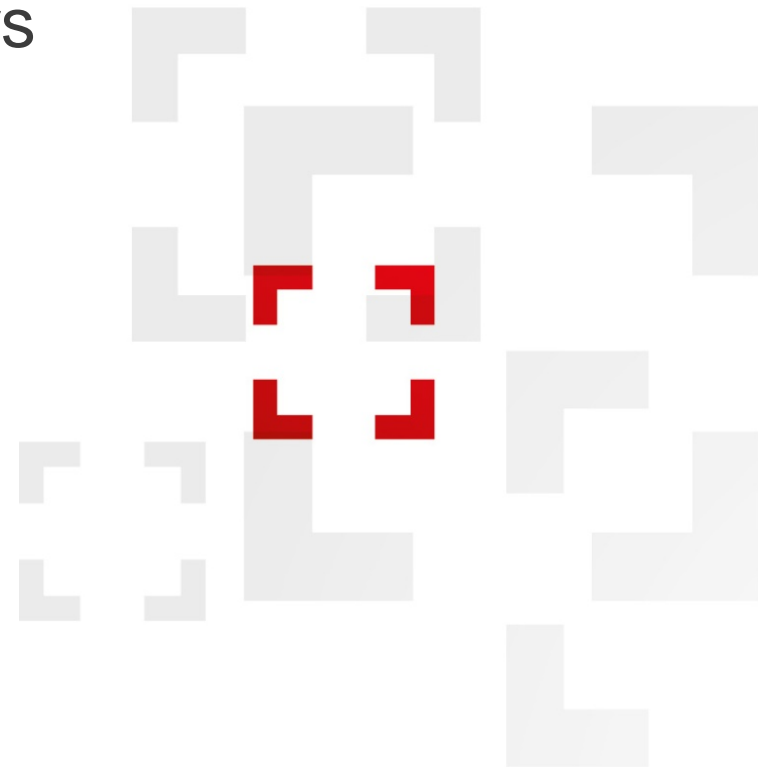


Key market performance drivers

Monthly charts

October 2016



Market returns concentration

One-year returns ending:



October-16

NASPERS		
ANGLO		
SHOPRIT		
ANGLOGOLD ASHANTI LTD		
Top 5	SIBANYE GOLD LTD	181%
Top 6	SAPPI	192%
TIGBRANDS		
GFIELDS		
IMPALA PLATINUM HOLDINGS		
Top 10	NORTHAM	230%
KUMBA IRON ORE		
SANLAM		
EXXARO		
ARM		
CLICKS GROUP LTD		
STANDARD BANK GP		
ASSORE		
NEW EUROPE PROPERTY INVESTMENTS PLC		
ANGLO AMERICAN PLATINUM LIMITED		
Top 20	BLUETEL	288%
Remaining	(Positive)	57%
Negative	(74 Shares)	-244%

September-16

NASPERS		
SIBANYE GOLD LTD		
HARMONY		
ANGLO		
Top 5	ANGLOGOLD ASHANTI LTD	90%
Top 6	BRITISH AMERICAN TOBACCO	96%
LONMIN		
IMPALA PLATINUM HOLDINGS		
GFIELDS		
Top 10	SAPPI	116%
SHOPRIT		
NORTHAM		
TIGBRANDS		
ANGLO AMERICAN PLATINUM LIMITED		
CLICKS GROUP LTD		
VODACOM		
ASPEN		
PAN-AF		
CAPITEC		
Top 20	EXXARO	134%
Remaining	(Positive)	15%
Negative	(75 Shares)	-49%

August-16

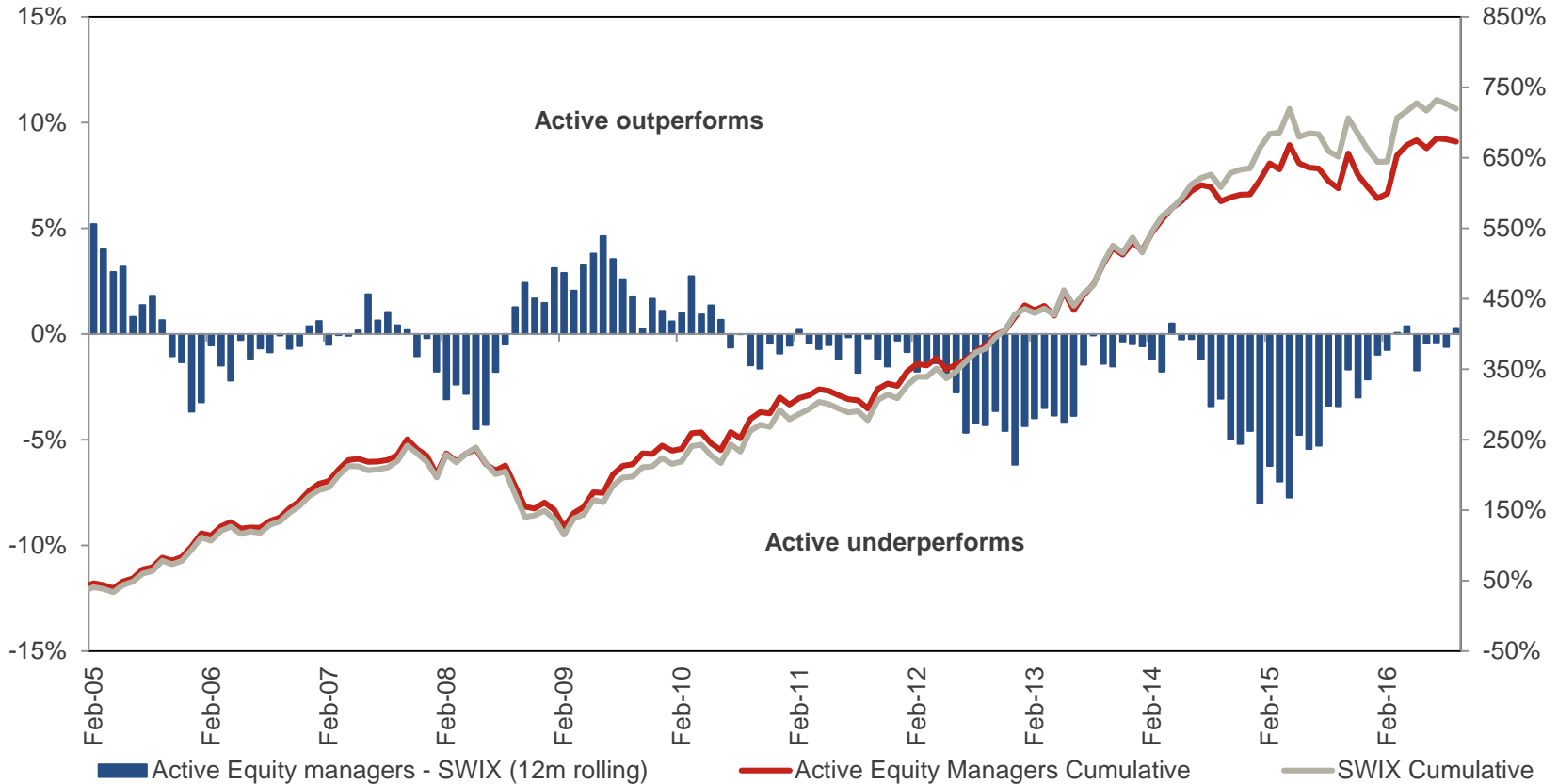
NASPERS		
SIBANYE GOLD LTD		
BRITISH AMERICAN TOBACCO		
SABMILLER PLC		
Top 5	ANGLOGOLD ASHANTI LTD	92%
Top 6	HARMONY	97%
GFIELDS		
STEINHOFF INTL HLD NV		
SAPPI		
Top 10	LONMIN	110%
TIGBRANDS		
SHOPRIT		
CLICKS GROUP LTD		
REINET INVESTMENTS		
CAPITEC		
NEW EUROPE PROPERTY INVESTMENTS PLC		
ASPEN		
PAN-AF		
BLUETEL		
Top 20	ANGLO	121%
Remaining	(Positive)	12%
Negative	(74 Shares)	-33%

Market-cap weighted returns: 10 shares contributed 230% to the return of the SWIX, while 20 shares contributed 288%

