SAFAA MONTHLY

December 2021

The new nominal

How can renewable energy help address the global food problem?

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An exchange of ideas: making investment style products mainstream

SUPER SNIPPETS

Reflections over 12 years

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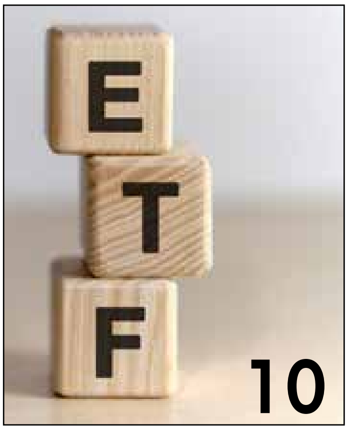

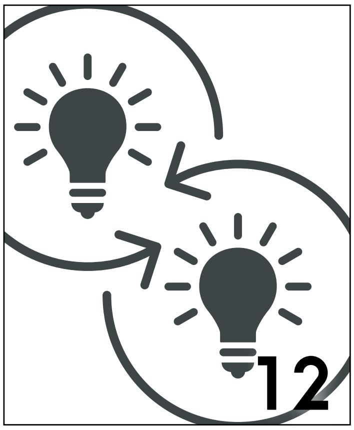

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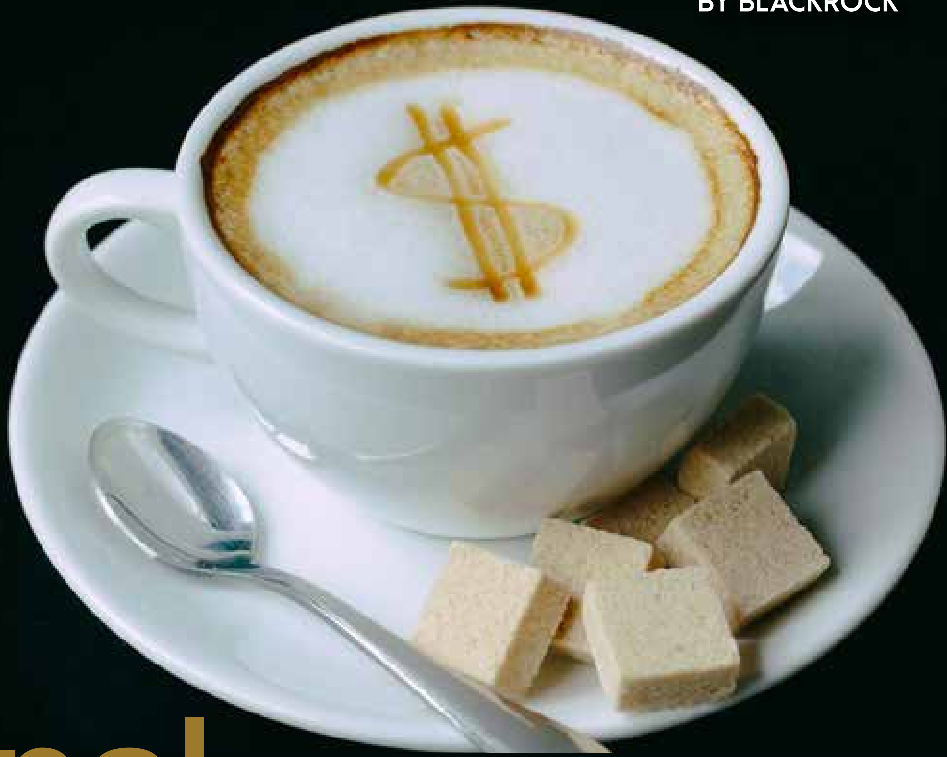
BY BLACKROCK



The new nominal

How much did your cup of coffee cost this morning? Was it more than it was a year ago? For many around the world it would certainly seem so, with the inflation debate taking centre stage in the media and around dinner tables (or café tables!).

So, what is it, why should we care and how can ETFs help us to deal with it?

Inflation is the rise in cost in an average basket of goods and services (measured by the consumer price index) – a high inflation rate means that the cost-of-living increases, putting pressure on household finances and also eroding the "value" of money (i.e., $100 buys you 20 coffees now but may only buy 18 in a years' time if their price increases).

The higher inflation gets, the less chance there is that savers will see any real return on their money.

> "The most important thing to remember is that inflation is not an act of God, that inflation is not a catastrophe of the elements or a disease that comes like the plague," said the Austrian philosopher and economist Ludwig von Mises.
>
> "Inflation is a policy."

Indeed, in an inflationary environment central banks are able to raise interest rates to slow down the rate of inflation.

However, policymakers now find themselves in a bind. In the current environment rates are being kept low in many markets to spur growth which decreased through global lockdowns. The Federal Reserve in the US have recently said they would be willing to allow inflation to rise as it keeps interest rates low. The RBA in Australia have been purchasing government bonds to keep interest rates low.

