



momentum
investments

MFP **OUTCOME MATTERS**

Eugene Taljaard

The importance of offshore diversification

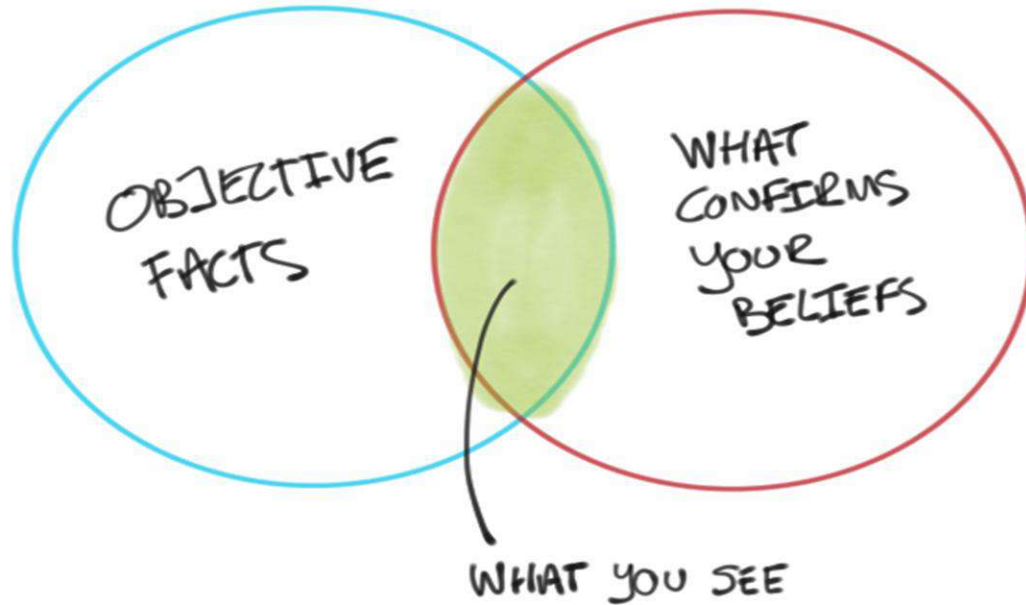
29 July 2021

Home equity bias



Confirmation bias

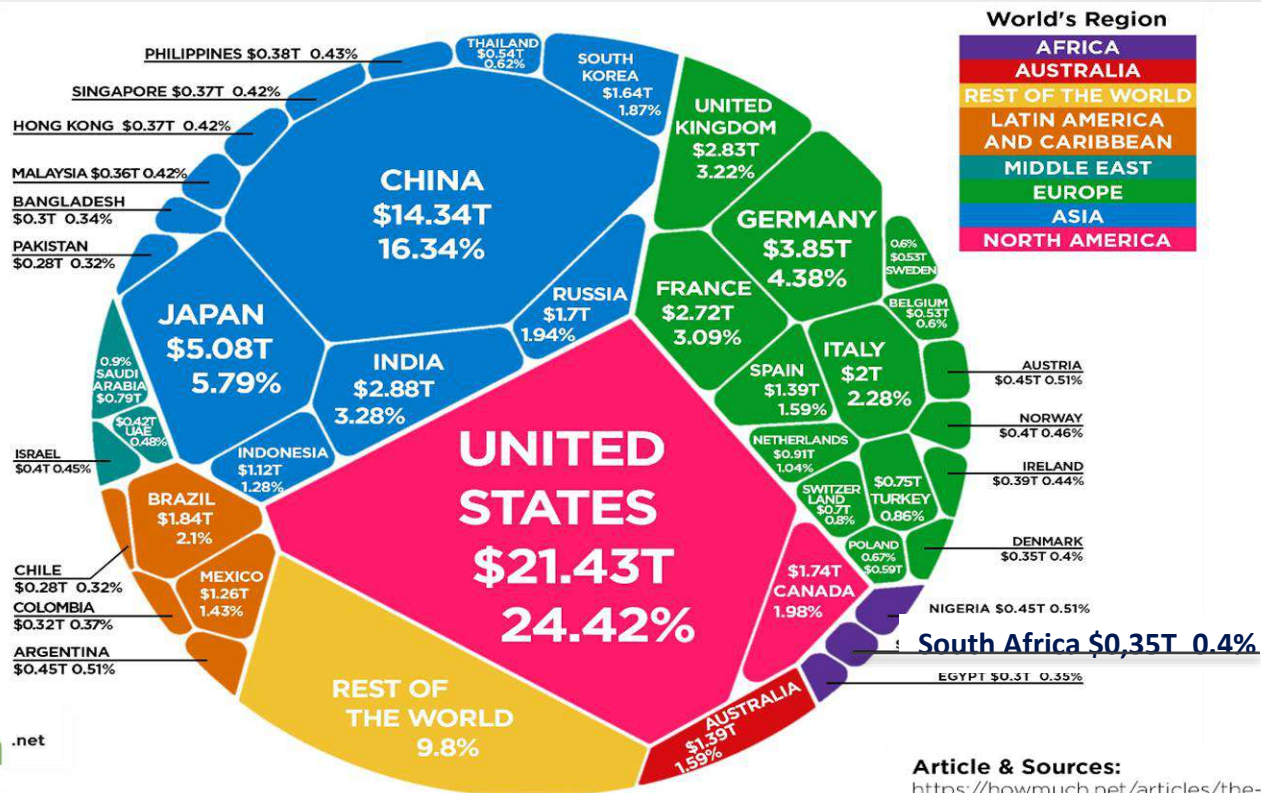
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Source: Farnam Street, 9 July 2021

South Africa compared to the world

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howmuch.net

Source: Visual Capitalist

Article & Sources:

<https://howmuch.net/articles/the-world-economy-2019>
<https://databank.worldbank.org>

