



ROBERT
MAPLE-BROWN
AUSTRALIA



Investor profile at InvestingByTheBooks:
The book *The World's 99 Greatest Investors: The Secret of Success* provides a unique opportunity to learn from the most prominent investors globally. In the book they generously share their experiences, advice and insights and we are proud to present these excerpts. Magnus Angenfelt, previously a top ranked sell side analyst and hedge fund manager, will be presenting one investor per month. For those who cannot wait for the monthly columns, we strongly recommend you to buy the book. The investor himself writes the first section

below and then Angenfelt describes the background of the investor and comments on his investment philosophy. Enjoy.

- Firstly, I am a 'value' investor and I believe that extensive fundamental analysis of each investment is very important.
- Secondly, although I believe that diversification is important, I believe Australian equity portfolios should only have about thirty individual investments.
- Thirdly, 'value' is not the same as 'cheap', and so the industry in which the company operates and the quality of its management are all-important in determining 'value'.

BORN New South Wales, Australia 1940. Died 2012.

EDUCATION Maple-Brown graduated from the University of New South Wales in 1965 with a degree in Commerce, and became a Chartered Accountant five years later.

CAREER Maple-Brown joined the merchant bank International Pacific Corporation, which later became Rothschild Australia. After being responsible for the investment management division, he left in 1984 to form Maple-Brown Abbott Ltd. aged 44. He was CEO until 2000 and was non-executive chairman until his death.

INVESTMENT PHILOSOPHY Long-term bottom-up value stock picking is probably the best description of Maple-Brown's investment style. Confident that markets are inherently inefficient, he took advantage of inevitable periods of excess pessimism by buying when valuations were depressed and selling when valuations became extended during periods of excess optimism – a contrarian approach. Maple-Brown's investments in general had lower price-earnings ratios, lower valuations of book value, stronger balance sheets, and a higher dividend yield than the market.

The focus was on balance sheet strength and by reconciling reported profits with underlying cash flow. He invested in all asset classes, but was famous for his stock market investments and did not back off in case of pushing for changes in management when necessary.

OTHER Maple-Brown's value-based investment philosophy started the tradition of value investing in the Australian market. Adjusted for having around 20 % in cash on average, the fund has beaten the benchmark substantially since its inception, and currently manages in excess of \$9 billion. He had the long-term performance record in managing Australian equity portfolios and balanced funds. Maple-Brown was inspired by Benjamin Graham in the 1960s.

Sources: Robert Maple-Brown; Maple-Brown Abbott Pooled Superannuation Trust; Wikipedia.