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# INVESTMENT OUTLOOK 2021

SwitzerReport

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# FASTEN YOUR SEAT BELTS FOR 2021!

A new financial client asked me recently what I could grow her nest egg by this year? It's a hard question to answer but someone has to do it, so it may as well be me.

Most of you know I tipped a solid recovery of the stock market after that shocking Coronavirus crash in late February. The imposed lockdown and virtual economy closure as we knew it led to a recession, which had to smash stocks.

However, equally I predicted that the economic rescue plan (masterminded by the PM, Treasurer Frydenberg in company with the RBA boss, Dr Phil Lowe, the Premiers, the heads of our banks and some of Australia's best credentialled business leaders) has resulted in a fantastic turnaround for the economy.

If you need proof, well, look at the quarterly economic growth:

- March down 0.3%;
- June down 7% and
- September up 3.3%.
- December will be another big quarter of economic activity, with Victoria steamrolling out of its second lockdown.

Need more proof?
Well, as I was writing this piece, CommSec's Craig James emailed me with the following headline: "Business confidence hits 31-month high. Value of Aussie homes hits record highs."

And by the way, this was his second email to me. The other was headlined: "Consumer confidence hits 12-month high."

Our unbelievable economic comeback has been powered by the world-class beating of the Coronavirus, which helped reopen

business and get the usual $69 billion we spend overseas as tourists, directed to local business. But this happened as our saving ratio reached 20% because we were stopped from spending on so many services that were banned under the COVID-19 world that was imposed on us.
This is now falling and will continue to do so to fuel consumption, investment, economic growth and job creation. But that's not all, Treasurers right around the country are spending like never before.

Josh has a deficit of $197.7 billion planned. NSW's Dominic Perrottet has an expected deficit of $16 billion, which will help bankroll infrastructure spending of $30 billion! And Victoria's Tim Pallas has promised a $23.3 billion deficit as the state needs a lot of help following its virus crisis.

All this with historically low interest rates (which are expected to remain low for longer) will power economic growth. The CBA economics team is tipping 4.2% growth for 2021 but the RBA has a 5% number, which will power company profits, which has to help share prices.
All this is possible and probable because of the spectacular success with vaccines, which has defied doomsday merchants. Microsoft's Bill Gates said there will be six vaccines available within the March quarter, which will give additional umph to growth and then share prices.

My conservative guess for share prices over 2021 is — up 10% — but it could be better. After the GFC in early 2009 I interviewed the founder of IBISWorld, Phil Ruthven on my then Sky News Business TV program. Phil told me that history had shown that the Australian stock market rebounded 30 to 80 percent after a crash and recession. So far we have rebounded by 47% after dropping 36.5% but we needed to bounce back by 57% to bring us back to where we were on the S&P/ASX 200 Index.
And if you do the maths: we need to rebound 57% and we're up 37% and the difference is 10% (at the time of writing).

The huge stimulus + the low interest rates + the power of the vaccine added to a world desperate to get back to normal, should unleash spending like we haven't seen in a long, long time.

This has to be very positive for stocks. And I don't think a tariff-toting China could get in the way of our economy and stock market performing strongly in 2021.

And if you need others' views to help you believe me try these:

- Goldman Sachs "expects the S&P 500 to rise 16% to 4,300 by the end of 2021." Business Insider 8 December 2021)
- Blackrock, the biggest investment management firm in the world "raised its tactical outlook on global equities to 'overweight' from 'neutral' on Monday, implying it expects stocks to rise over the next six to 12 months. (Business Insider 7 December 2020)

I rest my case.

I look forward to working with you to assist you in multiplying your wealth over 2021.

WARM REGARDS,

Peter

Peter Switzer

# 2 VALUE STOCKS WE LIKE

## WE BELIEVE IT'S A GOOD IDEA TO CONSIDER INCREASING EXPOSURE TO "VALUE" TURNAROUND NAMES AND HERE'S TWO WE LIKE.

BY MICHAEL WAYNE MEDALLION FINANCIAL GROUP

The ASX 200 rose a whopping 10% in November, the best monthly return since 1993. Generally speaking, those businesses that suffered the most from Covid-19 lockdowns were the best performers in November, with Energy (+28%) and Financials (+16%) the best performing sectors. Interestingly, Value names posted strong gains, increasing +16% as a cohort. On the other hand, "stay-at-home" winners such as technology and e-commerce struggled in relative terms.

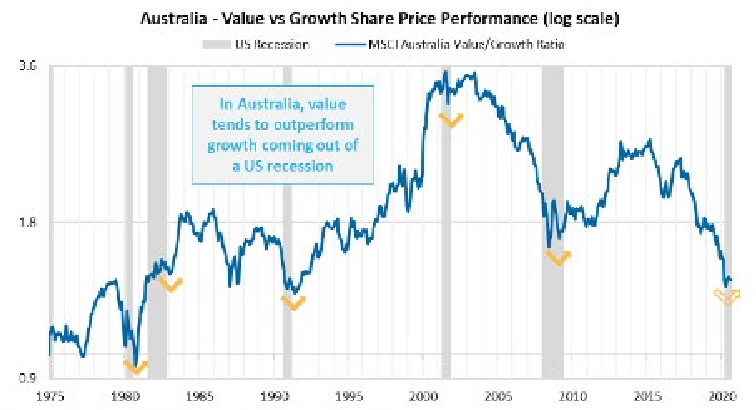
With that in mind, growth still delivered a decent gain of 4% as the numerous AGM updates suggested current earnings momentum had continued. Of the AGMs held over October/November, more stocks outperformed than underperformed after their AGM. There were also more upgrades than downgrades to consensus 2021 EPS following the AGMs, by a ratio in the vicinity of 3 to 1 reflecting an improving earnings outlook helped along by news of a COVID vaccine.

Overall, two key risks appear to have diminished with the US election concluding, and the news a COVID vaccine may be closer than many had predicted. As such the balance of probabilities, the risks appear to have diminished in our view. Despite the strong gains in November, we are of the view the traditional Christmas rally could well transpire again this year, with support from RBA QE, fiscal stimulus, and rising commodity prices.

As it stands, many client portfolios have had a growth focus and that has served our clients very well in recent years.

We still like those businesses and long term we believe their quality will continue to shine through, however, we are of the belief that we are in the midst of a turning point when it comes to the main drivers of markets and as such, we believe it's a good idea to consider increasing exposure to "value" turnaround names.

Fig 3 Australian value has outperformed growth coming out of a US recession




Source: FactSet, Macquarie Research, September 2020

Value outperformed in Australia in 4 of 4 cases in the year after a US recession, with relative returns ranging from 7% to 28% year-on-year. Value outperformed after the 2001 recession even as the market fell. We think this case is relevant to today, as it was the last time market valuations were at similarly high levels.


For instance, we don't usually look at energy companies when it comes to investing, however, we have recently made an exception given the perceived value on offer relative to the more "expensive" growth area of the market that have seen their valuation differential as a cohort blow out to extreme levels by historical standards.

