FEATURE ARTICLE:
MONETARY POLICY IN A SYNCHRONISED WORLD

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Over the past 12 months, we have seen an emergence of synchronised global growth. Europe has appeared from under a dark cloud of an extended period of low growth, amid other major economic woes. Additionally, growth forecasts for the United States have been revised upwards, in reflection of the stronger than expected economic activity in 2017, and the potential macroeconomic benefit of tax reform in the year ahead. The improved global economic backdrop has encouraged central banks to re-examine the current monetary policies they have in place. Many have either started to or have expressed their intentions to start moving interest rates higher than the ultra-low levels they have been for so many years. The US Federal Reserve is actively tightening, and the ECB is appearing less dovish. The Bank of Canada and the Bank of England have both raised rates in the past few months. Even the Bank of Japan raised its growth forecast for 2018.

In this month's feature article, we examine the relatively recent shift from a lack of synchronised global growth to a more unified global growth story, and we delve into the current state of play at the world's central banks. We also explore different inflation and interest rate scenarios that we consider could eventuate. As we discuss in the feature article, we expect the higher interest rate environment will likely prove challenging for financial markets that have enjoyed nearly a decade of highly stimulatory and supportive central banks.

1.1 Synchronisation of Global Growth

Over the past 12 months, there has been a marked shift from a lack of synchronised economic growth to a more unified global growth story. We have broad-based synchronised economic growth coming through for the first time since the GFC; US, Europe, Japan and China are all performing well. Per its World Economic Outlook Update in January 2018, the International Monetary Fund is relatively upbeat regarding the current outlook for global growth:

'*The cyclical upswing underway since mid-2016 has continued to strengthen. Some 120 economies, accounting for three quarters of world GDP, have seen a pickup in growth in year-on-year terms in 2017, the broadest synchronized global growth upsurge since 2010. Among advanced economies, growth in the third quarter of 2017 was higher than projected in the fall, notably in Germany, Japan, Korea, and the United States. Key emerging market and developing economies, including Brazil, China, and South Africa, also posted third-quarter growth stronger than the fall forecasts. High-frequency hard data and sentiment indicators point to a continuation of strong momentum in the fourth quarter. World trade has grown strongly in recent months, supported by a pickup in investment, particularly among advanced economies, and increased manufacturing output in Asia in the run up to the launch of new smartphone models. Purchasing managers' indices indicate firm manufacturing activity ahead, consistent with strong consumer confidence pointing to healthy final demand.*'

Further, according to the Organisation for Economic Cooperation and Development (OECD), no major economy is in a contractionary phase, the first time this has occurred since 2009.

Growth forecasts for the US have been revised upwards, in reflection of the stronger than expected economic activity in 2017, and the potential macroeconomic benefit of the tax reform in the year ahead. Assuming that the tax cut is not offset by a decrease in fiscal spending (which is what appears to be the case presently), the slashing of the corporate tax rate is expected to stimulate economic activity in the near term. Growth forecasts for 2018 for the euro area have also been revised upwards, particularly for a selection of some of the larger euro area countries, including Germany, Italy and the Netherlands. Stronger domestic and external demand has supported the improved outlook for the eurozone as a whole. A similar story has emerged for Japan, with stronger than expected recent economic activity leading to a more optimistic outlook for growth over the next few years.

Manufacturing activity is very strong across the board, and so is consumer confidence. Business optimism is robust, particularly in the US as businesses are positioning themselves to be best-placed to benefit from the corporate tax cut.

1.2 State of Play at Central Banks

The improved global economic backdrop, including synchronised economic growth, strong business and consumer confidence and forward-looking activity indicators the strongest they have been in many years has encouraged global central banks to re-examine the current monetary policies they have in place. An update on the current state of play at the globe's most prominent central banks is as follows:

- **Federal Reserve:** The Fed has raised rates five times since December 2015, with three further rate increases expected over the course of 2018. The Fed has also embarked on unwinding its US$4.5 trillion balance sheet. Janet Yellen's term as Chair of the FOMC ended in early 2018, and her replacement, Jay Powell, took over the reins in early February. Powell is considered to have

a similar position to Yellen, and so minimal changes are expected in the Fed's outlook.

