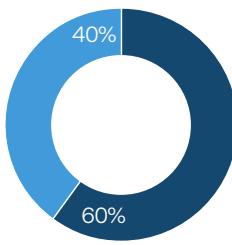
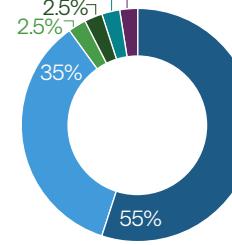
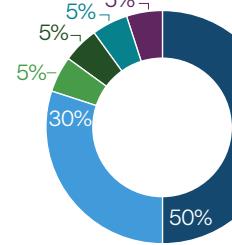
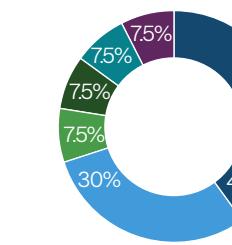


Diversifying With Alternatives

The Alts Institute's Alternative Investing Survey¹ uncovered three distinct high-net-worth investor profiles that provide valuable insight into each type's openness to alternative investments. Encouragingly, all three cohorts are receptive to exploring alternative opportunities with their advisors. In fact, 70% of non-alts users say they would begin investing in alts if advised to.

Below are hypothetical examples illustrating the potential benefits of adding a diversified blend of alternatives—equally allocated across infrastructure, private real estate, private credit and private equity—to traditional portfolios, tailored to each cohort's stated maximum allocation levels. Historically, a portfolio with alternatives exhibits improved return and lowered risk.

	60/40 Investor	Traditionalist	Emerging Adopter	Alts Champion
	<ul style="list-style-type: none"> 91% of non-alts users believe diversification is crucial to managing risk 	<ul style="list-style-type: none"> Willing to use alts if advisor makes a good case Balances growing portfolio with income and capital preservation Willing to start with small investments and increase exposure after demonstrated success Would be comfortable with an alts allocation of 10% if their advisor recommended it 	<ul style="list-style-type: none"> Favorable view of alts generally Comfortable with illiquidity as long as able to redeem in a reasonable time frame 71% would be comfortable with an alts allocation as high as 15% 29% would be comfortable with an allocation in the 16%–20% range 	<ul style="list-style-type: none"> Believes alts are essential to a successful portfolio strategy Focused more on upside potential Wants a greater variety of holdings On average, these investors currently have a 23% allocation to alts Over 50% would be comfortable with an alts allocation in excess of 25%
Hypothetical Portfolio Allocation	60/40	10% Allocation to Alts	20% Allocation to Alts	30% Allocation to Alts
				
Hypothetical 10-Year* Return and Risk (Relative to a 60/40 Portfolio)	Return: 7.4% Risk: 11.38%	Return: 7.7% Risk: 10.45%	Return: 8.0% Risk: 9.54%	Return: 7.7% Risk: 8.09%
	█ Global Equities █ Global Bonds █ Private Equity █ Private Real Estate █ Private Infrastructure █ Private Credit			

*10-year annualized return and risk (measured by standard deviation, a measure of the amount of variation of the values of a variable about its mean). **Past performance is not indicative of future results.** Diversification does not guarantee a profit or protect against loss. For illustrative purposes only. This information does not represent the returns of a fund. An investor cannot invest in an index. Global Equities represented by the MSCI World Index, Global Bonds by the Bloomberg Global Aggregate Bond Index, Private Equity by the Preqin Private Equity Index, Private Real Estate by the Preqin Real Estate Index, Private Infrastructure by the Preqin Infrastructure Index and Private Credit by the Cliffwater Direct Lending Index. Please see disclosures for additional information. Source: Bloomberg, Cliffwater, MSCI, Preqin. As of June 30, 2025.

Endnote

1. Survey methodology: Brookfield commissioned CoreData Research to conduct separate online surveys between April and June 2024 of 300 financial professionals in the U.S. and Canada with an average practice AUM of US\$633 million, and 625 high-net-worth investors in the U.S., Canada, Hong Kong, Singapore and Taiwan with at least US\$2.5 million in household investable assets.

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Diversifying with Alternatives

Index definitions

The Bloomberg Global Aggregate Index is a market-capitalization-weighted index comprising globally traded investment-grade bonds. The index includes government securities, mortgage-backed securities, asset-backed securities and corporate securities to simulate the universe of bonds in the market. The maturities of the bonds in the index are more than one year.

The Cliffwater Direct Lending Index measures the unlevered, gross-of-fees performance of U.S. middle market corporate loans, as represented by the asset-weighted performance of the underlying assets of business development companies (BDCs), including both exchange-traded and unlisted BDCs, subject to certain eligibility requirements.

The MSCI World Index is a free-float-adjusted market-capitalization-weighted index that is designed to measure the equity market performance of developed markets.

The Preqin Private Equity Index captures in an index the return earned by investors on average in their private equity portfolios, based on the actual amount of money invested in private capital partnerships. Historical data points are not recalculated as time passes, except for the latest two quarters available, which are preliminary. The preliminary quarters are finalized at a three-quarter lag coinciding with the full constituency for the as-at date being met. The universe of funds for each quarterly point in the index may change over time depending on data availability.

The Preqin Infrastructure Index captures the average returns earned by investors in their infrastructure portfolios, based on the actual amount of money invested. Historical data points are not recalculated as time passes, except for the latest two quarters available, which are preliminary. The preliminary quarters are finalized at a three-quarter lag coinciding with the full constituency for the as-at date being met. The universe of funds for each quarterly point in the index may change over time depending on data availability.

The Preqin Private Real Estate Index captures in an index the return earned by investors on average in their private real estate portfolios, based on the actual amount of money invested in private capital partnerships. Historical data points are not recalculated as time passes, except for the latest two quarters available, which are preliminary. The preliminary quarters are finalized at a three-quarter lag coinciding with the full constituency for the as-at date being met. The universe of funds for each quarterly point in the index may change over time depending on data availability.

The S&P 500 Index is an equity index of 500 widely held, large-capitalization U.S. companies.

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Contact Us

 privatewealth.brookfield.com

 privatewealth@brookfield.com

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