



Contents

3 ways to defuse intergenerational anger *Mark LaMonica CFA*

Why an extended US-Iran war will punish mortgage holders *David Tuckwell*

Don't forget the yield *Edmund Leung CFA*

Iran war hands politicians free ticket to blame oil prices for inflation *Ashley Owen*

Japan 2026: A new PM heralds a new golden age? *Leon Rapp*

Why are central banks moving from US Treasuries to gold? *Francisco Barillas Bedoya*

Has global human wellbeing peaked? What the data reveals *Kevin Fox*

Editorial

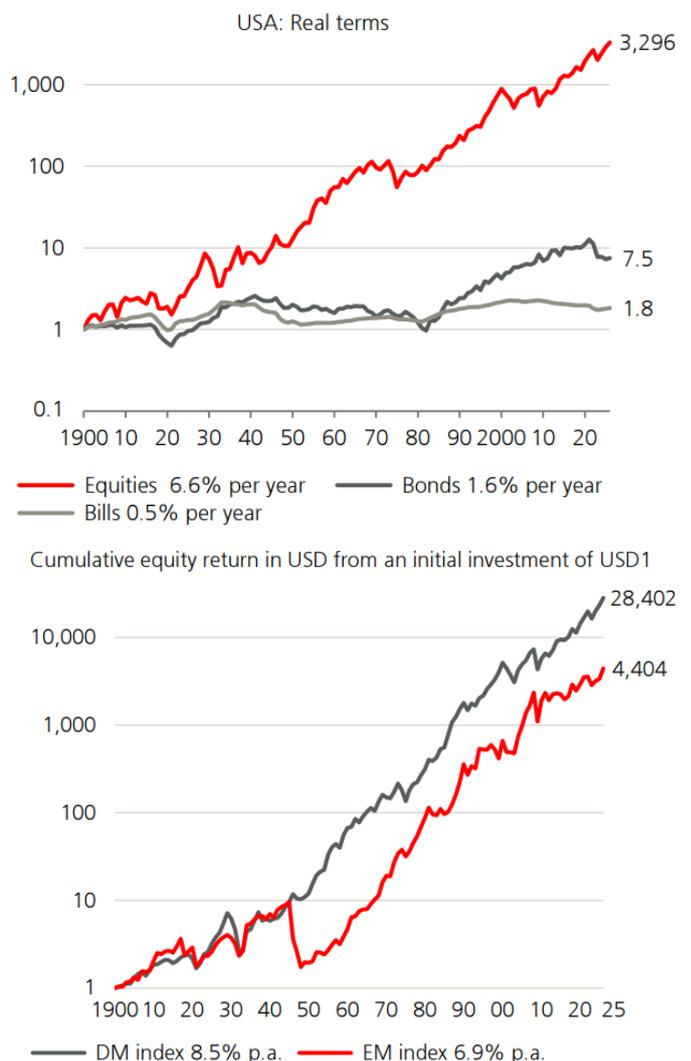
The annual [UBS Global Investment Returns Yearbook](#) offers an opportunity to take a step back from the daily news cycle and reflect on drivers of returns over the long-term. This is always a valuable exercise for investors.

Beating inflation over the long-term

In times of geo-political tensions, it can be easy to move to 'safer' investments. The perception of safety is largely illusory. Shares continue to crush the returns of other asset classes over the long-run on a nominal and inflation adjusted basis.

Emerging markets aren't all they are cracked up to be

Periodically the emerging market bulls will rear their heads. Now is one of those times. Huge untapped markets, fast economic growth and the promise that this time will be different make up the standard sales pitch. To date this pitch hasn't delivered over the long-term.



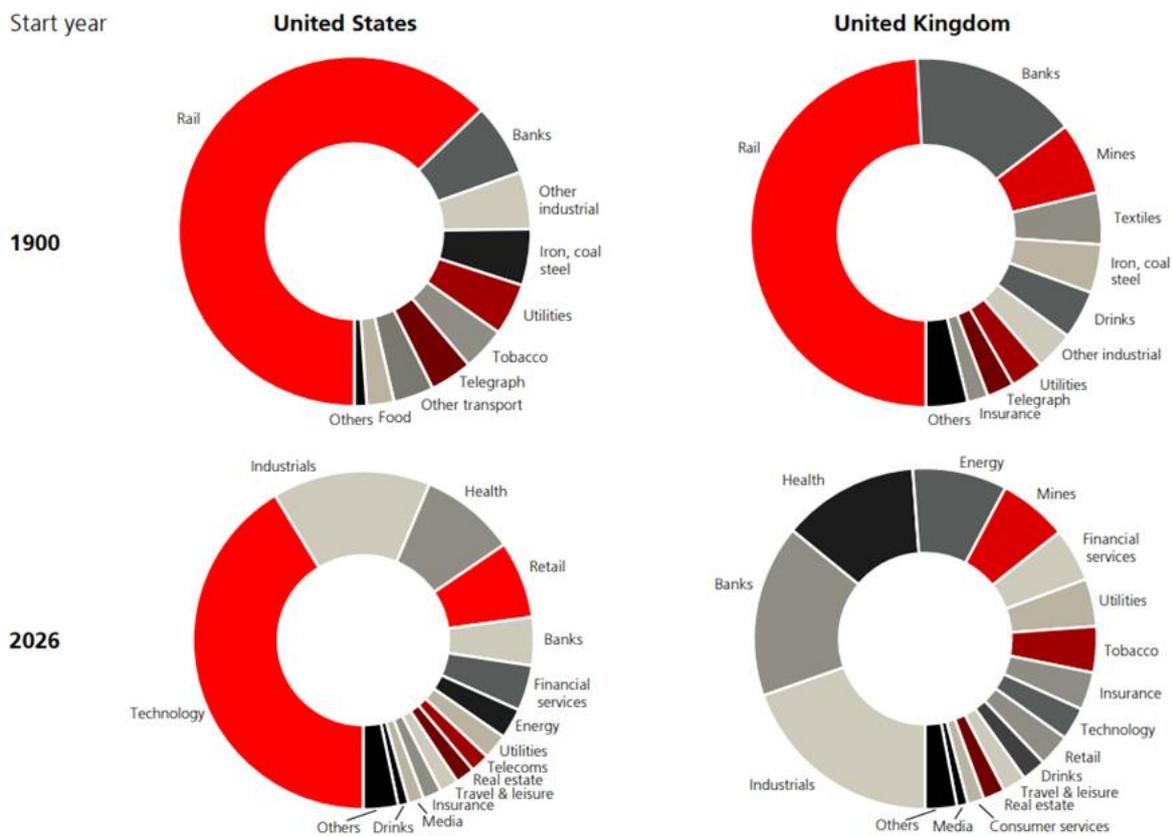
The changing face of markets

The growing influence of the technology sector on US markets is widely discussed. The technology concentration of today pales in comparison to the dominance of railroad shares at the turn of the 20th century.

Interestingly, the UBS report points out that despite railroad shares dropping from 63% of the US market in 1990 to less than 1% today they outperformed the overall market. Declining industries can still offer strong returns.

Figure 9

Industry weightings in the US (left) and the UK (right), start-1900 compared with start-2026



Sources: Elroy Dimson, Paul Marsh and Mike Staunton, DMS Database 2026; Cowles, 1938, FTSE Russell US All-World Index and FTSE All-Share index for the UK for end-2025 from Refinitiv. Not to be reproduced without express written permission from the authors.

Zooming out is easy to say and hard to do. The UBS Global Investment Returns Yearbook is a reminder of what works over the long-term.

Mark Lamonica

In this week's edition...

With the upcoming budget increasingly likely to include bold proposals to alter the tax code Mark outlines [three incremental steps](#) with fewer unintended consequences.

Two opposing views on the impact of the war against Iran. **David Tuckwell** from ETF shares explores the [secondary inflationary impacts](#) of higher oil prices and concludes mortgage holders should be prepared for higher rates. **Ashley Owens** believes the war is another ['get out of jail free card'](#) for politicians.

Investors looking for income should consider global infrastructure as yields are in the upper half of their historic range. Better yet, **Edmund Leung** believes there is room for [dividends to grow](#).

With new leadership taking over in Japan, **Leon Rapp** outlines the [challenges facing the country](#).

One driver of gold's run is the shift in worldwide central bank policy with an emphasis on [gold reserves over US Treasuries](#). **Francisco Barillas Bedoya** looks at the impact of this trend.

Can economic development be measured in terms of social progress? **Kevin Fox** looks at this [emerging trend](#).

This week's [white paper](#) from **Fidelity** explores four key levers that could help equity investors manage the challenges posed by geo-economic fragmentation, sustainability risks, AI, and market concentration.

3 ways to defuse intergenerational anger

Mark LaMonica CFA

Intergenerational bickering continues and with over 50% of voters in the Gen Z and Millennial cohorts, Canberra is listening to the grievances from young Australians.

Allegra Spender the independent member for Wentworth released a 75-page tax reform white paper and Treasurer Jim Chalmers has announced there will be significant tax changes included in the budget.

Proposing bold plans gets media attention but that doesn't mean radical change is the best way to address concerns in different parts of the electorate.

The generational dispute

For young voters the narrative is clear. Housing prices are being boosted by entrenched tax incentives that benefit older homeowners while pricing new homeowners out of the market.

[Register here to receive the Firstlinks newsletter for free](#)

Meanwhile stubborn inflation and stagnant wages are lowering living standards while assets overwhelmingly owned by older Australians continue to appreciate.

Conversely, older generations feel attacked for simply having done the right thing by saving, investing and building equity in their homes. Now the rules are being changed after they've gone down a prescribed pathway.

On better days it is an informed debate about the best approach. On other days selfish and lazy are lobbed back and forth between younger and older Australians.

Firmly entrenched in middle age I can understand and sympathise with the frustration of both sides. As an incrementalist at heart, I'm less inclined to support radical changes to tax law. Given the complexity of incentive structures these radical changes often prove counterproductive.

I've proposed three changes that could help over the long-term and might assuage some of the generational anger as conditions change. However, none of these changes will address the source - property prices.

For many young people my proposal won't be enough. But the only way to make housing more affordable is to make a concerted effort to lower prices. That takes a good deal of political will, and as New Zealand has demonstrated a recession will likely follow. A long recession won't help any generation.

