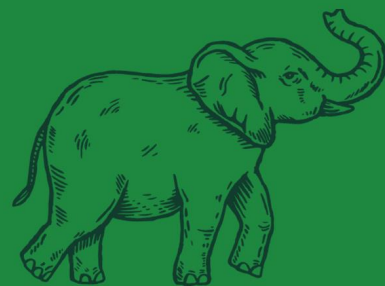


# Investment Markets Report



5 July 2021



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# Market Round-up

## Global share markets

June 2021 was another good month for shares here and around the world. Global share markets rose on average by another 1% in June – similar to May. The overall global market is now up by 12% so far in 2021. This brings it to an incredible 39% rise since last June 2020, which was in the middle of the first round of the virus lockdowns that triggered the sharpest and deepest global recession since the 1930s. Even more remarkable is the fact that the aggregate global share price index is now 28% above its pre-covid level at the start of 2020. If we include dividends, the ‘total return’ index is now 32% above pre-covid levels at the start of 2020.

Share prices relative to profits and dividends are running at very expensive levels, so it begs the question: can this remarkable rebound continue? We take a closer look at this question later in this edition.

## Australian shares

The local market also posted more steady rises in June. The gain for the June financial year was 26% (30% including dividends, and 31% with franking credits). This was the best June financial year for Australia since the 1980s. But when in the 1980s? We reveal the answer later in this edition – and it may cause us to put the champagne back on ice for a while! Back to the present - the local market is now 9% ahead of pre-covid levels at the start of 2020, or 15% including dividends. These are well short of the global averages, but still remarkable since we are still being subjected to rolling lockdowns.

This year the market has been lifted higher mainly by the big banks, as the government’s deficit spending spree has spared them from the usual tidal wave of bankruptcies and bad debt write-offs that accompanied past economic recessions. The banks have also sold off non-core businesses, so they are now awash with an extra \$30-40b in cash they are likely to return to shareholders in the form of higher dividends and perhaps even some share buybacks in the coming year. CBA hit a record \$100 briefly but the winner for the June year is ANZ (+51%). Other winners from the lockdowns in 2021 include fast food (Domino’s), alcohol (Treasury Wines), gambling (Aristocrat, Tabcorp, Crown), and home office renovations (Bunnings/Officeworks in Wesfarmers, and Reece Plumbing). The housing boom is also boosting building products (Hardie, Bluescope).

## Commodities prices

So far this year, the gold price has fallen by -7%, taking gold miners with it, but the iron ore price is up a further 36%, lifting the iron ore miners (although Fortescue is flat this year after its stellar rise last year). The steadily improving outlooks for global activity continued to lift prices of fossil fuels (oil, gas, coal) and every other industrial commodity as well. Oil is back in boom territory above \$70 per barrel, a stunning recovery from its negative prices in April last year. Oil/gas producers are still plagued by big losses and write-offs, mostly ‘own goals’, and remain the worst-performing sector.

## Interest rates

Short term interest rates are still on hold – at 0.1% in Australia, the US, UK, and Canada, at minus 0.1% in Japan and minus 0.6% in Europe. Since the covid crisis began, there have been two main questions for investors. The first of these is ‘When will central banks start to hike interest rates?’ (The second is covered later). In recent months, central banks have made two significant changes in stance. The first has been to start to prepare the market for rate hikes a little earlier than previously expected (which is seen as bad for share and bond markets). The second has been to talk about the need to scale out of their bond-buying (‘QE’) programs first. This is a positive as it at least lessens the risk of sudden and unexpected rate hikes.

## Bonds

The guessing game on short term interest rates is seen in bond markets, where the prices and yields on long term bonds reflect the outlooks for inflation, and also the outlooks for cash rates that will need to be raised to tackle inflation. Bond yields have been rising here and around the world since late 2020, as economic outlooks started to improve and vaccines were developed. Bond yields spiked upward sharply in February due to sudden fears that central banks will need to raise cash rates soon, but these fears have subsided over the past couple of months, so bond prices and returns have improved.

