

Income & Defensive Assets Symposium



Provisional agenda

30 July 2024
Sydney NSW

1 August 2024
Melbourne VIC



Back to black – the return of income

Income & Defensive Assets Symposium 2024

SYNOPSIS

Over the past two years we have seen a rapid repricing of interest rates across the economy as central banks phase out the long period of quantitative easing. Rather than creating a business cycle born from abundant cheap credit central banks are now looking to tame inflation before it becomes psychologically ingrained in the minds of workers and suppliers. Alongside the desire to manage inflation there is also a wish to lighten balance sheets and transfer significant sums of sovereign debt to the private sector. This means de facto quantitative tightening with significant influences on the levels of economic growth possible for the coming years.

This reset of risk-free rates offers investors the chance to rethink their need to move up the risk curve in search of yield. For the first time in over a decade cash and sovereign bonds are offering more traditional rates of return giving investors like retirees a fresh set of options to maintain spending power into their golden years.

But the drivers of inflation are persistent with low wage economies less able to export their cheap goods and energy. As global trade fragments, energy prices escalate and supply chains disintegrate there is likely to be waves of price rises. This will impact the standard of living of many clients, especially those that are working with pools of capital that are largely fixed in terms of inflows. Innovative strategies to increase income from capital deployed will interest clients, especially retirees.

But with asset class correlations changing and likely headwinds for equities there are concerns that fixed income instruments alone can't be relied upon to protect against any losses. The need for new solutions to defend the portfolio offers compelling areas of enquiry for the investor of 2024.

This Symposium is designed to support the wealth management community to diagnose, debate and strategise solutions to build defensive portfolios which generate resilient income. Throughout the event advisers will hear diverse views from across the financial ecosystem about how this asset class can be repositioned to adapt to a new regime where income is available from multiple sources.

ADVISORY COMMITTEE

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REGISTRATION

WELCOME & ICEBREAKER

SESSION #1

FORMAT

Panel



INPrinciple: Quantitative tightening, structural inflation and investor needs

The battle against inflation has seen a rapid repricing of fixed income assets with one of the fastest yield changes in history. This has altered the return profile for a number of investments, and for the first time in over a decade a more 'typical' income from sovereign debt, cash and other low risk sources.

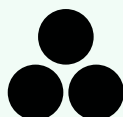
Resetting the costs of borrowing across an economy has multiple knock-on effects for business activity. Consumer discretionary demand will decrease as the cost of shelter increases, dampening confidence across the market. Along with significant costs for government borrowing the headwinds for aggregate demand expansion imply tighter trading conditions as recessionary pressures surface.

This panel session explores the current environment and how investors should think about the forces that are at play in building a defensive component within a portfolio.

SESSION #2

FORMAT

Melda



Playing defense: Correlations, volatility and solving for resilience

The old philosophy of portfolio construction relied on the predictable relationship of negative correlations between equities and bonds. Splitting investments across the two asset classes allowed investors to offset the losses of one with the other.

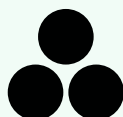
However, recent data suggests that the two core asset classes have reverted to a positive correlation where both can create losses at the same time. As such investors need to look to other sources of protection to avoid big drawdowns and sequencing risk.

This session will explore how to build a portfolio with defensive qualities that can perform positively in all conditions.

SESSION #3

FORMAT

Melda



Safety first: Risk, reward and best in class issuance

When lending money to any entity the ultimate question to ask is if the underlying capital is at risk. The investor wants to make sure that the investment will be repaid with fair interest. But in selecting safe harbours to deploy capital the tradeoff is that the lowest risks also offer the lowest returns.

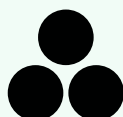
This session will consider how to manage for the recent reset of rates across the economy and how income can be generated by moving back down the risk curve.

LUNCH

SESSION #4

FORMAT

Melda



Yield strength: Credit quality, duration and liquidity

Inflationary pressures are a constant challenge for retirees looking to maintain their standard of living. This session will explore the options available for securing a higher income with the same pool of capital. Through careful selection of duration, illiquidity premia and currency, investors can unlock fresh levels of income which allow for greater buying power for clients outside of accumulation.

