The State of Alternative Assets For Retail Investors.

Alternative investments are seeing a unprecedented rise in adoption, and Millennial and Gen Z investors are leading the way

Table of Contents

Introduction: Alternative Investing on the rise 03

Younger Generations Embrace Shorter Investment Horizons: A Shift in the Investment Landscape 05

Younger Generations Rely on Nontraditional Sources for Investment Research 08

Chasing Higher Returns, Younger Generations Expect More From Their Investments 10

Consumer-Investor Confluence: Younger Generations Invest in What They Use 12

Awareness and usage of alternative asset platforms is on the rise, especially among younger generations 15

Younger Generations Eagerly Embrace Alternative Investments 17

The Great Generational Divide: A Dramatic Shift in Alternative Asset Allocation 19

Shifting Investment Paradigms: Generational Perspective on Alternative Assets 21

A Deep Dive into Interest in Collectibles, Alternative Business Investments, and Cryptocurrencies 23

Analyzing the Attraction of Alternative Business Investments 25

Advisors' Perspective: The Rising Tide of Alternative Assets Allocation 27

The Future of Investing: Embracing the Alternative Assets Revolution 30

Key Takeaways

01

Alternative asset allocation is increasing: 53% of investors state that they plan to increase their allocation into alternative investments, with just 12% planning to decrease their allocation.

02

Younger generations are leading the charge: 66% of millennials and 70% of Gen Z investors say they plan on increasing their allocation into alternative assets while 30% of Baby Boomers and 40% of Gen X investors say they will do the same.

03

Business alternatives and collectibles are leading the way: While cryptocurrency investing including Bitcoin have gained popularity over the years, more investors say they are choosing business alts like Real Estate, Private Equity, and franchising to diversify rather than crypto.

04

Investors are seeking diversification away from traditional public markets: Investors who choose to invest in business focused alternative assets are doing so in an effort to diversify away from public markets to reduce volatility, drive long-term returns, and earn passive income.

05

The way that young investors learn about investments is shifting: Younger investors appear to be rebelling against traditional investment institutions like brokers and advisors. Instead, they're listening to social media personalities and influencers to educate themselves around investments.

Introduction:

Alternative Investing on the Rise

The investment landscape is constantly evolving, with new technologies, new markets, and new generations shaping the way people invest their money. One investment trend that is rapidly gaining popularity is alternative asset investing.

Alternative assets are investments that fall outside of the traditional asset classes of stocks, bonds, and cash. They can include a wide range of assets such as business alternative assets (real estate, private equity, venture capital, franchise investing), collectibles (art, wine, trading cards), and cryptocurrencies (Bitcoin, Etherium, other alt coins).

We were curious to learn more about the magnitude of alternative asset investing: why it is gaining popularity, and which products within the asset class are drawing the most attention and investment dollars.

In May 2023, we partnered with YouGov to survey more than 1,000 investors with at least $10,000 in investable assets. The data we received provides a unique and eye-opening look into the state of alternative assets among retail investors. We present this data in our report.

Why the Shift?

Younger individuals are losing trust in conventional institutions. They have matured during rapid technological changes and experienced the growing prominence of influencers and the expansion of social media platforms. They feel increasing pressure to amass wealth at a swift pace, leading to a rebellion against traditional establishments that champion long-term patience while seeking lucrative returns. The surge in online platforms coupled with the advent of fractional investing has armed these young, tech-savvy investors with new avenues for investment.

What Alternative Assets Are on the Rise?

Alternatives are typically attractive to investors who seek diversity in their portfolios while seeking superior returns. Although these assets may also present elevated potential for returns, they are frequently accompanied by higher risks and limited liquidity compared with standard investments.

Historically, real estate has taken center stage in the alternative asset domain, accompanied by other business-focused alternatives such as private equity, venture capital, and collectibles like wine and art. In recent years, we've seen growing interest in an array of alternative assets including cryptocurrencies, agricultural land, franchising, private credit (debt), and even collectibles like trading cards and NFTs. Investors now find that an expansive selection of these investment options is readily accessible to them, without the need for expensive financial advisors or difficult-to-obtain relationships with top fund managers.

Why Understanding Alternative Asset Investing Trends is Critical

Understanding the trends of alternative asset investing is essential for investors who seek superior returns, diversification into uncorrelated assets, and a hedge against market risks.

Trends in alternative investing help investors identify emerging investment opportunities that are undervalued or on the cusp of significant innovation and which have the potential for strong returns. Investors who understand the alternative investing landscape can also increase their ability to obtain assets that are uncorrelated to volatile public markets, that tend to move significantly based on sentiment, and that hedge against specific macroeconomic and geopolitical headwinds.

In short, by understanding alternative investing trends, investors can better understand investing opportunities and position themselves to take advantage of those opportunities when the time is right.

Generation Z and Millennial Investors Want to See Results Sooner

Before we explore investor sentiment toward alternative assets, it's worth understanding their goals and expectations. Investors have always been driven by the desire for more, and faster. As a result, their inclination toward short-term returns is unsurprising. However, savvy retail investors understand the value of long-term investment strategies.

Our study found that the majority of investors are indeed aiming for long-term gains. While 45% of investors are optimizing their portfolios for long-term returns, 40% are targeting medium-term gains, and only 15% are focused on short-term gains. This suggests that investors are more sophisticated in their approach to investing. They are recognizing that long-term investing is the key to achieving their financial goals.

45%
of investors are aiming for long-term gains

40%
of investors are targeting medium-term gains

15%
of investors are focused on short-term gains.

We found, however, that Millennials and Gen Z investors exhibit shorter-term investment horizons than their Baby Boomer and Gen X counterparts. For instance, only 24% of Millennials and 25% of Gen Z investors claim to have a long-term investment perspective. This stands in stark contrast to the over half (53%) of Baby Boomers and nearly two-thirds (64%) of Gen X investors who adopt a longer-term stance on their investments.

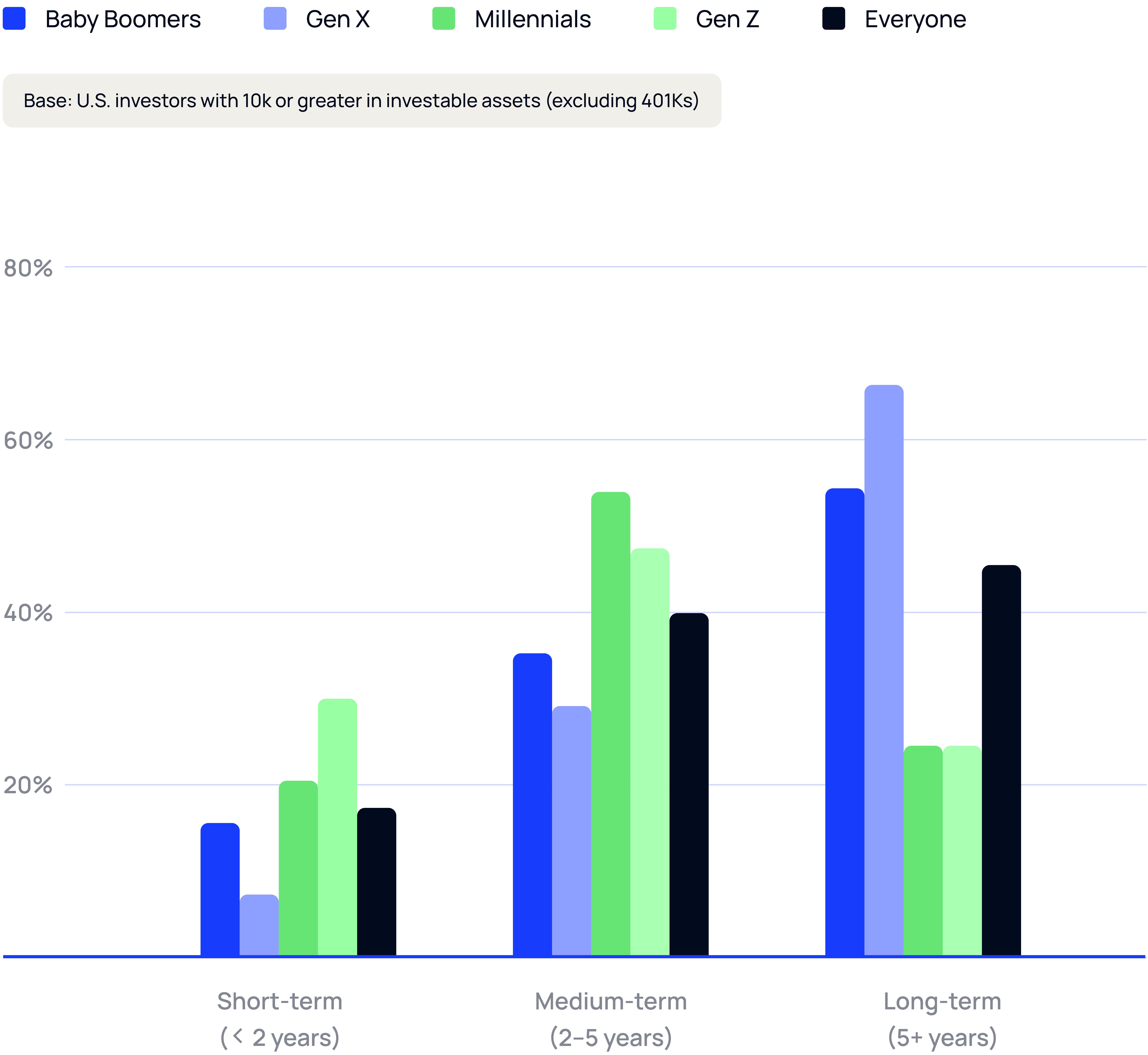
Several factors contribute to this divide, with technology playing a pivotal role. Younger generations, having come of age during an era of remarkable technological advancement (especially in finance), have watched cryptocurrencies surge and meme stocks skyrocket, creating millionaires virtually overnight. Mainstream media often celebrates such instances, which reinforces younger investors' penchant for short-term gains. Consequently, younger generations, being more tech-savvy, are open to embracing novel technologies and democratizing every aspect of investment.