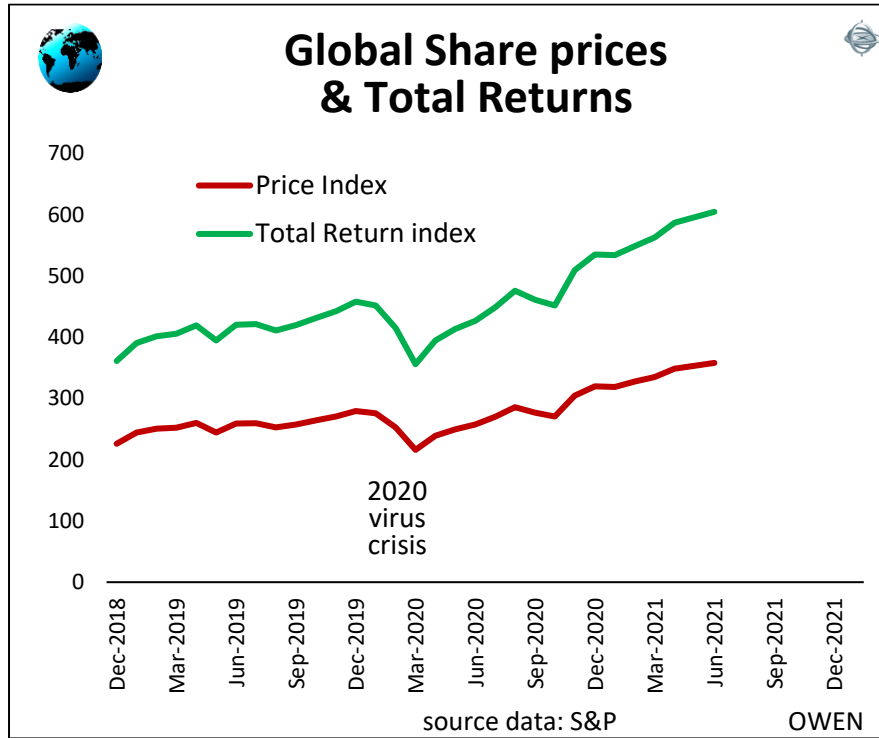
## Inflation

The problem is that price inflation seems to be gathering pace as a result of all the free money being thrown around. Inflation is still running at a modest 1.1% in Australia, and 2% in the UK and Europe, but is a rather frothy 3.6% in Canada, and 4.9% in the US. Federal Reserve chair Jerome Powell’s favourite new word is ‘transitory’, and he insists inflation will weaken and not necessitate rate hikes. Our base case is that central banks will need to scale out of QE and start to hike rates sooner than they are willing to admit. They need to keep rates low and buy up their government’s bonds to help them run up their wartime-like deficits at ultra-low interest rates.

Before turning to the second of the two big questions facing investors (‘Can governments keep up their deficit spending sprees?’), we take a closer look at the seemingly over-priced share markets – first globally, and then in Australia.

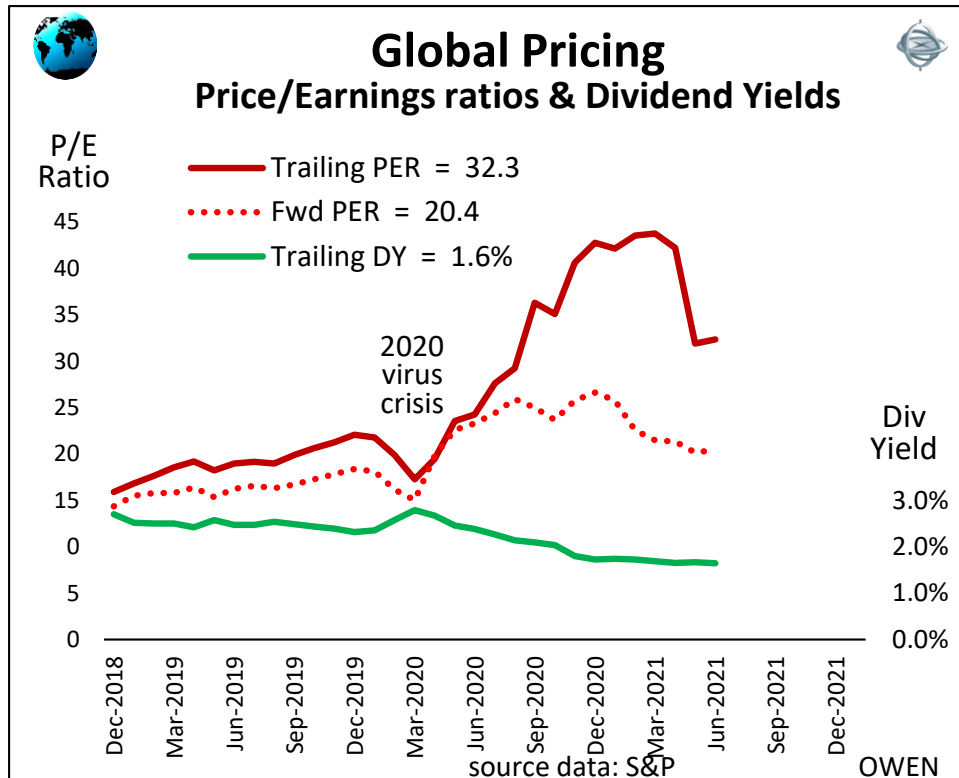
# Global share markets – ‘Twinkle, Twinkle Little Star!’

Global share markets have rebounded strongly out of the covid crisis last year, and they continue to rise steadily in 2021, even though corporate profits have been hit hard by the deepest global recession since the 1930s. Share prices have soared back ahead of their pre-covid highs and they are still rising –



On the surface this may seem extraordinary given the pandemic crisis is far from over, and indeed is still worsening in many parts of the world, there are new, more virulent, strains emerging, and countries still in lockdown.

In terms of pricing, the global shares are now at a very high 32 times reported profits, albeit down from 42 a couple of months ago, because profits have been rising of late. Prices are also very high relative to dividends, with the aggregate global dividend yield running at just 1.6%.



With pricing at such expensive levels, is this remarkable rebound sustainable?

To find out, we need to take a look at company profits and dividends.

