



INVESTMENT GROUP

# Global Smart Beta Value Investing: A Great Blending Option in a Highly Concentrated, Tech Heavy Market

**Analisa Balfour**

2026

MEET + THE  
**Managers**





INVESTMENT  
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# Fundamental Indexing

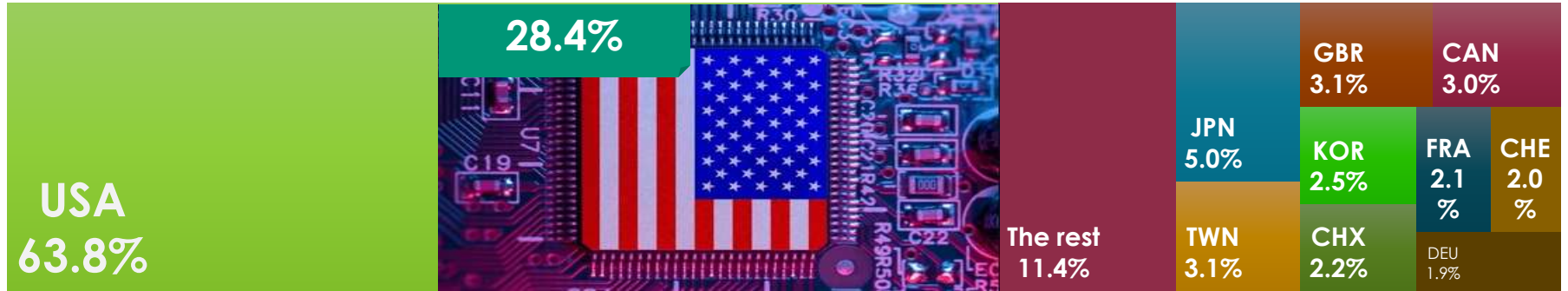
A great blending option in a

highly concentrated, tech-heavy market



# US TECH IS EATING THE INDEX

## MSCI ACWI Country Weights



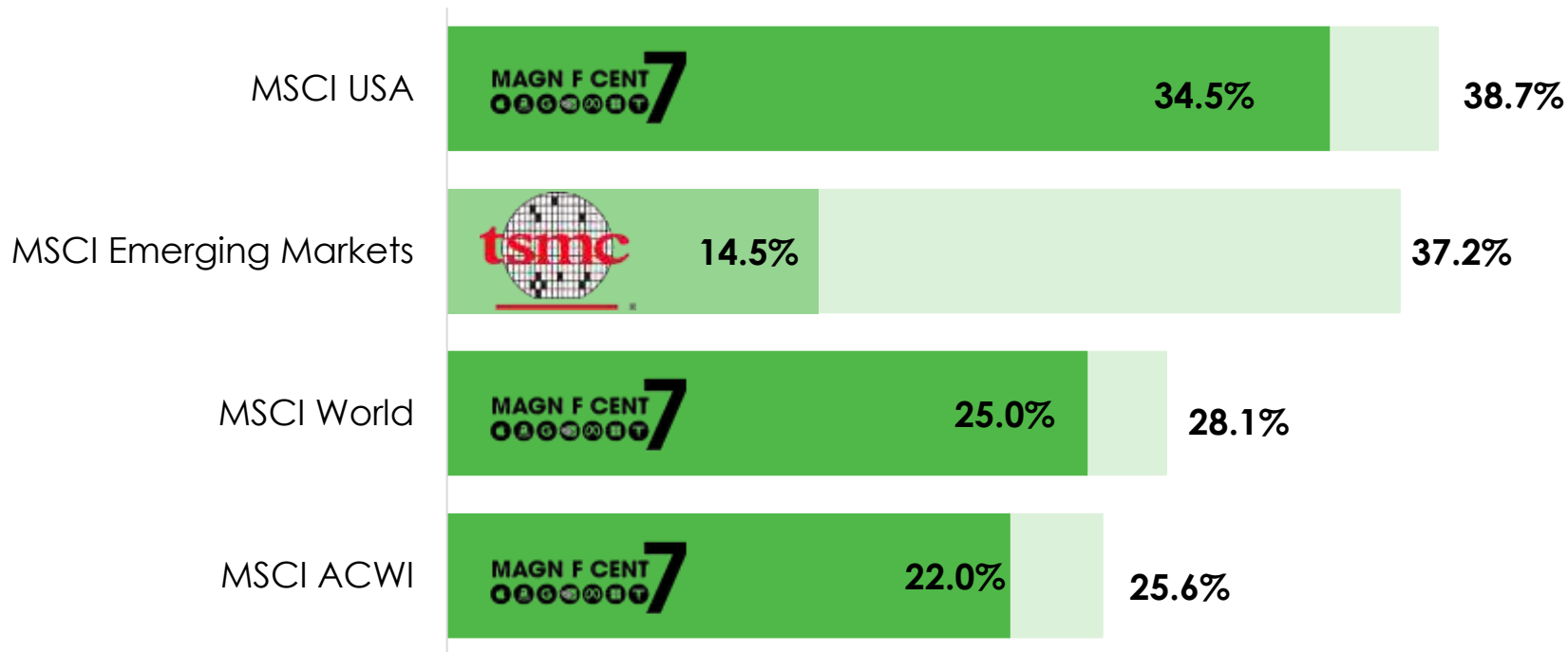
