OMNIGENCE
ASSET MANAGEMENT

Model Portfolio Construction:

RIA guidelines

July 2026

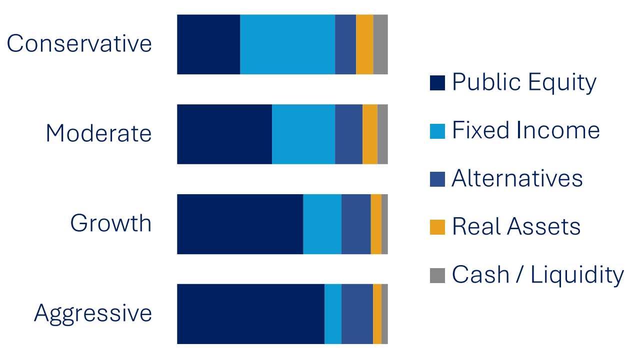
RIA Model Portfolio Construction

Model portfolios are the operational backbone of a scalable RIA. A well-constructed model program replaces ad hoc account-by-account decisions with a repeatable, auditable investment process -- reducing time spent on implementation by an estimated 40 to 60%, freeing advisors for client-facing work. The shift from custom to model-based management is not a concession on quality: model portfolios with private market sleeves outperform custom discretionary accounts on both risk-adjusted returns and client retention

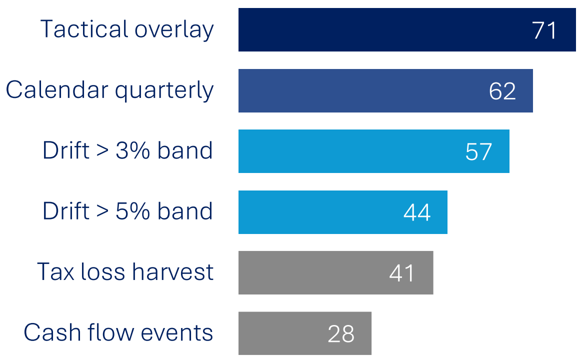
40-60%	68%	3-5%	2.1x
Time saved on implementation vs. custom mgmt	RIAs using model portfolios as primary method	Typical alts sleeve target in model portf.	Avg. AUM per advisor: model vs. non-model RIA

MODEL ARCHITECTURE AND SLEEVE CONSTRUCTION

Sleeve Weights by Risk Tier (% of portfolio)

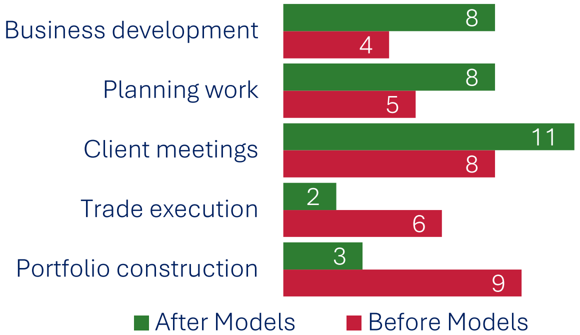


Rebalancing Triggers: RIA Adoption Rate (%)

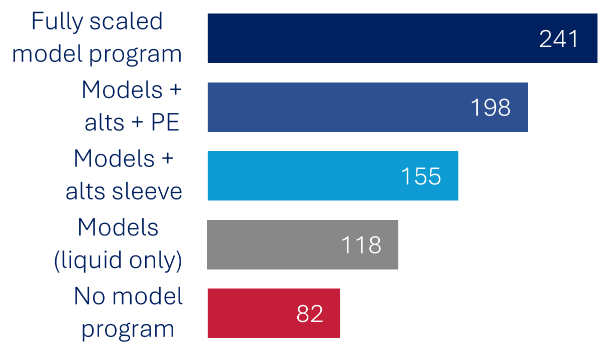


ALTS INTEGRATION AND SCALABILITY OUTCOMES

Advisor Hours/Wk: Before vs. After Model Adoption



AUM per Advisor by Model Maturity ($M avg.)



The scalability unlock in model portfolios comes from decoupling investment decision-making from account-level execution. Tactical overlays -- short-duration rate adjustments, factor tilts, or alts vintage pacing -- can be implemented across the entire book simultaneously rather than account by account. The alts integration challenge is capital call pacing: private market commitments do not fit neatly into a model sleeve without a cash buffer and a commitment schedule. Best-in-class practices solve this with a dedicated liquidity reserve (typically 3 to 5% of the alts sleeve) and staggered vintage commitments across two to three managers, ensuring consistent deployment without disrupting the liquid portfolio drift parameters.

Sources: Kitces Research Advisor Technology Study 2024; Cerulli Associates RIA Marketplace 2024; Orion Advisor Solutions Model Portfolio Report 2024; iCapital Network RIA Operations Survey 2024; McKinsey Global Wealth Management Review 2024. Time allocation and AUM figures are survey-based estimates; individual firm results will vary.

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