Belmores



Looking beyond *traditional* asset classes

Share markets and property dominate most investment conversations, but some investors are casting a wider net in search of new opportunities.

While alternative assets have long had a place in institutional portfolios, they're becoming increasingly accessible to individual investors through managed funds, exchange traded funds (ETFs) and specialist investment vehicles.

Alternative assets can include infrastructure, agricultural investments, private credit, commodities and other investments whose performance may not closely follow traditional share markets.

For many investors, the appeal lies in the potential for more diversification, inflation protection and exposure to long-term structural trends.

As always, alternative investments come with their own risks and should be assessed against your overall financial goals, time horizon and tolerance for risk.

Powering the AI revolution

Artificial intelligence has become one of the dominant investment themes of the decade, but many are looking beyond software developers and technology companies to the infrastructure supporting the AI boom.

The increasing use of AI, cloud computing, streaming services and digital communications is driving unprecedented demand for data centres, fibre-optic networks and communications infrastructure. Global investment in data-centre capacity and AI infrastructure continues to accelerate as organisations require greater processing power and data storage capabilities.[i]

Today, digital infrastructure is as essential to modern economies as roads, railways, ports and electricity networks were in previous generations. Many of these assets generate long-term contractual revenue streams and may provide a degree of stability compared with more volatile sectors.

Investors are increasingly seeing digital infrastructure as a way to get exposure to long-term growth without relying solely on technology company share prices.

But the sector is not immune from risk. Rapid technological change, regulatory developments, high capital costs and growing energy demands all have the potential to influence future returns.

Agriculture feeding long-term growth

Agriculture continues to attract investor attention because it is linked to one of the world's most fundamental needs: food production.

Population growth, rising incomes and changing dietary patterns are expected to support demand for agricultural products and food supply chains. International organisations continue to highlight the significant investment required to support future agricultural production and food security.[ii]

Agricultural assets can include farmland, water entitlements, agricultural infrastructure and businesses involved in food production.

Agriculture also has characteristics that differ from many traditional investments. Returns can be influenced by crop production, commodity prices, land values and global food demand rather than share market sentiment alone.

That said, agriculture is far from risk-free. Droughts, floods, changing weather patterns, biosecurity threats and geopolitical uncertainty can all affect profitability. Government policies,

trade agreements and international tariffs also have the potential to significantly influence outcomes.

Despite these challenges, investors see quality agricultural assets as a potential source of diversification and long-term value.

Private credit stepping into the gap

Private credit has emerged as another area attracting attention. Rather than lending through traditional banks, private credit funds provide financing directly to businesses, property developments and other projects.

The sector has grown significantly in recent years as tighter banking regulations and changing lending conditions have encouraged many borrowers to seek alternative sources of capital.[iii]

Private credit can provide access to income streams that may differ from those generated by traditional bonds or listed shares.

However, this can be less liquid than listed investments and may involve higher risk if borrowers experience financial difficulties.

Critical minerals powering the energy transition

The global shift towards renewable energy, battery storage and electrification has also increased investor interest in critical minerals. Materials such as lithium, copper, nickel and rare earth elements are essential components in electric vehicles, batteries, renewable energy systems and modern technology.

Demand forecasts continue to be influenced by investment in clean energy infrastructure and the ongoing electrification of transport and industry.[iv]

However, critical minerals can be highly cyclical investments. Prices may be affected by changing technology, shifts in supply and demand, government policies and geopolitical developments.

The sector can offer significant growth potential but may also be highly volatile.

Emerging markets creating new opportunities

Some investors are also looking beyond developed economies in search of future growth opportunities.

Emerging economies such as India, Vietnam and Mexico have attracted increasing attention due to strong economic growth, expanding middle-class populations, growing consumer spending and increasing participation in global manufacturing and supply chains.

International forecasts suggest many emerging economies will contribute a significant share of future global growth.[v]

Supply-chain diversification has also created opportunities for a number of countries looking to attract manufacturing investment from multinational businesses.

Investment in infrastructure, telecommunications and digital connectivity may support future growth across parts of Africa, Asia and Latin America.

Emerging markets can offer attractive growth potential, but these opportunities are often accompanied by extra risk. Political instability, regulatory changes, currency movements and weaker governance frameworks can create higher levels of volatility.

As a result, emerging markets should be considered as part of a diversified investment strategy, rather than as a concentrated investment position.

Finding the right balance

Alternative investments can offer valuable opportunities to diversify sources of return and get exposure to long-term global trends. Sectors such as digital infrastructure, agriculture, private credit, critical minerals and emerging markets each present different opportunities and risks, making careful research essential.

While alternative assets may enhance diversification, they should not be viewed as a substitute for a well-balanced investment portfolio. Successful investing remains focused on aligning asset allocations with personal objectives, investment timeframes and risk tolerance.

For investors willing to look beyond traditional asset classes, alternative investments may provide another way to participate in some of the most significant economic and technological trends shaping the future.

i https://www.pwc.com/gx/en/news-room/press-releases/2026/global-investment-in-ai-infrastructure.html
ii https://www.fao.org/investment-centre/solutions/public-investment/
iii https://www.pwc.com/gx/en/industries/private-equity/private-credit-survey.html
iv https://www.iea.org/reports/global-critical-minerals-outlook-2026
v https://data.imf.org/en/datasets/IMF.RES:WEO

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