IMAP Independent Thought Podcast
Episode 17: Preparing for 2023 Markets

This podcast discusses the Outlook for Markets in 2023.
We ask;

- **What Asset Allocation decisions are you making?**
- **What is your view on bonds vs equities and domestic vs international?**
- **What will the RBA and Federal Reserve choose to do in 2023?**
- **What are the risk events in 2023?**
- **Australian equity outlook and sector views**

Featuring:

- **Victor Huang, Milliman**
- **Marcus Bogdan - Blackmore Capital, Blackmore Capital**
- **Leon de Wet, Elston Asset Management**
- **Kieran Rooney, Evergreen Consultants**

Moderated by David McDonald, CFA - IMAP

IMAP Disclaimer (00:01):

This podcast series is not meant for retail investors, but instead is meant for financial advice and investment professionals. Please refer to IMAP's website **https://imap.asn.au** for more details.

David McDonald - IMAP(00:14):

Welcome to this podcast in the IMAP independent thought series. Today we are looking at how to prepare for markets in 2023.

I've got four experts joining me today to talk about the outlook. I'm joined by Kieran Rooney from Evergreen Asset Management, Leon de Wet from Elston Asset Management, Marcus Bogdan - Blackmore Capital from Blackmore Capital, and Victor Huang from Milliman.

Welcome gentlemen. Thanks for joining me.

Now, perhaps I think first of all, we've just had a decision from our own RBA. It might be interesting to talk about central banks and the outlook for interest rates.

We've had some pretty rapid rises in the US, UK and even here locally, even though the RBA has now gone to 25 basis points instead of 50, they're certainly suggesting they're not finished. Perhaps views on where you think interest rates are going locally, and also then we can talk about the risks of central

banks going too far, which seems to be a topic that's being talked about a lot at the moment. Leon, do you want to start?

Leon de Wet, Elston Asset Management (01:32):

Sure, no problem, David. So I think if we look at the domestic RBA outlook, our view in terms of where the rate's going I guess unsurprising, the higher is our view. I guess where we maybe just differ a little bit from the market is we don't actually think that the RBA is likely to raise rates as high as what the market is pricing in at the moment, not just adding the fact that those sort of rate expectations are obviously coming back down post the first 25 basis points cut. Not yesterday, but last month.

And I guess part of that for us is really just around I guess the difference in mortgage markets in Australia versus other parts of the world. Because the reality is our housing market is a lot more sensitive to that rate transmission mechanism. And so obviously that impact is on consumer, so you know exactly where it lands. You know it's almost impossible to predict, but our view is probably another two, maybe a third rate hike, and then we think the RBA's probably done.

David McDonald – IMAP (02:47):

Thanks Leon. So I guess the other thing locally is that there seems to be a bit of a split view between how far the RBA might go offshore. We've seen people talking about a much bigger risk perhaps of the Fed going too far and sending the US into recession.

I noticed the IMFs backed that view recently and said that they see a big risk of recession in the US.

Leon de Wet, Elston Asset Management (03:15):

Yes so looking at just the US situation, and the Fed in particular again, I think our view there would be that the market's probably got the rate hike cycle more accurately priced. So I think that they'd certainly do have more scope to raise rates than what we do here domestically. Having said that though, I think that ultimately at the end of the day we don't know exactly where inflation's going to land (let's be honest) in 12 months time, but it is going to be lower than where it is here. We all know that there is a lag in terms of that transmission mechanism. There is a lot of debt, I guess just globally and higher interest rates do impact.

Leon de Wet, Elston Asset Management (04:05):

You know, we've had a lot of stimulus during COVID that's riding off. And ultimately if we look at the savings levels or household savings in the US, they've spent a lot of money in that Covid period. So ultimately for the US, our view is that at some point, and probably based on sort of what the markets have priced in, you know, the US is the US Fed is going to pause and they're going to see how that all plays out. And so that probably four and a half odd percent, maybe 4.75 for US is probably a more accurate reflection of where the US Fed will get to.

David McDonald - IMAP(04:44):

Ok - the RBA here are just talking about inflation that suggested yesterday, they're now looking at 8% local inflation, which is quite stunning. But I suppose more concerning is, even though they see it getting lower next year and even the year after, they're still suggesting that even in 2024 it'll be above 3%. Now, of course the RB's target is 2% to 3% through the cycle. So in two years time, if they still see it above that 3%, I guess that has a risk of rates being higher for longer.

