



A GUIDE for INVESTORS | 2020

Introducing a new era in private equity.

- › Private equity provides the potential to outperform listed stocks over time.
- › Accredited investors can now access private equity with a modest minimum investment and no exposure to capital calls.
- › Kohlberg Kravis Roberts & Co. (KKR) has over 43 years' experience in private equity.

RETHINKING PRIVATE EQUITY

Altegris KKR Commitments Fund.

Altegris invites accredited investors to gain broad exposure to private equity managed by KKR via the Altegris KKR Commitments Fund, a continuously offered closed-end 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.

KKR is neither a sponsor, promoter, advisor nor affiliate of the Fund. There is no agreement or understanding between KKR, Altegris, Artivist, or StepStone regarding the management of the investment program of the Fund.

Why private equity now?

Institutional investors have long recognized the value that private equity provides in a long-term portfolio.

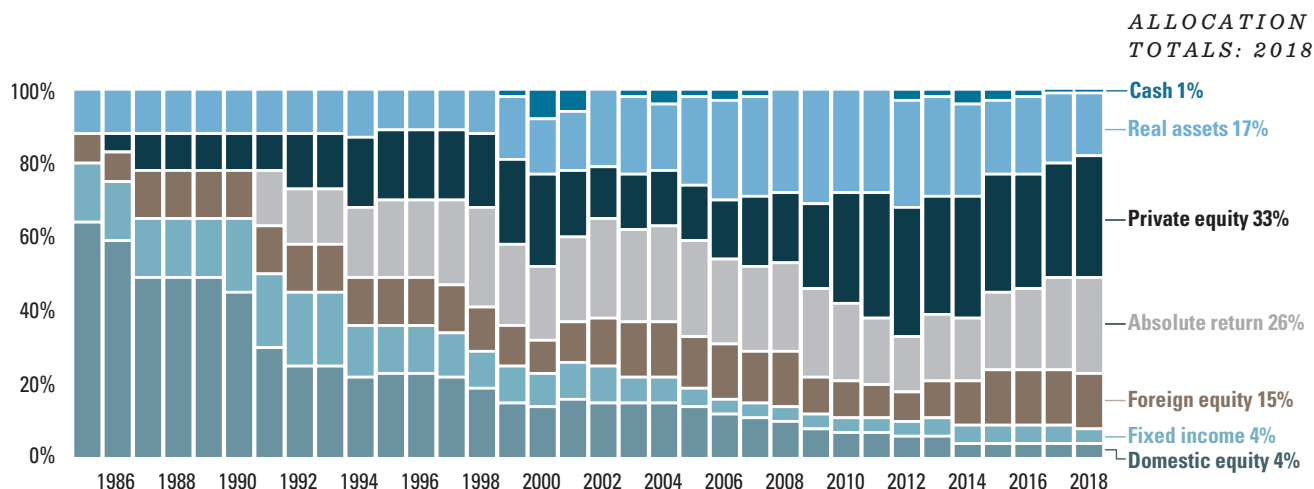
University endowments' average commitment to private equity was 21 percent in 2017,¹ though some large institutions invested more. The Yale Endowment, for example, allocated 33.1 percent to private equity in fiscal 2018, its largest single commitment [FIGURE 1].²

What attracts these institutions to private equity? Two reasons: Diversification of public equity exposure and the potential for outperformance. We believe that public equities will produce low returns

over the next ten years, but expect private equity's outperformance to persist. Private equity can provide a potentially powerful return enhancement to an investor's public equity allocation [FIGURE 2]. Additionally, low diversification between private equity and public equities may help in reducing a total portfolio's volatility. Enhanced diversification is also an important reason why institutional investors, such as The Yale Endowment, have significantly increased exposure to private equity over the past two decades.

FIGURE 1. YALE'S GROWING STAKE IN PRIVATE EQUITY

AS OF JUNE 2018



¹ Source: 2017 NACUBO-Commonfund Study of Endowments as of June 30, 2017.

² Source: 2018 Yale Endowment. Includes private equity, private real estate and venture capital allocations. For 2012–2018, real assets include real estate and natural resources.

Diversification does not ensure profit or protect against loss in a positive or declining market. There is no guarantee that any investment will achieve its objectives, generate profits or avoid losses. Past performance is no guarantee of future results.

