The Next Phase of Alternatives Growth

Advisors Want More. Clients Want More. What's Holding Adoption Back?

2026 iCapital Global Advisor Survey

Alternatives adoption is accelerating. The next challenge is scale.[1]

89% of advisors plan to maintain or increase allocations to alternatives, while the share planning to increase allocations nearly tripled year over year.[2]

At the same time, 84% report client interest has increased or remained stable over the last two years.

The demand story is increasingly clear.

Yet delivering alternatives consistently across firms remains challenging.

The findings suggest the industry's next growth opportunity may depend less on creating demand and more on helping advisors and firms expand the capabilities needed to serve increasingly sophisticated clients. As alternatives become more established in portfolio construction, firms need the education, technology, data, and operational capabilities required to deliver alternatives more broadly and consistently across client portfolios.

In This Report

1. Alternative investments were defined as long-term, illiquid strategies (e.g., private equity, private credit, hedge funds, real assets) and semi-liquid vehicles (e.g., interval funds, tender offer funds, non-traded REITs).
2. Please see page 20 for the survey methodology for all noted survey results.

Key findings

Alternatives Continue to Gain Momentum

89% maintain/increase allocations; planned increases rose from 14% to 39%.

Growth Brings New Complexity

59% cite liquidity and risk assessment challenges, 53% cite compliance concerns, and 49% cite portfolio construction challenges.

Technology is Becoming a Capability Enabler

59% cite technology and implementation as a priority learning area, highlighting growing demand for capabilities needed to deliver alternatives at scale.

A Growth Segment Emerges

$400M–$1B

Mid-sized firms are using alternatives to attract clients, differentiate their offering, and serve increasingly sophisticated investors.

Delivering at Scale is the Next Competitive Advantage

51% identified risk and performance analytics tools as a critical technology need, underscoring the growing importance of visibility, oversight, and implementation support as firms scale alternatives across client portfolios.

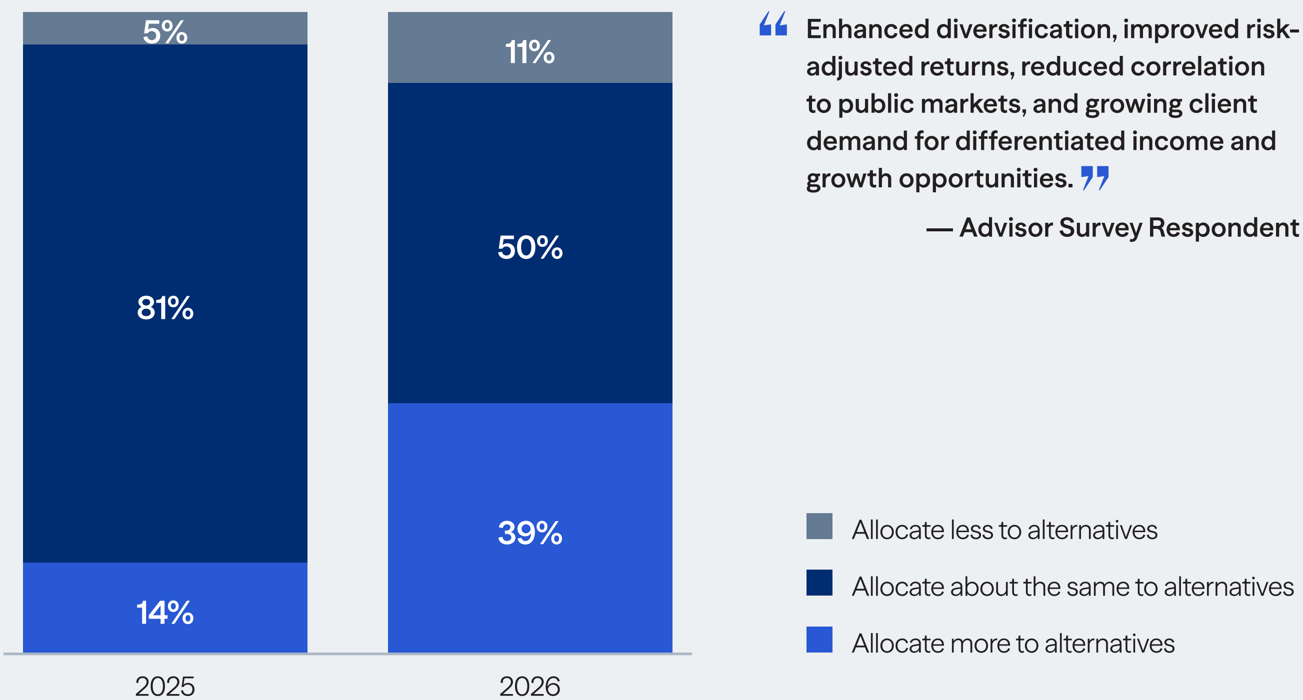
Advisors aren't pulling back. They're leaning in.

Advisors are making alternatives a larger part of long-term portfolio strategy.

89%
plan to maintain or increase allocations.

39%
plan to increase allocations in 2026 vs. 14% in 2025.

Over the next 12 months, do you plan to allocate more, less or the same to alternative investments?



