

**IS AI A BUST  
AFTER ALL?**

## Disclaimer:

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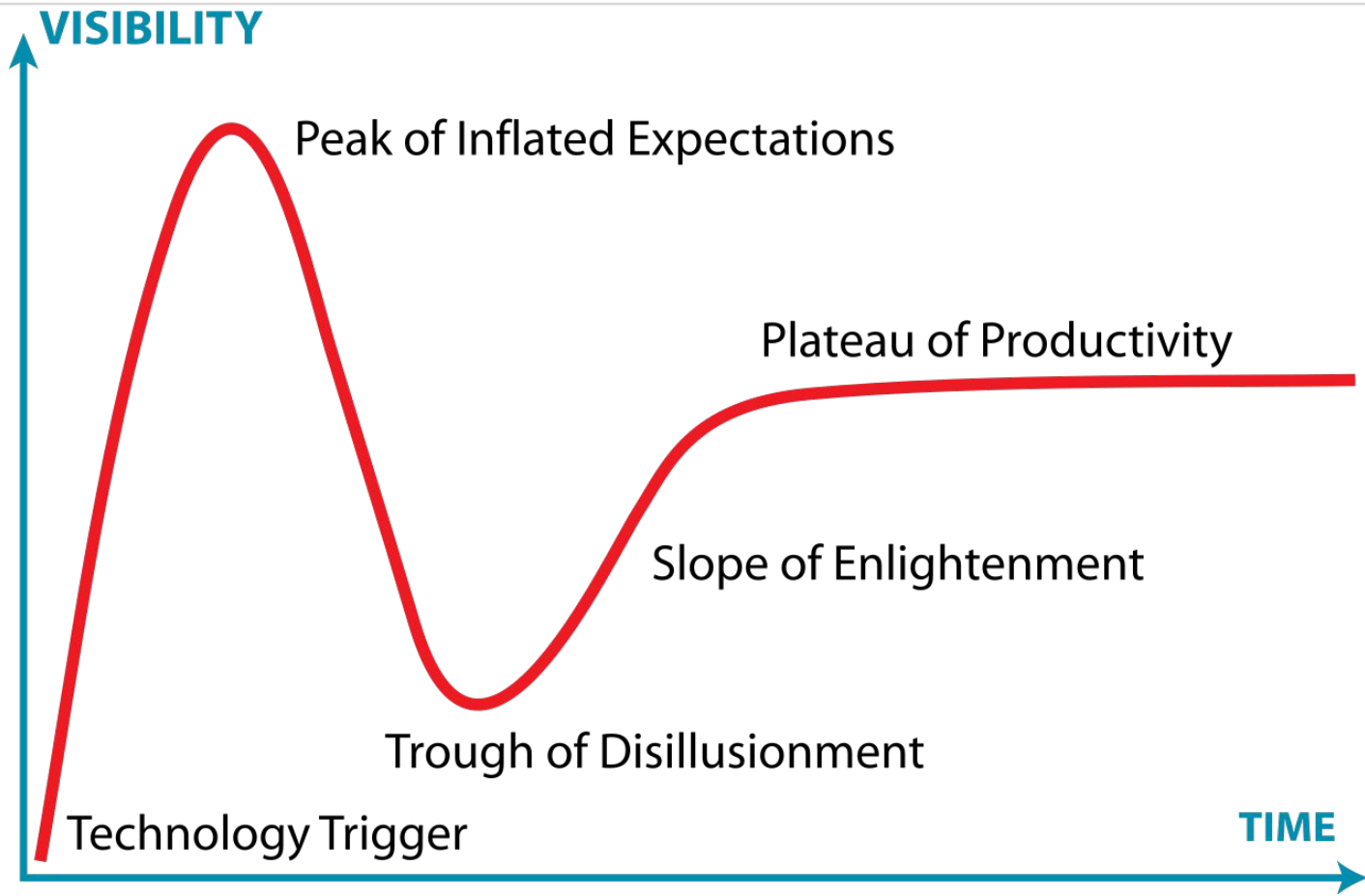
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# Agenda:

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- Fundamentals
- Valuation
- Macroeconomic
- Investment outlook

# Technological:

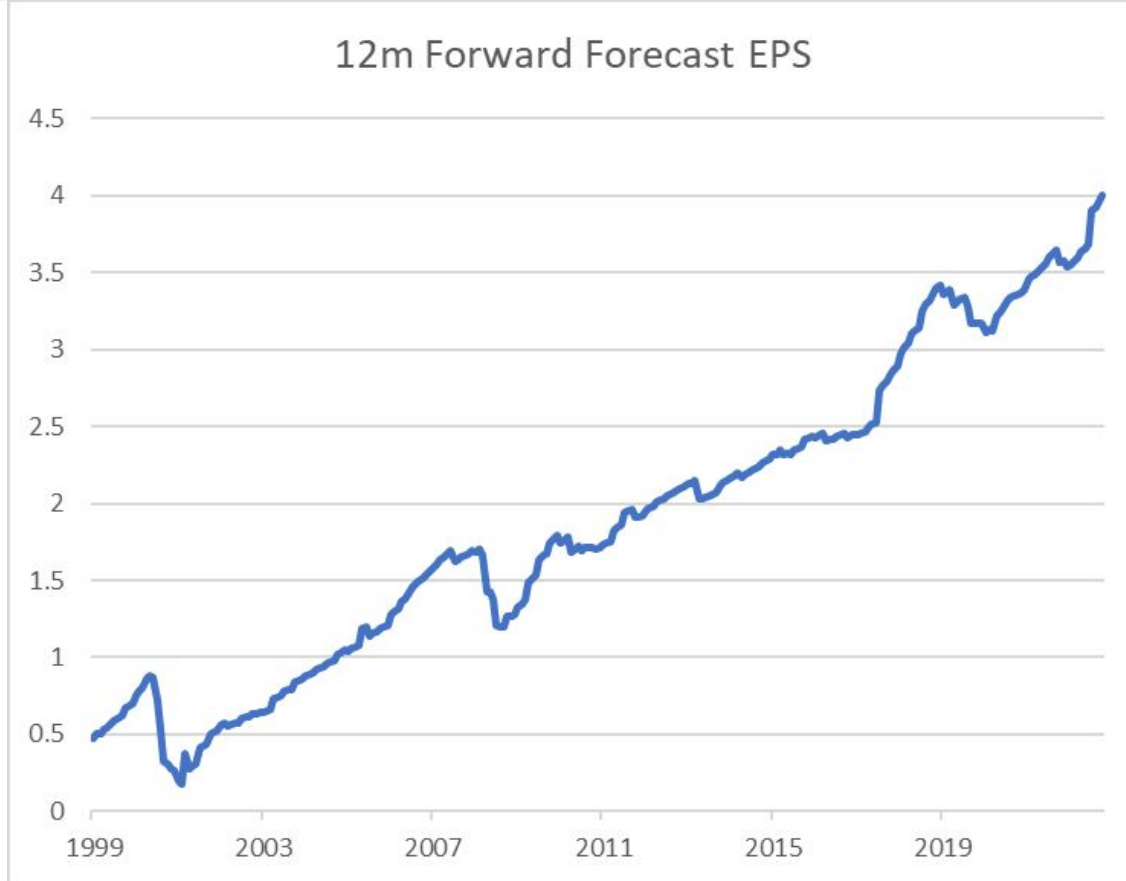


## Technological:

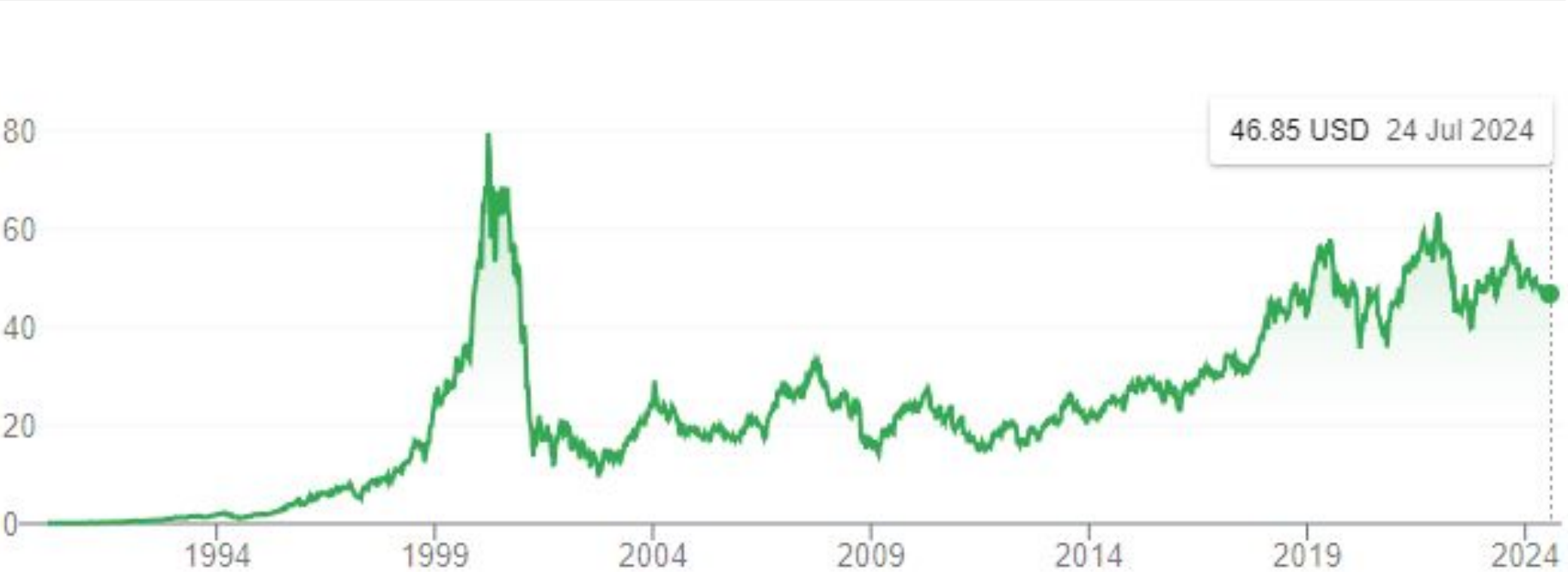
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- Huge potential, limited current benefit
- Capex spend to enable the next leg of growth
- Broad based productivity increases the key rather than concentrated winners
- Pets.com - the branding is more important than the fundamentals, for a short time