## MSCI ACWI Sector Weights





# EIGHT STOCKS, ONE TECH BET

## Top 10 Weights

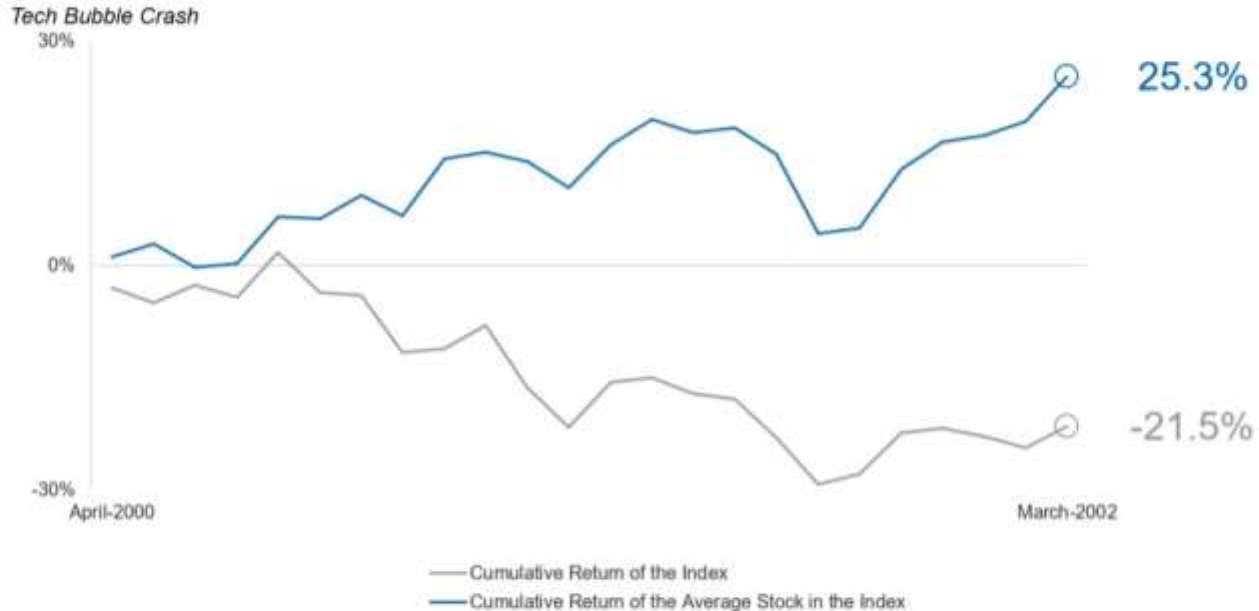




# HERE'S WHAT COULD GO WRONG

## Capitalisation-weighting creates a drag on returns

Cumulative Return of the S&P 500 Index





# REARVIEW LESSONS



Best performing sector YTD

38.3%

Energy

45.6%

Energy

37.1%

Energy

11.4%

Info tech

8.6%

Info tech

YTD

Market cap 5 years

-4.5

USA

11.6

-4.2

Eurozone (DM)

9.4

-3.5

World

10.8

-0.1

Emerging Market

4.2

0.1

AC Asia Pacific

4.9

Best performing sector 5 years (p.a.)

