

Investment Vehicles - Alternative

Alternative	Peer-to-Peer Lending or Private Lending	Real Estate	Business Ownership	Collectibles	Private Equity	Commodities	Derivatives	Hedge Funds
Defintion	Online platform that connects lenders with borrowers	The purchase, ownership, lease, or sale of land and any structures on it for the purpose of earning money	Any activity or enterprise entered into for profit	An item valued and sought by collectors	Capital made to private companies or investors, Crowdfunding, Fund of Funds, Private Equity ETF	Basic good or raw material that can be bought and sold, can also be services or a general category of products	Financial security with a value that is reliant upon, or derived from, an underlying asset or group of assets i.e. stocks, bonds, commodities, currencies, interest rates	An investment fund that is private and largely unregulated
Types	Personal Loans Auto Loans Business Loans Mortgages/Refinances Student Loans Bad Debt Loans Medical Loans	Residential Commercial Industrial Active Passive	Solopreneur Entrepreneur Consultant Franchise Small-Business Owner Partnership Private Equity Funding	Fine Art, Jewelry, Plates, Figurines, Bells, Clocks, Graphics, Steins, Dolls, Baseball Cards, Cars	Venture capital - startups or early-stage ventures Growth capital - company expansion or restructure Buyouts - a company or division is purchased outright	Gold, Silver, Crude Oil, Wheat, Corn, Gas, Electric	Forwards / Futures Options Swaps	Long-Short Market-Neutral Event-Driven Macro
Average Yield / Rate of Return	2% - 15% (Higher returns depend on borrowers default rates)	Typicly 8% - 12% but can be much more or less	Minimum expectation should be 15%	Historical returns widely vary - average 8.25%. Art returns 25%.	9% - 13% depending on time period	Vary by type and time period	Typically 20% - 30% but can be much more or less	Typically 15% - 35% but can be much more or less
Types of Risk	Higher risk, greater returns	Structural Risk Managerial Risk Financial Risk	Higher risk, greater returns	Medium - High Risk / Volatile	High Risk	High Risk	High Risk	High Risk
Liquidity	Illiquid	Illiquid	Illiquid	Illiquid	Illiquid	Illiquid	Illiquid	Illiquid
Fees	Minimum \$25 investment	Commissions, Developer, Property Management, HOA, etc.	Incorporation, Insurance, Permit, License, Professional	Transaction Fees, Storage Fees, Brokerage Fees, Seller Fees, Commissions	2% Management Fee	Commissions, Exchange Fees	Brokerage Fees, Commissions	1% - 2% Management Fee
Taxes	Taxed on interest income earned	Operating Income Capital Gains Depreciation Recapture	Dpends on structure	Typically, Capital Gains tax at maximum 28%	Taxed as pass-through entities or flow-through taxation	60% of profits taxed as long-term capital gains, 40% taxed as short-term capital gains	Generally taxed as Income	Capital gains and taxed as pass-through entities or flow-through taxation
Considerations / Requirements	Still in infancy, no long-term data. Not all states are approved for P2P investing	Illiquidity / Long-term Property Management (Time/Cost)	Variable Income Health Insurance	Educate yourself Know your options Know your market well	High minimums but some firms do offer \$250k with a few \$25k minimums	Varies by commodity	Used for hedging, leveraging or speculating	Typical minimum investement is \$500,000 - \$1 Million. Diversification Benefits
Available at	Yieldstreet Prosper Others that vary	Anywhere but ideally locally	Anywhere	Online or local shop / collector	Yieldstreet, Blackrock	Physical ownership, Futures contracts, Individual securities, Mutual funds, ETFs or ETNs	Brokerage Firms	Brokerage Firms
Resources	investopedia.com	investopedia.com	investopedia.com	investopedia.com	investopedia.com	investopedia.com	investopedia.com	investopedia.com