

Presentation

to

Brokers Ireland Conference

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February 18, 2021

Introducing Clarus Investment Solutions

- Partnership established in March 2008
- Authorised by Central Bank
- Partners have almost 50 years' combined experience at senior level in asset management
- Clients:
 - *financial brokers*
 - *pension funds, charities*
 - *corporate and personal clients*

Primary Services

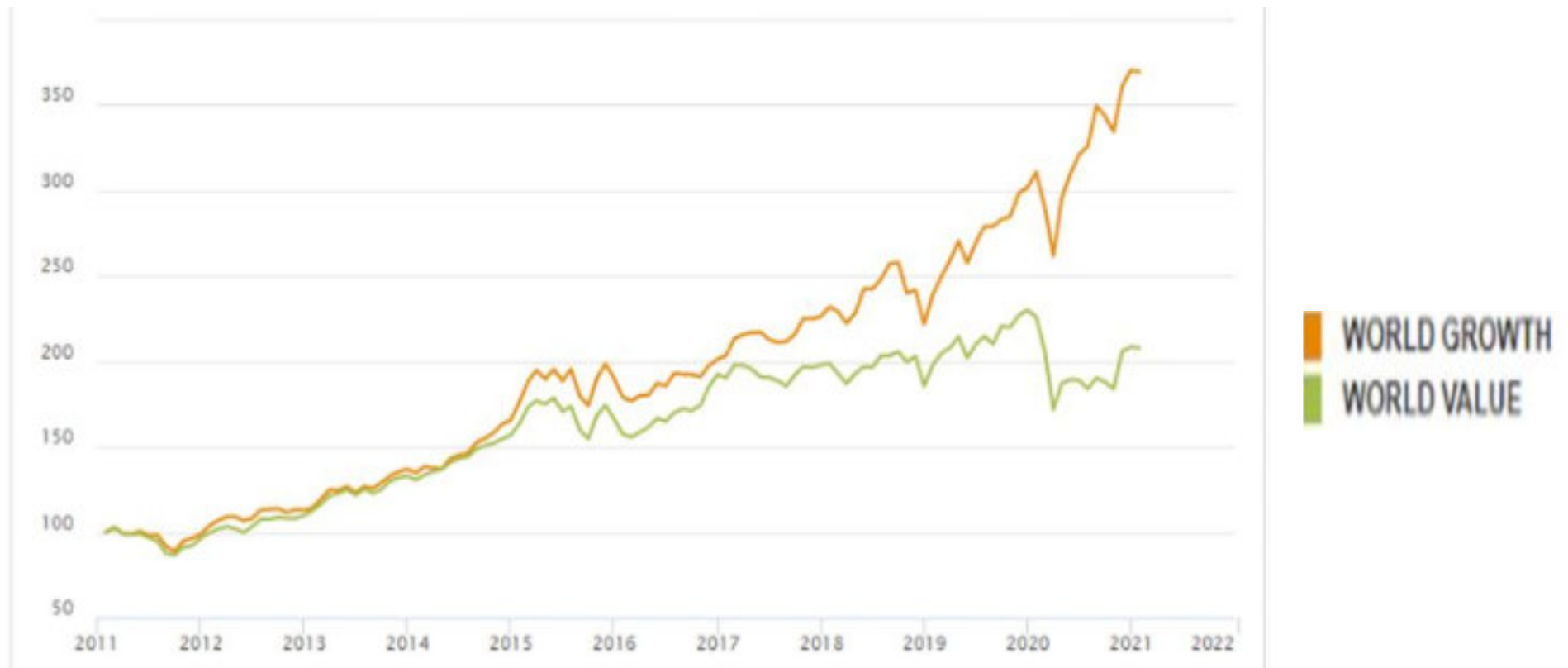
- Portfolio design & selection of components
- Diligence on investment managers & funds
- Portfolio monitoring
- Consulting work
- Licence proprietary risk profiling software
- Expert Witness

Where Managers Are Positioned - *typically*

“We remain towards the higher end of equity ranges across our multi-asset funds as negative real yields support relative value argument for risk assets”.

