



**GINSGLOBAL**  
INDEX FUNDS

# GLOBAL INDEXING

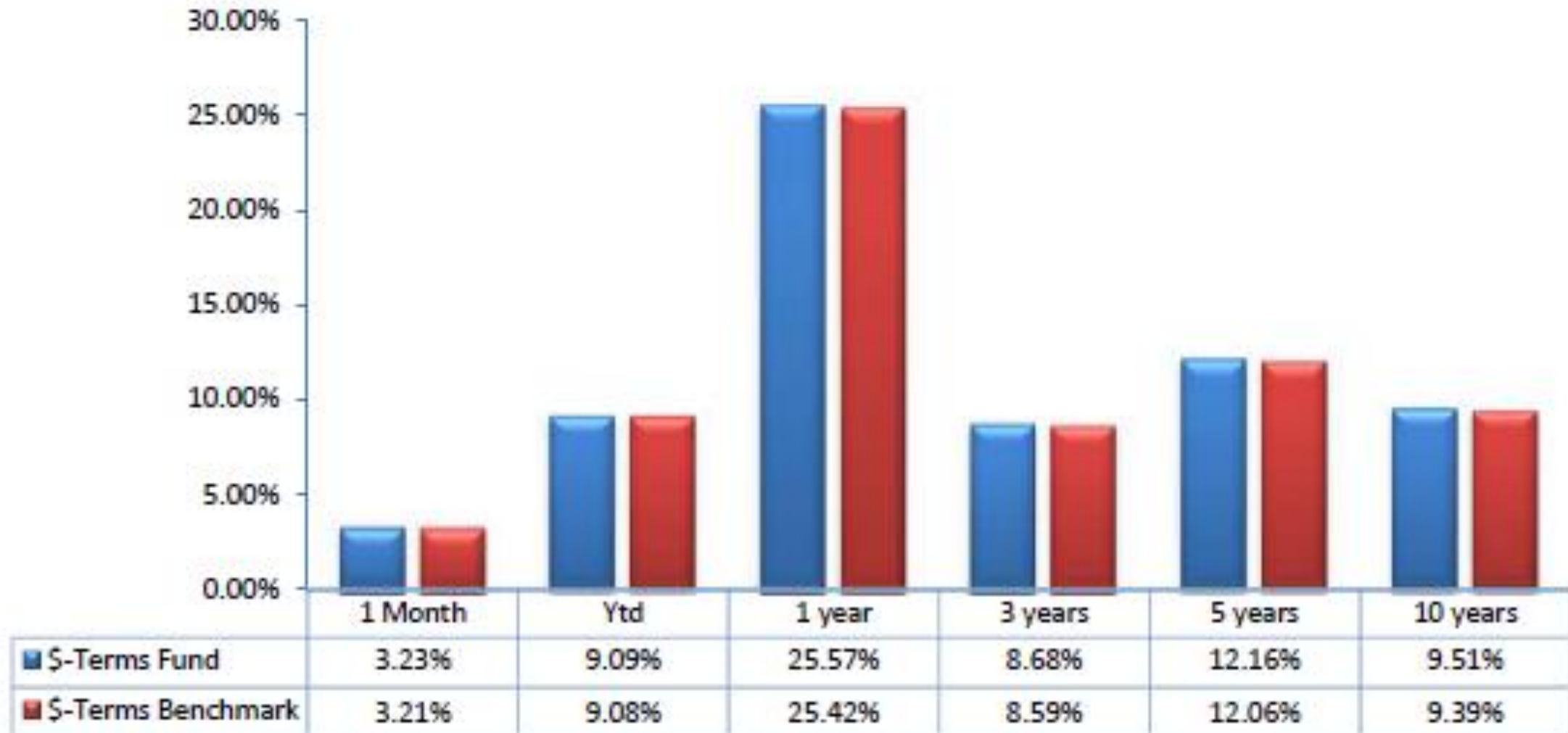
*Low-Cost, Diversified Approach*

*Anthony Ginsberg*

# BCI – GinsGlobal Equity Index Fund

- **MSCI World = low cost, global core.**
- **1,600+ Developed Market shares.**
- **R800m since April 2022 launch.**
- **State Street - Global Index Leader (\$2.7 trillion)**
- **No 'Greylisting' issues - Mauritius.**

