Providence
Independent Investment Advisory

Global Outlook & Strategy

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Seismic Shifts

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1. KEY POINTS

- **There are seismic shifts occurring in the economic and financial landscape**
- **Our sense is that we are near the peak of everything**
- **Growth has started to moderate, particularly in the US and China**
- **Inflation has picked up all around the globe**
- **Remaining disciplined will be the key to protecting recent gains**
- **A high level of diversification will be required**
- **Many assets are at risk to a change in the breeze**
- **We are positive yet protective**

There are so many distortions in the current economic landscape that it is near impossible to have any clarity as to the likely outcome.

We sense that we are near the peak.

Peak growth, peak earnings, peak (persistent) inflation, peak bond market performance, (after a 30- year bull market) peak liquidity, peak speculation (SPACs[1], meme stocks, tech valuations, record levels of Initial Public Offerings, Crypto) and peak investment performance.

However, with a committed Federal Reserve anchored to gradual tapering and no interest rate rises until potentially the second half of 2022, the path of least resistance for risk assets is still up, driven by excess liquidity and there being no other alternative.

After mid-to-high teen returns for super funds over the past 12 months, it is perhaps prudent to ensure portfolios are positioned appropriately to protect those gains.

It is not as simple as just selling equities and increasing cash as liquidity could keep supporting risk assets and the real return from cash is still negative (taking into account inflation).

To weather the potential storm, we remain committed to value active managers in equities, preferring non-US markets and retaining an exposure to gold as protection against rising inflation and/or a potential market selloff.

The recommended portfolio in the current environment is one that is highly diversified with the inclusion of some non-correlated assets; gold, agriculture, market neutral funds, regional hospitality and infrastructure assets.

Remaining disciplined will be the key to protecting recent gains.

Over the past 12 months we have reviewed 64 investments and met 210 managers but only implemented 15 new investments.

1. SPACs – Special Purpose Acquisition Companies: A company formed to raise capital with the intention to acquire other/existing companies

It's important at this late stage (**Figure 1 & 2**) of the cycle to ensure that you are happy to own the assets you have throughout any prospect of a downturn and have a high level of diversification to weather the many potential conditions.

We are positive yet protective.

Figure 1: The rise and rise of: US money supply, pushing up the value of house prices, equity markets and now inflation.
Source: Factset

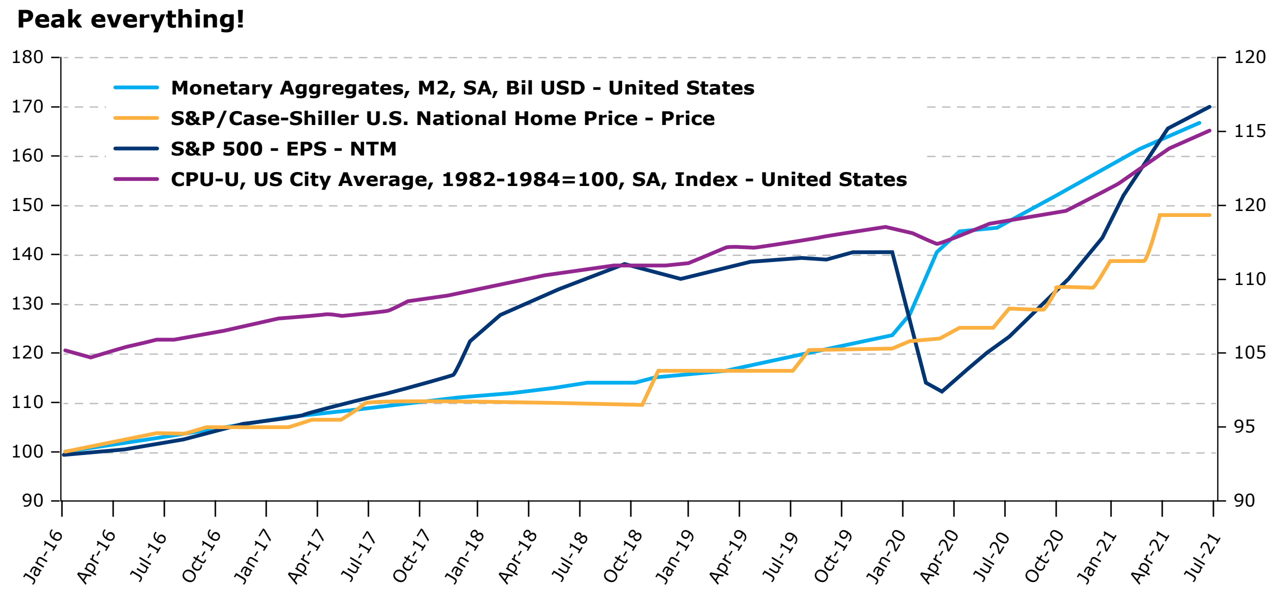
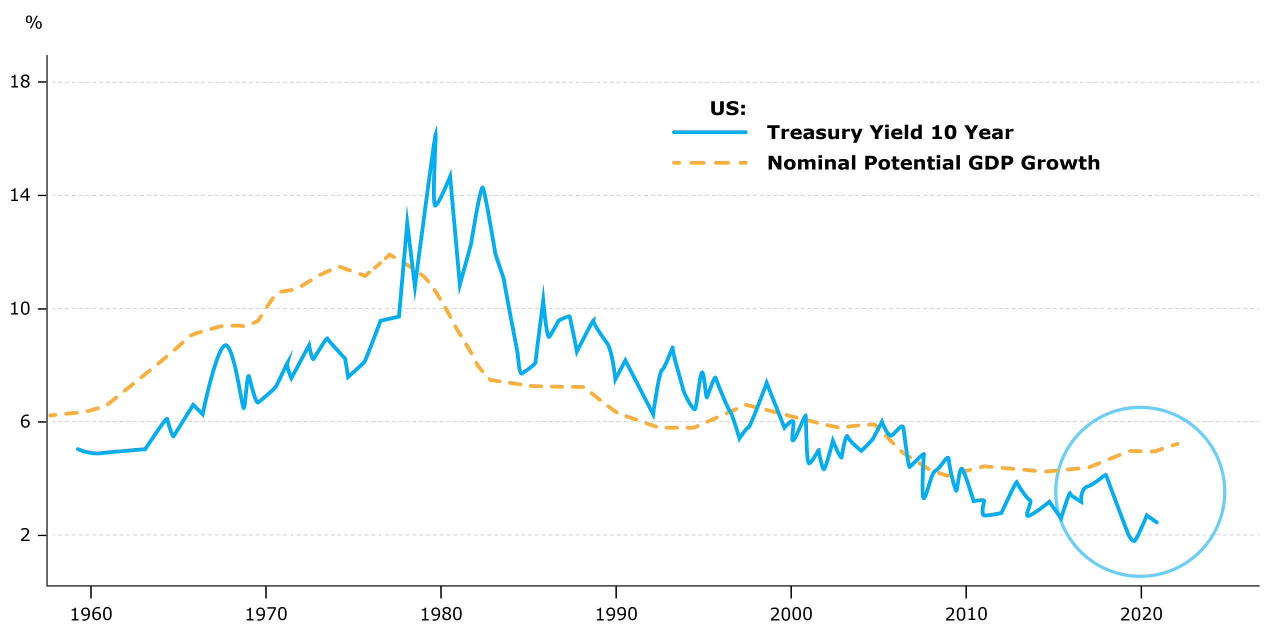


Figure 2: As GDP growth (the US depicted here) ultimately trends higher, interest rates are likely to follow in some capacity. Late cycle...
Source: BCA Research



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2. Investment Overview

Despite only a ~60% vaccination rate and around 10m people (or ~3.2% of the total population) currently infected with COVID-19, the US is open for business. Economic growth rebounded strongly in the second quarter of the year with real GDP up 6.7% over the quarter or 12.2% year-on-year. Boom!

However, associated with this booming growth is supply chain bottlenecks, low inventories, and surging shipping costs. Inflation has surged to 5.4% year-on-year in the US (ouch) and wages growth is now tracking at +4.6% vs. a year ago.