- **European Central Bank:** The ECB has a QE framework in place that is set to expire in September. It has been relatively tight-lipped about how and when it will unwind its massive stimulus program, although minutes from the ECB's March 2018 meeting show that the central bank is less hawkish. This is not surprising given the improvement in the eurozone's economic data over the past 12 months.
- **Bank of Japan:** During a confirmation hearing for another term as governor in early March, Haruhiko Kuroda said that the BoJ will start thinking about how to unwind its massive monetary stimulus program around April 2019.
- **Reserve Bank of Australia**: At its meeting in early March, the RBA voted to keep the cash rate unchanged at 1.50% for a 17th straight meeting, with Governor Philip Lowe flagging that while he expects the Australian economy to recover in 2018, a near-term rate hike is unlikely.
- **Bank of England**: Amid mixed economic data, but high inflation, the BoE raised its cash rate by 25 basis points at its November 2017 meeting, reversing the emergency post-Brexit cut. It revised growth forecasts for both 2018 and 2019 higher, which has driven up market expectations of a rate hike in May 2018.
- **Bank of Canada**: Of the less prominent central banks, the BoC is one of the more advanced in the policy normalisation process. It has raised its cash rate three times since July 2017, up from 0.5%, to 1.25% currently. The market is currently expecting at least one more rate rise before the end of 2018.

1.3 Interest Rate & Inflation Scenarios

In the subsections that follow, we explore what we consider to be the potential scenarios for both interest rates and inflation over the coming years, based on the recent synchronisation of global growth and the central banks' obvious goal to embark on their quantitative tightening journeys.

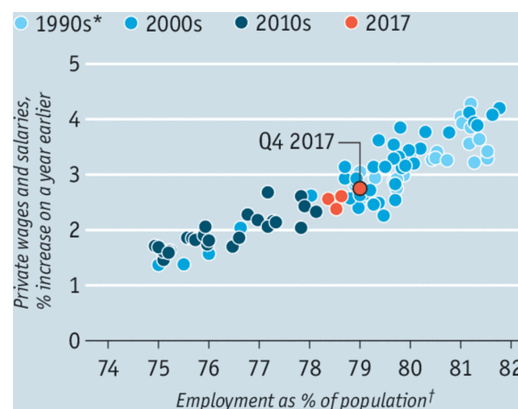
1.3.1 Continued Improvements

What we consider to be the most likely scenario to eventuate over the next few years is one in which we see continued economic growth, improvements in inflation and central banks treading carefully so as to not upset the positive economic improvements while also removing some stimulus.

In the US, the economic cycle still looks like it has several years to run. There are no clear signs that the economy is overheating. Economic growth momentum is picking up and inflation is only just starting to materialise. The ideal situation is that economic growth persists but not at a pace that requires tightening monetary policy faster than markets are anticipating. We do not believe that inflation will break out and force materially higher interest rates in the near term (although we recognise this as a risk scenario), rather we expect that inflation will continue to increase progressively however will remain contained within an acceptable range as a result of a variety of structural factors, From a market cycle perspective, we believe that the low point of inflation is likely behind us.

Expectations for lower inflation often eventuate into realised lower inflation. Because both price and wage growth have become so firmly rooted over the past several years, we do not expect that wages nor prices are likely to accelerate suddenly. Per the chart from *The Economist* below, wages in the US are currently growing at a rate that we would expect given the participation rate.