Source: Barra, Deutsche Securities and Momentum Investments

Active-index analysis

One-year rolling active to September* 2016



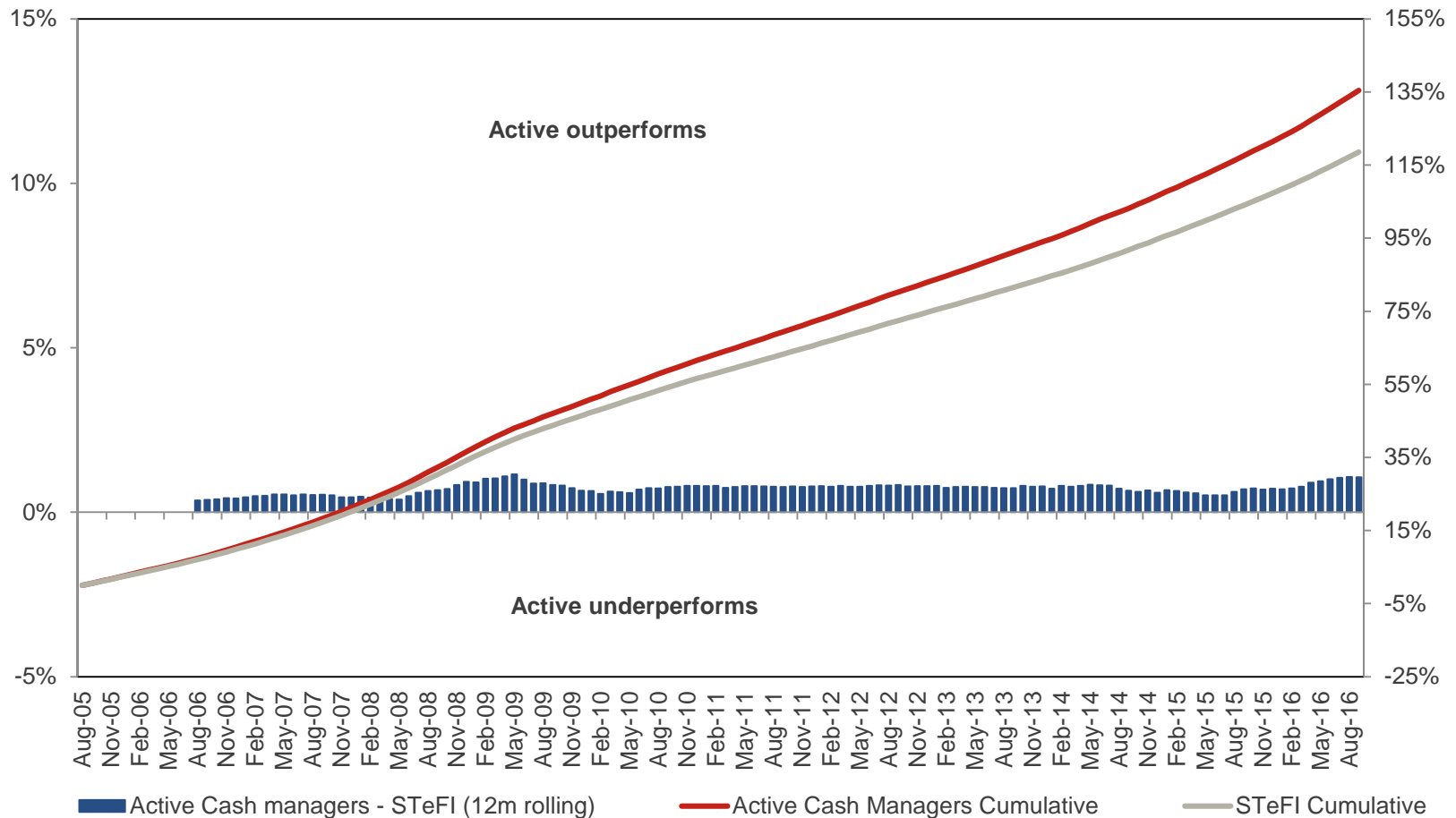
The average of the active equity managers outperformed the SWIX for the year ended September 2016

Source: Alexander Forbes S.A. Equity Manager Watch™ Survey, INET BFA and Momentum Investments

* Lagged by one month due to availability of data

Active versus tracker: Cash (lagged by one month)

One-year rolling average to September* 2016

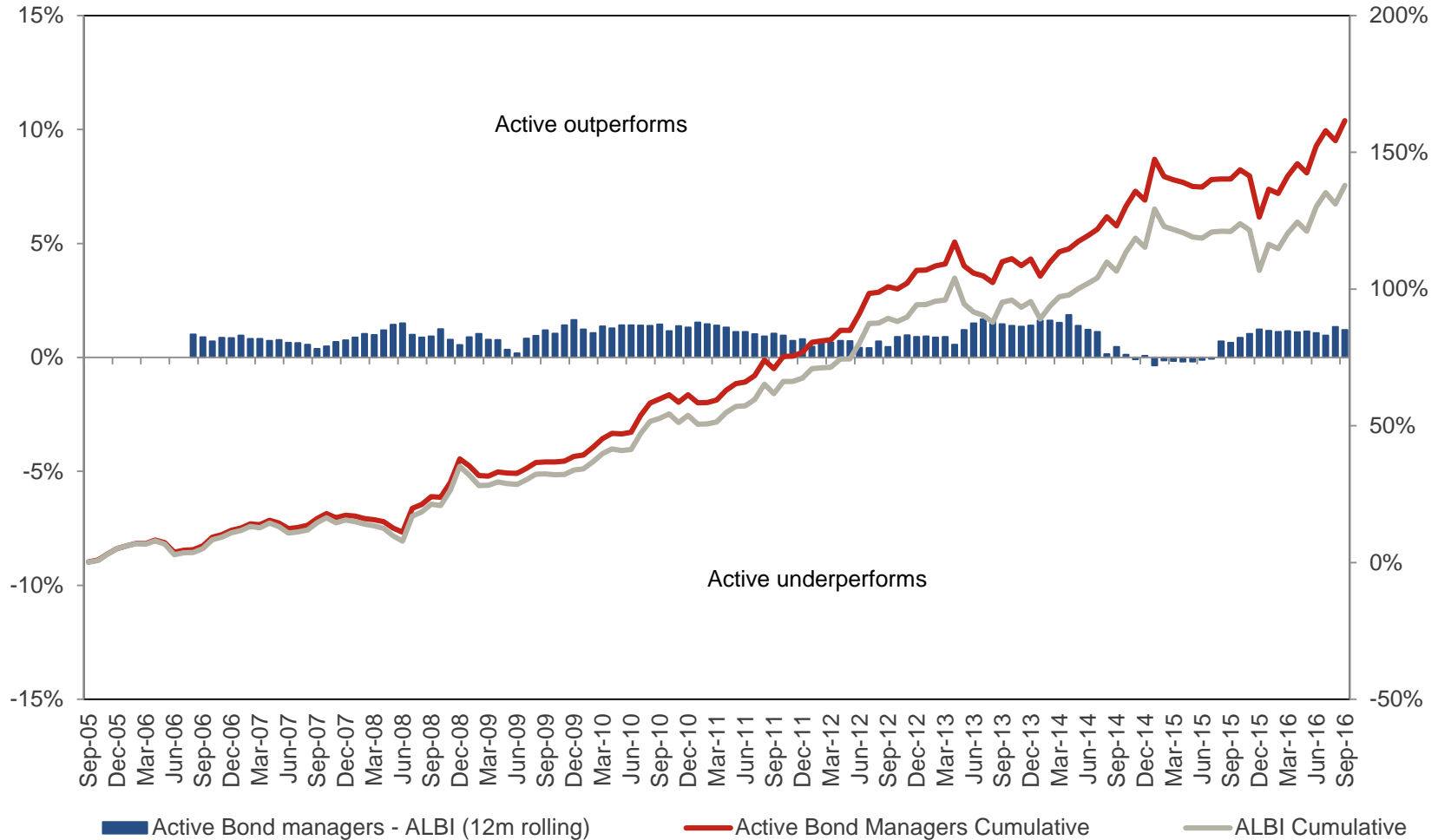


Source: Alexander Forbes S.A. Money Market Manager Watch™ Survey, INET BFA and Momentum Investments

* Lagged by one month due to availability of data

Active versus tracker: Bonds (lagged by one month)

