

Clime Investment Management

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

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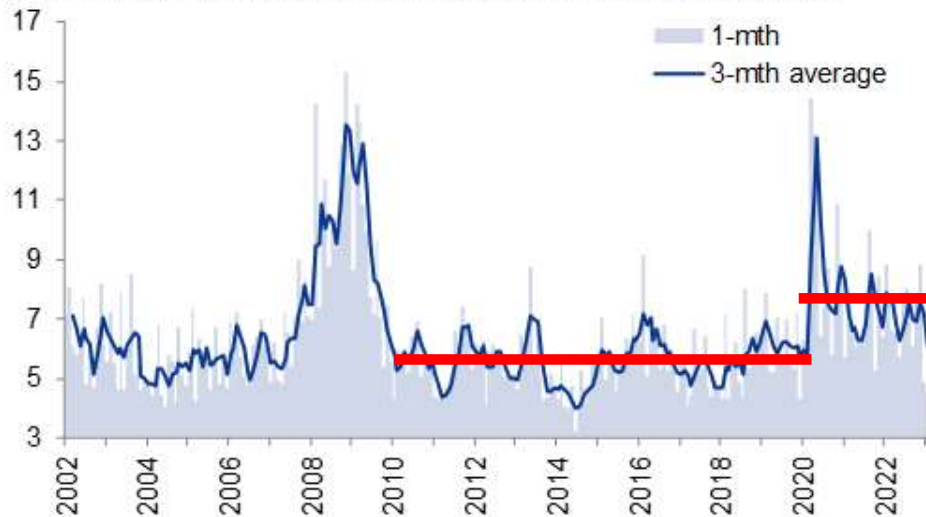


What happens when money is no longer free?

Dispersion in returns higher than last decade

Alpha available from stock-picking

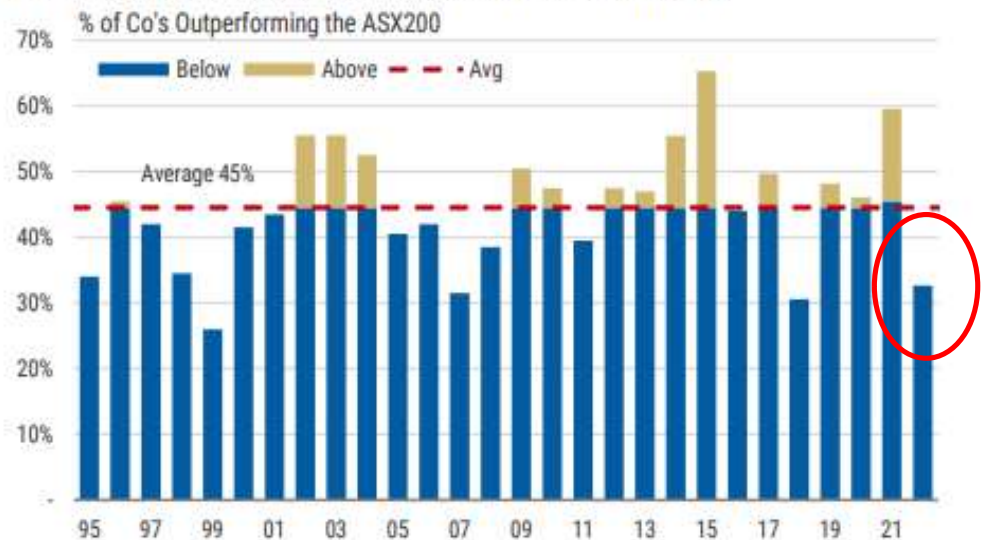
ASX 200 weighted average cross-sectional dispersion in stock returns