Other areas where we have taken advantage of perceived "Value" are in some of the travel-related infrastructure stocks and even good old Bank shares, which at one point were trading at their lowest price-to-book ratio since the early 1990s, attracting our attention for the first time in years.

We caution some names have rallied strongly and the easy gains might be behind us but a couple of "Value" names these we believe still offer decent upside are as follows:

## 1. AUCKLAND INTERNATIONAL AIRPORT (ASX: AIA)

Auckland International Airport is the largest in New Zealand, primarily providing facilities, infrastructure and services for airlines, cargo and over 21 million passengers per annum in a typical non-COVID year.

While spending has been cut in the short team, we continue to like the upside potential that comes with not only the return of the airport to pre-COVID levels but also the property development and infrastructure opportunities available for AIA. Unlike Sydney Airport, AIA owns the land and most importantly large amounts of land around the airport. What this provides is the ability to not only improve and expand the airport itself but also to continue growing and investing into the Airport's property business.

## 2. SANTOS (ASX: STO)

The oil price has been in the doldrums for some time now, lagging the recovery in the global economy and financial markets. As the world economy roars back into action supported by the dissemination of the COVID vaccine and central bank stimulus, this is an area we feel could finally capture the attention of investors and traders alike.

The oil and gas company has done well in recent years, seeing its share price rise from a low of $2.87 in July 2017, up to a recent price level. The company has done a lot right at a company level reducing costs of production, head-count and lowering debt leading to the impressive free cash flow generation now being delivered.

Santos now has some of Australia's most promising and highest quality coal seam gas reserves, so provided management executes on cost synergies and scales up production successfully, the company is in a very good position to capture any upside if oil continues its recovery.

"THE ASX 200 ROSE A WHOPPING 10% IN NOVEMBER, THE BEST MONTHLY RETURN SINCE 1993. GENERALLY SPEAKING, THOSE BUSINESSES THAT SUFFERED THE MOST FROM COVID-19 LOCKDOWNS WERE THE BEST PERFORMERS IN NOVEMBER."

# HOW TO PLAY THE AUSTRALIAN STOCKMARKET IN 2021

BY PAUL RICKARD

The "black swan event" of Covid-19 led to a remarkable year for Aussie stocks in 2020. Starting the year at 6,684, the S&P/ASX200 rose to a high of 7,163 on 20 February, before plunging 37% to hit 4,546 just 32 days later on 23 March. It then rallied and by mid December, was enjoying a small positive gain for the year. If it finishes in the black in 2020, it will arguably be the 12th year of a bull market.

So it is hard not to approach 2021 without a degree of trepidation because the bull market is looking quite mature. It is also the start of a new presidency with Joe Biden, in the midst of an ongoing trade spat between China and the USA and now China and Australia, and it is a year when vaccines should get the world back to normal.

These are my big picture investment themes for 2021:

• Record spending by governments and record low interest rates will propel economic growth and stocks higher – the bull market will clock up a 13th year!

• The US dollar is set to weaken further, meaning that the Aussie dollar will go higher in 2021 potentially up into the eighties;

## "IT IS HARD NOT TO APPROACH 2021 WITHOUT SOME DEGREE OF TREPIDATION."

• A weaker US dollar, plus a general pick up in global economic activity, will be supportive for hard commodities;

•Although the Reserve Bank will keep the cash rate at 0.10%, we will follow the lead of the US with a steepening yield curve and higher bond yields; and

• Commercial property will feel an ongoing impact from Covid-19, with permanent changes to the way we go about working and shopping.

What do these themes mean for the composition of an Australian equities portfolio, in particular the weighting by sector and company size, and individual stocks? I will start with company size.

### LARGE CAPS OR SMALL CAPS?

As the table (next page) shows, middle and smaller companies outperformed their larger cousins in 2020, as they did in 2019. The midcap 50 index, which includes stocks ranked 51st to 100th by market capitalization, returned 13.2% in 2020. On a relative basis, this was 13.0% better than the broader market's (S&P/ASX 200) total return of 0.2%. The top 20 stocks, which make up about 45% of the capitalisation of the entire market, lost 0.9%. This is measured on a total return basis, which includes dividends.

Small caps, as evidenced by the Small Ordinaries index (next page) which tracks stocks ranked 101st to 300th by market capitalization, also outperformed with a return of 6.3%. This index tends to be overweight resource and consumer discretionary companies and does better when these sectors are stronger.

Mean reversion, that is the tendency for prices and returns to revert to the long-run average level of the entire dataset, is always something to consider when making assessments on how markets may perform. But my sense is that an environment of stronger economic growth, which can only happen if vaccinations work and the virus is contained, will support mid cap and smaller stocks again in 2021. A bias towards mid and small cap stocks.

## INDEX RETURNS

| | 2020* RETURN | 2019 RETURN | 2018 RETURN | 2017 RETURN |
|---|---|---|---|---|
| S&P/ASX 200 (PRICE) | -2.5% | 18.4% | -6.9% | 7.1% |
| S&P/ASX 200 (ACCUM) | 0.2% | 23.4% | -2.8% | 11.8% |
| | | | | |
| ASX 20 (ACCUM) | -0.9% | 21.0% | -0.4% | 7.3% |
| MIDCAP 50 (ACCUM) | 13.2% | 21.8% | -7.4% | 22.1% |
| SMALL ORDINARIES (ACCUM) | 6.3% | 21.4% | -8.7% | 20.0% |

*2020 to 30 November*

Which sectors?

The table below lists the 11 industry sectors for the Australian sharemarket according to the GICS classification methodology. It shows the sector weighting as a proportion of the S&P/ASX 200, the return (including dividends) for 2020, and the returns for calendar 2019, 2018, 2017 and 2016.

## SECTOR RETURNS

| SECTOR | INDEX WEIGHT | 2020 RETURN* | 2019 RETURN | 2018 RETURN | 2017 RETURN |
|---|---|---|---|---|---|
| CONSUMER DISCRETIONARY | 7.4% | 10.3% | 32.4% | -7.7% | 13.6% |
| COMMUNICATION SERVICES | 4.1% | 5.3% | 27.3% | -17.9% | -21.3% |
| CONSUMER STAPLES | 5.9% | 3.8% | 21.0% | 4.7% | 20.2% |
| ENERGY | 5.4% | -27.0% | 22.9% | -8.6% | 23.3% |
| FINANCIALS | 28.3% | -5.8% | 13.5% | -9.7% | 5.0% |
| HEALTH CARE | 11.4% | 9.4% | 43.5% | 19.3% | 26.4% |
| INDUSTRIALS | 7.4% | -9.9% | 27.1% | 0.0% | 18.2% |
| IT | 4.1% | 44.1% | 33.5% | 7.3% | 26.0% |
| MATERIALS | 18.9% | 8.6% | 27.2% | 1.8% | 22.9% |
| REAL ESTATE | 7.1% | -6.0% | 21.7% | 0.2% | 6.2% |
| UTILITIES | 1.5% | -11.9% | 16.2% | -5.1% | 9.0% |

*2020 to 30 November*

Two trends stand out. Firstly, the variability of the returns. The gap between the best performing sector in 2020 (information technology at 44.1%) and worst performing (energy at -27.0%) is quite material. Secondly, the relative lack of consistency from year to year. Although IT and health care have reported positive returns in each of the 5 years, most of the other sectors have had their ups and downs. So, getting the view right on each sector, in terms of whether you should be over-weight, under-weight or neutral (index-weight), can have a pretty big impact on portfolio performance.

