Asset Management

LSESU TAMIL SOCIETY

TAMIL ENDOWMENT FUND

TAMIL PROFESSIONALS NETWORK

November 2023

Plan of Events

- **Introductions to Tamil Professional Network & Tamil Endowment Fund**
- **Introduction to Asset Management**

- **Panel 1 (0-5 Years from Uni)**
  - **Aravindh** – Infrastructure Equity
  - **Charran** – Real Estate
  - **Govindan** – Infrastructure Debt

- **Panel 2 (5+ Years from Uni)**
  - **Saiwarren** – Fixed Income Manager Research
  - **Anuthya** – Private Equity (Value Creation)

- **Panel 3 (5+ Years from Uni)**
  - **Parthipan** – Listed Equity
  - **Jishnu** – Private Equity

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Community

UNITE STUDENTS, GRADUATES AND PROFESSIONALS TO BUILD A COMMUNITY AND SUPPORT EACH OTHERS PROFESSIONAL JOURNEYS

Uplift

PROVIDE SUPPORT THROUGH WORKSHOPS, ADVICE AND NETWORKING OPPORTUNITIES TO HELP STUDENTS ACHIEVE THEIR CAREER GOALS

Aid

WORK ALONGSIDE A RANGE OF CHARITIES TO SUPPORT THE TAMIL COMMUNITY IN SRI LANKA, INCLUDING TAMIL AID AND ABAYAM FOUNDATION

@tamilprofessionalsnetwork

Tamil Endowment Fund

Operating Model

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Asset Management, Fundraising and Investing

- Develop and grow permanent asset base
- Generate yearly sustainable cash flows for grants and impact investments

Grant Making and Resource Support

- Identify issues that are or may impact Tamil people and organisations
- Strategic partnerships with organisations and individuals to help scale solutions
- Work with other partners to crowd in financial and human capital

Case Study:

