Providence
Independent Investment Advisory

Activity Report

January – June 2021

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About this Report

As part of our ongoing commitment to being a trusted partner for our clients, Providence reviews a number of products each month, searching for investment opportunities that fit our clients' individual requirements. Being an independent company, each opportunity is assessed solely on its merits regarding risk and return.

True to Providence's promise of transparency and independent analysis, we share the basis of our decisions with our clients in this Activity Report.

Acceptances

1. Magellan Partnership Offer
2. Fortius Adelaide Grenfell St Car Park
3. CorVal Eureka Tower
4. Epsilon Direct Lending Fund
5. DNR Capital Emerging Companies Fund
6. Barwon First Mortgage Fund
7. Ausbil Global Essential Infrastructure Fund
8. Carsales (CAR) Entitlement Offer

Magellan Partnership Offer

We participated in the Magellan partnership offer, which allowed for $1 of new closed class units for every $4 currently held in Magellan Open Class Fund (MGOC) and the Magellan Global Fund Closed Class (MGF). The offer price was at the NAV of the closed class units at the allotment date. The benefit of the partnership offer included 7.5% bonus closed class units and the MGF options (3yr expiry). We participated for clients if they held the relevant Magellan global unhedged fund. *Note: majority of clients own the Magellan global Hedged fund which was not eligible for this offer.

Fortius Adelaide Grenfell St Car Park

After several months of due diligence, Providence was pleased to provide clients with an opportunity to invest in the Fortius Grenfell Car Park Trust. Comprised of what we feel and have independently discussed with industry experts as the best car park in Adelaide, we see this asset as offering highly attractive initial distributions, but importantly distributions which in our view have significant upside potential over the next 5 years.

Located in Grenfell St in Adelaide's CBD the Car Park is immediately adjacent to the Rundle St Mall and has been a source of dependable returns for 4 straight years (prior to covid-impacted travel restrictions), with $4.4m in gross income produced per annum over the period. We see Adelaide's extremely high (80%) rate of private vehicle use (rather than public transport) for transport to and from work as being highly conducive to car park patronage, and particularly in a post covid world where private vehicle ownership and usage has materially increased across Australia.

The fund has an IRR target between 10%-12%, with a distribution yield average of 7.5% over the investment term. We see the investment as a relatively low risk, defensive exposure to a secure distribution and income stream, with enough optionality and upside potential to believe that the team at Fortius can add value and increase returns over time.

CorVal Eureka Tower

Providence invested in RF CorVal to assist in the purchase of the top two levels of Melbourne's iconic Eureka Tower. This will give CorVal ownership of levels 88 and 89 of the high-profile skyscraper as it expands its operations in the wake of the coronavirus crisis. RF CorVal's investment hinges on a strong recovery in tourism and high-end entertaining and earlier this year set up a fund to develop a new hotel in the Sydney Airport precinct that will operate under the Moxy brand under a management agreement with Marriott International. Investments in this attractive deal were oversubscribed, resulting in materially scaled back allocation given to Providence.

Epsilon Direct Lending Fund

Providence participated in the Epsilon Direct Lending Fund. This fund will be operating as an unlisted, open ended unit trust looking to lend to 15-20 mid-market (targeting firms with 'BB' rating) companies who are exclusively cash flow generative, with a minimum of $5m EBITDA, and who operate across a broad, but still well-defined range of non-speculative industries.

Importantly the fund will not be lending to any 'turnaround' or 'special situation' vehicles, with no exposure to property backed debt, developers, biotech's, tech start-ups or resources/oil and gas. The focus of the fund is purely the under-served, $70bn Australian and New Zealand bilateral loan market, with unfavourable bank capital treatments having led the major banks to largely withdraw from the space. The fund will target a total annual return of BBSW +6.00%, and an annual distribution yield of BBSW +3.25%-4.00%.

The managers also directly invested and financially aligned with this fund. We have allocated to clients where suitable, noting the minimum three-year term, with this investment forming part of their fixed income domestic credit component.

DNR Capital Emerging Companies Fund

Providence has recently approved a new emerging companied fund; a concentrated, high conviction small companies' strategy. The fund utilises bottom-up stock selection, focused on buying quality companies at attractive valuations. A unique aspect of the fund is its style neutral outcome, with a quality focus, which is important given most other managers in this space have a growth focus. The fund also focuses on earnings growth, industry position, balance sheet strength, management and ESG risk.

The performance has been attractive; it is a newer fund (inception 2018) outperforming benchmark by approximate 10% since inception. Another appealing aspect is that the fund has a smaller FUM, $145m, which improves the fund the funds access and nimbleness in the Aussie small/mid-caps market. This is the only focus for Sam Twidale and Mark Sedawie (the portfolio managers) and they are incentivized to perform.

Barwon First Mortgage Fund

Providence believes this fund will provide investors with ongoing and diversified exposure to investments made by Barwon in a range of property loans secured by first-ranking mortgages. The number of Investments in the Fund varies based on the total size of the Fund and market conditions, at that time. Each Investment by the Fund will be an interest in a closed-ended, single investment fund managed by Barwon (sub fund). These sub funds will make investments with the following characteristics: loans to property owners and developers; secured by a first-ranking mortgage over property; loan-to-value ratio on the loans typically not exceeding 65% with conservative valuations; and all secured property located in Australia, and typically in major metro regions.

In the current environment, the fund has targeted 7.5% p.a. net of fees, pre-tax. We see the investment as a good opportunity to gain continuing access to Barwon's first mortgage debt investments in a diversified vehicle, with an emphasis on risk-adjusted returns, as such have allocated to clients where suitable for their risk profile and liquidity constraints.

Ausbil Global Essential Infrastructure Fund

We reviewed the Ausbil Global Essential Infrastructure Fund which provides exposure to monopolistic, regulated, or long-term contracted essential infrastructure. The fund aims to achieve returns (before fees) above the OECD G7 CPI Index +5.5% p.a. over the long term. The fund is attracted to infrastructure with both downside protection and upside potential for growth consisting of increased compounding income. We note the fund has successfully navigated the Covid-19 period through an increased cash position from January to February to a peak of 8.7%, subsequently, deploying cash to a low of 1.7% in March and April with investments into higher quality assets. The fund prefers the Utilities sector and believes the Energy sector is becoming increasingly uncertain. Electric Utilities (renewables, batteries, energy grids) are currently deemed most attractive. The fund expects returns of 8.5% p.a., 3.5% coming from yield which is expected to grow between 6 - 7% for the next 3 years. For clients that do not have as much exposure to unlisted direct investments, we believe this is a suitable product for consideration as infrastructure has long duration benefits similar to direct property and can pass through inflation risk through CPI increases.

Carsales (CAR) Entitlement Offer

We participated in Carsales.com entitlement offer which took place in May. The company was offering investors new shares at $17 each in an effort to raise $600 million to fund a US acquisition. The deal was structured as an underwritten renounceable entitlement offer with rights trading, on a one-for-6.99 basis. New shares were for sale at $17 each which was a 12% discount to the previous close.