**AS THE TABLES ABOVE SHOW, MIDDLE AND SMALLER COMPANIES OUTPERFORMED THEIR LARGER COUSINS IN 2020, AS THEY DID IN 2019. THE MIDCAP 50 INDEX, WHICH INCLUDES STOCKS RANKED 51ST TO 100TH BY MARKET CAPITALIZATION, RETURNED 13.2% IN 2020. ON A RELATIVE BASIS, THIS WAS 13.0% BETTER THAN THE BROADER MARKET'S (S&P/ASX 200) TOTAL RETURN OF 0.2%. THE TOP 20 STOCKS, WHICH MAKE UP ABOUT 45% OF THE CAPITALISATION OF THE ENTIRE MARKET, LOST 0.9%. THIS IS MEASURED ON A TOTAL RETURN BASIS, WHICH INCLUDES DIVIDENDS.**

# WHAT WILL BE THE BEST AND WORST PERFORMING SECTORS IN 2021?

Here is my take on each sector (in descending order of market capitalisation).

### a) Financials – Index-weight

I am not ready to go over-weight this sector. While 2021 should be a better year for the major banks as they write back Covid-19 provisions, enjoy a small increase in volumes as credit growth returns, stop having to make customer remediation provisions, and get a little tougher on costs, revenue growth will still be challenged.

Investors will enjoy higher bank dividends, not back to 2019 levels but towards the middle of those paid in 2019 and 2020. With capital ratios looking comfortable, capital returns from the CBA and possibly the ANZ cannot be ruled out.

I continue to prefer the major banks over the regional banks. Macquarie goes from strength to strength, while a recovery in some of the underperforming insurance stocks such as IAG is on the cards. While strong equity markets should be a positive for fund managers and performance fees, a rising aussie dollar will act as a headwind to funds growth for the likes of Magellan and Platinum.

### b) Materials – Over-weight

The surprise of 2020 was the strength of the iron ore price. Strong demand from China was met with constrained supply as the biggest producer in the world, Brazilian miner Vale, struggled to resume full production. BHP, Rio and Fortescue were big winners, and while the iron ore price should ease in the medium term, it is hard to bet against these companies in the short term.

Copper, nickel and other non-precious metals have also been rising in price as the US dollar eases and economic growth gets a boost, and this trend is expected to continue.

Elsewhere, non-ferrous material producers such as packaging companies Amcor and Orora, and construction material suppliers Boral and James Hardie, should get a boost from stronger economic growth and stimulus spending. Against this, most have material revenue streams outside Australia and will be impacted by a higher Australian dollar.

Gold will benefit from a weaker US dollar, but with the US election out of the way and the vaccine rollout underway, Aussie dollar gold miners might not be winners.

Moderately over-weight.

### c) Health Care – Index-weight

I have been over-weight health care for so long I cannot remember the last time I considered being index-weight, let alone under-weight the sector. The tailwinds of an ageing population, increasing demand for health services and increasing expenditure by government are so strong. However, so many of our great health care companies (CSL, Resmed, Cochlear, Sonic and Ramsay etc) are internationally focused and are exposed to a rising Australian dollar.

I am not ready to be short the sector, but very wary of the impact of the currency on their Australian dollar profits and share prices.

Index-weight.

### d) Industrials – Under-weight

This sector is arguably misnamed beca some of the leaders (such as toll road operator Transurban and Sydney Airport) are not really "industrials" in the classic sense. Brambles and Qantas are also sector leaders.

Normally, stronger economic growth would be a positive for a sector like this. However, rising bond yields (which could affect the "bond proxy" stocks such as Transurban), and a rising aussie dollar, will dampen sentiment.

Under-weight, although because of the variety of companies the sector covers, it is largely a stock by stock proposition.

### e) Consumer Discretionary – Over-weight

Largely a stock by stock proposition, one of the better performing sectors in 2020 and one that should benefit from very low interest rates, an improving housing market and a strong uptick in consumer confidence.

### f) Real Estate – Under-weight

This sector was badly hit in the Covid-19 market meltdown, before pulling back later in 2020. But I am not sure that this is the end of the pain as the trends of working from home and online shopping develop permanency. Ultimately, softening demand will impact rents and valuations. Rising bond yields could also hurt.

An alternative scenario is that demand from cashed-up investors, including foreign investors, supports property asset prices and puts a floor under the valuations of listed real estate trusts. However, I am not betting on this.

Under-weight.

### g) Consumer Staples –Over-weight

Although a defensive sector, this sector could again surprise in 2021. The big supermarkets were winners in 2020 as consumers "stayed at home" and competitive pressures eased. But there will also be some residual benefits in 2021 and many of the additional Covid-19 costs will dissipate. Further, there looks to be value in stocks such as a2 Milk and Treasury Wine Estates.

### h) Energy – Index-weight

The OPEC+ group seems to have a good handle on balancing the production of oil with demand. While stronger economic growth (and the mass return of air travel) should be positive catalysts for the oil price, there is considerable unutilised production capacity and my sense is that the price will remain relatively stable in the US$40 to US$50 per barrel range. Index-weight.

### i) Information Technology – Over-weight

While very much a "stock by stock" proposition, the macro divers say this is a sector to be overweight. Stay with the quality, as many of the stocks are hideously expensive. This will also protect if rotation in the USA continues (out of "tech' and into "value") and the Aussie market follows in its wake.

### j) Communication Services – Under-weight

The sector has done better in 2020 largely due to the performance of REA Group (now the second biggest stock in the sector), but otherwise, Telcos continue to find it hard to increase earnings. Under-weight.

### k) Utilities – Under-weight

This sector underperformed in 2020 and 2019, and despite ultra-low interest rates, downward pressure on wholesale electricity prices will make it hard for the sector leaders.

## SUMMARY

This is how I think you play the sharemarket in 2021:

- Stay long for the ride;
- Be careful with US dollar exposed stocks and "bond proxies";
- A slight bias for mid and small cap stocks;

# 5 LARGE CAPS TO SHINE IN 2021

## VALUE INVESTORS SHOULD ENJOY 2021 AS QUALITY COMPANIES HAMMERED IN 2020 REGAIN THEIR SHINE

BY TONY FEATHERSTONE

After a few rough years, value investors should have a much better 2021 as the share market re-rates quality companies trading below their true value.

That thinking underpins my view on Australian equities next year and five large-caps I believe will outperform: ANZ, Challenger, Qantas Airways, Scentre and Woodside Petroleum.

Each stock was battered during COVID as the market worried about bad debts, tourism collapses, retail closures, a plunging energy price and falling bond yields. Each is still trading well below pre-COVID prices and looks undervalued. Contrarians who have a long-term investment horizon (at least 3-5 years) should hunt for value.