Not everyone can invest like an institution. Institutions are professional money managers who have unique access and the ability to perform extensive due diligence on managers. Many investors' experience, financial means, objectives, risk tolerance and time frame will differ from that of institutions, and they may not be able to access the same investment opportunities as institutions. These factors should be taken into consideration when creating an allocation to alternatives. The above should not be construed as investment advice. For illustrative purposes only.

DURING the PAST TWO DECADES, PRIVATE EQUITY has PRODUCED an AVERAGE RETURN that is HIGHER than PUBLICLY TRADED STOCKS

FIGURE 2. PRIVATE EQUITY HAS SHOWN HISTORICAL OUTPERFORMANCE OVER TIME

Annual Return of US Stocks versus Private Equity Index Rates of Return (%) Q3 2004–Q3 2019

YEAR	S&P 500 YEARLY RETURN	STATE STREET GLOBAL EXCHANGE PRIVATE EQUITY INDEX
2004 ³	7.2% ³	17.3% ³
2005	4.9%	17.5%
2006	15.8%	30.8%
2007	5.5%	21.1%
2008	-37.0%	-25.1%
2009	26.5%	12.3%
2010	15.1%	18.0%
2011	2.1%	6.3%
2012	16.0%	12.3%
2013	32.4%	18.7%
2014	13.7%	8.9%
2015	1.4%	6.0%
2016	12.0%	10.1%
2017	21.8%	17.6%
2018	-4.38%	8.70%
2019	28.31%	9.74%
AVERAGE (MEAN)	10.3%	11.9%
MINIMUM	-37.0%	-25.1%
MAXIMUM	32.4%	30.8%

Source: State Street and Bloomberg, based on data from S&P. Date range based on common period of availability.

³ The State Street Global Exchange Private Equity Index was created in Q3 2004, therefore, data reflects a partial year of performance.

Past performance is not indicative of future results. There is no guarantee that any investment will achieve its objectives, generate profits or avoid losses. 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. Additionally, public equities provide greater liquidity whereas private equities are considered highly illiquid. Refer to page 11 for further disclosure on the State Street Global Exchange Private Equity Index.

The referenced indices are shown for general market comparisons and are not meant to represent any particular investment. There are significant differences in the risks and potential for volatility of the Fund relative to an index. An investor cannot invest directly in an index. Moreover, indices do not reflect commissions or fees that may be charged to an investment product based on the index, which may materially affect the performance data presented.

Does private equity meet your needs?

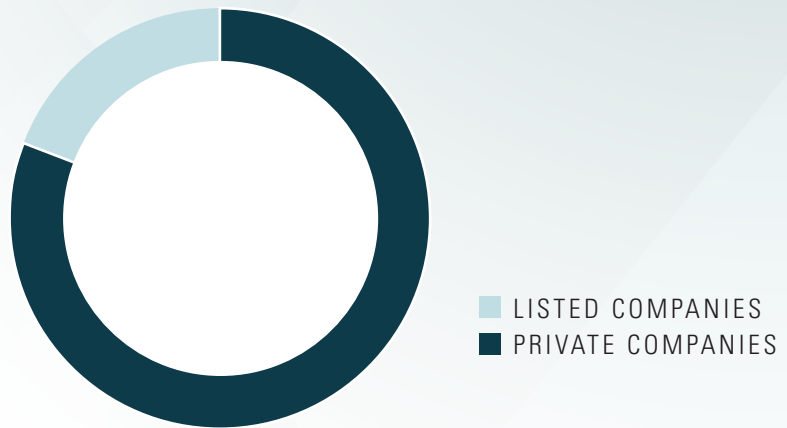
The number of large private companies is more than three times the size of publicly traded firms. This significant market depth provides investors the opportunity to invest in a large universe of private companies that have acquisition and growth potential [FIGURE 3].

FIGURE 3. PRIVATE EQUITY OPPORTUNITIES DWARF THE LISTED MARKET⁴

AS OF MARCH 2018

81.1%

Percentage of total number of US private sector firms with 500+ employees versus listed domestic companies on US exchanges



Private equity firms attempt to capitalize upon the opportunity set by building a portfolio of companies that can be improved through operational efficiencies and strategic growth initiatives. Value is realized through initial public offerings, recapitalizations or sales to a strategic buyer.

To promote value creation on a long-term basis, holding periods for private equity companies tend to be lengthy, perhaps as much as ten years. Investors, accordingly, should not expect immediate liquidity for their commitments. The potential for outsized pay-off for private equity investments is referred to as the “illiquidity premium.”

