

Key market performance drivers

Monthly charts to 31 October 2020

Table of Contents

01

Market concentration

02

Active index analysis

03

Style analysis

04

Sector analysis

05

Indexed return charts

06

Volatility and international flows



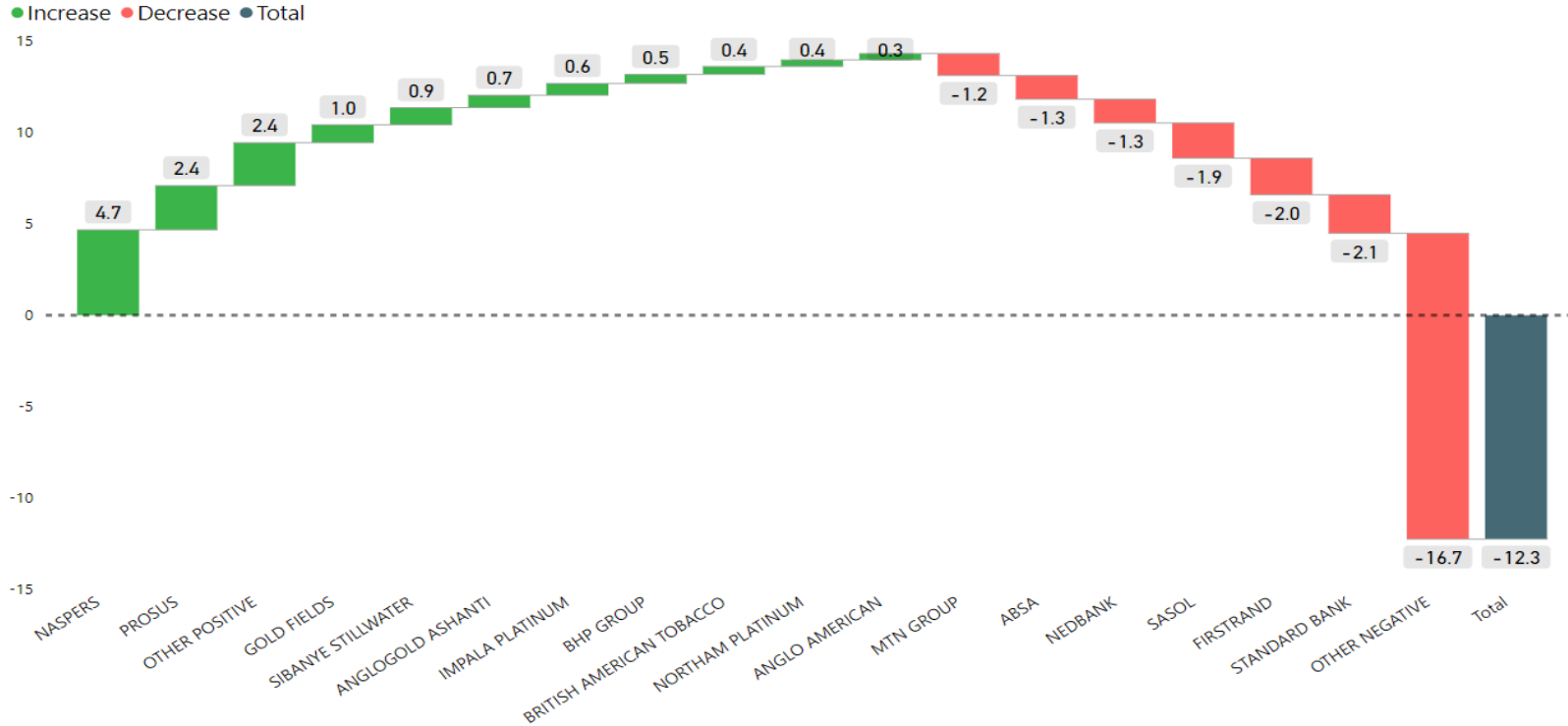
01

Market
concentration

Market concentration



One-year Capped SWIX contributions ending October 2020





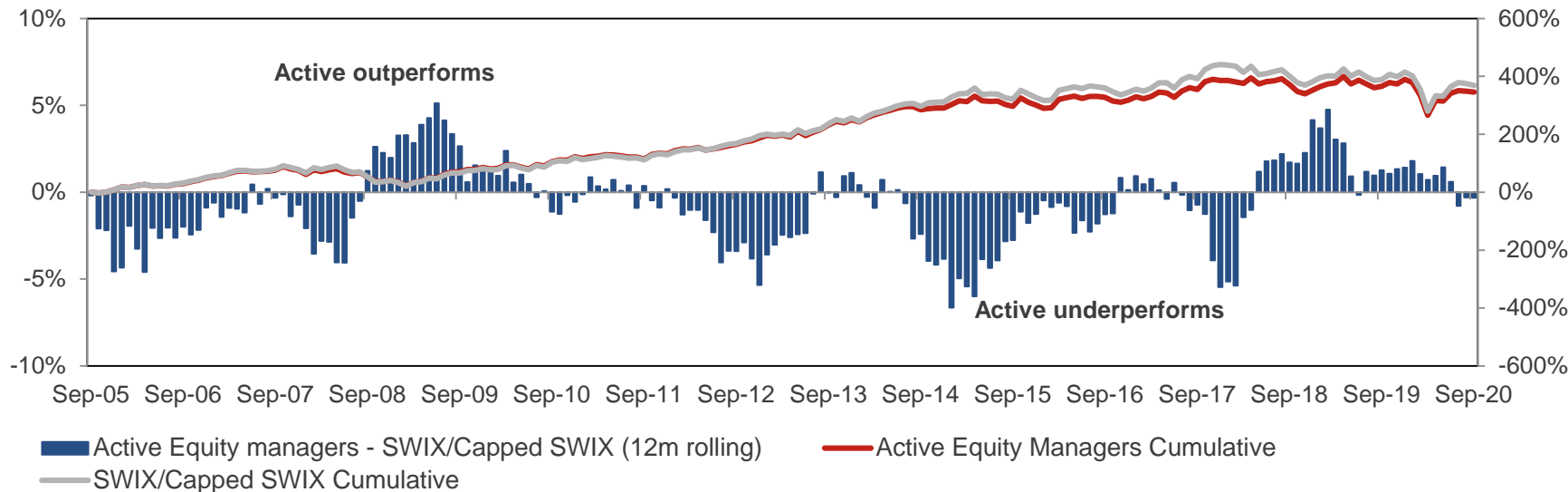
02

Active index
analysis

Active index analysis: Equities



One-year rolling active to September 2020



The median of the active equity investment managers underperformed the SWIX/Capped SWIX composite benchmark for the 12-month period ending September 2020.

(SWIX until 31 October 2017 and Capped SWIX thereafter)

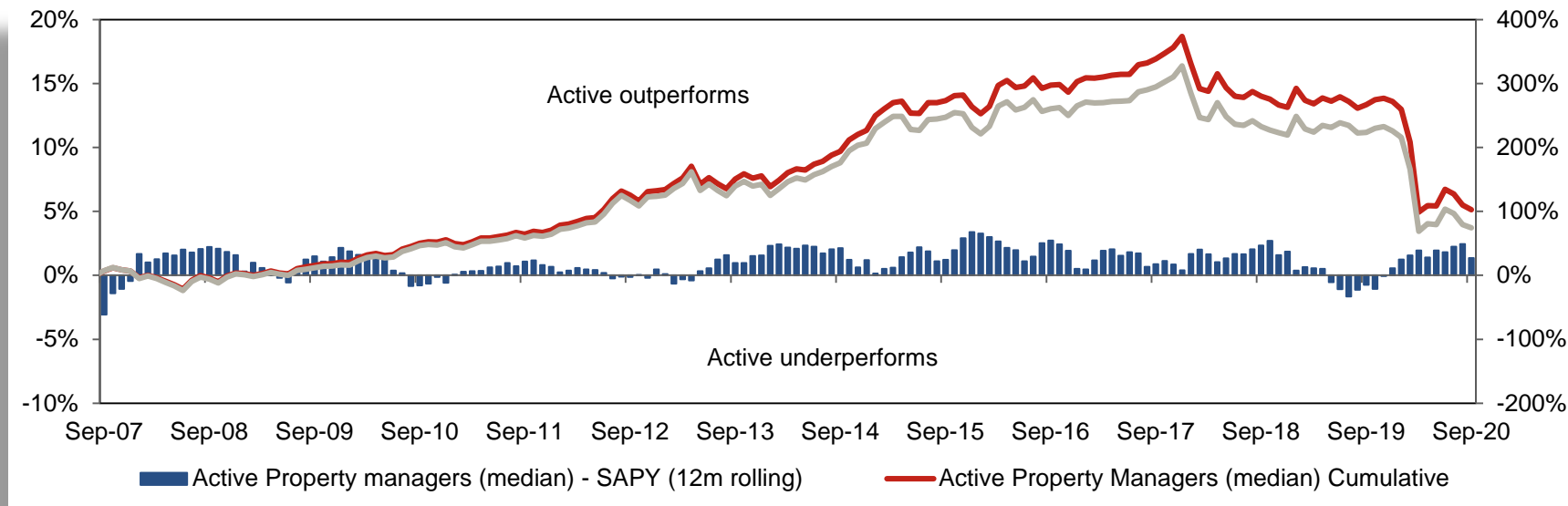
Data lagged by one month

Source: Alexander Forbes SA Equity Manager Watch™, IRESS and Momentum Investments

Active index analysis: Property



One-year rolling active to September 2020



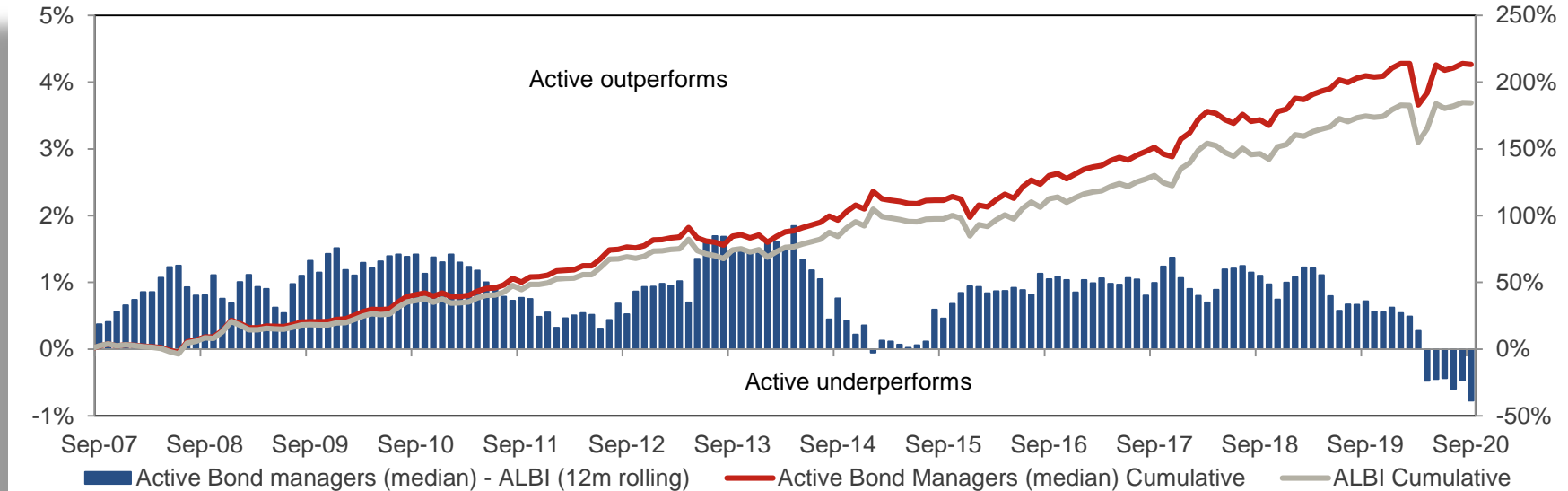
The median return of the active property investment managers outperformed the SAPY for the 12-month period ending September 2020.