> **"Enhanced diversification, improved risk-adjusted returns, reduced correlation to public markets, and growing client demand for differentiated income and growth opportunities."**
>
> **— Advisor Survey Respondent**

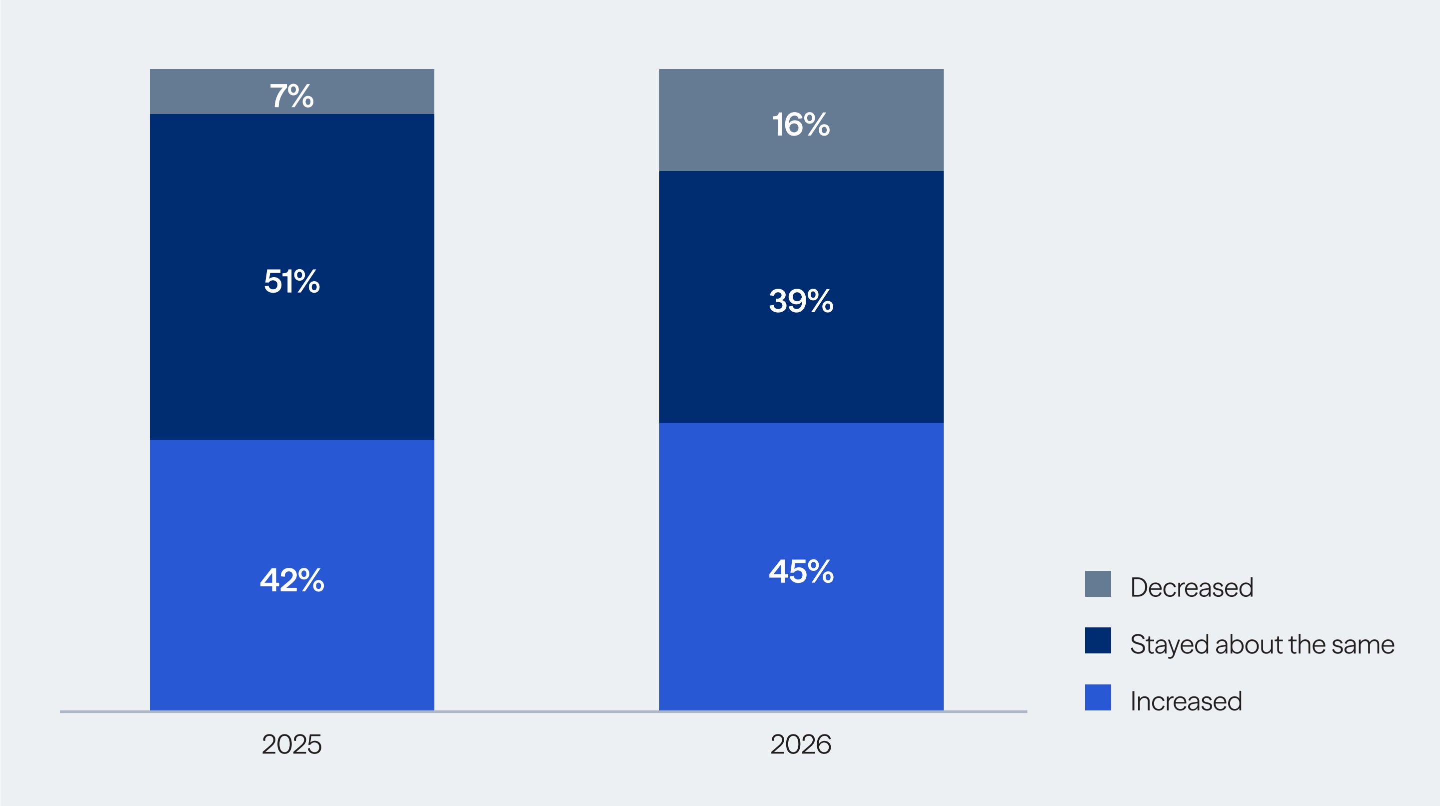
Clients are ready.

Strong client interest continues to support broader alternatives adoption.

84%

report client interest has increased or remained stable.

Compared to two years ago, has client interest in alternative investments...?

