



In this presentation, Clarity Financial's economic analyst Jesse Colombo explains why the U.S. stock market is experiencing a dangerous bubble that is going to burst violently and cause serious damage to the underlying economy. Jesse and Clarity Financial have been very wary of following the overcrowded *buy and hold* strategy when the market is so overvalued (*because reversion to the mean is inevitable*), which is why we have always employed a very disciplined strategy which follows the trend of the market while it is rising, but protects capital from eventual and inevitable downturns. After having successfully navigated out of the markets in 2008 and identifying the "buying" opportunity in 2009, we continue to understand the importance of proper asset allocation, sector rotation, value and momentum based investing, and a strong, rule based, *buy/sell* investment discipline.