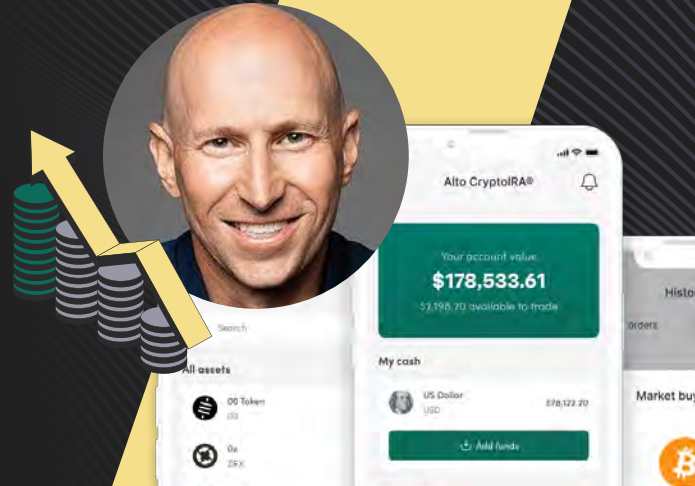


Why Alto is building a tool to provide alts for all



Alto is equipping everyday investors to participate in alternative assets

A 2022 [survey](#) revealed that over 80% of registered investment advisors believe all retail investors should be able to access alternative investments. However, those same experts acknowledged that everyday investors who do seek to participate in alternative investing face some serious barriers to entry.

Respondents reported:

69%

Lack of education in alternative assets

44%

Rigid regulations defining an “accredited investor”

38%

Extensive administrative burden and complex paperwork

34%

Confusion around due diligence and compliance processes

These are the same hurdles [Eric Satz](#), Founder and CEO of Alto, encountered when he first tried to mobilize his retirement capital for alternative investing.

“I had a terrible first experience trying to invest in alts with my IRA savings. I tried using several different custodians, only to be more frustrated with each successive experience. I couldn’t help but wonder if this was a “me” problem, but what I found was that I wasn’t alone. Millions of people want to invest their retirement dollars in alternative assets, but prior to Alto, it was incredibly difficult and expensive to do so.”



Eric Satz,
Founder and CEO of Alto

Retirement investors needed to be educated on their options

“The first objective was to demonstrate that this ecosystem and this investment opportunity are not just for sophisticated investors and people who are already wealthy,” Eric recalls. “Conventional wisdom said the same thing about people who invested in the stock market until Charles Schwab showed the country otherwise. Alternatives can also be appropriate for the everyday investor saving for retirement.”

Put simply, people needed to know they’re welcome to participate in alts using their retirement savings.

Investors and issuers alike needed standardized processes

Trust companies and broker-dealer firms needed to establish transaction plans (with clear steps, regulatory approvals, roles, and responsibilities) to walk investors and issuers through the process: from discovery to close and money movement, in a clear, easily digestible form of delivery. Strategically, these steps needed to be repeatable and scalable so investors could quickly and easily invest and issuers could continue to raise capital and grow.

The industry needed to incentivize issuers and custodians to evolve

The adoption of the [Jobs \(“Jumpstart Our Businesses”\) Act](#) enabled issuers to [sell securities to all individuals](#) through an SEC-supported fundraising process called Regulation Crowdfunding.

Regulations kept non-accredited investors from participating in most alternative investments — until roughly 10 years ago.

“Regulations kept non-accredited investors from participating in most alternative investments — until roughly 10 years ago,” Eric explains. For the first time, many issuers experienced the power of pooled capital outside the bounds of traditional institutional and ultra-high-net-worth investors. But it would take another few years for them to begin proactively helping individual investors invest their retirement funds into such alternative investments.

Thankfully, a few pioneers on both sides of the dealmakers’ table continued to probe the status quo for ways to enable “Alts for All.”

Alto offers a clearer way to invest retirement funds in alternative assets



Today, Alto enables participants on both sides of alternative investment deals: the issuers who want to access the \$12.6 trillion in America's retirement savings and the individual investors who want to tie at least some of their retirement investment and portfolio strategy to the innovation and diversification away from public markets, potential for larger returns, and improved risk-reward profile provided by alternatives.

The solution began with clear education that enables investors to access alternative investments

Alto evangelizes the benefits available to a retirement portfolio diversified with alternatives. Individuals may want to smooth public market volatility, [offset inflation](#), hedge against [geopolitical unrest](#) or enhance [financial returns](#), and portfolio diversification has been shown to have the potential to [help achieve](#) those goals.

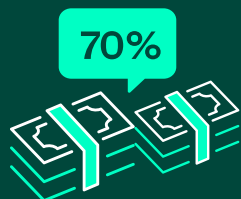
“Right now, [projections suggest](#) that we're going to have tens of millions of Americans living in poverty by 2050. Our goal is to demonstrate the value of diversifying with these alternative investment opportunities and increasing returns such that we shift the future wealth curve and improve people's financial futures and livelihoods.”



