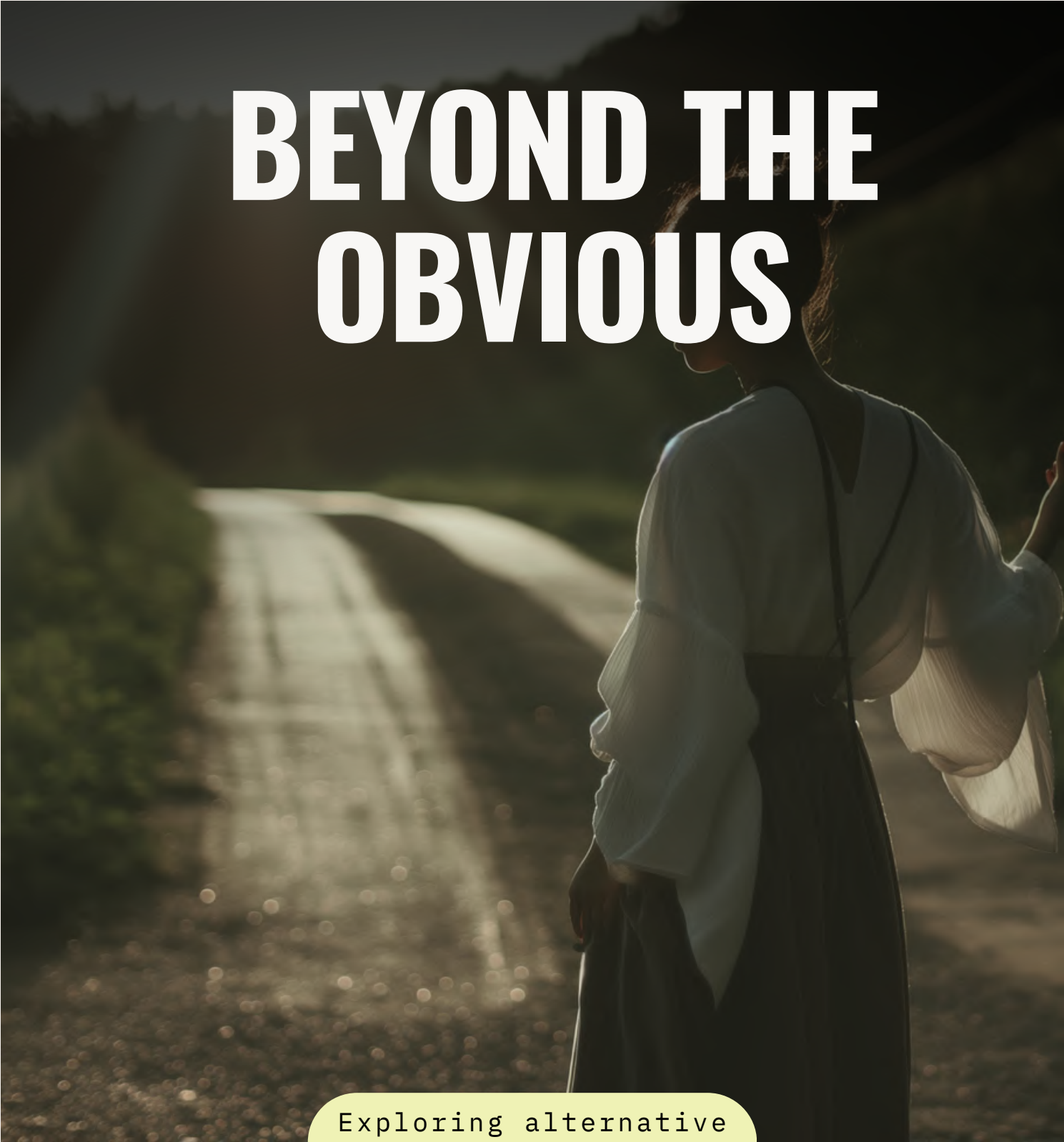




BEYOND THE OBVIOUS

Exploring alternative
investments

STRATEGIES FOR ALTERNATIVE WEALTH

A close-up, low-angle shot of a woman with light brown, curly hair. She is looking down and slightly to the right, with a contemplative or somber expression. Her eyes are closed or looking down. The lighting is soft and warm, coming from the side, highlighting her hair and the contours of her face. In the background, the faces of other people are visible but heavily blurred, creating a sense of a crowd or a public setting. The overall mood is introspective and melancholic.

Is there more out there?

The Alternative Investment Gender Gap: Marketing to Female Clients

By Barbara Stewart, CFA

Posted In: Alternative Investments, Drivers of Value, Economics, Equity Investments, Fixed Income, Future States, Investment Topics, Leadership, Management & Communication Skills, Philosophy

Why do men allocate twice as much of their assets to alternative investments as women do? That's one of the questions I asked 52 successful investors around the world for my "Women & Alts: A Global Perspective" [white paper](#), which was released today. Some of the answers may surprise you. In this blog post, I identify women's favorite alternative investments, the marketing strategies that *do not* resonate with women, and those that *do*.

WOMEN ARE
UNDERREPRESENTED
IN ALTERNATIVES —
YET INTERESTED.

FEAR, NOT ABILITY,
DRIVES THE GAP.

The defining characteristic of alternative assets is their relative lack of correlation with standard asset classes such as traditional equities and bonds. Adding alts to a portfolio improves overall diversification, reduces risk, and should lead to higher long-term returns.