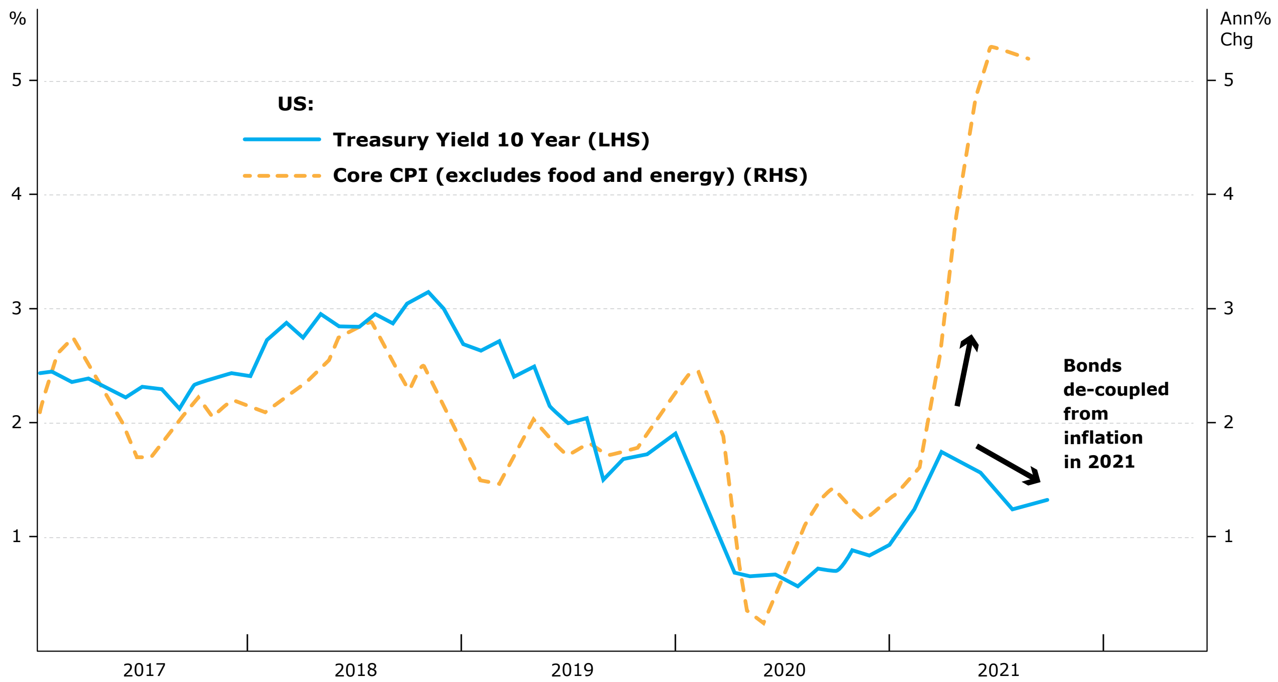
Transitory? Distorted? Peak? Possibly all of this and more. All the more reason for an 'all-weather portfolio' approach.

Growth has started to moderate, and some surging input prices have come off their peak. Companies thus far have been able to pass on rising costs to a savings-rich consumer and protect earnings. The bond market remains of the view (by the calmed state of interest rate markets and little material move in yields) that inflationary pressures will not be a permanent fixture (**Figure 3**).

So how long can this last?

Figure 3: The bond market by virtue of supressed yields appears to remain of the view that inflation is transitory.
Source: BCA Research

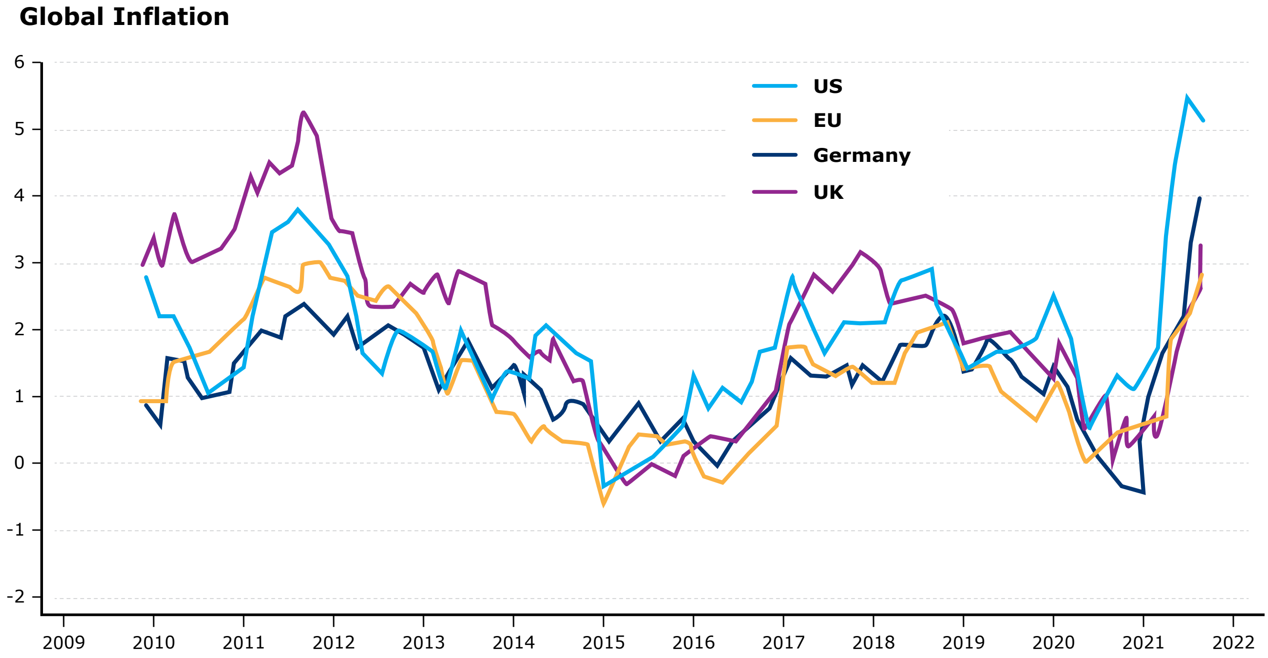
If the bond market is right about sluggish growth and if inflation turns out to be not so transitory, we may be about to see a Skyhooks reunion; Living in the 70s... Stagflation.



Bond investors are more concerned about longer term growth rather than inflation at this juncture. Perhaps they are attuned to the reality that governments and their accomplice, the central banks, cannot allow or afford sharply higher interest rates given global debt levels.

Figure 4: Short-term inflationary pressures (as per this chart) are evident as economies reopen. However, many investors remain of the view that interest rates cannot rise significantly due to the huge levels of global debt.

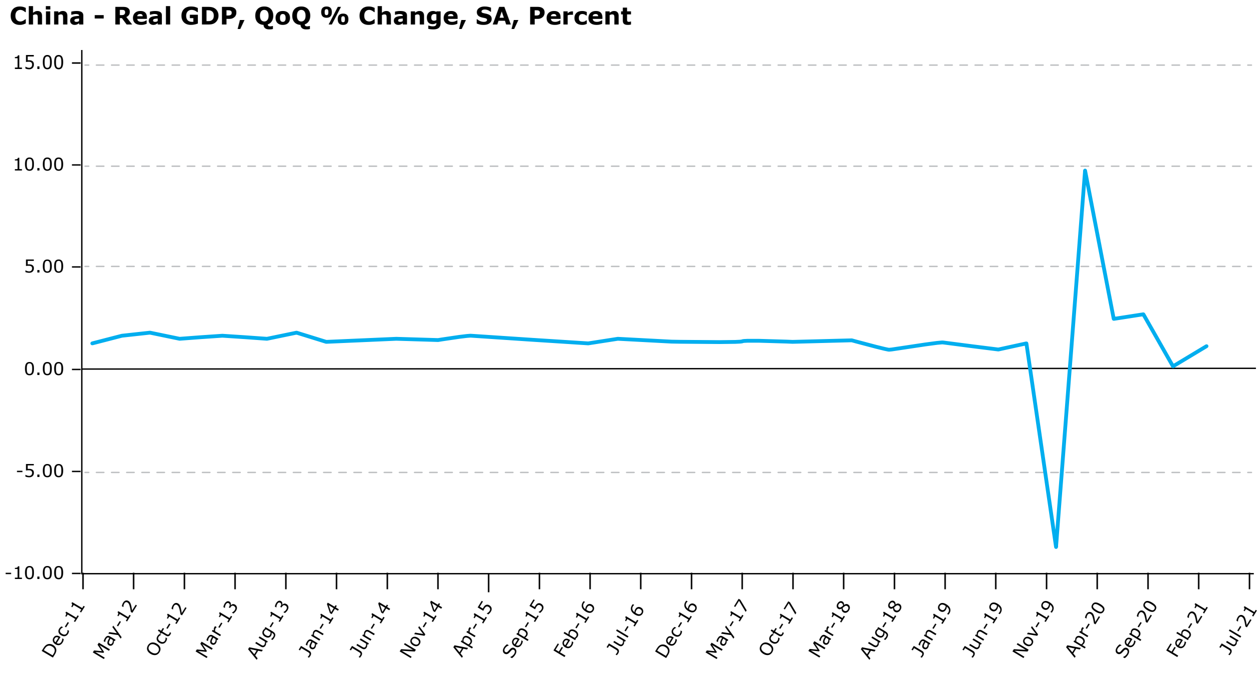
Source: Heuristic Investment Systems



In other parts of the globe, China is gaining most of the attention. There is clear evidence of a planned slowdown of growth orchestrated by the Chinese centralised government (**Figure 5**)

