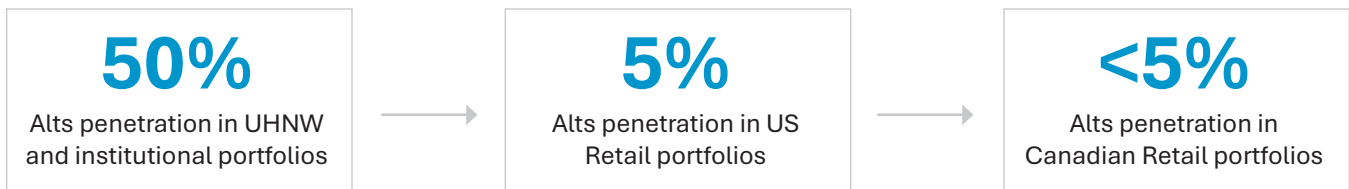


Unlocking Returns in the Undervalued and the Novel

Alternatives in Modern Portfolios

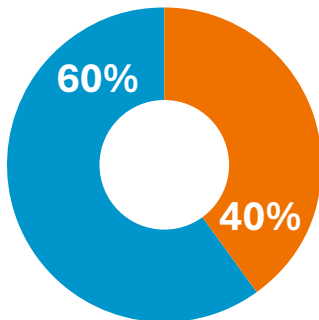
Canadian retail investors lag in the adding alts to their portfolios.
Alternatives have well-documented benefits.

Alts Across Markets

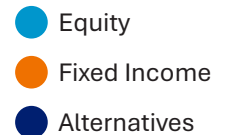
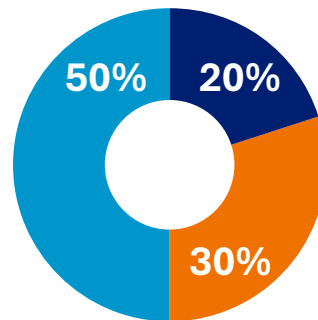


Legacy 60/40 Portfolios Are Candidates for Updating with Alts

Traditional Portfolio



Alt Enhanced Portfolio



Benefits Can be Considerable:

- ✓ Diversification
- ✓ Attractive risk-adjusted returns
- ✓ Attractive absolute returns
- ✓ Low correlation to other asset classes
- ✓ Inflation hedging
- ✓ Reliable income stream
- ✓ Reduced portfolio volatility

Source: CAIA and KKR

Key Highlights

Canadian Retails Investors Have Low Alt Allocations

- <5% versus ~50% for UHNW and institutional portfolios.

Portfolio Benefits Can be Considerable

- Alts may increase risk adjusted returns through diversification benefits and volatility reductions.

Allocations

- 20% alts, 50% equity and 30% fixed income more closely reflects common institutional deployments.



June 26, 2025

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