

# How Can a Multi-Strategy Fund Fit Within an Investment Portfolio?

Incorporating a multi-strategy fund into an investment portfolio can offer several benefits:

- **Enhanced Diversification:** A multi-strategy fund provides exposure to a diverse range of investment opportunities across different asset classes and investment styles. By spreading investments across multiple strategies, sectors, and geographies, investors can achieve broader diversification and reduce concentration risk within their portfolios.
- **Risk Mitigation:** Multi-strategy funds aim to mitigate portfolio risk by diversifying across multiple strategies with low correlation. By spreading risk across different investment opportunities, multi-strategy funds help cushion the impact of adverse market movements and enhance overall portfolio resilience.
- **Potential for Enhanced Returns:** Multi-strategy funds offer the potential for enhanced returns by capitalising on a broader range of market opportunities. With the ability to allocate capital dynamically across different strategies, multi-strategy funds seek to optimise risk-adjusted returns and generate consistent performance over time.
- **Adaptability to Changing Market Conditions:** Multi-strategy funds are designed to adapt to changing market conditions and capitalise on emerging trends. By actively reallocating capital across different strategies, multi-strategy funds can adjust to shifting market dynamics, seize opportunities, and mitigate risks as they arise.

## Strategies for Incorporating a Multi-Strategy Fund

- **Assess Portfolio Objectives:** Before incorporating a multi-strategy fund, investors should assess their investment objectives, risk tolerance, and time horizon. Understanding these factors will help investors determine the appropriate allocation to a multi-strategy fund within their overall investment portfolio.
- **Evaluate Fund Characteristics:** When selecting a multi-strategy fund, investors should evaluate key characteristics such as the fund's investment approach, track record, manager expertise, and risk management processes. It's essential to choose a fund that aligns with the investor's investment goals and risk profile.
- **Allocate Capital Strategically:** Once a multi-strategy fund is selected, investors should strategically allocate capital to the fund based on their overall asset allocation strategy and risk-return objectives. It's crucial to maintain a balanced portfolio allocation that takes into account the unique characteristics of the multi-strategy fund and its role within the broader investment portfolio.
- **Monitor and Rebalance:** Finally, investors should regularly monitor the performance of the multi-strategy fund and rebalance their portfolio as needed to maintain the desired asset allocation. Periodic reviews and adjustments will help ensure that the multi-strategy fund continues to fulfill its intended role within the investment portfolio and aligns with the investor's long-term financial objectives.

## Conclusion

Incorporating a multi-strategy fund within an investment portfolio can enhance diversification, mitigate risk, and potentially optimize returns. By providing exposure to a diverse range of investment opportunities across different asset classes and investment styles, multi-strategy funds offer investors a dynamic approach to portfolio management. With their ability to adapt to changing market conditions, capitalize on emerging trends, and optimize risk-adjusted returns, multi-strategy funds can play a valuable role in helping investors achieve their long-term financial goals.

# Important Information

This document is marketing material. Issued and approved by Sanlam Investments which is authorised and regulated by the Financial Conduct Authority. Sanlam Investments is the trading name for Sanlam Investments UK Limited (FRN 459237), having its registered office at 27 Clements Lane, London EC4N 7AE. The UCITS Management Company has the right to terminate the arrangements made for the marketing of funds in accordance with the UCITS Directive.

This document is provided to give an indication of the investment and does not constitute an offer/invitation to sell or buy any securities in any fund managed by us nor a solicitation to purchase securities in any company or investment product. It does not form part of any contract for the sale or purchase of any investment. The information contained in this document is for guidance only and does not constitute financial advice.

This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, tax, legal or accounting advice.

This document contains information intended only for the person to whom it is addressed or presented (Investment Professionals, defined as Eligible Counterparties or Professional Clients), and is intended for evaluation purposes, with no licence to use the content or materials within. It must not be distributed to general public, or relied upon by Retail Investors.

The opinions are those of the author at the time of publication and are subject to change, without notice, at any time due to changes in market or economic conditions. Whilst care has been taken in compiling the content of this document, neither Sanlam nor any other person makes any guarantee, representation or warranty, express or implied as to its accuracy, completeness or fairness of the information and opinions contained in this document, which has been prepared in good faith, and to the fullest extent permissible under UK law. Some parts/sections of this document may be compiled from external sources. Whilst these sources are believed to be reliable, the information has not been independently verified and is subject to material amendment, revision and updating, therefore no representation is made as to its accuracy or completeness. No reliance may be placed for any purpose whatsoever on the information, representations or opinions contained in this document nor shall it or any part of it form the basis of or act as an inducement to enter into any contract for any securities, and to the fullest extent permissible under UK law no liability is accepted or any such information, representations or opinions. The comments should not be construed as a recommendation of individual holdings or market sectors, but as an illustration of broader themes.

Statements in this document that reflect projections or expectations of future financial or economic performance of a strategy, or of markets in general, and statements of any Sanlam strategies' plans and objectives for future operations are forward-looking statements. Actual results or events may differ materially from those projected, estimated, assumed or anticipated in any such forward-looking statement. Important factors that could result in such differences, in addition to the other factors noted with forward-looking statements, include general economic conditions such as inflation, recession and interest rates, political or business conditions or in the tax or regulatory framework in the UK or other relevant jurisdictions, any of which could cause actual results to vary materially from the future results implied in such forward-looking statements. No assurance can be given as to the future results that will be achieved. All of the information herein should be treated as confidential material with no less care than that afforded to the addressee's own confidential material of the most sensitive nature.

Sanlam funds mentioned in this document are only available for sale in certain jurisdictions. For the avoidance of doubt, this document is not intended to promote these Funds to any person in any jurisdiction where such promotion is not permitted under applicable laws and regulations. Potential investors should inform themselves of the applicable laws and regulations of the countries of their citizenship, residence or domicile and which might be relevant to any type of transaction in shares/units of our Funds. By accepting the terms of this disclaimer, you expressly acknowledge that you are, as the case may be, an investor who is legally or otherwise duly authorised to seek information about our Funds.

Deemed authorised and regulated by the Financial Conduct Authority. The nature and extent of consumer protections may differ from those for firms based in the UK. Details of the Temporary Permissions Regime, which

allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website.