Energy

25.0%

Energy

20.4%

Energy

23.6%

Info tech

14.4%

Info tech

12.7%



# THE VALUE ROTATION IS ALREADY UNDERWAY

## Value vs Growth across regions





# THE MACRO TIDE IS TURNING

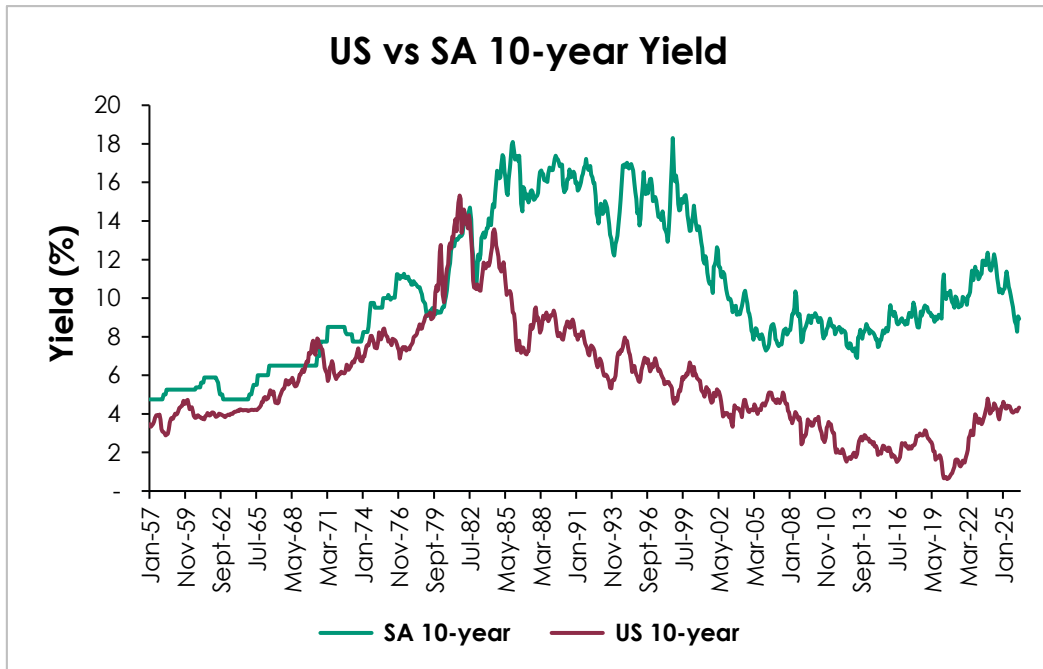
Currency and reserves



Oil and energy dynamics



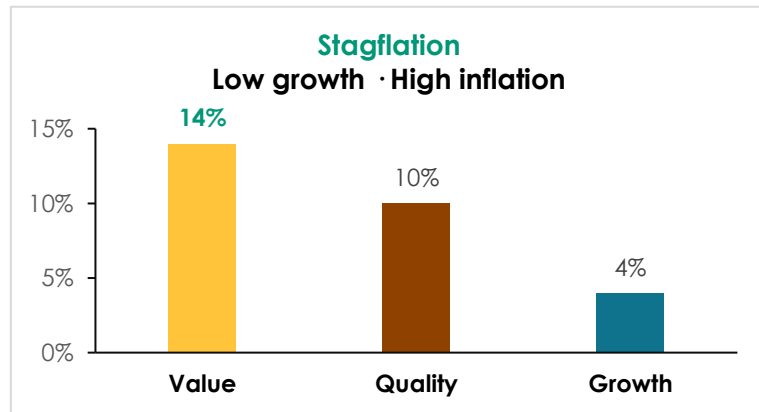
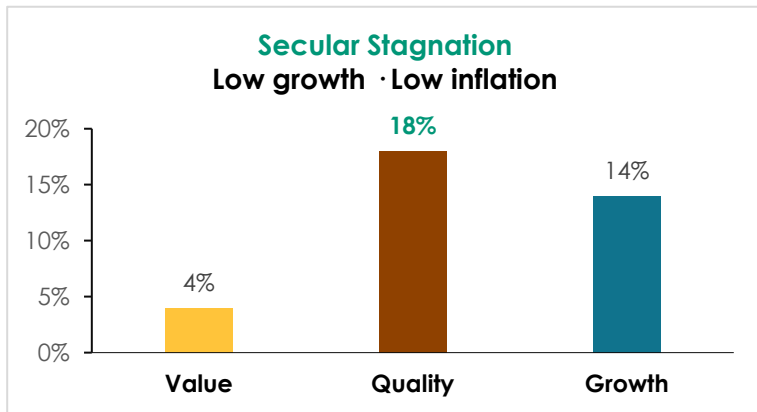
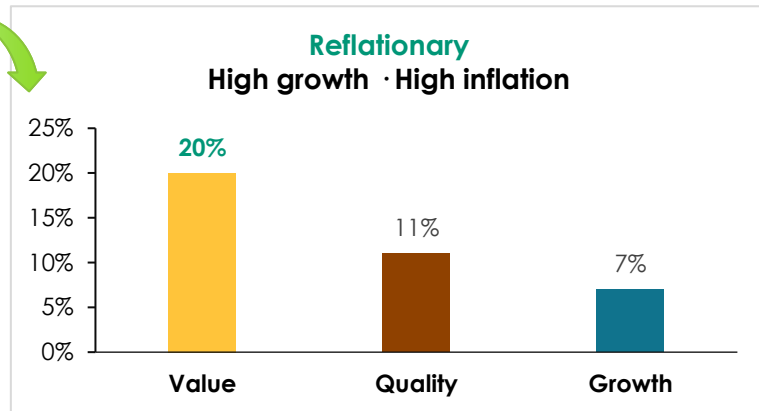
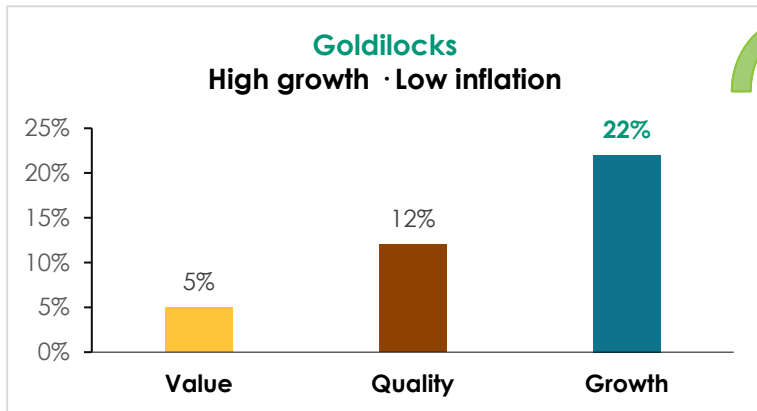
## Global yields: Inflation set to bite?





