

tHinking OUtSiDe ThE box...

21-23 Aug 2012

RESOURCES KIT HANDBOOK



Four exceptional, interactive professional development programs

PortfolioConstruction Forum Conference facilitating debate on the markets, strategies and investing

August

Since 2002, PortfolioConstruction Forum Conference has gained a reputation as THE investment conference of the year. It is a jam-packed, marathon three-day, 25-hour program featuring 40 intensive, objective, interactive sessions and more than 35 carefully selected local and international portfolio construction experts. Limited to 520 delegates each year, Conference will challenge and refresh your thinking about portfolio construction, giving you tangible, meaningful takeouts to apply in practice to build better quality investor portfolios. Conference is a companion program to Markets Summit.

PortfolioConstruction Forum Markets Summit facilitating debate on the outlook for markets

February

This interactive one-day plenary program features a dozen local and international investment professionals (economists, investment strategists and senior market specialists from around the world) discussing the three-year outlook for the global economy and markets, key opportunities and risks, the critical economic and market signposts to watch for – and, of course, the implications for portfolios. It is a companion program to Conference. Markets Summit will provide you with a clearer view of what lies ahead for investment markets, and a sound portfolio construction foundation. Markets Summit is a companion program to Conference.

PortfolioConstruction Forum Academy advancing portfolio construction knowledge and wisdom

November, February, April, June

A post-graduate extension program to our other programs, Academy is a series of exclusive one-day, research-based, post graduate level, active-learning seminars on contemporary portfolio construction issues, perspectives and approaches. It is a small, high-quality peer group environment where in-depth Socratic debate and active discussion is encouraged (indeed, expected!). Open to a select group of 75 (maximum) senior, experienced portfolio construction practitioners each year, Academy will enable you to continuously develop, test, and validate your portfolio construction philosophy and decision-making framework.

PortfolioConstruction Forum Perspectives research and opinion on markets, strategies and investing

Weekly Forum Fodder updates

A unique and exclusive multi-media Resources Kit of indepedently selected, high quality, researched investment perspectives from our core Content Partners, Perspectives helps you meet the challenge of implementing quality portfolio construction strategies.

- farrelly's Investment Strategy a proactive approach to asset allocation strategies;
- Longview Economics independent macroeconomic, thematic and commodity research;
- CheckRisk pre-investment market risk analysis;
- Research Roundup a range of research and opinion on high quality investment opportunites;
- Third-party articles and commentary opinions and research on the markets, strategies and investing;
- financialalert.co.nz and Symposium #1 portfolio construction resource for NZ investment advisers.



Welcome – and how to get the most out of Conference

We're delighted to have you with us for PortfolioConstruction Forum Conference 2012! Our commitment is to help you maximise the value you receive from the program, challenge and refresh your portfolio construction thinking, and give you tangible and meaningful takeouts to apply in practice to build better quality investor portfolios. It is an exceptional, interactive professional development program presenting objective content and facilitating debate about markets, strategies and investing. The program is comprised of the 10-hour, plenary style Critical Issues Forum and four-hour Due Diligence Forum electives program, together featuring 50 leading investment thinkers from around the world.

At Conference - use this Resources Kit Handbook

1.	Treat the Conference program as one whole	
	Conference is a journey with integrated content and stops, not just an eclectic mix of unrelated sessions. The 'glue' that holds the program together is the first and last Critical Issues Forum sessions (so be sure to attend from beginning to end) along with this Resources Kit Handbook.	
2.	Use the Gizmo to submit questions and ratings Your questions will be sent to the speakers on stage for them to answer during the session, and are used for us to consider future topics. Your ratings are very useful to us in planning future programs and they are also what we base your CPD certificate on, using them as proof of which sessions you attended.	
3.	Twitter.com Send us your comments and follow us on Twitter @PortfolioForum or by using the hashtag #Forum2012.	
4.	Plan your DDF sessions Only the first 100 delegates are able to attend each DDF session, so identify a second choice. Don't get frustrated if you don't get into your preferred DDF at Conference. All the sessions are excellent, and the online Resources Kit available after Conference will feature synchronised slides and podcasts for each as well as the associated Research Papers.	
5.	Use this Resources Kit Handbook - Firstly, put your name on the cover in the space provided! - Take notes in the CIF and DDF sessions and record your Key Takeouts in the area provided.	

all the Video Thought Pieces.

- Collect handouts from each DDF session and the Cafe and read them later.

- Use the check boxes on the timetable (page 6 and 7) to note which CIF and DDF sessions you went to, and which you plan to revisit for the videos, readings, research papers, and presentations. Use the check boxes on the Speaker directory (page 8) to make sure you view



6. Make full use of the networking opportunities Explore the Cafe, pick up materials off the brochure racks, interact with our Content Partners and fellow Practitioners to get a fix on their views.
After the Conference - plan a structured follow-up program
1. Treat this Resouces Kit Handbook as your central intelligence kit It has your session worksheet notes, and Key Takeouts. (Create a companion Dropbox folder for electronic copies of papers at www.Dropbox.com). Aim to fill this Resources Kit Handbook with relevant material and use it as a reference for your portfolio construction professional development.
2. Book a one-hour Key Takeouts review session with yourself Do it now, or you may never! Book this for the week after Conference and spend the time reviewing your Key Takeouts and those of the Conference Key Takeouts session (we'll have it online midweek after Conference. Write a short summary, and share it with your colleagues and clients, if appropriate. Post it on the Key Takeouts page on the online Resources Kit.
3. Visit the online Resources Kit regularly (PortfolioConstruction.com.au) From the week after Conference, we'll be adding the readings, research papers, videos, presentations and podcasts for each CIF and DDF sessions. Add your Key Takeouts and comments. Schedule a weekly one-hour meeting with yourself in September to revisit the CIF sessions and "attend" the DDF sessions you didn't attend at Conference.
4. Plan your follow up Plan the specific actions you intend to take as a result of Conference, in your quest to build better quality investor portfolios.
5. Read the regular PortfolioConstruction Forum Fodder email It alerts you to new portfolio construction perspectives added to the site, and lets you know when registration has opened for our other programs – on that note, go online and register for Markets Summit (19 February 2013)! Feel free to email us with your ideas for future topics.