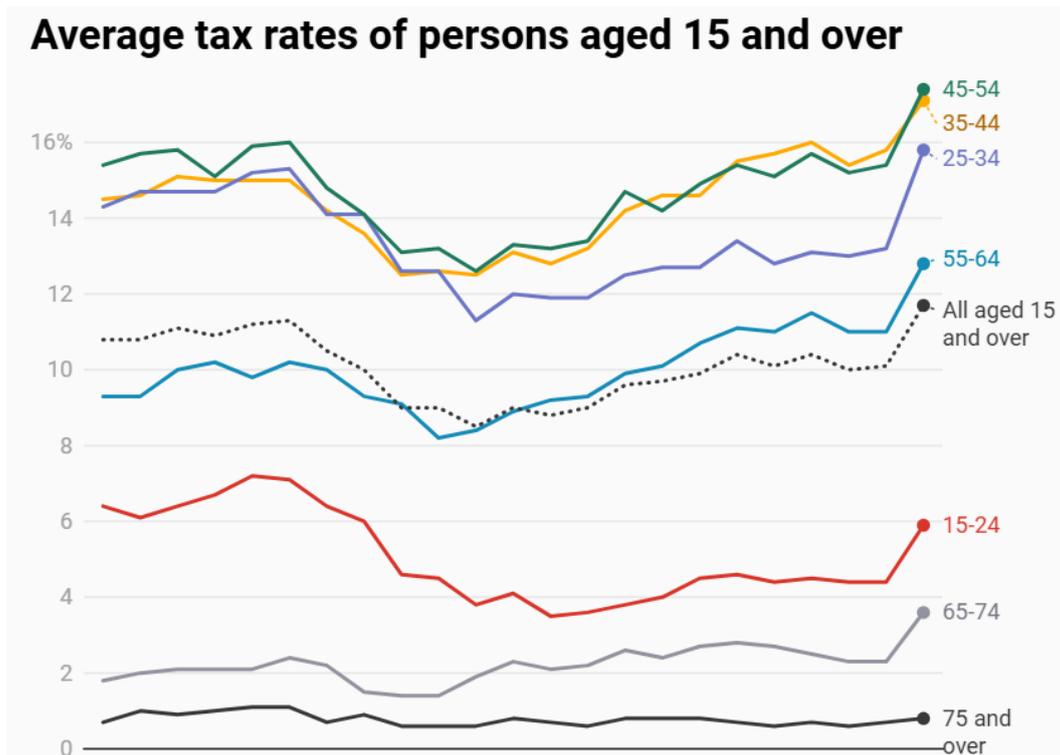
Index income taxes

The age pension and the general transfer balance cap for super pensions are both indexed to inflation. This makes sense as it protects retirees from rising prices and maintains the inflation adjusted value of one of the central tax benefits of super.

What isn't indexed to inflation are the marginal tax brackets that determine how much working Australians get to keep from their salaries. Even if salary growth keeps up with inflation working Australians are worse off on an inflation adjusted basis.

Bracket creep disproportionately impacts Australians that are in the prime of the careers with 35- to 54-year-olds paying the highest average tax rates.

The following charts shows the average tax rate between 2001 and 2023 from the Household, Income and Labour Dynamics in Australia (HILDA) survey.



Not having marginal tax rates indexed to inflation provides two benefits to the government. It is a stealthy way of increasing government revenue without announcing new taxes. It also provides the ability to announce 'tax cuts' which are popular with voters even if they are simply retrospective corrections for bracket creep.

Since 2011 successive governments have chosen to use salary inflation to increase revenue. There has been a steady increase in the average tax rates despite three 'tax cuts' which occurred in 2012 / 2013, 2020 / 2021 and 2024 / 2025.

Against this backdrop of bracket creep wages are growing slower than inflation – especially for private sector workers whose wage growth has fallen behind the public sector.

Does indexing solve all the issues? Not even close. But it is a simple step that applies a consistent approach to working age and retired Australians. It also aligns Australia with the globe as 60% of OECD countries have indexation built into their tax laws.

Rental protections

The focus of much of the generational anger centres around housing. I recently covered the folly of trying to make housing more affordable without resorting to policies designed to bring house prices down. A deliberate attempt to reduce property prices is politically perilous which makes it unlikely anything meaningful will happen.

Stronger rental protections could be an easier way to enact a middle ground measure. Many Australians view housing as a pathway to building wealth but home ownership also provides peace of mind and security. Many renters have less financial security and protecting them is worthwhile.

I don't ever envision Australia looking like Germany where over half the population rents but capping annual rent increases and facilitating longer term leases could bring more security to many Australians.

Eliminating negative gearing is popular with a portion of the electorate. While this may lower property price appreciation it would likely result in higher rents. Adding stronger rental protections is a way to support the most vulnerable Australians in exchange for the benefits already bestowed on investment property owners. This seems like a compromise that many Australians would back.

Grandfathered changes to the age pension

The age pension is vital to the welfare of many retired Australians. Today's retirees didn't have compulsory super for much of their careers and I'm not suggesting making changes for any current retirees or anyone close to retirement.

However, at this point compulsory super has been around for 34 years. It took years for the contribution rate to become meaningful but as the next generation retires, there is the opportunity to change the eligibility criteria for the age pension. Announcing changes early will allow people to plan adequately for retirement.

The change I'm suggesting is to no longer ignore the value of the primary residence in the means test for the pension. In a country where so much wealth is tied up in housing it makes little sense to completely exclude the primary residence from the means test.

There are several ways this could be done. Only a portion of the value of a primary residence above a certain value could be included in the means test and provisions could be made based on the property prices in the area a house is located.

The goal should be eliminating the perverse incentives where wealth remains trapped in homes during retirement while taxpayers foot the bill for day-to-day expenses of retirees. Those homes are then passed tax free to heirs.

In some cases the exclusion of housing in the age pension means test is part of an estate planning strategy. The financial advice industry provides guidance to this end. This is legal but changing the incentives can lead to better outcomes for the country.

Retirees have contributed years of taxes to fund the pensions they are collecting but as a society we all need to determine if there is a better way to spend the \$65 billion that goes to the pension annually. The age pension is the second largest government expenditure and makes up nearly 8% of the budget.

I know this is a bitter pill to swallow for many and this is the most extreme of the policy changes I've proposed. The goal is not to take homes from people but instead to recognise the value of the wealth held in homes and extract it to support retirement through measures like a reverse mortgage.

If done thoughtfully it can be used to lock in other parts of the retirement system like the current tax incentives in superannuation which are in the political crosshairs.

There are two ways to lower the disparity in tax rates across the age spectrum. One is to raise taxes on super, eliminate negative gearing and increase capital gains taxes. That seems to be the route the government is going down. The other is to find ways to fund tax reductions for struggling working age Australians. To do that in a fiscally responsible way means finding the money to offset tax reductions. The age pension is one way to do that.

Final thoughts

Not everybody will agree with what I've proposed. Any change in government policy generally favours some voters and disadvantages others. That is just life.

The longer the status quo persists which a major portion of the electorate deems untenable the more radical the eventual policy response. Now is the time to start taking steps to address the grievances of young Australians.

Mark LaMonica, CFA, is Director of Personal Finance at Morningstar Australia.

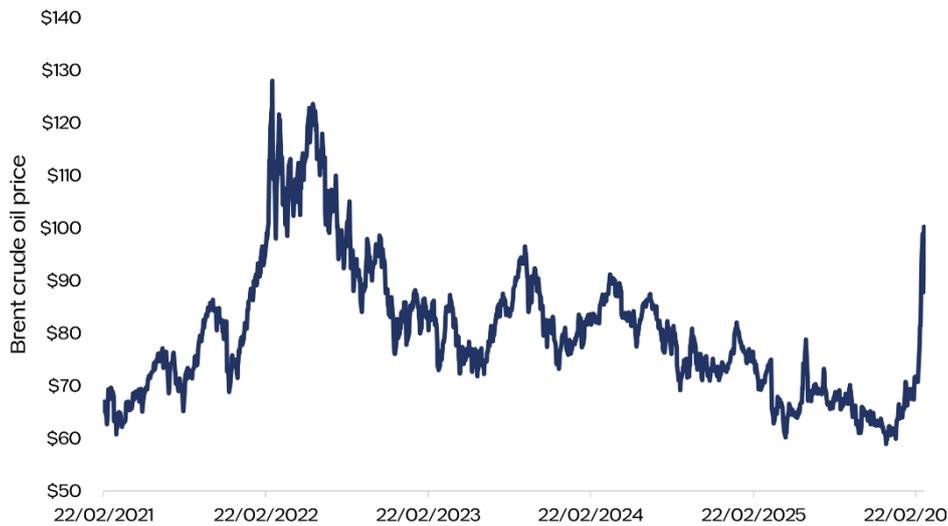
Why an extended US-Iran war will punish mortgage holders

David Tuckwell

For all the talk of energy transitions, oil and gas markets remain at the centre of the global economy.

When oil and gas are cheap, inflation is low and growth is strong. When they rise sharply, the opposite usually follows.

Brent crude oil prices have shot up to US\$100 again



Source: Bloomberg. Data as of 12 March 2026

That matters for Australia because oil and gas are becoming more expensive as the US escalates its war with Iran.

Reflecting this, banks are raising their inflation forecasts and trimming their growth outlook.

That is about to matter in a big way for Australian households – especially mortgage holders, as high inflation forces central banks to keep interest rates higher for longer.

Why oil matters so much for inflation

Some conservative political commentators claim high oil prices are being used as a scapegoat for local inflation.

But oil and gas prices truly do have an outsized impact on inflation.

Petrol alone accounts for roughly 3% of CPI. Electricity and gas add several percentage points more. In total, energy-related components typically make up around 6–8% of the inflation index directly (exact numbers differ quarter to quarter).

That may sound modest, but what people often miss are the indirect impacts. Energy prices show up elsewhere through second-order effects.

Plastic is one example. Plastic comes from crude oil, and it appears everywhere in the modern economy: children’s toys, refrigerators, medical equipment such as syringes. When oil prices rise, these costs rise too.

Food is another example. Agriculture depends on fertiliser, which is produced using natural gas through the Haber process. Higher gas prices therefore raise fertiliser costs and ultimately food prices.

Transport and freight is another channel. Everything in the supermarket has travelled there by truck, ship or plane, meaning fuel prices ultimately feed into shelf prices.

Economists estimate that a sustained US\$10 increase in oil prices can add roughly 0.2–0.3% to inflation in developed economies. If oil rises from US\$80 per barrel to US\$100 and stays there, the impact on inflation could approach 1% over time.