One-year rolling average to September* 2016

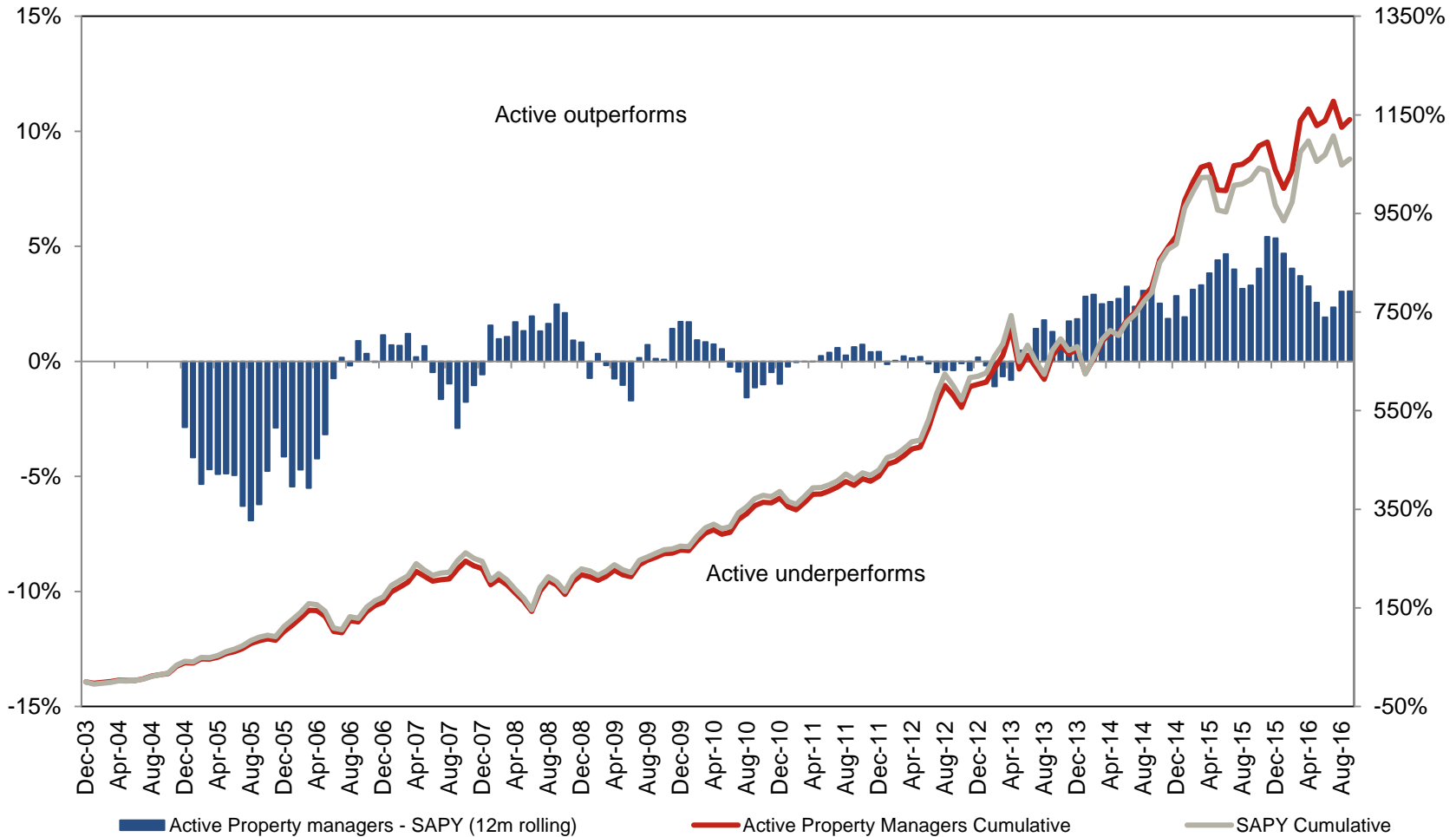


Source: Alexander Forbes S.A Bond Manager Watch™ Survey, INET BFA and Momentum Investments

* Lagged by one month due to availability of data

Active versus tracker: Property (lagged by one month)

One-year rolling average to September* 2016



Source: Alexander Forbes S.A. Property Manager Watch™, INET BFA and Momentum Investments

* Lagged by one month due to availability of data

Style returns for South Africa

Data to October 2016



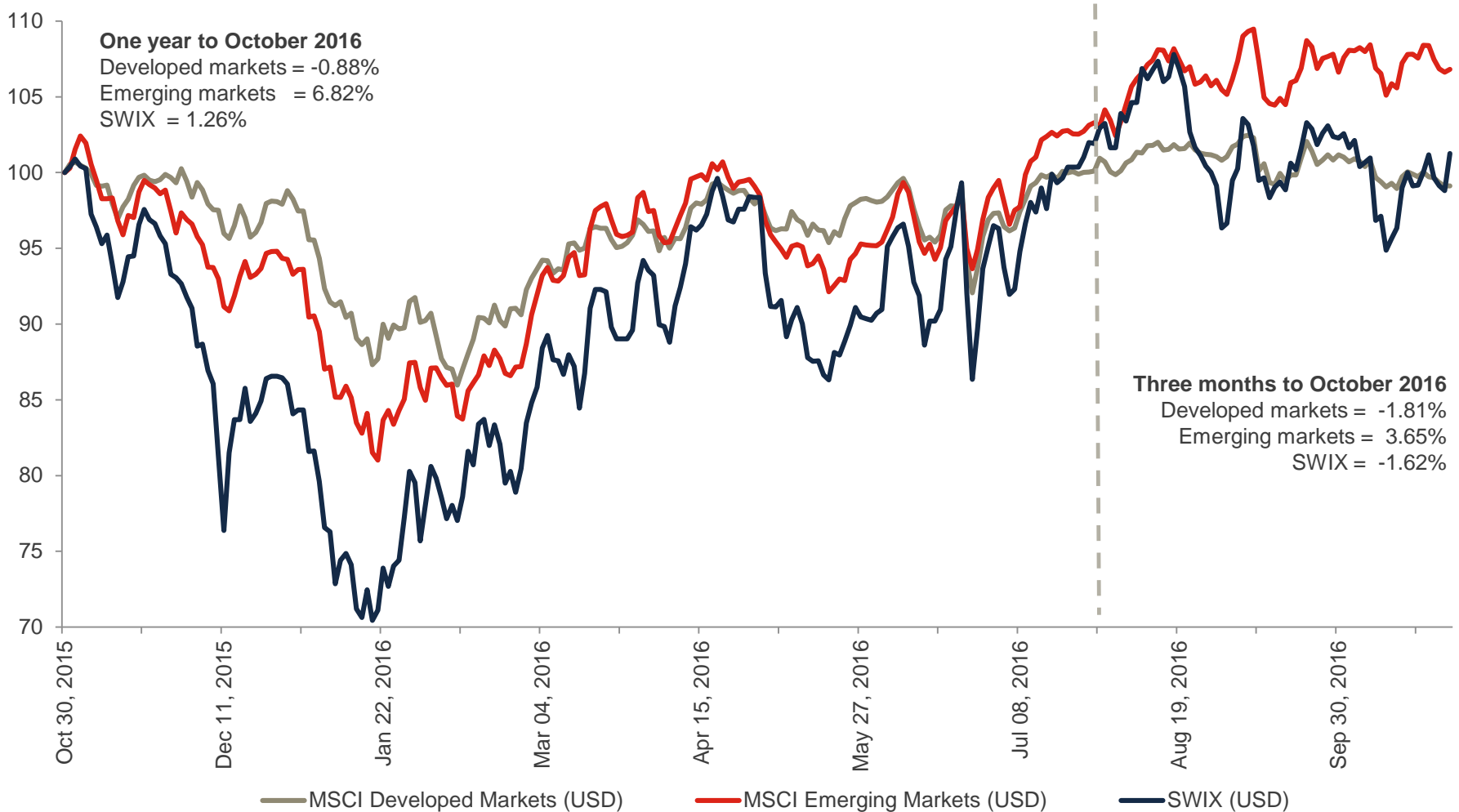
ZAR	Styles	One month to Oct 2016	Three months to Oct 2016	One year to Oct 2016	Three years to Oct 2016	Five years to Oct 2016	Ten years to Oct 2016	Twenty years to Oct 2016
Value	Book to Price	6.96	6.64	14.08	-1.00	-2.95	-2.10	2.55
	Dividend Yield	-0.22	4.28	9.30	0.15	-1.97	1.35	4.35
	Earnings Yield	8.72	12.94	5.52	-0.19	-0.57	-0.45	2.87
	Cash Flow Yield	7.15	11.05	20.61	0.57	1.51	-0.60	3.31
	Sales to Price	-0.13	3.78	10.87	-1.84	-2.69	-2.26	2.59
Quality	ROE	-0.98	-1.35	-8.03	-2.17	0.36	0.53	-1.93
	ROIC LT	0.41	4.18	4.70	-2.41	0.05	-0.26	-2.29
	Income to Sales	8.90	4.51	-1.22	0.02	1.46	0.87	-1.03
	Low market beta	5.18	0.30	8.68	6.43	5.83	-1.51	1.65
	Low Debt/Equity	9.48	5.45	1.16	-1.39	-0.75	-2.10	-1.26
	EBIT Margin Stability	0.62	4.62	2.30	4.16	6.10	4.81	-0.49
Growth	Earnings Growth	10.19	8.97	-5.56	0.65	-0.01	-1.06	-1.34
	Sales Growth	-1.02	1.22	-8.74	-0.59	1.21	1.05	-0.07
	12M Earning Growth	-4.66	-10.21	-8.14	-1.67	-4.55	1.15	5.71
Momentum	FY1 Earnings Revisions	-2.90	-4.81	-8.30	6.06	4.99	9.43	8.12
	Short Term Momentum	-3.50	-7.31	11.83	4.15	2.23	0.92	-1.20
	Medium Term Momentum	-3.52	-4.83	-10.88	5.61	7.62	5.22	6.88
Size	-3.27	-9.23	-7.23	-2.02	-2.17	0.04	-0.65	

