Five Simple Ways Model Portfolios Can Grow Your Alts Business

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Financial advisors often face a common issue: finding an effective way to deliver alternative investment offerings. Model portfolios can serve as a straightforward solution to this problem, minimizing operational disruptions.

As investors increasingly seek the diversification benefits of alternative investments, financial advisors must be equipped with streamlined, outcome-oriented tools to gain meaningful exposure to alternative investments. Rather than selecting individual funds with varying goals and risk profiles, many advisors are turning to integrated, professionally constructed solutions that deliver scale and efficiency.

In 2024, iCapital launched a suite of alternatives-only model portfolios designed to meet this demand. These strategies function much like traditional mutual fund and ETF models that have gained traction in the private wealth space. By combining curated access to top-tier managers with strategic asset allocation and ongoing monitoring, these portfolios are positioned to help expand the adoption of alternatives across the wealth management channels.

Through iCapital's platform, advisors gain access to model portfolios that simplify implementation, offer built-in diversification, and provide ongoing insights and support. These tools address common challenges and span the full alternative investment lifecycle—from discovery to rebalancing. Whether seeking long-term capital appreciation, income, or tailored client solutions, model portfolios help bridge the gap between traditional portfolios and more modern, diversified allocations.

Five Benefits of Leveraging Model Portfolios for Alternatives

1. Simplicity

Model portfolios offer a convenient, transparent way to access alternative strategies managed by leading investment firms. The strategies are selected and overseen by iCapital's in-house research team, helping advisors sift through the vast array of alternative investments with an outcome-based approach. Instead of navigating dozens of individual offerings and building custom allocations from scratch, advisors can focus more time on deepening client relationships and growing their practice.

2. Portfolio Construction

These portfolios are built using a disciplined, academically grounded selection process. Asset class and fund-level diversification constraints are applied to help mitigate concentration risk, with each position chosen to add meaningfully to the overall profile. Advisors can also use iCapital Architect, a portfolio analysis tool that visualizes the potential benefits of including alternatives—offering insight into performance, risk, and client-aligned outcomes.

3. Reporting, Monitoring, and Rebalancing

Ongoing oversight is provided by a dedicated research team that delivers monthly performance updates, quarterly market commentary, and annual rebalancing. This reduces the time advisors spend on data aggregation and analysis, enabling them to focus on higher-impact activities while still maintaining transparency and discipline in portfolio management.

4. Operational Efficiency

Technology plays a critical role. iCapital's proprietary multi-investment workflow (MIW) tool streamlines the investment process by consolidating documentation, pre-populating investor information, and enabling one-click execution across all portfolio components. This ensures trades are processed securely and efficiently, making it easier to scale alternatives across a broader client base.

5. Cost

There are no additional platform fees for advisors or clients using these model portfolios. Investors pay only the fees of the underlying component funds—just as they would if investing in them individually.[1] This cost-neutral structure helps drive adoption by eliminating barriers to entry while preserving value.

As the demand for alternative investments continues to grow, financial advisors are increasingly incorporating them as core components of their client portfolios. With robust tools, research support, and platform integration, advisors now have the means to bring alternatives to a wider audience—helping clients pursue goals of growth, income, and enhanced diversification.

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