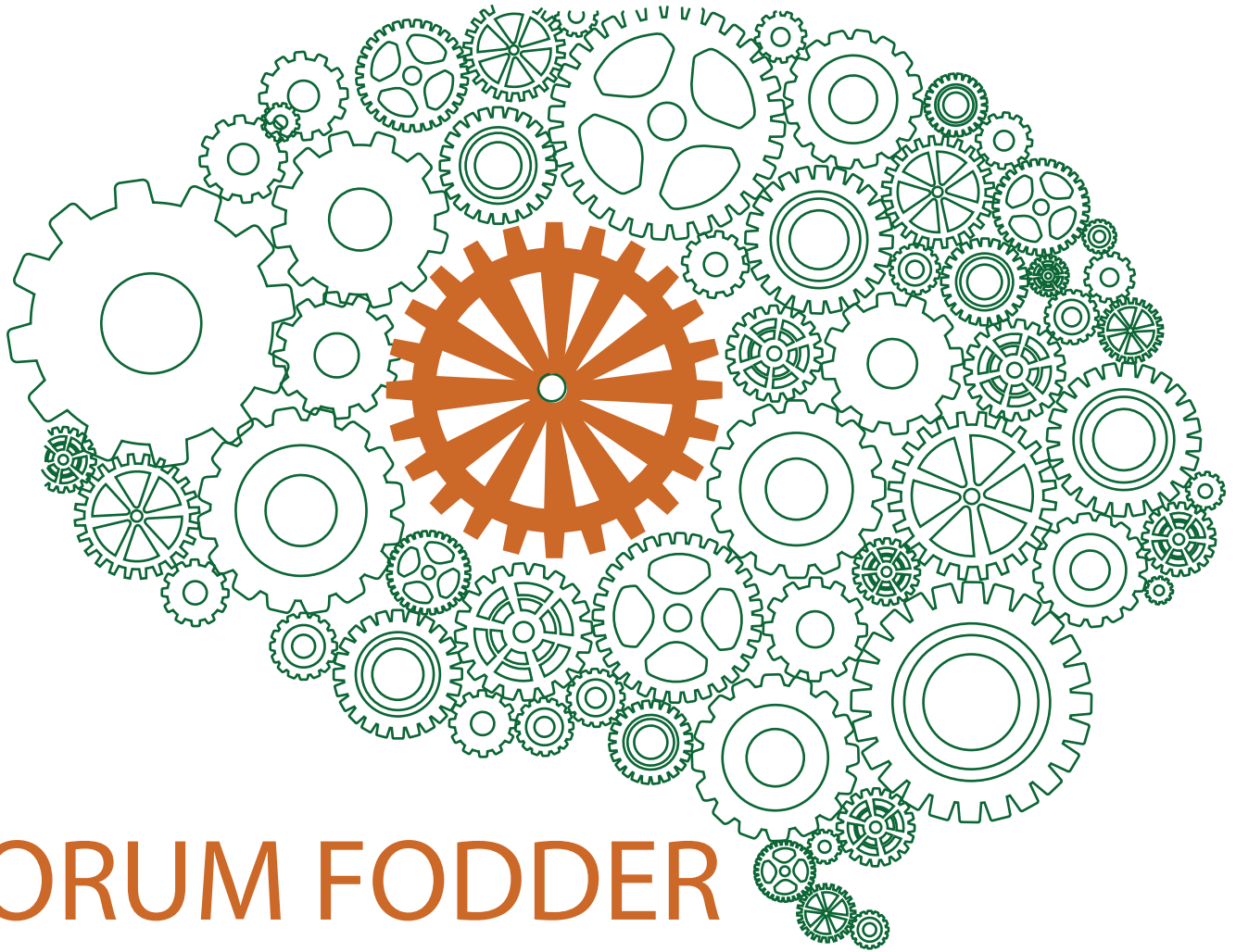




facilitating debate on
the markets,
strategies & investing

18/19 May 2015

RESOURCES KIT WORKBOOK



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 platform, 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.co.nz

Welcome to Symposium 2015

PortfolioConstruction Forum | 19/20 May 2015

Symposium facilitates debate on the three pillars of portfolio construction – markets, strategies and investing.