Additionally, the ubiquity of social media and easy access to information considerably influence younger people's investment decisions. Stories of swift returns and overnight successes are constantly within reach for Millennials and Gen Z investors, which likely adds to their inclination toward shorter investment horizons.

Lastly, the preference for short-term investing among young people could signify the impact of the prevailing macroeconomic climate on their personal finance objectives. Older generations with more assets at their disposal may have the luxury of patiently waiting for returns. Many young people, however, feel compelled to seek faster returns to keep up with inflation and escalating living costs. As younger generations continue to feel financially strained and seek short-term returns, we could see increased public market volatility.

In contrast, Baby Boomers and Gen X investors have traditionally demonstrated more conservative investing habits. Having witnessed multiple economic cycles, they appreciate the potential benefits of long-term investment strategies. Their investment approach often reflects their life experiences, and prioritize stability, consistency, and long-term growth.

When you invest, what is your expected time horizon for holding that investment?



◆ Key Idea

While Baby Boomers and Gen X investors have a longer-term mindset, younger investors are focused on short-term returns. This short-term mindset may be a contributing factor in public market volatility.

Younger Generations Rely More on Non-traditional Sources for Investment Research

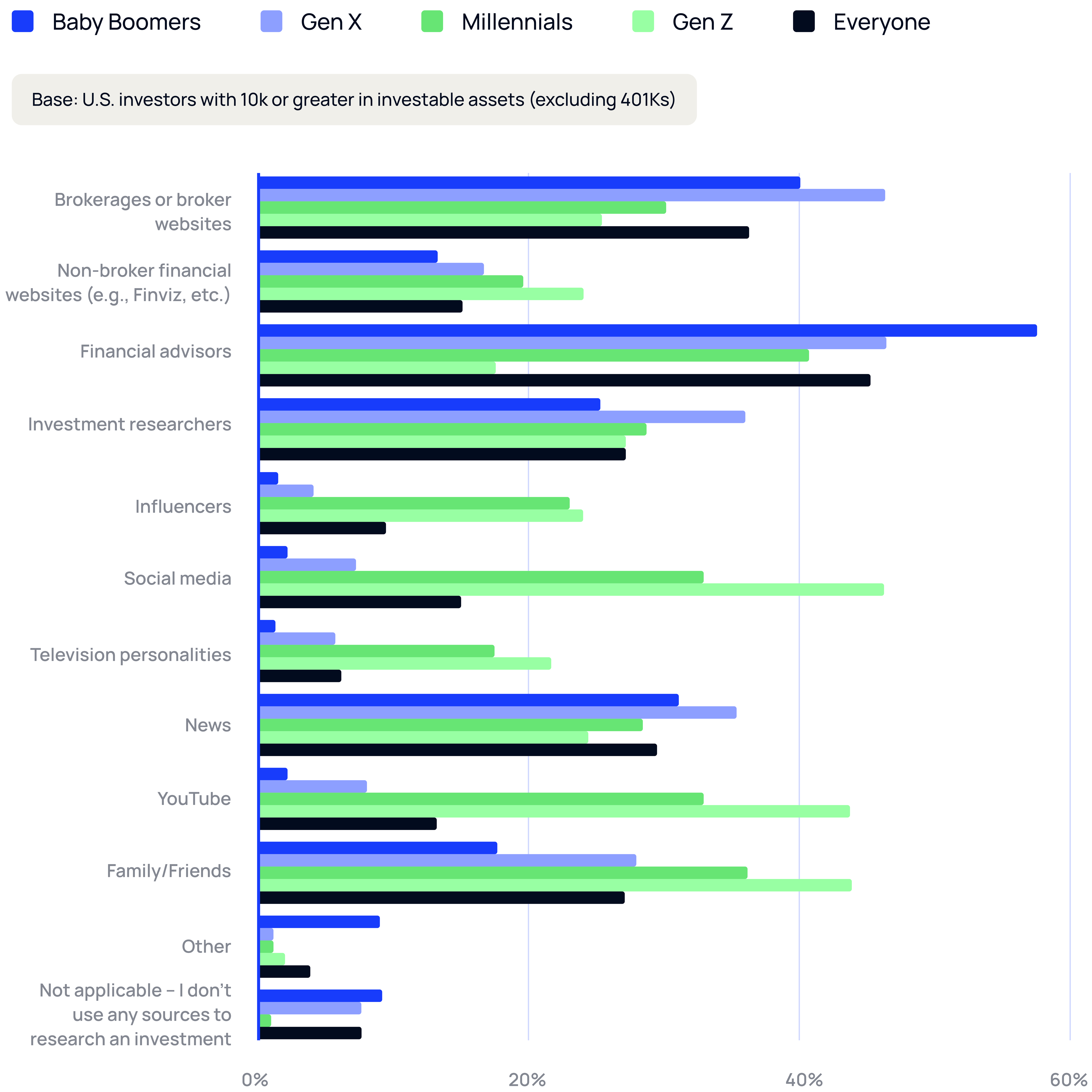
Our study found that younger investors are more likely to use online resources and social media to research investment opportunities, while older investors are more likely to rely on traditional sources of information such as financial advisors and newspapers.

Baby Boomers and Gen X show a stronger inclination toward traditional methods of investment research. Brokerages or broker websites are favored by 40% of Baby Boomers and by 46% of Gen X, and financial advisors are consulted by 57% of Baby Boomers and 47% of Gen X. This reliance on conventional sources displays a preference for personalized advice and time-tested expertise.

The younger generations differ radically in their approach to investment research. Only 30% of Millennials and 25% of Gen Z utilize brokerages or broker websites, whereas 41% and 17% (respectively) consult financial advisors. These younger investors place greater trust in digital and social platforms: Social media is leveraged by 31% of Millennials and 47% of Gen Z, YouTube is a resource for 33% and 43% (respectively), and influencers hold sway over 23% of both younger groups.

This reliance on digital and social platforms may be attributed to the digital native nature of these younger generations, their comfort with technology, and the democratization of financial information. These generations may not yet have the assets required to work with financial advisors. Moreover, the influencer culture, which thrives on these platforms, plays a significant role in shaping younger generations' investment research habits.

