWM) service as an example to illustrate the core objectives, product composition, and return modeling of crypto private wealth management.

Launched in September 2025, Gate’s Private Wealth Management service targets high-net-worth clients and marks a new step toward premium digital finance. With the core concept of “personalization, security, and compliance,” the service is designed for ultra-high-net-worth clients, aiming to provide personalized asset allocation and professional management — delivering a private banking-level experience within the digital asset ecosystem.

Core Highlights of Gate Private Wealth Management:

1. **Top-tier Compliance and Security:**  
Backed by Gate’s global compliance infrastructure and multi-layer security protections, the service adopts an advanced risk management system to safeguard client assets and ensure peace of mind in every investment decision.
2. **Customized Investment Strategies:**  
Tailored asset allocation based on each client’s objectives, risk tolerance, and market environment. Portfolios cover a broad range of mainstream and emerging crypto assets, combining growth potential with competitive returns.
3. **Private Advisory and Expert Team:**  
A multi-disciplinary team composed of client advisors, investment strategists, wealth planners, and dedicated service managers provides one-on-one, bank-grade private services.

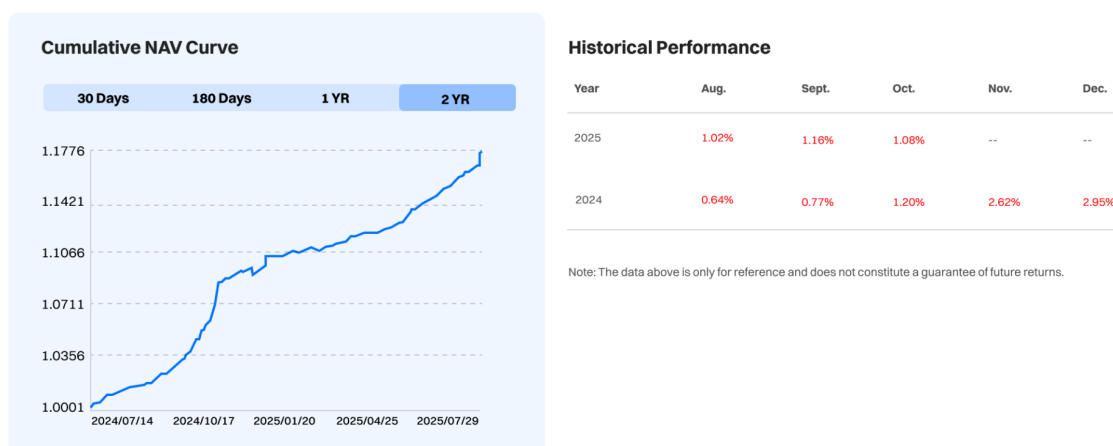
#### 4. Exclusive Research and Strategy Support:

Leveraging big data and AI technology, Gate's quantitative research team offers each ultra-high-net-worth client bespoke industry analysis and strategy optimization, supporting data-driven investment decisions.

Gate's wealth management plans are designed according to clients' liquidity needs and future goals, encompassing crypto assets, private funds, NFTs, bonds, and stable-income products. Additional premium services include ecosystem pre-subscription rights, family trusts, and cross-border tax planning — particularly valuable for clients with complex international wealth structures.

Clients can choose from various strategies aligned with their risk appetite, such as high-frequency market making, fee arbitrage, term arbitrage, and liquidity provision. In the crypto domain, clients can access cutting-edge opportunities via Gate Perp DEX, Launchpad, and Layer2 ecosystems. On the traditional finance side, they can also invest in USD-denominated notes, structured products, and gold hedging portfolios — offering both growth potential and income stability through dual-channel diversification.