The Value and some Quality factors had strong returns for the shorter term. Overall, the various momentum factors are strong in the longer term, especially FY1 Earnings Revisions and Medium Term Momentum.

Source: FactSet, Momentum Global Investment Management and Momentum Investments

MSCI developed and emerging markets

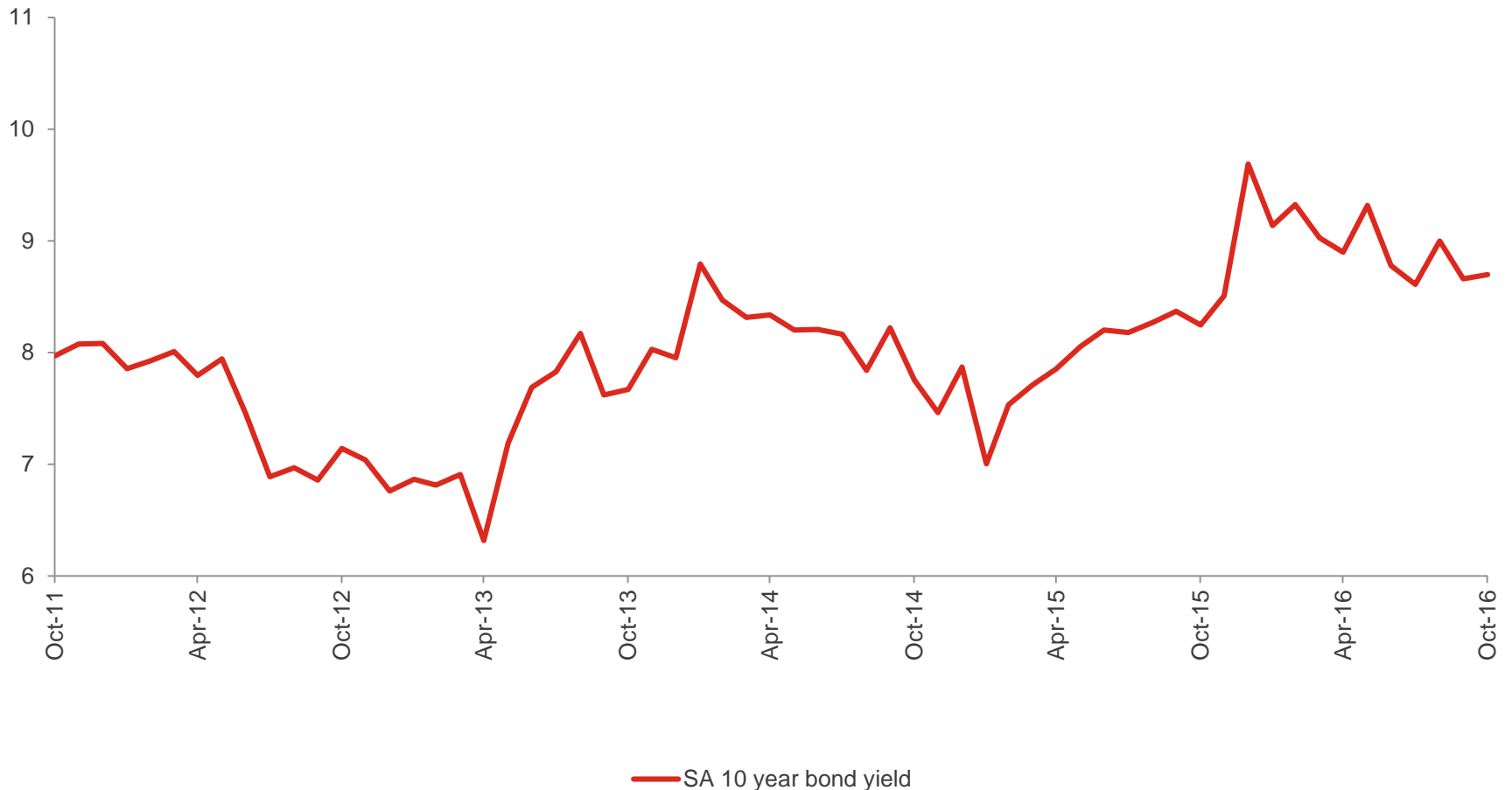
One year to October 2016



Source: INET BFA, MSCI and Momentum Investments

SA 10-year bond yields

Five years to October 2016

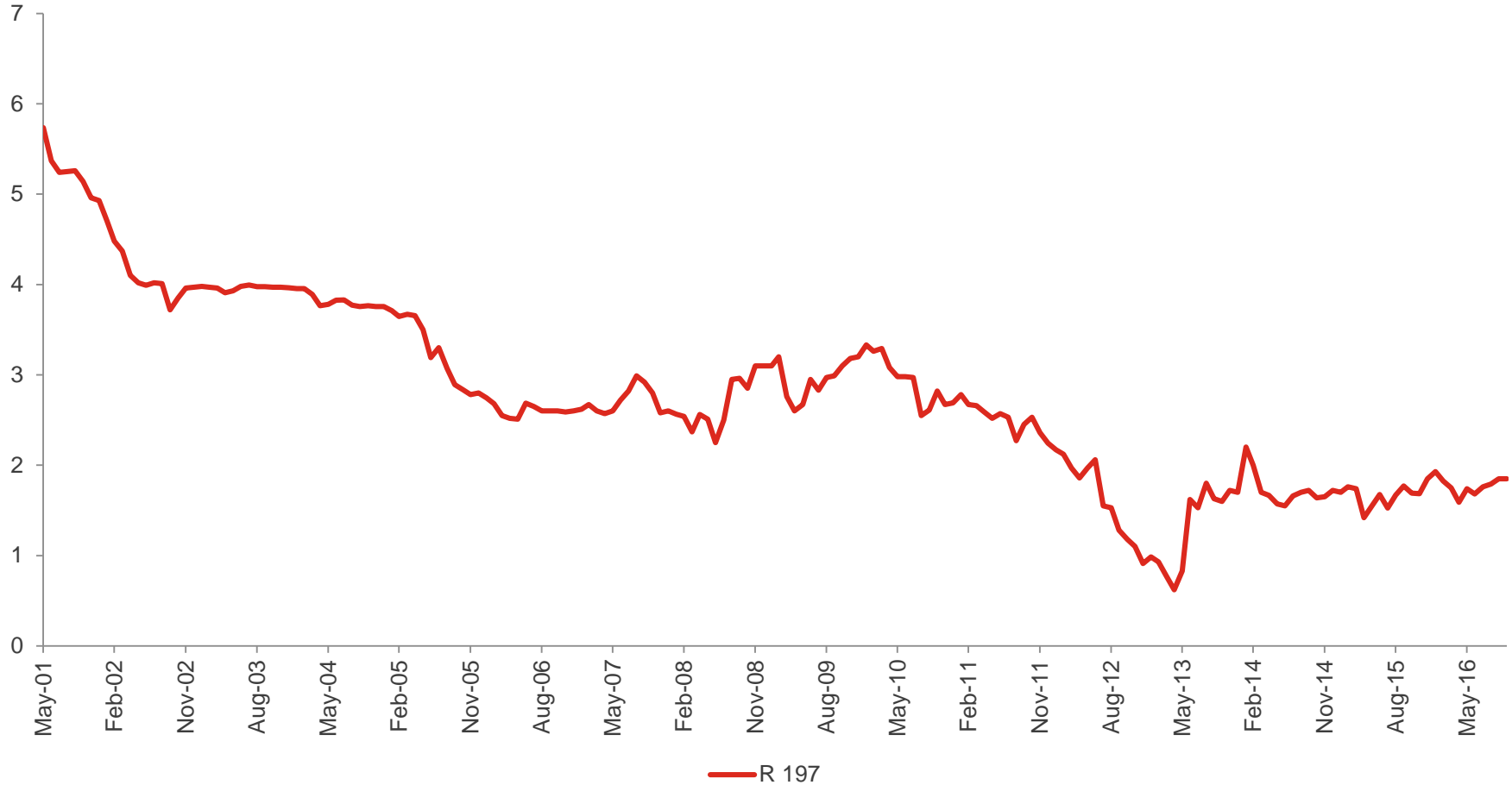