Once again, welcome to Conference 2012!



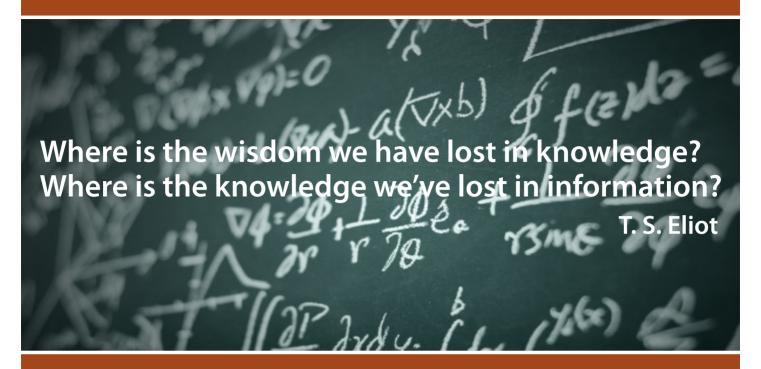
Graham Rich Publisher



Deirdre Keown Managing Editor



ACADEMY



advancing portfolio construction knowledge and wisdom

PortfolioConstruction Forum Academy challenges and advances portfolio construction knowledge and wisdom. It is a post-graduate extension program to the other PortfolioConstruction Forum professional development programs.

The annual Academy program comprises a series of exclusive one-day, research-based, post graduate level, active-learning professional development seminars on contemporary portfolio construction issues, perspectives and approaches. It is a small, high-quality peer group environment where in-depth Socratic debate and active discussion is encouraged – indeed, expected! – led by senior academic and investment professionals. From time to time, other smaller-group programs are offered to selected Members.

Like all PortfolioConstruction Forum programs, Academy is focused on the three pillars for building better quality investor portfolios – markets, strategies and investing. Academy is grounded in the belief that a robust and clear portfolio construction philosophy is essential, and that investing is as much art as it is science, so there is no 'one true way' to construct portfolios. Academy members are encouraged to advance, test and validate their own portfolio construction views through the fires of Socratic debate – not blindly follow or reject the views and positions of the Academy faculty, presenters and other Members.

Open by application to a select group of 75 (maximum) senior, experienced portfolio practitioners each year, Academy will enable you to continuously develop, test, and validate your portfolio construction philosophy and decision-making framework.

Applications are now open for the 2012/2013 curriculum year (November 2012 - June 2012).

For more information go to www.PortfolioConstruction.com.au



Wednesday 22 August 2012

Registratio	n & Coffee		Cafe	7.00am - 8.15am
Critical Issues Forum 1			Theatre	8.30am-10.15am
Markets		I've been thinking outside the box about	the global econom	y and markets
Morning te	Morning tea Cafe		Cafe	10.15am-10.50am
Due Diliger	nce Forum 1		DDF Rooms 1-5	11.00am-11.50am
Investing	Debt	Flight to safety sure, but where do you lan	d?	
Investing	Au Equities	After tax investing - why it matters now, mor	e than ever	
Investing	Gl Equities	Equity income - meeting objectives in a dele	veraging cycle	
Investing	Multi asset	An investment strategy for the information ag	je	
Investing	Undisc Fund	BlackRock Australian Equity Absolute Return	Fund	
Due Diliger	nce Forum 2		DDF Rooms 1-5	12.00pm-12.50pm
Investing Debt EM bonds - retirement income of the future?		-		
Investing	Investing Au Equities Death, taxes and managed funds - in search of elusive yield		of elusive yield	
Investing	Gl Equities	Do dividends matter globally?		
Investing	Alternatives	An alternative approach to portfolio constru	ction	
Investing	Undisc Fund	Goldman Sachs Australian Equities		
Lunch			Cafe	12.50pm-1.40pm
Critical Issu	ies Forum 2		Theatre	1.50pm-3.30pm
Markets, Strategies		I've been thinking outside the box about	portfolio risk	
Afternoon	tea		Atrium	3.30pm-3.50pm
Critical Issu	ies Forum 3		Theatre	4.00pm- 6.15pm
Strategies		I've been thinking outside the box about	Portfolio Construct	tion 2.0
Networking Reception			Atrium	6.15pm-7.30pm



Thursday 23 August 2012

Breakfast			Cafe	6.45am-7.30am
Critical Issu	es Forum 4		Theatre	7.45am-10.15am
Markets, St	rategies	I've been thinking outside the box about g	geopolitics and inve	estment
Morning te	a		Cafe	10.15am-10.50am
Due Diliger	nce Forum 3		DDF Rooms 1-5	11.00am-11.50pm
Investing	Property	It's safe to go back in the water but stay insid	e the flags	
Investing	Au Equities	4 key indicators of an "outside the box" invest	tment manager	
Investing	Gl Equities	Emerging markets as a single asset class		
Investing	Regional Eq	Is Asia in crisis or is it buying opportunity?		
Investing	Undisc Fund	Bennelong Ex-20 Australian Equities Fund		
Due Diliger	nce Forum 4		DDF Rooms 1-5	12.00pm-12.50pm
Investing	Debt	The tyranny of the present	•	
Investing	Au Equities	The risk management dilemma – you can't ea	at relative returns	
Investing	Gl Equities	Portfolio management in an age of creative of	destruction	
Investing	Alternatives	Deconstructing the portfolio construction ch	allenge	
Investing	Undisc Fund	RARE Emerging Markets Fund		
Lunch			Cafe	12.50pm-1.40pm
Critical Issu	es Forum 5		Theatre	1.50pm-2.45pm
Markets, St	rategies	I've been thinking outside the box about	allocations to int'l	equities
Critical Issu	es Forum 6		Theatre	2.45pm-3.30pm
Mkts, Strate	egies, Investing	I've been thinking outside the box about	thinking outside th	ne box
Afternoon t	ea		Atrium	3.30pm-3.50pm
Critical Issu	es Forum 7		Theatre	4.00pm-4.30pm
Mkts, Strate	gies, Investing	I've been thinking outside the box about	the key takeouts	
Critical Issu	es Forum 8		Theatre	4.30pm-5.15pm
Markets & S	strategies	I've been thinking outside the box about	Africa, the new old	continent
Networking	Drinks		Atrium	5.15pm-6.30pm

