



RETHINKING GLOBAL EQUITIES: FROM MANAGER UNDERPERFORMANCE TO CONSISTENT ALPHA

INVESTMENT INNOVATION CONFERENCE

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PURSUIT OF ALPHA IN GLOBAL EQUITIES

A competitive environment

24 Trillion

Global equities
under active
management

2,000 +

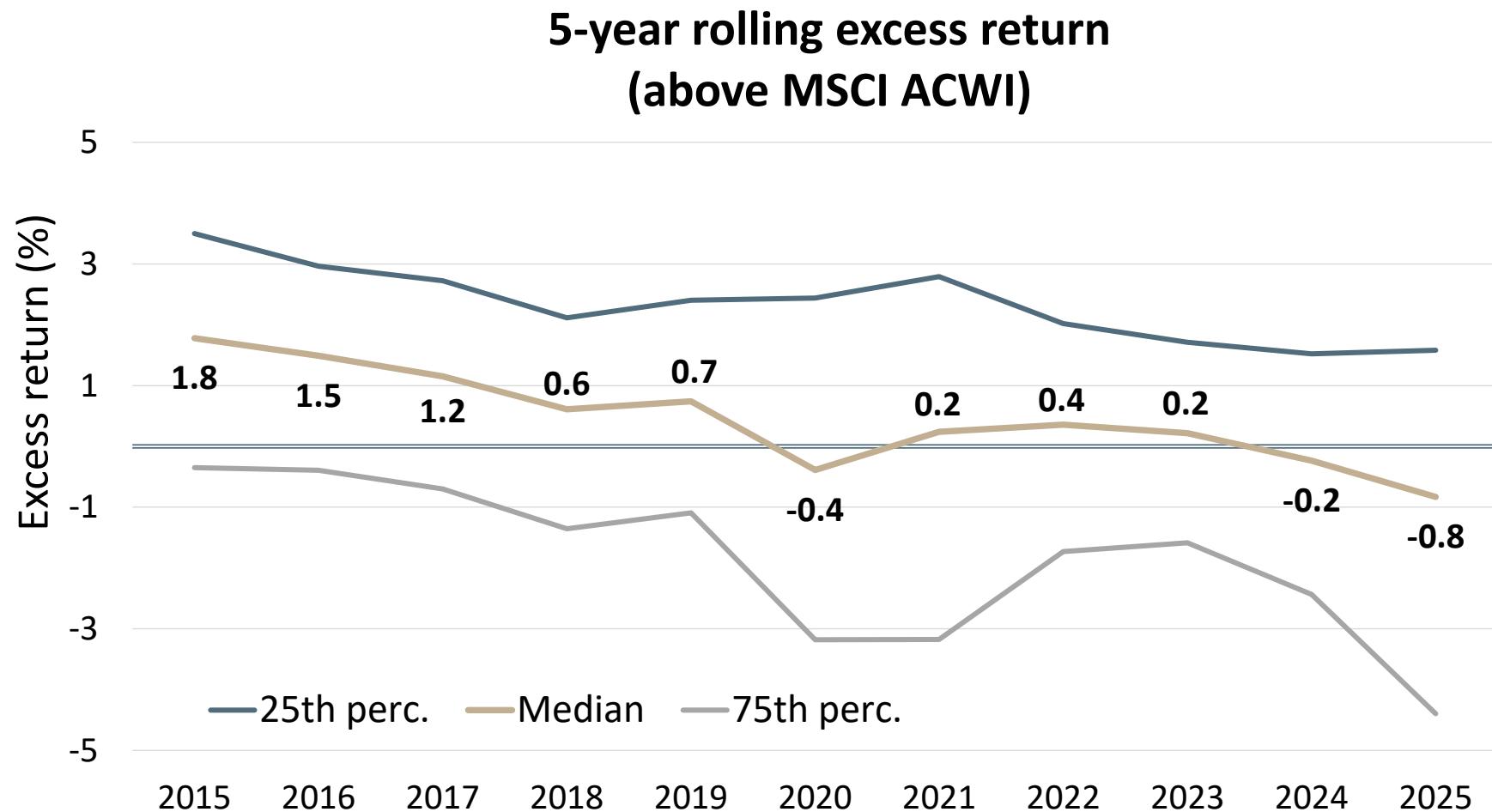
Active
management
products

250,000 +

Investment
professionals
pursuing alpha

THE NEED FOR CONSISTENCY AND RESILIENCE

The evolution of the investment universe