# Cisco: quality stock providing picks and shovels to the internet



# Cisco: Still below 2000 share price peak



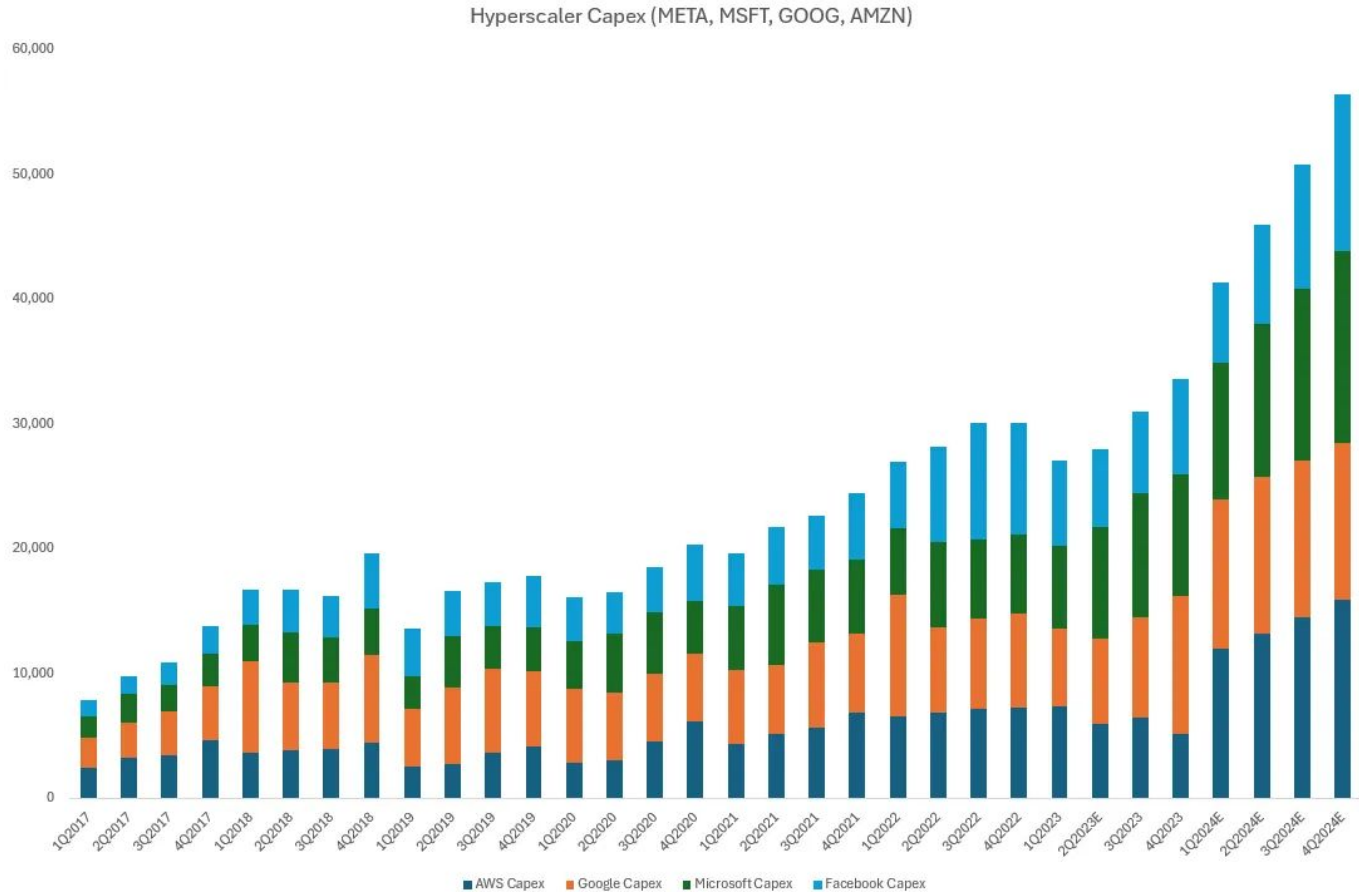
# NVIDIA: Booming earnings

EPS Forecasts history ⓘ





# Capex: top 4 up about 50% in 2024

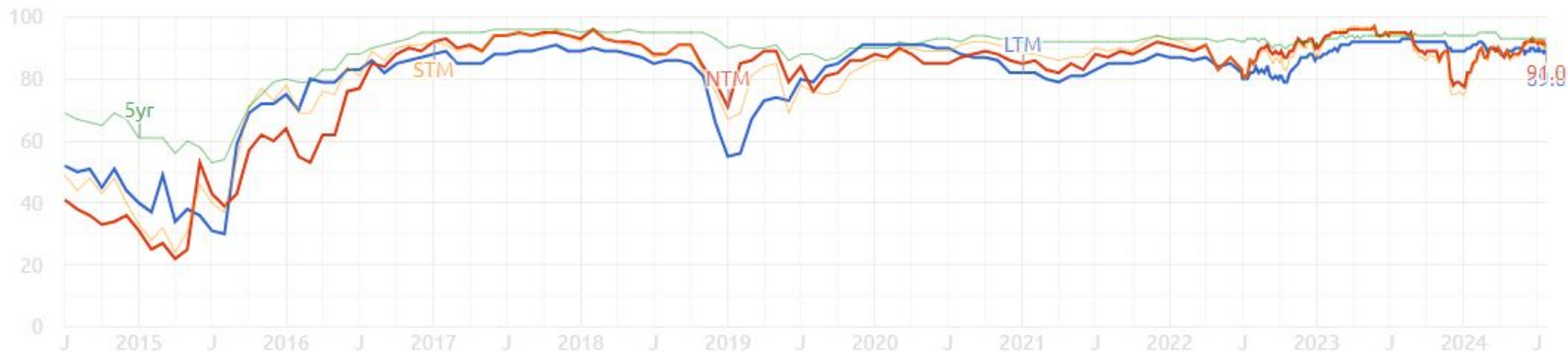


# NVIDIA: Not cheap... better on cashflow or 2 year forward

Price / Normalised EPS ⓘ

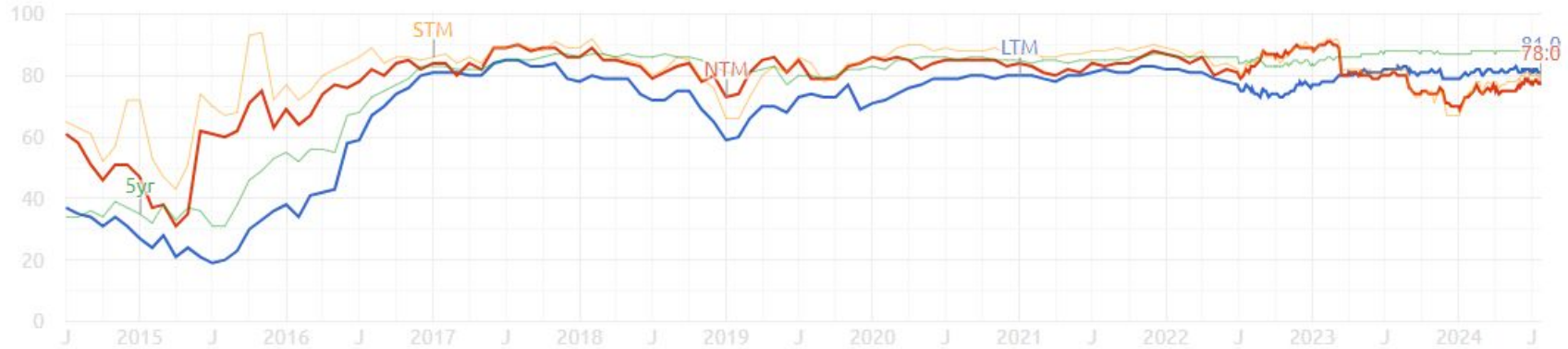


Price / Normalised EPS Rank vs Market ⓘ



# NVIDIA: Not cheap... better on cashflow or 2 year forward

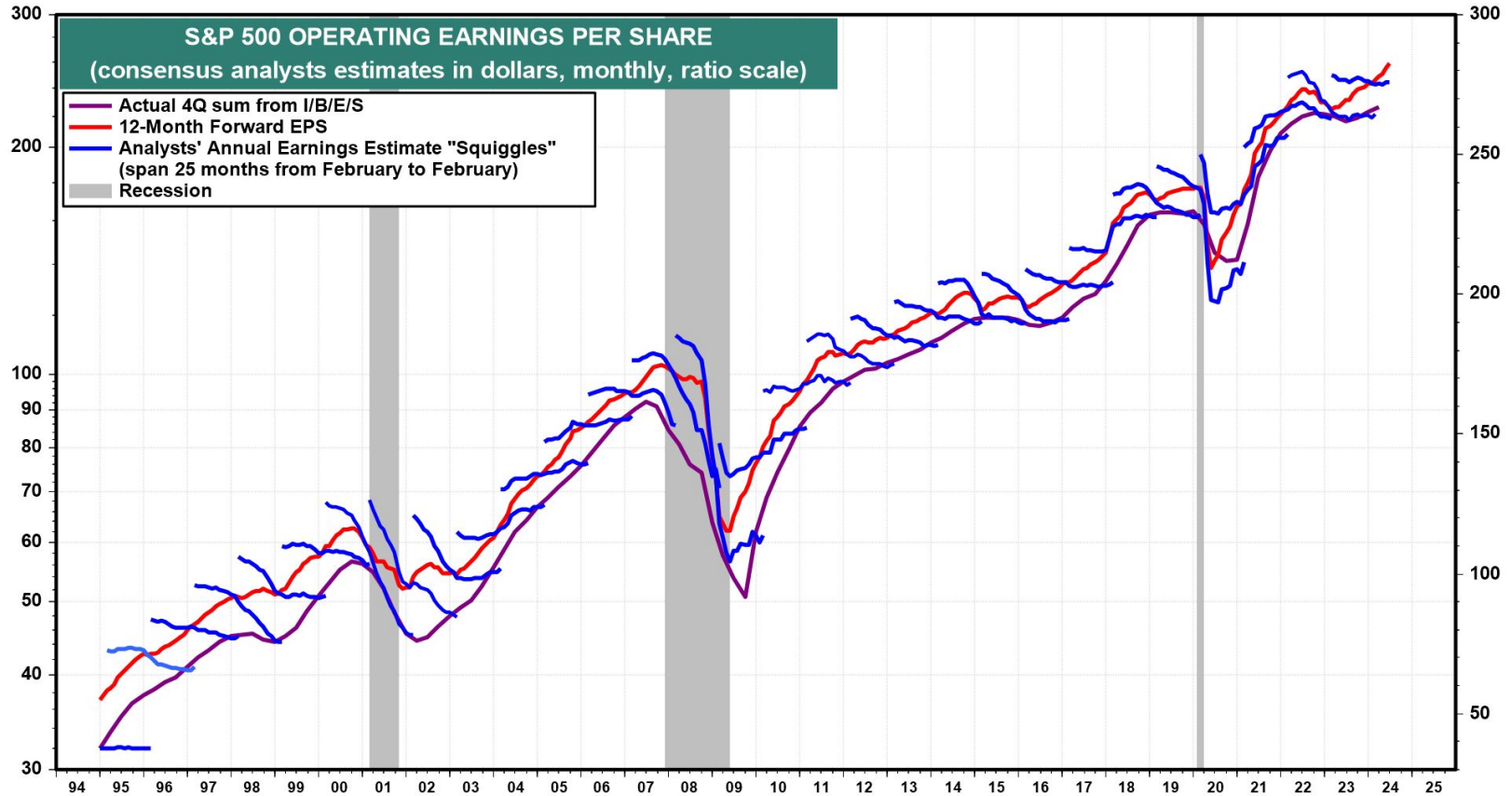
