Addressing Myths about Private Markets: A guide for client conversations

Three common myths about private markets:

MYTH

1

Private markets are hard to access and always illiquid

REALITY

Today, newer structures like perpetual funds allow eligible individual investors to allocate with planned liquidity windows, subject to limits.

MYTH

2

My clients don't have the risk tolerance for private markets

REALITY

Private markets can match a range of risk appetites. The key is matching the right approach to the client's risk tolerance, investment objectives, and time horizons.

MYTH

3

Private markets aren't transparent

REALITY

Many perpetual funds now provide monthly portfolio snapshots. This visibility provides clients with the tools to understand exactly what they own and how it's positioned — which can help build trust and confidence in the investment.

Next steps

Use our step-by-step guide.
On the reverse side of this page, you'll find a conversation guide designed to help you address these myths in real time.

Conversation guide: Turning misconceptions into opportunities

Myth #1

Private markets are hard to access and always illiquid

How it might show up

- Assumes private markets are only for institutional investors.
- Believes investments require very large minimums.
- Worries money would be locked away for years with no access.

How to reframe the conversation

- Explain how perpetual funds can offer lower minimums and broader availability.
- Highlight planned liquidity windows that allow for periodic access to capital, subject to limits.
- Position private markets as a viable option in a long-term plan.

Notes

Myth #2

My clients don't have the risk tolerance for private markets

How it might show up

- Associates private markets with aggressive, high-growth investments.
- Worries they are "too risky."
- Assumes that these investments always increase overall portfolio risk.

How to reframe the conversation

- Clarify that strategies range from conservative income-focused to higher-growth.
- Explain private markets' historically lower volatility, relative to public equities.[1]
- Show how private markets can diversify[2] and help stabilize a portfolio.

Notes

1. Source: Morningstar, over the 10-year period from January 1, 2015 to December 31, 2024. Volatility is represented by standard deviation.
2. Diversification does not ensure a profit or protect against losses.

Conversation guide: Turning misconceptions into opportunities

Myth #3

Private markets aren't transparent

How it might show up

- Believes they wouldn't know what they own.
- Thinks there's no regular reporting or visibility.
- Sees private markets as a "black box."

How to reframe the conversation

- Show how many perpetual funds provide monthly snapshots and quarterly reports.
- Highlight online dashboards for periodic portfolio visibility.
- Position transparency as a way to help build trust and keep clients engaged.

Notes

Quick tips for client conversations

Listen

Listen for assumptions rather than direct statements — misconceptions often surface indirectly.

Acknowledge

Start by acknowledging the client's perception before introducing new facts.

Show

Use relatable examples and simple comparisons to make concepts feel familiar.

Connect

Connect each reality to the client's specific priorities (liquidity, risk, transparency).

Explain

Help clients understand that perpetual fund structures can make private markets more accessible.

Important disclosure information

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