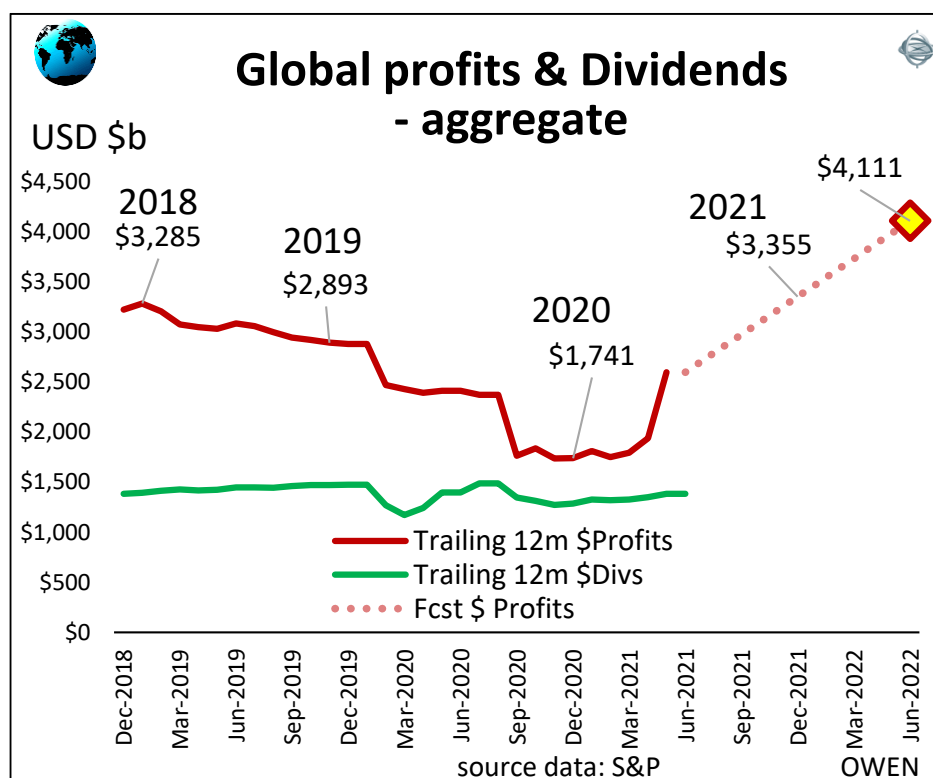
Aggregate global listed company profits totalled USD \$3.3 trillion in calendar 2018, and that was the peak (aided by the Trump tax cuts in the US). Global profits fell to \$2.9 trillion in 2019 (pre-covid). Economies were booming back then, but global profits were dragged down by some big losses - including Altria/Marlboro, Boeing and GE (all self-inflicted), and also a raft of profit drops, eg. big retailers like Walmart and Starbucks, most of the oil/gas majors, most of the big banks, and even in Apple, Facebook, Disney, AT&T, and many others.

After the poor year for profits in 2019, the covid lockdowns hit the world in early-mid 2020, and profits fell by another 40% globally, to just \$1.74 trillion in calendar year 2020. The covid lockdowns wiped out USD \$1.1 trillion in global profits.

Dividends also fell – but by less – down 14%. The reason why the decline in dividends was less than the decline in profits was that much of the reported ‘losses’ were from write-offs of asset values and also bank bad debt-provisions, which are not cash-flow related. However, the current aggregate dividend yield of 1.6% makes the market very expensive, almost on a par with the top of the late 1990s ‘dot-com’ bubble.

Despite the massive hits to global company profits, share prices rose in 2020, and they are still rising strongly in 2021! Why?

The answer is in the ‘Twinkling Star’ on the profit chart:



This chart shows aggregate annual global profits (maroon) from 11,000 listed companies, and aggregate dividends (green). We can see the steady profit slide in 2019 (pre-covid), and then the dramatic 40% profit collapse in 2020 – the disappearance of \$1.1 trillion in profits in the lockdowns.

What has been driving the incredible share price rebound has been the Twinkling Star at the top right-hand end of the profit line in the above chart. Global profits are forecast to hit \$3.3 trillion in calendar 2021, which would be higher than the record profits achieved in 2018. The current forecasts are that profits will keep on rising and hit \$4.1 trillion by the middle of 2022. That’s just one year from now. This appears outlandishly ambitious, but is it achievable in practice?

We keep a close eye on the numbers for around 300 listed companies around the world – the largest 100 in Australia, the largest 100 in the US and the largest 100 in the rest of the world. These account for at least 80% of the aggregate revenues, profits and dividends in each region and also globally. Space prevents a detailed run-down here, but we can make the following general comments.

The first is that the overall global total picture (for profits, dividends and share market values) is overwhelmingly dominated by US companies, and in particular by ‘US big tech’ (including Apple, Microsoft, Amazon, Alphabet/Google, Facebook, Tesla, Nvidia, Visa, Mastercard, PayPal, Adobe, Intel, Cisco, etc) plus other US giants like JP Morgan, Berkshire Hathaway, Home Depot, Walmart, Johnson & Johnson, Exxon Mobil. US stocks make up around 60% of the global total. The largest five US stocks account for 10% of the global 10,000+ companies, and the top 20 US stocks account for 20% of it.

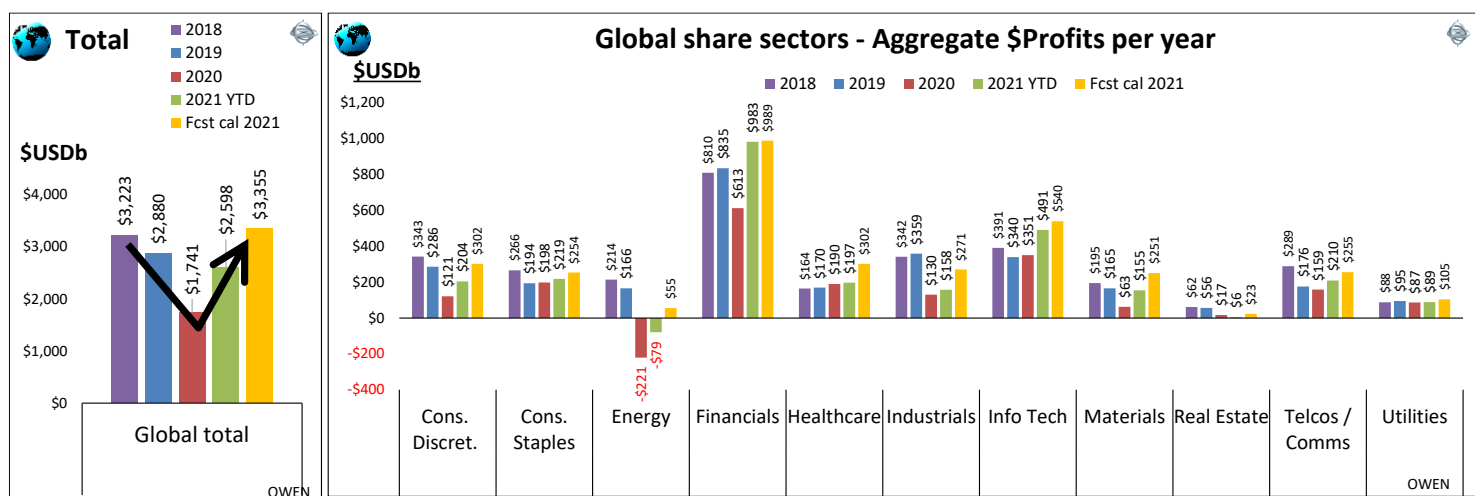
A second general comment is that the ‘forecast’ figures are arrived at using outlooks compiled by panels of research analysts working for the big brokers and investment banks, and their outlooks are largely based on forecasts from the companies themselves. US companies are notorious for beating their forecasts – ie under-promising and over-delivering. S&P keeps a tally of