# MSCI World Index return (March 2024)

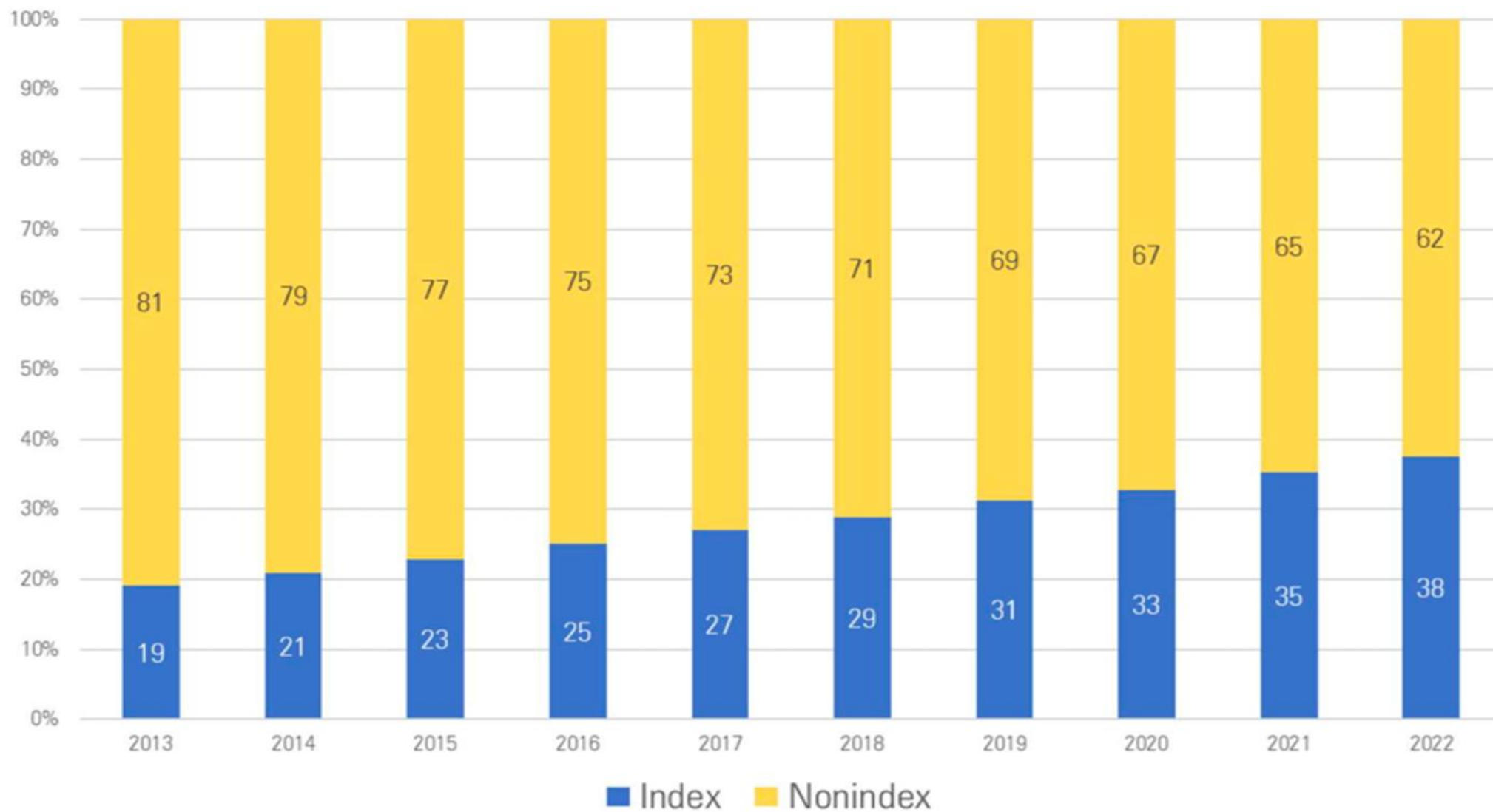


# US Fund Assets: Active vs. Passive



Source: Morningstar Direct Asset Flows. Data as of Dec. 31, 2023.