Figure 6: Example of Smart Arbitrage – USDT Strategy



Gate Research, Data from: Gate

Gate Research

This fund employs a market-neutral arbitrage strategy based on three main mechanisms:

1. Spot-Futures Arbitrage: Exploiting basis differences between spot and futures markets.
2. Funding Rate Arbitrage: Capturing yield through perpetual contract rate differentials.
3. Market-Making Arbitrage: Providing liquidity to capture short-term price spreads.

It suits investors seeking stable, long-term returns and diversified exposure, with the following key advantages:

**Professional Research Team:** Given crypto's volatility, many individual investors face heavy drawdowns during market corrections. Gate's research and trading team — composed of PhDs and M.S. graduates from top universities and former professionals at leading trading firms — minimizes volatility while maximizing alpha through expertise in macro analysis, quantitative modeling, and risk control.

**Robust Risk Management:** Comprehensive systems manage exposure, position sizing, alerts, and contingency responses. During extreme market conditions, automatic risk thresholds are triggered to prevent over-concentration in any single asset or strategy, thereby reducing portfolio volatility and protecting client capital.

**Advanced Trading Infrastructure:** The high-performance execution engine supports high-frequency trading with minimal slippage. Real-time data monitoring and adaptive algorithms ensure stable performance even under stressed liquidity or high volatility, enabling precise short-term arbitrage capture.

**Stable Historical Performance:** Since inception, the team has consistently achieved steady results, with an annualized return of 14.89% and a maximum drawdown of -0.37%, outperforming industry averages. This demonstrates the team's ability to sustain performance across market cycles through diversified strategies and strong defensive mechanisms.

Overall, Gate's case illustrates that crypto private wealth management not only inherits the full-service, customized philosophy of traditional private banking but also leverages blockchain's transparency, programmability, and diversified yield structures. It delivers dynamic asset growth and risk control in a high-volatility market, offering high-net-worth clients a new paradigm of secure and globally integrated digital wealth management.

## **4.3 Summary**

Table 4: Comparison of crypto PWM institutions

| Attribute          | Gate                                                                                                                                                                                            | Binance                                                               | Crypto.com                                                                                                     | Bybit                                                                             |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| Launch Time        | September 2025                                                                                                                                                                                  | October 2024                                                          | February 2024                                                                                                  | December 2024                                                                     |
| Target Clients     | High-net-worth individuals (HNWIs)                                                                                                                                                              | Institutions and HNWIs                                                | HNWIs and institutions                                                                                         | HNWIs, family offices, and institutions                                           |
| Entry Requirements | Gate VIP                                                                                                                                                                                        | Institutional only (not available to individuals)                     | Minimum assets of USD 1 million                                                                                | Bybit VIP                                                                         |
| Service Highlights | Priority allocation rights / Family trust / Tax planning<br>Global investment roadshow invitations<br>Participation in cutting-edge projects via Gate Perp DEX, Launchpad, and Layer2 ecosystem | Supports active/passive investment; offers trading and yield products | Institutional-grade trading and deep liquidity; unrestricted fiat deposits/withdrawals; near-zero trading fees | Flexible and fixed-term yield products; exclusive strategies; structured products |

Overall, at the strategic level, traditional wealth management focuses more on capital preservation and inheritance, whereas crypto wealth management emphasizes flexibility and innovation. Unlike traditional institutions that typically adjust their strategies on a quarterly or annual basis, the high-frequency volatility of the crypto market requires managers to possess the ability for rapid adaptation and dynamic rebalancing. Professional teams can adjust positions and switch strategies in real time based on on-chain data, market liquidity, and macro trends, ensuring agile and responsive portfolio management.

## 5. Risks and Challenges

The private wealth management of crypto assets is currently in a transitional phase — evolving from high-risk speculation toward institutionalized management.

Its core value propositions lie in:

1. Diversified allocation: expanding new sources of return through crypto assets;
2. Transparency and autonomy: verifiable on-chain data;
3. Global liquidity: 24/7, borderless asset allocation.