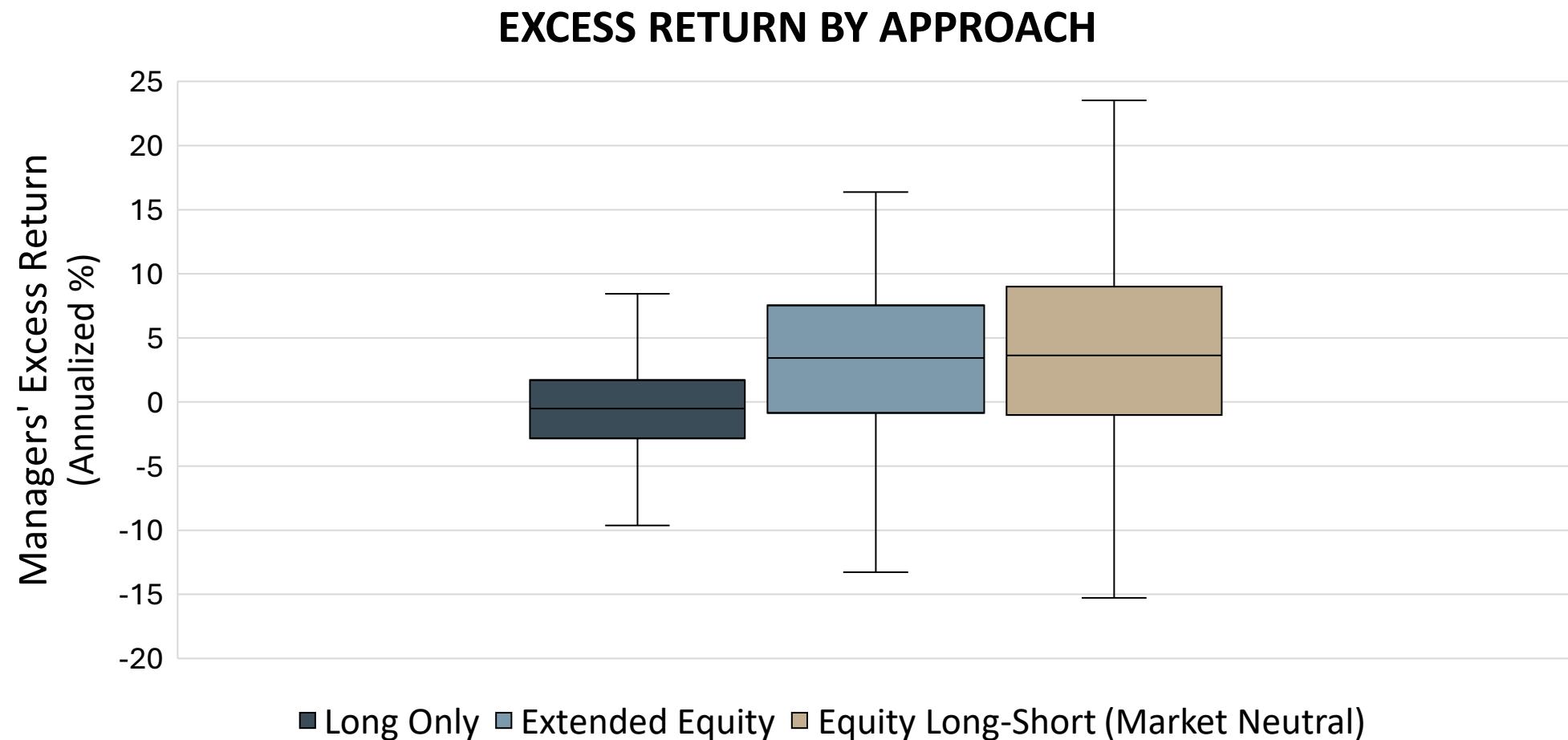
Takeaways

Excess returns
on a declining
trend

Median below 1%
since 2017

EXPANDING BEYOND TRADITIONAL LONG-ONLY MANDATES

Flexibility enables greater performance



Based on representative Nasdaq eVestment universe of active equity managers and other independent institutional research sources investment universe of equity Long-Short managers. As of June 30, 2025. Performance is measured against managers' preferred benchmark and above U.S T-Bills for Long-Short managers.