Children's Investment Fund

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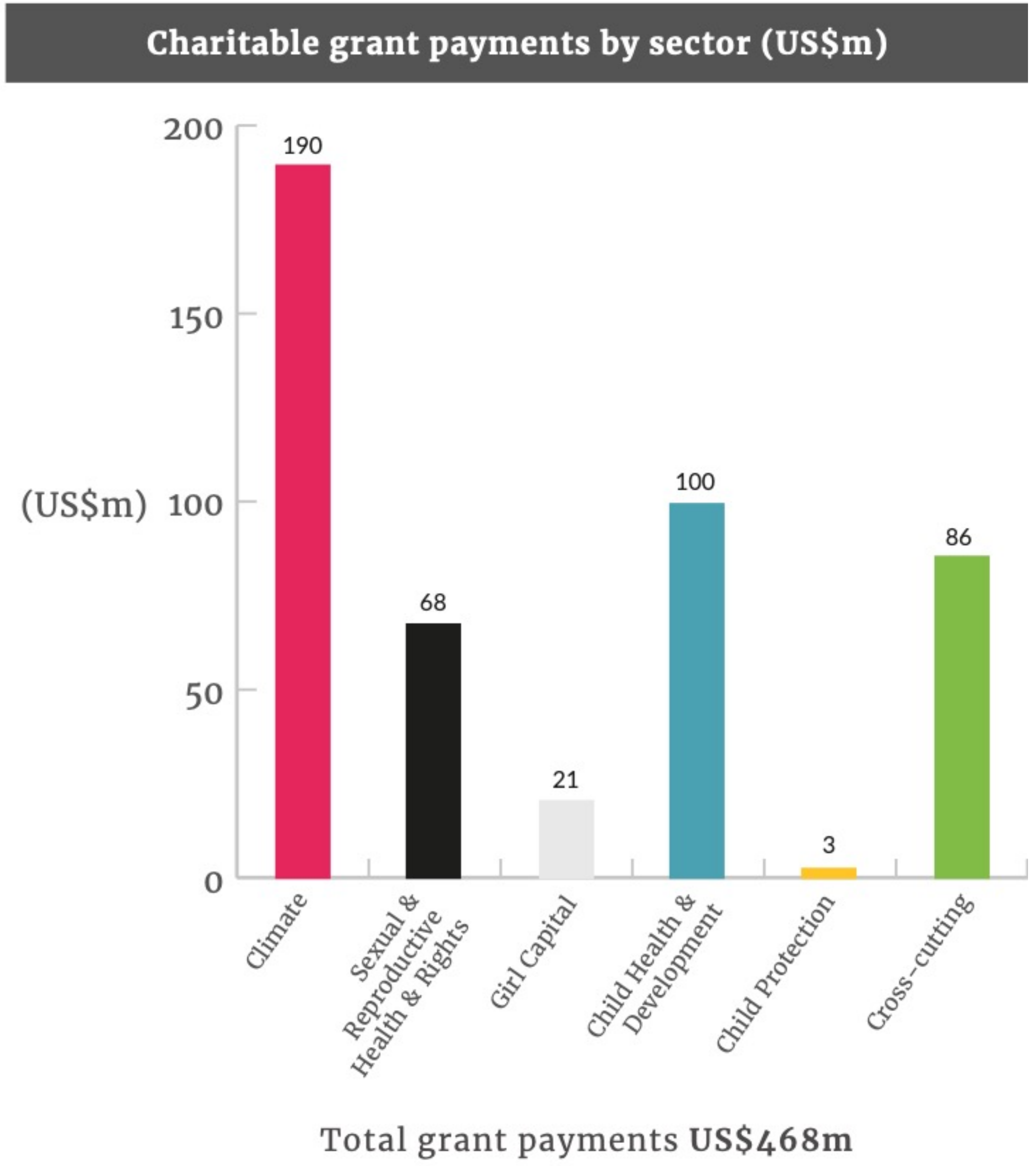
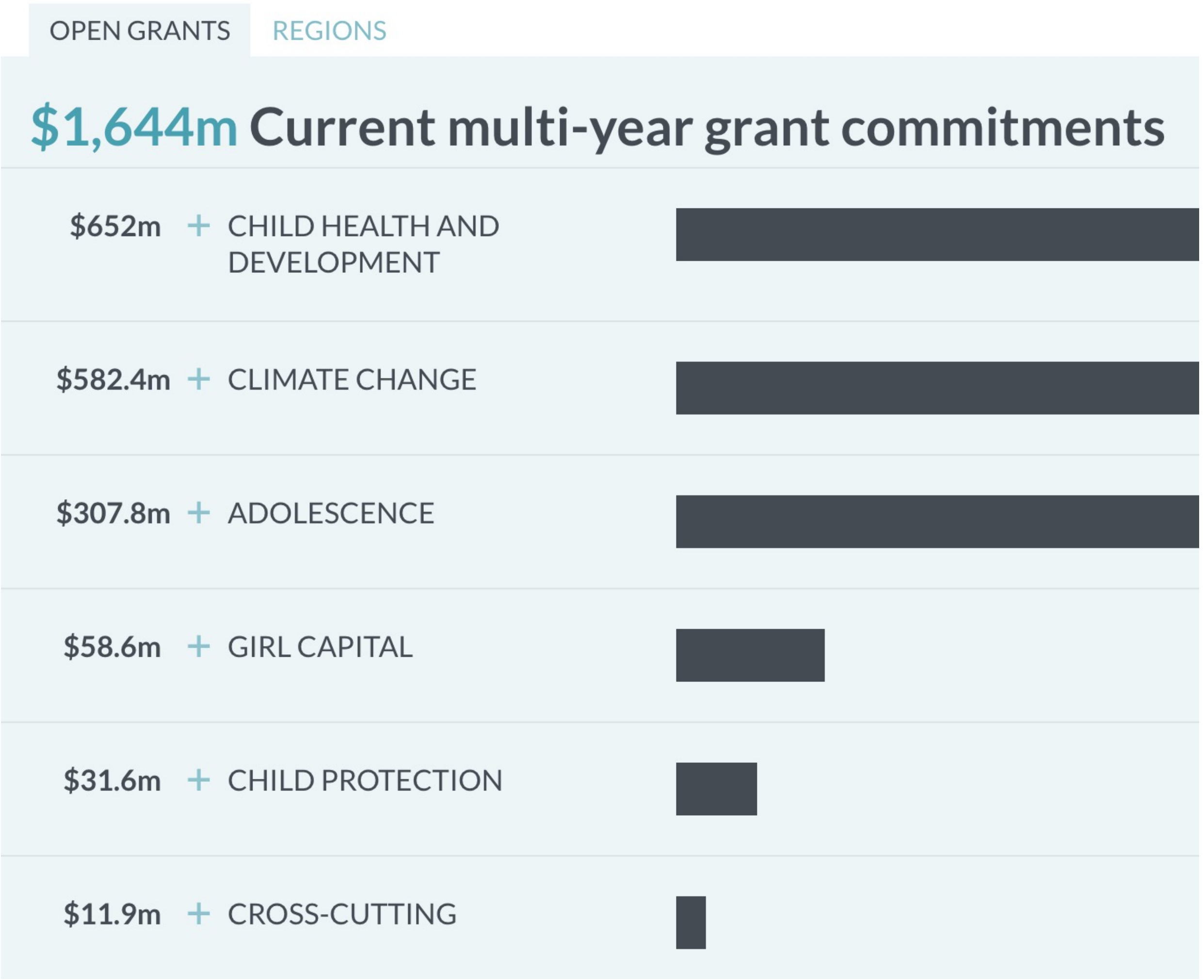
Mission: Improve the lives of children living in poverty in developing countries