## Indexed Vehicles Approach 40% of Total Assets Globally



Source: Morningstar Direct.

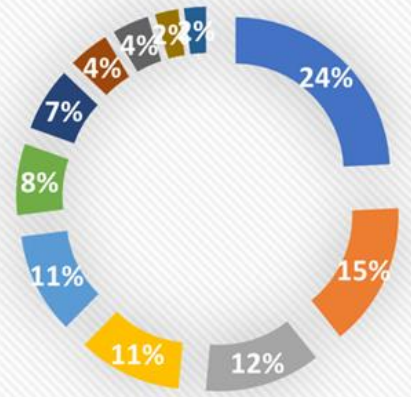
# US Outlook: Soft Landing

- **Healthy US Economy 2%+**
- **Unemployment – record low.**
- **Inflation falling below 3%.**
- **Fed rate cuts late 2024 & 2025.**
- **US Elections = good for stocks.**
- **Positive Earnings reports – M'soft, Google,...**
- **Big Tech huge cash reserves. Not Bubble.**

# MSCI World vs MSCI World ex USA

Normalized As Of 01/03/2000

- MSCI World ex USA 125.26
- MSCI World 212.01



- Information Technology
- Health Care
- Consumer Discretionary
- Consumer Staples
- Materials
- Real Estate
- Financials
- Industrials
- Communication
- Energy
- Utilities