Data lagged by one month

Source: Alexander Forbes SA Property Manager Watch™, IRESS and Momentum Investments

Active index analysis: Bonds

One-year rolling active to September 2020

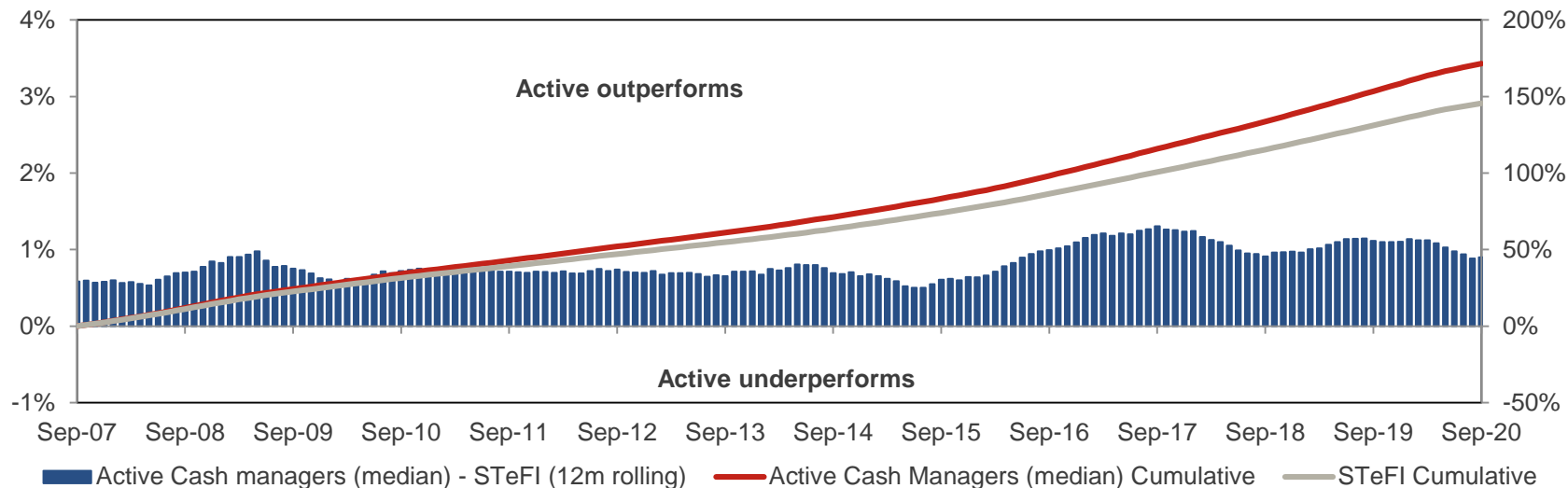


The median of the active bond investment managers underperformed the ALBI for the 12-month period ending September 2020.

Data lagged by one month

Active index analysis: Cash

One-year rolling active to September 2020



The median of the active money market investment managers outperformed the SteFI for the 12-month period ending September 2020.

Data lagged by one month

Source: Alexander Forbes SA Money Market Manager Watch™, IRESS and Momentum Investments



03

Style analysis

Style analysis



Style returns heat map for South Africa to October 2020

ZAR	Styles	One month to October 2020	Three months to October 2020	One year to October 2020	Three years to October 2020	Five years to October 2020	Ten years to October 2020	Twenty years to October 2020
Value	Book to Price	2,12	-4,20	-12,99	-13,53	-6,23	-6,03	-1,15
	Dividend Yield	3,99	-2,00	-3,71	-1,55	2,04	-1,06	3,02
	Earnings Yield	1,56	1,34	8,56	-4,84	-2,09	-2,09	-0,16
	Cash Flow Yield	1,79	2,91	-13,37	-6,24	0,66	-0,40	1,29
	Sales to Price	4,75	9,02	4,43	-2,84	0,66	-1,65	-0,59
Quality	ROE	-0,83	3,97	11,79	10,87	5,57	3,86	1,59
	ROIC LT	-0,12	0,33	0,45	-0,12	0,14	-1,04	-1,36
	Income to Sales	0,33	0,10	10,53	2,02	1,27	1,52	-0,14
	Low market beta	0,12	-0,62	-11,52	-1,08	0,24	2,04	0,55
	Low Debt/Equity	-1,86	-4,28	9,47	1,63	0,90	0,01	-0,45
	EBIT Margin Stability	0,04	0,76	4,11	0,32	-1,93	2,87	0,72
Growth	Earnings Growth	-0,63	-12,26	0,90	4,24	2,40	1,95	0,22
	Sales Growth	-2,09	2,18	2,33	2,11	-0,64	1,50	-0,83
	12M Earning Growth	-4,59	2,20	24,82	9,30	3,45	0,30	4,69
Momentum	FY1 Earnings Revisions	1,69	0,51	1,46	3,92	2,27	5,76	7,59
	Short Term Momentum	2,96	-0,86	-5,08	0,52	2,44	0,93	0,12
	Medium Term Momentum	1,88	2,26	22,13	12,54	4,51	7,75	6,42
Size	Size	-3,90	-2,74	5,57	8,00	4,46	2,18	0,25

Value and momentum have outperformed quality and growth in the last month

Source: FactSet, Momentum Global Investment Management and Momentum Investments



04

Sector analysis

Sector analysis



FTSE/JSE sectors decomposed

Three months to October 2020

1 Oil & Gas Producers	Financial Services	105,44%	17 Beverages	Consumer Goods	-4,79%
2 Support Services	Industrials	32,53%	18 Financial Services	Financials	-5,71%
3 Software & Computer Services	Technology	16,60%	19 Non-life Insurance	Financials	-7,65%
4 Travel & Leisure	Travel & Leisure	13,88%	20 Automobiles & Parts	Consumer Goods	-8,33%
5 General Retailers	Consumer Services	12,37%	21 Tobacco	Consumer Goods	-9,49%
6 Electronic & Electrical Equipment	Industrials	5,78%	22 Industrial Metals & Mining	Industrials	-9,51%
7 Food Producers	Consumer Goods	5,18%	23 Fixed-line Telecommunications	Telecommunications	-11,50%
8 Banks	Financials	2,47%	24 Mining	Basic Materials	-13,08%
9 Media	Consumer Services	2,20%	Household Goods & Home		
10 Forestry & Paper	Basic Materials	0,22%	25 Construction	Consumer Goods	-14,00%
11 Food & Drug Retailers	Consumer Services	-0,25%	26 Construction & Materials	Industrials	-15,91%
12 Industrial Transportation	Industrials	-0,73%	27 Real Estate Investment Trusts	Financials	-16,02%
13 Mobile Telecommunications	Telecommunications	-2,96%	28 Life Insurance	Financials	-17,88%
14 Personal Goods	Consumer Goods	-4,04%	29 Equity Investment Instruments	Financials	-19,43%
15 General Industrials	Industrials	-4,40%	30 Pharmaceuticals & Biotechnology	Healthcare	-19,70%
16 Healthcare Equipment & Service	Healthcare	-4,46%	31 Real Estate Investment & Services	Financials	-27,82%
			32 Chemicals	Basic Materials	-29,97%

Key

Resources

Financials

Industrials

Source: Barra and Deutsche Securities

Sector analysis

FTSE/JSE sectors decomposed



One Year to October 2020

1 Media	Consumer Services	46,75%	17 Healthcare Equipment & Service	Healthcare	-23,22%
2 Oil & Gas Producers	Financial Services	44,68%	18 Software & Computer Services	Technology	-23,61%
3 Industrial Metals & Mining	Industrials	40,44%	19 General Retailers	Consumer Services	-32,25%
4 Mining	Basic Materials	21,74%	20 Beverages	Consumer Goods	-32,47%
5 Tobacco	Consumer Goods	3,82%	21 Automobiles & Parts	Consumer Goods	-32,79%
6 Support Services	Industrials	2,08%	22 Industrial Transportation	Industrials	-33,13%
7 Pharmaceuticals & Biotechnology	Healthcare	-4,15%	23 Construction & Materials	Industrials	-35,91%
8 Food Producers	Consumer Goods	-6,04%	24 General Industrials	Industrials	-36,06%
9 Equity Investment Instruments	Financials	-9,03%	25 Life Insurance	Financials	-36,72%
10 Non-life Insurance	Financials	-10,44%	26 Banks	Financials	-37,50%
11 Forestry & Paper	Basic Materials	-11,52%	27 Travel & Leisure	Travel & Leisure	-47,37%
Household Goods & Home					
12 Construction	Consumer Goods	-12,24%	28 Electronic & Electrical Equipment	Industrials	-49,41%
13 Personal Goods	Consumer Goods	-13,84%	29 Real Estate Investment & Services	Financials	-52,09%
14 Food & Drug Retailers	Consumer Services	-17,98%	30 Real Estate Investment Trusts	Financials	-53,25%
15 Financial Services	Financials	-20,83%	31 Chemicals	Basic Materials	-61,58%
16 Mobile Telecommunications	Telecommunications	-23,08%	32 Fixed-line Telecommunications	Telecommunications	-61,81%