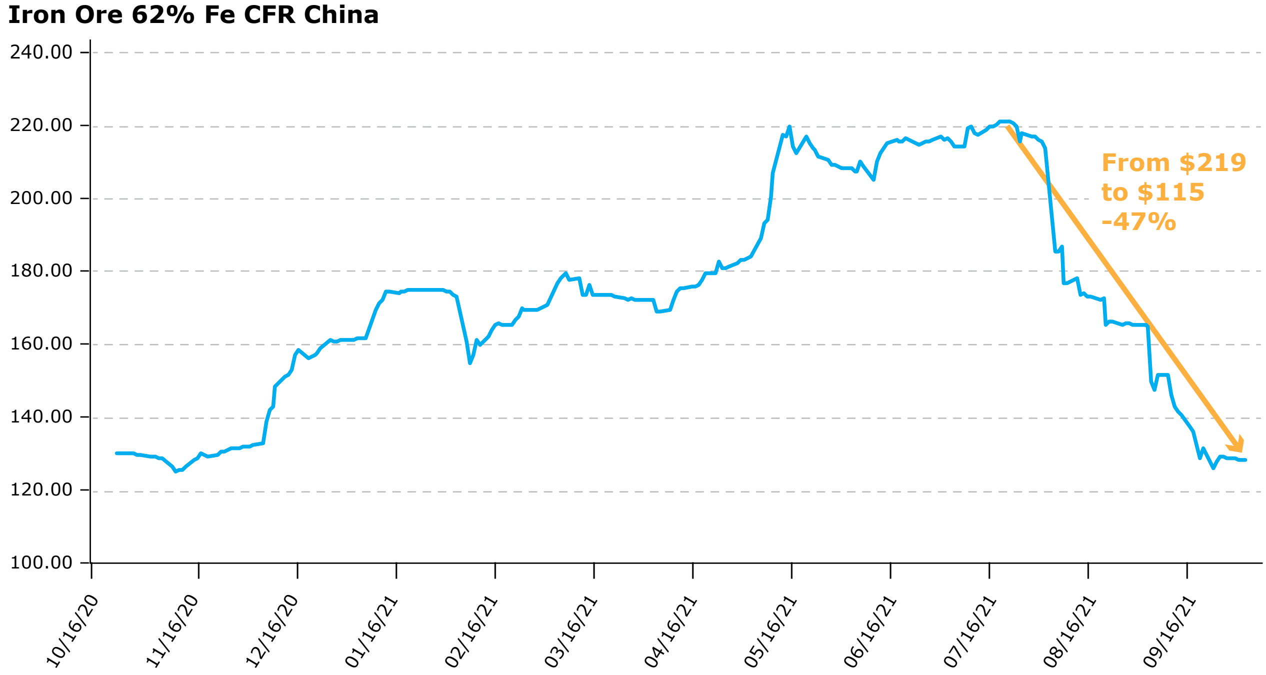
Figure 5: Chart on China's GDP growth slowing.

Source: Factset



Property has become too large a contributor to Chinese economic growth (25% of the economy) with evidence of investor speculation and overdevelopment in some regions. More recent reports suggest over 20% of apartments in China are vacant and unsold buildings are being demolished. The mascot of the current property boom is Evergrande, which has garnered many headlines of late, with over $300b of debt and recently failing to make two bond interest payments over $130m (USD). The Chinese authorities are attempting to manage the demise of Evergrande without triggering a US-style housing and economic crash. As we have seen in Western economies, this is difficult to manage. China is slowing and this is evident in commodity prices, particularly iron ore (**Figure 6**).

Figure 6: The price of iron ore has fallen 47% in the last 2.5 months.
Source: Factset



The balance of global economies are in the process of reopening or have already done so, with higher vaccination rates AND higher COVID-19 cases. Thankfully the vaccinations seem to mitigate serious illness.

Australia is in an interesting place. Headline growth numbers in the June quarter saw nominal GDP up 16% year-on-year, led by strong domestic spending (particularly in housing), government stimulus and strong iron ore exports.

This growth is somewhat at risk, with low migration rates relative to the last decade, falling iron ore prices and a potential peak in housing activity. Can there be any more sustained demand for a new computer screen, television, plants for the garden, renovations, or a new home? Not in my household!

Free markets in developed economies have spawned great wealth creation and prosperity for some time however, the inequality of wealth distribution has continued to widen "The Lessons of History" (Will and Ariel Durant) points to the pendulum swinging back to a redistribution of wealth either through revolution or government policy. Are we now at this stage? After the storming of Capitol Hill and the anger of the masses within the US, we are starting to see an emergence of government policy providing family tax breaks, increasing minimum wages and a huge fiscal stimulus package. In a similar vein, across the North Pacific Ocean, the biggest concern for the Chinese Communist Party after Tiananmen Square is, and will always be, social unrest.

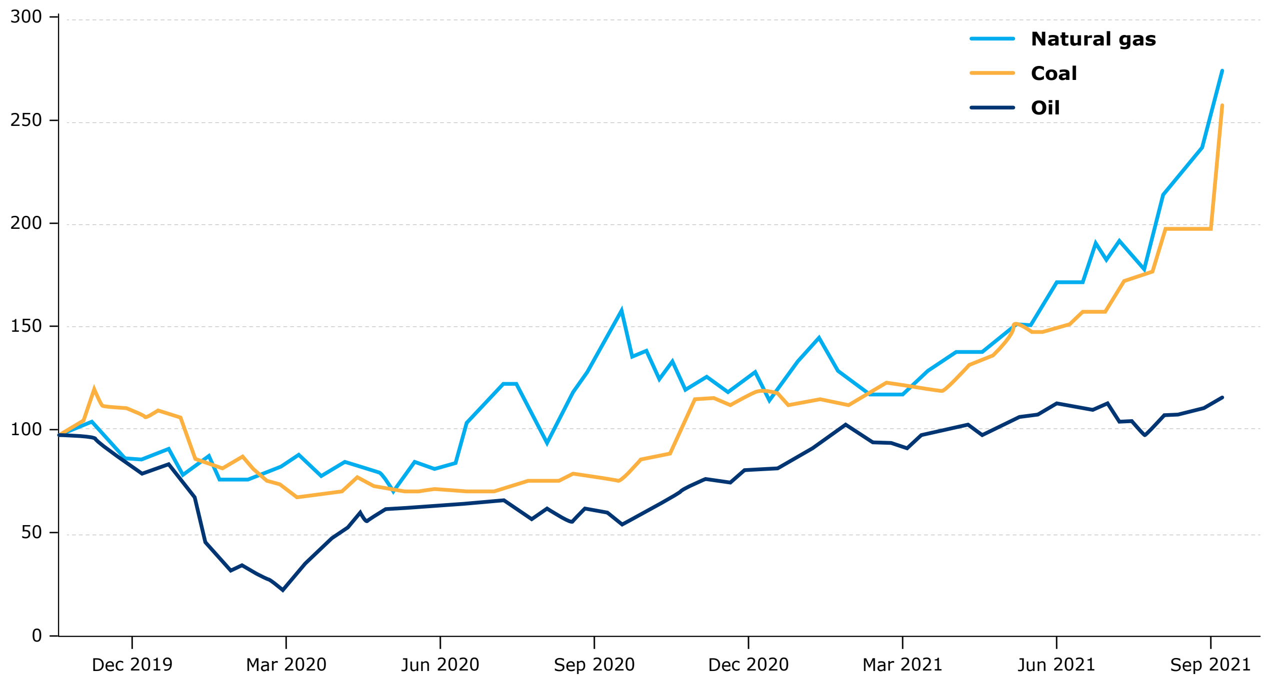
Are we now seeing the beginnings of government intervention to limit corporate dominance and ensuring the spoils are shared more evenly? These are seismic shifts, transferring income to those who will spend, sparking higher growth, higher inflation and higher interest rates, at a time when there is record corporate and government debt.