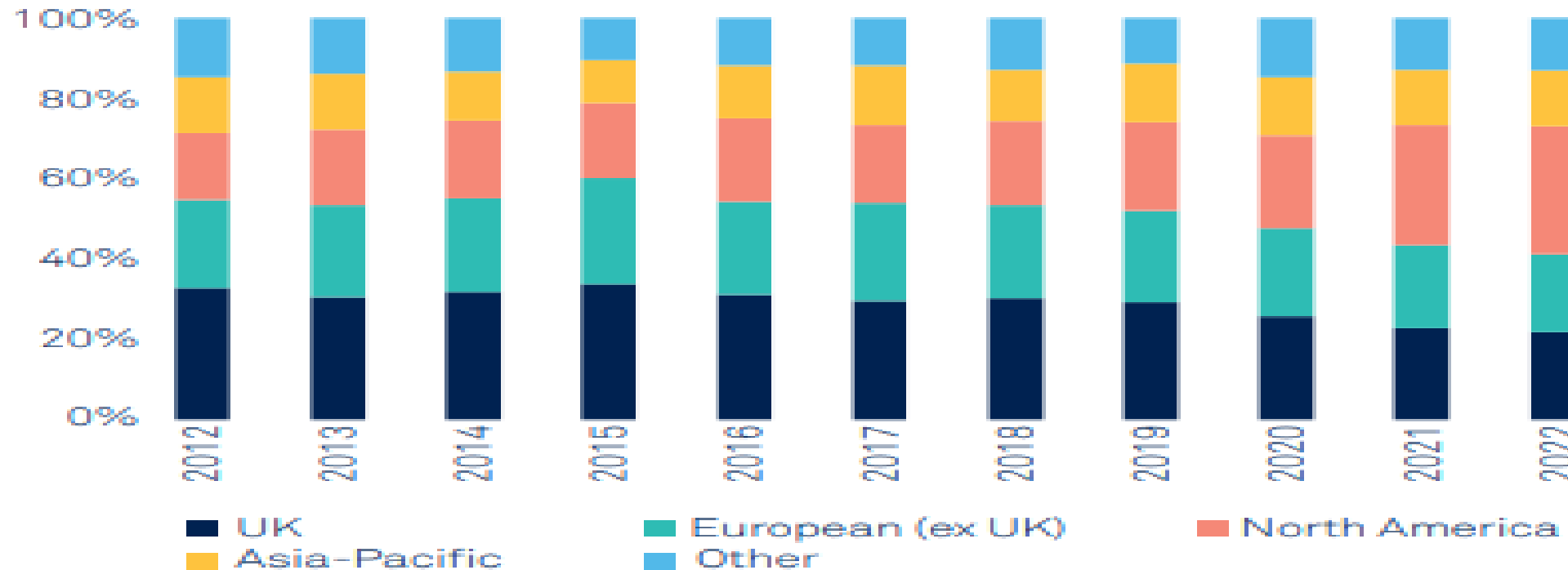
# Indexing - Prudent Approach

- **Myth of Stock-Picker's market. (>70% closed)**
- **Fund Managers fail vs Global Indices (>90%).**
- **Indexing Diversified: Core vs Explore.**
- **Indexing = Low Cost**



# UK Fund Managers – Global Allocation

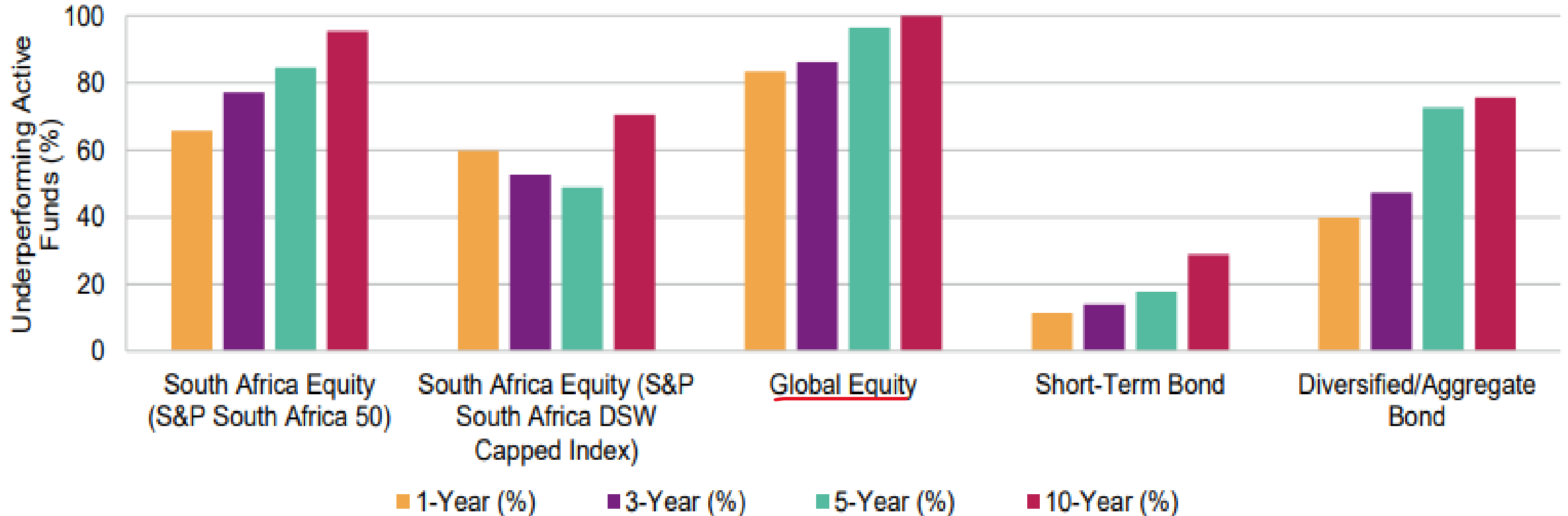
**CHART 12: ALLOCATION OF UK-MANAGED EQUITIES BY REGION (2012-2022)**



Source: The Investment Association

# SA'n Fund Managers - Underperformance

**Exhibit 1: Percentage of Underperforming Active South African Funds**



Source: S&P Dow Jones Indices LLC, Morningstar. Data as of Dec. 31, 2023. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