Chart 1: US Wages and Employment



Source: The Economist, Moody's Analytics, Bureau of Labor Statistics (BLS)

Proactivity on behalf of governments, corporations and individuals over the next couple of years could be an ideal market environment of solid growth, low but gently rising core inflation and relatively easy financial conditions. Per the President of World Bank Group, Jim Yong Kim in the press release coinciding with its January 2018 *Global Economic Prospects* report: '*The broad-based recovery in global growth is encouraging, but this is no time for complacency. This is a great opportunity to invest in human and physical capital. If policy makers around the world focus on these key investments, they can increase their countries' productivity, boost workforce participation, and move closer to the goals of ending extreme poverty and boosting shared prosperity.*'

An increase in productivity would also support the likelihood of this scenario playing out. Productivity growth has been reasonably weak since the GFC; however proponents of the prowess of AI and

machine learning continue to bang the productivity drum, claiming that when both are more widely adopted, productivity will increase. If the recent uptick in wage inflation in the US is sustained, it will encourage firms to invest more in labour-saving technology. Furthermore, strong growth and moderate inflation might encourage firms that are having trouble finding new employees in the tight labour market to invest in their own staff, in turn, increasing productivity and not impacting inflation.

Conditions are seemingly right for continued economic strength across Europe and the US given that inflation is emerging, but off a low base. Any amount of wage pressure is expected to encourage an increase in productivity, and in turn, output. Central banks will be treading carefully, which we consider lends itself to an environment of moderate growth and inflation.

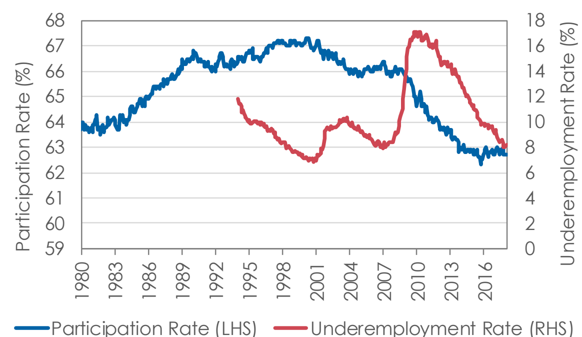
1.3.2 Growth & Inflation Remain Weak

The Fed has always claimed to be data-dependent, or in other words, willing to adapt monetary policy based on the picture that the economic data paints. In consideration of headline metrics, the Fed is acting accordingly. The voting members of the FOMC clearly believe that the labour market is either at or nearing full employment and the economy is at or close to maximum output. According to the Phillips curve, with low unemployment, both inflation and wage inflation should be moving significantly higher. The reasoning behind the inverse relationship is as follows: a tight labour market generally means that businesses have to complete to hire skilled workers, which should lead to higher wages. As wages increase, the businesses will eventually have to pass on some or all of the costs on to their customers, which should lead to higher inflation.

Until only very recently, inflation and wage growth were low despite the unemployment rate falling beyond what most consider the level of 'full employment'. The unemployment rate is currently 4.1%, lower than the 4.5-5% range that the Fed has historically labelled as full employment. This raises some important questions, including: Is the labour market really at or nearing full employment? Is the economy at or close to maximum capacity? Are we likely to see a sustained increase in inflation, including wage inflation? How high could rates go?

There are several economic indicators other than the headline unemployment rate that suggest that the US labour market might not be as rock-solid as the Fed's interest rate guidance might suggest. First, the decline in the participation rate (blue line in the chart below) that extends beyond the onset of the financial crisis shows that there may be a considerable amount of slack in the labour market. Looking at the unemployment rate and the participation rate in tandem is important because the unemployment rate can decrease if people have become so discouraged by not being able to find work that they leave the workforce altogether. Such a scenario results in a reduction in the unemployment rate, despite being an indicator of labour force weakness. It would be captured by a fall in the participation rate however.

