



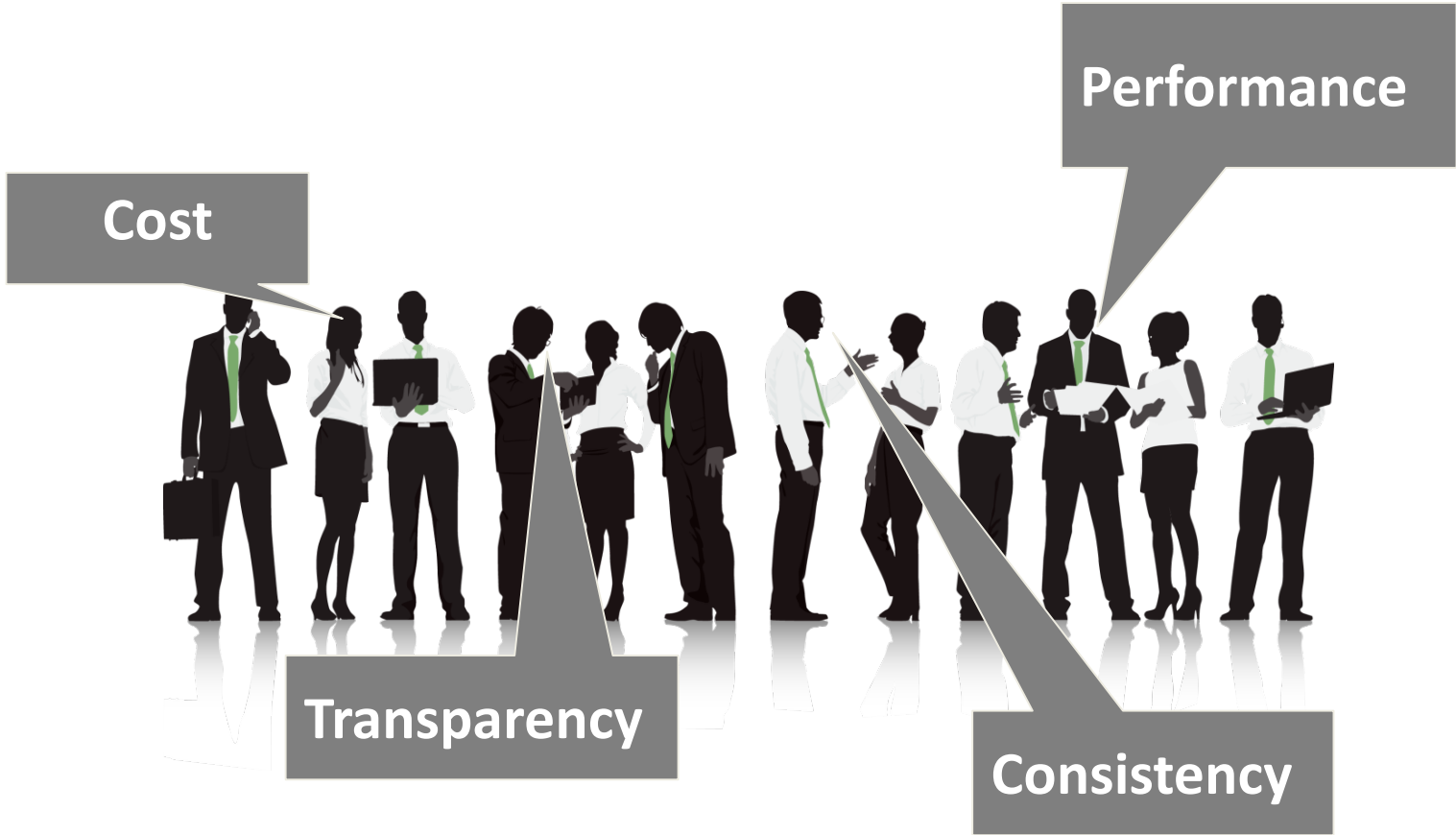
Is there really a secret sauce?

