Multi managers' allocations increasingly diverse

- Stark evolution of multi managers as an investor across all four quadrants of real estate investing
- Global allocations grew to reach almost 20% of the multi managers' regional allocations
- Non-core allocations increased to a record 20% but focus on core remains
- Multi managers' time to market advantage increases

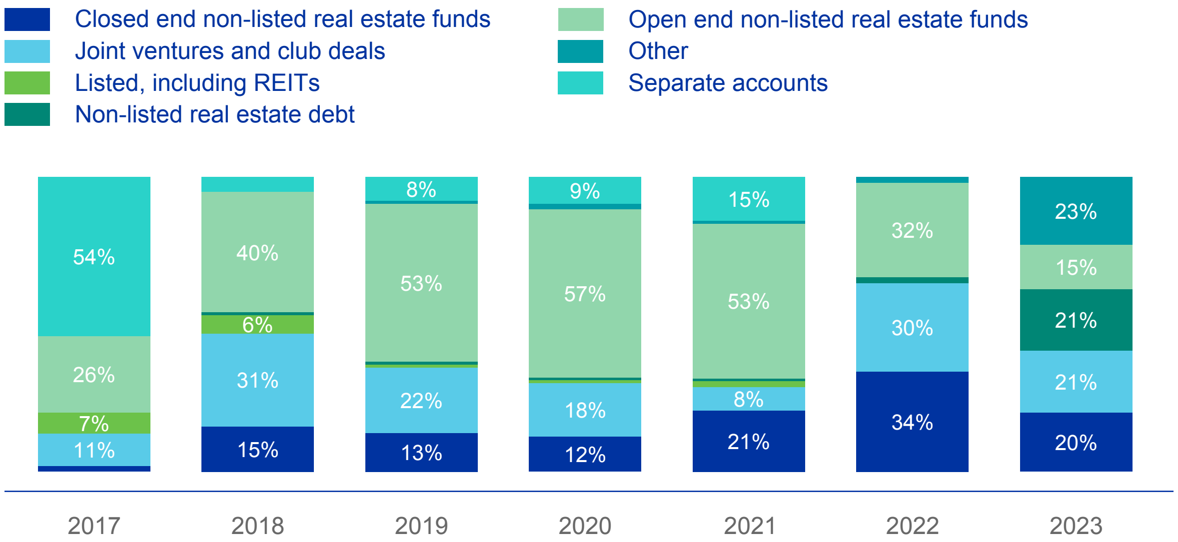
Over the last years, the traditional funds of funds model has gone through a significant change. The underlying array of investments has widened and is now spread across all four quadrants of real estate investing (private equity, private debt, listed and direct real estate). This leaves 'funds of funds' terminology no longer fit for purpose when it comes to capturing this investor segment. As of 2024, what were previously INREV's and ANREV's Funds of Funds Study and Funds of Funds Universe have been renamed to Multi Manager Study and Multi Manager Investment Solutions Universe, respectively.

Only 35% of multi managers' total AUM is in non-listed funds, notably down from the previous year's equivalent of 66%. Non-listed real estate debt (21%) and joint ventures and club deals (21%) grew their shares of multi managers' AUM, highlighting a shift towards more specific strategies and eagerness for control. Global strategies gained market share, now at 19% of the multi managers' AUM.

Multi managers' allocations to non-core investments increased to a record 27% by the end of 2023. This is more than double the 12% reported a year earlier. As a result, higher risk strategies now make up a larger share of their AUM than that of traditional investors for the first time since the series began, with 27% and 20%, each.

Multi managers have a meaningful advantage in that they can deploy capital much faster than traditional investors. The recent diversification of their underlying portfolios should help to enable an even faster execution.

Figure 1: Multi managers'/funds of funds' current real estate allocations by vehicle type



Source: ANREV/INREV/PREA Investment Intentions Survey 2024