



Nucleus

W e a l t h

NUCLEUS INSIGHTS

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Introducing today's speakers



Certified Financial Planner (CFP)

Years of "making the complex, simple" for clients of:

AMP Financial Planning

Mercer Financial Advice

Akambo Private Wealth



- Co-author with Ross Garnaut of The Great Crash of 2008 and editor of the Garnaut Climate Change Review
- Chief Economics editor and Founder of the Diplomat magazine
- Chief Editor of highly read MacroBusiness blog



- Responsible for Mining & Energy, Big Data



- Head of Quantitative Strategy



- Founding partner and Head of Investment Research





GOOD DEFENCE

is the

BEST OFFENCE



Nucleus Insights :
Good Defence is the Best Offence

Agenda

- Asset Allocation
- Stock Selection
- Current Outlook

David Llewellyn Smith
Tim Fuller
Damien Klassen



Asset Allocation

- Cash
- Government Bonds
- Corporate Bonds
- Stocks
- Currency
- Gold
- Alternative Assets

David Llewellyn Smith
Tim Fuller
Damien Klassen



Asset Allocation

Cash

- Upside / Downside
- Typical performance
- Correlation
- This time is different

David Llewellyn Smith
Tim Fuller
Damien Klassen



Asset Allocation

Government Bonds

- Upside / Downside
- Typical performance
- Correlation
- This time is different

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Asset Allocation

Government Bonds

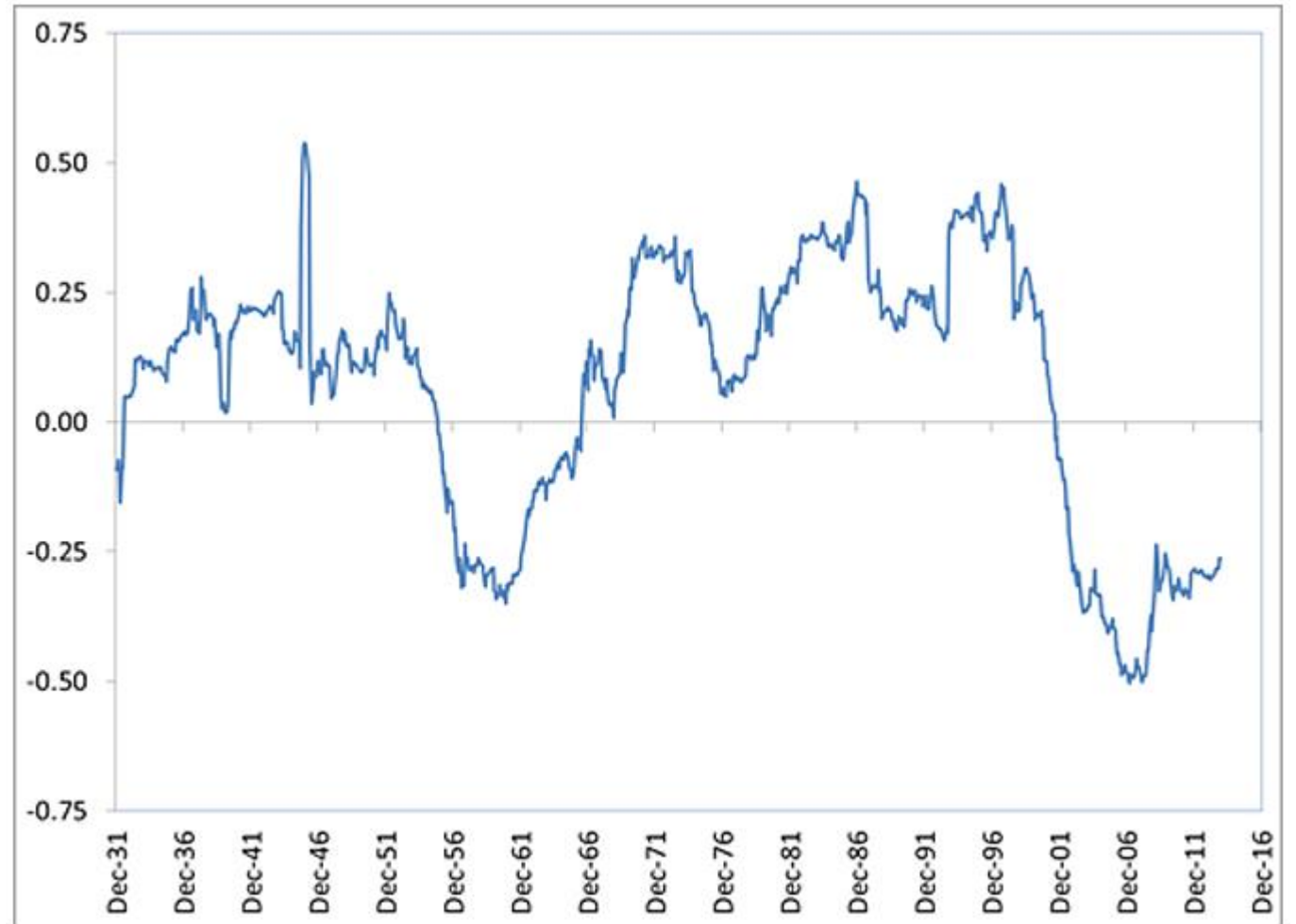


David Llewellyn Smith
Tim Fuller
Damien Klassen



Asset Allocation

Government Bonds



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Tim Fuller
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Asset Allocation

Corporate Bonds

- Upside / Downside
- Typical performance
- Correlation
- This time is different

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Asset Allocation

Stocks

- Upside / Downside
- Typical performance
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Asset Allocation

Currency

- Upside / Downside
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Asset Allocation

Gold

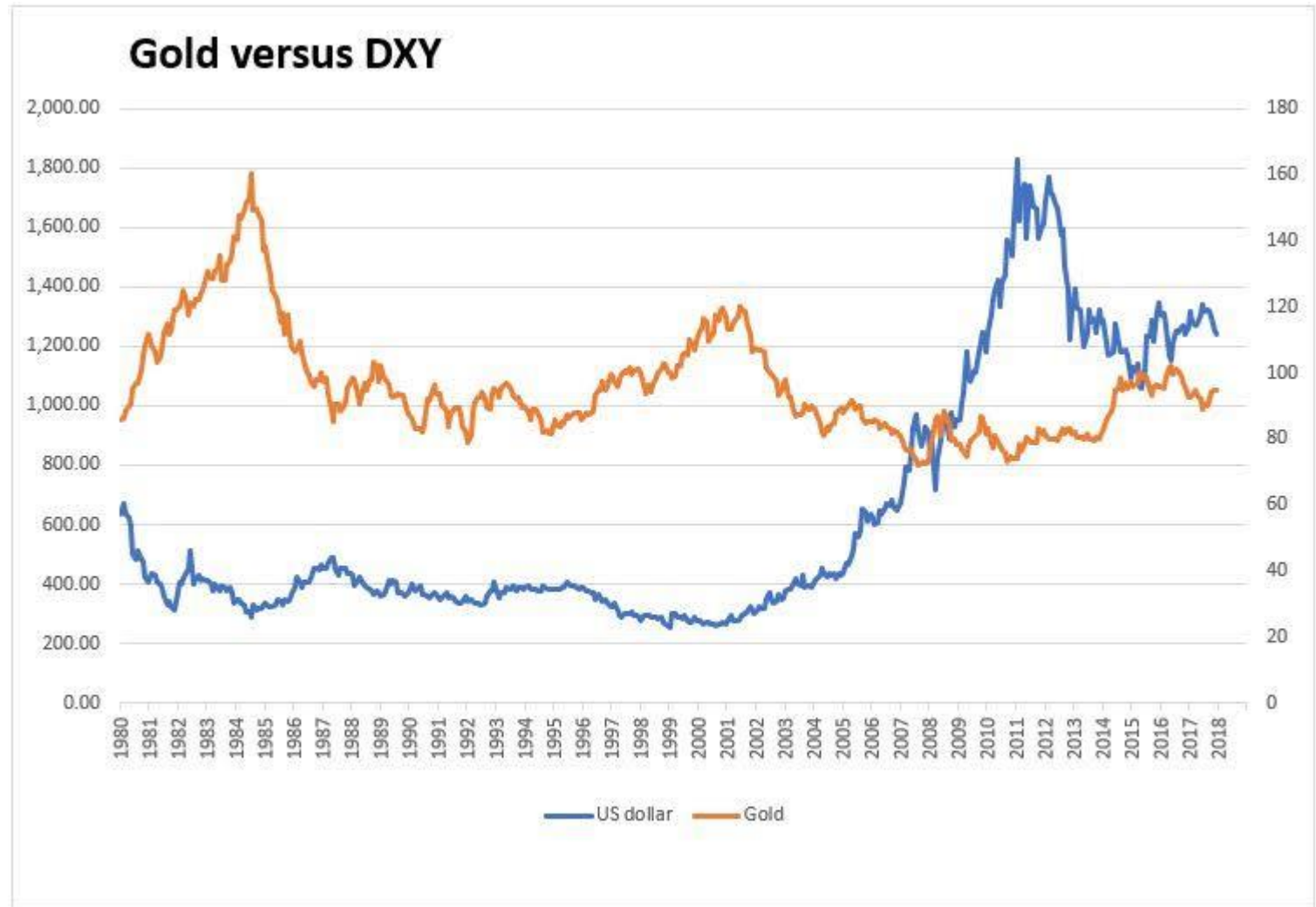
- Upside / Downside
- Typical performance
- Correlation
- This time is different

