



Cost and Liquidity Advantages

- Risk Premia investing has grown from a relatively niche investing style into a **significant global investment industry** with a broad range of participants.
- The substantially **greater liquidity** and **lower cost** of these investments when compared to HFs is leading to rapid adoption among institutional clients.

NBIM

Norges Bank Investment Management

- Norges Bank Investment Management, manager of the Norwegian state oil fund
- Began a study of portfolio returns in 2008, following equity market losses – identified systematic risk premia as a meaningful diversifier to its large equity beta portfolio
- In the process of implementing Risk Premia Approach across multiple premia



- AP2, one the Swedish state pension funds
- Identified systematic risk premia as underlying the returns of many hedge funds – managers were generating alternative beta, rather than true alpha
- AP2 is now implementing Risk premia investments across asset classes as a transparent, liquid, low-cost alternative to hedge funds and a diversifier to equities



- PKA pension, a large Danish occupational pension fund manager
- Implementing a strategic overhaul of its entire equity investment strategy
- Unwinding all traditional external equity mandates, in favour of a highly diversified portfolio of Risk premia investments, capturing both traditional and alternative betas within the equity space