this phenomenon for many years. In recent decades, the S&P500 group of companies beat their quarterly profit forecasts around 65-70% of the time. (Curiously, Australian companies have always been the reverse – always starting high and progressively downgrading their forecasts in most years – but that’s another story for another day).

There are exceptions to this general rule for US companies of course. There are always companies that announce massive unexpected losses for a variety of reasons, and some are serial offenders. For example, GE spent decades fudging the books to overstate its profits (the glory Lee Iacocca years) but has spent the past decade coming up with new ways to lose money each year. Most of the big banks (in the US, UK, Europe and Australia) keep coming up with new ways to steal money from customers (innovation!) and then cop huge fines and penalties when they are caught out. All of the big mining and oil/gas companies regularly over-pay for ego-boosting projects and acquisitions in booms and then write off huge losses when commodities prices fall (as they always do!). And of course, no company forecast their own 2020 covid losses. However, apart from these aberrations, the overwhelming pattern is for most US companies to routinely beat their profit forecasts in most years.

During the covid crisis, companies naturally became more cautious about their outlooks, but the percentage of companies beating their forecasts is now running at a record 85%. The ‘Twinkling Star’ certainly looks ambitiously high in the sky and out of reach but, barring another 2020-like recession, the case is reasonably strong that the forecasts will be met.

Next, we take a look at the global profit picture by sector – the left chart below shows the total global profits per calendar year, and this is broken down into the main industry sectors in the right chart.



The peak 2018 year for profits is in purple, followed by the lower 2019 year (blue), then the big fall in 2020 (maroon). The next bar (green) is aggregate profits to the middle of 2021 (where we are now), and the profit outlook for calendar 2021 is in yellow. The key is the green bar – this shows that profits are currently running more than halfway back up to the forecast full 2021 calendar year level. We are already well on the way up to the ‘Twinkling Star’!

### The banks

The first thing that stands out is the sheer size of the global ‘Financial’ sector, which is mostly banks. Although they account for only 14% of total stock market value, they deliver more than one-third of total global profits. They are licences to print money – literally. Bank profits fell by -27% from 2019 to 2020, and this was the second-largest contributor to the \$1.1 trillion drop in overall profits.

The good news is that bank profits have already bounced back fully (green bar) and they now exceed their 2019 peak profits. This profit rebound is the single largest contributor to the path toward the ‘Twinkle Star’ – and it is already ‘in the bag’!

There are two main reasons for the dramatic rebound in bank profits. The first is a result of the banks reversing some of their over-pessimistic 2020 provisions for bad debts that never arrived (thanks to the unexpectedly generous support from governments everywhere). This one-off profit lift is not repeatable next year of course. The other reason for the big rebound in bank profits has been the enormous surge in investment banking revenues from several sources – including the flood of equity and debt raisings in 2020, the frenzy of merger & acquisitions activity, and also huge fees from the IPO boom. The profit gains from these sources are also probably not repeatable to the same extent next year, but at least the rebound is ‘in the bag’.

### Oil/gas

At the other end of the scale is the ‘Energy’ sector (mainly oil & gas plus coal – ie the fossil fuel crowd). It is a tiny sector (just 3% of the world market value) but it still manages to come up with massive losses that inflict enormous damage to the aggregate figures (not to mention contributing to global warming, poisoning rivers and wildlife, etc), and 2020 was no exception to the profit destruction.

There are several forces at work that cause regular bouts of losses from the fossil fuel dinosaurs – volatile and highly cyclical oil prices, magnified by leverage; the nasty habit of company boards continually over-paying for new projects and acquisitions in booms, then writing them off in the inevitable busts; huge clean-up costs after disasters, remediation of polluted sites, fines for bribery & corruption, and a host of other self-inflicted mishaps. Miners are also just as guilty here. (Most Australian miners and oil/gas producers are prime examples of this pattern).

Fortunately, oil prices are back up again thanks to the lift in global demand (economic recoveries), and also supply constraints due to production cuts from OPEC. We are reasonably confident that the horror of seeing negative oil prices in 2020 shocked OPEC into vowing to never again get into such a devastating price war. OPEC still controls oil supply and prices, so the nightmare of 2020 should put a floor under the price for some time. This does not solve the other problems with the oil/gas producers, but at least it solves the price problem for a while. If oil prices remain strong, the swing in profits from losses in 2020 to modest profits in 2021 would lock in another big chunk of the path to the Twinkling Star.

