

# Alternative Investments

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FOR FINANCIAL ADVISORS

Atlas by AET  
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**Atlas** by AET

## DID YOU KNOW?

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Alternative investments currently constitute nearly 50 percent of revenue within asset management, despite representing only around 20 percent of total AUM, and a growing population of financial advisors are increasing their allocations.

# CLASSIFYING ALTS

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Alternative investments are financial assets that fall outside traditional categories like stocks, bonds, and cash. Alternatives or “alts” include assets such as:

**Private Equity / Hedge Funds / Cryptocurrency  
Private Credit / Real Estate / Commodities/ Art  
& Collectables / Venture Capital**

Historically, alternative investments were primarily reserved for institutional investors, limiting access. However, advances in technology, transparency, and due diligence have now made these investments more available to retail investors and advisors alike.



How are alternative  
investments structured?

# HOW ARE ALTS STRUCTURED?

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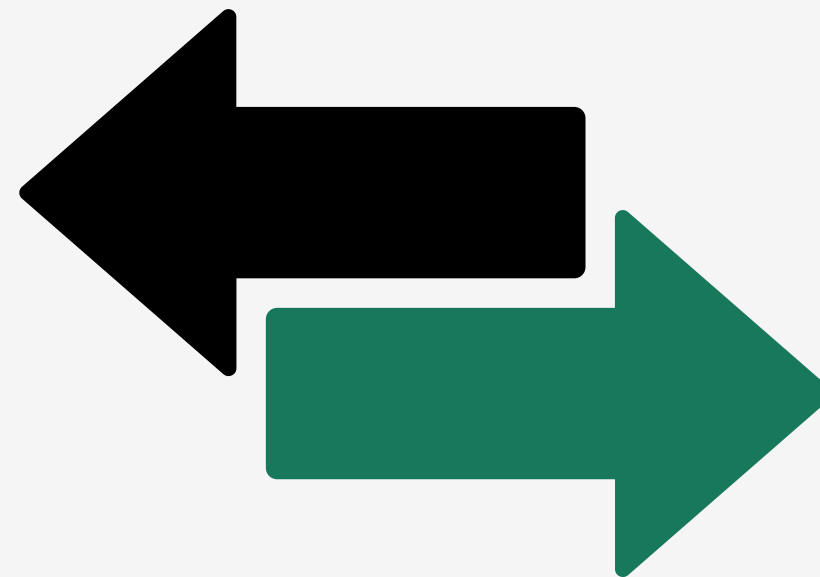
## Direct Investments

Direct investments allow RIAs to offer clients ownership in a particular asset or set of assets outright, giving them greater control and often direct exposure to the performance of the underlying asset. These can include:

- Private placements
- Special purpose vehicles (SPVs)
- Real estate
- Collectibles and tangible assets

Direct investments give investors more control over the asset, including decisions around operations, management, and timing of sales or distributions.

With more control and often higher risk, direct investments can yield greater returns than pooled investments or traditional assets, especially in rapidly growing sectors or high-yield opportunities.



## Pooled Investments/Funds

For RIAs, pooled alternative investments offer a practical way to provide clients with access to alternatives, like private equity, real estate, and hedge fund strategies. These can include:

- Venture funds
- Interval funds
- Private REITs
- PE & Credit funds

Pooled funds simplify access to alternatives by removing high investment minimums, providing transparency, and ensuring regulatory compliance.

These funds also take on much of the due diligence and ongoing management, which can help advisors focus on bigger-picture portfolio strategy instead of the details of each asset.

# “Mainstream” vs “True” Alternatives



# MAINSTREAM ALTS

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“Mainstream” alternative investments generally refer to alternative asset classes and structures that are widely accessible and commonly used in client portfolios.

- Typically more liquid investments
- More closely correlated to public markets
- Include assets like non-traded REITs, managed futures, publicly-traded BCDs

While some advisors choose to invest in “mainstream” alts due to their lower risk profile, they typically do not deliver the same benefits and returns of “true alts”.



# TRUE ALTS

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“True” alternatives are historically less accessible, involve higher minimum investments, and are generally suited for high-net-worth or institutional investors who can accommodate longer investment horizons.

- Low correlation to public markets
- Strong inflation hedge
- Higher return assets
- Typically less fees from large asset managers
- Include assets like local real estate deals, mortgage notes, natural resources, infrastructure funds





Aspect	True Alternatives	Mainstream Alternatives
Diversification	Enhanced, with low correlation to markets	Moderate, often correlated with markets
Alpha Potential	Higher potential due to niche markets	Lower due to market saturation and competition
Risk-Return Profiles	Unique, aligning with specific trends (e.g., agriculture)	More standardized, linked to traditional factors
Inflation Hedge	More resilient in market downturns	Indirect, less consistent inflation hedge
Long-Term Growth	Aligns with megatrends (sustainability, resources)	Typically short- to medium-term focus
Customization	High, suited to individual interests and values	Limited customization
Market Saturation	Low, with fewer competitors and inefficiencies	High, with competitive, crowded strategies
ESG/Impact Goals	Strong alignment potential	Limited, indirect alignment with ESG goals

How are advisors  
accessing alternatives?