# Global Index Underperformance

## US Fund Managers

	1 year	3 year	5 year	10 year	20 year
<b>Global (incl US)</b> (vs. S&P Global 1200)	73.6%	87.9%	83.3%	91.0%	91.3%
<b>Global (ex US)</b> (vs. S&P 700)	68.1%	70.0%	78.0%	87.8%	93.4%
<b>Global Small Cap</b> (vs. S&P Developed)	54.2%	62.8%	59.3%	70.5%	78.1%
<b>Emerging Markets</b> (vs. S&P/IFCI Composite)	63.3%	73.5%	74.7%	89.2%	95.2%

Source: Standard & Poors, Year-End 2023 SPIVA Scorecard

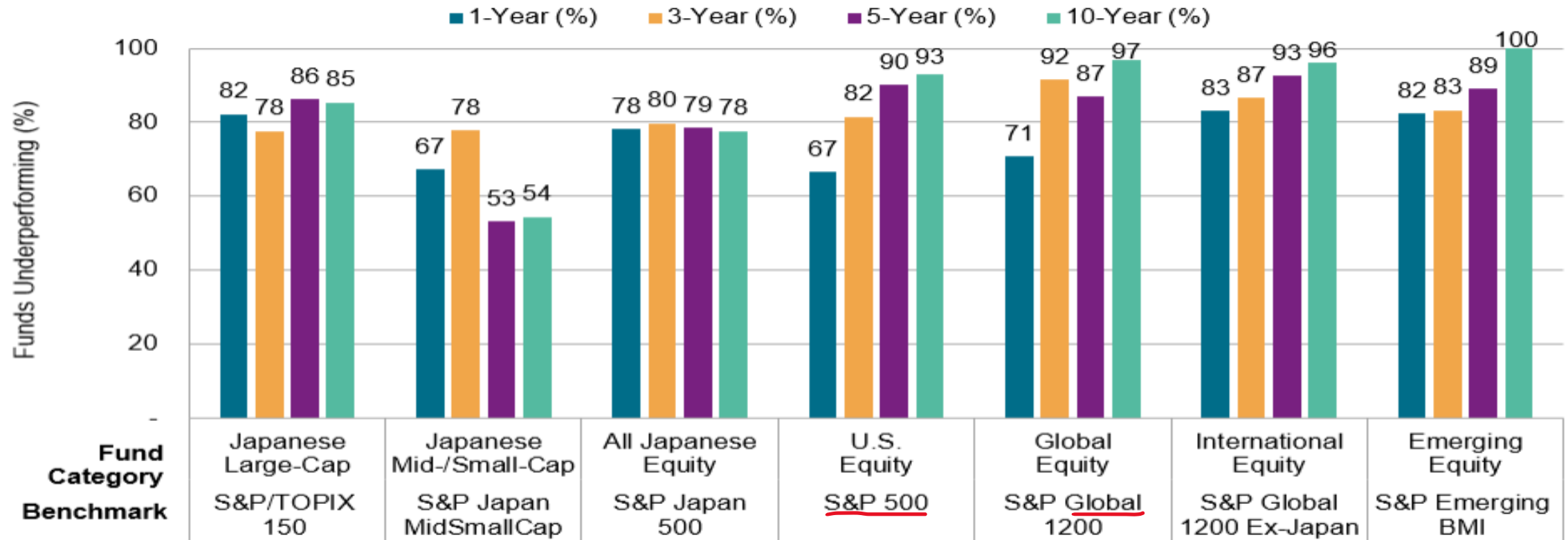
# US Fund Managers underperforming

	1 year	3 year	5 year	10 year	20 year
<b>Large-cap</b> (vs. S&P 500)	59.7%	79.8%	78.7%	87.4%	93.0%
<b>Medium-cap</b> (vs. S&P 400)	49.7%	70.0%	65.9%	80.4%	92.8%
<b>Small-cap</b> (vs. S&P 600)	48.3%	64.2%	61.1%	88.3%	95.7%
<b>All US Equity</b> (vs. S&P 1500)	75.3%	79.0%	84.8%	91.4%	94.0%

