

MONEY

# Don't Discount 'Boring' Investments In Private Markets



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When you ask an investor how their portfolio is doing, they'll typically talk about their winners or exciting opportunities they are eyeing. Occasionally, they'll lament about their disappointments. But I've noticed that rarely is there any mention of the "bread and butter" investments quietly keeping the lights on. While the conversation in private alternatives almost always rushes toward technology bets, distressed plays and architecturally clever structures, a significant share of individual limited partners and family offices need their capital to do something more specific: generate income that is comprehensible and reasonably likely to keep arriving.

I've found that kind of outcome rarely emerges from whatever thesis is circulating on social media. It comes, instead, from assets bound to behaviors that do not go out of style: groceries, fuel, a drive-through coffee on the way to work. Each transaction is small. The underlying habits are not.

As borrowing costs have remained elevated, the central question inside private markets has shifted in a meaningful way. It is no longer "What sounds most exciting this year?" but rather "Which cash flows may be less impacted when growth slows and households cut spending?" Against that test, the supposedly dull corners of the private universe begin to look considerably more interesting.

## **Where Durability Actually Shows Up**

[JLL's Grocery Report 2025](#) offers a useful guide for understanding how grocery-anchored retail centers have remained resilient in the face of persistent inflation and economic uncertainty. The same physical store now supports several distinct modes of food purchasing: some customers walk the aisles, others queue for curbside pickup and others pay for same-day delivery. All of these paths, however, run through the same box, the same parking lot and the same trade area. And the first two options generate traffic that also supports neighboring tenants selling pharmacy items, pet supplies, quick-service meals and basic household services. The result is a visit cadence that is structurally difficult to disrupt and reasonably easy to re-lease when terms expire, because the underlying demand for the anchor does not depend on consumer discretionary spending. Granted, keep in mind that historical performance does not guarantee future results.

Travel centers and fuel stations tell a parallel story, one measured in miles rather than square feet. Corridors that carry steady commuter traffic alongside meaningful freight volume create recurring, nondiscretionary demand for fuel, food and rest. Inside sales (food service, convenience retail and ancillary services) can rival the economics of the pump itself when an operator gets the merchandise mix right. Freight volumes fluctuate with the broader economy, but trucks require servicing regardless, and professional drivers consistently prefer **clean, consistent** stops over the alternative. According to [American Trucking Associations](#), total trucking tonnage is projected to rise from 11.27 billion tons in 2024 to 13.99 billion tons in 2035, sustaining baseline corridor activity, even through softer economic periods.

Drive-through coffee may seem trivial on a per-ticket basis, yet the repetition embedded in that format is precisely what makes it worth considering from an investment standpoint. A well-placed kiosk in the natural flow of a morning commute converts habit into revenue. The formula is operationally simple: fast, consistent, friendly service in a location people trust, and in car-centric, growing markets, that routine can function as a meaningful stabilizer within a broader private allocation.

What unites all three of these categories is a simple observation: Customers are doing things they were already going to do. They are simply choosing where to do them. That is not a glamorous investment thesis, which is precisely why it tends to survive different interest rate regimes, inflationary environments and election cycles without material disruption.

## **What The Average LP Can Actually Control**

Most limited partners will never select a specific corner parcel, negotiate a lease or determine how many people should staff the morning shift at a fuel station. Their leverage lies almost entirely in the sponsors they choose and the structures they are willing to accept, both of which are entirely within their control and matter enormously over time.

Alignment is the natural place to begin. The most straightforward signal is whether a sponsor invests meaningful personal capital alongside LPs, earns performance fees on realized (rather than paper) results and maintains a fee structure simple enough to explain in a single conversation. Income durability, meanwhile, can be stress-tested with a focused set of questions: How concentrated is the rent or revenue base? What is the average remaining lease term? How much of the income derives from daily necessities rather than discretionary spending? How did comparable assets perform during the last prolonged period of stress?

Capital structure deserves at least as much scrutiny. How much leverage does a sponsor employ, do they stagger maturities to reduce refinancing exposure and can they demonstrate realistic plans for navigating a higher-for-longer rate environment? Asking about capital reserves for maintenance and physical refreshes, before distributions go out rather than after problems emerge, is a reasonable standard. Governance quality helps ensure that LPs receive regular, plain-language visibility into sales performance, occupancy rates and debt coverage metrics, so that problems surface early enough to address rather than late enough to absorb.

## **The Role Of 'Boring' Investments In A Private Portfolio**

These assets may not inspire scintillating dinner conversation, but allocating to them is a deliberate trade: less exposure to transformational upside, more exposure to behaviors that have historically proven more difficult to disrupt. That does not mean they are insulated from risk. These categories have their own vulnerabilities, such as fuel price swings, e-commerce encroachment on physical retail, commodity volatility in food and beverage, shifting freight patterns.

The grocery run, the fuel stop and the morning coffee have persisted across cycles not because they are disruption-proof, but because the habits behind them move slowly. While history does not predict, it does inform. And experienced allocators understand the value of asking better questions.

Perhaps the more revealing question to ask an investor is not what is exciting them right now, but what is the most “boring” position in their portfolio, and whether it is doing its job.

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