Source: Goldman Sachs

Fewer companies outperformed in 2022

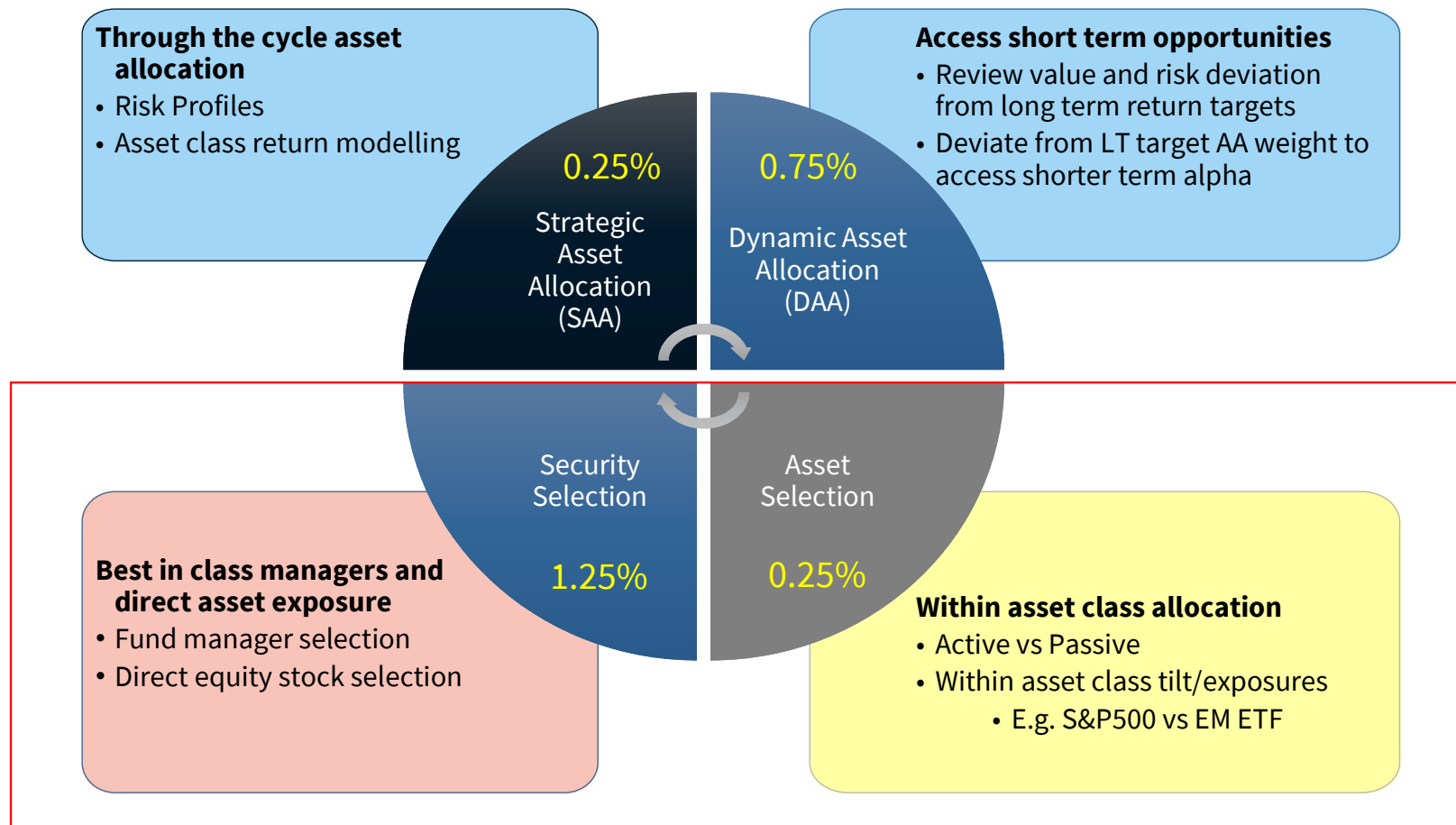
Exhibit 54: % of Companies Outperforming the ASX 200 on a Total Return Basis



