



What “Total Portfolio” thinking means for wealth

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TABLE OF CONTENTS

Foreword	03
Introduction	04
What TPA is and isn't	05
The wealth advantage	06
The TPA spectrum in a wealth context	08
Is TPA right for wealth?	10
Disclaimer	11

Foreword

The Total Portfolio Approach (TPA) has been one of the most important developments in institutional investing over the past two decades. What began as a set of ideas adopted by a small group of leading asset owners has gradually evolved into a broader movement, reshaping how investors think about goals, governance, risk, portfolio construction and decision-making.

At its core, TPA encourages investors to see the portfolio as a whole rather than as a collection of separate parts. It shifts attention from siloed decisions towards integrated decisions; from benchmark-relative thinking towards goal-oriented thinking; and from static optimisation towards dynamic adaptation. In a world characterised by growing complexity, uncertainty and interconnectedness and needing AI-integration, these attributes have become increasingly valuable.

What is striking about this paper is how naturally these principles translate from the institutional world into wealth management. And how the advantages that have attracted large institutional investors to TPA have clear resonance in the wealth context.

Jayne is an extraordinary colleague. I've had the privilege of working with her for 25 years, latterly on the TPA client challenges.

These have been among the hardest projects of my career and learning from her has been priceless. Her work is notable for being both clear-eyed and sure-footed. She avoids the temptation to present TPA as a silver bullet and instead explains its principles with clarity, balance and practicality. The result is a thoughtful guide that respects both the opportunities and the challenges involved in adopting the TPA mindset and operating system.

The growing interest in TPA reflects a broader journey from the SAA's strengths — simplicity imposed on complex realities; towards TPA's edge — simplicity synthesised from complex understanding.

This paper is a valuable contribution to that journey, helping bring the benefits of whole-portfolio thinking to a wider audience of wealth investors and advisers.



Roger Urwin
Thinking Ahead Institute
August 2026

Introduction

Let me start with a small admission. I didn't grow up in wealth management. My formative years as an investment professional were spent in the institutional world — pension funds, sovereign investors, investment committees, policy portfolios and more three letter acronyms than I care to admit. In that world, portfolios typically start with a policy, a benchmark and debate about capital market assumptions, with individual investments entering the picture later.

Over the past several years, my work has sat firmly on the institutional side of a broader shift in how large asset owners think about portfolios. Through research and advisory work at WTW and in collaboration with the CAIA Association and the Thinking Ahead Institute,¹ I've spent a good deal of time writing about and discussing what has come to be known as the Total Portfolio Approach (TPA).

At its core, TPA is less a new model than a change in perspective. It starts from a simple question: **What is the best decision for the portfolio as a whole?** Rather than organising capital strictly through asset class silos and benchmarks, it treats the portfolio as a single system — one where investments are assessed by how they contribute to objectives, risk, liquidity and resilience. This way of thinking has gained traction as portfolios have grown more complex and more exposed to regime change.

Given where TPA first took hold, it would be reasonable to assume it belongs squarely in the institutional world. What surprised me as I spent more time working with wealth investors, was how quickly the conversation moved to **outcomes**.

Wealth portfolios tend to be judged less by whether they beat a benchmark and more by whether they achieve their specified goals. Drawdowns matter because they have real consequences. Risk is experienced in absolute terms, not relative to an index that no one actually consumes. Much of what Total Portfolio thinking seeks to achieve institutionally already shows up in wealth — just without the jargon.

These questions increasingly surface beyond the end investor. Private banks, advisers and wealth platforms sit at the center of the value chain, responsible for translating individual objectives into portfolios that must hold together across market cycles, products and client segments. As portfolios become more complex, so too does the challenge of ensuring that what is implemented in parts still makes sense as a whole.

Total Portfolio thinking sits between those two worlds. It offers a way to pair wealth's outcome orientation with the risk awareness and discipline institutional investors have had to develop, without losing what makes wealth investing distinct. That evolution and what it means in practice for wealth and the intermediaries that serve them, is what this article is about.