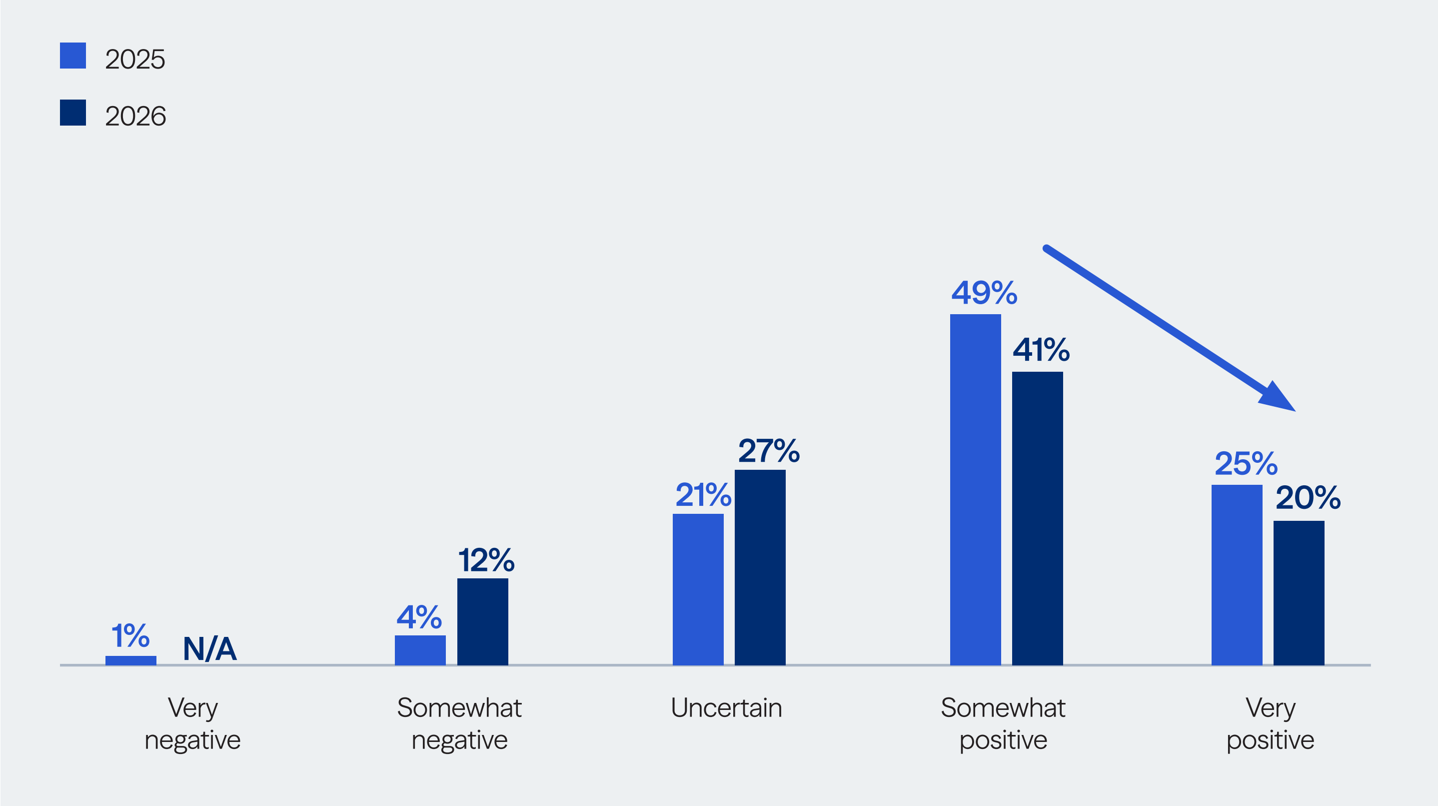


Economic outlook softened.

Advisors continue to focus on long-term client objectives despite a more cautious market outlook.

Economic optimism fell, while allocation intentions nearly tripled.

What is your economic outlook, globally and for your local economy specifically over the next 12 months?



If demand is strong, why doesn't adoption expand faster?

Advisor demand is rising, client interest remains high, and advisors report growing confidence using alternatives. Yet expanding alternatives across more clients, portfolios, and advisors remains challenging. The findings suggest the industry's next hurdle is not generating interest, but helping firms broaden adoption and build the capabilities needed to deliver alternatives consistently at scale.

Three Stages of Alternatives Adoption

Access

Focused on:

- Learning about alternatives
- Understanding portfolio applications
- Accessing educational resources
- Initial allocations

Adoption

Focused on:

- Expanding adoption across more clients
- Portfolio construction
- Model portfolios
- Advisor enablement
- Client conversations

Scale

Focused on:

- Delivering alternatives consistently across the practice
- Reporting and oversight
- Technology integration
- Operational efficiency
- Risk and governance

Advisors are getting more intentional with allocations.

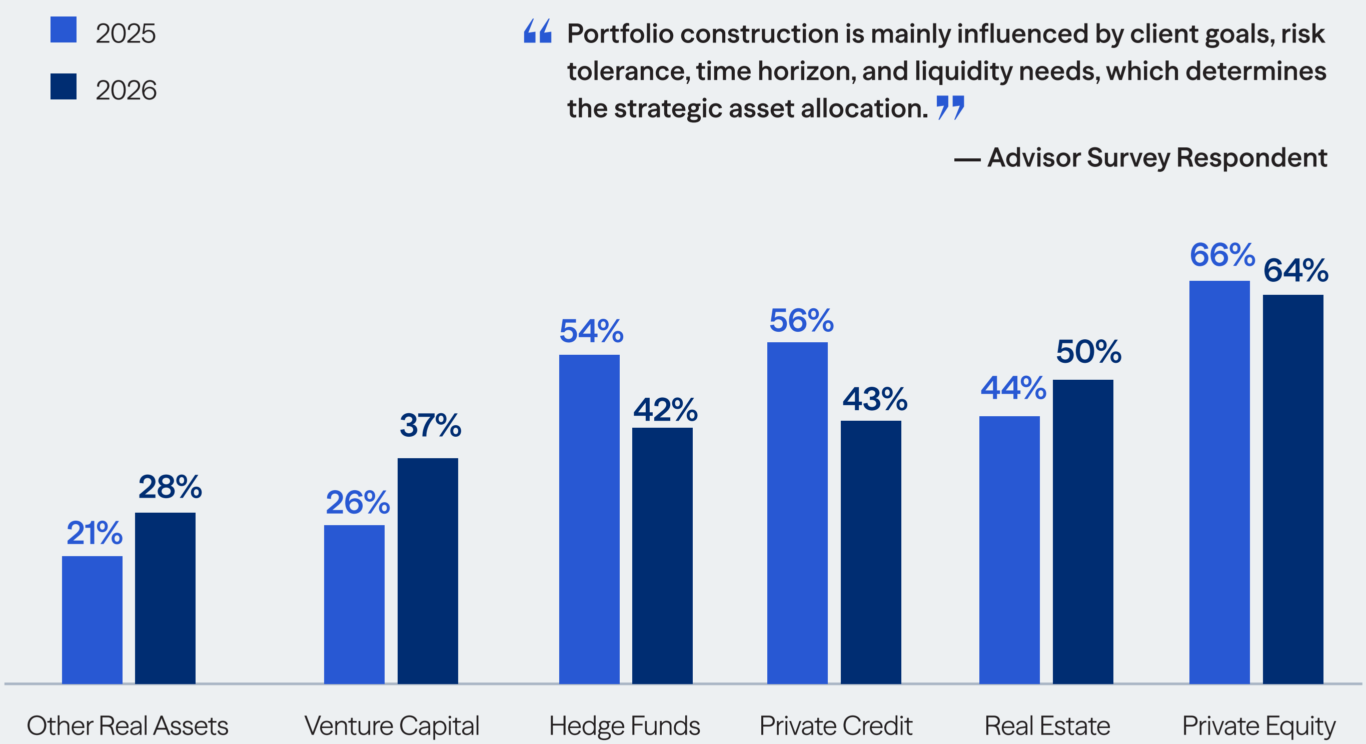
Rising interest in venture capital, real estate, and other real assets suggests advisors are becoming more selective, gravitating toward alternatives that offer exposure to innovation, infrastructure, income generation, and opportunities across varying market conditions.

