



It takes **wisdom** and
experience to spot
the best opportunities

Select Alternative Investments





Kevin Means, CFA Principal

Area of Expertise

- **Investment research**
- **Multi-asset class management**
- **Alternatives management**
- **Portfolio management**

Background and Experience

- Director of Quantitative Research at INVESCO
- Expert at developing structured investment processes
- Chief Investment Officer at INVESCO, Aeltus (Aetna investment subsidiary), and Alpha Equity Management
- Developed and managed multi-asset class “lifestyle” funds
- Hired and supervised asset class specialist managers
- Founded a hedge fund firm – Alpha Equity Management
- Known as a pioneer in 130/30 management
- Managed a variety of long/short equity hedge funds: U.S., international, and real estate
- Managed a Morningstar five-star mutual fund (Alpha Equity Mgmt.)
- Managed large funds (>\$11 billion) at Aeltus
- Managed multi-asset class portfolios for over 25 years





The Investor's Dilemma

- **Stocks** are volatile and returns are uncertain so diversification still makes sense.
- **Bonds** diversify stocks well, but prospective returns are near historic lows.
- **Other equity asset classes** (small cap, international, real estate) have high correlations with stocks and so provide limited diversification.
- **Alternative investments** (hedge funds, private equity, commodities) may diversify stocks but have their own problems:
 - **Correlations** with stocks have moved up
 - **Returns** have been disappointing on average
 - **Costs** are high (“two and twenty”)
 - **Access** is limited to accredited investors
 - **Liquidity** can be poor (lockups, gates, holdbacks)
 - **Control and transparency** can be a concern (Madoff)
 - **Complexity and unfamiliarity** are additional hurdles



Our solution: absolute return ETF portfolios

- **Concentrated portfolios.** 20-25 holdings, long-only or each long and short, of up to 10%.
- **Opportunistically selected portfolios.** Only the most attractive asset classes and strategies are included at any point in time, and weights are dynamically set according to risk and return outlook.
- **Hedged portfolios.** We lower our risks, and our correlations with stocks and bonds, by hedging the systematic risks inherent in our positions.
- **Diversified portfolios.** We include an unusually wide variety of asset classes and strategies, for example:
 - Commodities
 - Currencies
 - Long/short equities
 - Real estate
 - Emerging market debt and equity
 - Sectors and industries
 - Merger arbitrage
 - Publicly traded private equity
 - Equity market volatility futures
 - Inflation-indexed debt
 - Hedge fund replication
 - Countries



Why SelectAlts?

- **Returns**
 - Seeks a higher return than most diversified alternative funds
 - Actively manages equity market beta to participate in up markets and protect in down markets
- **Diversification**
 - Designed for low correlation with stocks and bonds
 - Exposure to a wide variety of asset classes and strategies
- **Simplicity**
 - A “one-and-done” overall alternatives solution in a single investment
 - Offloads the task of deciding how much to allocate to which asset classes and strategies
- **Peace of mind**
 - ETFs are publicly traded registered investment vehicles
 - Client owns and controls the assets in a separately-managed account





SELECT ALTERNATIVE INVESTMENTS LLC

GENERAL DISCLAIMER

THIS DOCUMENT IS BEING PROVIDED ON A CONFIDENTIAL BASIS SOLELY TO ITS DIRECT RECIPIENT AND SHALL NOT BE REPRODUCED, QUOTED FROM OR DISTRIBUTED WITHOUT THE EXPRESS CONSENT OF SELECT ALTERNATIVE INVESTMENTS LLC AND IN ANY EVENT IS NOT INTENDED FOR PUBLIC USE OR DISTRIBUTION. THE INFORMATION CONTAINED HEREIN IS SUMMARY IN NATURE AND INCOMPLETE AND IS SUBJECT TO CHANGE OR ADDITION WITHOUT NOTICE. SUCH INFORMATION HAS BEEN PREPARED WITH REASONABLE CARE BUT DOES NOT CONSTITUTE ANY REPRESENTATION OR WARRANTY BY SELECT ALTERNATIVE INVESTMENTS LLC, THE INVESTMENT MANAGER OR ANY OF THEIR AFFILIATES. PAST INVESTMENT PERFORMANCE IS NO ASSURANCE OF FUTURE RESULTS. THERE ARE IMPORTANT MATTERS (INCLUDING RISK FACTORS, TAX CONSEQUENCES AND RELEVANT INVESTMENT CONSIDERATIONS) TO BE CONSIDERED IN CONNECTION WITH BECOMING A CLIENT THAT ARE NOT DISCUSSED HEREIN AND PROSPECTIVE CLIENTS ARE RESPONSIBLE FOR REVIEWING THE SAME WITH THEIR PERSONAL ADVISORS. PROSPECTIVE CLIENTS ARE NOT BEING SOLICITED AS SUCH IN ANY JURISDICTION IN WHICH SUCH SOLICITATION WOULD BE UNLAWFUL UNLESS AND UNTIL THE REQUIREMENTS OF THE LAWS OF SUCH JURISDICTION HAVE BEEN SATISFIED. THIS DOCUMENT IS NOT INTENDED FOR USE BY BROKER-DEALERS, MARKETERS OR OTHER THIRD PARTIES.

