

iCapital®

BEYOND 60/40

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WELCOME TO OUR MONTHLY NEWSLETTER.

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

This year, we called our market outlook [The Time to Commit: Opportunities in the Public and Private Markets](#).

Historically, many of the best private equity vintage years occur after a correction in valuations. As we see valuations reset in the buyout market, investors should have an attractive entry point into private equity investments.

Distressed private credit and opportunistic real estate funds also present a compelling opportunity for investors in our view, as companies and property owners face higher borrowing costs and weaker operating fundamentals.

We also believe macro hedge funds will continue to post strong returns in 2023, given the uncertainty around interest rates, inflation, economic growth, and geopolitics.

And lastly, investors have the potential to lock in more attractive structured investment terms, as we anticipate elevated short-term rates and volatility to persist in the first half of the year.

While we patiently wait for a market rebound, we see a silver lining for alternative investments in the current market backdrop – and our view is now is the time to commit.



Steve Houston

Managing Director
Head of Investment Products

MONTHLY MARKET ROUNDUP

BRIDGEWATER

[An Update from Our CIOs: 2022 Was a Tightening Year; In 2023 We Will See Its Effects](#)

Read why Bridgewater believes the major story this year is likely to be the impact of higher rates as the tightening flows through to economic conditions.

CARLYLE

[Global Insights: 5 Questions for 2023](#)

Get answers to the top questions of 2023 with Carlyle's Head of Global Research Jason Thomas.



OAKTREE

[Memos from Howard Marks: Sea Change](#)

In his latest memo, Howard Marks, Co-Chairman of Oaktree Capital Management, writes that the investment world may be experiencing the third major sea change of the last 50 years.

WELLINGTON MANAGEMENT®

[Opportunity in Disguise: Why Bad News May be Good for Alternatives in 2023](#)

Discover how the world's macro and market challenges may create a host of opportunities for alternative investment allocations.

WEEKLY MARKET PULSE

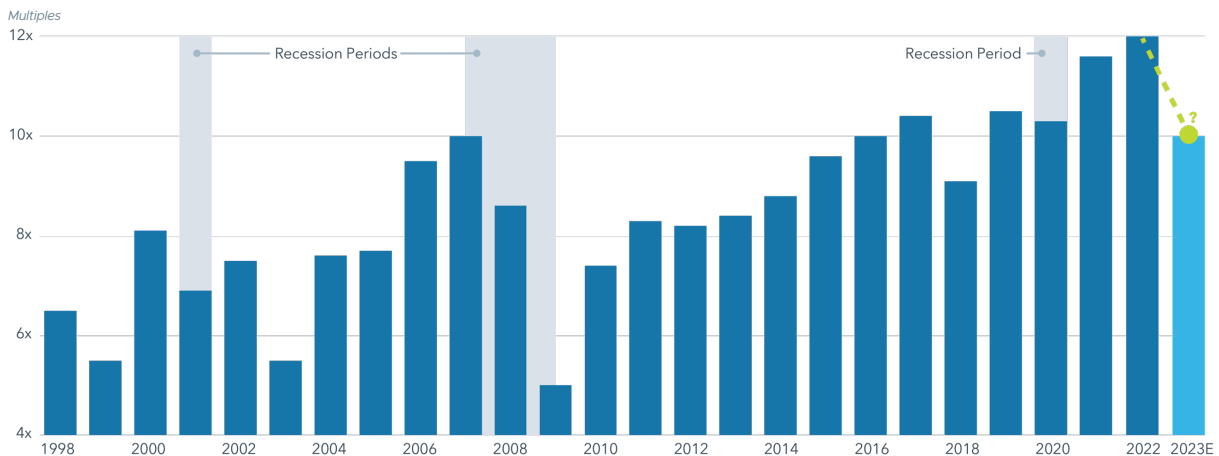


The 2023 market outlooks are out and most everyone is bearish, anticipating weak growth to start the year. But amid the gloom, we see a path for risk assets to recover. Discover our four reasons to be optimistic about deploying capital into public and private market opportunities throughout this year in Chief Investment Strategist [Anastasia Amoroso's Market Pulse](#).

[Subscribe to Market Pulse](#)

CHART OF THE MONTH

Recessions offer attractive valuations
Median EV*/EBITDA for private equity buyout (x)



* Enterprise value. Source: Preqin, iCapital Investment Strategy, as of December 31, 2022. For illustrative purposes only. Past performance is not indicative of future results. Future results are not guaranteed.

Past cycles have shown that recessionary periods offer an opportunity for private equity managers to acquire strong businesses at lower valuations. As valuations begin to reset in the buyout market, we believe 2023 is positioned to become one of the better vintages that we have seen in recent years, and an attractive time to deploy capital.

IN CASE YOU MISSED IT



Discover current opportunities in the public and private markets and why now is the time to commit, in iCapital's 2023 Market Outlook.

[Read more.](#)



Our research team rated 19 different alternative investment strategies. Find out which two were upgraded, the eight that were downgraded, and the nine that held steady. [Read more.](#)



Before making a private market investment, investors and financial professionals should consider five key questions. [Read more.](#)

[Gain More Insight](#)

NEW AT iCAPITAL

iCapital
AI INSIGHT

Did you know that AI Insight by iCapital added over 360 funds to its alternative investment education platform in 2022? See why more than 40,000 financial professionals turn to iCapital for all their alternative investment education and training compliance needs. [Gain the edge of insight.](#)

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PODCAST: FOR ADVISORS BY ADVISORS



Catch Managing Director Jillian Altamura on the For Advisors By Advisors podcast. She joins host Evan Mayer to discuss how iCapital's integrated platform for alternative investments and structured investments will change the game for financial professionals.

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SPOTLIGHT: WHY ALTS?



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