



# BEYOND 60/40

March 2024



# WELCOME TO OUR MONTHLY NEWSLETTER.

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

We continue to see tremendous growth in alternative investments. Assets under management (AUM) nearly doubled in the last five years from \$8.9 trillion in 2018 to \$16.2 trillion today.<sup>1</sup>

We attribute that to three factors:

- 1) Financial advisors are seeking new sources of return, income, and diversification given traditional 60/40 portfolios have been tested through market volatility and rising correlations; and the private markets have historically delivered better performance.<sup>2</sup>
- 2) There is broader awareness of alternative investments and more high-quality education available leading to a greater understanding of the asset class.
- 3) The alternatives industry is focused on improving the processes and technology and offering innovative products such as open-ended (semi-liquid) funds.

While individual investors have historically been underrepresented in this asset class, we believe alternatives have evolved from a “nice to have” to an essential component in portfolios.

Thank you for your continued partnership and support.



**Dan Vene**

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

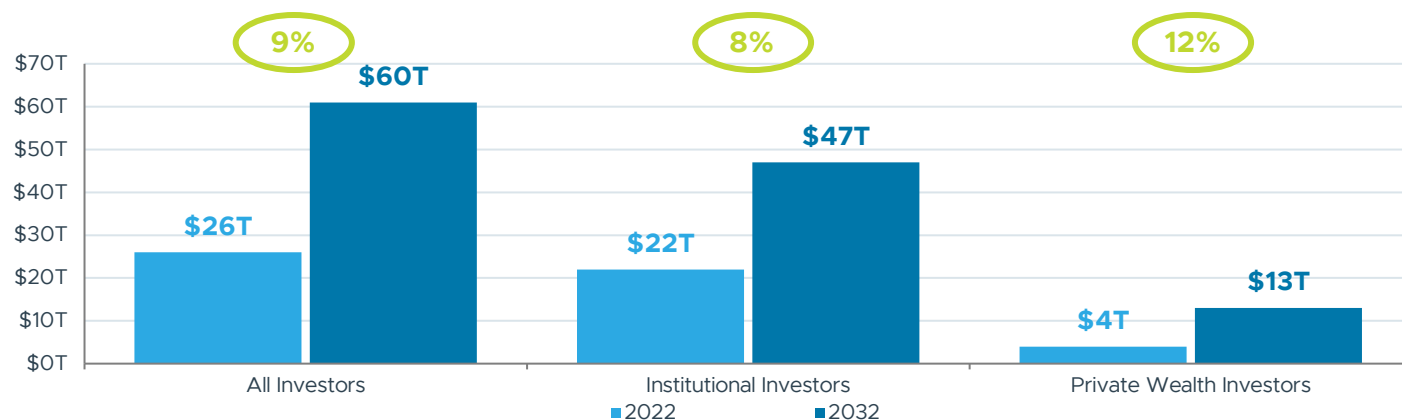
1. Source: Preqin, “Future of Alternatives in 2028,” iCapital Investment Strategy, with data compiled in March 2024. Data as of December 31, 2023. For illustrative purposes only. Past performance is not indicative of future results. Future results are not guaranteed.

2. Source: Preqin, HFRI, Cliffwater, NCREIF, Bloomberg, iCapital Investment Strategy, with data compiled in March 2024. Data as of September 30, 2023. For illustrative purposes only. Past performance is not indicative of future results. Future results are not guaranteed.

# CHART OF THE MONTH

## Estimated Global Alternatives Growth in AUM by Investor Type (\$ trillion)

2022-2032 Compound Annual Growth Rate (CAGR)



Source: Bain & Co., Preqin, GlobalData, iCapital Investment Strategy, March 2024. Data as of Q2 2023. For illustrative purposes only. Past performance is not indicative of future results. Future results are not guaranteed.

Private wealth investor allocations to alternatives have been rising, and that trend is expected to continue. Forecasts estimate a 200%+ increase over a 10-year period, from \$4 trillion to \$13 trillion by 2032.

## SPOTLIGHT: BEYOND 60/40: EPISODE 14



[Anastasia Amoroso](#), iCapital Chief Investment Strategist, analyzes the evolution of alternative investments; [Nick Veronis](#), iCapital Co-Founder and Managing Partner covers the latest developments in private equity registered funds with [Rob Collins](#), Partner and Head of U.S. Private Wealth at Partners Group; and [James Costabile](#), iCapital Head of Alternative Investment Distribution, explains how his team partners with RIAs.

[Watch Now](#)

# MONTHLY MARKET ROUNDUP



## [Global Private Equity Report 2024](#)

2023 marked a challenging year for private equity, but are we seeing a turning tide? Bain's annual report highlights the challenges faced – from a 37% drop in deal value to a slowdown in fundraising. Find out how the industry is gearing up for a potential rebound in 2024.

## J.P.Morgan ASSET MANAGEMENT

### [Is Commercial Real Estate Finding a Floor?](#)

Meera Pandit, Global Market Strategist at J.P.Morgan Asset Management, examines whether private real estate is on the verge of a rebound due to a reset in pricing, the potential for lower rates, and signs of improving investor sentiment.

## Morgan Stanley INVESTMENT MANAGEMENT

### [2024 Outlook: Hedge Funds](#)

Morgan Stanley Investment Management shares why they believe that we are in a structurally different era for absolute return investing, and why this environment will be rife with alpha opportunities and conducive to hedge fund returns through 2024 and beyond.



### [You Can't Control the Cycles, but You Can Control Your Nerves](#)

In its Private Markets Mythbusters Series, Partners Group explains why periods of increased volatility can generate the most attractive buying opportunities in private markets.



# IN CASE YOU MISSED IT



Hear from Lawrence Calcano, Chairman and CEO of iCapital, as he explains the challenges advisors face in helping clients gain exposure to alternatives – and why having a purpose-built, comprehensive portfolio construction tool matters. [Read more.](#)



Discover why secondaries are a rapidly growing area within the private markets, and gain insights on how to select an appropriate fund. [Read more.](#)



Learn about credit hedge fund strategies, which invest across a variety of debt instruments in pursuit of attractive absolute and risk-adjusted returns. [Read more.](#)

[Gain More Insight](#)

# MONTHLY ALTS PULSE: EPISODE 8



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, as they discuss the future of evergreen funds, product innovation, and the art of creating new investment structures, including model portfolios.

[Watch Now](#)

## MARKET PULSE

**Are Markets Starting to Pay Attention to Election Outcomes?**



With presidential nominations now all but secure for the major U.S. parties, investors will begin to extrapolate the results to the financial markets. In general, we think it's early for markets to reflect a potential outcome, but certain equity baskets are showing election-related divergences and recent data is indicating that the economy may be operating in a "sweet spot." Learn more in Chief Investment Strategist [Anastasia Amoroso](#)'s latest [Market Pulse](#).

[Subscribe to Market Pulse](#)

# NEW AT iCAPITAL



iCapital is proud to be recognized by the Bank Insurance and Securities Association (BISA) as one of the recipients of the 2024 BISA Technology Innovation Award for the release of [iCapital Architect](#), our new state-of-art, purpose-built portfolio analytics tool.

[Learn More](#)

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