Chart 2: Participation & Underemployment Rates, United States, 1980 - 2018



Source: BLS, Whitehelm Advisers

An additional metric showing that the US labour market does still have some additional room to tighten is the underemployment rate, which measures the number of people in the labour force that are unemployed, plus those that are marginally attached to the labour force, as well as those that are employed part-time for economic reasons, as a percentage of the civilian labour force plus all persons marginally attached to the labour force. People who are unemployed and are also not looking for work, but they want and are available for a job, and have actively looked for work in the last 12 months are those that are considered marginally attached to the workforce. People employed in part-time work for economic reasons are those that would prefer to work full-time but have had to settle for part-time work. Essentially, the underemployment rate is what portion of people would prefer to be working more than they currently are.

Chart 2 above shows the underemployment rate over the period in which the data has been collected (since 1994). The underemployment rate has fallen considerably since the peak in the midst of the financial crisis, to a level of 8.4% in January 2018. While this is a very positive development in terms of the strength of the labour market, the chart shows that the underemployment rate has been lower than the current level. In late 2000, the underemployment rate fell to 6.8%. The low participation rate and the room for further falls in the underemployment rate suggest that the US labour market might not quite be at full employment.

According to data from the BLS, over the past 10 years, the majority of newly employed people were not considered unemployed before being hired. They transitioned from being considered 'out of the labour force' to employed. This occurs when such newly employed people were either in school, in the military, not looking for work or not employed. For employers, this means that the labour pool from which they can draw is larger than the headline 4.1% unemployment rate suggests. A larger labour pool means that employers will be able to attract new employees without having to significantly increase wages. Wage inflation could be lower for longer.

Chart 3: Newly Employed as a Share of All Employed, US Labour Market

Source: BLS, Mauldin Economics

If the labour market is indeed not as tight as the headline metrics suggest, is the Fed getting ahead of itself by gradually raising interest rates? Increasing interest rates in a highly levered economy with modest growth and inflation is obviously a dangerous game to play. Such a move could bring the country's economic growth to a halt, and could even be responsible for tipping the country into its next recession. The Fed's recent rate hikes alone will not be the culprit for the next recession, but if the Fed continues down on the path of raising rates despite low inflation, it might bring about a recession sooner than previously anticipated, particularly if history provides any sort of benchmark. Most business cycles have not ended because of old age, rather they end at the hands of the Fed through higher rates.

One of the main risks at play with the Fed's current plan is that increasing interest rates when inflation continues to undershoot its target is that it might just cement inflation expectations at this lower level. Lower inflation expectations typically lead to lower inflation. As the economic expansion continues, lower than targeted inflation is manageable, but it is troubling when the next downturn hits because the current level of inflation provides virtually no buffer for the next bout of deflation.

Could this scenario play out in Europe?

The eurozone's inflation metric continues to undershoot its 2% target and inflation expectations are firmly well below the target of 2%, albeit marginally higher than they have been. Even the ECB's projection for inflation in 2018 is just 1.4%.

It is important to remember that the ECB is responsible for the monetary policy for all 19 countries across the eurozone. Consider Germany for example, where unemployment is now below 4%, the lowest it has been since reunification. The unemployment rate in Greece is 21% and 17% in Spain, however. Given the disparities between countries, it will be challenging for the ECB to come up with a 'one size fits all' tightening solution.

That said, the ECB's motives may be rooted in its desire to mitigate the risks to financial security that arise from keeping interest rates too low for too long. If the ECB does embark on a monetary tightening path, it will need to be mindful of the low inflation and the economic disparities across the continent. Increasing interest rates when inflation remains low comes at the risk of curbing the recent economic growth and cementing inflation at its sub-2% level.

1.3.3 Could the US Economy Overheat?

An overheated economy is one in which long and sustained periods of economic growth lead to high levels of inflation, caused predominantly by increased consumer wealth. Higher levels of inflation cause producers to overproduce, creating excess production capacity, in an attempt to capitalise on the higher levels of wealth. In effect, the surge in inflation can result in inefficient supply allocations.

Even before President Trump took office, the US economy was relatively robust, in large part because of the extremely accommodative monetary policy that the Fed has had in place for several years. Economic data has continued to be strong, despite the uncertainty in the political landscape that he has brought with him. The labour market is already relatively tight, wage inflation is showing signs of finally improving, optimism is high and further inflationary pressures are building.

