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Investors prepare top picks for Hearts & Minds conference



Patrick Hodgens head of equities Macquarie Investment Management Macquarie Group . Michele Mossop



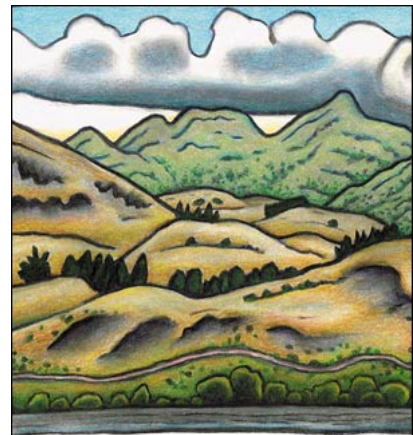
by [Jemima Whyte](#)

Macquarie Investment Management's head of equities Patrick Hodgens says his most successful stock pick was buying Macquarie Group almost 25 years ago but last year he identified another big winner: New Zealand telco Chorus.

Since Hodgens singled out the stock as his best pick at last year's Sohn Hearts & Minds Conference, Chorus has shot up more than 36 per cent, making Hodgens' call the fifth-most successful of the conference to date.

"It's [still] one of the largest positions in our portfolio," he says.

Hodgens - who also identified Qantas Airways and BlueScope as good investments on the day (they've actually outperformed Chorus) - won't present at this year's conference, which will be held on November 17 at the Sydney Opera House.



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Name	Organisation	Performance (%)
Daniel Wu	Montgomery Invest Mgmt	82.33
Charley Wang	123	81.20
Stuart Jackson	Montgomery Invest Mgmt	80.06
Ben MacNevin	Montgomery Invest Mgmt	79.70
Simon Rothery	Goldman Sachs	79.67
Nick Roberts	Risa Group	79.67
Julian Robertson	University of Sydney	79.67
Blake Henricks	Macquarie Invest Mgmt	79.53
Graham Teague	Bell Potter	79.36
Melanie Hogan	Hogan Family Foundation	78.36

SOURCE: SOHN HEARTS & MINDS

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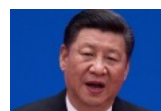
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He says it's only fair to let colleague Blake Henricks take the stage this year.

"It was the most daunting presentation I'd ever done," he says, noting that the audience included a number of colleagues, peers and other well-respected investors.

When asked whether ideas presented at the conference had prompted him to reconsider position in Macquarie's high conviction fund, Hodgens says it didn't but noted he was pleased to see that other presenters had identified Transurban (Unisuper's John Pearce) and Fairfax Media (BlackRock's Madeline Beaumont) which were already in his portfolio.

Both Transurban and Fairfax ranked in the top 10 picks, measured by performance to June 20, of last year's conference.

Hodgens - whose fund is up 10 per cent relative to the market - was among 15 investment managers who spent eight minutes each outlining their investment thesis around one stock at the first Sohn Hearts & Mind Conference which was held last November.

As a group, the top 10 stocks identified by the managers ranked by performance returned an average of 43 per cent in the past seven months compared to the S&P/ASX 200 index performance of 7 per cent, says UBS local chief executive Matthew Grounds who was one of the driving forces behind launching the one-day event with investor Gary Weiss, though neither invested their own money on the back of the conference ideas.

In Weiss' case, he says he moved too slowly ("I need to find a good stockbroker," he joked) while Grounds says UBS restrictions prevent him from investing in stocks.

Thorney Investment Group's Alex Waislitz identified the best performer so far with medical company Mesoblast.

Attendees at the conference - which Grounds says last year were a "who's who" of investors, family offices and trusts - are also measured on their ability to build a portfolio based on the recommended stocks using an app purpose-built by sponsor Commonwealth Bank.

CommSec managing director Paul Rayson said there would be some new tweaks to the app this year, which uses blockchain technology.

According to CommSec, Montgomery Investment Management's Daniel Wu is leading the pack with an 82.33 per cent return (and it's worth noting two other Montgomery types are in the top 10 performers), followed by 123 Investment Management's Charley Wang. Macquarie's Henricks is coming in eighth, while Goldman Sachs local chief executive Simon Rothery is in fifth spot. However, the competition will continue until August 31, when dividends and capital distributions will also be included in the performance.

During last year's conference, the most popular ideas with investors was Canadian gambling and entertainment technology group Amaya, which was presented by Caledonia's Michael Messara; Hong Kong toll road company Cross Harbour Holdings, singled out by Lanyon Asset Management's David Prescott; and shorting US apparel group Hanesbrands, picked by VGI Partners' Rob Luciano.

The names of investors that will present at this year's conference have not yet been named.

Each one of the fund managers presenting makes a donation to the Sohn Hearts & Minds conference. Last year, the donations from the presenting investors are thought to have accounted for at least \$1 million of the total \$4 million raised.

Weiss declined to speculate on how much he would like the conference to raise this year, only saying "more".

"One's always got to be cautious in providing guidance to the market," he said.

This year, funds raised will go the same four charities that were supported last year: MS Research Australia, the Juvenile Diabetes Research Foundation, the Black Dog Institute and Victor Chang Cardiac Research Institute, which counts Weiss and Grounds among its directors.

"On the medical research side, what we've tried to do is focus on those areas that are probably less well funded and where there's not as great awareness of their research and institutes," said Grounds.

Grounds and Weiss said they hadn't yet considered whether to change or add any charities into the mix, though Weiss said because of their link with the Chang he hoped it would remain one of the major beneficiaries of the conference.

Tickets will go on sale today for \$3000. *The Australian Financial Review* is media partner.

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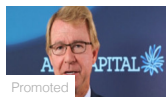


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