
Alternative Investments Training Course for Institutional Allocators

13 – 17 September 2027
Cape town





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Programme Summary

Alternative investments are the subject of this five-day training course for institutional allocators, family office and sovereign fund investment officers and pension and endowment staff at strategic level, ending in an alternatives allocation memo for one mandate. Venture capital, angel investing, hedge funds and private equity differ in return drivers, fees, liquidity and risk, yet are often judged by one yardstick. The approach compares the strategies, tests managers, builds the allocation and then applies both to a worked mandate. Mars Training Centre UK delivers this programme in alternative investments.

The Business Case

Allocators who treat alternatives as a single bucket commit capital without seeing how fees, lock-ups and valuation practice change the result they report. A common comparison framework lets an investment team set limits by strategy, choose managers on evidence, pace commitments against cash needs, and explain to a board why one strategy receives more capital than another.

- Net Return Visibility: Improves as fees, carried interest and lock-ups are modelled for each strategy before commitment.
- Liquidity Risk: Falls as commitment pacing is tested against the cash needs of the investor.
- Manager Selection Quality: Rises as screening and operational diligence follow a written scorecard.

Principles and Evidence Base

- GIPS Standards: Their principles for fair representation and full disclosure of performance guide the reporting review in Session 4 and the comparison of manager track records in Session 3.
- Diversification and Correlation: The economic idea that combining imperfectly correlated returns lowers risk shapes the allocation work in Sessions 2 and 4.
- Time Value of Money: Discounting of uneven cash flows underpins the commitment pacing and net return comparison in Session 4.

Intended Participants

- Institutional allocators who set the share of capital placed in alternative strategies.
- Family office and sovereign fund investment officers who select funds and direct investments.
- Pension and endowment staff who monitor commitments against liabilities and cash needs.
- Senior finance executives who review manager terms, valuations and reported performance.

The programme serves pension funds, sovereign investors, family offices and corporate treasuries.



Learning Outcomes

1. Participants will be able to compare venture capital, angel investing, hedge funds and private equity by return driver, fee structure and liquidity.
2. Participants will be able to diagnose risk and return dispersion in an alternatives portfolio.
3. Participants will be able to evaluate managers through screening and operational due diligence.
4. Participants will be able to construct a strategic allocation and commitment pacing schedule.
5. Participants will be able to prioritise strategies within a liquidity budget.
6. Participants will be able to justify an alternatives allocation memo to an investment committee.

Programme Structure

Day 1: Alternative Investments Foundations

What do the four strategies do, and how do they earn returns?

- Alternative Investment Strategy Taxonomy
- Return Driver Decomposition
- Fee and Carried Interest Structures
- Liquidity and Lock-up Terms
- Angel Investing Role in the Start-up Funding Chain

Day 2: Risk and Return Diagnosis

How are risk, illiquidity and return dispersion assessed across strategies?

- Return Dispersion by Strategy
- Illiquidity and Valuation Smoothing Review
- Drawdown and Leverage Analysis
- Correlation and Diversification Test
- Hedge Fund Strategy Risk Map

Day 3: Manager Selection and Due Diligence

How is a manager screened, tested and compared?

- Manager Screening Scorecard
- Operational Due Diligence Checklist
- Track Record Attribution Review
- Fund Terms and Side Letter Review
- Reference and Background Check Plan



Day 4: Portfolio Construction and Performance Reporting

How much capital goes to each strategy, and how are results reported?

- Strategic Allocation Model
- Commitment Pacing Schedule
- Liquidity Budget Stress Test
- Net Return Comparison After Fees
- GIPS Standards Performance Reporting Review

Day 5: Applying Alternative Investments Allocation to a Mandate

Is the allocation memo ready for committee decision?

- Applying the Session 1 Taxonomy to the Mandate
- Testing the Session 2 Risk Map on Candidate Funds
- Scoring Candidates with the Session 3 Scorecard
- Checking Session 4 Pacing Against the Liquidity Budget
- Completing the Alternatives Allocation Memo

Methodology

The programme is built around case analysis and structured exercises. Participants work with anonymised fund terms, return histories and cash flow schedules, compare strategies, score managers and test a liquidity budget in small teams, then defend their allocation before a simulated investment committee. No programming is required.

- Suggested activity: Comparing the net return of a hedge fund and a private equity fund after fees.
- Suggested activity: Scoring three anonymised managers against an operational due diligence checklist.
- Suggested activity: Stress testing a commitment pacing schedule for a pension investor.

Capstone Output

Each participant completes an alternatives allocation memo for one mandate. It contains a strategy comparison, a risk map, a manager scorecard, a commitment pacing schedule and a liquidity budget test. It is used to brief an investment committee and to set monitoring points for commitments after approval.



Frequently Asked Questions

Is alternative investments training suitable for senior finance executives who have not allocated to hedge funds or private equity?

Yes. Alternative investments training is set at strategic level and assumes experience of investment or finance oversight, not prior allocation to hedge funds, venture capital or private equity.

Which standard does alternative investments reporting rest on in this programme?

Alternative investments reporting here rests on the GIPS Standards for fair representation of performance, with diversification and the time value of money as economic principles.

How is the alternative investments allocation memo used at work?

You use the alternative investments allocation memo to brief an investment committee, record the reasoning behind each strategy weight and set monitoring points for commitments.