# FACTOR PERFORMANCE BY REGIME

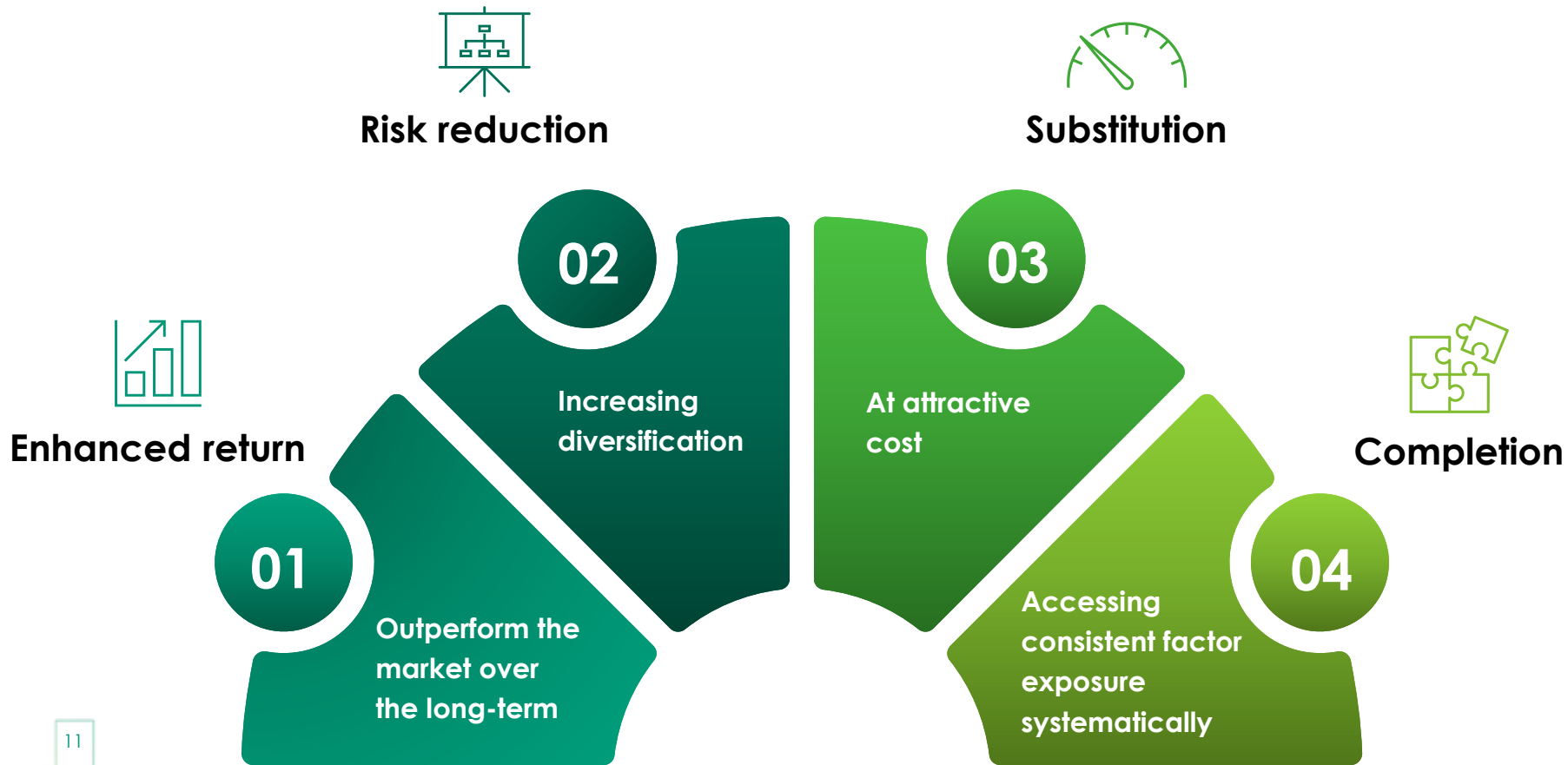
Low inflation → High inflation



High Growth  
→ Low Growth



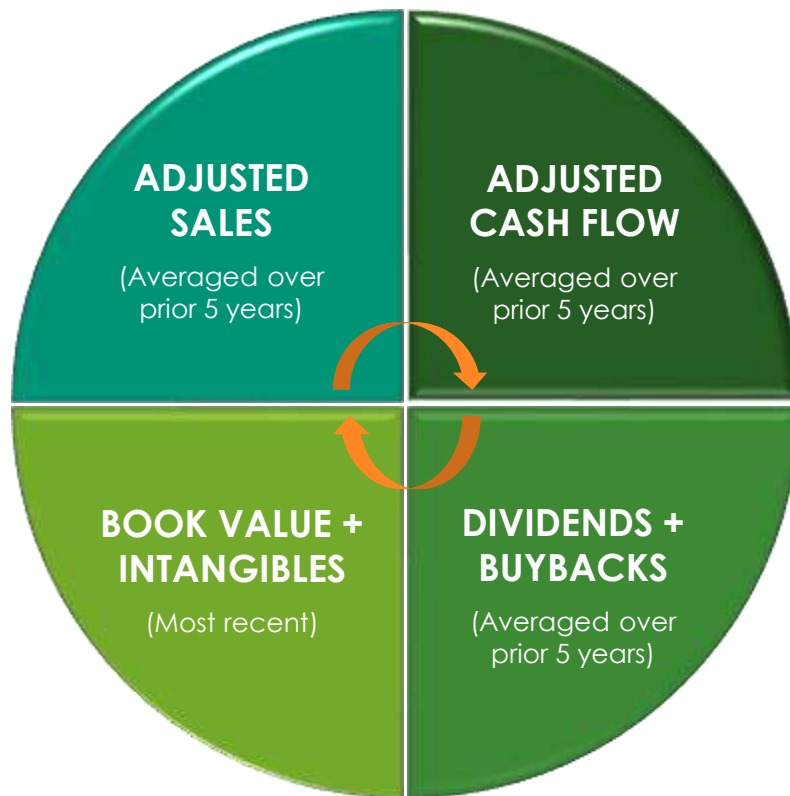
# SMART BETA PLUGS THE GAPS





# RAFI FUNDAMENTAL INDEXING APPROACH





Weighted by worth, not price





# HOW A STOCK WEIGHT IS BUILT

## 2026 Target Weights

		Five-Year Average			Most Recent	RAFI Fundamental Weight	Cap Weight
		Adjusted Sales	Adjusted Cash Flow	Dividends + Buybacks	Book Value + Intangibles		
TECH	 NVIDIA	0.24%	0.33%	0.41%	0.27%	0.31%	4.64%
		0.40%	1.40%	3.77%	0.39%	1.49%	3.97%
ENERGY	 ExxonMobil	1.05%	0.54%	0.69%	0.65%	0.73%	0.66%
	 Shell	0.82%	0.55%	0.29%	0.44%	0.53%	0.24%



