

iCapital®

BEYOND 60/40

September 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 released our [2023 Back to School Market Outlook](#), including five alternative investment ideas we believe are well suited for the current market environment.

- 1. Private Equity Buyout:** In the first half of the year, we have seen the valuation reset in the private equity buyout market start to take effect, offering investors an attractive entry point.
- 2. Distressed Private Credit:** As companies continue to face higher borrowing costs and tighter loan standards, we see a window of investing opportunity in distressed private credit.
- 3. Opportunistic Real Estate:** With a wall of looming loan maturities approaching, property managers will seek near-term refinancing at higher rates, providing an appealing backdrop for opportunistic real estate.
- 4. Macro Hedge Funds:** The high-rate environment has also been conducive to macro hedge fund strategies, which are often able to take advantage of periods of heightened volatility within global interest rates, foreign exchange, and inflation.
- 5. Structured investments:** Terms remain attractive in the high-rate environment, offering investors exposure to the equity markets, while maintaining partial downside protection.

As we approach the final quarter of 2023, we continue to see unique investment opportunities—and believe now is still the time to commit.



Steve Houston

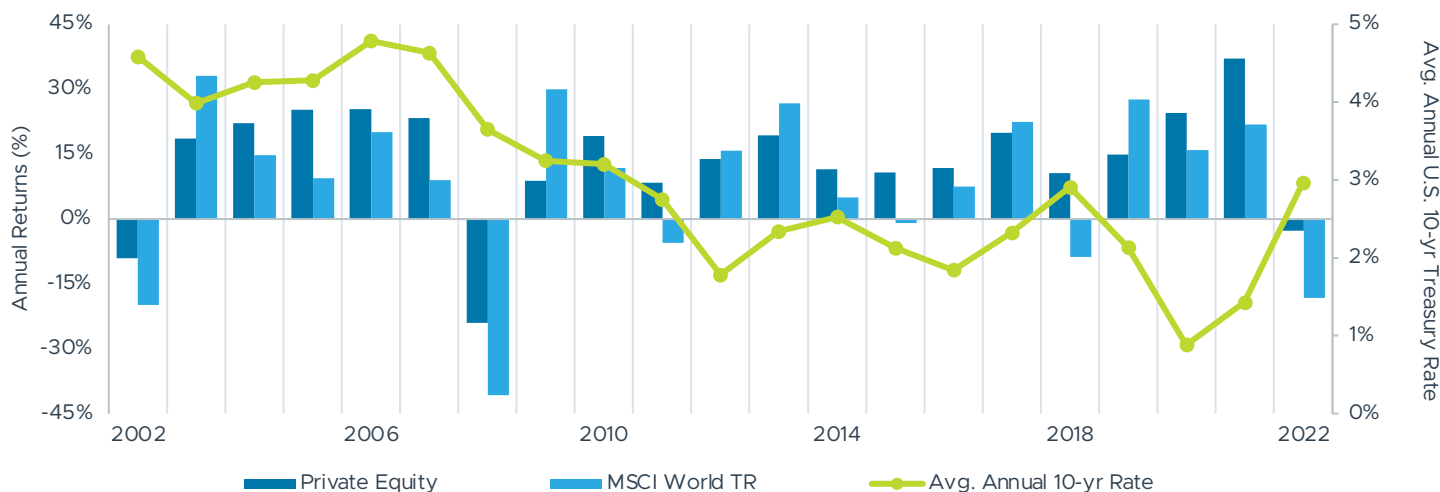
Managing Director

Head of Investment Solutions

CHART OF THE MONTH

Private equity has outperformed public equity 70% of the time over the past 20 years, including in periods of high interest rates

Private and public equity annual returns (%) and annual average U.S. 10-year treasury rate



Source: Preqin, Bloomberg, iCapital Investment Strategy, as of August 28, 2023. Note: Private Equity returns are based on Preqin Private Capital Quarterly Indices, global public equity returns are based on MSCI World Total Return Index. Please see end disclaimers for more information on these indices. For illustrative purposes only. Past performance is not indicative of future results. Future results are not guaranteed.

SPOTLIGHT: BEYOND 60/40: EPISODE 7



[Anastasia Amoroso](#), iCapital Chief Investment Strategist, discusses the importance of maintaining focus throughout market cycles with [Patrick Dimick](#), Senior Portfolio Strategist at [Bridgewater Associates](#); and iCapital Chief Product Officer [Jason Broder](#) shares how new portfolio construction tool, Architect, empowers financial advisors.

[Watch Now](#)

MONTHLY MARKET ROUNDUP



Blackstone

[One-on-One with Kathleen McCarthy: You Can't Paint Real Estate with a Broad Brush](#)

Kathleen McCarthy, Global Co-Head of Real Estate, explains what the headlines are missing when it comes to commercial real estate today.



