



# Model Portfolios for Alternatives

Combining Client Objectives With Standardized Efficiency

The information contained herein is provided solely for informational purposes for investment professional use and does not constitute an offer to sell or the solicitation of an offer to buy any security or investment product. Such an offer or solicitation may only be made to certain qualified investors through the relevant offering documents of such product. None of Capital Integration Systems LLC, CAIS Capital LLC, or any of their respective employees, members, principals, agents, or affiliates (or any affiliate of any of the foregoing persons) (collectively, "CAIS") is a fiduciary or advisory with respect to any financial services or products. CAIS does not provide any investment planning, legal, regulatory, tax, compliance, or other advice, and neither the information nor any prior or subsequent communications from or with CAIS or its representatives should be construed as any such advice.

Do not replicate © 2026 Capital Integration Systems LLC



## Model Portfolios for Alternatives

Whether aiming to move upmarket or attract the next generation of clients, advisors focused on growing their businesses are facing new demands on their time. A recent report by McKinsey & Company found that high-net-worth and younger individuals want their advisors to step up their offerings through more holistic services or through access to alternatives.<sup>1</sup>

Advisors are already spending more than a fifth of their time on administrative tasks and nearly just as much on investment management-related activities, both of which borrow time that could be spent serving more direct client needs.<sup>2</sup> Demand for alternative investments is increasing in tandem with these broader and often more complex mandates, and the proliferation of newer, more “wealth-friendly” alternative structures is adding to the burden as advisors must confront the mounting paradox of choice.<sup>3</sup>

Advisors looking to differentiate have little choice but to seek greater efficiency in putting the pieces together. Model portfolios offer advisors one way to do that, specifically when coupled with time-saving, technology-driven workflows.

In this paper, we explore how leveraging a combination of technology and professionally designed model portfolios may benefit advisors hoping to deliver **goal-aligned alternative investment approaches at scale across their book of clients**.

## How Advisors Use Model Portfolios

Model portfolios aren’t new to most advisors. Indeed, in the latest annual CAIS and Mercer Alternative Investment Survey, more than half of the advisors surveyed said they use model portfolios for 25% or more of their client assets.<sup>4</sup> According to Broadridge, model portfolio programs are typically designed to let advisors delegate portfolio management and concentrate instead on deepening client relationships and attracting new assets.<sup>5</sup>

The reasons for using them in alternative investing tend to be the same as the reasons for using them at large. With alternatives, which sometimes come with a steeper learning curve and involve more nuanced strategies and portfolio management considerations, this delegation may be even more advantageous.

The following sections outline how model portfolios can help advisors meet today’s demands around portfolio complexity, client personalization, and business efficiency.

# 77%

of advisors surveyed already use or consider model portfolios when allocating to alternatives.

Source: CAIS and Mercer, 2026 Report: The State of Alternative Investments in Wealth Management

## Turning to Professional Investment Managers

Advisors can choose to use model portfolios they build themselves, or those developed by their home office or other third-party strategists like asset management firms. Dedicated investment management teams tend to focus on tasks like asset allocation, manager or fund selection, and due diligence. They may also be more experienced than the advisors themselves in building portfolios that include private market strategies and hedge funds. Asset-manager-driven model portfolios may also provide advisors with access to what they believe to be “best-of” strategies in each asset class.

Certain model providers aim to provide thoughtful frameworks and rationale behind asset allocation, portfolio design, and ongoing recommendations, while reserving ultimate decision-making to the advisor.

## “Paper” vs. “Managed” Model Portfolios



### Paper Portfolios

“Paper” portfolios, now typically offered through digital platforms, offer the benefits of asset allocation, manager and fund selection, due diligence, and ongoing analysis, but **all trades and rebalancing remain at the discretion of the advisor.**



### Managed Model Portfolios

“Managed” or discretionary model portfolios generally provide more than guidance, giving the model provider discretionary authority to **rebalance the portfolios on behalf of the advisor.**

## Increasing Operational Efficiency

Models may reduce repetitive work by providing a structured starting point for portfolio construction. As a result, advisors can spend less time building core portfolios from scratch and more time fine-tuning around the edges for each client.



Advisors can customize portfolios at the margins while maintaining consistent frameworks, enabling both flexibility and scalability across the advisor's book of business.



Models may help standardize the more complex aspects of alts implementation, such as subscription, documentation, reporting, and ongoing monitoring.