- Established in 2002 by Chris Hohn and Jamie Cooper
- Since 2004, received donations of $2B which has grown to $6B (2020), after investments costs and distributions
- The Board of Trustees has developed an investment strategy for the endowment. The endowment investment objectives are to:
    - **6% + Inflation per annum over a 10-year rolling period**
    - **Annual disbursements** equal to **7% of the rolling five-year average assets – annual grant approx. $400M+**

CIFF CHILDREN'S INVESTMENT FUND FOUNDATION

Unlock significant single and multi-year grant commitments





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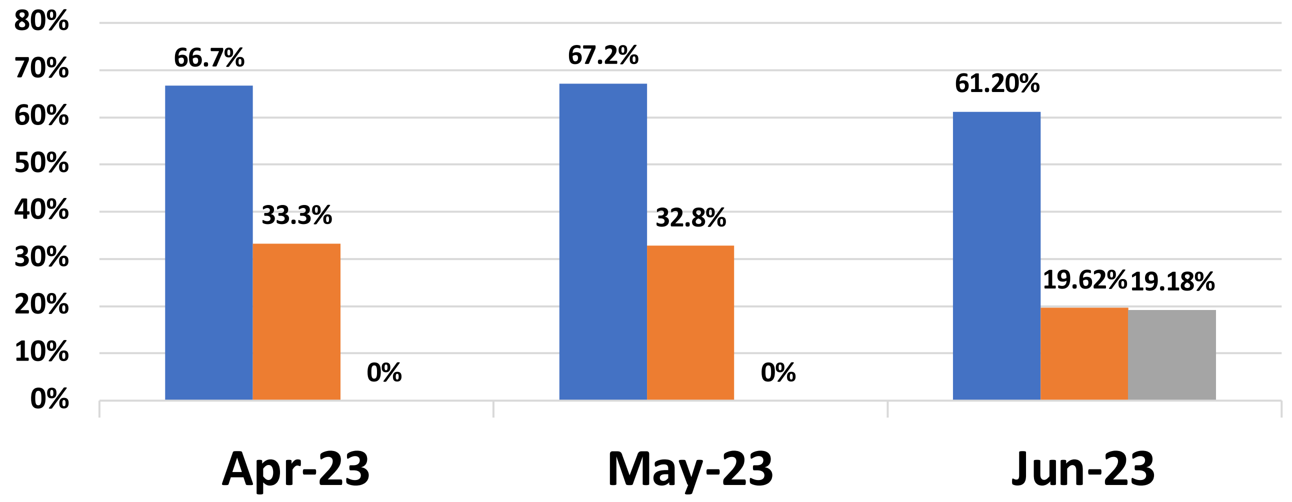
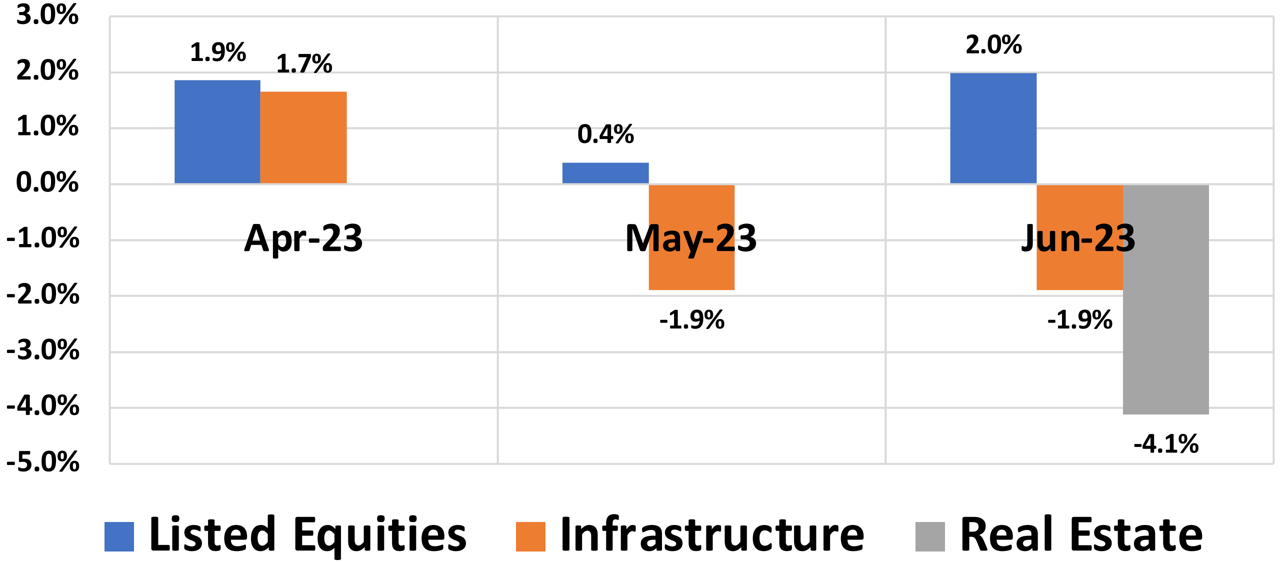
Exposures Update - June 2023