Completed Transactions

Fortius Junction Fair Trust

During this quarter, the Fortius Junction Fair Trust made its final distribution to investors. Fortius purchased the asset in December 2014, with a subsequent leasing campaign that increased occupancy by 14% by December 2014, reflecting a total of 13 deals in the first 24 months. Intensive asset management saw strategic tenant selection to complement the convenience-based tenancy mix. Extensive cosmetic repositioning of the centre to improve access, building presentation and appeal, along with upgrades to shopping amenities all aided the occupancy rate which remained at 99%. The sale and divestment of Junction Fair Shopping Centre for $47 occurred in June 2020 in the pre-Covid-19 environment. The final return on an IRR basis was 14.8% (net of fees and costs), with an equity multiple of 1.81x (net of fees and costs).

Barwon Mount Pleasant Finance Trust

The final return on an IRR basis of 10.25% (net of fees and costs) is comfortably ahead of the initial target of 9.50% and considering the time-weighted LVR of 42% is a great risk-adjusted return for clients. The final distribution for the Mount Pleasant Finance Trust marks the completion of the investment. The most recent fund quarterly update advised that the Borrower has been making good progress with apartment settlements and has fully repaid the $25 million property loan.

The Investment had an LVR limit of 65% with an initial target return of a 9.50% IRR. The Investment outperformed this initial target return with a 10.25% IRR net of fees and costs and had a time-weighted average LVR of 42%.

Barwon Childcare Property Fund II

The Fund invested capital alongside developers to acquire properties, redevelop them into childcare centres and sell them on completion. The Fund invested through a variety of structures, but in each instance, it sought to generate equity-style returns commensurate with development risk.

The Fund made three investments in properties located at Ringwood East, Victoria; Croydon Park, South Australia; and Kelmscott, Western Australia. All the investments have now been realised and the proceeds have been distributed back to investors, with a distribution having been recently made to investors in May 2021 upon the sale of the Ringwood East investment. The Fund has returned 14.2% IRR (net of fees and pre-tax) at a multiple of 1.30x

Declines

1. Lincoln Place Community Lifestyle Bendigo Fund
2. Eagle Farm & Brendale Investment Trust
3. Macquarie Capital Notes V offer
4. One Ventures Growth Fund V
5. River Capital Multi Strategy Credit Fund
6. Peet Limited Capital Wholesale Notes 2
7. Alkeon Growth Offshore fund
8. Realmont Property Partners: 18 Canberra Avenue
9. SGH Medical Technology Fund
10. Ingenia Diversified Communities Fund
11. RF CorVal Industrial Infill Trust
12. Fortius Queen Street Trust
13. Australian Crop Partners
14. IP Generation Essential Retail Trust
15. Banner Asset Management
16. Auscap Long Short Australian Equities Fund
17. Cota Capital
18. 1851 Capital

Lincoln Place Community Lifestyle Bendigo Fund

Have a high respect for the manager and the Community Living sector. Prefer not to invest in land bank developments given higher risk nature. We have recently made a number of investments in direct property and wish to stagger the liquidity profile of investment portfolios.

Eagle Farm & Brendale Investment Trust

Attracted to the industrial property sector however recent investments in Regional Hospitality Fund and Social Disability Housing has meant that current capacity limited for new investments. We prefer to spread investments in direct property over sectors/managers and time frames to manage liquidity risk/cycle risk.

Macquarie Capital Notes V offer

Macquarie Capital Notes V upscaled their capital notes offer to $725m at 2.9% offer margin over swap, with first call duration of 6.5yrs. At the time of the offer, the issue margin was not as attractive as secondary market capital notes with shorter duration. Our investment committee had the view that credit spreads were expensive (not being compensated for the risk) and potential for increased defaults/impairments as Covid provisions are relaxed.

One Ventures Growth Fund V

We met with Dr Michelle Deaker, Grant Champerlain and Nigel Dews to discuss the upcoming Growth Fund V. The fund aims to target the gap in the market where established high-quality technology companies are outside the laneway of traditional Venture Capital and not yet on the radar of Private Equity funds. The product aims to target businesses in technology and tech-enabled services that have a tested business model and track record. The investment strategy involves investing due to attractive business strategies or strong potential growth and institutional support rather than the common valuation method. The investment team take on a meaningful ownership stake which entails greater than 20% stake or partners in the business.

The product targets a gross IRR of 20-25% and attracts a management fee of 2% and a 20% performance fee. The fund has a 10-year lifetime, with a 5-year investment phase and a subsequent 5-year harvest. The exit strategy involves either exiting after the return of capital or when full potential is realised, we noted there is no recycling of capital. We have not participated in this fund given our exposure to existing private equity and other illiquid exposures.

River Capital Multi Strategy Credit Fund

We met with portfolio manager, Danial Saldanha, to discuss their new multi strategy credit fund. The fund invests in leveraged loans, high yield bonds, bank capital and asset backed securities. Given the liquidity of underlying investments, it is a relatively liquid fund compared to other enhanced yield strategies that have long lock up terms. The target of 6%-8% after fees is reasonable given the breadth of the credit spectrum and them being able to invest up and down the credit structure, where they are being adequately compensated for the risk. The fund will be well diversified across 30-50 names and in process of being deployed. We are pleased to see strong returns from previous separate credit funds from River Capital (now closed SPV's), which have some similarities to this current open fund. Our preference was to Epsilon Direct Lending Fund, after conducting our Credit review.

Peet Limited Capital Wholesale Notes 2

We recently reviewed the new Floating Rate Note from Peet Limited. The Notes interest rate is the 3-month Bank Bill Swap Rate; the margin is +5.00%-5.25%. The Notes will be direct, senior, unsubordinated and unsecured obligations of the Issuer and will at all times rank at least equally with all other obligations of the Issuer. The Note has an issue size of A$75,000,000, we believe this is too small and presents liquidity risk given the daily trading volume would be too small for us to trade. Furthermore, the Issuer is mainly exposed to residential development which at this stage is unpreferred. Peet derives earnings from its development business, funds management business and joint venture business based on the future value and sale of residential lots. Should the future market value and/or sales volumes be lower than expected, as a result of negative market conditions, Peet's earnings and returns could be negatively impacted. We believe there are more attractive investments within the fixed income sector thus have declined this offer and will continue to look for more suitable products in this space for our clients.

Alkeon Growth Offshore fund

We had a zoom call with Peter Di Dominicis in from Alkeon Capital Management in March to discuss their Alkeon Growth Fund. The fund is a long/short fund that brings a deep research fundamentally driven approach to investing in global equities. The key objective of the fund is to generate profits on both the long and short side of the portfolio over a full investment cycle.

The portfolio will typically have 150 to 250 positions with a net exposure of 30-80%. They have impressively captured just 21% of the downside in the MSCI world and 155% of the upside to 30 June 2021 since their inception in 1998. It is their demonstrated ability to limit portfolio drawdowns, their strong compounded rate of return of 14.9% p.a. since inception and their longevity of performance that makes the fund interesting. Their technology expertise is also a positive factor. We will continue due diligence and have now found an onshore means to invest should we decide it is an appropriate inclusion in client portfolios.