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1. See TPA Content Hubs at WTW (<https://www.thinkingaheadinstitute.org/research-papers/total-portfolio-approach-tpa-hub/>) and CAIA Association (<https://caia.org/content/total-portfolio-approach-hub>) for more information on Total Portfolio Approach.

What TPA is and isn't

TPA is often misunderstood precisely because it is defined as much by what it isn't as by what it is. It is not a rejection of Strategic Asset Allocation (SAA), nor a claim that benchmarks no longer matter.

It is not a benchmark replacement or a single metric and it is certainly not a plug-and-play upgrade that can be dropped into an existing portfolio without consequence. As both **Innovation Unleashed**² and **From Vision to Execution**³ emphasize, TPA is not a model with a single destination and it does not improve outcomes without effort, skill and discipline.

Just as importantly, TPA does not eliminate the need for governance, data or measurement. It does not turn an unskilled investment team into a skilled one, nor does it close gaps in understanding by default. If anything, it tends to surface them: unclear objectives, poorly understood risks and complexity that has never been forced to justify itself.

It is against that backdrop that what does change becomes clearer. Many of the arguments that underpin Total Portfolio thinking are not institution-specific. The need to compare opportunities and make explicit trade-offs emerges wherever portfolios become sufficiently complex. What differs between institutional and wealth contexts is less the logic of Total Portfolio thinking than the practical path by which investors arrive there.

What TPA shifts is where decisions are anchored. Instead of asking whether each asset class or strategy has met its own benchmark, the starting question becomes more fundamental: **What has this decision contributed to the portfolio as a whole?** Risk, return, liquidity, resilience and sustainability are no longer assessed in isolation or in sequence but considered together.

Figure 1. Total Portfolio Thinking — What it is and what it isn't

What TPA is	Goals driven portfolio-level decision lens anchored on real objectives	What TPA isn't	Not a benchmark replacement or a single metric; but it relies on multiple comparators
	Best ideas assessed at the portfolio level in a competition for capital		Not an investment strategy ; TPA portfolios can look very different
	Dynamic and responsive to regime, pricing and liquidity conditions		Not a plug and play ; TPA adoption requires effort and skill
What TPA does	TPA helps align decision-making and incentives across the portfolio	What TPA doesn't do	TPA does not transform an unskillful investment team to a skillful one
	TPA can act as a getaway to new ideas, better integration and improved risk insight		TPA cannot be effective without timely, reliable portfolio-level information
	TPA increases the value of internalization particularly in increased engagement		TPA does not remove gaps in measurement , but it is overall a better measurement construct

Source: WTW, Thinking Ahead Institute

2. See CAIA Association, [Innovation Unleashed: The Rise of Total Portfolio Approach](#) (2024)

3. See CAIA Association and Thinking Ahead Institute, [From Vision to Execution: How Investors Are Operationalizing the Total Portfolio Approach](#) (2025)

Much of the frustration that gave rise to TPA came from a familiar pattern: investors pursuing outcome oriented goals while still making decisions in silos. The result was portfolios that looked diversified on paper but behaved very differently in stress. TPA emerged to address that disconnect, shifting the focus from optimizing individual parts to portfolio level trade offs.

This is where the idea of competition for capital moves from theory to practice. Under TPA, new ideas do not earn a place simply because they fit a category or because a sleeve has room. They earn a place by demonstrating that, relative to alternatives, they improve the portfolio's ability to meet its objectives, net of risk, liquidity constraints and complexity.

In doing so, TPA aligns decision making and incentives around the portfolio itself, rather than around its individual components.

Seen this way, TPA is best understood not as a destination, but as a discipline. It sharpens a focus on outcomes rather than replacing it, while introducing the risk awareness and decision hygiene needed to make that focus durable. That balance is what the rest of this paper explores.

The wealth advantage

Wealth portfolios are often described as more fragmented, more bespoke and less structured than those of large institutions. Viewed through a traditional SAA lens, these features can appear as limitations. Viewed through a Total Portfolio lens, they can be advantages.