Interest in venture capital rose from

26% → 37%

Which of the following types of alternative investments are you most interested in allocating towards on behalf of your clients? (Select all that apply)

> "Portfolio construction is mainly influenced by client goals, risk tolerance, time horizon, and liquidity needs, which determines the strategic asset allocation."
>
> — Advisor Survey Respondent



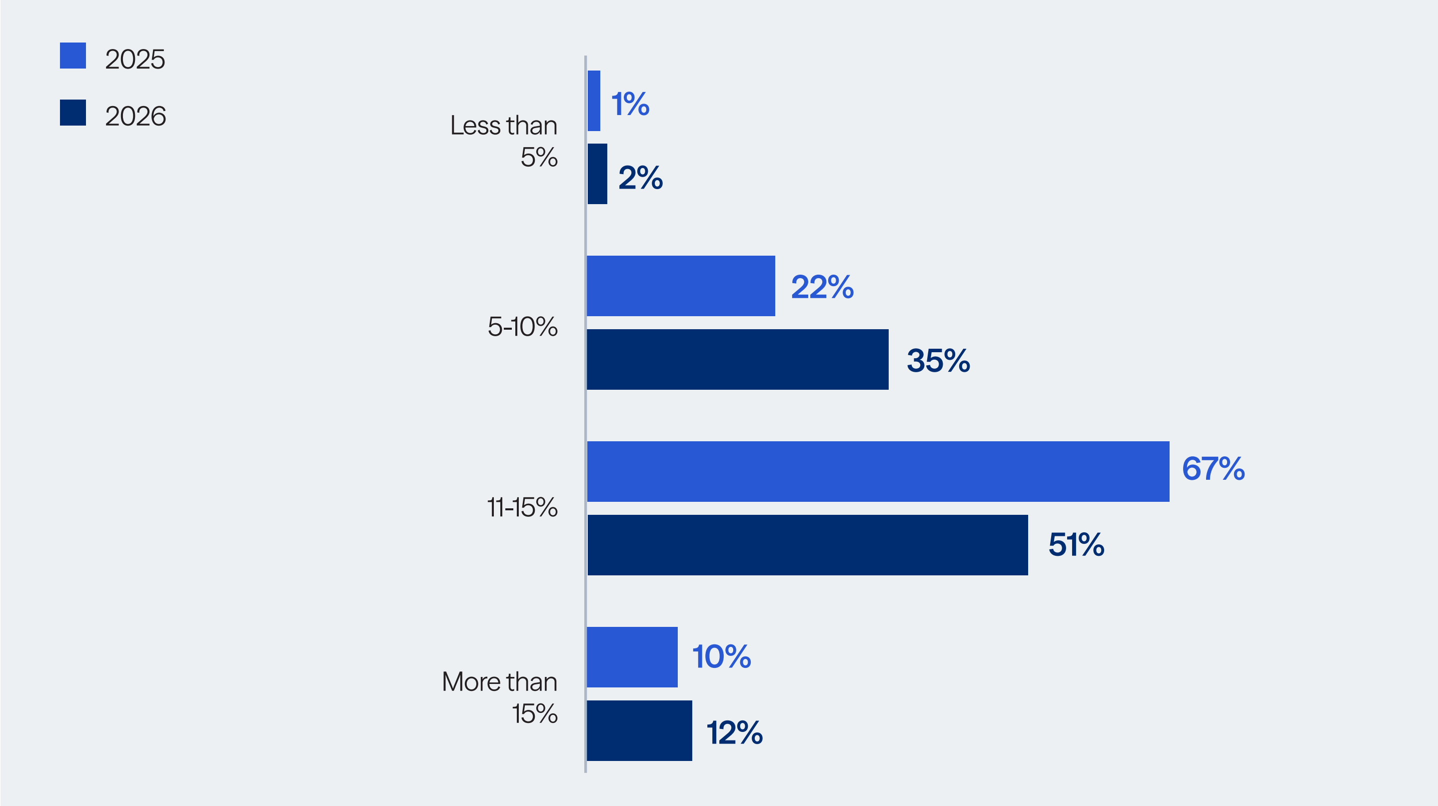
Evergreen allocations are becoming more diversified.

While 11-15% remains the most common target range, advisor expectations are increasingly spread across allocation bands.

More advisors expect double-digit evergreen exposure

22% → 35%

What do you anticipate will be your client's average exposure to evergreen strategies in the next two years?



The biggest challenges begin after adoption.

The findings suggest the barriers to broader alternatives adoption are evolving. As alternatives become more established in client portfolios, advisors are increasingly focused on portfolio construction, liquidity and risk assessment, compliance, reporting, and client communication. The industry's challenges no longer center on whether alternatives belong in portfolios. Instead, they increasingly emerge after advisors decide to use them. Another challenge will be helping more advisors translate interest into broader and more consistent adoption.

As alternatives mature, complexity increases.

