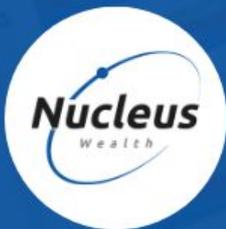


EPISODE  
378



# FY2025 IN REVIEW

## Disclaimer:

---

The information provided on this presentation is general in nature and does not constitute personal financial advice. The information has been prepared without taking into account your personal objectives, financial situation or needs. Because of this, you should consider the appropriateness of the information for your own objectives, financial situation and needs before acting on it. Also, before you decide to invest in a financial product arranged by a representative of Nucleus Wealth Management Pty Ltd, ABN 54 614 386 266, corporate authorised representative of Nucleus Advice Pty Ltd AFSL 515796 (Nucleus Wealth or we or us), it is important that you read and consider the Product Disclosure Statement relating to the product before making any decision about whether to invest in it. Your Nucleus Wealth adviser can help you with this decision if you would like them to do so.

# Tipping points:

---

1. Positives: Now - Strong US economy, fiscal taps on, productivity growth, wage growth. Future - AI, driverless cars, weight loss drugs, robotics.
2. Tipping points:
  - 2.1. Trade deals (positive, negative)
  - 2.2. Inventory cycle. Strong, weak, strong
  - 2.3. Capex holdup
  - 2.4. Large company vs small company
  - 2.5. Global companies in US
  - 2.6. Inflation, US consumption
  - 2.7. Worker shortage (higher wages)
  - 2.8. Higher interest rates Funding/housing costs
  - 2.9. Supply chains
  - 2.10. Purging of US institutions (fed next?)
  - 2.11. Kleptocracy?
  - 2.12. TACO trade reflexivity
  - 2.13. Is there enough confusion that more doesn't matter?

# Factors:

Frequency:

## US

QUARTERLY Q1-Q5 RETURN SPREAD %

Style	Factor	QTD	Q2 25	Q1 25	Q4 24	Q3 24	Q2 24	Q1 24	Q4 23	Q3 23	Q2 23	Q1 23	Q4 22	Q3 22	L1Y
Val	Valuation	3.55	(14.41)	14.18	(7.80)	4.50	(10.81)	(6.06)	(1.75)	0.73	(12.77)	(15.36)	17.29	(8.30)	(5.84)
Sz	Size	1.67	(9.70)	3.01	(6.18)	5.91	(10.52)	(7.05)	3.55	(5.61)	(9.23)	(4.04)	2.01	(0.33)	(7.57)
PM	Price Momentum	0.10	(6.98)	(15.21)	3.35	(2.68)	(6.17)	6.25	0.02	6.16	0.90	(7.58)	(2.96)	11.65	(20.67)
EQ	Earnings Quality	(0.31)	5.44	(4.28)	5.12	0.04	4.49	(1.78)	(1.97)	0.06	9.38	12.10	(12.34)	0.06	6.14
CE	Capital Efficiency	(1.21)	(0.01)	(4.63)	2.32	(1.08)	13.29	4.68	(2.19)	2.65	5.39	13.00	(9.22)	2.33	(3.48)
AE	Analyst Expectations	(1.40)	8.63	(12.45)	15.44	(8.22)	11.03	12.84	(1.34)	(2.47)	12.62	(6.22)	(2.50)	2.62	0.77
HG	Historical Growth	(2.32)	9.31	(6.31)	4.83	(5.07)	11.22	7.88	0.50	(1.83)	(6.76)	(5.26)	(5.95)	(0.87)	1.92
Vol	Volatility	(2.98)	39.62	(23.17)	8.57	(7.07)	9.08	10.99	9.47	1.49	16.37	30.58	(17.31)	9.21	8.23

## Europe

QUARTERLY Q1-Q5 RETURN SPREAD %

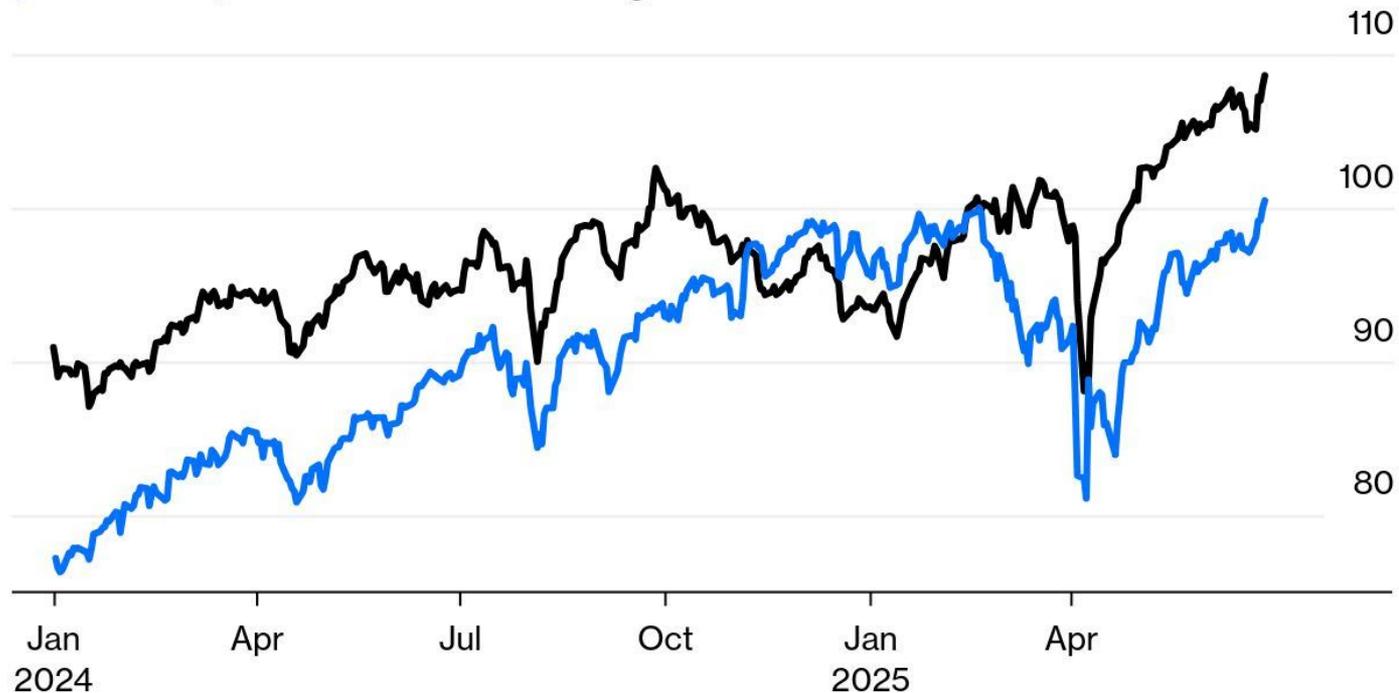
Frequency:

