

Client Conversation Checklist: Talking About Alternative Investments

Use this checklist to guide confident, clear conversations with clients about alternative investing. Tailored for RIAs, wealth managers, and consultants.

1. Frame the Opportunity

- Explain the role of alternative investments in institutional portfolios.
- Highlight the illiquidity premium as a long-term advantage.
- Emphasize diversification benefits and lower correlation to public markets.

2. Clarify the Mechanics

- Distinguish between committed capital and invested capital.
- Walk through capital calls, distributions, and fund timelines.
- Explain the "J-curve" and its effect on early returns.
- Provide context on typical fund fees (management + carried interest).

3. Address Common Client Concerns

- Illiquidity: Set expectations around lock-up periods and pacing.
- Risk: Explain how risk differs from volatility and how it's managed.
- Fees: Emphasize net performance and value from active management.
- Transparency: Point to institutional-grade data and diligence tools.

4. Tailor the Message to the Client Profile

- Consider age, liquidity needs, and time horizon.
- Recommend fund types that match client objectives (e.g., private credit for income, PE for growth).
- Reinforce portfolio fit and risk-adjusted outcomes.

5. Use Data to Build Confidence

- Show past performance benchmarks by strategy and vintage.
- Model cash flows and return scenarios.
- Use platform tools to compare managers and fund structures.