Eric Satz,
Founder and CEO of Alto

Increasingly standardized processes ease administrative burdens and pave a path toward more deals

Compared to Eric's original experiences, Alto's technology offers investors an intuitive, easy-to-execute, best in class technology workflow that addresses the challenges and complexities involved in alternative asset deal execution.



Seventy percent of investable household wealth is committed to general equities.

"Seventy percent of investable household wealth is committed to general equities," reports Eric. "Even if you now qualify as an investor that can participate in alternatives, you need a way to access that capital easily."

Two screenshots of the Alto user interface. The left screenshot shows a confirmation screen titled 'Invitation Sent' with a green checkmark icon and an 'OK' button. The right screenshot shows a 'Get Started With Alto' checklist with five steps: Step 1 (Optional) Check that your desired investment is eligible, Step 2: Set up your new Alternative IRA, Step 3: Transfer funds into your new Alternative IRA, Step 4: Add Your Credit Card, and Step 5: Make an Investment. A 'Start' button is located at the bottom of the checklist.

With Alto, issuers can build a beachhead in the emerging ecosystem of alts in IRAs

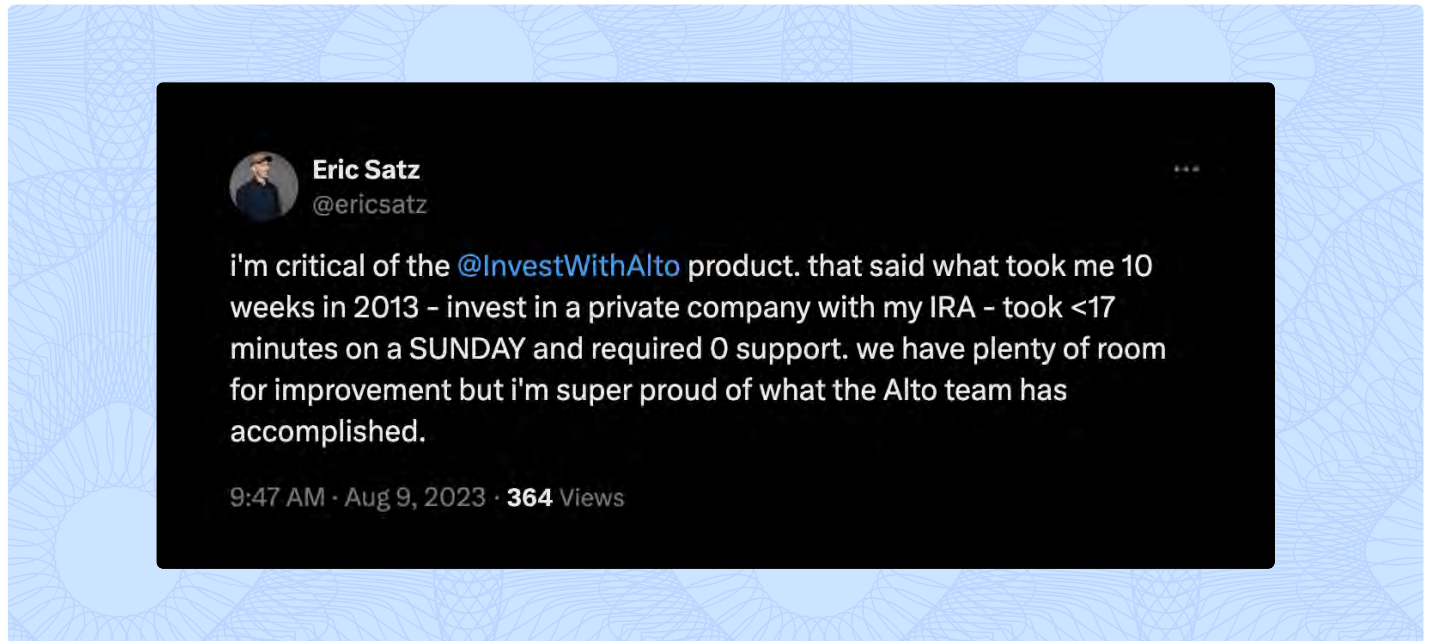
Issuers in the alternatives space have typically looked to institutional investors and ultra-high-net-worth individuals to raise funds.

With Alto, they now have another option: the \$12.6 trillion pool of capital in Americans' retirement accounts.

Individual alternatives investing will continue to evolve

As individual investors grow more curious about the evolving ecosystem of alternatives and their ability to allocate to it, there is increasingly clearer, more reliable information to get started and steer their decision-making. Alto is proud to contribute to this educational dynamic, and to provide tech-enabled tools to help execute those investment decisions.

Take it from Eric, who recently tried once again to invest in alternative assets using his retirement dollars. However, this time he invested with Alto and had a very different experience:



Across the alternative assets ecosystem, shifts are already in motion: individuals want to invest their retirement funds in alternatives, and they now have the means to do it efficiently. Partners like Alto are simply here to facilitate and accelerate those investment decisions.

Consider the saying: "During a gold rush, provide shovels."

Alto

Interested in learning more? Head to Alto to invest in alts today.

[Get started](#)