Realmont Property Partners: 18 Canberra Avenue

Providence was invited by Realmont to participate in an exclusive off-market position on Commonwealth of Australia (CoA) leased office opportunity in Canberra ACT. The current owner developed the asset for CoA, the existing tenant, and the proposed disposal will be the first time the asset has been available.CoA lease the entire building with the existing lease due to expire as of 22 November 2027, however negotiations have commenced for an early lease extension for a new 15-year lease term from 23 November 2021. The ability to acquire the asset and complete the early lease extension would provide an immediate value enhancement opportunity. Although this is an attractive opportunity, due to our full weighting in direct property and continued management of client's liquidity profile we have disinclined to participate.

SGH Medical Technology Fund

Providence met with Rory Hunter and Hamish Tagdall from SG Hiscock to discuss their Medical Technology Fund. This Fund will invest in medical technology companies, focusing on generating alpha from a portfolio of established medical technology companies, and small and unlisted companies that are driving innovation in the space. Many long-term themes are increasing demand for medical technology, including aging western world demographics, the COVID-19 pandemic, and the social impact of adoption. We have declined to participate in this fund, due to the fund structure owning both liquid and unlisted investments but providing monthly liquidity (potential mismatch of liquidity).

Ingenia Diversified Communities Fund

Providence was invited to invest in a new wholesale fund Ingenia plan to launch in the coming months. Ingenia is a leading operator and developer of manufactured housing and caravan parks, with 81 communities and $1.9b market capitalisation. With a fund's management business with $140m of assets under management. To facilitate the Group's growth, Ingenia intend to expand and leverage our funds management platform by launching a new fund targeting $100m assets under management with the portfolio of assets to comprise of a mix of manufactured housing, long term rentals and caravan parks. The target distribution yield is 6% per annum and total return of 8% over a five-year period. We have declined to participate in this offer due to the belief there are alternate sectors to invest in that are more attractive at this stage.

RF CorVal Industrial Infill Trust

Providence was invited to participate in the RF CorVal Industrial Infill Trust. The objective of the Trust is to offer Investors exposure to a portfolio of industrial assets in urban infill locations, which are underpinned by relatively high underlying land values.

RF CorVal has secured an initial investment for the Trust and is seeking to raise Initial Equity of $11.75m to fund the acquisition of the initial property. This Initial Property is to be acquired under a sale-and-leaseback to Farm Pride Foods Limited (Farm Pride) for a 15-year lease term. The lease is on a triple net basis, meaning the tenant will be responsible for the payment of base rent and all property outgoings, as well as any required capital expenditure and repairs and maintenance over the term of the lease. We have declined this offer due to manager risk, having a current investment with the manger existing.

Fortius Queen Street Trust

Providence was invited to participate in the Fortius Queen Street Trust. This high-income investment forecasts 8.00% average distributions over the five-year investment period. Providence has declined to participate because of manager concentration risk, already having active investments with this manager.

Australian Crop Partners

We were invited to invest in Australian Crop Partners; having been presented with an opportunity to gain exposure to operationally leveraged returns, through leasing and operating a diversified portfolio of broadacre farming enterprises. Australian Crop Partners (ACP) is seeking growth equity to support an experienced management team build a diversified portfolio of production assets under lease. We declined to invest due to already existing exposure in this sector, achieved through the asset Growth Farms.

IP Generation Essential Retail Trust

Providence was invited to participate in this Trust which will acquire a portfolio of six high-quality essential needs (non-discretionary) retail assets (off market) located throughout Sydney and regional NSW. The fund is targeting a forecast distribution yield of 8%pa (paid quarterly) and a base case IRR of 12%. Although we believe this portfolio represents a rare opportunity to acquire a portfolio of non-discretionary retail assets at a scale and quality ordinarily reserved for domestic and global institutional investors, we have declined to participate attributed to ensuring all portfolios have sufficient liquidity to manage the potentially difficult next 3-5 years along with our inability to exercise any influence in the fund given we would have only a small allocation.

Banner Asset Management

We met with Bryan Massey from Banner Asset Management to discuss their business and get an overview of their funds. The funds are focused on providing first registered mortgages on Australian properties. We have looked at three of their funds; The Low LVR Fund – targeting a 7% p.a. yield with a semi-annual distribution and a maximum LVR of 55%. The Banner Real-estate Fund, which has returned an average annual return of 10.14% since its inception in 2018. Finally, the Banner Wholesale Fixed Income Fund, a master fund under which investors can chose to invest in individual deals through sub-schemes to the master fund. We are active investors in this space currently and were keen to see how other fund managers are investing. In addition, we may wish to invest with new managers at some stage to manage fund manager concentration risk in portfolios. At this stage we have declined, however, we like this area and will continue monitoring the Low LVR and Wholesale Fixed Income Fund.

Auscap Long Short Australian Equities Fund

We met with Tim Carleton from Auscap Asset Management to discuss their Auscap Long Short Australian Equities Fund. The fund invests in large/mid cap Australian Equities and has a target objective to deliver 10% – 15% annualised performance at the stock level. They are a value orientated fund manager that target investments that are cash producing businesses with solid returns on investment capital, transparent business models, strong balance sheets, high quality management and a preference for owner run businesses.

The investment team has a high degree of market experience and although the fund has a relatively high volatility, the returns have been impressive over the longer term. We currently have preferred fund managers in this space but will continue to monitor the fund.

Cota Capital

We met with Babak Poushanchi from Cota Capital to talk about their Cota Growth Fund and get an initial overview of their Cota FinTech Ventures II Fund. Cota Capital is a San Francisco based funds management group that has been focused on investing in US based modern enterprise technology companies since 2015. The group manages just over $1bn in assets with a team of 33. They utilise a multi-stage research platform and have invested in over 80 private and 25 public technology companies since inception

The Cota Growth Fund is a concentrated portfolio of publicly listed modern enterprise technology companies what can invest up to 20% of fund monies in unlisted enterprises. They are also raising monies for the Cota Ventures II and Cota FinTech Ventures II Funds currently. The Ventures II Fund is focused on investing in early-stage growth (Series A/B) US based modern enterprise technology companies, whereas the Fintech Ventures II Fund is more narrowly focused on US based FinTech Companies.

We believe there is merit to look at this space as the early-stage venture space still displays considerable market inefficiencies and growth opportunities. Our preferred access is via a specialist active fund manager based in the Investment region. Providence likes this area and will continue our due diligence on the manager and their funds.

1851 Capital

We attended the 1851 Capital Webinar, the fund invests in smaller companies and has a target objective to deliver strong outperformance against its benchmark the S&P/ASX Small Ordinaries Accumulation Index. This means it invests in companies outside the top 100 listed on the ASX.

We are active investors in small caps as it is an area that provides opportunities for managers to generate alpha from identifying market inefficiencies. We like the boutique independent nature of 1851 and that the fund is relatively new but with a highly experienced management team. The CIO, Chris Stott has extensive experience in investing in Australian equities, most recently as CIO and Portfolio Manager at Wilson Asset Management. The fund's performance has been impressive, generating outperformance of 31.3% to the index, +63.6% in the year to 31 July 2021 or 30.4% p.a. since inception.

The fund is soft closing at the end of August 2021 at $1bn and so we will monitor the manager for now as we are fully invested for clients in this space currently.

