INVESTMENT STRATEGY DATABASE

It is the investment strategy, asset class and prevailing market conditions that have the greatest impact on investment portfolio results. This is why the Validus team has compilled the folloing list of investment strategies for your reference. It is a product of the strategy database we are building to evolve our multi-stratgy investment platform that has produced the Multi-Alternative Strategy Sleave (MASS) that seeks out perform the market and deliver assymetric portfolio diversification in market downturns.

Category	**Strategy**	**Description**	**Source**
	Active	Active strategies involve frequent buying and selling. They believe they can outperform the market and can gain more returns than an average investor would.	≥
Real Estate	Agriculture	Investing in agriculture means putting your money behind food and crop production, processing, and distribution. There are several ways to invest indirectly in agriculture, from farm REITs to agricultural ETFs to the commodities markets. Purchase farmland for long-term appreciation or to generate rental income.	≥
	Alternative Risk Premia	Alternative risk premia ("ARP") strategies are a category of hedge fund strategies that aim to systematically isolate and harvest excess returns from exposure to specific risk factors, or returns arising from behavioral or structural market anomalies	≥
	Art & Collectibles	Anything that can be sold for more money than it was originally worth including fine art, antiques, stamps, coins.	≥
Options	Bear Put Spread	On the same security, purchasing a put option while also selling a put with the same expiration date, but at a lower strike price. The difference between the two strike prices, minus the net cost of the options, is the maximum profit.	≥
Options	Bull Call Spread	A bull call spread is an option strategy that involves the purchase of a call option and the simultaneous sale of another option with the same expiration date but a higher strike price. It is one of the four basic types of price spreads or "vertical" spreads, which involve the concurrent purchase and sale of two puts or calls with the same expiration but different strike prices.	≥
	Buy and Hold	Buy and hold is a passive investment strategy in which an investor buys stocks (or other types of securities such as ETFs) and holds them for a long period regardless of fluctuations in the market. An investor who uses a buy-and-hold strategy actively selects investments but has no concern for short-term price movements and technical indicators.	≥
	Commodities	Tradable commodities consist of basic goods used in commerce that are often interchangeable with other goods of the same type. These tradable commodities are usually evaluated by economists as inputs in the production of other goods or services.	≥

	Contrarian Investing	Contrarian investing is a strategy of going against prevailing market trends or sentiment. When prices fall and markets tremble, a bold contrarian investment could reap high profits. The idea is that markets are subject to herding behavior augmented by fear and greed, making markets periodically over- and under-priced. It is often a risky strategy that may take a long period of time to pay off.	>
	Convertible arbitrage	Convertible arbitrage essentially involves taking simultaneous long and short positions in a convertible bond and its underlying stock. The arbitrageur hopes to profit from any movement in the market by having the appropriate hedge between long and short positions.	>
Real Estate	Core	The term “core” refers to class A real estate located in high-quality locations with high-quality tenants that is purchased with little to no debt. Due to their relatively low risk profile, investors typically compare these types of equity investment opportunities to bond investments.	>
Options	Covered Call	A covered call involves a seller offering buyers a call option at a set price and expiration date on a security that the seller owns. A covered call is constructed by holding a long position in a stock and then selling (writing) call options on that same asset, representing the same size as the underlying long position. is a popular options strategy used to generate income for investors who think stock prices are unlikely to rise much further in the near term.	>
	Credit	Credit investing refers to investment in credit or debt instruments – it's basically what institutional, professional and independent investors do when they include debt securities in their portfolio.	>
	Crossover	A crossover fund is an investment fund that holds both public and private equity investments. Crossover funds invest in both publicly traded companies and privately held ones. Crossover funds are constructed to offer investors the possibility of a higher return, but that also brings higher risk.	>
	Cryptocurrencies	Cryptocurrency is a virtual currency secured through one-way cryptography. It appears on a distributed ledger called a blockchain that's transparent and shared among all users in a permanent and verifiable way that's nearly impossible to fake or hack into. Cryptocurrency's value stems from a combination of scarcity and the perception that it is a store of value, an anonymous means of payment, or a hedge against inflation.	>