SESSION #5

FORMAT

Debate



Searching for alpha: How to outperform the market across 2024

At different periods certain strategies have seen consistent outperformance relative to their peers. As 2024 unfolds, and de facto quantitative tightening takes hold, the question for investors is how they should think about success in fixed income markets.

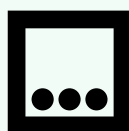
This session will highlight the strategies that can best manage the volatility and uncertainty that we see, and which are most likely to outperform over the short, medium and longer term.

AFTERNOON TEA

SESSION #6

FORMAT

Fireside Chat



Timely selections: Managing across cycles, regimes and into the future

Managing a defensive portfolio involves careful identification of risks across the economy and the best areas to allocate capital in fixed income. Experience gained over multiple cycles and macroeconomic regimes helps inform investors about the patterns that have emerged and the implications they hold for the future.

This fireside chat will reflect on the lessons from history and how they can be incorporated into portfolio construction to build resilient income in the short and medium term.

SESSION #7

FORMAT

Panel



INPractice:

Portfolio tilts, client experience and implementation

Drawing on the learnings from the day this panel session will explore the investment opportunities in defensive assets and how to best position them within portfolios to support both performance and client engagement.

This session will explore where each strategy could sit, what questions to ask of your managers, and how to think about reducing both gaps and double-ups. Just as important are the conversations to be held with clients regarding the defensive characteristics of a portfolio, and how frame them for a range of financial literacy levels.

CLOSE

SESSION #8

Pitch Pit

FORMAT

Pitch Pit



See next pages for details.

Grab a drink and join us on the IN trading floor.

COCKTAIL FUNCTION

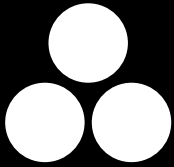
Each speaker will be asked to 'pitch' their highest conviction stock ideas in an environment akin to the NYSE trading floor.

In this more casual session, delegates will be presented with a series of rapid three-minute, best-idea presentations. Time limits will be strictly enforced allowing side by side comparison of unique and unconventional opportunities.



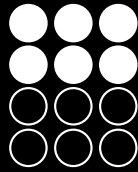
Innovative formats

THE MELDA



Designed by Melda Donnelly, this format involves two or three speakers presenting on a specific issue, for 15 minutes each, followed by interactive table discussions and a Q&A panel session.

THE HYDE PARK CORNER



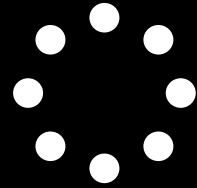
Two speakers debate a contentious idea: which side will you take?

THE CONFLICT DEBATE



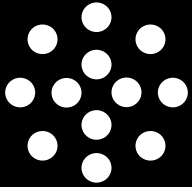
A combination of the Melda and a traditional debate, with audience input.

PITCH PIT



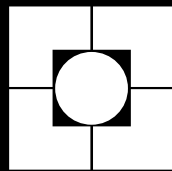
Delegates will be presented with a series of rapid two-minute, best-idea presentations. Each speaker will be asked to 'pitch' their highest-conviction stock ideas.

PECHAKUCHA



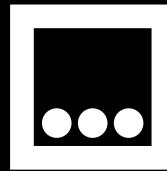
Content is capped at 12 slides, which automatically change after 20 seconds, ensuring a fast-paced but thought-provoking presentation.

INDUSTRY BREAKOUT



Over breakfast or lunch, with a square or rectangular table setting, and no sponsors.

FIRESIDE CHAT



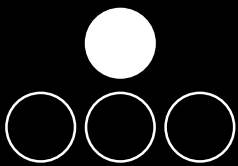
An informal yet structured interview between a moderator and a guest. It's a unique opportunity to uncover the speaker's personal stories and ideas.

KEYNOTE



A headline speaker who is an expert of their field, that will talk extensively on a specific topic.

PRESS CONFERENCE



An expert in their field receives robust examining from across the delegate cohort in a series of eclectic and thought-provoking questions.

The Inside Network

