



# Reconnecting the three Rs

Risk & Return (& Relating)

19-21 August 2014

Finology Forum  
Critical Issues Forum  
Due Diligence Forum

## RESOURCES KIT WORKBOOK



## Five exceptional, interactive professional development programs

**PortfolioConstruction Forum Conference** **Sydney | August**  
**facilitating debate on the markets, strategies and investing** **live program plus online Resources Kit**

Since 2002, 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 50 carefully selected local and international portfolio construction experts. Strictly limited to 510 delegates, Conference will challenge and refresh your portfolio construction thinking, giving you tangible and meaningful takeouts to apply in practice to build better quality investor portfolios.

**PortfolioConstruction Forum Markets Summit** **Sydney | February**  
**facilitating debate on the outlook for the markets** **live program plus online Resources Kit**

Markets Summit is THE investment markets scene setter of the year. The one-day program features 15+ international and local geopolitical specialists, economists, market/asset class experts, and investment strategists debating their best ideas related to the medium-term outlook for the global economy, key markets and asset classes. Strictly limited to 510 delegates, Markets Summit will help you understand the key drivers and outlook for investment markets over the coming three years, and the implications for portfolio construction.

**PortfolioConstruction Forum Academy** **Sydney | Nov, Feb, Apr, Jun**  
**advancing portfolio construction knowledge and wisdom** **live program plus online Resources Kit**

Academy is a post-graduate extension program to our other programs. The annual curriculum comprises four exclusive, research-based, active-learning Seminars on contemporary portfolio construction issues, plus optional, ad-hoc extension sessions, including Research Roundtable. It is a small, high-quality peer group environment where in-depth Socratic debate and active discussion is expected! Open to a select group of 72 senior, experienced portfolio practitioners, Academy will enable you to continuously develop, test, and validate your portfolio construction philosophy and decision-making framework.

**PortfolioConstruction Forum Symposium NZ** **Auckland | May**  
**pillars for building better quality investor portfolios** **live program plus online Resources Kit**

Symposium NZ facilitates debate on the three pillars of portfolio construction – markets, strategies and investing. It is THE New Zealand investment conference of the year, designed specifically for NZ portfolio construction practitioners who focus on giving quality investment advice. The jam-packed program features 15+ international and local investment professionals. Symposium will challenge and refresh your portfolio construction thinking, giving you tangible and meaningful takeouts to apply in practice to build better quality investor portfolios.

**PortfolioConstruction Forum Perspectives** **Daily**  
**research & opinion about markets, strategies and investing** **online library**

Perspectives is a unique and exclusive selection of investment perspectives from our core faculty and Learning Partners. It features exclusive interviews, research papers, white papers, opinion papers and special interest subscription services from international and local subject matter experts. It's an easy to use, continuously updated and fully searchable library compiled by our team of in-house experts. Perspectives will help you more efficiently and effectively stay on top of key issues and challenges in building quality investor portfolios.

... and [PortfolioConstruction.com.au](http://PortfolioConstruction.com.au), our multi-media learning centre

For more information go to [www.PortfolioConstruction.com.au](http://www.PortfolioConstruction.com.au)

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## Reconnecting the three Rs - Risk & Return (& Relating)

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We're delighted to have you with us for PortfolioConstruction Forum Conference 2014!

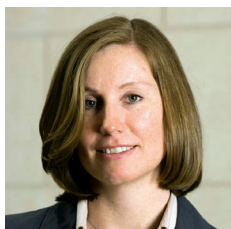
The last decade and more has seen a distinct disconnect between investment risk and return, versus what we're taught should be the case. Up to the GFC, many asset classes and investments were providing seemingly risk-free return. Since the GFC, the opposite – return-free risk – has been the hallmark of many asset classes and investments, while others have performed beyond all expectation. As if to emphasise the point, in the past six months, the VIX has reached lows similar to those seen before the GFC. How can we reconnect risk and return in portfolios? If that's not difficult enough, how do we best communicate these complex concepts to investors, in a way they can understand?

Conference 2014 facilitates debate on the markets, strategies and investing with particular focus on how to reconnect risk and return in portfolios – and, in particular with our innovative, one-day Finology Forum program (19 August), how best to relate with individual investors in order to manage their expectations.

The jam-packed, marathon program features a stellar line up of international and local portfolio construction experts presenting on contemporary and emerging issues related to the Conference theme – Reconnecting the three Rs – Risk & Return (& Relating).

By the end of the two-day Critical Issues Forum and Due Diligence Forum program (20–21 August), you will have heard 22 expert, high conviction views to consider when building portfolios. And, you'll have been part of what is a studio audience for each of the live presentations as they're filmed to be broadcast via the online Resources Kit available after Conference for you to refer to as part of your ongoing CPD – including the further 12 DDF sessions you couldn't attend while at Conference.

Once again, welcome to Conference 2014!



Deirdre Keown  
Director & Managing Editor



Graham Rich  
Director & Publisher

### Conference WIFI

Network = atpguest  
Then open your browser and enter:  
Username = portfolio  
Password = forum2014

Twitter @PortfolioForum



# Finology Forum

Where investing meets investors

Finology is the emerging (and converging) research field covering the study of minds, customs and behaviours with respect to money. Our particular focus of finology is as it applies to the giving of investment advice. It incorporates behavioural finance, and much, much more.

In effect, Finology Forum is about where investing meets investors.

Clearly, successful investment advisers use their experience and people skills to build strong, meaningful relationships with clients. All of us, through our work or social interactions, build up a set of instinctive and planned rules of thumb as to how to guide how people behave and react in different situations. Therefore, much of what finology is about may seem like common sense. But that misses the point. Finology is important because it helps us to formalise and systematise our rules of thumb, by providing a broad structural framework for our already developed understanding of human nature so we understand the "why" as well as the "how". Of course, these issues are of increasing importance given ever changing portfolio construction dynamics and increasing regulatory oversight.

Finology Forum will help you better relate with individual investors, so you can be more effective in helping them manage their expectations and their investment portfolios.

## MARK YOUR DIARY 18 AUGUST 2015

For more information go to [www.PortfolioConstruction.com.au](http://www.PortfolioConstruction.com.au)

## Getting the most from Conference 2014

Tick if  
done

### 1. Treat the Conference program as one whole

Conference is an end-to-end, integrated learning program – a journey – not just an eclectic mix of sessions. All sessions address different key issues directly related to the theme, in a succinct and definitive way, to ensure that delegates take away a clear set of expert, high conviction ideas to consider when building investor portfolios once back in the office.

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### 2. Use the Gizmo to submit your questions and answers (absolutely essential to get your CPD)

Use your Gizmo to submit your answers to the questions in each session. You can also use it to submit questions for Q&A time. **You must answer the Gizmo questions Graham asks each session to prove your attendance at the session. CPD will only allocated if you demonstrate via the Gizmos that you attended the full program i.e. every session from start to finish. No partial CPD is awarded.**

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### 3. Twitter.com

Join Twitter.com, post your comments, and follow all delegates' comments @PortfolioForum.

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### 4. Choose your Due Diligence Forum session

Identify a first and second choice in each timeslot. Don't worry if you don't get into your first choice. The Resources Kit will contain sync'd slides/podcasts for each session so you can "attend" them all.