Style	Factor	QTD	Q2 25	Q1 25	Q4 24	Q3 24	Q2 24	Q1 24	Q4 23	Q3 23	Q2 23	Q1 23	Q4 22	Q3 22	L1Y
EQ	Earnings Quality	1.16	(7.85)	(5.15)	(1.68)	(3.91)	4.54	(3.86)	(0.59)	3.14	(2.57)	3.73	(5.70)	5.17	(17.43)
Val	Valuation	0.89	0.66	9.11	0.53	4.58	2.07	(4.45)	(6.22)	8.79	0.32	(4.08)	7.27	(5.48)	15.46
PM	Price Momentum	0.31	3.15	(5.12)	5.18	0.19	(6.92)	3.48	(4.80)	1.31	5.18	2.21	(1.91)	6.19	3.13
Sz	Size	0.14	10.74	(9.22)	(1.81)	2.91	2.48	(9.15)	6.18	(4.23)	(3.12)	(8.86)	(1.42)	(5.45)	1.58
CE	Capital Efficiency	(0.06)	(6.13)	(2.28)	(1.22)	(4.39)	1.16	5.92	0.30	(1.17)	(0.60)	3.06	(1.59)	8.46	(13.36)
HG	Historical Growth	(1.09)	3.57	1.91	1.62	(2.69)	1.27	10.98	0.43	0.08	1.81	1.52	(3.29)	8.32	4.37
AE	Analyst Expectations	(1.32)	9.12	1.65	5.18	1.10	0.90	7.15	(0.30)	(5.75)	2.32	5.45	0.64	5.04	17.95
Vol	Volatility	(1.68)	19.04	(14.32)	(1.99)	1.23	(2.70)	(4.34)	8.96	(5.25)	(4.60)	1.85	1.30	(4.13)	1.19