Asset Allocation



Cumulative Performance by Asset Class



Sector	TEF	MSCI ACWI*	Difference
Real Estate	19.7%	2.3%	17.4%
Technology	16.3%	22.1%	-5.8%
Utilities	13.0%	2.8%	10.2%
Health Care	11.5%	11.8%	-0.4%
Industrials	10.9%	10.6%	0.3%
Consumer Staples	10.9%	7.3%	3.6%
Financials	7.4%	15.4%	-8.0%
Consumer Discretionary	2.7%	11.3%	-8.7%
Communication Services	2.2%	7.3%	-5.1%
Energy	1.9%	4.6%	-2.7%
Cash and Equiv.	1.9%	0.0%	1.9%
Materials	1.6%	4.6%	-3.0%
Non-Classified	0.0%	0.0%	0.0%

*MSCI ACWI is not our performance benchmark, but included as reference of the broader equity market sectoral exposures

Regional Exposure	
North America	72.3%
Europe - Excl UK	12.0%
UK	7.3%
Asia and Pacific	4.8%
South & Central America	1.1%
Cash and Equiv.	1.3%
Non-Classified	1.1%

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UK Tamil Organisations Map

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Puhar 15

தமிழ்த்துறை TamilStudies UK

ABTL

TAP

TAMIL PROFESSIONALS NETWORK

47

2020

TG

Child First UK

The Little Things

தமிழ் மரபுத் திங்கள்

TAMIL HERITAGE MONTH JANUARY

pon-gal

ANBU UK

Tamil Information Centre

தமிழ் தகவல் நடுவம்

TIC

TAMIL INFORMATION CENTRE

Committed to Human Rights and Community Development

Tamil Institute for Leadership Excellence

TAMIL HOUSING

த

BTMA British Tamil Medical Association

Serendip Children's Home

Open The Vaazhai Ilai

வழிகாட்டி

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Introduction to Asset Management

- Understand the investment value chain, the different stakeholders and their investment problems

- Understand the different asset classes and what it is like to work in them
  - Application process and the journey to asset management (buy-side)
  - What makes a good investment?
  - What makes a good investor?

- Clear any doubts / knowledge gaps – think of questions throughout this presentation!!