Local market concentration



FTSE/JSE All-Share Index

Naspers	15.09%
BHP Group Plc	10.98%
Compagnie Financiere Richemont AG	10.91%
Anglo American	8.69%
Firststrand Limited	3.24%
Impala Platinum	2.29%
MTN Group	2.29%
Mondi Plc	2.24%
Sibanye Stillwater	2.15%
Standard Bank Group	2.01%
Total	59.89%

MSCI ACWI All Cap Index

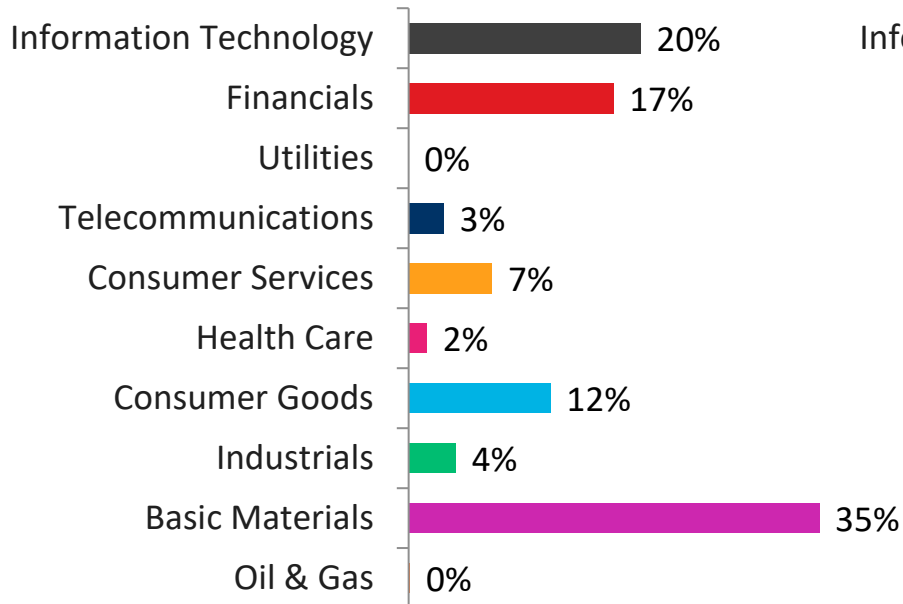
Apple	2.99%
Microsoft	2.52%
Amazon	1.91%
Facebook	1.09%
Alphabet C	0.96%
Alphabet A	0.95%
Taiwan Semiconductor MGF	0.68%
Tesla	0.68%
Nvidia	0.64%
JPMorgan Chase	0.62%
Total	13.04%