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Tim Fuller
Damien Klassen



Asset Allocation

Gold



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Tim Fuller
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Asset Allocation

Alternative Assets

- Commodities, Real Estate, Private Equity, Other
- Upside / Downside
- Typical performance
- Correlation
- This time is different

David Llewellyn Smith
Tim Fuller
Damien Klassen



Stock Selection

- Asset Type
- Correlation
- Currency
- Earnings Profile

David Llewellyn Smith
Tim Fuller
Damien Klassen



Stock Selection

Asset Type

- By Economic Type
- By Quant Factor
- By Size
- By Geography
- By Business Type

David Llewellyn Smith
Tim Fuller
Damien Klassen



Stock Selection

Correlation

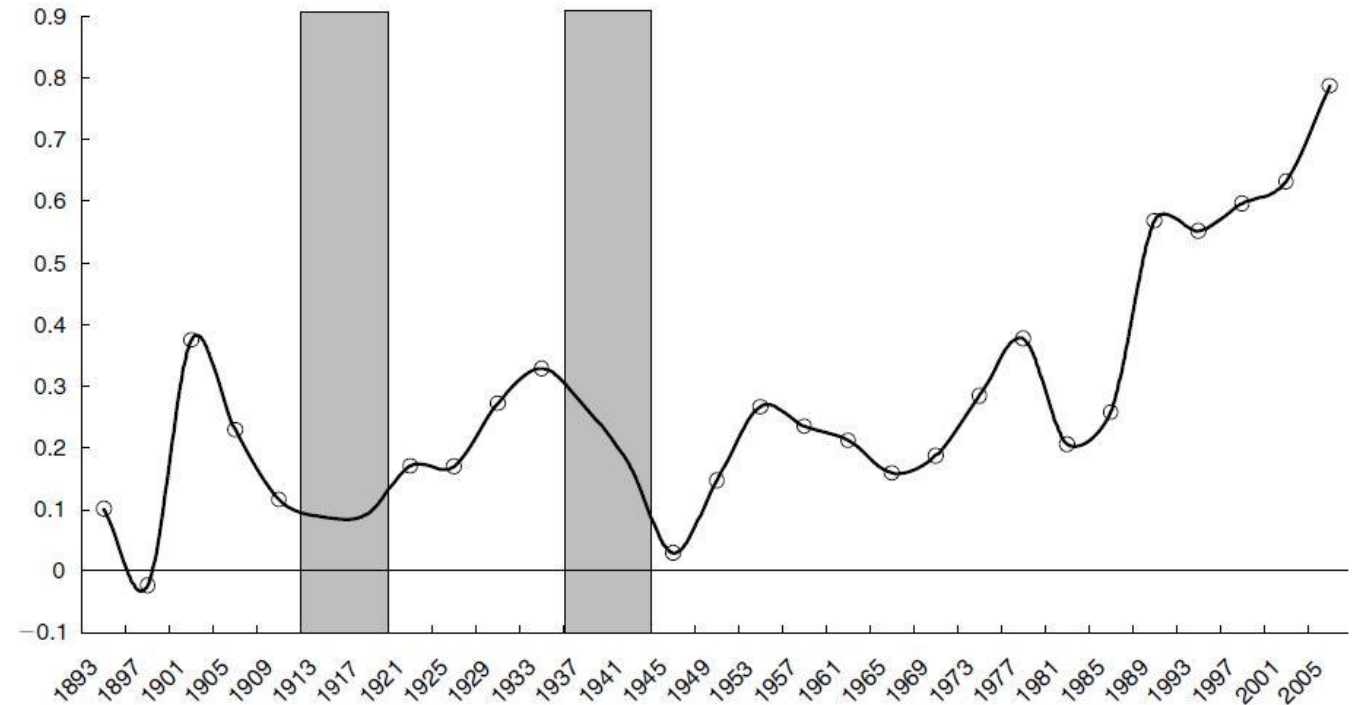


FIGURE 1: STOCK MARKET CORRELATIONS OVER THE LONG RUN

(Shaded areas indicate observations reflecting stock returns affected by the two world wars)

David Llewellyn Smith
Tim Fuller
Damien Klassen



Stock Selection

Correlation

Stock Correlations as of November 2017

Index*	US Val./Grow.		US Size			Geography			US Sector									Average	
	VTV	VUG	VV	VO	VB	VTI	VEA	VWO	VCR	VAW	VG	VIS	VFH	VHT	VDC	VNQ	VOX		VDE
VTV (value)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	0.63
VUG (growth)	0.70	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	0.60
VV (large)	0.93	0.94	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	0.68