In the meantime, western world central banks, which pride themselves on their autonomy/ independence, are monetising government debt.

The move to decarbonise the world and migrate towards environmentally friendly energy sources has understandably attracted capital to carbon-friendly industries and away from traditional sources of energy generation. This has come at such a pace that traditional sources of energy cannot provide sufficient cost-effective power generation. Energy prices are now a major concern for global inflation and the earnings outlook. The question remains… is the world adequately prepared for the switch? Recent spikes in natural gas and oil prices (**Figure 7**) suggests not. Is this a self-induced inflation shock coming around the corner?

Figure 7: Recent spikes in energy prices have caught governments, consumers and investors off guard, adding to near term inflationary fears.

Source: JP Morgan Asset Management



In a world of slowing growth, higher "transitory" inflation, gradually increasing interest rates and record corporate and government debt, a lot is riding on the coattails of excess savings and the household sector's willingness to spend for the party to continue.

It is now 40 years since interest rates started their secular decline, providing a tailwind to values across all asset classes, (**Figure 8**) aided and abetted by bailouts along the way from central banks.

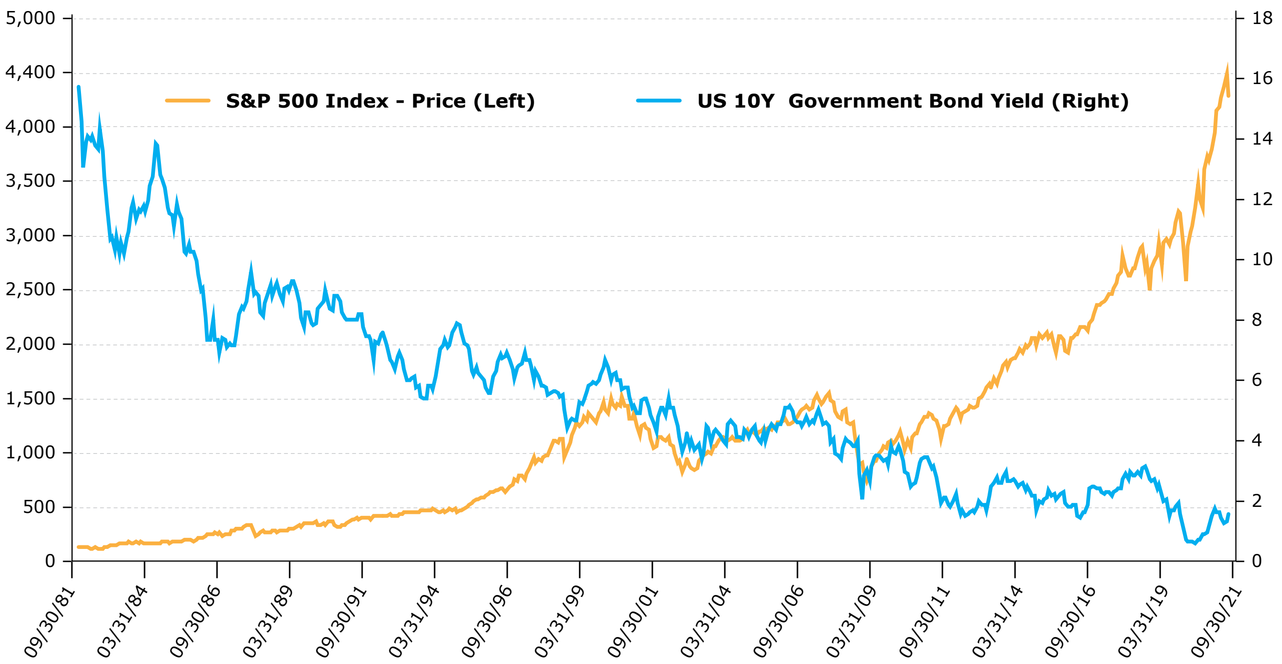
It is difficult, if not impossible, to see that tailwind continuing to provide the support of previous decades.

Many assets are at risk to a change in the breeze; gradually increasing interest rates, any reduction in central banks' printing of money, higher inflation, higher bond yields or slower growth.

There are so many distortions in the current economic landscape that it is near impossible to have any clarity as to the likely outcome.

Figure 8: US interest rates vs. the S&P 500 index. Long term structural declining rates has helped fuel asset price inflation.

Source: Factset



3. ASSET CLASS REVIEW

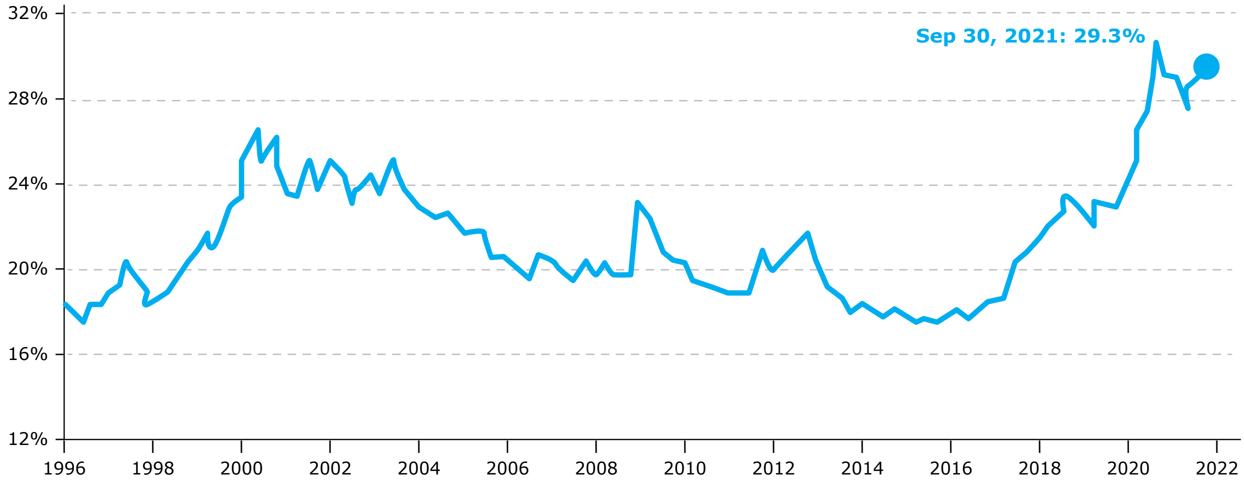
3.1 Equities

Thematic investing is becoming more important as an equities index can become (and recently has) dominated by only a few companies (**Figure 9 – i,ii,iii**). This has been the case with technology companies in the US. The focus on new emerging themes will be important in portfolio construction and stock selection. The global move to decarbonise is one such theme that needs to be given due consideration as to how to gain exposure (hydrogen, renewable energy etc.). Other themes may also include automation, artificial intelligence, global infrastructure, inflation, ESG and Ag-Tech.

