



## ALTERNATIVE MARKET BRIEFING

# Alignvest IM wants to make individual portfolios look more like a pension

Monday, February 12, 2018

Bailey McCann, Opalesque New York:

When Don Raymond was at the Canada Pension Plan Investment Board (CPPIB) he pioneered a total portfolio style of investing that was global, diversified and designed to work over the long-term. Raymond took that view with him to Toronto-based Alignvest when he left CPPIB in 2014. At the Cayman Alternative Investment Summit, Raymond caught up with Opalesque to discuss what he's working on now.

**Opalesque:** So, you've been with Alignvest for almost four years. What are you working on now?

**DR:** I'm excited about the work I'm doing with Alignvest Investment Management. We are creating multi-asset portfolio solutions for high net worth portfolios and accredited investors. The idea builds on what I started with CPPIB. So, the view is similar to what you see at CPPIB and other pensions - diversified investments, global in nature. We are also working on a product that mimics private equity type returns, but that is liquid and invests in listed companies.

**Opalesque:** Are you able to maintain your investment principles with smaller portfolios or is this a slightly diluted version of what you did at CPPIB?

**DR:** No dilution. Actually, what's been interesting is we are able to invest in things that wouldn't have worked at CPPIB because they were too small for the pension. So in some ways, we've been able to get more diversification in the portfolio. That's been really exciting.

**Opalesque:** High net worth portfolios can often be highly concentrated. What do you have to work on the most when making the switch to multi-asset investing?

**DR:** Often people invest in what they know. For example, you might see a portfolio that's say, fifty percent in real estate and fifty percent in cash. That's a very concentrated portfolio and it may be working well. The idea isn't that those portfolios are wrong, but we want to add diversification. The other issue is that there isn't much in the way of portfolio consulting for individuals, so we are working on that as well. One of the great things about my role with Alignvest is that I can consult with individuals, family offices, or pensions, and we can talk through issues. You get a sense of what people are dealing with.

**Opalesque:** Alignvest also launched a SPAC early last year - why did you go that route? Will you be doing more? **DR:** Yes, this was actually our second SPAC. We launched the first in 2015 with \$259 million in proceeds. The second was double the size. With the first one, we acquired a telecommunications company. For this one, we are still considering targets. But more broadly, we like the structure - we have also done some more traditional private equity style transactions using our own capital. We haven't launched a pooled fund yet, but we do like the idea of investing in strong companies and helping them grow.

**Opalesque:** Alignvest has a diverse group of businesses, what's the long-term plan?

**DR:** I think one of the interesting things about Alignvest is that all of the managing partners have committed much of their personal wealth to the company with a 20-year lock-up. I haven't heard of another firm that has that. So obviously, we're in Alignvest long-term and we want the diversity to be there. We'd also like to expand our strategies into a franchise with outside investors. Ultimately, we want these pieces to be self-sustaining. I think it's possible and it's really exciting to be involved with building the business.