True believers in value investing have had their faith tested. Funds that buy stocks trading at a discount to fair value have collectively outperformed growth- and momentum-based styles.
Price Earnings (PE) or Price Book (PB) ratios have been less effective in a market obsessed with tech stocks and affected by near-zero interest rates. Greater interest in intangible assets (eg brand) and less in tangible assets (property) has also weighed on value investing.

My investing is style-agnostic. I don't believe in rigidly sticking to one style of investing over another. I've met too many value investors over the years who have an almost cult-like obsession with value and refuse to listen to the market. Their returns can be lousy for long periods when value investing is out of favour.

In 2020, my focus was growth and momentum. I suggested readers buy tech in April (just after the peak of the sharemarket crash) and followed that up with a bullish view on cyclical resource stock such as BHP and Fortescue Metals Group (both have rallied and have further to go).
By mid-year, I took a positive view on the big-four banks, which were badly out of favour at the time, and later that year started to add "reopeners" – Qantas Airways and other travel stocks. That thinking spills over into 2021. Taking some profits on high-flying tech stocks and rotating into unloved value plays has merit, particularly as the economy recovers, COVID restrictions are eased and vaccine approval/distribution becomes a reality.

My focus on value is also about risk. I'm seeing danger signs in aspects of growth and momentum investing. The boom in Initial Public Offering volumes emphasises how much hot money is seeking opportunity, and how many low-quality companies are eager to take it.

I'm reading prospectuses that are valuing emerging companies on enterprise value to sales or other flimsy measures. Tech booms have a habit of encouraging investors to focus on sales rather than earnings and free cashflow. Look how that worked out during the 2000 tech crash.

So, too, the boom in online share trading from newer entrants (eg Robinhood), and the rise of index investing, which is great in growth markets and less so when value returns to favour.

Here are 5 large-caps to watch in 2021 and a few contenders that almost made the list:

## 1. SCENTRE GROUP (SCG)

Retail listed property trusts were ground-zero of the bear market during COVID. The market slaughtered shopping-centre owners as properties shut, and amid fears the pandemic would quicken the move to online retailing and crush demand for physical shopfronts.

I presented a contrarian idea on retail property in this report in June 2020, nominating Vicinity Centres and Charter Hall Retail REIT as preferred ideas. Both REITs are up a little since that column but the idea was too early, stymied by Victoria's second COVID wave.

Consumer confidence and retail sales have roared back to life. Shopping-centre foot traffic at some "fortress malls" is getting closer to pre-COVID level and more rent is being collected. Clearly, there's huge pent-up demand for retail experiences and to spend some savings.

Longer term, my thesis for fortress malls is intact. These are fabulous, hard-to-replicate assets that are becoming mini-CBDs with hotels, offices, restaurants and other services.

E-commerce growth is a headwind, but the fortress malls have plenty of new potential tenants (car dealerships, bulky-goods providers, co-working centres etc) and scope for growth.

Scentre Group's strategy during COVID impressed. Unlike Vicinity, it did not have a dilutive equity capital raising and I keep hearing good things about Scentre's work with tenants. It also owns many of Australia's best shopping centres.

At $2.87, Scentre is trading well below its latest Net Tangible Asset (NTA) of $3.66 at June 30. Shopping-centre valuations will ease, but so far there hasn't been the big drop in prices that the market feared during COVID.

**Contenders: Vicinity Centres, Charter Hall Retail REIT**


*Source: ASX*

## 2. CHALLENGER (CGF)

In November, I wrote a positive column on asset managers for the Switzer Report, nominating Magellan Financial Group. The logic was straightforward: rising equity markets would boost fund inflows, assets under management and fees for leading managers.

Challenger makes the grade on another front: the long-awaited move towards a Comprehensive Income Product for Retirement (CIPR) that will provide superannuation members with a regular and stable income stream through retirement.

The CIPR and the recently released Retirement Income Review reinforce the need for retirees to have greater income certainty in retirement and better confidence to draw down on their capital. The final structure of CIRPs is still unclear, but it is expected to be legislated from July 2022.

The CIRP will surely boost demand for annuities, a market that Challenger dominates. It's no surprise that some key industry funds have already partnered with Challenger – well before the CIPR comes into effect – to distribute its annuities.

Challenger has had a rough 12 months, down from a 52-week high of $10.43 to $5.95. The stock was hammered by COVID and the associated disruption to financial-adviser distribution of annuity products, and low interest rates. Its three-year annualised total return is minus 22%.

Challenger looks undervalued. As the market digests the implications of CIRP and the Retirement Income Review, Challenger should attract more interest.

That stock has lagged the market recovery and disappointed for the past few years. Watch that change in the next 12 months as Challenger retests its 52-week high.

**Contenders:** Magellan Financial Group, Platinum Asset Management, Pendal


*Source: ASX*

## 3. QANTAS (QAN)

Tourism-related stocks could be the stars of 2021 as domestic travel roars back to life and the foundations for an international-travel recovery (notably a vaccine) are put in place.

Qantas just pips Sydney Airport for this list. Conservative income investors who favour infrastructure should stick with Sydney Airport. But I like Qantas's prospects in 2021 and believe the market might be a little too bearish on an international-travel recovery.

Most fund managers I talk to say an international-travel recovery is years away. They are probably right. But none expected the development of at least three vaccines with remarkably high efficacy rates and Britain's approval of the Pfizer/BioNTech vaccine by now.
Fears about less business travel thanks to a boom in Zoom meetings also look overstated. There might be some reduction in business travel at the margin, but important face-to-face meetings with clients and colleagues (which require interstate travel) will eventually return.

I nominated Qantas as my top stock pick for the next 12 months in a Switzer webinar in late August. The stock has rallied from about $3.70 then to $5.42 and has further to go.

Nobody should underestimate the challenges facing Qantas, particularly international-travel demand – a point emphasised in the company's recent market update.


Nevertheless, Qantas will emerge from the pandemic with a smaller workforce, a strengthened balance sheet and will benefit from a lower oil price.

Don't be surprised to see Qantas trade above $7 and re-test its all-time high within 2-3 years.

**Contenders:** Sydney Airport, Auckland International Airport


*Source: ASX*

## 4. VANECK VECTORS AUSTRALIAN BANKS ETF (MVB)

Nominating the banks in late April as a key contrarian idea ("Time to buy banks") was nerve wracking. Banks were hugely out of favour and a few colleagues said I was mad to tip banks.

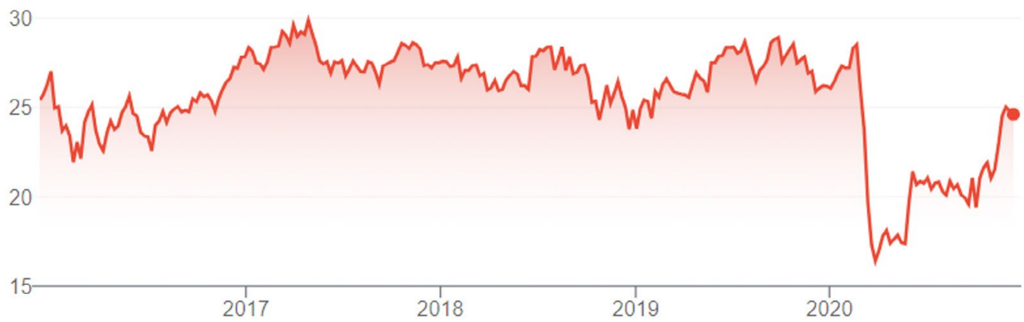
My preferred approach was to buy the sector through an Exchange Traded Fund, such as the VanEck Australian Banks ETF, rather than focus on individual banks.