Which, if any, of the following sources do you use to research an investment? Please select all that apply.



◆ Key Idea

Gen Z is ditching advisors and relying heavily on social media and influencers, while older generations tend to rely on advice from advisors, brokers, and investment researchers.

Younger Generations Expect More From Their Investments, but Remain Realistic

The generational divide among investors also applies to expectations regarding returns.

Unsurprisingly, Baby Boomers and Gen X have more conservative expectations of their portfolio returns. Our survey found, for instance, that 58% of Baby Boomers and 43% of Gen X anticipate returns in the range of 4% to 6% within the next 12 months. This conservative outlook could be indicative of their desire for steady growth and security, especially considering that many in the upper range of these age groups are nearing or in retirement.

Millennials and Gen Z investors generally expect higher returns, with 36% of Millennials and 33% of Gen Z anticipating returns of 7% to 9%. Furthermore, 26% of Millennials and 28% of Gen Z expect their portfolio to yield returns of 10% or higher.

It is not wholly unexpected to see younger investors with higher return expectations. They have a longer overall investment horizon, so they are likely investing in assets with a different risk profile than their older counterparts.

Younger investors' higher return expectations are also reflective of their active engagement with alternative assets, which may produce higher returns and carry greater risk. Millennials' and Gen Z's familiarity and comfort with navigating information-rich digital platforms could also be fostering more confidence in their investment strategies.

However, it is worth noting that younger investors are also not unrealistic in their return expectations, with the majority expecting returns lower than the 10 year average S&P return of 12.15%.

Today's younger generations expect greater returns with a shorter time horizon than their Baby Boomer and Gex X counterparts, however, their expectations are not yet unrealistic. If this trend continues, it could be a potential cause for additional volatility, especially in an uncertain macroeconomic environment.

Moreover, this data points toward broader market implications – if younger generations continue to seek higher returns and are willing to take on more risk, it could potentially drive more innovation and volatility in the market.

Realistically, what returns do you expect from your portfolio in the next 12 months (i.e., by May 2024)?

◆ Key Idea

While still realistic, younger investors have greater return expectations than older generations. A combination of higher return expectations and shorter investment time horizons may drive public market volatility

Young Investors Use the Products They Invest in and Invest in the Products They Use

Millennial and Gen Z investors are much more likely to use the products they invest in and invest in the products they use compared to Baby Boomers and Gen Xers.

Our study showed that only 39% of Baby Boomers and 59% of Gen X investors are more likely to use a product or service they invest in. When asked about investing in a product or service they use, these figures rise only marginally to 42% for Baby Boomers and 67% for Gen X.

Conversely, Millennials and Gen Z display a more intertwined relationship between their consumption and investment patterns. A considerable 81% of Millennials and 75% of Gen Z indicated they were more likely to use a product they invest in. Similarly, 81% of Millennials and 78% of Gen Z were more likely to invest in a product they use.

Several factors may be contributing to this generational divide. For one, younger generations have grown up in a world where consumer brands are not just about the products they sell, but the lifestyle and belief systems that they represent. This makes them more inclined to invest in products they use daily and that resonate with them. Many investors want a few shares of Apple stock to go along with their MacBook, iPhone, and iPad.

Additionally, the rise of social media and influencer culture has led to a more intimate connection with brands, which may be linked to a higher likelihood of investment in those brands.

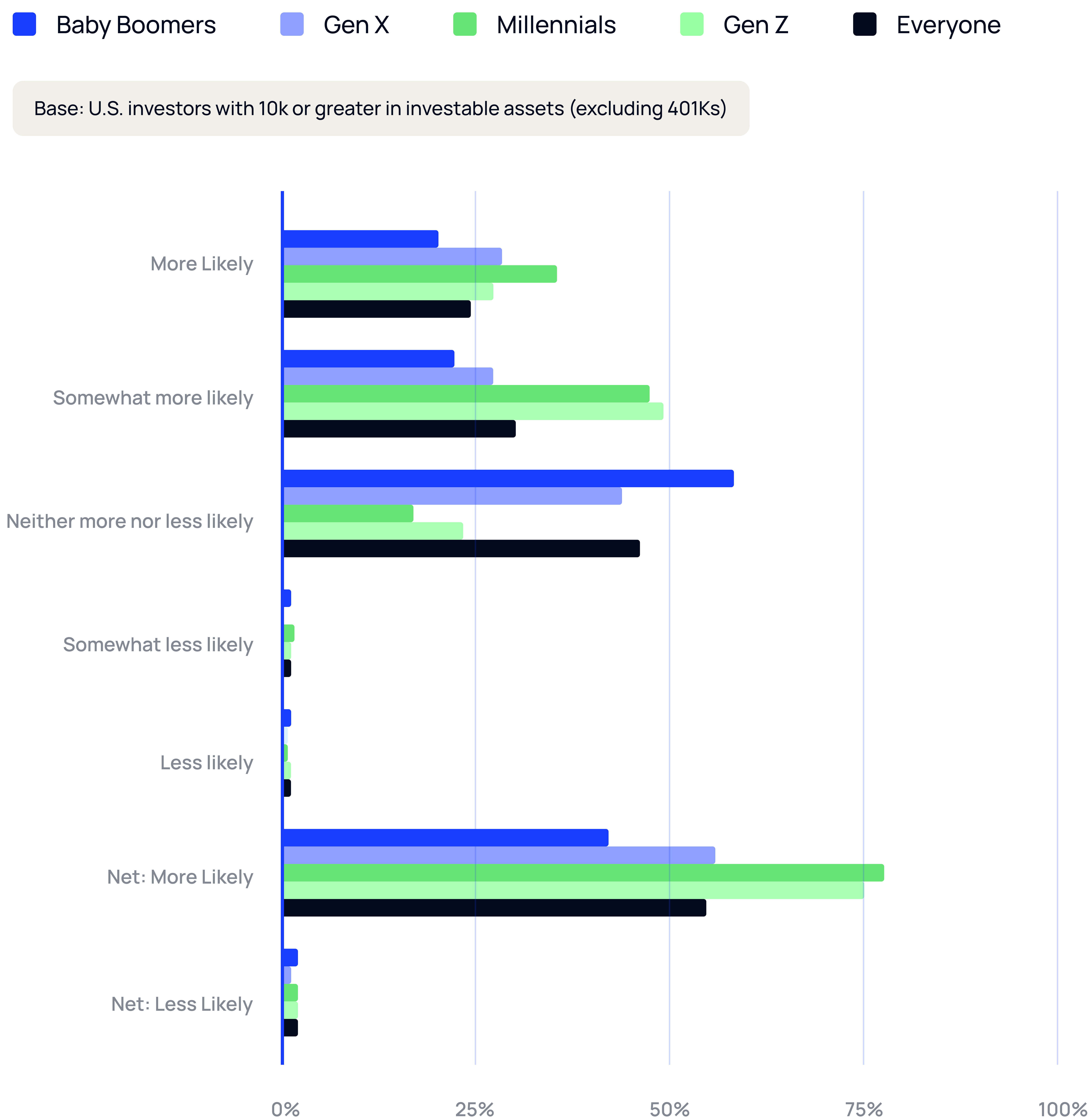
This intersection of consumer behavior and investment strategy provides valuable insight for retail investors. It suggests the importance of understanding the consumer market and the potential influence of personal consumption habits on investment decisions. The data underscore the need for investors to maintain objectivity and assess the financial merits of an investment that is separate from their personal affinity for a product or service.

This trend has implications for companies, especially those that market directly to consumers. They may find value in leveraging their user base as potential investors, and vice versa. This could influence their marketing and investment relations strategies, adding a new dimension to the user-investor dynamic.