Key

Resources

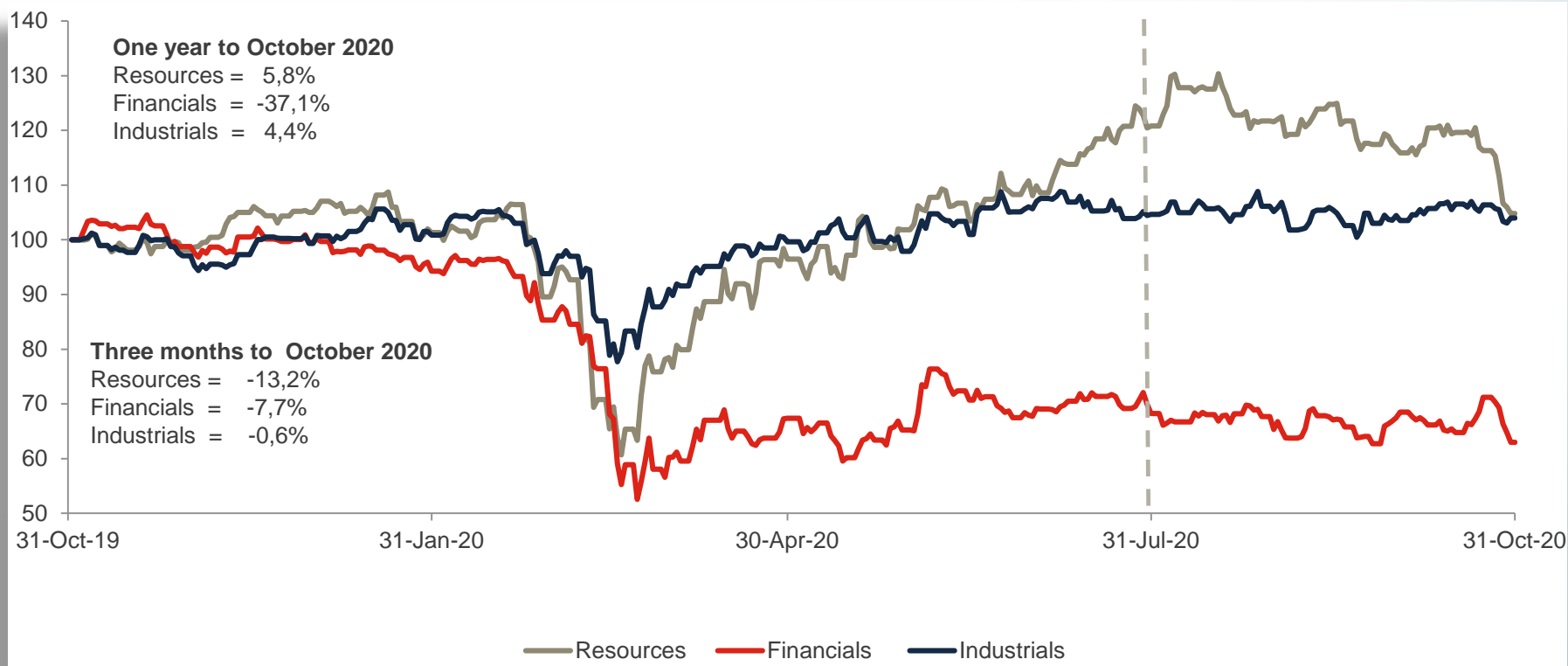
Financials

Industrials

Source: Barra and Deutsche Securities

FTSE/JSE sectors

One year rolling to October 2020



FTSE/JSE sectors



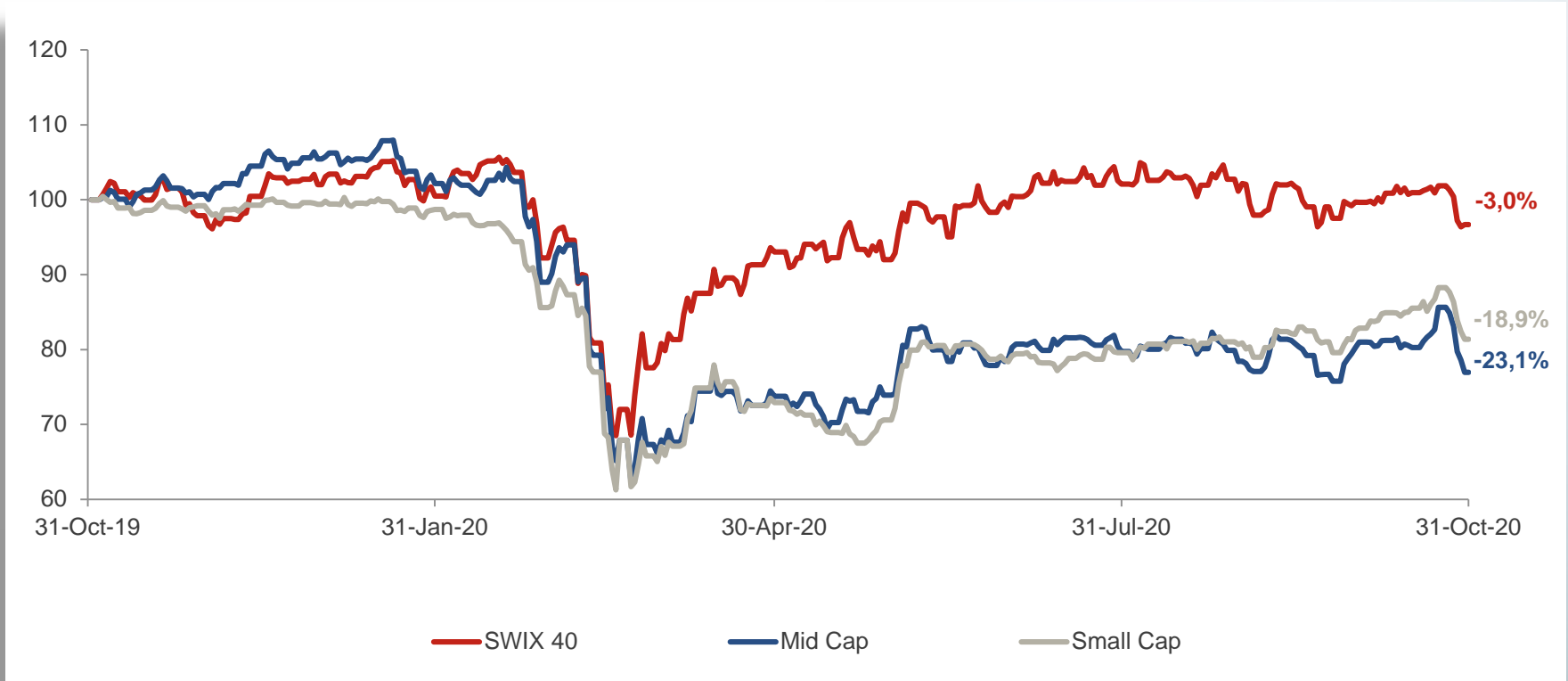
Ten years rolling to October 2020



FTSE/JSE market caps



One year to October 2020





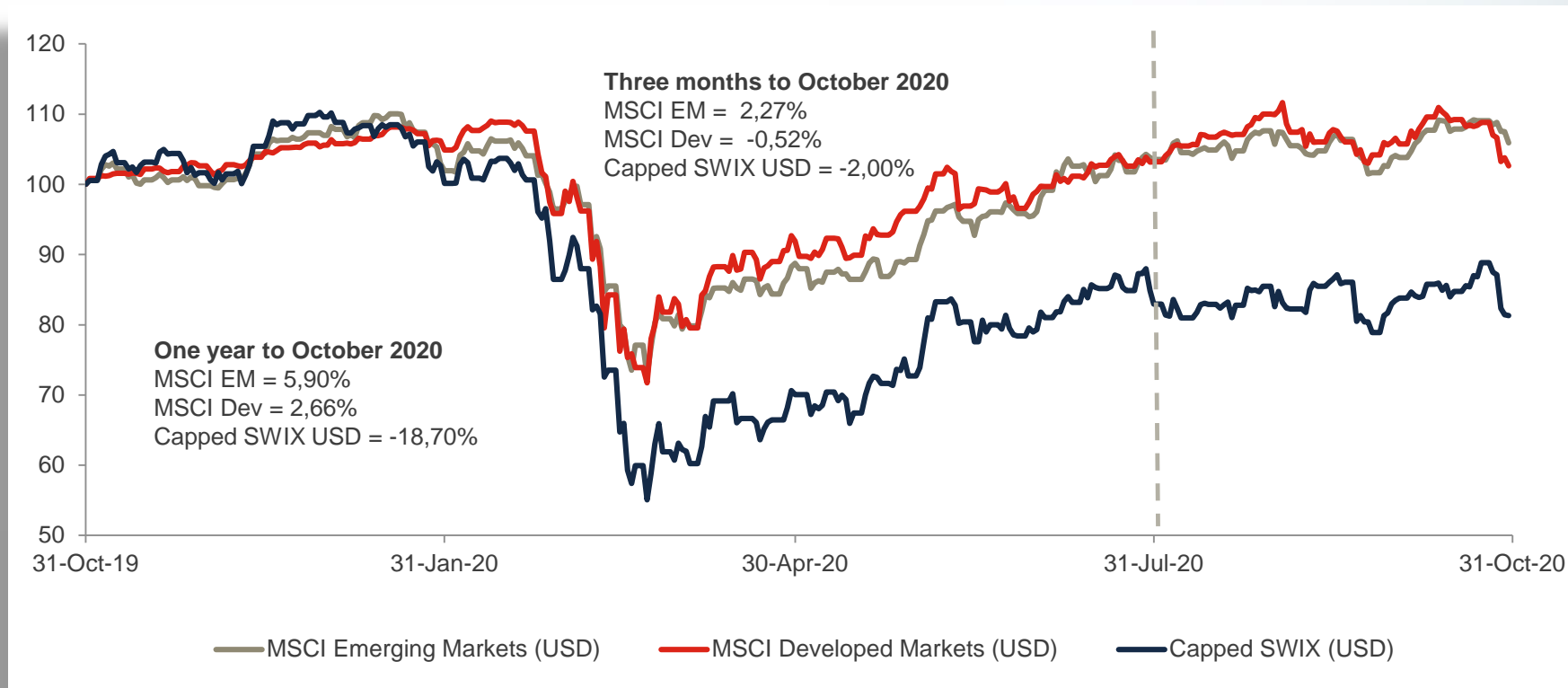
05

Indexed return
charts

MSCI developed and emerging markets



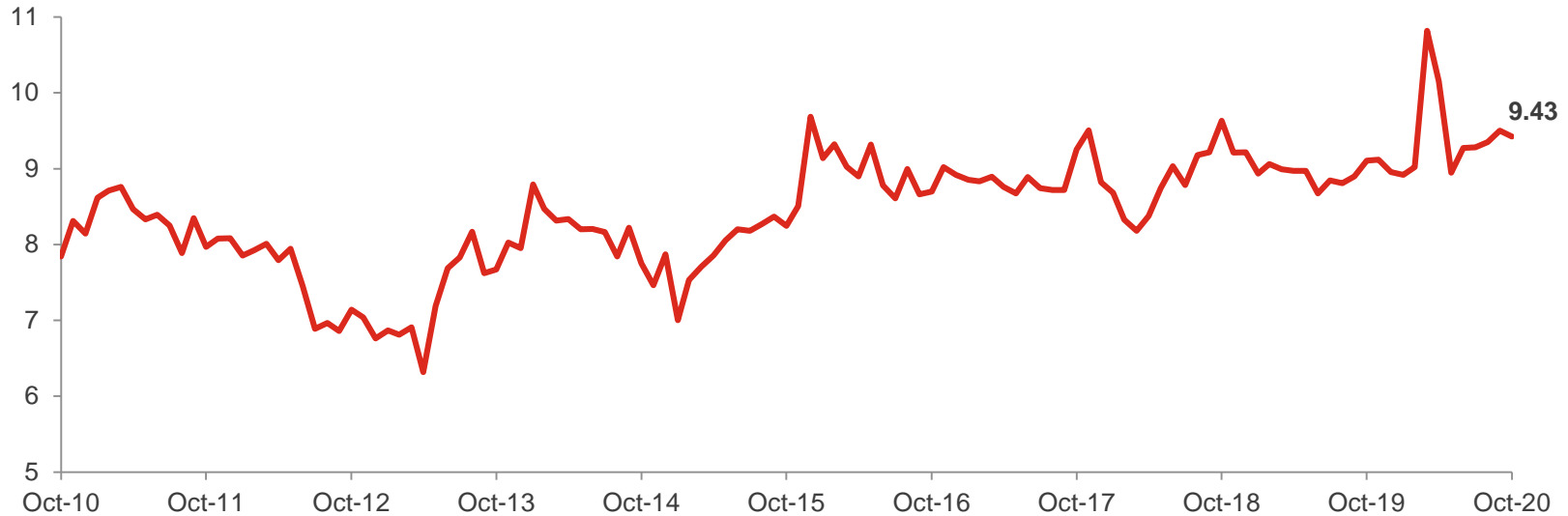
One year to October 2020



SA 10-year bond yields



Ten years to October 2020

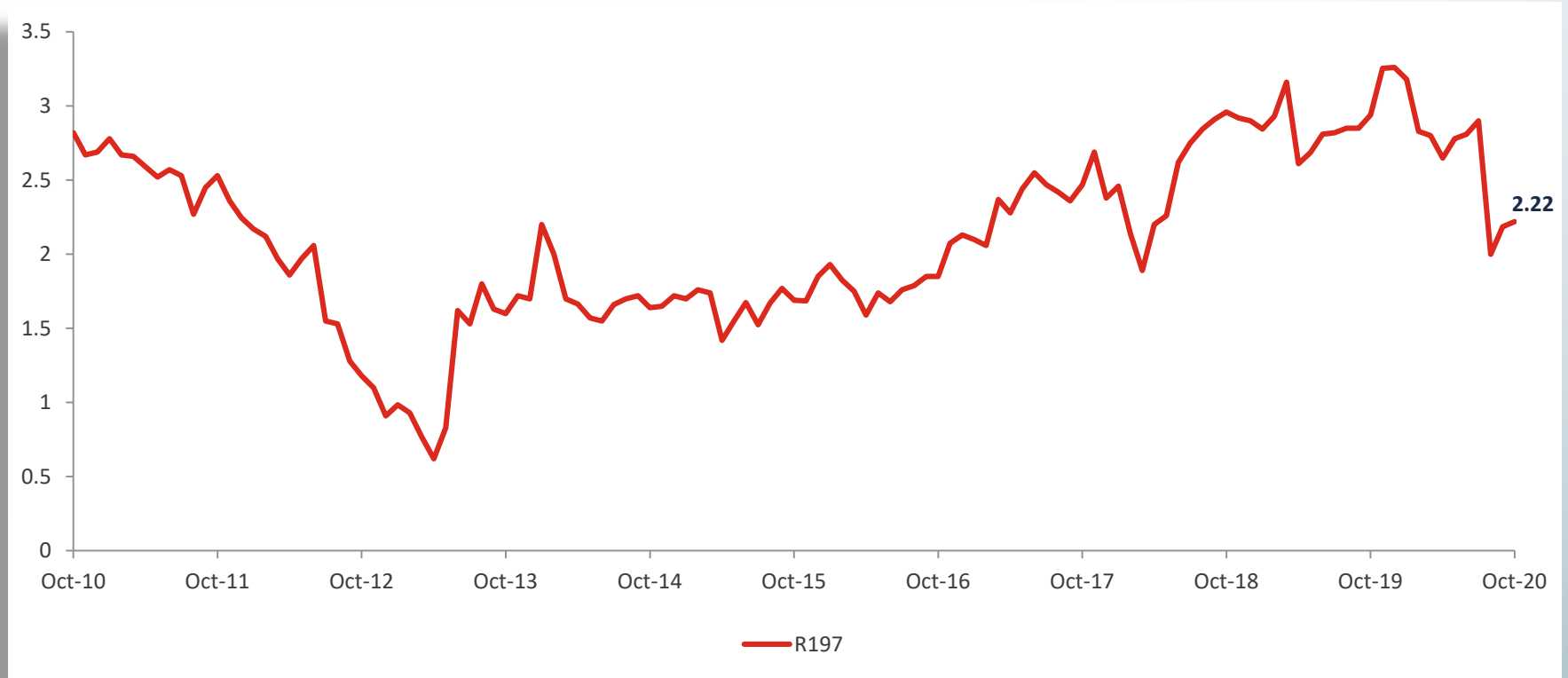


— SA 10 year bond yield

Yield of R197 (inflation-linked bond)