It's also important to note the unique circumstances of the pandemic environment. Global supply chains have been rewired in response to restrictions and complications that COVID 19 has imposed. Higher production costs, combined with unprecedented fiscal and monetary support, have fuelled inflationary pressures.

In Australia, fiscal stimulus, built up savings and low interest rates have all led to an increase in discretionary demand for durable goods. Mix in the supply chain issues that have plagued many of these price sensitive good sectors and the inflation narrative starts to look a lot like the overseas experience to date.

Given all this, and with the recovery out of recession being stronger and faster than expected, the risk of inflation is becoming more real.

BlackRock's Investment Institute believe this "new nominal" will be one of the key themes driving markets in the medium term – a higher inflation regime with a more muted monetary response than in the past.

The implication of this inflationary view for your portfolio: Inflation Linked Bonds and European Equities

What then, are the implications of this for your portfolio?

Firstly, it's important to note that some of the traditional inflation friendly investments such as real estate, commodities and precious metals pay little or no income and many investors don't hold enough of these in a portfolio to properly guard against inflation.

As such, fixed income remains a crucial part of investment portfolios. Even in a low interest rate environment, fixed income may provide risk diversification benefits which serve to protect portfolios in an equity market sell-off.

That said, the "new nominal" begs the question – what sort of fixed income should investors hold?

While we still advocate maintaining exposure to both government bonds and corporate bonds, we see inflation linked bonds as a tool to help inflation-proof your portfolio.

The chart opposite shows the extent to which inflation linked bonds can provide protection in an inflationary environment.

Inflation linked bonds primarily have medium to long term maturities and are typically issued by sovereign governments. These bonds have their principal amount and coupons linked to the rate of inflation. In this way the investor receives at maturity an inflation adjusted or 'real' return of their capital. Similarly, if inflation increases then so do the coupons paid on the bonds, and vice versa.

Given the desire of investors to maintain and grow the purchasing power of their savings through investing, you can understand why these deserve a place in a portfolio.

When used alongside other shorter duration exposures in a portfolio, investors can maintain broad, investment grade exposure, but with additional inflation protection.

Chart 1: Global inflation rates (CPI)

Source: Refinitiv Datastream and BlackRock Investment Institute, Nov 02, 2021
Notes: Lines show annual change in consumer price indexes (CPI). Japan data excludes food and from April 2014 is adjusted for direct effects of consumption tax rise.

Chart 2: Hypothetical portfolio stress tests

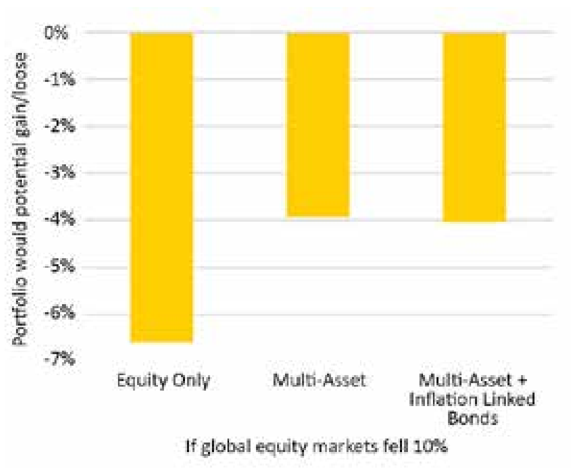
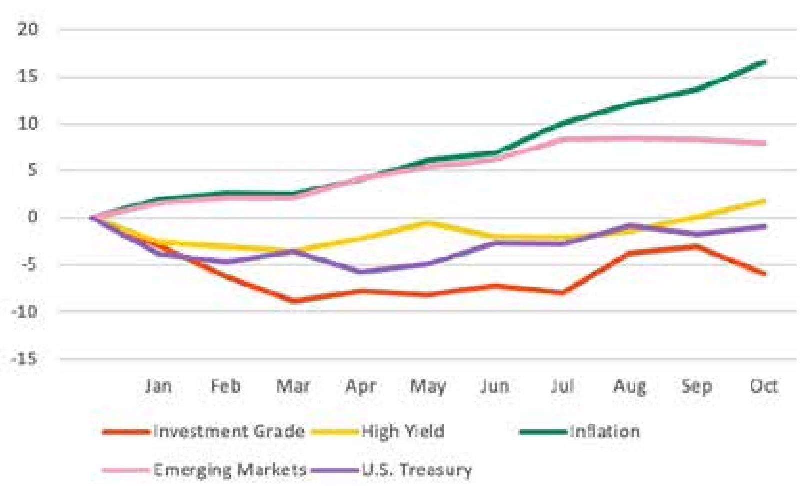


Chart 3: Global iShares Fixed Income ETF Flows (US$B)



Source: BlackRock, November 2021

Opportunities in European equities

The "new nominal" dynamic of low rates alongside a powerful restart also underpins our view on equities.

Within equities, we especially like the look of European equities.

European equities are well positioned to benefit from a cyclical upswing in economic activity, with an index composition historically weighted towards Financials, Industrials and Consumer Discretionary. An inflationary environment can provide these businesses with pricing power and help increase their profit margins.