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### 5. Use this Resources Kit Workbook

Put your name on the cover now – and keep it with you at all times! Take notes, record your Key Takeouts, use the check boxes on the Timetable to note which sessions you want to revisit via the online Resources Kit. Afterwards, create a Dropbox folder (Dropbox.com) for electronic copies of the papers and presentations. Use the Workbook as a quick reference in future.

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### 6. Make full use of the networking opportunities

Interact with our Faculty, Partners and your fellow Practitioners in the Cafe. Get their takeouts!!!

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### 7. Book a one-hour review session with yourself for next week. Do it now, or you may never!

Spend an hour next week reviewing your Key Takeouts. Share them with your colleagues and clients.

☐

### 8. Plan your follow up

Plan the specific actions you'll take as a result of Conference, to build better quality portfolios.

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### 9. Make the most of the Resources Kit ([portfolioconstruction.com.au/conference/](http://portfolioconstruction.com.au/conference/)) and CPD Campus

From Monday, we'll add videos, presentations and podcasts to the Resources Kit. Revisit the sessions – it's a lot to take in on the day – and "attend" the DDF sessions you missed. Add your comments! We'll let you know via Twitter as each session goes live in the online Resources Kit, and via our weekly PortfolioConstruction Forum Fodder email each Friday.

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### 10. Read the weekly PortfolioConstruction Forum Fodder email

It alerts you to Perspectives added to our multi-media learning centre, PortfolioConstruction.com.au along with details about upcoming programs and what's new on CPD Campus.

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## Program timetable - Wednesday 20 August 2014

Review  
later

|                          |  |               |  |
|--------------------------|--|---------------|--|
| <input type="checkbox"/> | <b>Check-in &amp; Coffee</b>   | Cafe          | 7.00am-8.00am  |
| <input type="checkbox"/> | <b>Critical Issues Forum 1</b>   | Theatre       | 8.30am-9.00am  |
| <input type="checkbox"/> | Reconnecting the three Rs - Risk & Return (& Relating) - Graham Rich, PortfolioConstruction Forum (Sydney) |               |  |
| <input type="checkbox"/> | <b>Critical Issues Forum 2</b>   | Theatre       | 9.00am-10.15am   |
| <input type="checkbox"/> | Dysfunctional risk and return - growth and barriers to entry - Mark Kiesel, PIMCO (Newport Beach)          |               |  |
| <input type="checkbox"/> | <b>Morning tea</b>   | Cafe          | 10.15am-10.40am  |
| <input type="checkbox"/> | <b>Critical Issues Forum 3</b>   | Theatre       | 10.40am-11.55am  |
| <input type="checkbox"/> | Risk & return: Two investment approaches - Ryan Taliaferro, Acadian Asset Management (Boston)              |               |  |
| <input type="checkbox"/> | <b>Due Diligence Forum 1</b>   | DDF Rooms 1-5 | 12.05pm-12.55pm  |
| <input type="checkbox"/> | Room 1   | Debt Gbl      | Fixed income: The future is flexible - JP Morgan Asset Management                |
| <input type="checkbox"/> | Room 2   | Eq Australia  | Alpha Potential – Id'ing active mgmt opportunities - Aberdeen Asset Management   |
| <input type="checkbox"/> | Room 3   | Eq Specialty  | Trends and opportunities in global listed infrastructure - RARE Infrastructure   |
| <input type="checkbox"/> | Room 4   | Alternatives  | VIX-ING your portfolio - Triple 3 Partners                                       |
| <input type="checkbox"/> | Room 5   | Multi-asset   | Building a robust portfolio for future unknowns - Standard Life Investments      |
| <input type="checkbox"/> | <b>Lunch</b>   | Cafe          | 12.55pm-1.30pm   |
| <input type="checkbox"/> | <b>Due Diligence Forum 2</b>   | DDF Rooms 1-5 | 1.40pm-2.30pm  |
| <input type="checkbox"/> | Room 1   | Debt Au       | Evaluating the Au bond market via a global lens - Franklin Templeton Investments |
| <input type="checkbox"/> | Room 2   | Eq Australia  | Are you hanging your client's investment aspirations on 6 stocks? SSgA           |
| <input type="checkbox"/> | Room 3   | Strategies    | Breaking the Risk On/Risk Off Cycle - Plato Investment Management / Milliman     |
| <input type="checkbox"/> | Room 4   | Eq Specialty  | Private equity - Diversifying equity portfolios - Partners Group                 |
| <input type="checkbox"/> | Room 5   | Multi-Asset   | The quest for returns in the new world paradigm "Redux" - BlackRock              |
| <input type="checkbox"/> | <b>Critical Issues Forum 4</b>   | Theatre       | 2.40pm-3.05pm  |
| <input type="checkbox"/> | How best to take portfolio risk - Michael Kitces, Pinnacle Advisory (Washington DC)                        |               |  |
| <input type="checkbox"/> | <b>Critical Issues Forum 5</b>   | Theatre       | 3.05pm-3.30pm  |
| <input type="checkbox"/> | Conversations that matter - Timothy Noonan, Russell Investments (Seattle)                                  |               |  |
| <input type="checkbox"/> | <b>Critical Issues Forum 6</b>   | Theatre       | 3.30pm-3.55pm  |
| <input type="checkbox"/> | Residential property – riskier than equities? - Chris Joye, AFR & Yellow Brick Road (Sydney)               |               |  |
| <input type="checkbox"/> | <b>Afternoon tea</b>   | Cafe          | 3.55pm-4.15pm  |
| <input type="checkbox"/> | <b>Critical Issues Forum 7</b>   | Theatre       | 4.15pm-4.55pm  |
| <input type="checkbox"/> | Reshaping asset allocation after a perfect storm - Prof Amin Rajan, CREATE-Research (London)               |               |  |
| <input type="checkbox"/> | <b>Critical Issues Forum 8</b>   | Theatre       | 4.55pm-5.30pm  |
| <input type="checkbox"/> | Are risk and return really linked? - Tim Farrelly, farrelly's Investment Strategy (Sydney)                 |               |  |
| <input type="checkbox"/> | <b>Critical Issues Forum 9</b>   | Theatre       | 5.30pm-6.10pm  |
| <input type="checkbox"/> | The power of the 3rd R - Dr David Lazenby, PhD, ScenarioNow Inc (St Louis)                                 |               |  |
| <input type="checkbox"/> | <b>Networking Reception</b>  | Atrium        | 6.10pm-7.30pm  |