This year's jam-packed, marathon program features 20+ leading investment professionals. Every presenter has just 20 minutes to make their case for their big "high conviction idea" on the drivers of and outlook for markets (and implications for portfolios), or a critical portfolio construction strategy or implementation issue. The program is designed as an end-to-end, integrated learning program – a journey – not just an eclectic mix of sessions. All sessions address the theme, in a succinct and definitive way.

Overall, Symposium 2015 will provide you with a veritable deluge of expert, high conviction ideas to help you build better quality investor portfolios. It will challenge and refresh your investment thinking!

All the best for a great Symposium!



Deirdre Keown
Partner & Managing Editor



Graham Rich
Managing Partner & Publisher

Faculty

Symposium 2015 features a stellar line up of 20+ leading investment professionals.

Andrew Bascand, MD & Portfolio Manager, Harbour Asset Management (Wellington)

Andrew has responsibility for all Australasian equity portfolios. Previously, he spent 10 years with AllianceBernstein (NZ), responsible for portfolio construction of all Australasian mandates, and various investment roles with RBNZ, Bank of England, AMP and Merrill Lynch Global Asset Management (UK).

Sam Churchill, Head of Macro Research, Magellan Asset Management (Sydney)

Sam joined Magellan in 2013, prior to which he held a number of positions including Project Leader at the Cape York Institute for Policy and Leadership, Senior Analyst in the Department of the Prime Minister and Cabinet, and Associate at The Boston Consulting Group.

Alan Clarke, Investment Analyst, ANZ Investments (Auckland)

Alan is responsible for ANZ Investments' multi-manager approach to international equities, global property and fixed income. Previously, he was with Morley Funds Management (UK) and Dutch fund of hedge funds company, Theta Capital Management.

Faculty (continued)

Simon Conn, Senior Portfolio Manager, Investors Mutual (Sydney)

Simon joined Investors Mutual in July 1998. Previously, he was an Investment Officer at QBE Insurance, doing stock research for the investment team, and a Tax and Investment Consultant at KPMG.

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

Tim established farrelly's in 2004 as the first independent, specialist asset allocation research service in Australia and NZ. Previously, he was Exec Director of Macquarie Bank, and Director of Macquarie Investment Management. He is a member of PortfolioConstruction Forum's core faculty.

David Fisher, MD & Product Manager, PIMCO (Newport Beach)

David is responsible for PIMCO's core fixed income strategies. Previously, he was a managing director and head of global fixed income at Halbis, the asset management arm of HSBC, and a global bond portfolio manager at Credit Suisse Asset Management and Fischer Francis Trees & Watts.

Michael Furey, Managing Director, Delta Research & Advisory (Brisbane)

Prior to establishing Delta, Michael was Head of Research for Suncorp's financial advisory network. He is a leading expert in the areas of quantitative analysis and its application to investment selection as well portfolio construction for decumulation.

Dr Robert Gay, MD, Fenwick Advisers & former senior economist with the US Federal Reserve (New York)

Bob's past roles include Global Strategist for Commerzbank Securities, MD with Bankers Trust, Senior International Economist with Morgan Stanley, and Senior Economist with the Board of Governors of the US Federal Reserve Systems, mostly during the chairmanship of Paul Volcker.

Dr Oliver Hartwich, Executive Director, The New Zealand Initiative (Wellington)

Before joining The New Zealand Initiative, Oliver was a Research Fellow at the Centre for Independent Studies in Sydney, Chief Economist at Policy Exchange in London, and an advisor in the UK House of Lords. Oliver is a member of PortfolioConstruction Forum's core faculty.

Christian Hawkesby, Head Fixed Income, Harbour Asset Management (Wellington)

Christian is responsible for Harbour's fixed income business. Previously, he was with the Bank of England. He began his career at the RBNZ, both as an analyst in the NZ cash, fixed income and FX markets, and as an economist running the RBNZ macroeconomic model.