MVB is up from about $17.70 in late April to $24.50. Gains were especially strong in November as the market realised it was far too bearish on bad debts for banks. Six factors underpin my bullish view on the banks. First, data on personal and business loan impairment has been unambiguously better than expected. Second, an acceleration in house-price growth in 2021 will give banks more room to recover losses as some loans default.

Third, a rapidly recovering Australian economy will drive better-than-expected credit growth. Fourth, COVID has presented an opportunity for banks to quicken rationalisation of costly branches and Automatic Teller Machines. A faster-than-expected move to a cashless society could help banks strip out more costs (although competition from fintechs will rise).

Fifth, ultra-low interest rates will encourage more investors to buy banks for yield and the sector will benefit from "weight of money" as institutional investors, many of which are underweight the sector, rotate back into it. Finally, big-bank stocks still look undervalued.

**Contenders:** ANZ, Commonwealth Bank




*Source: ASX*

## 5. WOODSIDE PETROLEUM (WPL)

Few sectors were as unloved as energy during 2020. A collapsing global economy as COVID and geopolitical issues crushed the oil price and energy stocks.

If, like me, you expect the global economy to recover faster in 2021, energy is a go-to sector. Australian energy stocks look oversold at current prices. Woodside Petroleum is the pick of them. That said, I've been wrong before on Woodside in this report and have been burnt on energy stocks a few times over the years.

Still, stronger global growth means strong demand for gas, particularly in Asia, which benefits Woodside. Gas should continue to gain share in the energy mix as coal loses favour.

The market is yet to factor higher oil-price assumptions into Woodside and is not giving the company much credit for its expansion plans. Morningstar values Woodside at $44.60 a share versus the current $23.14. If Morningstar's view holds, Woodside would be one of the buys of 2021.

**Contenders:** Santos, Worley


Tony Featherstone is a former managing editor of BRW, Shares and Personal Investor magazines. The information in this article should not be considered personal advice. It has been prepared without considering your objectives, financial situation or needs. Before acting on information in this article consider its appropriateness and accuracy regarding your objectives, financial situation and needs. Do further research of your own and/or seek personal financial advice from a licensed adviser before making any financial or investment decisions based on this article. All prices and analysis at 6 December 2019.

# MY TOP PICKS FOR 2021

BY JULIA LEE CHIEF INVESTMENT OFFICER, BURMAN INVEST

They say bull markets are born on pessimism, grown on scepticism, mature on optimism and die on euphoria. So where are we in the cycle?

A recession is usually a signal that a reset of the business cycle is occurring. The new business cycle is confirmed on falling interest rates, easy monetary conditions and fiscal stimulus. The good news for investors is that we have seen a reset of the business cycle, which should support growth in earnings and asset prices over the next few years. The biggest risk to the share market and the business cycle is that Central banks and governments withdraw support too quickly or the support falls short of expectations.

## TWO COMMODITIES LOOK GOOD

Miners are entering into this cycle with solid balance sheets, capital spending looking conservative and free cash flow strong. 2021 is a year where governments will be looking at growth strategies and that's positive for commodities, which are required for infrastructure. We remain overweight commodities. Here are a couple we're positive on:

## 1. SGM - SIMS GROUP

Steel prices are recovering and with it, scrap metal prices. Sims is a scrap metal company. A key catalyst will be sales into China. China is looking at classifying scrap imports as a renewable resource. This will allow Sims to sell more of its product into China. Sims has already made a 1st shipment under the relaxation of rules and should benefit. A risk is that the new standard is yet to be formally confirmed and with any export to China, the trade relationship between Australia and China is a key risk.

## 2. MIN - MINERAL RESOURCES

There are several drivers to Mineral Resources. The key driver of Mineral Resources share price is the iron ore price. Mineral Resources is increasing its production capability at a time when demand for iron ore is rising. Outside of iron ore, Mineral Resources also has a lithium division and mining services division. With battery materials such as lithium looking like prices have bottomed and increased capital expenditure from the mining sectors, these two divisions should help support growth in Mineral Resources earnings. A key risk is around iron ore prices. While the iron ore price is likely to remain around $150US/ton in January, there is the risk that prices will come down as Brazilian supply grows.

## WHAT ABOUT THE BANKS?

Banks suffered during Covid-19 on expectations around housing weakness and weakness from small and medium enterprises. With the housing market stabilising and the outlook improving as well as the small and medium business sector improving, the outlook for banks is looking positive. At the end of the day, banks are a leveraged play on the economy. With cyclical recovery under way, banks should continue to gain ground in 2021. Dividends are back in focus with an expectation that dividends will return to more normal levels in the sector. Add in that the actual bad debt charges are likely to be lower than current provisions and that makes a compelling case to be overweight the banks.

## MY CONTRARIAN PICK: APX - APPEN

Recently Appen downgraded earnings expectations. While short term Appen has been impacted by Covid-19 and the lack of growth from big tech into new projects, the long-term picture is still looking bright. Appen is a global leader and best in class. It provides machine learning services to big tech giants such as Facebook, Microsoft, Google and Amazon.

Relevance:
This is all about search functionality and speech/image. There are only 2 global players at scale – Appen and the other is an unlisted company called Lionbridge. This is a difficult field to replicate, given that it is labour intensive. Appen has around 1.2 million contract workers that work for it while Lionbridge has about 1 million. Artificial intelligence is expected to grow approximately 36.5% compounded annual growth rate over the next 5 years.

Happy investing and all the best in2021!

# BEST SUBURBS TO BUY PROPERTY IN 2021

## WHAT WILL HAPPEN TO PROPERTY IN 2021? HERE ARE MY PICKS

**BY MARGARET LOMAS** FOUNDER, DESTINY FINANCIAL SOLUTIONS

The end of 2020 has seen more people than I can ever remember asking me to forecast what will happen to property in 2021. And while economists and property experts everywhere are bravely making predictions, the truth is, no one really knows. Never before in the recorded history of property performance have we seen the unique set of circumstances which are before us now.

We have lived through the global financial crisis, a few credit squeezes, and a recession or two, but none of those events have created the kind of fundamental human behaviour change that the pandemic has fast-tracked. And because property price growth depends very much on the human factor, and what buyers want, predicting how that behaviour change will impact on property performance requires a bit of crystal ball gazing. And since I hate gazing into crystal balls at any time, instead I'd like to offer an opinion based on what I feel is likely to happen in the foreseeable future given the sentiment in the market right now.