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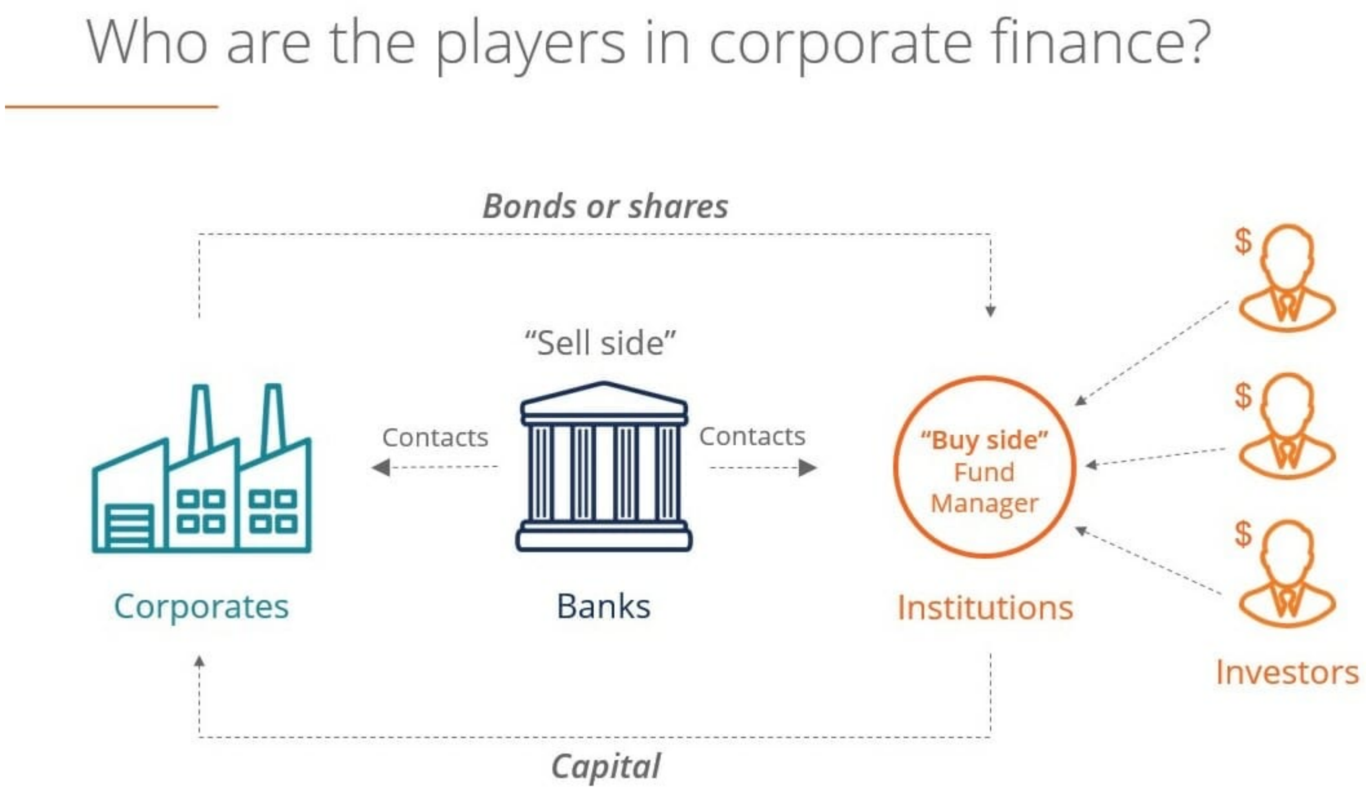
Buy Side v Sell Side



- **Buy-side** analysts work for firms that **buy financial securities**, such as asset managers (hedge funds, equity funds and private equity groups)
- **Sell-side** analysts work for institutions that **sell financial products**, such as investment banks, advisory firms and brokerages
- **Asset management** predominantly involves the **buy side**

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Definitions

- **Asset Owner**
  - Owners of capital, needing to earn a return
  - Pay liabilities and/or keep growing their capital

- **Asset Manager**
  - Invests and manages asset owner capital, typically with a target return
  - The capital eventually returned or withdrawn by the asset owner at a defined time or at the asset owner's discretion.