The trade-off is that wealth investors can be overly focused on absolute outcomes, insufficiently attentive to underlying risk drivers and too willing to chase what is new or fashionable. Institutional discipline exists for a reason.

Many wealth portfolios begin life with meaningful concentrations — in operating businesses, real estate or specific sectors tied to personal conviction. Diversification is often retrospective rather than designed. In this context, adopting institutional discipline is less about importing complexity and more about explicitly addressing what concentration leaves exposed.

One of the defining characteristics of wealth portfolios is proximity to opportunity. Investment ideas often originate close to the source — through banking or asset manager relationships, specialist strategies, private markets access or thematic convictions — rather than being filtered first through asset class buckets. Decision making is typically faster, less encumbered by formal process.



This bottom-up orientation aligns naturally with one of TPA's core principles: that the best ideas of the whole portfolio should compete for capital on equal footing. Where institutions often need to work actively to loosen rigid policy constraints in order to enable this competition, wealth portfolios frequently begin with the freedom already in place.

The challenge is not idea generation. In a wealth context, outcomes are rarely constrained by a shortage of opportunities. The real constraint is the absence of a shared portfolio lens — a way to understand how complexity compounds, how risks aggregate and how individual decisions add up at the portfolio level.

Figure 2. Different starting points for TPA in institutional and wealth portfolios

Dimensions	TPA in an institutional context	TPA in a wealth context
Industry backdrop	Pressure to move beyond rigid SAA policy and benchmarks as portfolios become larger, more complex and harder to govern.	Deal driven culture, often built one opportunity at a time, with structure emerging only as complexity accumulates.
Starting point	Diversified by design, but anchored tightly to policy portfolios and benchmarks.	Concentrated by intent, with diversification introduced gradually and unevenly over time.
Competition for capital	Policy silos constrain comparison across asset classes, requiring “stretch governance” to enable joined-up decisions; TPA forces all ideas to justify their place in the portfolio.	Fewer formal constraints allow ideas to flow freely, but comparison across opportunities is often implicit and unstructured; TPA makes opportunity costs more explicit.
Decision speed	Governance cadence slows response; TPA improves agility without loss of control.	Decisions are faster but less structured; TPA brings discipline and prioritization.
Defining success	Success is often defined through benchmarks; TPA reframes success in total fund terms.	Success is understood through outcomes (e.g., spending, liquidity, drawdowns); TPA connects outcomes at the portfolio level.
Risk discipline	Risk is formalized, but tracking error and volatility dominates; TPA integrates multiple risk lenses.	Risk is understood intuitively, but hard to see in aggregate; TPA makes overlaps and concentrations visible across the whole.

Source: WTW, Thinking Ahead Institute

The difference between institutional and wealth portfolios, then, is not one of sophistication versus simplicity, but of starting point and discipline. Institutions typically turn to Total Portfolio thinking to loosen rigid top-down constraints. Wealth investors may see benefits from flexibility but may also approach it from a diversification lens — as portfolios grow, concentrations persist and decisions made in parts begin to interact in unexpected ways.

Figure 2 summarizes how these same dimensions differ across contexts and why Total Portfolio thinking arrives by different routes in each instance.

The TPA spectrum in a wealth context

Wealth portfolios tend to reveal their structure over time rather than declare it upfront. Early decisions are often made in response to specific opportunities or constraints, with coherence emerging only as portfolios grow in scale and complexity. That sequencing matters, because it shapes which forms of Total Portfolio thinking are feasible and useful at different stages of a wealth portfolio's evolution.

In the institutional world, portfolio evolution has been studied extensively through the Thinking Ahead Institute's peer fund research⁴ and is commonly depicted as an SAA-TPA spectrum running from level 0 to level 5.