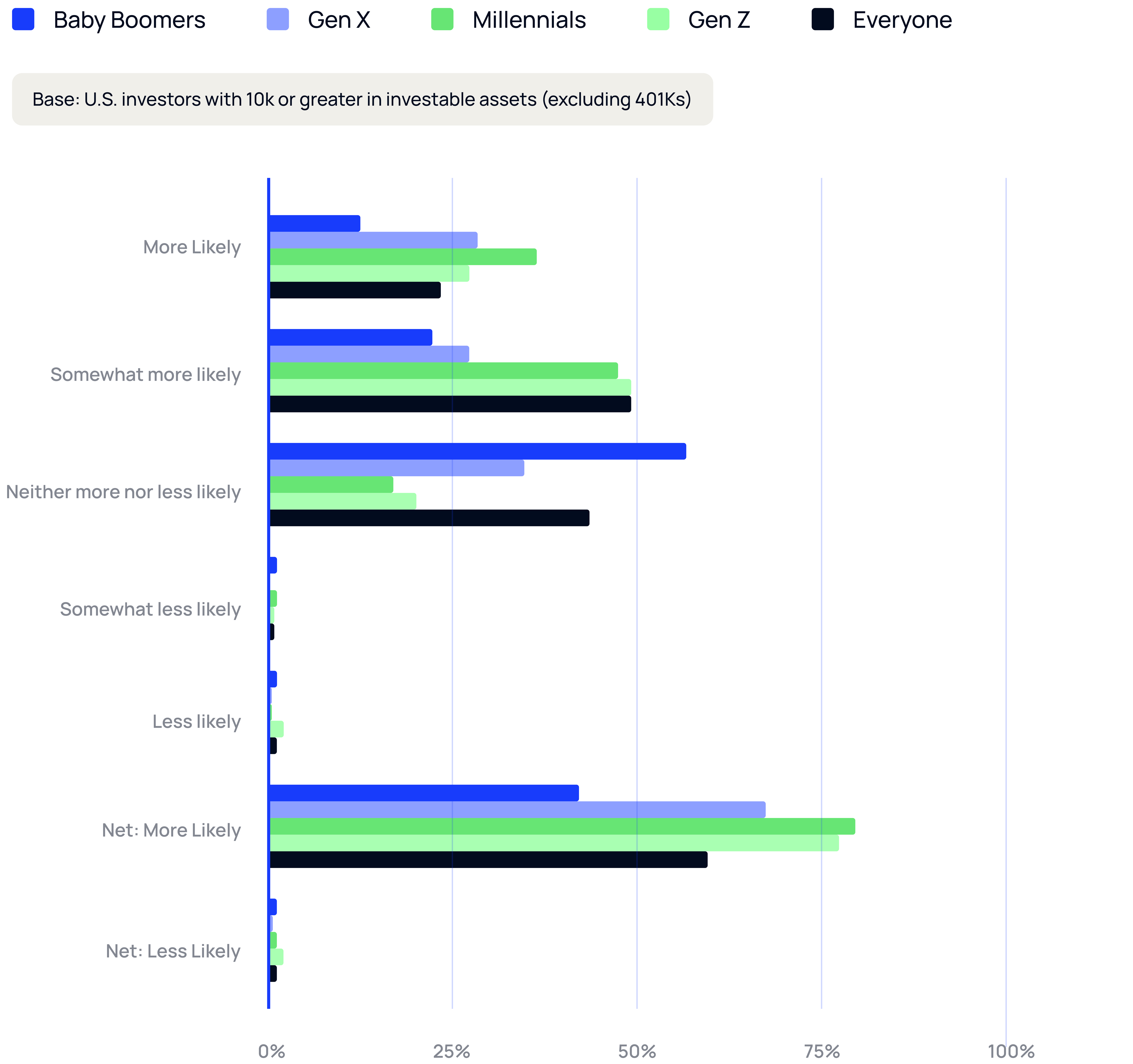
Savvy investors have no doubt recognized the impact that brand loyalty has had on stock prices for popular brands like Tesla and Apple. Strong brands with raving fans can often sustain more stability in the storm, not due just to financial performance, but also to loyalty — despite financial performance.

Are you more likely or less likely to use a product or service that you invest in?

Base: U.S. investors with 10k or greater in investable assets (excluding 401Ks)



Are you more likely or less likely to invest in a product or service you use?



◆ Key Idea

The inclination among younger generations to invest in companies whose products they use, and to use products from companies they invest in, lends a competitive edge to prominent brands like Apple, Tesla, Nike, Disney, and Amazon.

Awareness and Usage of Alternative Asset Platforms Is on the Rise, With Millenials and Gen Z Leading the Way

A new generation of online first alternative asset platforms has emerged in the last decade, driven by the 2012 Jobs Act and 2020 additions to the Jobs Act that allow both accredited and non-accredited investors to invest in a broader range of private and alternative assets. Our survey found that 65% of people were aware of these online alternative asset platforms.

In terms of using these platforms, however, younger generations are light years ahead of their older counterparts. Our survey found that 60% of Millennials and 53% of Gen Z utilize these platforms for investment purposes compared with a mere 2% of Baby Boomers and 19% of Gen X.

60%

of millenials are utilizing fractional ownership platforms for investment purposes

As younger generations increasingly diverge from the conventional asset classes and portfolio allocations favored by older investors, alternative assets have risen to prominence as their preferred investment options.

Why have older generations been more reserved in terms of alternative asset platforms? It's not due to ignorance, since approximately 50% of Baby Boomers and 49% of Gen Xers are aware of them – but they choose not to invest. Their reluctance is likely due to a combination of unfamiliarity with the platforms, skepticism toward the platform leadership, and uncertainty about potential returns.

For these platforms to tap into this demographic, building trust is crucial, ensuring that older investors don't miss out on investment opportunities that could offer promising returns, diversification, and a hedge against inflation.

Are you aware of platforms offering fractional ownership of business investments?

◆ Key Idea

Younger investors are more familiar with alternative investing platforms and are more likely to use them. Older generations are likely to be aware of alternative asset platforms, but they do not use them as frequently.

Each Generation Allocates a Significant Amount of Their Portfolio to Alternatives

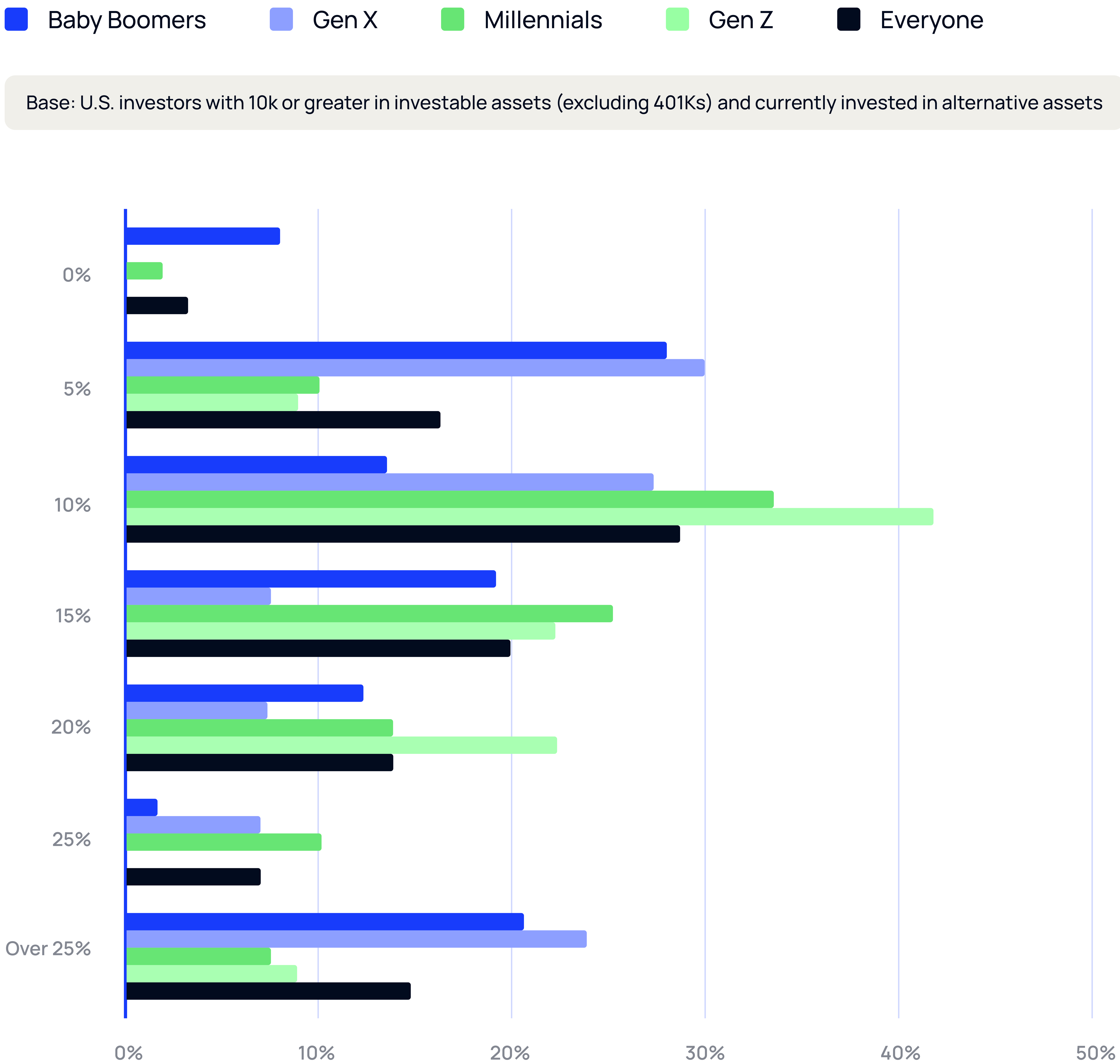
Our survey revealed an intriguing generational divergence in the allocation of alternative assets. On average, Millennials and Gen Z tend to have a higher allocation, with 34% of Millennials and 41% of Gen Z investing 10% of their portfolios, and 26% of Millennials along with 22% of Gen Z investing 15%. In comparison, 14% of Baby Boomers and 27% of Gen X allocate 10% to alternative assets, while 18% of Baby Boomers and 7% of Gen X allocate 15%.