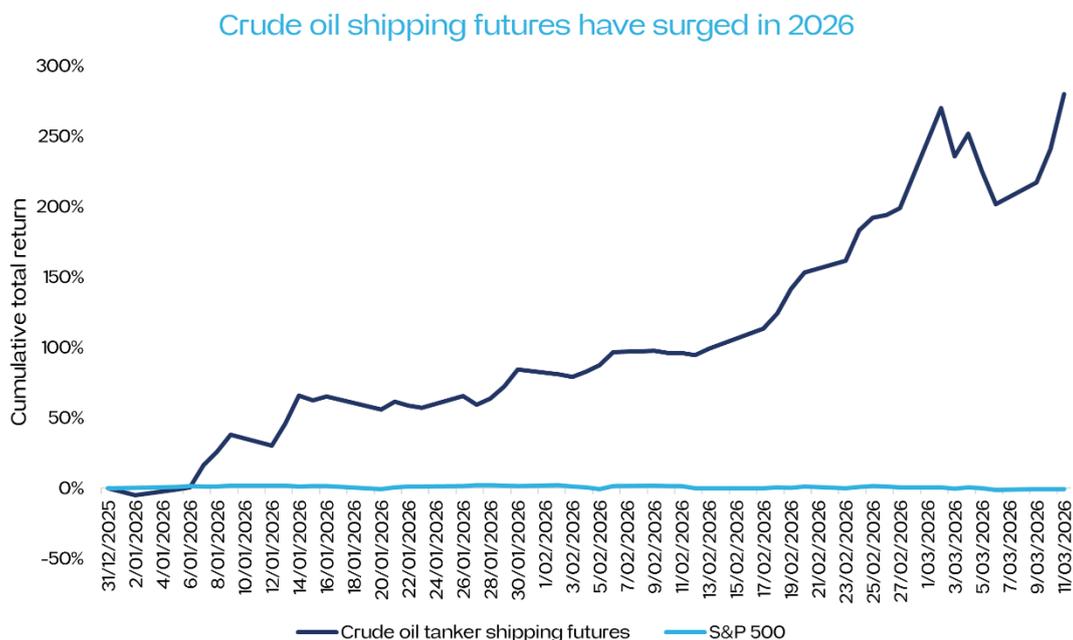
For a country already struggling to bring inflation back to target, that is significant.

The strategic importance of the Strait of Hormuz

The reason oil and gas markets – and inflation expectations – have reacted so strongly to the war with Iran is geography.

About 20% of global oil and gas supplies pass through the Strait of Hormuz, making it (along with the Strait of Malacca near Singapore) the most important chokepoint in global commerce.

Tehran knows this and has made targeting the Strait with mines, drones and missiles central to its campaign.



Source: Bloomberg. Data as of March 2026

Major shipping companies such as Maersk have stopped sending vessels through the Strait altogether. Crude oil tanker shipping futures have surged more than 250% in 2026 as of 12 March, making them the best-performing asset class of 2026 so far.

Meanwhile, oil futures are now in a structure known as backwardation, which can create negative medium-term consequences.

Backwardation simply means the price of oil today is higher than the price for delivery months or years in the future.

This creates a strong incentive for traders to sell oil immediately rather than store it. And it is happening at the same time governments are drawing down strategic reserves.

The result could be a market with fewer reserves available as both governments and private traders sell down inventories.

How long will the war last?

Complicating matters further is that no one knows how long the war will last or what the medium-term need for reserves may look like.

Political leaders rarely announce they are embarking on a long war.

When the First World War began in 1914, many leaders said it would be over by Christmas. It ultimately lasted four years. When George W Bush began the war in Afghanistan in 2001, few imagined it would last two decades.

Statements from figures close to Donald Trump – such as Israeli prime minister Benjamin Netanyahu and US defence secretary Pete Hegseth – suggest the current conflict could persist for some time.

Middle East Wars and Their Consequences on Oil			
Conflict	Year	Duration	Oil Price Result
Suez Crisis	1956	~4 Months	Spiked ~10-15%.
Six-Day War	1967	6 Days	Brief Spike
Yom Kippur War	1973	19 Days	Quadrupled from ~\$3 to ~\$12/bbl.
Iranian Revolution	1978	~1 Year	Doubled from ~\$14 to ~\$35/bbl by 1980.
Iran-Iraq War	1980	8 Years	Initial Spike.
Persian Gulf War	1990	7 Months	Doubled, then came down
Iraq War	2003	8+ Years	Sustained Rise. Contributed to the 2000s bull run; prices eventually hit \$147 in 2008.
Libyan Civil War	2011	~8 Months	Increased, pushed Brent over \$120/bbl.

Source: Wikipedia, Bloomberg. Data as of March 2026.

Markets therefore face uncertainty not just about the timeline of the war, but also about how it might end. Diplomatic breakthroughs can arrive suddenly or gradually, peacefully or violently.

For central banks, that uncertainty itself becomes a problem.

The squeeze on Australian households

For Australian households, inflation was already elevated at the start of the war.

Immigration policy has been a major driver. Despite widespread public concern, migration numbers have remained far higher than domestic housing supply can sustain. As a result, rental vacancy rates have fallen, and rents have risen sharply across major cities.

Rent is a large component of CPI – larger than energy itself. Rising rents therefore push both inflation and the RBA's cash rate higher.

Higher oil prices and strong immigration together mean the two main inflation drivers – energy and shelter – could be rising simultaneously in 2026. That creates a headwind for living standards across the mortgage belt.

How should investors think about this?

Within this bleak picture, investors may wonder if there is anything they can do.

One approach might be ASX upstream oil and gas producers. They make more money when oil and gas prices rise.

Choices are limited though. In Australia, like other parts of the world, oil and gas production is dominated by a small handful of companies.

Woodside and Santos are the largest by far. After them, only Beach and Karoon Energy have market capitalisations above \$1 billion. After that, it is a pool of more small speculative developers like Horizon Oil and Carnarvon Energy.

Largest Upstream ASX Listed Upstream Energy Producers				
Company Name	Ticker	Market Cap (AUD)	Annual Production (MMboe)	Primary Producing Basin(s)
Woodside Energy Group	WDS	~\$60.0B	198.8	Carnarvon, Browse, GOM, Senegal
Santos Limited	STO	~\$23.0B	87.7	Cooper, Carnarvon, PNG, Gladstone
Beach Energy	BPT	~\$2.5B	19.7	Otway, Cooper, Perth, Bass
Karoon Energy	KAR	~\$12B	10.3	Santos (Brazil), Gulf of Mexico
Amplitude Energy ¹	AEL	~\$770M	4.4	Gippsland, Otway, Cooper
Strike Energy	STX	~\$700M	15	Perth Basin
Tamboran Resources	TBN	~\$350M	0	Beetaloo Basin
Horizon Oil	HZN	~\$260M	16	Beibu Gulf (China), Maari (NZ)
Carnarvon Energy	CVN	~\$125M	0	Bedout (Dorado Project)
Cue Energy Resources	CUE	~\$110M	0.6	Mahato (Indo), Maari (NZ), Amadeus
Comet Ridge	COI	~\$110M	0	Bowen Basin (Mahalo Hub)
Central Petroleum	CTP	~\$50M	0.8	Amadeus Basin

Source: Wikipedia, Bloomberg. Data as of March 2026.

Both Woodside and Santos sell oil and gas under long-term contracts linked to global energy prices.

This means rising oil prices tend to push their revenues and share prices higher.

That means the companies' shares can act as something of a hedge against rising energy prices for Australian investors. Their dividends typically rise when oil and gas prices are higher too.

Even households that do not own energy stocks may see some relief from ASX producers.

East coast gas prices largely follow international markets. But the Australian government retains the power to force producers to sell domestically at discounted prices, as it did in 2022 following Russia's invasion of Ukraine.

Oil is different. Australia produces little crude oil and is almost totally dependent on imports.

The only major lever available to the government – via the RBA – is the exchange rate. Because oil is traded globally in US dollars, a stronger Australian dollar reduces the local currency cost of buying oil.

Conclusion

There is a risk the US-Iran war becomes a large income transfer from energy consumers to energy producers, and from borrowers to lenders.

An extended conflict could place further pressure on Australian household finances.

For investors, ASX oil and gas companies may offer a partial natural hedge. But for the broader economy, it would be far better if the war ended quickly and peacefully.

David Tuckwell is the Chief Investment Officer at [ETF Shares](#), a sponsor of Firstlinks. He is also a journalist and researcher specialising in finance and international politics.

Disclaimer: This article is issued by ETF Shares Management Limited (“ETF Shares”) (ABN 77 680 639 963, AFSL: 562766) and ETF Shares is solely responsible for its issue. Under no circumstances is this article to be used or considered as an offer to sell, or a solicitation of an offer to buy, any securities, investments or other financial instruments. Offers of interests in any retail product will only be made in, or accompanied by, a Product Disclosure Statement (PDS) and target market determination (TMD) available at www.etfshares.com.au.

Don’t forget the yield

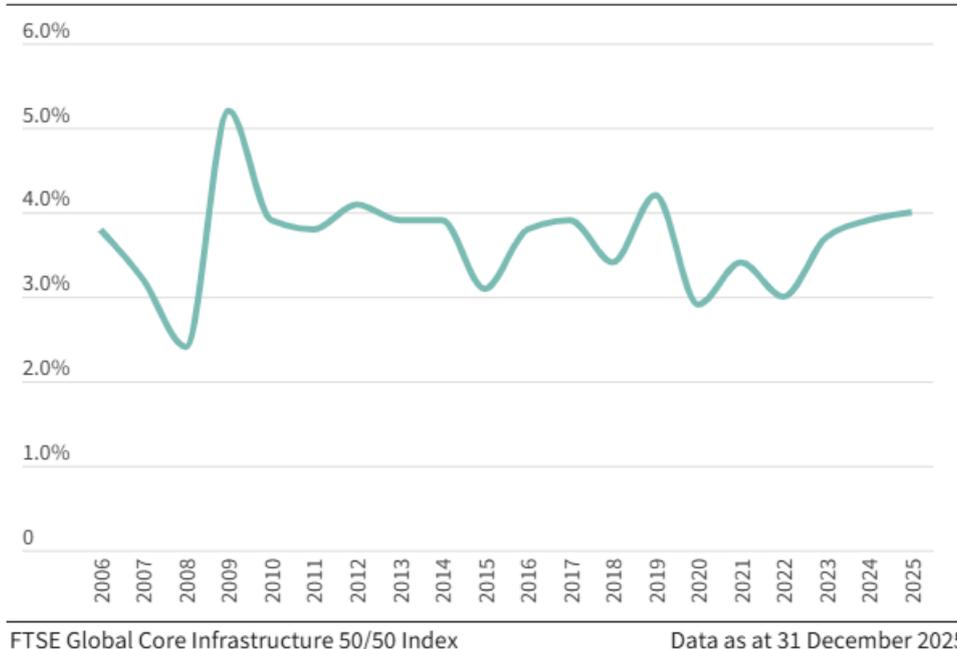
Edmund Leung CFA

GLI dividend yields attractive in absolute terms and relative to history

For over twenty years, the global listed infrastructure asset class (GLI) has consistently generated dividend yields in the 3%-4% range. As valuation multiples have declined in the past few years, dividend yields have expanded into the upper half of this range.