Yet, Trump has decided that now is the time that the tax system ought to be overhauled, which slashes the corporate tax rate from 35% to 21%, reduces the number of income tax brackets from seven to three and reduces the income tax rate. Additionally, Trump has put forward a US$4.4 trillion budget for next year. Trump's deficit-financed 'Tax Cuts and Jobs Act', paired with the new spending bill are expected to inject billions of dollars into an economy that many argue is already at or nearing full employment. The timing of the tax cuts and the spending bill has created a very real fear that the US economy could overheat. When an economy's actual GDP is equal to its potential GDP (no output gap),

fiscal stimulus does not typically have the desired effect of stimulating economic growth. In other words, the fiscal stimulus is unlikely to lead to new investment, more jobs or higher real pay.

If the fiscal stimulus does lead to faster economic growth when the labour market is already tight and financial conditions easy, the Fed may have a more difficult time unwinding its quantitative easing programme. In other words, it threatens the Fed's plan to withdraw its monetary accommodation gradually. As we point out in this feature article, while we do not consider that the US labour market is as tight as the headline figure suggests, this aggressive of a stimulus package is likely to cause the labour market to tighten more, leading to a sharp increase in inflation, higher than the Fed's objective.

In this scenario, the Fed will find itself behind the curve – inflation is running high, but interest rates remain low. Powell would likely be forced to raise rates much more quickly than previously planned in order to rein in inflation. Noticeably higher interest rates do not bode well for countries that are highly indebted, and almost all countries are more heavily indebted now than before the GFC. Particularly in the case of the US, rather than being offset with a spending cut, the tax reform is being paired with a spending increase, both of which have been predicted to add a considerable amount of debt to the government's stockpile. The US' fiscal position is in a much worse position than it was at the end of the last business cycle and throughout the last economic downturn. This will make a higher rate environment even more challenging for the Fed to counter.

Excessive debt held by governments, corporates and individuals gives central banks more power because any increase to interest rates makes interest expense rise more quickly than would be the case if debt levels were lower. What could have once been considered small tightening measures (small increases to interest rates) could now be considered much larger tightening measures, with the potential to have a much more significant and immediately negative impact on the economy.

We consider it significantly less likely that the European economy will overheat because there remains a great deal of room for improvement. Further, while the US tax cuts will have spill-over effects in Europe, it will not inject the same amount of unnecessary fiscal stimulus into the economy.

1.4 Implications for Financial Markets

As we discussed in the previous section, we consider there to be several plausible inflation and interest rate scenarios that could unfold in terms of the tightening cycle that central banks are currently embarking on. We consider that the recent uptick in inflation in the US likely marks the usual inflection point for inflation late in a business cycle. The chart below from Deutsche Bank shows that the uptick in inflation, on average, precedes the next recession by approximately three years. By that logic, our base case scenario of continued improvements in growth and inflation could continue for the next few years. However, the actions of central banks, as well as the strength of the underlying economic data, could very well interfere with this timeline.

Chart 4: US Inflation, Recessions, 1960 - 2017

Source: BEA, Haver, Deutsche Bank, Zero Hedge

Will this tightening cycle lead to a recession? This would not be the first time that this would be the outcome of a monetary tightening cycle, as per the chart below. US economic expansions do not typically die of old age, rather they die because of an external shock, a domestic imbalance, or increasing interest rates. Since 1915, there have been 13 cases where the Fed has tightened monetary policy, 10 of which ended in a recession.

Chart 5: Fed's Tightening Cycles, 1915 - 2017

Source: BofA Merrill Lynch, ZeroHedge

In the subsections that follow, we discuss the implications for several different asset classes and for investment strategy given the inflation and interest rate scenarios that we have discussed.