VO (mid)	0.90	0.83	0.93	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	0.66
VB (small)	0.84	0.74	0.86	0.92	--	--	--	--	--	--	--	--	--	--	--	--	--	--	0.62
VTI (US all)	0.93	0.91	0.99	0.95	0.91	--	--	--	--	--	--	--	--	--	--	--	--	--	0.68
VEA (dev. mkts.)	0.59	0.69	0.69	0.67	0.59	0.69	--	--	--	--	--	--	--	--	--	--	--	--	0.51
VWO (emerg. mkts.)	0.53	0.69	0.67	0.63	0.54	0.66	0.77	--	--	--	--	--	--	--	--	--	--	--	0.48
VCR (cons. discret.)	0.70	0.76	0.83	0.79	0.77	0.86	0.49	0.52	--	--	--	--	--	--	--	--	--	--	0.54
VAW (materials)	0.77	0.60	0.74	0.78	0.75	0.76	0.52	0.48	0.54	--	--	--	--	--	--	--	--	--	0.53
VG (IT)	0.63	0.95	0.84	0.72	0.70	0.83	0.64	0.67	0.65	0.53	--	--	--	--	--	--	--	--	0.52
VIS (industry)	0.82	0.62	0.77	0.76	0.75	0.79	0.50	0.48	0.52	0.69	0.57	--	--	--	--	--	--	--	0.52
VFH (finance)	0.81	0.44	0.66	0.65	0.70	0.67	0.40	0.35	0.49	0.60	0.45	0.67	--	--	--	--	--	--	0.42
VHT (health)	0.53	0.65	0.67	0.67	0.60	0.69	0.47	0.40	0.49	0.43	0.50	0.50	0.25	--	--	--	--	--	0.42
VDC (cons. staples)	0.36	0.32	0.44	0.45	0.33	0.43	0.30	0.24	0.26	0.32	0.16	0.18	0.10	0.23	--	--	--	--	0.28
VNQ (REIT)	0.28	0.35	0.34	0.37	0.29	0.34	0.43	0.44	0.19	0.24	0.25	0.16	-0.01	0.24	0.37	--	--	--	0.27
VOX (telecom)	0.47	0.22	0.38	0.37	0.37	0.38	0.22	0.19	0.47	0.35	0.16	0.32	0.36	0.05	0.29	0.02	--	--	0.27
VDE (energy)	0.41	0.28	0.38	0.36	0.40	0.39	0.28	0.22	0.42	0.39	0.19	0.25	0.26	0.07	0.08	0.20	0.19	--	0.25
VPU (utilities)	0.09	0.12	0.11	0.09	0.07	0.08	0.18	0.13	0.01	0.01	0.04	-0.03	-0.23	0.18	0.28	0.45	0.01	-0.21	0.09