For smart investors looking at alternative assets and private markets, understanding the generational divide among investors is critical. It better allows them to see where assets that may have traditionally been more difficult to invest in — like operating companies and real estate — may become available during the great wealth transfer.

However, a twist emerges when considering allocations exceeding 25% of one's portfolio. In this category, Baby Boomers and Gen X take the lead, with 20% of Baby Boomers and 23% of Gen X allocating over 25% to alternative assets. This tendency among older generations may be attributed to having amassed more assets, enabling investments in attractive, often safer alternatives such as real estate.

Furthermore, investors should closely monitor the impending wealth transfer, estimated at $68 trillion by Cerulli Associates, predominantly from Baby Boomers to younger generations. This transfer could result in considerable buying opportunities as these recipients may be looking to sell their operating businesses and real estate investments.

What percentage of you portfolio did you have allocated to alternative investments in 2022 (i.e., from January to December 2022)?



Base: U.S. investors with 10k or greater in investable assets (excluding 401Ks) and currently invested in alternative assets

◆ Key Idea

While all Americans appear to be investing in alternative assets, younger generations are, on average, investing more. However, older generations seem to be investing at the extremes, highlighting the investing opportunity that the Great Wealth Transfer presents.

While Younger Generations are Increasing Allocation, Older Generations Hold Steady

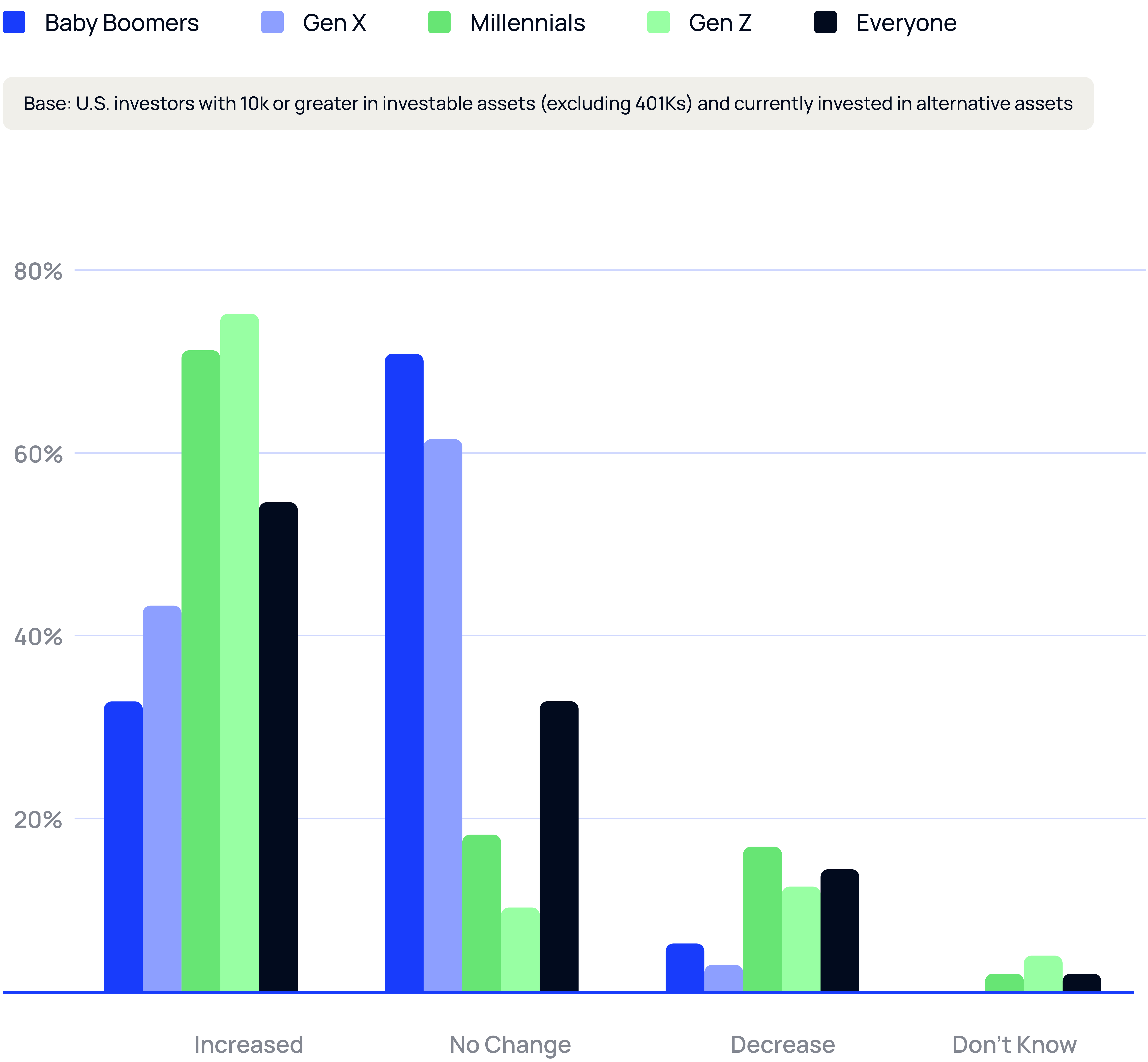
One of the most striking data points in this report indicates a notable increase in allocations to alternative assets. Across all investors, 53% have increased their allocation in alternative assets, while only 12% have decreased and 33% reported no change. This trend exhibits generational differences. A remarkable 66% of Millennials and 70% of Gen Z have increased their allocations compared with a more modest 30% of Baby Boomers and 40% of Gen X.

The surge in younger generations' interest in alternative assets can be attributed to the proliferation of new platforms that they are adept at using. Younger investors are also likely playing catch-up by diversifying their portfolios with alternative assets, beyond their initial focus on traditional stocks and bonds.

In contrast, older generations took more time to delve into alternative investments. This was partly because they had fewer options and lacked the convenience of online platforms.

For discerning investors, understanding this generational shift toward alternative assets is essential. It is also important to keep abreast of emerging asset classes that gain popularity, as prices may escalate, making late entry cost-prohibitive. However, caution is advised against hasty investments in trending asset classes. Prudent investing involves vigilant market-watching and capitalizing on the right opportunities at favorable prices.

