Hines

Proprietary Research

Perspectives

The New Age of Investment Access

As access to private markets expands, we believe the question for investors is no longer simply whether to participate, but how to do so responsibly.

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For decades, private markets offered large institutions something most individual investors could not readily obtain: exposure to a broader universe of companies and real assets, with the potential to provide additional sources of diversification, income, and long-term return. That divide is narrowing. Better data, independent valuations, stronger governance, and more sophisticated investment platforms have made private markets more transparent and capable of serving a wider range of investors.

Demand is changing with access. Nearly 90% of wealthy investors ages 21 to 45 say they plan to increase allocations to alternatives such as private equity and real estate, compared with 15% of baby boomers and older investors, according to Bank of America's 2026 Study of Wealthy Americans.

A Broader Opportunity Set for Long-Term Wealth

That interest is emerging as public markets themselves have narrowed. The number of U.S. operating companies listed on major exchanges has declined from roughly 7,500 in the late 1990s to just over 3,650 in 2025, while market value has become concentrated among a relatively small group of large companies.[1] Meanwhile, many businesses remain private longer, allowing more growth to occur before they reach public markets.

For families seeking to preserve and compound capital across generations, private assets could broaden the opportunity set beyond public stocks and bonds, adding potential sources of return and diversification.

But broader access should not mean lower standards. An investment vehicle can make a private asset easier to own; it cannot make a weak asset stronger. Investors should consider whether the underlying assets offer durable income potential or a clear path to value creation, whether liquidity terms match the assets' actual liquidity, and whether valuation and governance are disciplined. The manager matters as much as the structure providing access.

For private wealth portfolios, these are ultimately questions of resilience: What is likely to happen to income, capital, and liquidity when markets become more difficult?

For evergreen vehicles, those questions become even more important. Because investors subscribe on an ongoing basis, they need confidence that the manager can consistently source attractive investment opportunities. Otherwise, capital may remain in the fund's liquid sleeve longer than intended, creating cash drag and diluting returns. Investors and their advisers should also consider the manager's experience operating evergreen vehicles, where portfolio construction, liquidity management, and capital deployment differ in important ways from traditional funds.

Governance around deal allocation matters as well. Investors should understand the manager's allocation policies and decision-making processes and whether the evergreen vehicle has fair and transparent access to investment opportunities across the platform, rather than simply receiving deals that other vehicles choose not to pursue.

Why Real Estate Stands Out Today

Private real estate may be relevant at this point in the cycle because it has already undergone substantial correction. Since late 2021, U.S. public equities have risen while private real estate has repriced. In our view, signs increasingly suggest a 2025 market bottom and the beginning of a recovery, with values turning upward in parts of Europe and Asia and approximately half of the roughly 800 markets it tracks moving into what Hines Research considers a potential buying window.[2]

History offers valuable context but does not predict the future. Hines Research has identified three long real estate cycles since the late 1970s, each lasting approximately 13 to 16 years and averaging close to 12% annual total returns through the recovery.[3] For investors with long time horizons, entering after a broad repricing may offer a different starting point than allocating after years of sustained appreciation.

Real estate investment outcomes are not solely dependent on changes in property values. Real estate can also generate recurring income, and supply constraints may support that income in selected sectors. Housing is our strongest conviction in the recovery. Hines Research estimates a net shortage of 6.5 million housing units across the key developed economies it analyzes, even as construction has fallen below recent peaks.[4] In markets where demand remains durable, that scarcity could support rents and income.

Real estate can also expand a portfolio geographically. Roughly 60% of the world's core property stock lies outside the U.S., and historical research cited by Hines has associated broader global real estate exposure with improved risk-adjusted returns.[5] That breadth may become more meaningful for investors whose public equity exposure is increasingly concentrated in a small number of U.S. companies.

Private markets are becoming a more practical component of private wealth portfolios, even as the investment landscape around them changes. Yet the enduring case is not simply for greater access. It is for selective access: to durable assets, sustainable income, and long-term value creation potential, supported by liquidity structures and experienced management appropriate to the investments themselves.

If global real estate is indeed entering a new cycle, those fundamentals—not the availability of a new investment wrapper—are likely to determine whether today's broader access could translate into resilient, long-term wealth creation potential.