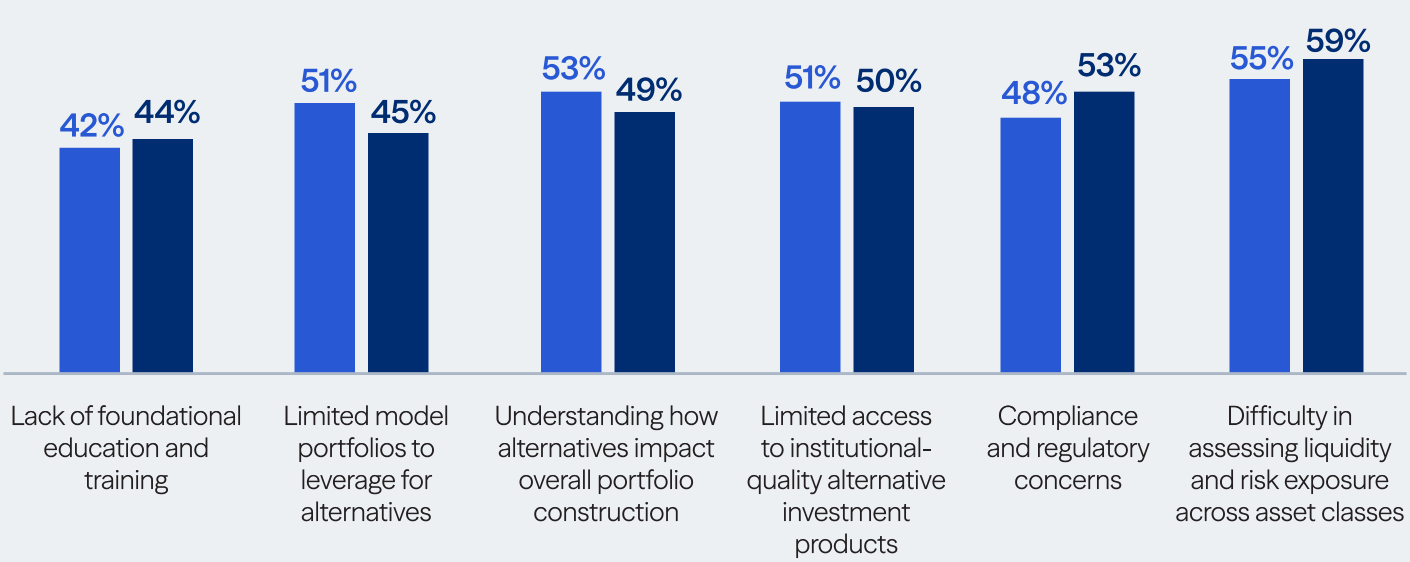
The top challenges facing advisors today increasingly emerge after the decision to use alternatives has been made.

59%

cite liquidity and risk assessment challenges; 53% cite compliance concerns.

What are the biggest challenges in incorporating alternatives into your firm's investment models and asset allocation strategies? (Select exactly three)

> **"The risk factors are not sufficiently transparent, the focus is mainly on returns, which is not very helpful in customer discussions."**
>
> **— Advisor Survey Respondent**



The barrier is shifting.

As access barriers decline, advisors increasingly need help understanding, explaining, and implementing alternatives with confidence.

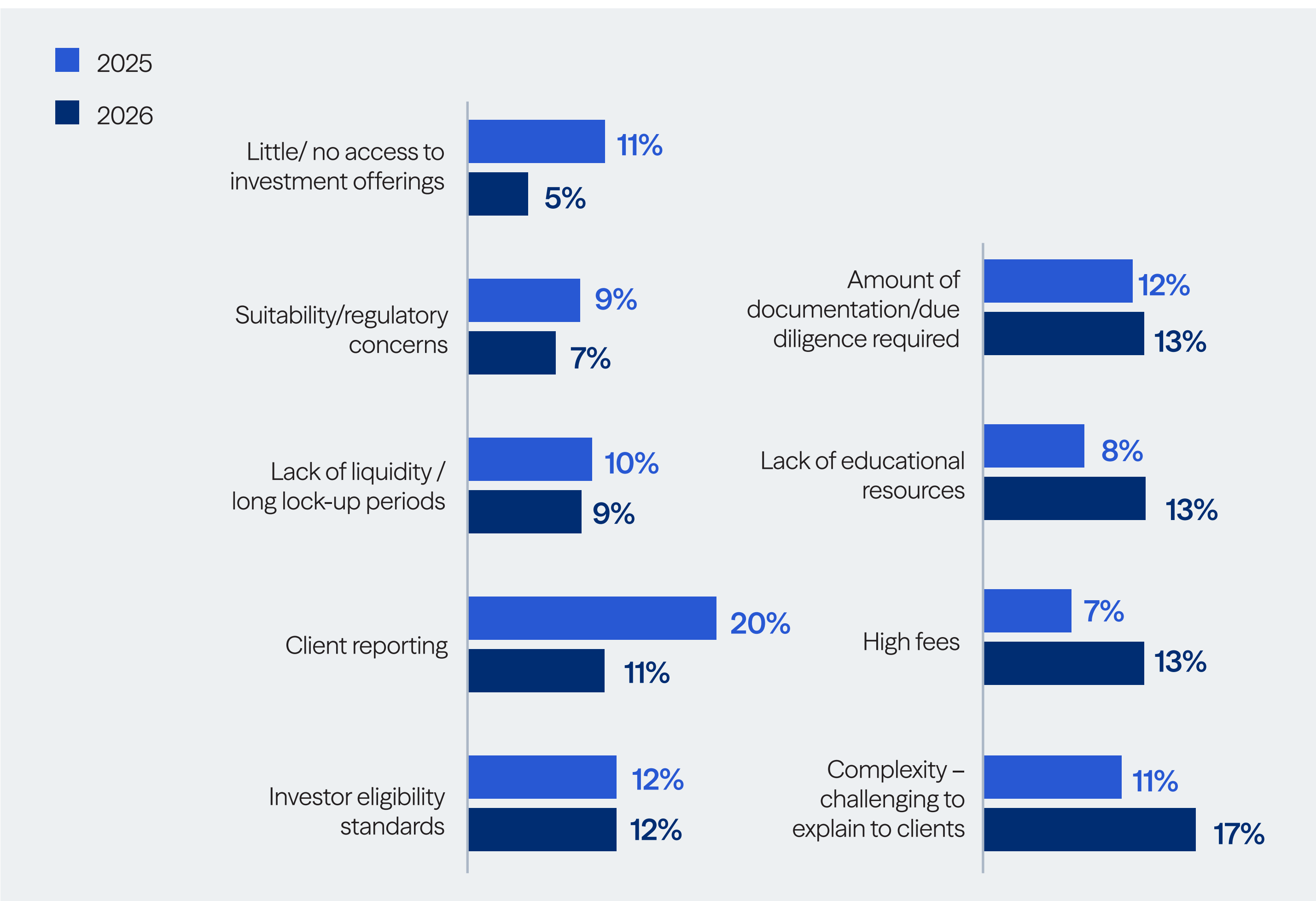
Lack of access:

11% → 5%

Complexity explaining alternatives:

11% → 17%

Which of the following are barriers to using alternative investments more? (Rank top three in order)



Growth is creating new demands.

Delivering alternatives to a limited number of clients is fundamentally different from delivering alternatives consistently across an entire practice.

Advisor demand is growing. Client demand remains strong. Yet broader adoption remains uneven.

The challenge is no longer gaining access to alternatives. It is delivering alternatives consistently across more clients, portfolios, and advisors.

Doing so requires new capabilities across the advisory business.

Capabilities needed to scale alternatives adoption:

Workflows

Reporting

Portfolio Visibility

Client Communication Tools

Operational Support

This is becoming the next frontier of adoption.

A growth segment emerges.

While smaller firms often remain focused on building client familiarity and adoption, and larger firms that have already broadened alternatives adoption increasingly focus on governance and scale, mid-sized firms appear to be using alternatives as part of a broader set of capabilities needed to attract, serve, and retain increasingly sophisticated clients.

Adoption maturity also appears in allocation behavior. In 2026, our study found that Firms under $400 million in AUM are most likely to allocate 5%-9% to alternatives, while firms over $1 billion are more likely to allocate 10%-19% and serve a larger share of clients with alternatives exposure.

Firm Segment	Primary Use Case	Biggest Need
Under $400M	Diversification	Client understanding and education
$400M–$1B	Attracting new clients / differentiation	Allocation guidance and client materials
Over $1B	Sophisticated investments / income	Compliance, semi-liquid access, scale

The next competitive advantage is delivering at scale.

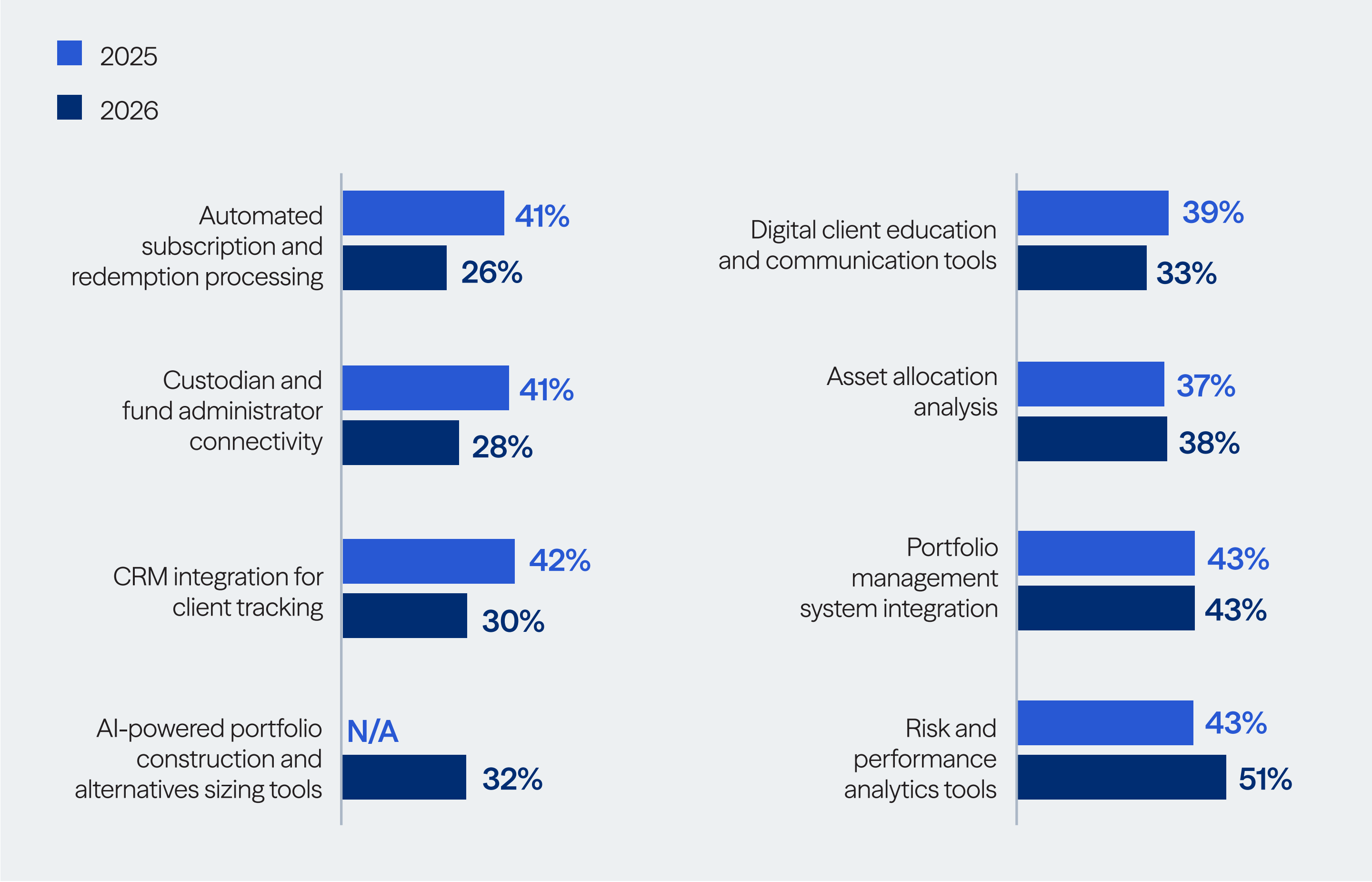
The next phase of alternatives growth may depend less on product availability and more on implementation. As alternatives become a more established part of portfolio construction, advisors increasingly need technology, data, reporting, and operational workflows that make alternatives easier to evaluate, implement, and monitor across client portfolios. Firms that invest in these capabilities may be better positioned to expand adoption consistently and efficiently.