# How Model Portfolios Support an Objectives-Led Approach

Model portfolios are often designed to give advisors a goal-oriented starting point for portfolio construction. By aligning portfolios with objectives like capital preservation, income generation, or growth, advisors can build strategies that scale while still meeting individual client needs.



## Alignment With Client Objectives

Model portfolios can help advisors standardize the overall portfolio-building process while still enabling them to select individual investments based on a client's risk tolerance, return expectations, and liquidity needs.

For example, models may support the implementation of core/satellite strategies, where models serve as a foundation for a portfolio or a specific sleeve within a portfolio, and advisors introduce tactical or specialized positions around them.



## Fund Structures and Implementation Flexibility

Advisors may use fund structures and strategies to further customize portfolios in line with client objectives. Models that include evergreen vehicles, for example, can simplify implementation of core allocations across multiple client types.

Meanwhile, incorporating drawdown vehicles either within models or as a complement to what's already in more broadly diversified models may enable advisors to introduce more niche strategies and specialized exposures, offering a higher degree of customization—for ultra-high-net-worth (UHNW) clients in particular.



## Tax-Aware Model Portfolios

Some model providers are prioritizing model creation that incorporates tax efficiency.<sup>6</sup> According to a survey conducted by State Street in 2024, more than eight in 10 advisors surveyed considered “tax personalization” as a benefit of using model portfolios.

These so-called “tax-aware” model portfolios are generally designed for nonqualified accounts to provide advisors with investment options or operational or reporting efficiencies that address tax treatment of capital gains or losses. While models are not a substitute for tax advice, their structure may help streamline year-end reporting and reduce administrative complexity for both advisors and clients.



Models that include evergreen vehicles can simplify implementation of core allocations. Incorporating drawdown vehicles may enable advisors to introduce **more niche strategies and specialized exposures.**

# Technology Behind Scalable, Customizable Models for Alternatives

Recent advances in wealthtech may be reshaping how advisors build and manage model portfolios, and technology now acts as a key facilitator, reducing friction and expanding access. Meanwhile, advisors can still customize by client and retain control over any portfolio decisions.



## Model Marketplaces and Expanded Access

Model marketplaces have emerged as a scalable solution that enables financial advisors to access a diverse set of professionally designed portfolios. These platforms offer ready-made asset allocation frameworks, including those incorporating alternatives, that advisors can implement directly—often with more flexibility and at lower cost than traditional third-party investment management programs.

By leveraging technology, advisors can retain discretion over accounts, streamline trading and rebalancing, and tailor portfolios to client needs without relinquishing control to a turnkey asset management program (TAMP) or home office.



## Product Breadth and Execution Enablement

Modern platforms support model construction by offering access to a wide range of alternative investment products across asset classes and structures. Beyond access, execution capabilities are now fully integrated, allowing advisors to move from discovery to implementation within the same environment. Technologies that bring full-cycle functionality can help bridge the historical gap between portfolio design and operational execution for alternatives.



## Flexible Model Portfolio Access

A hybrid approach is emerging for financial advisors through integrated platforms like CAIS: flexible model portfolios. Technology now allows advisors to access and transact in model portfolios alongside individual funds, all on one platform and in one workflow. Flexible model portfolios enable an advisor to begin with a model and adjust or replace individual holdings as needed while maintaining consistent asset allocations and investment objectives.



**Flexible model portfolios** enable an advisor to begin with a model and adjust or replace individual holdings as needed while maintaining consistent asset allocations and investment objectives.





### Ecosystem Integration and Workflow Efficiency

Technology platforms today increasingly integrate with reporting tools, custodians, and CRM systems to streamline operations. These integrations reduce administrative burdens and potentially help advisors improve the client experience, especially when managing more complex private markets asset classes.



### Distribution and Strategic Relationships

Platforms with strong general partner (GP) relationships and robust distribution infrastructure can provide access to a competitive selection of models. These networks expand advisor access to high-quality products while also supporting consistency and repeatability in model delivery across client segments.



### Independent Due Diligence and Data Transparency




When using models marketplaces, professional due diligence may be embedded directly into the advisor workflow. Advisors can quickly access documents that evaluate a model portfolio and each of its underlying funds, helping them gain visibility into manager selection and product quality without duplicating research efforts. In parallel, strong data infrastructure enables thoughtful model design by supporting informed comparisons and stress testing through integrated portfolio analysis tools.

