Magellan – In The Know: Episode 30

2023 – The investment year ahead

Announcement (00:00):

The information contained in this podcast is for general information purposes and does not constitute investment advice. You should seek investment advice tailored to your circumstances before making any investment decision.

Host (00:17):

This is In The Know, a monthly investment podcast brought to you by Magellan Asset Management.

Nikki Thomas (00:20):

As we look to 2023, I think that rise of the long end of the rates curve is behind us. So that's in the rear-view mirror and that won't be a headwind, going forward. The economic cycle is being pressured by the shift up in rates, so we can navigate that very well, given we always hold a sleeve of very low-risk, wide-moat companies that are compounders. And then when you think about secular tailwinds, an important part of this duration arbitrage, they're always there for the taking, and we'll always lean forward and try to capture those into the portfolio. So, super excited about the strategy for 2023 and the opportunities we see in front of us.

Host (00:56):

That's Magellan's portfolio manager, Nikki Thomas, describing what 2023 has to offer and how she's cautiously optimistic about the coming year. Welcome to Magellan - In The Know. In this episode, Jennifer Herbert, head of listed funds, is joined by global portfolio managers, Nikki Thomas and Arvid Streimann. They briefly look back at the troubled year that was 2022, before taking a deep dive into the year ahead. Will interest rates continue to rise? Is the world headed for a shallow or a deep downturn? And have the risks created by the war in Ukraine and the pandemic response in China completely abated? It's a broad conversation about the investment road we are all on. But first, a warm welcome from Jennifer Herbert.

Jennifer Herbert (01:48):

Hello, everyone, and thank you for joining us for the first In The Know podcast for 2023. We hope you had a restful Christmas with loved ones, and enjoyed what I'm sure was a well-earned break. The investing year ahead is not going to be one without its challenges, so it's super important that we start the year refreshed and with a clear vision of the road ahead, but also the potholes we need to avoid on the way. With that in mind, we thought it would be a perfect start to the year hearing from the two portfolio managers on the Magellan Global Fund, Nikki Thomas and Arvid Streimann. A big welcome to you both. Thanks for joining us.

Nikki Thomas (02:21):

Thanks, Jen.

Arvid Streimann (02:21):

Great to be here, Jen.

Jennifer Herbert (02:23):

Now, many listeners will already know both Nikki and Arvid very well, but for those of you who may not, Nikki has an extensive background in equities markets. Indeed, we worked together back in our Deutche Bank days. She was one of the early joiners at Magellan in 2007, and was instrumental in setting up the Magellan Global Fund and designing the investment process. Nikki rejoined the firm in February 2022, and I speak on behalf of the whole Magellan team when I say how happy we are to have her back on the team. Arvid's longstanding career includes time at the Reserve Bank of Australia, where he was the bank's share market analyst during the TMT, or dot-com bubble. He also spent a decade at Morgan Stanley and UBS as both an economist and equity analyst. It's actually a rare combination that can marry both the top down and bottom up of investing. Arvid's been a portfolio manager on the Global Fund and Magellan's head of macro for several years now.

(03:14):

Now, I'm sure the audience are keen to get some insights on investing, so let's get straight into it. Arvid, 2022 was a tough year for markets, and some would say there was more pain than gain with the S&P down almost 20% in what was the worst year for the US stock market since the 2008 financial crisis. The S&P actually had more down days than up days, which is very much at odds with historical norms. Now, from a macroeconomic perspective, there was certainly plenty to keep investors busy, with many different issues throughout the year. Which of those issues are now in the rear-view mirror, and which will drive markets in 2023?

Arvid Streimann (03:50):

Well, Jen, yeah, there was a lot which happened last year. And when I'm thinking about how to make sense of it all, I think we need to understand two things. And the first is, we are going through an interest rate cycle. We've had those in the past. And the second thing that we like to think about is, "Well, what could make that interest rate cycle bigger or smaller? Of course, which is the risks to that interest rate cycle?" And let me just start with the first piece, which is that interest rate cycle. I think this is actually pretty well-understood by investors. Inflation's been pushed up by COVID. At the start, we can remember back there were all those factory shutdowns, broken supply chains, but then it rotated into this position where consumers, and particularly Americans, went on a spending spree as the lockdowns ended. And that meant central banks had to boost rates, and that's that interest rate cycle that we've been talking about.

