

Asset Allocation:

Building growth portfolios with private markets

Start with the Goal

When a client's investment objective is growth, asset allocation should focus on strategies that can deliver long-term capital appreciation — while managing risk in a way that supports staying invested.

Key private market growth drivers:

1

Private equity

Active value creation

Private equity managers work directly with portfolio companies to accelerate growth.

Actionable insight

Position private equity as the "growth engine" in a portfolio.

2

Private credit

Growth support with stability

Private credit provides financing to companies in expansion phases, while generating steady income for investors.

Actionable insight

Consider using private credit as a tool to help mitigate volatility.

3

Real assets

Tangible growth opportunities

Real estate and infrastructure can diversify¹ a growth portfolio. These asset classes have historically offered inflation mitigation² and capital appreciation.

Actionable insight

Position real assets as both a growth contributor and a tool to help mitigate risk.³

Next steps

Use our step-by-step guide.

Turn the page for key questions to answer when allocating to private markets for clients seeking growth.



1. Diversification does not ensure a profit or protect against losses.

2. There is no guarantee that any asset class will effectively hedge inflation.

3. Risk management seeks to mitigate risk but does not reduce or eliminate risk and does not protect against losses.

Growth portfolio Q&A: Advisor worksheet

Use these questions to prepare before discussing private markets with clients seeking growth:

Question 1:

Portfolio construction



How will I define the role private markets will play in driving this client's growth objectives?

Notes

Question 2:

Asset class mix



What is the right balance between private equity, private credit, and real assets to meet the client's goals?

Notes

Question 3:

Time horizon & liquidity



How will I align the investment timeline with the client's patience for illiquidity and long-term capital commitments?

Notes

Growth portfolio Q&A: Advisor worksheet

Question 4:

Access & differentiation



How will I showcase growth opportunities and considerations in private assets that clients can't find in public markets?

Notes



Four tips for client conversations

Explain the strategy

Position private equity as the growth engine within the broader portfolio.

Set realistic timelines

Growth strategies often require years before realizing gains.

Highlight potential diversification¹ benefits

Access to opportunities beyond public markets.

Balance ambition with transparency

Discuss both potential upside and inherent risks.

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