



Sanlam Alternatives  
Multi-Strategy

Investments



# THE SANLAM ALTERNATIVES MULTI-STRATEGY PROPOSITION

Provides access to a diverse range of alternative investment strategies. These include private equity, unlisted property, unlisted credit (rated, unrated, socially responsible (SRI) credit and infrastructure debt), and hedge funds. We will help you blend strategies and construct portfolios using the above strategies to meet your needs and investment objectives.

## WHY ALTERNATIVES?

<b>Powerful risk-adjusted returns</b>	<b>Diversification from (and low correlation with) traditional asset classes</b>	<b>Liquidity premium</b>
<b>Less volatile than public markets</b>	<b>Real returns</b>	<b>Financial and social returns</b>

# WHY MULTI-STRATEGY?

## Access to a diverse range of alternative strategies

Many investors understand the benefits of allocating to alternative assets, but do not have the financial or governance budget to facilitate a diversified allocation – often settling for exposure to hedge funds or to a single private market asset class such as private equity or unlisted property.

Investors in Sanlam’s Multi-Strategy solution will access a stable, diversified and substantial platform from which to harness the full potential of the available capital in private markets.

## Powerful risk-adjusted returns

Figure 1 plots various alternative strategies alongside traditional listed assets. The line reflecting efficient portfolios that include alternatives (blue line) lies above the traditional frontier that only includes

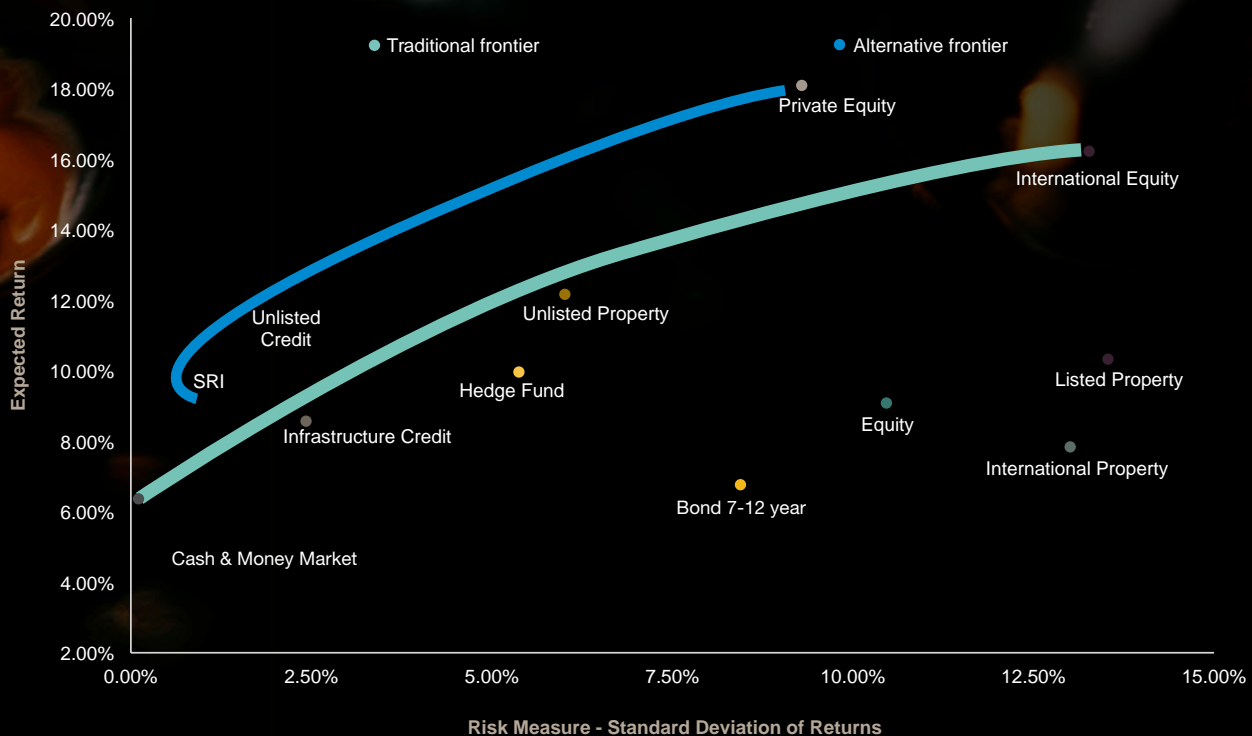
traditional assets (aqua line). This demonstrates that, for a given level of risk, a portfolio that includes alternatives provides superior returns or reduces risk for a given level of return.