However, its long-term development remains constrained by regulatory clarity, market maturity, and risk management capabilities. Since the cryptocurrency market is still developing and highly

volatile, many traditional wealth management institutions remain cautious. The key question facing the industry is how to integrate crypto assets into client portfolios while maintaining effective risk control.

This section explores four major dimensions of risk: compliance, technology, market volatility, and liquidity.

## **5.1 Compliance Risk**

Compliance is the primary challenge for crypto wealth management institutions. Despite growing investment in compliance across the industry, global regulatory stances remain fragmented. Even in countries and regions open to crypto assets, regulations vary widely — some classify them as securities or financial instruments, while others treat them as commodities or virtual assets, making it difficult to form unified standards.

Operationally, crypto wealth management platforms that offer custody, investment advisory, or asset management services may require appropriate licenses (custody, fund management, or investment advisory). Without them, they risk being classified as engaging in illegal fundraising or unlicensed operations. Furthermore, institutions serving clients across multiple jurisdictions must navigate conflicting regulatory frameworks and overlapping compliance boundaries.

This regulatory uncertainty restricts cross-border asset transfers, custody options, and structured product design, ultimately narrowing the range of products available to clients and reducing potential returns. Sudden regulatory shifts — such as changes in custody requirements or trading restrictions — can also lead to short-term capital flight or liquidity contraction, affecting client experience and increasing compliance costs.

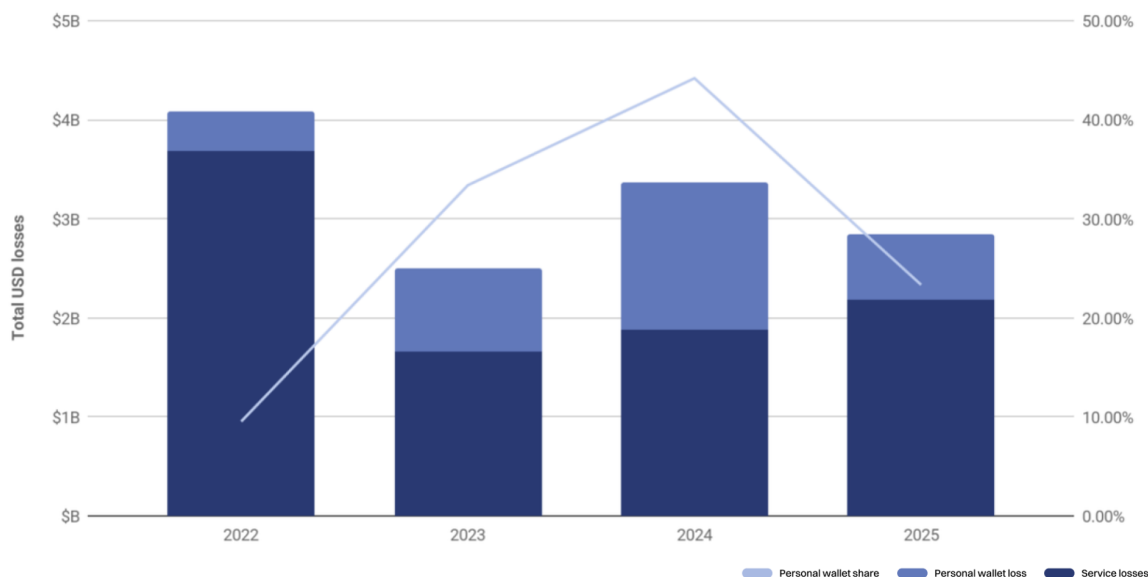
Because of these uncertainties, the early stages of wealth management operations carry elevated legal risk. Institutions must therefore build forward-looking legal teams and adopt prudent compliance strategies. For crypto wealth managers, developing a multi-jurisdiction compliance framework and switchable custody/clearing solutions (e.g., through regulated custodians or broker-dealers) is a practical path to managing regulatory complexity.