Hamilton Lane

[Private Equity and Private Credit Have a Competitive Edge During Times of Inflation](#)

Hamilton Lane investigates how the performance of the private markets changes during different inflationary and growth environments relative to public markets.



BLUE OWL

[Pulse Check: 2023 Credit Market Outlook](#)

Blue Owl Co-President and Head of Credit, Craig Packer, checks in on his key themes and opportunities for direct lending markets in 2023.

**Goldman
Sachs**

Asset
Management

[The Return of Volatility: Why 2023 is Bringing Renewed Interest in Hedge Funds](#)

Goldman Sachs and Co-Founding Partner and President of Balyasny Asset Management, L.P. discuss the recent hedge fund trends where they see current investment opportunities.

IN CASE YOU MISSED IT



What are the drivers behind private equity's outperformance of public equity markets? We break down how buyout managers add value to their portfolio companies. [Read more.](#)



Learn how non-traded REITs can offer investors tax-advantaged income and portfolio diversification. [Read more.](#)



Qualified Opportunity Funds offer investors real estate exposure with tax benefits. [Read more.](#)

[Gain More Insight](#)

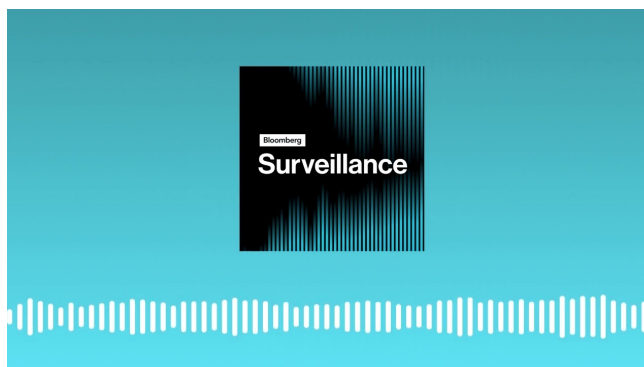
MONTHLY ALTS PULSE: EPISODE 4



iCapital Chairman and CEO Lawrence Calcano shares his thoughts on consolidation in the RIA channel and the role of alternative investments with Michael Sidgmore, Co-Founder and Partner at Broadhaven Ventures, in the latest episode of Monthly Alts Pulse.

[Watch Now](#)

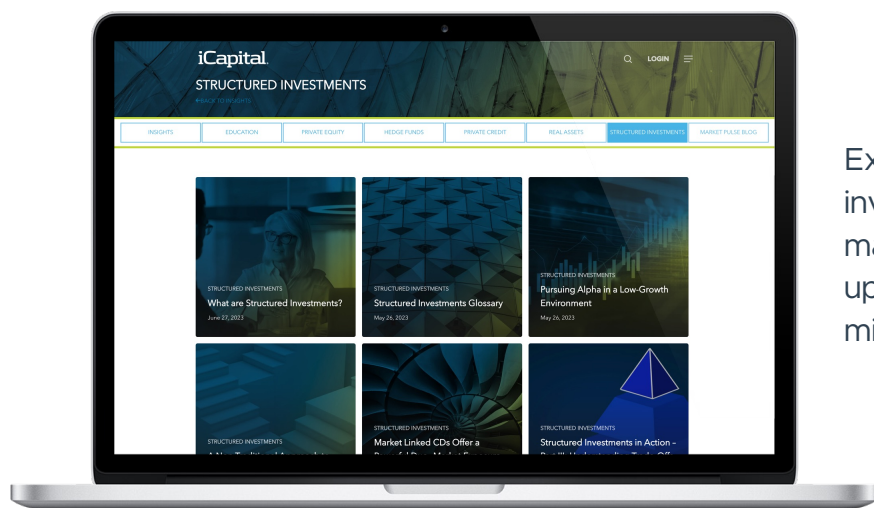
PODCAST: BLOOMBERG SURVEILLANCE



Catch iCapital Chief Investment Strategist [Anastasia Amoroso](#) on the Bloomberg Surveillance Podcast, where she discusses investment opportunities in artificial intelligence (AI) with hosts Tom Keene, Jon Ferro, and Lisa Abramowicz.

[Listen Now](#)

NEW AT iCAPITAL



Explore our new suite of structured investment insights and education materials to learn how to add enhanced upside potential to portfolios while mitigating downside risk.

[Learn More](#)

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Preqin Private Capital Quarterly Indices which includes over 13,000 fund constituents and captures in an index the return earned by investors on average in their private capital portfolios, based on the actual amount of money invested in private capital partnerships. It is important to note that the private market returns listed are based on an index which is meant to estimate the asset class performance, hypothetically creating a return if one had access to all active funds. Preqin Private Capital Quarterly Indices are not practically investable and are subject to change as datasets are continually updated. We use the MSCI World Total Return Index to represent global public equity exposure. The MSCI World Total Return Index is a free-float weighted equity index and includes developed world markets and does not include emerging markets.

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