

Ashfield Alternative Strategies

December 8, 2020



Ashfield's research is focused on strong, sustainable long-term investments, in both public and private markets. The core to our investment approach is growth-oriented public companies, but we also look for compelling opportunities in private markets as well. Every so often we will release an update with a new alternative investment or fund vintage. As we near the close of the year, Ashfield is in a unique position to introduce our clients to two new strategies in our research pipeline. We also thought it would be a good time to revisit our thesis on different types of investments and why we believe they may make sense inside of a custom portfolio.

Our research and experience spans across a range of alternative strategies. We welcome a discussion on which strategies may be suitable for your portfolio and the investment funds available in each category.

- **Private Credit – Senior Secured Loans Made in the Private Markets.** Purpose: Increasing portfolio yield without meaningfully altering the risk profile. This asset class should provide equity-like returns, largely in the form of cash flow, with low correlations to both traditional equity and fixed income. Given our very modest expectations for returns in fixed income going forward, these investments should have the ability to generate superior returns with a similar risk profile to the liquid credit markets.
- **Hedge Funds – Absolute Return.** Purpose: Producing equity-like returns with a Treasury-like volatility profile that does not correlate to either the equity or fixed income markets. While there are many hedge fund varieties, we seek investments that are designed to deliver consistent results in any market environment.
- **Private Real Estate – Private Equity into Multi-Family / Industrial / Commercial Assets.** Purpose: Generate excess return to the equity markets in a potentially tax-efficient manner, with a meaningful cash flow component, without dramatically increasing portfolio risk. We have many real estate choices – some are more economically resilient in nature (manufactured housing, rent-controlled housing) and we avoid taking development risk
- **Private Equity – Venture / Growth / Buyout.** Purpose: Generate meaningful excess return to the equity market while accepting excess risk. This offers the client the opportunity to invest in innovative companies with significant growth potential not accessible to the public markets.

Private funds are not suitable for every client. They require a tolerance for risk, and we hold a high bar for investments where clients' money is locked-up for ten years or more. Ashfield has always believed deeply in the value of stock investing and it has served us well; when we recommend a deviation from that, it is with intention and purpose. These investments must do something for a portfolio that cannot be achieved using equities and fixed income.

We have two new funds under review. Our research is ongoing and we will have more information in the coming weeks. But for clients where these investments may be suitable, Ashfield can provide more details and offering materials.

We look forward to the opportunity to discuss our platform and determine if there are opportunities for you to take advantage.



This communication has been prepared solely for informational purposes, based upon information generally available to the public from sources believed to be reliable, but no representation or warranty representation, express or implied, has been made as to the accuracy or completeness of the information contained herein and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or to participate in any trading strategy. If any offer of securities is made, it will be pursuant to a confidential offering memorandum, an investment management agreement or other offering materials, which contains material information not contained herein and which supersedes this information in its entirety. This communication is not designed to be a comprehensive analysis of any topic discussed herein, and should not be relied upon as the only source of information. Additionally, this communication is not intended to represent advice or a recommendation of any kind, as it does not consider the specific investment objectives, financial situation, applicable risk factors, and/or particular needs of any individual client or investor and should not be relied upon as the basis for investment decisions. Additional information is available upon request.

The investments discussed herein are for illustrative purposes only and it should not be assumed that such investments were or will be profitable or that the investments or recommendations Ashfield Capital Partners makes in the future will be profitable or will equal the anticipated results discussed herein. Past performance is not necessarily indicative of future results. The indices, markets and countries referenced in this communication are provided for informational purposes only and should not be used as the basis for making an investment decision. The indices, markets and countries referenced in this communication are included merely to show the general trend in the markets in the periods indicated and are not intended to imply that the underlying returns were comparable to the indices, markets or countries either in composition or element of risk. There are significant differences between client accounts and the indices, markets and countries herein including, but not limited to, risk profile, liquidity, volatility, and asset composition.