## **5.2 Technology Risk**

Technology risk arises mainly from vulnerabilities in blockchain infrastructure and weaknesses in digital asset storage and transaction processes. Smart contract flaws, exchange hacks, or private key mismanagement can all result in the theft or permanent loss of client assets.

In recent years, high-profile cases — from DAO exploits to centralized exchange breaches — have caused massive losses. As of 2025, the total amount stolen from crypto services exceeds USD 2.17 billion.

Figure 7: Statistics of crypto market hacks



Gate Research, Data from: Chainalysis

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Historically, DeFi platforms were prime targets for hackers due to rapid product launches with limited security focus. Recently, however, attacks have shifted toward centralized services, as seen in the 2024 DMM Bitcoin (\$305 million stolen) and WazirX (\$234.9 million stolen) incidents. Notably, private key leaks accounted for 43.8% of stolen assets, underscoring the dependence of centralized services on secure key management. Mismanagement of private keys not only leads to devastating losses but also causes reputational damage and client distrust — as exemplified by the DMM case.

Most leading platforms rely on third-party or internal custody systems such as Fireblocks, Ceffu, or BitGo, which employ mechanisms like multi-signature, MPC, and cold wallets. While these improve security, they still face risks related to software vulnerabilities and centralization.

For DeFi and structured products, third-party security audits and ongoing bug bounty programs are essential for risk mitigation. Additionally, establishing robust incident response mechanisms and insurance coverage can further reduce potential losses.

### 5.3 Market Volatility Risk

High volatility is a defining feature of the crypto market and a major challenge for wealth managers. During extreme conditions, BTC and ETH can fluctuate  $\pm 10\%$  within a single day, and even structured products (e.g., dual-currency investments) can suffer principal losses.

While the launch of spot ETFs has helped stabilize prices to some extent, seasonal volatility and event-driven shocks remain common. For example, in October 2025, the crypto market experienced one of its largest liquidation events in history, showing that macroeconomic developments, regulatory actions, or major on-chain incidents can still trigger abrupt market swings — impacting NAV exposure, margin requirements, and client sentiment.

Such volatility complicates portfolio management and increases demands on risk control and liquidity planning. To mitigate volatility risk, institutions should:

1. Diversify across crypto, stablecoins, and traditional assets;
2. Set stop-loss thresholds and risk limits;
3. Employ dynamic asset allocation and quantitative risk models;
4. Conduct stress tests and scenario analysis to evaluate extreme market impacts.

These approaches enhance early warning capabilities and help managers preserve client assets under turbulent conditions.

## **5.4 Liquidity Risk**

Beyond volatility, liquidity risk is another key concern. It refers to the inability to liquidate assets promptly when market demand is low or trading is restricted. In crypto markets, low-cap tokens or thinly traded assets are particularly exposed — investors may be forced to sell at a discount or face illiquidity during downturns.

A historical example is the UST depeg crisis (2022), where algorithmic stablecoin collapse drained DeFi liquidity pools and destabilized the broader market. Liquidity risk also affects centralized platforms: the FTX collapse revealed severe liquidity mismatches and withdrawal runs caused by insufficient reserves.

During large sell-offs, lenders and market makers often pull liquidity, leading to wider spreads, slippage, and flash liquidity shortages. Although DeFi TVL reached an all-time high of USD 237 billion in Q3 2025, structural fragility persists during shocks.

To address liquidity risk, institutions should:

1. Prioritize allocation to high-liquidity assets;
2. Maintain appropriate position sizing;
3. Use derivatives or lending tools for dynamic liquidity management;
4. Build real-time liquidity monitoring systems and early warning mechanisms;
5. Implement staggered redemption plans, liquidity support agreements, and short-term credit facilities to handle large withdrawals.

In summary, while crypto private wealth management offers diversification, transparency, and global flexibility, it also faces significant regulatory, technical, and market-related risks. Its sustainable growth depends on professional risk control, institutional governance, and regulatory convergence — key foundations for the next stage of digital wealth management.