However, Europe is more than just an economic reopening and recovery play. For instance, the European Tech sector looks set to benefit from its high exposure to semiconductors at a time of increasing demand and limited supply. Such sectors offer the prospect of quality and growth, meaning investors in European equities need not place all their eggs in the 'value' basket.

Eurozone earnings have also started to gather steam. Corporate earnings revisions are on the rise in Europe (reflecting increasing expectations of future performance) just as these are beginning to stall in the US. All this, at a time when European valuations are at their most attractive relative to the US in more than 20 years.

Conclusion

The powerful economic restart is broadening, with Europe and other major economies catching up with the US.

With interest rates kept low to spur the recovery from lockdown and pandemic-related supply chain disruptions continuing, a higher inflationary environment in Australia appears inevitable.

That said, fixed income remains an important part of an investment portfolio. For instance, inflation linked bonds can potentially help to alleviate the effects of inflation on your portfolio and leave you well equipped for this "new nominal".

In terms of equities, Europe is especially well positioned for the post-COVID economic recovery.

Investors can implement their view through cost effective and transparent ETFs.

With a well-positioned portfolio, you can have more confidence you won't need to sacrifice that morning coffee. ■

Season's Greetings

We extend our best wishes for a festive season, after another challenging year, and a peaceful and prosperous new year.

Regards
The team at SAFAA

PLEASE NOTE: SAFAA's office will be closed from **25 December 2021** to **4 January 2022**. The Education Help Desk will be closed from 23 December, reopening 4 January 2022.

SAFAA Newsroom

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BY DIEGO VARGAS MALDONADO AND GEORGINA MURRAY,
Altiorem

How can renewable energy help address the global food problem?

The global food system is at a critical moment requiring transformation to overcome significant challenges. Sadly, the world is not on track to achieve Sustainable Development Goal (SDG) 12.3 – and staggeringly, 14% of food produced is lost between harvest and retail, while an estimated 17% of total global food production is wasted. Agriculture is responsible for 30% of the world's greenhouse gas emissions and this is only predicted to increase by 15-20% by 2050.

At the same time, 1 in 9 people go to bed hungry each day, a situation that has also been exacerbated by COVID. And with the global population projected to reach over 10 billion by 2050, we will require a 70% increase in food production. This becomes more difficult as land suitable for farming is shrinking by five million hectares every year, soil quality and agricultural yields are decreasing, and weather extremes and physical risk impacts on crops are increasing.

Demand for water, food and energy is increasing, driven by a rising global population, rapid urbanisation, changing diets and economic growth. Agriculture is one of the main causes of the climate crisis using one-quarter of the global energy expenditure while food waste is the third-largest emitter of carbon dioxide globally. At the same time, agriculture is also one of the core answers to the crisis. Food security, energy security and sustainable agriculture are thus a critical ESG investment consideration in the context of ensuring water and food security, as well as sustainable agriculture and energy production worldwide.

One of the opportunities that comes out of this problem relates to renewable energy. With more than

250 million tonnes of food wasted annually in developing countries, increased access to energy could help modernise the food chain. In developing countries, 40% of food loss occurs after harvest and early in the supply chain. The International Energy Agency (IEA) states that there is a massive opportunity to sustainably supply electricity to 1 billion people who live without electricity while improving food security for the developing world. Renewable energy generation through mini-grids, solar panels and decentralised renewables can offer an opportunity to diversify farm businesses, reduce energy costs, boost yields of some crops and reduce food waste through cold storage. Two examples of these innovative approaches to sustainable farming come from Ecuador and Perú.

The world is faced with a huge challenge whereby we need to feed a significantly larger number of people, while using less land, mitigating climate change, wasting less food, improving biodiversity and improving nutritional value.

Over the last decade, the Ecuadorian government, private entities and international financial institutions such as the Inter-American Development Bank came together with a goal of developing clean, sustainable electrification of isolated communities. In 2013, they developed a Rural Electrification Project using renewable energy in isolated areas of Ecuador[1]. In the northeast of Ecuador, two isolated communities have benefited from this financing agreement as a result of the high water flow and solar exposure in the region. The creation of a photovoltaic microgrid and installation of hydrokinetic turbines[2] has improved agricultural performance and provided access to better irrigation and heating systems. This in turn has allowed the communities to leave behind highly demanding farming techniques and enabled them to commercialise products such as cacao seeds[3].

In Perú, the Departmental Federation of Farmers of Cusco (DFFC) has helped to modernise and develop sustainable agricultural practices in rural communities[4]. Over the past almost 30 years, farmers have benefited from the installation of wind turbines, photovoltaic technologies that power kitchens, driers, sprinklers and the use of biodigesters as well as education from the department to help with understanding of these technologies[5]. Families have gone from facing food insecurity and simple diets to diversified and nutritious diet with up to 30 varieties of crops. This is purely thanks to these new irrigation systems, crop rotation techniques, the use of biofertilisers and biological pest control. The use of renewable energy has also helped strengthen food storage practices that guarantee availability of food in the event of a crisis.

