



From YOLO to FOMO: Smarter choices in a Monty Hall Market

DAN BROCKLEBANK
MARCH 2025

Past performance is not a reliable indicator of future results.
This is a marketing communication as defined in ESMA guidelines.



228

Parade Celebrates 30 Years of Ask Marilyn

LAMBETH HOCHWALD • DEC 23, 2016



Source: Parade Magazine



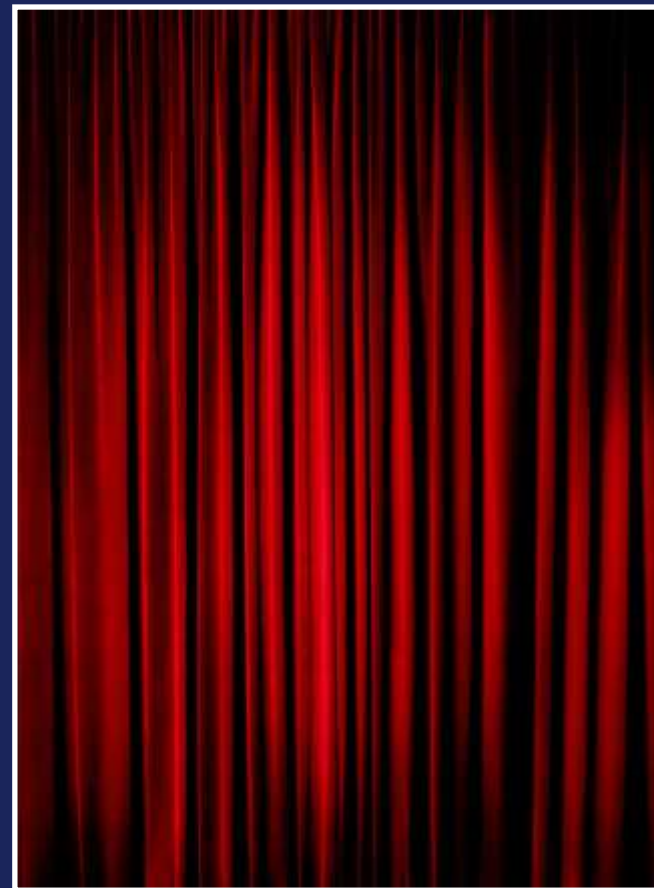
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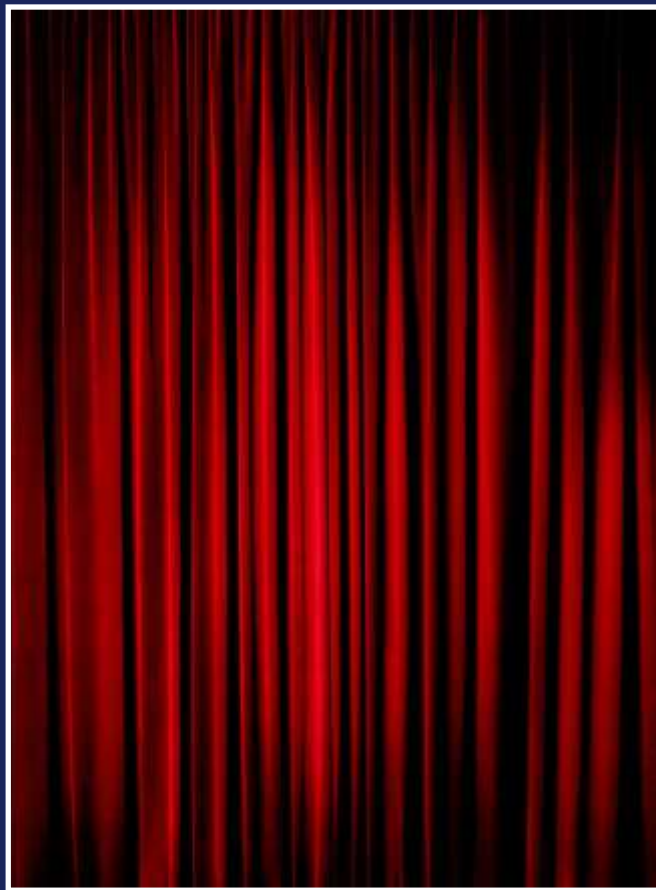




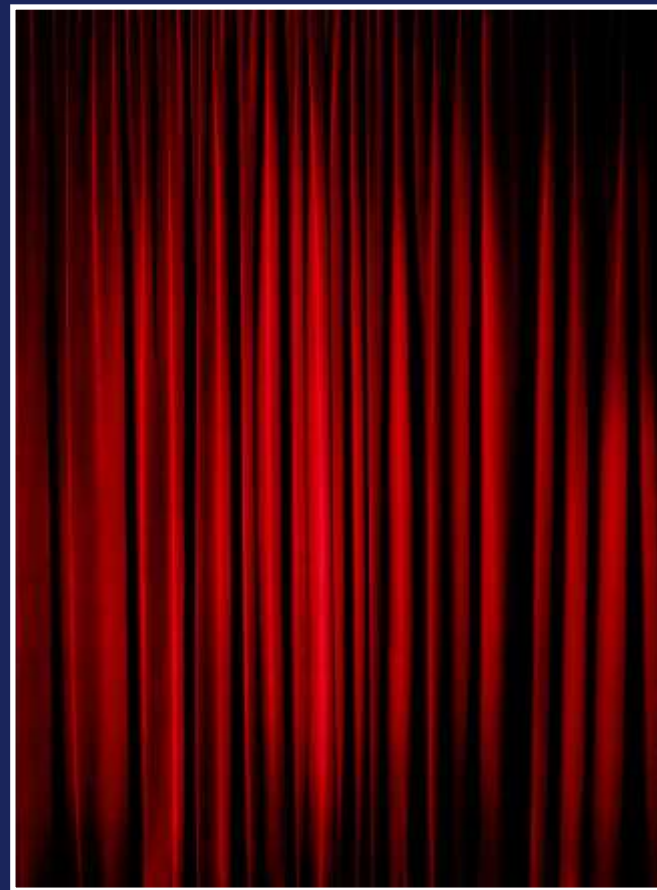
1



2



3





1

STICK?

2

SWITCH?

3



Lessons for a Monty Hall Market



1. Obvious \neq Right

2. Insight drives success

3. Nothing is certain

Lessons for a Monty Hall Market



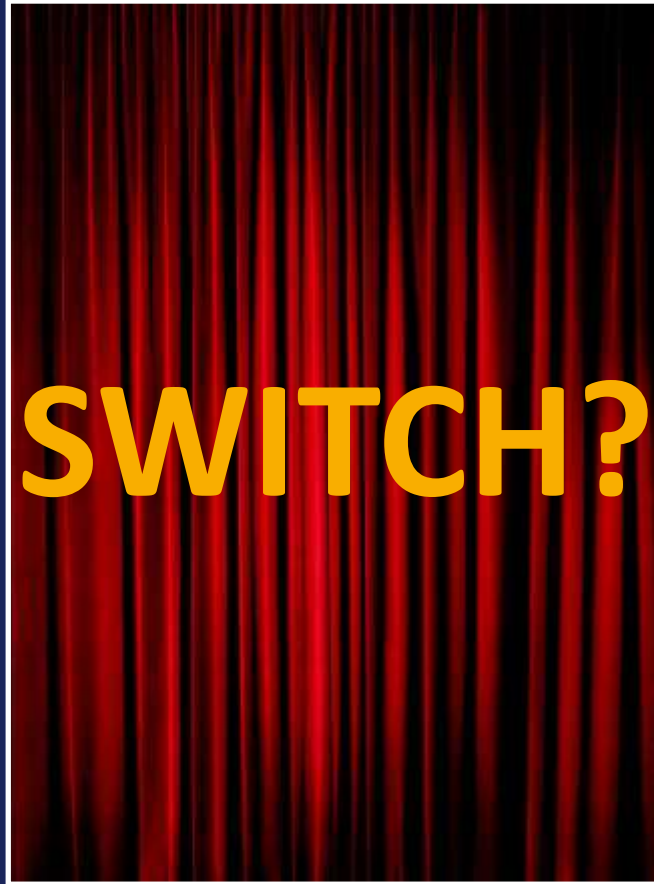
1. Obvious \neq Right



1



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3





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1

2

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1

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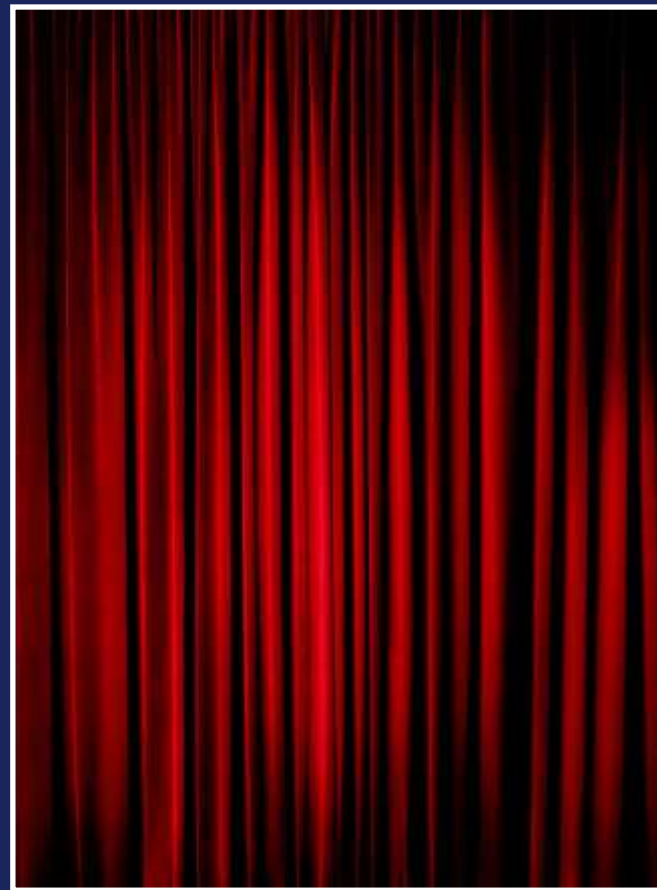
1