Sean Henaghan, CIO Multi-Asset, AMP Capital Australia (Sydney)

Sean is responsible for AMP Capital's flagship diversified funds range, and multi-asset diversified fund portfolio management team. Previously, he was at Watson Wyatt in NZ, Hong Kong, London, and Sydney.

Michael Henderson, Corporate Anthropologist, Cultures at Work (Auckland)

Michael has over 25 years experience observing, advising and educating organisations (such as The NZ Rugby Union, Spark Digital, Ogilvy, Microsoft, and Coca-Cola) on how to enhance their workplace culture for greater levels of performance, staff fulfilment and customer delight.

Tony Hildyard, Country Head NZ, PIMCO (Wellington)

Tony is responsible for developing new business opportunities and servicing existing clients in New Zealand. Prior to joining PIMCO, he was 20 years with Tower Asset Management as portfolio manager, CIO and head of fixed interest, and CEO of investment businesses.

Faculty (continued)

Nick Langley, Co-CEO & Co-CIO, RARE Infrastructure (Sydney)

Nick is a founder of RARE Infrastructure. He is involved in assessing and critiquing research on all strategies and ensuring the smooth operation of the firm. Previously, he was a Principal of AMP Capital's Infrastructure Funds Management team, and worked with UBS in New York.

Prof Robert MacCulloch, Chair in Macroeconomics, Auckland University Business School (Auckland)

Robert worked at the RBNZ before completing a PhD in Economics at Oxford University where he then taught. He then pursued research interests at London School of Economics and Princeton University before joining Imperial College London Business School. He returned to NZ in 2012 to take up his current role.

Diane Maxwell, Retirement Commissioner (Wellington)

Diane was appointed Retirement Commissioner in June 2013 for a three-year term. Previously, she was Head of Stakeholder Management at the Financial Markets Authority, Head of Brand and Corporate Affairs at BNZ, a Partner at Michaelides and Bednash in London, and Media Director at Saatchi and Saatchi NZ.

Jonathan Pain, Editor, The Pain Report (Sydney)

Jonathan has 30 years of international investment experience in London, Bahrain and Australia. Since 2002, he has debuted many new investment theses at PortfolioConstruction Forum programs, well ahead of them becoming mainstream. He is a member of PortfolioConstruction Forum's core faculty.

Keith Poore, Head of Investment Strategy, AMP Capital NZ (Wellington)

Keith is responsible for the strategic and dynamic asset allocation of the multi sector portfolios. He has held senior investment strategy positions at BNZ Investment Management, Grosvenor Financial Services, AXA Global Investors and the NZ Super Fund.

Michael Reddell, recently retired Special Adviser Economics, RBNZ (Wellington)

In his three decades at the RBNZ, Michael helped devise the inflation targeting regime, ran the Bank's economic forecasting, was Head of Financial Markets and more laterly, a Special Adviser across policy and analytical functions. From 2003 to 2005, Michael was NZ's representative on the Board of the IMF.

Graham Rich, Managing Partner & Publisher, PortfolioConstruction Forum

Graham pioneered retail funds research in Australasia, and financial planning in NZ. Since selling his research business to Morningstar and establishing brilliant! in 2002, he has specialised in publishing independent continuing education development services for portfolio construction practitioners.

Mugunthan Siva, Managing Director, India Avenue Investment Management (Sydney)

Mugunthan recently joined India Avenue Investment Management. Previously, he was Head of Portfolio Management with ANZ, Head of Manager Research with OnePath, and Investment Strategist & Senior PM with ING Investment Management.

Nathan Smith, Columnist, National Business Review (Auckland)

Nathan is NBR's foreign affairs and security analyst. He also writes on issues facing business leaders regarding cyber security, intelligence and trade relations.

Rebecca Thomas, CEO, Mint Asset Management (Auckland)

Rebecca has managed a broad range of UK, European and US assets for a variety of investment clients. Previously, she was CIO and Chief Investment of several UK companies and is one of only a handful of women to have headed a funds management operation in London.