(04:35):

Now, if we assume that there are no shocks, then the main question, I think, for investors is, "How deep is this slowdown going to be? Is it going to be a deep recession? Is it going to be a shallow recession?" Or maybe it won't be any recession at all. Now, if we look at why some recessions are deep, it's usually because something's out of whack, okay? Going into that recession. Something like the asset price bubbles, and the famous ones in the early 2000s and also the early 1990s. Now lucky for us, it's not the case so much for us right now. For sure, there was a bubble in parts of the crypto market. We talked about that before, and maybe some of the parts of the more speculative parts of the equity market. But these were localised bubbles, and importantly, weren't backed up by high levels of debt.

(05:19):

So when we think about this and analyse it, we would say that the risk of a deep recession is pretty low, but it's definitely on our radar. Well, I think what is different is that the tightening in financial conditions that you've seen this cycle has been a lot quicker and larger than what you've seen in the past. So, that presents risks of its own. And I'd say overall, if there's no new shocks, then our base case here is that the global economy avoids a deep recession. Now, I wanted to talk about the second thing, which I think translates better into the things that we need to think about in 2023, which is, "What could make this interest rate cycle bigger or smaller?" And I think this is really interesting. And as we start off with Russia's invasion of Ukraine, obviously it had a huge human toll. And also a big toll on inflation as well, and it obviously pushed up interest rates.

(06:07):

They're higher than they otherwise would've been if Russia didn't invade Ukraine. Now in 2023, this year, we'll be looking to see if there's any new inflationary pressures from the invasion. Maybe Russia cuts its exports in retaliation, and there's plenty of things to retaliate about. Growing Western military support for Ukraine is the obvious one. So what's happening there is very relevant in 2023, as it was in 2022. And when we're thinking about this, while it's obviously hard to predict, we don't think that Russia will escalate too far this year unless the regime itself comes under real threat. Now, and that's because many of those potential Russian actions that people talk about, they will hurt its allies and it will also hurt, let's call them neutral countries. Which is probably why you saw China and India talk about, "We hope that you don't use nuclear weapons."

(06:56):

Now, if we're thinking about the side effects of that Russian invasion, one of those has been a reduced European reliance on Russian energy. And I guess the flip side of that is an increased European reliance on Middle Eastern energy. And we're still thinking about the Iranian nuclear programme. It's super important. If they move towards making weapons-grade uranium, it would really raise the odds that those facilities are attacked. And we think if that happens, there's a good chance that the Iranians say, "You know what? Let's target the Gulf oil and gas infrastructure." And if that occurs, this is obviously going to push up energy prices, and this is probably the time where you don't want that to occur. So that's something that we're watching. And then there's the reopening of China. Like everything to do with China, this is big. We think it was inevitable that China would reopen.

(07:46):

So from our perspective, the uncertainty was not as to whether it would reopen, but when it would reopen. Now, it's reopened a little bit earlier than we'd expected, and so this is also going to influence the interest rate cycle in 2023. We'd say that the order of events of China's impact at a very broad, macro level will be, there'll be firstly a positive demand shock, which tends to push up inflation. And secondly, a positive supply shock, which tends to reduce inflation. And let me explain why. Now when the borders reopen, the first thing you're going to see are the Chinese people doing exactly what you, me, and the listeners did, which is go out and travel and spend, and all of that stuff which they couldn't do for many years. And that's going to create inflation, create inflation here. The uncertainty is how much inflation that's going to create, of course.

(08:36):

And I should also say it's not just China which is reopening, it's also Japan which is reopening as well. I think a lot of people talk about China, but it's also Japan as well. But in terms of the second impact, and this will happen after the positive demand shock, this will be a positive supply shock as Chinese workers get their visas and get their travel plans, and maybe come back to America and other places around the world. So, that's what's going to happen. The million-dollar question, as I mentioned, of course is how large that positive demand shock will be. But I also wanted to talk lastly about what things are not that important anymore, and I think we can put US legislative change in that bucket. The Democrats no longer control the House of Representatives in the US. And what that means is things like last year's Inflation Reduction Act and last year's CHIPS Act, things like that are less likely to come through. So if you remember, those two acts created some big winners and losers. Now, Jen, before you say, "Well, we don't need to worry about legislative risk completely," there is one area of legislative change which I think is likely to continue, and that has to do with decoupling from China and Russia. In Washington, this is a area of strong bipartisan agreement, so I think that direction of travel will continue.

