

Allan Gray Press Release

6 May 2024

Markets are expensive, you need to dig deep for opportunities – Allan Gray & Orbis

Most Australian sharemarket sectors and global stock market indices are currently trading at a significant premium compared to history, says contrarian fund manager Allan Gray Australia.

“Some sectors in Australia are eye-wateringly expensive, across a number of valuation metrics,” said Simon Mawhinney, Managing Director and Chief Investment Officer at Allan Gray Australia. “Finding genuine value in the current environment is difficult and investors need to be especially discerning. The price you pay for shares is paramount and will make a big difference to future returns. There are opportunities, but you have to be selective in how you allocate your capital.”

Allan Gray Australia’s sister company, Orbis, agreed. “Globally, the market has become extremely concentrated in recent winners, namely the Magnificent Seven tech giants Apple, Microsoft, Alphabet, Amazon, Meta, Tesla and Nvidia,” said Orbis’ Investment Specialist, Eric Marais. “Investors who buy broad-based passive funds thinking they are getting properly diversified are particularly exposed, with 18% of the World Index invested in just seven companies, 32% in a single sector (tech), 60% in the ‘Growth Defensive’ style, and 64% in a single country and currency in the US. That’s reason enough for investors to be very wary.”

Allan Gray and Orbis investment experts elaborated on this and more at the annual Allan Gray & Orbis Investment Forum series for financial advisers, which kicked off at the Gold Coast on Tuesday 30 April. They also explained where they are finding opportunities in today’s local and global markets.

In a recent survey by Wealth Insights, advisers rated the Allan Gray & Orbis Investment Forum as the fund manager event in which they had the ‘greatest interest in re-attending’. The Forum also rated second for being the ‘most beneficial / informative’ event.

The Investment Forums will continue throughout May and will visit ten more locations: Hobart, Newcastle, Castle Hill, Perth, Canberra, Geelong, Adelaide, Brisbane, Sydney and Melbourne.

The Melbourne event on Thursday 23 May will also be livestreamed, for those who can’t make it to a venue in person. As always, advisers will also get the opportunity to have their questions answered directly by the Portfolio Managers and Analysts.

All attendees will receive CPD points. With just a handful of seats remaining at some locations and waitlists at others, advisers should contact their local Allan Gray BDM to secure their seat as soon as possible.

Where and when are the Investment Forums?

Date	Venue	Time	Speakers
Thursday 2 May	Hobart – Crowne Plaza	12 for 12.30pm	Justin Koonin, Shane Woldendorp
Tuesday 7 May	Newcastle – Fort Scratchley Function Centre	12 for 12.30pm	Justin Koonin, Shane Woldendorp
Wednesday 8 May	Castle Hill – Castle Hill Country Club	12 for 12.30pm	Justin Koonin, Shane Woldendorp
Thursday 9 May	Perth – The Ritz-Carlton	12 for 12.30pm	Dr Suhas Nayak, Eric Marais
Tuesday 14 May	Canberra – The Boat House	12 for 12.30pm	Dr Suhas Nayak, Shane Woldendorp
Wednesday 15 May	Geelong – GMHBA Stadium	12 for 12.30pm	Dr Suhas Nayak, Eric Marais
Thursday 16 May	Adelaide – National Wine Centre of Australia	12 for 12.30pm	Dr Suhas Nayak, Eric Marais
Tuesday 21 May	Brisbane – The Calile Hotel	12 for 12.30pm	Simon Mawhinney, Eric Marais
Wednesday 22 May	Sydney – Ivy Ballroom	12 for 12.30pm	Simon Mawhinney, Eric Marais
Thursday 23 May	Melbourne – Park Hyatt	12 for 12.30pm	Simon Mawhinney, Eric Marais

About Allan Gray Australia

The Allan Gray investment philosophy is to take a contrarian approach, apply it consistently and invest for the long term. This approach was started by Dr Allan Gray who founded Allan Gray Ltd in Cape Town in 1973. Allan Gray in Australia and globally are privately owned and share the same investment philosophy. Allan Gray Australia was established in 2005 and launched its flagship Allan Gray Australia Equity Fund in 2006, followed by the Stable Fund in 2011 and the Balanced Fund in 2017. For more information, go to allangray.com.au.

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