Source: MSCI ACWI All Cap Index (USD); FTSE/JSE All-Share Index

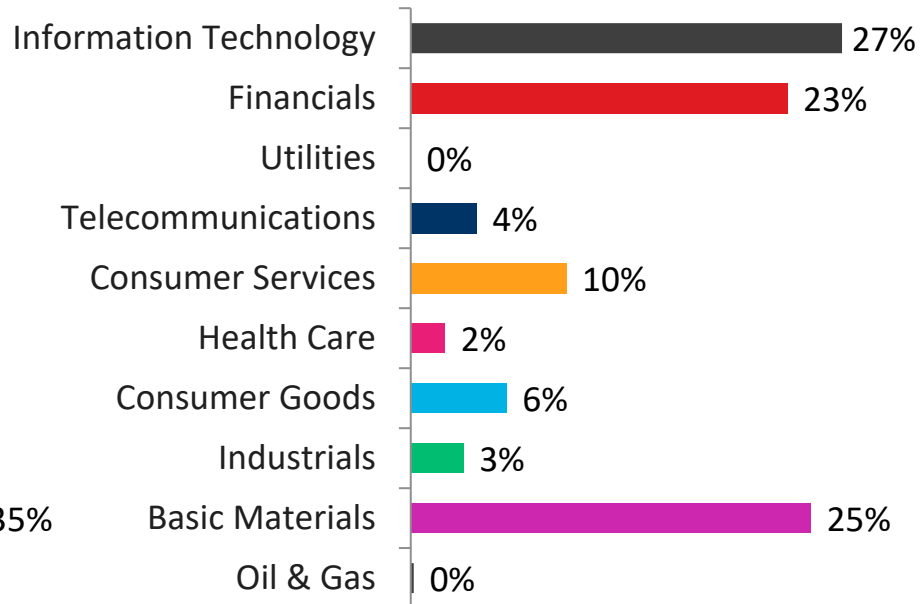
Local market concentration



FTSE/JSE ALSI weightings



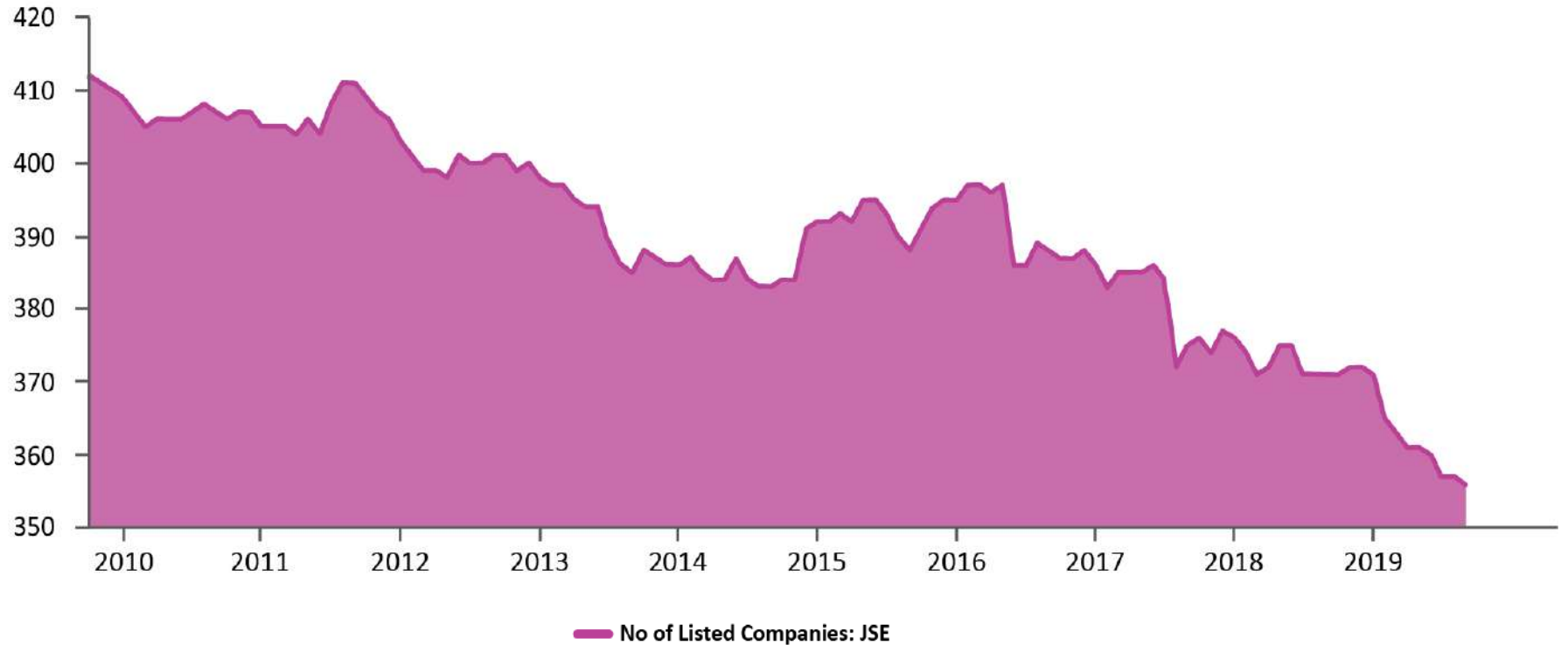