Program timetable

Tuesday 19 May 2015

			Review later
Coffee	Cafe	7.00am-8.15am	
CIF 1: Facilitating debate on the markets, strategies and investing	Theatre	8.30am-8.50am	<input type="checkbox"/>
CIF 2: The global economy is firing on all cylinders	Theatre	8.50am-9.25am	<input type="checkbox"/>
CIF 3: Desperate central banks are causing Polyanna asset prices	Theatre	9.25am-9.50am	<input type="checkbox"/>
CIF 4: China's property bubble is set to burst!	Theatre	9.50am-10.15am	<input type="checkbox"/>
Morning tea	Cafe	10.15am-10.35am	
CIF 5: The patient is out, but the doctor is (all) in	Theatre	10.45am-11.25am	<input type="checkbox"/>
CIF6: Get used to low interest rates	Theatre	11.25am-11.50am	<input type="checkbox"/>
CIF 7: House prices are a blunder of our governments	Theatre	11.50am-12.15pm	<input type="checkbox"/>
Lunch	Cafe	12.15pm-12.50pm	
CIF 8: Don't ignore the tech sector for growth investing	Theatre	1.00pm-1.30pm	<input type="checkbox"/>
CIF 9: Oil price moves are a cyclical risk, adding volatility to markets	Theatre	1.30pm-1.55pm	<input type="checkbox"/>
CIF 10: Investing in NZ is a big challenge for an Au-based, Kiwi investor	Theatre	1.55pm-2.20pm	<input type="checkbox"/>
CIF 11: Portfolio construction implications panel 1 - Markets	Theatre	2.20pm-3.10pm	<input type="checkbox"/>
Afternoon tea	Cafe	3.10pm-3.25pm	
CIF 12: NZ is not a rock star economy. Will it ever be?	Theatre	3.35pm-4.05pm	<input type="checkbox"/>
CIF 13: Economic growth is the answer, not the problem	Theatre	4.05pm-4.40pm	<input type="checkbox"/>
CIF 14: Portfolio construction implications panel 2 - NZ Economy	Theatre	4.40pm-5.05pm	<input type="checkbox"/>
CIF 15: Asset allocation will dominate portfolio returns in the years ahead	Theatre	5.05pm-5.30pm	<input type="checkbox"/>
Networking Reception	Cafe	5.30pm-7.15pm	

Program timetable

Wednesday 20 May 2015

			Review later
Coffee & light snack	Cafe	6.45am-7.15am	
Keynote 1: Historic accumulation/decumulation models won't work in future	Banquet	7.30am-8.10am	<input type="checkbox"/>
Keynote 2: Risk and return – not as tight a link as we've been taught	Banquet	8.10am-8.40am	<input type="checkbox"/>
Workshop 1: Key Takeouts Workshop - The Markets	Banquet	8.40am-9.50am	<input type="checkbox"/>
Morning tea	Cafe	9.50am-10.10am	
Due Diligence Forum 1	Room 1-3	10.20am-11.00am	
DDF 1.1: All is not lost in preserving yield in a low-yield environment	Room 1	AMP Capital	<input type="checkbox"/>
DDF 1.2: Small Caps are an essential risk diversifier	Room 2	Investors Mutual	<input type="checkbox"/>
DDF 1.3: Engaging NZ companies on governance will improve outcomes	Room 3	Mint Asset Mgmt	<input type="checkbox"/>
Due Diligence Forum 2	Room 1-3	11.10am-11.50am	
DDF 2.1: NZ fixed interest – picking the highest yield is not enough	Room 1	Harbour Asset Mgt	<input type="checkbox"/>
DDF 2.2: Multi-manager global equity portfolios needn't be low active share	Room 2	ANZ Investments	<input type="checkbox"/>
DDF 2.3: Harness India's growth by investing before the crowd	Room 3	India Avenue Inv	<input type="checkbox"/>
Lunch	Cafe	11.50am-12.25pm	
Workshop 2: Key Takeouts Workshop - Strategies & Investing	Banquet	12.35pm-1.45pm	<input type="checkbox"/>
Implementation Forums	Room 1&3	1.55pm-2.35pm	
IF 1.1: Portfolio construction of the future will focus on 3 risk buckets	Room 1	Delta Rsh & Adv	<input type="checkbox"/>
IF 1.2: Stress testing for DIMS	Room 3	farrelly's	<input type="checkbox"/>
Afternoon tea	Cafe	2.35pm-2.55pm	
Workshop 3: Mastering your Key Takeouts and professional positioning	Banquet	3.05pm-4.30pm	<input type="checkbox"/>



