

i3 Asset Allocation Forum August 2022

18 AUGUST TO 19 AUGUST

As a table captain at this event the Edgehaven Principal played a critical role in moderating table discussions after the speaker presentations. Bev Durston lead the table in discussions and also during the Q&A session.

These discussions were centred around tightening monetary policies, increasing geopolitical tensions, deglobalisation, inflation and climate change and their impact to the investment environment in the long term.

At the 10th annual Asset Allocation Forum hosted in Terrigal NSW, delegates discussed and debated the asset allocation implications for the portfolio of the future.



Some of the questions raised and discussed were:-

- What are the asset allocation implications for the portfolio of the future?
- Is there still a role for a diversified 60/40 portfolio?
- How can sovereign bonds be deployed in the portfolio?
- Are public markets losing their efficacy?
- Will climate change cause significant market repricing?
- How do you incorporate geopolitical risks, despite the tenuous link to investment outcomes?



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Audience Polling Results

For further information
email events@i3-invest.com



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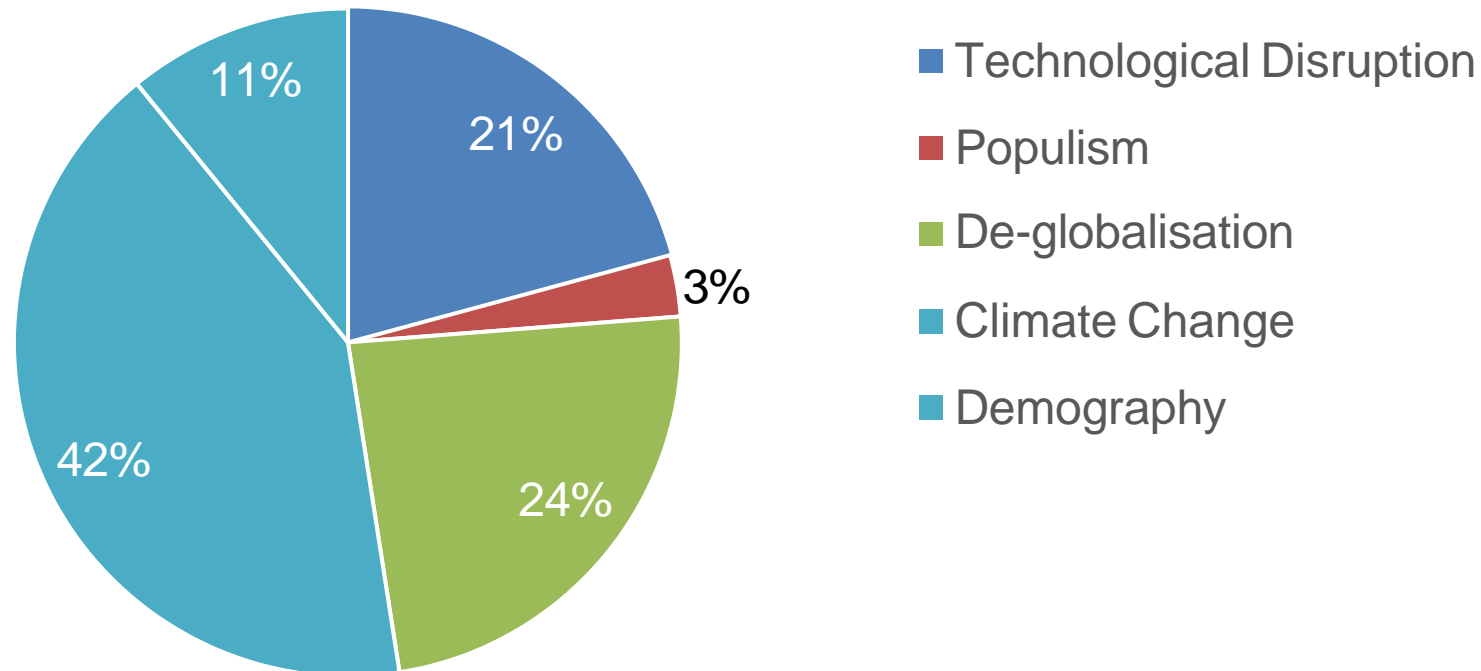
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In the next decade, which paradigm shift matters most to your portfolio strategy?