Nobody agrees on the definition of alternative investments, there are many kinds of alts, and the categories are expanding over time. Through my research this summer, I identified the top 10 alternative assets that resonate with women and list them, in no particular order.

Women's Top 10

- Private equity
- Art
- Private credit/debt
- Gold
- Non-primary residence real estate
- Startups
- Angel investments
- Wine
- Collectables
- Infrastructure assets

Do women want alts? The answer is a resounding Yes. Women need and deserve equal access to the world's fastest-growing asset class.

Personal Finance + Add to myFT

Women's lack of confidence widens gender investment gap, study finds

More men choose to invest, while a higher proportion of women prefer to hold on to cash



The UK's gender investment pay gap is higher than the gross domestic product of Poland or Argentina © Jason Alden/Bloomberg

WOMEN TEND TO
HOLD MORE CASH
AND INVEST MORE
CONSERVATIVELY,
AND CONSERVATIVE
BEHAVIOUR HAS
OPPORTUNITY
COSTS.

Women invest more conservatively than men

A big part of growing wealth and ensuring enough retirement income is investing in a manner that can outpace inflation. By and large, that means loading up on stocks, which are riskier than bonds but have historically delivered stronger returns.

Most research indicates that women have a tendency to shy away from stocks, despite the growth potential that comes with them.

To some degree, a modest fear of risk is a good thing. In fact, Fidelity reports that women are more likely to have their long-term savings invested in an age-based allocation, like target-date funds, than men.

But women may be taking their trepidation to an unhealthy – or rather, unprofitable – extreme. For Millennial women, 56% say fear holds them back from investing, according to SoFi and Levo League. That's unfortunate, because millennial women have a long investment horizon and ample time to ride out the stock market's ups and downs.

WHAT WE'RE COVERING

01 WHAT ARE ALTERNATIVES

02 PRIVATE CREDIT / PRIVATE EQUITY

03 WHEN IT'S RIGHT

04 RISKS

05 TAKEAWAYS

TODAY IS

AN EDUCATIONAL OVERVIEW

A CHANCE TO UNDERSTAND
THE BIG PICTURE

A CONVERSATION ABOUT
FINANCIAL EMPOWERMENT

IS NOT

PERSONALIZED FINANCIAL
ADVICE

A PRODUCT SALES PITCH

NOT ABOUT 'SHOULD'S' OR
'MUSTS'

TODAY IS ABOUT AWARENESS,
NOT ADVICE



INVESTORS NEED NEW SOURCES OF RETURN AND DIVERSIFICATION.

The classic 60/40 portfolio worked beautifully for decades because of one key relationship:

When stocks fell, bonds usually rose — providing balance and income.

This isn't always the reality anymore.

- **Rising Interest Rates Hurt Bonds**
- **Inflation Erodes Real Returns** (Alts can help preserve real (inflation-adjusted) returns.)
- **Stock and Bond Correlations Have Risen**
- **Private Markets Capture “Illiquidity Premiums”**





WHAT *are* ALTERNATIVE INVESTMENTS?

ALTERNATIVE INVESTMENTS ARE ASSETS OUTSIDE TRADITIONAL STOCKS, BONDS, AND CASH — DESIGNED TO ADD NEW SOURCES OF RETURN AND DIVERSIFICATION.