## 6. Industry Development Outlook

### 6.1 Development Direction

As the global crypto asset market continues to mature, the number of high-net-worth individuals (HNWIs) is steadily rising, driving a rapid increase in demand for crypto wealth management. A growing number of investors with portfolios exceeding one million USD are seeking professional, customized asset allocation strategies to preserve and grow wealth in an increasingly volatile market.

Figure 8: Worldwide crypto wealth statistics

| Worldwide Crypto Wealth Statistics |                                                                                          |                    |  |                                                                                           |                                  |
|------------------------------------|------------------------------------------------------------------------------------------|--------------------|--|-------------------------------------------------------------------------------------------|----------------------------------|
|                                    |  Crypto |                    |  |  Bitcoin |                                  |
|                                    | Total                                                                                    | Growth % (1 year)* |  | Total                                                                                     | Bitcoin % of Total Crypto Market |
| Millionaires                       | 241,700                                                                                  | +40%               |  | 145,100                                                                                   | 60%                              |
| Centi-millionaires                 | 450                                                                                      | +38%               |  | 254                                                                                       | 56%                              |
| Billionaires                       | 36                                                                                       | +29%               |  | 17                                                                                        | 47%                              |
| Total Crypto Users (million)       | 590                                                                                      | +5%                |  | 295                                                                                       | 50%                              |
| Total Market Value (USD trillion)  | 3.3                                                                                      | +45%               |  | 2.1                                                                                       | 64%                              |

Gate Research, Data from: henleyglobal.com

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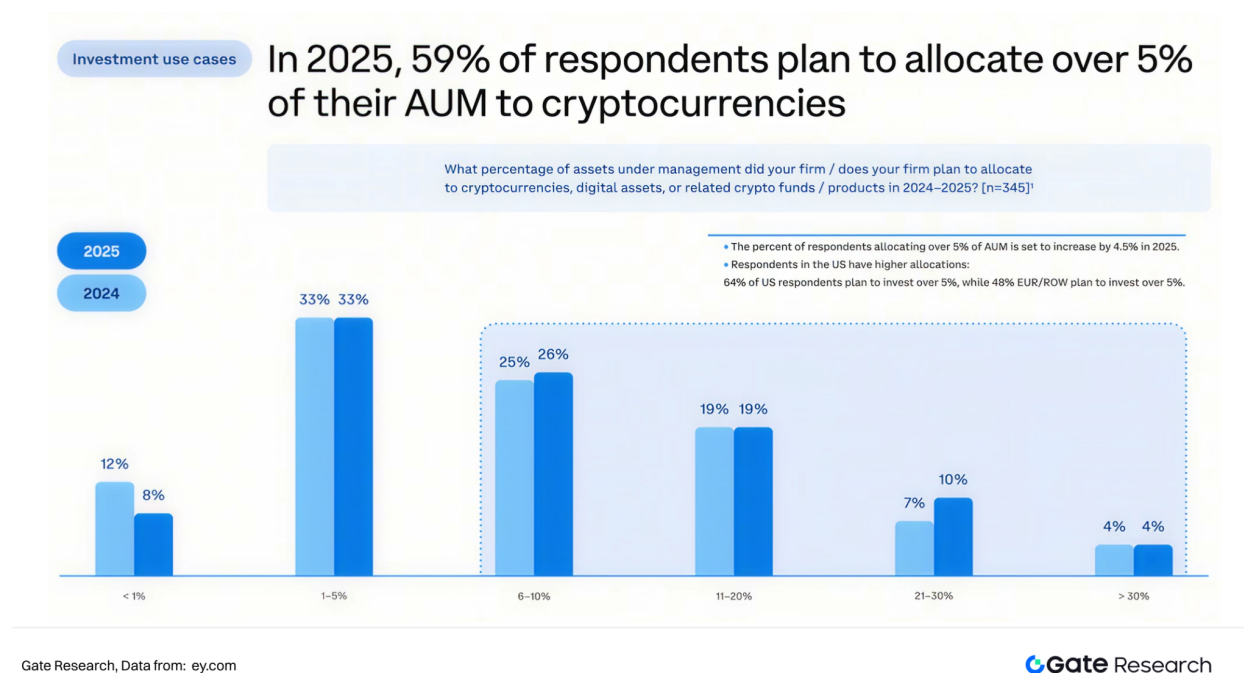
Against this backdrop, crypto private wealth management is transitioning from an exploratory phase to a systematic development phase. Over the next few years, as institutional compliance frameworks improve, investor profiles evolve, and the convergence between traditional and crypto finance deepens, the industry is expected to become more professionalized, compliant, and diversified.