Source: RIMES, Morgan Stanley Research

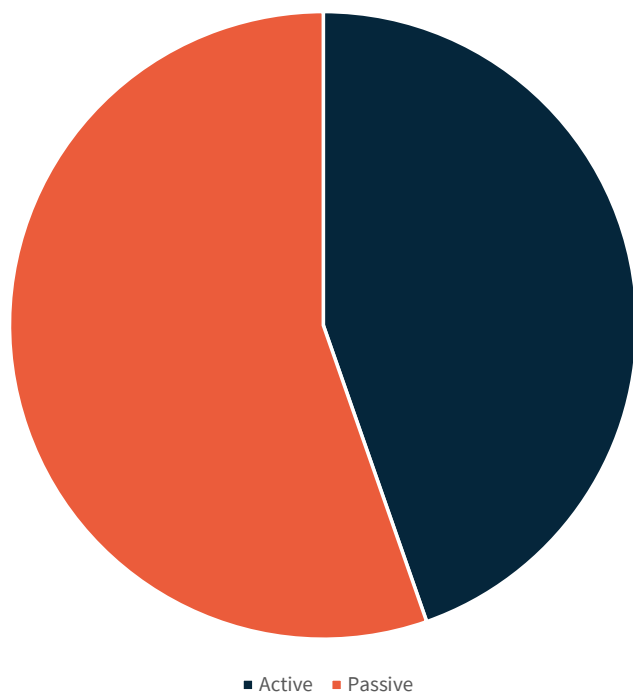
Source: Morgan Stanley

Clime multi asset Investment process



Multi Asset approach – pay for value.

Clime Multi Asset - Active/Passive mix



	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%



Source: Clime

Markers for success in Active Managers

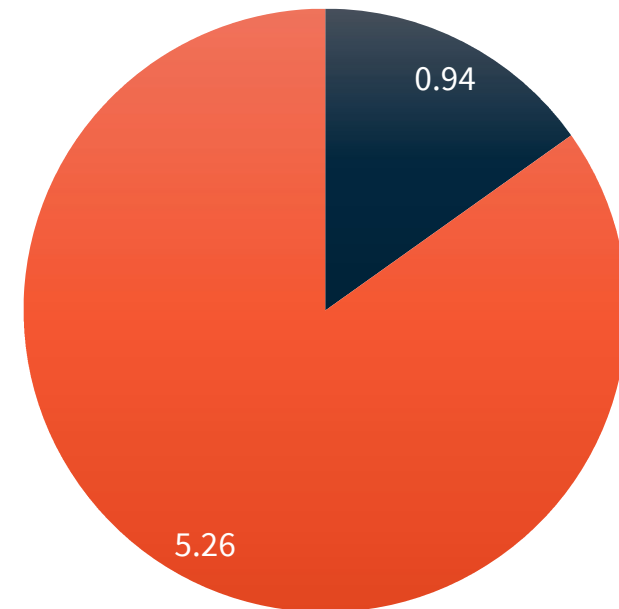
Active Share – higher returns at lower unit risk