Marcus Bogdan - Blackmore Capital (05:22):

I think what this year has really illustrated is how challenging it is actually to forecast. If you looked at any of the forecasts of the central banks 6, 9 months, 12 months ago they would virtually be unrecognizable today both from an interest rate level and an inflation level. And I think that's the great challenge going into 2023 is just the scope of variance of potential outcomes.

What is absolutely evident is there is a huge gap between where global cash rates are and where the inflation rates are, and I think over time that they have to narrow to have any effectiveness of bringing inflation down to more moderate levels.

David McDonald - IMAP(06:13):

And in terms of talk of recession and do you gentlemen think that Australia's in a better position than say Europe or the us? I mean, this seems to be a much higher risk offshore.

Do you think Australia's likely to be into recession in 2023?

Victor Huang, Milliman (06:32):

Look, just based on what we're seeing, I think Australia's probably a little bit more neutralised compared to some of the other economies.

Being a resource exporter probably, you know, significantly does help with that. In addition to that you know where to look. I think inflation in Australia may not assist as much as they hint and might in the US as well.

From our perspective, we have wage square has not, has not tracked inflation as well as they have in the US. So there's potentially an argument that inflation might subside a little bit quicker. Here as well.

I think even now recession's probably a little bit less of a risk in in Australia compared to some of the other economies.

David McDonald - IMAP(07:24):

I think the other thing that perhaps brings us to maybe the last of the macro factors of course is the Aussie dollar, which has plunged to very low levels against the US dollar, although doing quite well against a lot of other currencies still.

I wonder Leon, maybe you have views, but does that lead to making hedging more attractive perhaps for offshore investments at, at these levels? Is that something you would consider?

Leon de Wet, Elston Asset Management (07:57):

No, I wouldn't consider that right now. For us, the biggest story at the moment is the deteriorating liquidity picture and particularly with regard to US dollar liquidity.

And so I think it's quite telling that with Australia where we had pretty much a record terms of trade resources prices early this year were going through the roof and it still translated into a declining US dollar.

And so I think what market pricing's telling you at the moment is that US dollar liquidity is really tight and yes the FED are driving that, but private sector liquidity providers are also driving that in terms of their key source of collateral in the private financial sector being bonds.

Bond volatility's for very high bonds have had a record sell off this year and that makes it really, really hard for private sector financial institutions to create US dollar liquidity, given limited balance sheet capacity and the risk constraints that they have around that in this kind of environment.

Leon de Wet, Elston Asset Management (09:07):

And so in our view we're maintaining low levels of US dollar hedging, but obviously we're looking at this as a forward looking podcast and we're talking about 2023. You know, when we're going into 2023, we have to look at catalysts of where things change. You know, if the Fed does pivot as the market expects, then, you know you know, we might have to look at adjusting that, that view on the US dollar. But as things stand now all else equal, we would be maintaining an unhedged status on offshore hoardings to be able to manage risk.

Leon de Wet, Elston Asset Management (09:48):

Yeah. David, I guess we've got a slightly different view to Kieran. I don't necessarily disagree with the broad comments that he's made, and certainly we acknowledge that there probably is an absolute risk that there's this US dollar strength, and it's broad base, (not just against the Australian dollar) does continue in the short term, but as he mentioned, we're talking about looking forward, and when we are thinking about our portfolio implementation views, it is on a slightly longer term basis.

I've got to just caveat that as well. So probably looking at this time next year, where do we think, and we certainly think the Aussie dollar's going to be higher in 9 to 12 months than what it is at the moment. And so for us, it does make sense to gradually start hedging some of those currency exposures.

And I do say gradually, because we'd absolutely agree that it's certainly not the time to complete the hedge, but yes, for us we think it probably makes sense just to gradually start that process. Because the reality is we're never going to be able to pick the bottom and know exactly when that is.

David McDonald - IMAP(11:00):

Yes thanks. Now the other thing, turning perhaps more to markets now and, and the implications of this, and some of the other things we've talked about, and I guess one of the things for markets this year, of course has been the volatility.

We've seen the war in Ukraine, we've seen the rate hikes, inflation of all sorts of things, moving markets around the tech sectors who've being crashing.

Where do we see things in 2023? Do you gentlemen see things settling down?

