

iCapital®

BEYOND 60/40

April 2024



WELCOME TO OUR MONTHLY NEWSLETTER.

Designed to serve as your primary source for navigating the world of alternative investments.

For the third consecutive year, global [secondary](#) transaction volume exceeded \$100 billion. That momentum is largely due to the abundant growth in the primary private equity market and limited partner (investor) demand for liquidity following two years of muted exit activity.

General partners (GPs) are increasingly looking at secondaries to provide liquidity for their limited partners (LPs), while LPs are embracing the market as an effective portfolio management tool. In fact, we believe the sustained size of secondary deal activity has established secondaries as central to how the private markets function. So much so that secondary funds, or funds that acquire pre-existing investments of private equity portfolios, are now an increasingly popular investment option within the private wealth channel.

Private equity secondaries may offer investors a particularly attractive entry point, or discount, relative to primary private equity funds because of their unique risk and return profile. In addition, secondaries are generally well diversified and typically provide a faster return of capital, relative to primary private equity funds. These factors can be particularly enticing for investors that are newer to private equity.

Given the role that secondaries now play in the private markets – and the number of asset managers that are expanding their secondaries business with strategies to grow their presence in the private wealth channel – we expect the appeal of the asset class to continue to broaden.

Thank you for your continued partnership and support.



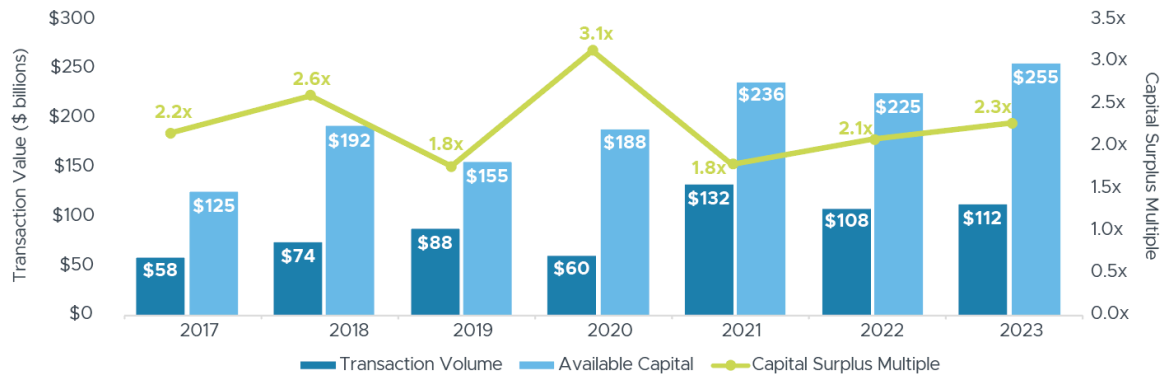
Dan Vene

Co-Founder and Managing Partner
Co-Head of iCapital Solutions

CHART OF THE MONTH

Recent Years Have Seen Record Secondaries Transactions and Available Capital

Annual Secondaries Transaction Volume and Available Capital



Source: Jefferies, Global Secondary Market Review January 2024. Available capital is defined as the sum of equity dry powder, near-term fundraising, and near-term available leverage. Leverage estimated as approximately 15% of equity dry powder plus near-term fundraising. Capital surplus multiple defined as available capital divided by transaction volume. For illustrative purposes. Past performance is not indicative of future results. Future results are not guaranteed.

Secondaries have achieved record transaction volumes, and all signs are pointing to more activity ahead. Dedicated available capital has doubled over the last six years to over \$250 billion, or 2.3x the transaction volume in 2023, pointing to a sufficient amount of dry powder.

SPOTLIGHT: BEYOND 60/40: EPISODE 18



[Anastasia Amoroso](#), iCapital Chief Investment Strategist, discusses investor demand for hedging and protection strategies with [Amy Wu Silverman](#), Managing Director and Equity Derivatives Strategist at [RBC](#); and explores iCapital's new strategic relationship with [Morningstar](#) with [Vimal Vel](#), Chief Product Officer at Morningstar.

[Watch Now](#)

MONTHLY MARKET ROUNDUP

APOLLO

[Mind the \(Funding\) Gap: Finding Opportunities in Real Estate Debt Amid Dislocation](#)

Higher interest rates have pressured real estate prices, but fundamentals remain stable across most property types. In this whitepaper, Apollo examines the state of the real estate market and discusses the opportunities in real estate debt in light of wider spreads, more lender-friendly terms, and significant refinancing needs.



[Understanding Private Credit: The History and Current State of the Asset Class](#)

There is broad agreement private credit has experienced significant growth. Ares reviews why this asset class is getting more attention than ever, defines the five distinct sub-sectors, and shares the frequently asked questions they receive on private credit.



**FRANKLIN
TEMPLETON**

[Private Equity: Secondaries Anyone?](#)

In recent years, private equity fundraising has surged, yet exits slowed drastically in 2022, prompting institutional investors to rebalance portfolios through increased secondaries activity. Franklin Templeton explores secondaries and why they may represent an attractive and growing opportunity to access the private equity ecosystem.

TOP READ INVESTOR ED



Learn what alternative investments can offer to investors and the role specific asset classes and strategies play in a portfolio. [Read more.](#)



Discover how private credit funds generate enhanced risk-adjusted returns and current income. [Read more.](#)



See the questions investors should consider before deciding if an alternative investment may meet their individual needs and objectives. [Read more.](#)

[Gain More Insight](#)

WEALTH MANAGEMENT INVEST PODCAST

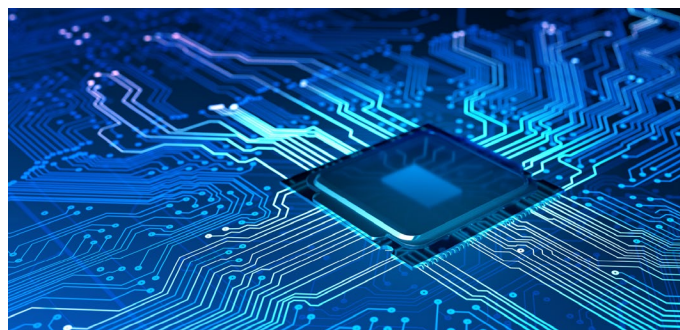


Listen to [David Bodamer](#) and [Lawrence Calcano](#), Chairman and CEO of [iCapital](#), explore the complexities of alternative investments, examine recent developments at iCapital, and discuss how advisors are integrating these assets into their offerings for a more diversified investment approach.

[Listen Now](#)

MARKET PULSE

The Cyclical and Secular Case for Semis



Despite a recent rocky move for equities, the semiconductor space should remain in the spotlight and help refocus views on the strong Artificial Intelligence (AI) backdrop. We expect near-term cyclical drivers such as the destocking of semiconductor inventory combined with multi-year AI compute and data center growth, to provide further support for the space and additional upside for chip stocks. Learn more in Chief Investment Strategist [Anastasia Amoroso](#)'s latest [Market Pulse](#).

[Subscribe to Market Pulse](#)

NEW AT iCAPITAL



We are thrilled to unveil [The 19th Hole: Beyond the Green](#), an engaging video series hosted by [Lawrence Calcano](#), Chairman and CEO of iCapital. The 19th Hole showcases casual conversations with today's most distinguished leaders and entrepreneurs as they delve into their unique stories. Watch our premiere episode with Jack Nicklaus, legendary golfer, business leader, and philanthropist.

[View Here](#)

Note: Also available via [Apple Podcast](#) and [Spotify](#).

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