Source: US Bureau of Labor Statistics; World Federation of Exchanges; Artivist.

⁴ Depicts the percentage of listed domestic companies on US exchanges versus the total number of US private sector firms, not seasonally adjusted. Listed companies on US exchanges is derived from the number of domestic companies on the NASDAQ OMX and NYSE; excludes foreign companies listed on these exchanges. Date range based on common date of data availability from sources.

NASDAQ stands for National Association of Securities Dealers Automated Quotations. **OMX** is the brand name of the company, which was established in 2004 as the result of the merger between the Swedish futures and stock exchange (OM AB) and Helsinki Stock Exchange (HEX). In February 2008, NASDAQ and OMX merged to form the NASDAQ OMX Group Inc., which is a leading provider of trading, exchange technology, listing, information and public company services. **NYSE** stands for New York Stock Exchange, and is one of the world's leading equities markets.

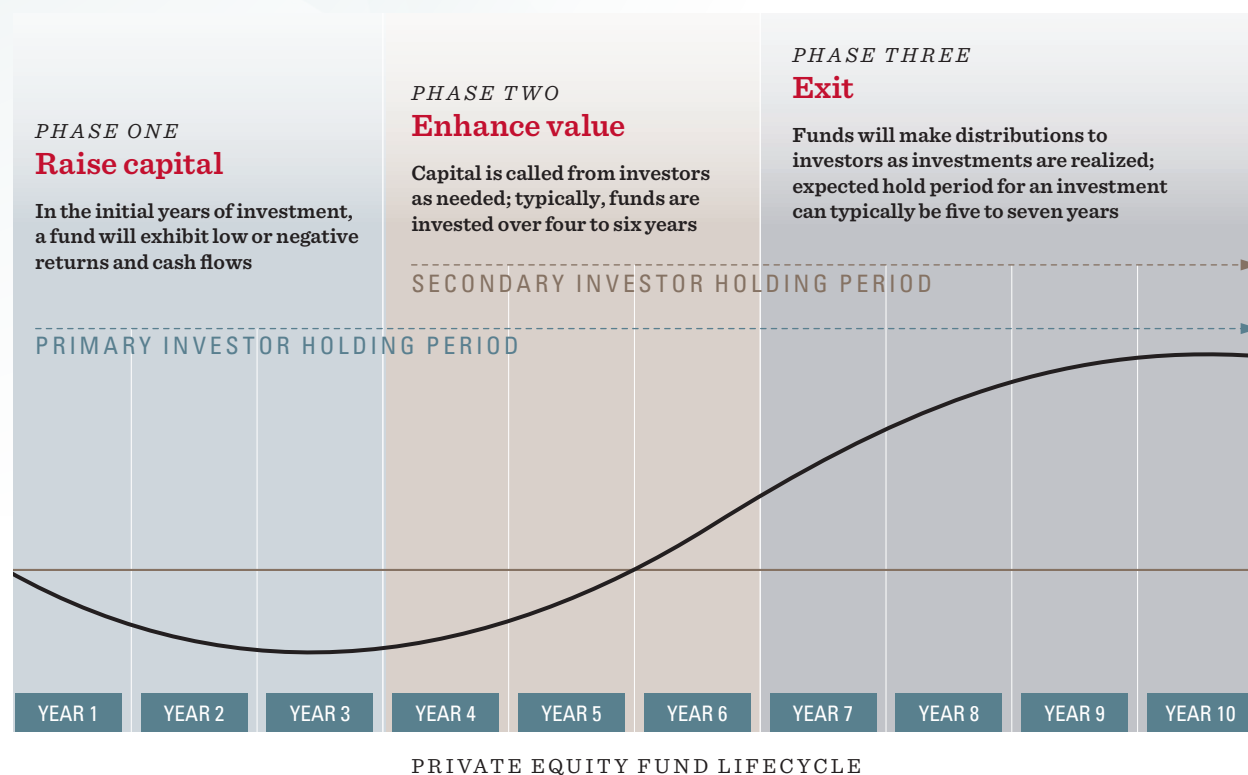
Investment returns and the private equity

“J-curve” effect ⁵

The “J-curve” describes a typical pattern of returns in a private equity fund. In early years, a private equity fund tends to show low or negative returns due to fees whereas investment gains, if any,

usually come in the later years as companies mature. Private equity investors often start to receive distributions prior to their entire commitment being called.