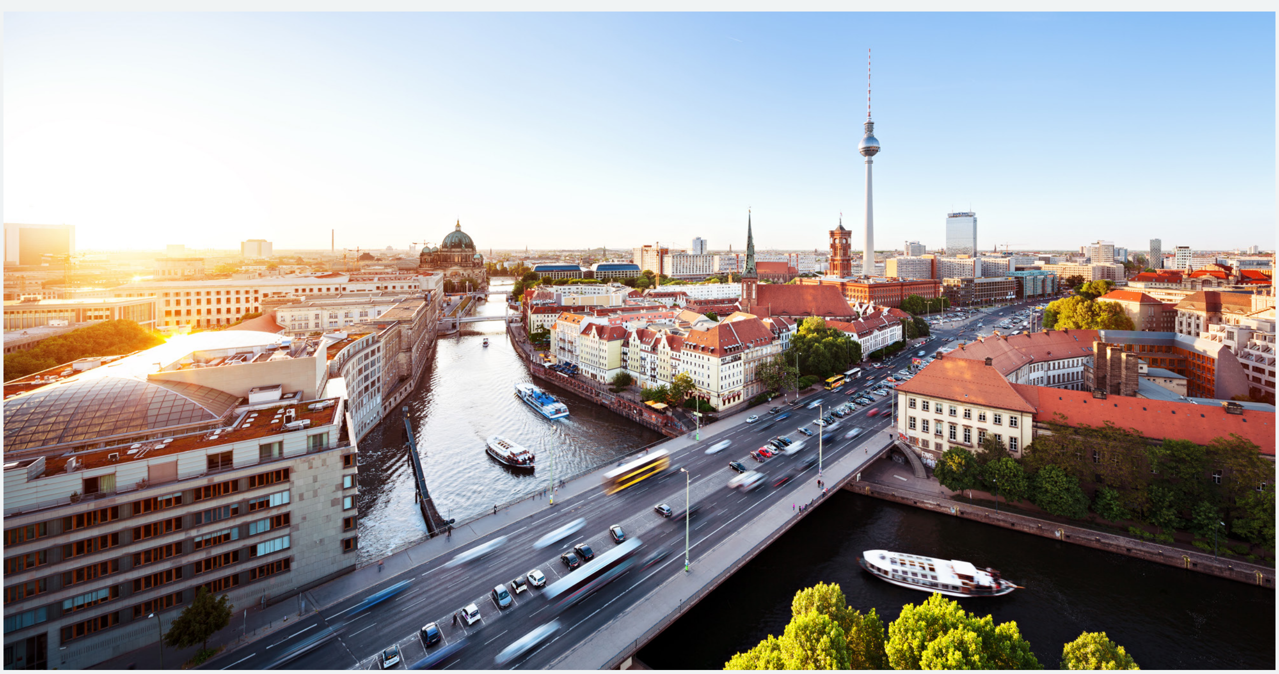
How Hines is Applying the Framework

Hines has spent decades helping broaden access to institutional-quality real estate. Building on our experience with non-traded REITs in the U.S. private-wealth market, we believe Europe may be approaching a similar opportunity to broaden access to private real estate.

Why the ELTIF 2.0 structure: broader eligible assets, real access for private-wealth investors, and regulatory protections.

Why Hines: founded in 1957, privately owned, roughly $91.7 billion under management, a 69-year record across multiple cycles, and an integrated operating platform across 30 countries.*

*AUM includes both the global Hines organization and RIA AUM as of December 31, 2025.
This is not an offer, any offer is made only through the fund's definitive documents.



Endnotes

1. CFA Institute, Understanding the Growth of Private Markets: Structural Shifts in the Investment Industry (Rhodri Preece and Cheryll-Ann Wilson, June 2026), citing Ritter (2026).
2. Hines Research, as of Q1 2026.
3. Hines Research, Q4 2025. Three long real estate cycles since the late 1970s (~13–16 years each; ~11.7–11.8% average annual total returns), the current recovery signaling a new cycle. Past performance cannot guarantee future results.
4. Hines Research, as of Q1 2025.
5. Hines Research; ~60% of the world's core property stock sits outside the U.S.; going global historically broadens the opportunity set and has improved risk-adjusted returns. Past performance cannot guarantee future results, as of Q4 2025.

Disclosure

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