Risks associated with private equity

- It should be noted that private equity may not be suitable for everyone. As with any investment, there are numerous risks to investing in private equity including the possible loss of principal.

- Nevertheless, for those investors who understand the risks, and have available risk capital, private equity can provide an opportunity to enhance their portfolio returns.

- An important part of understanding and implementing private equity today is assessing the potential benefits as well as the risks. Equity securities are subject to market risk, or risk of loss due to adverse company news, industry developments, and general economic decline.

- In addition, private equity is considered speculative therefore subject to a unique set of risks. These risks include, but are not limited to, liquidity risk and lack of a secondary market to trade securities, management risk, concentration and non-diversification risk, foreign investment risk, lack of transparency, leverage risk, and volatility.
RISKS ASSOCIATED with an INVESTMENT in the FUND

References herein to the Fund or “Altegris KKR Commitments Fund” in each instance refer to the Altegris KKR Commitments Master Fund, unless specified otherwise. The Fund is distributed by Altegris Investments. Altegris Advisors is an affiliate of Altegris Investments and serves as the investment adviser to the Fund. There is no agreement or understanding between KKR and Altegris or StepStone regarding the management of the investment program of the Fund. Altegris, KKR, and StepStone Group are not affiliated.

INVESTORS SHOULD CAREFULLY CONSIDER THE INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES OF THE FUND. THIS AND OTHER IMPORTANT INFORMATION ABOUT THE FUND IS CONTAINED IN THE FUND’S PROSPECTUS, WHICH CAN BE OBTAINED BY CALLING ALTEGRIS AT (888) 524-9441. THE PROSPECTUS SHOULD BE READ CAREFULLY BEFORE INVESTING.

The discussion of the various risks is not intended to be a complete enumeration or explanation of the risks involved in an investment in the Fund. The Fund should be considered a speculative investment and involves a high degree of risk and may involve loss of capital, up to the entire amount of a shareholder’s investment.

The nature of private equity can result in a lack of transparency due to limited information, and the risk of loss is increased due to speculative strategies employed by the Fund, including investing assets in early-stage venture investments which may not perform as expected. More importantly, Fund shares will not be listed on any national securities exchange and are subject to restrictions on transferability, thereby making them illiquid.

Other risks include, but are not limited to, market risk, concentration risk, and potentially less diversification due to the substantial portion of Fund assets invested in manager-specific private equity. The Fund is also subject to the risks of leverage, higher fees and additional layers of expenses, as well as the potential for greater volatility due to Fund assets invested in a limited number of securities, or a focus on particular sectors and geographical regions.

Assets invested in foreign securities exposes the Fund to various geopolitical risks and currency fluctuations typically not applicable in the U.S., and this risk is magnified for emerging markets. The potential for adverse changes in business and tax laws involves tax risk and heightened regulatory scrutiny. The lack of a secondary market for trading private equity subjects the Fund to liquidity risks and may result in greater price risk and potential for inaccuracies in determining fair market value of investments held in the portfolio. Investments acquired in reliance on imperfect information increases counterparty risk and liabilities, and anticipated value may not be realized.
Past performance is not indicative of future results. It is important to note that all investments are subject to risks that affect their performance in different market cycles. There are significant differences between public and private equities, which include but are not limited to, the fact that public equities have a lower barrier to entry than private equities. There is also greater access to information about public companies. Private equities typically have a longer time horizon than public equities before profits, if any, are realized. Public equities provide greater liquidity whereas private equities are considered highly illiquid.

The analyses herein are based on numerous assumptions and past market conditions. Different benchmarks, market conditions and other assumptions could result in materially different outcomes. Past performance is no guarantee of future results. The views expressed are for informational purposes only and should not be construed as specific investment advice or a recommendation to buy or sell any securities.

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Altegris Advisors

Altegris Advisors LLC is a CFTC-registered commodity pool operator, commodity trading advisor, NFA member, and SEC-registered investment adviser that sponsors and/or manages a platform of alternative investment products.

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About Altegris

The Altegris group of affiliated companies is wholly-owned and controlled by (i) private equity funds managed by Aquiline Capital Partners LLC and its affiliates (“Aquiline”), and by Genstar Capital Management, LLC and its affiliates (“Genstar”), and (ii) certain senior management of Altegris and other affiliates. Established in 2005, Aquiline focuses its investments exclusively in the financial services industry. Established in 1988, Genstar focuses its investment efforts across a variety of industries and sectors, including financial services. The Altegris companies include Altegris Investments, Altegris Advisors, and Altegris Clearing Solutions.