

# **Alternatives and YFYS: Path forward for institutional asset owners and investment managers**

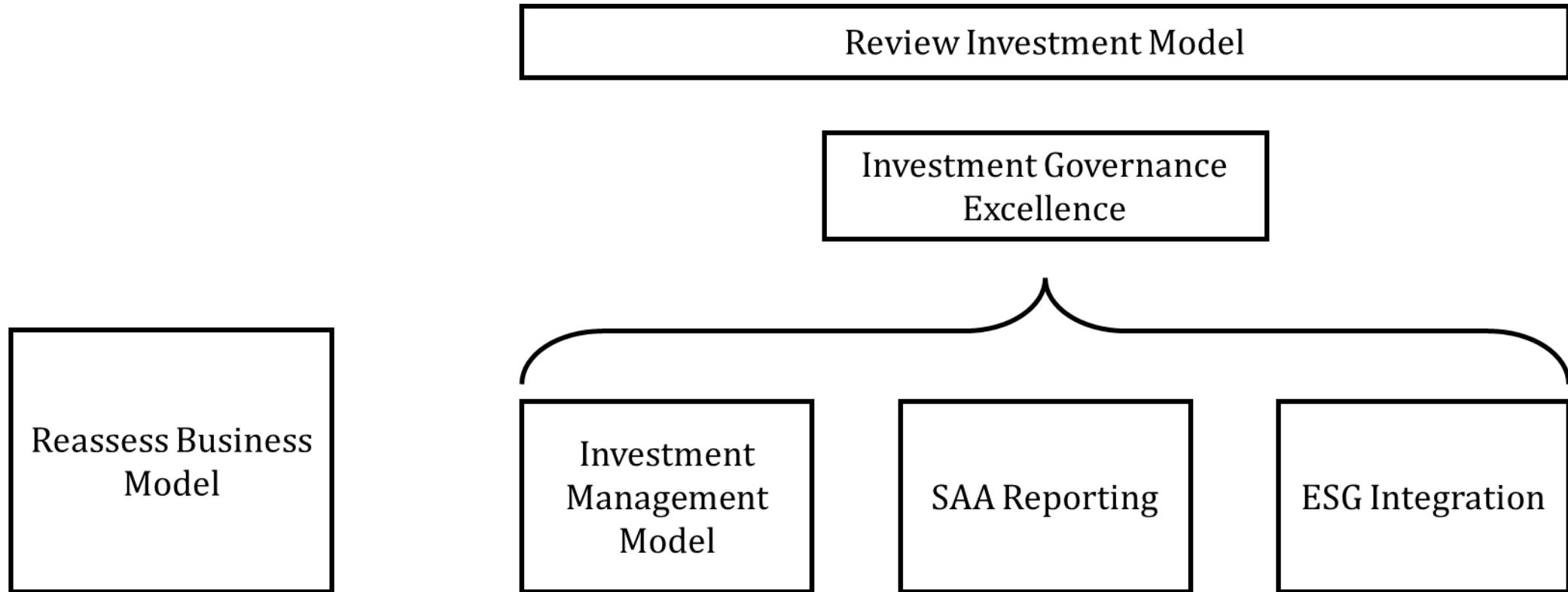
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# Adjustment period for super funds

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# Integrated decision-making tools

Member Outcome Characteristics

*E(return), risk characteristics, scenarios etc.*



Proposed Portfolio

- ▼ :
- ▼ :
- ▼ :



YFYS Assessment



*Likelihood of passing, which vintage etc.*

# Investment management models

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## Traditional SAA

- Universe: aligns with YFYS 'friendly' sectors.
- Implementation focus: controlled tracking error within sectors.
- Main portfolio management levers: asset allocation decisions across sectors.

## Advanced SAA

- Universe: broader than just YFYS 'friendly' sectors.
- Implementation focus: flexible, enabled by advanced operational and risk management which facilitate aggregated reporting on a YFYS basis (assets, scaled for YFYS benchmarks).
- Main portfolio management levers: asset allocation and implementation.

## TPA

- Universe: unrestricted, managed at a portfolio level.
- Implementation focus: flexible, enabled by advanced operational and risk management which facilitate aggregated reporting on a YFYS basis (assets, scaled for YFYS benchmarks).
- Main portfolio management levers: integrated asset allocation and implementation.

# Challenges in YFYS performance assessment