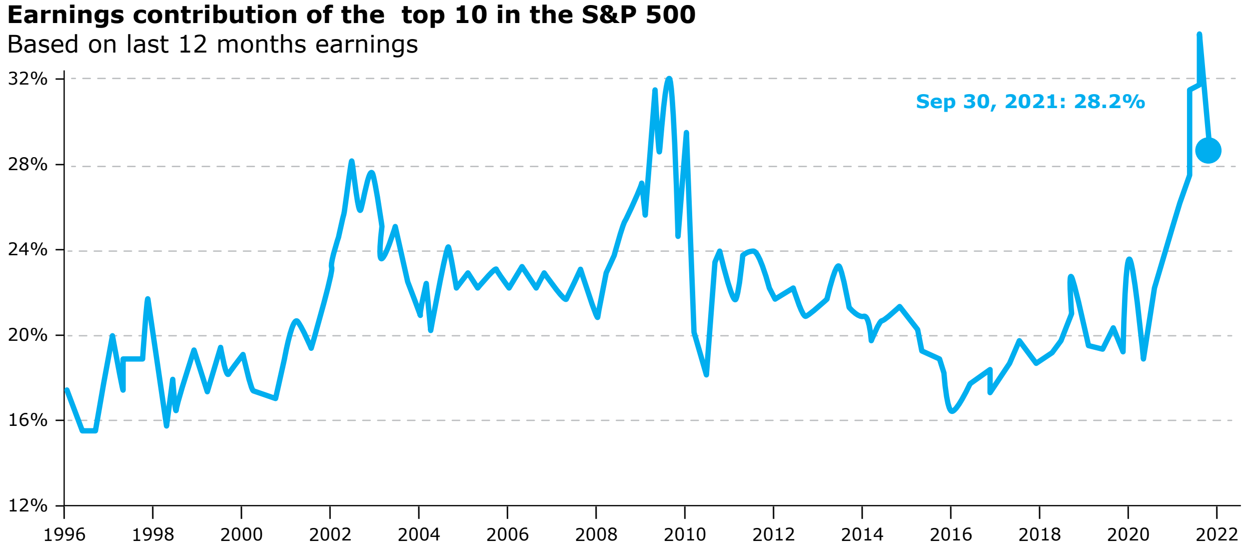
Figure 9: Distortions

- **i) The weight or dominance of the top 10 stocks in the US share market (S&P 500 depicted here) has materially changed over the last 5 years.**
- **ii) The earnings contribution for the top 10 stocks in the S&P 500 has also grown ~65% over the last 5 years.**
- **iii) The Price/Earnings ratios of the top 10 stocks in the S&P 500 also distorts the overall index. Note the disparity between the PE of the top 10 at ~28x vs. the broader market at ~19x.**

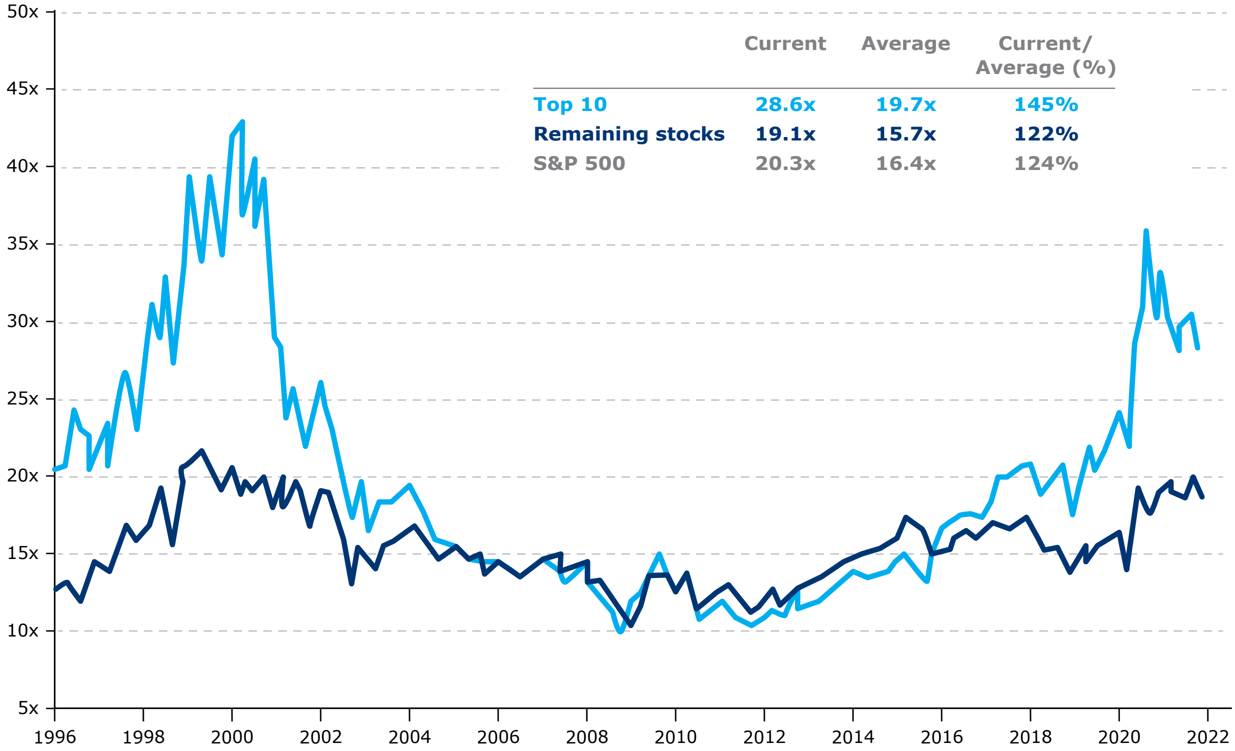
Weight of the top 10 stocks in the S&P 500
% of market capitalisation of the S&P 500



Earnings contribution of the top 10 in the S&P 500
Based on last 12 months earnings



P/E ratio of the top 10 and remaining stocks in the S&P 500
Next 12 months



We are mindful of these themes when selecting fund managers.

Equity valuations are extended on most measures (**Figure 10**), except for the Equity Risk Premium (**Figure 11**), which is helping to continue to fuel risk appetite.

Figure 10: On a global context, equity markets are trading well above long-term average valuations.
Source: Heuristic Investment Systems

World Forward PE

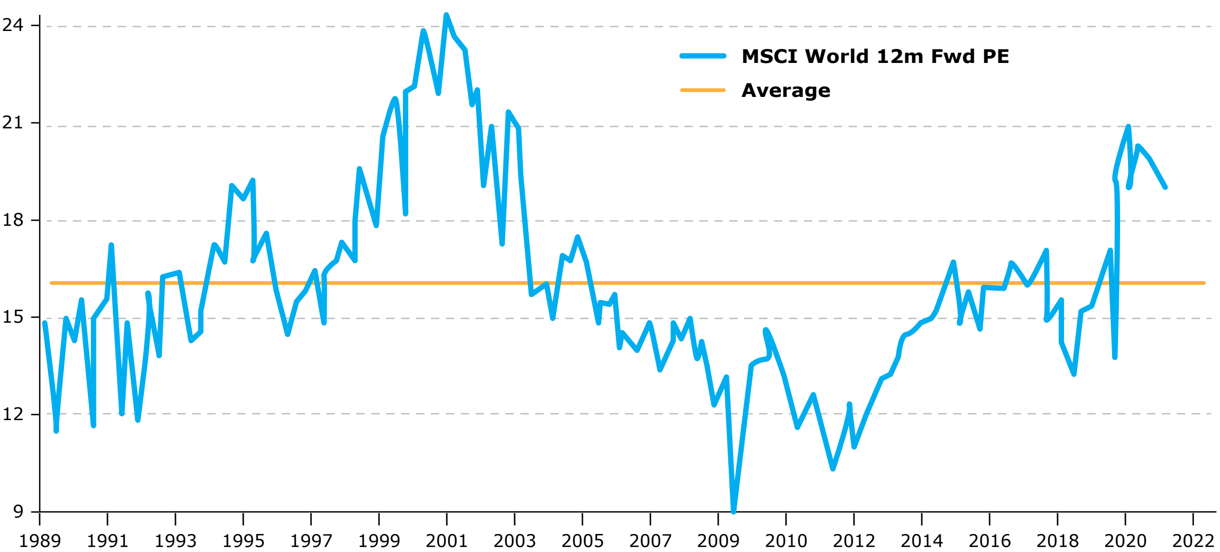
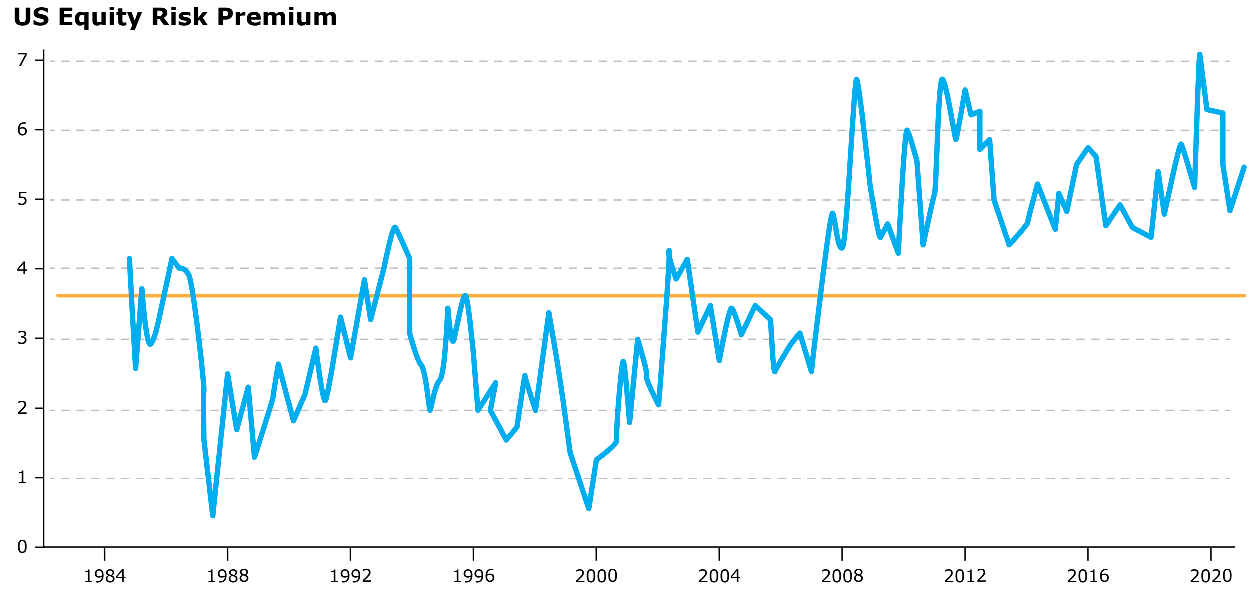


