

# Alternative Investments

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FOR ADVISORS

Atlas by AET  
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## OVERVIEW

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Alternative investments are financial assets that fall outside traditional categories like stocks, bonds, and cash. These typically include assets such as private equity, hedge funds, real estate, commodities, infrastructure, and private debt.

# HOW THEY WORK

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SDIRAs must be administered by a qualified custodian. Through the custodian, the account holder or advisor can invest tax-advantaged funds into alternative assets not available through a standard Roth or Traditional IRAs. Assets types include:

**Real Estate / Precious Metals / Cryptocurrency  
Private Credit / Startups / Land & Energy /  
Private Equity**

Depending on which custodian you work with, you can also “self-direct” SEP IRAs, SIMPLE IRAs, 401(k)s, and HSA accounts.



How can SDIRAs add value  
to your firm?

# DIVERSIFIED RETIREMENT PLANNING

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Like traditional and Roth IRAs, SDIRAs offer tax-deferred or tax-free growth, depending on the type of account. They also allow investors to expand their options beyond vanilla stocks and bonds.

Alternative investments held in a self-directed IRA can offer:

- Low correlation to public markets
- Hedge against inflation
- High-performing, less liquid assets held in accounts that naturally have long time horizons



# MAXIMIZED CLIENT GROWTH

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## **Rollover Opportunities:**

Many clients may not be aware they can roll over existing 401(k) or IRA funds into an SDIRA.

Position your firm as an expert in helping clients leverage these rollovers into diverse alternative investments.

## **Long-Term Relationships:**

By offering more customized, flexible investment options through SDIRAs, you can strengthen long-term client relationships and establish your firm as their go-to advisor for non-traditional strategies.

You'll also differentiate your firm from the competitors, since many advisors are still not offering these types of services.

## **Increase AUM:**

SDIRAs allow advisors to access a wider range of assets that clients are interested in, increasing the likelihood that clients will consolidate their retirement funds under your management.

# ALIGNING STRATEGY WITH CLIENT VALUES

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According to a 2024 Morgan Stanley survey, 77% of individual investors globally express interest in investing in companies or funds that not only offer financial returns but also generate positive social or environmental impacts.

One of the key benefits of SDIRAs is that they allow clients to invest in what matters to them.

Whether purchasing land or investing in small businesses, SDIRAs empower advisors to design retirement strategies tailored to each client's personal and financial interests.



Source: Morgan Stanley [“Individual Investors’ Interest In Sustainability is On the Rise,”](#) 01/26/24, Morgan Stanley [“Morgan Stanley Sustainable Signals: New Survey Shows High and Rising Individual Investor Interest in Sustainability,”](#) 01/29/24.

As of mid-2024, U.S.  
Individual Retirement  
Accounts held  
approximately \$14.5 trillion.

Source: ICI ["Retirement Assets Total \\$40.0 Trillion in Second Quarter 2024,"](#) as of 10/22/24.

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# STEADY GROWTH OF IRA & ALT ALLOCATIONS

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Interest in alternative investments is steadily growing, particularly among high-net-worth and sophisticated investors. Economic shifts, market volatility, and increasing awareness of alternative investments make SDIRAs a valuable opportunity for advisors to capture new business.

As of mid-2024, U.S. Individual Retirement Accounts held approximately \$14.5 trillion, reflecting a steady increase from \$13.6 trillion in 2023.

In 2023, alternative investments accounted for a significant portion of global assets under management. Estimates suggest that around \$22 trillion was allocated to alternative investments, making up approximately 15% of global AUM.

The ongoing democratization of alternative investments has also allowed more individuals to participate in this space. The ongoing growth of alts allocations and retirement savings in parallel presents RIAs with tremendous potential.

Source: JP Morgan Asset Management "[2024 Alternatives Outlook](#)," as of 10/22/24, Statista "[Share of investors' assets under management \(AUM\) allocated to alternatives worldwide from 2018 to 2022, by asset class](#)," as of 10/22/24

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# PARTNERING WITH A QUALIFIED CUSTODIAN

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When it comes to self-directed investing, the investor-custodian relationship is pivotal to the client's success, and the custodian-advisor relationship is equally important.

The custodian ensures you have the technical support needed to manage self-directed accounts efficiently. RIA firms will work with a custodian to:

- Onboard clients
- Streamline account data to TAMPs
- Ensure compliance with IRS regulations
- Hold assets on behalf of the account holder



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Interested in offering SDIRA  
services?

# Get in touch

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TO LEARN ABOUT SDIRA OPTIONS FOR ADVISORS

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