Do we expect a smoother ride or do you think that volatility's still going to be an issue for investors in the next 12 to 18 months?

Victor Huang, Milliman (11:45):

I think unfortunately over this year it's been obviously a pretty difficult year for markets. There's a lot of volatility we've seen Fixed at over 30, 35 Aussie bps up about 20 as well. So and that's just all driven by so many factors this year that's really been impacting it.

You have the war in Ukraine, you have China's weird covid zero policy there. You have obviously the tightening from central banks as well. I think looking forward for the next 6 to 12 months, I think that it will subside a little bit, but not significantly. Part of the issue is with all of the tightening of monetary policies around the world, there is a lag associated with that.

Victor Huang, Milliman (12:32):

And I'm personally a bit more concerned about whether the market's priced in that lag fully or not. Especially in the local market. That's something to consider just because obviously we had an unusual amount of fixed rate mortgages over the past couple of years and that's mostly going to expire or expire sometime during the first half of next year.

I'll be curious to see how that impacts issue of confidence and spending, and all of that.

So with that in mind as well as the potential pivot from central Banks on the upside and earnings in the next couple of months coming out obviously with the softening consumer demand poorer PMI and all that stuff, it creates quite a number of risk events that could impact markets, and we see that in the option markets as well.

So that is being priced within with the Vics index. So the markets fear index is that 25 or so right now.

It's significantly higher than the normal levels. Same in Australia as well. So yes, given that outlook, I think it's going to be a still a tough 6 to 12 months ahead.

Kieran Rooney, Evergreen Asset Management (13:48):

I'd have to agree with a lot of what Victor was saying, particularly around the lagged points.

Jerome Powell and Phil Low have even said this in some of their recent testimonies where it's pretty much agreed that there's a 12 to 24 month lag in terms of policy.

So you could even argue that we'll still feeling the lag effects from some of the kind of covid stimulus towards the beginning of this year. And we've only really been tightening since you know 6+ months ago. So that's still yet to feed through. You obviously seen it in the housing sector already. That's the most interest rate sensitive sector and Leon quite rightly made the point that due to the higher levels of the variable mortgage stock in Australia, we are a lot more sensitive to it here.

Kieran Rooney, Evergreen Asset Management (14:32):

So we're probably lucky that our value doesn't have as far to go, but you already seen it in the US in terms of new housing starts and it really affects the market at the margin. But then I think Victor made a good point in terms of corporate earnings and consumer confidence. There's a whole bunch of other lagged effects beyond the housing market that I think monetary policy is still yet to feed through. And, you know, there's small boards of leading indicators that we monitor that are kind of starting to roll over.

And I don't think it's been fully kind of reflected yet in coincident indicators with regard to corporate earnings. I think there's certainly a significant amount of corporates out there to be on their hedge for a lot of the increased prices with respect to energy and resources.

Kieran Rooney, Evergreen Asset Management (15:18):

So that might have not have fully flowed through to the P & L, but you probably like to see that start to feed through in FY 23.

So I think with regarded equities, corporate earnings are still up in the air. And with regard to credit, I think the question is about volatility.

I think if you start to see some stress in the credit markets, that's when you might see that translate even further into high volatility than we've had. Now that's still a wait and see.

Obviously through covid, a lot of corporates raised a lot of cash and so credit duration got extended out. But in terms of increased volatility, we're certainly watching the credit markets for more feedback there.

But I'll just go back to a point that Marcus made earlier in the podcast where it's increasingly difficult to forecast and there's a lot of geopolitical factors at play too that could also feed volatility. And because that's based off the whims and the decisions of certain individuals, it's certainly difficult for a forecast that not just with a spec to inflation, but also volatility. So there's a few things to look out for there.

David McDonald - IMAP(16:28):

Thanks Kieran.

Marcus, I think Kieran mentioned earnings outlook there, and how do you see locally, do you think that the earnings outlook is still too optimistic for a local market or are you confident in the outlook?

Marcus Bogdan - Blackmore Capital, Blackmore Capital (16:45):

I think we're definitely in a period now of slowing economic growth and slowing earnings growth. We've had an extraordinary period of a very strong earnings recovery from the troughs of Covid.

And we've had really 18 months of exceptionally strong corporate earnings. Those are now rebasing.

And I think that the earnings growth will be far more modest going into 2023.