## America Second

In common currency terms, the rest of the world is ahead since Feb. 19

■ S&P 500    ■ MSCI All-World Excluding US



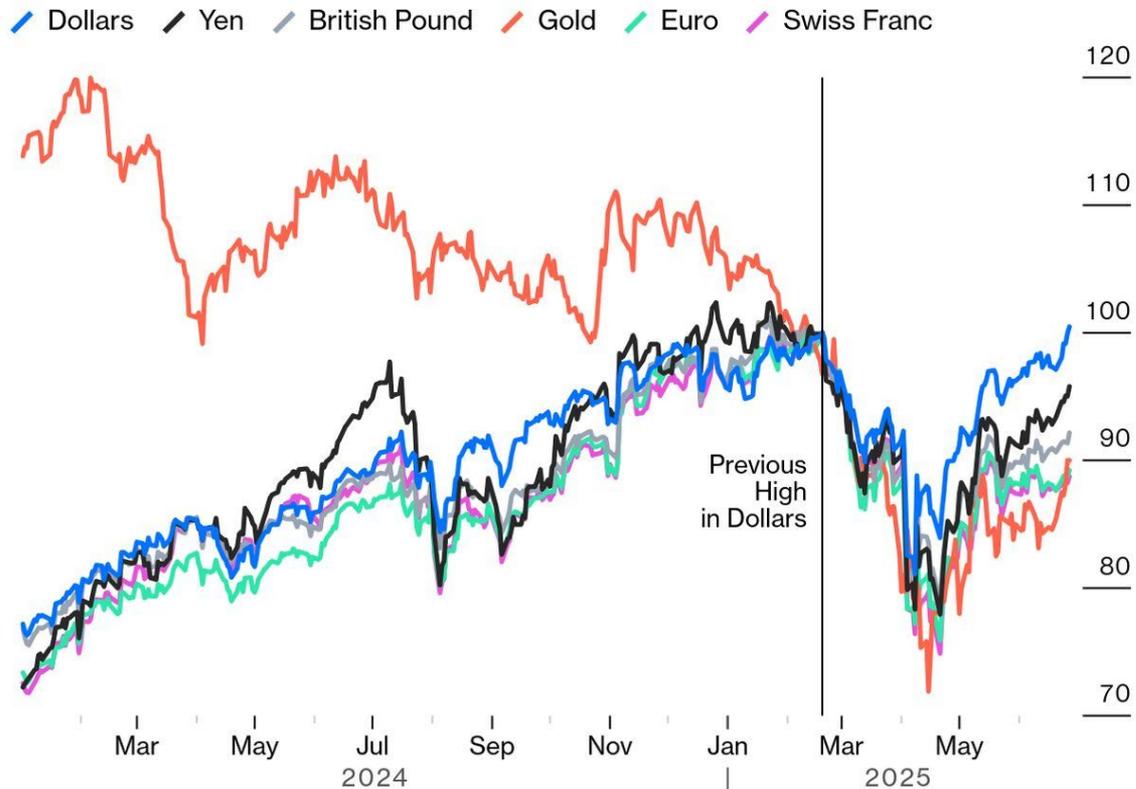
Source: Bloomberg

Data is normalized with factor 100 as of February 19, 2025.