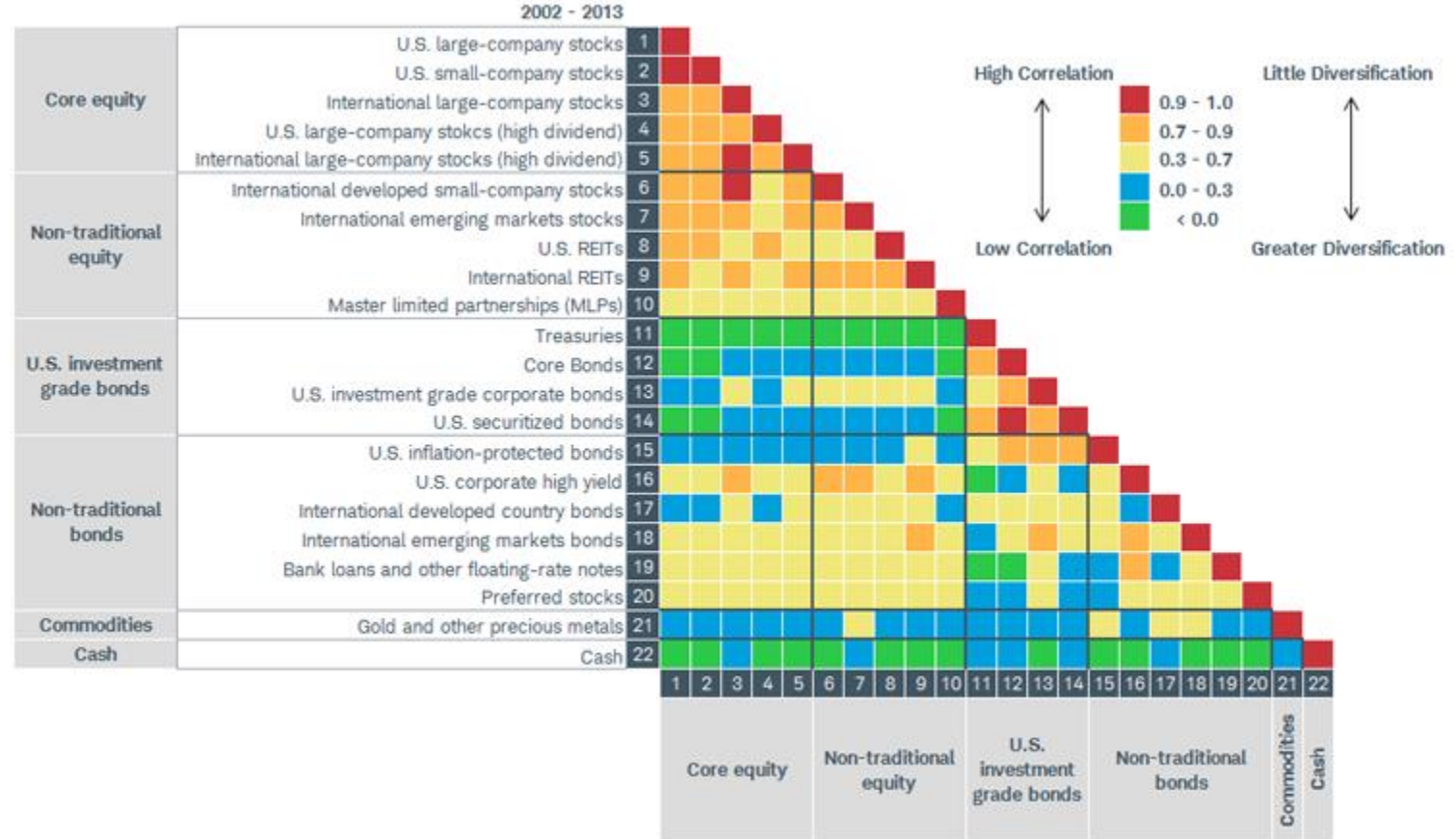
*As represented by various ETFs.