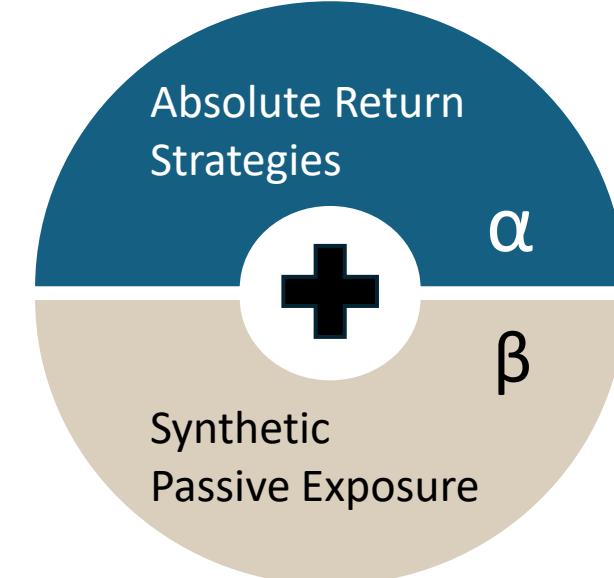
INTRODUCING PORTABLE ALPHA

Differentiating between Alpha and Beta

TRADITIONAL APPROACH



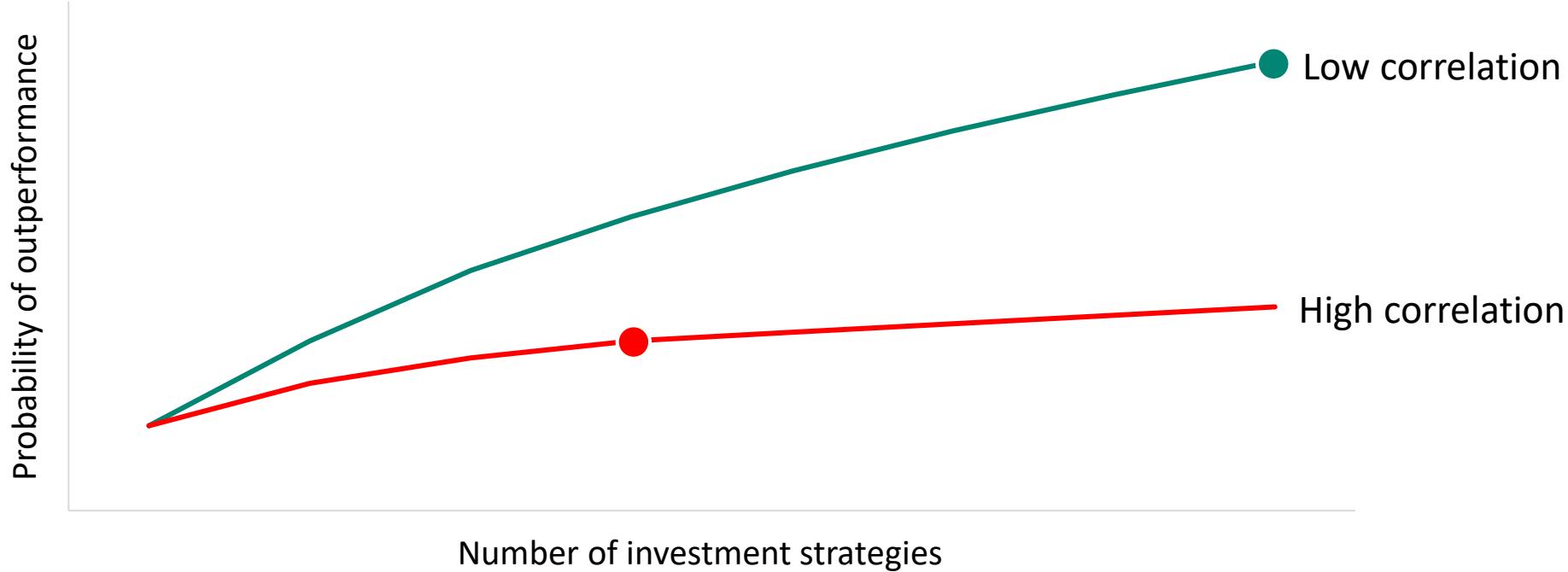
PORTABLE ALPHA APPROACH



Portable Alpha enables greater flexibility

UNCORRELATED SOURCES OF ALPHA

A key element for optimal portfolio construction



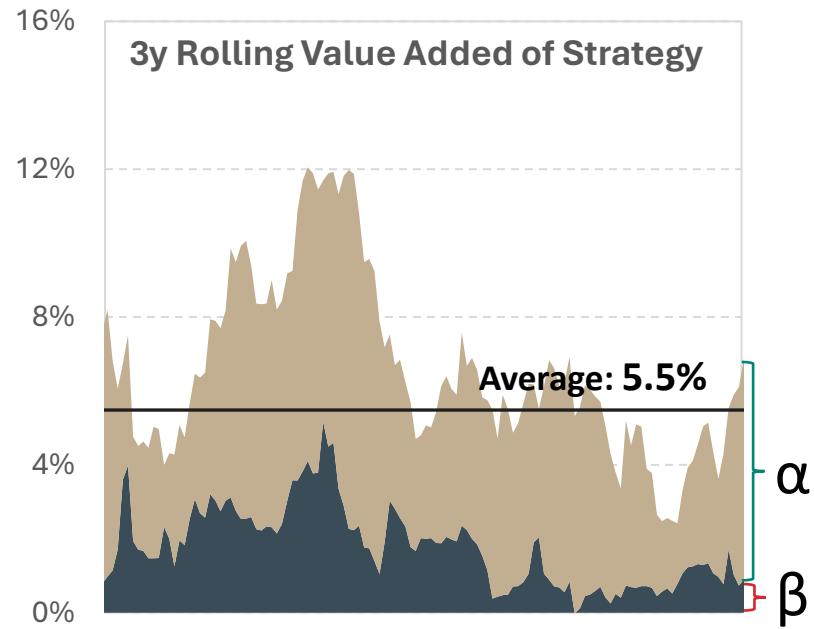
Looking for a greater number of uncorrelated strategies
in an effort to provide for better risk-adjusted performance