## Operational Benefits Flywheel



# Understanding the Risks of Investing With Model Portfolios

While model portfolios can streamline workflows and support scalable personalization, they are not without limitations. Here are some potential considerations for advisors.

-  **Models Are Not “Set and Forget”** Because most models are built on strategic assumptions and designed for broad applicability, they may not reflect real-time changes in a client’s financial situation, tax needs, or investment preferences.
-  **Alternatives Involve Distinct Risks** When alternative investments are involved, additional risks can arise, including illiquidity, delayed reporting, operational complexity, along with any asset-class-specific risks.
-  **Model Portfolios Are Just the Start** Advisors should understand the nature of model-based investing and view models as a starting point, not a substitute for ongoing guidance and oversight.

## The Future of Alternative Allocations Using Model Portfolios

No longer just tools for outsourcing investment management, model portfolios are becoming frameworks for delivering more consistent and scalable, yet still personalized, investment experiences, particularly when it comes to alternatives.

For advisors balancing growth ambitions with rising client expectations, model portfolios can help streamline complex workflows, reduce administrative burdens, and free up time for more meaningful client engagement. Rather than replacing an advisor’s judgment, models aim to enhance it. They can offer a more structured foundation that still allows for customization where it matters most.

Looking ahead, as more model portfolios become available on platforms like CAIS, advisors may find that models offer not only a way to scale their use of alternatives, but also a means of reinforcing the very things that set their practices apart: **deeper relationships and the ability to serve a wider range of clients with more confidence.**



# Learn More

Contact a CAIS product specialist to learn about the **CAIS Models Marketplace** and the model portfolios now available for advisors.

Contact

Model 1

Invest

Overview

Products

Allocations

This model includes products from Firm One, Firm Two and more.

Private Equity

--%

Sleeve 1

--%

Private Real Estate

--%

Private Debt

--%

Minimum Investor Level	Underlying Tax Reporting	Model Initial Investment	PRIMARY OBJECTIVE Enhance Returns
Accredited Investor	1099, K-1/K-3	Minumum ⓘ \$100,000	
Model Additional	Risk Profile	Asset Class Inclusion	SECONDARY OBJECTIVE Diversify Risk

About this model

This model offers flexibility, enabling you to choose your preferred product from a curated selection.

Disclaimer

The Model Portfolio, inclusive of all identified investment products and weightings, has been created solely and exclusively by Firm. Neither CAIS Advisors LLC, nor any affiliate thereof, has provided any advice, guidance or input whatsoever with respect to the inclusion of any investment products or weightings included in the Model Portfolio. Neither CAIS Advisors LLC, nor any affiliate thereof, makes any representation or warranty with respect to the ability of the Model Portfolio to achieve any result or objective, and is not responsible for any reliance on the Model Portfolio by any third party. For the avoidance of doubt, the Model Portfolio is merely being hosted by Capital Integration Systems LLC or a subsidiary thereof as a technology accommodation for the benefit of Firm and CAIS Advisors LLC. CAIS Advisors LLC has not participated in any way in the formulation or availability of the Model Portfolio.



1. McKinsey & Company, "State of the Wealth Management Industry," May 2025
2. Ibid.
3. Olaf Toepfer, Urs Palmieri, and Elliott Shadforth, "How wealth managers can leverage complexity for competitive advantage," EY, May 20, 2025
4. CAIS and Mercer, "2026 Report: The State of Alternative Investments in Wealth Management," December 2025
5. Broadridge, "The Rise of Model Portfolios"
6. State Street, "Model Portfolios and the Evolution of Advice," October 2025

The information contained herein is provided solely for informational purposes for investment professional use and does not constitute an offer to sell or the solicitation of an offer to buy any security or investment product. Such an offer or solicitation may only be made to certain qualified investors through the relevant offering documents of such product. None of Capital Integration Systems LLC, CAIS Capital LLC, or any of their respective employees, members, principals, agents, or affiliates (or any affiliate of any of the foregoing persons) (collectively, "CAIS") is a fiduciary or advisory with respect to any financial services or products. CAIS does not provide any investment planning, legal, regulatory, tax, compliance, or other advice, and neither the information nor any prior or subsequent communications from or with CAIS or its representatives should be construed as any such advice.

Do not replicate © 2026 Capital Integration Systems LLC