CHARACTERISTICS

Illiquid

Harder to buy/sell daily

Investors earn a premium for patience

Uncorellated

Don't move in sync with markets

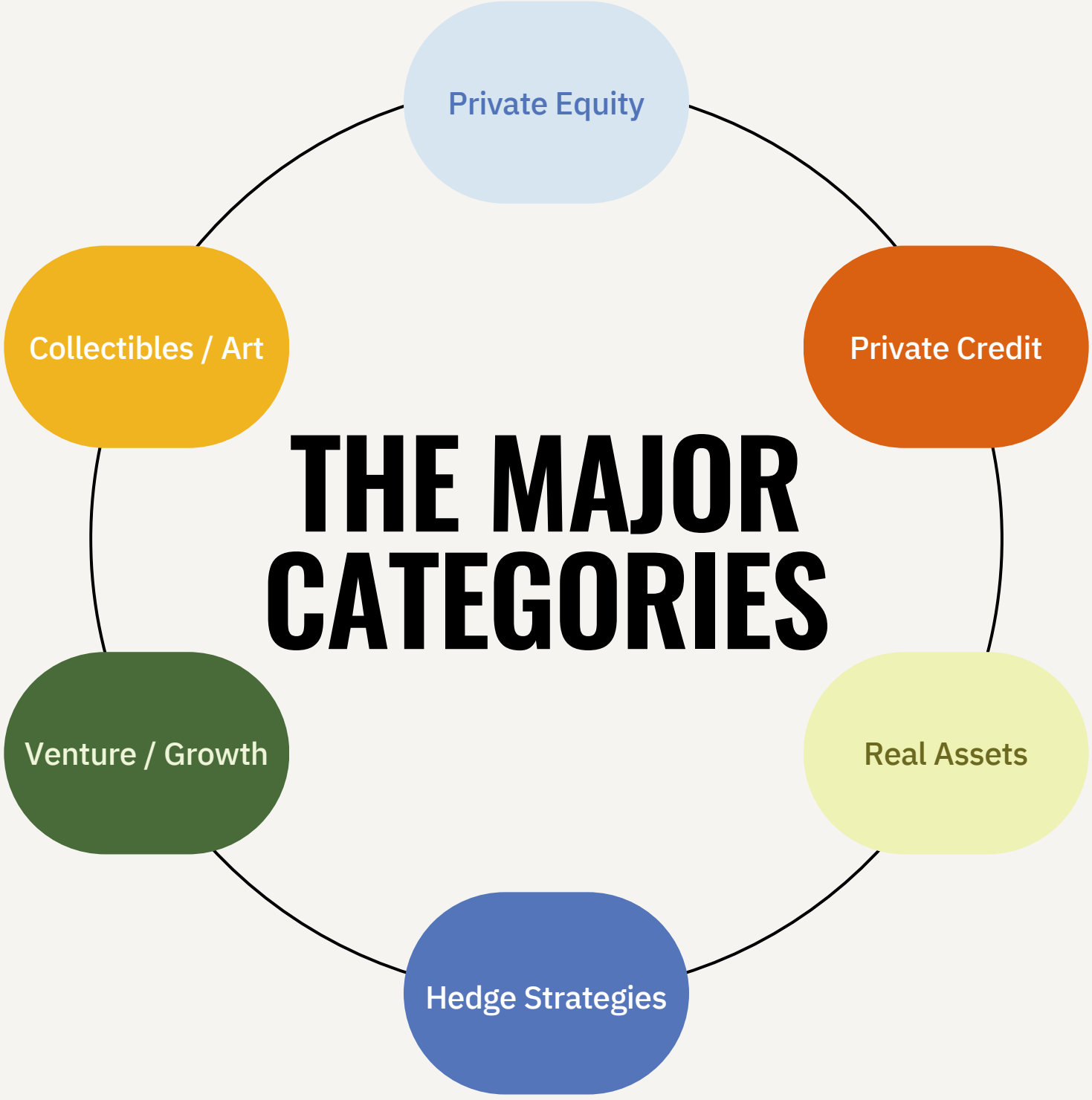
Helps smooth portfolio ups & downs

Specialized Access

Requires fund structures or platforms

Now increasingly available to individuals (like through Wealthsimple)

THE MAJOR CATEGORIES



The diagram consists of a central title 'THE MAJOR CATEGORIES' in large, bold, black capital letters. Surrounding this title are six colored, rounded rectangular nodes, each containing a category name. These nodes are connected by a thin black circular line. Starting from the top and moving clockwise, the categories are: Private Equity (light blue), Private Credit (orange), Real Assets (light yellow), Hedge Strategies (blue), Venture / Growth (dark green), and Collectibles / Art (yellow). The text inside the nodes is white for the top three and dark green for the bottom three.

Private Equity

Private Credit

Real Assets

Hedge Strategies

Venture / Growth

Collectibles / Art

LET'S NOW ZOOM IN ON WHAT WEALTHSIMPLE OFFERS IN THE ALTERNATIVES SPACE:

TWO KEY VEHICLES: PRIVATE EQUITY AND PRIVATE CREDIT.



Private Credit

Wealthsimple's first-ever private credit fund aims to generate monthly income through diversified investments in institutional-grade loans to companies with strong growth potential.



9%	\$10,000
Total return	Min. investment

Managed by Sagard Partners

This investment is offered through a partnership with Sagard — a team of

[Invest in Private Credit](#)

[Learn more](#)

Choose an alternative investment



Private credit

Invest in private lending to earn a targeted 9% yield that pays out monthly.

[Learn more →](#)



Private equity

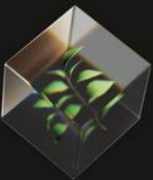
Invest in private companies well-positioned to outperform the stock market over time.

[Learn more →](#)



Private equity

Enter the world of exclusive investments usually reserved for the ultra-rich. Invest in private companies well-positioned to outperform the stock market over time. Only available on Wealthsimple.



12-14%	\$10,000
Targeted net return	Minimum investment

[Invest in private equity](#)

 [Learn more](#)

Private credit (also called direct lending or private debt) means lending money to private companies (vs buying their equity).

It is often considered somewhat less volatile than equity, but still comes with risk (borrower default, interest rate, liquidity) and typically requires a longer horizon.

Private equity means investing in companies not listed on public exchanges.

Wealthsimple Private Equity

Wealthsimple's Private Equity product invests in a fund managed by LGT Capital Partners, an institutional manager with ~25 years' experience.

Who the fund is for

The Wealthsimple Private Equity fund is available to all eligible clients. Qualifications include:

\$50,000

In investable assets

\$10,000

Minimum investment

3+ years

Minimum investment horizon

Current fund exposures

We invest in companies across a variety of industries and geographies, either directly or through secondary investments.

Industry Geography Type



BREAKDOWN BY INDUSTRY

Information Technology	35%	Consumer Discretionary	10%
Industrials	24%	Communication Services	2%
Health Care	16%	Other	3%
Financials	10%		

Current fund exposures

We invest in companies across a variety of industries and geographies, either directly or through secondary investments.

Industry Geography Type



BREAKDOWN BY GEOGRAPHY

United States	46%	German-speaking region	5%
Pan-European	14%	India	3%
UK & Ireland	11%	Greater China	2%
France	7%	Other	7%
Nordics	5%		

Potential benefits

- 1 Access to **institutional-style** private market returns previously only for large investors.
- 2 **Diversification:** Because private companies often don't move exactly like public stocks, this adds a new return driver.
- 3 **Growth-oriented:** If you have a long time horizon, you might capture more upside.



the THINGS TO WATCH OUT FOR



ILLIQUIDITY: YOU CAN'T EASILY SELL WHENEVER YOU WANT. ACCORDING TO WEALTHSIMPLE, "WE DO NOT PLAN TO MAKE EXCEPTIONS" FOR EMERGENCY REDEMPTION.