The sustainability of these returns remains underpinned by stable demand for infrastructure, established cash-generative business models and sensible dividend payout ratios¹. With the US and UK economies expecting further interest rate reductions in 2026, this should support the appeal of GLI dividend yields going forward.

GLI dividend yield



Dividends have ample scope to grow (not fixed coupons)

Whilst the headline dividend yield is attractive, the more exciting aspect is that rather than remaining fixed, like most bond coupons, asset class dividends have scope to grow over time. There are multiple facets to dividend growth: organic earnings growth (including inflation-linkage), increasing payout ratios, and the possibility of special dividend payments.

Organic earnings growth

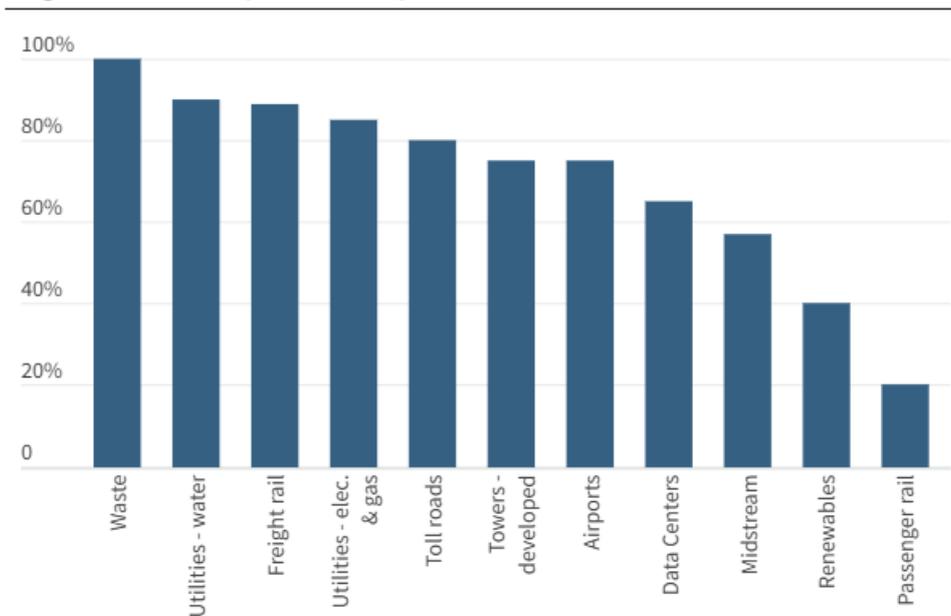
The First Sentier Investors Global Listed Infrastructure team’s definition of infrastructure includes sustainable growth alongside pricing power, high barriers to entry and predictable cash flow. The ability to grow earnings steadily over time, with less sensitivity than general equities to the broader economic cycle, is a key characteristic of GLI and one that we find most compelling about the asset class.

Growing demand for infrastructure services comes from myriad sources; electricity network upgrades for electrification and decarbonisation, exponential growth in power demand from artificial intelligence (AI) training and inference, the increasing popularity of air travel from rising disposable incomes and shifting consumption preferences, and mobile data demand growth to name a few.

Many infrastructure assets have explicit links to inflation through regulation, concession agreements or contracts. Other assets without an explicit link often have the pricing power to deliver similar (or better) outcomes. This reflects their strong strategic position which limits competition.

We estimate that over 70% of the assets we invest in have the ability to pass inflation through to the end-customer.

Degree of inflation protection by sector



Source: First Sentier Investors

As at 31 January 2026

Combining these volume and pricing drivers with essential service, hard-to-replicate business models means that this top-line growth typically translates to earnings, cashflow and ultimately dividend growth. Regulated utilities and selected toll road companies provide good examples of this dynamic, with visible and resilient earnings growth coupled with plans to increase dividends over time. For example, the UK regulated utility sector aims to grow dividends by inflation on a yearly basis. As such, dividends form an important part of the total return proposition for many companies in these sectors.

In aggregate, we anticipate GLI dividends will grow at an annualised rate of approximately 5% to 6%² over the next two years.

Increasing payout ratios

Directional improvements in corporate governance and an increased focus on shareholder value have supported an expansion of dividend payout ratios over time. Japanese and Chinese stock markets have been relatively recent adoptees of these practices. As a result, we have seen Japanese passenger railway operators (East Japan Railway's dividend payout ratio from 30% in FY25 to 40% by FY28) and the largest listed Chinese tower company (from 72% in 2022 to 76% in 2024) grow their payout ratios in the past few years. Looking forward, we expect Japan Airport Terminal and perhaps Beijing Airport to improve their respective shareholder return policies.

As infrastructure sectors mature and transition from an inorganic growth phase to predominantly organic growth drivers, we see scope for companies to increase shareholder returns as they work to optimise their balance sheets. Developed market towers are a prime example of this, with European operators setting multi-year dividend growth targets of between 5% and 7% per annum. American Liquefied Natural Gas export terminal pioneer Cheniere Energy has committed to growing its dividend by 10% per annum until the end of the decade. Targeting a very modest 20% payout ratio, we believe this growth rate could be expanded as additional trains³ complete construction and start to generate cash flows.

Lastly, as airports complete large and lumpy expansion projects, they enter a free cash flow cycle and become increasingly prone to increasing dividends. For example, in March 2025, Zurich Airport expanded its payout ratio from 40% of net profit to 50% with a further 25% payout if leverage drops below certain thresholds. Looking ahead, as German airport operator Fraport nears completion of the new Terminal 3 at Frankfurt Airport, the company is considering resuming dividend payments in 2026.

Special dividends

While – by their very definition – not as enduring as normal dividends, special dividends have a role to play in the GLI capital return toolkit, enabling companies to generate shareholder returns without reducing liquidity in the way that share buybacks can. It was pleasing to see Mexican airport, ASUR, return value to shareholders by paying an extraordinary dividend in early 2025.

Sometimes associated with asset disposals, special dividends give management teams the flexibility to reduce excess capital without committing to unsustainable payouts over longer time frames. The recent sale of port assets by Mexican transport infrastructure operator PINFRA, and the anticipated merger of Chinese gas utility ENN Energy, if completed, should see significant special dividends being paid by both companies.

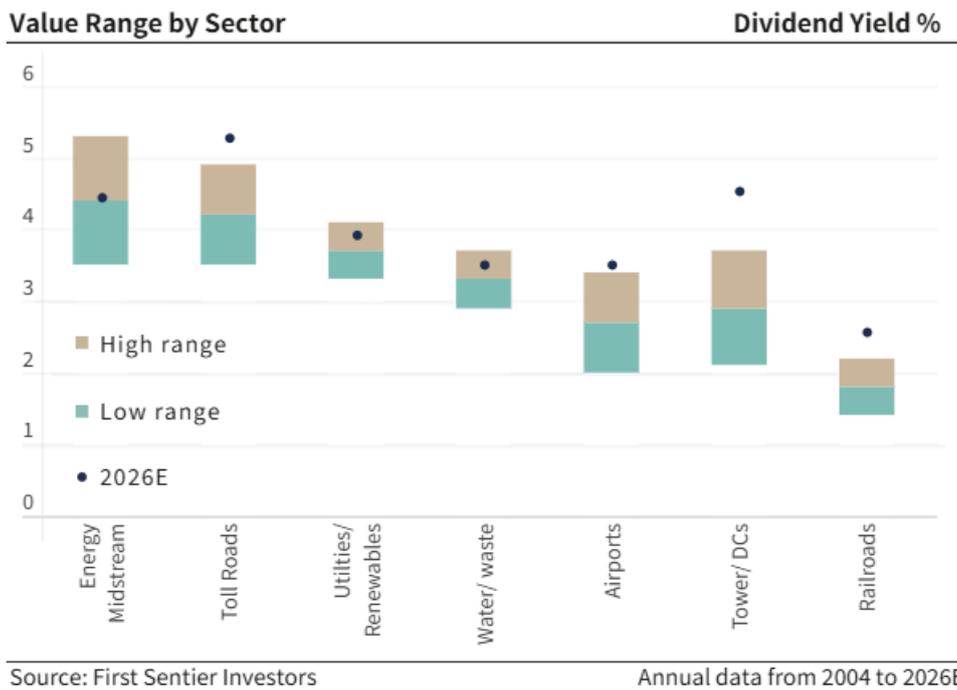
Buybacks are the cherry on top

We believe the headline dividend yield doesn't adequately reflect, and in fact understates, the remuneration available to global listed infrastructure shareholders. Buybacks or share repurchases are the icing on the cake in the capital management toolkit of management teams looking to opportunistically or programmatically return capital to shareholders.

Frustratingly, they do not appear in the form of dividends (or income), which we appreciate are important for many investors. Buybacks typically boost earnings per share or cashflow per share which supports the total return. As fundamentals-focused, bottom-up investors, we are generally indifferent between return of capital via dividends or through buybacks: we love both! We think buybacks make

sense when listed companies trade at a discount to intrinsic value or when there is a lack of compelling risk-adjusted capital investment opportunities.

Conceptually, non-utility infrastructure companies are well placed to return capital over time: large upfront capital investment into an asset that offers an essential service followed by a multi-year period of free cashflow harvesting. Within the GLI opportunity set, energy midstream, toll roads and towers provide particularly good examples of assets with low maintenance capex needs (and hence high free cash flow).



In line with this approach, US towers have established multi-billion-dollar buyback authorisations. SBA Communications and American Tower opportunistically repurchased shares in 2025, with a planned buyback from peer Crown Castle expected to follow. SBA has repurchased approximately 2.5% of Shares on Issue per annum over the past decade. Natural Gas Liquids infrastructure provider Targa Resources uses a combination of buybacks and dividends to form their shareholder remuneration.

Furthermore, in the most economically-sensitive sectors of GLI – freight railroads and waste management – buybacks form a large part of the return equation whilst offering flexibility to buffer against fluctuations in freight demand. While North American railroad dividend yields and payout ratios have been (relatively) low historically; share repurchases have regularly occurred over the past decade, typically representing between 3% and 5% of Shares on Issue per annum. Periods where this has not occurred have been after company-defining acquisitions such as the merger of Canadian Pacific and Kansas City Southern in 2023 and the recently-announced merger between Union Pacific and Norfolk Southern. With Union Pacific forecasting a resumption of buybacks in 2028, we eagerly anticipate this trend continuing.

Japanese gas utilities’ greater focus on capital efficiency and Return On Equity targets have seen the three largest listed stocks initiate or upsize buyback programs in the past two years. The size of the annual buybacks have been multiples of their dividend payments, which reinforces our belief that dividend yield is not the only metric by which shareholder returns should be measured.

