

# Global CIO Isaac Poole on What's On The Cards for Oreana

As the world begins to return to something resembling normalcy, boutique investment and wealth management Oreana is continuing to make it's mark in the Australian and Asian markets. From his position at the helm of the investment arm of Oreana Financial Services, the Oreana Portfolio Advisory Service, Global Chief Investment Officer Isaac Poole took the time to offer us his insights into what the future holds for the growing operation, which currently advises on over USD5 billion. Poole shared with Hubbis his feelings on the investment landscape which may materialise on the horizon, before delving deeper into how the firm aims to best support clients in navigating this picture ahead, commenting on both the nature of the advice to be offered, and the products and solutions that may best benefit clients' portfolios. And with the (hopeful) end of the reign of Covid-19, he shared details of plans to enhance Oreana's platform offering, as well as turning an astute eye to the increasingly prominent role that ESG and impact investing has to play in the future of advisory and investing.



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**ISAAC POOLE**  
Oreana

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### **What are your views on the investment markets over the next 6-12 months?**

We expect the global economic recovery is durable and will become entrenched over the near-term, giving way to a relatively extended economic recovery.

That leaves us positive on global equities. We think US equities will outperform and the steepness of the yield curve – which could widen out another 50bps over the next year – will benefit cyclical and financial sectors.

Sovereign debt is going to struggle in this environment to deliver returns anything like what we have seen over recent years. We expect longer-dated real and nominal yields to drift higher, keeping inflation expectations largely anchored around the or a bit below most developed market central banks’ targets.

Defaults and downgrades are unlikely to surge in the near term. That will be a broad positive for corporate credit including IG and HY.

### **Given your view, what advice would you offer clients around how they position their portfolio?**

We think it is appropriate to be overweight equity risk and corporate credit, funded out of cash and sovereign allocations. It is still important to hold some longer-dated sovereign debt as that provides something of a risk hedge against volatility, particularly as yields have moved higher from very low levels seen in 2020.

We still think EM Asia will provide opportunity for solid returns, particularly compared with non-Asia EM. We have tilted to this risk and think China has become more attractive following the recent weakness.

### **What products or solutions would be worth considering to help them achieve these outcomes?**

We have been managing a range of discretionary portfolios for our clients through the past three years. They are actively managed using our dynamic asset allocation processes – focusing on delivering great risk-adjusted returns through the economic cycle.

These portfolios have delivered very strong returns for our clients through the last three years, particularly through 2020. We continue to think actively managed portfolios with repeatable, credible processes and clear governance structures are a really strong proposition for clients.

Our portfolios are able to take a global view, and allocate across all product ranges to best reflect our asset views. Right now, we remain overweight US and Chinese equities, and have reduced our exposure to sovereign debt. We work very closely with the managers we use to implement these views, as it is important in discretionary portfolios to carefully implement our beta views, while still allowing some freedom for our managers to deliver alpha.

**How are you looking to enhance your investment platform and services in the next 6-12 months?**

Oreana Financial Services are in the process of launching our Singapore

Separately, our low cost, Active Beta solutions are also coming online. These solutions provide the same great portfolio management and outcomes but are targeted at investors who are more sceptical about manager

**There continues to be growing interest in ESG and Impact Investing. How are you embracing this opportunity with your clients?**

We have found increasing interest and demand for sustainable investing solutions from our client base in Asia and Australia. We recently published a Whitepaper setting out a framework that could be used to understand the topic, and the impact it could have on the industry over the medium-term.

We hold core beliefs about the importance of sustainable investing and have been embracing the journey for some time now. It is becoming increasingly possible to build solutions for clients that reflect their values and beliefs. That is something that we think is an incredibly important part of exercising our fiduciary duty.

We have preferred to work closely with managers that have started to integrate sustainable investing and ESG into their investment processes, rather than seek specific thematic funds. We think that will be the future of the industry and is something we have observed particularly among institutional clients. ■

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office. We will roll the Portfolio Advisory Service out to Singapore, and offer the same quality and range of investment solutions currently available to Hong Kong and Australia there.

We have also identified a new range of solutions for our existing client base. This includes an income portfolio that helps our clients near or at retirement cope with their income needs in a low-yield environment – something we identified as one of the key challenges for investors over the next five years.

alpha, are somewhat more cost conscious, or would prefer to implement via index solutions. We think this is an important solution particularly for clients in the accumulation phase of their lifecycle. We have found that many of our clients want to embrace a long-term investment mindset, at a reasonable cost, but still get access to a strategic adviser. Our solutions are set up to provide that and are starting to gain traction.

**Getting personal with Isaac Poole**

Isaac has significant experience in the financial sector with a career spanning across central banking, risk management, asset allocation and investment consulting in major firms in Australia, the UK and Hong Kong.

Prior to joining Oreana, Isaac worked at Willis Towers Watson as the Head of Capital Markets Research in the Asia-Pacific. In this role he contributed to asset allocation decisions, macro-economic analysis and investment research across Asia and global markets. Isaac worked with institutions including major sovereign wealth funds, government agencies and pension funds. Isaac’s focus in this role was delivering asset allocation solutions to improve portfolio outcomes and returns.

Other prior roles include Chief Economist at NSW Treasury Corporation, tasked with debt financing and investment management for the NSW Government, Manager of Economic Risk at Lloyds Banking Group, the largest retail bank in Britain, and graduate economist at the Reserve Bank of Australia .

Isaac holds a PhD in Economics from the University of Sydney in NSW, Australia. Isaac's PhD developed economic theory and quantitative methods to analyse optimal mechanisms in key financial markets in Australia including government bond auctions and the Australian housing market.

Isaac has also studied at the University of Oxford in the UK and the University of Tasmania in Australia. Isaac is a Certified Investment Management Analyst® holder through the Investment and Wealth Institute™.