Technology is becoming a capability enabler.

As alternatives become more embedded in portfolios, advisors increasingly need technology that supports portfolio construction, implementation, and ongoing oversight at scale.

Risk and performance analytics
became the top technology priority.

What are the most critical technology and partner integrations necessary for successfully implementing an alternatives investment strategy? (Select up to three)



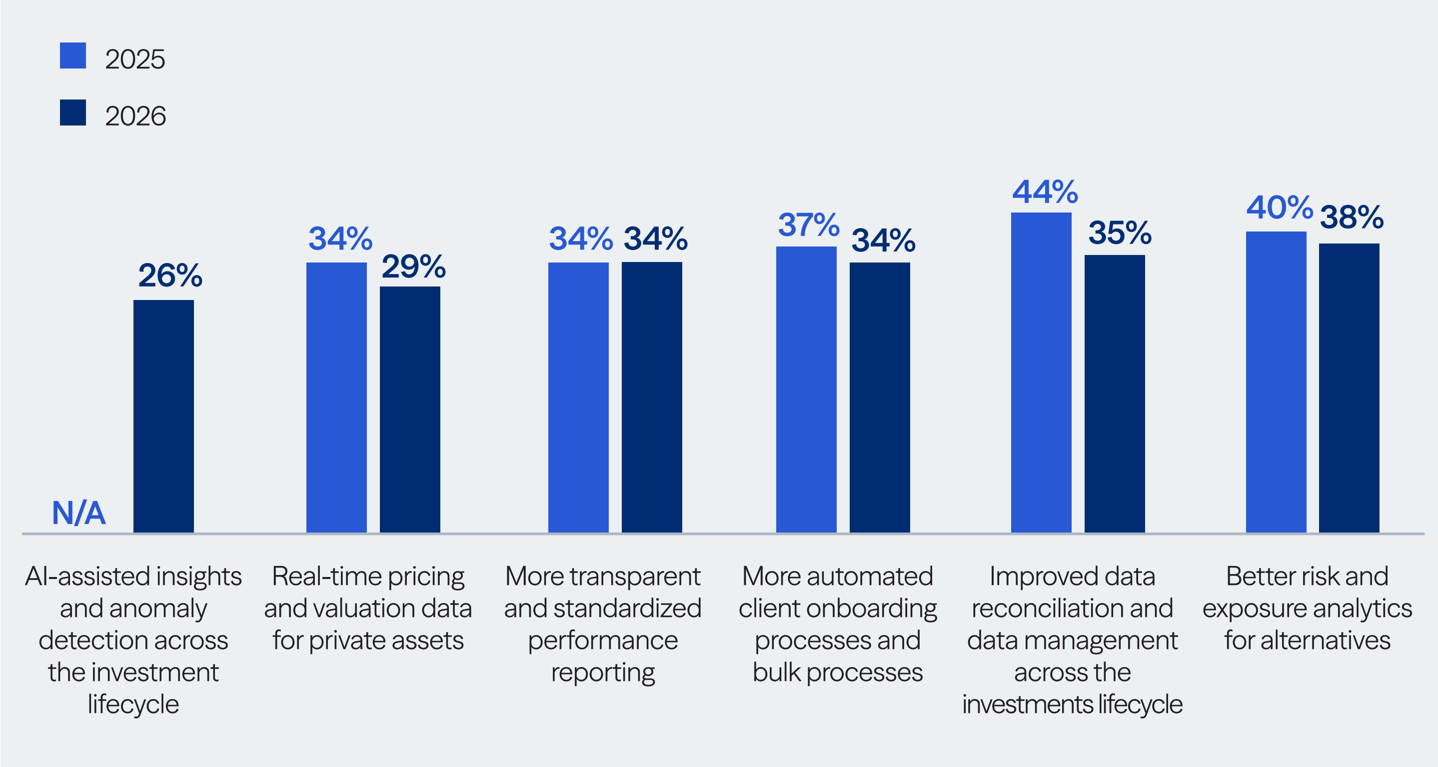
Visibility is becoming essential.

Advisors increasingly need better visibility into risk, exposures, performance, and portfolio impacts throughout the investment lifecycle.

Risk analytics and data management

rank among the top priorities.