## Program timetable - Thursday 21 August 2014

|   |               |   |                          |
|---|---------------|---|--------------------------|
| Breakfast   | Cafe          | 7.00am-7.30am   | Review later             |
| Critical Issues Forum 10  | Theatre       | 7.45am-9.00am   |                          |
| Risk parity portfolios - fad or the future of portfolio construction? - Michael Kitces, Pinnacle Advisory (Wash DC) |               |   | <input type="checkbox"/> |
| Risk parity portfolios and the low beta premium - Cliff Asness, PhD, AQR Capital (Greenwich)                        |               |   | <input type="checkbox"/> |
| Morning tea   | Cafe          | 9.00am-9.25am   |                          |
| Critical Issues Forum 11  | Theatre       | 9.25am-10.40am  |                          |
| Quiescent markets – why is volatility so low? - Chris Watling, Longview Economics (London)                          |               |   | <input type="checkbox"/> |
| Stretch break   | Theatre       | 10.40am-10.55am   |                          |
| Critical Issues Forum 12  | Theatre       | 10.55am-12.10pm   |                          |
| Geopolitical risks (and rewards) - the impact on portfolios - Marko Papić, BCA Research (Montreal)                  |               |   | <input type="checkbox"/> |
| Geopolitical risks are growing in East Asia. How worried should we be? - Linda Jakobson, University of Sydney       |               |   | <input type="checkbox"/> |
| Lunch   | Cafe          | 12.10pm-12.45pm   |                          |
| Due Diligence Forum 3   | DDF Rooms 1-5 | 12.45pm-1.45pm  |                          |
| Room 1  | Debt - GI Cr  | New directions in high-yield investment - AllianceBernstein                   | <input type="checkbox"/> |
| Room 2  | Debt - Au     | Demographics versus The Bear - BT Investment Management                       | <input type="checkbox"/> |
| Room 3  | Eq Australia  | Practitioner's guide to building absolute return portfolios - Pengana Capital | <input type="checkbox"/> |
| Room 4  | Eq Global     | Lengthening the investment time horizon - MFS Investment Management           | <input type="checkbox"/> |
| Room 5  | Eq Specialty  | Capturing the Emerging Market equity premium with lower risk - Robeco         | <input type="checkbox"/> |
| Critical Issues Forum 13  | Theatre       | 1.55pm-2.35pm   |                          |
| Risk reporting - Prof Jack Gray, UTS (Sydney)   |               |   | <input type="checkbox"/> |
| Critical Issues Forum 14  | Theatre       | 2.35pm-3.10pm   |                          |
| Investing with risk in mind - Nick Bullman, Founder, CheckRisk (Bath)   |               |   | <input type="checkbox"/> |
| Afternoon tea   | Atrium        | 3.10pm-3.30pm   |                          |
| Critical Issues Forum 15  | Theatre       | 3.30pm-4.45pm   |                          |
| Behavioural approaches to retirement risk communication - Prof Hazel Bateman, UNSW (Sydney)                         |               |   | <input type="checkbox"/> |
| Navigating risk thru asset allocation – The 1st order decision - Dan Farley, State Street Global Advisors (Boston)  |               |   | <input type="checkbox"/> |
| Critical Issues Forum 16  | Theatre       | 4.45pm-5.30pm   |                          |
| The power of R <sup>3</sup> - Dr David Lazenby, PhD, ScenarioNow Inc (St Louis)                                     |               |   | <input type="checkbox"/> |
| Networking Drinks   | Atrium        | 5.30pm-6.30pm   |                          |

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## Faculty directory

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### Finology Forum Moderator

- Graham Rich, Publisher, PortfolioConstruction Forum (Sydney)

### Finology Forum Faculty (in order of appearance)

- Michael Kitces, Partner/Head of Research, Pinnacle Advisory (Washington, DC)
- Dr David Lazenby, PhD, President, ScenarioNow Inc (St Louis)
- Tim Farrelly, Principal, farrelly's Investment Strategy (Sydney)
- Fredrik Axsater, Global Head of Defined Contribution, State Street Global Advisors (San Francisco)
- Simon Mawhinney, Portfolio Manager, Allan Gray (Sydney)
- Kajanga Kulatunga, Portfolio Specialist, MLC Investment Management (Sydney)

### Critical Issues Forum Moderator

- Graham Rich, Publisher, PortfolioConstruction Forum (Sydney)

### Critical Issues Forum Faculty (in order of appearance)

- Graham Rich, Publisher, PortfolioConstruction Forum (Sydney)
- Mark Kiesel, Deputy CIO, PIMCO (Newport Beach)
- Ryan Taliaferro, Portfolio Manager, Acadian Asset Management (Boston)
- Michael Kitces, Partner/Head of Rsh, Pinnacle Advisory (Washington, DC)
- Timothy Noonan, MD Capital Markets Insight, Russell Investments (Seattle)
- Chris Joye, Contributing Editor AFR & Director Yellow Brick Road (Sydney)
- Prof Amin Rajan, CEO, CREATE-Research (London)
  - brought to you by Principal Global Investors
- Tim Farrelly, Principal, farrelly's Investment Strategy (Sydney)
- Dr David Lazenby, PhD, President, ScenarioNow Inc (St Louis)
- Cliff Asness, PhD, Co-founder & CIO, AQR Capital (Greenwich)
- Chris Watling, CEO & Chief Market Strategist, Longview Economics (London)
- Marko Papic, Chief Geopolitical Strategist, BCA Research (Montreal)
- Linda Jakobson, Visiting Professor, US Studies Centre, University of Sydney & Nonresident Fellow, Lowy Institute for International Policy (Sydney)
- Prof Jack Gray, Adjunct Professor of Economics, UTS (Sydney)
- Nick Bullman, Founder, CheckRisk (Bath)
- Prof Hazel Bateman, Head of School of Risk & Acturial Studies, UNSW (Sydney)
  - brought to you by Challenger
- Dan Farley, CIO Investment Solutions, State Street Global Advisors (Boston)

### Gizmo Partners

- IRESS
- netwealth Investments

Gizmo technology provided by Lumi ([imlworldwide.com/au](http://imlworldwide.com/au))



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## Faculty directory

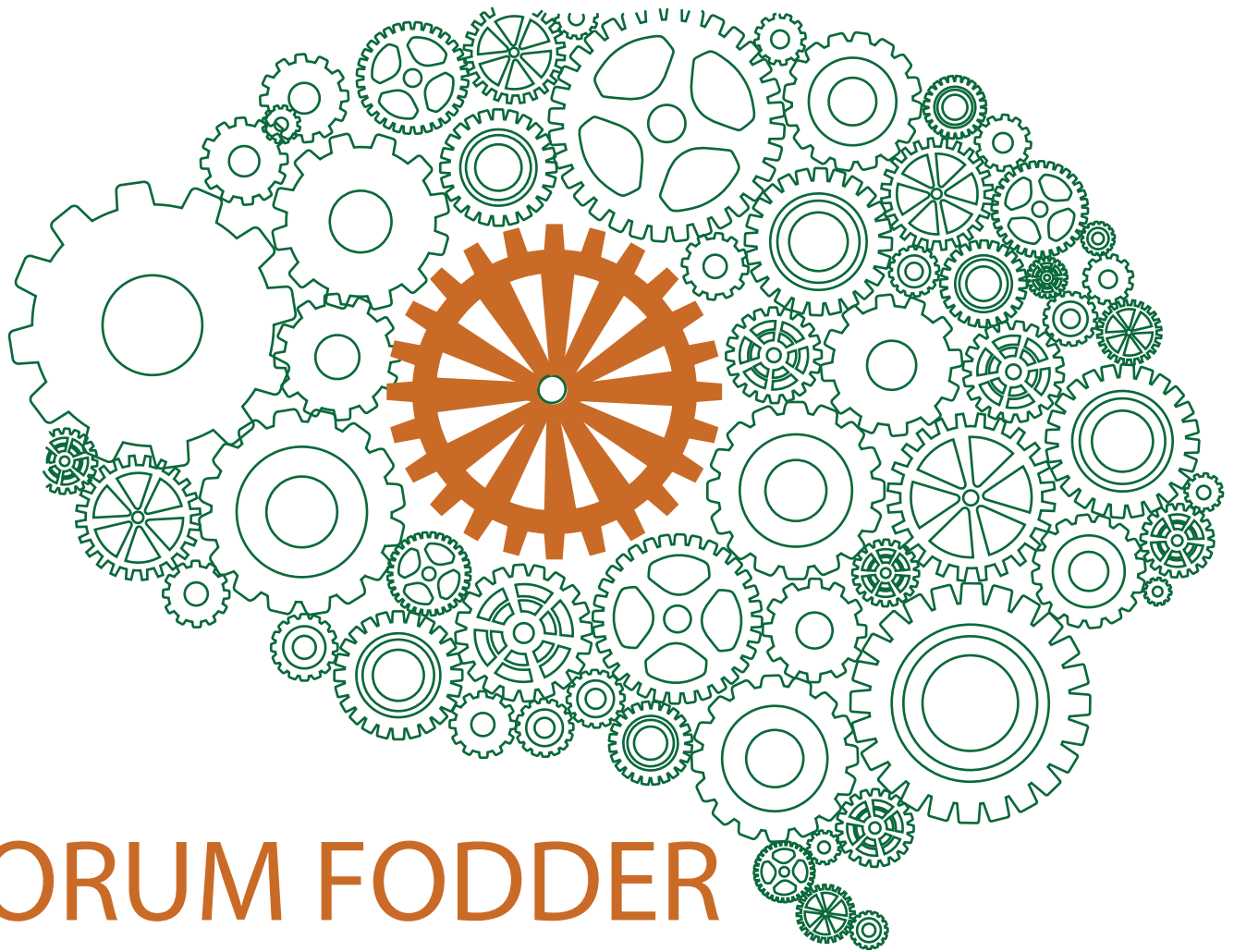
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### Due Diligence Forum Faculty (in order of appearance)

