

iCapital®

# BEYOND 60/40

November 2022



# WELCOME TO OUR NEW MONTHLY NEWSLETTER.

We're excited to launch our monthly newsletter, designed to serve as your primary source for navigating the world of alternative investments.

At iCapital, we are committed to providing you with innovative solutions to support your success. That's why we're delivering pertinent, thought-provoking alternative investments content directly to your inbox, so you can spend less time searching for the news you need.

With each issue you will find a curated selection of iCapital and industry research, market insights and perspectives, and educational resources, all in one place.

We hope you find this publication helpful and informative, and we thank you for your continued partnership and support.



A handwritten signature in black ink, appearing to read 'Lawrence Calcano'. The signature is fluid and cursive, with a long horizontal line extending to the right.

**Lawrence Calcano**  
Chief Executive Officer

# MONTHLY MARKET ROUNDUP

## Blackstone

### [Advisor Trends in Private Markets 2022: Have Alternative Investments Finally Come of Age?](#)

Blackstone and SHOOK Research partnered to evaluate how top-ranked advisors are using alternatives, with more than 80% planning to increase allocations over the next two years.



### [Credit Cycle 2023-2024: Public & Private Credit Markets Outlook & Opportunities](#)

Given the opportunity that is developing for dislocated debt and special situations lending, learn how to opportunistically invest in global corporate credit in the 2023-24 credit cycle.



### [Hardball: Does real estate still have what it takes?](#)

Investors have long held steady on reasons to allocate to private real estate. Do these factors still hold true?



### [What's it worth?](#)

Perhaps the most frequently asked question in today's private market realm: How much is it worth? Rather than relying on conjecture, discover how data can shed some light on the topic.

# WEEKLY MARKET PULSE



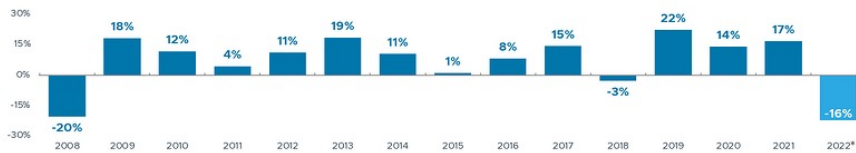
While leveraged loans have far outshined all other fixed income assets this year, we explore why now might be the right time to consider high yield and private credit over publicly traded leveraged loans. Read more in Chief Investment Strategist [Anastasia Amoroso's Market Pulse](#).

**Subscribe to Market Pulse**

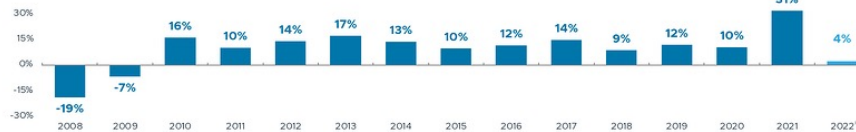
## CHART OF THE MONTH

### 60/40 Portfolio Return One of the Worst in Recent Memory; Alternatives Could Help

Total Return for a 60/40 portfolio using S&P 500 Index and Bloomberg Aggregate Bond Index



Total Return for an equal weight portfolio of alternatives using Private Equity, Private Credit, and Real Estate



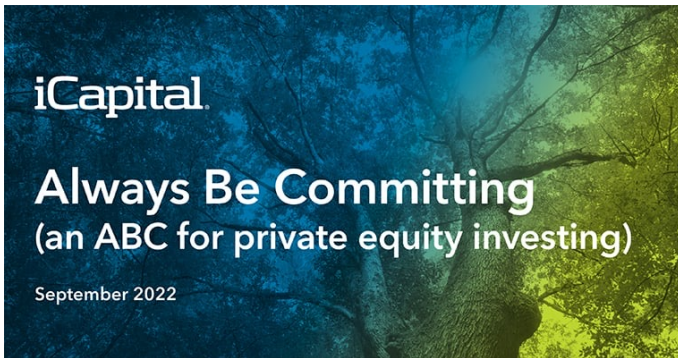
\*2022 is YTD as of June 30, 2022.  
Source: Bloomberg, Pitchbook, Cliffwater, iCapital Investment Strategy, as of October 27, 2022. Note: 60/40 portfolio is calculated using total returns and uses the S&P 500 Index to represent equity exposure and the Bloomberg Aggregate Bond Index to represent fixed income exposure. The equal-weight portfolio of alternatives is calculated using total returns and uses Pitchbook Global Private Equity returns to represent private equity, Cliffwater Direct Lending Index to represent private credit, and Pitchbook Global Real Estate returns to represent real estate. 2022 returns are year to date, based on data through June 30, 2022. For illustrative purposes only. Past performance is not indicative of future results. Future results are not guaranteed.

