



# POSITIONING FOR SUCCESS IN POST-PANDEMIC MARKETS

# Agenda

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- Global equities boom
- Australian Dollar
- Fiscal Guns loaded
- Central Banks
- Investment outlook

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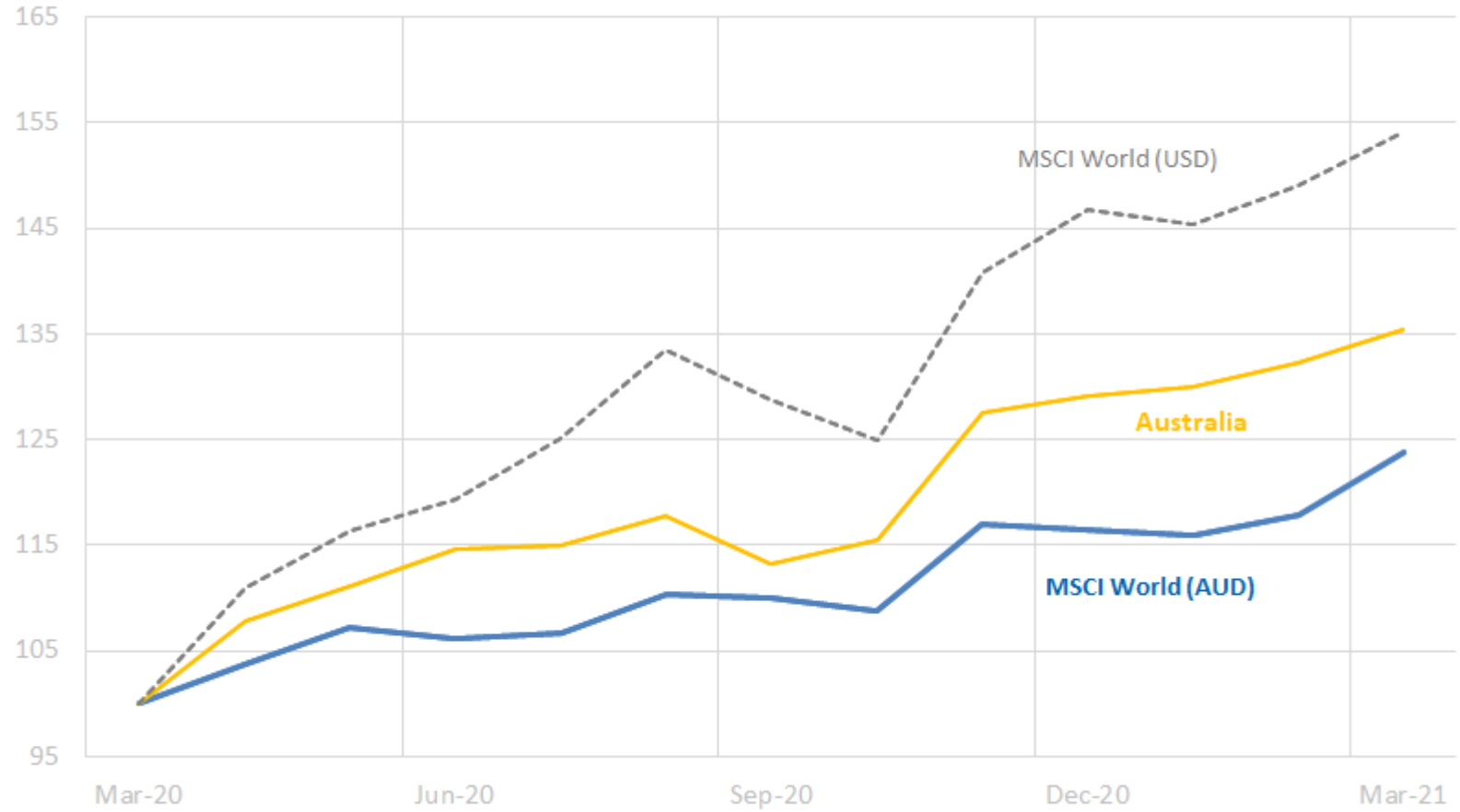
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# Global equities boom