I've been watching a number of areas for a few months now, and what we see happening is that buyers are adjusting their choices of property to their present set of circumstances. In short, this means that the capacity to work from home, at least a few days a week, has resulted in people choosing to buy property in those areas where they have both their lifestyle needs met, through amenity and services, and their work needs met by living a reasonable commutable distance from work. Being able to work from home half the time has seen many people happily commute longer distances on those few days a week that their presence is required. Where before the magic one hour time frame may have been as long as most people wanted to travel (in our larger cities), this seems to have been pushed out to two - which is more palatable when it is only two days a week.

The result has been enormous price pressure on property in those areas up to two hours from Sydney and Melbourne, with increased interest, if not price pressure, on areas just outside a one hour commute from Adelaide, Perth and Brisbane (where typical work commute times in the past have been around half an hour). Not all areas within those distances have been affected though – there is a noticeable trend toward areas offering some other lifestyle benefit, like coastal or country living. The Central Coast of NSW, the Hunter Valley and the regional towns of Bendigo and Ballarat are all good examples of areas that are enjoying the benefits of increased buyer interest.

What does this mean for 2021?

> **"BUYERS ARE ADJUSTING THEIR CHOICES OF PROPERTY TO THEIR PRESENT CIRCUMSTANCES."**

Again, it's hard to predict. I have always said that over the coming 20 years, and with continued advances in technology, the city office would become defunct as people work more and more virtually. This seems to have been fast-tracked by pandemic, as workers and their bosses realise that productivity doesn't necessarily suffer just because someone has stayed at home. In fact, many employers report better outcomes as employees are happier not taking that debilitating and often soul-destroying commute, every day. But this only accounts for office workers – many people are employed in jobs that require their presence, and these people still need to be within commutable distance to their jobs.

To know where house prices will head in 2021 we must understand where commercial property is headed. Enquiries are up for large logistic centres, warehouses and factories to be built in larger regional areas. Enquiries are down for city offices and retail space. Look to those areas where bigger employers such as insurance companies, supermarkets and online retailers are locating their premises and you'll also find the areas that people will be living in the foreseeable future. Where those areas are also well serviced by public transport, the growth will happen sooner. Add to that lifestyle benefits, plenty of service provision such as schools, day-care centres and sporting fields, and you get an area that is perfect for families. Families drive property price growth faster than any other demographic.

We are already seeing this come to fruition in areas that have been plodding for years. Gold Coast suburbs are trending up at a fast rate of knots, as are some Newcastle suburbs such as Maitland. Camden in outer Sydney, where the lifestyle is laid back and the rolling hills are your back yard, is drawing more interest than it has for some time.

Central Coast suburbs such as Terrigal, Bateau Bay and the more affordable areas of Canton Beach, Toukley and Budgewoi are seeing people flocking in their dozens to every home open. Over in Adelaide, Port Adelaide and Enfield seem to be attracting the most interest while Armidale, Brookdale and Kelmscott in Perth are leading the charge in a Perth market which finally seems to be in recovery.

Apart from the obvious lifestyle benefits and relatively easy work commute that these areas can offer, they all have one other thing in common – affordability. One thing that a pandemic does that no one seems to think about is it makes people cautious. Life can turn on a dime as we have seen countless times during 2020. From one day to the next we can't know if we will be in lockdown or out, in a job or out of one, healthy or otherwise. The big risk of an expensive property and a large mortgage is one that many don't want to take on. Buying more affordable property, in areas where lifestyle needs are well catered does seem to be an increasing trend.

It's my belief that in the coming 2 – 3 years we will see far greater levels of growth in these non-capital cities than we have ever seen before.

# MY 5 TOP STOCK PICKS FOR 2021

BY JAMES DUNN

## 1. NEUREN PHARMACEUTICALS (NEU, $1.30)

**Market capitalisation:** $153 million
**Three-year total return:** –22.5% a year
**Analysts' consensus valuation:** $3.10 (Thomson Reuters)

I've been following Neuren Pharmaceuticals for a while, and I still think it's one of the best biotech situations on the Australian share market – despite a retracing in the share price. Neuren is developing therapies for some rare and serious neuro-developmental disorders. Its lead drug compound, trofinetide, targets the genetic neurological disorder Rett Syndrome – a serious and rare neurological disorder mainly affecting little girls – and the most common known cause of autism, Fragile X. Its second drug candidate, NNZ-2591, is targeting Phelan-McDermid, Angelman and Pitt Hopkins syndromes, all highly troublesome genetic disorders. There are no approved treatments for any of Neuren's five targets.

Trofinetide is furthest down the commercialisation pathway. The US Food & Drug Administration (FDA) has granted the drug "fast track" status and "orphan drug" designation for Rett syndrome in the US, while the European Medicines Agency (EMA) has given it orphan drug designation for Rett syndrome in Europe. Fast track status is designed to speed-up the development of drugs with the potential to address unmet needs in serious or life-threatening conditions; orphan drug status is given to drugs that may be able to treat medical conditions which, because they are so rare, would not be profitable to produce without government assistance.

The Phase 3 trial of trofinetide in Rett Syndrome is enrolling patients right now in the US, and Neuren expects results in late 2021. The trial is being funded to the tune of US$70 million by NASDAQ-listed ACADIA Pharmaceuticals, which in 2018 bought an exclusive licence for trofinetide for the development and commercialisation in North America: Neuren retains all rights outside North America.

Results of a Phase 1 safety trial of NNZ-2591 are expected in January 2021. Neuren plans to submit an investigational new drug (IND) application to the FDA in the first half of 2021, to proceed to Phase 2 trials, which would yield results in 2022.

Apart from the specific conditions being targeted in their trials, Neuren's two drugs have the potential to address a much wider range of neural diseases and trauma-related injury. With two drugs in clinical trials, as news flow emerges from the trials, NEU has serious scope for a share price increase.

## 2. LIFE360 (360, $3.77)

The San Francisco-based Life360 is the company behind the Life360 mobile app, a market-leading app that provides a safety and coordination service for families, with features that range from location and communication, driving safety (including real-time speed monitoring), crash and roadside assistance, SOS alerts, identity protection, and disaster, medical and travel assistance. As at September 2020, Life360 has more than 25 million monthly active users (MAU), in more than 140 countries.

The really interesting thing about Life360 is that the company is scaling-up from a location tracking app to a suite of membership services – the company describes it as moving from a "where are you?" focus to a "how are you?" focus. Membership growth has been moderated in 2020 by COVID, as the core features of the product have been less relevant while people haven't been out and about as much. This is poised to rebound as normal life slowly returns.

For the June 2020 half-year, revenue rose 54%, to US$22.7 million, and the strong revenue growth – as well as a 60% reduction in user acquisition spending, and a tighter rein on other expenses – the company more than halved its EBITDA loss, and statutory net loss. This stock oozes potential.