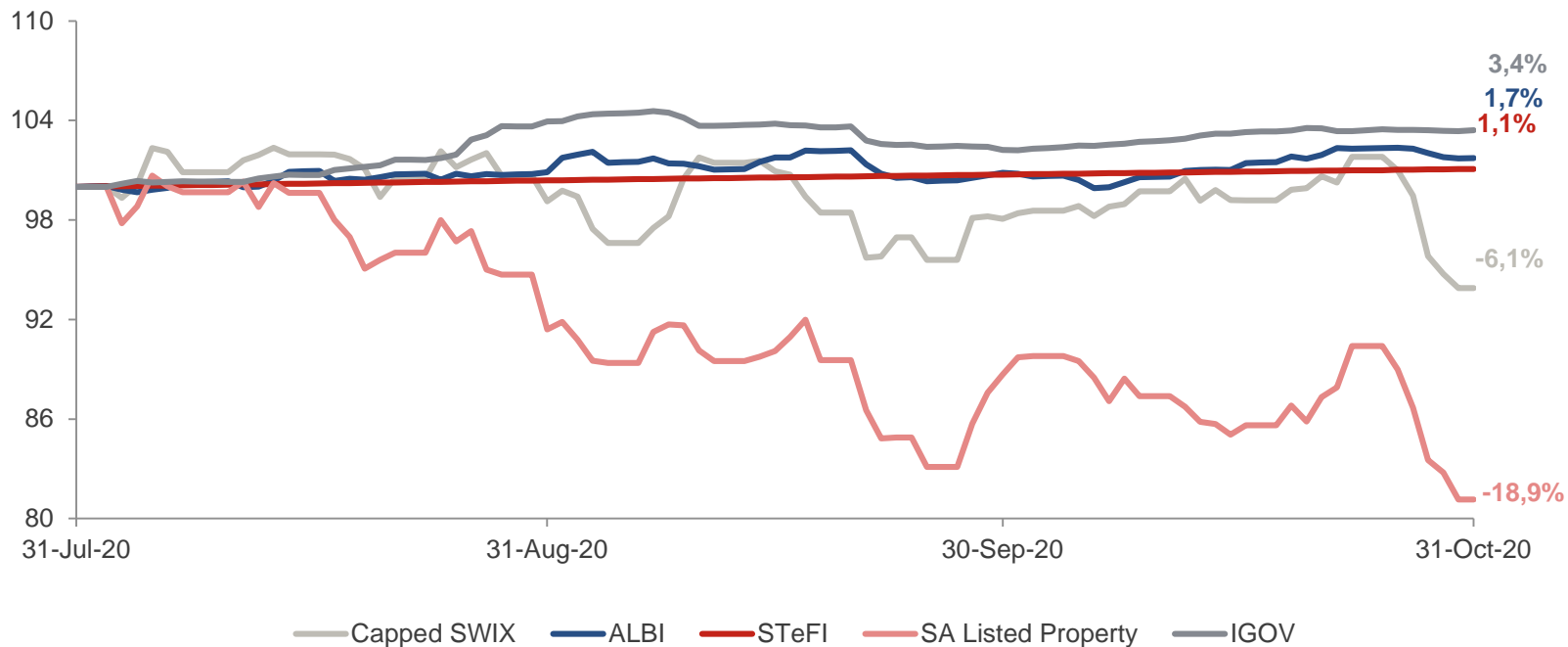
Ten years to October 2020



Local asset classes



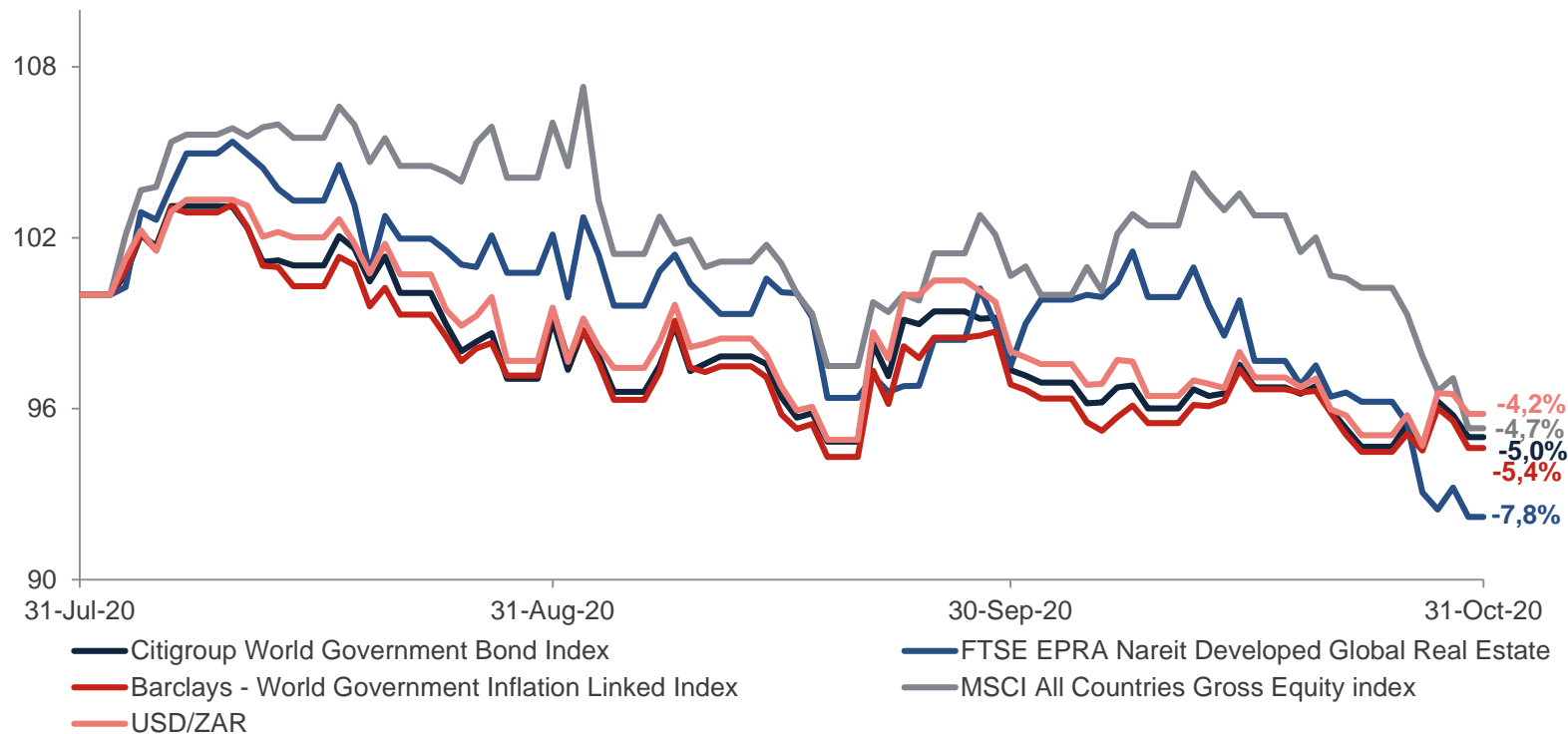
Three months to October 2020



* CPI lagged by one month due to availability of data

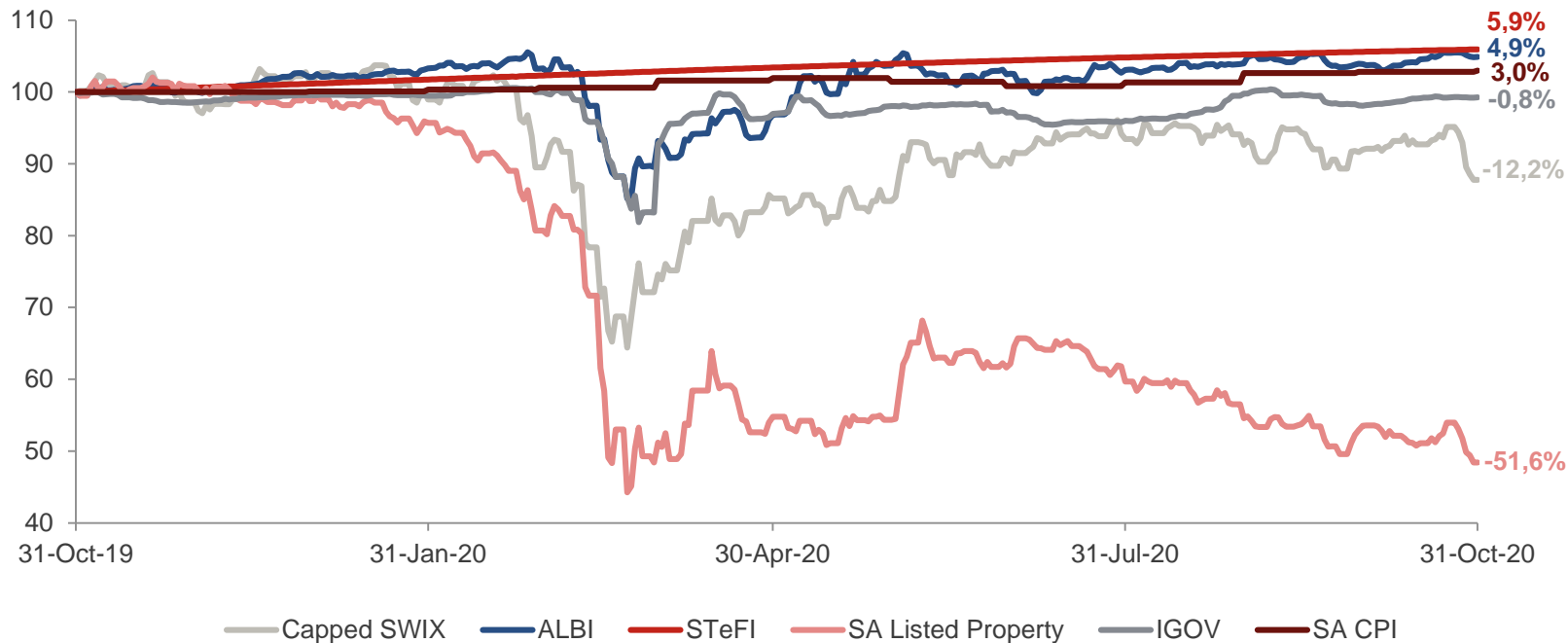
Global asset classes

Three months to October 2020



Local asset classes

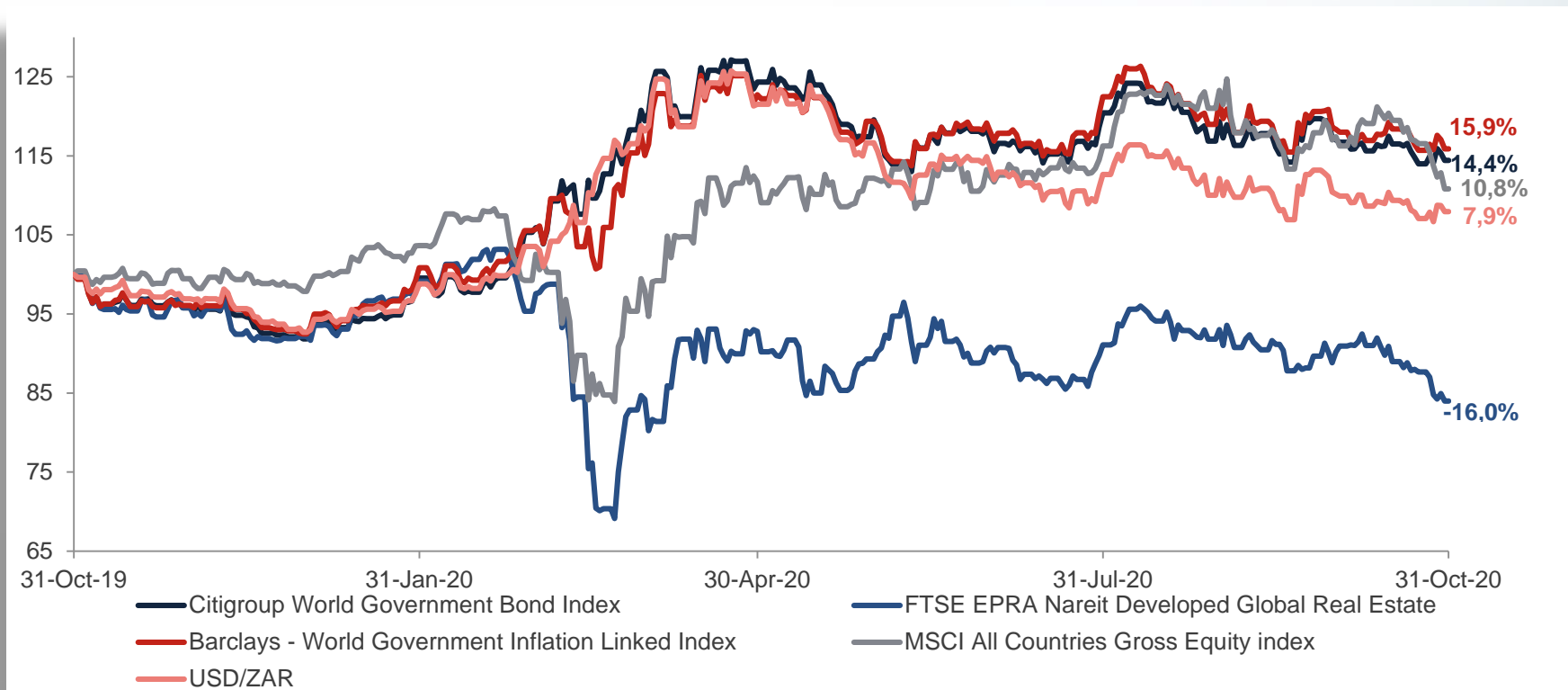
