

Here's a tip: support good causes

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Magellan Financial group chief executive Hamish Douglass has a cardinal rule — no stock tips.

"We are often asked to comment on a particular company or stock tip in the newspaper or to pick out one particular stock, but it is not our style," he explains.

But Douglass, whose fund management group oversees more than \$40 billion in investments, will be doing just that when he speaks at the first Hearts and Minds Investment Leaders charity conference in Sydney in November.

One of 15 leading fund managers from Australia and around the world speaking at the conference, Douglass will be on the spot to pitch his best idea. Here he will be outlining why he thinks the

shares of particular company are worth buying.

One of the four charities to benefit from the conference will be the Victor Chang Cardiac Research Institute.

Douglass's father was given a heart transplant at St Vincent's.

"I have a vested interest in supporting the conference," he said in an interview with *The Australian* this week.

"There's a family connection. I was asked to participate and I am delighted to do so, but had it not been for such a great cause, I wouldn't be breaking my cardinal rule and giving a stock tip to an audience.

"I will be outlining the case for a stock which we have a lot of conviction in and give our rationalisation for it."

The first Hearts and Minds conference was the brainchild of Sydney businessman Gary Weiss,

a board member of the Victor Chang Research Institute, who has become a regular attendee at The Sohn Conference in the US, which raises money for medical

charities.

Attendees pay \$10,000 a head to hear the world's top fund managers make a recommendation for one of their favourite stocks.

Weiss mentioned the idea to UBS Australia chief Matthew Grounds, who chairs the Victor Chang Institute. Grounds has become one of the prime movers behind the conference, which will see some of the world's top fund managers make 10-minute pitches for a favourite stock to an audience of 600 people at the Sydney Opera House.

Other speakers will include Howard Marks from Oaktree Capital Management, Shane Finemore from Manikay Partners, Phil King from Regal Funds

Management, Leah Zell from Chicago-based Lizard Investors, Geoff Wilson from Wilson Asset Management, Kerr Neilson from Platinum Asset Management and Blackrock Australia director Madeleine Beaumont.

Former AMP chair Simon McKeon, who was involved in founding MS Research Australia in 2004 and is also supporting the conference, says it is important that people in business in Australia help to support more charities and medical research.

"The world of business is about trying to grow things," he said.

"It is important that we find a bit of time here and there to use our skills to grow these very important organisations such as the charities being supported by this conference, which often don't have the support that business has to get things done."

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Simon McKeon, left, with Maddie Beaumont, Hamish Douglass and Matthew Grounds

RENEE NOWYTARGER

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McKeon says he believes the conference will also help to throw a spotlight in Australia on new areas of growth.

"All we ever hear is low growth, low growth.

"I challenge that. The GDP growth of the world hasn't changed that much. It is generally around 2-3 per cent a year, with the exception of the global financial crisis."

Madeleine Beaumont, a Sydney-based director of US investment group Blackrock, who is also speaking at the event, said Australian investors had too

much of their wealth concentrated in a few top stocks.

"The conference is more about getting into the mind of a fund manager and how we really think," she said.

Beaumont, who spent 16 years working overseas before coming back to Australia eight years ago, says Australian investors need to look to the future in their stock selection.

"The big incumbent companies have been very profitable and they have been great places to build wealth, but we need to think about going forward.

"People need to diversify away from the top 10 companies which are very correlated to each other."

Meanwhile, with the bulk of

Magellan's funds invested offshore, Douglass admits it is likely he will be recommending an overseas company.

He says his goal in his presentation will be to argue the case for Australia's high-net-worth individuals to broaden their investment focus.

"A lot of people are very narrow in their investment

focus," he says. "The high-net-worth retail investors are relatively insulated in terms of their information.

"The conference will hear from people from all over the world and allow people to hear about things they haven't contemplated before.

"While they might not buy the stocks, it might encourage them to start looking at some broader areas."

UBS's Grounds argues that the attraction of the conference is hearing top fund managers explain their investment strategy.

"It's one thing to know what's in Magellan's portfolio but it's another thing to hear from the horse's mouth why he has such a strong conviction about a particular investment."

Organisers are hoping to raise \$3 million from the conference, which will also support MS Research Australia, the Blackdog Institute and the Juvenile Diabetes Research Foundation.

Grounds not only wants to help raise money for the four charities but hopes the conference will generate a groundswell of support for more medical research in Australia.

"Australia punches above its weight when it comes to the quality of medical research which is done here," he says.

"But it has fallen behind the rest of the world in terms of per capita funding."

He argues that putting money into medical research is an investment in Australia's future, to improve health and create real businesses for the future.

is in Sydney on November 11.
www.heartsandmindsconf.org.au

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