HIGHER RISK: PRIVATE EQUITY IS DESCRIBED AS "ONE OF THE RISKIER ASSET CLASSES" BY THE FUND'S OWN HELP-CENTRE PAGE.



FEES LAYERS: EXTERNAL COMMENTARY REPORTS THAT MANAGEMENT FEE ~1.5% PLUS PERFORMANCE FEE (~12.5% OVER AN 8% HURDLE) FOR THE FUND.



MANAGER AND SELECTION RISK: BECAUSE MANY FIRMS ARE INVOLVED AND PERFORMANCE VARIES WIDELY.



CURRENCY, VALUATION, TIMING RISK: BECAUSE PRIVATE COMPANIES ARE LESS TRANSPARENT AND VALUATIONS LESS FREQUENT.

Wealthsimple Private Credit

The fund is offered via a partnership with Sagard (led by credit-investment professionals formerly with the Canada Pension Plan) for the Canadian feeder fund.

Who the fund is for

The Wealthsimple Private Credit fund is available to all eligible clients. Qualifications include:

\$50,000

In investable assets

\$10,000

Minimum investment

3+ years

Minimum investment horizon

Sector diversification

We lend money to companies across a variety of industries. That way, if one sector underperforms, others can potentially offset losses.



INDUSTRY BREAKDOWN

● Banking, Finance, Insurance & Real Estate ▾	20%	● Telecommunications ▾	5%
● Hotel, Gaming & Leisure ▾	13%	● Capital Equipment ▾	5%
● Healthcare & Pharmaceuticals ▾	11%	● High Tech Industries ▾	5%
● Media ▾	8%	● Chemicals, Plastics & Rubber ▾	4%
● Construction & Building ▾	8%	● Consumer Services ▾	4%
● Business Services ▾	6%	● Other	11%

Potential benefits

- 1** **Income-generating:** Monthly distributions can be attractive for investors seeking yield (though yield is not guaranteed).
- 2** **Diversification:** Because credit to private companies reacts differently than public equities or bonds.
- 3** **Access:** Wealthsimple brings a typically institutional asset class to retail investors.



the THINGS TO WATCH OUT FOR



LIQUIDITY: MAY BE RESTRICTIONS ON WITHDRAWALS.



CREDIT/DEFAULT RISK: BORROWERS MAY FAIL TO PAY INTEREST OR REPAY PRINCIPAL. THE HELP CENTRE WARNS THIS RISK EXPLICITLY.



LEVERAGE RISK: FUNDS OFTEN BORROW THEMSELVES TO AMPLIFY RETURNS, WHICH CAN AMPLIFY LOSSES.



SUITABILITY & MINIMUMS: NOT EVERYONE IS ELIGIBLE; THERE ARE SUITABILITY CHECKS.



IN ADDITION TO STANDARD ADVISORY FEES, THE PRIVATE CREDIT FUND HAS A 1.25% ADVISORY FEE. IF THE FUND EARNS A 5% RETURN OR GREATER, A 15% PERFORMANCE FEE IS APPLIED.



IN SUMMARY...

Is private credit *suitable for me?*

- If you're seeking **income** and comfortable with **moderate risk** + some **lock-up**, this could be relevant.
- If you need **liquidity soon** or are **very risk-averse**, this might be less appropriate.
- Consider it a "growth/income sleeve" rather than core holding; still use alongside a diversified portfolio.

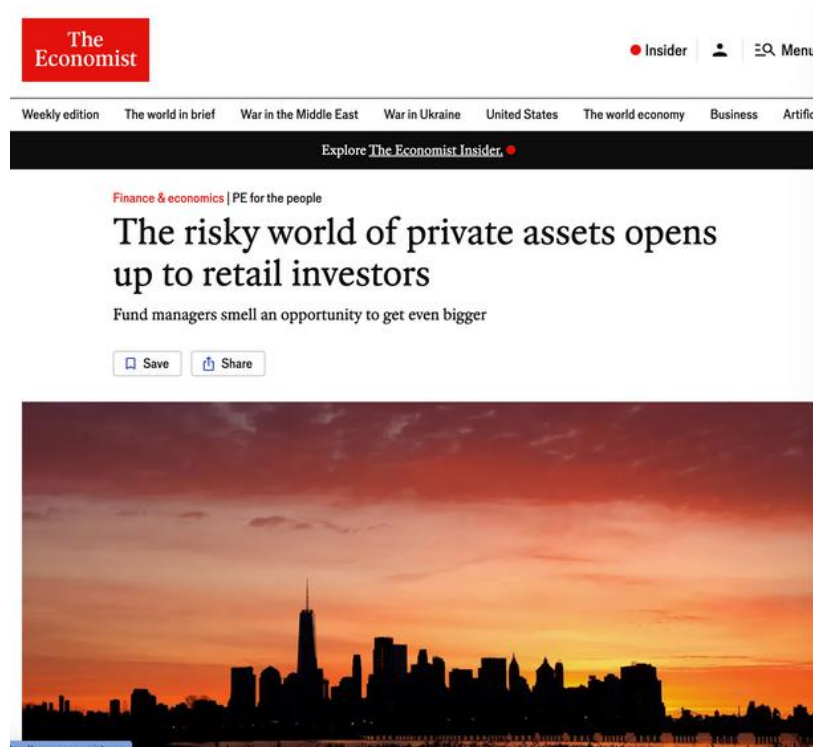


What's important for us as investors is assessing

HOW THESE FIT OUR GOALS, TIME HORIZON AND RISK TOLERANCE.

