

iCapital®

BEYOND 60/40

August 2023



WELCOME TO OUR MONTHLY NEWSLETTER.

Our monthly newsletter is designed to serve as your primary source for navigating the world of alternative investments.

This month, we published our [2023 iCapital Financial Advisor Survey: Alternative Investments – Closer to Core](#).

The findings revealed the use of alternative investments is on the rise, with 95% of all survey respondents indicating they plan to maintain or increase allocations to alternative investments in the coming year.

Alternative investments are increasingly becoming a core component in individual investor portfolios. Financial advisors are leveraging alternative investments to diversify portfolios, driven by client demand and the expectation of outperformance from private markets.

The iCapital survey explores dynamics of this shift, the importance of financial literacy and education, and the industry's potential challenges and opportunities.

We hope you find the survey results insightful and informative. Thank you for your continued partnership.

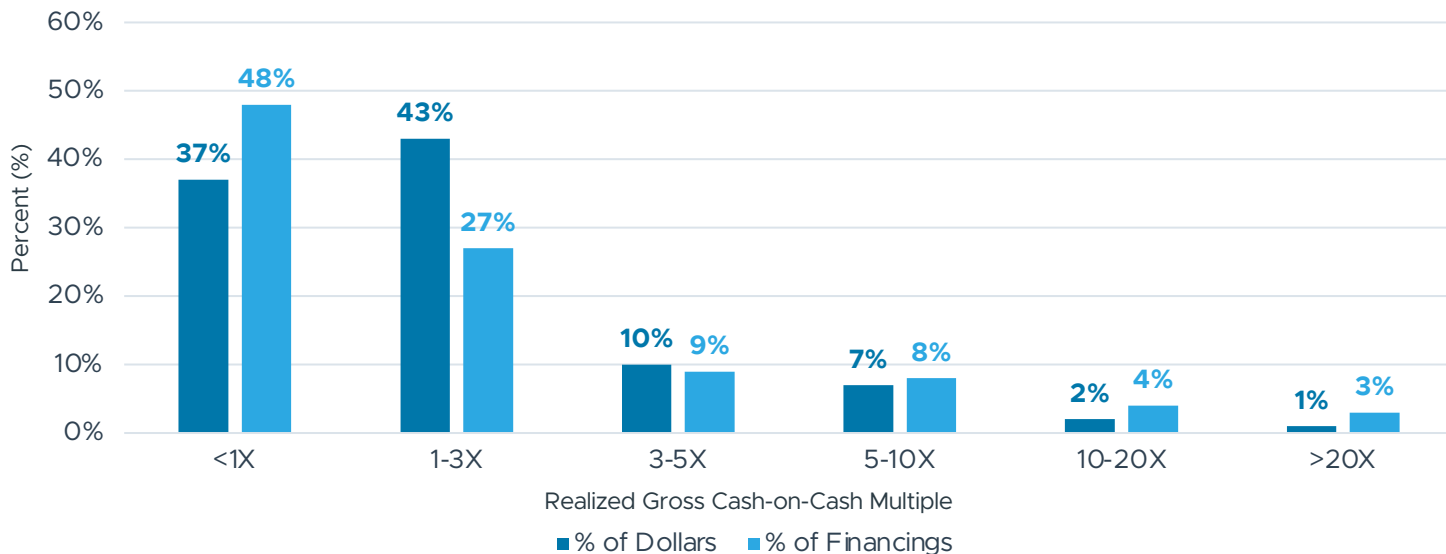


Steve Houston
Managing Director
Head of Investment Solutions

CHART OF THE MONTH

U.S. Venture Returns Driven by a Select Few Over the Past Decade

Percent distribution of 35,000 financings and \$539B invested dollars by realized gross multiple, 2013-2022



Source: Correlation Ventures, as of July 13, 2023. Includes U.S. venture-funded companies exiting over the past decade, including those that went out of business, went public, or were acquired within Correlation Ventures database of 35,000 financings and \$539B invested dollars. For illustrative purposes only. Past performance is not indicative of future results. Future results are not guaranteed.

U.S. venture returns continue to be driven by a relatively small percent of high performers. Only 3% of capital invested into venture-funded companies generated a 10X or greater multiple, while nearly half of financings lost money. With the [massive interquartile spread](#) between top- and bottom-quartile venture fund managers, due diligence is critical.

SPOTLIGHT: BEYOND 60/40: EPISODE 5



Anastasia Amoroso, iCapital Chief Investment Strategist, discusses private equity throughout market cycles with Alex Wright, Partner and Global Wealth Strategist at Apollo Global Management; and iCapital Managing Director and Head of Investment Solutions Steve Houston highlights why we believe the alternative investment asset class is on the cusp of significant growth.

[Watch Now](#)

MONTHLY MARKET ROUNDUP

Institutional Investor

[It's Time for Credit Hedge Funds to Shine](#)

As higher interest rates begin separating leveraged companies into winners and losers, some strategies are poised to profit.

MIDDLE MARKET **Growth**

[Private Credit's Rise Continues—But Not Because of SVB](#)

Recent regional bank failures haven't boosted the private credit market as much as some had hoped, but experts say other factors can fuel continued growth.

McKinsey & Company

[Private Equity Investments in Tech Services: Three Considerations](#)

While they can generate significant returns, tech services companies have a different business model than software and software-as-a-service assets.

ARES

[Unwinding the Market's Clock: Opportunities in Commitment Timing](#)

Read how steady commitment pacing paired with diversification across vintage years may help reduce risk.

IN CASE YOU MISSED IT



For investors, direct lending continues to offer enhanced income potential, diversification benefits, and exposure to private companies not accessible in the public credit markets.

[Read more.](#)



Learn how non-traded BDCs can offer investors the potential for higher yields, lower volatility, and diversification when compared to public fixed income. [Read more.](#)



We break down how structured investments can be shaped to meet specific investor needs, offering solutions across the risk-return spectrum. [Read more.](#)

[Gain More Insight](#)

MONTHLY ALTS PULSE: EPISODE 3



Tune in for this latest episode of [Monthly Alts Pulse](#) with iCapital Chairman and CEO Lawrence Calcano and Michael Sidgmore, Co-Founder and Partner at Broadhaven Ventures by Broadhaven Capital Partners, as they discuss recent events and the trajectory of the alternative investments market.

[Watch Now](#)

WEEKLY MARKET PULSE



With everyone seemingly in agreement on the massive potential of AI and the outperformance of AI stocks this year, we answer the key question – is the full potential of AI fully priced in? Find out in Chief Investment Strategist [Anastasia Amoroso's Market Pulse](#).

[Subscribe to Market Pulse](#)

NEW AT iCAPITAL



Meet your portfolio design studio. iCapital Architect enables advisors to proactively identify opportunities, staying ahead of the game in an ever-evolving financial landscape.

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