Presentations

1. Equities and Growth Assets Symposium
2. River Capital Multi Strategy Credit Fund
3. Sage Absolute Return Fund
4. Quest Long Short Equities Fund
5. Bentham Asset Backed Fund
6. Pacific Equity Partners (PEP)
7. Pimco Short Term Bond Fund
8. Pimco Trends Fund (Managed Futures)
9. Franklin Templeton Absolute Return Fund
10. Melior Australian Impact Fund
11. Ausbil Active Equity Fund
12. Wilson Asset Management – WAM Leaders
13. Ophir Global Opportunities Fund
14. Fortius Property Investment Update
15. Fidelity Global Leaders Fund
16. MLC Private Equity Fund
17. Schroders Investment Outlook
18. Equities and Growth Assets Symposium
19. Sage Absolute Return Fund
20. Quest Long Short Equities Fund
21. Bentham Asset Backed Fund
22. Pacific Equity Partners – Fund updates
23. Pimco Short Term Bond Fund
24. Pimco Trends Fund
25. Franklin Templeton Absolute Return Fund
26. Melior Australian Impact Fund
27. Fidelity Global Leaders Fund
28. Cleanaway Assets Site Tour
29. Celeste Australian Small Companies Fund
30. JCB Active Bond Fund
31. Investible Early Stage Fund II
32. Growth Farms – Carbon Capture

33. AMP Capital Community Infrastructure Fund
34. BCA Macro Webinar
35. BCA Research Report
36. JP Morgan Asset Management Webinar
37. Magellan Presentation
38. Antler Global Fund

Equities and Growth Assets Symposium

The Inside Network conference had a variety of talks from industry specialists, Professors, and research providers. The most interesting discussion lay around the theme of rising rates (whether government bond yields will be forced much higher to fend off inflation, to the detriment of duration assets and equities). Professor William Mitchell (University of Newcastle), an economist and one of the founding developers of Modern Monetary Theory had a strong argument on why inflation will remain manageable, giving the example of the Japanese collapse and more recently the US after the Global Financial Crisis. The conference was held in conjunction with a number of fund managers.

River Capital Multi Strategy Credit Fund

Portfolio manager, Danial Saldanha, met with us to discuss their new multi-strategy credit fund. The fund invests in leveraged loans, high yield bonds, bank capital and asset backed securities. Given the liquidity of underlying investments, it is a relatively liquid fund compared to other enhanced yield strategies that have long lockup terms. The target of 6 - 8% after fees is reasonable given the breadth of the credit spectrum and them being able to invest up and down the credit structure, where they are being adequately compensated for the risk. The fund will be well diversified across 30 - 50 names and is in the process of being deployed. We are pleased to see strong returns from previous separate credit funds from River Capital (now closed SPV's), which have some similarities to this current open fund.

Sage Absolute Return Fund

Sean Fenton, portfolio manager, met with us to discuss Sage's market neutral Absolute Return Fund. Given the level where markets are trading, we wanted to discuss how their market neutral fund operates in any market condition. During 2020, a tough year for some market neutral strategies, the Sage Absolute Return Fund showed its ability to provide strong absolute returns in both falling markets and rising markets (fund drawdown of -3% versus ASX 200 Accum -36%). The role of absolute return funds (e.g. market neutral, global macro, CTA, managed futures etc.) can be attractive for clients seeking to reduce downside volatility and correlation to equity beta and duration.

Quest Long Short Equities Fund

Quest's new fund, the Long Short Australian Equities Fund was discussed in a meeting with Richard Dixon, portfolio manager. It is a variable beta (130% long / 30% short) Australian equities fund that leverages the existing research at Quest but adding the shorting component which Richard ran successfully at Antares. The fund has had a strong year since inception in April 2020, with smaller FUM and growing. It has been gaining traction with the research houses given the previous track record and similar strategy being employed. We have continued to watch this fund given the recent launch and having previously seen Richards fund at Antares.

Bentham Asset Backed Fund

We met with Richard Quin to discuss the Asset Backed Fund and their view on credit. As credit spreads have compressed significantly since switching into the Bentham Asset Backed Fund (from the Global Income Fund), we queried if investors were being compensated sufficiently for investing in high grade (AA+) credit. Richard went over the return profile and recovery since the March 2020 lows and subsequent credit recovery. He also discussed the potential of duration to be impacted if inflation came through (their fund is mainly floating rate which improves with rising rates). The Asset Backed Fund is mainly invested in collateralised loans, syndicated loans and RMBS.

Pacific Equity Partners (PEP)

The recent PEP Fund updates provided us with an understanding on their fund's performance. Given their investments in private equity, this is an area which is commercial and held in confidence. We are aware they are commencing a new credit vehicle which we will be reviewing in due course.

Pimco Short Term Bond Fund

We met with portfolio manager, Aaditya Thakur, to discuss the Short-Term Bond Fund and their views on credit. The fund is invested in high grade credit: Australian government, semi-government, and highly rated corporate bonds. Since the adoption of quant easing and compression of credit spreads, the yield offered in high grade bonds had fallen significantly. Aaditya commented that the relative value process of their fund being able to invest in credit and taking advantage of the relative steepness of the Aussie fixed income curve above the 3 years point, benefits from "rolldown" as maturities come closer.

Pimco Trends Fund (Managed Futures)

Chris Santore met with us to discuss the Pimco Trends Fund, which is a managed futures strategy targeting positive returns with lower volatility than equity markets. Managed futures strategies typically have no correlation long term to equity markets, but strong positive returns during bear markets (crisis alpha). We discussed the positive returns over the 2020 calendar year, diversification of the underlying investments and potential for crisis alpha (outsized returns in bear markets). The strategy invests across equities, rates, commodities and currencies. Pimco has an advantage in trading rates given their large, fixed income book making trades are cheaper to execute; but also, their smaller size in managed futures makes them more nimble. We believe there is a place for absolute return style strategies that are able to provide downside protection and lower correlation to equity/interest rate beta. We are continuing to look at the alternatives space, given their diversification and return characteristics.

Franklin Templeton Absolute Return Fund

The Franklin Templeton Absolute Return strategy was the subject of a meeting held with portfolio manager, Andrew Canobi. The fund aims to deliver returns in excess of the Ausbond Bank Bill index (2 - 3% over) by investing in high grade credit quality securities, government bonds, corporate and asset backed securities in Australia and overseas. Although mainly in investment grade, the fund may allocate up to 20% in non-investment grade securities with a minimum rating of BB-. The fund is active and generates returns through credit spread, curve positioning, foreign exchange and inflation (majority through the first two). Despite the low returns from credit at this time, it is good to see active fixed income managers delivering reasonable returns above cash with low volatility.

Melior Australian Impact Fund

The newly established Melior Australian Impact fund's portfolio managers, Tim King and William Wu, met with us. The fund invests in Australian and New Zealand equities to deliver positive social and environmental impacts aligned with the United Nations Sustainable Development Goals. The fund was established in July 2019 with growing funds under management. The unique investment process utilises fundamental research to identify companies with core products and services that create net positive impacts; a proprietary financial framework is then applied to these remaining stocks which produce a high conviction portfolio of 20 - 50 stocks. The benefits of this product include sophisticated analysis of ESG risks through environmental, social and governance KPI's leading to increased ESG ambition and advocacy.