TUESDAY 19 MAY 2015

Facilitating debate on the market, strategies & investing

Graham Rich | PortfolioConstruction Forum | 19 May 2015

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree

I agree

I'll investigate further

I'll revisit this session

The global economy is firing on all cylinders

Jonathan Pain | The Pain Report | 19 May 2015

The outlook for the global economy is unambiguously positive. We have reformist governments in the world's most populous nations and the developed world has finally recovered from the WFC (Western Financial Crisis). At long last, all the regional economic cylinders are firing in unison and secular stagnation is yesterday's story.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I'll investigate further I'll revisit this session

Desperate central banks are causing Polyanna asset prices

Dr Robert Gay | Fenwick Advsiors | 19 May 2015

Slow growth is an old story. The new story is that the world is finally beginning to re-balance – which will unfortunately take another 20 years. Most think we are getting out of the woods of stagnation and deflation – and already, financial markets are getting way ahead of that story. Central banks are making the situation much worse with belated asset purchases, zero interest rates and, in China's case, accelerated opening up of domestic markets to qualify the yuan as a reserve currency. These well-intended policies are causing bubbles and distortions to asset prices. Investors should resist the temptation to chase yield, especially in structured 'yield' products, and must avoid lending to the debtors most vulnerable to market backlash when credit quality and equity value deteriorate and reality sets in.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I'll investigate further I'll revisit this session

China's property bubble is set to burst!

Sam Churchill | Magellan Asset Management | 19 May 2015

A credit-fuelled property bubble enabled China to maintain its incredible run of growth through the Global Financial Crisis. However, China now has to deal with a massive excess supply of property that is causing construction activity to contract, along with a range of other linked sectors in the Chinese economy, as millions of homes lie vacant. This is unlikely to be "just another property cycle" in China. The bursting of China's property bubble poses a major risk to both the country's stability and the global economy.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I'll investigate further I'll revisit this session

The patient is out, but the doctor is (all) in

David Fisher | PIMCO | 19 May 2015

Divergences in global economic and policy outcomes have important implications for markets around the world. US growth is recovering, and it is very likely the Fed will increase rates later this year. Meanwhile, in Europe, weak growth and the threat of deflation have prompted the ECB to launch unprecedented monetary policy support. This policy divergence has directly influenced asset prices across the globe with implications for stocks, bonds and currency markets.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree

I agree

I'll investigate further

I'll revisit this session

Get used to low interest rates

Tim Farrelly | farrelly's Investment Strategy | 19 May 2015

World-wide low interest rates are not a temporary phenomenon. The world has changed and it is highly likely that the current low rate environment will be with us for decades. Long-term low interest rates mean that most equity and property valuations are not stretched. Getting used to low rates will be a critical adjustment for all investors to make in the coming years.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I'll investigate further I'll revisit this session

House prices are a blunder of our governments

Michael Reddell | 19 May 2015

High and rising house prices in Auckland hog the headlines. The tax regime and bank lending practices are largely irrelevant. Instead, increasingly unaffordable house and land prices result from the collision of two, no doubt individually well-intentioned, sets of policies. Tight restrictions on land use crimp the supply of the sort of houses most people want to live in, while very high target levels on non-citizen inward migration persistently boost demand for housing. One or other policy might make sense, but together they represent a very costly blunder.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I'll investigate further I'll revisit this session

