Hamilton Lane

Access Is Table Stakes: How to Build a Private Markets Portfolio That Delivers

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EXECUTIVE SUMMARY

- Access to private markets is no longer the hard part. The question clients now ask is how to build a portfolio that actually delivers.
- **Building blocks:** judge every piece of the portfolio on return, risk, liquidity and fit, then choose deliberately across strategy, geography and how you invest (primaries, secondaries, co-investments).
- **Evergreens:** these funds are more than an easy way in. They are a portfolio construction tool that can sit alongside traditional closed-end funds.
- **Pacing:** investing steadily has outperformed trying to time the market, and the choice of targets shapes the client's early experience.

For years, the private markets conversation between advisors and clients centered on one question: why allocate to private markets at all? Many clients now have that answer. The more useful question today is what comes next: once a client has decided to invest, how do you build a portfolio designed to deliver?

In public markets, portfolio construction is a formal discipline. In private markets it is still catching up, and that matters. Results depend on more than picking good managers or getting into good deals. They also depend on how the whole portfolio is put together. Four areas make the difference.

1. Four lenses for every building block

Every building block, whether a strategy, a region or a type of fund, is worth testing against the same four lenses:

- **Return:** what has it delivered, and across what range of outcomes?
- **Risk:** how much do results vary, how often do investments lose money, and how much bumpiness must the client be willing to absorb?
- **Liquidity:** when is capital called, and when do cash distributions realistically come back?
- **Fit:** does it complement what the client already owns, or does it sit in a silo beside it?

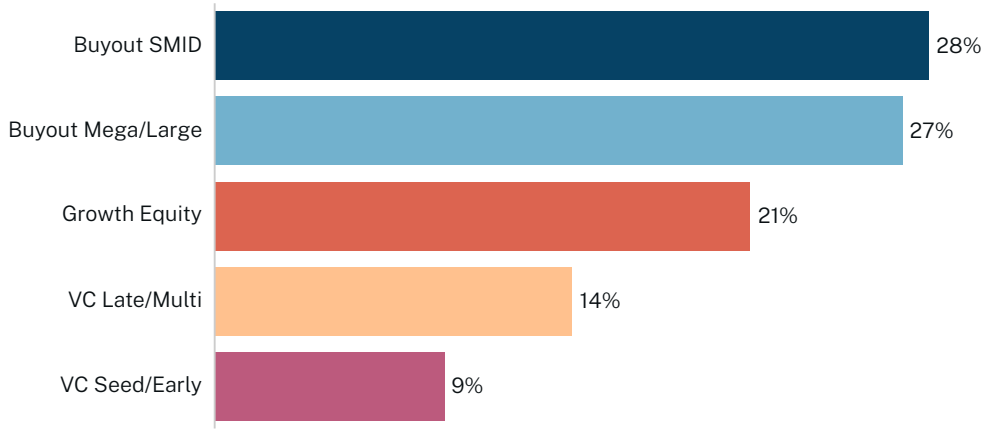
The last lens is the one most often skipped. Private markets should work with the rest of the client's portfolio, not alongside it.

2. The building blocks: strategy, geography and access tool

Three choices shape the answer: strategy, geography and the way you invest.

Strategy comes first. Historically, most private equity value has been in buyout, which has also offered a narrower range of outcomes and earlier distributions than growth equity or venture capital. That is why buyout typically serves as the "core" of an unconstrained portfolio. Smaller allocations to growth and venture can add return potential, for clients who can accept a wider range of results and a longer wait.

Share of PE NAV by Strategy

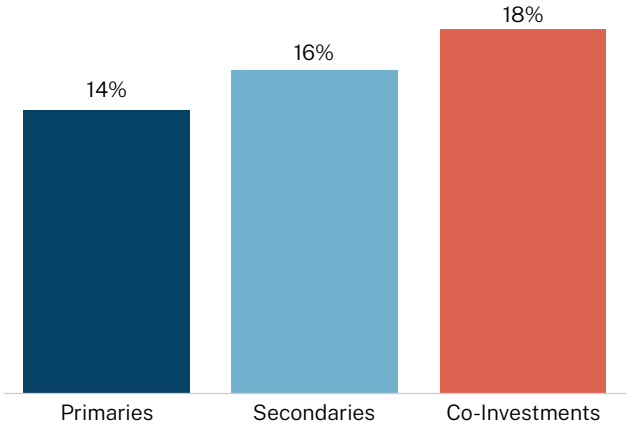


Source: Hamilton Lane Data (June 2026). Past performance is not a guarantee of future results.

Geography is second. North America has offered the strongest median returns and the largest opportunity set. Western Europe has shown a narrower range of outcomes, the lowest deal loss rates of any region and stronger outperformance versus its public markets. Europe is a strategic diversifier, not a leftover bucket.