- **Companies / Assets**
  - Debt (bonds) and Equity (shares) and Hybrid products (mezzanine)
  - Pay investors dividends (shares) or interest (debt/bonds)

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Examples – Asset Owners

- **Pensions Funds** (USS – Uni Teachers £91B, California Teachers $317B)
- **Endowments** (LSE £430m, Oxford £6B, Harvard $53B, Yale $41B)
- **Insurance companies** (AXA £735B, Aviva £220B, Legal & General £1T+)
- **Family offices** (Bezos Expeditions $108B, Walton Enterprises $224B (Walmart Owners))
- **Sovereign wealth fund** (e.g. Norway Government Pension fund $1.5T, Abu Dhabi Investment Fund $850B)

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Examples – Asset Managers

- **Listed Equity** (Publicly Listed Company Shares) (Morgan Stanley, M&G, Baillie Gifford)
- **Fixed Income** (Publicly Listed Company Debt) (Wellington, PIMCO, Goldman Sachs)
- **Private Debt** (Barings, Oaktree, Apollo, Albacore)
- **Private Equity** (Carlyle, KKR, Thoma Bravo, Octopus Ventures, Hermes, Schroders)
- **Infrastructure** (GIP, KKR, Meridian, Greencoat, Ardian, Brookfield, Macquarie, Blackstone)
- **Real Estate** (CBRE, Knight Frank, Blackstone, Prologis, Nuveen, Brookfield)
- **Natural Resources** (Nuveen, Barings, Energy Minerals Group, EnCap Investments, GIP)
- **Hedge Funds** (Winton, Bridgewater Associates, Man Group, Millennium, Citadel)

Examples – Companies / Assets

- **Public Companies**
  - Apple, Microsoft, Exxon, McDonald's, Alphabet (Google, YouTube, Android), Meta, Amazon, Walmart, Tesco, Next, Tesla, Samsung, JPMorgan, Shell, BP, Johnson & Johnson, Pfizer

- **Private Companies / Assets**
  - Mars (Holding Company: M&Ms, Celebrations, Bounty, Skittles, Wrigley's (Chewing gum), Twix)
  - Revolut
  - Virgin Atlantic
  - River Island

- **Infrastructure:** Anglian Water, Toll Roads, Fiber Networks, Trains, Heathrow, Gatwick, Wind and Solar Farms

- **Real Estate:** Residential and Commercial

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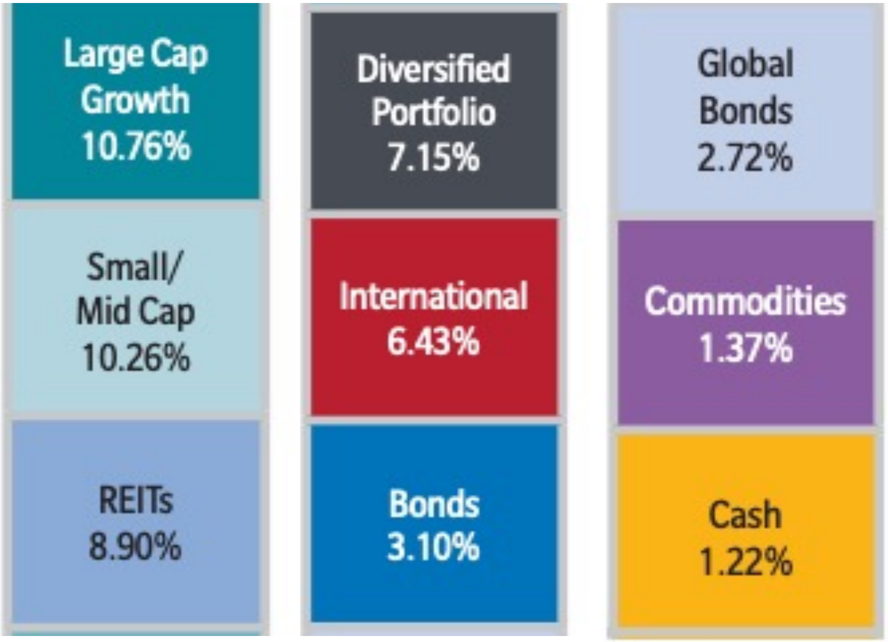
Stakeholder Specific Investment Problem

- **Asset Owners**
  - **5% - 12% Return**
  - Investment Problem:
    - Select the right:
      - Asset Classes
      - Asset Managers

- **Asset Managers**
  - **Return target unique to each asset class**
  - Investment Problem
    - Select the right companies & assets

20 Year Index Returns



For top quartile asset managers:

- **+ 2/3% for public markets**
- **+ 3/4% for private markets**

Private Market Premium

- **+ 1-3% for private / Non-listed markets (unlisted investments) for a given asset class**

