

The pursuit of high returns

The creation of wealth requires the pursuit of high returns, which inevitably brings with it an element of risk taking. To underestimate this risk may lead to the unexpected erosion of capital. Stenham has specialised for 20 years in constructing portfolios to deliver absolute returns and our investment process has evolved to be as much about managing risk as delivering returns.

Stenham Group

Founded in 1901, Stenham is today an independent, wealth management organisation, with offices in London, Switzerland, the Channel Islands, the Netherlands and other jurisdictions.

Our edge comes from over 20 years of specialising in the alternative investment arena multi-manager hedge fund portfolios and commercial property. We have a loyal client base of many years' standing, including institutions and private clients across the UK, Europe, Latin America and South Africa. Total assets under management are US\$4bn.

Multi-manager hedge fund portfolios

Stenham has been managing assets on an absolute return mandate since 1988, through discretionary segregated portfolios and fund of funds. Its overriding philosophy is to deliver consistent capital growth and control the level of risk through diversification and manager selection. Stenham has successfully delivered returns uncorrelated to traditional assets through periods of exceptional market volatility. In the process, Stenham has won and been short-listed for numerous awards.

Stenham recognises that no single manager can excel in all investment arenas. Accordingly, its investment process is based on accessing the expertise of the best managers globally. These managers

invest in a range of assets, capital instruments, markets, strategies and geographical areas, capturing positive returns through their individual skills. Client funds are allocated to a number of these carefully selected independent investment managers blended together as a portfolio to achieve consistent superior returns with low volatility.

Emphasis is placed on managing risk by diversifying geographically using non-correlated hedged strategies. A highly disciplined research and due diligence process, including in-house resources and external consultants, is used to select new managers and to monitor those already in the portfolios.

Stenham's strengths:

- A focus on the downside risk of the strategies and managers, and the sustainability of the returns;
- Minimise macro risk – a forward looking qualitative assessment of the macro environment and economic outlook;
- Seek out star managers who can deliver added value – qualitative assessment of fund managers is equally important as track record;
- Avoid fraud – equal emphasis on investment and operational due diligence;
- Focused approach – know each investment thoroughly, strong relationships and frequent contact with all fund managers;
- Extensive network – access to the highest quality and reputable managers many of whom are closed but where we have capacity;
- The benefits of a long track record and experience without the problems that are sometimes associated with larger houses.

A sophisticated, bespoke and transparent service...

Property funds

Stenham has over 12 years' experience investing in and managing commercial property portfolios spanning the UK, Germany, Switzerland and Japan. Stenham has developed a successful track record of performance in acquiring, actively managing, refinancing and exiting property investments. The average weighted IRR over 12 years is 24.9% with an equity multiple of 1.65 times, net to investors, on realised equity investments.

Stenham offers a turnkey service of seeking out property investments and negotiating the acquisition of or participation in these properties. It arranges the funding through a combination of commercial bank loans, mezzanine loans and equity from clients. It also arranges the corporate and tax structuring of these investments and manages them through to exit.

As the property investment market has evolved it has become necessary to invest in opportunities requiring active value added management. These 'more active' opportunities often take the form of joint ventures with specialists in niche fields.

Stenham has successfully negotiated, structured and participated in property joint ventures as an active partner from inception until exit.



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