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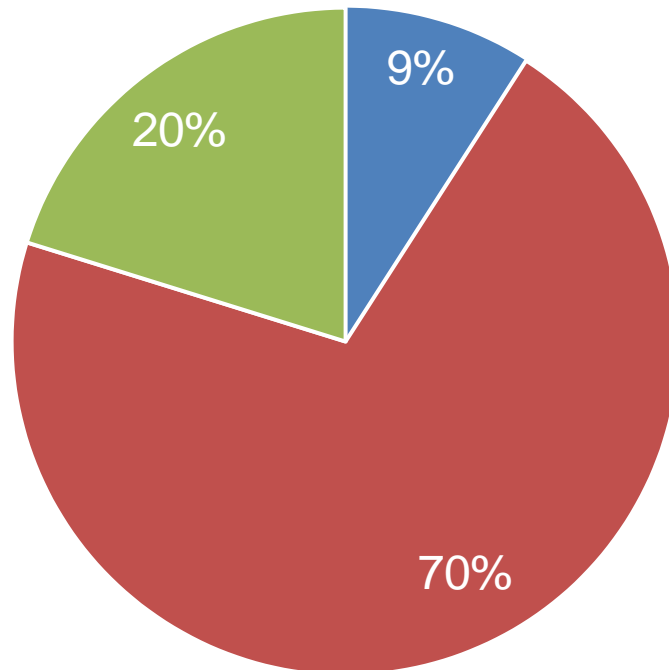
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Will recent supply chain issues permanently disrupt the path of globalisation?



- No, the issues are temporary and the trend of globalisation will continue
- Yes, there will be significant structural implications for various industries and economies
- Yes, though any economic and industry impacts will be limited



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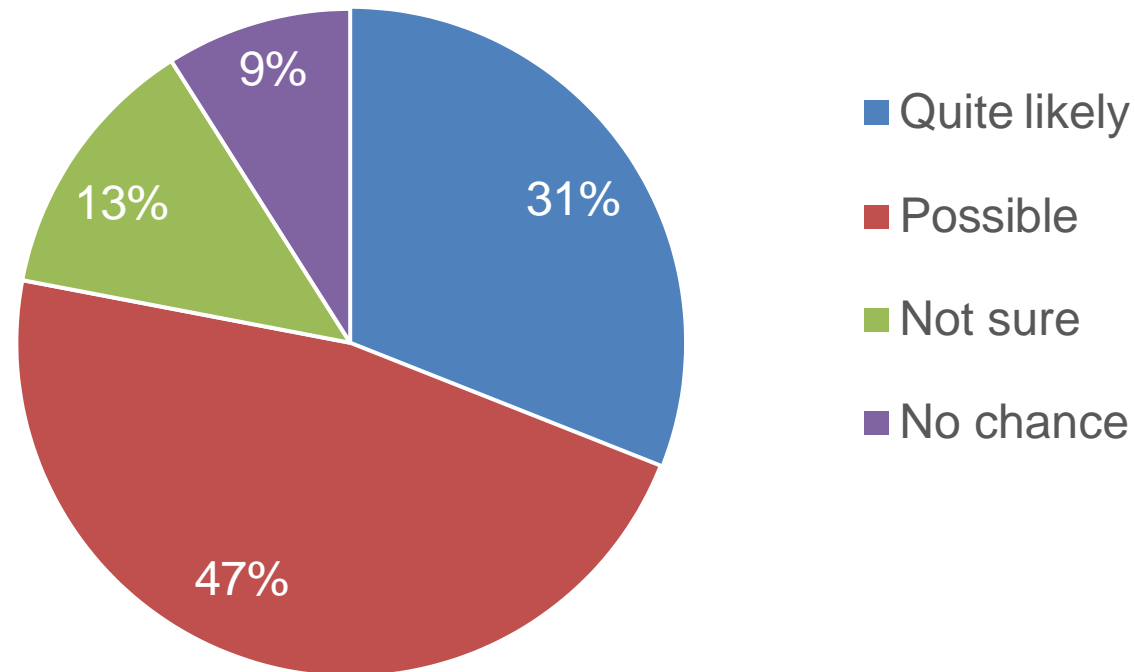
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What is the likelihood of stagflation in the next 12-18 months?