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Asset Class Returns are not fixed – need to diversify

ANNUAL RETURN	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
BEST	Small/ Mid Cap 45.51%	REITs 30.41%	Commodities 21.36%	REITs 34.35%	Commodities 16.23%	Bonds 5.24%	Large Cap Growth 37.21%	REITs 27.58%	Bonds 7.84%	REITs 20.14%
	International 38.59%	International 20.25%	International 13.54%	International 26.34%	Large Cap Growth 11.81%	Global Bonds 4.79%	Small/ Mid Cap 34.39%	Small/ Mid Cap 26.71%	REITs 7.28%	Small/ Mid Cap 17.88%
	REITs 38.47%	Small/ Mid Cap 18.29%	REITs 8.29%	Large Cap Value 22.25%	International 11.17%	Cash 1.80%	International 31.78%	Commodities 16.83%	Global Bonds 5.64%	Large Cap Value 17.51%
	Large Cap Value 30.03%	Large Cap Value 16.49%	Small/ Mid Cap 8.11%	Small/ Mid Cap 16.17%	Global Bonds 9.48%	Diversified Portfolio -27.54%	REITs 27.45%	Large Cap Growth 16.71%	Large Cap Growth 2.64%	International 17.32%
	Large Cap Growth 29.75%	Diversified Portfolio 14.48%	Diversified Portfolio 7.92%	Diversified Portfolio 15.02%	Bonds 6.97%	Commodities -35.65%	Diversified Portfolio 23.72%	Diversified Portfolio 15.73%	Large Cap Value 0.39%	Large Cap Growth 15.26%
	Diversified Portfolio 27.75%	Global Bonds 9.27%	Large Cap Value 7.05%	Large Cap Growth 9.07%	Cash 4.74%	Small/ Mid Cap -36.79%	Large Cap Value 19.69%	Large Cap Value 15.51%	Cash 0.08%	Diversified Portfolio 12.02%
	Commodities 23.93%	Commodities 9.15%	Large Cap Growth 5.26%	Global Bonds 6.64%	Diversified Portfolio 4.69%	Large Cap Value -36.85%	Commodities 18.91%	International 7.75%	Diversified Portfolio -0.16%	Global Bonds 4.32%
	Global Bonds 12.51%	Large Cap Growth 6.30%	Cash 3.00%	Cash 4.76%	Small/ Mid Cap 1.38%	REITs -37.34%	Global Bonds 6.93%	Bonds 6.54%	Small/ Mid Cap -2.51%	Bonds 4.21%
	Bonds 4.10%	Bonds 4.34%	Bonds 2.43%	Bonds 4.33%	Large Cap Value -0.17%	Large Cap Growth -38.44%	Bonds 5.93%	Global Bonds 5.54%	International -12.14%	Cash 0.07%
WORST	Cash 1.07%	Cash 1.24%	Global Bonds -4.49%	Commodities 2.07%	REITs -17.83%	International -43.38%	Cash 0.16%	Cash 0.13%	Commodities -13.32%	Commodities -1.06%

