How smart can an equity portfolio really be after COVID-19

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9 November 2020

Market index funds vs smart beta funds

What smart beta styles do we have?

Momentum

Value

Quality

You need a mix of all the ingredients

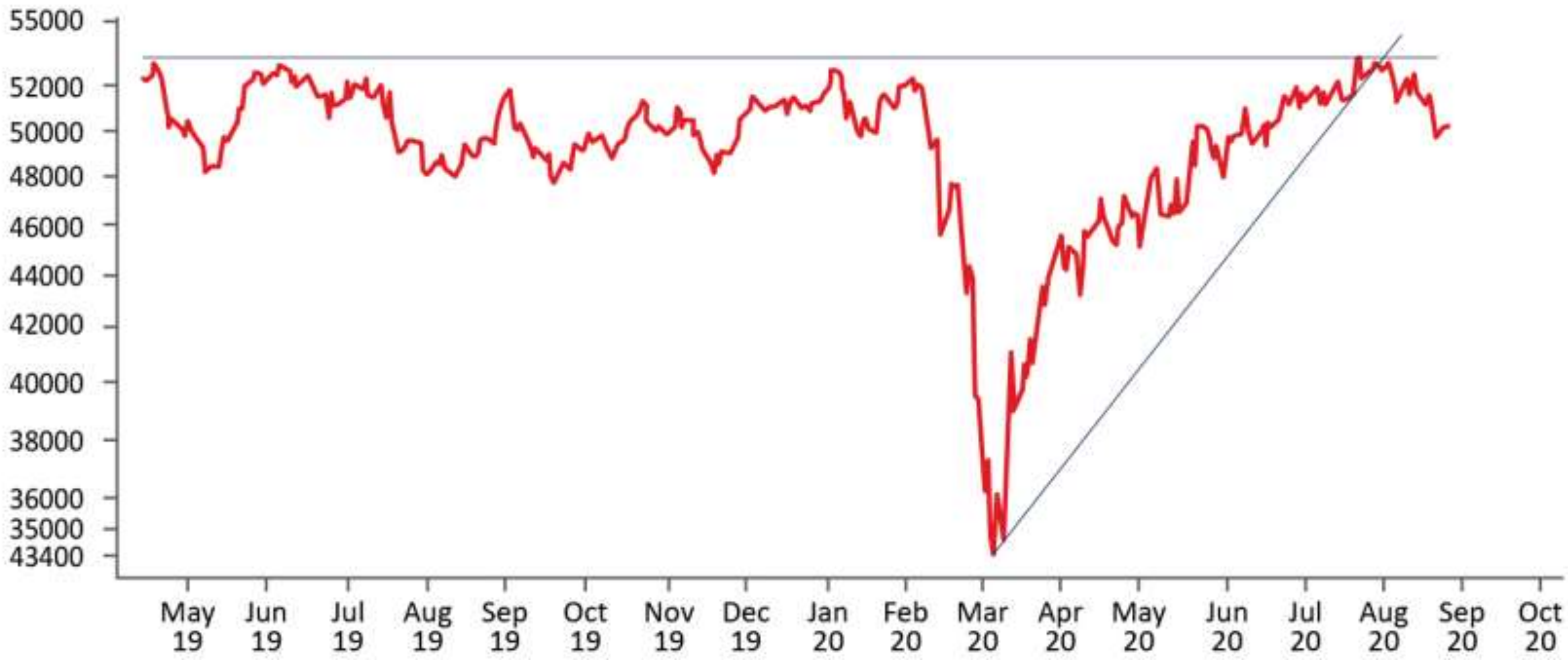
With one style the journey can be wild

Not a winning strategy to try and time styles

Selection of active and smart beta mandates

The Alsi40 index rebounded strongly

Since March, the resource sector was a major driver of the Alsi40 returns



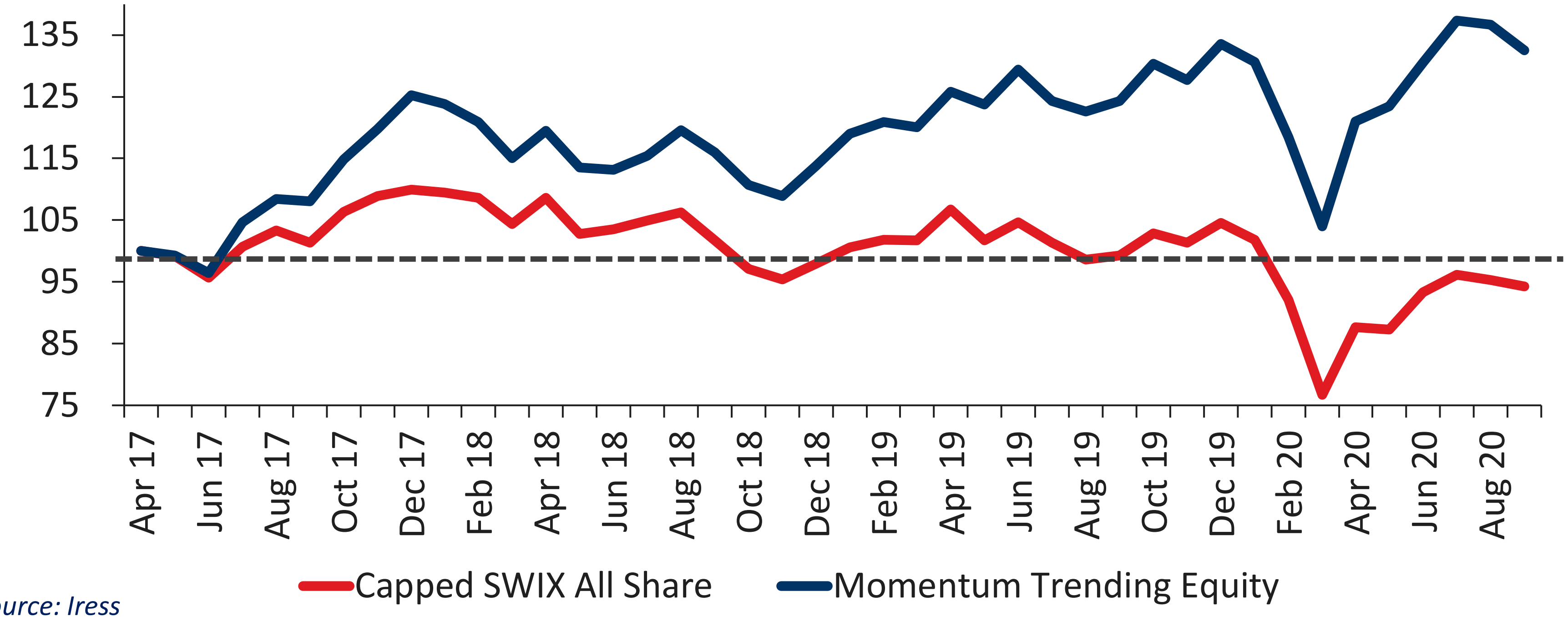
Source: Iress

Not a symmetrical recovery

FTSE/JSE Resources (red), Industrials (green) and Financials (blue)

Source: Iress

Momentum Trending Equity Fund



Source: Iress

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How we think about equity managers?

Core

Value

Momentum

Quality

Creating an optimal blend of risk premias





Responsible investing in smart beta funds?

Environmental effect

Social effect

Governance

Proxy voting example

BHP GROUP

What happened?

ESG risk and our response

Result?

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Thank you