## Sector Summary

	Cap Wght Return%	Equal Wght Return%
Energy	13.32	14.22
Materials	0.58	2.55
Industrials	1.19	1.59
Consumer Discr.	(1.39)	4.87
Consumer Staples	(3.37)	(1.32)
Health Care	(0.27)	(0.38)
Financials	5.06	5.27
Info Tech	0.10	1.88
Communications	2.33	7.31
Utilities	(3.52)	(3.49)
Real Estate	1.04	3.15



# Global equities boom

NW0006Core International (MTD International)



VS. BENCHMARK

Amundi Index Solutions - Amundi Index MSCI World [BDL:099618124]

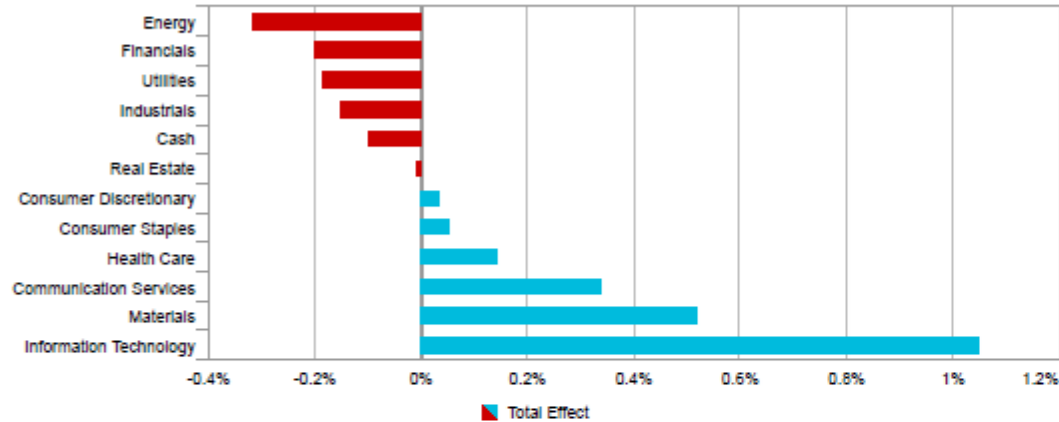
TIME FRAME

Feb-28-2021 - Mar-31-2021

CURRENCY

Australian Dollar [AUD]

## Total Effect



## Risk and Return

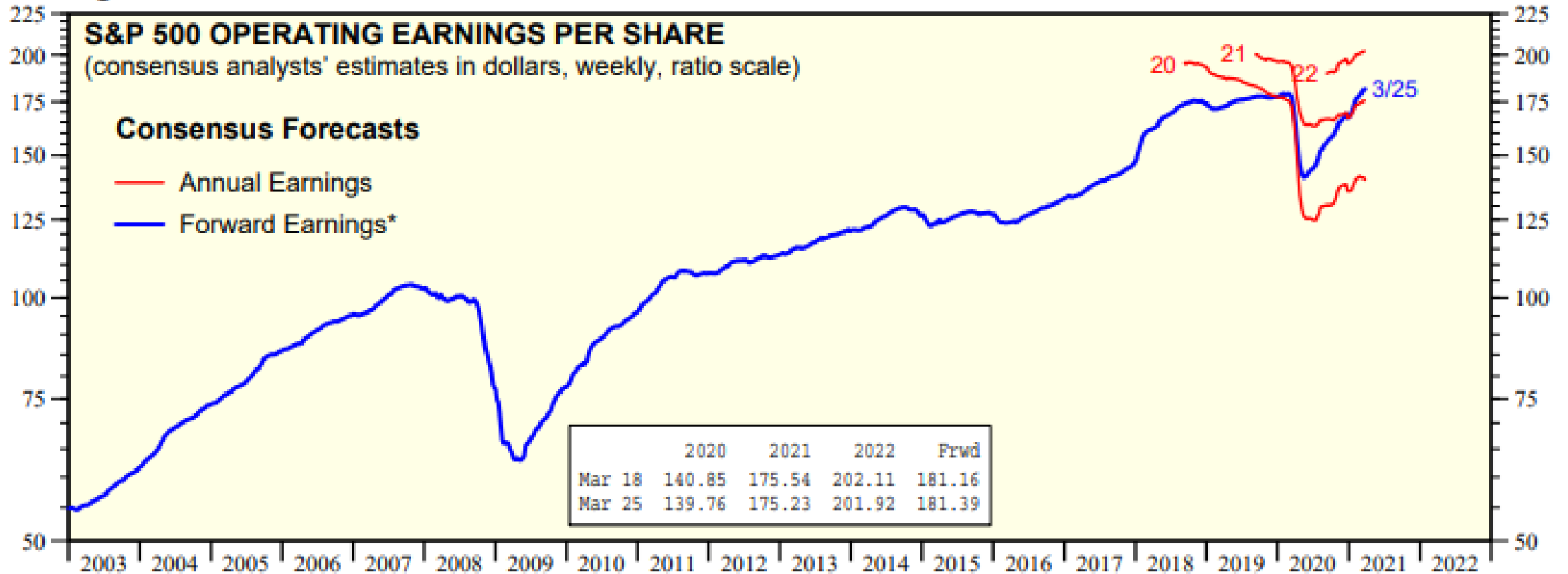
	PORTFOLIO	BENCHMARK
Return	6.01%	4.83%
Volatility (std)	14.01%	15.49%
Beta	0.82	-
Active Share	84.46%	-
Jensen's Alpha	37.83%	-
Sharpe Ratio	7.08	4.80
Sortino Ratio	14.10	8.10
IR	3.79	-
TE	6.48%	-
# of Securities	63.00	1,551.00