One year to October 2020



* CPI lagged by one month due to availability of data

Global asset classes

One year to October 2020

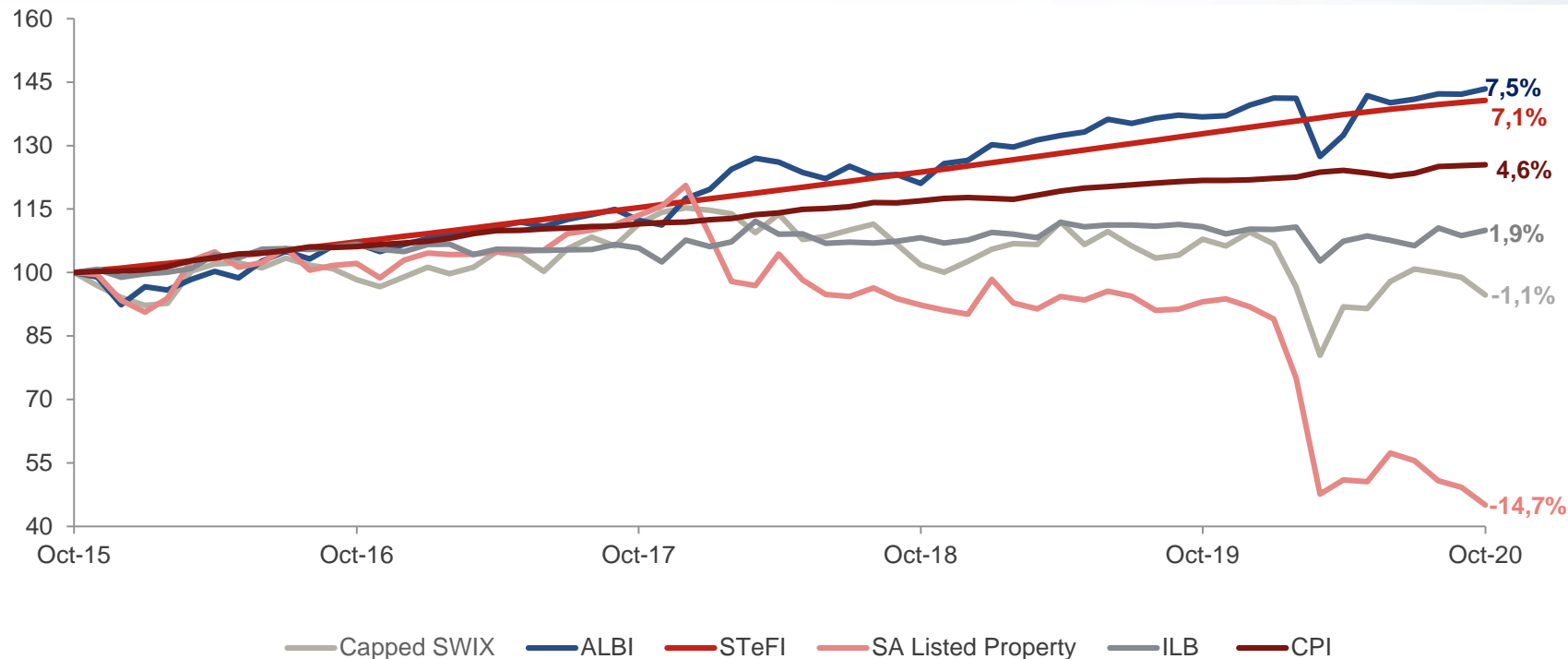


Source: IRESS and Momentum Investments

Local asset classes



Five years to October 2020

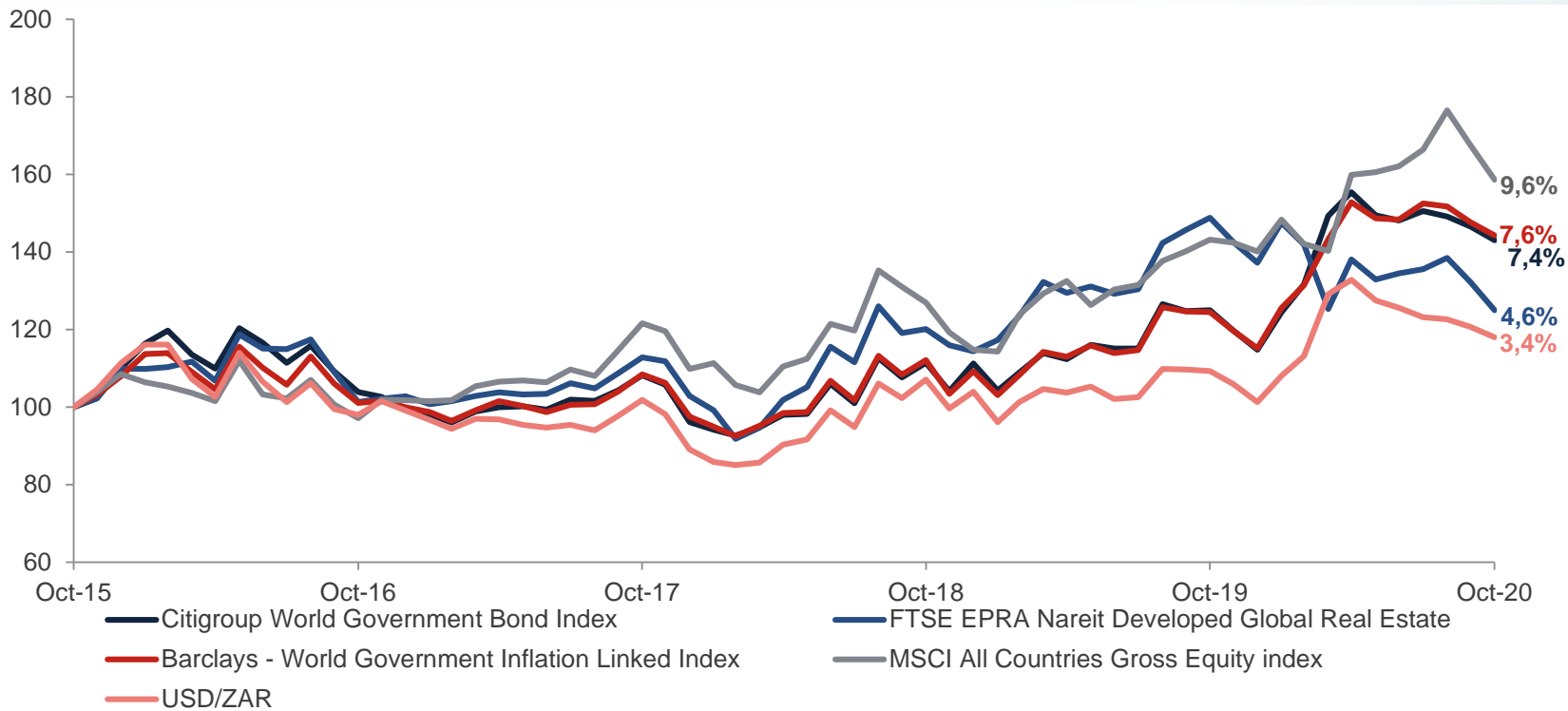


* CPI lagged by one month due to availability of data

Global asset classes