Conclusion

Healthy shareholder income underpins the total return proposition of global listed infrastructure. With a dividend yield in the upper half of the historic 3%-4% range and growing owing to earnings growth, inflation linkage and improving capital efficiency, alongside potential share buybacks, we believe GLI's income is well worth considering.

¹ The proportion of a company's earnings that is paid to shareholders as dividends

² Simple average of GLI universe, 2026-27, Bloomberg

³ LNG trains are large-scale processing units that cool and condense natural gas into a liquid.

Edmund Leung, CFA is a Senior Portfolio Manager, Global Listed Infrastructure at [First Sentier Investors \(Australia\) Ltd](#), a sponsor of Firstlinks. This material contains general information only. It is not intended to provide you with financial product advice and does not take into account your objectives, financial situation or needs.

For more articles and papers from First Sentier Investors, please [click here](#).

Iran war hands politicians free ticket to blame oil prices for inflation

Ashley Owen

The new war in Iran is about to hand politicians yet another 'get out of jail free card' – to blame rising oil prices for inflation, diverting attention from the real causes of persistent inflation: loose fiscal policies (spending sprees financed by deficits and rising debts), loose monetary policies (low nominal and real interest rates), plus some pre-existing supply constraints.

Politicians of all flavours to this day still universally blame the 1970s inflation and stagflation on the oil shocks in 1973-74 (Yom-Kippur war/OPEC embargos) and 1979 (Iranian revolution).

They also routinely cite rising energy prices following Russia's invasion of Ukraine in 2022 as a main cause of the post-Covid stimulus inflation.

The problem is that inflation was ALREADY high and rising well BEFORE each of these oil shocks.

Today's charts show oil prices, annual CPI inflation rates in USA, UK and Australia before, during, and after the three 'oil shocks' that are universally but incorrectly blamed for inflation, plus the current situation.

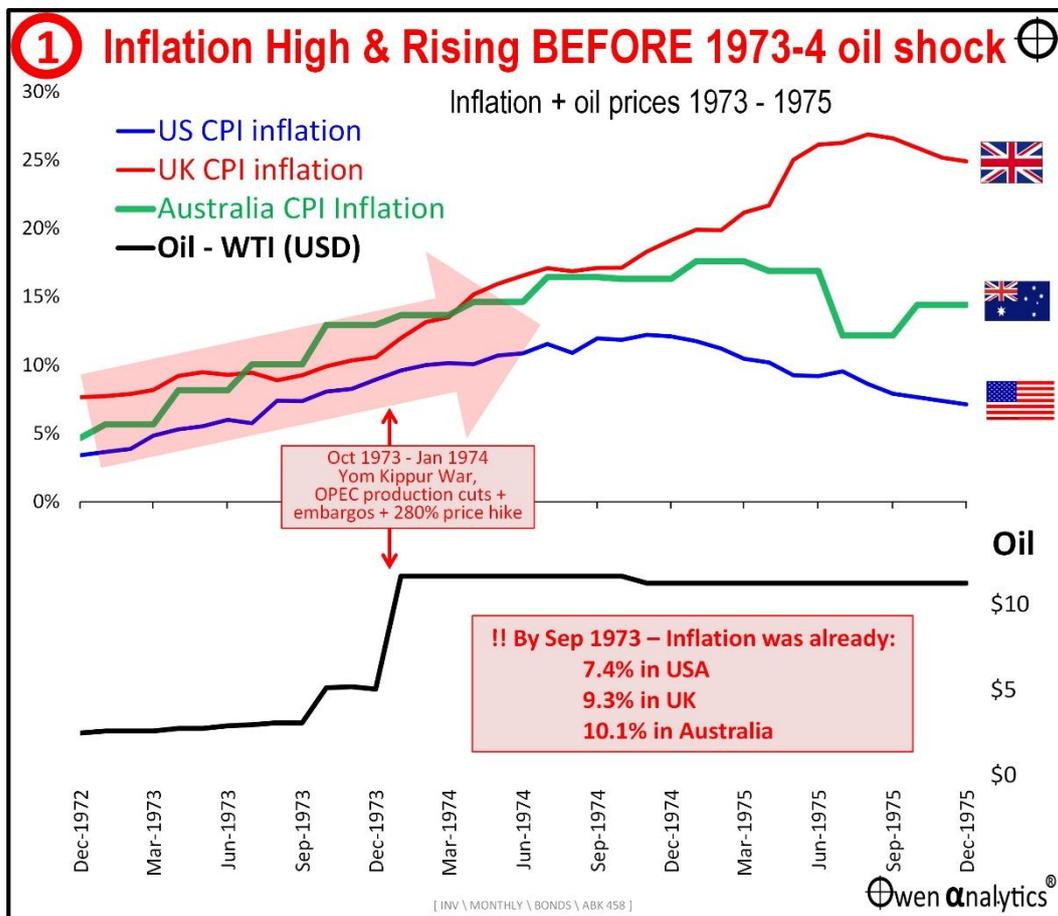
Here are the facts about oil prices and inflation:

1973-74 oil shock

The main events included:

- The 'Yom Kippur' War (6-25 October 1973) in which Arab states led by Egypt and Syria (and backed by USSR) attacked Israel (backed by US) to try to win back territory seized and occupied by Israel in the 1967 'Six-day war'.
- From 17 October to January 1974 – several initiatives by Saudi Arabia and other OPEC members to cut production, raise prices, and impose embargoes on US in retaliation for US backing Israel.

As a result of these measures, the benchmark oil price quadrupled from US\$2.90 to \$11.65. Here is what happened to oil prices and inflation before, during and after the crisis:



Impact of the oil price spike on inflation? Only a late contributor, NOT the primary cause. By September 1973 (before the oil shock), inflation was already running at very high and rising levels:

- 7.4% in USA
- 9.3% in UK
- 10.1% in Australia

The main reasons for rising inflation in the early 1970s included rising government spending from the mid-1960s (including tax-cuts, 'nation-building', social infrastructure, Vietnam War spending), some very

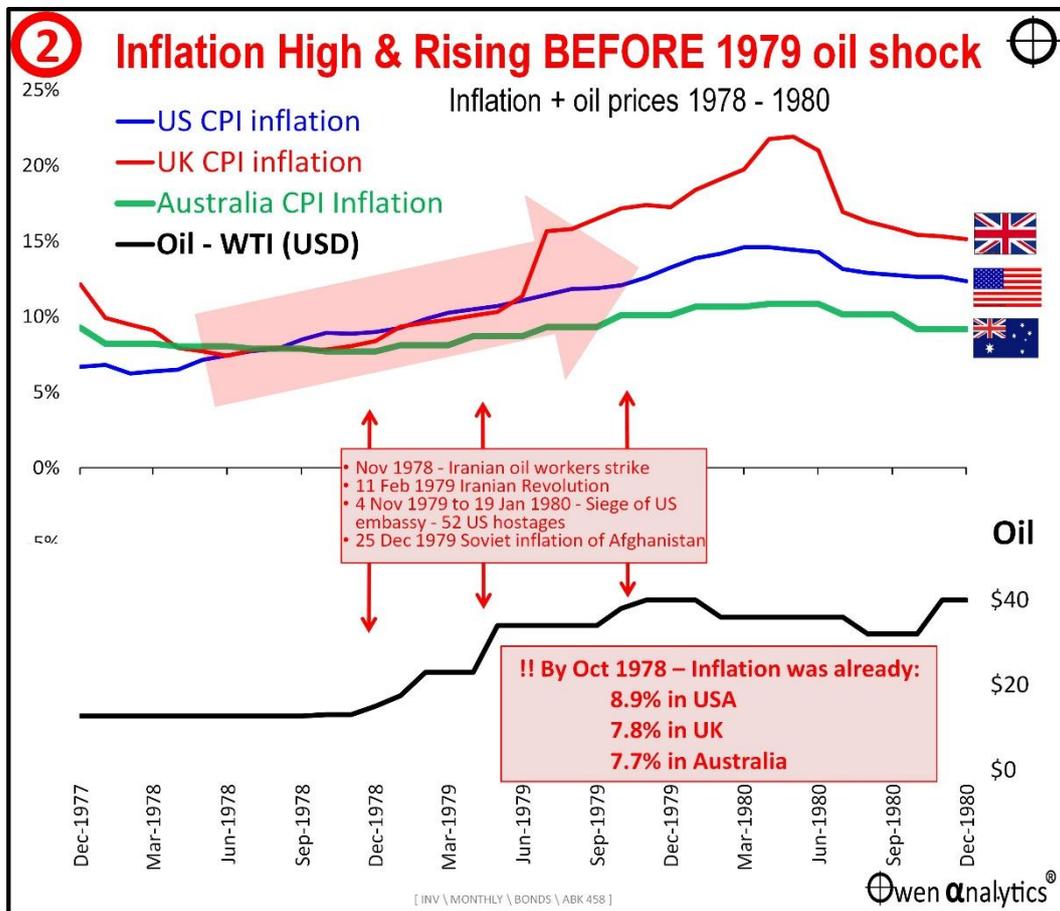
poor and counter-productive policy responses to inflation in the early 1970s, and some monetary policy errors.

1979 oil shock

The main events in the late 1970s oil shock included:

- November 1978 Iranian oil worker’s strike.
- 11 Feb 1979 – Iranian Revolution, resulting in the overthrow of US/UK backed Shah of Iran (House of Pahlavi, which had ruled since 1941), and replaced Ayatollah Khomeini’s Islamic Republic.
- 4 Nov 1979 – Tehran students’ siege of US embassy, taking 52 US hostages who were finally rescued 444 days later on 19 Jan 1981 after several failed and costly attempts by the US.
- 22 Sep 1980 – Iraq (Saddam Hussein) invades Iran to capitalise on the revolutionary turmoil in Iran.