Don't ignore the tech sector for growth investing

Andrew Bascand | Harbour Asset Management | 19 May 2015

Returns in defensive equity yield and income sectors have been outsized as bond yields have fallen. Growth sectors have underperformed. And yet, earnings and revenue growth for most growth sectors have continued. Globally, technology shares are cheap on a relative basis. Until recently, NZ investors have had few investment choices in the local technology industry. However, a myriad of tech companies have raised capital and listed. Tech investing has significant challenges, with rampant competition and rapid obsolescence. But it remains the fastest growth segment and appears to have attractive valuations.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I'll investigate further I'll revisit this session

Oil prices are a cyclical risk, adding volatility to markets

Nick Langley | RARE Infrastructure | 19 May 2015

For investors, one of the most important events of 2014 was the dramatic collapse in the oil price. A short-term recovery appears unlikely and, more importantly, the long-term equilibrium price is now likely to be lower. This will have both cyclical and structural impacts. For example, lower oil prices are hitting a number of producing countries budgets hard (Russia being the most widely reported) while Brazilian equities are down due to weaker oil prices. Overall, portfolios must be repositioned for increased volatility.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I'll investigate further I'll revisit this session

Investing in NZ is a big challenge for an Au-based investor

Sean Henaghan | AMP Capital | 19 May 2015

Despite a genuine desire to invest in New Zealand on behalf of a substantial Australian superannuation fund, after several years of trying, no money has been invested. The capital being sought in NZ is too small scale, fund manager fees are too high, and genuine diversifying opportunities are too few. Only once those hurdles are overcome, will NZ be a more attractive destination for institutional capital.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I'll investigate further I'll revisit this session

Portfolio construction implications panel 1 - Markets

Symposium Faculty Panel | 19 May 2015

Our Faculty debates their high conviction ideas on the drivers of, and medium-term (two to three year) outlook for the markets. By the end of this session, you will have synthesised the investment experts' views in order to compare and contrast them with your own philosophy, and will have determined your key takeouts and the implications for building better quality portfolios.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I'll investigate further I'll revisit this session

NZ is not a rock star economy. Will it ever be?

Prof Robert MacCulloch | Auckland University Business School | 19 May 2015

NZ has plummeted down the global income per capita rankings from third place in the 1950s to 23rd in 2015. Successive Governments have done little in the past couple of decades to reverse the decline. Why have we failed to regain our position? Three different reasons are proposed. First, there has been a failure of politics, whereby economic policies necessary to ensure that our long-run growth rate increases have not been adopted. Second, Kiwis are satisfied with their “lifestyle” and don’t wish to sacrifice their contentment to achieve higher productivity growth rates. Third, the “experts” disagree greatly on the reasons why we fell behind and don’t know how to fix the problem, meaning that our political leaders and their advisors are uncertain of what policies are needed to regain our position.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I’ll investigate further I’ll revisit this session

Economic growth is the answer, not the problem

Dr Oliver Hartwich | The New Zealand Initiative | 19 May 2015

Economic growth has had a lot of bad press recently. Critics hold it responsible for environmental degradation, rising unhappiness and inequality. But on closer inspection, the objections typically leveled against growth do not stand up to empirical scrutiny. Economic growth achieves the very opposite of what its critics believe. Economic growth is no silver bullet to all the world's problems. But it comes close.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I'll investigate further I'll revisit this session

Portfolio construction implications panel 2 - NZ Economy

Symposium Faculty Panel 19 May 2015

Our Faculty debates their high conviction ideas on the drivers of, and medium-term outlook for, the New Zealand economy. By the end of this session, you will have synthesised the investment experts' views in order to compare and contrast them with your own philosophy, and will have determined your key takeouts and the implications for building better quality portfolios.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I'll investigate further I'll revisit this session