2



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1/50



49/50

1/50



49/50



1/50



49/50

Lessons for a Monty Hall Market

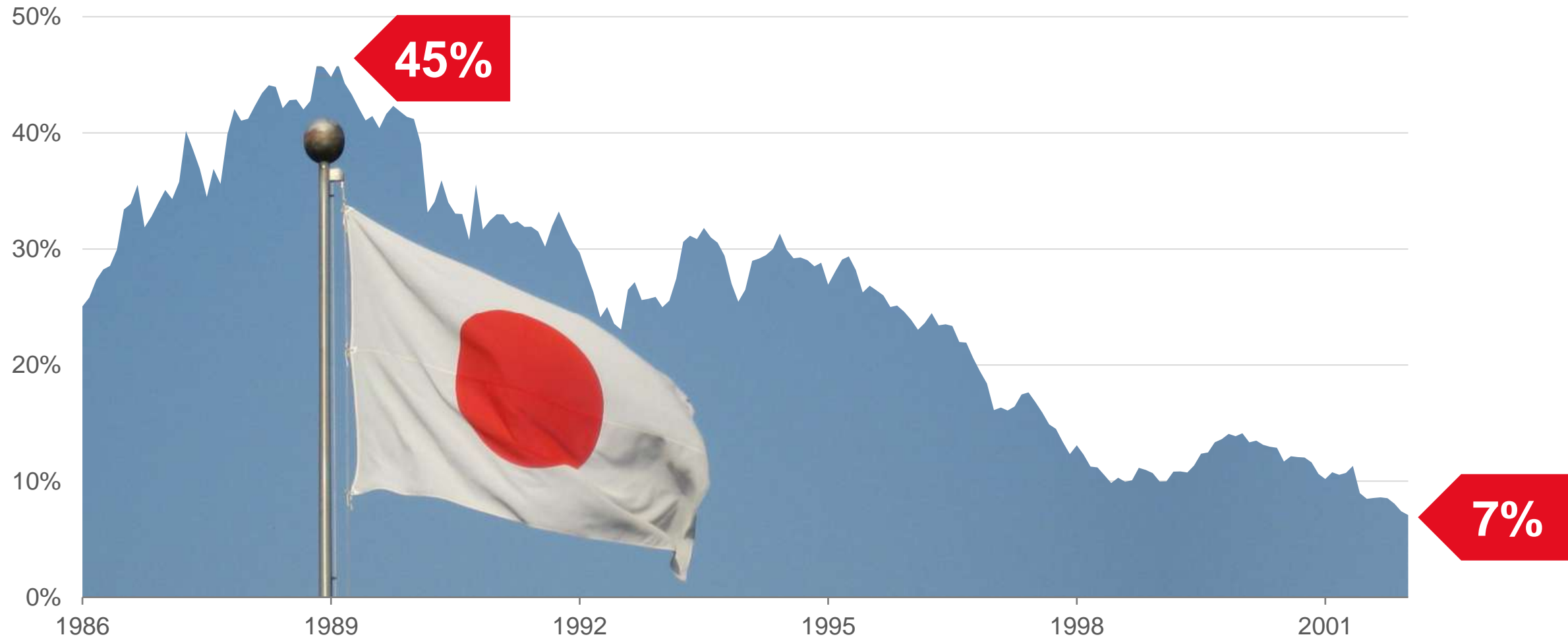


1. Obvious \neq Right

In hindsight it was obvious Japan was in a bubble



Weight of Japanese stocks in the FTSE World Index



In hindsight it was obvious internet stocks were overhyped



Weight of Tech* stocks in the FTSE World Index



Lessons for a Monty Hall Market



1. Obvious \neq Right

Lessons for a Monty Hall Market



1. Obvious \neq Right



Be aware of consensus

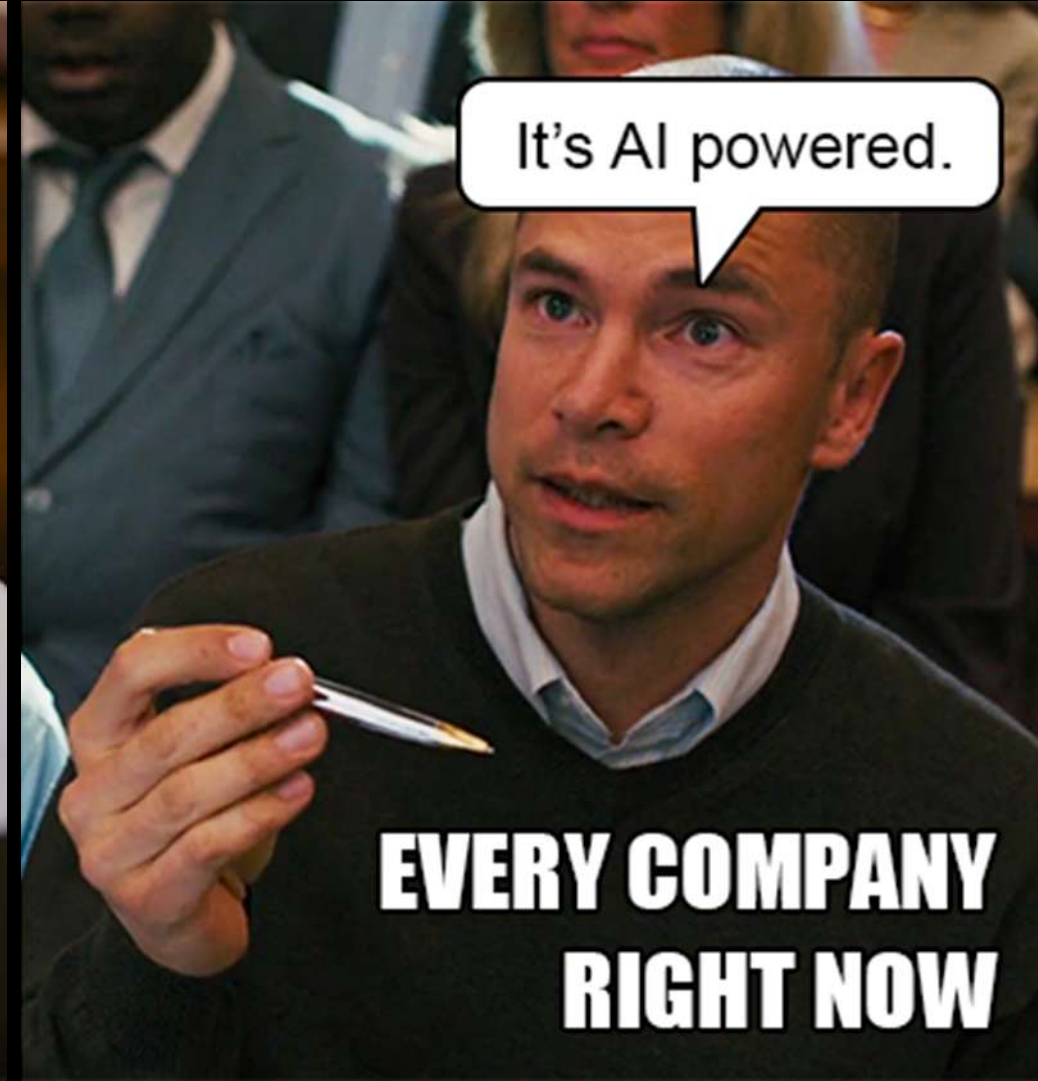
Lessons for a Monty Hall Market



1. Obvious \neq Right



Beware consensus





CONSENSUS

WHAT IF...?