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



■ Allocation Effect ■ Selection Effect



Theme – Quality & Growth at a discount

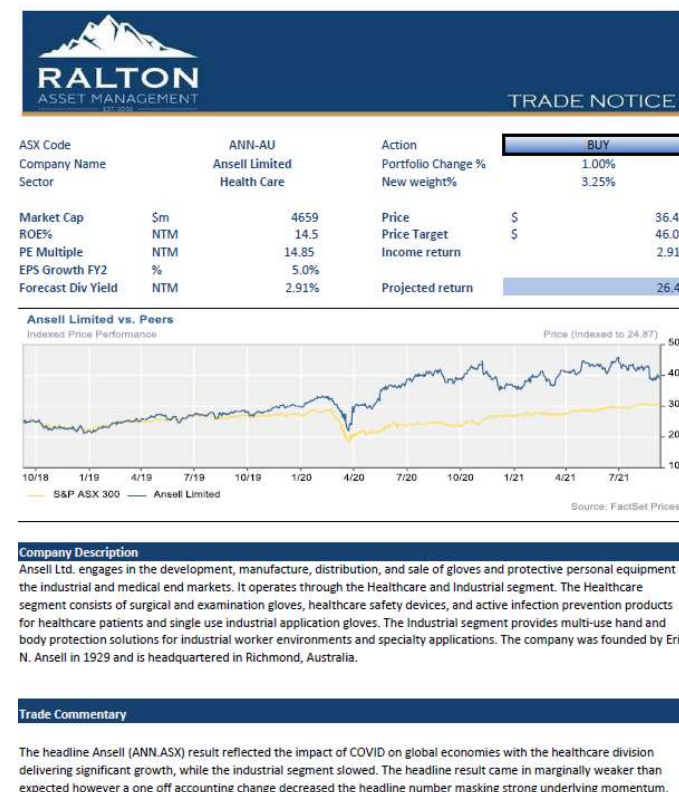
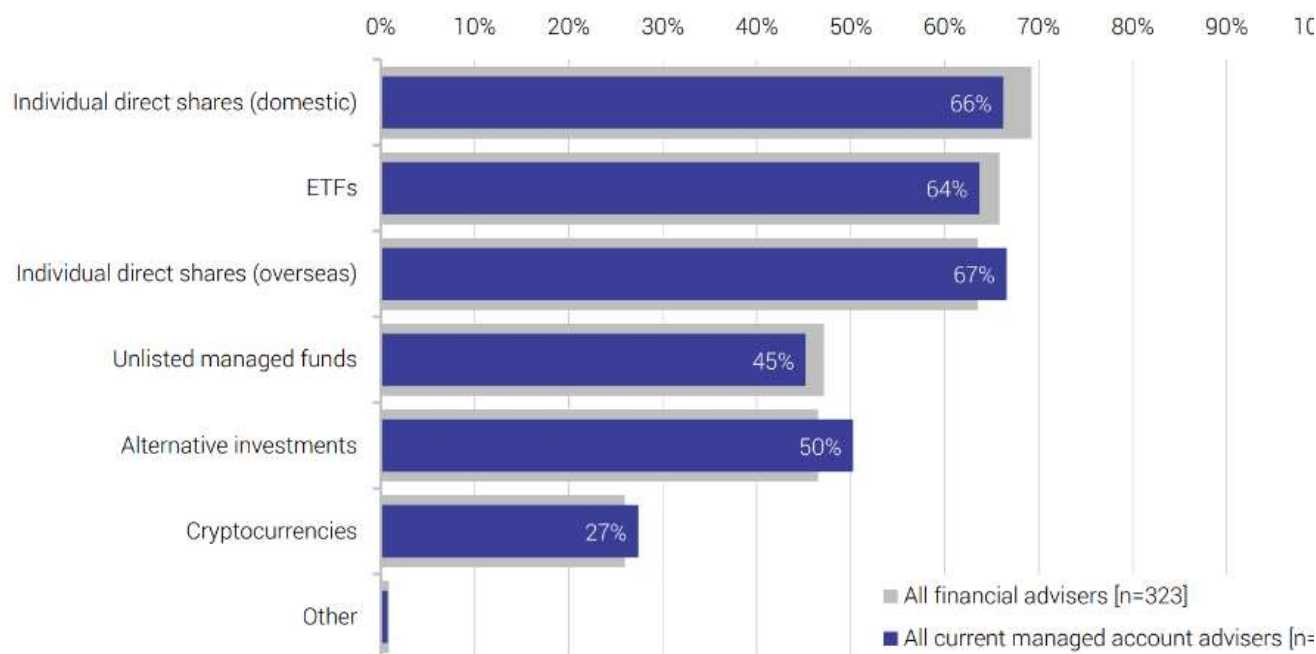


Company	PE 2021	PE 2022	LT EPSG
CSL	43.2	33.7	13.4%
JHX	25.7	13.5	20.0%
ARB	37.4	21.0	10.9%
GMG	30.1	18.8	27.8%



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





Invest in people, who invest in you.