Have you increased or decreased your portfolio allocation to alternative investments in the past 12 months?



◆ Key Idea

Investors are focused on allocating more of their portfolio to alternative investments, led by Generation Z and Millenials, while Gen X and Baby Boomer investors are planning to hold on to their investments. Very few plan to decrease allocation.

Investors Across Generations Will Continue to Invest in Alternative Assets in 2023

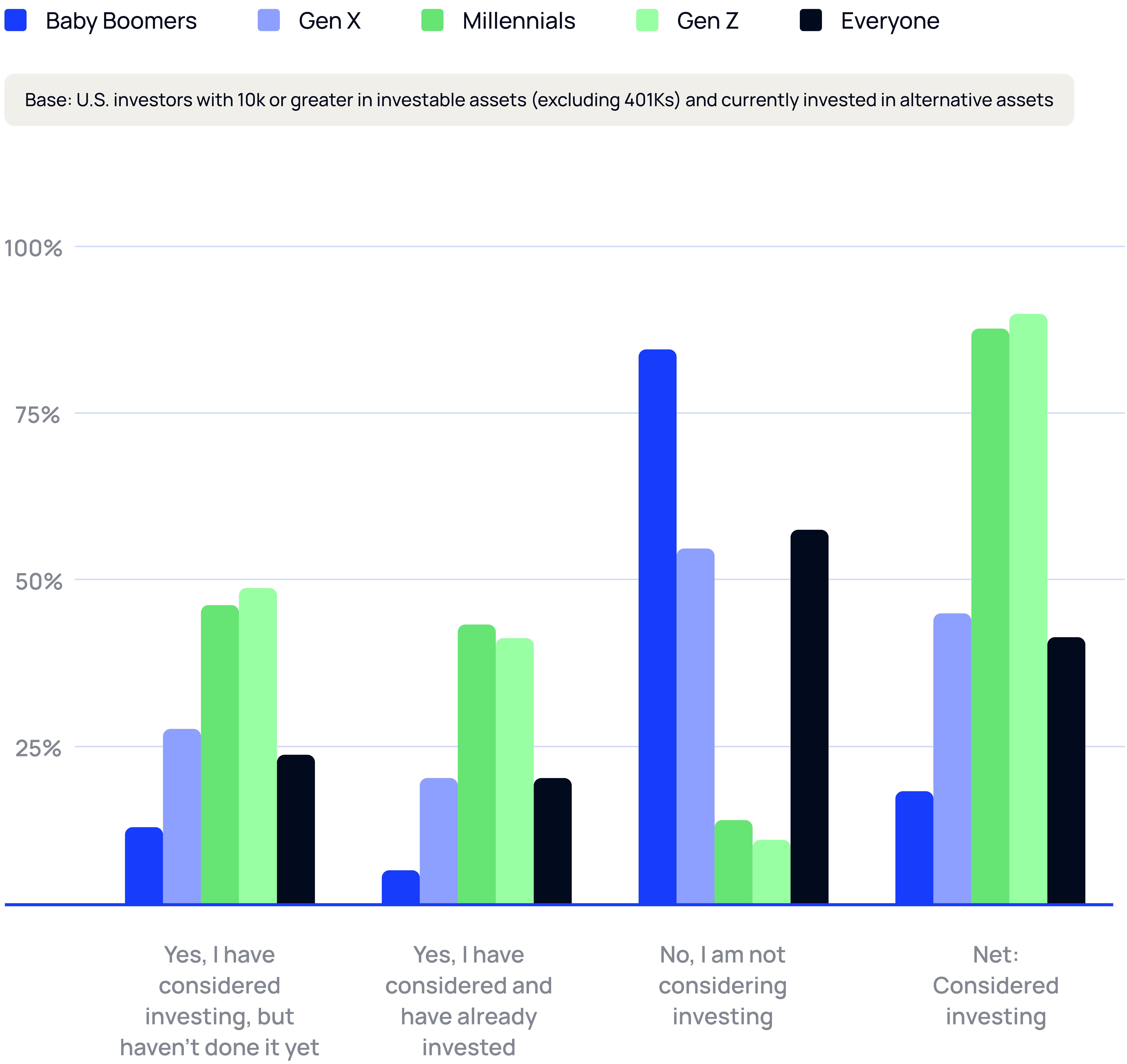
We understand that investors across generations increased their allocation into alternative assets in 2022, but do they plan on further increasing allocation in 2023? The answer for many is yes.

Our study found that 43% of investors say they have already invested or plan to invest in alternative assets in 2023, with an astounding 87% of Millennials and 89% of Gen Z investors saying they have already invested or plan to invest in alternative assets in 2023.

Although older generations are somewhat more cautious, there is a discernible uptrend across all age groups.

For investors, this data underscores the rising popularity and accessibility of alternative investments. While it doesn't imply that alternative assets are universally superior, it does signal that investors should pay attention to market trends and be alert to new opportunities. A vigilant approach, coupled with thorough research and due diligence, will enable investors to assess whether alternative assets align with their portfolio objectives and risk tolerance.

Have you considered investing in alternative investments in 2023?



◆ Key Idea

Investors plan to continue to increase their allocation into alternative assets, led by Millennial and Gen Z investors.

Business Investments are Emerging as the Most Popular Investment Vehicle Across Generations

Investors are increasingly interested in alternative assets, and it's important to understand where they're putting their money. Data shows that a wide range of asset classes are attracting attention, from traditional investments like real estate and businesses to emerging categories like cryptocurrencies and NFTs.

Notably, business-related investments, including real estate, farmland, franchising, and venture capital, emerge as the leading category, garnering interest from 84% of participants across all age groups. This is significant considering the surging popularity of cryptocurrencies, which have taken the world by storm, especially during 2020 and 2021.

Across generations, 83% of Millennials are drawn to alternative business assets, while Gen Z demonstrates an 84% interest in business assets and an 81% interest in cryptocurrencies. Gen X shows a more pronounced divide, with 49% focusing on business assets and a lesser 29% considering cryptocurrencies.

The data suggest that an increasing understanding of alternative asset classes and their risk profiles is driving this trend. Investors are recognizing the diversification benefits coupled with opportunities for potentially lucrative returns. Cryptocurrencies are valued for their liquidity, although their high correlation with traditional markets can be a concern for those seeking to diversify away from stock market volatility.

In the case of collectibles, many investors have prior knowledge or a personal affinity for the assets they invest in. The younger generations might view these more as long-term investments, whereas older investors might value them more for nostalgia and collection.

Alternative business investments like real estate, farmland, and franchising hold the top spot in popularity among various asset classes. This reflects an increasing awareness and appetite for diversified investment portfolios encompassing both traditional and emerging asset classes.

Base: U.S. investors with 10k or greater in investable assets (excluding 401Ks)

	Baby Boomers	Gen X	Millennials	Gen Z
How interested are you in investing in collectibles like art, wine, trading cards, or sneakers in 2023?	16%	36%	80%	77%
How interested are you in investing in alternative business investments like real estate, farmland, venture capital and franchises in 2023?	19%	49%	83%	84%
How interested are you in investing in Bitcoin in 2023? This is just about Bitcoin, not other cryptocurrencies.	6%	29%	80%	81%
How interested are you in investing in non-fungible tokens (NFTs) in 2023?	3%	20%	70%	73%