Evidently, there is a further need to completely reorient agricultural practices to producing healthy food in more efficient, sustainable and productive ways much like these examples. Innovations and digital technologies have the potential to raise crop yields by 50% and reduce emissions from farming over the next two decades. Adaptation projects have supported smallholder farmers in building climate-smart agriculture, incorporating new techniques in water harvesting, crop and income diversification, developing markets for climate-resilient crops, improve land management, and weather insurance.

The world is faced with a huge challenge whereby we need to feed a significantly larger number of people, while using less land, mitigating climate change, wasting less food, improving biodiversity and improving nutritional value. Despite this hugely complex challenge that requires collective action on agricultural productivity, renewable energy and climate action, there is hope in innovation and the improvements in the sustainability and productivity of agriculture.

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1 Manzano L, Evaluacion de modelos energéticos sostenibles en entornos rurales aislados de la amazonía del Ecuador, University of Zaragoza, 2021, p. 33.

2 Manzano L, Evaluacion de modelos energéticos sostenibles en entornos rurales aislados de la amazonía del Ecuador, University of Zaragoza, 2021, p. 208.

3 Manzano L, Evaluacion de modelos energéticos sostenibles en entornos rurales aislados de la amazonía del Ecuador, University of Zaragoza, 2021, p. 218.

4 Ariza J, Morante F, Soberanía alimentaria y tecnologías sociales: una experiencia de desarrollo autónomo desde los Andes del Perú, Autonomous Mexico State University, 2019, p. 4.

5 Ariza J, Morante F, Soberanía alimentaria y tecnologías sociales: una experiencia de desarrollo autónomo desde los Andes del Perú, Autonomous Mexico State University, 2019, p. 6.

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CPD webinars

Stay on top of your CPD with these SAFAA-accredited CPD webinars – FREE for Practitioner, Affiliate and employees of Principal Members.

An update from AFCA *Wednesday 8 December | 1.00 to 2.00pm*

Hear from Shail Singh, Senior Ombudsman at AFCA, as he provides insights into how AFCA will respond to the recommendations of the recent Treasury report into AFCA's operations. As part of this Shail will also discuss AFCA's approach to complaints from wholesale clients.

FASEA CPD: 1.00 hour Professionalism and ethics | RG146: 1.00 Generic knowledge


Shail Singh

Harness demographic trends shaping global growth *Wednesday 9 February | 1.00 to 2.00pm*

Join Anthony Doyle, as he sits down with Aneta Wynimko, Alex Gold and Oliver Hextall, UK based Portfolio Managers of the Fidelity Global Demographics Fund, as they discuss the demographic themes of longer lives, better lives and more lives and where they are finding exciting new investment opportunities that capture these themes.

FASEA CPD: 1.00 hour Technical competence | RG146: 1.00 Generic knowledge


Anthony Doyle

Suspicious matter reporting *Wednesday 9 March | 1.00 to 2.00pm*

Richard Lee, Director of the Industry, Education & Outreach team at AUSTRAC, will provide you with an overview of reporting suspicious matters to AUSTRAC, including what AUSTRAC is seeing, some do's and don'ts when reporting and how they play a critical role in protecting the financial system and our community from serious crimes.

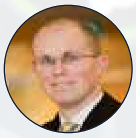
FASEA CPD: 1.00 hour Regulatory compliance and consumer protection | RG146: 1.00 Generic knowledge


Richard Lee

An update on DDO implementation *Wednesday 16 March | 1.00 to 2.00pm*

In addition to providing an update on DDO implementation, Corey McHattan, a partner with Ashurst, will also discuss how to address the challenges of undertaking the reasonable steps obligations for general and non-advice clients and the danger of straying into personal advice. This webinar will provide a great opportunity to clarify those areas most concerning you.

FASEA CPD: 0.5 hour Regulatory compliance and consumer protection, 0.5 hour Professionalism and ethics | RG146: 1.00 Generic knowledge


Corey McHattan

Practitioner & Organisation Members: FREE

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BY DUNCAN BURNS, Head of Investment, Asia Pacific, Vanguard Australia

Why investors should treat exotic ETFs with caution

A low-cost, diversified core portfolio with only a few exciting satellite exchange traded funds (ETFs) is the best way to build your wealth without taking on too much risk.

The full Australian exchange traded fund menu is truly world class—access to entire markets and diversified portfolios, both global and local, are available with just one click.

Innovation in the Australian ETF space is also booming, with ETF providers capitalising on investor interest and branching off into specific industry sectors, themes and more exotic areas of the market. For better or worse, Australians may soon have a range of cryptocurrency ETFs to choose from.

But while this product proliferation is exciting, investors should consider the risks of shiny new thematic ETFs before investing. Many within this new wave of more exotic ETFs are highly concentrated or highly volatile.

While the experience of watching an exotic ETF grow exponentially in little time can be exciting, remember that without the benefit of diversification, volatility will go both ways—up but also down.

