

Alternative Investments 101

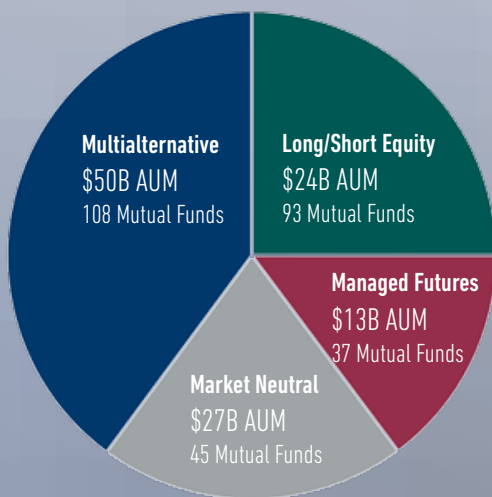
Alternatives - investments in a range of assets including commons stocks, bonds, commodities and currencies. Their purpose is to offer portfolio diversification, asset growth and/or risk management.

8 MORNINGSTAR
ALTERNATIVE
CATEGORIES

\$148B
ASSETS UNDER MANAGEMENT IN THE
MORNINGSTAR ALTERNATIVE CATEGORY

388 ALTERNATIVE
MUTUAL FUNDS
IN MORNINGSTAR

POPULAR MORNINGSTAR ALTERNATIVE CATEGORIES



PORTFOLIO CONSIDERATIONS



RETURN SEEKERS

Private Equity - strategies such as venture capital and leveraged buyouts
Global Infrastructure - stocks of companies focused on infrastructure (e.g., transportation, communication, energy)



RISK MANAGEMENT

Long/Short Equity - take long positions in stocks that have superior return characteristics, while shorting stocks with a poor outlook
Managed Futures - invests in futures and options in commodity, interest rate, equity and currency markets

A BROADER OPPORTUNITY SET FOR PORTFOLIOS

Since 1994, alternatives have outperformed at least one element of an investor's core portfolio 73% of the time.

Year	'94	'95	'96	'97	'98	'99	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19
Alternatives	1	38	23	33	29	23	12	8	10	29	11	8	16	13	5	26	15	8	16	32	14	1	12	22	0	31
Stocks	-3	22	22	26	9	21	5	4	3	15	10	5	14	7	-19	19	11	2	8	10	6	1	3	7	-3	9
Bonds	-4	18	4	10	0	-1	-9	-12	-22	4	4	2	4	5	-37	6	7	-3	4	-2	4	-1	1	4	-4	7

Adding a blend of **return seekers** and **risk managers** to a traditional stock and bond portfolio may offer a better balanced of risk and return.

Source: Morningstar. Data as of 12/31/19. Past performance is not indicative of future results.

*Investor's core is represented by stocks and bonds. Stocks are represented by the S&P 500 Index, Bonds by the Barclays Aggregate Bond Index and Alternatives by the Credit Suisse Hedge Fund Index. It is not possible to invest directly in an index.

To learn more visit [361capital.com/resources](https://www.361capital.com/resources).

361 CAPITAL