1.4.1 Equity Markets

Central bank decision-making has been the primary driver of equity market returns since the GFC. As

monetary conditions have remained easy, equity markets have continued to look attractive, albeit expensive. The old mantra of 'Don't Fight the Fed' has been the right one to live by in an investment sense. But what does an investor do now if central banks are starting to unwind their QE frameworks?

As we discussed in the previous section, we consider that there are several different scenarios that could unfold regarding interest rates and inflation over the coming years. The base case of continued improvement in economic growth and inflation will lead to sustained and gradual increases in interest rates. What have been the implications of monetary tightening during such cycles in the past?

In past monetary tightening cycles, for example, the ones starting in 1994, in 1999 and in 2004, as the Fed was starting to increase interest rates, the S&P 500 went up (although, initially, there were small decreases in the S&P 500 as the market digested the news of increasing interest rates). From February 1994 to June 1995, the federal funds rate was increased by 2.7% and the S&P 500 went up by 17%. From June 1999 to March 2000, the federal funds rate was increased by 1.25%, and the equity market went up by 29%. And from June 2004 to August 2007, the federal funds rate was increased by 4%, and the S&P 500 rose by 29%.

So are we suggesting that central banks' plan to 'normalise' interest rates will cause the equity bull market to continue? We acknowledge this possibility if it goes hand in hand with strong economic activity and higher inflation (the first scenario above). Trump's corporate tax cut could also help push asset prices up. If the improving fundamentals are not there (the second scenario), we think it will be negative for asset prices.

The third scenario of the US economy overheating with the Fed chasing high inflation with high interest rates will arguably be the worst for equity markets over the longer term. Such fast interest rate rises are likely to lead to a recession. When the dotcom bubble burst in 2000, the S&P 500 fell by 26%, during the time that the federal funds rate was slashed by 5.5% from December 2000 to June 2003. When the subprime mortgage bubble burst in 2008, the S&P 500 fell by 39% from August 2007 to December 2008, when the federal funds rate was cut from 5.25% to 0%.

It is important to remember that market conditions are different now than they were in the lead-up to the past two monetary tightening cycles. The US equity market is currently very expensive compared to long-term historical averages, as measured by the cyclically adjusted Price / Earnings ratio (CAPE), also known as the Shiller ratio, which is based on average earnings over 20 years, adjusted for inflation. On this measure, the US equity market is currently more expensive than it was in the lead-up to the GFC, well above the measure's median since 1900, as well as above the 95th percentile over the same period. This is important because the CAPE ratio has historically been a strong indicator of subsequent performance over the next decade. When markets look cheap, they have tended to outperform, while when markets have looked expensive, they have tended to underperform. Many argue that the Shiller P/E Ratio concept lacks validity in an ultra-low interest rate environment (as the discount rate is correspondingly considerably lower than historical cycles), but in the scenario of interest rates reverting to more normal levels, this criticism falls away.

So we have real economic growth and improving inflation, which is a big positive, however, offsetting this is tighter monetary policy settings. For equities which have economic and inflation linkages, can the improving revenues offset the higher debt servicing costs and higher discount rates that come with monetary tightening? As discussed, there is also the risk of unsuccessful monetary tightening if inflation shoots up much faster than expected, and central banks are required to chase down inflation with sharp and fast interest rate increases. We cannot envisage how this would end well for share markets.

1.4.2 Bond Markets

The most prevalent threat that faces financial markets as central banks attempt to normalise policy is the accumulation of debt that has occurred around the world. The cheap credit on offer thanks to the ultra-low interest rates over the past nearly ten years has fuelled a credit binge. Per a report from the Institute for International Finance, total debt hit a record of US$233 trillion in the third quarter of 2017.

Increasing short-term interest rates come with an obvious hardship for those who are issuing debt by way of higher debt servicing costs. On the other hand, bondholders will see the value of their fixed interest portfolio fall – as bond yields rise, prices fall. This comes after a 25-year bull market for bonds which has been supported by falling and ultra-low interest rates.