**Market capitalisation:** $580 million
**One-year total return:** 32.3% (listed May 2019)
**Analysts' consensus valuation:** $7.53 (Thomson Reuters), $4.70 (FN Arena)

## 3. LEGEND MINING (LEG, 11 CENTS)

There is still nothing like a traditional speculative mineral exploration story – and Legend Mining is one of the most intriguing on the ASX. Legend is a nickel-copper double play, with its Mawson discovery, sitting on the eastern edge of its Rockford project in the Fraser Range area of Western Australia, looking spookily similar to the massive Nova-Bollinger nickel-copper-cobalt-PGE (platinum group elements) deposit found by Sirius Resources in 2012. That surprises very few people in the West Perth explorer world, given that famed prospector Mark Creasy – who was behind Sirius Resources when it struck the jackpot at Nova-Bollinger – owns just under 27% of Legend through his family investment company, while IGO Limited, which started mining at Nova-Bollinger in 2017, is the second largest shareholder, with 14.2%.

Legend has turned up some spectacular high-grade drilling results. The "discovery hole" yielded a 70.15-metre-long sulphide-bearing interval grading 0.52% nickel, 0.36% copper and 0.03% cobalt, just 88.2m from

**Market capitalisation:** $295 million
**Three-year total return:** 90.2% a year
**Analysts' consensus valuation:** n/a

surface. Earlier this month, reporting its final drilling results for 2020, Legend revealed its best result at Mawson so far, an intersection of 43.1 metres of massive sulphides, including a thick 31.1-metre section made up entirely of massive nickel-copper sulphide.

The mineralised "envelope" at Mawson so far extends over a strike length of more than 1.2 kilometres and is up to 500 metres wide. It takes a while for explorers to fully appreciate the dimensions and the layout of a big orebody: the succession of stellar holes at Mawson has plenty of savvy investors wondering whether the company has only scratched the surface of the deposit. Nickel and copper are sexy metals again – nickel is actually the number one ingredient in EV batteries, comprising up to 65% – and investors will be closely watching the news flow from Mawson in 2021. Legend traded over a 10 cent–19 cent range in 2020.

## 4. MYFIZIQ (MYQ, $1.14)

**Market capitalisation:** $143 million
**Three-year total return:** 8.8% a year
**Analysts' consensus valuation:** n/a

Myfiziq has developed and patented a dimensioning technology that enables its users to check, track and assess their 3D dimensions and vital signs using a smartphone app, providing privacy and accuracy, as images and data never leave their phone. The technology measures the human form across 12,000 data points. Vital signs like blood pressure, heart rate variation, pulse and body fat are measured, and analysed for a range of chronic conditions, including Type 2 diabetes, cardiovascular disease, and obesity. The technology, which embeds easily into partner apps, gives users and their healthcare professionals better understanding of their health and wellness – and likewise of any risks associated with their physical condition – as well as the monitoring benefits of tracking the changes they are experiencing through training, dieting, or under medical regimes.

While the original app is impressive enough, the company recently launched its CompleteScan product, which incorporates the ability to perform transdermal optical imaging (TOI), which is able to detect subtle changes in skin colour to accurately detect blood pressure, heart rate, respiratory rate, and more. The technology can calculate a patient's body surface area, to support more accurate drug dosage.  Just last week, Myfiziq signed an agreement with Triage Technologies to use its AI tech within the CompleteScan platform: the technology can identify 588 skin conditions, including skin cancers, through a smartphone. It has been tested and proven to be as successful, if not more successful, at identifying skin condition as a certified dermatologist. This means that Myfiziq is making big strides toward actually disrupting medical imaging.

More broadly, Myfiziq is moving into not only the health and fitness market, but the corporate wellness market, the mobile health market and the medical and insurance market – even the apparel market, where it can help users choose clothes that fit. This company, and its technology, look seriously impressive.

## 5. ELDERS (ELD, $10.30)

Lastly, for something a bit different, let's include a $1.5 billion-plus market-cap, profitable fully-franked divided-payer – agribusiness heavyweight Elders. I tipped Elders as a buy on recovery potential back in June last year, at $5.93, when rainfall was just starting to point to improved agricultural conditions in eastern Australia – that thesis has played out in spades, with Australian Bureau of Agricultural & Resource Economics & Sciences (ABARES), the science and economics research division of the Department of Agriculture, Water and the Environment, predicting that ideal cropping conditions over the past year, following two years of drought, will see winter crop production in Australia increase by 76% in 2020–21, to 51.5 million tonnes, second only to the record high of 56.7 million tonnes in 2016–17. Wheat production alone could more than double, to about 30 million tonnes. Elders picks up on the confidence that is surging through the farming sector – trade difficulties with China notwithstanding – as farmers buy more crop protection products, equipment and inputs, and generally invest more.

In its FY20 result, Elders recorded sales growth of 29%, boosted underlying net profit by 71% and lifted its dividend to 22 cents a share, fully franked. Analysts expect further dividend growth over the next two years, and consensus price targets are still bullish.

**Market capitalisation:** $1.6 billion
**Three-year total return:** 16.5% a year
**Analysts' consensus valuation:** $13.50 (Thomson Reuters)

# KEEP YOUR EYE ON EUROPE, THE MIDDLE EAST, AFRICA & LATIN AMERICAN STOCKS!

**EMERGING MARKETS WILL BE RATTLED BY ADVERSE HEADLINES BUT THEY OFFER AN ABUNDANCE OF OPPORTUNITIES. EUROPE, THE MIDDLE EAST, AFRICA (EMEA) AND LATIN AMERICAN STOCKS ARE PARTICULARLY WELL POSITIONED TO REAP THE BENEFITS OF A GLOBAL RECOVERY.**

BY ANTHONY DOYLE FIDELITY

Vaccine developments and the passing of the US election have reduced fear and uncertainty. The extent to which markets have recovered from the 2020 lows is mixed, but in aggregate Emerging Markets (EM) equities have traded higher. Looking ahead, the virus has inflicted untold damage on some countries and corporates, but this vast universe has much to offer and there are reasons to be optimistic about the year ahead.

## STRUCTURAL GROWTH BECOMES MORE IMPORTANT IN A LOW GROWTH ENVIRONMENT

Policymakers across emerging markets maintained supportive monetary policy and stimulus measures aimed at spurring growth. Interest rates across emerging markets have collapsed, like developed markets (DM). In a low rate, lower growth world, structural growth or any market share gains are highly sought and more abundant in emerging markets. The rise of the middle class is one of the pillars underpinning changes in consumer preferences and needs, giving rise to opportunities for investors.

## DOLLAR WEAKNESS LENDS SUPPORT TO EM

The outlook for the US and its monetary and fiscal policies will be important in determining the direction of the US dollar. Structurally low interest rates and a sizeable fiscal deficit could prove to be negative for the dollar and positive for emerging markets. The median emerging markets equity gain for periods when the broad US dollar weakened at least 5% over the past 20 years has been 19% in US dollar terms*. Each 1% weaker US dollar has historically bolstered performance of the asset class by approximately 3.5%*.
Source: *MSCI, Bloomberg Finance L.P., and J.P. Morgan calculations. 8 December 2020. Past performance is not a reliable indicator of future returns. Overseas markets and the value of investments can be affected by changes in currency exchange rates. Emerging markets which can be more volatile than other more developed markets.

