

Why TURN8 Incorporates Alternative Investments

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By Conner Sura

At TURN8, it has always been in our DNA to be innovative and identify solutions that are outside of the box traditional wealth advisors are forced to work within.

It is important to us that our clients can access the types of investments that can best help them achieve their goals while minimizing the amount of risk and smoothing out returns.

While stocks and bonds have been the pillars of investment portfolios since the early days of investing and continue to be the core asset classes for most investors, alternative investments offer a unique set of benefits that we believe are vital to meeting one's objectives in the current landscape.

Here are some of the reasons why TURN8 uses alternative investments.

1. **Low Correlation to Stocks and Bonds:** Alternative investments are designed to be decoupled from public markets and are not vulnerable to news headlines or emotional investor behaviour. Various alternative investments can produce positive returns in periods when equities and bonds are down.
2. **Low Volatility:** Most alternative investments offer a consistent predictable return stream. This is due to the underlying assets producing stable income, less frequent pricing of the investments as they do not trade on public exchanges and lower concentrations of individual investments that might lead to larger price swings.
3. **Diversification:** Alternative investments are a great complement to stocks and bonds because they offer a diversified source of return AND risk, further limiting your portfolio to any single risk or return exposure. Over the long term, this leads to more consistent returns and a lower risk of permanent loss of capital.
4. **High absolute returns:** Certain alternative investments like private equity or real estate development can generate high absolute returns in exchange for foregoing liquidity.

Despite the well-known benefits of alternatives, they continue to be underutilized in retail investment portfolios due to their complexity, lack of liquidity, high minimum investment thresholds and lack of availability through retail bank channels.

TURN8's Alternative Strategies

TURN8 clients can access the benefits of alternatives through two proprietary TURN8 strategies:

1. TURN8 Alternative Fund
2. TURN8 Opportunity Fund

TURN8 Alternative Fund

- Offers exposure to a diversified portfolio of marketable alternative investments (Infrastructure, Real Estate, Hedge Funds, Private Credit).
- Designed to have a low correlation to public markets + low volatility + downside protection.
- Targeting consistent returns of 5-8%. We expect the portfolio to generate returns at the higher end of this range over the next 12 months given the current interest rate environment.
- The portfolio and its underlying managers are actively monitored and constantly being improved to generate the target return at a lower risk.
- Monthly liquidity.

TURN8 Opportunity Fund

- Offers exposure to a diversified portfolio of illiquid private market strategies (primarily private equity).
- Low correlation to public markets + low volatility.
- Targeting high absolute returns of 12-15%+ net.
- Access to institutional quality private equity managers like Neuberger Berman, Dyal and Carlyle.
- Illiquid - 10-year term with the potential for four one-year extensions.
- Expecting final close to be August 2023.



TURN8 Private Wealth was created to provide an intelligent approach that allows our clients to stay ahead and adapt to this modern world, while attaining their financial goals. We've created an environment where clients are well taken care of, working alongside them to implement efficient ways to grow and protect their wealth through any market condition.

Would you like to learn more? Contact us today.

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