Neither product is a replacement for traditional stocks and bonds — they are **complementary**. If you have a long horizon and a well-diversified base portfolio, adding a slice of these can help access new return engines and diversify away from public market risk.

If you need liquidity or are early in building your portfolio, you might wait or proceed cautiously.



When
ALTERNATIVES
Make Sense, And
WHO THEY'RE
FOR

ALTERNATIVES *can fit for the right investor.*

✔ More Likely a Fit	❌ Maybe Not a Fit (Yet)
You already have a strong core portfolio (RRSPs, TFSAs, ETFs).	You're still building your emergency fund.
You can leave your money invested for 5-10 years.	You'll need this money in the next few years.
You're comfortable with some risk and uncertainty.	You lose sleep when markets dip.
You want diversification beyond public markets.	You prefer simple, liquid, daily-priced investments.
You're curious and willing to learn about new asset classes.	You prefer to "set it and forget it."

HOW MUCH *should I allocate?*

Investor Type	Suggested Range	Focus
Conservative	0-5%	Diversification through real assets or income-oriented credit.
Balanced	5-10%	Mix of private credit + small slice of private equity.
Growth-oriented	10-20%	Greater exposure to private equity and venture capital.

QUESTIONS TO ASK BEFORE YOU INVEST

01

Do I understand how it makes money?

02

Can I commit to leaving this invested for several years?

03

Am I okay with limited liquidity?

04

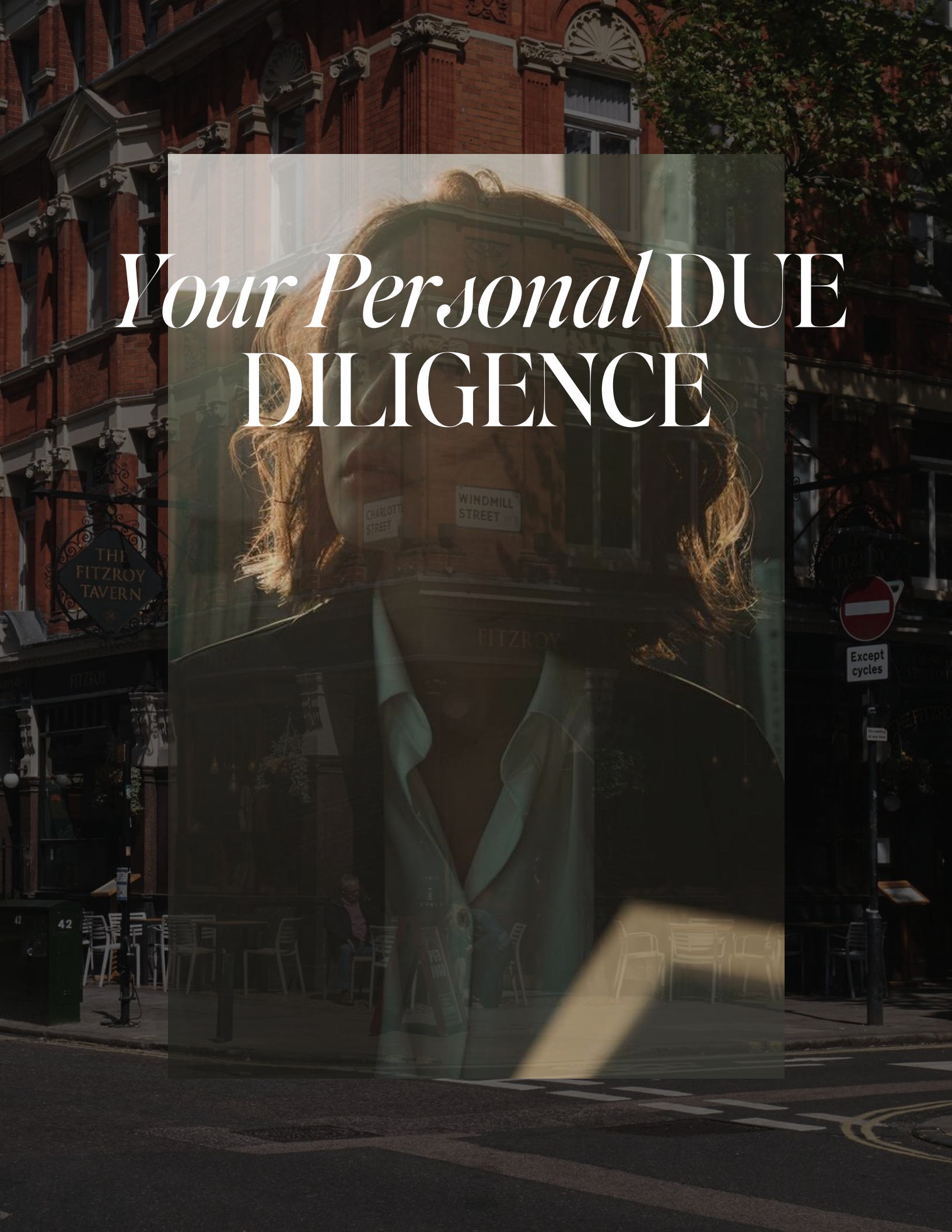
What are the total fees (including performance layers)

05

Who manages it — and what's their track record?