Ausbil Active Equity Fund

A review of Ausbil's Australian Active Equity Fund was held with Paul Xiradis (CIO/Head of Equities) and Nicholas Condoleon (Head of Research). The fund has been actively investing during the Covid-19 period, favouring stocks that provide downside support and cyclical stocks dependent on vaccine success. We noted that the fund is overweight in the financial sector with Banks comprising 19% of the portfolio.

Ausbil gave insights into this decision, stating that Banks provisioning is informed and adequate, with the next 2 years of potentially bad news already priced in, therefore Ausbil like Banks on a valuation basis. The fund is also long in certain travel stocks, having an active position in Qantas and Webjet. Nicholas had some insightful views on potential vaccines and the post-vaccine market. In summary, Oxford's AstraZeneca vaccine at this stage is the most appropriate vaccine for Australia with 20,000 patient trials. Globally, R&D projects have been put on hold, with a simultaneous focus on Covid-19 on behalf of Pharmaceutical and Biotech firms. The investment team believe in a U-shaped recovery, with authorities and central banks conducting loose monetary policy and bringing forward spending. They note monetary policy will tolerate recovery in the form of an inflation overshoot, allowing inflation to run up, on setting increased steepness of the yield curve. This reiterates the fund favouring long duration and defensive assets.

Wilson Asset Management – WAM Leaders

Wilson Asset Management discussed their various Listed Invested Companies, specially the WAM Leaders Limited (WLE). WLE is ASX200 focused, on investments constructed from a macro thematic point of view, with investment objectives to deliver a stream of fully franked dividends, provide capital growth over the medium-to-longer term and preserve capital.

The investment team runs a portfolio consisting of 30 - 35 stocks during a normal season, however, the fund currently has a large spread of 55 stocks to mitigate market risks. The product has a benchmark of the ASX200 +3%-5% p.a. over rolling three to five years. This fund does not follow a specific sector weighting guide, however, is very active with a turnover of 4 - 5x to generate income.

Ophir Global Opportunities Fund

Andrew Mitchell from Ophir Asset Management discussed the Ophir Global Opportunities Fund in a meeting with us. This diversified portfolio consisting of 20 - 50 positions focuses on global small and mid-cap growth companies with an internal investment target of 15% p.a. gross of fees over rolling 5-year periods. The investment strategy focuses on smaller, less researched stocks that are experiencing their structural growth phase, cash generative, operate with sound capital structures and possess high-quality leadership teams. With regards to risk management, the fund cannot hold more than 25% of the fund in cash, has a 10% max position size and seeks to minimize geographic under or overweight versus the benchmark.

Fortius Property Investment Update

We met with Catherine Farrell, David Wood, Andrew Watson and Sam Sprouts who presented an update on our various investments. The Barracks (Brisbane) is in the process of securing final lease commitments which will be aided by open boards and have a focus on reducing operating expenses in an effort to reduce the impacts of Covid-19.

The Barracks currently has a 90.7% occupancy rate, a WALE of 3.82 years with the property valued $8,739 per square metre. Albany Creek (Brisbane) is currently focusing on securing the final lease commitment for two remaining vacancies and exploring the option for approval of a childcare centre. Albany Creek currently has a 98% occupancy rate, a WALE of 4.62 years with the property valued at $6,039 per square metre.

Finally, the St Leonards First Mortgage Loan is performing in line with expectations, with lease expiry no longer a prominent risk due to a new tenant securing a 2+2-year lease. St Leonards First Mortgage Loan currently has an 8.5% investor target interest with a 12-month term, 65% Loan to Value ratio and a 1.24% Interest Coverage Ratio.

Providence is pleased with the active response of Fortius during Covid-19 to minimise cost, secure existing leases and generate new leases.

Fidelity Global Leaders Fund

A review of the new Fidelity Global Leaders fund was held with portfolio manager, James Abela. The pilot fund began in December 2019 with the fund becoming public in December 2020. The fund's objective is to achieve returns in excess of the MSCI World Mid Cap Index (AUD) over the suggested minimum investment time period of seven or more years. James will be partnering with Maroun Younes to help assist the process. They are supported by Fidelity's global research team of 180 equity analysts and 400+ investment professionals worldwide which is an attractive feature of the fund. The management fee is 1.10% p.a., whilst the performance fee is 20% of the excess return above the fund's benchmark. This total fee caps out at 2.00% which is a differentiator in terms of fee structure. The fund is tilted towards quality and value and has been recommended by a major independent research house. Post this initial meeting we will continue our due diligence process on the fund.

MLC Private Equity Fund

Ross Kent from MLC met with us to discuss Funds I, II, and III. Fund I is currently in a great position, well on the way to 2x cash on cash return, the fund is exiting Project Hobart with a 2.5 - 2.6x return with cash flow expected throughout Q1 of 2021. This fund is projected to deliver above its targets with an estimated IRR of 20%. Fund II at this time is set with 21 companies, with one of these companies also listed on the 1st of July. The fund's liquidity is close to 3.3x, with an IRR of 14.4% as of December. Ross notes that the foreign exchange has had a negative effect detracting around 7% from the fund. With 30% of invested capital already returned to investors, attributed to good selling market condition, Fund II expects to continue timely exiting their investments. The more recent Fund III has had 10% of investments called and will be having further capital calls imminently.

Schroders Investment Outlook

Schroder's held an investment webinar which covered global equities, fixed income, and domestic equities. Within global equities they see some bubble behaviour starting to emerge and believe 2020 was a great opportunity to diversify portfolios, with emphasis on tilts towards cheaper out of favour stocks. Schroders achieved this by increasing their exposure to both the UK and China with now 22.3% and 10.7% respectively. Schroders made note of the problems of fixed income investors with the vanishing yield, and have focused on areas where they see opportunity. An area includes selected credit assets, with appropriate trimming and rotation from global credit and banks into REITS and transport. The outlook for 2021 is a narrow consensus, with bond yields expected to stay low, but be prepared for alternatives. Furthermore, risky assets are probably supported by recovery and policy, but valuations are getting full. With regards to Australian equities, sentiments and ratings have dominated the past decade. The outlook for this market entails a potential for an inflection point for what is driving the market, additionally, the real economy needs to catch up to the financial economy.

Equities and Growth Assets Symposium

We attended the Inside Network conference which had a variety of talks from industry specialists, professors, and research providers. The most interesting discussion lay around the theme of rising rates (whether government bond yields will be forced much higher to fend off inflation, to the detriment of duration assets and equities). Professor William Mitchell (University of Newcastle), an economist and one of the founding developers of Modern Monetary Theory had a strong argument on why inflation will remain manageable giving the example of the Japanese collapse and more recently the US after the Global Financial Crisis. The conference was held in conjunction with a number of fund managers, which is beneficial to keep in touch with.

Sage Absolute Return Fund

We met with portfolio manager, Sean Fenton, to discuss their market neutral Absolute Return Fund. Given the level where markets are trading, we wanted to discuss how their market neutral fund operates in any market condition. During 2020, a tough year for some market neutral strategies, the Sage Absolute Return fund showed its ability to provide strong absolute returns in both falling markets and rising markets (fund drawdown of -3% vs ASX 200 Accum -36%). The role of absolute return funds (eg market neutral, global macro, CTA, managed futures etc) can be attractive for clients seeking to reduce downside volatility and correlation to equity beta and duration.

