

What Allocators and Managers Are Building in Private Markets

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Private markets have secured a place in the wealth management conversation. The strategic question has moved on: how managers reach advisers, how products are built for them, and how investors should weigh the trade-offs.

That was the common thread at Citywire's Private Assets Retreat in Fort Lauderdale (October 8 to 9). More than a dozen managers presented, alongside a panel of alternatives heads from national wealth platforms. Five themes stood out.

1. The wealth channel has become the growth engine

For decades, private markets were built around pensions, endowments and insurers. Today the growth is in private wealth, and managers are reorganizing around it.

They are getting there through partnerships between traditional and alternative managers, acquisitions of boutique firms with existing adviser relationships, and education programs aimed directly at advisers. Wealth platforms remain the gatekeepers that decide what reaches clients at scale. Retirement plans are widely seen as the next frontier, though a harder one to serve.

2. Private credit is broadening

Private credit was the largest theme of the conference, but the emphasis has shifted. Lending to private equity-owned companies, the core of the market for the past decade, is now well established and competitive. Managers are expanding into lending backed by assets such as consumer loans, equipment and real estate, and some position it as a partial alternative to traditional bonds.

The strategic implication is that private credit is no longer one allocation. It is a set of distinct strategies with different risks, and how a portfolio is built within the category is becoming as important as the decision to own it.

3. Product design is converging

The products being brought to advisers look increasingly alike: perpetual funds with no fixed end date, lower minimums, simpler tax reporting and periodic access to liquidity. Several combine public and private holdings in a single fund, blurring a line that has traditionally separated two kinds of managers and two parts of a portfolio.

For managers, this widens the competitive field. Traditional managers are partnering their way into private markets, while private markets firms are building products that look more like mutual funds.

4. Liquidity expectations are being reset

The most consistent discussion was about liquidity, and specifically the potential for an asset-liability mismatch. Many of these funds offer investors periodic access to their money, while the assets they hold are long-dated and slow to sell. In normal markets, new subscriptions and portfolio cash flows cover redemptions. In a stressed market, redemption requests can rise just as inflows slow and asset sales become harder, which is when limits on withdrawals are most likely to apply.

Managers are addressing the mismatch by pairing these funds with assets that generate steady cash, holding liquid reserves and, in at least one case, limiting how much new money they accept.

For investors, liquidity in these vehicles is a feature with limits, not a guarantee. How it works belongs in the decision from the start, matched to a client's actual need for cash.

5. Selection matters more as the cycle matures

Several managers noted that the past fifteen years were an unusually favorable backdrop for private markets, and that a less forgiving environment would separate managers more clearly. Risks cited included tariffs, AI-driven disruption, slower growth with persistent inflation, and a rise in lower-quality borrowers.

The likely result is wider dispersion between managers. That raises the value of due diligence on process, discipline and alignment, not just past returns.

What this means

For allocators, the decision is shifting from whether to own private markets to how much, through which structures and with which managers. Private allocations are becoming a core portfolio and planning decision rather than an add-on.

For asset managers, distribution, education and product design are now competitive advantages alongside investment results. Partnerships and scale are becoming the main routes into the wealth channel.

For advisers, client conversations will center on fit: time horizon, liquidity needs and how private holdings work alongside the rest of a portfolio.

Closing

Private markets are being rebuilt for a new kind of investor. The opportunity is real, and so is the responsibility to match the right structure, and the right manager, to each client.

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