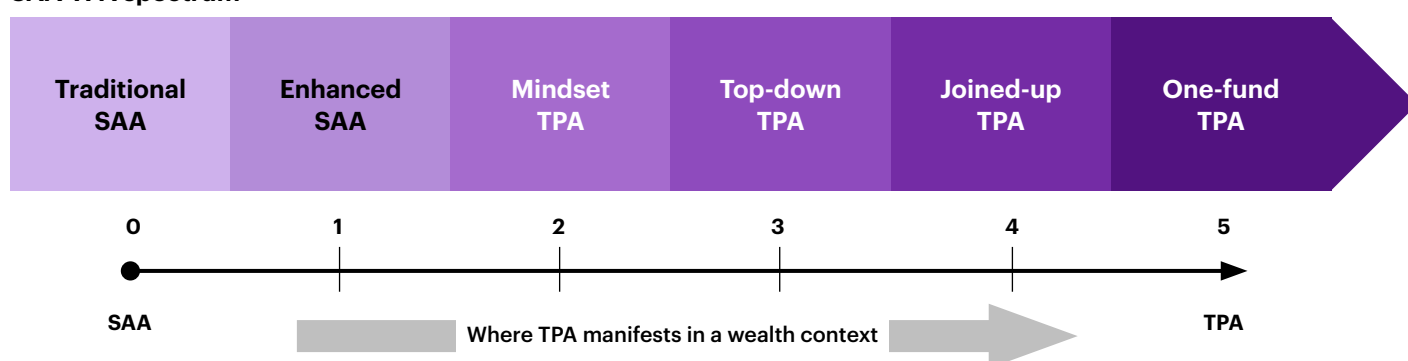
The spectrum provides a shared reference point for understanding how decision making shifts from traditional Strategic Asset Allocation toward more integrated, portfolio-wide approaches. While developed with large asset owners in mind, it also provides a useful reference for wealth — with some important differences.

For wealth investors, both the starting point and the practical destination tend to differ. Most wealth portfolios do not begin at level 0, which assumes a policy-first, benchmark-anchored design. Nor is level 5, with its emphasis on balance-sheet integration and full organizational alignment, a natural or necessary end state. Instead, wealth portfolios typically operate across the intermediate stages, where the shift is less about formal architecture and more about how decisions are framed, compared and governed at the portfolio level.

The direction of travel also differs. Institutions typically start from a top-down framework and work to loosen rigid policy and governance constraints to enable better bottom-up capital competition. Wealth portfolios, by contrast, often begin from either concentrated investments or accumulated cash and face the opposite challenge: introducing sufficient top-down structure to ensure that bottom-up ideas can be evaluated consistently and in relation to one another, across the whole portfolio.

Figure 3. The SAA-TPA spectrum for wealth

SAA-TPA spectrum



Source: WTW, Thinking Ahead Institute

4. See <https://www.thinkingaheadinstitute.org/research-papers/global-asset-owner-peer-study-on-best-practices/>

An art metaphor offers a useful way to interpret how this transition tends to unfold in practice.

- 1** At early stages, portfolios resemble **Individual Works**: investments are acquired one at a time and assessed largely on their own merits.
- 2** As holdings accumulate, they begin to form a **Private Collection**, with assets grouped by type, theme or adviser and diversification emerging as an implicit objective, even if portfolio level discipline remains informal.
- 3** The more consequential shift occurs with **Selective Curation**. Bottom-up ideas are filtered through a portfolio lens — often expressed through a model portfolio — with attention turning to how risks overlap, accumulate and propagate across holdings.
- 4** The final stage is a **Curated Collection**, where portfolio coherence is clearly owned — whether through a CIO function, an investment committee or a lead adviser acting in that role — and decisions are made with explicit reference to the whole.

Figure 4. How TPA stages translate in a wealth context

TPA stage	How decisions are made in wealth	Art metaphor (Level 1–4)
Level 1: Enhanced SAA	Bottom-up decisions; investments assessed largely in isolation; risk viewed at the individual investment level	Individual works
Level 2: Mindset TPA	Informal asset grouping by type, theme or adviser; early portfolio awareness, but risk discipline remains light	Private collection
Level 3: Top-down TPA	Bottom-up ideas filtered through a top-down lens; explicit consideration of how risk overlaps and accumulates across holdings	Selective curation
Level 4: Joined-up TPA	Clear ownership of portfolio decisions; full integration of bottom-up opportunities and top-down objectives	Curated Collection
Level 5: One-fund TPA	Portfolio decisions reflect the whole-of-life balance sheet, integrating financial assets with pensions, property, income and longevity considerations	NA

Source: WTW, Thinking Ahead Institute

One could imagine a further stage beyond this. For wealth investors, a fully articulated “Level 5” would extend Total Portfolio thinking beyond financial assets to the whole-of-life balance sheet — integrating pensions, property, future income, health and longevity into portfolio decisions and shifting the focus from portfolio construction to enduring legacy. In this sense, wealth is naturally oriented toward life-cycle trade-offs, even if current practice tends to manage these elements in parallel rather than as a single system.