SA 10-year bond yields increased by 4 bps for October 2016

Source: INET BFA and Momentum Investments

Yield of R197 (inflation-linked bond)

Since May 2001 to October 2016

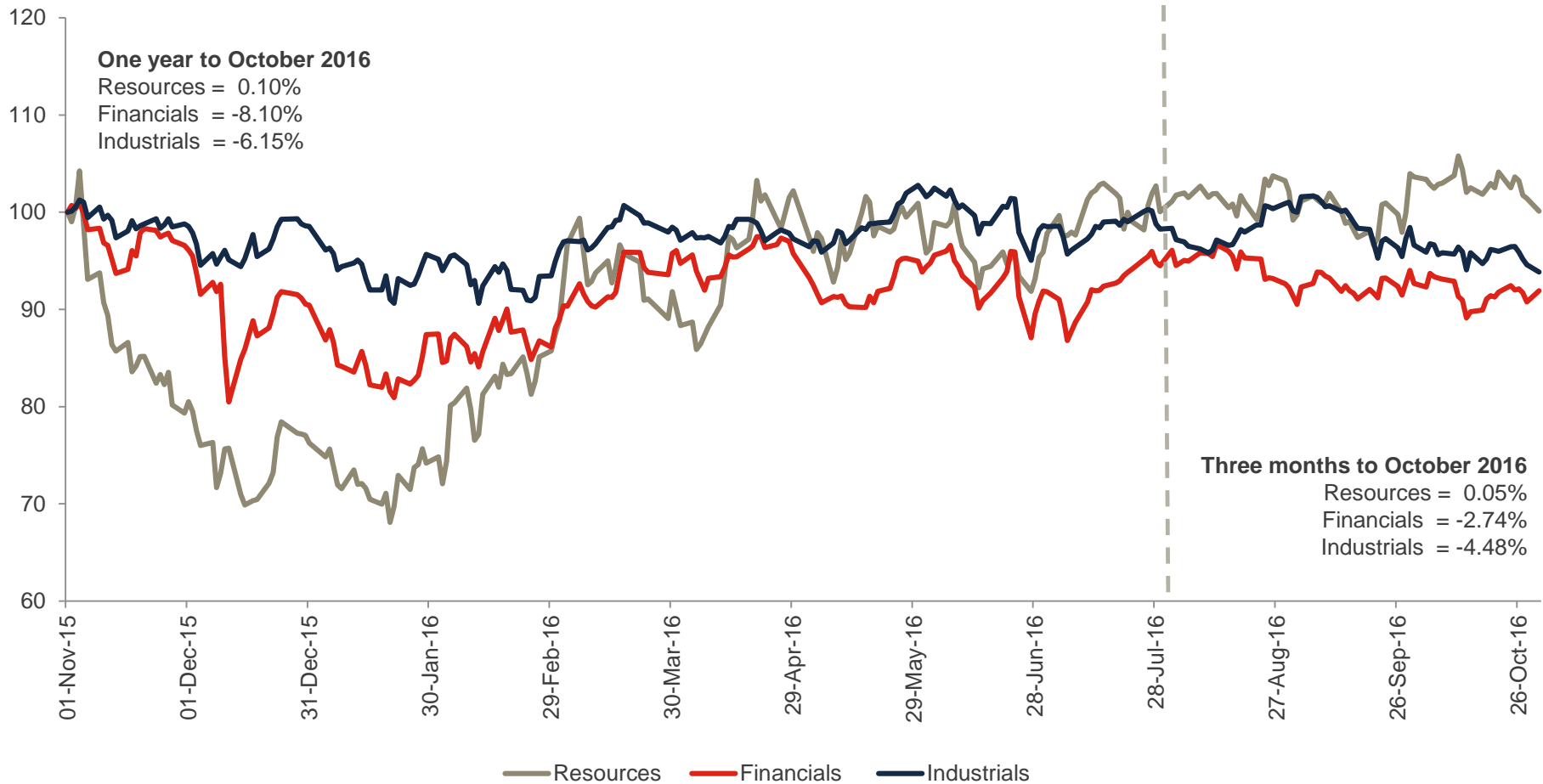


Inflation-linked bond yields were flat for October 2016

Source: INET BFA and Momentum Investments

FTSE/JSE sectors

One year to October 2016

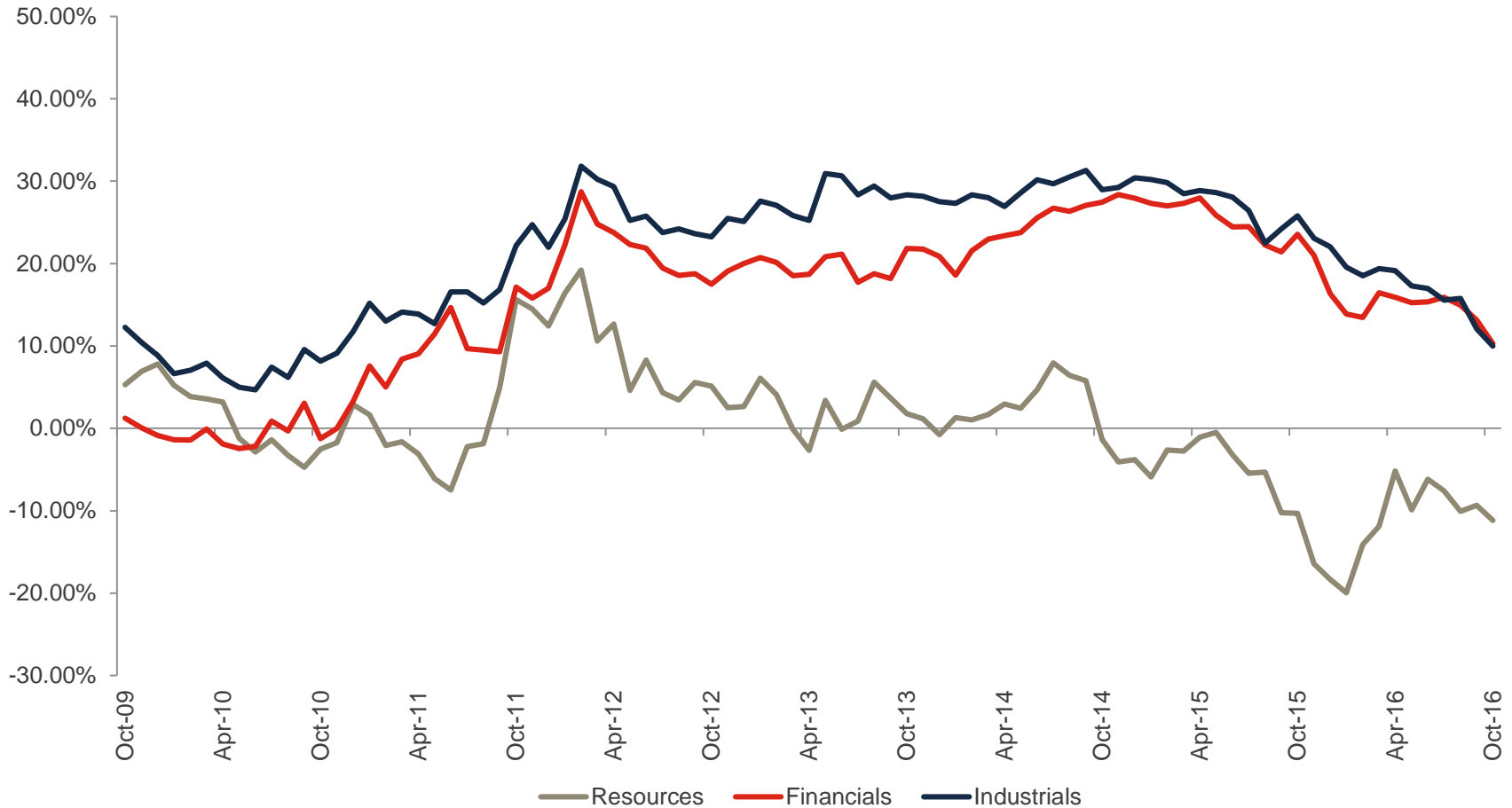


FTSE/JSE Resources was the only sector to have slightly positive returns for the three-month and one-year periods