Source: Standard & Poors, Year-End 2023 SPIVA Scorecard

# Japan Fund Managers % Global Underperformance

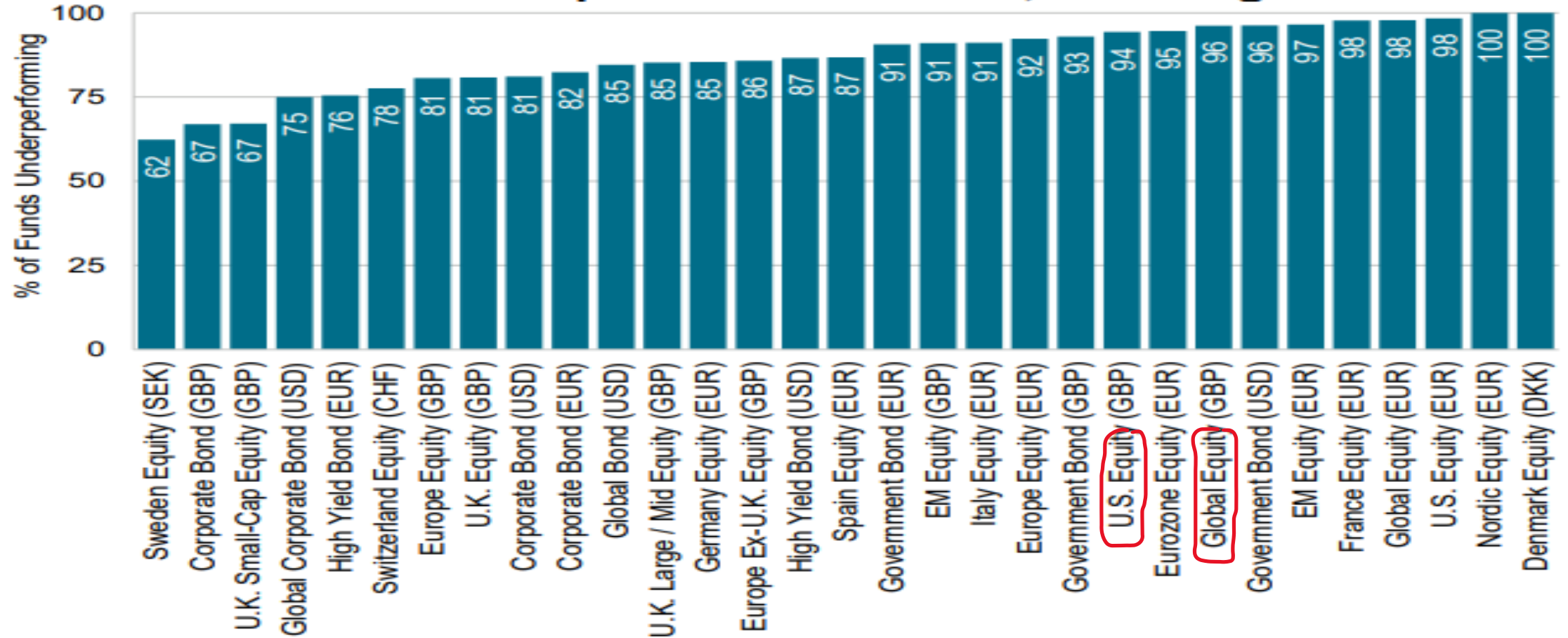
**Exhibit 1: Percentage of Underperforming Active Funds in Japan**



Source: S&P Dow Jones Indices LLC, Morningstar. Data as of Dec. 31, 2023. Underperformance is calculated based on equal-weighted fund counts comparing absolute returns. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

# European Fund Managers

**Exhibit 1: 10-Year Underperformance Rates, All Categories**



Sources: S&P Dow Jones Indices LLC, Morningstar. Data as of Dec. 31, 2023. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

# Money is pouring out of active funds and into passive

US domiciled cumulative fund flows, \$tn (to August 2022)



Source: JPMorgan  
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