Speaker directory

Critical Issues Forum Moderator

- Graham Rich, Publisher, PortfolioConstruction Forum

Critical Issues Forum Keynote Speakers

- David Hale, Chairman, David Hale Global Economics (Chicago), brought to you by RARE Infrastructure
- Nick Bullman, Founder & MD, CheckRisk (London)
- Michael Kitces, Partner/Head of Rsh, Pinnacle Advisory (Washington DC)
- The Hon. Dr Pippa Malmgren, Principalis Asset Management (London)
- Linda Jakobson, Director East Asia Program, The Lowy Institute (Sydney)
- Tim Farrelly, Principal, farrelly's Investment Strategy (Sydney)
- Chris Watling, CEO & Chief Market Strategist, Longview Economics (London)
- Jonathan Pain, Editor, The Pain Report (Sydney)

Critical Issues Forum Expert Panellists

- Ramin Toloui, Global Head of EM Portfolio Management, PIMCO (Singapore)
- Vimal Gor, Head Inc & Fixed Interest, BT Investment Management (Sydney)
- Ian Link, Partner & Equity PM, Wellington Management Co (London), brought to you by Perpetual
- Greg Cooper, CEO, Schroder Investment Management Australia (Sydney)
- Piers Bolger, Head of Rsh & Strategy (Advice), BT Financial Group (Sydney)
- Nick Bratt, MD, Lazard Asset Management (New York), brought to you by Zurich Financial Services
- Luis Freitas de Oliveira, Director, Capital International (Geneva)
- Eng Teck Tan, Investment Mgr, Treasury Asia Asset Management (Singapore)

Critical Issues Forum Video Thought Pieces

- Cliff Asness, Founding Principal, AQR Capital Management (Greenwich)
- Anthony Bolton, President Investments, Fidelity Worldwide Investments (HK)
- Dr Woody Brock, President, Strategic Economic Decisions (New York)
- Alan Brown, Global CIO, Schroders (London)
- Christopher Campisano, Managing Director, BlackRock (New York)
- Hamish Douglass, Managing Director, Magellan Financial Group (Sydney)
- Prof Jack Gray, University of Technology (Sydney)
- Bill Gross, Managing Director, PIMCO (Newport Beach)
- Michael Hasenstab, Co-Director Intl Bonds, Franklin Templeton (San Mateo)
- Steven Helmarick, Head of Inv Market Rsh, Colonial First State Global Asset Management (Sydney)
- Prof Amin Rajan, University of Oxford (London)
- Matthew Rothman, Director of Quant Global Macro Research, Acadian Asset Management (Boston)
- Professor Toby Moskowitz, University of Chicago (Chicago)
- Dr Joanne Warner, Head of Global Resources, Colonial First State Global Asset Management (Sydney)
- Archbishop Desmond Tutu (Capetown)

Speaker directory (cont'd)

Due Diligence Forum Moderators

- Patrick Bennett, Head of Research, SFG Australia
- Assyat David, Director, Strategy Steps
- Matthew Drennan, Independent Economist
- Michael Furey, Managing Director, Delta Research & Advisory
- Graham Rich, Publisher, PortfolioConstruction Forum

Due Diligence Forum Presenters

- Richard Cahill, Senior Associate, Mercer
- Paul Cuddy, CEO, Bennelong Australian Equity Partners
- Vimal Gor, Head of Income & Fixed Interest, BT Investment Management
- Luis Freitas de Oliveira, Director, Capital International, btyb Pinnacle Investment Management
- Charles Hamieh, PM, RARE Infrastructure
- Dr Don Hamson, MD, Plato Investment Management, btyb Pinnacle Investment Management
- Rhett Kessler, Fund Manager, Pengana Capital, brought to you by nablnvest
- Duncan Knight, Snr Investment Analyst, Lonsec
- Ian Link, Director, Partner & Equity Portfolio Mgr, Wellington Management Co, btyb Perpetual
- Samuel Mann, Managing Director, K2 Advisors, brought to you by Ironbark Asset Management
- Dr Simon Marais, MD, PM and Head of Australia Equities, Allan Gray
- Michael McCorry, MD, BlackRock
- Tim McGowen, Portfolio Manager, PM Capital, brought to you by Zurich Financial Services
- Matthew Olsen, Head of Ratings, van Eyk
- Mark O'Neil, Exec Dir, Goldman Sachs Asset Management
- Victor Rodriguez, Head of Fixed Income Au, Aberdeen Asset Management
- Caroline Saunders, Director Funds and Advisory, Barclays
- Chris Selth, CIO & Lead Portfolio Manager, Five Oceans Asset Management btyb Fidante
- Andrew Sisson, MD, Balanced Equity Management, brought to Franklin Templeton
- Eng Teck Tan, Investment Manager, Treasury Asia Asset Management
- John Taylor, Centuria Property Funds
- Ramin Toloui, Global Co-head of EM Portfolio Management, PIMCO
- John Wareham, Chief Commercial Officer, Aspect Capital btyb Colonial First State
- David Wright, Partner, Zenith

Critical Issues Forum 1

I've been thinking outside the box... about the global economy and markets

Our opening keynote session starts with a big picture global macro economic overview focused on the key market and economic risks and opportunities over the short, medium, and long term – and, of course, the portfolio construction implications.