Any investor with a vague memory of the 1990s might remember the dotcom boom that eventually became the dotcom bust. Investors who went all in on the technology sector would likely have experienced a 75% or more loss during the crash in April 2000. And because the power of compounding cuts both ways, a 75% drawdown in a portfolio would take more than a 200% return to recoup losses.

So unlike last year's coronavirus-induced market correction, poorly diversified investment portfolios never fully recovered from the dot-com bubble, with countless investors left hanging when many companies went bust.

A core-satellite approach can keep your portfolio interesting without risking everything

One alternative to going all in with thematic or exotic ETFs—or any other investment—is the core-satellite approach, where the majority of the portfolio is allocated to broad-based, diversified ETFs and a small portion of the portfolio is set aside to actively trade and take ETF long shots.

If the idea of a generally "boring" portfolio chafes, consider the well-researched theory that almost 90% of a portfolio's long-term returns are determined by asset allocation, with security selection and market timing playing only minor roles in comparison.

The core-satellite concept recognises the fundamental differences between index and active fund management and combines the best aspects of both approaches.

The aim of an index fund is to track market performance (beta) at a low cost to the investor. In contrast, the aim of an active fund is to seek outperformance of the index (alpha) through security selection or market timing.

Active funds often hold a smaller number of securities. Active funds require more initial and ongoing analysis and rely more heavily on the skill of individual portfolio managers to pick the right stocks. As the name suggests, they tend to transact more often, resulting in higher portfolio turnover, which may lead to higher realised tax gains and higher costs to the investor in pursuit of expected returns.

Core-satellite delivers the best of index and active. It's a common-sense approach to portfolio construction for which ETFs are ideally suited. Using index ETFs as the 'core' of your portfolio, indexing offers a low cost, more tax effective and diversified portfolio. Meanwhile, carefully selected active 'satellite' ETFs—which may even include ETFs of the more exotic kind mentioned earlier—can complement the core by giving potential to outperform the market.

When it comes to portfolio construction, Vanguard believes in a diversified, top-down approach. Investors should focus initially on their risk profile and strategic asset allocation, followed by core-satellite ratios and manager selection decisions.

Decisions around manager selection and core-satellite splits will, in part, depend on the investor's risk profile. Generally, allocations to the core should be higher for investors with a lower propensity for risk taking.

Core and satellite ETF allocations may vary for each asset class due to their differing return dispersion characteristics. Where confidence is high that an active management approach will have the potential to outperform, the satellite allocation will be greater.

Whether in Australia or overseas, the lion's share of ETF assets is managed through an index approach and benchmarked to broad market, well-diversified indexes.

Satellites that display low levels of correlation with respect to excess return should be chosen, providing added diversification and complementary risk and return characteristics to a portfolio. The selection of active satellites is a key decision point and should be considered in conjunction with input from relevant dealer groups and underlying research.

A periodic review of your investment approach and philosophy should be a continuous and evolving process to achieve the best outcome. Keeping up to date with recent research on 'best practice' models and the enhancements offered through a core-satellite approach will help build an understanding of the underlying benefits of the strategy.

Boring is best when it comes to building long-term wealth

The ETF has come a long way since it was launched in Australia in 1993. Investors now hold more than $125 billion in over 250 different Australian-listed ETFs. This revolution is showing no signs of slowing. In 2021, Australian ETF inflows have hit $20.2 billion year-to-date to the end of October, putting us on track for a record year.

Pleasingly, growth and competition in ETFs is driving costs and management expense ratios down for investors. One recent Vanguard analysis conservatively estimates that indexing and ETFs have delivered investors over $4 billion in cost savings in Australian equities alone.

The success of ETFs can in part be attributed to another important financial innovation from the 20th century—the index fund. Portfolio construction tools that used to be accessible primarily to professional investors are now available—through ETFs and indexing—to the everyday investor.

Whether in Australia or overseas, the lion's share of ETF assets is managed through an index approach and benchmarked to broad market, well-diversified indexes.