STRATEGY SELECTION

Seeking pure alpha to enable true diversification

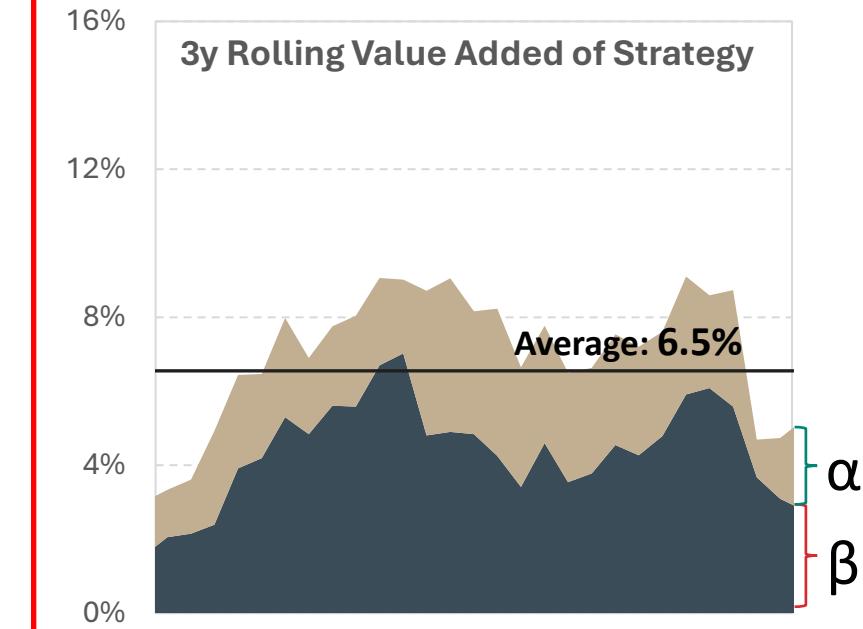
Favored strategies

Little dependence of alpha to market factors



Strategies to avoid

Value added mostly driven by market factors



- Portion of value added explained by manager's expertise (alpha)
- Portion of value added explained by market factors (beta)

For illustrative purposes only, based on real-life examples.