Bloomberg **Opinion**

## An America First High for the S&P 500

Denominated in other currencies, the S&P is below its Feb. 19 peak

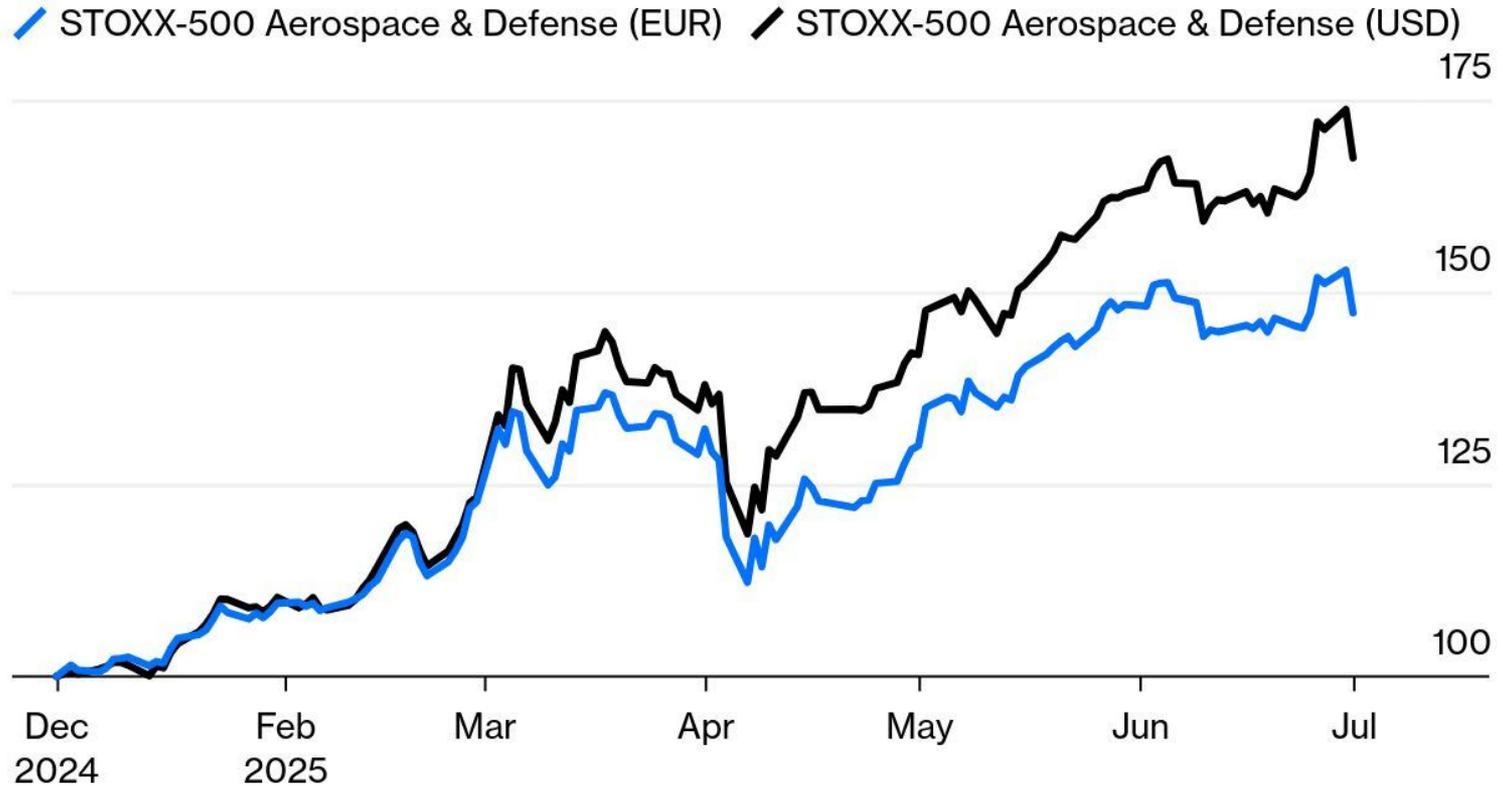


Source: Bloomberg

Note: All data are normalized as of Feb. 19 = 100

# Weaponizing Europe

Geopolitics created a bonanza for European arms contractors



Source: Bloomberg

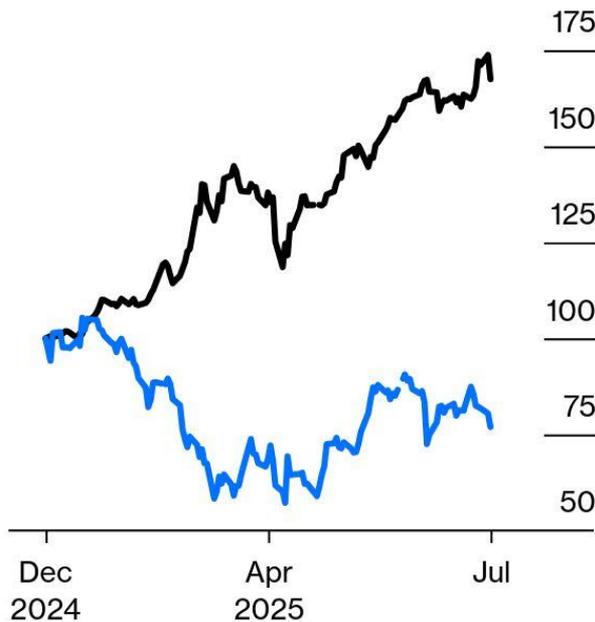
Bloomberg **Opinion**

# Doubling Your Money in Six Months

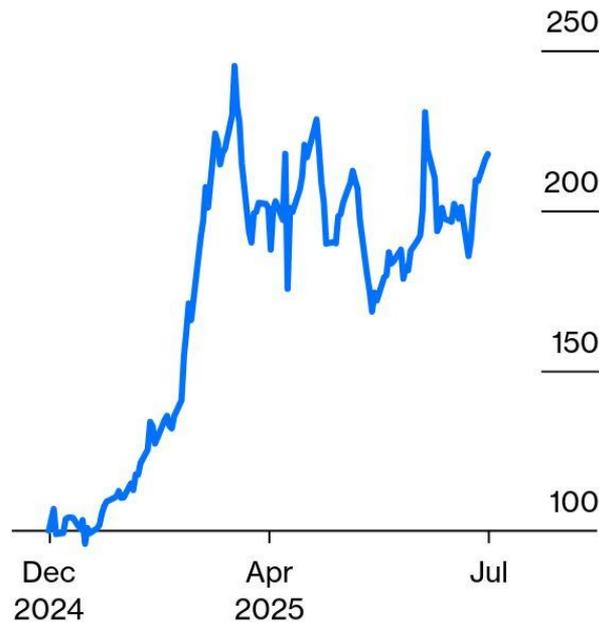
The surprising impact of Trump 2.0 created the potential for profits

■ S&P 1500 Autos    ■ STOXX-500 Aerospace & Defense

## Two Long Trades



## Long European Defense/Short US Autos



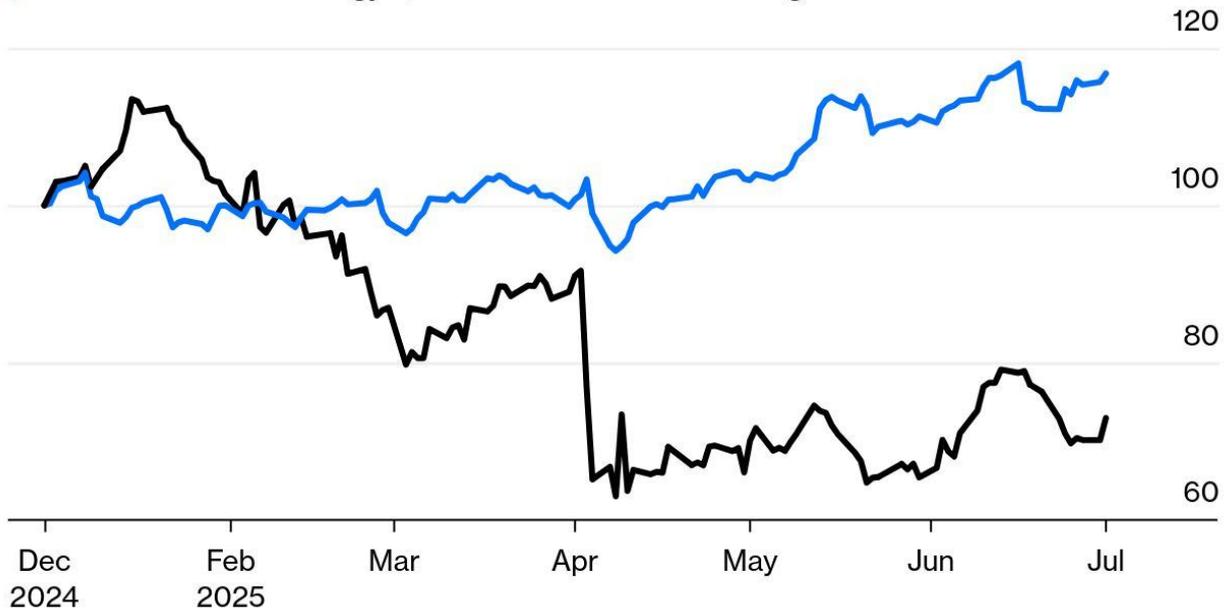
Source: Bloomberg  
Note: Normalized: 12/31/2024 = 100

# Clean vs Dirty:

## Drill Baby Drill?

A concerted agenda to maintain fossil fuels hasn't helped drilling stocks

— S&P Global Clean Energy — S&P 1500 Oil & Gas Drilling



Source: Bloomberg  
Data is normalized with factor 100 as of December 31, 2024.