DOGE efficiency drive

Spending cuts are painful

America first reshoring

**Domestic skill base
has atrophied**

**An aggressive,
business-friendly
administration**

**Other countries copy?
Demand for US
Treasuries?**

The US is 75% of global trackers & 45% of a passive 60/40



The US doesn't always win



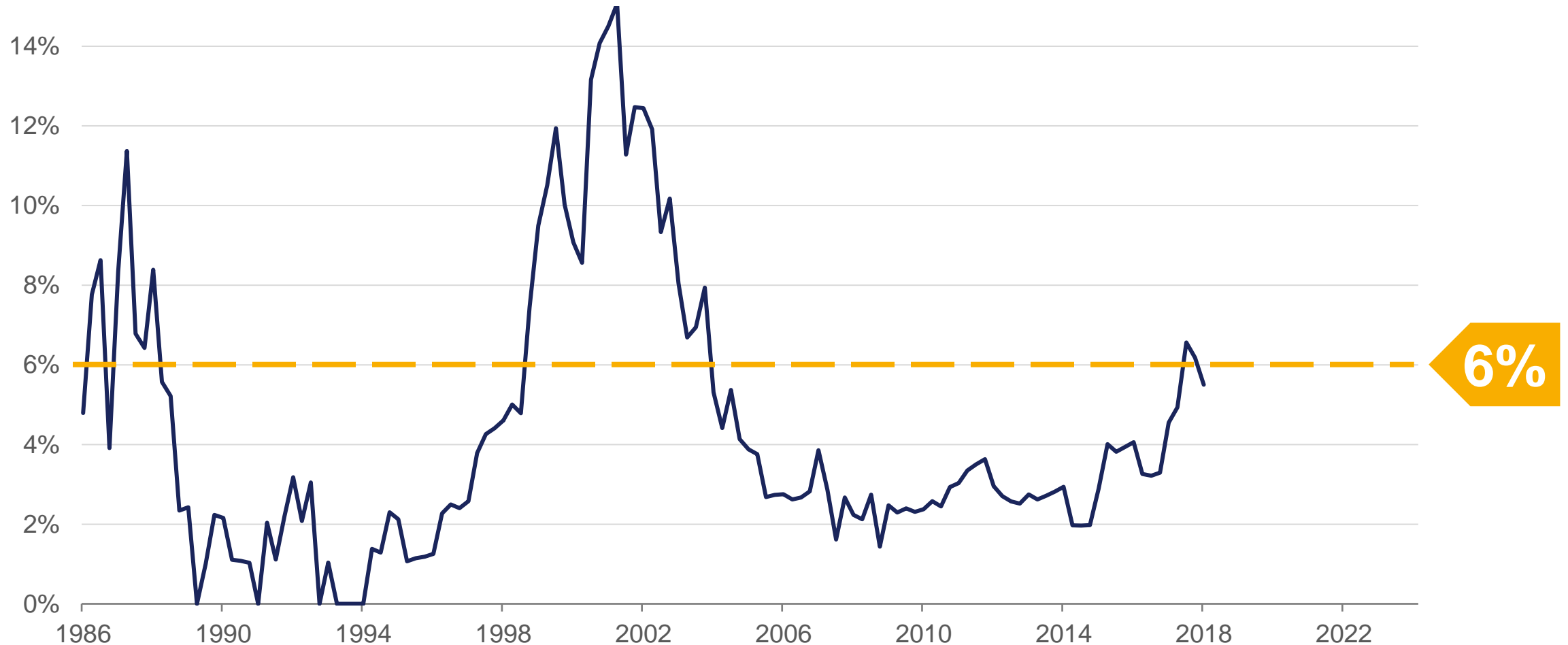
10-year annualised relative return of US vs world ex-US stockmarkets



The World Index is at record concentration levels



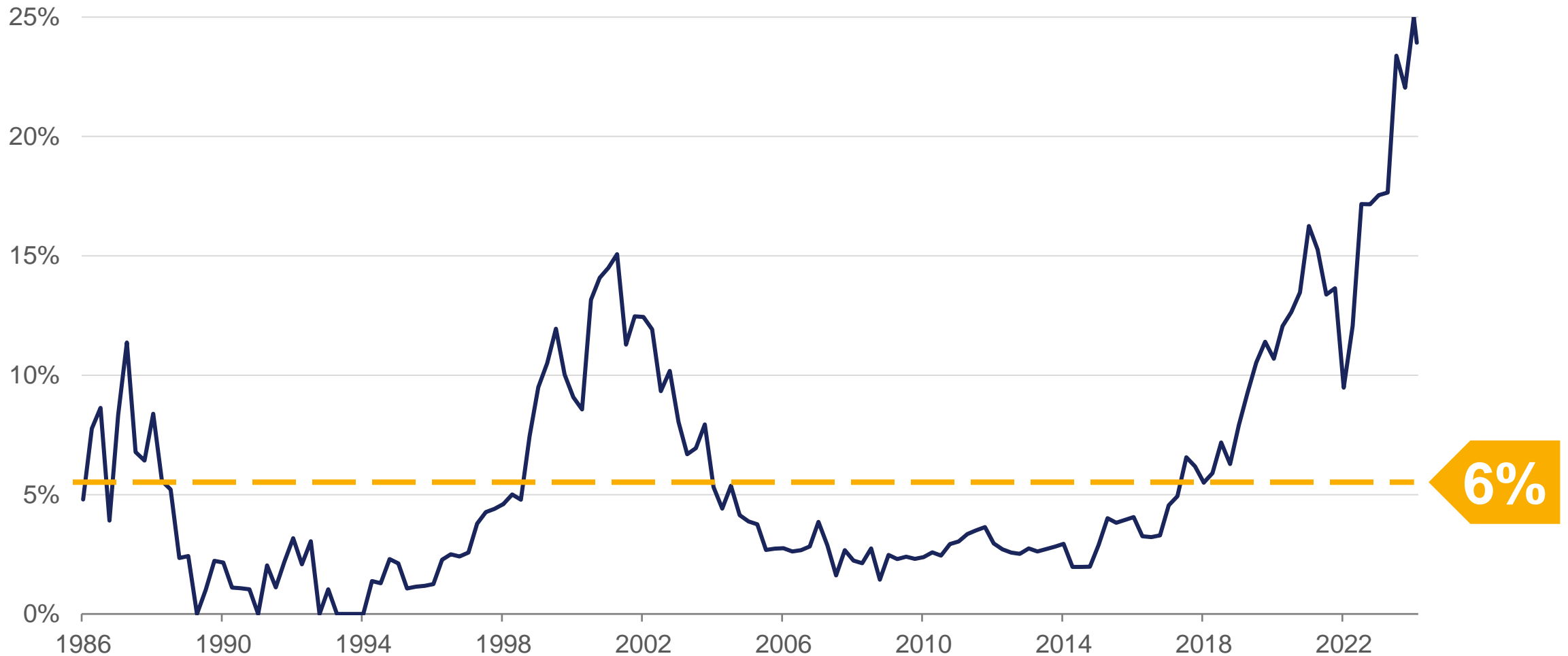
Aggregate weight and count of stocks that are >1% positions in the FTSE World Index



The World Index is at record concentration levels



Aggregate weight and count of stocks that are >1% positions in the FTSE World Index



FINANCIAL TIMES

JPMorgan chief Jamie Dimon warns US recession 'likely' in six to nine months

Downturn threatens to spark renewed sell-off in Wall Street stocks and 'panic' in credit markets

Joshua Franklin in New York · OCTOBER 10 2022

Slowing demand for fuel adds to fears of looming US recession

Sales of diesel are down and American motorists are starting to hold back spending

Myles McCormick in New York · MAY 2 2023

Rising inflation sparks fears of hard landing for US economy

Increase in consumer prices prompts Wall Street sell-off as investors bet on aggressive Fed response

Colby Smith and **James Politi** in Washington · SEPTEMBER 13 2022

Mar 16, 11:52

Steff Chávez in Chicago

Goldman Sachs raises odds of US recession amid banking instability

IMF warns of 'hard landing' for global economy if inflation persists

Fund cautions that higher-for-longer interest rates could amplify financial risks

Chris Giles and **Colby Smith** in Washington · APRIL 11 2023

Lessons for a Monty Hall Market



1. Obvious \neq Right



Beware consensus

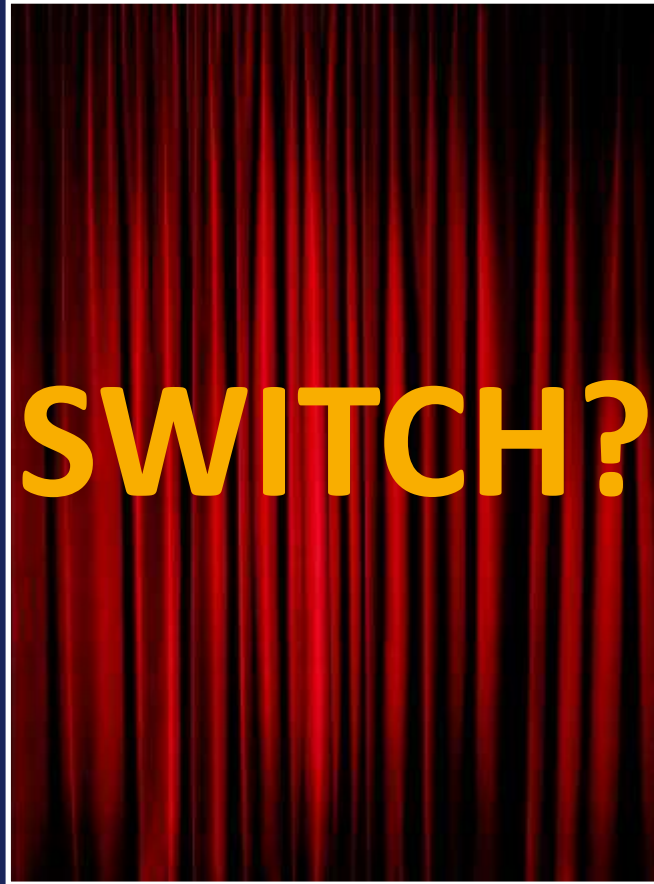
2. Insight drives success



1



2



3





1



2



3





1

1/3

2

2/3

3





1

2

3

$\frac{1}{3}$

$\frac{2}{3}$



1

1/3

2

2/3

3



Lessons for a Monty Hall Market



1. Obvious \neq Right



Beware consensus

2. Insight drives success

Lessons for a Monty Hall Market



1. Obvious \neq Right



Beware consensus

2. Insight drives success



Filter for signal



Signal 1

YOLO SCOUTS[®]

Exploring New Crypto Frontiers



www.yolomeme.io

Embrace the Laugh-track to Wealth

Envision a world where memes are not just cultural phenomena, but also a currency. Introducing YOLO Token, the avant-garde crypto initiative where laughter is wealth. Pivot from traditional financial outlooks and delve into a fun-filled crypto space, experienced best with a laughter track!