I think as does Kerryn has mentioned, I think there is a lag effect on rising in rising interest rates and the effects that that have has on not only on demand, but you'll start to see with higher interest expense for corporates. And that will also weigh on, on earnings.

That's just suggest to me that the pivots in terms of the equity markets probably need to be in those more defensive areas where there is greater resilience in earnings in a slower economic environment.

David McDonald - IMAP(17:53):

That's interesting. Mark, cause you know, you're talking about sort of defensive exposures more, and I suppose the question is even from an asset allocation point of view as well as within markets how do we see the outlook for 2023?

Are you telling clients that, or are you putting your portfolio still in a fairly defensive mode or evaluations getting more attractive and starting to, to become a bit more optimistic?

Marcus Bogdan - Blackmore Capital, Blackmore Capital (18:23):

Yes, I think you need to break it down into segments, and we would certainly agree that a component of the portfolio does need to be what we would call in those defensive industrial companies.

So those companies that have exhibited pricing power and the underlying demand for their, for their products or services has stayed relatively stable. But we're also looking at areas which were deeply affected by the pandemic in terms of their business operations and their earnings.

And that's particularly in healthcare. And we do see a quite a significant recovery in healthcare over the next two or three years, albeit that we don't go down into, into further lockdowns or another, another pandemic because the, the level of backlog of patients that need medical, medical services is unprecedented at a time when having a rise in chronic disease and an aging population.

So we do see that as one of the more attractive areas to be focused on as we see a, a sequential improve improvement in under underlying demand and supply in healthcare.

David McDonald - IMAP(19:48):

Kieran or Leon. Would you like to sort of talk about where you are putting your portfolios at the moment in terms of sort of defensive versus growth asset allocations?

Kieran Rooney, Evergreen Asset Management (19:58):

Yeah, we're definitely a little more defensive at the moment. So we are, we are carrying surplus cash and we have started to nibble, nibble away at, at duration.

Obviously bonds have had one of their worst years on record, so duration's a bit of a dirty word this year. But you know, bond market liquidity is being really thin and that's something that we really track and it's still continues to be.

So we saw this in the UK where there were leverage plays in UK, particularly around pension funds that were sellers of bonds because they couldn't raise cash from anywhere else to meet certain obligations and the Bank of England had to step in. And so obviously you saw the impact that that had on UK gilts where yield spiked up.

Kieran Rooney, Evergreen Asset Management (20:45):

So given that bottom market liquidity is so thin at the moment, there is still some risk that you have some gap risk in yields in certain sovereign bond markets. But certainly at these levels, I think it is definitely worth to start to nibble away.

And as those kind of players that are carrying hidden leverage or excess risk, their portfolio they're therefore selling kind of starts to slow down.

We are seeing more in data that we track more patient allocators of capital, more unlevered players, long term players start to accumulate duration. And we haven't an anecdotally heard of summarising institutions on allocating that space too.

So yields are definitely at a more attractive level. Real yields are as high as what they've been for the last decade. And so you do start to earn some decent returns from a yield perspective on your bond portfolio. There's more room for your bonds to protect your portfolio. And we do see opportunities to start accumulating there, so looking into calendar year 2023, you might need to start rotating that position out as certain opportunities start to surface in our view. But I'll leave it there for now.

David McDonald - IMAP(22:07):

And Leon, I know you mentioned that you think the market's perhaps too aggressive on the RBA outlook. Does that make bonds attractive to you?

Leon de Wet, Elston Asset Management (22:16):

Yeah, maybe before we get to that question though, just broadly for a lot of the reasons that we have already discussed today, (so I won't go around those), but I think if we look at overall allocation, we are still slightly underweight growth assets versus defensive assets.

And that's probably something we would probably look at narrowing as we head into 2023, but just for now we think it makes sense within that fixed income space. I'd agree with Kieran. We have started, and again, this flows into our view on the RBA just to add a little bit of duration, and I must say that's from an underweight versus a benchmark duration perspective. So we have been quite underweight, but we do think with sort of the repricing that we have seen in our views that it does make sense to start knowing that.

Leon de Wet, Elston Asset Management continues

So yes, we have started to add duration within our Australian fixed income components. And also again, I think we'd agree probably with Kieran, that if we look within that fixed income space, and again, just given the risks, we see probably more risk to the downside than the upside.

You know we are not sure that we want to be going within the defensive part of our portfolios really into that lower quality non-investment grade credit. So we are really preferring to play defense within that space.