# A GENUINELY DIVERSIFIED TOP 10

MSCI ACWI	Weight (%)
NVIDIA	5.4%
Apple	4.4%
Alphabet	4.2%
Microsoft	3.0%
amazon	2.5%
BROADCOM	1.9%
intel	1.8%
Meta	1.3%
TESLA	1.2%
SAMSUNG	0.8%

**26.5%**

RAFI Fundamental	Weight (%)
Alphabet	2.9%
Apple	2.2%
SAMSUNG	1.8%
intel	1.7%
amazon	1.2%
ExxonMobil	1.1%
Microsoft	1.1%
micron	0.9%
BERKSHIRE HATHAWAY INC	0.8%
Shell	0.7%

**14.6%**

	Tech	Magnificent 7	Energy	Financials
MSCI ACWI	26.5%	22.0%		
RAFI Fundamental	12.0%	7.5%	1.8%	0.8%



# BROAD BY COUNTRY, BROAD BY SECTOR

	RAFI Fundamental	MSCI ACWI
<b>USA</b>	<b>52.5%</b>	<b>63.8%</b>
JPN	8.2%	5.0%
TWN	2.4%	3.1%
GBR	5.5%	3.1%
CAN	3.7%	3.0%
KOR	4.0%	2.5%
CHX	3.1%	2.2%
FRA	3.2%	2.1%
CHE	1.5%	2.0%
DEU	2.8%	1.9%
<b>The rest</b>	<b>13.1%</b>	<b>11.4%</b>

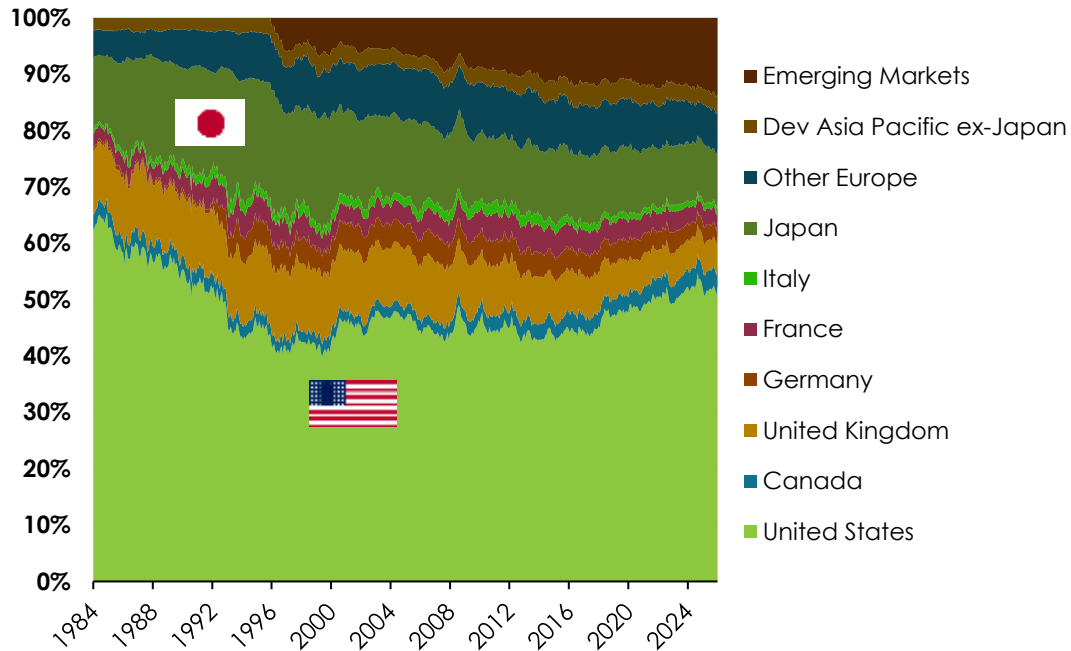
	RAFI Fundamental	MSCI ACWI
<b>Technology</b>	<b>19.8%</b>	<b>34.9%</b>
Financials	17.1%	14.3%
Industrials	12.2%	12.4%
Consumer Discretionary	11.3%	11.6%
Healthcare	8.0%	7.5%
<b>Energy</b>	<b>9.5%</b>	<b>4.3%</b>
Consumer Staples	5.1%	4.0%
Telecommunications	5.7%	3.6%
Basic Materials	6.2%	3.2%
Utilities	3.1%	2.6%
Real Estate	2.0%	1.7%