## THE RISKS OF A SECOND WAVE ARE DIFFERENT IN EMERGING MARKETS

The developed world adopted a more synchronised approach to tackling the spread of the virus (albeit with limited success and high economic impact). Across Northern Asia - particularly China, South Korea and Taiwan - stringent measures proved successful in stemming the spread of COVID-19. The risks of a second wave are well known, with many European nations having enforced national lockdowns in late 2020. Whilst emerging markets investors are not spared these risks, (Brazil has seen a recent rise in cases), the universe is sufficiently diverse, meaning that investors are not exposed to large pockets of risk in the same manner as developed market investors.

## EM BENEFICIARIES IN A GLOBAL RECOVERY

The availability of a vaccine, reflationary impulse from China and developed markets, and the lagged impact of monetary easing could support a wider recovery in emerging markets, which so far has been primarily led by North Asia and China. Europe, the Middle East, Africa and Latin American stocks are particularly well positioned to reap these benefits. For example, Latin American economies bottomed in between April and May and it will take time for these countries to return to a sense of normality. However, as recovery underpins more cyclical areas of the market, which abound in these regions, they have much to gain from a reopening of global trade.

## NEWS FLOW WON'T ABATE, BUT IT SHOULD NOT NECESSARILY SURPRISE US

Emerging markets have been and always will be rattled by adverse headlines. Most recently, China Anti-Trust laws unnerved market participants, provoking a sell off amongst related stocks. Greater regulation comes as no surprise, however, there is very healthy competition amongst Chinese internet players. Consider Pinduoduo which was founded in 2015 and has amassed a similar user base to Alibaba. Tencent may have a slightly more cemented position in social media via Weixin and Wechat but consider the remarkable rise of Bytedance, which has gone from nothing 5 years ago to 30% of digital advertising in China! In many respects the risk in owning stocks like Alibaba and Tencent is more the risk that their offering is made redundant, than from competition rulings.

## CONCLUSION...

In a low-growth world, structural growth becomes more important - emerging markets offer an abundance of such opportunities. The US has structurally low interest rates and a sizeable fiscal deficit: a potential negative for the dollar and positive for emerging markets which could give rise to attractive returns across regions and sectors. The discount to developed markets remains wide; with parts of emerging markets particularly well positioned to benefit - in this regard, Global emerging markets should not be perceived as just a China story. Additionally, a diverse set of markets can help to insulate investors from pockets of risk. An active fundamental bottom-up stock picking approach is crucial, allowing the investor to embrace opportunities, whilst navigating away from the risks.

# Switzer Life

**The Switzer team counts down their top 10 shows & movies for you to catch up on:**


## 1. The Undoing

This recent HBO series has become a bit of a viral sensation, starring Nicole Kidman and Hugh Grant. The show is a psychological thriller mini-series that follows Kidman's character, Grace, who is a therapist about to publish her first novel. A murder occurs within Grace's community and her life begins to unravel..


## 2. Roadkill

Hugh Laurie stars as a self-made Conservative Party minister who's life is seemingly falling apart. Despite this, Laurie's character continues to push his own agenda untroubled by any guilt or remorse.


## 3. The Little Drummer Girl

Based on the masterpiece John le Carre novel, the story follows an Israeli agent who uses a pro-Palestinian US actress as a spy to catch a terrorist bomber. It's a geopolitical thriller and a tale of infiltration.


## 4. Riviera

Set in the French Riviera, an American art curators world is turned upside down after her millionaire husband is killed in a yacht accident. Conspiracies and unanswered questions erupt.


## 5. Ozark

After a money laundering scheme gone wrong, a financial advisor man and his family must move to the Ozarks region to set up a bigger money laundering scheme and appease an underworld boss.


## 6. The Woods

Based on the novel by Harlan Coben, the story follows a Polish prosecutor in Warsaw. A body is found and linked to his sister's dissapearance 25 years earlier.
*(Available on Netflix)*


## 7. No Offence

If you were fans of the British TV series The Bill, you'll love No Offence. Top brass are all women but not the perfectly manicured gals that Hollywood would have chasing crooks in stilettos! Funny and intriguing script.


## 8. Animal Kingdom

A gritty Australian crime drama featuring Jacki Weaver tells the story of a young boy adopted by the criminal faction of his family, after his mother dies. The boy has to adopt this new way of life or risk loosing what remains of his family.


## 9. Briarpatch

An investigator played by Rosario Dawson, returns to her hometown in rural Texas after her sister is killed in a car bombing. With Tarantino-esque vibes, this show provides all the Texan mystery and wit without any of the gore.


## 10. The Crown

Season 5 of The Crown is now available, charting the Margaret Thatcher and Princess Diana years. The series really captures our fascination with the royals by following the life and chronicles of Queen Elizabeth II from the 1940s to modern times.

**In case you're on the road this summer, here are some of the best podcasts we've heard this year too :**


## 1. Tim Ferriss Show

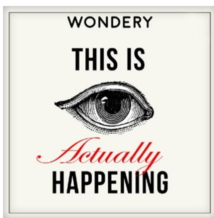
Tim Ferriss has the #1 rates business podcast for quite some time now. It's not the conventional business podcast you might think though – Tim "deconstructs world-class performers" from the eclectic areas of investing, sport, business, art and science.


## 2. Heavyweight

This show, hosted by Jonathon Goldstein, focuses each episode on a key moment in one person's life they wish they could change. Listeners send in these pivotal life moments and together, the listener and Jonathon work through how to change it or tackle it.


## 3. The Daily Stoic

This podcast is hosted by the #1 New York Times Betselling author Ryan Holiday. Each weekday, this podcast features short 2-3 minute Stoic inspired meditations designed to help you live your best life. The short episodes are also interjected with longform interviews from an array of interesting guests.




## 4. This is actually happening

This podcast brings you true-life stories of life-changing events as told by the people who lived them. Each episode centres on a different person facing extraordinary circumstances.


## 5. Off Menu

Off Menu is a "food and comedy" hosted by British comedians by Ed Gamble and James Acaster. Prominent guests are invited on the show to select their dream menu, laughs ensue.


## 6. Squawk Pod

Squawk Pod is a daily podcast with curated moments from CNBC's flagship morning show 'Squawk Box.' The show features interviews with iconic guests, market analysis and debates from hosts Joe Kernen, Becky Quick and Andrew Ross Sorkin.

# EVENTS CALENDAR 2021

WE HAVE TAKEN ON BOARD ALL THE FEEDBACK OUR ATTENDEES & SUBSCRIBERS HAVE PROVIDED TO PUT TOGETHER A SPECTACULAR CALENDAR OF EVENTS FOR 2021 - INCLUDING A VISIT TO PERTH & ADELAIDE AND A PROPERTY INVESTORS DAY. ROADSHOWS WILL BE CONFIRMED PENDING COVID-19 SITUATION. FINGERS CROSSED!!

MAR Small & Micro Cap Investor Day (1)

APRIL Switzer Investor Strategy Day

MAY Budget Breakfast

MAY Switzer Investor Strategy Roadshow

JUNE Small & Micro Cap Investor Day (2)

AUG Switzer Listed Investment Conference

SEPT Small & Micro Cap Investor Day (3)

NOV Switzer Income Conference

DEC Small & Micro Cap Investor Day (4)

For tickets & all queries, please visit

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