Longer-dated debt is typically hit hard by increases to interest rates because of the concept of duration, or interest rate sensitivity. Given the low starting point for short-dated and long-dated bond yields, an increase in yields could actually cause the return on US Treasuries to go negative, as the income earned from the coupons on the bonds could be offset by the negative price impact from the increasing yields.

The 10-year US Treasury yield has been holding relatively steady over the past three years, broadly speaking between 1.5-2.5%. Long bond yields have been anchored over the past three and a half years due to QE, however, the Fed has commenced reducing its bond repurchases and moving interest rates higher. Bond yields have also been rising as of late, in step with the stronger economic data.

Higher inflation and growth would likely translate to higher short and long-term rates. With valuations stretched, fixed coupon bonds will perform poorly as interest rates rise.

1.4.3 Infrastructure

For real assets such as infrastructure, there are likely to be a range of outcomes. If inflation is strong, then for inflation-linked assets, performance should hold up as inflation-linked revenues will drive revenue growth. If economic growth is strong, then sectors with greater economic sensitivity such as ports, airports and toll roads should do well. To the extent that inflation and growth do not materialise, then assets with more fixed revenue growth income streams will outperform. Infrastructure assets are more sensitive to long-term rates increasing considerably and are less sensitive to cash rates moving higher. Furthermore, we consider that the long-run growth potential of most developed economies has declined, and therefore absent a significant spike in inflation and holding everything else constant, interest rates are likely to be lower than those seen on average over the last 30 years. Navigating through this environment could be a challenging one, and a range of both good and bad scenarios for real assets is very plausible. A well-diversified portfolio of core infrastructure assets is probably the best starting point for investors as we enter this uncertain period.

1.4.4 Impact on Investment Strategy

At this stage of an economic cycle, in which the US economy has been growing for seven years and much of the developed world is growing alongside it, equities look good. That said, valuations are stretched and central banks are moving to a less accommodative stance resulting in higher interest rates. It is hard to see a recession in the next 12 months, but over the next few years if rates continue to move higher, it is a much more likely scenario.

In the near term, increasing interest rates will be impactful for fixed interest portfolios, given the inverse relationship between interest rates and bond values. Being more heavily weighted towards lower duration fixed interest (cash, floating rate credit and inflation linked bonds, for example) will perform considerably better than traditional long duration fixed coupon bonds. This is a call we have been making for several years, given that risk-adjusted returns looked so poor. Of course, in the scenario of a recession, true risk-free duration (high quality government bonds) can quickly move from foe to friend. The key here is to keep an eye on valuations and hold a view as to when duration should be added back to defensive portfolios.

Equity markets could continue to boom for a little while longer if central banks continue to transition slowly to higher interest rates and solid nominal economic growth comes through, allowing equity markets to adjust to the higher debt servicing cost and higher discount rate world. One thing is almost guaranteed in the monetary tightening landscape – financial market volatility will be higher than it has been in the age of quantitative easing.

1.5 Conclusion

After years of a weak growth, low inflation and a lack of synchronisation among economic recoveries, we have finally started to see an emergence in synchronised, broad-based economic growth.

This improving economic backdrop has led the world's most prominent central banks to look to commence their policy normalisation plans. This higher interest rate environment will prove challenging for financial markets that have enjoyed nearly a decade of highly stimulatory and supportive central banks. If central banks embark on a slow and steady path to monetary policy normalisation (driven by inflation pressures being contained within acceptable ranges), markets could adjust in a relative orderly fashion to higher rates. There are many plausible scenarios to this base case of progressive and gradual interest rate increases and balance sheet reduction. However, even under the base case, we note that past tightening cycles have typically led to recessions, and this one might not be any different. As always, the timing of such an event is difficult to forecast!

This feature article is a condensed version of a more in-depth article. If you are interested in accessing the longer-form version, contact Nicole McMillan at Nicole.McMillan@WhitehelmCapital.com.