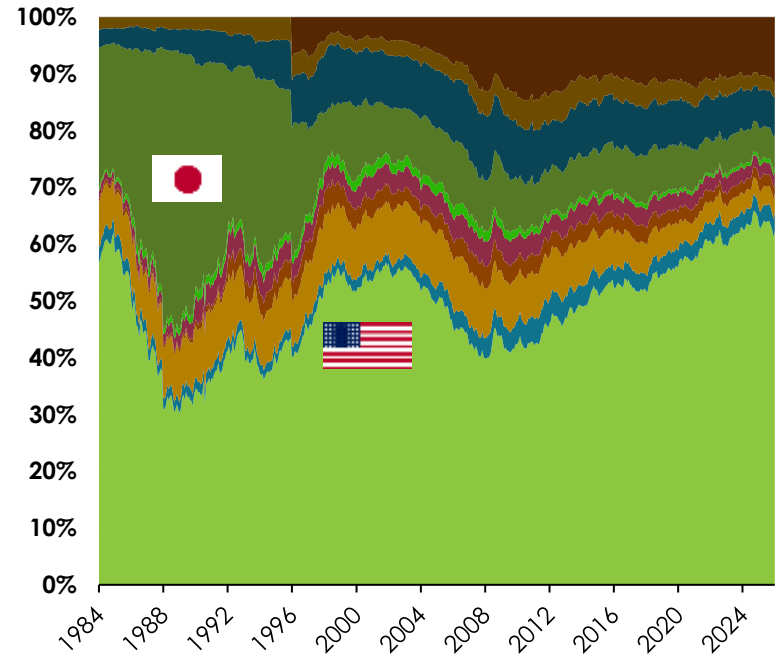
# A SMOOTHER RIDE THROUGH TIME

## Country weights: April 1984 – April 2026

### RAFI Fundamental Select Global 3000

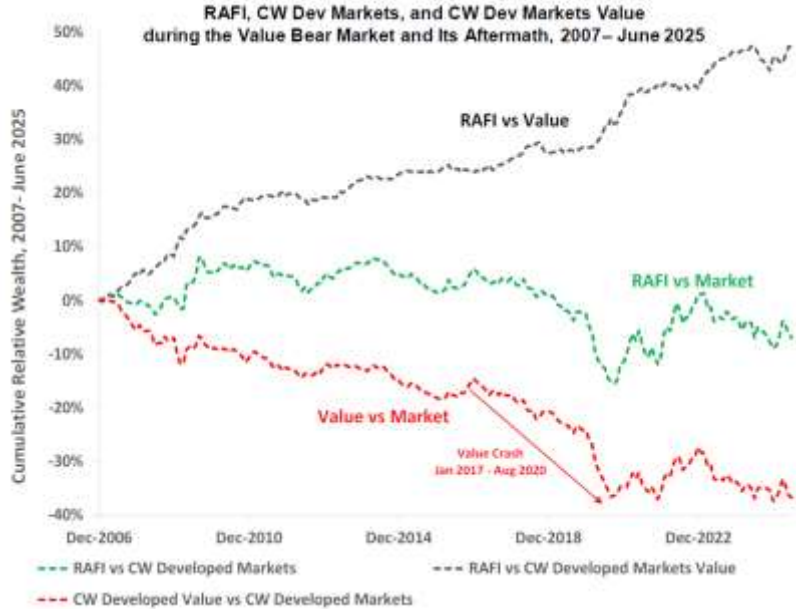


### Cap-Weighted

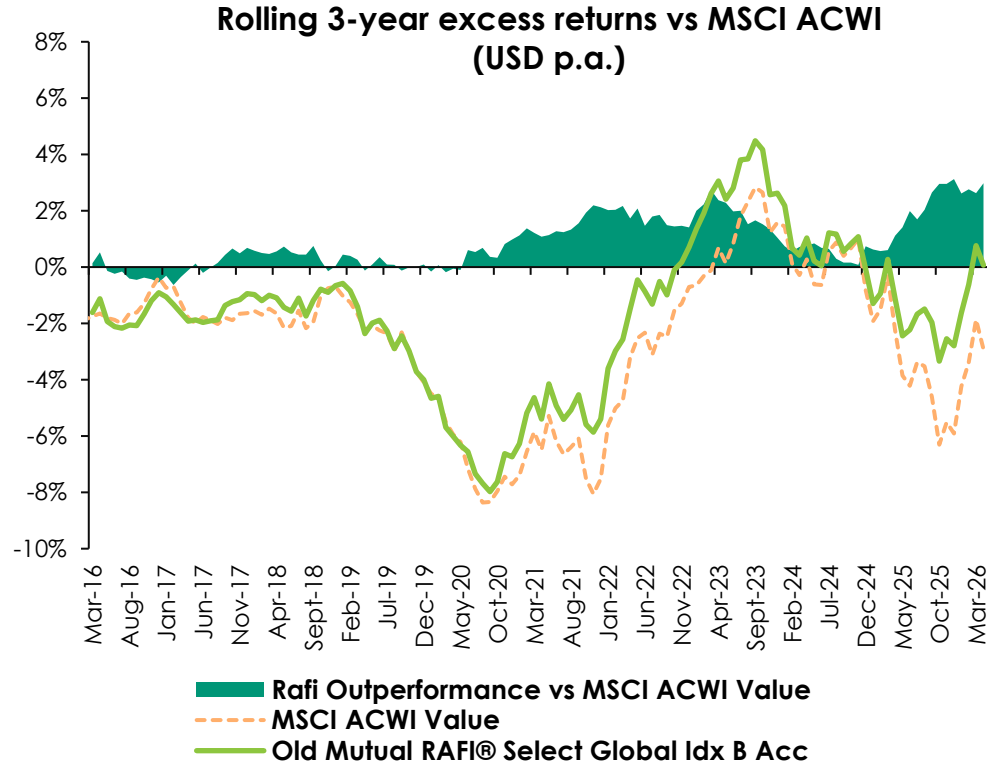




# RAFI ADDS CONSISTENT ENHANCEMENT TO VALUE



Source: Research Affiliates, based on data from FactSet

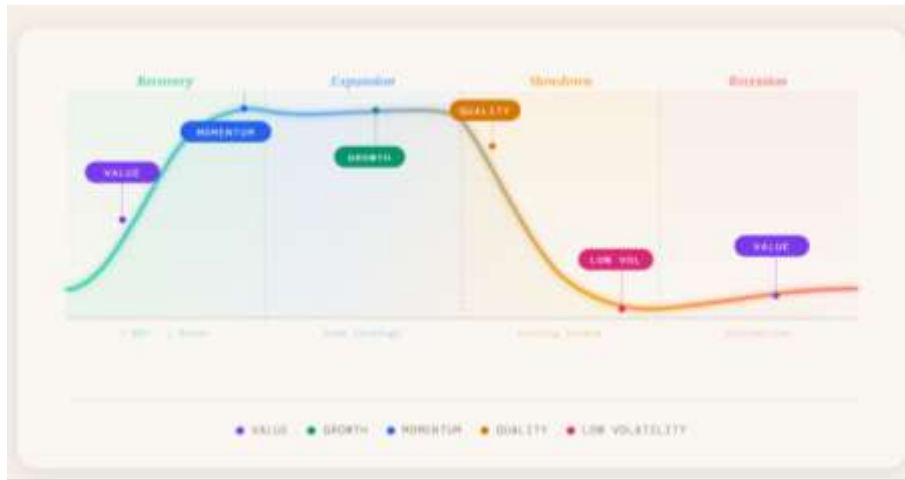


Source: Morningstar Direct, Old Mutual Investment Group | Data as at 30 April 2026



# RIGHT STRATEGY, RIGHT MOMENT

## The market cycle Factor outperformance by regime



## Value strength increases when the market pays a larger premium for growth





# WHAT TO REMEMBER

Portfolio Diversification ✓

Rules-based Transparency ✓

Focus on Fundamentals ✓



# THANK YOU



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