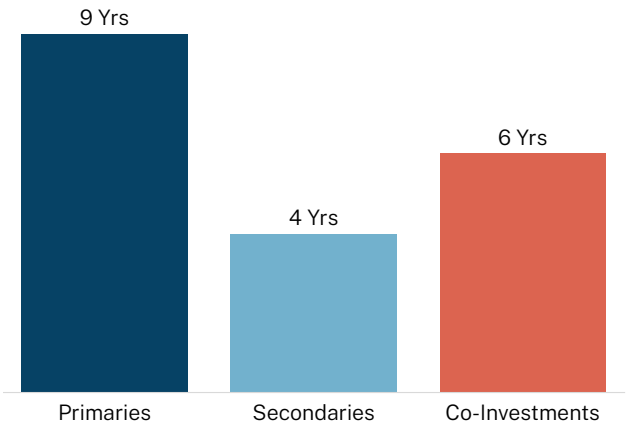
The access tool is third. Primaries (commitments to new funds) form the diversified core. Secondaries (buying existing stakes) offer earlier liquidity, a smaller early dip in returns (often called the J-curve) and a narrower range of outcomes. Co-investments (investing directly alongside a manager) have the strongest potential to boost returns and lower fees, but carry more concentration risk. Used together, they complement one another, and that is the point.

Projected 10Yr IRR



Source: Hamilton Lane Horizon Model (May 2026).[1]

Projected Time to 1x DPI



Source: Hamilton Lane Horizon Model (May 2026).[1]

3. Evergreens: a portfolio construction tool, not just an entry point

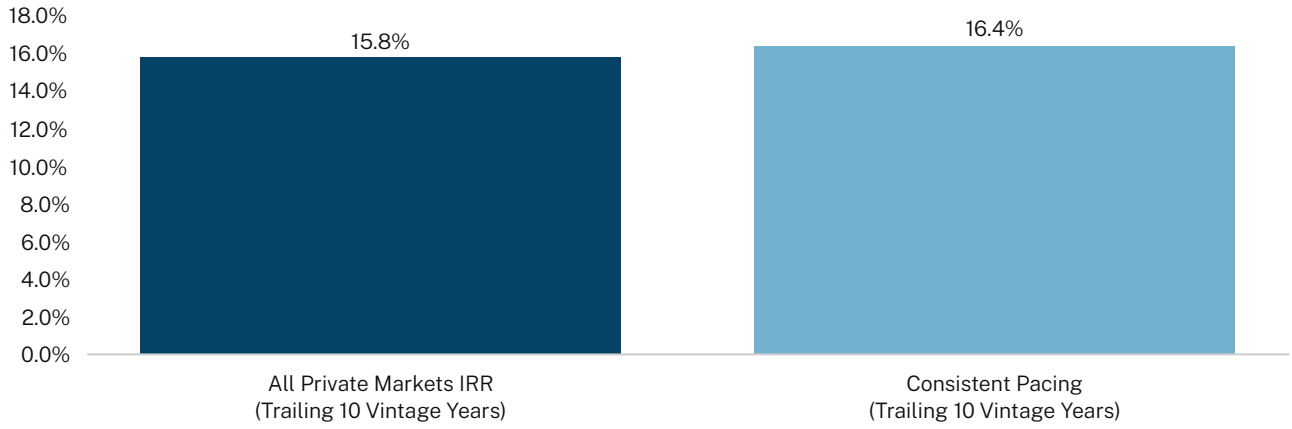
Evergreen funds are often described as an easy way for private wealth clients to get in. That undersells them. Inside a portfolio, they keep money compounding, spread investments across different years automatically, make it easy to reinvest and rebalance, and let you adjust allocations over time.

Institutional investors have started using them too, which is a telling endorsement. And evergreens do not have to compete with traditional closed-end funds. The two can sit side by side in a core-satellite approach.

4. Pacing and diversification: consistency wins

Returns have varied meaningfully by strategy and year, so the temptation is to time the market. The data suggests it does not pay. Investing at a steady pace has produced stronger long-term outcomes than deploying capital in step with fundraising cycles. In private markets, consistency is itself a tactical decision.

Consistency Is a Tactical Decision



Source: Hamilton Lane Data (January 2025). Past performance is not a guarantee of future results*

Diversification follows the same logic. Roughly four to six primary funds and eight to twelve co-investments per year strikes a sensible balance between narrowing the range of outcomes and preserving return.

Targets matter more than many investors realize. A NAV target (the value you want the portfolio to reach) builds asset value faster. A commitment target (the amount pledged each year) means lower cash needs early on. Neither is "right," but the choice should be modeled, not stumbled into.

What this means for advisors

Access to private markets is now table stakes. What separates portfolios that deliver from those that disappoint is the discipline applied above the fund level: evidence-based design across strategy, geography and access tool, steady pacing, deliberate liquidity planning, and monitoring that keeps the live portfolio aligned with the plan. The opportunity for advisors is to move the conversation from "should we invest?" to "how should we build this?", and to help clients build private markets portfolios with intent.

*All private markets baseline takes the vintage years 2015-2024 and invests in all funds there with the IRR calculated off these. In the consistent pacing case, the same total capital is taken but divided equally by vintage year and re-run the IRR calculation (in the all PM baseline this varies with market fundraising).

DISCLOSURES

[1] Source: Hamilton Lane Horizon Model (May 2026). Hypothetical projections; for illustrative purposes only and not a guarantee of future returns. All opinions, estimates and forecasts of future performance or other events contained herein are based on information available to Hamilton Lane as of the date of this presentation and are subject to change. Past performance of the investments described herein is not indicative of future results. In addition, nothing contained herein shall be deemed to be a prediction of future performance. The information included in this presentation has not been reviewed or audited by independent public accountants. Certain information included herein has been obtained from sources that Hamilton Lane believes to be reliable, but the accuracy of such information cannot be guaranteed.

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