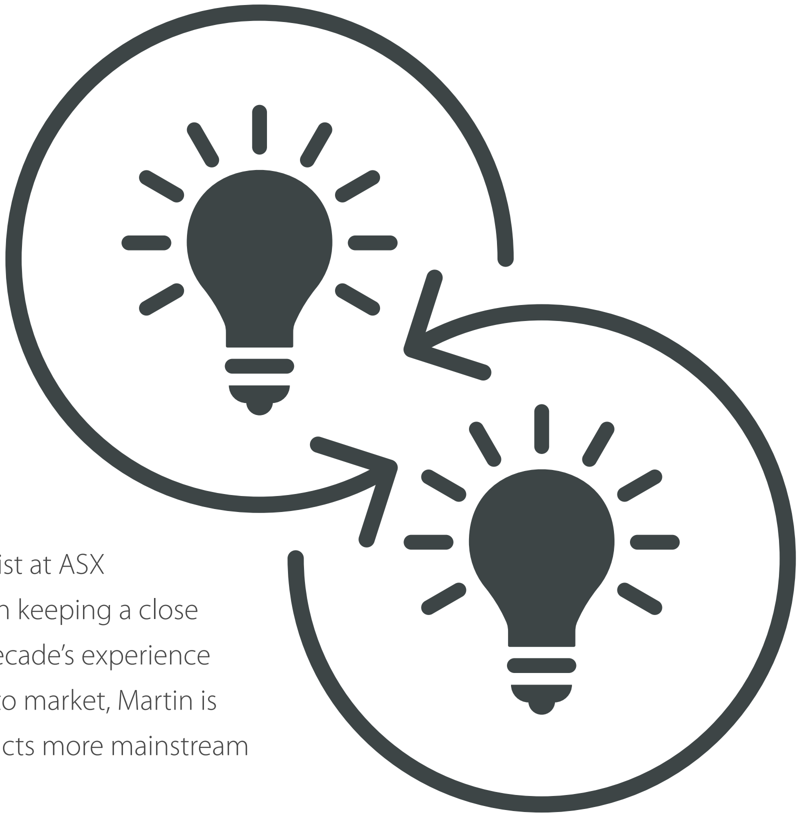
The plethora of options includes vanilla equity and fixed income index ETFs as well as actively managed equity and fixed income ETFs, diversified environmental, social and governance (ESG) ETFs, and even multi-asset or target date ETFs.

Being boring works when it comes to building your long-term wealth. Just like how regularly eating a heathy diet with an occasional treat helps to keep your body in shape, a low-cost, diversified core portfolio with only a few exciting satellite ETFs should do the same for your finances. ■

A version of this article first appeared in the AFR on 28 September 2021.

BY THERESA LINTVELT, Brand Content and Insights Manager, ASX

An exchange of ideas: making investment style products mainstream



When ASX conducted its bi-annual Australian Investor Study (AIS) early in 2020 – the signs were already there that investors and investment preferences were shifting. But information and expert insights were not always easy to come by.

Martin Dinh, a senior investment product specialist at ASX and host of The Idea Exchange podcast, had been keeping a close eye on these market dynamics. With close to a decade's experience in bringing more than 100 investment products to market, Martin is passionate about making investment style products more mainstream and building a robust investment eco system.

The AIS found that a raft of new first-time investors were actively investing or looking to enter the market in the next 12 months. In addition to this, the investors surveyed indicated – rather than showing a strong preference for Australian equities only – they were increasingly considering a range of different investment products including ETFs, A-REITs and LICs[1].

Shortly after running the AIS survey, the world changed significantly as the COVID-19 pandemic took hold. Markets fell, but rather than discouraging new investors, many saw it as an opportunity to enter the market at a low point.

And, in a subsequent ASX survey of investors to gauge the impacts of the COVID pandemic on investment intentions, more than a third of new investors stated that they had invested all their spare cash in response to market volatility.

Martin saw an opportunity to connect industry insiders with advisers and end-investors – building the profile for a range of investment style products and using a podcast format to connect with hard-to-reach younger audiences.

The idea to create a podcast started a few months earlier when Martin attended the world's largest ETF conference in the US – "Inside ETFs". ETF analyst and host of the Bloomberg podcast, Trillions –Eric Balchunas – was one of the presenters. He spoke about how he had established a successful podcast focusing solely on ETFs.

Martin came back to Australia with the idea to create a similar podcast that could provide greater exposure for products likes ETPs, A-REITs, LICs and LITs, infrastructure funds and unlisted funds to Australian

"It's not about stock picking. We are able to provide education and insights that are unbiased, and we're really able to minimise the sales pitch so that the content we provide is beneficial to investors, helping them navigate their investment journeys."

investors, while tapping into leading investment minds.

Says Martin: "I started looking at different podcasts and there are lot of general finance podcasts out there focusing on topics like budgeting – but nothing on investing in different types of products."

He goes on to say: "With a growing interest in investment style products and a new type of investor coming to the market, there was a real opportunity to help educate investors and also help build the investment ecosystem."

Since the launch of the first episode of The Ideas Exchange podcast in February 2021, Martin has hosted 11 episodes, and listenership is growing steadily with more than 16,000 downloads of the series.

Martin is leveraging the experience and connections that he has made during his time with ASX to bring fresh, new insights to listeners of the podcast. With ASX's strong profile and network, Martin has been able to host some of Australia's leading investment experts on the show. Increasingly both brokers and their clients are listening to the podcast to gain access to the views and insights of these subject matter experts.

"What differentiates The Ideas Exchange from other investment podcasts is that you are getting the view from the perspective of a stock exchange." Says Martin. "It's not about stock picking. We are able to provide education and insights that are unbiased, and we're really able to minimise the sales pitch so that the content we provide is beneficial to investors, helping them navigate their investment journeys."

As the podcast has evolved, it has moved from covering basic concepts, and is now introducing more complex topics such as unique investment ideas, looking at the video game and e-sport sector as well as more biographical episodes that look under the hood of small cap Australian sector companies, and how fund managers operate.