◆ Key Idea

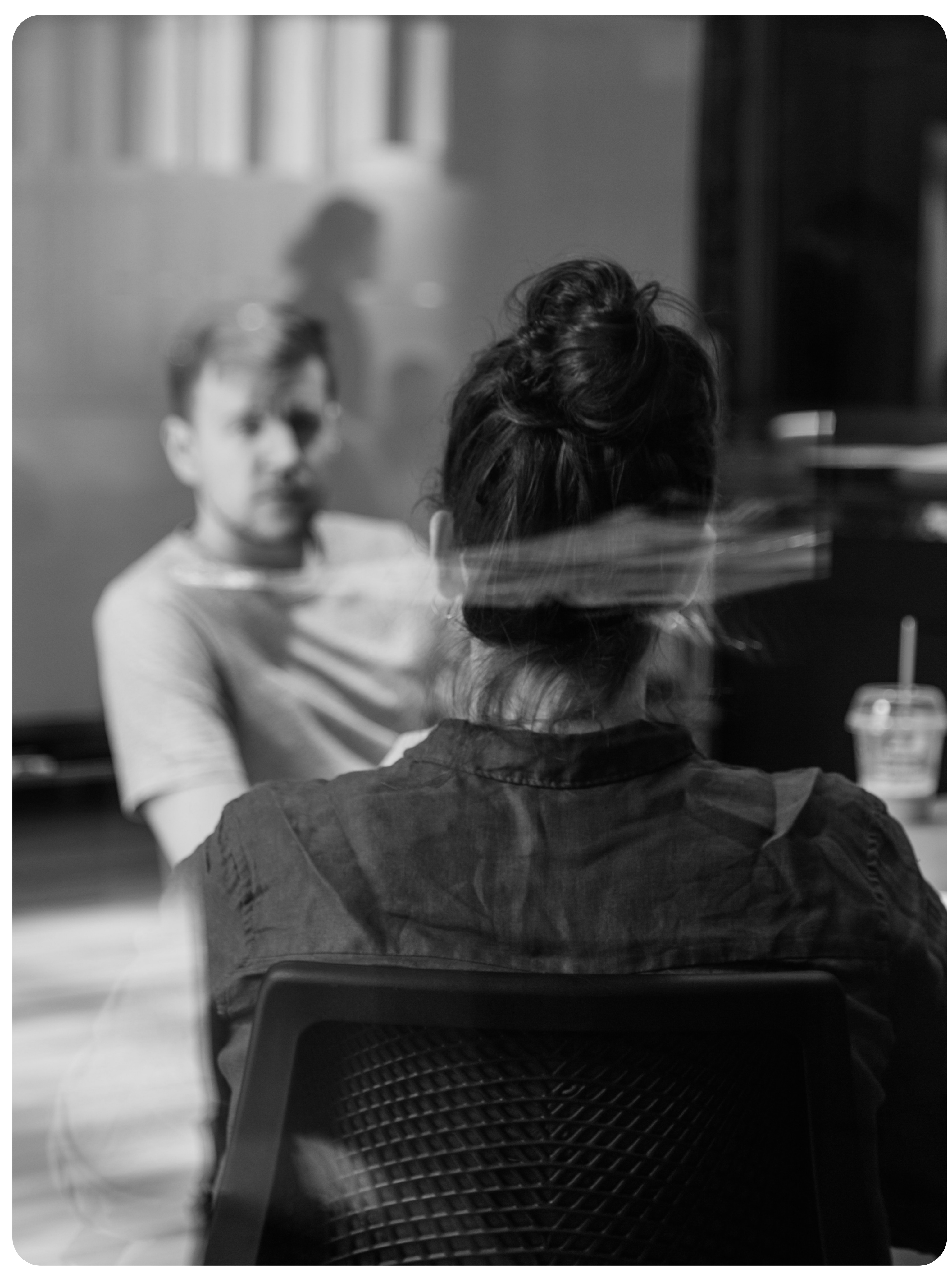
As the $68M “Great Wealth Transfer” begins, business alternative investments remain the focus for younger generations.

Why Are Business Investments Popular?

Alternative business assets have emerged as the top asset class that investors are considering across all age groups. When exploring why investors are gravitating toward these assets, three key reasons have emerged. Around 40% of all investors are seeking diversification, 41% are aiming for long-term returns, and a notable 36% view this asset class as a source of potential passive income.

Across generations, Millennials and Gen Z primarily focus on long-term returns and diversification when considering alternative business assets. Gen X investors share a similar mindset, but are also drawn to the prospect of passive income. Baby Boomers differ slightly, as they place a greater emphasis on inflation hedging as the second reason for diversification.

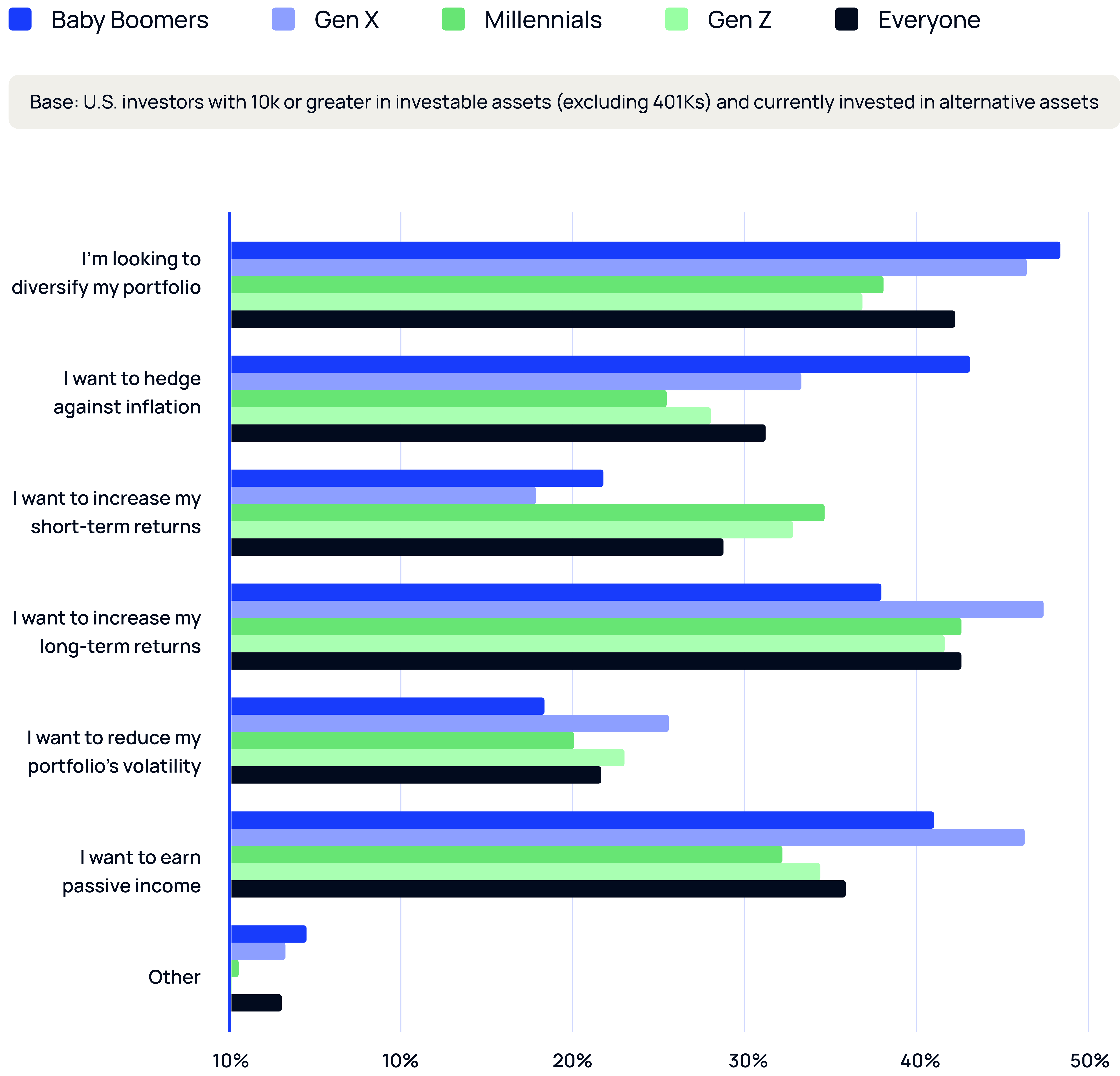
The appeal of alternative business assets is likely heightened due to the current uncertain economic climate. With traditional markets such as stocks, and even cryptocurrencies, experiencing volatility, investors are eyeing alternative business assets which, due to their nature, aren't as easy to trade quickly. This leads to less volatility and the possibility of generating passive income.
What's also exciting is that investors now have numerous avenues for investing in businesses, beyond the traditional routes like venture capital or private equity. Platforms such as StartEngine and Wefunder allow investment directly into startups, while FranShares and others offer opportunities to invest in small businesses and franchises. Additionally, the real estate sector presents opportunities such as investing in short-term rentals through marketplaces.



