Clime Investment Management

The return of the stock picker, or is passive the future?

Will Riggall | Chief Investment Officer



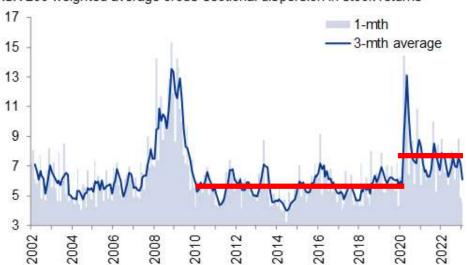


What happens when money is no longer free?

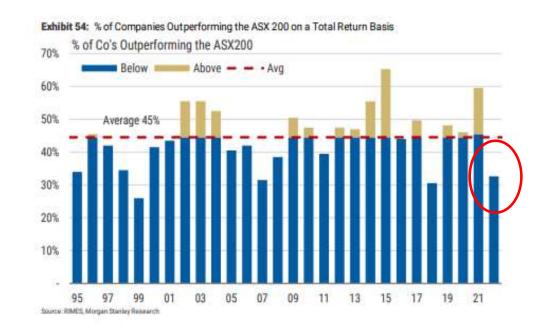
Dispersion in returns higher than last decade

Alpha available from stock-picking

ASX 200 weighted average cross-sectional dispersion in stock returns



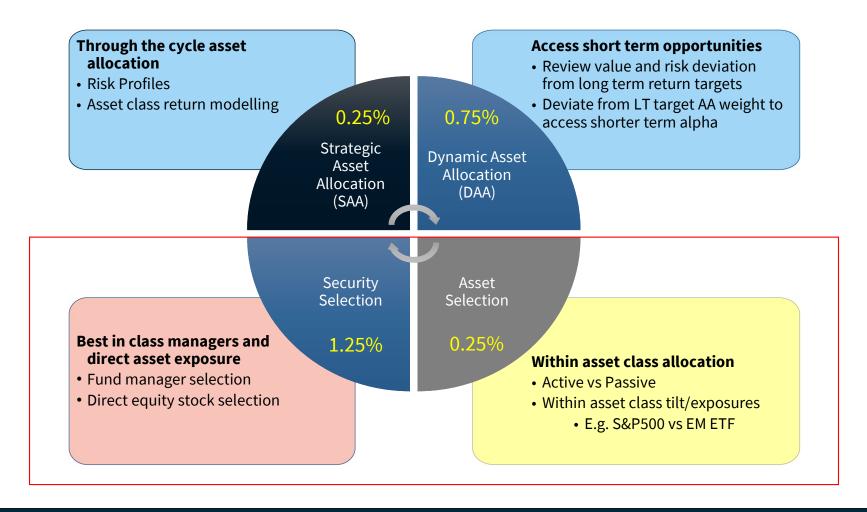
Fewer companies outperformed in 2022





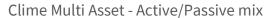
Source: Morgan Stanley

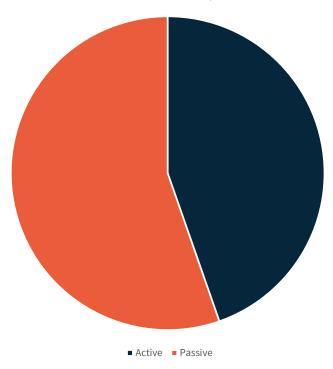
Clime multi asset Investment process





Multi Asset approach – pay for value.





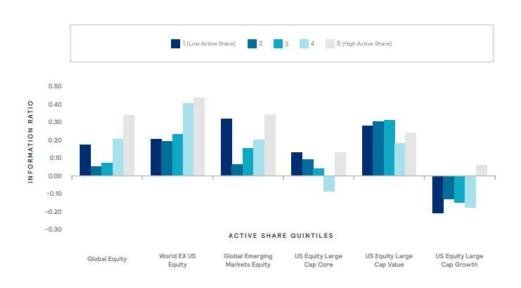
	Portfolio	bps
Active	44%	0.30%
Passive	55%	0.30%