As a result of the wide range of content, more investment professionals are now subscribing and listening. They are not only sharing the content with their clients, but also looking to gain deeper insights into less familiar investment style products, and how to use this in terms of portfolio strategy and being able to advise their clients on these products.

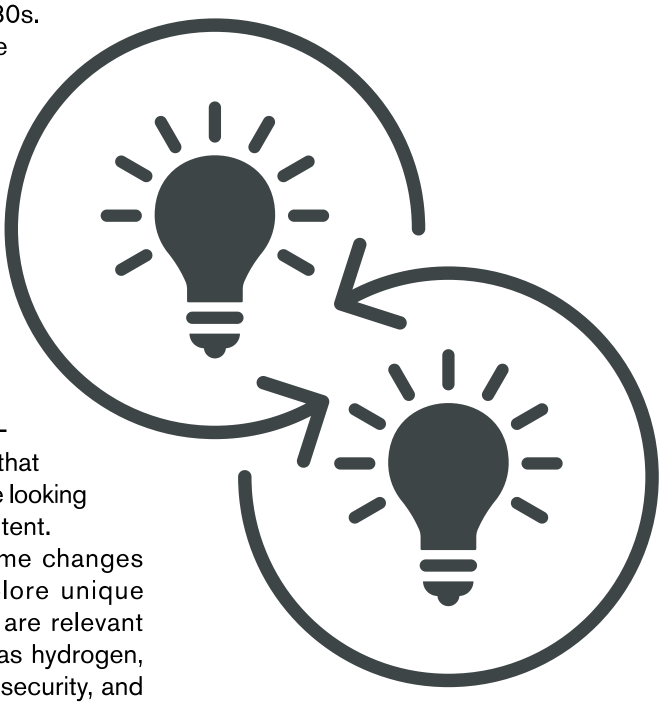
The podcast has successfully targeted millennial investors, with more than a third of listeners in their 20s and early 30s. But older listeners are increasingly tuning in, looking for different options and insights on how to create capital, diversify their portfolios and create income streams. The most successful episodes of the podcast have covered the basics of investment style products, but Martin notes that increasingly listeners are looking for more advanced content.

"We are making some changes in 2022 and will explore unique investment ideas that are relevant in today's world, such as hydrogen, crypto currency, cyber security, and clean energy, to name but a few", says Martin. "We will continue with popular topics like ETFs and will look at more tangible examples so that investors can apply these when they make investment decisions."

From 2022, the podcast will feature more hosts from ASX – including Anastasia Anagnostakos and Helen Chong.

"I'm excited about sharing the hosting of The Ideas Exchange podcast." Says Martin. "Both Anastasia and Helen bring a wealth of experience and new connections, and this will provide our listeners with even more great content and insights." ■

To find out more about The Ideas Exchange podcast go to www2.asx.com.au/theideasexhange or subscribe using your preferred podcast provider.



[1] Source: ASX Australian Investor Study 2020 – www2.asx.com.au/blog/australian-investor-study

ASF Awards Dinner 2021

SAFAA was pleased to be involved with the 2021 ASF Awards Dinner held on Friday 26 November at the Hilton Sydney. Over 260 gathered to recognise and celebrate award recipients and of course to raise money for charity.

Pleasingly, SAFAA's own Chairman, Brian Sheahan, received the honoured 'Hall of Fame' award. Brian has been an unstinting advocate on behalf of the stockbroking industry and has a talent for working with others to seek the right outcome for the industry.

Award recipients:

Hall of Fame:	Brian Sheahan
Best IPO:	Canaccord
Best Placement:	Morgans
Block Trade Deal of the Year:	Goldman Sachs and Macquarie
Research Award:	TSM Lim Bell Potter
Service Awards:	Richard Coppleson, Danny Dreyfus, Rob Jackson, Evan Lewis, Michael Walsh

35 year service award recipients from left to right: Evan Lewis (Ord Minnett), Michael Walsh (UBS) and Danny Dreyfus (Morgans)

Auction in action

Market Manipulation & Other Prohibited Conduct

Tuesday 1 March 2022 | 11.00 – 1.15pm

This workshop on the prohibition on creating or maintaining an artificial price for trading in various financial products, including shares and futures, will benefit all who wish to gain an understanding of markets and the consequences of breaching obligations. Designed to suit the needs of financial market professionals from the front and back office, this is a great opportunity to brush up on your obligations, learn how to protect yourself and understand the difference between manipulation and ordinary market forces.

PROFESSOR MICHAEL ADAMS is a specialist in Australian corporate law and international corporate governance. Michael has expertise in financial services regulation, information governance, consumer protection and the broader area of legal technology and education. Professor Adams was Dean of Law at Western Sydney Law School from 2007 to 2017 and from 2019 the Head of the University of New England Law School.