Asset allocation will dominate portfolio returns

Jonathan Pain | The Pain Report | 19 May 2015

As we all brace for lift-off in the key US federal funds rate, a robust, top-down macro perspective will be even more critical to the success of portfolios than ever. The US equity market faces a number of headwinds – a tightening in monetary policy, stronger dollar, and weaker earnings. Reverse these factors and you have the case for Europe. The argument in favour of China, India, and Japan is that they have reformist governments. Then, consider which countries have the capacity to lower interest rates the most. The answer is China, India and Indonesia. But it's not just about where you invest, it's also about how. The relentless pursuit of mediocrity and closet indexation just won't cut it.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree

I agree

I'll investigate further

I'll revisit this session

“

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)

”

farrelly.com.au



a dynamic approach to asset allocation

Available exclusively through

III portfolio
construction
forum

For more information, go to www.PortfolioConstruction.co.nz



WEDNESDAY 20 MAY 2015

Past accumulation/decumulation models won't work in future

Diane Maxwell | The Retirement Commissioner | 20 May 2015

Historically, we've spent 40 years accumulating assets and savings, followed by 10 years maintaining and protecting them, before passing them on to the next generation. In future, increased longevity will see a new pattern – 40 years accumulating, followed by 30 years decumulating. But, the latter is at odds with human nature. We underestimate our lifespan and we want to buy now and pay later. It's possible, or more likely probable, that for future generations, our money will run out before our body does. This means that our historical models of accumulation and decumulation will not work for future generations.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree

I agree

I'll investigate further

I'll revisit this session

Risk and return – not as tight a link as we’ve been taught

Tim Farrelly | farrelly’s Investment Strategy | 20 May 2015

What return premia – if any – are attached to different types of investment risk? And just how reliable are those premia in practice? Can the risks be diversified? By the end of this presentation, you will be able to assess different types of risk and return and, in particular, see through marketing dressed up as sophisticated analysis.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I’ll investigate further I’ll revisit this session

Key Takeouts Workshop - The Markets

Symposium Faculty & Delegates | 20 May 2015

This highly interactive, Socratic workshop will kick off with each panelist outlining the high conviction idea they agreed with most, and which one they agreed with least. Delegates will then work in their tables to determine the same, before reporting back on a table-by-table basis before collectively considering the portfolio construction implications.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree

I agree

I'll investigate further

I'll revisit this session

All is not lost in preserving yield in a low-yield environment

Keith Poore | AMP Capital | 20 May 2015

New Zealanders are living longer and enjoying healthier, more productive retirements than ever before. While this is good news, to enjoy the lifestyle they choose in retirement, many people need regular income to supplement their New Zealand superannuation. But there is a problem. Yields on traditional saving vehicles such as term deposits and bonds remain close to multi-decade lows. Such yields are likely to stay low for some time because the 'neutral' cash rate and 'equilibrium' bond yield is lower than it used to be. Consequently, investors will need to hunt out alternative sources of yield to meet their investment objectives. All is not lost. Yield can be preserved in a low yield world but investors need to be aware of the risks and trade-offs associated with these alternatives.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I'll investigate further I'll revisit this session

Small Caps are an essential risk diversifier

Simon Conn | Investors Mutual | 20 May 2015

Investors in the Australian equity markets find themselves investing in a market that is very concentrated and therefore carries undue portfolio risk. Small cap exposure adds diversity in terms of a broader number of sectors to invest in – thereby providing essential diversity in terms of where profits and dividends are derived from. Diversity is an investor’s essential risk management tool. Small caps also provide access to emerging sectors and stocks. Importantly, investing in smaller cap sectors and stocks does not have to be a high risk strategy for investors. The diverse range of quality small cap companies with recurring earnings and growing dividend yields offer investors essential risk diversification and should be incorporated in to portfolios.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I'll investigate further I'll revisit this session

Engaging NZ companies on governance will improve outcomes

Rebecca Thomas | Mint Asset Management | 20 May 2015

There are several current NZ initiatives afoot focused on improving listed entity governance. The FMA has updated its “Corporate Governance–Principles and Guidelines” as well as “a Director’s guide to IPO’s”. The NZX recently updated its rules on continuous disclosure and the use of trading halts. However, at the coal face, it is the engagement between company boards and institutional shareholders that can achieve meaningful improvements for all investors. NZ institutions lack the Australian tool kit of the “two strikes” rule, so perseverance and commitment are essential.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I’ll investigate further I’ll revisit this session