Price / FCFE Rank vs Market ⓘ



Price / FCFE Rank vs Sector ⓘ

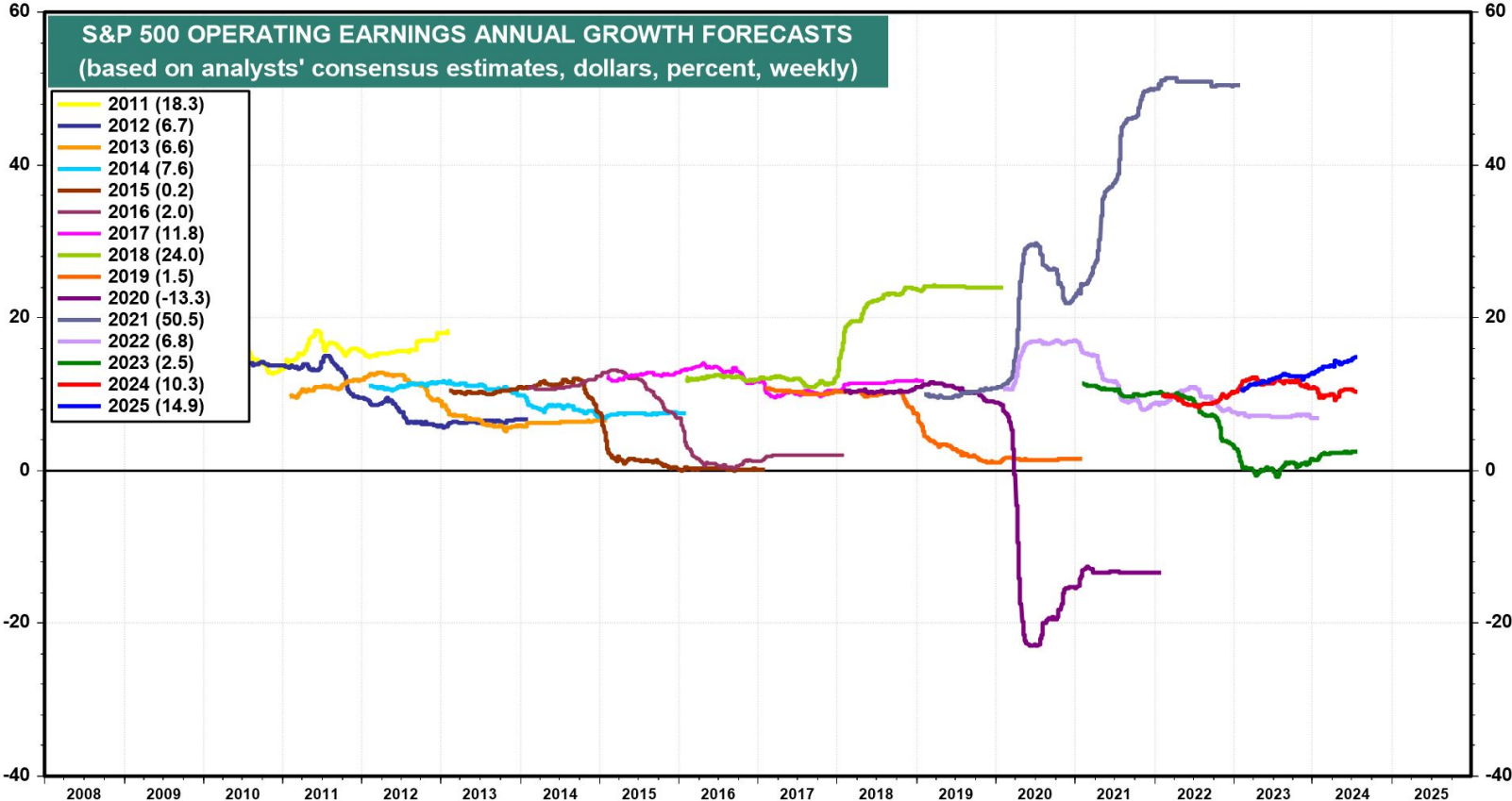


# Market Fundamentals:



Source: LSEG Datastream and © Yardeni Research.

# Market Fundamentals:



Source: LSEG Datastream and © Yardeni Research.

# Market Valuations:

## Global 12m Forward P/E ex Financials and Resources



# Macroeconomic:

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- Short-term capex boom for data centres and electricity
- Longer term benefit all about productivity
- Acemoglu modelling a bust
- Eloundou: 20% of jobs at risk
- Thompson: 23% cost effective within decade
- 4.6% of tasks impacted
- 0.66% productivity gain and 0.9GDP over decade
- 30% cost saving useful to profits
- But, all based today's AI...not tomorrow's...
- At issue is no *apriori* epistemology. AI is inductive not deductive. Which makes complex tasks difficult.
- Does adding more data help this? No. But does it need to?
- Weight loss drugs and automated cars...

## Societal Change:

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- Jobs will be lost. Short term bad, long term good.
- Biggest danger is speed of change.
- More inequality. Lower interest rates?
- Competition policy. Oligopolies vs competition



# How to invest:

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**Technology** ▼



Large Technology Stocks <span>?</span>	Cloud Computing Stocks <span>?</span>
<input type="text" value="5%"/>	<input type="text"/>
Artificial Intelligence <span>?</span>	Cybersecurity <span>?</span>
<input type="text"/>	<input type="text"/>
Robotics <span>?</span>	
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## 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

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