But I think the other thing that I would just say echoing some of the comments that Mark has made, because we do have the benefit of managing our Australian equity component directly. And so certainly within that component we have tried to probably some extent mirror some of the trades that Marcus and Mark assumably have got in their portfolio.

We've been adding to some healthcare stocks narrowing the underway that we've had there. We do think that there's some sort of covid beneficiaries there within some of those industrials. We've also been looking at, you know, stocks that have got pricing power competitive positions. I think you can probably, I guess, play it not only from an asset allocation perspective, but certainly with your individual positioning at a stock and sector level you know, you can try and position your portfolio reasonably.

David McDonald - IMAP(24:32):

Now I'm hearing a bit of caution around bonds from most of you, but a sort of defensive tilt in portfolio still.

So I guess the question is, where are you getting the defensive exposure? Are you investing in infrastructure, property alternatives?

What sort of sectors do you see as giving you that defensive exposure?

Kieran Rooney, Evergreen Asset Management (24:56):

Well, I think Leon and I are both accumulating bonds at the moment. So we are accumulating at these levels.

We definitely have held an overweight to cash over the last year.

You know, infrastructure has been a good play up until now it's starting to come off, but over the next decade I certainly see long term protected regulated cash flows as being attractive.

I think Marcus and Leon can speak better than I to equities, but definitely seeking out more kind of defensive sectors in that space. So I'd agree with them there.

And to the extent that you do this depends what kind of portfolio you're running. We run many different types of portfolios on a client by client basis, and maybe Victor might be able to speak to this better, but yes, if it's within your mandate and you can seek positions that you know provide you with a positive exposure to volatility where you might be able to introduce some positive convexity into portfolios that provide you with a bit of offer in a stress period, and it's probably more appropriate, if you still want to be heavily invested, then that's an absolutely appropriate measure to take.

Kieran Rooney, Evergreen Asset Management (26:12):

They're a bit more nuanced strategies and you have to know what you're doing there.

I certainly wouldn't be recommending just merely buying "naked puts" over the market, volatility's quite expensive. I think it needs to be done in a lot more nuanced way.

But when you're talking about alternatives, then yes I think there's probably some credible options out there to be utilized.

Victor Huang, Milliman (26:32):

Yes thanks for that Kieran. I think like on our side, we are obviously positioned quite defensively given the current levels of role and the objectives of our smart tool portfolios, where we essentially have two objectives there.

One is to control that level of volatility within a certain boundary. And right now realistically, they're all a little bit at elevated levels, so naturally expect a bit of a bit of hedging as a result of that.

And as we're trying to get some convexity, I guess some of that asymmetric exposure to markets I think, one of the problem with purchasing options is that they tend to be expensive when you want the most.

Victor Huang, Milliman (27:16):

So we've generally gone down the approach of replicating put options, so using futures contracts to actually replicate that payoff. The good thing about that over the past year is that realized rolls have come down, so actual volatility in markets have actually been a little bit lower than where implied vols have been trading.

So there's been a bit of benefit in actually replicating rise and purchasing options in this market, and I expect that to continue for some time. As you know, whilst there is a certain level of fear in markets right now.

David McDonald - IMAP(27:45):

Perhaps the final question in terms of asset allocations and portfolios we haven't really touched on is the offshore versus local exposures.

Would anyone like to offer a view where you're positioned or where you see things going in the year ahead? Are you looking to add more to offshore exposure or you have a preference for domestic?

Leon de Wet, Elston Asset Management (28:06):

I might take a go at this one. Within the equity side of our portfolios David, we don't really have a strong skew to either one of those really where we probably have the largest skew (when we are thinking about domestic versus international) is within our fixed income component.

So versus our strategic benchmarks that we are looking at, we do have an overweight to Australian fixed income for some of the reasons that we've already discussed. So that's probably from a portfolio perspective where we have the really, the clearest domestic versus international.

Kieran Rooney, Evergreen Asset Management (28:46):

Yes I think maybe Marcus might have a view as well, but over the longer term, I think we do see positive catalysts for Australia, particularly within the global context to that we're in.

Obviously there's a lot of geo-politicking going out on at the moment of threats to supply chains.

I mean, the US just banned certain semiconductor exports to China, and obviously Russia's playing games with energy. And you know China's got certain key minerals, and manufacturing capability.