\$312m

Is there any evidence of speculation today?



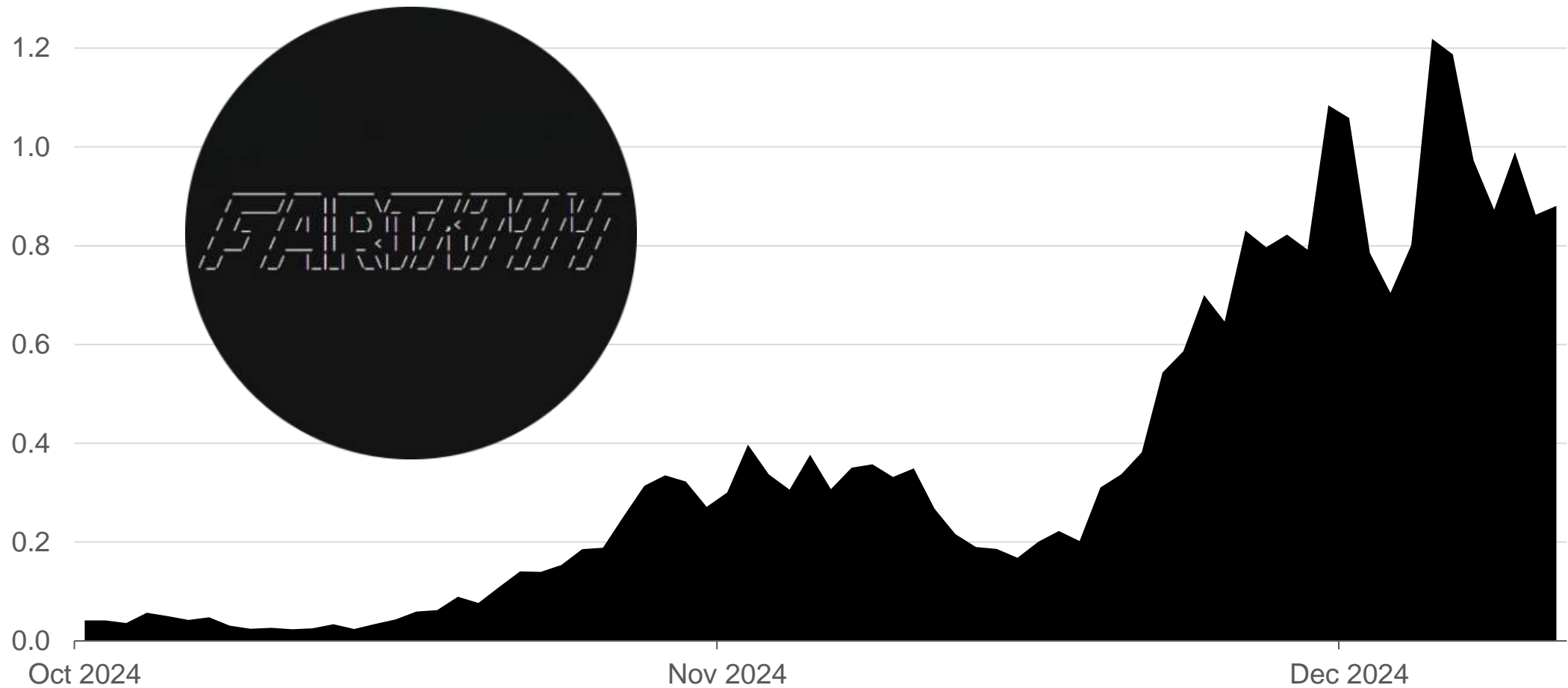
~\$3.3tn*

+96%
in 2024

Necessary?



Fartcoin Market Cap (USD, Billions)





Donald and Melania Trump launch rival memecoins as crypto industry hopes rise

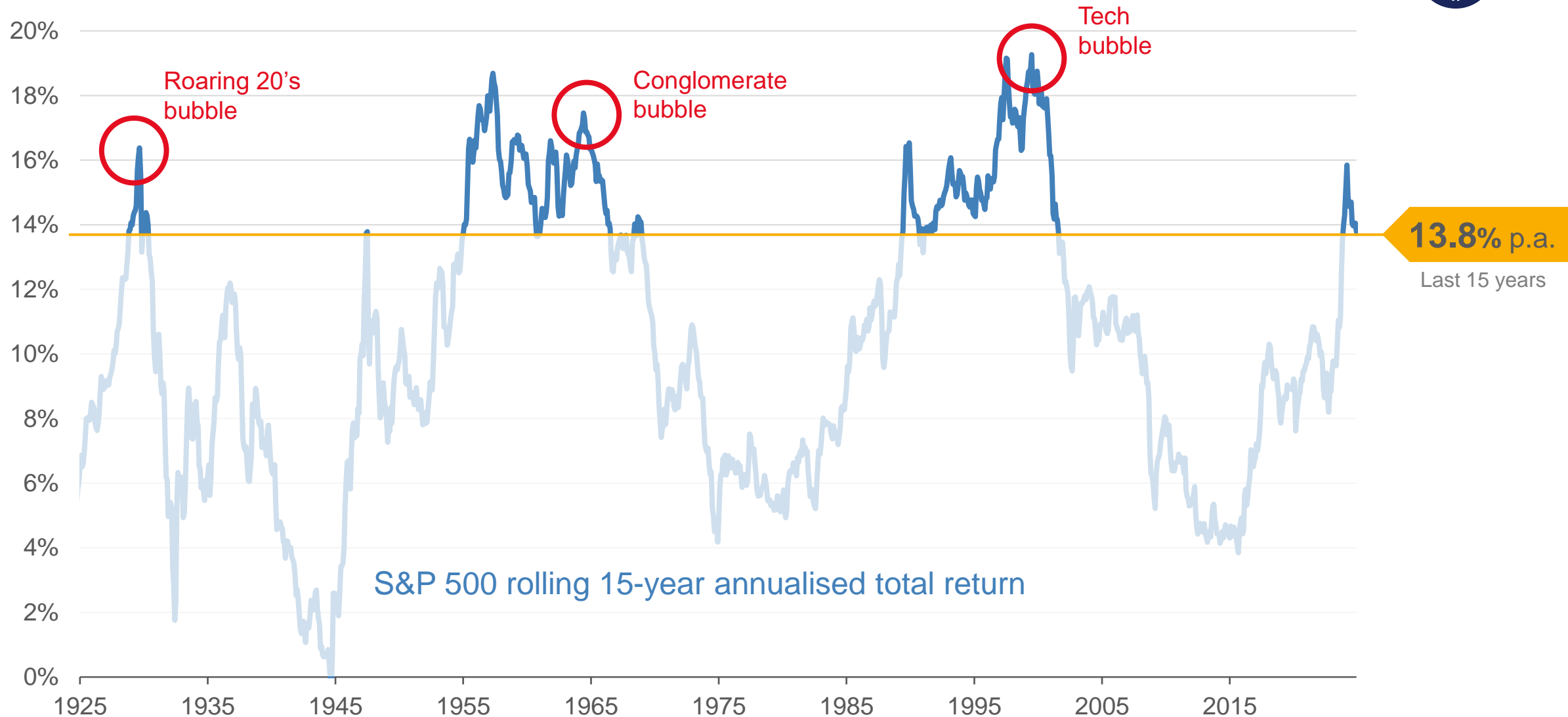
Value of incoming president's token soars then falls after wife unveils separate coin

Philip Stafford in London and **George Hammond** in San Francisco JANUARY 20 2025

