



SYNOPSIS

TITLE OF PRESENTATION Risk and Investment Strategy: Past lessons and future developments

Name of Presenter/s

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All investors encounter changes in the risk profiles of their assets from time to time. When this happens there are consequences for strategy and investment objectives, and fiduciaries should ask themselves:

“Do we keep the strategy and change our objectives or keep the objectives and change our strategy?”

The New Zealand 2007 superannuation tax changes are a good example, however the issues that arise are relevant to all other investors as other factors can deliver a similar effect.

The presentation will discuss

- the fiduciary response to risk profile changes,
- how the tax changes affected risk,
- the collective response of NZ Balanced Funds to the changes, and
- new tax advantaged asset classes (FDR taxed global bonds, if still viable in November 2008).

Case Study: NZ balanced fund providers and the tax changes

Balanced fund providers are important to review as they are the immediate future for KiwiSaver, as members move out of lower risk default options.

The risk-return profile before, during and post the 2007 tax changes is analysed as is the actual experience of the funds in the new environment.

New Developments: FDR taxed Global Bonds

The risk profile of global bonds taxed under various methods is reviewed. Given the processes regarding risk discussed earlier, the risk constrained response to an investment in this sector is analysed as are the strategy changes required to accommodate this sector.

245 words