

What's New



CEO WRAP



Almost all investors we work for have a single point in the year at which the annual return is measured and noted with more formality than at other points. For a large number of investors that date is at 30 June. Most investors will be pleased as they review the past financial year's results. Absolute returns were in double digits for diversified growth-biased portfolios and positive for the fifth straight year. Indications are that JANA-advised superannuation funds fared better than the median fund in industry surveys. We are obviously pleased to

have been strong contributors to those outcomes for our clients.

Historical results at a point in time are interesting, but it is the longer term outcomes that really matter and so reflecting on the future environment is important. As you will hear from your JANA consultants (probably not for the first time) our view is that asset allocation is particularly tricky in the current environment. Our deliberations on the appropriate positioning for the various investment beliefs and objectives of our clients has been as thorough and nuanced as ever.

Delivering investment outcomes for the investors we work for is what drives our efforts. However, it is pleasing when that work is recognised in other ways and we were fortunate to be acknowledged at

the Connexus Chant West awards in May as Asset Consultant of the Year for the second year running. One of the factors that Warren Chant cited in conferring the award was the breadth and stability of the JANA team. I want to pay particular attention to the individual and collective contributions of my colleagues without whom the insight and views necessary to deliver investment outcomes would not be possible.

The integration of the MLC Investment Management team with JANA is progressing in line with our expectations. I anticipate that you will meet a number of our newer colleagues at the JANA Annual Conference in Melbourne in September. I look forward to engaging another thought-provoking agenda together with you then.

JANA Annual Conference

JANA Annual Conference is on Thursday 25 September at the Grand Hyatt, Melbourne.

Please blank out this date in your diary!

Note that this is AFL Grand Final week, so please take this into account when booking flights and accommodation.

We have three keynote speakers confirmed for the Conference:

- Richard Koo, Chief Economist, Nomura Research Institute, Tokyo
- Cliff Noreen, President, Babson Capital
- Michael Roberge, President and Chief Investment Officer, MFS Investment Management

We look forward to seeing you in September.

RESEARCH DIARY

By Steven Carew

It has been another busy quarter for JANA's researchers, with the JANA Study Tour to Asia and a number of other overseas research trips. One major area of focus has been integrating members of the MLC Investment Management team into JANA's research teams.

I am pleased to advise that Greg Michel has been appointed as the Head of Fixed Interest Research for JANA. Greg is a very experienced fixed interest professional, with an extensive background in funds management and research. Greg takes over from James McKinlay, who has led our Fixed Interest research effort for over six years. I would like to take this opportunity to thank James for his

substantial contribution, with one area I would like to especially acknowledge being his leadership of our research of credit in the wake of the GFC. Allocations to credit have added substantial value to our clients' portfolios over the past five years. James will continue to provide a leading contribution to our research effort in a new role focused on our capital markets research and asset allocation process.

Our Australian Equities Research team will be boosted with the addition of Grant Mizens, who will be a dedicated researcher supporting John Coombe and the other members of the team. Grant has 6 years of experience in equity research at MLC. You can read more about Grant's background in this newsletter.

Melbourne Oxfam Trailwalker 2014

In early May JANA participated in the Melbourne Oxfam Trailwalker – a 100 km walk to raise funds for Oxfam's International Aid work. The JANA Sole Healers (Dom Beckers, Jim Lamborn, Kev Pritchard and Rob Sicilia) commenced training and fundraising activities early in the year and finished the course through sun, rain and wind in just over 20 hours. Pleasingly, the team raised \$12,000 to be the highest fundraising team in the Financial Services category. JANA Sole Healers would like to thank our clients, colleagues, family and friends for their generous emotional and financial support without which we could not have succeeded in completing the course.



JANA



Baby news!



Matt Gadsden and wife Sarah welcomed their second child on Monday 30th June – Leo David Gadsden.

Claire Simpson and husband Barny welcomed their second child on Monday 14th July – Amelie Rose Chessell.



Arrivals and departures

Unfortunately we have said goodbye to several of our colleagues in recent months:

- Andrew Berry has transferred to an internal role within the NAB Group
- Louie Chan has accepted a role in Hong Kong
- Jeremy Yap has accepted a position with a fund manager
- James Matt has accepted a role with a fund manager
- Anna Joh will be transferring to an internal role within the NAB Group

We wish our colleagues the best of luck in their new roles.

We have also welcomed several new faces to the JANA offices:

- Jerome Bodisco joined the Sydney office as a consultant in May
- Alastair McIntosh joined the Melbourne office as a consultant in July
- Teresa Lau joined the Melbourne office as an investment analyst in July
- Stephen Hodges joined the Melbourne office as an investment analyst in July

JANA STUDY TOUR

BY BAYU SARWONO

The destinations for the 2014 JANA Study Tour were Australia's major trading partners in Asia: China, Japan and South Korea. Over the two week period, JANA and all 18 clients met with various equity (listed and unlisted), bond, property, infrastructure and hedge fund managers, as well as being briefed on the Japanese and Korean pension systems.

In Tokyo, optimism was in the air as many investors were confident that Abenomics would drive economic growth and see a long awaited end to deflation. The latter is likely to be foreign to a lot of Japanese since the country has been in deflation for two decades.

Across the Sea of Japan, Seoul was packed with Chinese tourists buying Korean cosmetics and it was

interesting to hear that the Samsung Group is responsible for 20% of the South Korean economy!

In Shanghai and Hong Kong, we discussed risks, opportunities and the political environment in China.

The trip was a success and it was a reminder of the close ties between Australia and Asia, and how deepening our knowledge of the cultural and business practices of our neighbours can benefit our clients' portfolios.



Engagements

Congratulations to Wendy Huang and her partner Gabe, and Josh Rout and his partner Madeline on their recent engagements.

Introducing Grant Mizens



Grant Mizens joined the JANA team as part of the recent MLC Investment Management and JANA merger. Grant joined MLC in 2006 focusing on equity manager research for

the past 6 years. Prior to joining MLC, Grant spent 5 years studying economics at the University of Illinois in the United States. He was also a member of the Australian Men's Wheelchair basketball team from 2001 to 2012, retiring after the London Paralympics in 2012

having represented Australia at three Paralympic Games (2004, 2008, 2012), winning one gold and two silver medals. In 2013 Grant was awarded the Medal of the Order of Australia for services to sport. Grant is married with a 4 year old son named James.

Having spent 8 enjoyable years with MLC, Grant is excited about being a part of the new JANA.