Presentation David Hale, Chairman, David Hale Global Economics (Chicago)

brought to you by RARE Infrastructure

David is a widely recognised global economist whose clients include asset management companies in North America, Europe, Asia, and Africa. He lectures worldwide to groups including the World Economic Forum, the Fortune Global CEO Conference and the National Association of Governors. He has frequently testified before Congressional committees on domestic and international economic policy issues, and has done briefings for senior officials in the US executive branch. David is a member of the RARE Infrastructure Investment Advisory Board.

Expert panel discussion, including your Gizmo questions

David Hale, Chairman, David Hale Global Economics (Chicago)
Vimal Gor, Head Inc & Fixed Interest, BT Investment Management (Sydney)
Ian Link, Partner & Equity PM, Wellington Management Co (London) – btyb Perpetual
Ramin Toloui, Global Head of EM Portfolio Management, PIMCO (Singapore
Chris Watling, CEO & Chief Market Strategist, Longview Economics (London)



			Critical Issues Forum 1
Awful	Mediocre	Good	Excellent
Your rating			

Critical Issues Forum 2

I've been thinking outside the box... about portfolio risk

Traditional approaches to managing investment risk have not served investors well. Risk is non-linear and difficult to measure but human reactions to risk are predictable and hence essential to any risk assessment modelling. In addition, major risk events do not occur in isolation – they have occurred in clusters throughout history – and understanding where we are in the investment cycle helps us to understand and prioritise risk to achieve better risk-adjusted investment decisions.

Presentation Nick Bullman, Founder & MD, CheckRisk (London)

Nick founded CheckRisk in 2008 to deliver risk consultancy services risk analysis profiles that evaluate market risk in multiple asset classes and markets. He was one of the founding partners of TIR Holdings, an international institutional equity broker that was ultimately sold to ETrade in 1999. In 2000, he bought and managed Investor Select Advisers, a global fund of hedge funds business. He is a guest lecturer on risk for the Chartered Institute for Securities and Investment, and for the MBA program at University of Bath School of Management.

Expert panel discussion, including your Gizmo questions

Nick Bullman, Founder & MD, CheckRisk (London)

Piers Bolger, Head of Rsh & Strategy (Advice), BT Financial Group (Sydney)

Greg Cooper, CEO, Schroder Investment Management Australia (Sydney)

Tim Farrelly, Principal, farrelly's Investment Strategy (Sydney)

Michael Kitces, Partner/Head of Rsh. Pinnacle Advisory (Washington DC)

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			Critical Issues Forum 2
Your rating Awful	Mediocre	☐ Good	Excellent

Critical Issues Forum 3

I've been thinking outside the box... about Portfolio Construction 2.0

Michael picks up where he left off at the 2011 Conference and, in this all-new keynote address, he will provide a portfolio construction framework to enable you to maximise value from all of the other sessions and build better quality investor portfolios. He'll argue that MPT is not broken, it has just been (badly) misapplied for the past 60 years. Appropriate use of MPT requires forward-looking projections but there are numerous factors practitioners can use to determine those. It requires more work to apply effectively, but can lead to more efficient and better risk/return trade-offs.

Presentation Michael Kitces, Partner/Head of Rsh, Pinnacle Advisory (Washington DC)

Those who saw him present at last year's Conference will agree Michael has a rare gift of making complex investment and financial planning topics a lot easier for the rest of us to understand. In 2010, Financial Planning magazine labeled Michael the industry's "Deep Thinker," and Investment Advisor magazine recently named him in their top 25 most influential people for advisers. Pinnacle Advisory Group is a US-based private wealth management firm that works with over 700 families and manages close to US\$1 billion in assets for clients in the US and around the world.

Expert panel discussion, including your Gizmo questions

Michael Kitces, Partner/Head of Rsh, Pinnacle Advisory (Washington DC)
Nick Bullman, Founder & MD, CheckRisk (London)
Piers Bolger, Head of Rsh & Strategy (Advice), BT Financial Group (Sydney)
Greg Cooper, CEO, Schroder Investment Management Australia (Sydney)

Tim Farrelly, Principal, farrelly's Investment Strategy (Sydney)



			Critical Issues Forum 3
Your rating Awful	☐ Mediocre	Good	Excellent



Critical Issues Forum 4

I've been thinking outside the box... about geopolitics and the investment implications

Conference day two begins with a discussion of the medium- and long-term impacts of geopolitical forces and issues on the global economy and their investment implications. Arguably the most important geopolitical considerations for Australia – indeed, the world – are the impending leadership change in China, the effect of which will shape China's policies for the next decade, and the continuing political and economic challenges created by the US and Europe debt crises.

Presentation The developed world's crises

The Hon. Dr Pippa Malmgren, Principalis Asset Management (London)

Pippa last presented at the 2009 Conference and earned one of the ever ratings from delegates. She is a specialist in the interaction of the political and policy environment with financial markets. Pippa served as Special Assistant to President George W Bush for economic policy, responsible for all financial market issues for the President and liaison with financial regulators including the Federal Reserve and the SEC. Prior to her stint at the White House, Pippa held various senior investment management roles in London and Asia, before which she was a trade policy specialist with the Trade Policy Research Centre in London and the OECD in Paris. She has lectured for the MIT Sloan Fellows, at Oxford, West Point and Duke University Business School.

Presentation China's changing of the guard

Linda Jakobson, Director East Asia Program, The Lowy Institute (Sydney)

Linda returns by popular demand after receiving the higest rating at last year's Conference. Before moving to Sydney in 2011, Linda lived and worked in China for 20 years and published six books about China and East Asian society. A Mandarin speaker, she has published extensively on China's foreign and security policy, the Taiwan Strait, China's energy security, and climate change and science and technology polices. Prior to joining the Lowy Institute, Jakobson served as Director of the China and Global Security Programme and Senior Researcher at the Stockholm International Peace Research Institute (SIPRI).