Graham Fox

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Source: SSGA



*In 2014 Buffett outlined some terms he included
in his own Will...*

“My advice to the trustee could not be more simple:

*Put 10% of the cash in short-term government bonds
and 90% in a passive fund tracking the S&P 500...*

*I believe the trust’s long-term results from this policy
will be superior to those attained by most investors”*

S&P 500 Returns

10 Years

7%

20 Years

8%

30 Years

10%

Source: Bloomberg Finance, L.P.
Past performance is not a guarantee of future results.
Index returns reflect capital gains and losses, income, and the reinvestment of dividends.

Indexation for Innovation



Source: www.visualcapitalist.com
As of 31 January 2017.



Top 5 Publicly Traded Companies (by Market Cap)



Tech



Other

A global re-think....

Growth In Index Investing since 2007

230%

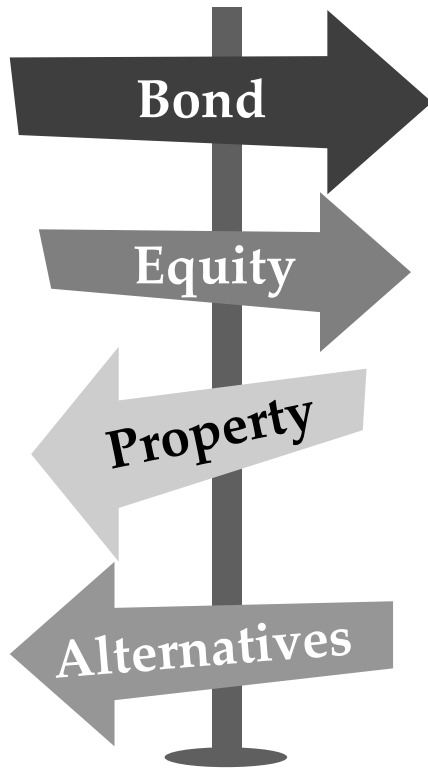
Growth In Active Investing since 2007

54%



Source: Morningstar, May 2016.

Managing the journey....



| Asset Class | Index Example | Holding Examples |
|-----------------------|--|--|
| Government Bonds | Barclays Euro 10+ Year Treasury Bond Index | German Bund Irish Government Bond French Government Bond |
| Emerging Market Bonds | Barclays Emerging Markets Local Currency Liquid Government Index | Brazilian Government Bond South Korean Government Bond Malaysian Government Bond |
| Corporate Bonds | Barclays Euro Corporate Bond Index | Citi Group Apple IBM |
| High Yield Bonds | Barclays Liquidity Screened Euro High Yield Bond Index | Smurfit Kappa Peugeot Thomas Cook |
| REITS | FTSE EPRA/NAREIT Developed Europe ex-UK Index | Deutsche Wohnen Swiss Prime Site Green REIT |
| Commodities | S&P GSCI Commodity Index | Crude Oil Gold Wheat |
| Infrastructure | Morningstar Global Multi-Asset Infrastructure Index | National Grid Canadian National Railway Companies Union Pacific |

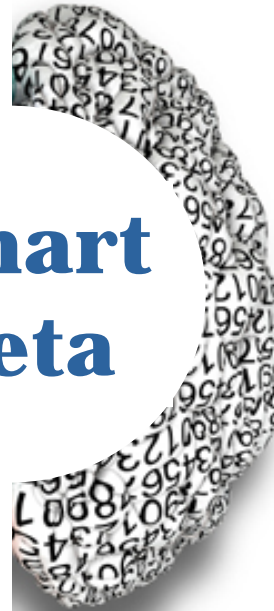
Source: Morningstar, May 2016.

Bridge the gap....

Active Management

Aims to outperform an investment benchmark index

Smart Beta



Passive Management

Aims to track an investment benchmark as closely as possible

Sum of the parts....



Andy Ivory Corr

Source: SSGA.

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Bonds generally present less short-term risk and volatility than stocks, but contain interest rate risk (as interest rates rise bond values and yields usually fall); issuer default risk; issuer credit risk; liquidity risk; and inflation risk. These effects are usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.

International Government bonds and corporate bonds generally have more moderate short-term price fluctuations than stocks, but provide lower potential long-term returns.

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