



Using Alternative Investments to Build a Lasting Portfolio - Companion Guide -

Section 1: Asset Allocation and Hidden Risks

Traditional diversification isn't enough. Let's examine your current portfolio for hidden risks.

Portfolio Mapping Exercise:

Write down all your current investments to analyze any that might be affected by the same market conditions.

Investment Name	Asset Type	Primary Market Dependencies
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

*For addition space use back of page

Current Portfolio Breakdown:

List your investments by their allocation percentages to get a better overall picture of your portfolio.

Asset Type	Percentage
<i>Traditional Stocks/ Bonds:</i>	_____
<i>Real Estate:</i>	_____
<i>Alternative Investments:</i>	_____
<i>Cash/Fixed Income:</i>	_____
<i>Other:</i>	_____

Overlap Analysis:

Review your investments and identify any hidden correlations.

1. Which of your investments could be affected by the same market conditions?



2. Do any of your fund investments contain the same underlying assets?

Section 2: Risk Analysis

Before evaluating any investment's return potential it's essential to analyze its risks.

For each investment you're considering, rate these risk factors (1-5, 5 being the highest risk):

Investment: _____

Market Risk: _____

Execution Risk: _____

Operator Risk: _____

Economic Cycle Risk: _____

Regulatory Risk: _____

Return Reality Check:

For any investment promising above-market returns, explain how its higher risk justifies the return.

Section 3: Market Cycle Positioning

Current Market Cycle Analysis:

Where do you believe we are in the current market cycle and why?



Strategy Adaption Plan:

How will your investment strategy change if we enter:

A Recession: _____

High Inflation: _____

Market Recovery: _____

Section 4: Failure Prevention Planning

List potential failures for each investment type and your prevention strategy:

Execution Failures:

How will you verify that your investment operators can execute their stated plan?

Market Change Response:

What specific market changes would most affect your investments and how will you monitor for them?

Failure Prevention Checklist:

Before making an investment, verify:

- I understand the execution plan
- I've verified the operator's experience
- I know how market changes could affect this investment
- I've identified potential regulatory impacts
- I understand the worst-case scenario



Section 5: Portfolio Segmentation

Create your ideal portfolio allocation, considering risk levels:

Category	Target %	Risk Level	Expected Return
Low Risk			
Medium Risk			
High Risk			

Section 6: Hedging Strategy Development

List potential hedge investments that would perform well if your primary strategies struggle:

1. Primary Strategy: _____ Hedge: _____
2. Primary Strategy: _____ Hedge: _____
3. Primary Strategy: _____ Hedge: _____
4. Primary Strategy: _____ Hedge: _____

Section 7: Expert Opinion Checklist

Before accepting investment advice, verify:

- Advisor's current active involvement in the field
- Recent relevant experience
- Track record through different market cycles
- Transparency about risks and limitations
- No absolute guarantees or promises

Section 8: Scenario Planning

Develop response strategies for these three scenarios:

Scenario 1: High Inflation with Rising Interest Rates



Scenario 2: Economic Recession

Scenario 3: Rapid Market Recovery

Section 9: Defensive Position Checklist

Regular portfolio review checklist:

- Review market conditions quarterly
- Assess investment criteria against current conditions
- Evaluate need for tightening requirements
- Review risk exposure levels
- Update hedging strategies as needed

Section 10: Market Timing Strategy

List potential hedge investments that would perform well if your primary strategies struggle:

1. Price Metrics: _____
2. Market Sentiment: _____
3. Value Indicators: _____

Action Steps:

After completing this workbook:

1. Review your current portfolio against these principles
2. Identify gaps in your protection strategy
3. Create a timeline for implementing changes
4. Schedule quarterly reviews of your protection strategy
5. Document market conditions that would trigger portfolio adjustments

Remember: This guide is designed to help you think critically about protecting your investments. Consider reviewing your answers with qualified financial advisors who specialize in each investment type you're considering.

Note: Keep this guide updated as market conditions change and review it before making any significant investment decisions.