	Derivatives	Derivative investments are investments that are derived, or created, from an underlying asset. The positive aspect of leverage associated with a derivative is that investors can acquire a large amount of value in the underlying security for a relatively small, upfront amount of capital. Depending on the derivative, it's usually bought and sold either on a centralized exchange or through the over-the-counter (OTC) market. Some derivatives are traded on unregulated exchanges. Investors looking to protect or assume risk in a portfolio can employ long, short, or neutral derivative strategies to hedge, speculate, or increase leverage.	≥
	Dividend Aristocrat	A dividend aristocrat is a company in the S&P 500 index that not only consistently pays a dividend to shareholders but annually increases the size of its payout. A company will be considered a dividend aristocrat if it raises its dividends consistently for at least the past 25 years.	≥
	Dividend Growth Investing	Investing in stocks of companies with a solid record of increasing their dividend payout per share on an annual basis. Companies that do this are generally well-managed and financially sound. The ability to sustain and increase the dividend payout each year is a sign that the company is growing its bottom line and is generating solid cash flows. Used as a source for passive income in retirement	≥
	Dollar-cost averaging	Dollar-cost averaging involves investing the same amount of money in a target security at regular intervals over a certain period of time, regardless of price. By using dollar-cost averaging, investors may lower their average cost per share and reduce the impact of volatility on the their portfolios.	≥
Private Equity	Early Stage	Venture capital (VC) is a type of private equity investment made in an early-stage startup. Venture capitalists give the company a certain amount of seed funding in exchange for a share of it. Venture capitalists typically don’t require a majority share (over 50 percent), which can be attractive to founders.	≥
	Equity Long/Short	Long-short equity is an investing strategy that takes long positions in stocks that are expected to appreciate and short positions in stocks that are expected to decline. A long-short equity strategy seeks to minimize market exposure while profiting from stock gains in the long positions, along with price declines in the short positions.	≥
Opportunistic	Event-Driven	An event driven strategy is one that attempts to take advantage of temporary stock mispricing which can occur before or after a corporate event,(ie. a restructuring, M & A, bankruptcy, etc), takes place. It is most often used by private equity or hedge funds because it requires necessary expertise to analyze corporate events for successful execution.	≥

	Factor Investing	Factor investing is an investment approach that involves targeting specific drivers of return across asseet classes. There are two main types of factors, macroeconomic and style. Investing in factors can help improve portfolio outcomes, reduce volatility and enhance diversification	≥
Opportunistic	Global Macro	A global macro strategy is a hedge fund or mutual fund strategy that bases its holdings primarily on the overall economic and political views of various countries or their macroeconomic principles. Holdings may include long and short positions in various equity, fixed income, currency, commodities, and futures markets.	≥
	Growth Investing	Growth investing is an investment style and strategy that is focused on increasing an investor's capital. Growth investors typically invest in growth stocks—that is, young or small companies whose earnings are expected to increase at an above-average rate compared to their industry sector or the overall market.	≥
	Hedge Funds	Hedge funds are alternative investments that use market opportunities to their advantage. These funds require a larger initial investment than many other types of investments and generally are accessible only to accredited investors. That's because hedge funds require far less regulation from the Securities and Exchange Commission (SEC) than others like mutual funds. Most hedge funds are illiquid, meaning investors need to keep their money invested for longer periods of time, and withdrawals are often limited to certain periods of time. Hedge fund strategies range from long/short equity to market neutral.	≥
	Income Investing	This type of strategy focuses on generating cash income from stocks rather than investing in stocks that only increase the value of your portfolio. There are two types of cash income which an investor can earn – (1) Dividend and (2) Fixed interest income from bonds. Investors who are looking for steady income from investments opt for such a strategy.	≥
	Indexing	This type of investment strategy allows investors to invest a small portion of stocks in a market index. Index funds are funds that represent a theoretical segment of the market and are designed to act as the performance and make-up of a financial market index. Investors are using a form of passive investing that sets rules by which stocks are included, then tracks the stocks without trying to beat them.	≥