## Sector Attribution

	WEIGHT		RETURN		ALLOC	ATTRIB	
	PORT	BENCH	PORT	BENCH		SELECT	TOTAL
<b>Totals/Averages</b>	100.00%	100.00%	6.01%	4.83%	0.02%	1.16%	1.18%
Information Technology	16.06%	21.16%	6.03%	0.91%	0.21%	0.84%	1.05%
Materials	9.63%	4.41%	10.63%	5.35%	0.02%	0.50%	0.52%
Communication Services	8.18%	9.06%	6.45%	3.02%	0.03%	0.31%	0.34%
Health Care	12.97%	12.46%	5.08%	3.94%	(0.01%)	0.15%	0.14%
Consumer Staples	10.06%	7.13%	7.83%	8.88%	0.15%	(0.10%)	0.05%
Consumer Discretionary	12.77%	12.04%	4.76%	4.79%	(0.01%)	0.04%	0.03%
Real Estate	1.42%	2.69%	8.14%	6.84%	(0.03%)	0.02%	(0.01%)
Cash	2.10%	0.00%	0.00%	0.00%	(0.10%)	0.00%	(0.10%)
Industrials	11.88%	10.96%	6.47%	8.04%	0.03%	(0.18%)	(0.15%)
Utilities	2.95%	2.92%	2.86%	9.13%	0.01%	(0.19%)	(0.18%)
Financials	9.62%	13.92%	5.96%	7.16%	(0.09%)	(0.11%)	(0.20%)
Energy	2.36%	3.26%	(7.59%)	5.19%	(0.20%)	(0.12%)	(0.32%)

# Global equities boom

Figure 1.



# Global equities boom

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- Travel stocks - coming good
- Banks - don't get left behind
- Expensive IT - seeing some price sensibility
- Defensive Stocks - are counter-intuitively not defensive
- Cyclical - Cement, employment services