Asset Class	Clime Mod. Growth	Fund Selection % Active	Asset Selection % Active
AEQ	33.0%	100.0%	100.0%
IEQ	28.0%	46.4%	10.7%
Property	6.0%	33.3%	0.0%
Infrastructure	3.0%	0.0%	0.0%
Fixed Interest	25.0%	64.0%	28.0%
Cash	5.0%	0.0%	0.0%
Expected Alpha		0.25%	1.07%



Markers for success in Active Managers

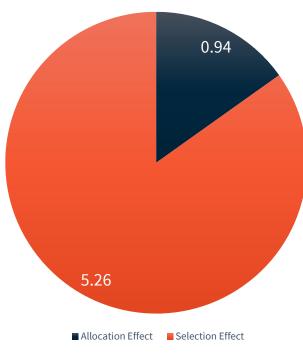
Active Share - higher returns at lower unit risk



Notes: This chart shows the information ratio grouped into quintiles based on the level of active share for each of the respective equity universe samples over 10-year period to June 30, 2018.

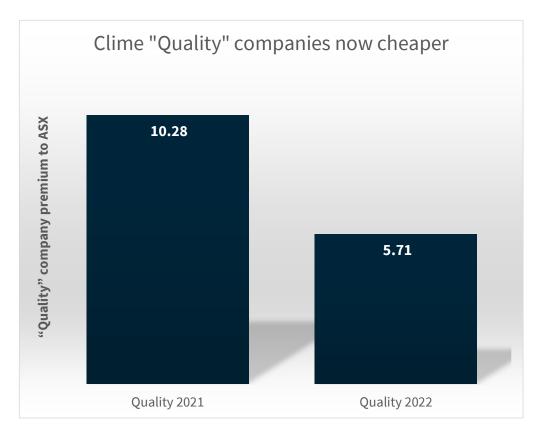


Attribution breakdown – FY22 Ralton Concentrated Equity

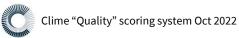


Clime/Factset Dec 2022

Theme – Quality & Growth at a discount

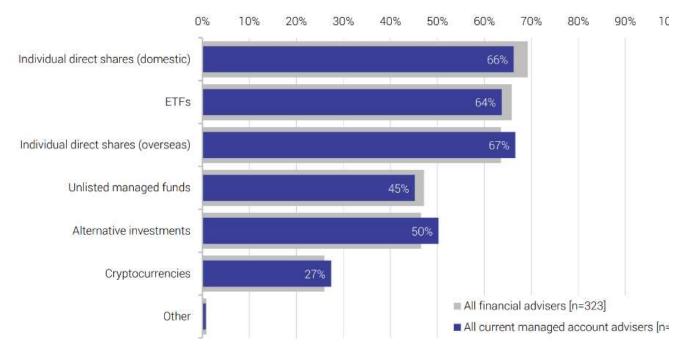


Company	PE 2021	PE 2022	LT EPSG
CSL	43.2	33.7	13.4%
JHX	25.7	13.5	20.0%
ARB	37.4	21.0	10.9%
GMG	30.1	18.8	27.8%



Active investing – supporting advisor value

Q23 Which investments would you like to access through managed account portfolios, if they were available? (Multiple responses permitted) Among financial advisers





Company Description

Ansell Ltd. engages in the development, manufacture, distribution, and sale of gloves and protective personal equipment in the industrial and medical end markets. It operates through the Healthcare and Industrial segment. The Healthcare segment consists of surgical and examination gloves, healthcare safety devices, and active infection prevention products for healthcare patients and single use industrial application gloves. The Industrial segment provides multi-use hand and body protection solutions for industrial worker environments and specialty applications. The company was founded by Eric N. Ansell in 1929 and is headquartered in Richmond, Australia.

Trade Commentary

The headline Ansell (ANN ASX) result reflected the impact of COVID on global economies with the healthcare division delivering significant growth, while the industrial segment slowed. The headline result came in marginally weaker than expected however a one off accounting change decreased the headline number masking strong underflying momentum,





Invest in people, who invest in you.