Quest Long Short Equities Fund

We met with portfolio manager, Richard Dixon, to discuss his new fund at Quest, the Long Short Australian equities fund. It is a variable beta (130% long/30% short) Australian equities fund that leverages the existing research at Quest but adding the shorting component which Richard ran successfully at Antares. The fund has had a strong year since inception April 2020, with smaller FUM and growing. It has been gaining traction with the Research houses given previous track record and similar strategy being employed. We have continued to watch this fund given the recent launch and having previously seen Richards fund at Antares.

Bentham Asset Backed Fund

We met with Richard Quin to discuss the Asset Backed fund and their view on credit. As credit spreads have compressed significantly since switching into the Bentham Asset Backed fund (from the Global Income Fund), we queried if investors were being compensated sufficiently investing in high grade (AA+) credit. Richard went over the return profile and recovery since the March 2020 lows and subsequent credit recovery. He also discussed the potential of duration to be impacted if inflation came through (their fund is mainly floating rate which improves with rising rates). The Asset Backed Fund is mainly invested in collateralised loans, syndicated loans and RMBS. We have sold our exposure to this fund, as credit spreads have contracted, with clients no longer being adequately compensated for the risk being taken.

Pacific Equity Partners – Fund updates

We attended the recent PEP fund updates to get an understanding on their funds' performance. Given their investments in private equity, this is an area which is commercial and held in confidence. We are aware they are commencing a new credit vehicle which will be reviewing in due course.

Pimco Short Term Bond Fund

We met with portfolio manager, Aaditya Thakur, to discuss the Short-Term Bond Fund and their views on credit. The fund is invested in high grade credit: Australian government, semi government and highly rated corporate bonds. Since the adoption of quant easing and compression of credit spreads, the yield offered in high grade bonds had fallen significantly. Aaditya commented the relative value process of their fund being able to invest in credit and taking advantage of the relative steepness of the Aussie fixed income curve above the 3 years point, which benefits from "rolldown" as maturities come closer.

Pimco Trends Fund

We met with Chris Santore to discuss the Pimco Trends Fund, which is a managed futures strategy targeting positive returns with lower volatility than equity markets. Managed futures strategies typically have no correlation long term to equity markets, but strong positive returns during bear markets (crisis alpha). We discussed the positive returns over 2020 calendar year, diversification of the underlying investments and potential for crisis alpha (outsized returns in bear markets). The strategy invests across equities, rates, commodities, and currencies. Pimco have an advantage in trading rates given their large fixed income bookmaking trades there cheaper to execute; but also their smaller size in managed futures makes them more nimble. We believe there is a place for absolute return style strategies that can provide downside protection and lower correlation to equity/interest rate beta. We are continuing to look at the alternatives space, given their diversification and return characteristics.

Franklin Templeton Absolute Return Fund

We met with portfolio manager, Andrew Canobi, to discuss the Franklin Templeton Absolute Return strategy. The fund aims to deliver returns in excess of the Ausbond Bank Bill index (2-3% over) by investing in high grade credit quality securities, government bonds, corporate and asset backed securities in Australia and overseas. Although mainly in investment grade, the fund may allocate up to 20% in non-investment grade securities with a minimum rating of BB-. The fund is active and generates returns through credit spread, curve positioning, foreign exchange, and inflation (majority through the first 2 buckets). Despite the low returns from credit at this time, it is good to see active fixed income managers delivering reasonable return above cash with low volatility.

Melior Australian Impact Fund

We met with portfolio managers, Tim King and William Wu, of the newly established Melior Australian Impact Fund. The fund invests in Australian and New Zealand equities to deliver positive social and environmental impacts aligned with the United Nations Sustainable Development Goals. The Fund was established in July 2019 and growing funds under management. The unique investment process utilises fundamental research to identify companies with core products and services that create net positive impacts; a proprietary financial framework is then applied to these remaining stocks which produce a high conviction portfolio of 20-50 stocks. The benefits of this product include sophisticated analysis of ESG risks through environmental, social and governance KPI's leading to increased ESG ambition and advocacy.

Fidelity Global Leaders Fund

We met with portfolio manager, James Abela, from Fidelity to review the new Fidelity Global Leaders Fund. The pilot fund began in December 2019 with the fund becoming public in December 2020. The fund's objective is to achieve returns in excess of the MSCI World Mid Cap Index (AUD) over the suggested minimum investment time period of seven or more years. James will be partnering with Maroun Younes to help assist the process. They are supported by Fidelity's global research team of 180 equity analysts and 400+ investment professionals worldwide which is an attractive feature of the fund. The management fee is 1.10% p.a., whilst the performance fee is 20% of the excess return above the fund's benchmark. This total fee caps out at 2.00% which is a differentiator in terms of fee structure. The fund is tilted towards quality and value and has been recommended by a major independent research house. Post this initial meeting we will continue our due diligence process on the fund.

Cleanaway Assets Site Tour

Providence was invited to a site tour of Cleanaway's (CWY) Western Sydney Assets. The most prominent takeaway from the research experience was the genuine passion of the staff working at each site. The NSW General Manager of Cleanaway was extremely proud of his contracting track record and the work done by him and his team as they tender new contracts, with a deep knowledge base in the company, the sector and interestingly their competitors as well. An interesting finding was a new appreciation for the work that goes into the new local Container Deposit Scheme (CDS), and the capability of the group running it. Running as a joint venture between CWY and Norway-based/listed Tomra, the group have complete, live visibility on all bins and facilities across the state. They know, in real, live data, which bins are at what capacity, when they were last picked up and when they are next due to be picked up. Interestingly the CDS also runs at margins that are accretive to the CWY group, margins which we believe would be expanding as the market for recycled material (recycled PET for plastic bottles, aluminium for cans etc.) grows, and largely because of consumer demand. Other site visits included Erskine Park Transfer Station and Landfill, as well as Wetherill Park Oil Refinery. At the time of writing, Cleanaway remains a holding within the Providence Direct Equity portfolio.

Celeste Australian Small Companies Fund

We met with Paul Biddle and Martin Byers from Celeste Funds Management to discuss their Australian Small Companies Fund. The fund's investable universe is the S&P/ASX Small Ordinaries and has a performance objective to outperform their benchmark, the S&P/ASX Small Ordinaries Accumulation Index, net of all fees over rolling 5-year periods. The investment philosophy is a bottom-up approach with a framework that values the intrinsic worth of any security by the value of its future cash flows. The portfolio is relatively concentrated, holding between 30-50 stocks, that meet its quality criteria and are assessed as trading below their assessment of fair value. Celeste adopts a long-term view when purchasing stocks, which is reflected in the relatively low level of portfolio turnover, around 30-40% p.a. There is also a strong alignment of interest with staff holding 100% of the firm's equity. We like this area and will continue our due diligence having already organised another meeting with the portfolio managers to discuss their modelling process.