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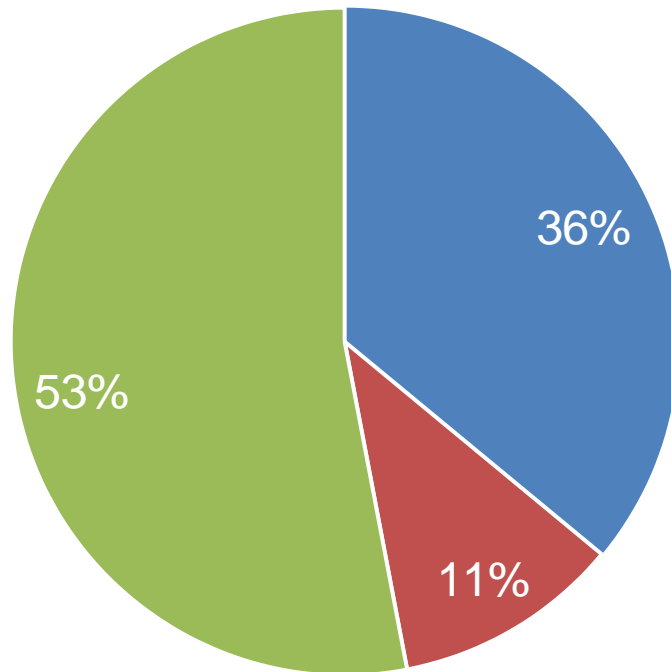
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Are you familiar with Nature-based Solutions?



- No, what is that?
- Yes, we are investing in it
- Yes, I've heard of it



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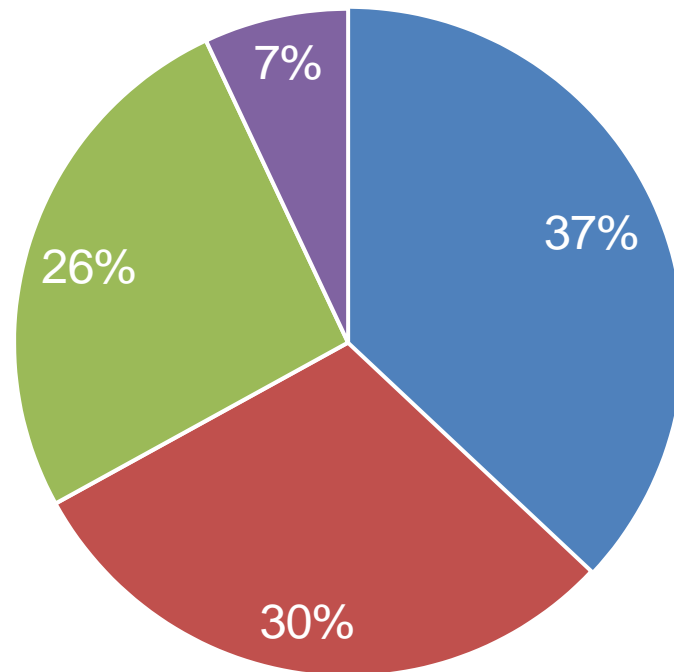
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Will your fund invest in renewable energy despite current returns not looking that attractive?



- Yes gradually
- Yes definitely: there is significant long term potential
- No we will wait and see
- No the valuations just don't stack up



