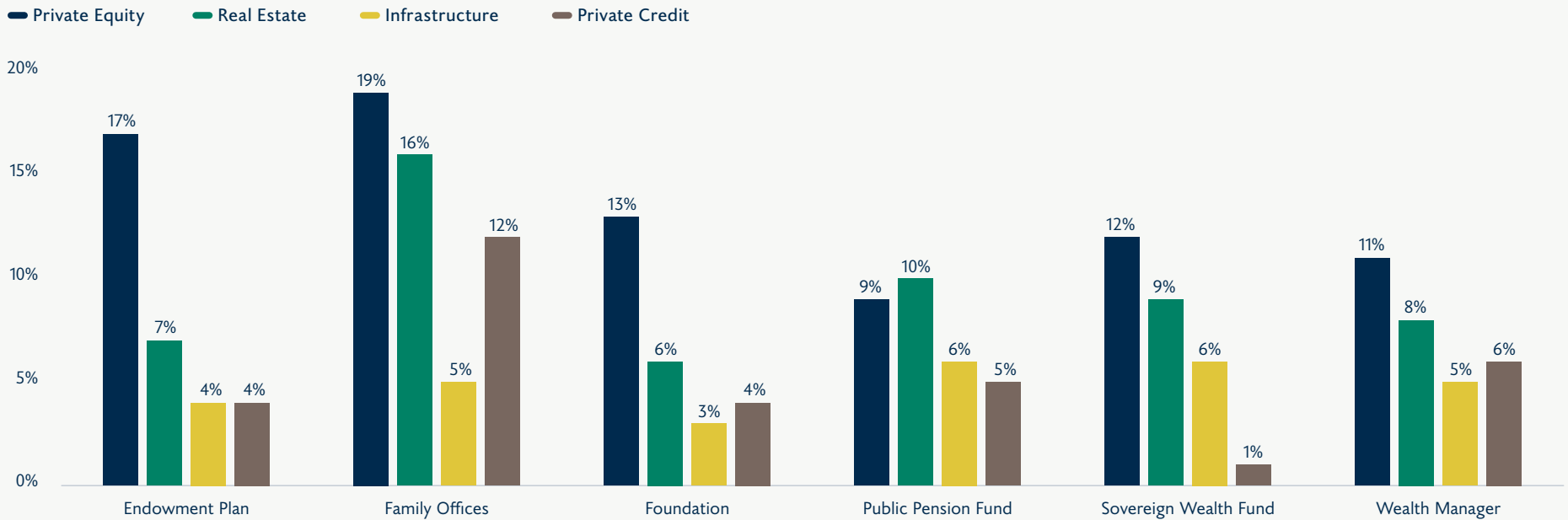


# Alternative Investments, Institutional Insights

Institutional investors have allocated to alternative investments for over three decades, and the “must have” status of “alts” has grown significantly over the past 20 years. Today, 86% of institutional investors allocate to alternatives, with an average allocation size of 23%.<sup>1</sup> In comparison, 26% of advisors allocate to alternatives, with an average allocation size of 6%.<sup>2</sup> Like institutions, private wealth investors are increasingly recognizing the important role alternatives play in a diversified portfolio.

While institutions often have different time horizons and return expectations for liability management purposes, their asset allocation—like that of private wealth investors—is shaped by risk expectations and access to opportunities. Advisors can glean comfort from the pervasive growth and performance of alternatives in institutional portfolios.

## Average Allocations to Alternatives<sup>3</sup>



<sup>1</sup> 2022, Fidelity; Fidelity Institutional Investor Innovation Study, May 2022.

<sup>2</sup> 2022, Cerulli; The Cerulli Report—U.S. Alternative Investments 2022.

<sup>3</sup> Source: Preqin. As of June 30, 2024.

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