So I think in that global context, in the long run, Australia's got a lot of resource, and materials capability. They're going to be important for kind of the allies that we associate with.

And so we certainly see some opportunities there. We don't think about it too heavily in terms of an offshore versus domestic split although obviously all of our models have certain targets from that perspective. But if I do think about it, then yes, I think long term there's going to be some really good opportunities in Australia off the back of the current global outlook thats in right now

Marcus Bogdan - Blackmore Capital, Blackmore Capital (29:59):

Yes I think from a relative perspective, Australia still is very well positioned economically in terms of energy position, the strength is still in the consumer and, full employment. So it's a market that we want to have exposure to. But in terms of the tilting of the portfolio, we also want to be exposed to some of those global leaders in the Australian share market, companies like Amcor, Brambles, CSL are very much northern hemisphere facing companies and in markets where they have shown a degree of resiliency.

So I think diversification is still incredibly important even at an equity, and an equity portfolio level.

David McDonald - IMAP(30:51):

Thank you. Look, we've covered a lot of topics from the Fed to the local equity market, to bonds, and geopolitics. That's been a great discussion. Perhaps what I'd just like to do towards the end here is ask each of you if there is one key point you'd like to emphasize to our audience maybe Marcus would you like to start? Is there one highlight you would want to put out there?

Marcus Bogdan - Blackmore Capital, Blackmore Capital (31:21):

I think given the environment that we're facing that earnings resilience from a company perspective is absolutely a format of importance. And the second element to that would be balance sheet strength there as interest rates are starting to rise, those companies that are able, even with resilient markets, to position themselves to be able to absorb those higher interest costs. And also they have the ability to maybe take advantage of weaknesses in other players.

David McDonald - IMAP(31:55):

Thanks. Victor. Would you have a point you'd like to highlight?

Victor Huang, Milliman (32:01):

Look, I think the difficulty in this sort of market is that you want your clients to remain invested just because there is potential for some upside, especially as the central banks start pivoting away. But at the same time, it's just a matter of giving your investors confidence to actually stay invested. So part of that is just making sure whatever exposure you have to growth assets, that you appropriately manage the risk of that in some way.

David McDonald - IMAP(32:29):

Thanks. maybe Kieran?

Kieran Rooney, Evergreen Asset Management (32:33):

Yeah, thanks. I don't know if I've done a good job of convening any optimism through this talk, but <laugh> I think that's what I'd want to do at the end. Cause I think it's going to be a tale of two cities. Cause I, I mean we are, we have the, the, the, the brief has been a focus on 2023, but I think the environment we are in right now is going to persist into the beginning of 2023.

But for me, if we start to see more positive catalysts, particularly a change in the liquidity cycle, which is as worse as it's ever been in a long time, there's a lot of assets out there now that that are incredibly cheap relative to the recent past. And so if we do get a change in that liquidity cycle, then I think one has to be ready to hold onto the hat, and become bullish sometime in 2023. Perhaps.

David McDonald - IMAP(33:22):

Leon, are you able to end this on a cheery note ?

Leon de Wet, Elston Asset Management (33:26):

Oh I hope so. I mean there's no doubt that this has been a very tough time. But I think if there is a bit of good news, certainly from our perspective if you'd asked us 12 months ago as investors, is this a great time to be in markets? … and what are your future return expectations?

We probably would've been a little more pessimistic because valuations were very high right across the board. I mean, particularly with within fixed income, right? You had very little to no income.

And I think if there's one positive for investors that are longer term in their outlooks, it's that valuations are a lot more attractive. And I think the price you pay for something does ultimately matter.

But the other thing is that income is such an important part of your total return and for the first time in a long time, we've actually got a decent sort of income from defense of parts of our portfolio, which is going to help contribute to total overall return for most investors.

So I think on a longer term basis, the story's actually reasonably good from a total return perspective, but we might need some patience.

David McDonald - IMAP(34:33):

Okay. Thank you all very much. It just remains then for me to thank Kieran Rooney from Evergreen Asset Management, Leon de Wet from Elston Asset Management, Marcus Bogdan from Blackmore Capital and Victor Huang from Milliman for taking part in our podcast today. Thank you.

And a reminder that you can look on the IMAP website for upcoming events, and particularly I'll point out the week beginning the 5th of December 2022, we are running a webinar series that's looking at the advantages and disadvantages of using boutique fund managers.

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