ANNUAL RETURN	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
BEST	Small/ Mid Cap 36.80%	REITs 27.15%	Large Cap Growth 5.67%	Small/ Mid Cap 17.59%	Large Cap Growth 30.21%	Cash 1.86%	Large Cap Growth 36.39%	Large Cap Growth 38.49%	REITs 39.88%	Commodities 16.09%
	Large Cap Growth 33.48%	Large Cap Value 13.45%	REITs 2.29%	Large Cap Value 17.34%	International 25.03%	Bonds 0.01%	REITs 28.07%	Small/ Mid Cap 19.99%	Large Cap Growth 27.60%	Cash 1.50%
	Large Cap Value 32.53%	Large Cap Growth 13.05%	Bonds 0.55%	Commodities 11.77%	Small/ Mid Cap 16.81%	Global Bonds -1.20%	Small/ Mid Cap 27.77%	Diversified Portfolio 10.58%	Commodities 27.11%	Large Cap Value -7.54%
	International 22.78%	Small/ Mid Cap 7.07%	Cash 0.03%	REITs 9.28%	Large Cap Value 13.66%	Large Cap Growth -1.51%	Large Cap Value 26.54%	Global Bonds 9.20%	Large Cap Value 25.16%	Bonds -13.01%
	Diversified Portfolio 13.41%	Bonds 5.97%	International -0.81%	Diversified Portfolio 8.72%	Diversified Portfolio 13.21%	REITs -4.10%	International 22.01%	International 7.82%	Small/ Mid Cap 18.18%	Diversified Portfolio -13.61%
	REITs 3.21%	Diversified Portfolio 5.32%	Small/ Mid Cap -2.90%	Large Cap Growth 7.08%	REITs 9.27%	Diversified Portfolio -5.98%	Diversified Portfolio 20.33%	Bonds 7.51%	Diversified Portfolio 17.45%	International -14.45%
	Cash 0.05%	Global Bonds 0.59%	Global Bonds -3.15%	Bonds 2.65%	Global Bonds 7.39%	Large Cap Value -8.27%	Bonds 8.72%	Large Cap Value 2.80%	International 11.26%	Global Bonds -16.25%
	Bonds -2.02%	Cash 0.03%	Diversified Portfolio -3.33%	Global Bonds 2.09%	Bonds 3.54%	Small/ Mid Cap -10.00%	Commodities 7.69%	Cash 0.58%	Cash 0.05%	Small/ Mid Cap -18.37%
	Global Bonds -2.60%	International -4.90%	Large Cap Value -3.83%	International 1.00%	Commodities 1.70%	Commodities -11.25%	Global Bonds 6.84%	Commodities -3.12%	Bonds -1.54%	REITs -25.10%
WORST	Commodities -9.52%	Commodities -17.01%	Commodities -24.66%	Cash 0.27%	Cash 0.84%	International -13.79%	Cash 2.25%	REITs -5.86%	Global Bonds -4.71%	Large Cap Growth -29.14%

Asset Class Returns are not fixed – need to diversify

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	Bonds 4.10%	Bonds 4.34%	Bonds 2.43%	Bonds 4.33%	Large Cap Value -0.17%	Large Cap Growth -38.44%	Bonds 5.93%
WORST	Cash 1.07%	Cash 1.24%	Global Bonds -4.49%	Commodities 2.07%	REITs -17.83%	International -43.38%	Cash 0.16%

Oxford Endowment Fund Example

Asset under Management	Investment Target	Spending Policy
£6B (Dec 2022)	**CPI + 5% (7%)**	**4.25% of last 5 years**

Asset Class	Allocation	10 Year Returns
Listed Equity	33.8%	8.7%
Private Equity	39.2%	16.9%
Fixed Income + Cash	12.2%	1-2%
Private Debt	8.7%	6.7%
Real Estate	6%	7.5%
Portfolio	**100%**	**9.1%**

LSE Endowment Fund Example

Asset under Management	Investment Target
£430m (July 2022)	**CPI + 4.5%**
How have they deployed their capital?	Fund of Funds – RBC Canada, Fund Managers – CBRE Global Alpha Fund, Vanguard IG Debt, Schroders Institutional Equity Fund

Panel Event

Asset Owner / Fund of Funds

Yathavan Thanapalan
ESG Analyst / Private Equity
LPPI

Investment Research

Saiwarren Nathan
Senior Analyst
Fixed Income Manager Research
ISIO

Infrastructure

Aravindh Suresh
Infrastructure Analyst
Macquarie Asset Management

Real Estate

Charran Santhalingam
Associate
CrossTree Real Estate Partners

Private Debt

Govindan Majeerathan
Infrastructure Debt Analyst
Barings

Private Equity

Jishnu Kumaran
Vice President
777 Partners

Anuthya Nambirajah
Associate (Value Creation)
TA Associates

Listed Equity

Parthipan Paramsothynathan
Senior Investment Analyst
Sixteen02 Global Equity Fund

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Panel 1

Charran Santhalingam

Associate

Crosstree Real Estate Partners

Govindan Majeerathan

Infrastructure Debt Analyst

Barings

Aravindh Suresh

Infrastructure Analyst

Macquarie Asset Management

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Panel 2

Saiwarren Nathan
Senior Analyst
Fixed Income Manager Research
ISIO

Anuthya Nambirajah
Associate (Value Creation)
TA Associates

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Panel 3

Jishnu Kumaran
Vice President
777 Partners

Parthipan Paramsothynathan
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Sixteen02 Global Equity Fund

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