Here is what happened to oil prices and inflation before, during and after the crisis:



Impact of the oil price spike on inflation? Only late a contributor, NOT the primary cause. By October 1978 inflation was already running at:

- 8.9% in USA
- 7.8% in UK
- 7.7% in Australia

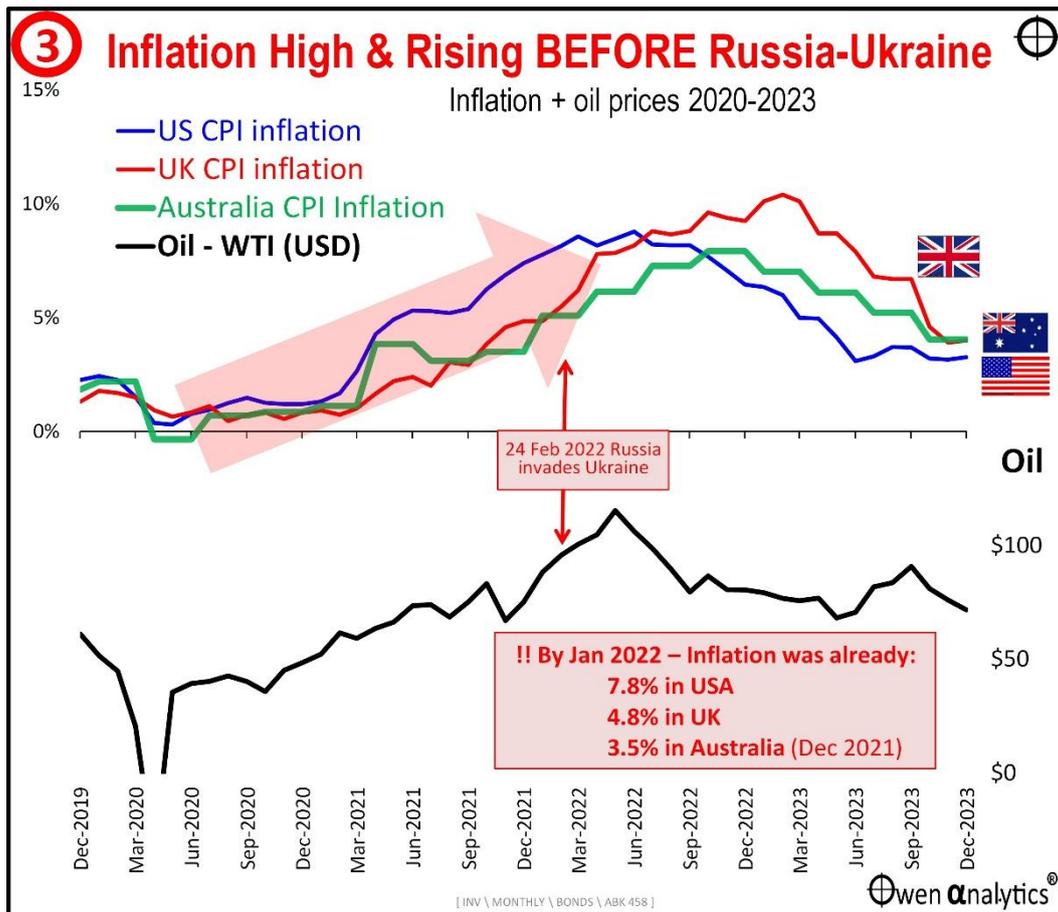
Once again, the real causes of the 1970s inflation and stagflation (simultaneous inflation and low economic growth) had their roots in the rising government spending from the mid-1960s, poor/counter-

productive policy responses to inflation from the early 1970s, and monetary policy errors throughout the 1970s until the appointment of new Fed Chair Paul Volcker in August 1979.

2022 Russian invasion of Ukraine

Likewise, inflation was already running out of control by the end of 2021, which was BEFORE Russia invaded Ukraine (February 2022).

Here is what happened to oil prices and inflation before, during and after the crisis:



Impact of the oil price spike on inflation? Only a later contributor, NOT the primary cause. By December 2021 which was BEFORE Russia invaded Ukraine (24 February 2022), inflation was already running at:

- 7.4% pa in USA (and annualised quarterly rate of 9.8% pa)
- 5.4% pa in UK (and an annualised quarterly rate of 9.4% pa).
- 3.5% pa in Australia (and an annualised quarterly rate of 5% pa).

Each of these were well above target ranges already. Nothing to do with Russia.

The post-Covid inflation was the result of ultra-loose fiscal policies (governments throwing money at anything that moved, running up wartime-like deficits and debts), plus ultra-loose monetary policies (central banks cutting interest rates to zero and even negative (Japan, Europe), artificially suppressing long rates with 'QE' money printing, handing out ultra-cheap loans to banks, etc).

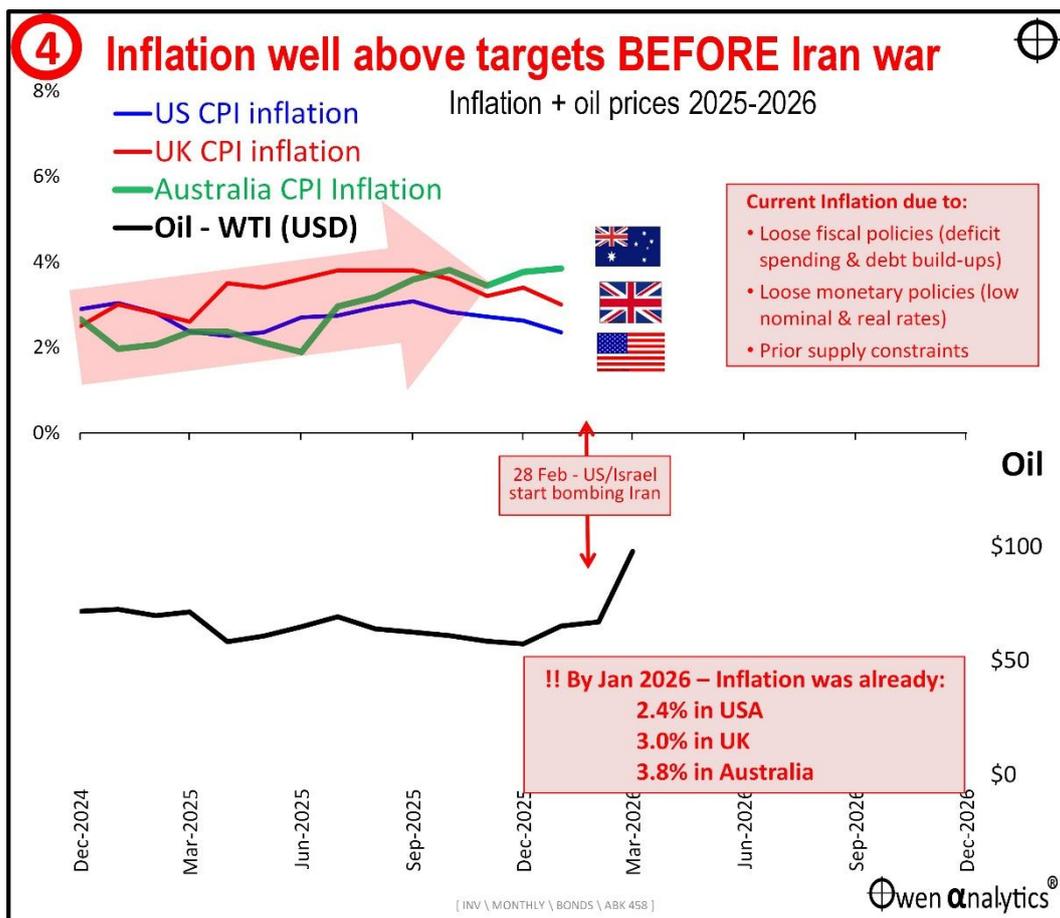
There were also supply constraints that raised prices, but they were the direct and indirect results of government policies (lockdowns, closed borders, etc).

2026 War in Iran

Here we are again with inflation running above target here and in other countries – despite oil prices declining over the prior year, and now another oil price spike is about to let governments here and everywhere divert attention from the real causes of persistently high inflation.

Oil prices had been declining during 2025 but suddenly shot up to \$120 (for one day - Sunday 8 March 2026) but quickly fell back to \$100, where it is now (13 March). This is still below the price peaks in early 2022 after Russia’s invasion of Ukraine.

Here is the current picture on oil prices and inflation:



By January 2026 (before the end of Feb 2026 start of US/Israeli bombing of Iran), inflation was already running well above target:

- 2.4% in the USA
- 3% in the UK,
- 3.8% in Australia.

And that was with oil prices falling over the previous year while inflation still remained stubbornly high.

Get ready for another barrage of lies and mis-directions that will blame the war in Iran and resultant oil price spike for rising inflation, interest rate hikes, and rising mortgage repayments.

Government ministers and even the RBA will start pointing mainly to ‘international events’ and ‘external influences’ out of their control.

Once again diverting attention from the real causes – uncontrolled, largely ill-directed, productivity-sapping government deficit spending sprees, plus still loose monetary policies (low nominal and real rates).

We deserve better!

Ashley Owen, CFA is Founder and Principal of [OwenAnalytics](#). Ashley is a well-known Australian market commentator with over 40 years' experience. This article is for general information purposes only and does not consider the circumstances of any individual. You can subscribe to OwenAnalytics Newsletter [here](#).

Japan 2026: A new PM heralds a new golden age?

Leon Rapp

In October 2025, after a string of poor election results, the Liberal Democratic Party (LDP) chose Takaichi Sanae to become Prime Minister - Japan's first female PM. Within months of her ascent, PM Takaichi went to the people and achieved a staggering result – a supermajority of more than two-thirds of the lower house. We believe her election success could underpin an increasingly confident path forward for Japan.

Japan today faces three key challenges:

- Regaining economic vitality as it emerges from an extended period of deflation
- Managing geopolitical challenges including tension with China
- Long term demographic headwinds.

Takaichi PM recognises these issues are best addressed by creating incentives for the private sector to invest and raise productivity. Her reformist policies are pro-business, with focused fiscal stimulus and a dovish approach to monetary policy.

Growing Japan's economy

Upon her appointment, Takaichi PM wasted little time, announcing a capable cabinet and several councils that are pursuing a growth agenda. Her government has unveiled reform proposals designed to encourage higher corporate capex, such as tax incentives for growth investments and R&D. These incentives set return hurdle rates of 15%, so should promote genuine growth.

To help secure supply chains, Japan's Growth Strategy Council announced a roadmap for public and private investment in 17 strategic areas including shipbuilding, aerospace, quantum computing, fusion energy, automation and AI.

Most notable is a decision to increase Japanese defence spending. The Takaichi government has committed to raising this to 2% of nominal GDP by the end of FY25 with a potential further increase to 3%. We think these policies are an evolving response to a more unpredictable geopolitical environment and mirror similar increases seen in regions like the EU.

Increased spending should generate new earnings for Japanese defence equipment companies. Indeed defence companies were one of the key beneficiaries of the ‘Takaichi trade’ – the jump back to a record high for the Nikkei 225 straight after the election result. It’s in defence that PM Takaichi is most likely to use her new supermajority to seek constitutional reform.

Japan is back

Takaichi PM’s critics have their concerns. They question how Japan will fund its investment commitments and election promises (including consumption tax cuts) given already elevated government debt. We believe these debt concerns have been overblown in the past and do not see any hurdle to Japan financing its plans.

Intriguingly, Takaichi has said that Japanese corporations should focus on raising wages rather than shareholder returns.¹

Recent corporate governance reforms championed by the Tokyo Stock Exchange encouraged companies to reward investors with share buybacks and improved dividends. Japan’s listed companies could pay out 20 trillion yen (US\$127 billion) in dividends for the year to March 2026 – double what they paid ten years ago.² This has been a key driver of Japan’s strong stock market. But do Takaichi’s comments signal a backpedaling on the governance reforms so crucial to Japan’s recent strong sharemarket performance?