The LIFECYCLE of a PRIVATE EQUITY INVESTMENT: INVESTMENT RETURNS and the “J-CURVE” EFFECT ⁵



⁵ This illustrative example of cash flows and returns of a private equity fund is provided for discussion purposes only. There can be no assurance that this illustrative example will reflect actual returns or cash flows of any private equity fund. An investment in a private equity fund entails a high degree of risk. Except where specifically named, reference to “a private equity fund” or “private equity investors” does not apply to an investment in the Fund.

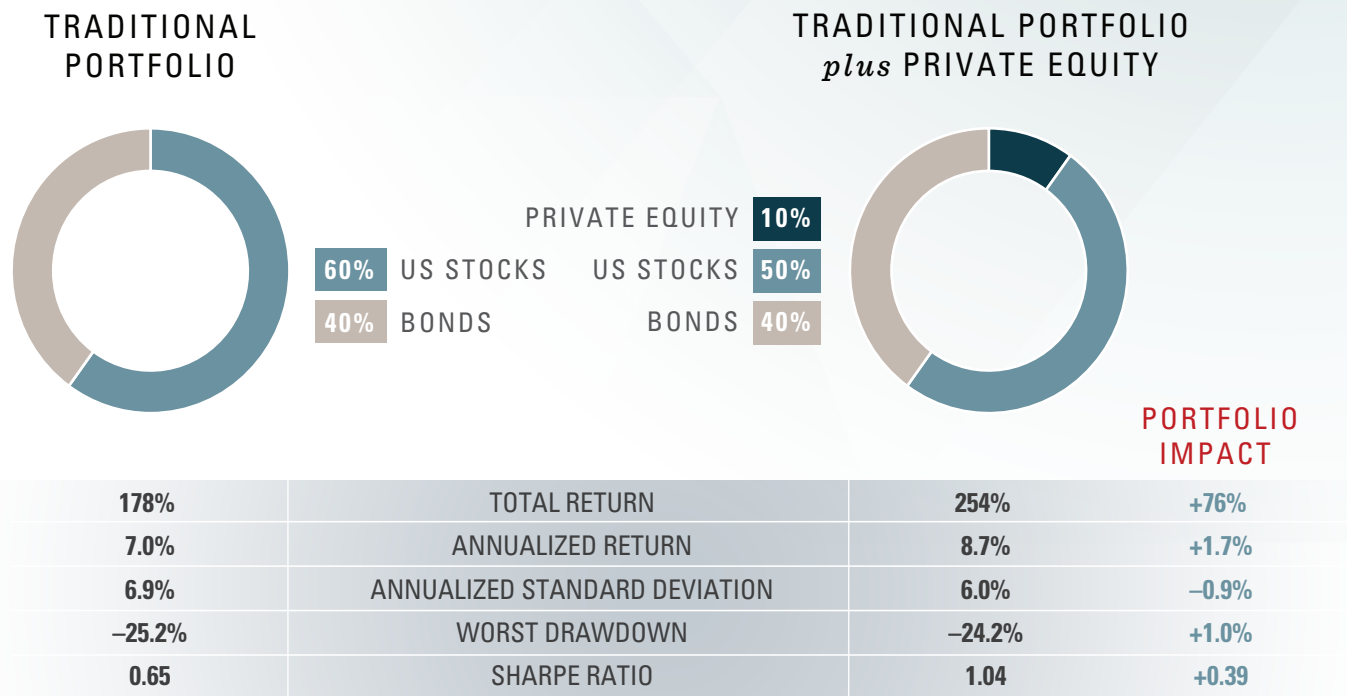
Capital call: Private equity funds issue capital calls to investors (limited partners) when a portion of their committed capital is needed to fund investments. **J-curve:** The concept that the curve depicted by plotting the returns generated by a private equity fund against time (from inception to termination) will resemble the letter “J.”

Implementing a private equity allocation

With private equity, forgoing short-term liquidity may be rewarded with enhanced returns and diversification to public equities. That said, how does an investor incorporate private equity in a portfolio? We believe that suitable investors should consider replacing a portion of their public equity exposure with private equity [FIGURE 4].

An allocation depends on the individual investor's time horizon and near-term liquidity needs. Conservative investors may make just five percent of their equity allocation private, while more aggressive investors may feel comfortable with a 30 percent commitment. Speak with your advisor to see what is right for you.