FTSE/JSE SWIX weightings



Source: FTSE/JSE All-Share Index

Listed companies on JSE

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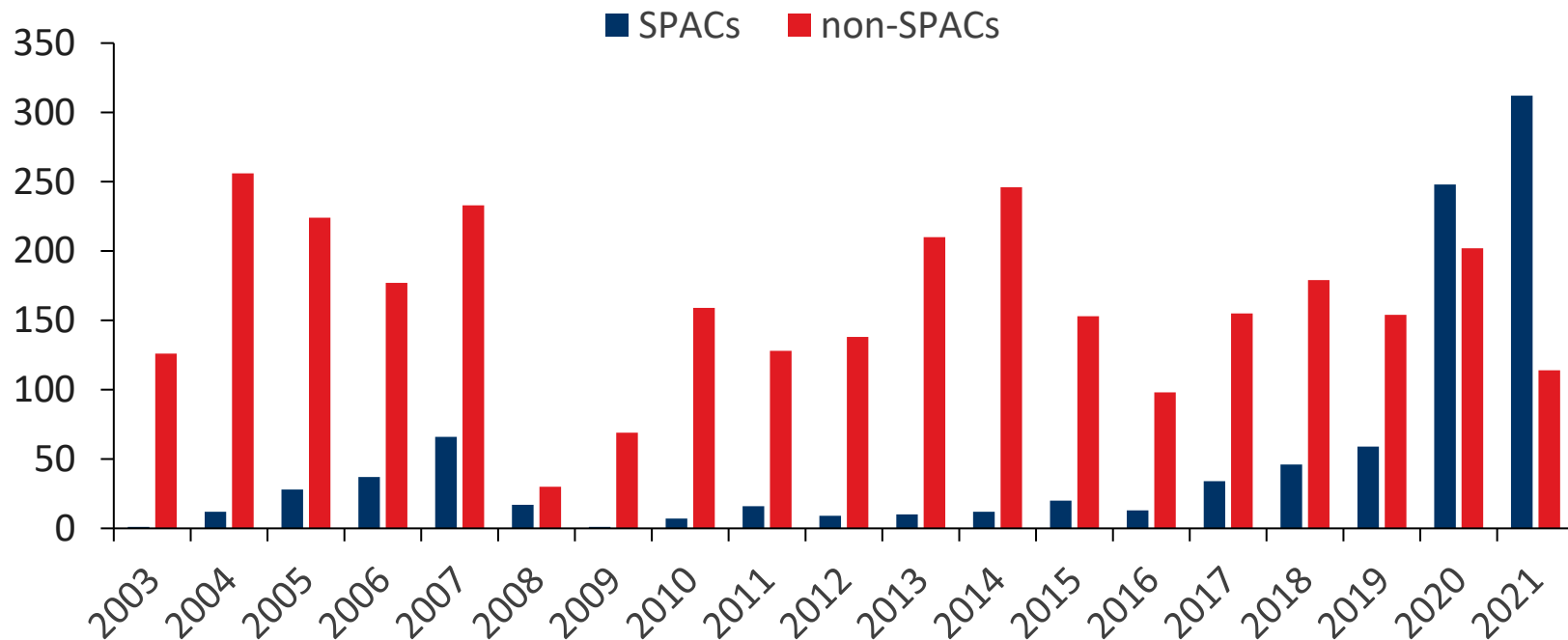