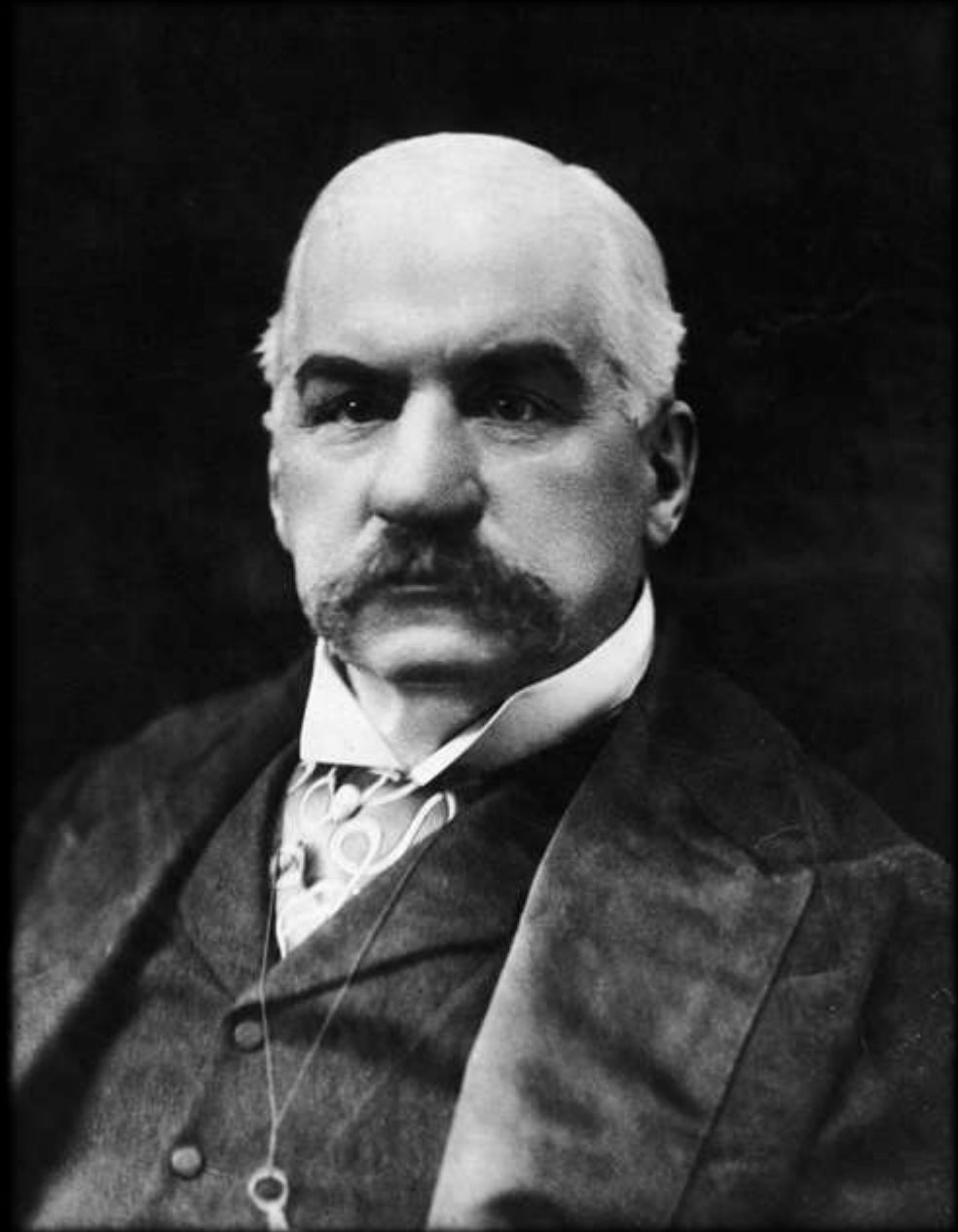


Signal 2

The last 15 years have NOT been normal ones for the S&P 500



“Nothing so
undermines your
financial
judgement as
the sight of your
neighbour
getting rich.”



Valuations today are high relative to history



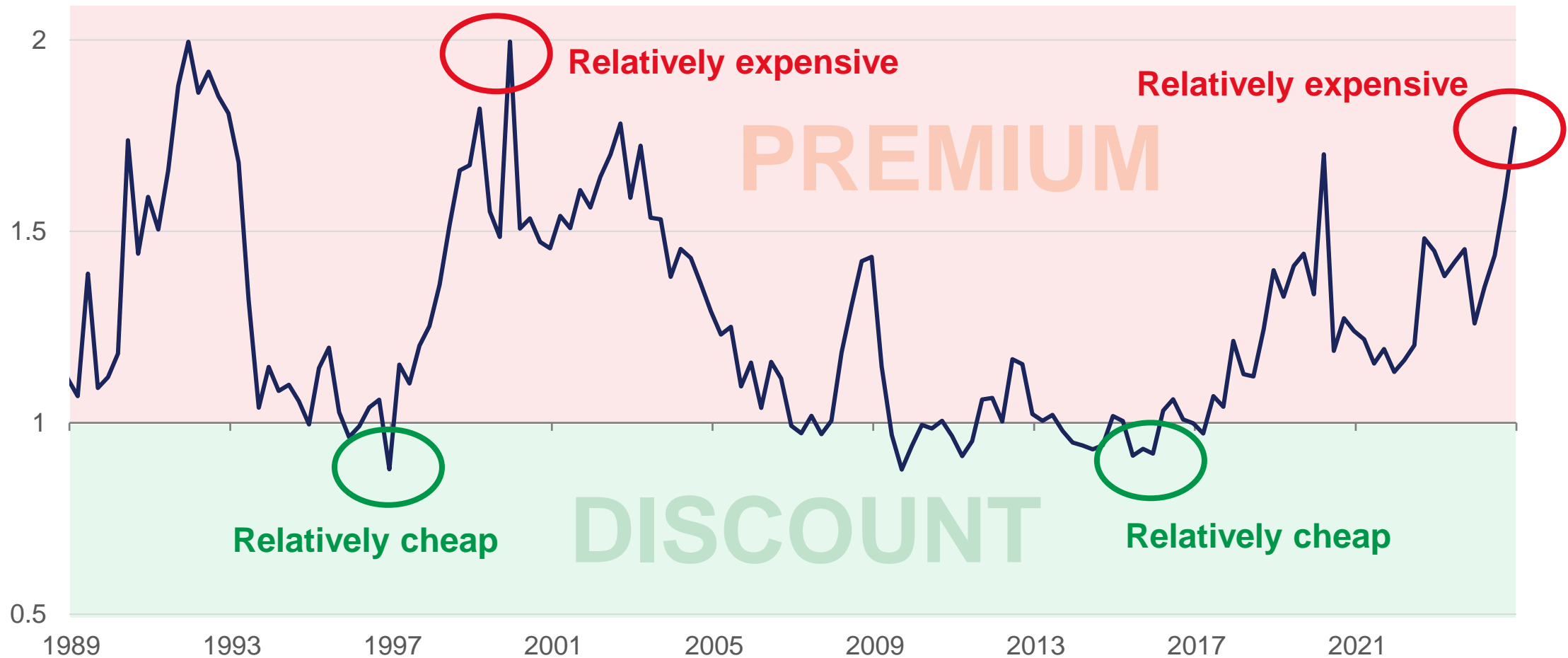
S&P 500 price-to-earnings ratio



Not just big tech



Relative attractiveness* of **Walmart** vs the FTSE World Index





Signal 3



amazon

 **Meta**

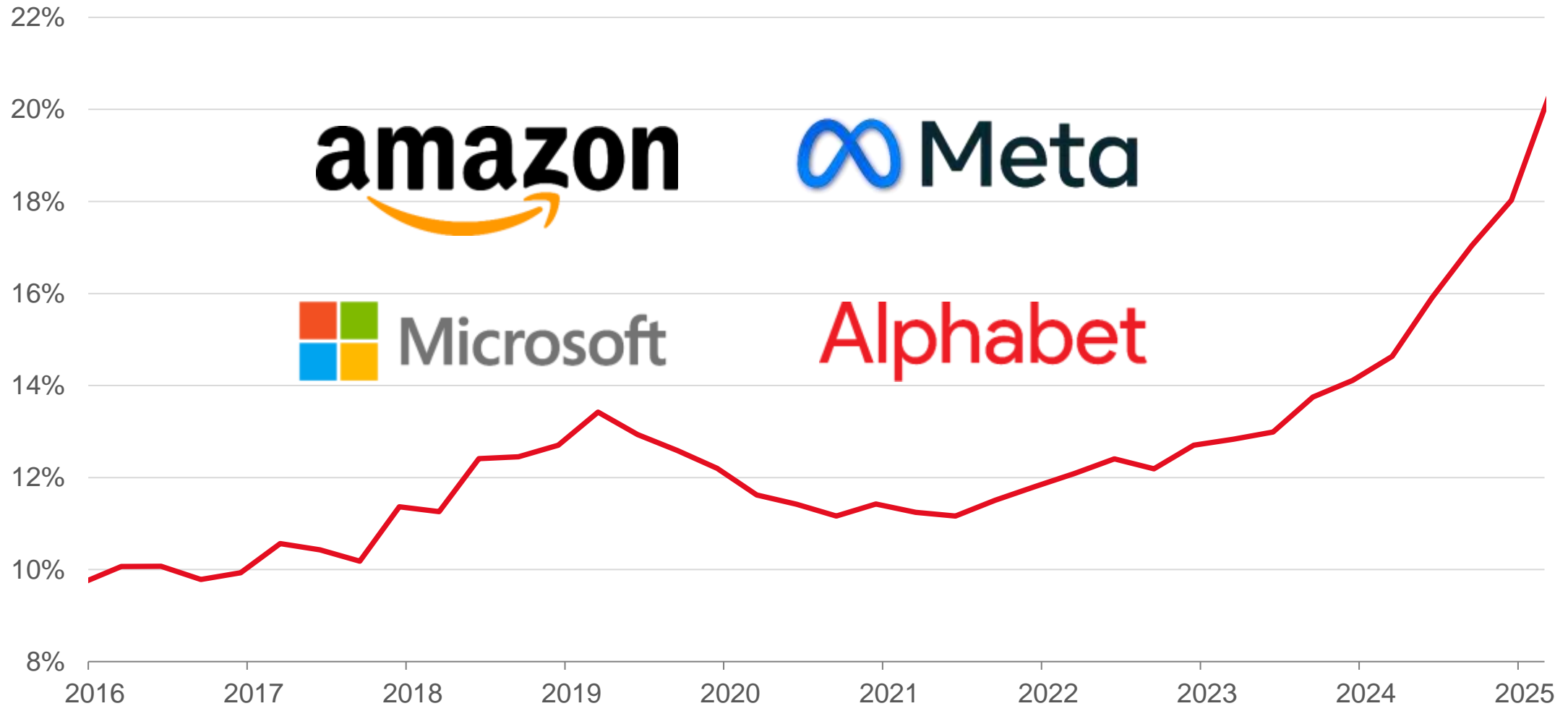
 **Microsoft**

Alphabet

AI hyperscalers are spending big just to keep up



Market cap weighted capex* to sales ratio for Big 4 US hyperscalers



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Beware consensus

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Filter for signal

3. Nothing is certain



1

1/3

2

2/3

3





1

1/3

2

2/3

3





If AI is so clever, does it mean you can predict the future?

