



From the desk of James Abela

August 2016

Stock markets are rising thanks to monetary stimulus but the reality is that the world, and possibly Australia, confronts sluggish economic outlooks. In this context, in my views, gains in productivity (or output per hour worked) will be critical to allow the world to climb out of this rut. I believe a key determinant of productivity will be technological advances.

Already enough inventions are being commercialised – and listed – to keep Australian investors busy enough without thinking too much about what breakthroughs may emerge ahead of us. For those investable opportunities, I group the technological advances that are found in the Fund into three categories.

The first includes the companies that are changing ecosystems. Among those companies improving the business processes and productivity of their industries are Aconex and WiseTech Global. Aconex, which was founded in Melbourne by Leigh Jasper and Rob Phillipot in 2000, is a leading global building collaboration platform. Through a software-as-a-service platform, the software connects owners, contractors and their teams so that they have visibility of a project as well as shared control. The software's ability to reduce costs, squabbles and delays is prompting its fast adoption throughout the building industry in Australia and overseas. Whenever I ask family members or friends who are involved in building or development if they use any software to track plans, costs, schedules and contracts the answer is always: 'Aconex, of course. Everyone uses it.'

Another innovative game changer that is on the same popularity climb is Sydney-based WiseTech. Founded in 1994, the CargoWise One software solution is a

sophisticated and comprehensive end-to-end logistics system. This has also created leading functionality, visibility, efficiency and innovation in the logistics and supply-chain market. Both of these Australian-based businesses are global leaders.

The second category covers companies selling software that controls risk. Melbourne-based Hansen Technologies, founded in 1971, does this in terms of billing and metadata management systems for utilities, pay TV and telecommunications companies. The end result is to improve productivity, performance and visibility to enable concepts such as 'smart grid'. Altium designs and sells engineering software design tools for the development of printed circuit boards. The company is now partnering with China to jointly develop internet-of-things solutions for the purposes of commercialising such technology.

And the third classification is for alternative energy sources. Lithium and graphite are part of the emerging new technologies that are changing the way we use, consume, store and produce energy. Brisbane-based Orocobre and Syrah Resources from Melbourne produce lithium and graphite and are thus players in the emerging electric-vehicle industry.

So while economic stagnation may loom ahead to some extent, demands for higher productivity will be met by many technologically innovative companies, especially ones offering software. Those mentioned above are just a few of the innovative businesses of our time that will meet this challenge and should be seen as strong future leaders.

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