Source: ceicdata.com, 9 July 2021

IPO activity has been robust



Annual number of US IPOs: SPACs vs non-SPACs



Source: SPAC Analytics, MGIM, 4 May 2021

How big is South Africa?

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Source: Bloomberg Finance LP at 31 Dec 2020

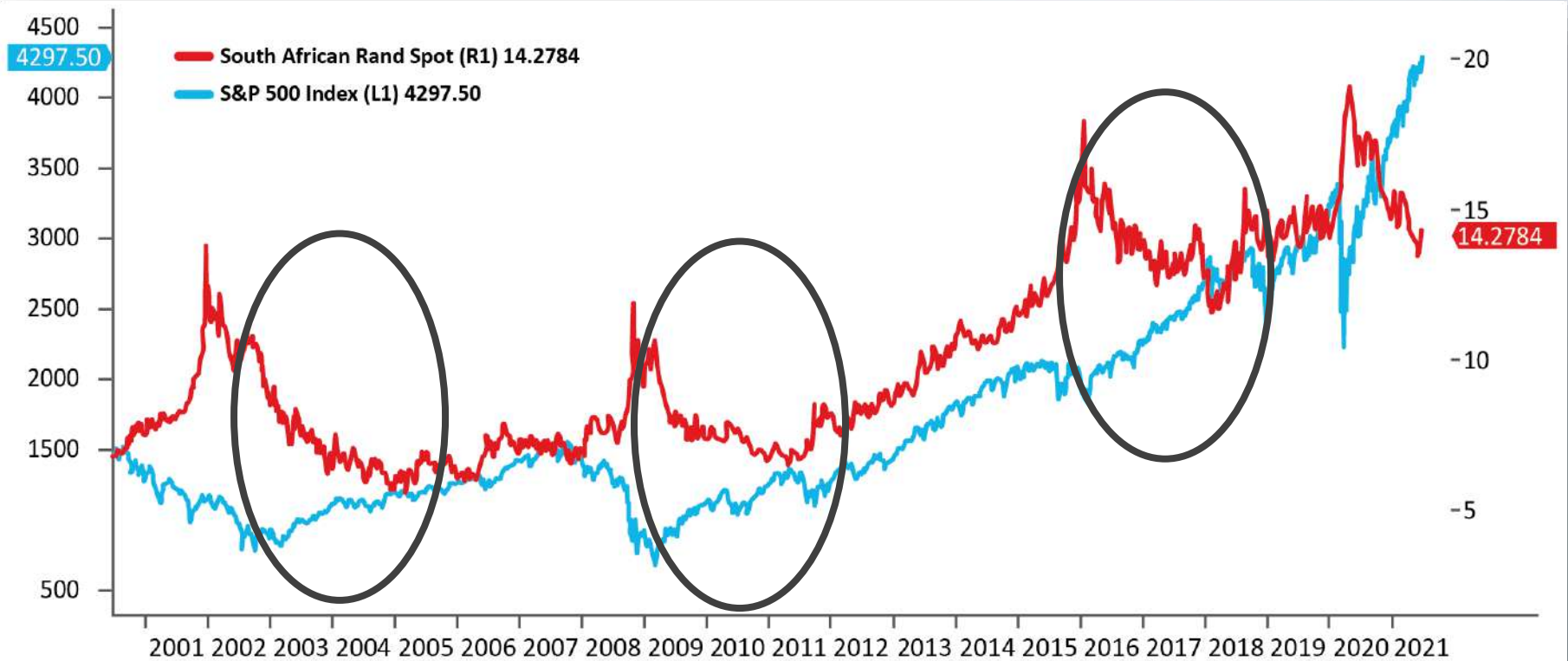
Local and global annual asset class annual