Extraordinary Performance - I

World Index Growth v Value - 10yrs to 31/1/21

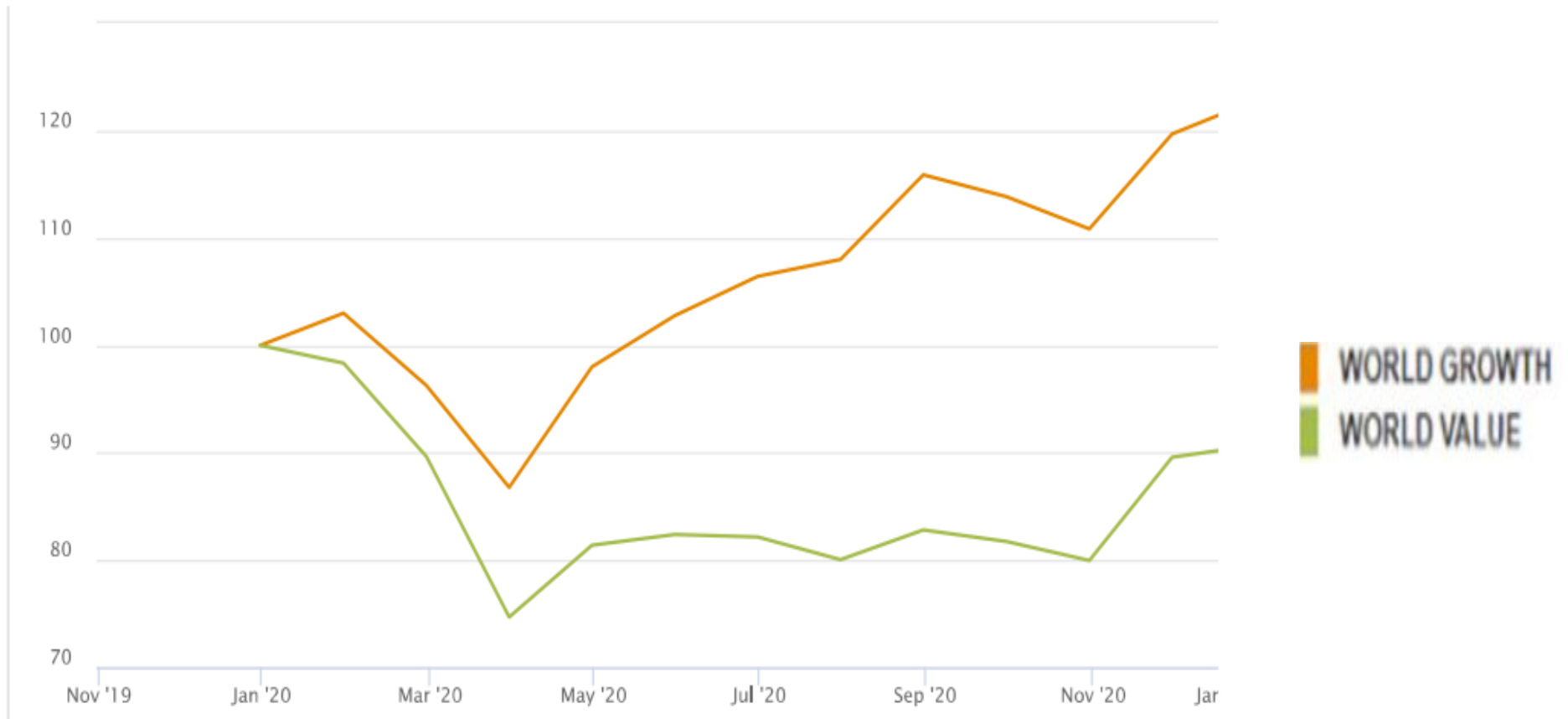


Source: MSCI.COM

Cumulative Outperformance by Growth of **162%**

Extraordinary Performance - II

World Index Growth v Value - 2020

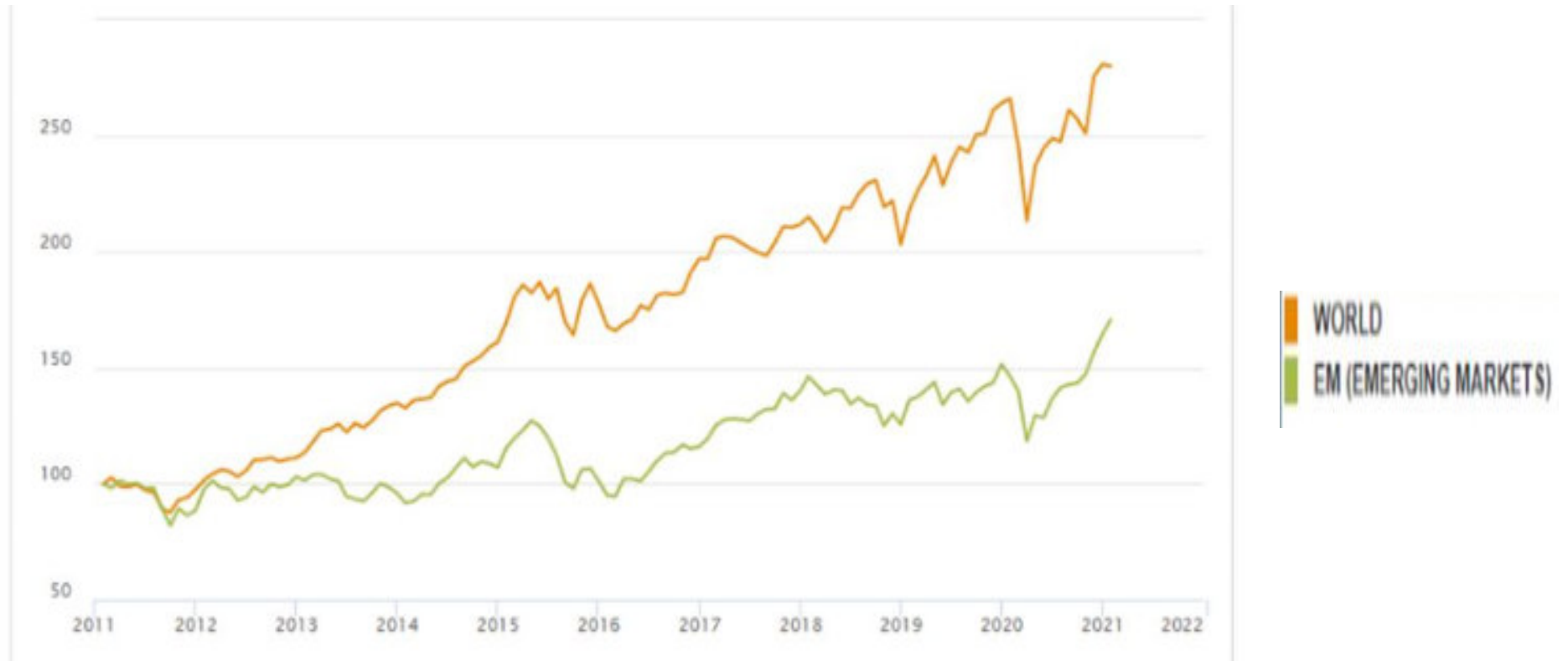


Source: MSCI.COM

Cumulative Outperformance by Growth of **32%**

Extraordinary Performance - III

Developed Markets v Emerging – 10yrs to 31/1/21



Source: MSCI.COM

Cumulative Outperformance by DM of 110%

Extraordinary Performance - IV

North America V World ex USA - 10 yrs to 31/1/21



Source: MSCI.COM

Cumulative Outperformance by NA of 178%

Resulting Valuations

GROWTH / VALUE

Index	Yield	P/E	P/B
MSCI World Growth	0.7	43.0	7.0
MSCI World Value	2.9	20.9	1.8

Source: MSCI.COM. Data as at 29/1/21

Resulting Valuations

DM / EM

Index	Yield	P/E	P/B
MSCI Developed World	1.8	28.0	2.9
MSCI Emerging Markets	1.9	22.8	2.1

Source: MSCI.COM. Data as at 29/1/21

Resulting Valuations

US / Rest

Index	Yield	P/E	P/B
MSCI USA	1.5	31.8	4.3
MSCI World ex USA	2.4	22.8	1.8

Source: MSCI.COM. Data as at 29/1/21

Resulting Valuations

Others

Index	Yield	P/E	P/B
MSCI Europe ex UK	2.2	23.2	2.0
MSCI World High Yield	3.7	17.0	2.4

Source: MSCI.COM. Data as at 29/1/21

Earnings to the Rescue?

- Higher taxes?
- Greater regulatory scrutiny on Big Tech?
- Tackling inequality?
- Strong economic growth?

What Inflation?