### US 'big tech'

Thus far we have paved most of the path to the illusive Twinkling Star without even mentioning the largest group of companies (by market value) – US 'big tech'. These global giants are classified into three different industry 'sectors', so they don't stand out as a single group in the above chart. Amazon and Tesla dominate the 'Consumer Discretionary' sector; Apple, Microsoft, Nvidia, Adobe, Intel, etc dominate the 'Info Tech' sector (along with Visa and Mastercard which for some reason are classified as 'tech' stocks); while Facebook, Alphabet/Google and Netflix dominate the old 'Telco' sector, which is now called 'Communications'.

A common element in this group is that their combined revenues and profits rose strongly during the covid lockdowns while traditional 'cyclicals' stocks (like traditional retailing, travel and industrial products) suffered badly. The lockdowns accelerated the already strong trend toward online retailing, remote working, video conferencing, social media, etc – all funded by the generous government handouts. Even aging giants like Apple went from declining revenue and profits in 2019, to growing both again in 2020. Microsoft and Alphabet/Google each posted double-digit growth in revenues and profits in 2020. Amazon posted 38% revenue growth and 84% profit growth. Adobe had 15% revenue growth and 78% profit growth. Netflix grew revenues by 24% and profits by 48%. Even Tesla finally turned losses into a profit in 2020!

These are not just tiny tech hopefuls, as Apple, Amazon and Microsoft were in the 1990s 'dot com' boom – these are now the largest and most profitable companies in the world, so they now drive the global aggregates.

If these global giants can keep increasing profits even modestly over the coming year – whether lockdowns continue or not, they will pave the rest of the path to the Twinkling Star in our chart - \$3.3 trillion in global profits for calendar 2021, and \$4 trillion by June 2022.

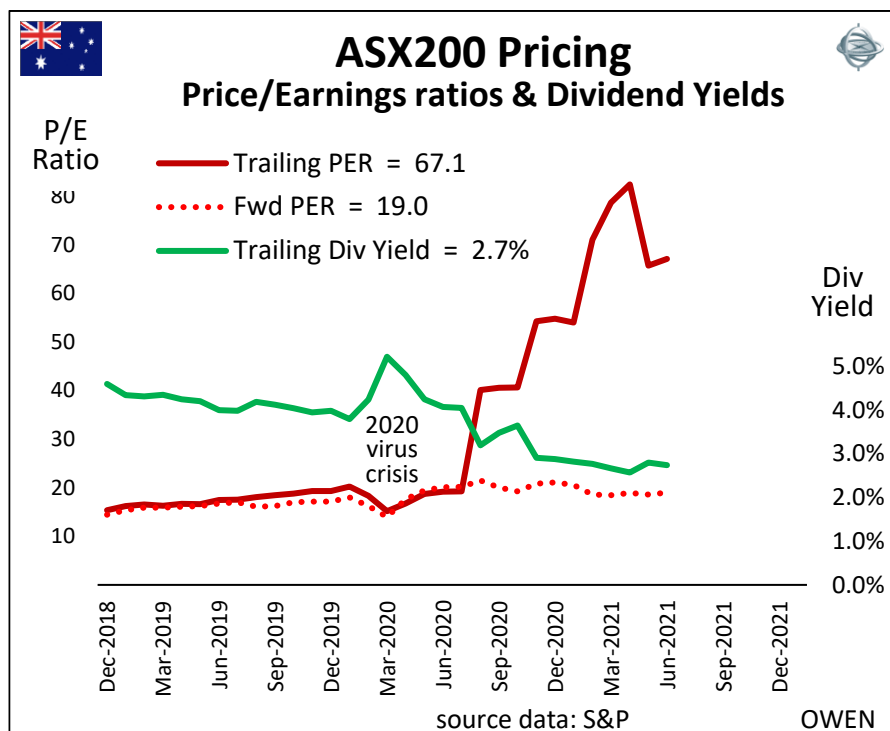
Also assisting are improvements in several other sectors. 'Industrials' (mainly manufacturers like 3M and Honeywell, and transport stocks) were hit hard in 2020 but are rebounding well. However, they are reliant on borders reopening and activity returning to 'normal', and this is still in question. On the other hand, the Healthcare sector (J&J, Pfizer, United Health, Merck, Abbott, Medtronic, etc) continues to post steadily increasing profits regardless of economic conditions.

What is underpinning the rapid recovery in corporate revenues and profits is the flood of free money from governments. This is what differentiates the 2020 covid recession from any other deep economic contraction in the past. Governments across the 'developed world' are running up wartime-like deficits financed with wartime-like debt levels, and instructed their central banks to keep interest rates artificially low to reduce the interest costs.

Whether this is morally 'right' or economically 'sound' we will leave to the next generation to debate as they struggle to pay off the debt with higher taxes and/or lower services. But, for now, it is keeping company profits and share prices high.

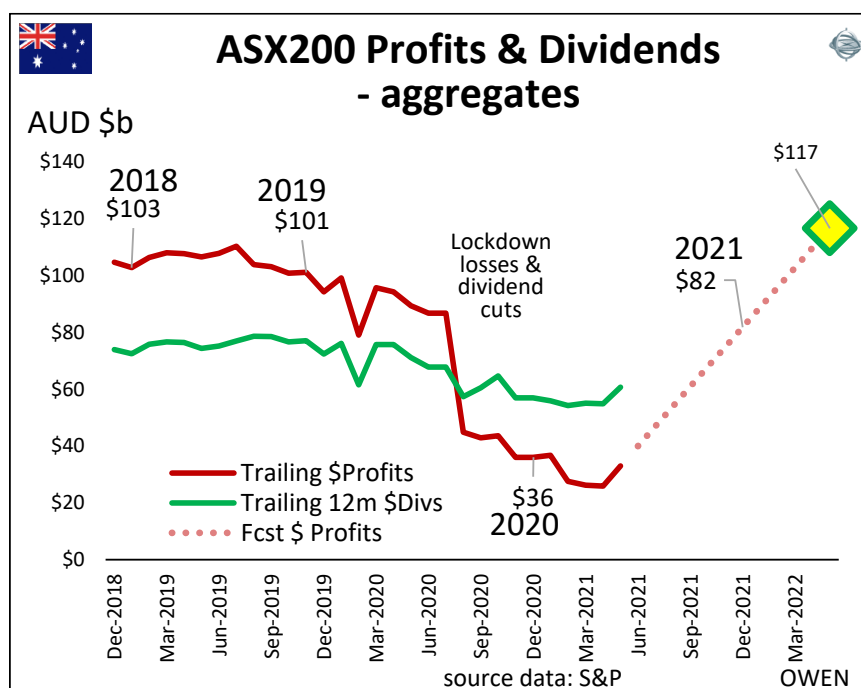
# Australia's 'Twinkling Star'