Figure 11: The US equity risk premium has fallen from its recent peak, providing attractive justification that continues to favour risk assets (equities).

Source: Heuristic Investment Systems

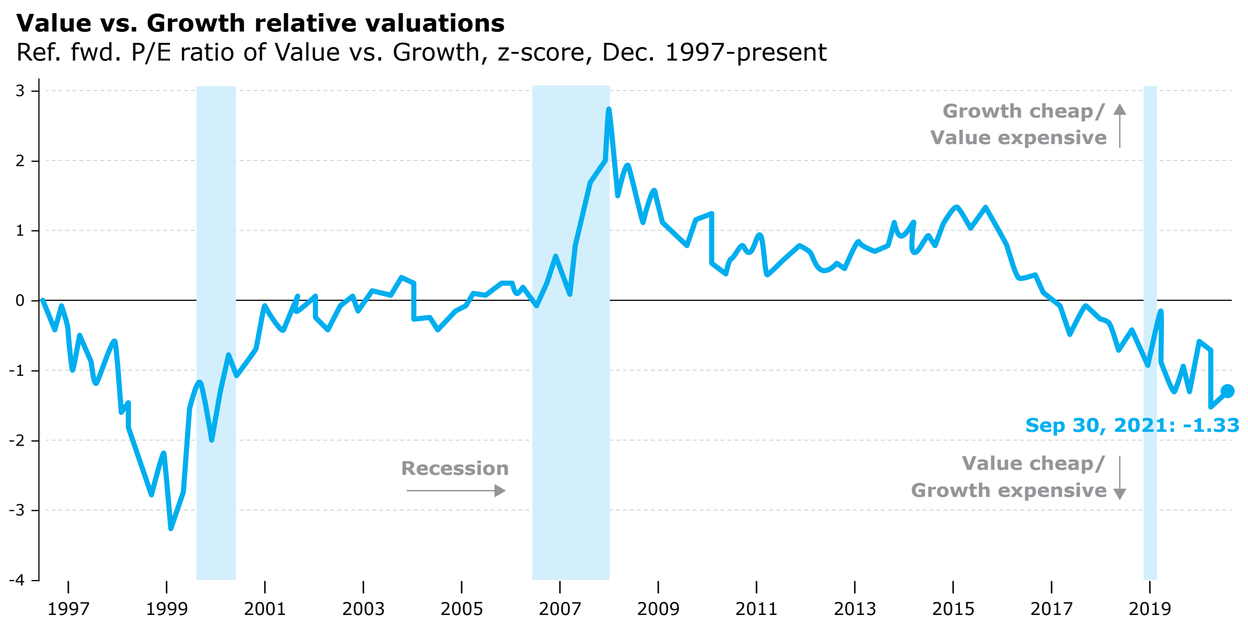


Value stocks are now 3 standard deviations away from longer-term valuations relative to growth (**Figure 12**). With an uncertain outlook and a rising bond rate environment, it makes sense to be overweight value vs the strong performing growth sector.

In addition, given the dominance of a few stocks in the indices impacting valuations, we believe active management will outperform in the period ahead over passive managers.

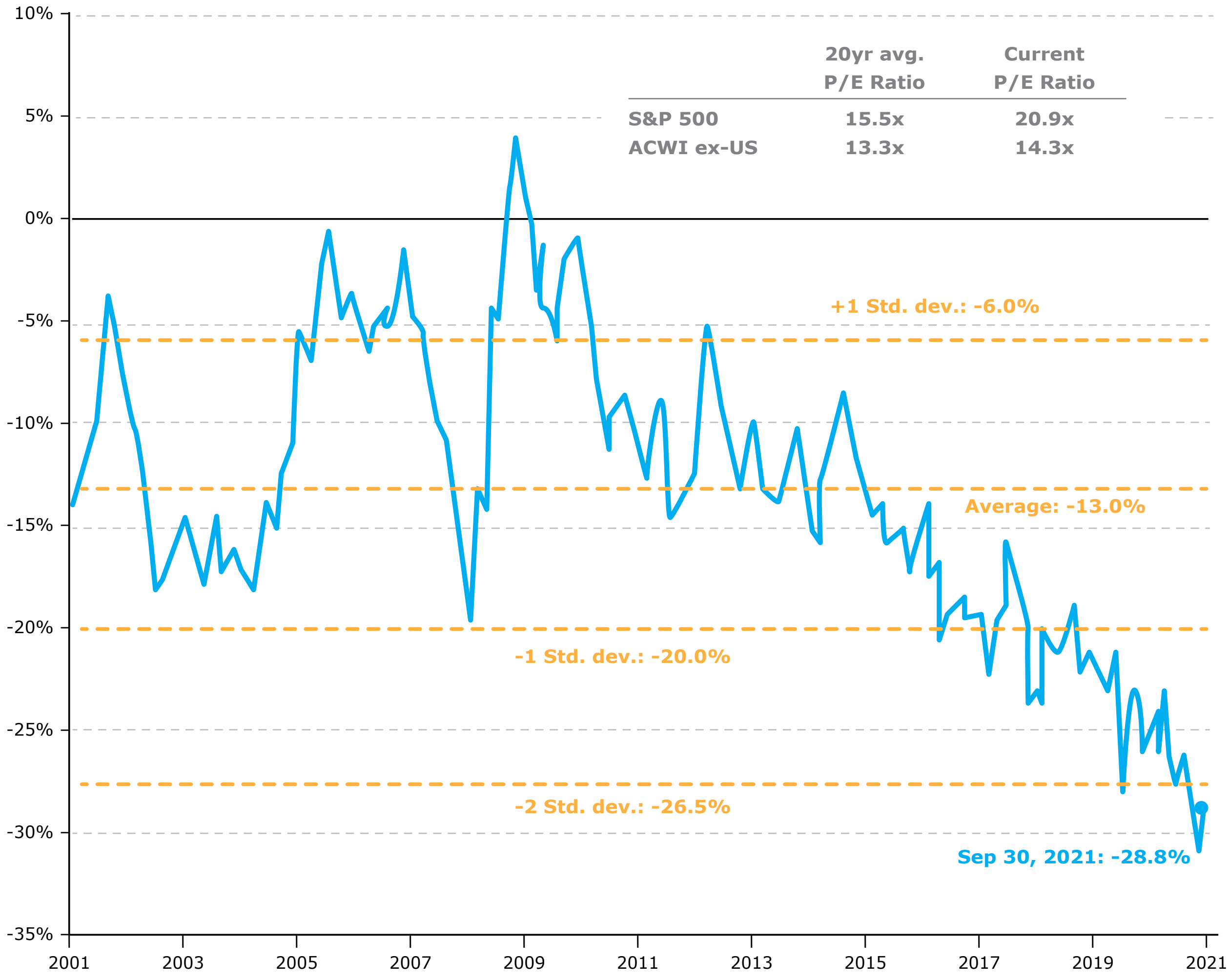
Figure 12: The dispersion between value and growth stocks continues to favour value.