Jennifer Herbert (09:50):

Arvid, when you were framing up the macroeconomic landscape, you talked about the intensity of the rate hikes. We've seen the effort to curb inflation. We've not actually seen rate rise like this for over 20 years. Now, these rate rises have caused gyration in markets and seen stock prices hammered, sometimes irrespective of the quality of the underlying company. A perfect example can be seen through a number of the tech stocks whose share prices were hurt. In fact, tech globally fell 30% in 2022. Nikki, can you talk us through your thinking as you look under the hood? And what I mean by that is beyond the indices, to assess where the best opportunities are today. How do you approach this with regards to company analysis, company engagement, risk profiling, margin of safety analysis, et cetera?

Nikki Thomas (10:35):

Okay. A big question, Jen. Thank you. So as you can imagine, there is just a huge amount of intellectual horsepower inside Magellan. We have a really deep team and we have a lot of seasoned analysts, and they do really thoughtful work. Analysing what's happening, what trends are emerging, where those trends are going, and trying to understand particularly where we've had distortion of trends around things like the lockdowns and COVID. So the approach that we take here, the process, if you like, is unchanged from really what we built back in 2007, 2008. That's not to say we don't fine-tune it. We're always fine-tuning things. But, of course, what has changed and continues to change is the issues. The data, the facts. They're always changing, and so we have to stay live to that. And we try to stop ourselves getting wedded to out-of-date thinking as changes are occurring in front of us.

(11:25):

So to come back to your question in point, I guess the team are always speaking to senior company executives every week, across the companies we cover and across the competitor companies that fit in our coverage universe. We get excellent access, to be honest. We use a lot of independent experts. We talk to brokers. We really work hard to build out our knowledge and test our thinking day in, day out. And the resources we have available to us here reflect that very large team and that deep talent that we have across this team. They make me very proud when I sit down and talk to them about stuff. And they educate me, honestly, all the time on things that are happening in their industries. So then you get beyond the stock analysis, to be honest. And I think it's important to recognise always managing a portfolio is so much more than just picking some good stocks.

(12:15):

So to your point, we're looking at things like correlations in risk, what's happening on macro trends, the interest rates, the economic cycles, industry shifts. We've got to assess government policy, because that can have very significant impacts on how industries evolve and how companies spend money, and how those things change over time. So we look for those game-changing events that at first may seem benign, but will become a massive influence on future trends. And to help explain that, let me give you a couple of examples. So back in August of last year, the US Congress passed the Inflation Reduction Act. It was hot on the heels of the CHIPS Act that they also passed, and that legislation actually wasn't expected initially. And as we watched what was going on, it appeared almost unnoticed. There was very little being written about it.

(13:07):

And we said to the team, "Look, this is big. This is important, and it's going to change behaviour." So we dug in on that, and we did a lot of work. More recently, and probably listeners have heard the commentary around ChatGPT, and that's obviously being revealed as a major leap forward in AI. It will in our view have far-reaching implications, and so we're analysing the possibilities of that carefully within the team. Of course, the market is always forward-looking, and so a central piece then is always finding where the margins of safety are still attractive, where the opportunity is not already reflected in share prices, or overstated in prices, even. And so we can invest and make money for our clients.

Jennifer Herbert (13:53):

So having heard your histories, you have great complimentary skillsets. Bringing together the micro and the macro understandings, and the way in which you think about investing. We've really seen that work for us in 2022 in the way that you've been implementing the process. Could you talk us through the process in the context of the 2022 year and how you see it working in 2023?

Nikki Thomas (14:14):

Yeah, I think there's a simple way to frame this up for people. The Magellan process has had a very long track record of capturing returns through what we describe as duration arbitrage. In other words, owning companies with above average and persistent growth prospects that the market is mispricing because of the tendency of investors to focus on the short term, or to underappreciate the value of compounding of that very persistent growth. In simple terms, those stocks tend to see upgrades to expectations of earnings and cash flows over time. And so when you think about it, there's two things that have really fueled that opportunity in history and been very positive for the Magellan process. One has been falling interest rates. As falling costs of capital have played out over the last 30 years, longer duration cash flows are more valuable. And so that's supportive when you're looking at those longer duration opportunities.