Oh, totally! I've got a crystal ball, a magic wand, and a degree in fortune telling. But, you know, I'd rather not get sued when the future doesn't turn out exactly how I said it would. So, let's just stick with the classic — AI's great at patterns, not so much at calling the lottery numbers.



Ask anything



Search



ChatGPT can make mistakes. OpenAI doesn't use Orbis Investments workspace data to train its models.

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Proper Diversification

Lessons for a Monty Hall Market



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2. Insight drives success



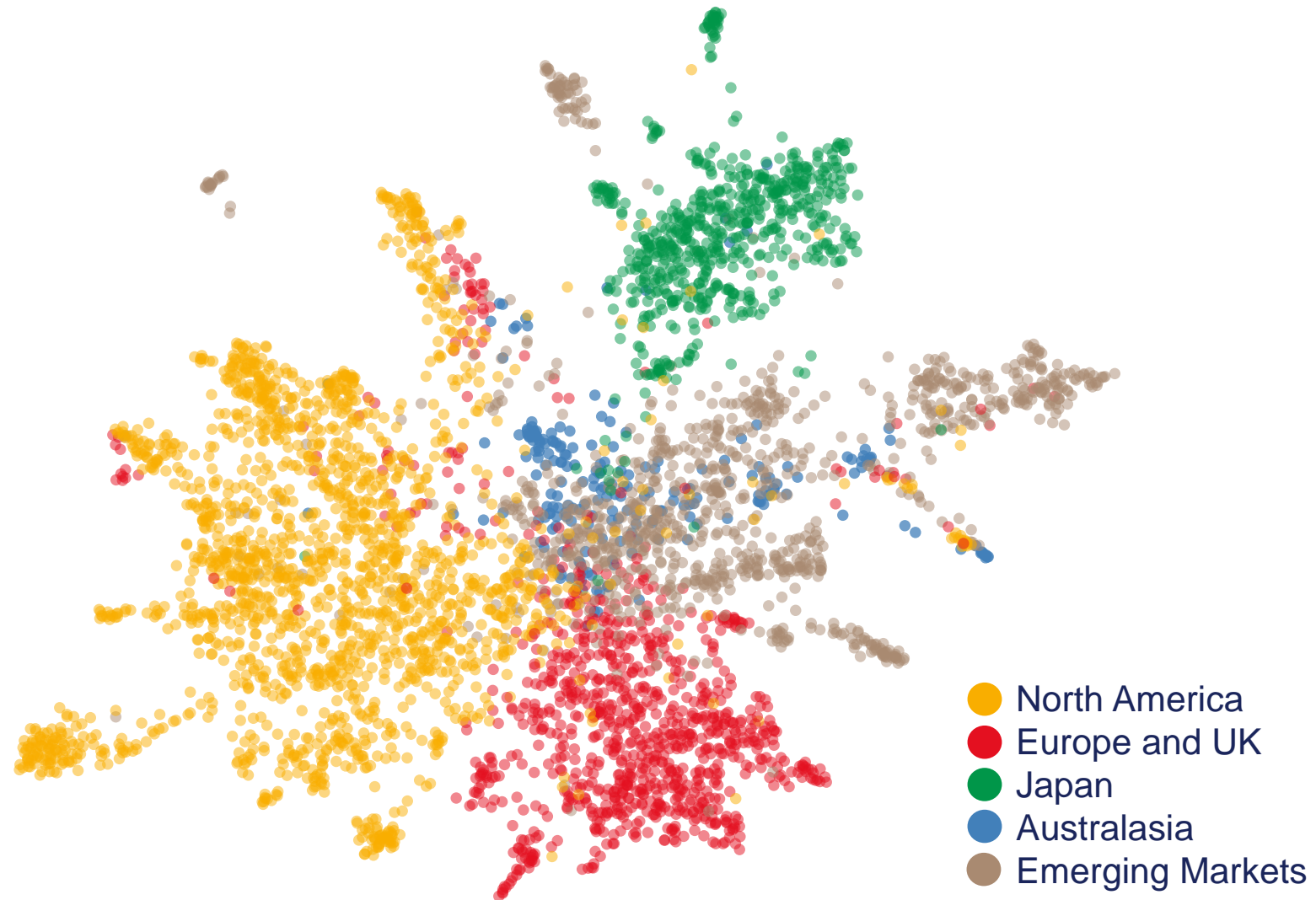
Filter for signal

3. Nothing is certain

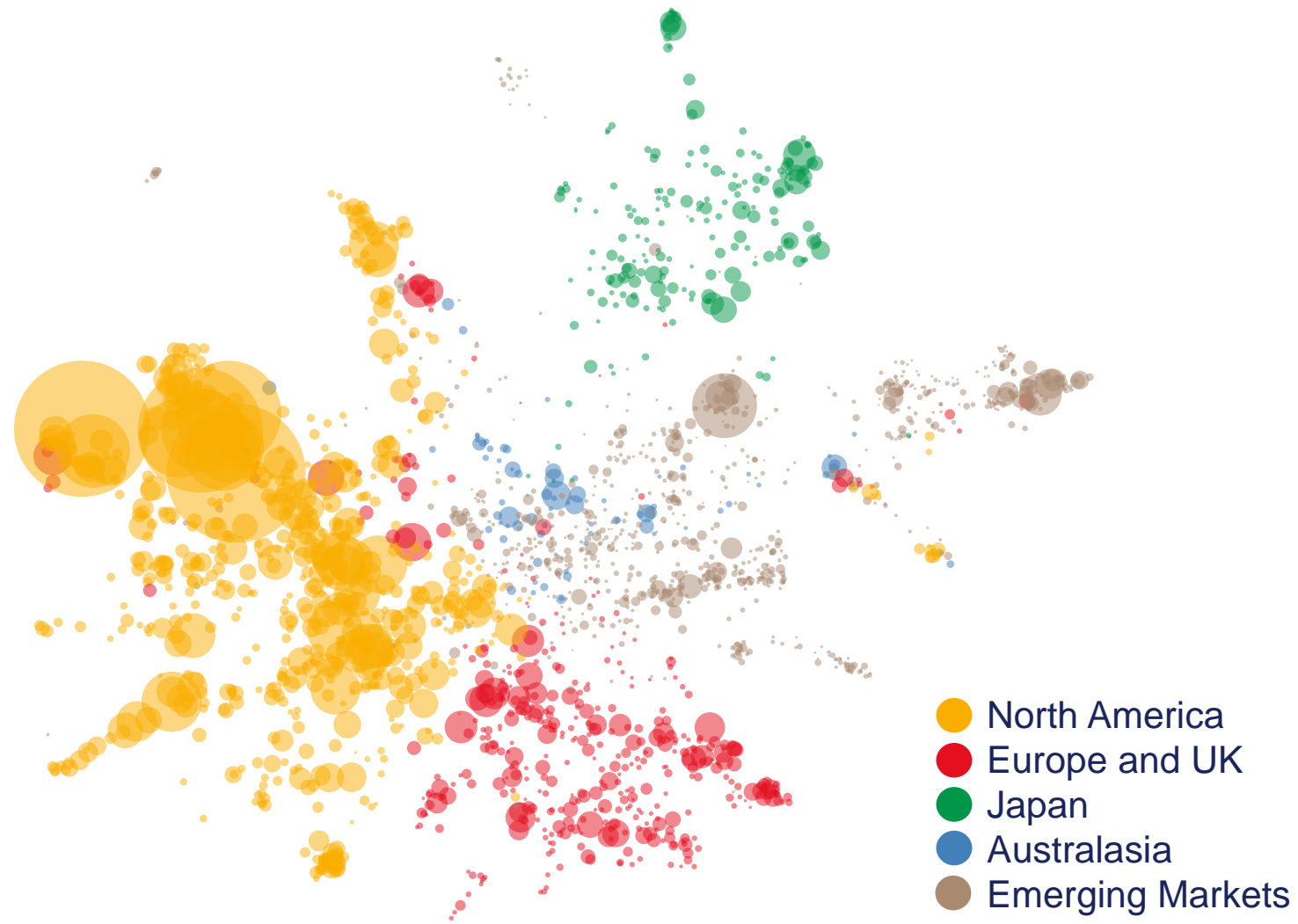


Proper Diversification

The most diversified portfolio is one that holds a bit of everything...