Real Estate	Infrastructure	infrastructure is a long-duration asset that produces economic rent, provides diversification, and generates yield. Options include new infrastructure REITs; cell tower companies; and pipeline-owning master limited partnershipsas well as essential physical and social infrastructure such as roads, bridges, and water treatment facilities.	>
Private Equity	Late Stage	Late-stage investing supports companies that have moved beyond the start-up phase of development and have rapidly growing sales—or have fast growth potential. Late-stage investment is less risky for investors than early-stage investment because the companies being funded are established in the marketplace and their investments can be converted more quickly into cash.	>
	Leveraged Buyout	A leveraged buyout (LBO) is the acquisition of another company using a significant amount of borrowed money (bonds or loans) to meet the cost of acquisition. The assets of the company being acquired are often used as collateral for the loans, along with the assets of the acquiring company.Using a significant amount of debt (bonds or loans) to take a company private. Allows for the purchase of large entities without significant cash outlay; maximizing ROE.	>
Options	Long Strategy	In the options-trading world, taking a long position, or going long, means you're purchasing an option. An option is a contract that gives you the right to buy or to sell shares for a preset price (or "strike price") on or before a future date, usually within the next nine months. It's an opportunity to do this trade, but not a commitment — so, an option. Long option positions require less investment, or cash down, than outright	>
	Managed Futures	The term Managed futures describes a strategy whereby a professional manager assembles a diversified portfolio of futures contracts. These professional managers are also known as Commodity Trading Advisors (CTAs).Could use futures, options, or forwards to implement long short or other investment strategies through centralized exchanges. Underlying asset classes can include equities, fixed income, commodities, or currencies.	>
	Market-Neutral Equities	Market neutral is a risk-minimizing strategy that entails a portfolio manager picking long and short positions so they gain in either market direction.	>
Options	Married Put	Married put is the name given to an options trading strategy where an investor, holding a long position in a stock, purchases an at the money put option on the same stock to protect against depreciation in the stock's price. The benefit is that the investor can lose a small but limited amount of money on the stock in the worst price drop scenario, yet still can participate in any gains from price appreciation. The downside is that the put option costs a premium and it is usually significant.	>

	Meme Investing	Refers to the shares of a company that have gained viral popularity due to heightened social sentiment. This social sentiment is usually heightened due to online and social media platforms.	≥
Opportunistic	Merger Arbitrage	trading in the stocks of companies that are involved in proposed takeovers or mergers. The simplest type of merger arbitrage involves buying of a company targeted for takeover at a discount from the acquisition price, betting the deal will go through.	≥
	Momentum investing	a trading strategy in which investors buy securities that are already rising and look to sell them when they look to have peaked.	≥
Real Estate	Mortgages	A mortgage-backed security (MBS) is an investment similar to a bond that consists of a bundle of home loans bought from the banks that issued them.	≥
Real Estate	Opportunistic	Opportunistic real estate investments are the riskiest type and have the least predictable cash flows. They also offer the chance for the highest returns. Opportunistic properties tend to have high levels of debt and vacancy. The property may need major repairs and/or a complete repositioning.	≥
	Passive	Passive investing involves less buying and selling than active investing and often results in investors buying index funds or other mutual funds. Passive investments have garnered more investment flows than active investments. Historically, passive investments have earned more money than active investments and is more popular among investors.	≥
Options	Protective Collar	A protective collar is an options strategy that could provide short-term downside protection, offering a cost-effective way to protect against losses and allowing you to make some money when the market goes up.The protective collar strategy involves two strategies known as a protective put and covered call.Because you are selling one option to fund the purchase of another, the total cost to implement this strategy can be quite low.	≥
Real Estate	Public Securities	The principal types of publicly traded real estate securities include real estate investment trusts (REITs), real estate operating companies (REOCs), and residential and commercial mortgage-backed securities (RMBS and CMBS). Compared with other publicly traded shares, REITs typically offer higher-than-average yields and greater stability of income and returns. They are amenable to a net asset value approach to valuation because of the existence of active private markets for their real estate assets.	≥