Dates & Times (*includes 15 min break*)

Tues 1 March, 11.00 – 1.15pm AEDT

Cost

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24 November	Gold in the decade ahead, Jordan Eliseo, Manager-Listed Products and Investment Research, The Perth Mint
17 November	If conventional fixed income is not doing its job where can you find a defensive alternative?, Sam Morris, Senior Investment Specialist, Fidante ActiveX; Matthew Holberton, National Manager – Listed and Capital Markets, Fidante ActiveX
11 November	Yield, alpha, ESG: you can have your cake and eat it too, William Deer, International Equities Investment Specialist, Pengana Capital; Conor O'Daly, Listed Investment Product Specialist, Pengana Capital
27 October	Cybersecurity: managing threats and risks, Shane Bell, Partner, McGrathNicol
20 October	Anti-hawking provisions and update on breach reporting, Michelle Levy, Partner, Allens Simun Soljo, Partner, Allens
13 October	Value: Why this is a long-term play, Beatrice Yeo CFA, Economist, Investment Strategy Group, Vanguard Australia; Ian Boater, Active and ESG Sales Development Manager, Vanguard Australia;Matthew Cho, Investment Product Manager, Vanguard Australia
29 September	Discover the income and resilience of Commercial real estate debt, Andrew Schwartz, Group Managing Director & Co-Founder, Qualitas Group; Nick Bullick, Portfolio Manager, Qualitas Group
22 September	Private wealth management: global trends & future predictions, Michael Blomfield, Chief Commercial Officer, Iress
8 September	Single Disciplinary Body, Judith Fox, CEO, SAFAA; Michelle Huckel, Policy Manager, SAFAA
25 August	Electronic execution of documents, Paul Derham, Partner, Holley Nethercote
11 August	DDO – what's next?, Corey McHattan, Partner, Ashurst
28 July	Managing the professional year, Joel Ronchi, myIntegrity
14 July	European Capital Markets update from Euronext, Michele Troiani, and Roberto Bonalumi, Euronext Group
23 June	Cryptocurrency and blockchain, Caroline Bowler, BTC Markets
15 June	Global market investment options, Peter Harper, Capital Markets and Institutional Business
9 June	General v Personal advice, Paul Derham, Holley Nethercote
26 May	Building climate-ready portfolios with ETFs, Marie Tsang CFA, Black Rock
28 April	Emerging markets in a re-opening world, Anthony Doyle, Fidelity International
20 April	Blending ETFs with other investments to increase diversification and lower portfolio costs, Cameron Gleeson, BetaShares
14 April	Workflow automation – moving beyong DocuSign, Stephen Handley, Fin365
24 March	Property Credit and Income, Michael Watson, La Trobe Financial
16 March	ETFs for a post-COVID market, Adam O'Connor, BetaShares
10 March	Not-for-profit and charity investment, Jodi Kennedy, Equity Trustees, Grant Mundell, Equity Trustees; Thomas Klein, Equity Trustees
24 February	Strategies to pass the FASEA exam, Joel Ronchi, myIntegrity
10 February	Are you ready for DDO?, Corey McHattan, Ashurst

SUPER SNIPPETS | by Peter Grace

Reflections over 12 years

The first Super Snippets article was published in May 2010 and covered wash sales (selling shares just to reset the CGT value). This is 124th edition and the last Super Snippets article from me.

Over the last twelve years, these articles have charted changes and key issues in superannuation. The focus has been on SMSFs and funds where stockbrokers could advise on securities. From time to time, the articles covered other areas like insuring fund assets or insuring the life of members.

Not surprisingly, the fundamentals of superannuation were covered more than once. Examples are:

- The **sole purpose test** – superannuation must be maintained to provide benefits to members on their retirement or to their dependants on death before retirement.
- The role and challenges of **trustees** where they manage their own retirement savings.
- The SIS covenants and in particular the requirement to create, implement and periodically review an **investment strategy**.
- Creating investment portfolios to manage **longevity** – the risk of running out of money in retirement.
- Freeing up restrictions so that members can make **fund and investment choices** to suit their personal circumstances.
- The ATO is the regulator of SMSFs. Trustees must stay informed and **comply** with ATO legislation and regulations.
- Meeting the requirements of fund **auditors** in preparing the annual report to the ATO.
- **Resolving complaints** from members through internal dispute resolution and external dispute resolution bodies (over time these have been the SCT, FOS and now AFCA).

Some articles featured moments of significant change such as:

- Allowing SMSFs to borrow to invest through **Limited Recourse Borrowing Arrangements**.
- Limits on how much can be put into super with **contribution caps**.
- Changes to the **contribution rules**. What type of contribution? How much can I put in? What are the penalties for getting it wrong?
- The **Transfer Balance Cap** which limits the amount of super that can be converted to a pension.

Occasionally an article explored tricky compliance questions such as can a SMSF invest in cryptocurrency.

Many articles covered major trends in the industry like:

- The **growth of SMSFs** from just over 100,000 in 1996 to about 600,000 in 2021.
- The emergence of **mega funds** holding over $100b in assets.

There is one certainty: superannuation changes remain frequent, which means advisers need to stay abreast of the regulatory framework. Articles on superannuation are not about to cease. Another author will take the reins in 2022.

Stockbrokers and Financial Advisers Association

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