The local Australian share market is also trading at very expensive pricing levels relative to aggregate profits and dividends –



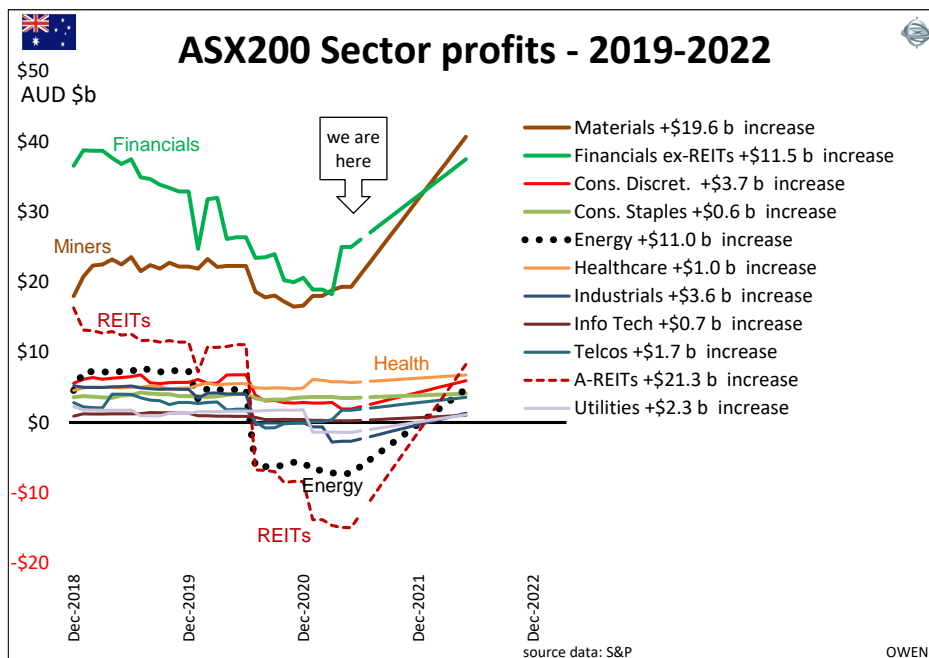
The overall market is priced at an extraordinary 67 times aggregate profits (the historical average is around 15), and a record low dividend yield of just 2.7% (compared to an average of above 4%, which it was prior to the covid sell-off). The high apparent pricing, of course, is because profits and dividends have fallen heavily, more so here than in the rest of the world.

The remarkable rebound in the local share market is being driven by Australia's very own 'Twinkling Star' high in the sky ahead. At first glance, it appears similarly ambitious and out of reach as the global Twinkling Star -



The 'forward price/earnings ratio' (dotted line in the previous chart) is based on current pricing divided by *next year's* forecast profits, and it is currently sitting at a more reasonable 19 times forward profits instead of 67 times the most recent year's profits. Still a little expensive at 19, but at least in the right ball-park. However, the forward P/E ratio is only 'reasonable' if the profit outlooks on which they are based are reasonable and achievable.

We track progress on a stock-by-stock basis but, for brevity, here is the breakdown of the market by industry sector –



There are four main contributors to the profit picture – through the pre-covid period (left section), the dramatic profit drops in the past year (middle), and the equally dramatic profit rebound in the coming year (right). The four key sectors are the banks ('Financials'), miners ('Materials'), listed property trusts ('REITs'), and oil/gas ('Energy').

The big banks have been the largest contributors to overall ASX profits for nearly 20 years, but bank profitability in Australia has been sliding since the peak in 2015. In 2020 all except CBA posted big cuts to profits as they booked huge bad debt provisions in the covid recession in anticipation of waves of personal and corporate bankruptcies that they have experienced in numerous past recessions. But the government's support programs have meant this is now unlikely, and this will allow the banks to post much higher profits (and dividends) in the coming year. This is already underway, so nearly half of the path to Australia's Twinkling Star is already substantially locked in.

The mining story is dominated by the big three iron ore majors – BHP, RIO and Fortescue. They are riding the incredible boom in iron ore prices and volumes resulting from China's infrastructure spending boom, and also supply constraints in other global producers (notably Brazil). It is a similar story with coal and most other minerals. This is a sector where pricing remains very cheap relative to profits and dividends, and the forecasts are continually having to be *upgraded* as the boom keeps on running. China has been trying to find alternate suppliers and cut Australia off, but it has no viable alternatives, especially for iron ore – at least for a few years. The forecasts will probably be met, and possibly even exceeded.

The picture for REITs (listed property trusts) is a little deceiving. In the pre-covid boom, they were the third-largest contributor to reported profits, but in the bust, they were the largest contributor to losses. The problem is that most of this is due to accounting trickery, not real life. In the booms, they re-value their properties upward and claim these artificial book entries as 'profits' (to look good, and to dish out fat bonuses to their execs). In the busts, they reverse the previous valuation write-ups, and these write-offs result in accounting losses (but the execs don't hand back their bonuses!).