Source: INET BFA and Momentum Investments

FTSE/JSE sectors

Rolling three-year return to October 2016



The three-year rolling picture has remained relatively unchanged since 2012, with financials marginally ahead of industrials, while resources continued to lag

Source: INET BFA and Momentum Investments

Returns are annualised

FTSE/JSE sectors

Decomposed (three months to October 2016)



Three months to Oct 2016

1	Coal Mining	Mining	20.9%	19	Real Estate Investment & Services	Financials	-3.7%
2	General Mining	Mining	19.0%	20	Electronic & Electrical Equipment	Industrials	-3.8%
3	Non-life Insurance	Financials	9.1%	21	General Industrials	Industrials	-4.8%
4	Construction & Materials	Industrials	7.9%	22	Food & Drug Retailers	Consumer Services	-5.4%
5	Personal Goods	Consumer Goods	5.5%	23	General Financial	Financials	-5.7%
6	Travel & Leisure	Consumer Services	5.1%	24	Real Estate Investment Trusts	Financials	-5.7%
7	Banks	Financials	5.0%	25	Life Insurance	Financials	-7.2%
8	Chemicals	Basic Materials	4.1%	26	Automobiles & Parts	Consumer Goods	-7.3%
9	Software & Computer Services	Technology	4.0%	27	Equity Investment Instruments	Financials	-8.1%
10	Media	Consumer Services	3.9%	28	Health Care Equipment & Services	Health Care	-9.7%
11	Industrial Metals	Basic Materials	0.6%	29	Tobacco	Consumer Goods	-11.5%
12	Industrial Engineering	Industrials	-0.4%	30	General Retailers	Consumer Services	-13.8%
13	Food Producers	Consumer Goods	-0.5%	31	Mobile Telecommunications	Telecommunication	-14.1%
14	Support Services	Industrials	-1.0%	32	Platinum Mining	Mining	-17.0%
15	Industrial Transportation	Industrials	-1.6%	33	Household Goods	Consumer Goods	-17.1%
16	Beverages	Consumer Goods	-1.7%	34	Pharmaceuticals & Biotechnology	Health Care	-19.3%
17	Forestry & Paper	Basic Materials	-2.6%	35	Gold Mining	Mining	-38.3%
18	Fixed Line Telecommunications	Telecommunication	-3.4%				

Key

Resources

Financials

Industrials

Coal and General Mining were the best-performing sectors for the last three months

Source: Barra, Deutsche Securities and Momentum Investments

FTSE/JSE sectors

Decomposed (one year to October 2016)



One year to Oct 2016

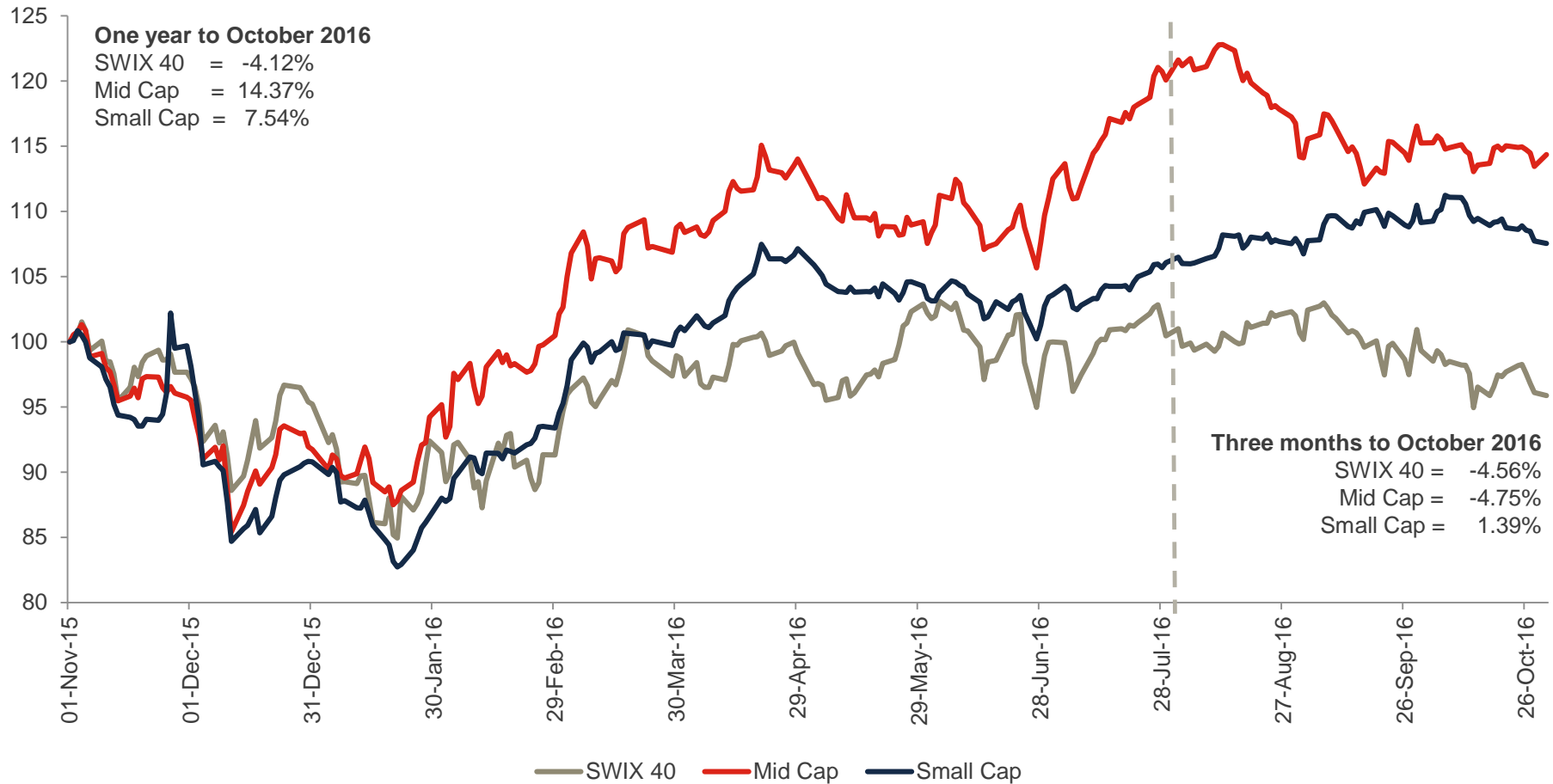
1	Industrial Metals	Basic Materials	134.8%	19	Beverages	Consumer Goods	-6.2%
2	Coal Mining	Mining	76.5%	20	Forestry & Paper	Basic Materials	-6.9%
3	Gold Mining	Mining	65.8%	21	Construction & Materials	Industrials	-7.6%
4	Platinum Mining	Mining	33.3%	22	Fixed Line Telecommunications	Telecommunication	-8.7%
5	Non-life Insurance	Financials	16.7%	23	Equity Investment Instruments	Financials	-9.2%
6	Travel & Leisure	Consumer Services	12.1%	24	Chemicals	Basic Materials	-10.2%
7	Media	Consumer Services	11.6%	25	General Retailers	Consumer Services	-12.0%
8	General Mining	Mining	10.9%	26	Household Goods	Consumer Goods	-12.4%
9	Food Producers	Consumer Goods	10.0%	27	Life Insurance	Financials	-12.6%
10	Food & Drug Retailers	Consumer Services	8.3%	28	Real Estate Investment & Services	Financials	-12.8%
11	General Industrials	Industrials	8.1%	29	Electronic & Electrical Equipment	Industrials	-12.9%
12	Banks	Financials	1.4%	30	Health Care Equipment & Services	Health Care	-13.1%
13	Industrial Engineering	Industrials	0.1%	31	Mobile Telecommunications	Telecommunication	-15.7%
14	Tobacco	Consumer Goods	-2.4%	32	General Financial	Financials	-21.7%
15	Pharmaceuticals & Biotechnology	Health Care	-3.3%	33	Personal Goods	Consumer Goods	-24.9%
16	Software & Computer Services	Technology	-3.5%	34	Support Services	Industrials	-28.0%
17	Industrial Transportation	Industrials	-5.7%	35	Automobiles & Parts	Consumer Goods	-35.9%
18	Real Estate Investment Trusts	Financials	-5.8%				