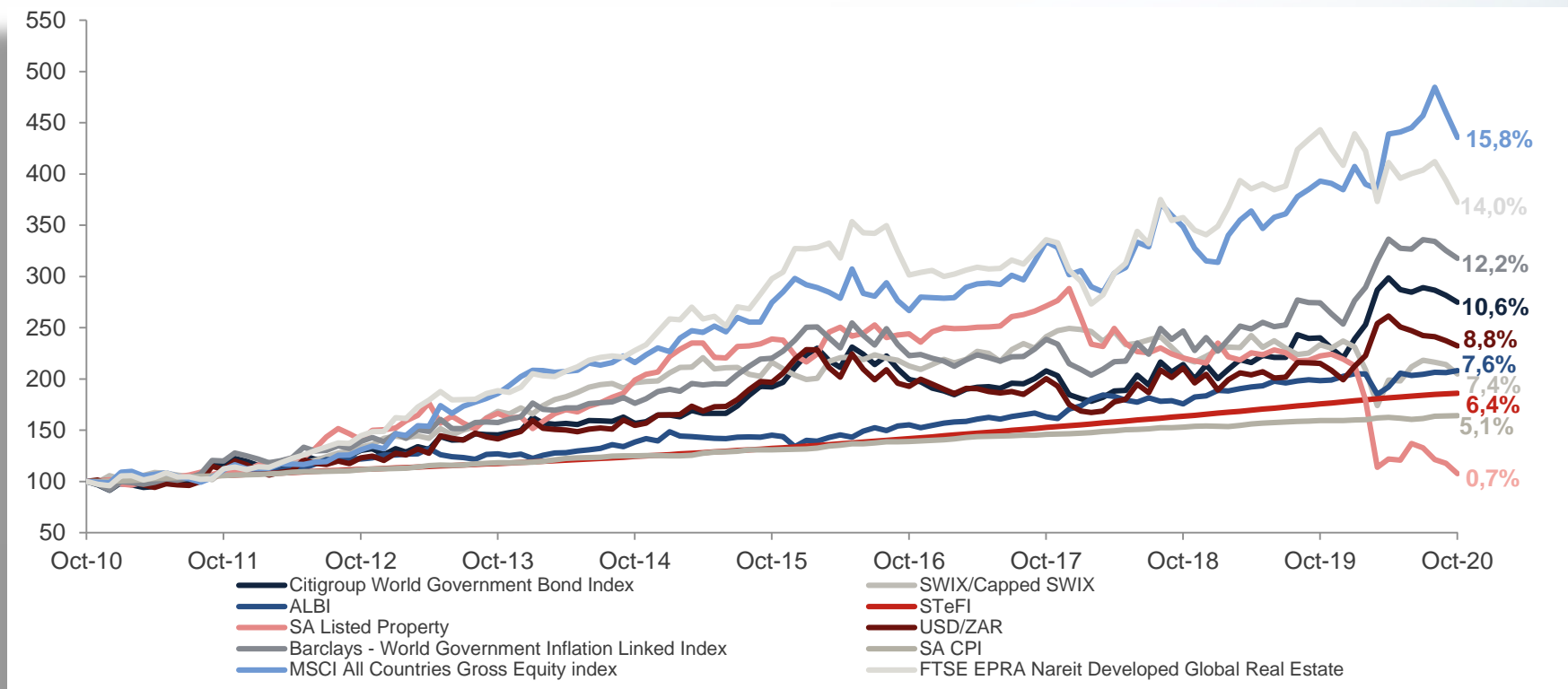
Five years to October 2020



Asset classes



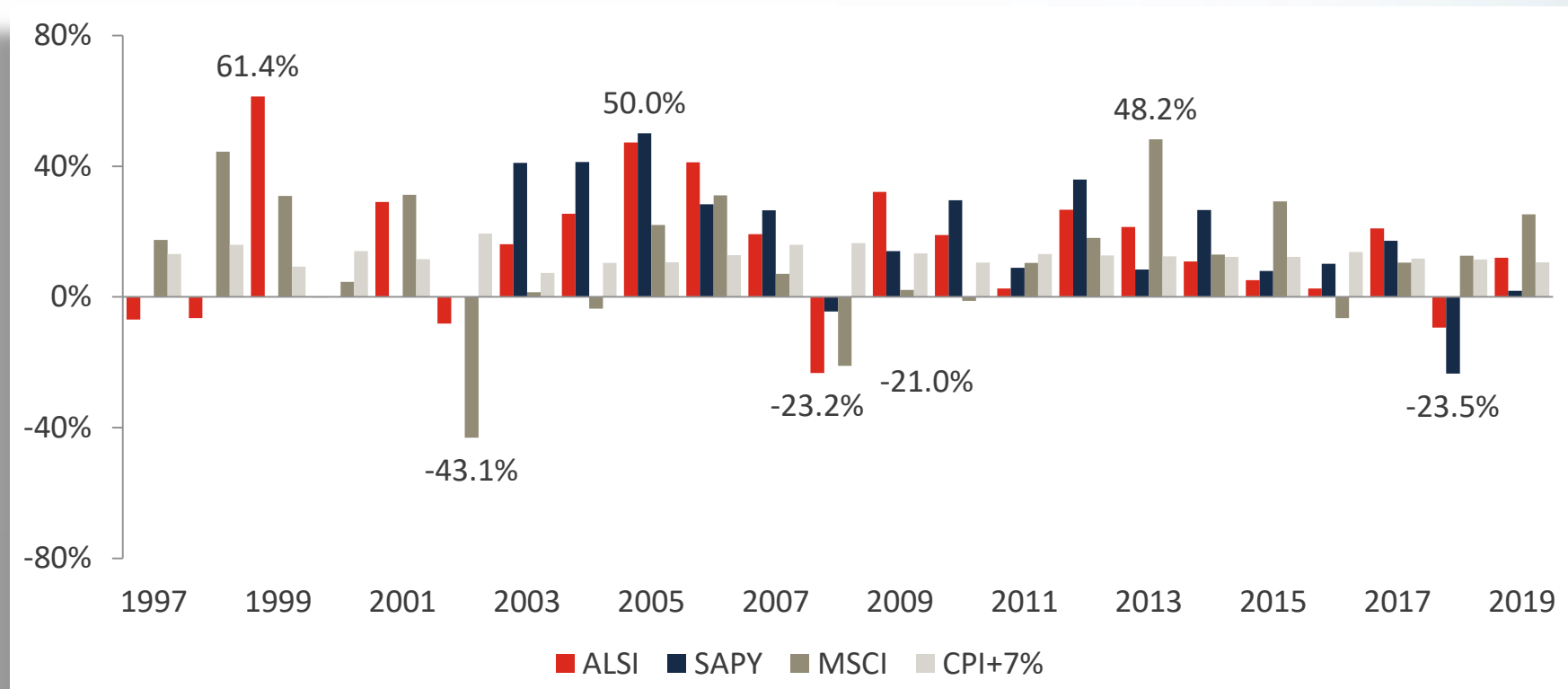
Ten years to October 2020



* CPI lagged by one month due to availability of data

Source: IRESS and Momentum Investments

Annual asset class returns



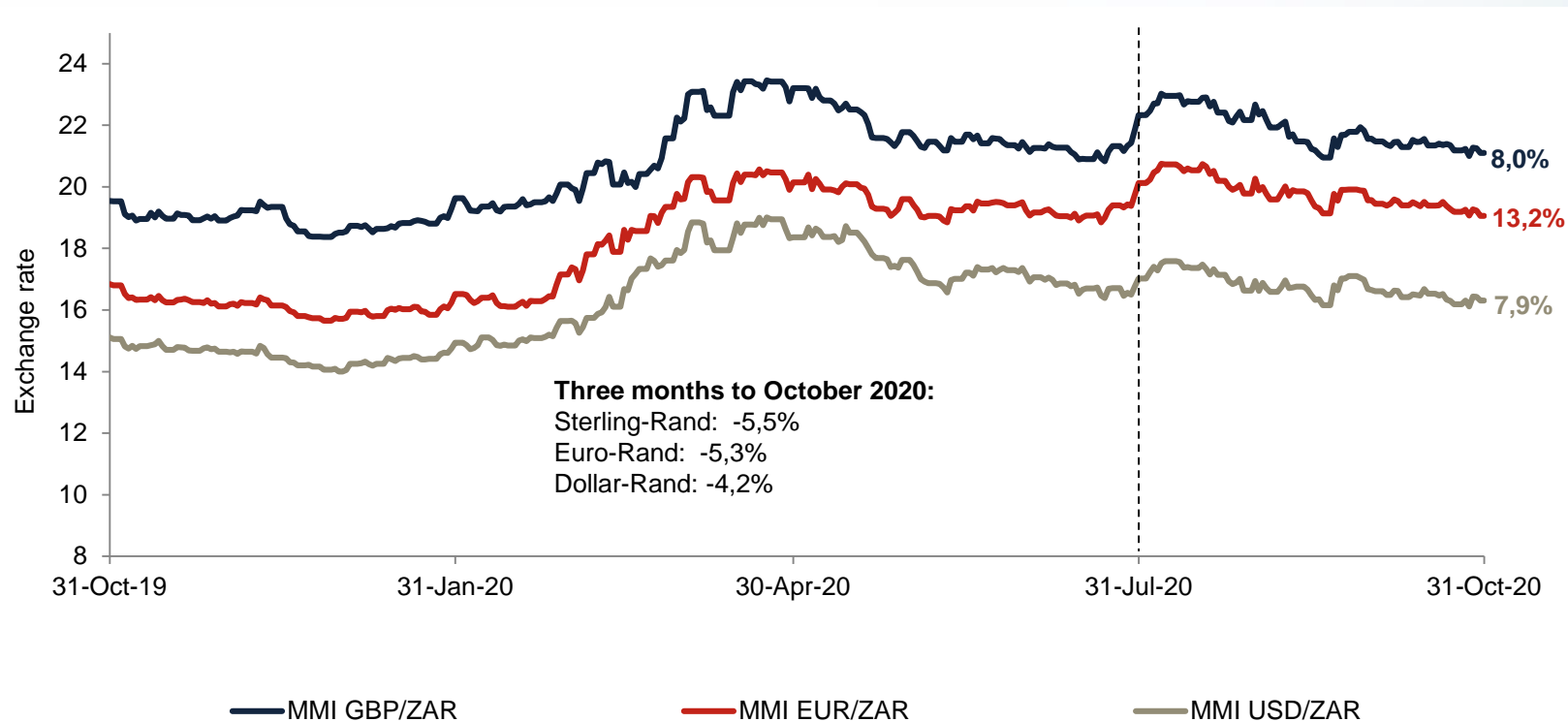
* CPI lagged by one month due to availability of data