In reality, actual cash rents from tenants have fallen by 20-40% (retail malls and tourist properties fared worse than office buildings, but industrial warehouses kept booming with the online retailing revolution). The forecasts have 'profits' growing by an incredible \$20b over the next year, but most of this is just reversals of the previous reversals of the valuation book-entries. Bonus time again! (You need a degree from Hogwarts to understand REIT accounting trickery). As with the banks, if government support programs continue to hold back the previously expected waves of bankruptcies, retail commercial and property valuations can be written back up again – at least in part - and 'profits' will magically reappear.

For oil & gas, it is a mirror image of the global oil & gas industry, with massive losses and write-offs in the regular boom-bust cycles, but the immediate outlook is now likely to be underpinned by the recovery in oil prices. Woodside, Santos, Oil Search, and Ampol/Caltex all posted big losses and write-offs – mostly own-goals. (AGL is also an oil/gas play, but its big profit cut is in the 'Utilities' sector).

Other sectors of the ASX have less of an impact on the overall market, but they are still important on the road to profit recovery. The big losses in 'Consumer Discretionary' stocks like Tabcorp, Flight Centre, Star Casino, and profit drops in 'Consumer Staples' Woolies and Coles are mostly already on the way up again. In the 'Industrial' sector there were big losses from Qantas, Sydney Airport, toll road operators Transurban and Atlas Arteria, and much lower profits from Brambles. Most of these are more reliant on global borders being re-opened, and so they are less certain.

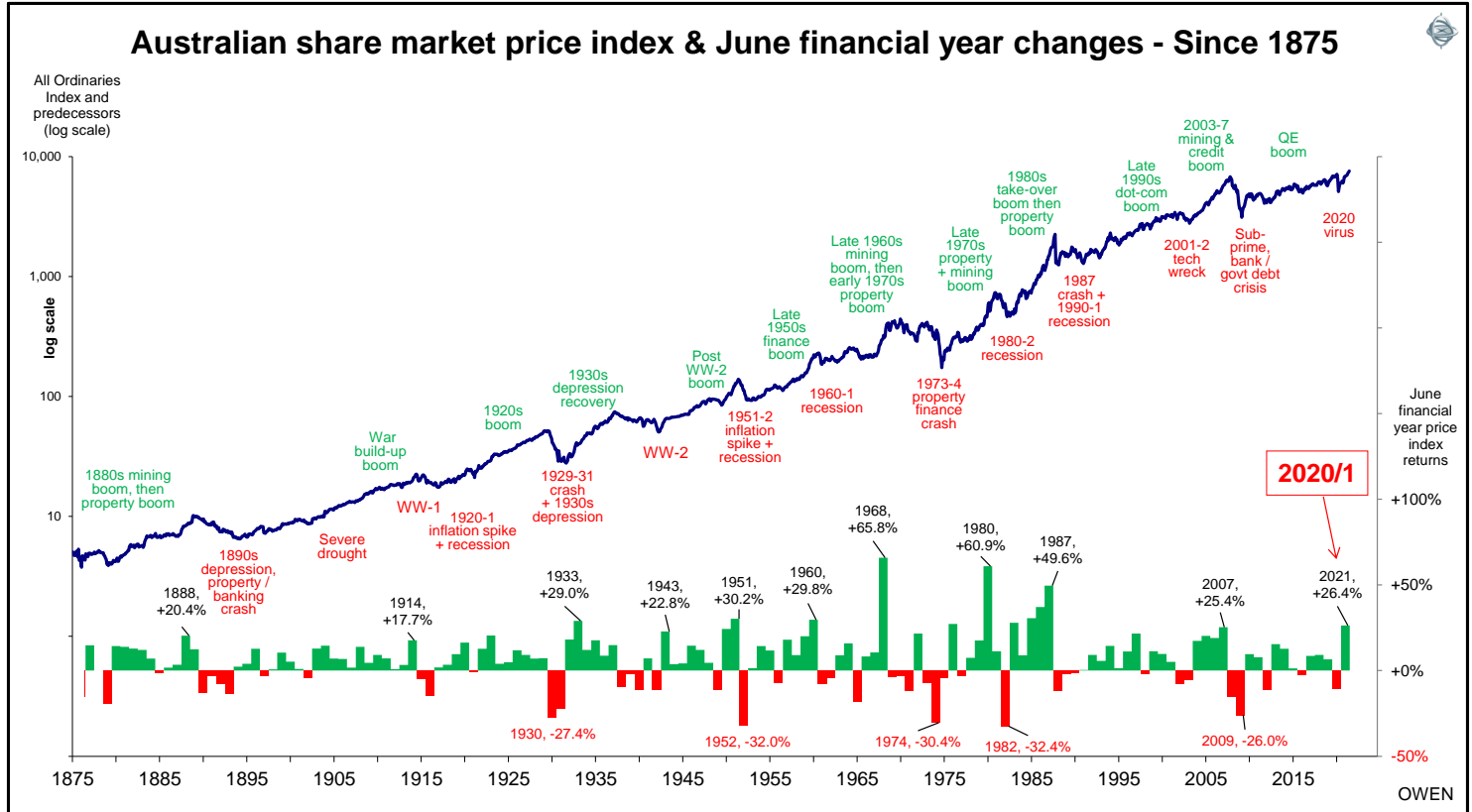
The summary for Australia is that most of the path to the profit 'Twinkling Star' is already underway and likely to be achieved in the coming year.



# Australian shares – ‘best June financial year since.....’

The broad Australian share market has just posted its best June financial year since the 1980s – but when in the 1980s?