Expert panel discussion, including your Gizmo questions

Linda Jakobson, Director East Asia Program, The Lowy Institute (Sydney)
The Hon. Dr Pippa Malmgren, Principalis Asset Management (London)
Nick Bratt, MD, Lazard Asset Management (New York) – btyb Zurich Financial Services
Luis Freitas de Oliveira, Director, Capital International (Geneva)
Eng Teck Tan, Investment Mgr, Treasury Asia Asset Management (Singapore)
Chris Watling, CEO & Chief Market Strategist, Longview Economics (London)



			Critical Issues Forum 4
Awful	Mediocre	Good	☐ Excellent
Your rating			



Critical Issues Forum 5			
I've been thinking outside the box about allocations to international equities Signs that the US secular equity bear cycle may be nearing its end are growing, implying both a stronger US dollar and that the commodity super cycle is nearing its end. China is also under pressure and, on a 100-year view, Australia appears to be in a housing price bubble. Taken together this challenges a strong home bias to Australian equities in portfolios.			
Presentation Chris Watling, CEO & Chief Market Strategist, Longview Economics (London) Chris has an in-depth knowledge of long-term economic and financial history, the global economic cycle and structural trends, as well as strong macro and quantitative views across all major asset classes and markets. He is a member of the PortfolioConstruction Forum faculty.			



			Critical Issues Forum 5
Awful	Mediocre	Good	Excellent
Your rating			



Critical Issues Forum 6
I've been thinking outside the box about thinking outside the box It's only by defining the box that you are able to begin to think outside it. In other words, we noto identify the assumptions underlying the way we build portfolios, and then challenge ourselve to think differently about each one. Tim discusses seven areas where thinking outside the box me lead us to different portfolio construction decisions.
Presentation Tim Farrelly, Principal, farrelly's Investment Strategy (Sydney) Tim brings a unique combination of analytics, understanding of financial market knowledge of capital market history and insight into the practical issues arou building quality investor portfolios, and asset allocation in particular. He establish farrelly's in 2004 as the first independent, specialist asset allocation research services investment advisory firms in Australia and NZ. Previously, he was an Executive Direct of Macquarie Bank Ltd, and Director of Macquarie Investment Management Ltd (MIM Tim is a member of the PortfolioConstruction Forum faculty.



Vour rating			
Your rating Awful	☐ Mediocre	Good	Excellent
		□ 9000	
		C	ritical Issues Forum 6



Critical Issues Forum 7
I've been thinking outside the box about the key takeouts All of the Critical Issues Forum sessions are building blocks for this session which ensures delegate determine their key takeouts, and actions to take when building investor portfolios. This year's Ker Takeouts session is very interactive!
Expert panel discussion, including your Gizmo questions Chris Watling, CEO & Chief Market Strategist, Longview Economics (London) Tim Farrelly, Principal, farrelly's Investment Strategy (Sydney) Michael Kitces, Partner/Head of Rsh, Pinnacle Advisory (Washington DC) Conference delegates
Critical Issues Forum 1 - the global economy and markets
Critical Issues Forum 2 - portfolio risk



Critical Issues Forum 3	3 - Portfolio Construction 2.0		
Critical Issues Forum 4	ا - geopolitics and the investment i	mplications	
Critical Issues Forum 5	5 - allocations to international equi	iies	
Critical Issues Forum 6	i - thinking outside the		
Your rating			
☐ Awful	Mediocre	Good	Excellent
		Crit	ical Issues Forum 7

Critical Issues Forum 8

I've been thinking outside the box... about Africa, the new old continent

"Africa's economies are amongst the fastest growing in the world, with technological change sweeping across the continent. At the same time, the burgeoning youth population in Africa is changing economies and political systems in profound ways... We believe Africa can be the world's next major economic success story." Barrack Obama June 2012

Presentation Jonathan Pain, Editor, The Pain Report (Sydney)

Jonathan has 28 years of international investment experience having led teams in London, Bahrain and Australia. Now an independent investment strategist, Jonathan's Pain Report is a widely-read investment newsletter providing an independent and global perspective of the financial markets and the world economy. Since 2002, Jonathan has been a regular keynote presenter at PortfolioConstruction Forum's programs, where he has debuted many new investment theses, well ahead of them becoming accepted in the mainstream. In early 2004, he highlighted the awakening Asian giant and impact of the emerging Asian middle classes. In 2005, he warned that the US housing market had reached unsustainable levels of debt. In 2009, he introduced us to a New Reality and that the world was divided between those nations that were submerging and those that were emerging. In 2010, he suggested we needed an IMF (Intergalactic Monetary Fund) to bail out Greece and, in 2011, he analysed the Arab Spring and predicted that authoritarian regimes across the region would dig in and engage in what they do best: repression. This year, he debuts his Africa thesis.



			Critical Issues Forum 8
Your rating Awful	Mediocre	☐ Good	Excellent



thinking outside The box outside

DUE DILIGENCE FORUM 1



Due D	Dililgence Forum 1.1	
The practic the asset a and researc better unde and paper a	safety sure, but where do you land? tical realities of ROAs and SOAs make it difficult for many advisers to tactic allocation of their client's portfolios. Given this logistical impediment, this parch paper explore how to augment traditional portfolio construction techniquestanding of asset classes' correlate in particular bonds and equities. The particular bonds and equities that will dynamically shift asset class experious on minimising drawdowns.	oresentation ues though oresentation
Presenter	Vimal Gor, Head of Income & Fixed Interest, BT Investment Management	
Partner	BT Investment Management	
Product	BT Wholesale Monthly Income Plus Fund Lonsec Recommended, S&P 4 stars	
Your rating	ng	
Awful	ul Mediocre Good	Excellent
Due Dilig	ligence Forum 1.1	Debt