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Stock Selection

Correlation



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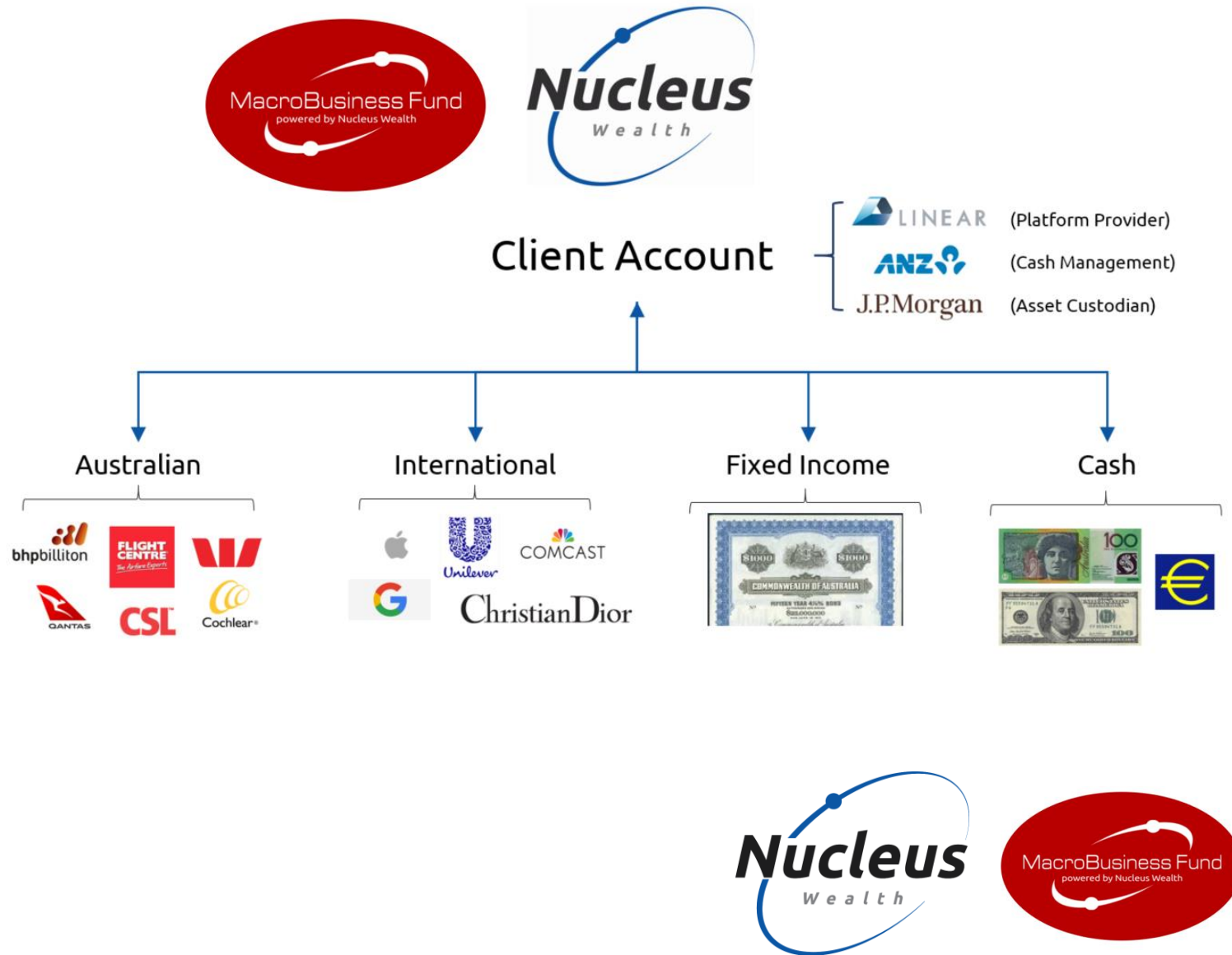
Implications for investment