# Valuations:

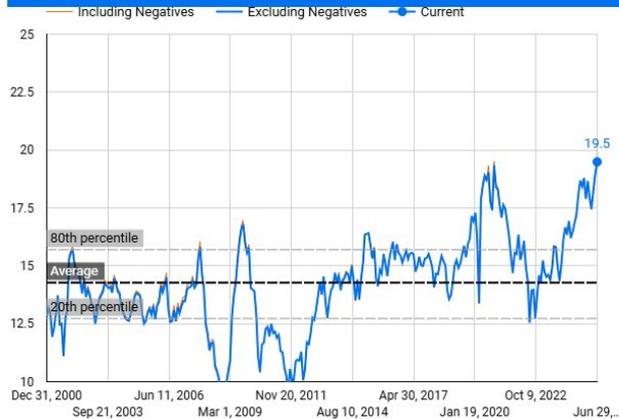
Global 12m Forward Price to Earnings Ratio



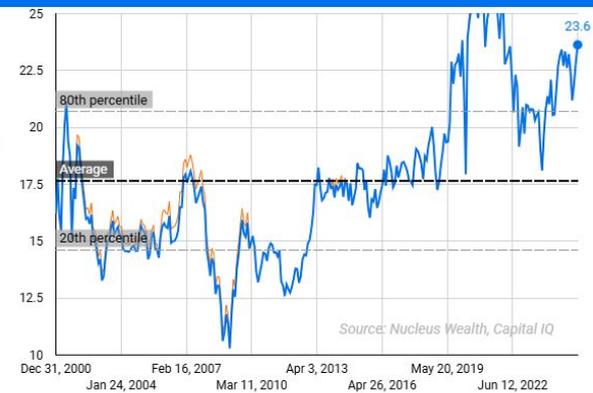
Global 12m Forward P/E ex Financials and Resources



Australia 12m Forward Price to Earnings Ratio



Australia ex Financials and Resources



# Valuations:



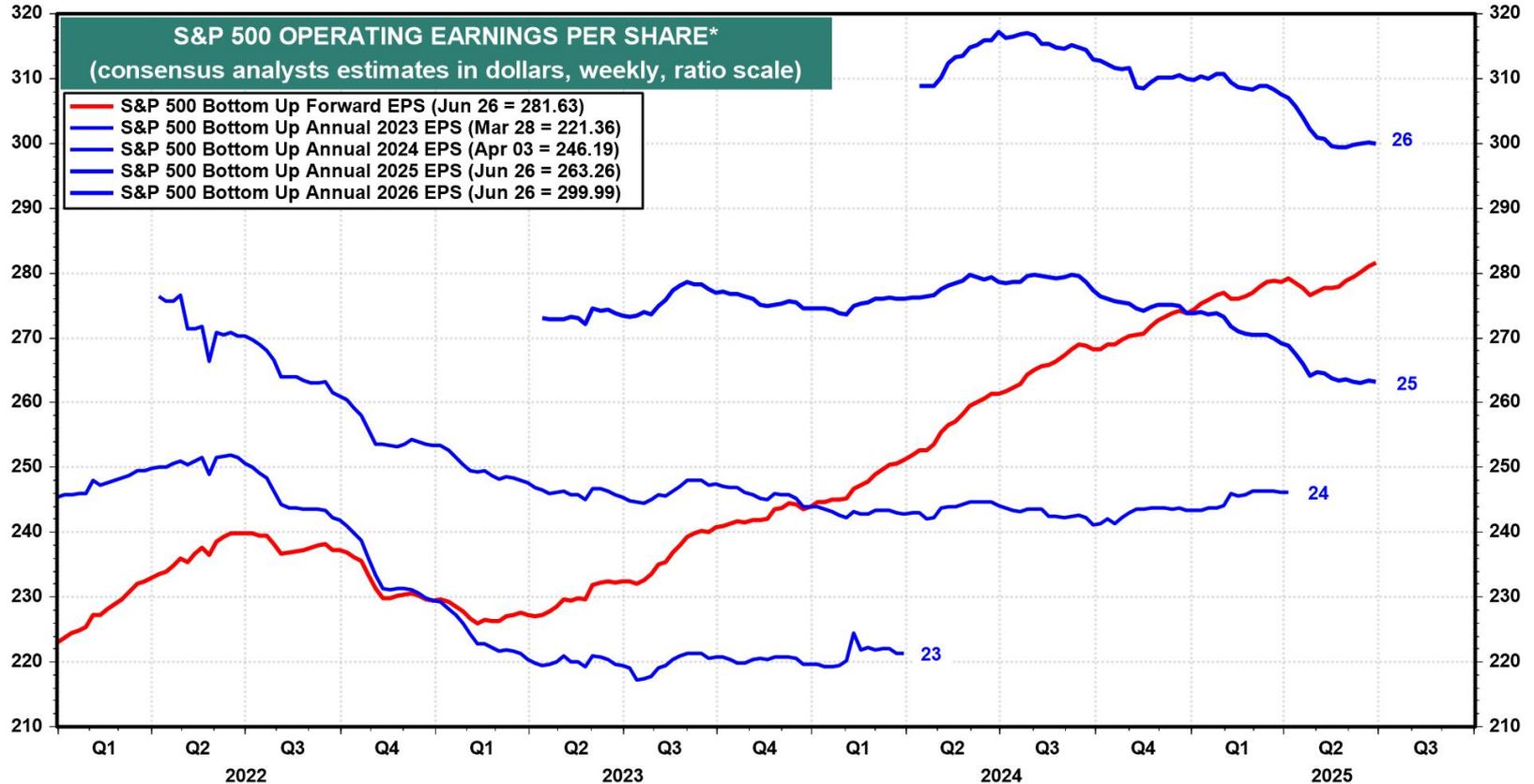
# Valuations:



# Valuations:



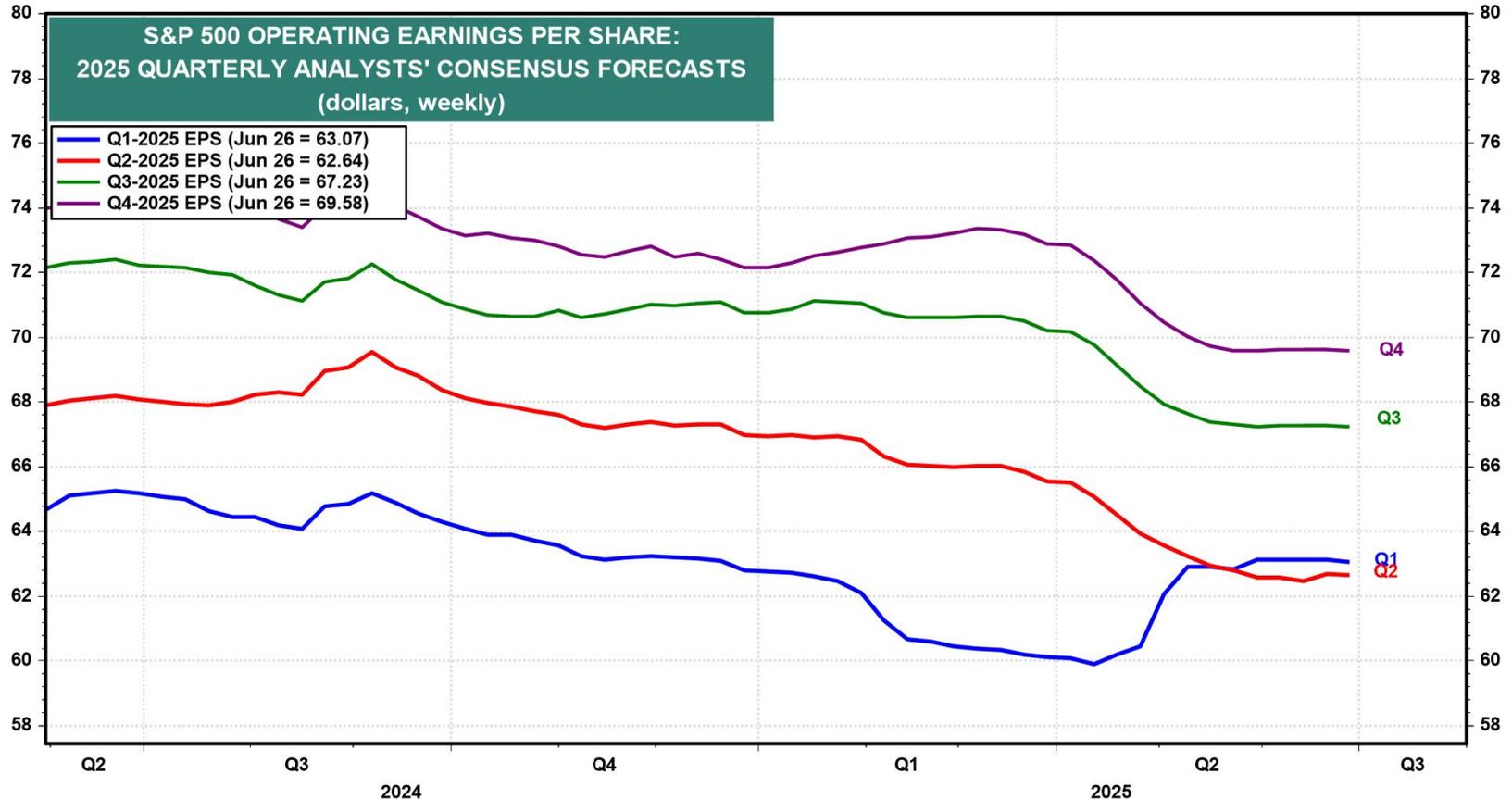
# Outlook:



Source: LSEG Datastream and © Yardeni Research. LSEG I/B/E/S.