Due D	ililgence For	um 1,2		
In a lower of positive compaper explo	ntribution to the amou ore the myth that activ	e benefit of ma Int of cash in a e portfolio man	than ever ximising after-tax returns client's pocket. This pres agement is solely about al by passive portfolios cost m	sentation and research pha, ignoring the (tax)
Presenter	Andrew Sisson, Manag	ging Director, B	alanced Equity Managemen	t
Partner	Franklin Templeton			
Product	Franklin Templeton A S&P 4 stars, van Eyk A		Fund	
Your rating				
Awful	М	ediocre	Good	Excellent
Australia	n Equities		Due Di	ligence Forum 1.2



Due D	ililgence Forum 1.3		
The delever are buffeted with gritted client base	ome – meeting objectives in a delever raging cycle is creating a conundrum for d by extreme volatility, many investors l I teeth. The challenge for asset manage . Investors want more income but wit role of equity income portfolios in a co	or investors and asset mana nave capitulated into crowd ers is the need to address th h less risk. This presentat	ed defensive allocations ne requirements of their ion and research paper
Presenter	Tim McGowen, Portfolio Manager, PM	1 Capital	
Partner	Zurich Financial Services		
Product	Zurich Investments Global Equity Inco Zenith Recommended	ome Fund	
Your rating			
Awful	Mediocre	Good	Excellent
Due Dilig	gence Forum 1.3		Global Equities



Due Dililgence Forum 1.4						
There is a see very hi views thes the "New New Note (New New Note (New Note) and that global see the s	tment strategy for the information age a growing consensus in the investment commigh volatility, low growth and possibly inflationse developments as a "ring of fire", PIMCO' Normal" and the Bank of England Governor, Non-Inflationary Consistently Expansionary), Orderly Budgets, and Equitable Rebalancing" all tactical asset allocation (GTAA) is a strateging excess returns with low volatility in both bu	on in developed economics Bill Gross believes this Mervyn King says "the n rather it is likely to be a This presentation and rey that is well tailored to	es. Nouriel Roubini s state of affairs is ext decade will not a 'SOBER' decade – search paper argue			
Presenter	Caroline Saunders, Director Funds and Adv	risory, Barclays				
Partner	Barclays					
Product	Barclays World Tactical Opportunities Trust	t				
Your rating	g					
Awful	Il Mediocre	Good	Excellent			

Due Diligence Forum 1.4

Multi-asset class



Due D	ililgence	Forum 1.5			
This presen focused fur could be vi	ntation and rese nd and why it wo ewed as an alpl	nity Absolute Return larch paper showcase vould appeal to investors a source with low conquestions the lead port	an Eyk's research ir s seeking alpha with relation to broader	a market neutr movements in	al exposure and equity markets.
Presenters		ead of Ratings, van Eyk rry, Managing Director			
Your rating		_	_		_
Awful		Mediocre	Good	I	Excellent
Due Dilig	gence Forum	1.5		Undisc	overed Fund



thinking outside The box outside

DUE DILIGENCE FORUM 2



Due Dililgence Forum 2.1					
EM bonds - retirement income of the future? This research paper and presentation argue that emerging market (EM) bonds offer an attractive investment proposition for Australian investors looking to combine income with long-term growth potential for future retirement income needs. They highlight that EM bonds have different risk, return attributes than both domestic and EM equities, and that the correlation of EM debt with other assets may help portfolios reach the efficient frontier. Finally, they discuss why on a globa basis, changes in the infrastructure of the asset management industry are likely to accelerate the process of reallocation into EM bonds, creating more liquidity and stability, and adding to their attractiveness for retirement income needs.					
Presenter	Ramin Toloui, Global Co-head of EM Portfolio Management, PIMCO				
Partner	PIMCO				
Your rating Awful		llent			
Due Dili	igence Forum 2.1 De	ebt			



Due Dililgence Forum 2.2					
With cash a been more currently t sectoral bia	tes and managed funds - in search and bond yields at record lows acro difficult. Australia has traditionally rade on very high prospective yield ases and dividend traps is very impo and how income managed funds can o	ss much of the world, the sea been a high yield market and ds (even higher with franking rtant. This research paper and	many Australian stocks g credits), but avoiding d presentation examine		
Presenter	Dr Don Hamson, Managing Directo	or, Plato Investment Managem	nent		
Partner	Plato Investment Management / Pinnacle Investment Management				
Product	Plato Australian Shares Income Fu van Eyk BB, Zenith Recommended	nd			
Your rating					
Awful	Mediocre	☐ Good	Excellent		
Australia	an Equities	Due D	iligence Forum 2.2		



Due Dililgence Forum 2.3				
Investing in income. The stocks acro	nds matter globally? In international equities delivers a unique solution for many investors seeking to diversify his research paper and presentation examine the performance of high-dividend-yield coss various global regions, and test the potential effect on excess returns of US high-rield stocks should President Obama's proposed tax increases become law.			
Presenter	Ian Link, Director, Partner & Equity Portfolio Manager, Wellington Management Company			
Partner	Perpetual			
Product Perpetual International Share Fund Lonsec Recommended, van Eyk A, Morningstar Neutral, Zenith Recommende				
Vous rating				
Your rating Awful				
Due Dili	gence Forum 2.3 Global Equities			



Due D	ililgence Forum 2.4		
Investors of However the techniques	tive approach to portfolio constru continue to wrestle with unprecede ne turmoil of recent years has expo . Investors need new ways to diversify on argue that a managed futures stra	nted levels of uncertainty in esed the limits of traditional of their portfolios effectively.	portfolio construction This research paper and
Presenter	John Wareham, Chief Commercial (Officer, Aspect Capital	
Partner	Aspect Capital / Colonial First State	2	
Product	Aspect Diversified Futures Fund Lonsec Highly Recommended, S&P	4 Stars, Van Eyk BB, Zenith R	ecommended
Your rating			
Awful	Mediocre	Good	Excellent
Alternati	ves	Due D	iligence Forum 2.4