#### 6.1.1 Cross-Sector Convergence and Institutionalization as the Core Theme

Crypto private wealth management will no longer operate as an isolated track—it will evolve into a collaborative ecosystem involving traditional financial institutions, family offices, and native crypto platforms. Survey data from 2025 indicate that most institutions currently maintain less than 5% exposure to crypto assets, suggesting the institutional adoption is still in its early

stages. However, as regulatory transparency improves and compliant custody and liquidity infrastructures mature, this share is expected to rise significantly in the next three years.

Figure 9: Survey on financial institutions' allocation of crypto assets exposure



Traditional financial capital will likely flow into crypto at scale, with banks, brokerages, and asset management firms launching crypto wealth, custody, and structured investment products. These players will increasingly collaborate—or compete—with native exchanges and DeFi protocols to build multi-layered wealth management systems.

Client segmentation will also deepen. On one hand, demand from traditional HNWI and institutional investors for compliant crypto exposure will continue to grow. On the other, native crypto investors will increasingly seek systematic asset management and tax planning services, shifting the service model from product-oriented to advisory-driven. Future crypto wealth institutions will prioritize building investment advisory and research capabilities, offering multilingual, cross-market client services.

Meanwhile, AI and big data analytics will be deeply integrated into portfolio optimization, risk management, and client profiling—enhancing customization, improving strategy precision, and driving a transition toward truly data-driven wealth management.

### 6.1.2 Product Structure: From Single Investments to Multi-Layered Portfolios

Historically, crypto wealth management has centered on high-yield or single-token staking models—profitable yet lacking in risk layering, asset diversification, and strategic variety. As the

market matures and institutional participation grows, crypto wealth products are expected to evolve toward multi-tiered, portfolio-based structures, forming more resilient and structured investment systems.

At the product level, diversification will take several forms:

1. FOFs (Fund of Funds): Combining various crypto strategies—quantitative, trend-following, event-driven—across multiple DeFi protocols, stablecoins, and NFT assets to optimize returns and diversify risk.
2. Hybrid portfolios of digital and traditional assets: Tokenization of real-world assets (RWA)—such as bonds, gold, and treasury bills—will reshape the return foundation of crypto wealth products while enhancing portfolio stability.
3. CeFi + DeFi hybrid architecture: CeFi platforms, leveraging compliance and risk control, provide secure custody and baseline yields, while DeFi adds on-chain high-yield strategies, balancing safety and flexibility.
4. AI-driven optimization: Real-time analysis of volatility, on-chain flows, and market sentiment enables AI to dynamically adjust portfolio exposure, shifting decision-making from experience-based to data-driven.

This marks a conceptual shift from pure “return chasing” to risk management and portfolio construction, aligning crypto wealth management increasingly with the family office model in traditional finance.

### **6.1.3 Compliance and Global Expansion**

The gradual clarification of global regulatory frameworks is the most certain transformation for the crypto wealth industry over the next three years. Many jurisdictions are opening access to crypto exchanges, ETFs, custody services, and AML-compliant frameworks.