# Global equities boom

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## Risks

- Policy error
- Virus and Vaccines
- Emerging markets crisis
- Debt crisis



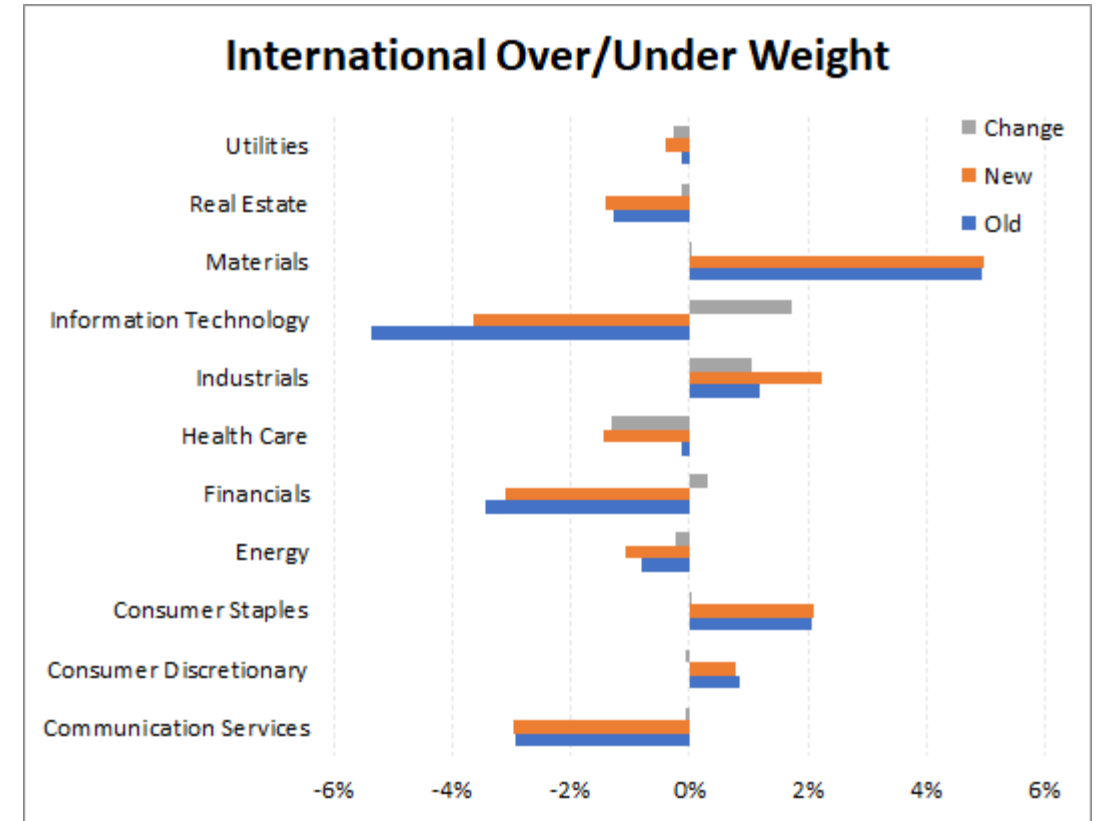
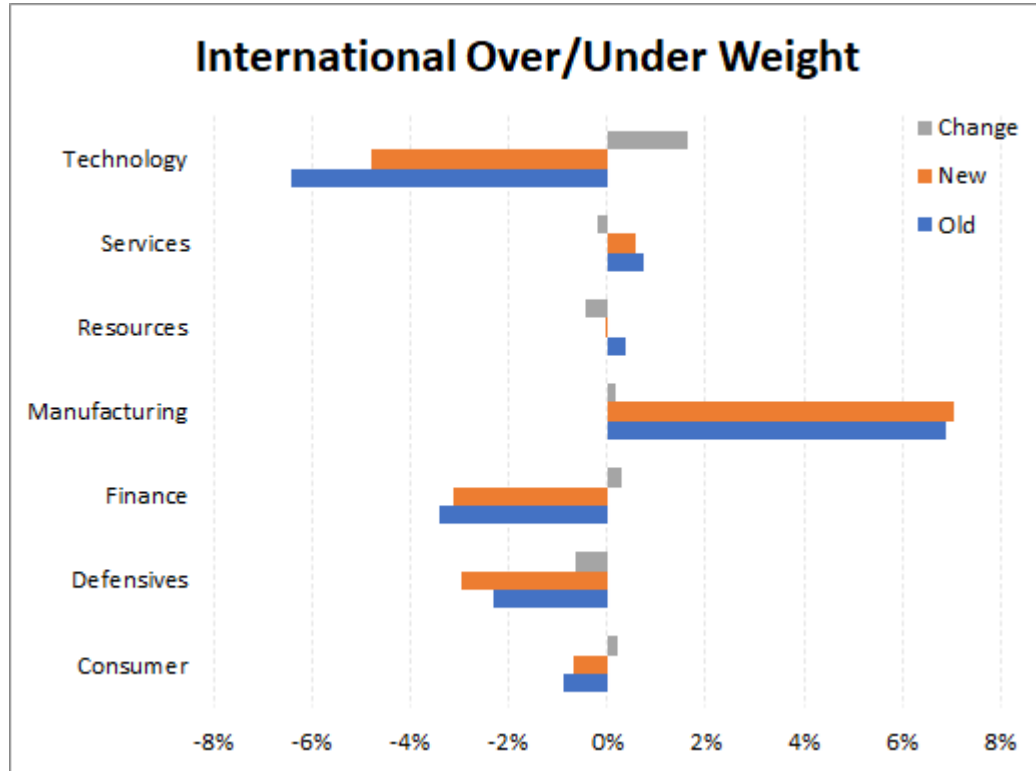
# Global equities boom