2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD 2021
Global Property 31.30%	DM Equity 26.68%	Global Property 13.61%	EM Bonds 1.82%	SA Bonds 30.19%	EM Equity 37.28%	Global Cash 2.37%	DM Equity 27.67%	EM Equity 18.31%	Commodities 28.32%
SA Equity 18.69%	Global Property 3.75%	EM Bonds 6.15%	Global Cash 0.28%	SA Equity 17.91%	SA Equity 36.12%	DM Bonds -1.32%	Global Property 22.96%	DM Equity 15.90%	Global Property 13.88%
EM Equity 18.22%	Global Cash 0.28%	SA Equity 5.21%	Global Property 0.09%	Commodities 13.35%	DM Equity 22.40%	EM Bonds -5.33%	EM Equity 18.44%	DM Bonds 9.47%	DM Equity 13.05%
EM Bonds 18.04%	DM Bonds -2.01%	DM Equity 4.94%	DM Equity -0.87%	EM Equity 11.19%	SA Bonds 22.23%	Global Property -7.04%	SA Bonds 13.40%	EM Bonds 7.05%	SA Equity 10.48%
DM Equity 15.83%	EM Equity -2.60%	DM Bonds 0.83%	DM Bonds -3.24%	EM Bonds 9.62%	Global Property 16.14%	SA Bonds -7.34%	EM Bonds 12.60%	SA Bonds 3.15%	SA Bonds 7.74%
SA Bonds 10.31%	Commodities -4.49%	SA Bonds 0.29%	EM Equity -14.92%	DM Equity 7.51%	EM Bonds 8.29%	DM Equity -8.71%	Commodities 11.44%	Global Cash 0.67%	EM Equity 7.45%
DM Bonds 4.10%	SA Equity -6.21%	Global Cash 0.24%	SA Equity -25.45%	Global Property 4.93%	DM Bonds 7.43%	Commodities -8.83%	SA Equity 10.04%	SA Equity -3.96%	Global Cash 0.09%
Commodities 2.03%	EM Bonds -8.31%	EM Equity -2.19%	Commodities -26.08%	DM Bonds 1.95%	Commodities 4.88%	EM Equity -14.58%	DM Bonds 6.88%	Global Property -7.17%	EM Bonds -3.12%
Global Cash 0.46%	SA Bonds -18.94%	Commodities -22.21%	SA Bonds -28.29%	Global Cash 0.71%	Global Cash 1.29%	SA Equity -24.76%	Global Cash 2.39%	Commodities -7.69%	DM Bonds -3.51%

Source: Bloomberg 2021 returns, three months ending 30 June 2021, in US dollar terms

Timing the market



Source: Bloomberg, 9 July 2021

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