

THE *UN*-HOLY GRAIL OF INVESTING—ALTERNATIVE FUNDS

STAY *UN*-MOTIVATED

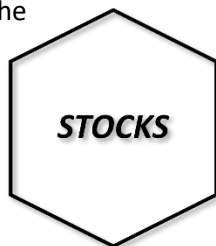
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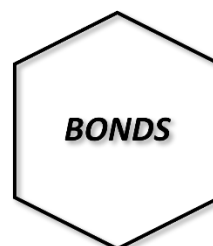
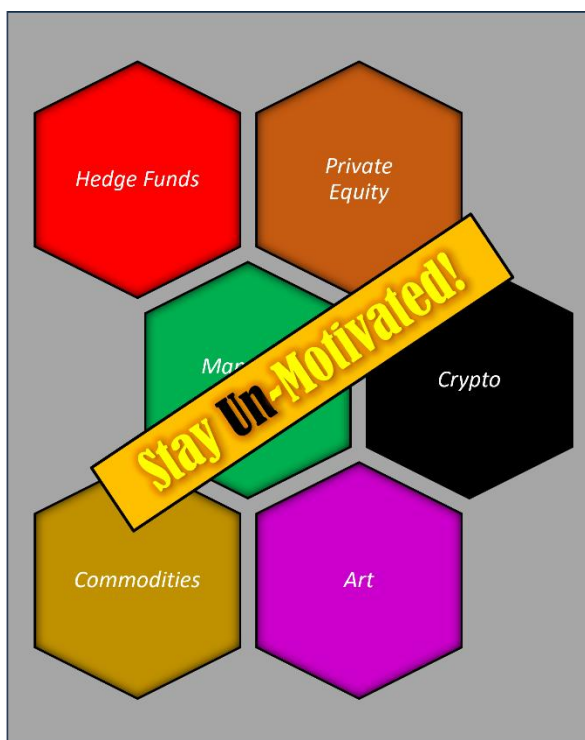
In this series, we argued that investors do not need Alternatives—hedge funds, private equity, real estate, managed futures, commodities, cryptocurrencies, art...—despite Wall Street’s newfound fascination and massive sales push.

We were quite prescient.

Now, no other than Tony Robbins—the motivational guru who has built an empire inspiring and coaching millions—is joining the fray! He is making the media rounds promoting his new book—“The Holy Grail of Investing”—urging investors to get into the Alternatives game, which he portrays as the “Holy Grail.”



His book brings nothing new to the pitch. Alternative investments are supposed to boost portfolios with new sources of uncorrelated returns, but as we argued, this is a mirage. Savvy investors can look at the returns of prestigious investment pools, like the Ivy



League+ endowments, which invest lavishly in otherwise inaccessible top-shelf Alternative funds, and see that the results are checkered. As we observed, their returns often struggle to meet pedestrian benchmarks (like 60/40, 70/30, or 80/20), their risk profiles are elevated, and their Alternatives have registered unpredictable correlations with each other and with the markets, spiking during the times that they were not supposed to—like the CoViD crash. In addition, Alternatives carry the three cardinal portfolio sins, which are very difficult to mitigate against—high fees, illiquidity, and lack of transparency.

What about Tony’s enthusiasm?

We urge investors to read the fine print: “Tony Robbins is a minority passive shareholder of CAZ Investments, an SEC-registered investment advisor (RIA). Mr. Robbins does not have an active role in the company. However, as shareholders, Mr. Robbins and [his co-author,] Mr. Zook, have a financial incentive to promote and direct business to CAZ investments.”

Mystery solved!

We urge investors to remain... *UN*-MOTIVATED! Investing has NO “Holy Grails.”

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