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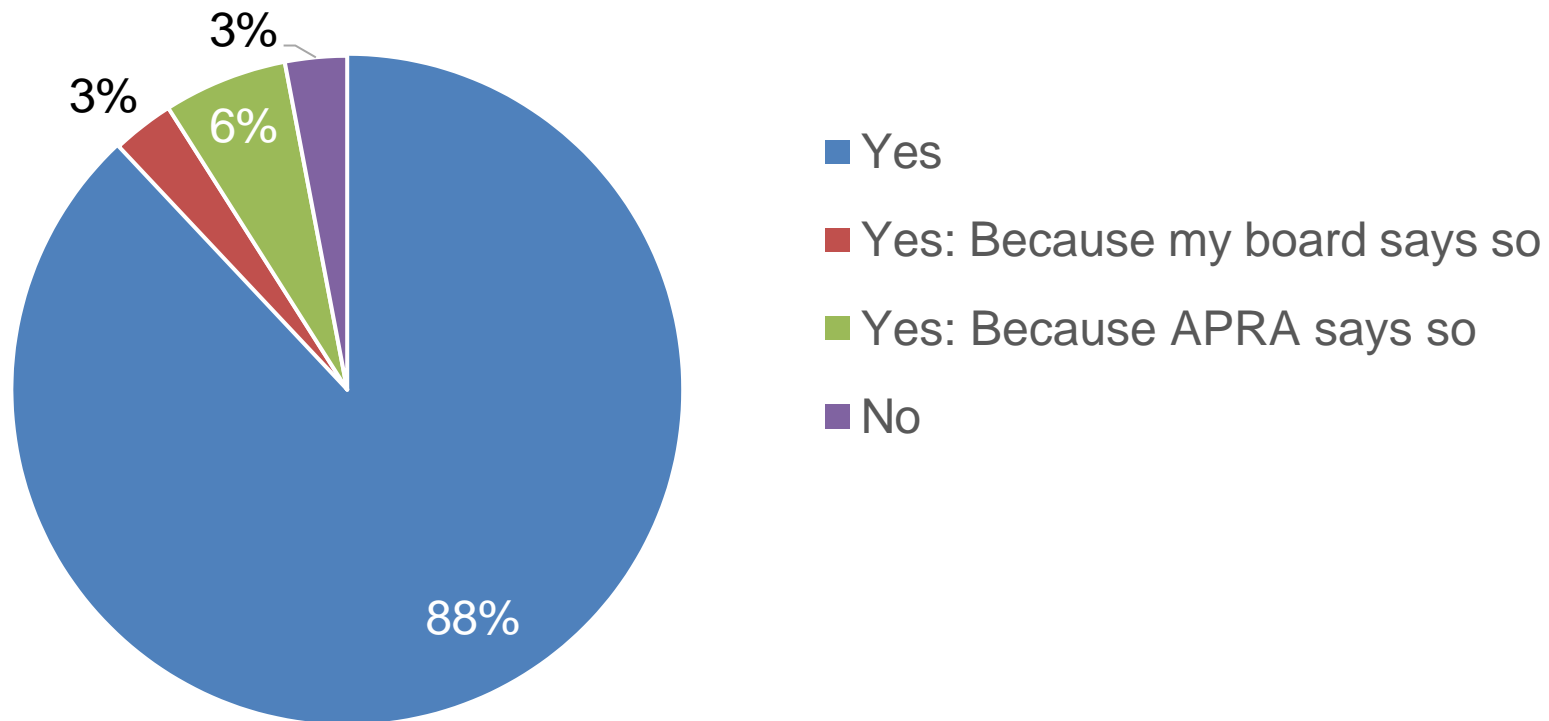
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Is climate change a "real" investment issue?