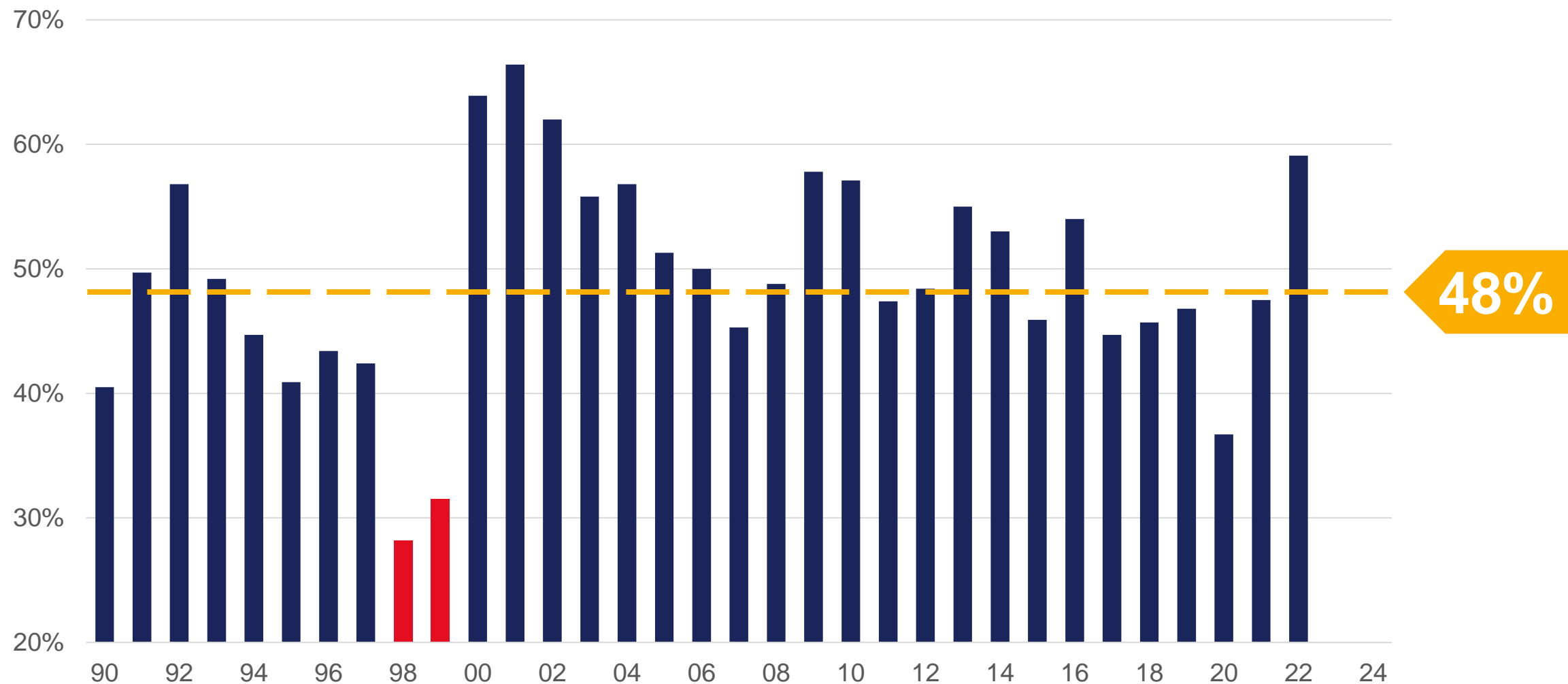
...but the Index owns many things, clustered together



Fewer companies are outperforming in the US



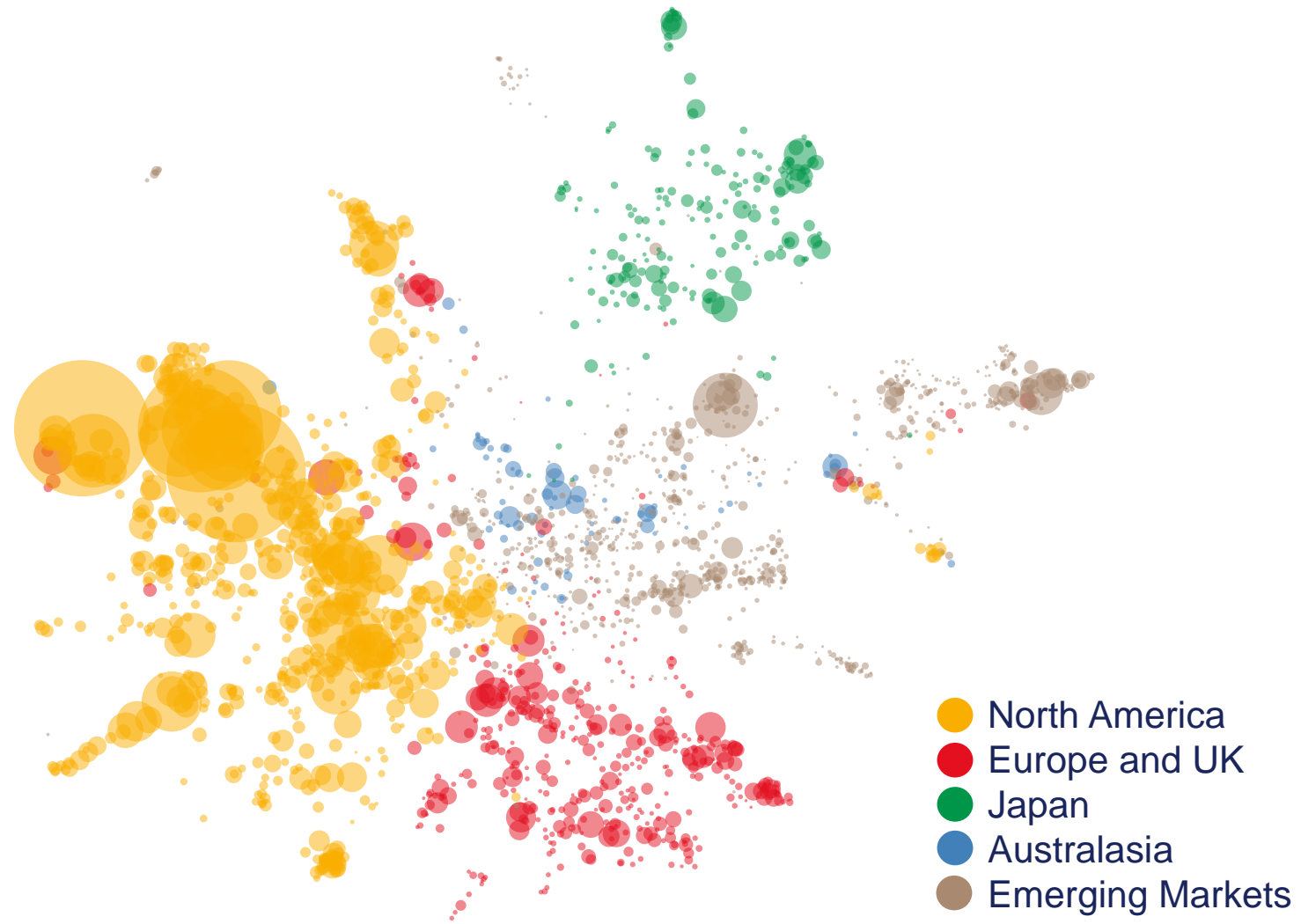
% of stocks in the S&P 500 outperforming the index since 1990 by year



31 Dec 2024 | Source: BofA Global Research, S&P Capital IQ, Orbis. Data for 2024 has been extended to the full calendar year period from the original source.



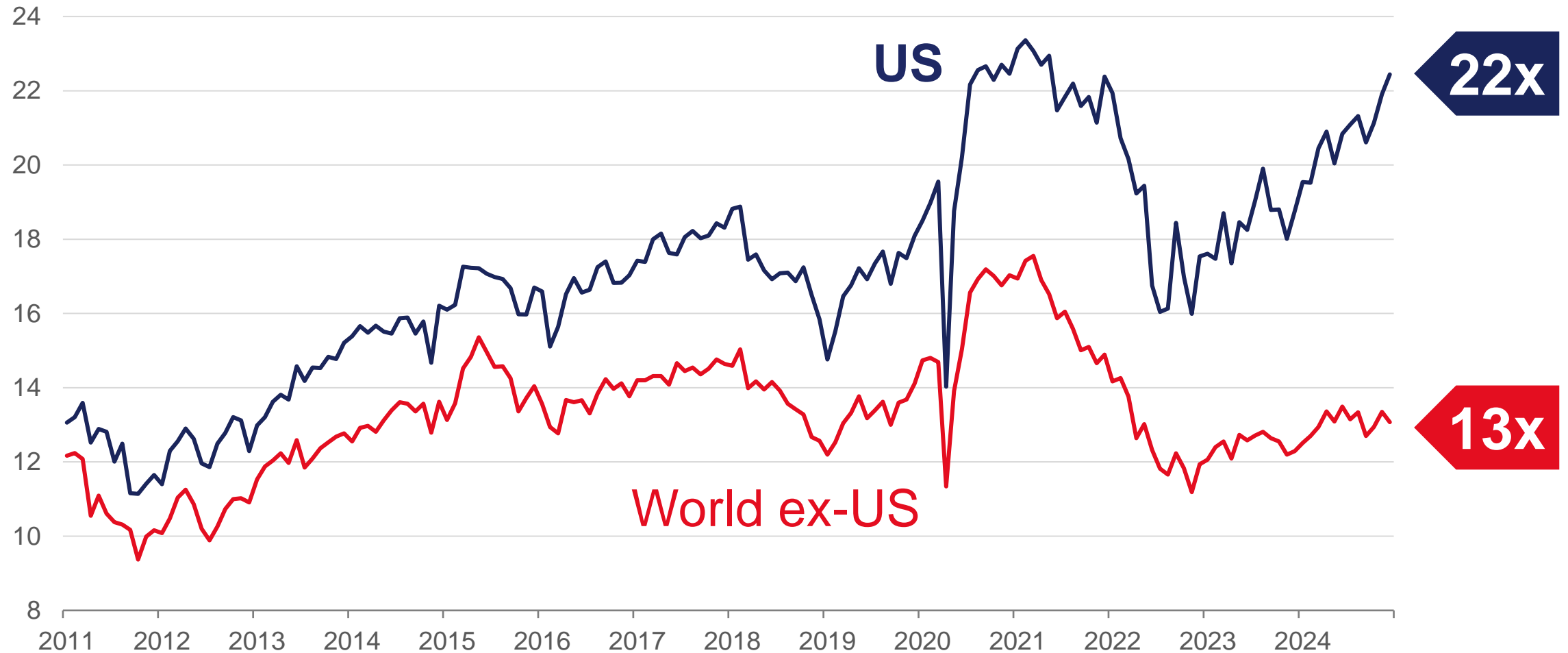
...but the Index owns many things, clustered together