Durable growth?

In a word, no. That Rubicon has been crossed and strong corporate governance is now a feature of Japan. It is uncommon to find corporates that do not take their governance obligations seriously. We think corporates will increase business investment, focusing on productivity, growth and business resilience, but not at the expense of shareholder returns.

As we’ve written before, the higher shareholder returns seen in recent years are but a prelude to the main event, namely a deep-seated reconfiguration of Japan’s industrial structure that could underpin prosperity for decades to come.

In our view, shareholder returns delivered without a long-term competitive vision are counterproductive. Therefore, boards should return excess capital to shareholders only if they can’t find compelling opportunities to invest in future growth.

We welcome higher returns, but we prefer to see firms use their capital to secure long-term growth to restructure their business portfolios, secure supply chain resilience and retrain their workforce. We think this is how Takaichi’s comments should be interpreted.

The technology opportunity - AI with fingers

As AI technologies mature, they can be deployed productively across Japanese enterprises, offsetting labour shortages and addressing bottlenecks. Production methods can move from manual to automated. This will require substantial amounts of R&D - and ingenuity.

Here we are upbeat about Japan’s prospects, given the industriousness of Japan’s workforce. Innovation drove Japan’s economic development in the 20th century, and we expect this century to be no different.

Already we are seeing promising signs that the reshoring of manufacturing has begun, implying a new virtuous cycle of capex, job creation and higher wages.

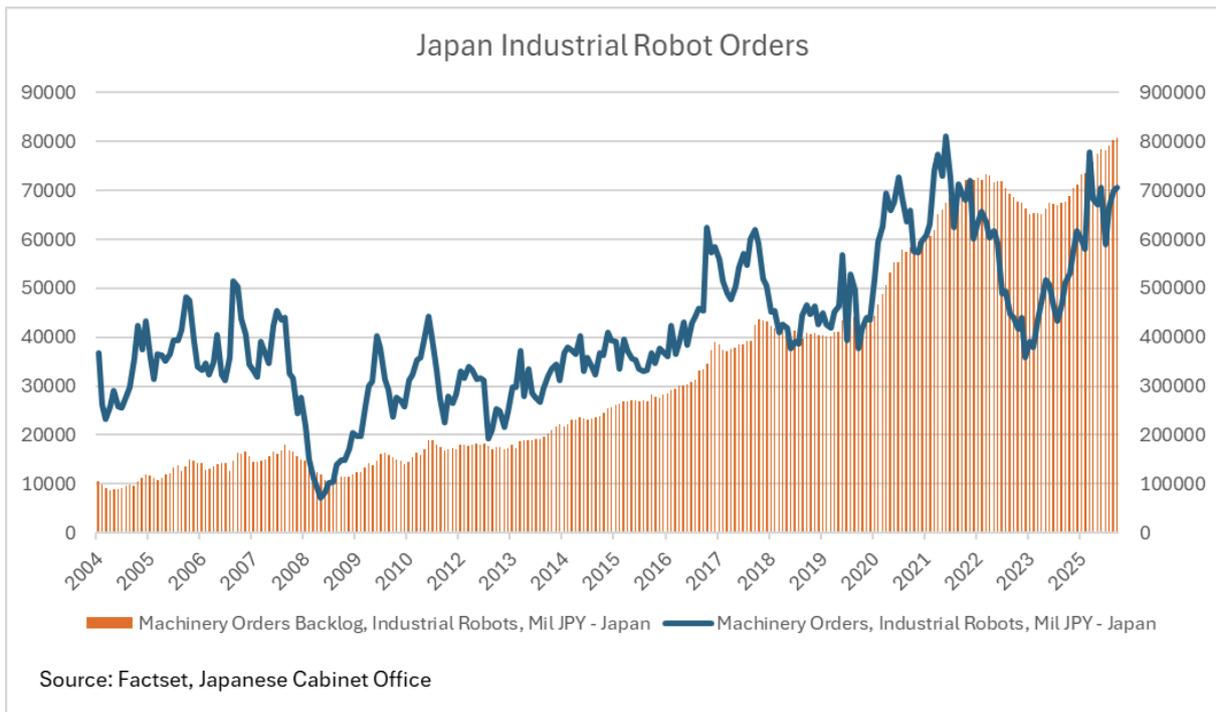
In short, the first stage of the “Japan comeback” is now ending. The newer phase - a more innovative Japan - offers the prospect of both higher and more durable growth. And that’s good news for investors.

Morning in America meets the Rising Sun

President Trump visited Japan just a few weeks after Takaichi Sanae’s elevation to PM. Japan extended a warm welcome and in return Trump confirmed closer economic and security ties (as well as acting as a booster for Takaichi during her campaign). We have written previously around how the US/Japan relationship is mutually beneficial, matching Japanese manufacturing know-how with the US drive to rebuild their manufacturing base and boosting economic growth for both countries.

The mammoth U.S./Japan Strategic Investment Initiative, whereby Japan will invest \$550 billion in US industry, is especially promising. Encouragingly, discussions are already underway on joint projects.

Japan has formidable manufacturing technology, particularly in precision applications like factory automation and robotics. (The chart below shows the growth in demand for Japan’s industrial robots).



Many commentators believe attempts to rebuild US manufacturing will flounder because the skills of its manufacturing workforce have deteriorated after decades of neglect due to offshoring. Some argue the US private sector doesn’t want to invest in manufacturing, preferring to fund higher return, capital-light sectors such as software.

We are more optimistic. Fortunately, Japan has an abundance of capital seeking investment, thus offering the US the funding and skills required to revive a competitive manufacturing base.

AI could play a crucial role. Today the beneficiaries of the AI boom tend to be makers of semiconductors and chip production equipment. The next phase could be deploying the rapidly improving capabilities of

AI into real world applications - 'physical AI' – such as AI-enabled robotics and automation that augment or even replace human labour.

In early December, FANUC, the world's pre-eminent maker of industrial robots and a key Platinum Japan Fund holding, announced a physical AI partnership with Nvidia and unveiled new open-platform, AI-enabled industrial robots that understand human language. We could be on the cusp of a new industrial revolution as physical AI pushes up industrial productivity while generating dramatically higher returns on investment.

A new competitive advantage for Japan

The implications are profound. Advanced manufacturing built on AI and robotics works for a Japan that has a shrinking labour force. For the US, it also removes a large part of the cost disadvantage of local supply chains. That upends one of the most potent arguments for offshoring to countries like China.

This move to reshore advanced manufacturing – and all the productivity gains and supply chain resilience it offers – is exactly what the US-Japan initiative is designed to encourage. This shift should boost growth at Japan's leading companies and, with a pro-reform government equipped with a large majority, suggests to us that Japanese equities could be a good home for investors' capital in the second half of the 2020s.

1. Shareholder returns includes dividends, share buybacks and capital gains.
2. See <https://asia.nikkei.com/business/markets/japan-inc.-dividends-to-top-20tn-yen-for-1st-time-nearing-40-of-profit>.

Leon Rapp is a Portfolio Manager – Japan strategies at [Platinum Asset Management](#). This information is commentary only (i.e. our general thoughts). It is not intended to be, nor should it be construed as, investment advice. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Before making any investment decision you need to consider (with your financial adviser) your particular investment needs, objectives and circumstances.

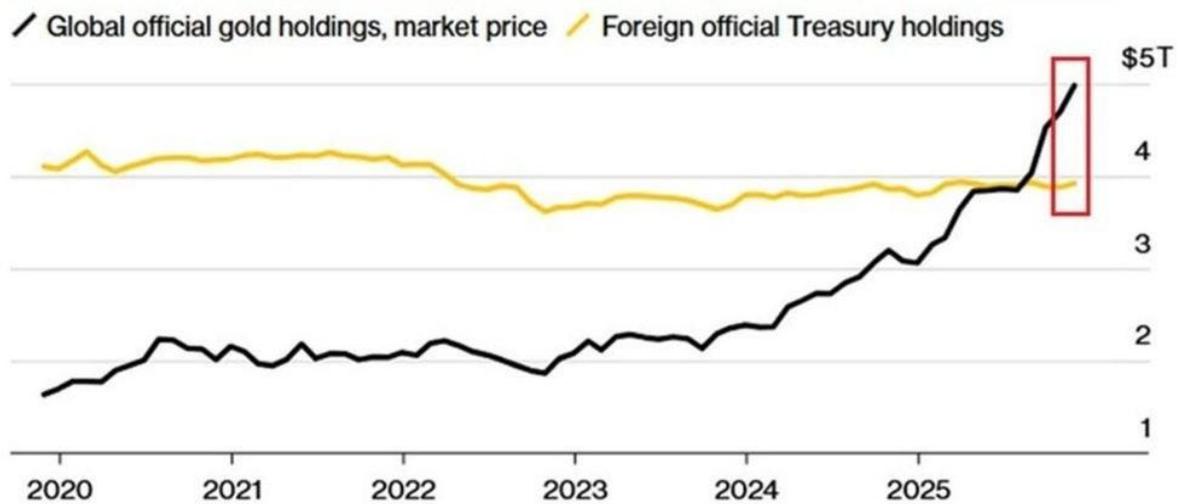
Why are central banks moving from US Treasuries to gold?

Francisco Barillas Bedoya

If you've walked past [ABC Bullion in Sydney's Martin Place](#) in recent months, you may have noticed the steady queues forming outside. What's behind the recent 'gold rush'?

[Gold recently overtook US Treasuries](#) as the largest reserve asset held by foreign central banks. A [reserve asset](#) is a store of value that a country's central bank keeps on hand (such as gold or foreign currency) to help steady its economy during times of uncertainty and meet international payments when needed. By early 2026, central banks were holding about [US\\$4 trillion in gold](#), slightly more than the roughly [US\\$3.9 trillion they held in US government bonds](#).

Gold has overtaken treasuries in central bank FX reserves



Source: IMF, Department of Treasury. Note: World gold reserves marked to market at month-end. Some countries may not declare their up-to-date gold holdings to IMF.

The shift happened for two main reasons: gold prices jumped nearly 70% last year, making existing holdings more valuable, and many countries have been steadily buying more gold to reduce their reliance on the US dollar.

This is not speculative trading. It reflects a fundamental reordering of how institutions think about money, risk, and value.

A structural shift in money, debt and reserves

Earlier in the year, the [price of gold](#) reached a record high of [US\\$5000 per ounce](#). Silver also surged past [US\\$100 per ounce](#) before retreating sharply. At the centre of the gold and silver rally is what many market analysts describe as the [debasement trade](#), which is the belief that fiat currencies will continue to lose purchasing power as governments rely on borrowing and monetary expansion.