## Different risk/return profiles

Figure 1 also highlights that the risk/return profile of each alternative strategy is unique. This provides investors with the opportunity to access a portfolio mix within alternatives that best suits their target risk/return profile.

Viewing alternatives as a homogenous asset class can lead to sub-optimal capital allocation. Our multi-strategy capability and portfolio optimisation capabilities provide an ideal tool for robust capital allocation.

**FIGURE 1: THE POSITIVE EFFECT OF INCLUDING ALTERNATIVES ON RETURNS**



Source: Sanlam Investments, May 2018



# THE MULTI-STRATEGY FRAMEWORK

It is up to each investor to decide how involved they want to be in the development of an alternatives solution to meet their needs. Once we understand your investment objectives and constraints, we can propose a range of solutions, and you can be involved in choices about portfolio construction, risk budgeting, governance and cash flow management.

A key differentiator of having access to multiple strategies (relative to a single-strategy approach) is that we actively manage the overall solution to achieve optimal investment outcomes by focusing on:

- Matching capital commitments with capital calls/drawdowns of the underlying strategies
- Managing distributions and cash flows
- Making tactical allocation calls between the underlying strategies



# THE MULTI-STRATEGY PORTFOLIO

The ultimate multi-strategy solution is a function of investor objectives, preferences and constraints, determined by each investor's unique requirements.

## The flexibility of a multi-strategy solution

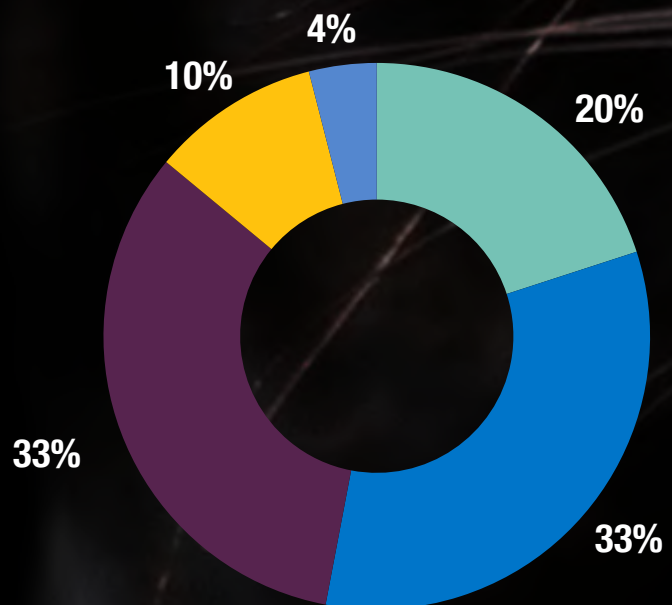
- Investors targeting a higher yield would likely have a higher allocation to unlisted credit and unlisted property
- Investors looking for liquidity would likely require a portfolio with an allocation to hedge funds
- Investors with a higher risk tolerance may prefer a portfolio with a higher allocation to private equity

## Access to portfolio construction expertise

Investors may choose to use Sanlam Investments' research and expertise to:

- Determine the optimal trade-off between cash yield, liquidity and capital growth in their allocation to alternatives
- Measure the impact of introducing alternatives to an existing portfolio

Figure 3 shows the initial diversified private market portfolio co-created with an investor targeting CPI + 7% annualised return over the long term.