Source: IRESS and Momentum Investments

Exchange rates



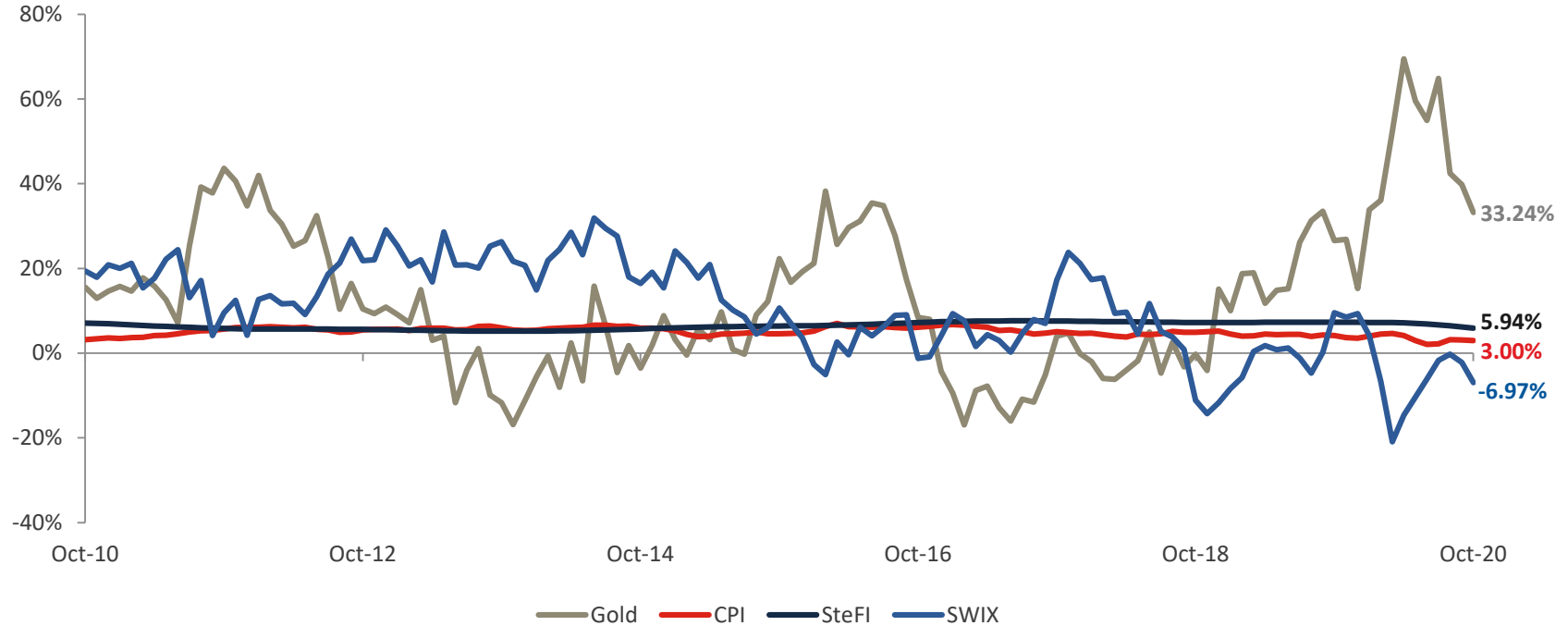
One year to October 2020



Gold (rands), FTSE/JSE SWIX, CPI, SteFI



One-year rolling returns to October 2020

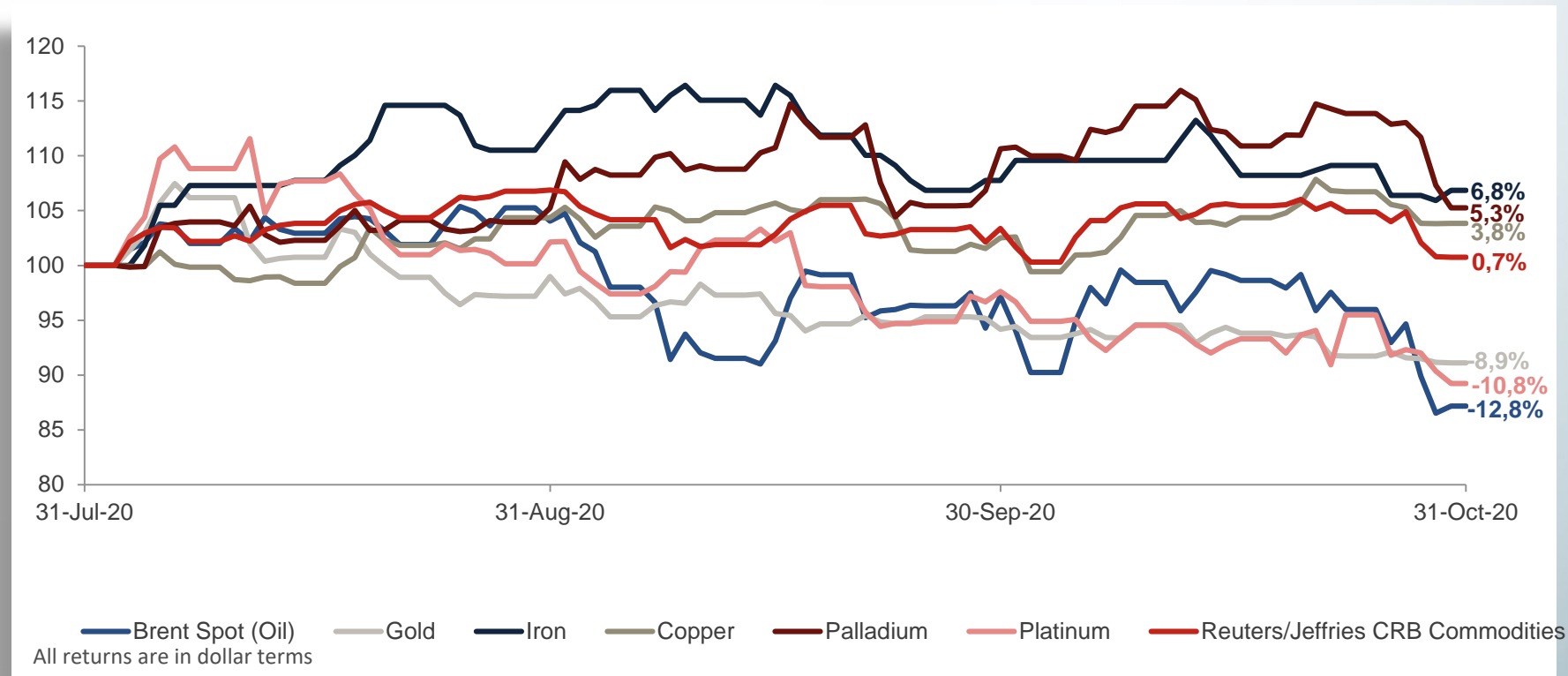


* CPI lagged by one month due to availability of data

Commodities



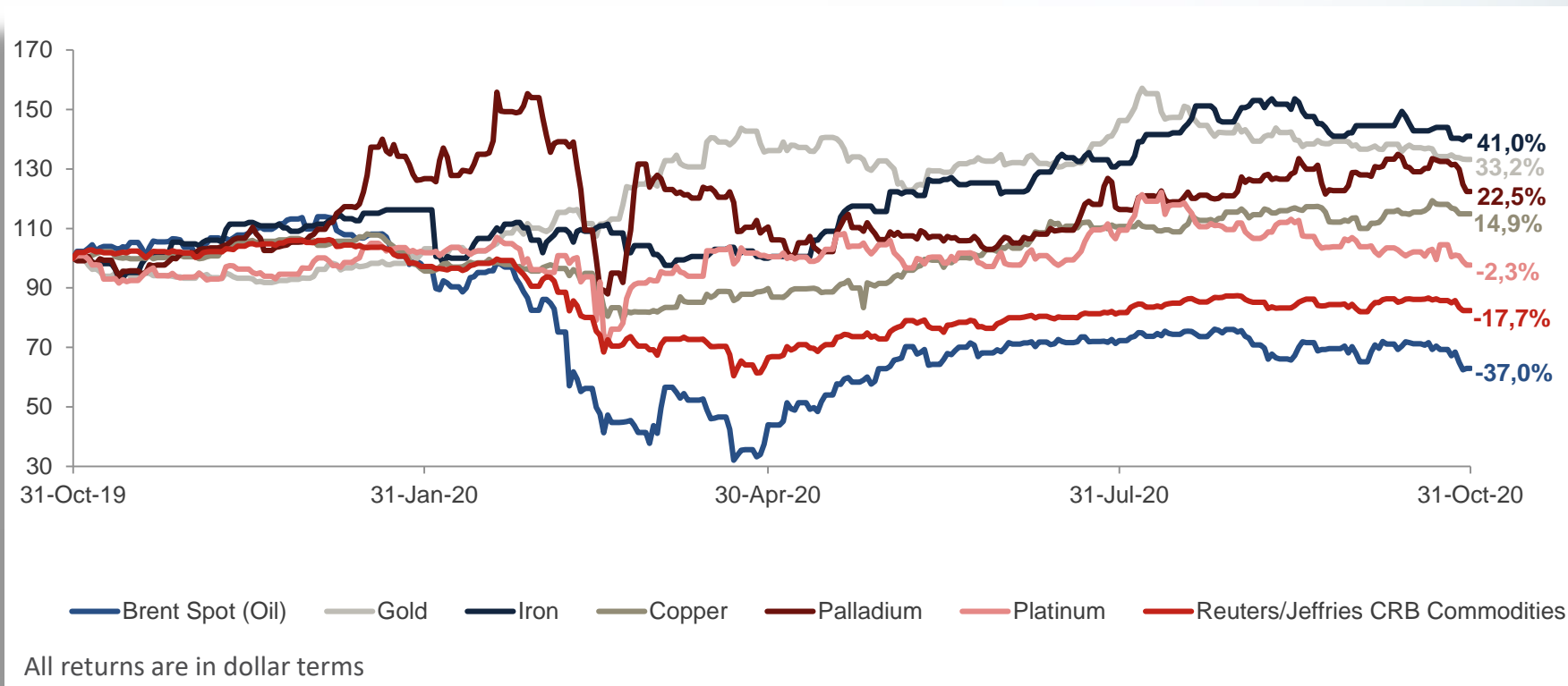
Three months to October 2020



Commodities



One year to October 2020

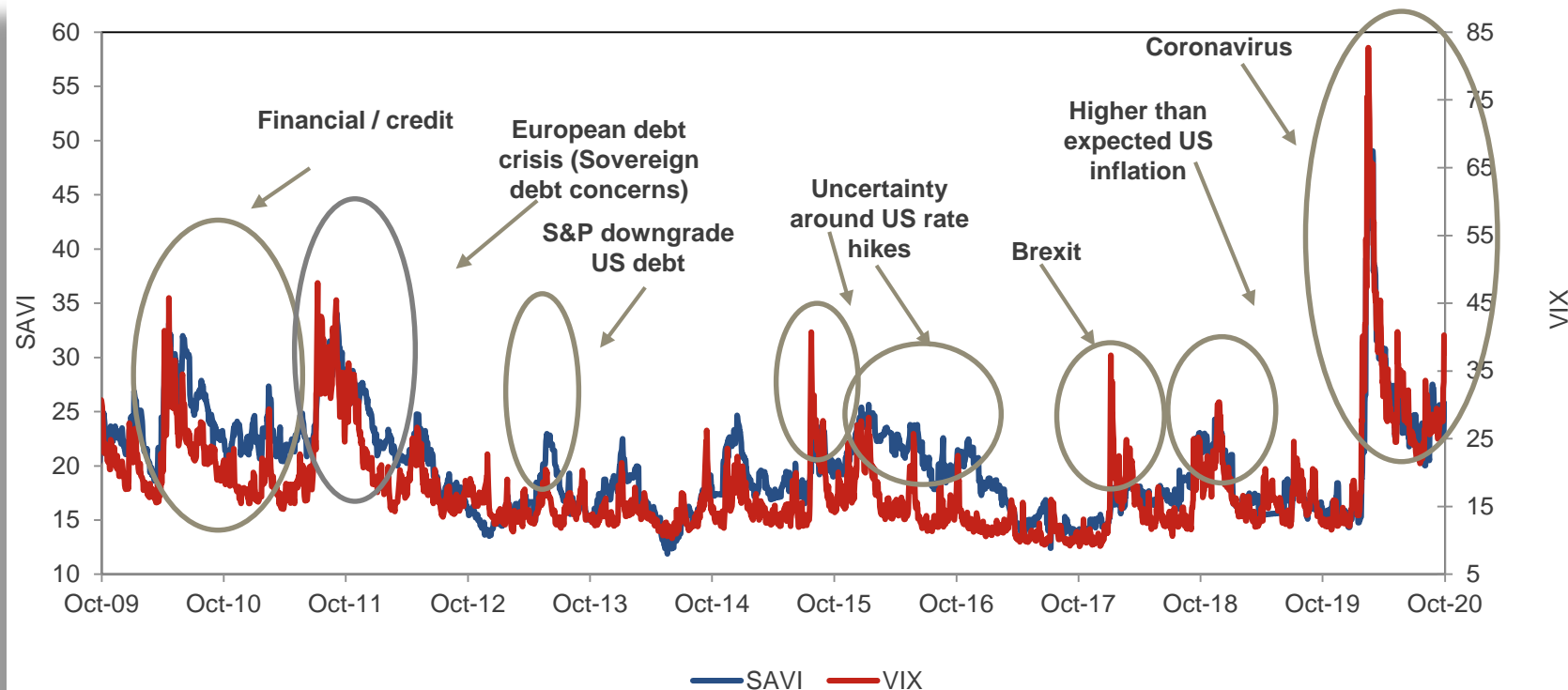




06

Volatility and
international flows

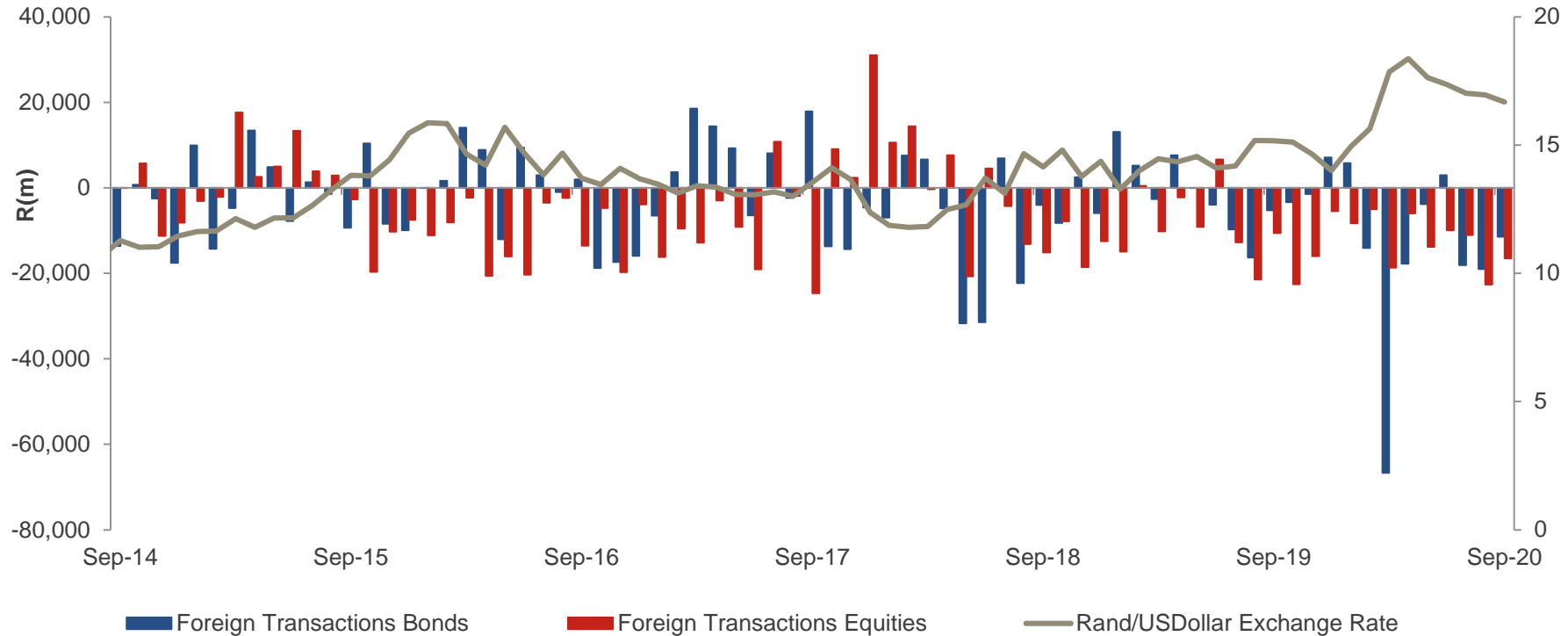
October 2020



Foreign Transactions



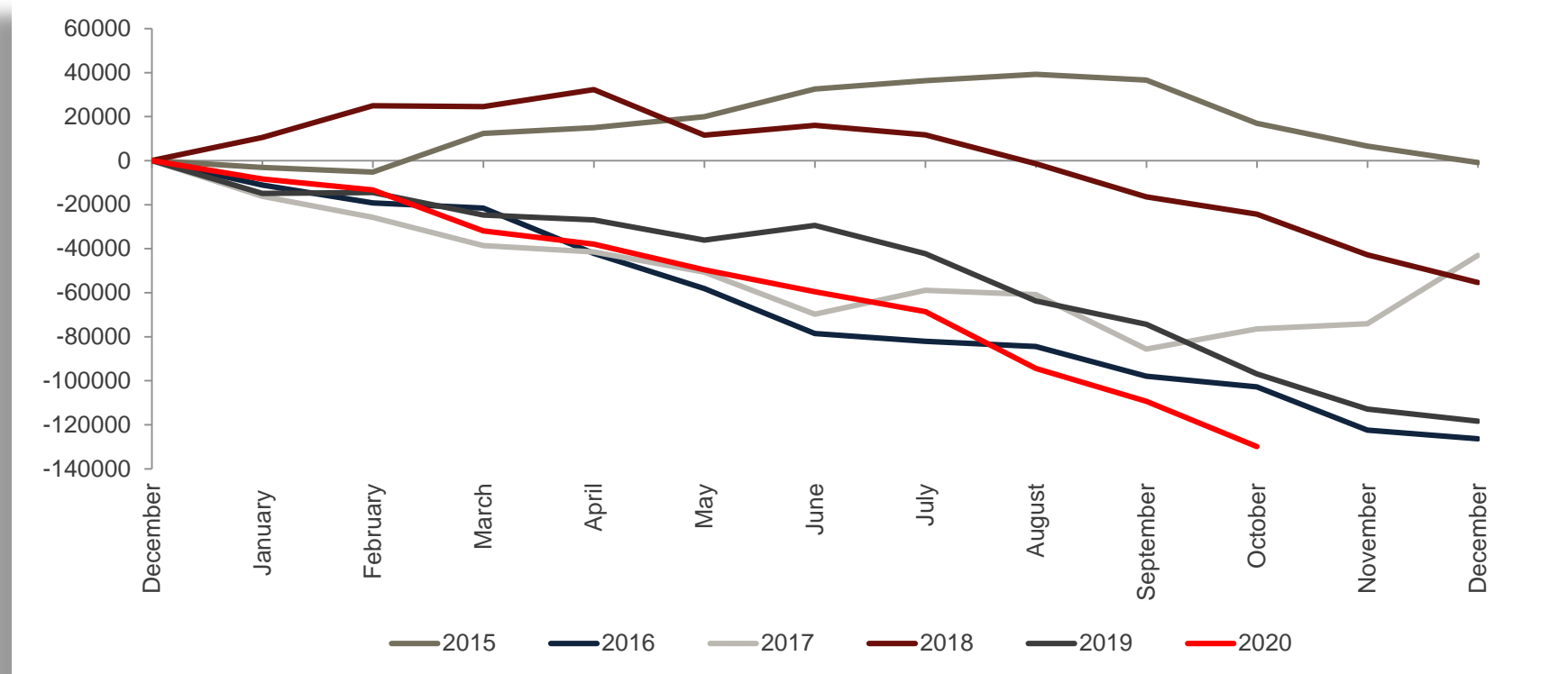
2015 to 2020



Cumulative foreign transaction: Equities



2015 to 2020

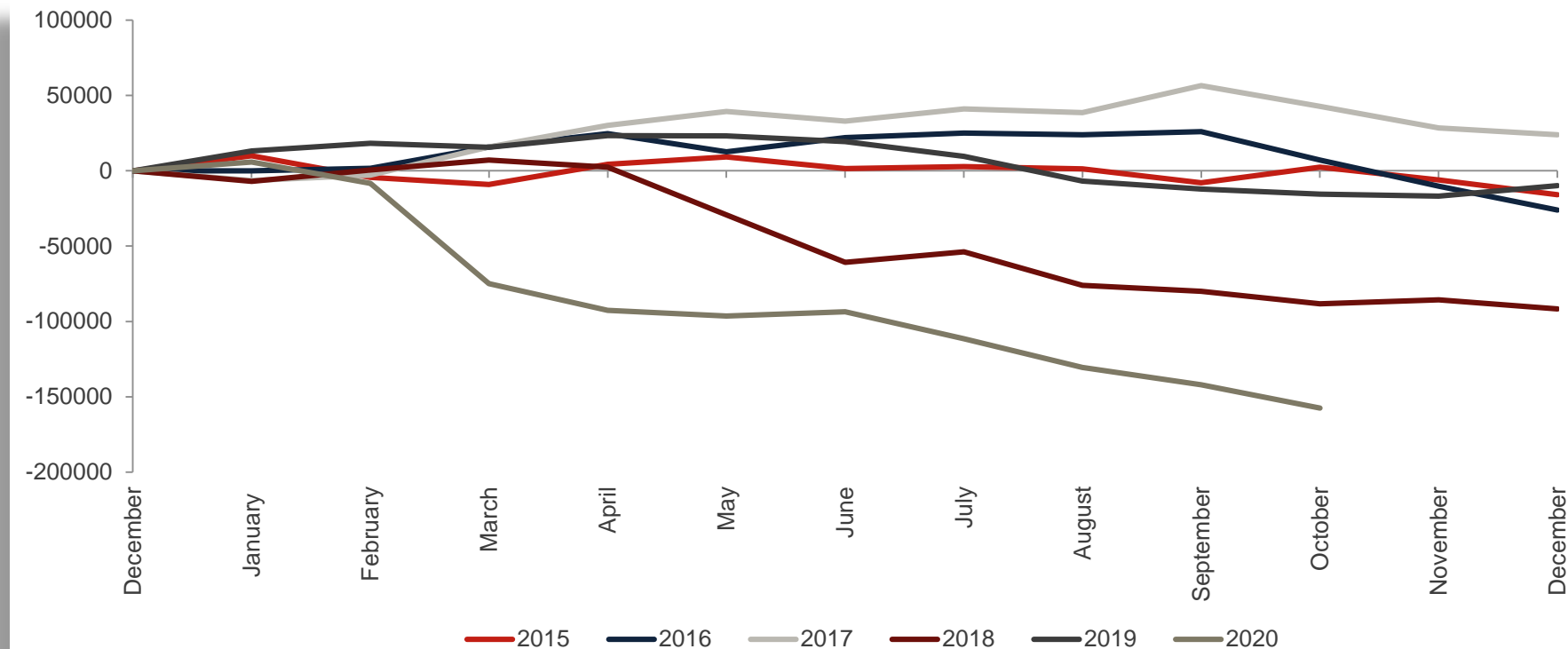


Source: IRESS and Momentum Investments

Cumulative foreign transaction: Bonds



2015 to 2020



momentum
investments

Thank you



Disclaimer



1. Sources: Momentum Investments, I-Net Bridge, www.msci.com, www.yieldbook.com, www.ft.com.
2. Returns for periods exceeding one year are annualised.
3. The return for Consumer Price Index (CPI) is to the end of the previous month. Due to the reweighting of the CPI from January 2009, this number reflects a compound of month-on-month CPI returns. The historical numbers used are the official month-on-month numbers based on a composite of the previous inflation series (calculations before January 2009) and the revised inflation series (calculations after January 2009).
4. The MSCI World index (All Countries) returns are adjusted to correspond with global investment prices received.
5. FTSE/JSE disclaimer: www.jse.co.za
6. The information reproduced in this document has been compiled by or arrived at by Investments from sources believed to be reliable.
7. Reasonable steps have been taken to ensure the validity and accuracy of the information in this document. However, Momentum Investments does not accept any responsibility for any claim, damages, loss or expense, howsoever arising out of or in connection with the information in this document, whether by a client, investor or intermediary.
8. The content used in this document is sourced from various media publications, the Internet and Momentum Investments. For further information, please visit us at www.momentuminv.co.za.
9. Momentum Investments is a division of MMI Group Limited, which is an authorised financial services and credit provider.