## ACCESSING ALTS

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Advisors can access mainstream alternative assets through some major custodian Portals, asset managers like Blackstone, or platforms like CAIS or iCapital.

## ACCESSING ALTS

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Finding true alternative deals has historically been more challenging, but new platforms and marketplaces are emerging to make these opportunities accessible to advisors.

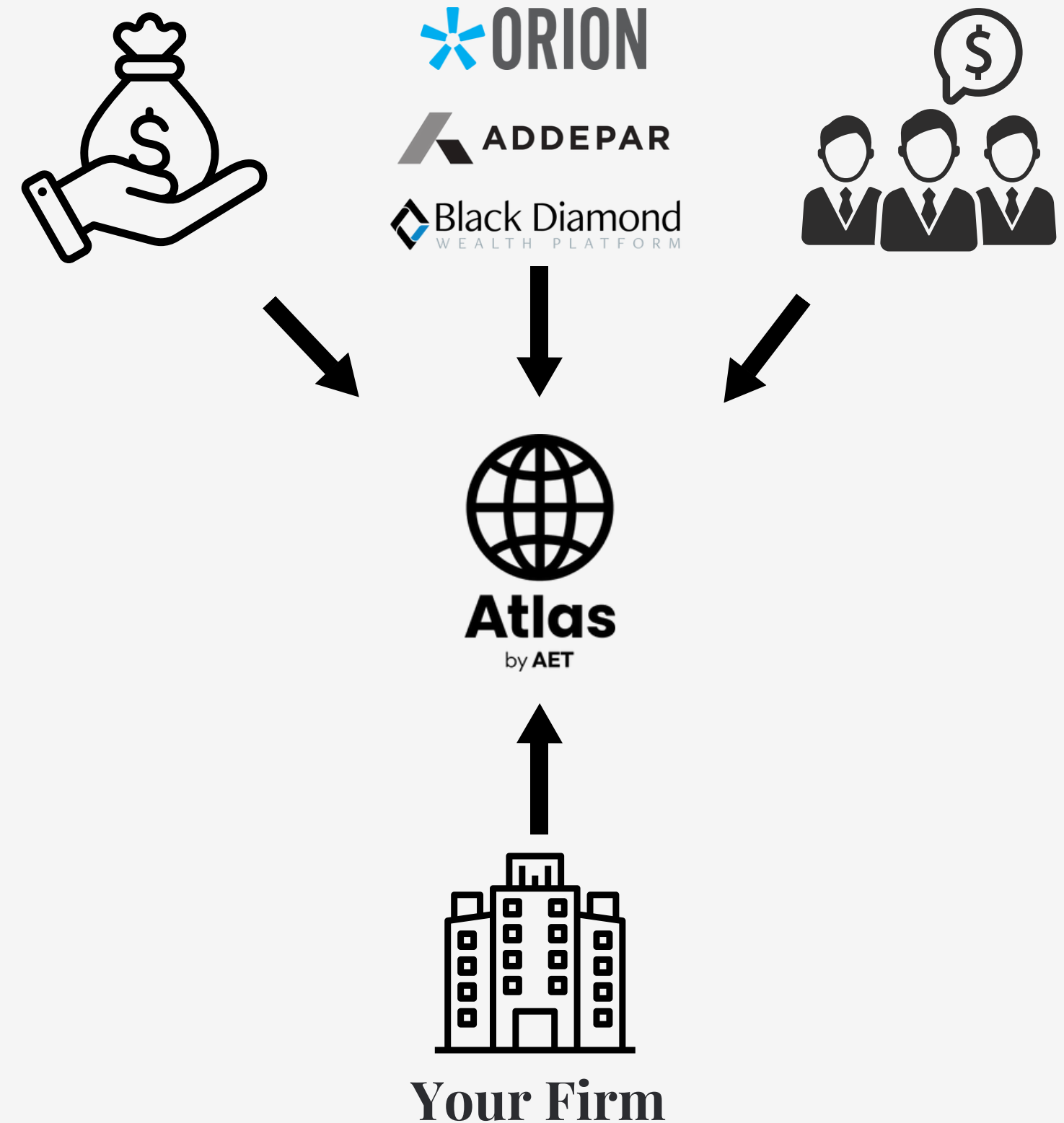


# DEAL FLOW WITH ATLAS

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Finding the right deals can be a time-consuming, tedious undertaking. That's why we decided to build Atlas - a custodian-backed marketplace that connects RIAs to "true" alternative investment deals.

- Get connected to fund managers
- Create customized deal menus for your firm
- Track and manage asset performance
- Streamline asset data to your TAMP



# Get in touch

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TO INTEGRATE ALTS INTO YOUR PRACTICE

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