(15:06):

The second is really that persistent strong revenue growth, and ultimately earnings momentum. These result from those secular growth tailwinds that we go looking for, things that have long runways that will shift market shares and deliver gains to those advantage companies. Either through footprint expansions, superb execution, cost differentiations. You know the drill. So when you think back then on 2022, it's been tough for this style of investing on two fronts. Rates went up a lot and quickly, and that makes longer duration cash flows less valuable. It's just the truth. It does. With hindsight, and perhaps that repricing was a little greater than we'd anticipated in some of the portfolio holdings, it certainly had very significant implications across the whole market. The second issue that really played out in 2022 was that some of our companies have been material beneficiaries of the enormous stimulus that came on the back of the COVID lockdowns and governments supporting us. And this led them to overinvest both capital and costs.

(16:08):

They were chasing these great revenue opportunities, and invested behind it. That bubble of revenue growth that they saw was really cycling off. And at the same time, of course, central banks are working to slow economic growth to fight inflation. So those companies are in the throes of ripping out those costs and right-sizing their operations. That's been painful for earnings expectations of some of those companies. And actually, maybe for another quarter or two yet. And that's been particularly so in the technology space. As we look to 2023, I think that rise of the long end of the rates curve is behind us. So that's in the rear-view mirror and that won't be a headwind, going forward. The economic cycle is being pressured by the shift up in rates, so we can navigate that very well, given we always hold a sleeve of very low-risk, wide-moat companies that are compounders. And then when you think about secular tailwinds, an important part of this duration arbitrage, they're always there for the taking, and we'll always lean forward and try to capture those into the portfolio. So, super excited about the strategy for 2023 and the opportunities we see in front of us.

Jennifer Herbert (17:14):

There are many different ways people can invest in equity markets these days. There are index funds, many styles of active funds, right through to factor and even smart beta funds. Our global strategy sits in the concentrated, quality, fundamental part of the spectrum. In fact, there's very much a Warren Buffet-quality-style approach to the way that Magellan invests. Can you talk us through why we favour this approach to investing and how it works in various cycles?

Nikki Thomas (17:41):

So, our goal is fairly simple. We want to deliver an absolute return through time that creates wealth for our clients. We do that by being thoughtful around risk, and by doing a great deal of due diligence on the underlying value of companies. I love the way we invest. It's harnessing the power of the human intellect and is, for my mind, true, fundamental investing. We aren't competing with imaginary foes, nor are we obsessing over whether we're relative to an index better or worse day to day. Albeit, of course, we're not ignorant to what's going on in markets around us. So, to be clear, there are plenty ways to reach a destination, and it just depends on what that destination is and which road it is you want to travel. Ours is about finding real value in markets and working towards absolute compound returns through time, focused on our clients getting a great outcome on the back of it.

Arvid Streimann (18:42):

Yeah. And Jen, I'll just add one thing here, which is, you asked how does the strategy perform in different cycles, and we've just been through one particular cycle which I would call the speculation cycle. And what I mean by that is that when monetary policy was really loose and there was plenty of money, and people were investing in companies which didn't really make much money, it reminds me of the dot-com bubble, when people were trading three-letter codes and they didn't really know what the company was doing. We went through one of these again in the past couple of years. And we just have to look across parts of the equity market, where you saw valuations for companies which we would consider to be low quality do quite well. And so that was a bit of a headwind to our strategy returns, but at the end of the day those share prices, even though they went up, they went straight back down. And in some cases, they went down to zero. So in regards to your question as to how the strategy performs in various parts of the cycle, there are some parts where it performs well and some parts where it gets left behind, but on average we believe that it will outperform the broader market.

Jennifer Herbert (19:49):

Great. Thank you. Let's zoom out a bit now and look at global markets. Both Europe and China outperformed the US in 2022, with a strong final last quarter. How can this be when Europe has had its fair share of turmoil, both politically and with the Russian-Ukraine war and China's being in lockdown? The news and the press has been relentless, but the market seems to be telling a different story. Arvid, what are your thoughts?

Arvid Streimann (20:13):

Okay. Jen, so when thinking about market returns, we think you need to break it into a couple of pieces. The first being the fundamentals of the economy and markets and the risks around those fundamentals, and the second piece is how those fundamentals and risks are being priced. And they're two separate pieces. And you mentioned the relatively strong performance of both Europe and China last year. Now, let me talk about the fundamentals. Last year in Europe, they saw a lot of these negative macro risks occur. And we had the Russian invasion of Ukraine, we had higher energy prices in Europe, and you had higher interest rates in Europe, and you had a decoupling from Russian energy, which of course happened very quickly. Now, you don't normally get so many things happening, but that negative change in the fundamentals caused the euro, and here I'm talking about the currency, it caused the euro to fall, which made many European companies much more competitive in export markets.