There's no doubt that the allure of alternative business assets is significant in today's investment landscape. With diversification, long-term returns, and passive income as key motivators, investors across generations are considering this asset class. The variety of platforms available also means that there's never been a better time for investors to explore value-based businesses as part of their investment strategies.

Which of the following reasons explain why you are interested in investing in alternative business investments? Please select all that apply.

Base: U.S. investors with 10k or greater in investable assets (excluding 401Ks) and currently invested in alternative assets



◆ Key Idea

Investors seek alternative assets for diversification, long-term returns, and passive income.

It's Not Just Retail Investors: Advisors Are Also Focusing On Alternative Assets

As alternative assets continue to grow in importance and demand, financial advisors are not just spectators; they are active participants. According to a recent report from Cerulli Associates, advisors are increasingly leaning toward alternative assets, echoing the trends observed among retail investors.

59%

of advisors are looking to alternative assets as potential income sources for their clients.

The motivations behind this trend are multifaceted. For instance, a significant 69% of advisors aim to reduce their clients' exposure to public markets, while 66% of advisors are investing in alternatives to reduce volatility and reduce downside risk.

Income generation for their clients is another compelling factor for advisors, with 59% looking to alternative assets as potential passive income sources. Portfolio diversification and growth or enhanced return opportunities are also key drivers, cited by 52% and 42% of advisors, respectively.

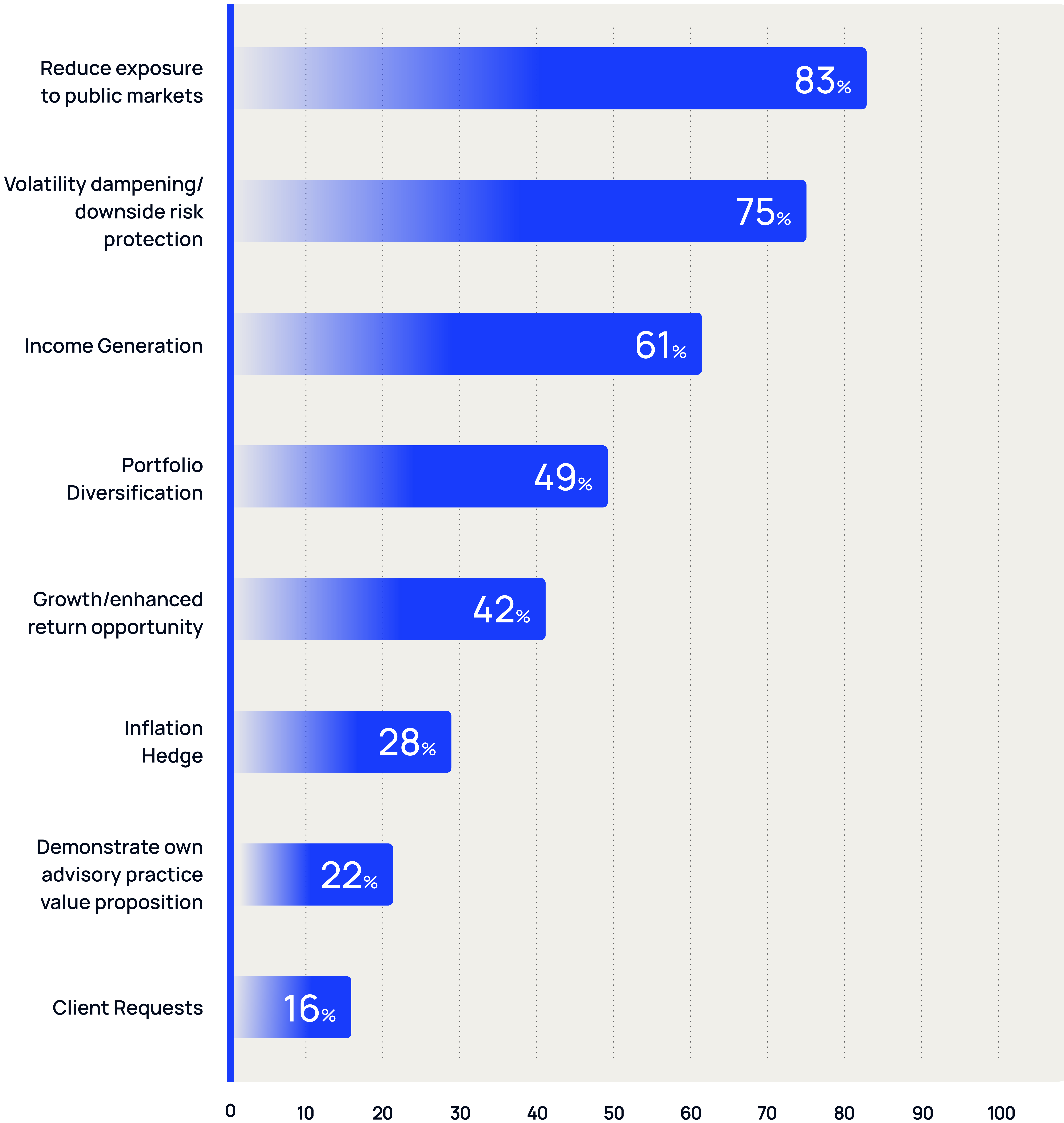
Interestingly, 31% of advisors view alternative assets as an inflation hedge, which underscores their potential role in preserving portfolio value in inflationary environments.

The Cerulli report also reveals a planned increase in allocation to alternative assets. Advisors anticipate raising their allocation from 14.5% in 2022 to 17.5% in 2024. This projected uptick emphasizes the growing recognition of alternative assets' potential in enhancing portfolio performance and managing risk.

What we find most interesting about the data from Cerulli is just how similiarly financial advisors are thinking about alternative assets as retail investors, in particular Gen Z investors.

Allocations are increasing as investors look to reduce reliance on public markets and volatility through diversification while seeking passive income for their clients. While alternative assets may not be perfect for every retail investor, they are likely worth researching for many.

Goal of Advisors



Increase in Allocation

20%

increase of allocation between 2022 and 2023

◆ Key Idea

Research from **Cerulli** advisors underscores the findings of FranShares' research into how retail investors are thinking about alternative asset investing. Investors plan to allocate more into alternatives and are doing so to diversify away from volatile public markets.

Takeaways: Alternative Assets Are Here to Stay. Savvy Investors Will Embrace Them

Our 2023 study was enlightening, to say the least. It showed that the investment landscape is undergoing radical changes, and that change is being led by a new generation of investors and advisors.

The generational divide in investment behaviors, attitudes, and motivations is more than a fascinating observation – it's a harbinger of change. Younger generations (Millennials and Gen Z) are embracing alternative assets with an enthusiasm that far outstrips their older counterparts. These younger investors are not only interested in alternative assets; they are actively increasing their allocations, driven by a desire for diversification, higher returns, and a comfort with digital technology and unconventional asset classes.

Financial advisors, too, are recognizing the potential of alternative assets. Their increasing allocation to these assets and the diverse motivations driving this shift underscore the growing importance of alternative assets in portfolio building and risk management.

The reasons for this shift are multifold. The democratization of investment information and tools, the rise of digital assets, and the evolving macroeconomic environment are all playing a part. But at the heart of this shift is a change in investment philosophy – a philosophy that is more open to risk, more comfortable with complexity, and more attuned to the potential of nontraditional assets.

For retail investors, these trends offer both a mirror and a window: a mirror to reflect on their own investment behaviors and attitudes and a window to the broader trends shaping the investment landscape. Understanding these trends is about staying informed as well as staying ahead. It's about recognizing the opportunities and challenges that alternative assets present and navigating them effectively.

Are you considering passive franchise investing?

Explore our available offerings and join more than 39,000 investors on our waitlist today.

Join Now

franshares.com

—

405 W Superior Street, #93

Chicago, IL 60654

info@franshares.com