Governments can print money without limits, expanding the supply of fiat currency at will. Gold supply, by contrast, is constrained by how much can be physically mined, roughly 2% per year of the total above-ground stock.

That imbalance has become more visible as [US federal debt has climbed beyond US\\$38 trillion](#), while new mining projects take a decade or more to reach production. Since 2018, global gold mine supply has grown steadily, with [near-zero year-on-year change](#), limiting the market's ability to respond to strong demand.

And leading the demand for gold are central banks, which have purchased over [1000 tonnes a year between 2022 and 2024](#). This is a deliberate geopolitical strategy to diversify away from dollar-denominated assets amid sanctions risk and de-dollarisation pressures.

Retail investors have also driven high demand, buying gold through physical bullion (like the one in Sydney's Martin Place), exchange-traded funds, and digital platforms surged last year, while silver ETFs absorbed tens of millions of ounces. On [Chinese social media](#), gold products even became a consumer trend.

Gold and silver's appeal (and hidden risks)

Gold is widely viewed as a [safe haven](#), but its risk profile depends on exactly how it is held.

Physical gold in a vault carries no default risk because it is not a liability of any institution. But gold held through ETFs or other paper instruments introduces a chain of counterparty dependencies: custodians, sub-custodians, clearing agents, and market-makers.

The price of silver is more [volatile](#) than gold, in part because more than half of global silver consumption now comes from [industry](#) – especially in technology and clean energy – as well as investment demand, which makes its price more sensitive to economic cycles. Silver is an essential component in solar photovoltaic panels, where its unmatched electrical conductivity makes it technically irreplaceable in current technology.

Around 70% of [silver production](#) is a by-product of other mining activity. This means silver supply is largely unresponsive to silver prices. Miners cannot simply 'ramp up' silver production when prices rise.

That imbalance has left the silver market in structural deficit for several consecutive years. According to [Reuters](#), China's decision to impose export licensing controls from January 2026 further tightened supply, contributing to silver's volatile swings.

What investors should take from the recent surge?

Recently, gold and silver both posted their worst [single-day performances in decades](#). It was reported that the nomination of a [new US Federal Reserve Chair under Donald Trump](#), to replace Jerome Powell, triggered a rapid reassessment of potential rate cuts by the Federal Reserve, strengthening the US dollar and putting pressure on precious metals in the short term.

The sell-off was driven by technical deleveraging rather than any fundamental shift. The carnage was concentrated in speculative and leveraged positions – and not in fundamental demand.

Gold rebounded quickly, reinforcing its role as a defensive asset – quite literally proving its worth when markets come under pressure. In 2025, gold began its parabolic move well before equity markets showed meaningful stress. Gold began 'sniffing out' deteriorating conditions, including fiscal sustainability concerns, rising geopolitical tensions, and a loss of confidence in government institutions.

What this means for investors is that gold and silver are fundamentally nuanced – while they can play a role in diversification, they generate no income and can be [volatile over the short term](#), which means they're potentially not as safe as many make them out to be.

Gold is, in a meaningful sense, a speculative asset. Its value beyond industrial use is based on collective belief in its worth.

For investors, the question of whether now is the right time to buy gold or silver depends on their goals and risk tolerance. Precious metals can play a defensive role in a long-term portfolio, but after a sharp price rise, investors should be aware that further short-term gains are uncertain and volatility can be significant.

Professor Francisco Barillas Bedoya is the Head of the School for Banking and Finance at UNSW. This article was originally published by UNSW's [BusinessThink](#) research platform.

Disclaimer: This article is for informational purposes only and does not constitute financial advice. Past performance is not indicative of future results, and investors should consider their own circumstances before making investment decisions.

Has global human wellbeing peaked? What the data reveals

Kevin Fox

Global debates about human wellbeing have increasingly centred on sustainability and the ambitions of the Sustainable Development Goals (SDGs), established by the United Nations (UN) to guide economic development and social progress across both developing and advanced economies. Institutions like the [United Nations Development Programme \(UNDP\)](#) and the [Organisation for Economic Co-operation and Development \(OECD\)](#) have relied on [wellbeing measures](#) such as the [Human Development Index \(HDI\)](#) to track changes in living standards, public health, access to healthcare, and prospects for a healthy life.

Drawing on large datasets, long-term time series, and comparative case studies, the [growing body of work](#) on quantitative measures of wellbeing has examined socio-economic conditions, gender equality, and environmental pressures, such as biodiversity loss, within a broader global ecosystem of policy analysis. For example, tools like the [World Happiness Report](#) and the [Better Life Index](#) have started to incorporate subjective wellbeing as well as more objective indicators. Together, these frameworks have become central to understanding wellbeing trends across different countries, and to assessing whether global development pathways are genuinely improving human lives.

For decades, economic growth, rising life expectancy, and expanding education underpinned *optimism* about global progress. However, [research](#) conducted by [Emeritus Professor Quentin Grafton](#), from the Crawford School of Public Policy at the Australian National University, challenges the assumption that human wellbeing will continue to improve universally.

VIDEO: [How do we measure human wellbeing?](#)

In a recent conversation with [Professor Kevin Fox](#), from the School of Economics at UNSW Business School, following [his presentation](#) at the [UNSW-ESCoE Conference on Economic Measurement](#), Professor Grafton outlined evidence suggesting that while some countries continue to flourish, global human wellbeing as a whole may be peaking, particularly once the impacts of climate change are taken into account.

Drawing on data from more than 150 countries, the discussion explored how wellbeing is measured, why progress is slowing or reversing in many parts of the world, and what this divergence implies for equity, climate policy, and international cooperation.

Measuring wellbeing beyond GDP

What does it mean to [measure human wellbeing](#)? Prof. Grafton emphasised that no single indicator is fully capable of capturing it. “You can measure it in multiple ways. A standard economic way of measuring it would be GDP or gross domestic product per capita, adjusted for international prices,” he said.

But income alone is often insufficient. Prof. Grafton pointed to broader composite measures that incorporated health and education, as well as subjective assessments of life satisfaction. “So, for example, education, life expectancy at birth, and then there are other measures that can broaden it out even further,” he said.

“You can also measure wellbeing using survey-based approaches. One example is the life evaluation index, which asks people to imagine their life as a ladder and rate it from one to ten, with ten being the best possible outcome.”

This multidimensional approach allowed researchers to compare wellbeing across countries and over time, revealing patterns that would have remained invisible if GDP had been the only metric. Crucially, it also enabled analysis at a global scale, where differences between countries mattered more than averages within them.

“And then if you're doing it at a global scale, you obviously have to have it at least a country level,” he said.

The difference between “flourishing” vs “languishing” countries

When the data was analysed over the long term, it revealed that global human wellbeing did not improve universally.

“There is a common presumption that things will continue to get better for most of humanity,” Prof. Grafton said. “We came at it by saying, well, what does the data tell us? And the data tells us a story that's not the standard extreme.”

In the research, Prof. Grafton identified a group of around 20 “flourishing” countries (mostly high-income economies such as Australia) that already scored highly on income, life expectancy, and composite wellbeing measures, and were projected to continue improving beyond mid-century. “They're not only high, but they're going to get even higher, according to our trend analysis, at least past 2050,” he said.

VIDEO: [Has human global wellbeing peaked?](#)

But this positive trajectory did not extend to most of the world. Many countries, particularly in Africa, had reached or were reaching their peak levels of income and life expectancy. “There are a bunch of countries, dozens and dozens of countries, where they are peaking in terms of their [gross domestic product](#) or some income measure per capita and life expectancy at birth,” Prof. Grafton said.

These countries were not just peaking sooner; they were peaking at much lower levels of wellbeing than today's high-income nations. “They will peak at levels much less than the current levels of life expectancy at birth and also gross domestic product per person that Australia currently enjoys,” he said.

The implications are profound. For more than half of the world's population, global human wellbeing appeared to be approaching its high-water mark within the next 25 years. “For most of the world, the answer [to whether global human wellbeing has peaked] is it's going to peak in the next 25 years.”

The impact of climate change on wellbeing inequality

Climate change has only intensified these existing inequalities. While all countries will be affected, the scale of the damage is likely to vary significantly. “All countries are [worse off with climate change](#). It

doesn't matter where you are; everyone's going to be worse off relative to not having climate change," said Prof. Grafton.

However, the proportional impacts will be far greater for low-income countries. "First of all, if you simply look at the impact on GDP, or some measure of per capita income in 2050, the proportional impact is less, actually much less, on the upper, higher-income countries. It depends on the country. Geography matters here, but we're looking at somewhere between three to 5% maybe 6%."

He continued: "If you look at low-income countries – those with per-capita incomes below US\$4,000 – the impacts are much larger. While outcomes vary by country, projected losses are typically in the range of 10 to 15%."

These losses could be especially damaging for countries that are already stagnating. Unlike wealthy nations, they cannot rely on future growth to absorb climate shocks. "So that means they won't be higher, and so that proportional impact will be even worse. So the difference between the two sets of countries is really big," Prof. Grafton said.

VIDEO: [How climate change will affect human wellbeing](#)

This inequality raises fundamental questions about how [cross-country transfers](#) from flourishing nations to struggling ones might reduce the gap. Prof. Grafton said: "We looked at countries with per-capita incomes above US\$40,000 and asked what could be done if some form of transfer were available. For countries with incomes below US\$4000 per person, the potential impact is enormous, sometimes equivalent to 50 per cent, or even 100 per cent, of their current GDP."

Such transfers require strong institutional safeguards and cannot substitute for domestic reform. But without support, the alternatives are stark. "What we're going to face, they're going to have to face two possibilities, really. One is higher rates of mortality, probably substantially higher rates of mortality or migration."

While data alone cannot solve these problems, without careful measurement and analysis, policymakers will lack the tools needed to respond effectively. "It always starts with a problem, and then the only way you can respond to that is to have a look at the data."

Professor Kevin Fox is Director of the Centre for Applied Economic Research (CAER) at UNSW Sydney. This article was originally published by UNSW's [BusinessThink](#) research platform.

Disclaimer: *This article is for informational purposes only and does not constitute financial advice. Past performance is not indicative of future results, and investors should consider their own circumstances before making investment decisions.*

Disclaimer

This message is from Morningstar Australasia Pty Ltd, ABN 95 090 665 544, AFSL 240892, Level 3, International Tower 1, 100 Barangaroo Avenue, Barangaroo NSW 2000, Australia.

Any general advice has been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Past performance does not necessarily indicate a financial product's future performance.

For complete details of this Disclaimer, see www.firstlinks.com.au/terms-and-conditions. All readers of this Newsletter are subject to these Terms and Conditions.