FIGURE 4. ADDING PRIVATE EQUITY CAN POTENTIALLY ENHANCE A PORTFOLIO'S RISK/RETURN PROFILE



Time period: September 2004–September 2019; date range based on common period of data availability. This is a hypothetical illustration. Past performance is not indicative of future results. There is no guarantee that any investment will achieve its objectives, generate profits or avoid losses. The above is not intended, and should not be construed as asset allocation advice. Private equities may not be suitable for everyone. These allocations are based on our views about what historically constitutes a traditional portfolio and how it can be further diversified by adding an allocation to private equities. Differences may not equal due to rounding.

Returns are represented by benchmark indices for general market comparisons and are not meant to represent any particular investment. An investor cannot invest directly in an index. Moreover, indices do not reflect commissions or fees that may be charged to an investment product based on the index, which may materially affect the performance data presented. Indices: US stocks: S&P 500 TR Index; Bonds: Barclays US Aggregate Bond Index; Private equity: State Street Global Exchange Private Equity Index. Source: Artivist, Barclays, State Street, Bloomberg.

Standard deviation is a statistical measure of how consistent returns are over time; a lower standard deviation indicates historically less volatility. **Drawdown** measures the peak to valley loss relative to the peak for a stated time period. **Sharpe Ratio** measures return in excess of the risk-free rate, per unit of risk, as measured by standard deviation; assumed risk-free rate is 2.5%.

We've formulated various hypothetical scenarios of different allocation percentages to public equities (as proxied by the S&P 500 Index) and private equity (as proxied by the State Street Global Exchange Private Equity Index). Using this methodology, adding private equity to one's portfolio of US stocks may both lower the volatility profile, and increase annualized return [FIGURE 5].

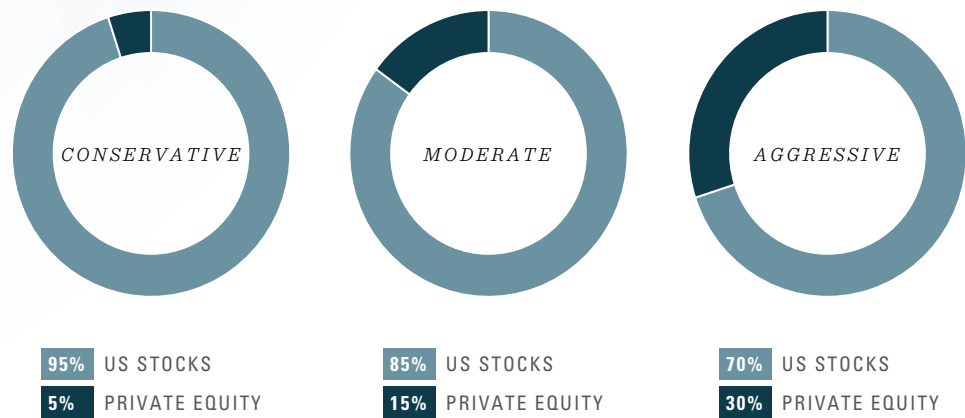
An important part of understanding and implementing private equity today is assessing the potential benefits as well as the risks.

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 and is 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.

FIGURE 5. EQUITY ALLOCATION: IMPACT FROM VARIOUS PRIVATE EQUITY INVESTMENT PERCENTAGES

As a percentage of a 100% Equity Allocation | September 2004 – September 2019



	CONSERVATIVE	MODERATE	AGGRESSIVE
ANNUALIZED RETURN	9.2%	9.5%	10.0%
ANNUALIZED VOLATILITY	13.1%	11.9%	10.4%
SHARPE RATIO	0.51	0.59	0.72

Source: Artivist. US stocks represented by the S&P 500 Total Return Index; private equity represented by the State Street Global Private Equity Index.

This is a hypothetical illustration. Past performance is not indicative of future results. There is no guarantee that any investment will achieve its objectives, generate profits or avoid losses. The above is not intended, and should not be construed as asset allocation advice. Private equities may not be suitable for everyone. These allocations are based on our firm's belief that a traditional portfolio can be further diversified by adding an allocation to private equities.

Returns are represented by benchmark indices for general market comparisons and are not meant to represent any particular investment. An investor cannot invest directly in an index. Moreover, indices do not reflect commissions or fees that may be charged to an investment product based on the index, which may materially affect the performance data presented.