Regulatory clarity boosts HNWI confidence in crypto allocation and provides institutions with the policy foundation for innovation and risk management. Institutions with global custody, cross-border compliance, and multi-currency service capabilities will emerge as key market players—shaping a compliant, competitive landscape characterized by licensed operations and multi-asset management.

## **6.2 Market Size Forecast**

### **6.2.1 Methodology and Assumptions**

This study defines the “crypto private wealth management market size” as the total investable client assets (AUM) managed by institutions providing crypto custody, portfolio management, structured products, and customized wealth services.

Given data fragmentation, we apply an **anchor–penetration modeling** approach: using on-chain AUM, ETP substitutes, and estimated HNWI crypto holdings as anchors, and adjusting for compliance maturity and institutional adoption rates.

Key parameters:

1. On-chain AUM: Estimated at \$35 billion in 2025, up 118% YoY, driven by automated vaults, structured products, and active strategies.
2. Crypto ETPs: AUM reached \$220.7 billion in October 2025, up 64% YoY from \$134.5 billion in November 2024.
3. HNWI crypto holdings: As of June 2025, HNWIs held \$242.5 billion in crypto assets, up 40% YoY.

These figures suggest a total professionally manageable crypto asset pool of approximately \$498.2 billion.

Currently, only 3–5% of this pool is managed through private wealth channels, as most assets remain self-custodied or managed by exchanges, native funds, or ETF issuers. Based on comparisons with traditional finance—where private wealth typically represents 20–30% of total managed wealth—crypto private wealth remains at an early stage.

Thus, the current crypto private wealth management market size is estimated at \$14.9–24.9 billion.

## **6.2.2 Scenario Forecast (2025–2028)**

Assuming continued regulatory progress and institutional entry, with on-chain AUM growing at 118%, ETP AUM at 64%, and HNWI holdings at 40% annually—and market penetration rising from 3% to 6%—the following projections emerge:

1. Base Case: By 2028, total professionally managed crypto assets could reach \$2 trillion, with crypto private wealth management AUM of around \$120 billion—a 4.8–8x increase from 2025 levels.
2. Optimistic Case: If major jurisdictions finalize regulatory frameworks within 1–2 years and private banks and family offices enter aggressively, market penetration could rise to 8%. In this case, AUM could expand 5–8x, reaching \$200–320 billion by 2028.

Over the next three years, the key growth drivers of crypto private wealth management will be institutionalization, compliance, product diversification, and global expansion. By integrating traditional finance resources with native crypto infrastructure, building advisory-driven, multi-layered portfolios, and leveraging AI and big data for dynamic optimization, crypto wealth institutions are well positioned to secure competitive advantage in a rapidly expanding market.

## **7. Conclusion**

The emergence of cryptocurrencies has not only opened new market opportunities for wealth managers but has also transformed the very foundation of wealth management itself. The traditional “human + bank” model is being reshaped and enhanced by on-chain digital assets. As global wealth expands and the population of high-net-worth individuals (HNWIs) continues to grow, the crypto wealth industry is gaining strong and sustainable momentum.

The product framework of crypto private wealth management now extends beyond traditional categories such as custody, yield management, structured investments, and family governance. Centered on on-chain verifiability, asset digitization, and client asset sovereignty, it enables diversified returns, controllable risks, and efficient cross-border services.

With the gradual advancement of regulatory clarity, technological infrastructure, and service standards, crypto private wealth management is rapidly evolving from an exploratory phase to a systematic and institutionalized stage. Key industry themes will include CeFi–DeFi hybrid architectures, the tokenization of real-world assets (RWA), and AI-driven intelligent advisory systems.

Looking ahead, innovation driven by digitalization and on-chain technology will continue to enhance HNWI engagement and the overall efficiency of wealth management. By 2028, the global crypto private wealth management market is projected to reach \$120 billion to \$320 billion, marking a phase of rapid growth and steady industry maturation.

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