- Nicholas Gartside, CIO Int'l Fixed Inc, JP Morgan Asset Management (London)
- Robert Penaloza, Head of Australian Equities, Aberdeen Asset Management (Sydney)
- Andrew Kophamel, Head of Performance Asia Pacific, Aberdeen Asset Management (Sydney)
- David Hale, Founding Chairman, David Hale Economics (Chicago)
  - brought to you by RARE Infrastructure
- Simon Ho, Executive Director, Triple 3 Partners (Sydney)
- Mark Foster – Inv Dir Absolute Return & Multi Asset Investing, Standard Life Investments (Edinburgh)
- Chris Siniakov, MD Australian Fixed Income, Franklin Templeton Investments (Melbourne)
- Andrew Canobi, Director Australian Fixed Income, Franklin Templeton Investments (Melbourne)
- Olivia Engel, Head of Active Quantitative Equities Asia-Pacific, State Street Global Advisors (Sydney)
- Dr. Don Hamson, Founder & MD, Plato Investment Management (Sydney)
- Wade Matterson, Principal & FRM Practice Leader, Milliman (Sydney)
- Urs Wietlisbach, Executive Vice Chairman, Partners Group (Zug)
- David Griffith, Senior Investment Strategist, BlackRock International Strategies Group (Sydney)
- Guy Bruten, Senior Economist Asia Pacific, AllianceBernstein (Melbourne)
- Vimal Gor, Head of Inc & Fixed Interest, BT Investment Management (Sydney)
- Nick Griffiths, CIO, Pengana Capital (Sydney)
- Antonio Meroni, Senior Fund Manager, Pengana Capital (Sydney)
- Sanjay Natarajan, Institutional PM, MFS Investment Management (Singapore)
- Frank Wirts, Client Portfolio Manager, Robeco (Hong Kong)

### Due Diligence Forum Moderators

- Cathryn Gross, Manager Accounts, FIIG Securities (Sydney)
- Sandi Orleow, Orleow Consulting (Sydney)
- Jane Williams, Senior Research Analyst, BT Financial Group
- Veronica Klaus, Senior Investment Consultant, Lonsec Research
- Angela Ashton, Accreditation Editor, PortfolioConstruction Forum



# FORUM FODDER

## **food for thought on the markets, strategies & investing**

Each Friday, our Forum Fodder email alerts you to new portfolio construction Perspectives from our Faculty and Learning Partners (local and international investment professionals and subject matter experts) along with new videos, podcasts, research papers, and opinion papers in the online Resources Kits from our Conference, Markets Summit, Symposium and Academy programs – and alerts you about our upcoming live professional development programs and what's new on CPD Campus.

Complimentary to all PortfolioConstruction.com.au Members, Forum Fodder keeps you up to date with what's new on our multi-media learning centre, PortfolioConstruction.com.au

(If weekly updates aren't enough, you can follow us on Twitter @PortfolioForum and receive immediate notification of what's new on PortfolioConstruction.com.au as it is published.)

For more information go to [www.PortfolioConstruction.com.au](http://www.PortfolioConstruction.com.au)



# CRITICAL ISSUES FORUM SESSION WORKSHEETS

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## Critical Issues Forum 2

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Review  
later

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### Dysfunctional risk and return – growth and barriers to entry

The secular convergence toward modest real growth rates across the global economy has many investors yearning for yield – so much so that, in many cases, fundamental risk and return characteristics have been shown the door as funds have flowed into perpetually lower yielding income asset classes. As a raft of investors sit on the cash sidelines waiting for yield opportunities that offer better risk-adjusted returns, knowing where cash rates are going becomes a vitally important consideration for portfolio construction. After all, interest and risk-free rates have implications for every asset class, not just bonds. This session asks whether today's portfolios are ready for a longer than expected low-cash rate cycle? Can income goals be sustained in light of an extended period of lower returns? We explore this theme in light of opportunities available across the globe. By the end of this session, delegates will have a better understanding of why there is disfunction between market risk and return, and a sound appreciation of the medium-term risk and return outlook.

**Faculty member:** Mark Kiesel, Deputy CIO, PIMCO (Newport Beach)

Mark is a generalist portfolio manager and global head of corporate bond portfolio management, with oversight for the firm's investment grade, high yield, bank loan, municipal and insurance business as well as credit research. He writes extensively on the topic of global credit markets, founded the firm's Global Credit Perspectives publication and appears regularly in the media.

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Your rating

☐ Awful
 ☐ Mediocre
 ☐ Good
 ☐ Excellent

Critical Issues Forum 2

Review  
later

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Ryan currently serves as lead Portfolio Manager for Managed Volatility strategies. Prior to joining Acadian, Ryan was a faculty member in the finance unit at Harvard Business School, where he taught corporate finance and asset pricing. Earlier he was a consultant at the Boston Consulting Group. Ryan currently serves on the advisory board of the Journal of Portfolio Management.

[illegible]☐ Awful

9

Awful

9

Mediocre

9

Good

7

Excellent



Review  
later

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**Faculty member:** Michael Kitces, Partner/Head of Research, Pinnacle Advisory (Washington, DC)  
Michael is Director of Research at Pinnacle Advisory Group, 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. Michael is a member of the PortfolioConstruction Forum Core Faculty of leading investment professionals. He has been regularly recognised as one of the most influential people in the US investment advice space, including just recently by Investment News magazine as one of the top “40 under [age] 40” leaders in the US investment world.

[illegible]

☐ Awful      ☐ Mediocre      ☐ Good      ☐ Excellent

Review  
later

7

The fact that a return may lie within a predictable statistical range no longer necessarily implies that it is a return an investor in the “real world” can actually live off of. That gap needs to be bridged through greater precision in the form of asset–liability matching for individual investors, and then related to investors in such a way that they can once again know and trust that financial security is a fact, not a feeling.