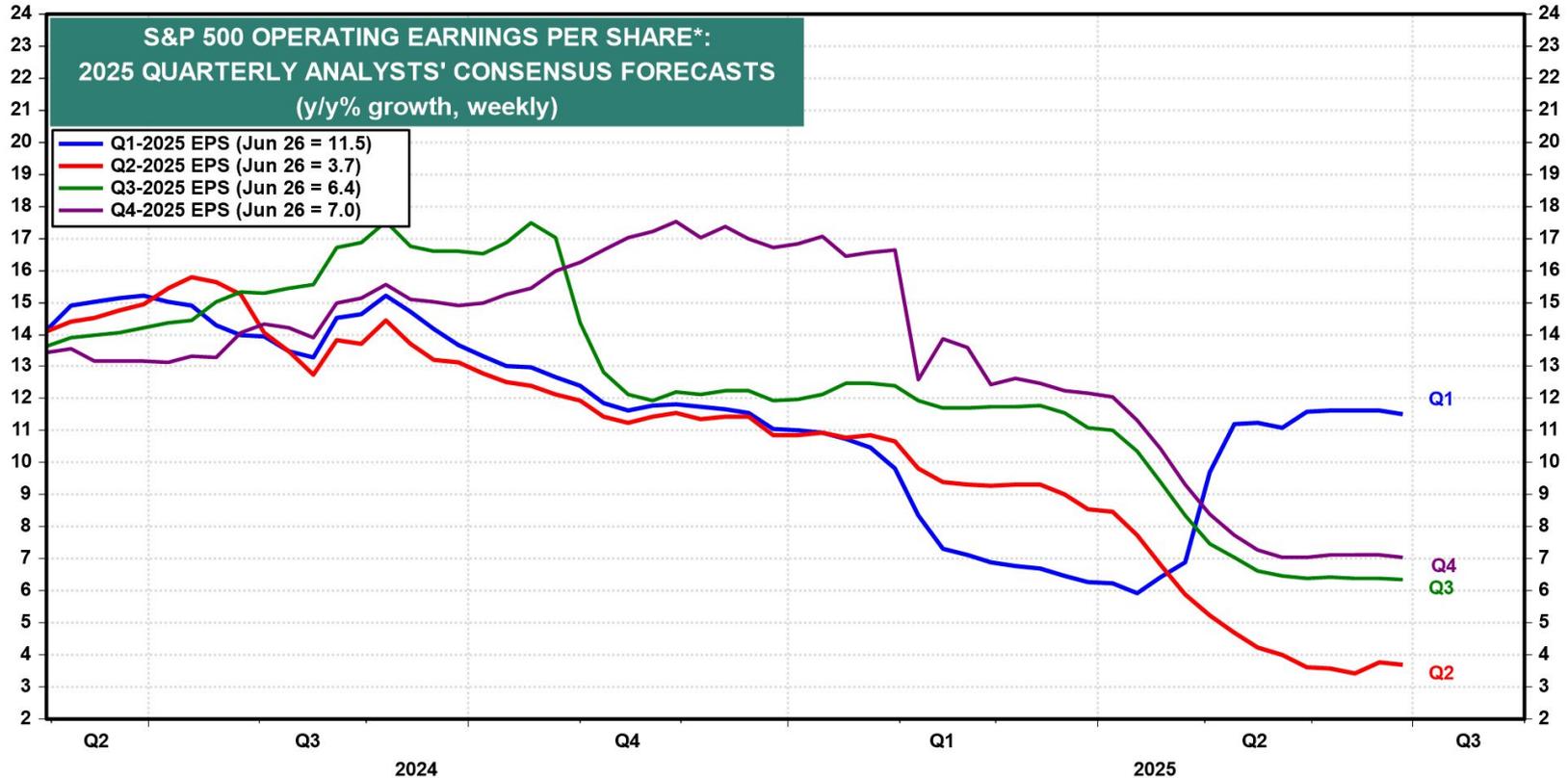
\* Growth rates are based on current composition of the S&P 500. So they are apples-to-apples comparisons.

# Outlook:



Source: LSEG Datastream and © Yardeni Research.

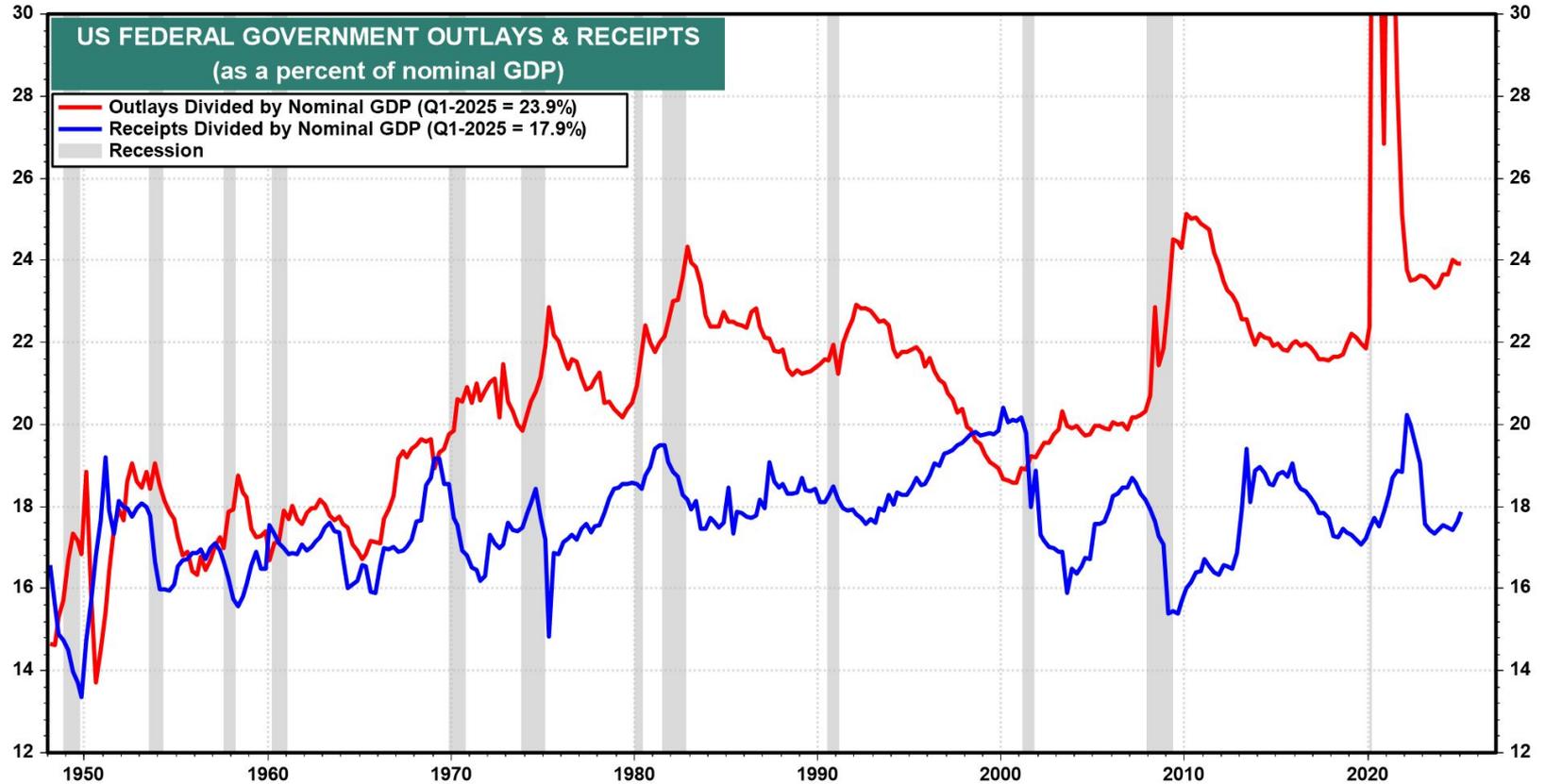
# Outlook:



Source: LSEG Datastream and © Yardeni Research. LSEG I/B/E/S.

\* Growth rates are based on current composition of the S&P 500. So they are apples-to-apples comparisons.

# Outlook:



Source: LSEG Datastream and © Yardeni Research, Bureau of Economic Analysis.

# Economic Theory:

---

1. Strong US economy. New fed chair. Big deficits. Take the good stuff, throw away the bad. Run up debt
2. Tipping points:
  - 2.1. Trade deals (positive, negative)
  - 2.2. Inventory cycle. Strong, weak, strong
  - 2.3. Capex holdup
  - 2.4. Large company vs small company
  - 2.5. Global companies in US
  - 2.6. Inflation, US consumption
  - 2.7. Worker shortage (higher wages)
  - 2.8. Higher interest rates Funding/housing costs
  - 2.9. Supply chains
  - 2.10. Purging of US institutions (fed next?)
  - 2.11. Kleptocracy?
  - 2.12. TACO trade reflexivity
  - 2.13. Is there enough confusion that more doesn't matter?

## Choose themes to screen from your portfolio away from (i.e. remove stocks)

Climate Change

War

Human Rights

Health

Vices

Animal Rights

Religion

Asset Class

Thematic

### Climate Change

- No Fossil Fuels (Worst Offenders) ⌵
- No Fossil Fuels (Any) ⌵
- No Coal Seam Gas or Fracking ⌵
- No Nuclear Power ⌵
- No Old Growth Forest Logging ⌵

# Personalise Your Portfolio

## Screens

You can exclude the below to customise your portfolio

Climate Change	War	Human Rights	Health	Vices
Animal Rights	Religion	Asset Class	Thematic	

- No Fossil Fuels (Worst Offenders) ?
- No Fossil Fuels (Any) ?
- No Coal Seam Gas or Fracking ?
- No Nuclear Power ?
- No Old Growth Forest Logging ?

## Tilts

You can add the below to customise your portfolio

Investment Style Factors	Climate Change	Technology	
Consumption	Commodities	Military	GICS Sectors

- Quality Stocks ?
- Value Stocks ?
- Growth Stocks ?
- Defensives ?



Personalise your portfolio now >



# Build Your Portfolio

Need help with this page? Video Tutorial

- Account Selection
- Investment Choice
- Risk Profile
- Build Your Portfolio**
- Ethical Overlay
- Review
- Applicants
- Bank Details
- Compliance
- Final Review

## Portfolio Tilts



Quality Stocks

Value Stocks

Growth Stocks

Oil & Gas Stocks

Gold Stocks

Agribusiness

Large Technology Stocks

Cloud Computing Stocks

Robotics/AI

Video Gaming

Cybersecurity

Clean Energy

Defensives

Battery Supply Chain

Nuclear Power

Defense Contractors

Travel

Luxury Goods

Logistics

Global Communication Services

Global Consumer Discretionary

Global Consumer Staples

Global Energy

Global Financials

Global Health Care

Global Industrials

Global Information Technology

# More from Nucleus Wealth:

---

Content: [Nucleuswealth.com/content](https://nucleuswealth.com/content)

**Have a guest or topic suggestion for the show?  
Leave a comment on YouTube**

**Find us on all major (and minor) podcast platforms:**



## Social media:

 [Facebook.com/nucleuswealth](https://Facebook.com/nucleuswealth)

 [Linkedin.com/company/nucleuswealth](https://Linkedin.com/company/nucleuswealth)

 [Instagram.com/nucleus\\_wealth](https://Instagram.com/nucleus_wealth)

 [Twitter.com/nucleuswealth](https://Twitter.com/nucleuswealth)