06

How does this fit with my bigger financial plan?

A composite image featuring a woman's face in the foreground, semi-transparently overlaid on a street scene. The background shows a brick building with a sign for 'THE FITZROY TAVERN'. Street names 'CHARLOTT STREET' and 'WINDMILL STREET' are visible on the building's facade. A red circular 'No Entry' sign with a white horizontal bar and a smaller sign below it that says 'Except cycles' are also present. The woman has blonde hair and is wearing a light blue button-down shirt. The overall lighting is warm and slightly dim, suggesting an evening or late afternoon setting.

Your Personal DUE DILIGENCE

1. DO I UNDERSTAND HOW IT MAKES MONEY?

Private Credit: You're effectively lending money to private companies. Returns come from interest payments and credit spreads (the premium borrowers pay for private loans). The fund targets around 9% annualized yield, paid monthly.

About Wealthsimple Private Credit Fund

By Wealthsimple

Updated October 13, 2025

CLICK for link.



Investing in Private Credit with Wealthsimple offers a way for more Canadians to participate in private credit investments.

Private Credit is a core asset class in institutional, pension, and high-net-worth portfolios that has not been widely accessible to individual investors until now. We have crossed many barriers to bring this to our clients because of the positive impact it can have on nearly everyone's portfolio.

Wealthsimple offers private credit through a partnership with **Sagard**, led by private credit investment professionals formerly with Canada Pension Plan. This product targets a 9% return (net of fees).

1. DO I UNDERSTAND HOW IT MAKES MONEY?

Private Equity: You're investing in private companies via the institutional manager LGT Capital Partners. The fund's goal is long-term capital growth by improving or expanding these companies, then selling them later at a profit. Reported annualized return since inception $\approx 25.9\%$, though past results are not guarantees.

Wealthsimple

What we offer ▾

Benefits ▾

Learn ▾

Support

PRIVATE EQUITY

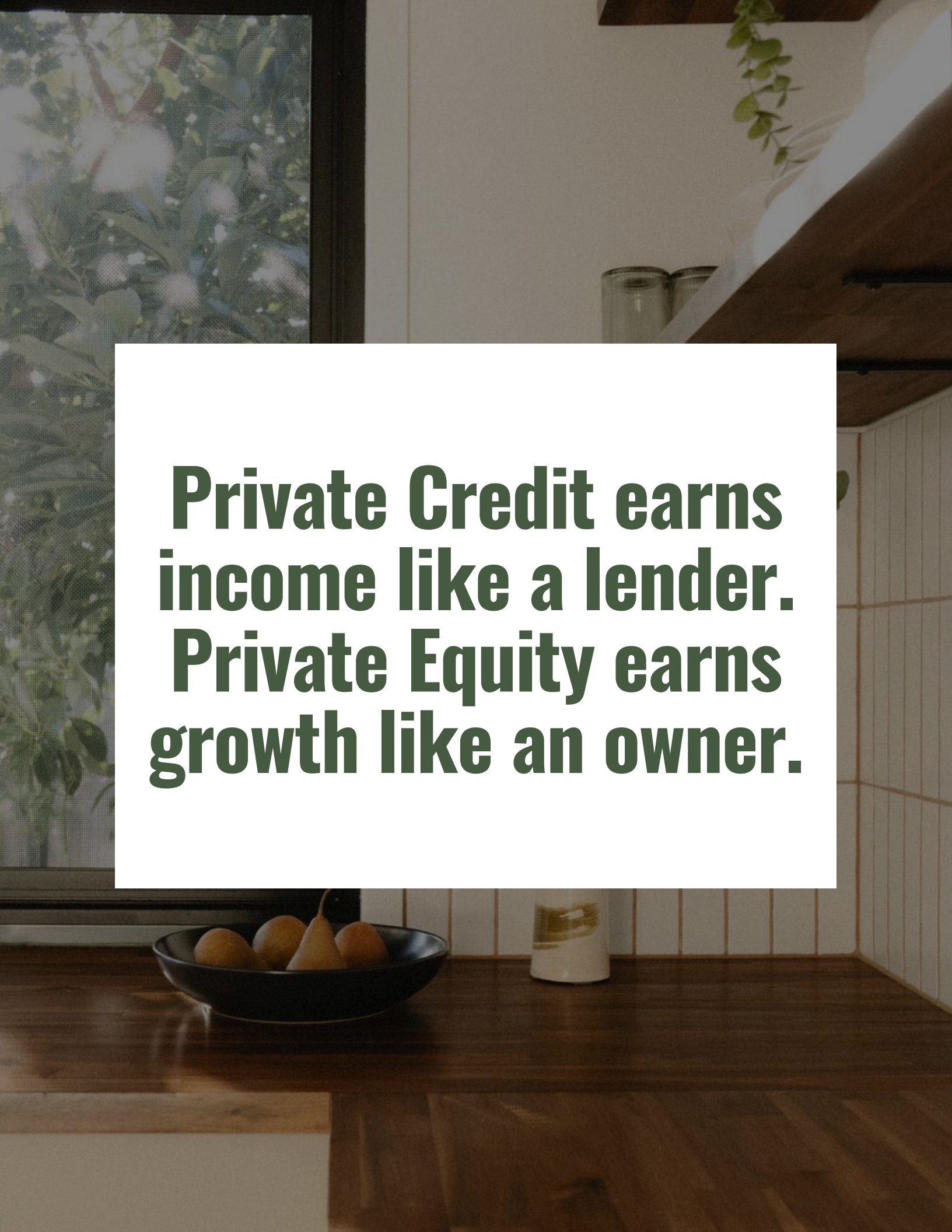
CLICK for link.