Tim leads Russell's effort to serve advisors in the US and chairs the private client services Strategic Advice Committee. He joined Russell in 1992 to supervise the re-engineering of Russell's performance measurement and asset allocation analytic software suite. From 1994 to 1999, he was assistant to the global CIO, specialising in high net worth investment product design. In 2006, he was appointed head of product development and management for Russell's US private client services business.

[illegible]

☐ Awful      ☐ Mediocre      ☐ Good      ☐ Excellent

Review  
later

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Chris is a leading financial economist, investment specialist, and policy advisor. He is currently a Contributing Editor with the Australian Financial Review and a director of YBR Funds Management. In February 2009, he was invited by the Rockefeller & MacArthur Foundations to present innovative policy solutions to Obama Administration officials in New York. In 2009, The Australian newspaper selected Christopher as one of Australia's top 10 "Emerging Leaders" in its economic/wealth category. He previously worked at Macquarie Bank, Goldman Sachs' Investment Banking Division in Europe and Australasia, and with the Reserve Bank of Australia.

[illegible]☐ Awful      ☐ Mediocre      ☐ Good      ☐ Excellent

Review  
later

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Amin leads CREATE-Research, a network of prominent researchers undertaking high level advisory assignments for governments, global banks, fund managers, multinational companies and international bodies such as the EU, OECD and ILO. He has acted as a senior consultant to many global companies. Appearing on radio and television regularly, he contributes feature articles to The Financial Times, The Guardian, The Sunday Times, and The London Evening Standard and IPE. He is a visiting professor at the Centre for Leadership Studies at Exeter University, and an associate fellow at Oxford University's Saïd Business School.

[illegible]☐ Awful

9

Awful

7

Mediocre

7

Good

7

Excellent

Review  
later

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This session examines the linkages between investment risk and return, exploring different types of risk and what return premia – if any – are attached to each, just how reliable those premia are in practice, and whether the risks can be diversified. By the end of this session, delegates will have the ability to assess different types of risk and return, and, in particular, see through marketing dressed up as sophisticated analysis.

Tim is founder and principal of specialist asset allocation research house, farrelly's Investment Strategy, available exclusively through PortfolioConstruction Forum. Prior to founding farrelly's 10 years ago, Tim was 14 years with Macquarie, as an Executive Director of Macquarie Bank and Director of Macquarie Investment Management. He is a member of PortfolioConstruction Forum's core faculty of leading investment professionals.

[illegible]☐ Awful      ☐ Mediocre      ☐ Good      ☐ Excellent



Review  
later

7

Clients in the 21st century's new economic era will judge professionals not by their technical expertise, but by their ability to provide consistent, high quality, personalised outcomes. Portfolio construction practitioners who want to flourish in the era of instant internet and robo-advice must understand how to create value for their clients by providing them a positive: ROA (Return on Attention), ROI (Return on Intimacy) and ROE (Return on Empathy).

David is a psychologist. His doctoral dissertation focused on generational issues with wealth, which meant he spent two years studying 10 UHNW families “in the wild”. His clients include The Federal Reserve and the Mayo Clinic and he sits on three family firms’ investment committees that oversee US\$8bn in investments. He is an expert in financial planning experience design, taking psychology from academic theory to the real world.

[illegible]

☐ Awful      ☐ Mediocre      ☐ Good      ☐ Excellent

## Critical Issues Forum 10 - Part 1

Review  
later

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### Risk parity portfolios – fad or the future of portfolio construction?

The first risk parity portfolio was created in 1996 and the term itself was coined in 2005 (although the idea that a portfolio should take advantage of multiple risk premia dates back 60 years to the establishment of MPT). There is a great deal of debate about whether risk parity outperformance of the past decade is sustainable or just a quirk of an unusual market environment, especially given that risk parity portfolios tend to have a much larger exposure to bonds. This session frames the debate at a conceptual level of what delegates need to understand to productively participate in a risk parity conversation, presenting new ideas about how to think differently about portfolio risk and how are we really trying to manage it.

**Faculty member:** Michael Kitces, Partner/Head of Rsh, Pinnacle Advisory (Washington, DC)

Michael is Director of Research at Pinnacle Advisory Group, 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. Michael is a member of the PortfolioConstruction Forum Core Faculty of leading investment professionals. He has been regularly recognised as one of the most influential people in the US investment advice space, including just recently by Investment News magazine as one of the top “40 under [age] 40” leaders in the US investment world.

Your rating

☐ Awful

☐ Mediocre

☐ Good

☐ Excellent

Critical Issues Forum 10 – Part 1

## Critical Issues Forum 10 - Part 2

Review  
later

☐

### Risk parity portfolios and the low beta premium

In recent years, the risk parity approach to asset allocation has been gaining popularity. While empirical evidence and intuition support the approach, confidence in its efficacy also requires a theoretical justification. This session overviews the theory of leverage aversion. Leverage aversion changes the predictions of modern portfolio theory – safer assets must offer higher risk-adjusted returns than riskier assets. Consuming the high risk-adjusted returns of safer assets often requires leverage, creating an opportunity for investors with the ability to apply leverage. The session explains how risk parity portfolios exploit this opportunity by equalising the risk allocation across asset classes, thus overweighting safer assets relative to their weight in the market portfolio.

Faculty member: **Cliff Asness, PhD, Co-founder & CIO, AQR Capital (Greenwich)**

Cliff has received three Bernstein Fabozzi/Jacobs Levy Awards for best paper in The Journal of Portfolio Management, in 2004, 2005 and 2014. Financial Analysts Journal has twice awarded him the Graham and Dodd Award for the year's best paper, as well as a Graham and Dodd Excellence Award, the award for the best perspectives piece, and the Graham and Dodd Readers' Choice Award. Cliff received a Ph.D. in finance from the University of Chicago, where he was Eugene Fama's student and teaching assistant for two years (so he still feels guilty when trying to beat the market).

Your rating

☐ Awful

☐ Mediocre

☐ Good

☐ Excellent

Critical Issues Forum 10 – Part 2

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The premise of asset allocation (as applied today) is really identifying a client's tolerance for risk and positioning him to experience it! Isn't risk something an investor would like to avoid?

DAVID LOEPER (2002)

”

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## Critical Issues Forum 11

Review  
later

☐

### Quiescent markets – why is volatility so low?

With global volatility reaching multi decade record lows, there's a strand of thought growing in markets that Central Banks have investors' backs with ultra-loose monetary policy and a new souped up version of the Greenspan put. Record low levels of volatility, however, are natural for this stage of the cycle and, indeed, forecastable given an understanding of the economic cycle. If that's correct then the critical questions become: should we be worried or relaxed? What next? History points to record low volatility marking the entry point into the final stages (perhaps final third, perhaps less) of the economic cycle. That insight from history is consistent with a multiplicity of other indicators – including valuation levels, the stage of the cycle in profits growth, the 18-year land cycle and the ongoing underlying deterioration in the Chinese economic outlook/land cycle. It's also consistent with the likely commencement in the near term of Western wage inflation. This session takes delegates through the structural and economic drivers of volatility, showing why quiescent markets should be feared, not embraced, before examining the case for why we've entered the last third of the economic cycle.