NZ fixed interest – picking the highest yield is not enough

Christian Hawkesby | Harbour Asset Management | 20 May 2015

Building NZ fixed interest portfolios is harder than it has ever been. The yield curve is low and flat, credit spreads are tight, and there has been a dearth of retail bond issuance for practitioners to choose from. It is not enough to wait and pick the highest yielding new retail issues as they come available. Portfolios need to be constructed for the specific needs of clients, which will typically be a combination of liquidity, income, quality, and diversification.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I'll investigate further I'll revisit this session

Multi-manager global equity portfolios needn't be low active share

Alan Clarke | ANZ Investments | 20 May 2015

The level of active share in global equity portfolios has received increasing attention over the last 10 years. This is another useful metric for assessing the multitude of different investment strategies available. When combining managers together to form a multi-manager global equity portfolio, investors should still aim to keep active share relatively high.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I'll investigate further I'll revisit this session

Harness India's growth by investing before the crowd

Mugunthan Siva | India Avenue Investment Management | 20 May 2015

To harness the full potential of the India growth story, investors need to consider equity exposure to companies which have strong links to the growth drivers of the economy. Rather than large, liquid companies with significant global revenue bases which dominate benchmark allocations, investors should seek exposure to India's surging local demand, driven by the population demographic, rising wealth and initiatives of the recently appointed Government. This can be achieved by participation at an earlier stage of a company's growth, to capitalise on the growth story.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I'll investigate further I'll revisit this session

Key Takeouts Workshop - Strategies & Investing

Symposium DDF Faculty | 20 May 2015

This second interactive, Socratic workshop will kick off with each of our DDF presenters outlining their high conviction portfolio construction strategy idea. Delegates will then work in tables with others who attended the same DDF sessions, to determine their key takeouts and portfolio construction implications.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I'll investigate further I'll revisit this session

Portfolio construction of the future will focus on 3 risk buckets

Michael Furey | Delta Research & Advisory | 20 May 2015

We've been taught that asset allocation accounts for around 90% of performance volatility through time. But it doesn't have to be that way and it's definitely NOT the case for many investment strategies. In fact, the contribution to overall performance from exposures across asset class, risk factors, and pure market timing and security selection varies considerably across funds. Portfolio construction should therefore focus on three risk buckets – beta, smart beta, and alpha. If not, you run the risk of creating a poorly diversified (that is, over diversified) portfolio – and, worse, a portfolio that costs far more than it should.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I'll investigate further I'll revisit this session

Stress testing for DIMS

Tim Farrelly | farrelly's Investment Strategy | 20 May 2015

If you have a DIMS license, you are required to stress test portfolios. This session examines three practical approaches to stress testing, and the strengths and weaknesses of each. You will come away with a deeper understanding of how to build your own approach to portfolio stress testing.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I'll investigate further I'll revisit this session

Mastering your Key Takeouts and professional positioning

Michael Henderson | Cultures at Work | 20 May 2015

This engaging, intensive and fun interactive 60-minute workshop will show you how to capture, package and articulate your Key Takeouts from Symposium 2015, and synthesise them with your core professional value proposition, in a way that ensures your clients see the benefit. By the end of this workshop, you'll have a "Professional Position Matrix" and understand how to craft attractive and articulate statements that best describe the real value you add. It will enable you to use your key takeouts from Symposium 2015 to further enhance your position as a 'go to expert' in the minds of your current and prospective clients.

NOTES

KEY TAKEOUTS

IMPLICATIONS FOR PORTFOLIOS

KEY MESSAGES FOR CLIENTS

I disagree I agree I'll investigate further I'll revisit this session



MARK YOUR DIARY!
17/18 May 2016

facilitating debate on the markets, strategies and investing