Source: JP Morgan Asset Management



We continue to prefer exposure to non-US equities against a benchmark position (**Figure 13**). Additionally, we prefer Japanese, European and broader international equity exposure over Australian equities as we believe they provide stronger growth potential. We believe it is prudent to hedge 50% of our international equity exposure back into AUD in light of the current economic conditions.

Figure 13: International equities represent value vs. US equities, with the international discount relative to US equities now exceptionally wide.
Source: JP Morgan Asset Management



Emerging markets look relatively good value vs development markets which we are watching closely. We are cautious regarding Chinese equities given the recent ructions. The question is are they investible? We think so, but believe more clarity is needed.

3.2 Property

Like other risk assets, the property sector has been a huge beneficiary of falling interest rates. Current serviceability of debt remains comfortable although cap rates (rental yield to valuation) are extremely tight, particularly in industrial property. The industrial property sector has seen strong buying demand bringing rental yields down to below 4% getting closer to residential property yields of 3%.

The permanent change to workplace flexibility provides a challenge to commercial property valuations, and we are yet to fully gauge where vacancy rates are likely to settle in the medium term. Suburban shopping centres are still trading strongly, particularly out of lockdowns, and provide relatively good value.

Niche sectors are becoming more popular for investors, particularly in the Social Disability Housing, Build to Rent, Social Housing and Regional Hospitality (our preferred sector). Distribution yields of 7-8% are achievable with reasonably modest gearing. Many of these sectors are also non correlated to the general economic cycle bringing some defensive characteristics to a property portfolio.

We will leave the view on residential property value to our readers as most will have their own opinion. The main drivers to prices are population growth, net migration, the level of interest rates, affordability, and employment. There are a few challenges ahead in a couple of these drivers.

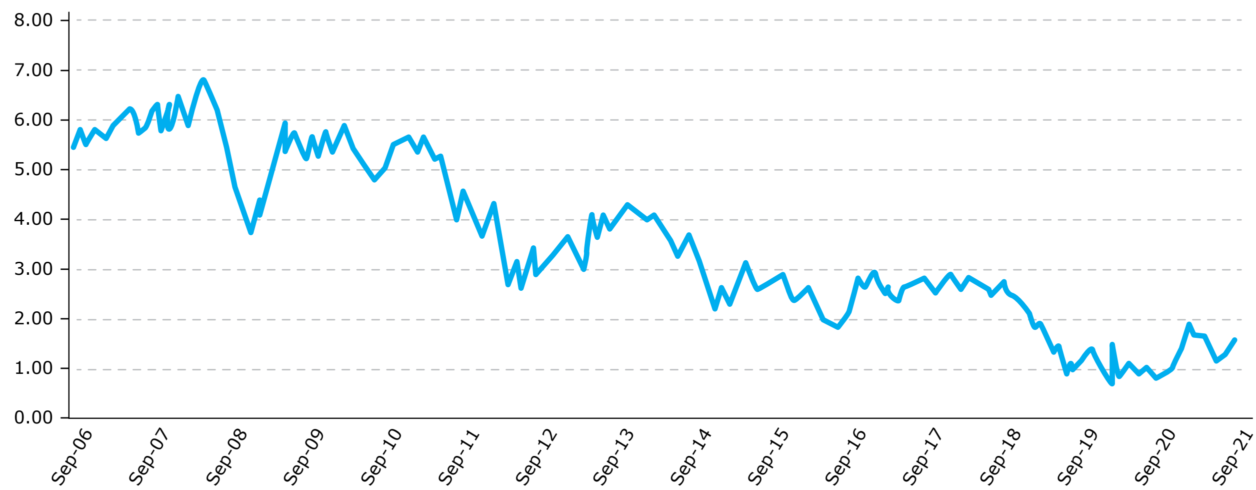
Personally, I am factoring a 5% plus interest rate into my thinking over the next 5 years to manage my personal risk.

3.3 Fixed Income

Duration risk and tight credit spreads are our two major concerns in the defensive allocation of current portfolios.

An instant 1% increase in the 10-year government bond yield from the current 1.72%, (**Figure 14**) would equate to an approximate 9% decline in capital. Our preferred exposure to government bonds is via a diversified active manager to provide duration management (term of bond exposures) to the sector, thus reducing the overall impact of any sudden surge in bond yields. Given the current level of bond yields, the likely ensuing rebound in economic growth after lockdowns (especially in Australia with the two key states of NSW and Vic) and the hint of inflation, a higher bond yield would not be unexpected.

Figure 14: Australian 10 year government bond yields.
Source: Factset



We are underweighting government bonds vs strategic asset allocation weightings in all portfolios and have been so for some time. Bonds continue to have a place in portfolios, mostly for their defensive characteristics, and to counterbalance the increased allocation to risk assets that have been warranted over the last 12 months.

The search for yield has driven investors to take on more risk whilst seeking to maintain the level of income derived from investment portfolios. The question we ask is: are you being paid for the risk you are undertaking? At current spreads, we don't believe so (**Figure 15 i. and ii**). The world remains awash with record corporate debt at a time of record-low interest rates and government-sponsored growth. Should either of these two support drivers abate, defaults and repricing of risk could push spreads wider.

Figure 15.i: US high yield spreads are at close to all-time lows whilst default rate expectations have abated.
Source: Heuristic Investment Systems

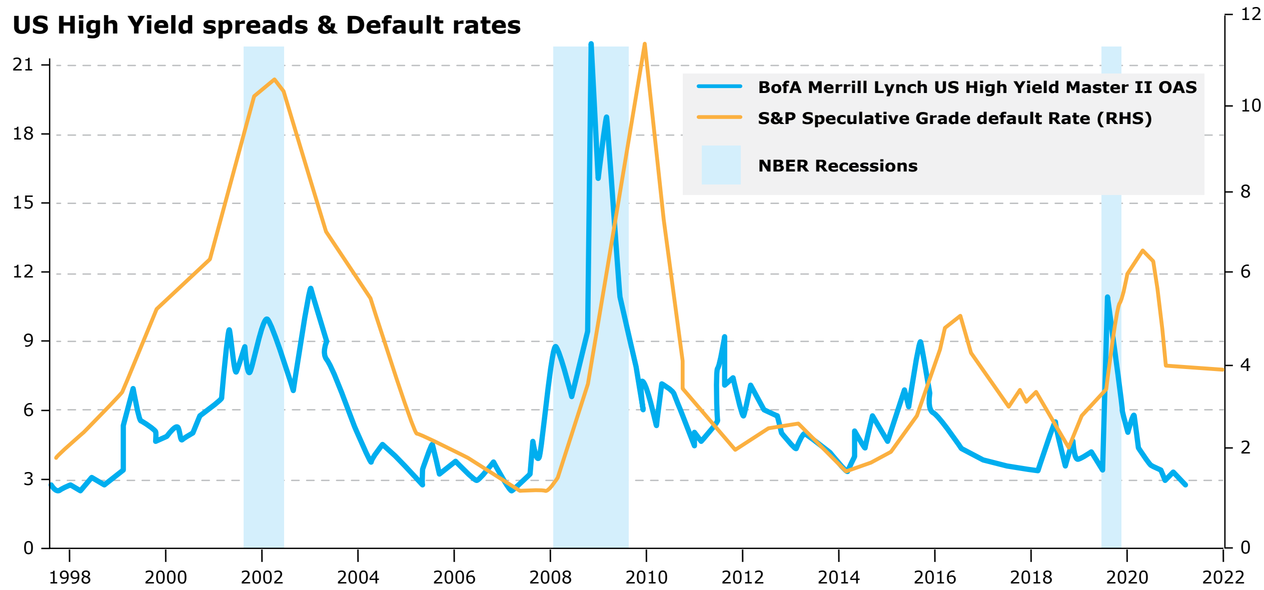
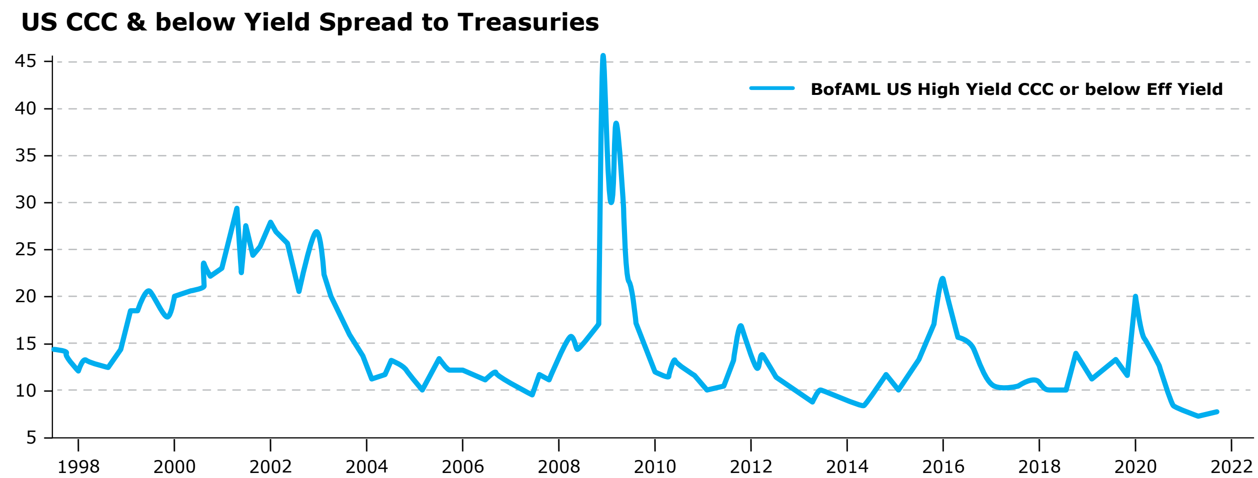