**Faculty member:** Chris Watling, CEO & Chief Market Strategist, Longview Economics (London)  
Chris founded Longview Economics in 2003 as an independent consultancy specialising in macroeconomic, thematic and commodity research. It offers strong macro and quantitative views across all major asset classes and markets.

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### Your rating

☐ Awful ☐ Mediocre ☐ Good ☐ Excellent

Critical Issues Forum 11



Review  
later

7

Marko joined BCA Research in 2011. Prior to joining BCA he was a senior analyst for STRATFOR, a premier global intelligence agency, where he shaped the firm's global geopolitical strategy. Before joining BCA, he helped create the Center for European Union Studies at the University of Texas. Marko has lived in eight countries on three continents.

[illegible]☐ Awful

☐ Mediocre

☐ Good

☐ Excellent

## Critical Issues Forum 12 - Part 2

Review  
later

☐

### Geopolitical risks are growing in East Asia. How worried should we be?

The geopolitical risks in East Asia are growing. China, emboldened by a growing economy and a leader who has rapidly consolidated his power, has taken a tough approach to its periphery. Hardly a week passes without a news report about an incident of China upsetting its neighbors in its near seas. This session examines how China's actions are perceived in China, and why these actions don't necessarily spell doom and gloom for Australia and the region – at least in the short to mid-term.

**Faculty member:** Linda Jakobson, Visiting Professor, US Studies Centre, University of Sydney & Nonresident Fellow, Lowy Institute for International Policy (Sydney)

Linda is an internationally known specialist on China's foreign policy. In January 2014, she took up the position of Visiting Professor at the US Studies Centre at Sydney University. From 2011 to 2013, she served as the Lowy Institute's East Asia Program Director. Before moving to Sydney in 2011, Linda lived and worked in China for 20 years and published six books on Chinese and East Asian society. A Mandarin speaker, her last position in Beijing was Director of the China and Global Security Programme and Senior Researcher at the Stockholm International Peace Research Institute (SIPRI). Linda has published extensively on China's foreign policy, the Taiwan Straits, China's energy security, and science & technology policies.

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Your rating

☐ Awful ☐ Mediocre ☐ Good ☐ Excellent

Critical Issues Forum 12 – Part 2

## Critical Issues Forum 13

Review  
later

☐

### Risk reporting

Formal reports redolent with data and analysis fail to communicate risks as people actually feel them. Our panoply of measures may leave us with a warm glow that we've explained risk but they're likely to have the opposite effect on those with whom we are communicating. Once risk leaves the comforting (to us) zone of  $\beta$ ,  $\alpha$ ,  $\sigma$ , CVaR, etc and falls under the rubrics of Uncertainty and Ignorance, reports need to be replaced by rapports, by engaged conversations. Not surprisingly, literature can be a source of information (see Piketty's Capital) and inspiration for reporting on risk.

**Faculty member:** Prof Jack Gray, Adjunct Professor of Economics, UTS (Sydney)

Jack is renowned as an entrepreneurial academic and inspirational teacher, with a rare ability to clearly communicate complex abstract ideas in a vigorous, engaging way. After a 20-year academic career, Jack moved to funds management with AMP Asset Management, SunSuper and GMO Boston. He is Adjunct Professor of Finance at the Paul Woolley Centre for Capital Markets Dysfunctionality at the University of Technology, Sydney and Director and Special Advisor of Brookvine. Jack is a member of PortfolioConstruction Forum's core faculty of leading investment professionals.

### Your rating

☐ Awful
 ☐ Mediocre
 ☐ Good
 ☐ Excellent

Critical Issues Forum 13

## Critical Issues Forum 14

Review  
later

☐

### Investing with risk in mind

This presentation argues that investors should be aware of the risks they are exposed to within a portfolio... and of when they are being paid to take investment risk and when they are not. To know and understand these issues before and during investment requires a different approach to those of the past. In today's investment environment, it's best to consider risk as a first driver of returns, and to use a quantitative approach, with a subjective overlay, to determine the optimal balance between risk and return. The result will be a portfolio that more appropriately embraces risk, and that delivers superior risk-adjusted returns. By the end of this session, delegates will understand practical approaches to building portfolios with better risk awareness in mind.

Faculty member: **Nicholas Bullman, Founder, CheckRisk (Bath)**

Nicholas is founder and managing partner of CheckRisk, a risk consultancy which uses a proprietary risk-based system for pre- and post-investment risk analysis. The firm advises on \$30 billion of risk assets. Jack is a member of PortfolioConstruction Forum's core faculty of leading investment professionals.

Your rating

☐ Awful

☐ Mediocre

☐ Good

☐ Excellent

Critical Issues Forum 14

## Critical Issues Forum 15 - Part 1

Review  
later

☐

### Behavioural approaches to retirement risk communication

Individuals are vulnerable to a number of economic and financial risks as they approach and enter retirement, including longevity risk, investment risk, inflation risk, contingency risk and political risk. In the absence of appropriate guidance around retirement benefits through incentives, defaults or compulsion, many retirees remain exposed to these retirement risks. This presentation highlights how the insights from behavioural finance can be used to enhance risk communication and retirement outcomes.

Faculty member: Prof Hazel Bateman, Head of School of Risk & Acturial Studies, UNSW (Sydney)  
– brought to you by Challenger

Hazel's research and teaching focuses on issues associated with the risk and responsibility faced by retirement savers under the increasingly prevalent defined contributions arrangements including product design, information disclosure and financial literacy. She has served on the Australian Government's Superannuation Roundtable and has been a consultant on retirement incomes to a range of Australian and international organisations including the OECD, the World Bank, the Social Insurance Administration (China) and the Korean Institute of Health and Social Affairs.

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Your rating

☐ Awful ☐ Mediocre ☐ Good ☐ Excellent

Critical Issues Forum 15 – Part 1



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## Critical Issues Forum 15 - Part 2

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Review  
later

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### Navigating risk through asset allocation – The 1st order decision

Since the GFC, investment professionals have been extremely busy as clients grapple with the problems illuminated by extreme market events. Long-held ideas regarding correlations, diversification, benchmarks and portfolio volatility have rightly been questioned by investors. This presentation draws many of the threads of the two-day program together, by addressing the importance of developing improved and dynamic investment approaches that seek to better understand and manage total portfolio risk as well as identify sources of return.

**Faculty member:** Dan Farley, CIO Investment Solutions, State Street Global Advisors (Boston)

Dan is responsible for the management and development of asset allocation strategies for institutional clients worldwide. His responsibilities include the design and management of Liability Driven Investments, tactical asset allocation and overlay strategies. He is a member of SSgA's Senior Leadership Team.

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Your rating

☐ Awful
 ☐ Mediocre
 ☐ Good
 ☐ Excellent

Critical Issues Forum 15 – Part 2

Review  
later

7

David is a psychologist. His doctoral dissertation focused on generational issues with wealth, which meant he spent two years studying 10 UHNW families “in the wild”. His clients include The Federal Reserve and the Mayo Clinic and he sits on three family firms’ investment committees that oversee US\$8bn in investments. He is an expert in financial planning experience design, taking psychology from academic theory to the real world.

