# IMAP Specialist series: Sky High Markets, Rock Bottom Rates – Is there any alternative to Alternatives?

# Session 1 – Understanding the options from specific strategies

Andrew Lockhart – Metrics Credit Partners

Chad Hitzeman – ETF Securities

Claire Smith – Schroders

Series moderated by Daniel Stojanovski, Centrepoint Alliance

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# Are there Alternatives to Alternatives? Sessions 2 and 3

## Wednesday 12.00 – Better Solutions for Defensive Goals

Alex Stanley – Ardea
Brett Lewthwaite – Macquarie Investment Management
Mathew Kaleel – Janus Henderson

## Friday 12.00 – Building Portfolios – the Researchers' View

Deanne Baker – Lonsec
Steven Tang – Zenith
Tim Murphy - Morningstar

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**Upcoming events**

25th August – IMAP Managed Account Awards Virtual Presentation Ceremony

13th September – State of Managed Accounts Webinar

11th November – Independent Thought Conference

22nd November – Managed Account Central @ FPA Congress

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# How to ask a Question


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| Andrew Lockhart | Chad Hitzeman | Claire Smith |
|---|---|---|
| Managing Partner | Senior BDM | Alternatives Director |
| Metrics Credit Partners | ETF Securities | Schroders |

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# Schroder Specialist Private Equity Fund

**Specialist Private Equity strategy**

- Building on Schroders Capital's 20 years relationships
- 100% private equity; global focus
- US and European SME buyouts and Asia growth companies

**Semi-liquid**

- Focus on buyouts using secondaries and co-investments
- Liquidity tools incorporated in fund design: monthly subscriptions, and the right to apply to redeem quarterly (subject to limitations including a cap on net quarterly redemptions)

**Increased access and flexibility**

- Australian feeder fund into Luxembourg domiciled Schroder GAIA II Specialist Private Equity Fund
- APIR Code: SCH0038AU
- No performance fees charged by Schroders

