

U.S. Private Markets 2025

Incorporating Private Market Investments into Model Portfolios

OVERVIEW & METHODOLOGY

Cerulli's 2025 *Private Markets* report evaluates key private markets product development and distribution trends as private capital managers seek to gather greater retail capital via a variety of initiatives, and includes unique market sizings and channel projections. The thematic focuses on the effort to include private markets solutions in asset allocation models. Cerulli reviews the types of models and avenues to implementation. Additionally, the thematic chapter discusses the efforts to include private market solutions in defined contribution (DC) plans and provides an update to Cerulli's advisor illiquid alternatives channel sizing and projections. The remaining report chapters are focused on product development (e.g., intermittent liquidity structures) and distribution (e.g., via platforms such as iCapital or CAIS). The report also includes key leaderboards (e.g., private capital firms, hedge fund firms) and covers liquid alternative product.

USE THIS REPORT TO

- Understand how asset and wealth managers are looking to incorporate private markets products into asset allocation models as a way of streamlining access to the solutions
- Explore the ways private capital managers expect to secure a greater portion of capital via retail clients and are building private wealth distribution teams to do so
- Evaluate how asset managers and wealth managers are using platforms such as iCapital, CAIS, and SUBSCRIBE to distribute and access products, respectively

QUESTIONS ANSWERED

- In which channels are most alternative investments currently housed and in which channels do managers perceive the best opportunity to distribute their offerings?
- How are managers structuring distribution teams and which roles do managers plan to add to distribute alternative investments exposures?
- What structures do managers use to distribute alternative investment exposures and in which structures do they perceive the most significant opportunity?
- Which liquid alternative and intermittent liquidity products are gathering the most assets?
- How are managers approaching the DC market opportunity? Which structures are expected to gain traction and what will the pace of adoption be?

PRODUCT DETAILS

Included with Purchase

- Digital report in PDF format
- Unlimited online firm-wide access
- Exhibits in Excel
- Key findings
- Analyst support
- Interactive Report Dashboards

Interactive Report Dashboards

Interact and explore select report data with Cerulli's visualization tool.

Advisor Alternatives and Commodity Allocation: Evaluate current and expected advisor-reported allocations to alternatives and commodities investments by channel, core market size, and amount of practice assets under management (AUM); compare alternative and commodity asset allocations to various investment vehicles among different advisor channels; and review advisors' current and projected distribution of alternative investments and semi-liquid products.

Asset Managers' Alternative Demand vs. Product Development Comparison: Assess alternative asset managers' most in-demand liquid alternative strategies and strategic product development plans over the next 12 months.

Yearly Drivers for Offering Alternatives and Asset Growth: Explore alternative asset managers' perceived industry asset growth drivers and key motivators for offering alternatives.

Best Distribution Opportunities by Retail and Institutional Channels: Explore alternative asset managers' perceived best channels for distribution opportunities for alternative investments, split between retail and institutional segments.

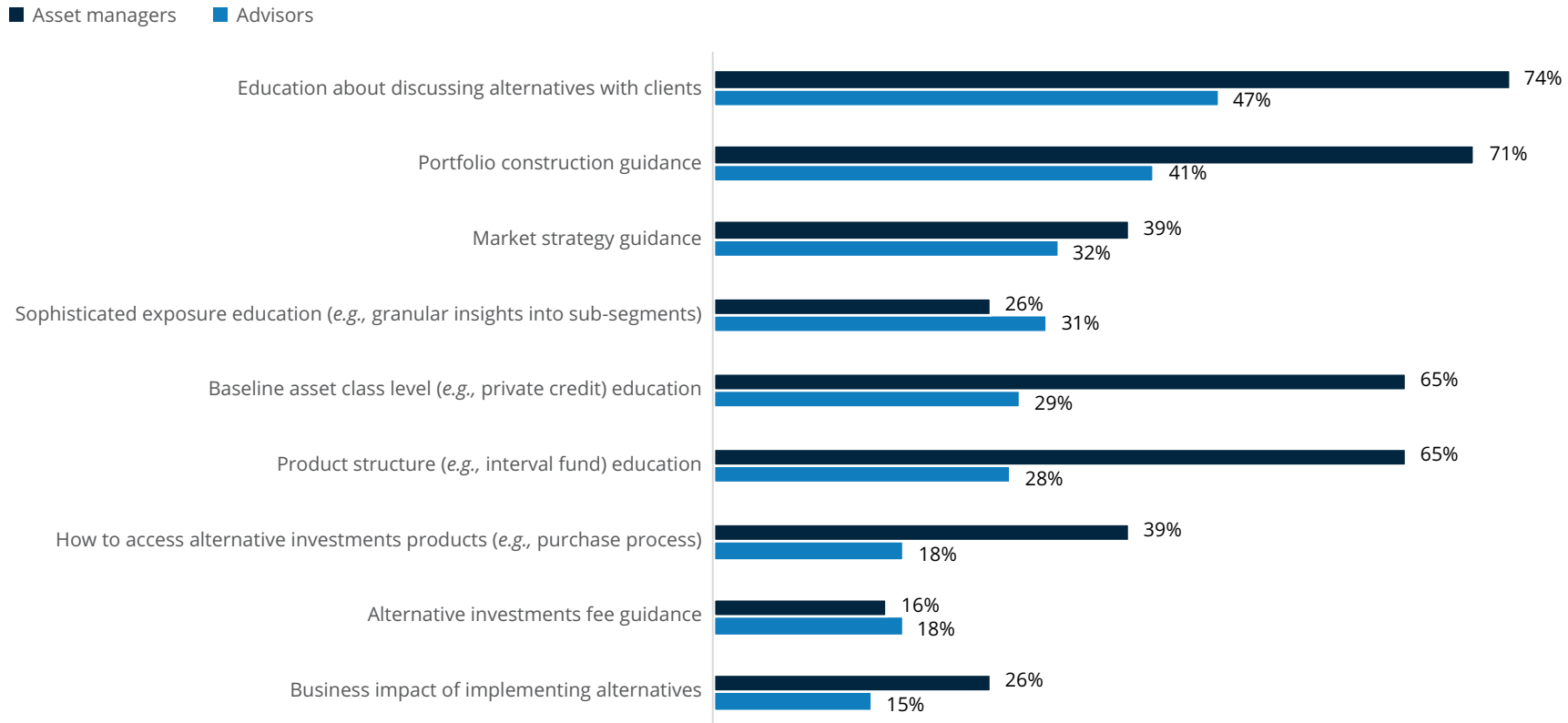
Alternative Managers' Vehicle Use: Compare alternative managers' vehicle use with anticipated opportunity for distribution by vehicle type.

Challenges to the Development and Delivery of Alternatives: Assess alternative asset managers' ranking of challenges to the development and delivery of alternative investments.

Exhibit 5.08

Asset Manager vs. Advisor Perspective: Education Most Valued by Financial Advisors, 2025

Sources: Cerulli Associates 2025 U.S. Advisor Survey, Alternative Investment Manager Survey | **Analyst Note:** Asset managers and advisors were asked to select the types of education most valued by financial advisors. Respondents were allowed to select all choices that applied.



- Asset managers and advisors agree that education regarding discussion of alternatives with clients is important to financial advisors (74% of asset managers and 47% of advisors rate this as a most valued type of category by advisors—greater than any other category).
- Alternative investments fee guidance and the business impact of adding alternatives product rank poorly, suggesting that advisors are looking for support on broader themes (e.g., higher-level guidance) versus getting too in the weeds.

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