Due D	ililgence Forun	n 2.5		
This preser neutral Gol Sachs Aust	dman Sachs Premier Aust ralian Equities Wholesale F	showcase Lonse ralian Equities Fu und, and dicusse	and long-only s how each of the	ts into the long-only style high conviction Goldman strategies may be used in nager for the funds, Mark
Presenters Duncan Knight, Senior Investment Analyst, Lonsec Mark O'Neil, Executive Director, Goldman Sachs Asset Management Phil Gardener, Managing Director, Goldman Sachs Asset Management				
Your rating				
Awful	Medi	ocre	Good	Excellent
Due Dili	gence Forum 2.5			Undiscovered Fund



thinking outside The box outside

DUE DILIGENCE FORUM 3



Due D	oililgence Forum 3.1
In the face that can p argue that derived lar acquisition remain fro	o go back in the water but stay inside the flags of global uncertainty and low interest rates, advisors and investors are seeking options provide consistent income, with moderate capital growth. This paper and presentation unlisted property is well-suited to the mood of investors - it should provide a total return regely from income, and the current market presents excellent opportunities with attractive a yields available in historical terms. The issue is the scars of the past - a number of funds exen, and reputational damage has been done. Careful selection of a manager is required risks specific to unlisted investment are minimised.
Presenter	John Taylor, Centuria Property Funds
Partner	Centuria
Product	Centuria 19 Cannon Hill Drive Fund, Centuria 175 Castlereagh St Fund

Due Diligence Forum 3.1

Your rating

Awful

Property

Excellent

Mediocre

Good



Due D	Due Dililgence Forum 3.2				
Every investeam with investing f different. V	tment manage an innovative or the long to What does it n contrarian, ar	investment strategy, berm, and so on. Yet ma nean to be contrarian? ⁻	Ferent from its competitors uying assets at a discount any firms produce results. This research paper and plust be comfortable being was the competitions and the comfortable being was the comfortable being was the comfortable being was the competitions and the competitions are competitions and the comfortable being was the comfo	t to underlying value, that are anything but resentation argue that	
Presenter	Dr Simon Ma	rais, Managing Director,	PM and Head of Australia I	Equities, Allan Gray	
Partner	Allan Gray				
Product	-	ustralia Equity Fund nsec Recommended, Mo	rningstar Bronze, Zenith Re	ecommended	
Your rating	I				
Awful		Mediocre	Good	Excellent	
Australia	an Equities		Due D	iligence Forum 3.2	



Due Dililgence Forum 3.3	
Emerging markets as a single asset class Investors know it is important to gain access to the growth in emerging in the volatility. This research paper and presentation show that it is poss dynamism in emerging markets, while seeking long-term capital growt lower volatility of returns. By investing in the emerging markets as a sin use powerful levers found in a full breadth of emerging markets debt if used correctly, investors can achieve emerging market-like equity re cycle, with much lower volatility.	ible to take advantage of the h, preservation of capital and gle asset class, investors can and equity securities – and
Presenter Luis Freitas de Oliveira, Director, Capital International	
Partner Capital International / Pinnacle Investment Management	
Product Capital Emerging Markets Total Opportunities Fund (Austr	alia)
Your rating	
Awful Mediocre Good	Excellent
Due Diligence Forum 3.3	Global Equities



Due D	Dililgence Forum 3.4	
If equity m rather than were the c added to t first hand a	a crisis or is it buying opportunity? market performance is the only yardstick, it is not su an Europe, is the region in crisis. In 2011, inflationar cause of underperformance by Asian equities and re the list of concerns. However, this research paper a d account of what is really happening in the region, and I factors that remain intact and will likely drive the Asia	y pressures and the European crisis now a slowdown in China has been and presentation give an insightful, nd outline the short- and long-term
Presenter	r Eng Teck Tan, Investment Manager, Treasury Asia	Asset Management
Partner	Treasury Asia Asset Management	
Product	TAAM New Asia Fund Lonsec Recommended, Zenith Recommended	
Your rating Awful	_	Good Excellent
Regional	al Equities	Due Diligence Forum 3.4



Due D	Due Dililgence Forum 3.5				
Bennelong Ex-20 Australian Equities Fund This presentation and research paper showcase Mercer's research insights into this core/quality style fund that invests outside the top 20 ASX-listed stocks, and how it could be used in a portfolio. Richard then introduces and questions the lead portfolio manager for the fund, Paul Cuddy.					
Presenter		l, Senior Associate, Merc EO, Bennelong Australia			
Your rating Awful		Mediocre	Good	Excellent	
Duo Dili	ganca Farum	2.5		Undiscovered Fund	
Due Dill	gence Forum	J.J		-ondiscovered ruild	



thinking outside The box outside

DUE DILIGENCE FORUM 4



Due D	ililgence Forum 4.1		
This researd for the future past, prese the subseq uniqueness investors; a	by of the present ch paper and presentation argue that are will need to be different from the nt and future with regards to their request implications for fixed income poof that period; the present to undersund, attempt to predict future scenarios eximise portfolio outcomes.	e past. The paper and pre espective economic environ rtfolio construction – the stand the problem that is	sentation examine the onments and discusses past to understand the currently presented to
Presenter	Victor Rodriguez, Head of Fixed Incom	ne Australia, Aberdeen Ass	set Management
Partner	Aberdeen Asset Management		
Product	Aberdeen Diversified Fixed Income Fu Lonsec Recommended	und	
Your rating			
Awful	Mediocre	Good	Excellent
Due Dilig	gence Forum 4.1		Debt