	Quantitative	Quantitative investing, also known as systematic investing, is an investment approach that uses advanced mathematical modelling, computer systems and data analysis to calculate the optimal probability of executing a profitable trade. Examples include high-frequency trading, algorithmic trading and statistical arbitrage.	≥
Private Equity	Seed / Venture	The term seed capital refers to the type of financing used in the formation of a startup. Funding is provided by private investors—usually in exchange for an equity stake in the company or for a share in the profits of a product. Obtaining seed capital is the first of four funding stages required for a startup to become an established business. After securing seed financing, startups may approach venture capitalists to obtain additional financing.	≥
	Short Only	Short selling is an investment or trading strategy that speculates on the decline in a stock or other security's price. It is an advanced strategy that should only be undertaken by experienced traders and investors. Short selling occurs when an investor borrows a security and sells it on the open market, planning to buy it back later for less money. Short sellers bet on, and profit from, a drop in a security's price. This can be contrasted with long investors who want the price to go up. Short selling has a high risk/reward ratio: It can offer big profits, but losses can mount quickly and infinitely due to margin calls.	≥
Opportunistic	Statistical Arbitrage	Statistical arbitrage is a group of trading strategies employing large, diverse portfolios that are traded on a very short-term basis. This type of trading strategy assigns stocks a desirability ranking and then constructs a portfolio to reduce risk as much as possible. Statistical arbitrage is heavily reliant on computer models and analysis and is known as one of the most rigorous approaches to investing.Strategy involving simultaneously buying one asset and selling another. Statistical arbitrage usually involves large data sets, looks at statistical relative valuation trends, and attempts to arbitrage reversion to the mean trends between different assets. Typically, short-term in nature.	≥
	Style Premia	[Quantitative] approach to benefiting from risk premiums assigned to securities of companies that are 'exposed to' or 'loaded on' style definitions such as growth, value, quality, etc.	≥
	Tactical asset allocation	Tactical asset allocation refers to an active management portfolio strategy that shifts the asset allocations in a portfolio to take advantage of macroeconomic conditions. The tactical asset allocation strategy can be used to increase returns, adapt to market conditions, and provide diversification.	≥

	Total Return	Total return investing is an investment approach that aims to achieve higher returns that are generated not only from capital growth but from income as well. The sources of income may include dividends from equities, as well as interest received from fixed-income investments. Total return strategies typically suit investors with a longer-term investment horizon.	>
	Value Averaging	Value averaging is an investment strategy that involves making regular contributions to a portfolio over time. In value averaging, one would invest more when the price or portfolio value falls and less when it rises. Value averaging involves calculating predetermined amounts for the total value of the investment in future periods, then making an investment sized to match these amounts at each future period.	>
	Value Investing	Value investing is an investment strategy that involves picking stocks that appear to be trading for less than their intrinsic or book value. Value investors actively ferret out stocks they think the stock market is underestimating. They believe the market overreacts to good and bad news, resulting in stock price movements that do not correspond to a company's long-term fundamentals.	>
Real Estate	Value-Add	Also known as value-oriented real estate, value-add real estate is any commercial property with existing income but significant opportunities for improvement via operational enhancements, market repositioning or redevelopment. In other words, value-add properties are those that have some income but are not yet at their maximum income potential. The basic strategy behind value-add real estate investments is to increase the income of a property while the total value of the property appreciates simultaneously.	>
Opportunistic		Seek to profit opportunistically from fundamental themes, inefficiencies and dislocations in the financial markets at a macro, market sector, stock specific, factor, or even exchange level. Depending on their conviction about the fundamental themes influencing the market or their market sector, opportunistic funds may go significantly long or short the market as a whole, creating directionality in their returns. This category could encompass global macro, equity long/short, emerging-markets, and sector focused strategies.	>
Options		The term option refers to a financial instrument that is based on the value of underlying securities such as stocks. An options contract offers the buyer the opportunity to buy or sell—depending on the type of contract they hold—the underlying asset.	>

Private Equity	Private Equity	Private equity describes investment partnerships that buy and manage companies before selling them. Private equity firms operate these investment funds on behalf of institutional and accredited investors. Private equity firms buy companies and overhaul them to earn a profit when the business is sold again. Capital for the acquisitions comes from outside investors in the private equity funds the firms establish and manage, usually supplemented by debt.	>
Real Estate	Real Estate	A strategy that involves investing in real estate properties, either directly by being a landlord of a rental property or flipping houses ,or indirectly through real estate investment trusts (REITs), Real esate investment groups (REIGs), Real Estate Limited Partnerships (RELPs) or Real Estate Mutual Funds. Real estate is considered to be its own asset class and one that should be at least a part of a well-diversified portfolio.	>

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