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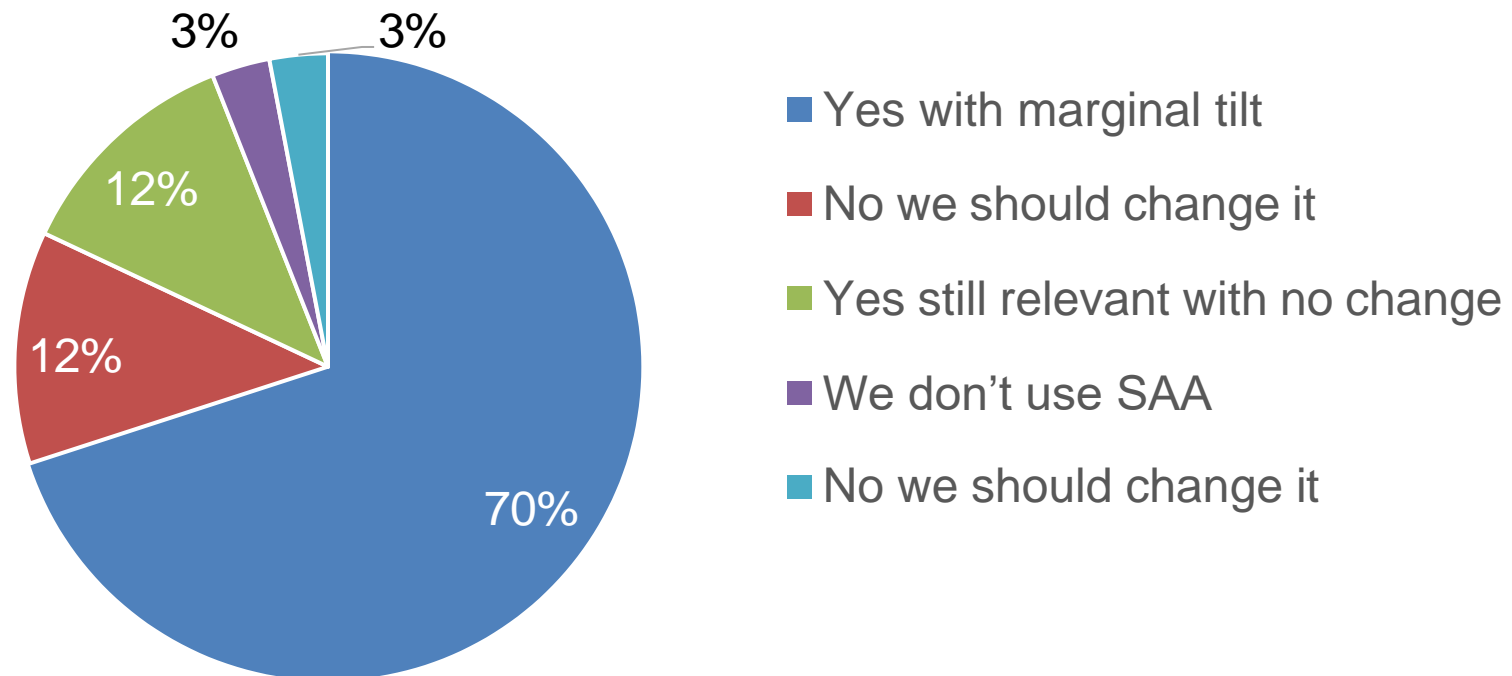
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Given the regime shift to higher inflation and interest rates, is your current SAA design still relevant?





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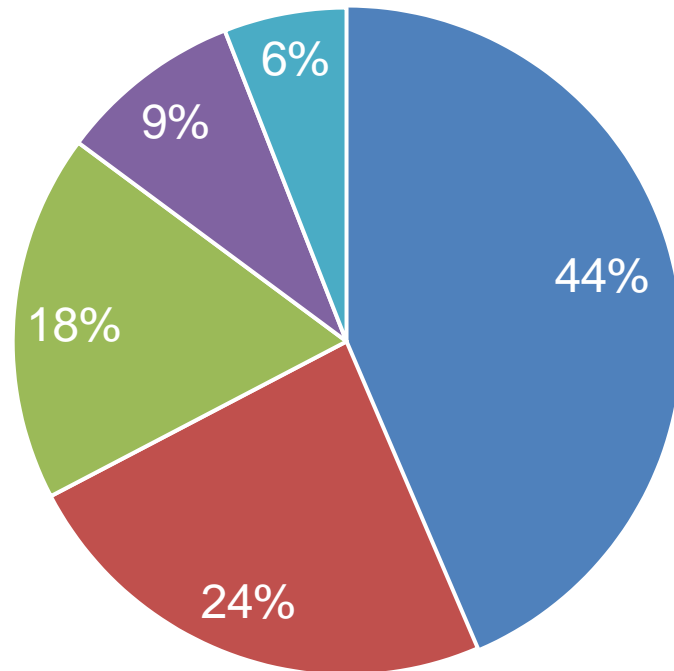
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Do you have a dedicated defensive or risk mitigation program that entails blending multiple strategies, some of which are alternative?