## CASE STUDY SHOWING A MULTI-STRATEGY SOLUTION

- Private Equity
- Unlisted Property
- Infrastructure Credit
- SRI Credit
- Unlisted Credit



**THE ULTIMATE  
MULTI-STRATEGY  
SOLUTION IS  
A FUNCTION  
OF INVESTOR  
OBJECTIVES,  
PREFERENCES AND  
CONSTRAINTS,  
DETERMINED  
BY EACH  
INVESTOR'S UNIQUE  
REQUIREMENTS.**



**R188.5 bn**  
Market CAP as listed on the JSE |  
31 December 2017



**R907.5 bn**  
Total AUM  
SI Asset Management operations  
including UK life business and  
Specialised Finance |  
31 December 2017



**R230 bn**  
New business |  
31 December 2017



**450 217**  
Shareholders |  
31 December 2017



**5940 c**  
Per share group  
Equity Value adjusted  
per share 15.8%



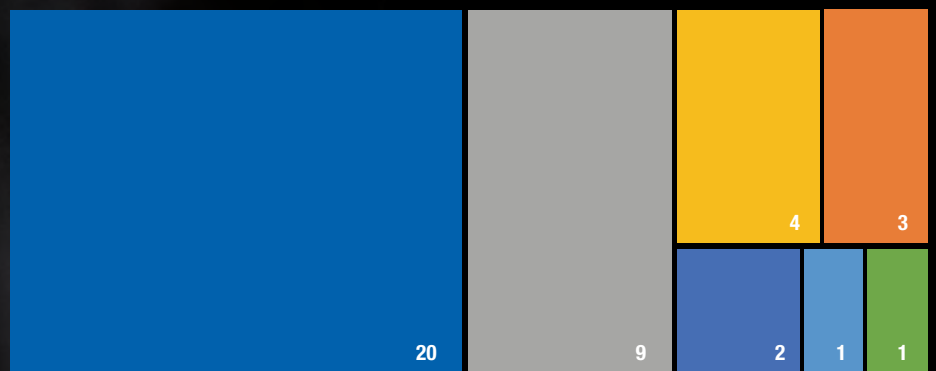
**16 628**  
Number of personnel |  
31 December 2017

# THE SANLAM ADVANTAGE

**SANLAM HAS BEEN OPERATING FOR 100 YEARS AND HAS ESTABLISHED A REPUTATION OF TRUST AND RESPECT ON THE AFRICAN CONTINENT. A LONG-TERM PARTNERSHIP ETHOS IS A FUNDAMENTAL DRIVER OF THE SANLAM CULTURE.**

## SANLAM ALTERNATIVES AUM

Strategy	Total R'bn
Unlisted Unrated Credit (incl SRI)	1
Private Equity	3
Unlisted Property	9
Infrastructure Credit	4
Infrastrucutre Equity	2
Hedge Fund	1
Unlisted Rated Credit	20
<b>Total</b>	<b>40</b>



Source: Sanlam Investments, May 2018



**100 years  
in business**

Present in  
**45 countries**  
around the globe

The Sanlam Alternatives Multi-Strategy capability is a key focus area for the Sanlam Group and gives investors access to:

- Well-established private market networks that continue to be maintained, grown and refreshed by over 16 000 Sanlam employees, resulting in extensive deal origination capabilities
- The synergies and collaborative expertise of specialist investment teams who offer diversity of thinking, planning, strategy and decision-making
- Strong governance and risk management systems and processes
- World-class legal, operational, compliance and administrative infrastructure

## CONTACT

Contact us to benefit from:

- **Direct access to a diversified alternatives portfolio**
- **Sanlam's extensive deal origination, governance framework and economies of scale**
- **Our proven alternative investment expertise**

We will work with you to customise and build the most efficient, risk-smart portfolios for your needs.

To find out more, please contact Pawan Singh, Head of Sanlam Alternatives Multi-Strategy.



**Pawan Singh**

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**Disclaimer:**

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