With a traditional 60/40 portfolio, investors with long term financial objectives could be missing out on the [increased upside potential](#) and [reduction in volatility](#) that alternative investments offer.

# IN CASE YOU MISSED IT



Our assessment of the drivers of recent macro hedge fund outperformance suggests that the strategy's upswing has room to run. [Read more.](#)



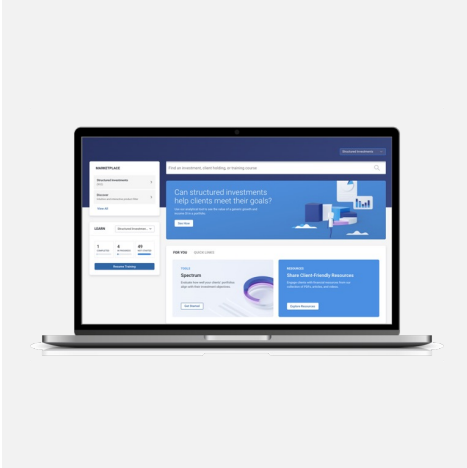
With negative public market performance and elevated volatility, investors may be tempted to take a pause in their allocation to PE. We explain in simple terms why our advice is to diversify across vintages by committing steadily over time. [Read more.](#)



In the 2010s, large buyout funds outperformed all other fund size cohorts across a variety of metrics. We break down the trends that have underpinned this outperformance, and highlight the growing advantage to operating at scale. [Read more.](#)

[Gain More Insight](#)

## NEW AT iCAPITAL



Our platform for risk-managed and alternative solutions now includes structured investments, annuities, alternatives, and digital assets. With education and analytics breaking down the complexity of these products, a centralized marketplace, and an intuitive workflow for lifecycle management, financial advisors can learn, transact, and manage client portfolios with confidence. [Learn more.](#)

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## PODCAST: ALT GOES MAINSTREAM



Make sure to catch iCapital's [Lawrence Calcano](#) and [Jason Broder](#) on the Alt Goes Mainstream podcast, as they joined host Michael Sidgmore to discuss how iCapital's acquisition of SIMON revolutionizes the distribution of alternative solutions and how the current landscape is evolving as alt goes mainstream.

[Listen Now](#)

# SPOTLIGHT: INVESTOR EDUCATION



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The S&P 500 is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 of the top companies in leading industries of the U.S. economy and covers approximately 80% of available market capitalization. The Bloomberg U.S. Aggregate Bond Index is a broad base, market capitalization-weighted bond market index. The index includes Treasury securities, government agency bonds, mortgage-backed bonds, corporate bonds, and several foreign bonds traded in the United States. The PitchBook Global Private Equity quarterly return index consists of those funds within PitchBook’s database that fall within one of the following private equity categories: buyout, growth/expansion, restructuring/turnaround, and diversified PE. The PitchBook Global Real Estate quarterly return index consists of those funds within PitchBook’s database that fall within one of the following real estate categories: real estate core, real estate core plus, real estate distressed, real estate opportunistic and real estate value added. The Cliffwater Direct Lending Index (CDLI) is an asset-weighted index of over 11,000 directly originated middle market loans totaling \$264B. It seeks to measure the unlevered, gross of fee performance of U.S. middle market corporate loans, as represented by the asset-weighted performance of the underlying assets of Business Development Companies (BDCs), including both exchange-traded and unlisted BDCs, subject to certain eligibility requirements.

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