[illegible]☐ Awful      ☐ Mediocre      ☐ Good      ☐ Excellent



# DUE DILIGENCE FORUM SESSION WORKSHEETS

## Due Diligence Forum 1.1

Review  
later

☐

### Fixed income: The future is flexible

Over the past few decades, fixed income investors have enjoyed strong capital gains, an attractive income and the benefits of diversification. However, with interest rates now at record lows, uncertainty about timing and extend of future rate increase is posing challenges to traditional benchmark-oriented bond strategies. This presentation and paper explore the key advantages of flexible fixed income management in more detail and look at the importance of selecting the right strategy and the right manager when choosing an unconstrained bond fund. In addition, the presentation and paper discuss the performance of one approach to unconstrained fixed income in a rising rate environment to show how investing in benchmark-agnostic strategies with more flexibility to change duration and sector exposures can have a positive impact on a portfolio's overall risk and return profile.

**Faculty member:** Nicholas Gartside, CIO Int'l Fixed Inc, JP Morgan Asset Management (London)  
Nicholas is International CIO of Global Fixed Income and co-manager of multi-sector fixed income products. He also serves on the Currency Investment Policy Committee. His experience includes positions at Schroder Investment Management and Mercury Asset Management – Merrill Lynch. Nick has a B.A. in History and Politics from Durham University, a Master's of Philosophy/International Relations from Cambridge University, and the Investment Management Certificate from the U.K. Society of Investment Professionals.

### Your rating

☐ Awful

☐ Mediocre

☐ Good

☐ Excellent

Due Diligence Forum 1.1 | Debt – Global

## Due Diligence Forum 1.2

Review  
later

☐

### Alpha Potential – Identifying active management opportunities

Alpha Potential is gaining traction as another important quantitative tool available to investors. Its use lies in identifying opportunities for active management, enhancing the value proposition afforded to active managers and, ultimately, their evaluation. This presentation and paper define and review empirical research on the use of cross-sectional volatility as a measure of Alpha Potential internationally and within Australia and, in the context of Active Share and Security Selection, relates this back to active portfolio management in Australian Equities.

**Faculty member:** Robert Penaloza, Head of Au Equities, Aberdeen Asset Management (Sydney)

Since 2010, Robert has led a team of eight investment managers that manage all Australian equity strategies for the Aberdeen Group. Previously, he was a member of the Asian equities investment team based in Singapore, and spent eight years as CEO and CIO of Aberdeen's business in Thailand.

**Andrew Kophamel, Head of Performance Asia Pacific, Aberdeen Asset Management (Sydney)**

Andrew has been in his current role for four years, prior to which he spent six years with State Street managing the firm's regional fixed income attribution, performance, and market data, and four years with Deutsche Asset Management as a fixed income performance manager.

Your rating

☐ Awful

☐ Mediocre

☐ Good

☐ Excellent

Equities – Australia | Due Diligence Forum 1.2

## Due Diligence Forum 1.3

Review  
later

☐

### Trends and opportunities in global listed infrastructure

The size of the global infrastructure asset universe will expand from \$40 trillion earlier this decade to over \$110 trillion by the beginning of 2030. This presentation and paper illustrate that the private sector share of these assets is much larger than commonly believed and that the listed share of private infrastructure assets has grown consistently over the last two decades. It argues that there are significant opportunities to invest in this sector in both advanced and developing economies in the future, based on a multitude of trends.

Faculty member: **David Hale, Founding Chairman, David Hale Economics (Chicago)**  
– brought to you by RARE Infrastructure

David is a global economist whose clients include asset management companies in North America, Europe, Asia, and Africa. He formerly worked as chief economist for Kemper Financial Services from 1977 to 1995 and Zurich Financial Services when it purchased Kemper in 1995. He is a member of the Academic Advisory Board of the Federal Reserve Bank of Chicago and a member of the Council on Foreign Relations in both New York and Chicago. He has frequently testified before US Congressional committees on domestic and international economic policy issues, and has done briefings for senior officials in the executive branch, including former President George W. Bush

Your rating

☐ Awful

☐ Mediocre

☐ Good

☐ Excellent

Due Diligence Forum 1.3 | Equities – Specialty

Review  
later

7

Volatility derivatives have captured the imagination of investors around the world over the past seven years. This presentation and the underlying research paper discuss, in simple terms, what practical application these tools have for investors in transforming their portfolios. When looking to reconnect the concept of Risk and Return, what better place to start than with the barometer of equity market risk itself?

Simon is the founding partner and CEO of Triple 3 Partners, a specialist volatility solutions group. He is responsible for the development and implementation of the quantitative strategies. He has over 16 years experience in pricing and risk management of derivatives at major Wall street firms. More recently, he has been involved in developing sophisticated volatility forecasting technology.

[illegible]

☐ Awful      ☐ Mediocre      ☐ Good      ☐ Excellent

Review  
later

9

A genuinely diverse portfolio cannot be benchmark constrained and to prevent hubris, managers need subtle but powerful constraints combined with risk tools which ensure that diversity remains strong even in adverse circumstances. Conventional historic stress testing is helpful and objective but insufficient in isolation. To ensure risk is genuinely well diversified takes a sophisticated forward-looking scenario-analysis process to combine quantitative rigor with qualitative insights of the plausible but unlikely extreme stresses we might face. This presentation and paper rework portfolio construction and risk management for greater portfolio efficiency, diversity and to generate better investor outcomes.

Mark is a senior member of the Global Investment Specialist team, working closely with the fund management, product development and business teams on the ongoing development of the firm's investment propositions in strategic solutions, LDI and absolute return. He joined Standard Life as a commercial actuary in 2010, prior to which he was an actuary with Mercer.

[illegible]

☐ Awful      ☐ Mediocre      ☐ Good      ☐ Excellent



## Due Diligence Forum 2.1

Review  
later

☐

### Evaluating the Australian bond market through a global lens

The seismic shift in fixed income after a 30 year bull market for bonds has created significant portfolio construction challenges. This paper analyses the role of Fixed Income in asset allocation within a new phase of potentially rising interest rates and explores the thesis that capturing the traditional relationship of fixed income in the total client portfolio will require more untraditional approaches. This research explores this dilemma by considering the Fixed Income investment universe and proposes that Australian fixed income portfolio construction needs to: 1. Retain some core local exposure in order to match the income requirements of Australian investors' and 2. Expand the opportunity set to achieve the desired (relatively uncorrelated) relationship of bonds to risky assets. The significant internationalization of Australian fixed income over the last 10 years has meant that Australian fixed income is already globally oriented in composition and also in terms of the influences that drive returns. This evolution presents opportunities for investors looking to more optimally blend bonds with their growth assets

**Faculty member:** Chris Siniakov, MD Au Fixed Inc, Franklin Templeton Investments (Melbourne)

Chris is responsible for developing a range of local fixed income strategies. Prior to joining Franklin Templeton in 2014, he was MD Fixed Income Asia Pacific (ex Japan) with Deutsche Bank for six years, and head of fixed income Australia with Invesco for 14 years.

**Andrew Canobi, Dir Au Fixed Inc, Franklin Templeton Investments (Melbourne)**

Andrew has broad experience in fixed income portfolio management, including macro strategy formulation, credit research and portfolio construction. Before joining Franklin Templeton in 2014, he was a fixed income portfolio manager with Deutsche Bank for nine years, and a credit investment manager with Invesco for six years.

