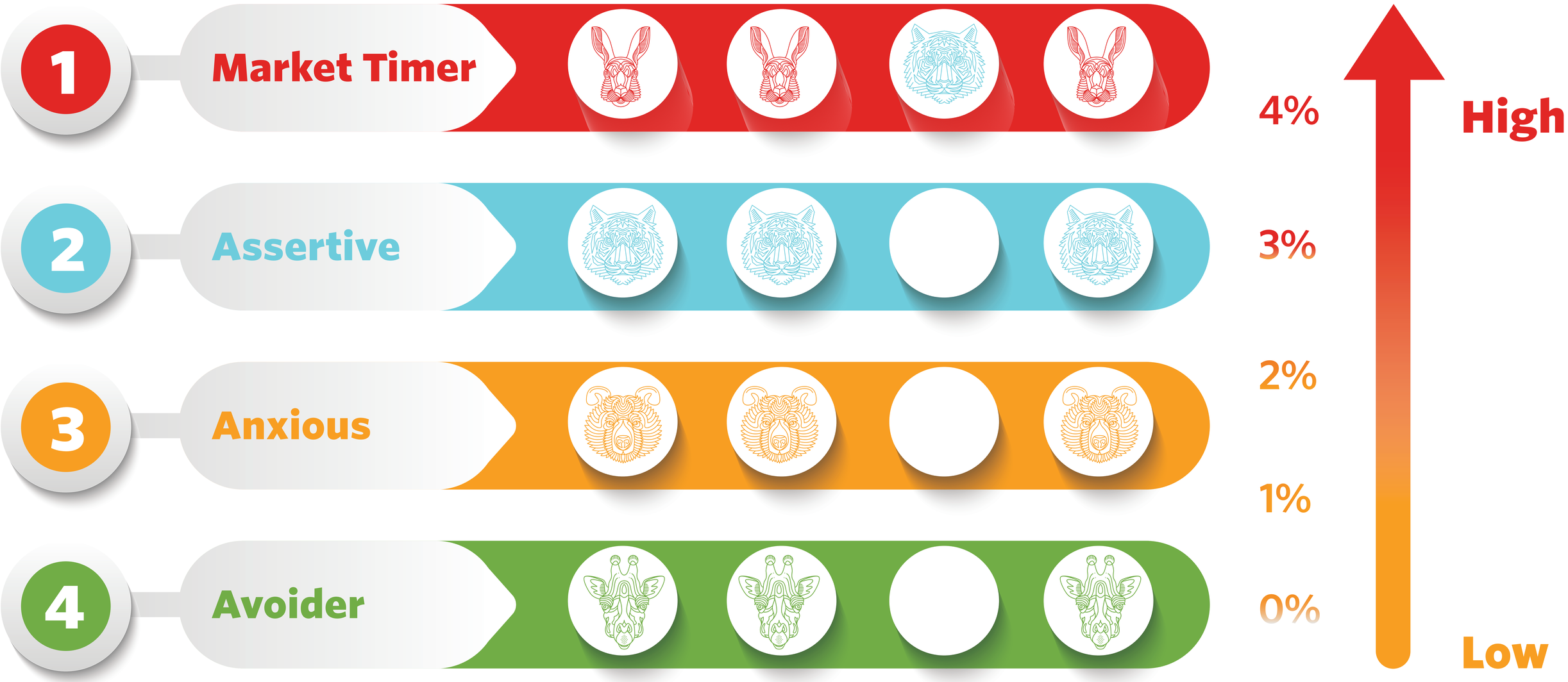
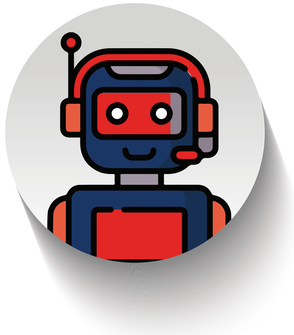
# Behaviour tax ranking 2020 | 2021 | 2022 | 2023





# Why do investors switch?

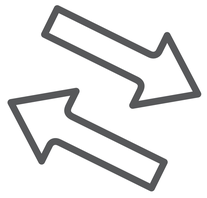
Machine learning using over 12 million observations tells us

Number of Funds

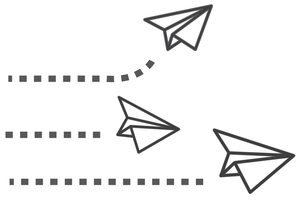
Portfolio Value

Age

## Loss system



Size of Switch

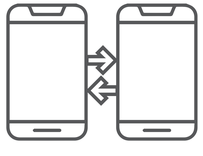


Number of Switches

12m Switch History

## Belief system

Win-Stay
Lose-Move



Perfomance vs Peers

12m Perfomance

6m Perfomance

## Risk perception

# Sci-Fi Report Highlights

≈ **R120 million** destroyed in behaviour tax for the 2023 period in FIOs and RIOs

**FIO Investors**
*(discretionary investors)*
pay 4.02% in behaviour tax
**RIO Investors**
*(non-discretionary investors)*
pay 3.27% in behaviour tax

**The Top 10** OUTFLOW funds (over R1 billion) ALL deliver between 3% and 25% better returns the next year.

**Market Timers** become predictably irrational paying the highest behaviour tax (4.79%) as markets surge late in 2022 and dip in 2023

that **'Switchers'** are loss averse, perceive more or less risk from regular comparisons and have switched before (belief system).

**Gen X** (38 – 53) execution-only traders would benefit from a personal share portfolio manager as they suffer from the greatest disposition effect (3.92 during COVID) and also the highest behaviour tax (1.5% below the JSET rate).