Key
 Resources
 Financials
 Industrials

Source: Barra, Deutsche Securities and Momentum Investments

FTSE/JSE market caps

One year to October 2016

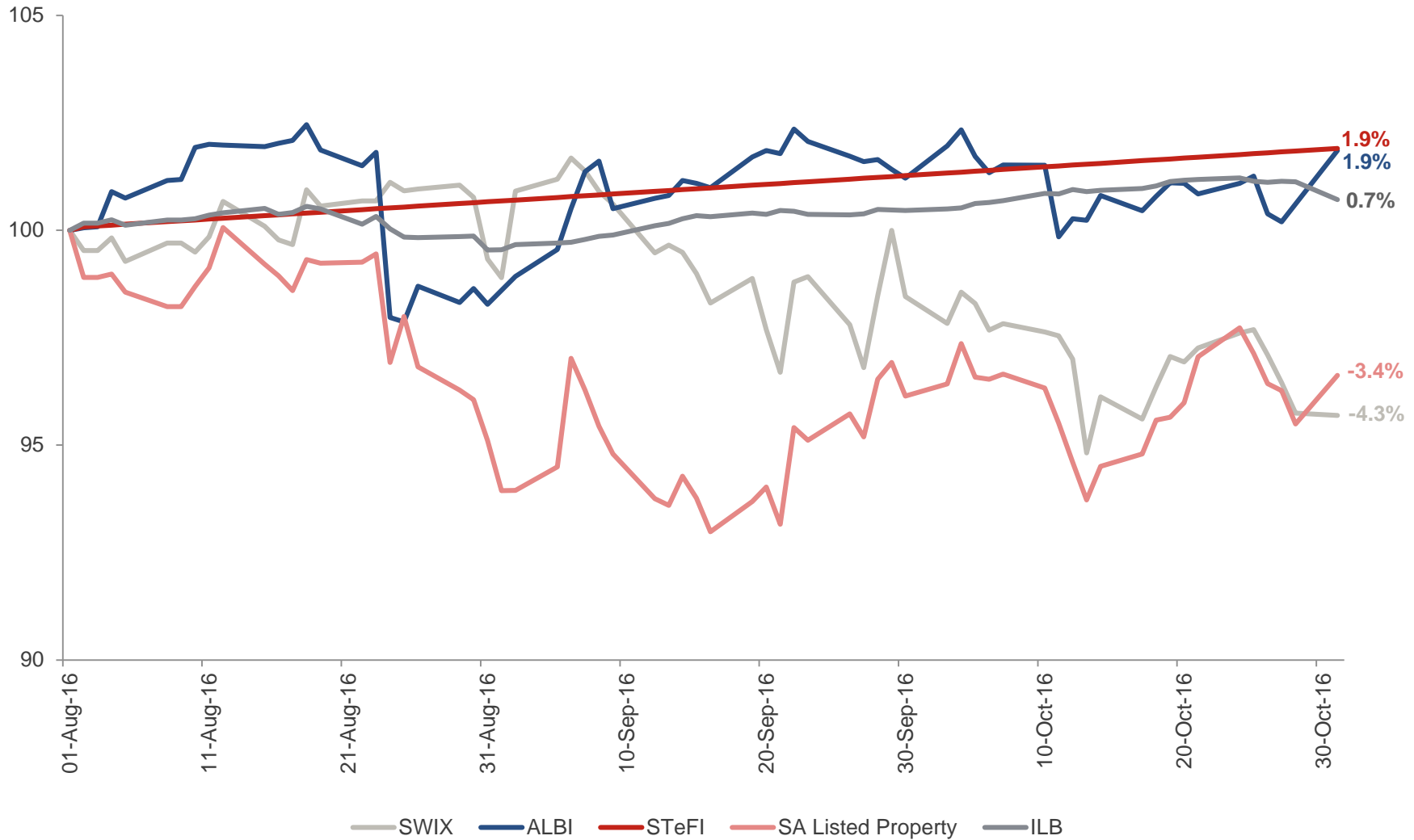


The FTSE/JSE Mid Cap and Small Cap indices had positive returns for the one-year period, whereas the SWIX 40 struggled for the three-month and one-year periods.