IN-HOUSE RISK MANAGEMENT

The integral piece of portfolio construction

Risk oversight



Benchmark alignment



Efficient capital use



In-house risk management and alignment



Continuity support



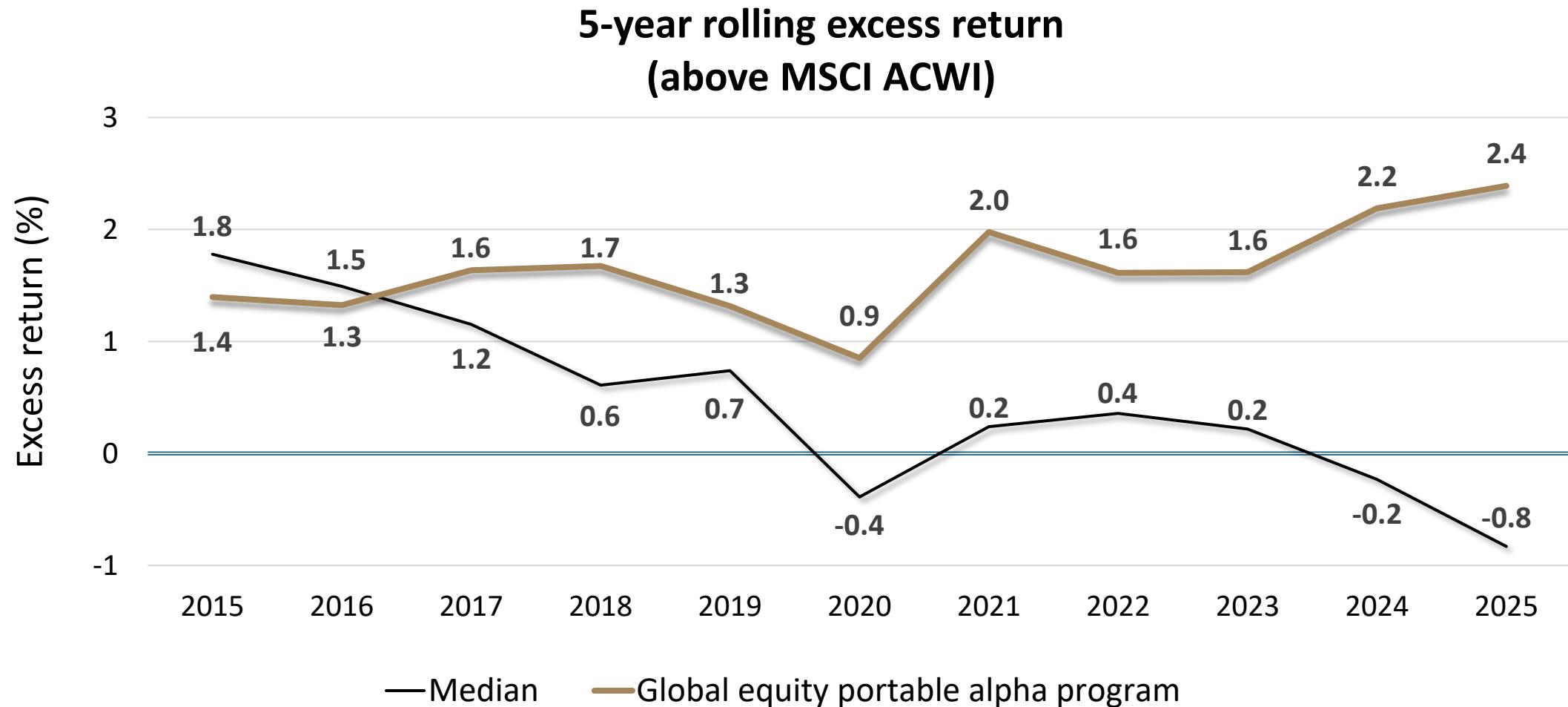
Exposure control



Strategic positioning

THE RESULTS

Portable Alpha enabled stable and consistent value added



Source: Nasdaq eVestment, calculated monthly using the MSCI ACWI Index. Investment universe: All Global Equity (1,603 observations), as of September 30, 2025. Performance disclosures available upon request.

SUMMARY

A total portfolio approach for global equity mandates



LOOK BEYOND LONG-ONLY MANAGERS

Less constrained mandates offer attractive opportunities



INCREASE UNCORRELATED STRATEGIES

Research focused on pure skill, delivering strategies that avoid simple reliance on beta



IN-HOUSE RISK MANAGEMENT

Strick oversight of the portfolio's exposures will enable consistent alpha generation