Outside the US, there is better value on offer



Forward price-earnings ratio of US and World ex-US stockmarkets



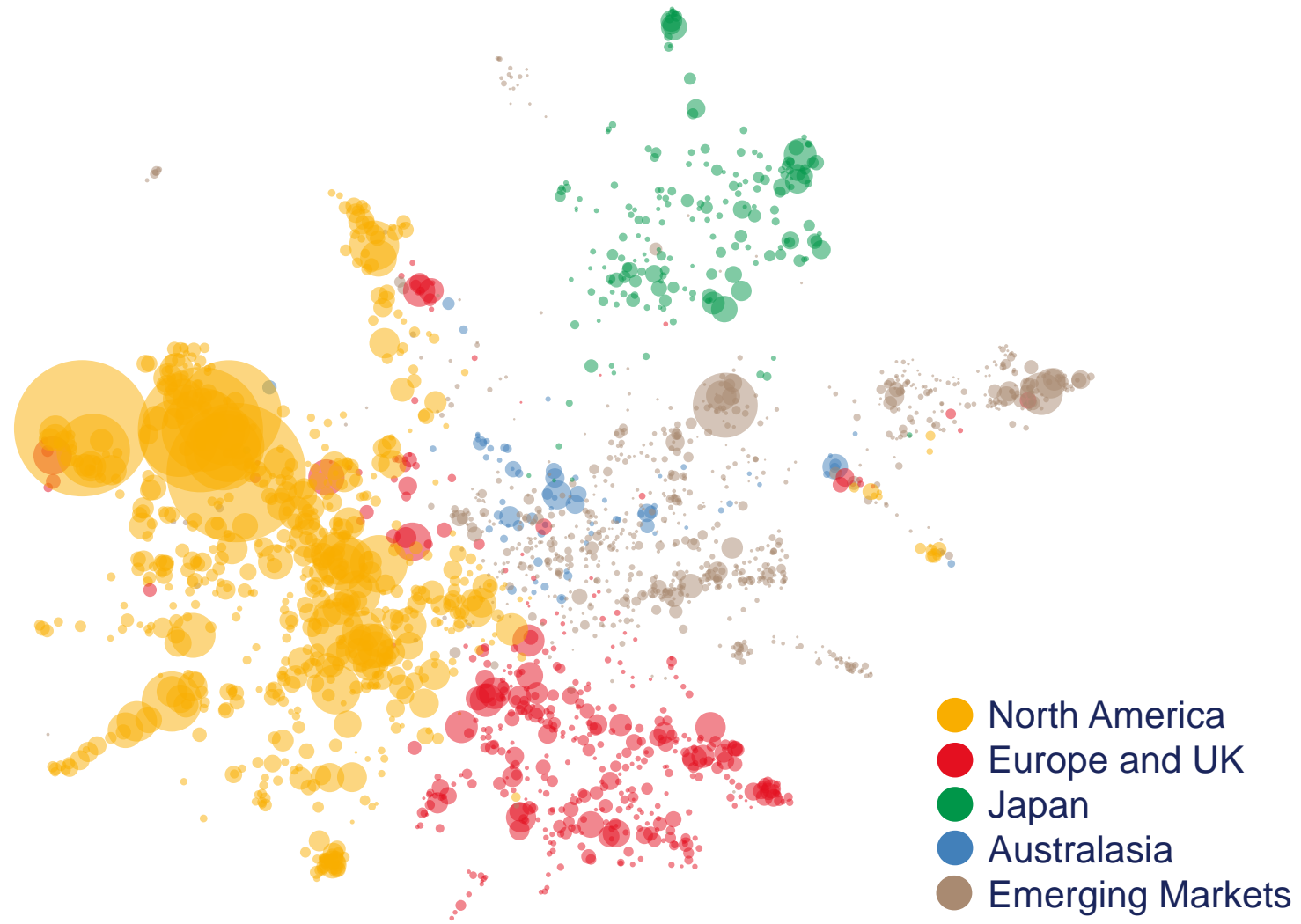
The Great and Powerful Dollar



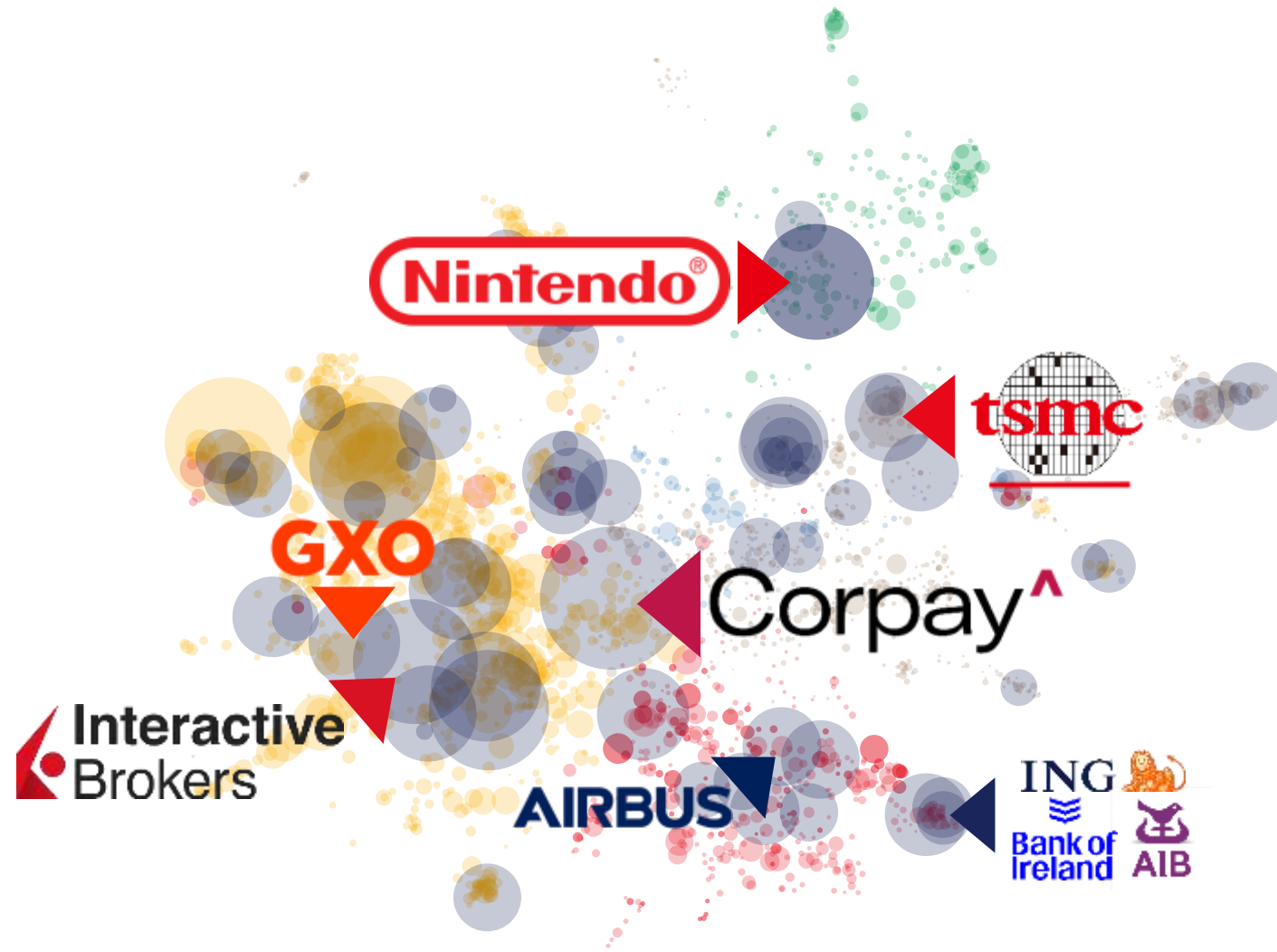
Trade-weighted index of dollar strength against developed market currencies



...but the Index owns many things, clustered together



Orbis Global Equity owns a few, diverse things





Summary

Obvious \neq Right



Beware Consensus



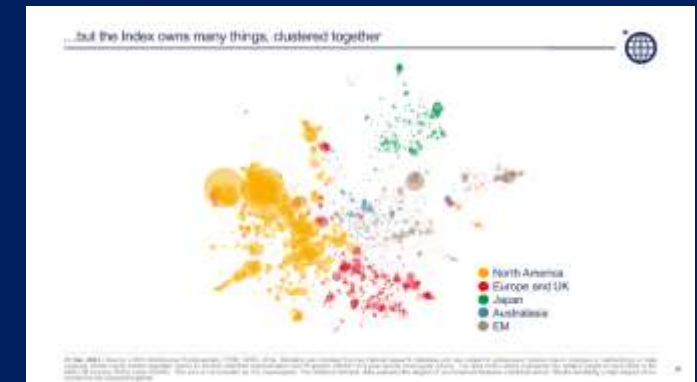
Insight fuels success



Filter for signal



Nothing is certain



Proper Diversification





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Sources (when relevant)

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