Volatility A measurement of the change in price over a given time period. Typically, higher volatility is associated with an elevated level of risk.

Why the Altegris KKR Commitments Fund?

Combining the talent of a premier alternative investment provider and proven private equity expert

One thing about private equity is clear: information about privately held companies is limited. Navigating the private equity space requires expertise and experience.

Among the most experienced investors in private equity is Kohlberg Kravis Roberts (KKR), a company with a more than 43-year track record of transactions totaling \$615 billion in enterprise value.⁶

Through the **Altegris KKR Commitments Fund** accredited investors are able to:

- ▶ Obtain broad exposure to private equity managed by KKR⁷
- ▶ Access private equity at a lower minimum investment than traditional private equity
- ▶ Enjoy 1099 tax reporting rather than K-1 tax reporting
- ▶ Avoid capital calls typical of private equity investments

BROAD EXPOSURE
to PRIVATE
EQUITY MANAGED
by KKR

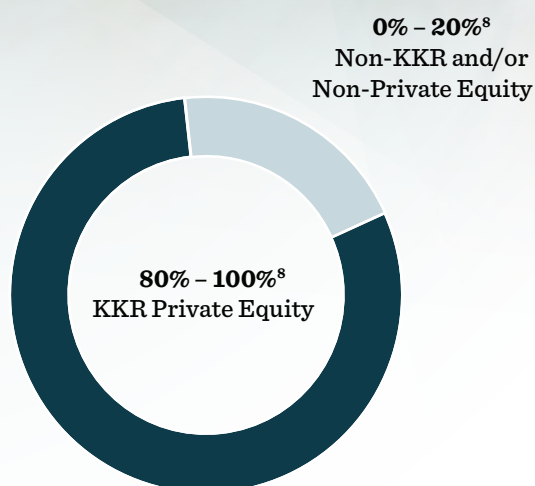
ACCESS at a
LOWER MINIMUM
INVESTMENT
than TRADIIONAL
PRIVATE EQUITY

1099 TAX
REPORTING
and NO
CAPITAL CALLS

⁶ KKR information is provided by KKR or derived from materials approved for use by KKR and is believed to be accurate and reliable. Altegris Advisors cannot guarantee the accuracy of, or be responsible for the timeliness, completeness or suitability for use of such information. Information is as of September 30, 2019, unless otherwise noted. KKR is neither a sponsor, promoter, advisor nor affiliate of the Altegris KKR Commitments Fund.

⁷ A portion of the Fund's assets may be invested in private equity or investment funds which are not managed by or affiliated with KKR; however, this allocation is not anticipated to be material to the Fund's overall strategy.

PORTFOLIO CHARACTERISTICS



ALLOCATION⁹

MIN MAX

Investment Type

Primary Investments	30%	70%
Secondary Investments	30%	70%
Co-Investment Opportunities	10%	40%
Other Investment Funds	0%	20%

Investment Strategies

Buyout	60%	95%
Special Situations	0%	20%
Other Infrastructure, real estate, energy, direct lending/mezzanine	0%	20%

Geographic Region

North America	40%	75%
Europe	10%	35%
Asia	10%	35%
Other	0%	10%

Source: Artivest

⁸ The Fund intends to allocate at least 80% of its assets to private equity investments managed by KKR. However, the Fund may at any time determine to allocate its assets to investments not sponsored, issued by, or otherwise linked to, KKR or its affiliates and to strategies and asset classes not representative of private equity.

⁹ Not inclusive of the Liquidity Portfolio. See the Prospectus for more details.

Minimum and maximum allocation percentages shown above reflect ranges for when the Fund is “fully deployed.” However, the Investment Advisor anticipates that the Fund will not be fully deployed until the Fund has been in operation for a considerable period of time. There can be no assurance that all investment types will be available, will be consistent with the Fund’s investment objective, will satisfy the Investment Advisor’s due diligence considerations or will be selected for the Fund. Over time, the allocation ranges and commitment strategy may be adjusted based on the Advisor’s analysis of the private equity market, the Fund’s existing portfolio at the relevant time and other pertinent factors.

Investment Fund allocations are made in the form of capital commitments which are called down by an Investment Fund over time. Thus, in general, the Fund’s private equity allocation will consist of both funded and unfunded commitments. Only the funded private equity commitments are reflected in the Fund’s net asset value.