JCB Active Bond Fund

Providence attended a JCB call with portfolio manager Charlie Jamieson, that gave insights into the bond markets and detailed the recent performance of the fund. Important comments included the notion that velocity of GDP growth is starting to slow after central bank intervention last year. Furthermore, the generosity of government is dissipating, resulting in a fiscal cliff situation. JCB also suggest the economy has seen the worst of reflation and is not expecting inflation any time soon.

The call also detailed that the managers believe the market is starting to re-estimate the growth story, with financial conditions and economic supply indices suggesting growth is not as robust. JCB also notes the correlation between bonds and equities moving forward will be complex and not absolute, however, during strong market falls; strongly negative. We appreciate JCB's insights into the volatility of government bonds and the Central Bank's policies.

Investible Early Stage Fund II

We met with Daniel Veytsblit and were invited to participate in Investible's Early Stage Fund II which will target Seed Capital and early stages Venture Capital investment with initial investments ranging from $250k to $1.5m. The fund will target 40+ companies with a target raise of $50m, the book value target is $300m indicating a 25% IRR target. The fund is a 6-year lock-up, with ESVCLP Structure which has associated potential tax advantages for investors.

The Fund will screen a total of 1500 ideas annually, subsequently investing in 30 names with a 10% allocation to impact investments. The fund is open to wholesale investors with a 2% Management Fee + 20% Performance Fee after an 8% hurdle. Investible's track record is impressive with a 55% IRR since 2010, 3.9x cash return on deals before 2015 and a low 16% failure rate. Providence understands this sector has additional risks and is only appropriate for certain clients, we like this fund and the associated management and will continue our due diligence on the fund as it progresses.

Growth Farms – Carbon Capture

We met with David Sackett from Growth Farms, who manage several farms for Providence clients across Eastern seaboard through their Agricultural Lease Fund (targeted exposure to farming operating yield and land capital appreciation). Growth Farms signatory to UN Principles of Responsible Investment (UNPRI), with ESG considerations including environmental sustainability.

Growth Farms believe environmental sustainability, good productive farming practices along with acquisition of undervalued land and moving towards productive capacity is beneficial for farmers, improves financial viability for investors and the better for the environment. The discussion with David Sackett was about carbon capture from the soil and how improvement provides some carbon capture offset that can be sold. Additionally, this will also be beneficial for farm productivity with soil enhancement and the subsequent positively revised farmland value. Providence will stay up to date with Growth farms endeavour to improve the organisations capacity to capture carbon.

AMP Capital Community Infrastructure Fund

There is corporate activity within AMP Community Infrastructure Fund (unlisted, illiquid). The Independent Board Committee of AMP last week rejected the proposals from Plenary, HRL Morrison and Palisade for management of the fund. Transition risk, changes in risk profile, differences in access to assets, track record and fund costs were mentioned as rationale in declining. Ming Long (AMP Independent Board Committee) stated "The proposals put forward by Plenary Group, HRL Morrison and Co and Palisade did not exhibit sufficiently compelling or certain benefits to CommIF members to outweigh the uncertainty and risks that would arise from changing the management of CommIF". The fund has returned 5.6%, 7.1% pa, and 8.9% p.a for 1 year, 3 years and since inception (2006) respectively. The fund is currently under ongoing review.

BCA Macro Webinar

In March we attended a BCA Research Macro Webinar for an update on their views. BCA remain bullish equities, highlighting that they generally want to stay bullish when global growth is strong and central banks are remaining accommodative (supportive for risk assets). Given the recent back up in bond yields (yields rising) their favourable view towards equities is somewhat dependent on how far bond yields rise. BCA remain of the view that value stocks are cheap and earnings momentum is behind value stocks. This remains a high conviction view on a 12mth horizon. Longer term, BCA expect a big lift in inflation 3-4 years out (so do not feel there is any inflation risk near term). They anticipate that bond yields will rise moderately over the next few years but could surge later this decade as inflation eventually accelerates. A change of narrative in the short to medium term would really require the US FED to say they are going to raise rates next year (which BCA do not see the FED doing. BCA expect very easy monetary policy for the next few years and also expect that non-US stocks should continue to outperform US stocks.

BCA Research Report

In June we reviewed the BCA Research strategy report titled - Inflation bubble will burst, written by Dhaval Joshi, BCA Research Chief Strategist. The report suggested that the current inflation bubble will burst as commodity price spikes (due to the globe re-opening) retract and the recent inflation flare up subsides, leading to reduction in broader inflation and inflation expectations (this is a new BCA Research narrative). Tactically, this report suggested in the very short term to take some profits in equities (i.e. sell the reflation trade) and more specifically go underweight basic materials and industrials. The report also indicated to go underweight commodity currencies such as the CAD, Rand & Krone but interestingly did not mention AUD.

JP Morgan Asset Management Webinar

In July we attended the JP Morgan Asset Management quarterly update webinar (Guide to Markets) hosted by Kerry Craig, Executive Director Global Market Strategist. JP Morgan view the current inflation spike as transitory. They do see some upside risk and noted that Inflation is showing up more so in some markets however more so in developed markets it is more a story in the US than other markets. They believe that not all central banks will tighten at the same time and noted that looking forward there does remain scope for a 'yield tantrum' (bond yields spiking in response to changing central bank narratives). This remains a risk and they questioned why yields are not currently higher. More broadly, they opportunities in equites and are of the view that the rotation to value from growth has more to come. They noted that whilst input prices are going up in many jurisdictions, so are output prices so company margins are ok (supportive for equities). Earnings revisions also continue to rise (again supportive for equities). JP Morgan favour markets with greater cyclical weights such as Japan and Europe. They expect emerging markets to catch up later. Regarding credit and bond markets, they are forecasting 1.5 – 2% bonds by year end (US 10yr) but don't expect a tantrum (aggressive sell off of bonds and yields rising sharply). They also noted that large overseas demand for bonds continues especially in counties such as the US and Australia with yields significantly higher than other developed markets. JP

Morgan's observation on credit is that despite the default rate currently at ~2.2% (exceptionally low), they envisage a probability whereby the default rate in credit could fall further through 2021. Global growth momentum appears to have peaked but will continue to be strong. Supply bottlenecks may continue to boost inflation short terms.

Magellan Presentation

Providence attended Magellan Group's presentation in which Hamish Douglass introduced a key source of intelligence for the fund manager, ex-CIA director Mike Morell. Mr Morell revealed his belief that China was the biggest risk the US has ever faced, additionally the US was vulnerable under Trump if a crisis struck and bet on a second term for the controversial president.

Furthermore, Mr Morell stated that the China threat was the "single biggest foreign policy challenge faced by the US economy", to the extent where the issues was, "hurtling toward a cold war against China". Mr Douglass stressed that the main theme in markets over the past few months has been uncertainty.

Antler Global Fund

We were offered to participate in the new Antler Global Fund which is looking to raise $600m. The venture capital fund would selectively invest from their existing large proprietary pipeline opportunities consisting of their original pre-seed investment. The advantages of this fund include the ability to take up pro-rata investments rights to follow-on opportunities and competitive advantage via access to data through early-stage founder relations. The fund investment process involves deploying capital from the Seed to Series C stage, with a fund lifetime of 10 years.
We are currently reviewing the fund along with other private equity offerings.