*SMALL TO MID-SIZED BUYOUT INVESTMENTS IN EUROPE AND US*

*GROWTH INVESTMENTS IN ASIA*

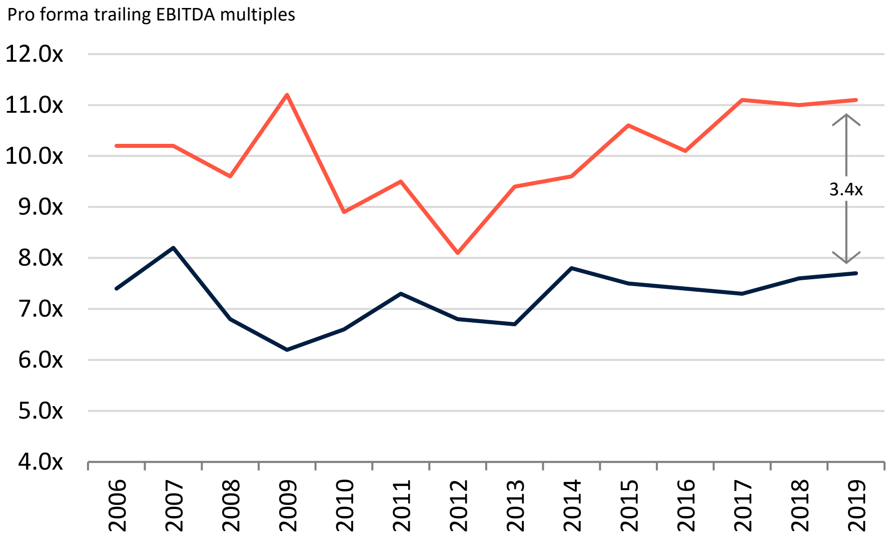
*GLOBAL VENTURE CAPITAL*



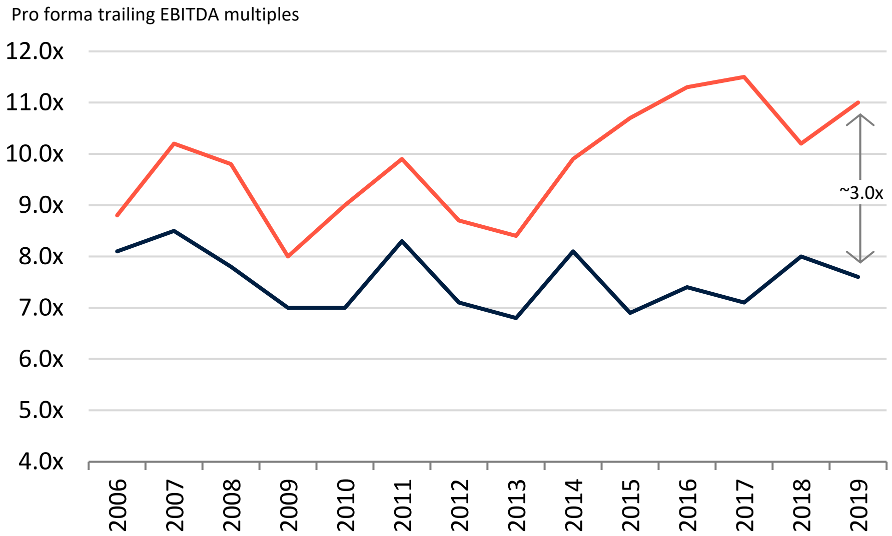
Source: Schroders, 2021

# Small buyouts in Europe and US have healthy entry pricing

## EV/EBITDA purchase multiples small and large buyouts (Europe)




## EV/EBITDA purchase multiples small and large buyouts (US)




Small buyouts: <€/$100 million EV

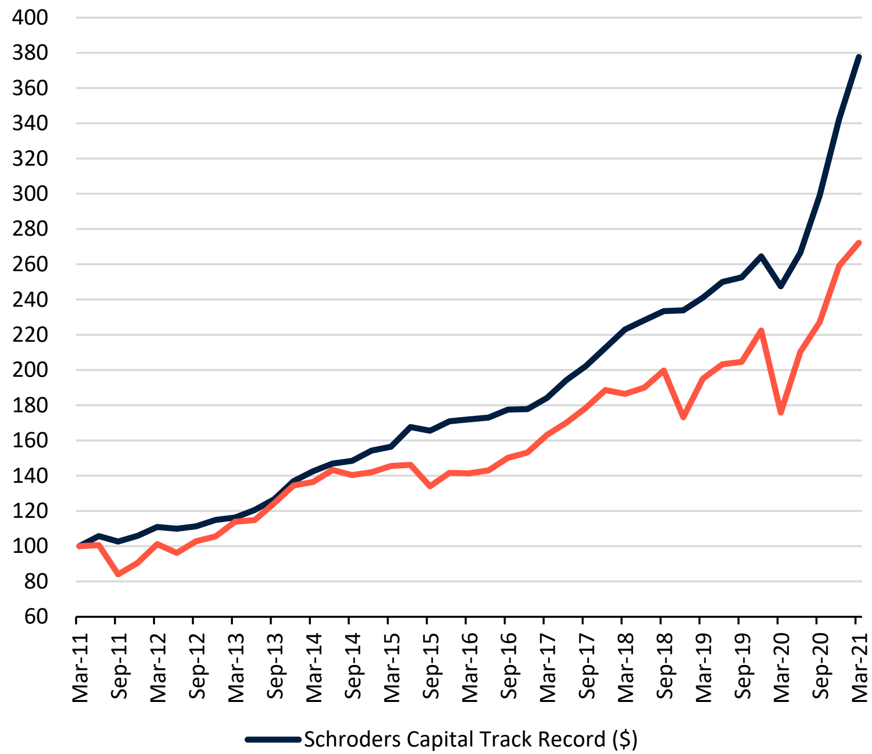
Large buyouts: >€/$500 million EV



Source: Baird 2020, S&P 2020, Schroders Capital, 2020.

# Strong performance track record

## Schroders Capital track record vs. MSCI World TR




### Strong returns vs. MSCI World....

| | 10 year CAGR | 5 year CAGR |
|---|---|---|
| Schroders Capital | 14.2% | 17.0% |
| MSCI World TR | 10.5% | 14.0% |

### ...lower volatility...

| Volatility (10 years) | Annualized quarterly volatility |
|---|---|
| **Schroders Capital** | **7.5%** |
| MSCI World TR | 15.1% |
| Russell 2000 Growth TR | 22.3% |
| STOXX Europe Small 200 TR | 17.6% |
| MSCI Asia Pacific TR | 15.6% |

### ... and low correlation to Public Markets

| Correlations (10 years) | Schroders Capital |
|---|---|
| MSCI World TR | 0.70 |
| Russell 2000 Growth TR | 0.69 |
| STOXX Europe Small 200 TR | 0.65 |
| MSCI Asia Pacific TR | 0.70 |



**Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested.**
Source: MSCI, Schroders Capital, 2021.
Figures shown are as of Q1 2021 and net of underlying fund fees, expenses and performance fees and gross of Schroders Capital's fund fees, expenses and performance fees, as calculated in $. Quarterly returns calculated as the total quarterly investment result over the Beginning of Period (BOP) NAV. The total quarterly investment results are calculated as End of Period (EOP) NAV plus Distributions in the quarter minus Calls in the quarter minus BOP NAV.

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