



## Alternative Investment Strategies

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### What Is a Hedge Fund?

Can invest in  
any asset class  
(including other  
alternatives)

Can utilize any  
strategy

Can utilise  
"return  
enhancing  
strategies"

Leverage

Short  
Positions

Derivatives

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## Hedge Funds – Example Strategies

Event Driven	Relative Value	Equity Hedge	Macro
Merger Arbitrage	Fixed Income Convertible Arbitrage	Market Neutral	
Distressed	Fixed-income asset backed	Fundamental Growth	
Activist	Volatility	Fundamental Value	
Special Situations	Multi-Strategy	Quants	
		Short Bias	

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## Major Global Hedge Funds

Name	AUM (USDbn)	Strategy	Country
Bridgewater Associates	c.100	Global Macro	USA
AQR Capital Management	c.60	Quant	USA
Man Group	c.45	Various	UK
Two Sigma Investments	c.40	Quant	USA
Millennium Management	c.33	Various	USA
Winton Group	c.33	Quant	UK
Renaissance Technologies	c.32	Quant	USA
Baupost Group	c.30	Value	USA
Elliott Management Corporation	c.29	Distressed	USA
Blackrock	c.29	Various	USA

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## Private Equity

### Structure

- Funds

### Investors

- Pension funds
- Insurance companies
- Sovereign wealth funds
- High Net Worth individuals
- I.e. investors with long time horizon

### Financing

- Largely debt (LBOs)

### Organisation

- Usually industry specialisation

### Targets

- Mature and start up companies

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## Types of Private Equity

Leveraged Buyouts (LBOs)	Venture Capital	Developed Capital	Distressed / Turnaround
High Debt	Start Ups	Invests in more mature companies	Invest in equity or debt of mature firm
Acquires Public Companies	High growth Potential	Capital to expand or restructure	Look for temp cash flow issues
Takes them private until exit	Stage can vary		Good market and business

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## Private Equity – Leveraged Buy Out



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## Private Equity – Biggest Players

Name	AUM (USDbn)
Apollo Global Management LLC	c.150
Blackstone Group LP	c.145
Carlyle Group	c.145
KKR & Company LP	c.100
Ares Management LP	c.75
Oaktree Capital Management LP	c.70
Fortress Investment Group LLC	c.70
Bain Capital LLC	c.65
TPG Capital LP	c.60
Ardian	c.45

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## Venture Capital

### Structure

- Funds or direct

### Investors

- Pension funds
- Insurance companies
- Sovereign wealth funds
- High Net Worth individuals
- I.e. investors with long time horizon

### Financing

- Equity (debt usually not available)

### Organisation

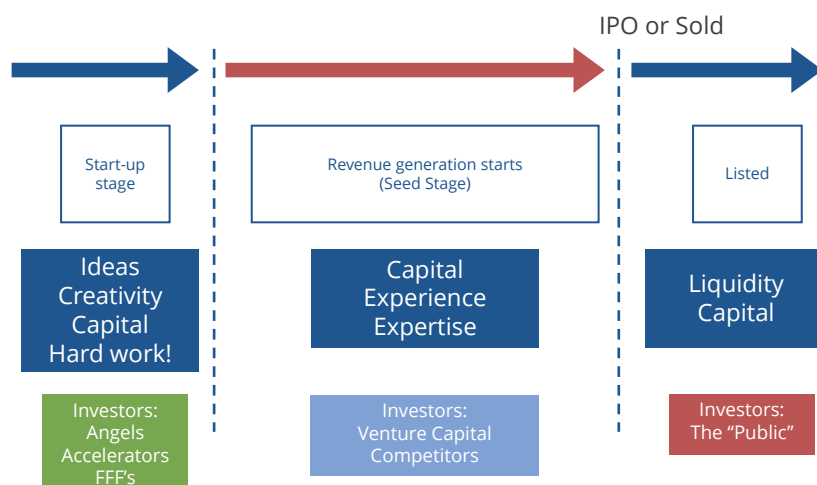
- Industry/Geography/Business situation

### Targets

- Young companies

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## Venture Capital



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