News

Providence Certified Carbon Neutral

Providence is now certified carbon neutral by Climate Active! This is consistent with our commitment to clients to ensure a secure future for generations to come.

On top of our business being certified against the Climate Active Carbon Neutral Standard, our offices are located in a 6 Star Green Star and 5 NABERS rated building. We are also committed to incorporating ESG considerations into our investment analysis and decision-making processes.

The team at Providence are proud of this achievement.

Praemium Custodial Platform

After extensive due diligence, we have decided that it is in our clients' best interest to migrate your portfolios to the Praemium custodial platform.

The main benefits that clients will receive from this new custodial offering are; a higher level of protection (assets held in safe custody), more nimble and efficient transactions, enhanced reporting and more user-friendly interface, all direct investments will be incorporated in the reporting system and holistic reporting consolidating all entities.

With the increase in cyber-related fraud, this new platform will provide another layer of protection and security for your investments.

Welcome Will Chen

Providence would like to welcome Will Chen to our team as a Research Analyst. He is responsible for asset allocation, portfolio construction research and development and investment performance monitoring. Will joins us from Dimensional Fund Advisors where he was an investments analyst. He holds a Bachelor of Commerce (Finance) and Bachelor of Laws from the University of New South Wales.

Providence Investment Committee

Stephen Christie

Steve has over 20 years of investment and finance experience, including Director and Head of Private Wealth for Ord Minnett, Chairman of the Ord Minnett Investment Committee and Head of Asset Allocation for Goldman Sachs JBWere Private Wealth Management. Steve holds a PhD in Applied Finance, is an Honorary Fellow at Macquarie University, an Adjunct Professor at Notre Dame University Sydney and a Trustee Director of major industry super fund QSuper.

Steven Crane

Steven has over 40 years of investment experience having started in financial markets in the early 1970s. He has held such positions as Senior Portfolio Manager and member of the Asset Allocation Committee at AMP. For seven years he was the Chief Executive of ABN Amro. His current directorships include: Chair of NIB Holdings limited, APA Group, Bank of Queensland and Transfield Services.

Chris Grubb

Chris has held senior fund management and broking positions within the Jardine Fleming Group in Japan, Hong Kong and Singapore. He was also a Director of Jardine Fleming Ord Minnett and Chairman of Investor's Mutual and Investor Web and is currently a Director of several Asian-focused investment funds. He also chairs Boardroom Australia and is a Director of Boardroom Limited in Singapore. Chris also acts as an executive coach.

Peter Hooker

Peter has held such positions as an Industrial Analyst at BZW Australia (now ABN Amro), Director reporting to Head of Research, was on the Equities Executive Committee and Director and Head of Industrial Research. He has a B.Sc. in Chemistry, B.E. in Chemical and Materials Engineering, and Graduate Diploma in Finance and Investment. He has over 25 years of experience in investment markets.

Justine Morton

Justine has 25 years of investment and finance experience both in Australia and internationally. Prior to joining Providence she was a Relationship Manager at Credit Suisse Private Banking. Justine started her career in Perth at First State Fund Managers (Colonial) then Hartley Poynton before moving to London. At Lehman Brothers and then Cargill Investor Services she focused on event arbitrage and special situations before returning to Australia, to start and run Finsbury Capital Advisors. She has a Bachelor of Commerce from UWA.

Richard Nicholas

Richard has over 30 years of experience in private client portfolio management in London, Hong Kong and Australia. Richard started his career with Deloittes in London before cutting his investment teeth with the Rothschild family. He was the founding Research Director at S&P Fund Research UK and Investment Director at Hill Samuel Pacific in Hong Kong. He has also held senior positions with Hambros Pacific in Hong Kong, Alliance Capital in Asia and ANZ Private Bank. He is currently Director at Peak Investment Partners.

Michael Ogg

Michael has over 20 years of experience in investments, starting his career at JPMorgan Investment Management in London in the early 90s. In Australia, Michael worked for AMP Asset Management holding senior roles in Institutional Equities and for Deutsche Bank as a Client Advisor in Private Banking. Michael has an MA (Honours) Economics from Aberdeen University.

Jonathan Pain

Jonathan has 30 years of international investment experience. He has held such positions as Chief Investment Strategist of HFA Asset Management, Chief Investment Officer of Rothschild Australia Asset Management, Head of Investments at Gulf International Bank in Bahrain and Chair of the International Asset Allocation Committee at Paribas Asset Management in London. He holds a joint honours degree in Economics and Politics from Keele University and a Masters degree in the Economics of Finance and Investment from Exeter University.

Providence Investment Committee

Grant Patterson

Grant has over 30 years of experience in equity markets. Prior to forming Providence he was a Director of ABN Amro and Head of Retail Broking. He has also held other senior positions such as Senior Institutional Dealer, Head of the Sydney Institutional Dealing Desk and also Head of Corporate Liaison.

Will Porter

After joining Providence in 2012, Will spent two years in London to gain insight into global developments in Asset Allocation and to review alternative investment opportunities, primarily hedge funds and structured products. During this time he met with 600 different investments managers and reviewed approximately 1500 strategies. As Head of Investment Strategy, he is responsible for asset allocation, portfolio construction research and development and investment performance monitoring. Will completed a Bachelor of Commerce in 2007 and a Master's degree in Applied Finance in 2019.

Stephen Roberts

Stephen has over 40 years of experience as an economist and financial markets strategist in banking, broking and funds management. He has worked as Chief Economist with Equitilink and UBS. He worked on the Secretariat of the Australian Financial System Inquiry (Campbell Committee) in 1980, helping draft recommendations that led to the deregulation of the Australian financial system. He is an honours graduate in Monetary Economics from the London School of Economics.

James Smith

James has over 20 years of investment market experience (cash equities). Prior to joining Providence, he held the position of Deputy Head of Domestic Sales at CIMB Securities (Australia) and was a member of the CIMB Equities (Australia) Management Committee.
He has also held positions as Director - Sales at RBS, ABN AMRO and Sales at Deutsche Bank. James was responsible for Melbourne Sales/Account management in his previous roles over the last decade and in the last two years, was also responsible for New Zealand.

Marc Wait

Marc has over twenty years of investment experience. He began his career in Sydney with HSBC and Citigroup Global Asset Management (CGAM) managing Fixed Income and Money Market portfolios. Marc has also held positions in London with CGAM as a Fixed Income Portfolio Manager and Fidelity International where he was the Group Leader, Short Dated Bonds and chaired the Fixed Income Asset Allocation meetings for the firm. Marc was subsequently the Head of Treasury at the Abu Dhabi Investment Authority. Marc has a B.Agr.Ec (Honours) from the University of Sydney and is a Chartered Financial Analyst.

Ian Wenham

Ian has over 30 years of experience in equity research, investment strategy and portfolio management. He has held such positions as Equity Analyst with Meares and Philips and Research Director of BZW Australia covering equity strategy and industrial research. He was also Regional Research Director with BZW Asia and Director of Asian Research at Lehman Brothers Asia where he chaired the Investment Policy Committee and was the firm's supervisory Analyst for the Asia-Pacific Region. He has also managed strategic global equity investments for the Lowy Family Private Fund. He currently heads his own investment firm.

Safe Passage

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