Outperform public markets with private equity

Over the past 24 years, annual returns from investing in private companies beat the stock market by 4%.* But the asset class was largely reserved for institutional investors and the ultra-wealthy. Now many more clients can invest through us.

Apply now

Talk to our team

A photograph of a modern interior space. In the foreground, a dark wooden table holds a black bowl filled with several pears. To the right of the bowl is a small white ceramic container with a gold-colored band. In the background, a window with a dark frame looks out onto lush green foliage. To the right of the window, a white wall features a wooden shelf holding two glass jars and a small potted plant with green leaves. The overall lighting is soft and natural, creating a warm and inviting atmosphere.

**Private Credit earns
income like a lender.
Private Equity earns
growth like an owner.**

2. CAN I COMMIT TO LEAVING THIS INVESTED FOR SEVERAL YEARS?

Fund	Liquidity Reality
Private Credit	Wealthsimple allows limited redemption windows , but warns investors that funds are illiquid and redemption requests may be capped during market stress. It's best to plan to leave money invested for 5+ years .
Private Equity	Significantly less liquid — typically multi-year lock-ups (no withdrawals mid-cycle). The fund life can extend up to 10 years , as exits depend on when portfolio companies are sold.

Who the fund is for

The Wealthsimple Private Equity fund is available to all eligible clients. Qualifications include:

\$50,000

In investable assets

\$10,000

Minimum investment

3+ years

Minimum investment horizon

Who the fund is for

The Wealthsimple Private Credit fund is available to all eligible clients. Qualifications include:

\$50,000

In investable assets

\$10,000

Minimum investment

3+ years

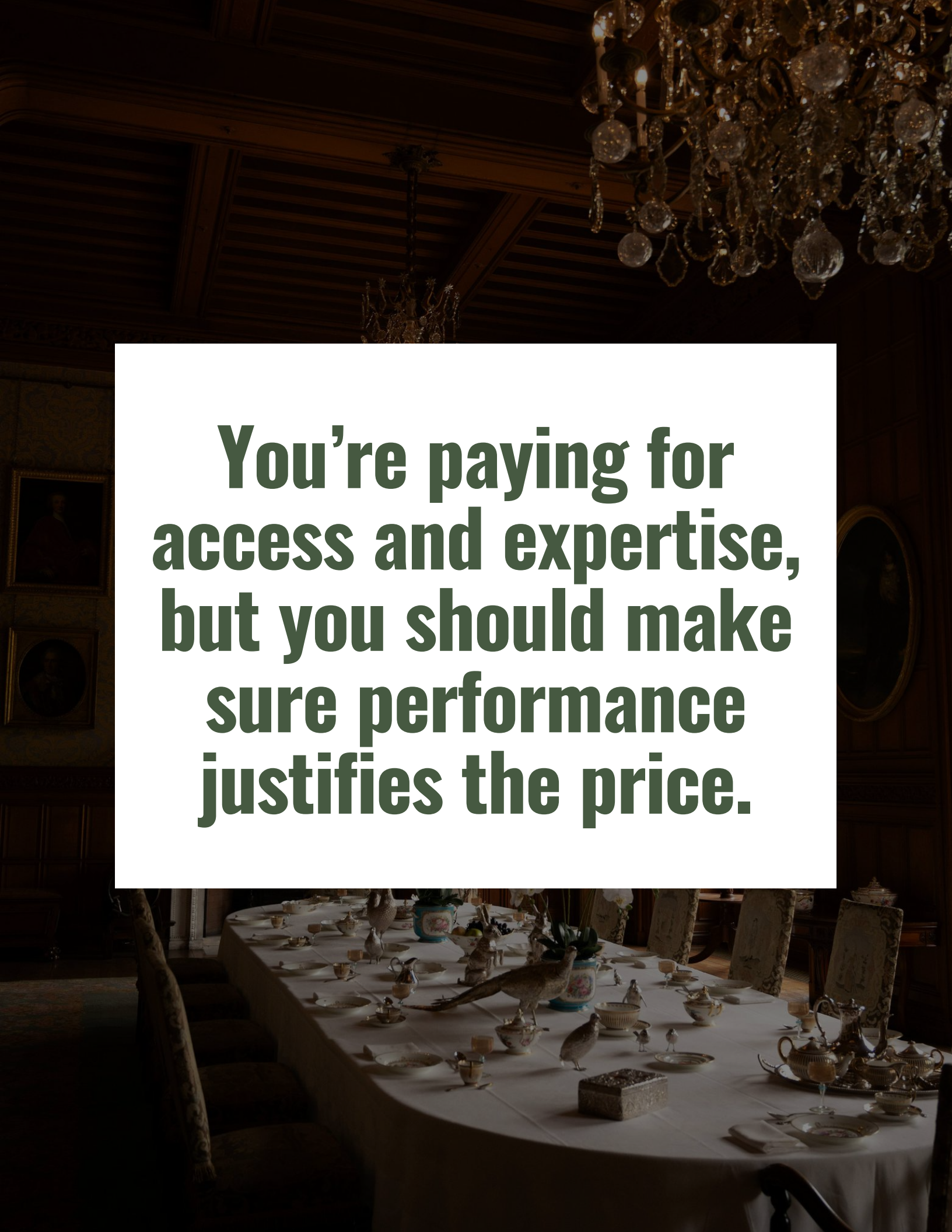
Minimum investment horizon

3. AM I OKAY WITH LIMITED LIQUIDITY?

Fund	What to Know
Private Credit	Although it pays monthly distributions, principal isn't easily redeemable. Requests can be delayed or partially filled.
Private Equity	No liquidity until exits occur — money is tied up until the fund distributes proceeds.

4. WHAT ARE THE TOTAL FEES (INCLUDING PERFORMANCE LAYERS)?

Fund	Fee Structure
Private Credit	Management fee ~ 1–1.5% , potentially plus a performance fee on excess returns (details not fully public). Lower than Private Equity but MUCH higher than ETFs.
Private Equity	Management fee ≈ 1.5% per year + 12.5% performance fee on profits above an 8% hurdle , per Advisor.ca reporting. Also, underlying fund fees (LGT Capital Partners) may apply — so total “all-in” costs are higher than public funds.



**You're paying for
access and expertise,
but you should make
sure performance
justifies the price.**

5. WHO MANAGES IT — AND WHAT'S THEIR TRACK RECORD?

Fund	Manager & Credentials
Private Credit	Managed by Sagard , a reputable Canadian firm led by credit professionals with institutional backgrounds (e.g., ex-CPP Investments). Wealthsimple acts as the platform.
Private Equity	Managed by LGT Capital Partners , a global private markets firm with over \$80B+ AUM and 25+ years of experience managing institutional portfolios. Wealthsimple provides investor access and oversight.

YOU'RE INVESTING THROUGH WEALTHSIMPLE, BUT THE REAL WORK IS DONE BY SEASONED INSTITUTIONAL MANAGERS.

THAT'S FINE, BUT IT ADDS LAYERS OF OVERSIGHT TO UNDERSTAND.

6. HOW DOES THIS FIT WITH MY BIGGER FINANCIAL PLAN?

Fund	Strategic Fit
Private Credit	Great as a diversifier for investors who already have their core portfolio built — can add income with moderate risk. Works well as part of a balanced or income-oriented sleeve (5–10% allocation).
Private Equity	Best for growth-focused, long-horizon investors. It's higher risk but potentially higher reward. Suitable as a small growth booster (5–15% allocation).

PRIVATE CREDIT IS YOUR 'INCOME BOOSTER.'

PRIVATE EQUITY IS YOUR 'GROWTH ENHANCER.'

NEITHER REPLACES YOUR CORE — THEY COMPLEMENT IT.

A person wearing a long white robe is walking away from the camera on a path that leads towards a body of water. The scene is set during sunset or sunrise, with a warm, golden light illuminating the sky and the water. The path is bordered by grass and some small plants. The overall mood is serene and contemplative.

The 6 Core Risks of ALTERNATIVES



Illiquidity Risk

You can't sell or withdraw easily — your money is tied up for years.

If you need funds quickly, you may be locked out or face withdrawal limits.

Valuation & Transparency Risk

Assets aren't priced daily.

You might not see volatility right away, but that doesn't mean it isn't there.

Market & Timing Risk

Returns depend on when assets are bought/sold and broader market cycles.

If exits happen during downturns, returns can shrink.

Manager Risk

Performance depends heavily on the fund manager's skill.

The same asset class can produce wildly different results depending on who's running it.

Leverage Risk

Many alternative strategies borrow money to amplify returns.

Leverage magnifies both gains and losses — increasing downside potential.

Fee Drag

Alternatives have layered fees — management, performance, fund-of-fund layers.

High fees can eat into net returns, especially if performance is average.

HIDDEN RISKS YOU DON'T ALWAYS SEE

The collapse of Archegos Capital Management
As the fallout of the collapse of Archegos Capital sent shockwaves across the global community, Hayley McDowell examines this tale of winners and losers as questions about the future of prime brokerage are brought to the fore.

Operational Risk

Something goes wrong inside the fund — accounting errors, poor governance, or fraud.

Regulatory Risk

Rules for retail access to private markets are still evolving. New “semi-liquid” funds are being tested — we’re in early innings.

Behavioural Risk

Investors underestimate how long they’ll stay invested. They commit for 5–10 years, then need cash in year 3 — and can’t access it.

YOU DON'T NEED TO
KNOW EVERYTHING –
JUST ENOUGH TO ASK
GOOD QUESTIONS.

ALTERNATIVES CAN
DIVERSIFY AND
STRENGTHEN YOUR
PORTFOLIO – IF USED
THOUGHTFULLY.

Takeaways

FEES,
TRANSPARENCY,
AND MANAGER
QUALITY MATTER
AS MUCH AS
PERFORMANCE.

THE BEST INVESTMENT
STRATEGY IS ONE
THAT FITS YOUR
GOALS, TIME
HORIZON, AND
VALUES.

ILLIQUIDITY
IS NOT A
FLAW – IT'S
A FEATURE
THAT REWARDS
PATIENCE.

SELFINVESTED.CA

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