

Developing a Portfolio Model

It is understood that HDC is intending to plan for a growing shortfall in Central Government resulting in a desire to achieve a growing revenue return over time. This can potentially be achieved in two ways. First by increasing the amount of CIS investment and secondly by taking greater risk in the investment strategy.

A potential model for taking progressively, and measured, increased risk over time is shown below. The intention is that a blend of risk profiles are employed and that the proceeds of higher risk (and shorter term) activities are partly redeployed back into the lower risk, long term sustainable “core” investment strategy.

