

Client Function Enjoyed By All

11 September 2003

In the first week of September over 50 clients and guests attended our Spring function, where fabulous food and wine were enjoyed by all. Continuing our tradition of previous functions the standard of speakers was again outstanding. Clients enjoyed a convivial atmosphere which lasted well into the evening.

It was more than just a social function as our aim is to help our clients better understand investment markets and introduce them to respected and talented investment professionals. At earlier functions property investments and equities were covered and this time we heard from three speakers on alternative investments. Stuart Fowler and Steve Howell of Basis Capital and James Chirnside of Asia Pacific Asset Management presented.

The choice of topic was timely as alternative assets have been very much in the news lately. With the collapse in equities over recent years and with property and fixed interest investments fully priced, investors are turning their attention to alternative investments. These investments include, but are not limited to, hedge funds, listed investment funds, commodities and hybrids such as the ANZ StEPS (Stapled Exchangeable Preferred Securities).

The speakers outlined some of the strategies that hedge funds use - and there are many of them - and explained why they respond differently to traditional asset classes. For this reason fund managers are favouring them for a proportion of their portfolios to lessen overall volatility. The general perception of hedge funds is that they are risky but this reputation is not warranted as the speakers explained. Hedge funds are simply more active than traditional funds.

The speakers went on to say that hedge fund industry in Australia had inflows of \$1.25 billion in the June quarter, a 17% rise which indicates significant support from professional and individual investors. This is understandable in the context that many hedge funds have delivered better returns than traditional stock market investments during the bear market of the past few years.

Questions from the floor were many and varied, which probably reflects the complex nature of the issues surrounding alternative assets but worthwhile taking the time to understand.

Feedback from clients has been overwhelmingly positive. So if you would like to join us at our next function please forward an email to advice@platinumhouse.com.au including your postal address, and we will include you on our invitation list.