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abrdn – Alternative Investments

September 2021

Global alternatives expertise

20

Over 20 years of dedicated alternatives expertise

As at 30 June 2021

£10b

£10 billion managed in alternative investment strategies

25

Over 25 alternatives professionals in London and New York

3

Three core approaches and platforms to reach client goals

2k

2,000 active engagement interaction per year

Selecting opportunities across the alternatives universe to build powerful investor solutions

Alternative investment strategies – such as hedge funds – can provide investors with valuable additional sources of return, diversification and means to manage downside risk. But accessing and appraising this large and complex universe requires specialist expertise.

At abrdn, we use our global knowledge and access to alternative investment managers to identify and bring together the most compelling opportunities the sector can offer. We offer global hedge fund and diversification strategies across the liquidity spectrum. Using a disciplined and proven research-driven investment process, we create portfolios to target a range of investor outcomes and risk-reward requirements.

Why abrdn for alternatives

We look to provide access to managers, a range of solutions and the market innovation to help you maximise the opportunities provided by alternative investments.



Extensive market access

- Global network of relationships to identify new opportunities
- Our profile and networks provide unrestricted access to managers



Solutions built around you

- Customised portfolios, managed accounts, commingled funds and/or liquid funds
- Research and due diligence.



Differentiated returns

- Extensive research capabilities and a proven process
- Capturing returns and diversifying risk throughout the market cycle





"Our aim is to harness alternative investment opportunities that individual investors can't access. We use our scale, experience and proven process to create innovative solutions. We aim to maximise the income, growth and diversification potential of this rich and diverse universe for our clients."

Russell Barlow

Global Head of Alternative Investment Strategies
abrdrn

Our investment approach

We aim to provide distinct and different sources of return for our clients by identifying opportunities arising from market inefficiencies. We carry out detailed research, tailor portfolios and undertake thorough risk management.

Identify market inefficiencies	Research differentiated returns	Tailor portfolios to client objectives	Manage risk multi-dimensionally
<ul style="list-style-type: none"> Identify strategies or regions with improving or deteriorating characteristics Focus on medium-term opportunities 	<ul style="list-style-type: none"> Combine rigorous qualitative and quantitative analysis Identify where funds/managers add value 	<ul style="list-style-type: none"> Strategies to align with clients' specific portfolio objectives Numerous quantitative construction techniques to solve across different parameters 	<ul style="list-style-type: none"> Dedicated on-desk and independent investment risk teams Integrated portfolio management and risk functionality Scrutiny of investment thesis and manager rankings
Environmental, social and governance considerations embedded throughout the process			

Our investment solution approach

Our four-step, knowledge-transfer process aims to ensure we have a thorough understanding of each client's investment objectives and requirements.



AIMS

What does the client require from our alternative strategies?



PREFERENCES

What are the detailed risk, return, liquidity etc requirements?



PARAMETERS

Any relevant regulatory or structural considerations?



SUSTAINABILITY

Are any specific ESG or SRI screens required?



Focus on stewardship



As sustainable investors, we make environmental, social and governance (ESG) factors central to our process and our engagement with alternative investment managers. We believe this can also enhance the long-term outcomes we achieve for investors.

Our ESG activities:

 Identify and analyse ESG risks Using third-party research where appropriate.	 Actively engage with managers Encourage ESG adoption into investment processes.
 Improve portfolio transparency Analyse exposure to ESG-related risks.	 Adopt ESG approaches e.g. Use exclusion lists in portfolio management.

Three ways to meet investor goals

We offer a range of structures and services to deliver your optimal alternative investment solution or to support your own in-house expertise.

Customised solutions <ul style="list-style-type: none">• Define client needs then create portfolios• Identify optimal mix of strategies and managers• Ongoing discretionary management, oversight and governance	Managed accounts <ul style="list-style-type: none">• Fully customised investment mandates with leading alternative managers• Highly favourable terms negotiated with high-conviction managers• Can use client-owned structures or our own• Highly transparent with options for enhanced liquidity	Commingled funds <ul style="list-style-type: none">• Focus on best-in-class managers with a genuinely differentiated return profile• Range of multi-strategy funds with varying liquidity profiles• Benefit from three decades' of researching hedge-fund strategies
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Approaches

Bespoke alpha strategies <ul style="list-style-type: none">• Outcome oriented portfolios to meet client requirements• Multi- and single-strategy multi-manager portfolios• Solutions based approach to understanding investment and risk objectives; tailored to your needs	Index platform <ul style="list-style-type: none">• ASI Hedge Fund Research (HFR) Investible Index Platform• Exclusively tracks full range of HFR indices for liquid, cost-effective hedge-fund allocation• Multi-, single- and thematic strategies	Global Risk Mitigation strategy <ul style="list-style-type: none">• Multi-strategy managed index solution to hedge equity risk• Targets strong negative correlation to equities• Designed to limit cost of hedging in flat/rising equity markets• Aims to deliver more consistent outcomes in different bear markets
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Our alternatives team

- Over 25 alternative specialists located in London and New York, supported by a globally-resourced company
- Collaborative team of over 40 investment professionals dedicated to alternatives across research, index and structuring, risk, execution, portfolio engineering and ODD
- Long-term providers of independent portfolio construction, risk and operational due diligence



"Our focus is on finding investment opportunities with an edge – providing distinct and different sources of returns to complement a client's broader portfolio."

Darren Wolf

Global Head of Investments – Alternative Investment Strategies

Important Information

Investment involves risk. The value of investments, and the income from them, can go down as well as up and an investor may get back less than the amount invested. Past performance is not a guide to future results.

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