What improvements in data and reporting would most enhance your firm's ability to manage alternative investments? (Select up to two)



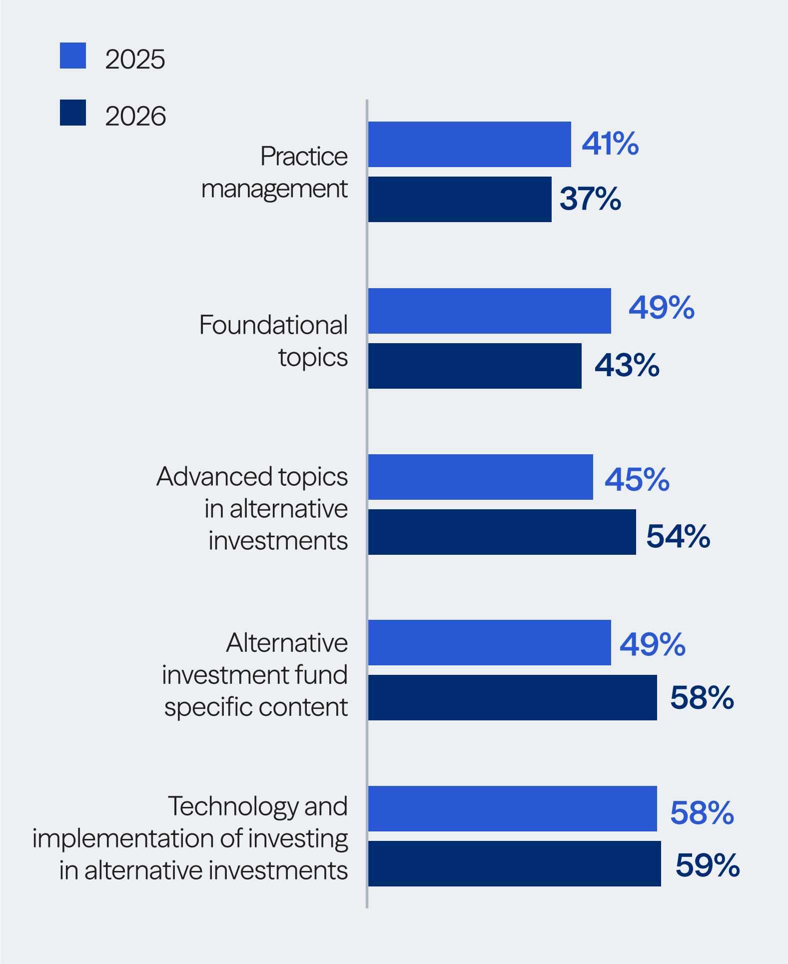
Education is evolving.

Education remains foundational, but advisor interests are shifting toward more sophisticated content, technology-enabled implementation, and advanced alternatives strategies that support broader application across client portfolios.

Technology and implementation

remain the top area of educational interest.

What alternative investments topics would be of interest to you? (Select up to three)



Three Stages of Alternatives Growth

Access

Building knowledge, confidence, and understanding.

Adoption

Expanding allocations and client adoption.

Scale

Creating repeatable processes, stronger oversight, and a more consistent client experience.

Building capability for growth.

Alternatives appear to be moving into a new stage of market maturity. Advisor interest remains strong, client demand remains resilient, and allocation intentions continue to rise. The opportunity ahead may be less about convincing advisors to use alternatives and more about helping them incorporate alternatives across a broader range of clients and portfolios. Firms that can simplify implementation and create a more consistent client experience may be best positioned for the next phase of growth.

Survey Methodology

The 2025 iCapital Global Advisor Survey captured a global view of advisor behavior while diving deeper into the operational and technology needs of firms. The survey was conducted in the first quarter of 2025 by a third-party research firm using telephone interviews with online follow-up. Respondents included financial professionals across channels—private wealth, national and regional broker-dealers, independent BDs, and RIAs/IFAs—spanning a range of AUM levels of those actively engaged in alternative investing. The survey engaged 603 respondents across nine countries in the U.S., Europe, the Middle East, and APAC.

The 2026 Global Advisor Survey is iCapital's second annual global survey of advisor behavior and the evolving needs of wealth management firms. Building on our inaugural survey, this year's research explores not only allocation trends and client demand, but also the operational, technology, and implementation challenges shaping the next phase of alternatives adoption.

The study was conducted during the first half of 2026 by an independent third-party research firm using telephone interviews with online follow-up. Respondents included financial professionals across wealth management channels—including private wealth firms, national and regional broker-dealers, independent broker-dealers, and RIAs—representing a range of firm sizes and focused on those actively engaged in alternatives investing.

Alternative investments were defined as long-term, illiquid strategies (e.g., private equity, private credit, hedge funds, real assets) and semi-liquid vehicles (e.g., interval funds, tender offer funds, non-traded REITs).

The survey included 870 respondents across 15 countries spanning the United States, Europe, the Middle East, and Asia-Pacific. This report provides an aggregate global view of advisor sentiment and behavior. Regional reports will follow, offering deeper perspectives on market-specific trends and opportunities.

About iCapital

iCapital is a global leader, shaping the future of private markets' investing for financial Advisors, wealth managers, asset managers, and other industry participants. iCapital offers a diverse and complete range of non-traditional investment products on iCapital Marketplace, Enterprise solutions, and both Technology and Data Services, designed to help drive better outcomes for all participants in the ecosystem. Backed by the leading alternative asset managers and wealth managers globally, iCapital provides unrivaled access, data connectivity, education, and research programs to Advisors and their clients. Leveraging AI and machine learning for digital identity (KYC/AML), iCapital supports compliant and secure investment lifecycle processes. iCapital's end-to-end platform manages the lifecycle of non-traditional investment products, making it easier to learn about, buy, manage, and integrate alternative assets, structured investments (SI) and annuities into portfolios, driving growth, scale and efficiency. Our solution(s) can be customized and offers specific modules as needed. To learn more visit icapital.com

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