(21:10):

And another thing which was positive with regards to the fundamentals was that the war in Ukraine did not spill over into other countries, and Russia has not used any nuclear weapons. And then on top of that, I should also add that the European winter wasn't quite as cold as many people feared, which meant that the amount of gas rationing in Europe was not as high as many people had feared in return. Now in China, the economic fundamentals improved. We talked about before how the country has finally opened up, and that's obviously going to boost economic growth. And I would say that that is a fundamental improvement in the economic outlook, but I want to be very clear here about how other Chinese fundamentals have changed. For sure, there's been a flattening out in Chinese political, geopolitical, and regulatory risk as the Chinese government has focused more on growth.

(22:05):

But, and here, Jen, this is the key message, the level of Chinese political, geopolitical, and regulatory risk, and maybe I'll also add in governance risks too here, that the government is taking golden stakes in Alibaba and Tencent, all of these risks are still high, okay? And when we think about investing in China, and we can get exposure to the Chinese economic growth story through Western companies, we prefer doing it through Western companies than Chinese companies, when we're thinking about investing, we look at the whole picture. The economy is just one piece of that picture, and we think a lot about those other risks that I'd mentioned. And there's not really that much change in those others. At the end of the day, the government is focused still on regime stability, and its focus isn't really on making shareholders rich.

Nikki Thomas (22:50):

So maybe just to add on to Arvid's point about the fundamentals and then what was priced. So as you mentioned, Jen, the last quarter of 2022, we saw Europe and China put in stunningly good stock market performances. Why? Stock markets are forward-looking. They're always leading indicators, not lagging indicators. And what was really playing out was the fact that those markets had priced in all of the bad news, and suddenly there was a rate of change around the news that was positive. So we started to hear about... There was an inkling that China reopening was definitely on the table, whereas most people had thought it was, "Who knows when it was going to come to the table?" Europe, the Russian-Ukraine war situation certainly stopped deteriorating. And so people had thought about nuclear weapons, whether that was going to play out, how bad this was going to get. And in fact, a fairly benign winter and a step in a positive direction meant markets then oversold. And so, they rallied from that point. And so I guess it goes to why this is hard. Investing is tricky, because sometimes the market's ahead of you. And so you have to be responsive to what is already in the price, not just hear the news and suddenly chase it.

Arvid Streimann (24:05):

So, Jen, I might quickly talk about the outlook. I remember you were talking about the outlook as well. I was polishing up the crystal ball before. Now, let me talk about the fundamental outlook, which of course is that first piece which I talked about before. As I mentioned, our base case here is that the world slows and there's a shallow recession rather than a deep recession. Now, to get a deep recession, there has to be something unexpected which happens, which shifts the base case. We've talked about the risks to that before, the main ones that we're following. Now, if we look at what drove markets last year, you mentioned that the S&P 500 was off about 20%, that was entirely driven by higher interest rates. And in fact, if we isolate and estimate the impact of interest rates, it's actually more than 20%, okay?

(24:45):

So there were little offsets anywhere else. But looking forward, do we think that there's going to be another big increase in interest rates, which leads to another drag on share markets? And Nikki and I have both mentioned that we're probably most of the way through the interest rate hiking cycle. So I think that that is probably not going to repeat. Which leads me to earnings. And market earnings estimates have been downgraded. I think we're starting to see a downgrade cycle here, but they're still factoring in, let's call it low double-digit earnings per share growth in the next couple of years. With positive growth, I should mention, in both this year and next year. And just to remind everyone, that is coming off a high base. So earnings in 2022, last year, were about 20% above where they were in 2019. So, this is growing off a high base. And just remember, as we all know, growth is slowing. So you would expect things to not continue to go up in a straight line. Now, I'm not saying that earnings growth is going to collapse. I think you need a deep recession for that, and that's not our base case, but I think that more earnings downgrades is much more likely than not.