Your rating

☐ Awful

☐ Mediocre

☐ Good

☐ Excellent

## Due Diligence Forum 2.2

Review  
later

☐

### Are you hanging your client's investment aspirations on 6 stocks?

Investors hold a portfolio of Australian shares for their role in generating strong total returns, and the preference is to achieve these returns with a 'smooth ride'. However, contrary to this aspiration, the most common approach is to invest within tight relative constraints of the benchmark, suggesting the benchmark represents the best risk-adjusted opportunities. The top six stocks in the ASX 300 represent 45% of total market capitalisation and 50% of the market risk. A 4% tracking error constrained manager, for example, must hold in the vicinity of 15–20% of these stocks even if they do not like them. This presentation and paper examine whether this is responsible investing.

Faculty member: Olivia Engel, Head of Active Quantitative Equities Asia-Pacific, State Street Global Advisors (Sydney)

Olivia is responsible for investment management and research for Australian and Pacific ex-Japan active equity portfolios. Prior to joining SSgA in 2011, she spent eight years at GMO as a senior portfolio manager in the Australian Equities group, responsible for portfolio management across all Australian strategies. She has also worked as a portfolio manager for Colonial First State Global Asset Management and Commonwealth Investment Management.

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Your rating

☐ Awful ☐ Mediocre ☐ Good ☐ Excellent

Due Diligence Forum 2.2 | Equities – Australia

## Due Diligence Forum 2.3

Review  
later

☐

### Breaking the Risk On/Risk Off Cycle

The GFC highlighted the shortcomings of traditional asset allocation in managing portfolio risk and underscored typical fear led human behaviour. For those nearing or in retirement, the GFC also highlighted the impact of sequencing risk. Bonds did provide some correlation benefits when growth asset class correlations approached one in the GFC, but historically low absolute and real interest rates and tapering risk place question marks on the role of bonds going forward. This presentation and paper describe an alternate approach to managing a risk on/risk off world, allowing investors to maintain or increase exposure to growth assets while experiencing a smoother ride.

Faculty member: **Dr. Don Hamson, Founder & MD, Plato Investment Management (Sydney)**

Don has over 20 years investment management experience. He founded Plato Investment Management Limited in 2006. Previously, he was head of active equities, Asia Pacific and a member of the global senior management group at State Street Global Advisors, and CIO of Westpac Investment Management. He was a Lecturer in Finance at the University of Queensland for six years, and a Visiting Assistant Professor at the University of Michigan Business School.

**Wade Matterson, Principal & FRM Practice Leader, Milliman (Sydney)**

Wade is a principal, senior consultant and the leader of Milliman's Australian Financial Risk Management practice. He joined the firm in 2004 and is responsible for product development and risk management for clients throughout the Asia-Pacific region. He has more than 10 years of experience across the United Kingdom, Europe, Australia, and North America both with Milliman and with a global actuarial consultancy, where he was responsible for the development and implementation of risk management systems.

Your rating

☐ Awful

☐ Mediocre

☐ Good

☐ Excellent

Review  
later

7

Urs co-founded Partners Group in 1996. He is an executive member of Partners Group Holding AG's board of directors and chairman of the markets committee, based in Zug. He has 25 years of industry experience. Prior to founding Partners Group, he worked at Goldman Sachs and Credit Suisse.

[illegible]

☐ Awful      ☐ Mediocre      ☐ Good      ☐ Excellent

Review  
later

□

David is responsible for investment strategy for BlackRock Australia's range of multi-asset portfolios including diversified asset allocation strategies, global macro and multi-strategy hedge funds. His service with the firm dates back to 2006, including his years with Barclays Global Investors which merged with BlackRock in 2009. At BGI, he was a senior investment strategist in the Global Markets Strategies Group, based in London prior to which he with Principal Global Investors, and BT Funds Management.

[illegible]

☐ Excellent

Review  
later

7

Guy is a member of AllianceBernstein's Global Economic Research team that is responsible for providing a fundamental perspective on the macroeconomic outlook and its impact on global bond and currency markets. Prior to joining AllianceBernstein in 2004, Guy worked for Macquarie Bank's Funds Management Group and was a senior economist and interest rate strategist at SBC Warburg. He started his career at the Commonwealth Department of the Treasury in Canberra.

[illegible]

☐ Awful      ☐ Mediocre      ☐ Good      ☐ Excellent

Review  
later

7

**Faculty member:** Vimal Gor, Head of Inc & Fixed Interest, BT Investment Management (Sydney)

Vimal joined BT Investment Management in 2009 as part of the Multi Strategies team. In 2010, he moved to the Income Strategies team and later that year was appointed Head of Income & Fixed Interest. He is also responsible for leading the process and strategy of the sovereign and credit funds. Vimal previously worked at Aviva Investors in London where he was responsible for the management of the global bond portfolios within the sovereign team.

[illegible]

☐ Excellent

## Due Diligence Forum 3.3

Review  
later

☐

### Practitioner's guide to building absolute return portfolios

This presentation and paper review the principles, practices, risk management requirements and implementation steps needed to build absolute return focused portfolios and achieve absolute return objectives. They argue that many risk management techniques remain relevant but their application and focus need to change.

**Faculty member:** Nick Griffiths, CIO, Pengana Capital (Sydney)

Nick is responsible for monitoring, performance analysis and risk management across Pengana's investment strategies. He also chairs the Risk Management Committee and is an Executive Director of Pengana Capital. Previously, he was head of investment research within Aon's investment consulting practice in Sydney.

**Antonio Meroni, Senior Fund Manager, Pengana Capital (Sydney)**

Antonio's investment expertise includes event-driven as well as directional trading strategies. He has over 23 years experience in financial markets, including 14 years in Asian equities and convertible bond markets. Prior to joining Pengana, he was senior portfolio manager for RHA Asia Special Events Fund at Rubicon, and a senior portfolio manager at Antiro Abacus, Singapore.

Your rating

☐ Awful

☐ Mediocre

☐ Good

☐ Excellent

Due Diligence Forum 3.3 | Equities – Australia



Review  
later

7

**Faculty member:** Sanjay Natarajan, Institutional PM, MFS Investment Management (Singapore)  
Sanjay participates in the research process and strategy discussions, assessing portfolio risk, and customising portfolios to client objectives and guidelines, as well as managing daily cash flows. Sanjay joined MFS in 2007. His previous experience includes five years as COO Corporate and Investment Banking at DBS Bank and four years as senior engagement manager at McKinsey & Co.

[illegible]

☐ Awful      ☐ Mediocre      ☐ Good      ☐ Excellent

## Due Diligence Forum 3.5

Review  
later

☐

### Capturing the Emerging Market equity premium with lower risk

This presentation and paper examine the empirical relation between risk and return in emerging equity markets and find that it is flat, or even negative. This is inconsistent with theoretical models such as the CAPM, which predict a positive relation, but consistent with the results of studies which have previously examined the empirical relation between risk and return in the US and other developed equity markets. The findings are robust to considering a universe of large-cap stocks only, to considering longer holding periods and to controlling for exposures to the size, value and momentum effects. Finally, the presentation and paper find low correlations between the volatility effects in emerging and developed equity markets, which argues against a common-factor explanation.

**Faculty member:** Frank Wirds, Client Portfolio Manager, Robeco (Hong Kong)

Frank's role encompasses managing clients of Robeco's quant equities strategies. His main area of expertise is low-volatility and quant emerging markets. He was previously an investment specialist with Robeco in the Netherlands and New York.

Your rating

☐ Awful

☐ Mediocre

☐ Good

☐ Excellent


Due Diligence Forum 2.3 – Multi-Asset

## Have your say



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