MONTHLY Q1-Q5 RETURN SPREAD %

Frequency:

Style	Factor	MTD	Feb 21	Jan 21	Dec 20	Nov 20	Oct 20	Sep 20	Aug 20	Jul 20	Jun 20	May 20	Apr 20	Mar 20
Val	Valuation	10.33	0.69	6.05	(1.86)	5.33	2.90	0.69	(1.11)	(4.92)	1.72	(5.65)	3.29	(9.12)
Val	EBITDA / EV	10.10	(0.60)	7.14	(0.25)	5.13	1.84	(0.62)	0.26	(5.84)	1.59	(5.02)	7.94	(18.44)
Val	Div / Price	7.69	4.83	1.73	(1.88)	9.13	1.07	(1.72)	(1.01)	(6.46)	3.24	(6.88)	4.80	(12.52)
Val	Sales / EV	7.16	7.90	3.59	(0.47)	7.57	3.24	0.52	2.90	(1.50)	0.70	(0.14)	1.07	(11.72)
Val	E / P	6.49	(9.83)	2.62	(1.29)	(5.93)	2.41	2.51	(1.25)	(2.91)	0.73	(1.02)	(0.38)	(10.06)
PM	1M Price Reversal	5.38	0.62	0.69	(2.68)	5.26	(3.44)	(1.93)	2.64	(0.69)	2.44	(0.75)	15.53	(16.87)
Val	Book to Price	5.02	7.42	6.20	0.87	12.18	3.50	(2.73)	(1.06)	(6.51)	1.14	(5.10)	10.52	(17.23)
PM	1M Price High Low	4.83	5.39	3.28	(1.01)	0.45	(2.41)	(2.36)	3.58	(6.27)	4.27	(0.32)	12.98	(7.90)
CE	1Y Chg Shares Out	4.05	0.71	2.10	1.42	2.16	0.46	0.04	1.26	(2.32)	(0.37)	(1.15)	1.28	(4.66)
Val	FCF / Price	4.00	(3.27)	3.39	(0.48)	(0.13)	(0.59)	(0.05)	0.54	0.74	(0.55)	0.50	1.03	(0.71)
HG	1Y Chg Sales Turnover	2.43	(11.59)	2.18	(0.06)	(6.46)	(2.86)	(1.08)	(4.35)	(2.64)	0.02	(2.24)	(3.98)	2.84
Sz	Log Market Cap	2.43	6.87	3.09	2.47	11.08	5.48	(1.71)	(0.34)	(1.90)	3.12	(3.27)	11.03	(19.25)
CE	Capital Efficiency	1.87	(8.00)	0.30	(1.59)	(8.57)	(0.93)	(0.19)	(1.82)	2.68	(2.93)	3.15	(3.28)	7.88
AE	Num FY1 EPS Rev	1.39	(1.76)	0.10	(1.13)	(7.93)	(0.96)	1.50	(1.32)	1.11	0.57	2.01	(10.31)	5.61
HG	1Y Chg OCF / Assets	1.39	(12.21)	(0.21)	(1.97)	(12.42)	(3.46)	0.76	(1.82)	3.14	(1.80)	2.28	(4.40)	7.27
HG	Historical Growth	1.17	(11.19)	1.15	(1.99)	(9.05)	(3.07)	(2.02)	(2.45)	2.22	(2.43)	0.60	(2.00)	5.04
EQ	Earnings Quality	1.11	(8.45)	0.69	(0.87)	(7.45)	(1.77)	(1.63)	2.00	0.25	(1.77)	0.23	0.16	5.21
EQ	Cash Conversion Cycle	1.07	1.07	(0.70)	0.16	2.01	(3.14)	(1.99)	1.90	(4.40)	0.53	(2.77)	1.48	(1.54)
HG	1Y Chg FCF / Assets	1.05	(8.13)	1.68	(0.95)	(9.32)	(2.28)	(0.22)	(1.24)	2.80	(1.35)	2.12	0.81	3.79
AE	Analyst Diffusion	0.78	2.28	2.52	(1.80)	(6.24)	1.63	1.69	(0.30)	3.30	0.75	(0.10)	(10.98)	6.21
AE	SUE	0.70	(1.97)	1.30	(0.37)	(7.11)	(1.78)	0.02	(1.30)	0.16	1.22	2.52	0.33	2.12
EQ	Accrual Ratio - CF	0.39	9.57	0.97	0.22	7.07	0.24	(1.92)	3.65	(1.33)	1.71	(2.96)	2.08	(0.89)
CE	Return on Equity	0.06	(11.60)	(0.51)	(1.94)	(11.39)	(1.34)	4.06	(0.17)	1.47	0.53	4.27	(5.36)	10.48
PM	5D Price Reversal	0.00	13.58	4.34	(2.56)	12.46	(1.65)	0.16	1.60	(6.82)	1.71	2.69	12.45	(20.68)
EQ	Net Income Stability	(0.37)	(13.93)	(1.32)	(3.31)	(12.96)	(0.50)	2.13	(1.04)	4.99	(2.80)	5.18	(5.61)	10.57
EQ	WC Accruals	(0.59)	1.81	2.18	0.80	(1.34)	0.41	(0.90)	0.89	0.23	(0.55)	(0.56)	6.32	(2.40)
AE	Analyst Expectations	(0.62)	(1.69)	(0.27)	(1.17)	(7.26)	(1.17)	1.82	(0.78)	2.73	(0.52)	2.63	(6.30)	6.97
CE	CF ROIC	(0.85)	(9.18)	0.04	(0.90)	(9.04)	(2.03)	0.30	0.94	3.19	(0.70)	4.99	0.66	9.55
HG	1Y Chg EPS	(0.96)	(15.92)	(0.01)	(2.53)	(12.06)	(1.18)	1.71	(1.75)	3.46	(2.81)	0.65	(7.92)	10.01
CE	Capital Acquisition Ratio	(1.00)	(5.63)	(0.08)	0.79	(2.52)	(4.25)	0.13	(0.10)	2.07	(2.57)	3.04	(4.99)	9.54