Here is a chart of the broad Australian share market index over the past 150 years. It is an incredible performance that almost no other country in the world can match. The vertical scale is expressed as a ‘logarithmic scale’ so the compound growth rate over time appears as a line sloping upward. The fact that the line is more or less straight (apart from regular booms and busts along the way) is because the growth rate for share prices across the market as a whole has been relatively consistent over very long periods – not only through booms and busts, but also through world wars, depressions, bouts of hyperinflation and deflation, and also great changes in political regimes, demographics, technology, regulations, tax rates, global trade patterns, monetary systems, cold wars, pandemics, and everything else along the way.



The bars in the lower section show the gains per June financial year. The 2020/1 year was certainly a good one, but it came after the rather poor 2019-20 year with the sharp sell-off in the February-March 2020 covid crisis. When we look at previous years of great returns on the market, we see a rather disturbing picture:

- 2007 – at the top of the speculative China/credit boom, before the 2008-9 GFC crash
- 1987 – at the top of the 1980s speculative take-over boom, before the October 1987 crash
- 1980 – at the top of the late 1970s property/mining boom, before the 1980-2 recession sell-off
- 1968 – at the top of the 1960s speculative mining boom, before the mining crash – which continued into the 1973-4 property/finance crash
- 1960 – at the top of the late-1950s consumer finance boom, before the 1960-1 recession sell-off
- 1951 – at the top of the post-war boom, before the 1951-2 Korean War inflation spike sell-off
- 1914 – at the top of the war build-up boom, before the outbreak of WW1
- 1888 – at the top of the 1880s mining and speculative property booms, before the property/banking collapse that triggered the 1890s depression

There were only two 20%+ financial years that were not followed by big sell-offs:

- 1933 – in the middle of the Great Depression.
- 1943 – in the middle of the Second World War

This, of course, is not ‘evidence’ or ‘proof’ that the share market is heading for a big fall in the coming year, but is a useful reminder to look behind the good years to identify possible risks – either in the level of pricing, in the market environment, especially in speculative behaviour, and the degree of strength and sustainability of the underlying profits and dividends.

# What Lies Ahead?

That brings us to the second of the two big questions facing investors. The first question was: 'When will central banks raise interest rates?', and the second is: 'Can governments keep up their deficit spending sprees?'

Despite war-time levels of deficits and debts, most governments are having little trouble obtaining legislative approval for even larger deficits and higher debts, and little trouble selling their bonds. But that is mainly because interest rates have been kept artificially low by their central banks.

The two questions are related of course. Were it not for the deficit spending sprees here and in other countries, the sustained nationwide lockdowns would probably have resulted in much deeper and longer economic contractions, higher unemployment rates, and probably deep price deflation, as was the case in the 1930s and 1890s depressions. The government response to this recession was unlike any in the past, not only in the scale and breadth of support measures, but also their central bankers cooperating by cutting short term interest rates to zero (and even negative) and buying up bonds to depress long term interest rates – all to help with their governments' spending and borrowing programs. The more the governments spend, the more of their bonds will need to be bought by their central banks to keep interest rates low.

Eventually, this cycle must end when the inflationary effects of all the free money will need to be countered with interest rate hikes to bring inflation back under control. (This is not an open and shut case – Japan has been running up huge debts for the past three decades and still has no sign of inflation even after sustained bouts of negative interest rates and 'QE')

Outside of stagnant Japan, in the past few cycles, price and wage inflation have been brought down by letting unemployment run up to high levels, and this is brought about by hiking interest rates to a point where businesses contract (or collapse) and they lay off workers. However, the political mood has changed and now governments won't let that happen, probably out of fear of the political backlash that would be unleashed.

It will be fascinating to watch central banks hike rates to slow businesses and employment, and then watch governments hand out more money to prop up those same businesses and workers. That will require more debt and more bonds, which the same central banks will need to buy up! It is early days yet, and central bankers are quick to remind us that they have more tricks up their sleeves. We are not sure if that is comforting, or scary!

The US is still the key to global markets, and the Biden administration is pressing ahead with its big spending plans. During June, Biden's draft \$2.2 trillion infrastructure spending plan was slimmed down to a first stage \$1 trillion that received bi-partisan support. Markets reacted well – share prices rose across the board, but so did bond prices (which means that yields fell) as bond investors shrugged off fears of imminent inflation and rate hikes, for time being anyway. Markets have thus far accepted Fed chair Powell's soothing assurances that he will ignore the recent rise in inflation as 'transient', so there is no reason to start raising rates just yet. Here in Australia, the Morrison government also ramped up spending in the May budget, and the RBA dutifully committed to keeping rates low and buying up more bonds to depress interest rates.

These developments are important for investors because much of this government spending ends up directly or indirectly in company revenues, profits and dividends. Over the past month we have progressed another month closer to the 'Twinkling Stars' on the profit forecast charts for the coming year - the USD \$4.1 trillion profit target for the global market and AUD \$117b for Australia.

Over the next few weeks we will be undertaking our regular review of markets, quarterly rebalancing of portfolios, and making adjustments where necessary. We will keep you informed of any changes. Refer to the email sent with this report for more details of portfolio positioning and returns.

Happy investing!

**Ashley Owen, CFA**  
Chief Investment Officer

# Ashley Owen

## Chief Investment Officer

CFA, LLM, BA, Grad. Dip Applied Finance

Ashley is one of Australia's leading portfolio managers of diversified investment funds for long term investors. His mission is to manage portfolios that provide investors with confidence that their investments will generate the wealth they need to live the life they wish to lead for the rest of their lives – for themselves, their families and as a legacy for future generations.

His primary focus is protecting investors from losses and risks, rather than chasing high returns from the latest hot funds or fads.



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