

Private Investments for RIAs: A “Must Have” to Serve Large Clients

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Key Takeaways:

- Private investments are becoming table stakes for RIAs.
- Client demand is accelerating—and so is the competition.
- The opportunity set has expanded.
- Private investments can enhance portfolios but require discipline.
- Partnership and experience matter.

The clearest trend gaining momentum in wealth management, as outlined in **4 Key RIA Business Trends: Insights from the Field** is the rapid adoption of private investment offerings for ultra-high-net-worth (UHNW) clients. We believe that within the next 2-3 years, private investments will no longer be optional, but will be table stakes for firms hoping to retain and grow their \$5MM+ AUM client base.



Why More RIAs and Clients Are Turning to Private Investments in 2025

Despite growing demand, most wealth management firms do not offer access to private investments. ([Source](#)) This has been historically due to:

- A limited number of qualified purchasers (clients who meet SEC requirements)
- Low client awareness of private markets
- Advisor unfamiliarity with private strategies
- Lack of operational infrastructure to support these offerings

But that landscape has changed dramatically:

- The longest bull market in history, as well as rising asset valuations have likely expanded the pool of qualified purchasers (i.e. households with $\geq \$5M$ in investable assets) ([Source](#))
- Platforms like iCapital and CAIS are providing access to funds and technology to streamline the process making it easier for RIAs to offer private investments.
- RIAs have realized that the addition of private investments to a client portfolio may help to improve returns and reduce volatility. ([J.P. Morgan Guide to Alternatives](#))

Most notably, client awareness is rising. Articles in mainstream financial press and public pension fund allocations to private markets have made once-exclusive strategies more accessible.

Many advisors tell us they're waking up not just because clients are inquiring about private investments, but because they're already **losing clients** to firms that offer private investments. This trend is a clear signal: early adopters are gaining wallet share—and status.

An Emerging Trend

- **2024** marked when many firms began educating themselves on private investments.
- **2025** has been the year RIAs began implementing solutions
- **2026** will reveal clear winners and losers based on early adoption and execution.
- We expect early movers will not only defend their best clients, but they'll also **poach disenchanted households** from advisors who lack a solution.

How Private Investments Benefit UHNW Clients

It's not just about meeting demand. From a portfolio construction standpoint, private investments offer the possibility of enhancing client outcomes:

- **Higher return potential**
- **Lower correlation to public markets**
- **Greater diversification**

As shown in numerous asset allocation studies, adding private equity, private credit, and real assets has historically increased risk-adjusted returns in diversified portfolios.

The Hidden Risks RIAs Overlook When Offering Private Investments

If you attend industry conferences or listen to webinars, the narrative is: "Everything is turnkey. Platforms provide access and administration ... just pick a platform."

But in my conversations with advisors, that optimism hits a wall: **fund selection risk.**

Public markets offer daily liquidity and frequent pricing. You can be wrong and recover. Not so in the private markets.

- Performance dispersion is wide. You must pick the right fund because many funds will lose money.
- Private investments are illiquid involving **multi-year lockups**. Very often you are stuck with your losers.
- A poor fund choice can irreparably harm client performance and the client relationship.

How RIAs Can Successfully Add Private Investments to Their Offering

If you're serious about offering private investments:

- **Do not go it alone.** Align with a partner who has experience in sourcing, due diligence, manager selection and ongoing monitoring.

- **Ask the tough questions:**

- Do the firm's principals invest in the funds recommended?
- Are the firm's clients invested in the funds recommended?
- What is the firm's experience in private investments?

Because in the private markets, it's not about having access. It's about having the right access.

The firms that do this well will stand out, not just for their offerings, but for the value they deliver through judgment and discipline.

We believe private investments represent one of the most important competitive frontiers for RIAs today. But true success requires more than platform access—it demands experience, judgment, and disciplined fund selection.

For those looking to stay ahead, private investments aren't just an opportunity. They're a requirement for the next generation of RIA growth.

How Does an Advisor or RIA Firm Get Started with Private Investments?

At **Verdence / RIA+**, we built the systems and resources that enabled Verdence Capital Advisors to become the firm it is today. Today, we extend those proven capabilities to select independent firms who share our vision of excellence and independence.

What's Next?

Offering private investments can strengthen client outcomes and help your firm stand out in a competitive UHNW market.

Ready to connect with an experienced professional?

[Schedule A Discovery Call](#)

FAQs:

1. Why are private investments becoming essential for RIAs?

Private investments are increasingly viewed as table stakes for RIAs serving UHNW households because client demand is rising, more investors now qualify as “qualified purchasers,” and public-market volatility have helped push investors toward diversification and higher-return potential beyond traditional asset classes.

2. How do private investments benefit a client's portfolio?

Private investments may offer higher return potential, lower correlation to public markets, and broader diversification. When incorporated into a well-constructed portfolio, they have historically contributed to improved long-term, risk-adjusted outcomes.

3. Why don't most wealth management firms currently offer private investments?

Many firms lack the operational infrastructure, internal expertise, or due-diligence capabilities required to evaluate and manage private investments. Others have limited qualified purchaser clients or insufficient awareness among advisors and investors.

4. What risks should RIAs consider when offering private investments?

Key risks include wide performance dispersion across managers, illiquidity with multi-year lockups, and the possibility of selecting underperforming funds that can permanently impair client outcomes. Effective manager selection and ongoing monitoring are critical.

5. Are private investments only appropriate for qualified purchasers?

Many private investment opportunities require clients to meet SEC-qualified purchaser or accredited investor thresholds. As more households surpass these benchmarks due to rising asset valuations, the eligible investor universe continues to expand.

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