# Global equities boom



- Currency important

# Fiscal Guns loaded

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- US: clear leader
- Australia: long on announcements, short on delivery
- Europe: behind the curve
- Japan: more of the same
- Political likelihood of options

# Central Banks

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- US: doing the least?
- Australia: changing stripes?
- Europe: following Japan
- Japan: more of the same
- Political likelihood of options

# Investment Outlook & wrap up

## Structural downturn lurking, acute or chronic?

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### Key positive factors

- Government stimulus
- Low probability of US tax hikes
- Earnings very good
- Inequality to increase

### Other positive factors

- Bankruptcies limited
- Evictions limited
- Mortgage repayment holidays
- Wage growth very low
- Capital efficiency
- Low oil prices
- Vaccine hope
- Policy certainty
- Structural change in industries leading to cost efficiencies

### Key negative factors

- Virus in Northern Hemisphere
- Valuation
- Latent bankruptcies
- Low genuine credit growth

### Other negative factors

- Short term gap in US economic conditions
- Inequality longer-term effects
- Effects gradually rolling off
- Structural change in industries leading to weak demand
- Cycle
- Demand weak
- Australian stimulus badly targeted

## Viewer question of the week:

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**Do you think local or global equities will see more growth in 2021?**

**Drop your answers in the comments**

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