Fixed income

Long-term US yields hit highest in a year as stimulus expected to fan inflation

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FT 9/2/21

FT 11/2/21

FINANCIAL TIMES

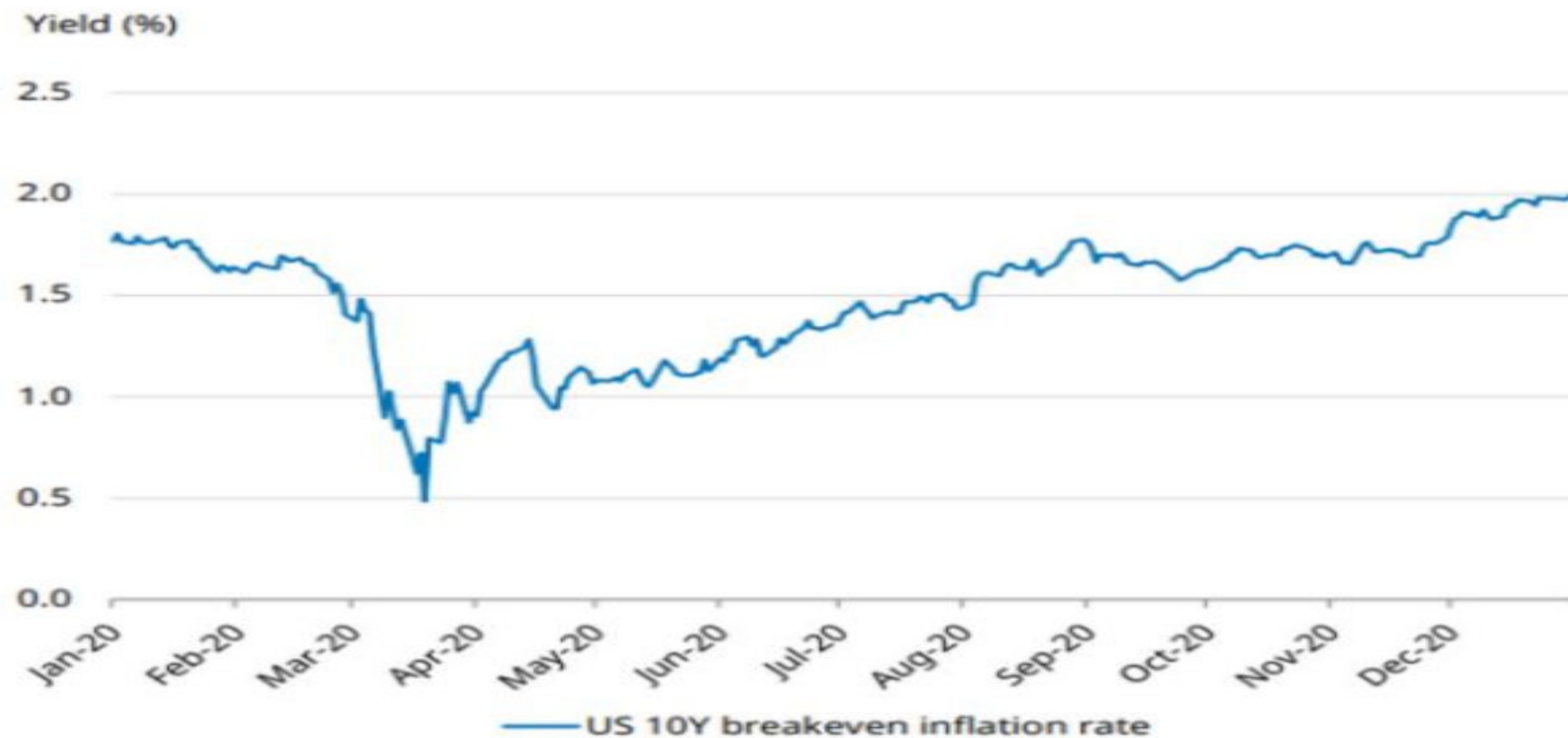
"Without fear and without favour"

THURSDAY 11 FEBRUARY 2021

Fed must be mindful of mounting inflation fears

What Inflation??

US 10y breakeven inflation



Source:Schroders

Absolute Return – *back from the dead*



- A - New Ireland - BNY Mellon Global Real Return S6 GTR in EU (20.80%)
- B - Zurich Life - Dvnamic Diversified Growth GTR in EU (13.96%)
- C - Standard Life - Global Absolute Return Strategies GTR in EU (10.68%)
- D - Friends First - Concept K Pn GTR in EU (9.66%)
- E - New Ireland - Insight Broad Opportunities S6 GTR in EU (9.54%)
- F - New Ireland - Elements S6 GTR in EU (2.89%)
- G - Aviva - AIMS Target Return Series C Gr GTR in EU (2.32%)
- H - Zurich Life - Invesco Global Targeted Return GTR in EU (0.63%)
- I - Irish Life - Mutli-Manager Target Return Series C PL GTR in EU (-2.17%)

30/11/2018 - 29/01/2021 Data from FE fundinfo2021

How to respond?

- *Value / Dividend equities?*
- *More EM and Small Cap?*
- *More use of inflation-linked?*
- *Absolute return?*
- *Closed-end property / European...residential bias?*
- *EM Debt?*
- *Commodities.....particularly gold?*

“When it comes to market timing, there are two sorts of people: those who can’t do it and those who know they can’t do it”.

Terry Smith