Due D	ililgenc	e Forum 4.2		
————				
This resear inappropria true invest well as ach considerati By focusing	rch paper and ate concept of ment risk for lieving a fair on of the fund on investors	f investment risk (name investors is not tracking return for the level of r damental drivers of risk	at relative returns nat the benchmarking of maly the dreaded tracking erroring error but rather the precisk assumed as this leads to for investors and therefore poital preservation and a reas	or). It is proposed that servation of capital as to a far more effective their return objectives.
Presenter	Rhett Kessle	r, Fund Manager. Penga	na Capital	
Partner	Pengana Cap	oital / nabInvest		
Product	Pengana Aus S&P 3 stars	stralian Equities Fund		
Your rating	l			
Awful		Mediocre	Good	Excellent
Australia	n Equities		Due Di	lligence Forum 4.2



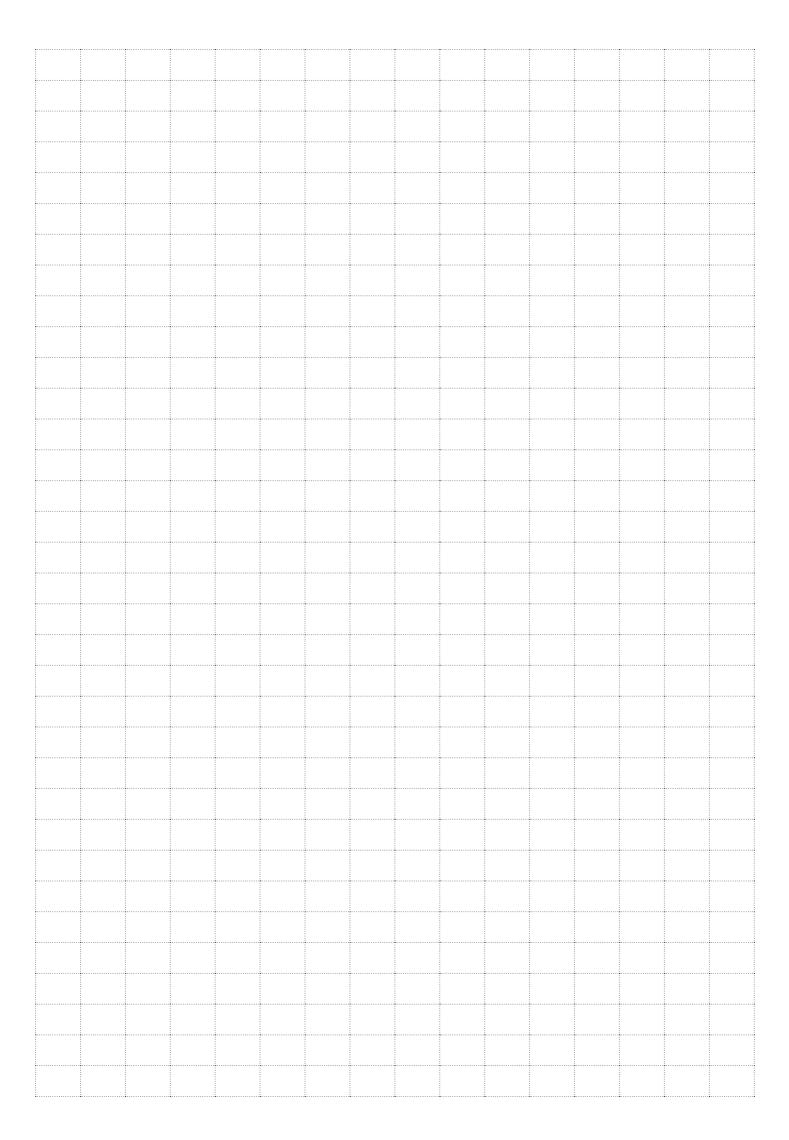
Due D	ililgence Forum 4.3		
Globalisation competitive Schumpete This resear about punithe past he	management in an age of creative de on, the rise of China and technologe pressures on traditional business moder's concept of creative destruction, has rech paper and presentation debate whet is hment for past indulgence or simply a lelp us find equilibrium? They consider al companies are impacted, as well as the	gical developments have dels. This dynamic, captur become increasingly critic ther the financial crises we bout structural change, po the issues involved and as	ed by economist Joseph cal in equity investment 've been witnessing are sing the question; does ssess how the valuation
Presenter	Chris Selth, CIO & Lead Portfolio Man	ager, Five Oceans Asset M	anagement
Partner	Five Oceans Asset Management / Fida	ante Partners	
Product	Five Oceans Wholesale World Fund Lonsec Highly Recommended, van Eyl	k BB, Morningstar Investm	ent Grade
V-100001	_		
Your rating Awful	_	Good	Excellent
Due Dilie	gence Forum 4.3		Global Equities



Due D	Due Dililgence Forum 4.4				
Alternative is, are alte implemente resulting in have faced This researe	icting the portfolio construction chainvestments are the answer to more trnative investments as complicated and in portfolios? Since the GFC, financial erosion of clients' retirement savings the challenges of liquidity, transpare ch paper and presentation deconstructs including how to build alternative in	effective portfolio risk manages them seem, and how careal markets been volatile and, so Historically, alternative invency and implementation. But the issues in regards to und	n the optimal mix be at times, correlated - estments in portfolios times have changed. erstanding alternative		
Presenter	Samuel Mann, Managing Director, Ka	2 Advisors			
Partner	Ironbark Asset Management				
Product	Ironbark Global Diversified Alternativ Zenith Recommended, Lonsec Invest				
Your rating Awful	Mediocre	Good	Excellent		
Alternati	ves	Due Dil	igence Forum 4.4		



Due D	ililgence Forum 4.5		
This prese unaware, h growth con	erging Markets Fund ntation and research paper showca high conviction emerging markets info mponent of an investor's portfolio or avid then introduces and questions	rastructure fund, and why it could be used as a relative	would complement the ely defensive standalone
Presenter	David Wright, Partner, Zenith Charles Hamieh, PM, RARE Infrastru	octure	
Your rating	<u></u>	Good	Excellent
Due Dili	gence Forum 4.5		Undiscovered Fund





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