In practice, the SAA–TPA spectrum is best understood as a positioning tool, not a maturity ladder. Where a wealth portfolio sits influences the decisions it finds hardest to make, the risks that accumulate quietly and the forms of discipline that matter most. That context is essential, but it does not, on its own, answer whether Total Portfolio thinking is the appropriate next step.

Is TPA right for wealth?

When I first wrote about TPA, I framed it around a simple question: is **TPA right for you?** I did so intentionally, because TPA only becomes valuable when it addresses a real decision problem, not when it is adopted as an idea. Used well, it sharpens trade offs and improves decisions. Used poorly — it can add complexity without improving outcomes.

In a wealth context, that decision point tends to arrive gradually as assets accumulate. Not when portfolios are small and manageable, but when they become harder to explain, when diversification delivers less protection than expected, when liquidity matters in practice rather than in theory or when risks begin to surface in places no one was actively monitoring. At that stage, the question is no longer whether individual investments make sense, but whether the portfolio still holds together as a whole.

That said, the right answer is often **“it depends”** — and in many wealth organizations, **“not yet”** is a perfectly sensible conclusion. A significant number of wealth investment teams are small (sometimes only a handful of people) and the full language and machinery of TPA may be unnecessary or impractical relative to the portfolio’s scale and complexity. For these firms, the most valuable step may not be adoption, but borrowing the best bits in a proportionate way: clearer objectives, a more explicit view of risk aggregation and a better habit of comparing opportunities against portfolio constraints.

There are, however, real consequences to ignoring the underlying shift. Wealth investors often benefit from speed, flexibility and proximity to opportunity — real strengths that allow portfolios to adapt quickly. The trade off is that without an explicit portfolio lens those same strengths can quietly become sources of fragility. Portfolios can appear diversified while remaining exposed to the same risk drivers. Liquidity can look ample on paper but prove unavailable when most needed. Individually attractive positions can accumulate without achieving the portfolio’s true objectives.

The art metaphor introduced earlier is instructive here. The point is not to become a museum or to admire every piece ever acquired, but to curate with discipline — to be clear about what belongs, what overlaps and what no longer earns its place once the collection is viewed as a whole. That kind of judgment includes knowing when an expert curator is best sought externally.

If you want a practical way to pressure test your current position, the Thinking Ahead Institute’s TPA diagnostic⁵ can help you place your portfolio along the SAA-TPA spectrum and highlight where decision making, risk framing or governance may be under strain. And if your aim is simply to learn more, CAIA’s NXT Total Portfolio Approach microcredential⁶ offers a self paced way to explore TPA principles and real world applications.

In the end, TPA is not about becoming institutional. It is about being more deliberate. When bottom-up insight and top-down intent are brought together within a single decision framework, portfolios become easier to explain, more resilient under stress and better aligned with the outcomes that matter. It is the difference between owning a collection you admire and running an exhibition you truly understand.

5. For readers interested in situating their own organisation or portfolio along this spectrum, the Thinking Ahead Institute has developed a short diagnostic that illustrates how decision making, governance and risk framing tend to differ across stages: <https://www.thinkingaheadinstitute.org/news/article/quiz-is-your-organisation-more-saa-or-tpa/>

6. The CAIA NXT Total Portfolio Approach (TPA) microcredential is a short, self-paced online program, designed for investors and advisers interested to learn more about TPA: <https://caia.org/nxt-total-portfolio-approach-microcredential>

Want to learn more about TPA?

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