Portfolio Tax Strategy: An Application of Reputation Responsibilities & Long-term Asset Allocation

06:00 BST | 10 May 2022

Investment organizations around the world face an array of ever-changing external expectations, and those expectations create important, practical responsibilities for portfolio managers and other core investment staff when they align with an organization's purpose.

One example is the responsibility some asset owners have for how they approach taxation within their investment vehicles and portfolio companies, as sovereign wealth funds like Future Fund and Norges describe publicly. Fulfilling responsibilities like these simultaneously preserves an asset owner's reputation and shapes it's investable universe, with all the corresponding effects on strategy, asset allocation, portfolio construction, and risk management. FCLTGlobal provides investors with tools to manage these responsibilities and their statistical effects in long-term ways.

This 60-minute panel discussion will use portfolio tax strategy examples to illustrate how an organization's responsibilities intersect with its core investment activities and its reputation.

AGENDA

Welcome **Victoria Barbary,** Director of Strategy & Communications – IFSWF	5 mins
Panel Discussion **Will Hetherton,** Head of Corporate Affairs – Future Fund **Will Kinlaw,** Head of Research, State Street Global Markets **Matt Leatherman,** Head of Programs – FCLTGlobal (Moderator)	35 mins
Interactive Question-and-Answer	15 mins
Next Steps & Adjournment **Victoria Barbary,** Director of Strategy & Communications – IFSWF	5 mins

KEY QUESTIONS

1) How can responsibilities that govern how an investor earns its return influence core investment activities like asset allocation, portfolio construction, and risk management?

2) In what ways does taxation illustrate this relationship between an investor's responsibilities and core investment activities?
   - Why does a long-term reputation in this respect matter for investment staff?

- Isn't any strategy other than maximal tax efficiency a limitation on financial performance and a concern in terms of fiduciary duty?

3) To what extent does fulfilling this responsibility require an investor to align its activities with partners, like clients, managers, and portfolio companies? What are the implications for core investment activities?

4) How does an investor's time horizon change the opportunities and challenges associated with responsibilities that it may have related to tax strategy?

5) What tools does an investor have for balancing the ways in which it fulfills its responsibilities and its performance standards?