Jennifer Herbert (25:54):

And what about from a thematic perspective? Last year in markets, it was all about playing defence as the bubble in parts of the market popped, and interest rates rose far more than anyone would've imagined. Nikki, what things do you see supporting the global strategy in the years ahead?

Nikki Thomas (26:10):

Well, the thematics don't change dramatically over time. Secular trends tend to run for many years. We've talked in the past about digitization, and this remains central to the faster growth parts of many industries. This increasingly is also going to tie in artificial intelligence and the metaverse. Or perhaps, more simply, we should talk about that as augmented and virtual reality. The other themes which you can see in the portfolio, and ones that we're following closely, is things like the shifting sands around decarbonization, the huge capital investment that's needed for that. And the transition in energy sources and the supercycle, and infrastructure spending that goes hand-in-hand with all of that. The other interesting one, and again, we've probably already talked on this quickly, in 2023 the continued return of travel will be important. And this is not yet done. The industry has seen massive disruption.

(27:05):

The industry was closed up. And it meant pilots, air stewards, hotel staff, all went somewhere else and found new jobs. And this is an industry that requires security clearances, it needs training, you need to have pilots who've done enough hours to be legally allowed to fly aeroplanes . And so there's been a supply shortage here of, in large part, labour, as well as getting those aeroplanes back up in the air. So they've been working on finding the new people, training them up, passing them through security clearances. And I think we've seen an industry where excessive ticket and room prices has really been reflecting a governing of demand. These companies are trying to make money. And they couldn't deliver enough supply, so they've charged more because they need to actually get their profitability back up. So as we see this unfold through 2023, and we'll probably see some of those excessive prices come down, China's now reopening, and as Arvid mentioned, Japan on top of that, there's a lot of gains that we think will continue to come through in that travel-related vector of markets.

Jennifer Herbert (28:17):

Well, 2023 is certainly going to be an interesting year for investors. Do either of you have any advice you can leave our listeners with that they can take on their journey into this next chapter?

Arvid Streimann (28:26):

Well, Jen, here's what I would say. I would say that investors should really pay attention to their investment frameworks in what you called an interesting year. Now, I think that frameworks are always important, but I think they really, let's call it earn their money, in periods of uncertainty and periods of volatility. Now, from a macro and micro perspective, the higher conviction calls that we make, I think that you can put them into one or two buckets. And the first bucket is finding things which looked out of whack. Remember I talked about things which look out of whack before. For example, China, and its 1.4 billion people who can't travel outside of the country, that's out of whack. The other thing that could be out of whack, and historically has been something to look for, is valuations that don't pass the sniff test. So that would be the first thing.

(29:14):

The second thing is if you can find a structural thematic under your investment framework, which can underpin earnings over the medium to longer term. And that's something which Nikki was talking about. And if you do both of these things and you stick to your investment framework, and you keep it simple by doing so, boiling it down to, let's say, those two things which I mentioned, like we do, then I think investors can cut through a lot of the distraction. They can cut through a lot of the noise and cut through a lot of the confusion, and you can instead focus on the things which really matter for investment performance.

Nikki Thomas (29:47):

I think this industry is fascinating and it's a place where you never stop learning. If you're really interested in investing your own money, read. Read a lot, read widely. Keep learning, because you'll never stop learning if you keep reading. Stay humble. Learn about behavioural finance. It'll teach you about the obvious mistakes that can be made in markets, and there's a lot of them. Watching share prices is not investing. If you're going to invest directly, figure out how to do it. Learn how to value a company. Do the hard work, because share prices move around a lot. And if that all seems too hard, I guess you could try buying advantage companies with growth tailwinds, and cross your fingers it's not 2022 all over again.

Jennifer Herbert (30:32):

Valuable food for thought. Thank you, Nikki and Arvid, for your time today. It's been an absolute pleasure speaking with you both.

Nikki Thomas (30:38):

Thanks, Jen. It's been lovely speaking with you.

Arvid Streimann (30:40):

Yeah. Same, Jen. We'll catch up again later.

Host (30:43):

That was Magellan head of listed funds, Jennifer Herbert, speaking with head of macro and portfolio manager, Arvid Streimann, and portfolio manager, Nikki Thomas. We trust you've enjoyed this episode of Magellan - In The Know. Join us in a month's time for the next episode. For more information on upcoming episodes, visit magellangroup.com.au/podcast, where you can also sign up to receive our regular investment insights program. Thanks for listening.