- Yes, worked well over the pandemic
- No, unlisted/real assets work well for us
- Contemplating
- There is no need
- Yes but disappointing performance



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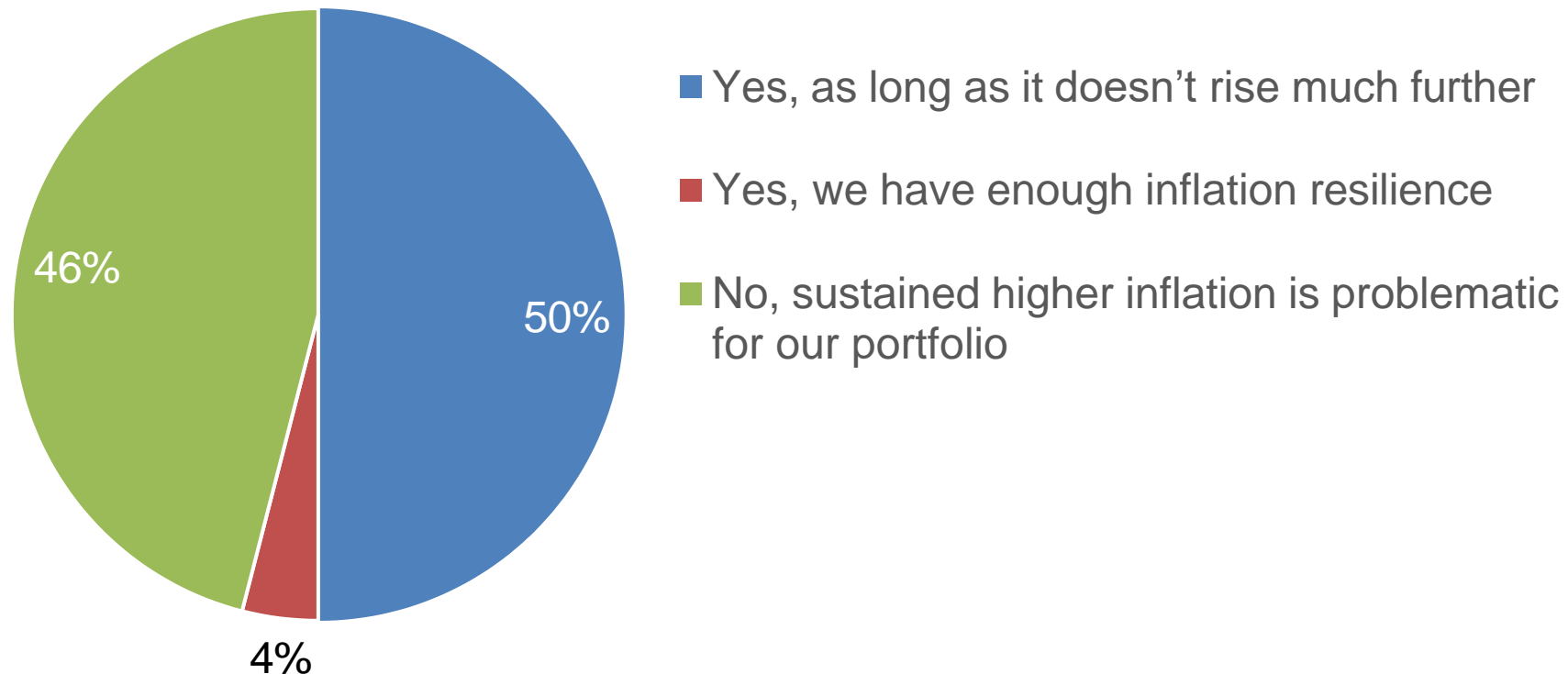
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Are you confident in the positioning of your portfolio if inflation doesn't come down from the current high levels anytime soon?