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 (888) 524-9441. THE PROSPECTUS SHOULD BE READ CAREFULLY BEFORE INVESTING.

RISKS ASSOCIATED WITH AN INVESTMENT IN THE FUND

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 US, 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.

The asset management division of Artivest, Altegris Advisors is a CFTC-registered commodity pool operator, NFA member, and SEC-registered investment adviser that sponsors and/or manages a platform of alternative investment products. All brokerage services are provided by Altegris Investments, LLC, a SEC-registered broker-dealer and member of FINRA/SIPC.

Artivest is transforming the way financial advisors and high net worth investors access, evaluate and invest in private equity, real assets and hedge funds. Our platform delivers a streamlined digital experience for investors to transact directly with a wide selection of high quality private alternatives, at sensible minimums. The Artivest Open Network: Your Path to a Better Portfolio Begins Here.TM

Artivest remains privately held by its employees and renowned outside investors, including Aquiline Capital Partners, Genstar Capital, KKR, and Thiel Capital.

GLOSSARY

ACCREDITED INVESTOR. As defined in Rule 501(a) of Regulation D promulgated under the 1933 Act. An “accredited investor” includes a natural person with a net worth (or a joint net worth with that person’s spouse), excluding the value of such natural person’s primary residence, in excess of \$1 million, or income in excess of \$200,000 (or joint income with the investor’s spouse in excess of \$300,000) in each of the two preceding years and has a reasonable expectation of reaching the same income level in the current year; and certain legal entities with total assets exceeding \$5 million.

CAPITAL CALL. Private equity funds issue capital calls to investors (limited partners) when a portion of their committed capital is needed to fund investments.

DRAWDOWN. Measures the peak to valley loss relative to the peak for a stated time period.

J-CURVE EFFECT. A concept that during the first few years of a private equity fund, cash flow or returns are negative due to investments, losses, and start-up costs; but as investments produce results, the cash flow or returns will move upward so that a graph of cash flow or returns versus time would resemble the letter “J.”

PRIMARY INVESTMENT. Primary investments are investments in newly offered private equity investment funds.

SECURITIES ACT OF 1933. Often referred to as the “truth in securities” law, the Securities Act has two main objectives: 1) require that issuers selling securities to the public disclose material information to investors; and 2) establish laws to prohibit deceit, misrepresentations, and other fraudulent activities in the sale of securities. The full text of this act is available at: <http://www.sec.gov/about/laws/sa33.pdf>.

SHARES AND SHAREHOLDERS. Shares of beneficial interest of the Fund (“Shares”) will be sold in comparatively large minimum denominations to eligible high net worth individual and institutional investors (“Shareholders”).

SPECIAL SITUATION. Funds that focus on special situations investments typically make mezzanine or other debt investments that provide a middle level financing below the senior debt level of the capital structure and above the equity level. A typical special situation investment may include a loan to a borrower, together with equity in the form of warrants, common stock, preferred stock or some other form of equity investment. In addition, special situations investments may include other forms of investment, such as distressed debt, energy or utility investments and turnaround investments.

STANDARD DEVIATION. A statistical measure of how consistent returns are over time; a lower standard deviation indicates historically less volatility.

VINTAGE YEAR. The first drawdown of capital which is the first year the private equity fund begins investing.

INDEX DESCRIPTIONS and RISKS

BARCLAYS US AGGREGATE BOND INDEX. Represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the US investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. These specific indices include the Government/Credit Index, Government Index, Treasury Index, Agency Index, and Credit Index. *KEY RISKS: interest rate risk—bond prices will decline if interest rates rise; credit risk—bond issuer may not pay; income risk—income may decline.*

STATE STREET GLOBAL EXCHANGE PRIVATE EQUITY INDEX. Developed by State Street, an independent third party service provider, in partnership with leading academics and large asset owners, the State Street Global Exchange Private Equity Index is currently comprised of more than 2,800 funds representing about \$2.7 trillion of capital commitments.

S&P 500 TOTAL RETURN INDEX. The total return version of S&P 500 index. The S&P 500 index is unmanaged and is generally representative of certain portions of the US equity markets. For the S&P 500 Total Return Index, dividends are reinvested. All regular cash dividends are assumed reinvested in the S&P 500 index on the ex-date. Special cash dividends trigger a price adjustment in the price return index. *KEY RISKS: stock market risk—stocks prices may decline; country/regional risk—world events may adversely affect values.*



altegris.com/kkr

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