Figure 15.ii: Lower quality CCC corporate yields are at record lows.
Source: Heuristic Investment Systems



The challenge for asset allocators is to find defensive assets to provide some protection whilst still earning commensurate income.

Select senior secured and asset-backed loans are a sector we are comfortable with, earning circa 6.5-7.5% distribution yields, with a 12-18 month term.

Government bonds are likely to see yields drift higher, and value lower, although such a move may not be as material as in previous cycles. Governments will ultimately struggle to pay their interest bills, with this challenge increasing in the face of higher yields. As we know, the central banks are underwriting government debt by printing money. No wonder crypto has its supporters.

3.4 Alternatives

With little protection from traditional defensive asset classes, non-correlated alternatives have a place in diversified portfolios. In addition, given our expectations of lower returns from risk assets, these asset classes may provide a reasonable relative return. We prefer assets that provide a negative or low correlation to equity markets, long/short and global macro funds. In addition, assets that provide some inflation hedge, agriculture and infrastructure have appeal.

Given that government bonds may arguably not provide the level of protection they have historically, and we are not yet ready to punt cryptocurrencies, gold has a place in portfolios and inflation hedge and tail risk insurance.a higher bond yield would not be unexpected.

4. CONCLUSION

A very complex and uncertain outlook which is difficult to ascertain the implications for asset classes. After several strong years, it seems prudent to protect some of these gains whilst still staying invested.

4.1 Opportunities

- Selective first mortgage fully secured property loans
- Regional hospitality assets, specialist disability housing, agricultural land
- Japanese equities
- Gold for protection

4.2 Risks

- A sharply rising government bond interest rate
- Non-transitory inflation
- Defaults and insolvencies
- Geopolitical developments China / Taiwan

4.3 Implications

- Stay the course and remain very diversified and disciplined
- An all-weather portfolio approach
- Focus on value and quality
- Expect an increase in volatility

Asset Class	Strategic*	Range	Tactical	Overweight/ Underweight
Australian Shares	23%	10% – 50%	22%	Neutral
International Shares	26%	10% – 40%	25%	Neutral
Property/ Infrastructure	11%	0% – 25%	14%	Overweight
Government Bonds	35%	0% – 50%	13%	Underweight
Corporate Bonds/Credit	0%	0% – 50%	5%	Overweight
Cash (term deposits)	5%	2% – 50%	13%	Overweight
Alternatives/Hedge Funds	n/a	n/a	8%	n/a

*Strategic Benchmark is the Lonsec Balanced Strategic Asset Allocation, updated in October 2018.

Thoughts from a Contrarian

It should have been as predictable as one last John Farnham farewell tour but, nonetheless, the great energy crisis of the 2020s is upon us and everyone seems surprised. First a (rather lengthy) disclaimer. I'm both annoyed and dismayed at how the discussion on important issues has deteriorated into hyperpartisan dogma reinforced by the confirmation bias of social media echo chambers. Having just been locked in my house for 15 weeks, forced to pay attention to the politicisation of every aspect of a global pandemic from its origins to whether we 'crush' it or 'live with it', I'm even more annoyed than usual. Even the weather is divided on political lines. I'm not talking about future temperatures or extreme events but current weather conditions. Polls in the US show that Democrats believe weather conditions have become more extreme while Republicans believe conditions are the same as several decades ago. This stuff can be, and has been, measured. We may as well argue about how much a rock weighs. Most people accept the IPCC reports as 'the science' so rather than endless arguments about whether bushfires, hurricanes and floods are on the increase why not just look it up and move on. It's hard not to think of us as the Lilliputians from Jonathon Swifts Gulliver's Travels. These little guys were bitterly divided over whether a boiled egg should be cracked on the round end or the pointy end. For all our technological and intellectual advances, it seems we're an open book to an Irish satirist writing 300 years ago.

Nowhere is the boiled egg analogy more apt than the energy debate. Renewables good/ hydrocarbons bad or vice versa depending on which end of the egg you prefer. At the risk of crossing the line between contrarian and heretic, I'd suggest it's a little bit more complicated than that. Our life expectancy and every measure of the quality of our extended lives have improved in direct proportion to our consumption of energy since the industrial revolution. Billions in the developing world have been lifted out of poverty and have increased energy consumption in direct proportion to their life improvement. Personally, I hope they consume a lot more energy going forward. None of this would have happened if we'd stuck with wood, windmills, and whales (even if they are renewable). There is of course a downside. Releasing large amounts of carbon dioxide into the atmosphere is obviously a bad thing and expanding zero emission energy while exploring various technologies that can minimise impact is sensible.

It's best to leave the binary debate to the Lilliputians on Twitter yelling at each other from their respective silos and accept there are two sides to the issue. I'm not pushing either one of them here. You can believe that the transition to renewable energy is both desirable and inevitable and still accept there will be costs. We are starting to see the costs of underinvestment in oil and gas exploration, increased cost of capital for conventional energy due to ESG issues and reluctance to commit to large long-term projects due to uncertainty about future demand. This is only going to get worse. We may be on the cusp of a breakthrough in battery storage or hydrogen technology which renders oil and gas prices irrelevant. Let's hope so, but in the interim, the extent of the energy crisis will depend on how long we continue to rely on conventional energy sources while deliberately limiting their supply.

The climate is a complex system. The consequences of messing with it are impossible to predict. The models that try are extraordinarily complex and the scientists who create them tell us in their own disclaimers that it's impossible to model a chaotic, non-linear system. In these circumstances it's best to try and limit our impact but as we're finding out, this also applies to that other complex system…. the energy market.

Glossary of Terms

Australian household savings ratio	The ratio of household income saved relative to the net disposable income of that household during a certain period of time.
Cap Rate	The ratio of the operating income generated from an asset relative to its value.
Credit spread	The margin over a benchmark (generally government securities) that a credit issuer pays on debt
Default	Failure to fulfil an obligation on a loan, e.g. a missed interest or principal repayment
Earnings guidance	Reference to corporates providing an estimate of their expected upcoming earnings
Equity risk premium	What an investor is prepared to pay for equities and take that ownership risk vs. investing in secure government bonds
Gearing	The value of a company's debt to the value of its equity
Inflation	The rate at which average prices increase over a period
Liquidity (economic context)	The use of fiscal and monetary measures to support the economy
Liquidity (trading context)	The ability to transact in securities with limited impact on price
NTA	Net Tangible Asset - total assets of a company minus intangibles and all liabilities
P/B	Price to Book Ratio - the current share price divided by the book value of their assets per share
P/E	Price to Earnings Ratio - the current share price divided by the earnings per share
Probability of default	An estimate of the likelihood a company will default on their loans
QE	An increase in the money supply by a central bank
Real effective exchange rate	The ratio of a currency relative to a basket of foreign currencies on a trade weighted basis.
Recession	A period of economic decline, technically identified by 2 successive quarters of GDP decline
Risk assets	Higher risk investments - Providence generally considers Equities, Property and Credit as risk assets
Sharpe ratio	A ratio of the return relative to the risk taken. In this document, it is calculated as the return of a portfolio divided by the volatility of those returns.

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.

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.

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