- Asset Allocation
- Barbell for risk in stock selection
- Bias to US growth, wary of overpaying
- Trump risks

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Tim Fuller
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Investing with Nucleus Wealth



Investing with Nucleus Wealth

HEALTH



- No Fast Food
- No GMO Foods

VICES



- No Gambling
- No Alcohol
- No Pornography
- No Tobacco

ANIMAL RIGHTS



- No Animal Testing (Broad)
- No Animal Testing (High Impact)

RELIGION



- No Contraception
- Only Sharia / Islamic

CLIMATE CHANGE



- No Fossil Fuels (High Impact)
- No Fossil Fuels (Broad)
- No Fossil Fuels (CSG)
- No Nuclear
- No Loggers - OGF

WAR



- No Arms (High Impact)
- No Arms (Broad)

HUMAN RIGHTS



- No Immigration Detention
- No Jails



Investing with Nucleus Wealth

- Complete investment solution
- 19 individual ethical screens
- Experienced investment managers
- Completely transparent

- Lower fees as we get rid of the multiple layers of middle-men between you and your money
- Tax effective





portal.nucleuswealth.com

The screenshot shows the Nucleus Wealth client portal dashboard. At the top, the Nucleus Wealth logo and name are displayed in a blue header bar. Below the header, there are navigation links for "Invest With Us", "Blog", and "Client Portal". The user's account information, "John Citizen & Jill Citizen - Joint Account", and a "Take a tour" button are visible in the top right corner.

The main content area displays the "Current Balance \$258,091" in a blue bar. Below this, a "Tactical" section is expanded, showing "Your Holdings Summary". This section contains four gauge charts representing different asset classes:

- Cash:** 35% (Underweight)
- Govt. Bonds:** 27% (Overweight)
- Australian Shares:** 10% (Underweight)
- International Shares:** 27% (Overweight)

Below the holdings summary is the "Your Assets Summary" section, which includes two pie charts. The first pie chart shows the distribution of assets: Cash (green), International Shares (blue), and Bonds (orange). The second pie chart shows the distribution of assets: Total Defensive (green) and Total Growth (blue).

At the bottom of the dashboard, there is a section for "Additional Assets" with a dropdown menu. Below this is the "Portfolio Detail" section, which includes a "Sector Groups" button and two other buttons labeled "Regions" and "Defensive". A partial pie chart is visible at the bottom of the page.

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Bit.ly/NucleusInsights



podcastaddict





Keep your investment goals in focus.

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