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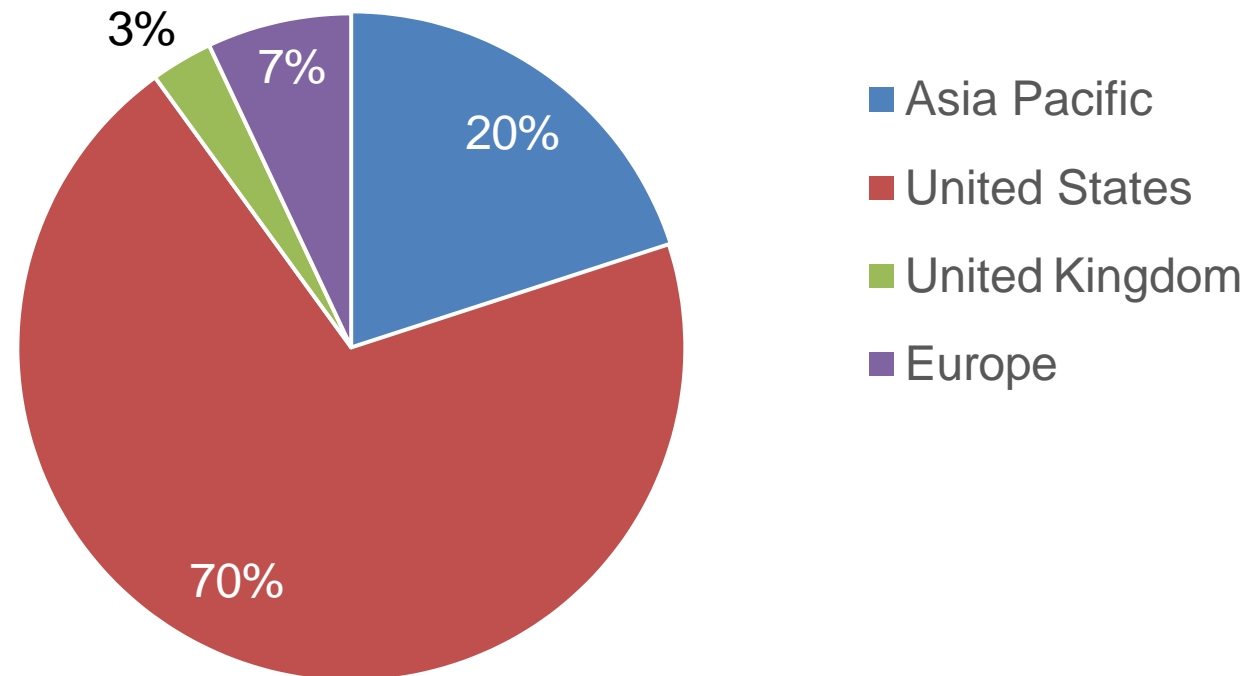
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Which area do you see as the least risky for commercial real estate investments?





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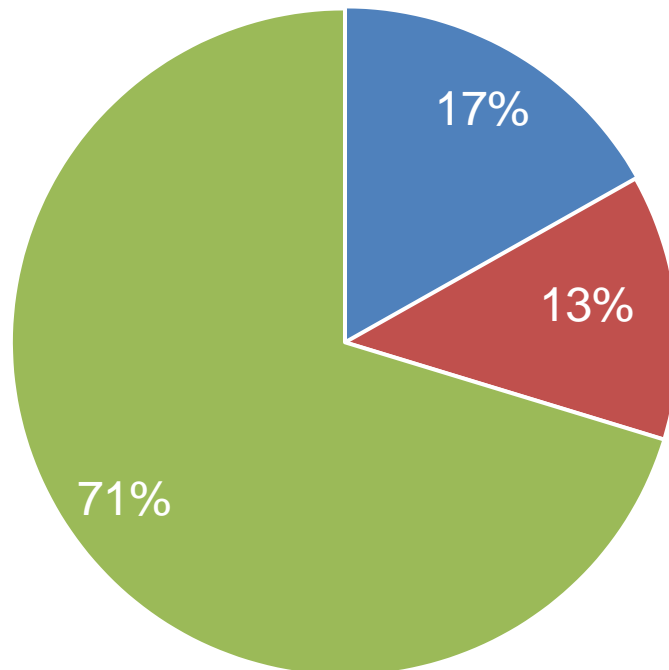
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The Your Future, Your Super performance test will diminish peer risk. Do you agree?



■ Yes

■ Status quo – Nothing has changed

■ No, it will increase the already high level of peer risk