Source: INET BFA and Momentum Investments

Local asset classes

Three months to October 2016



Source: INET BFA and Momentum Investments

All returns in rand terms

Global asset classes

Three months to October 2016

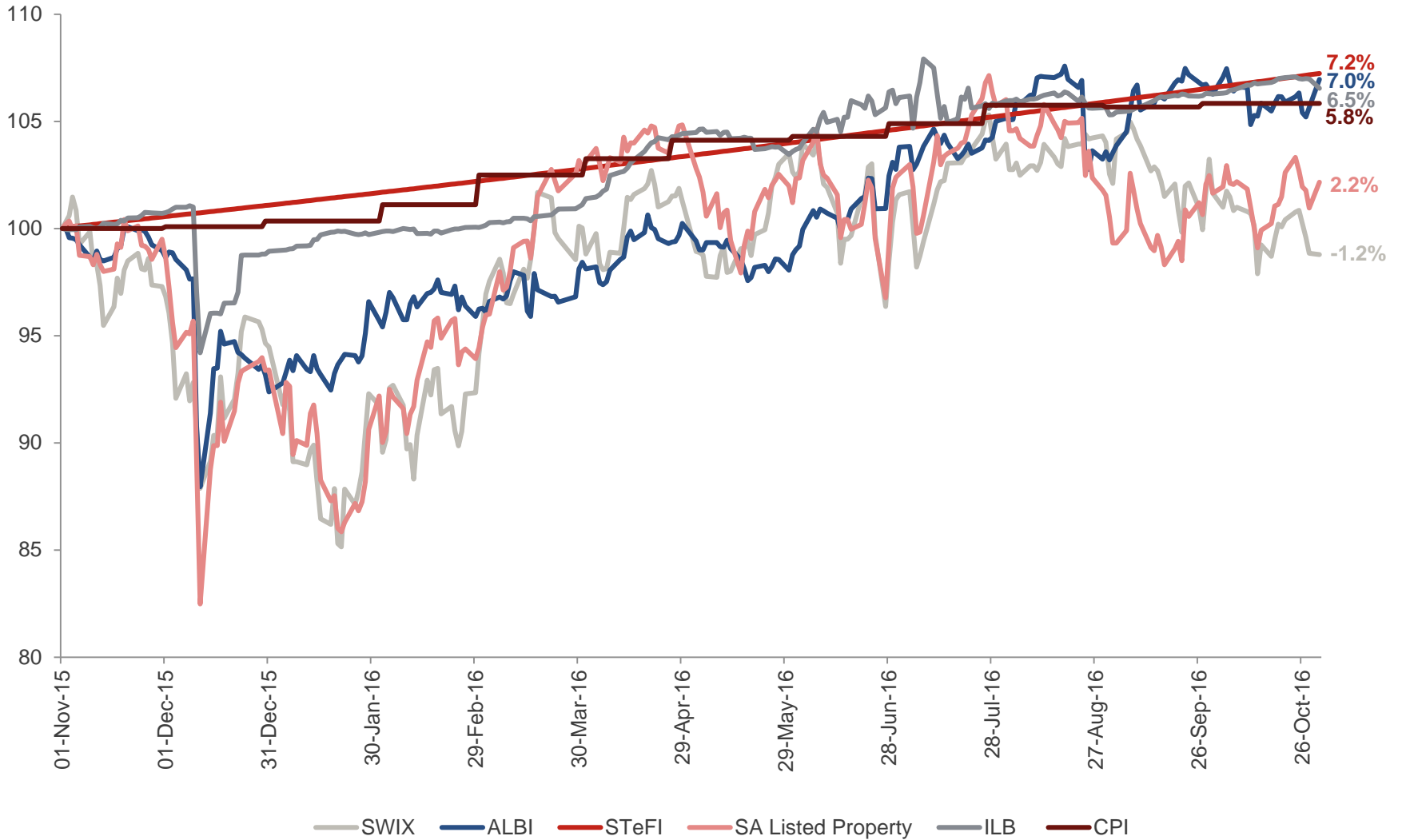


Source: INET BFA and Momentum Investments

All returns in rand terms

Local asset classes

One year to October 2016



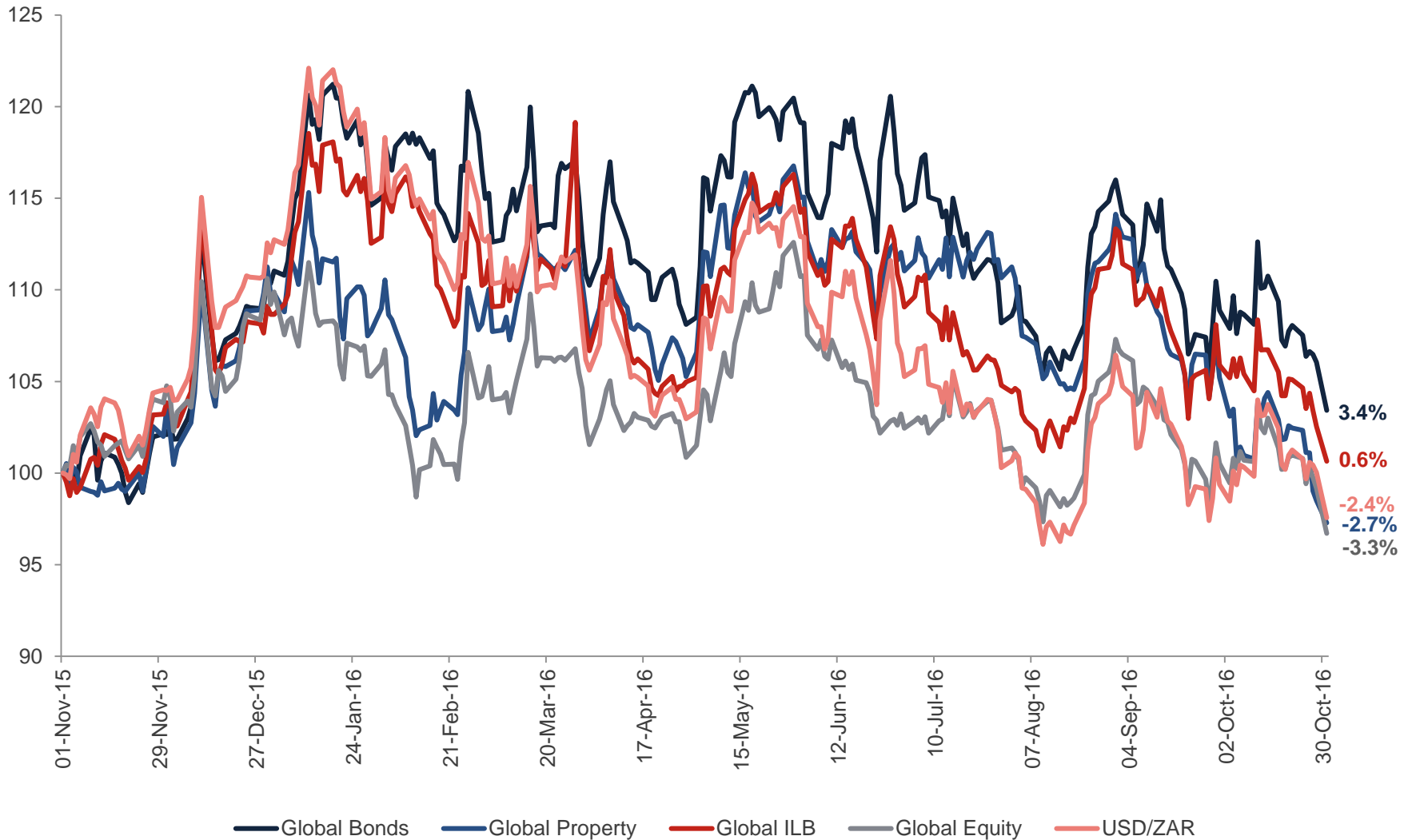
Source: INET BFA and Momentum Investments

*CPI is lagged by one month due to availability of inflation data

All returns in rand terms

Global asset classes

One year to October 2016

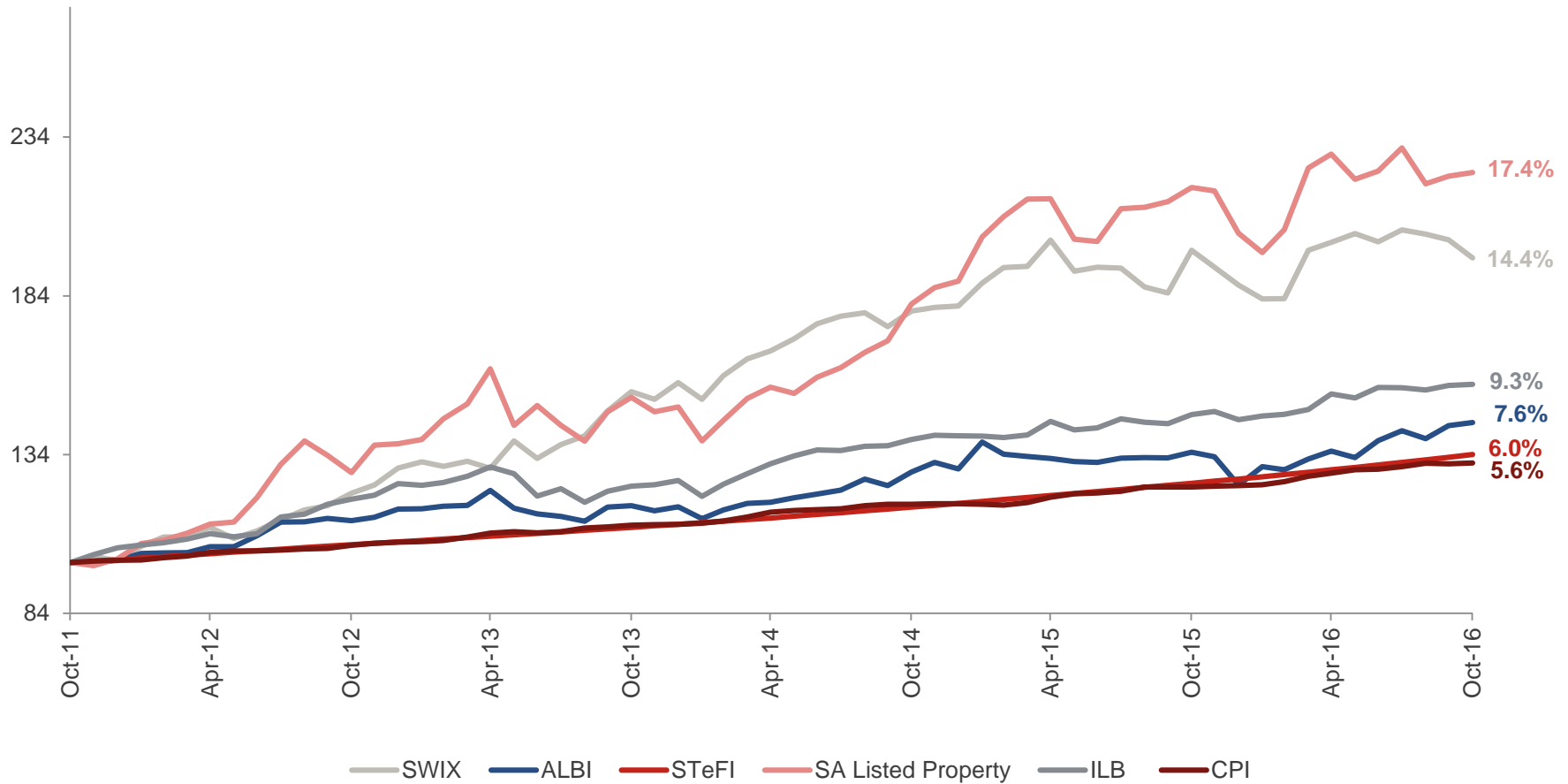


Source: INET BFA and Momentum Investments

All returns in rand terms

Local asset classes

Five years to October 2016



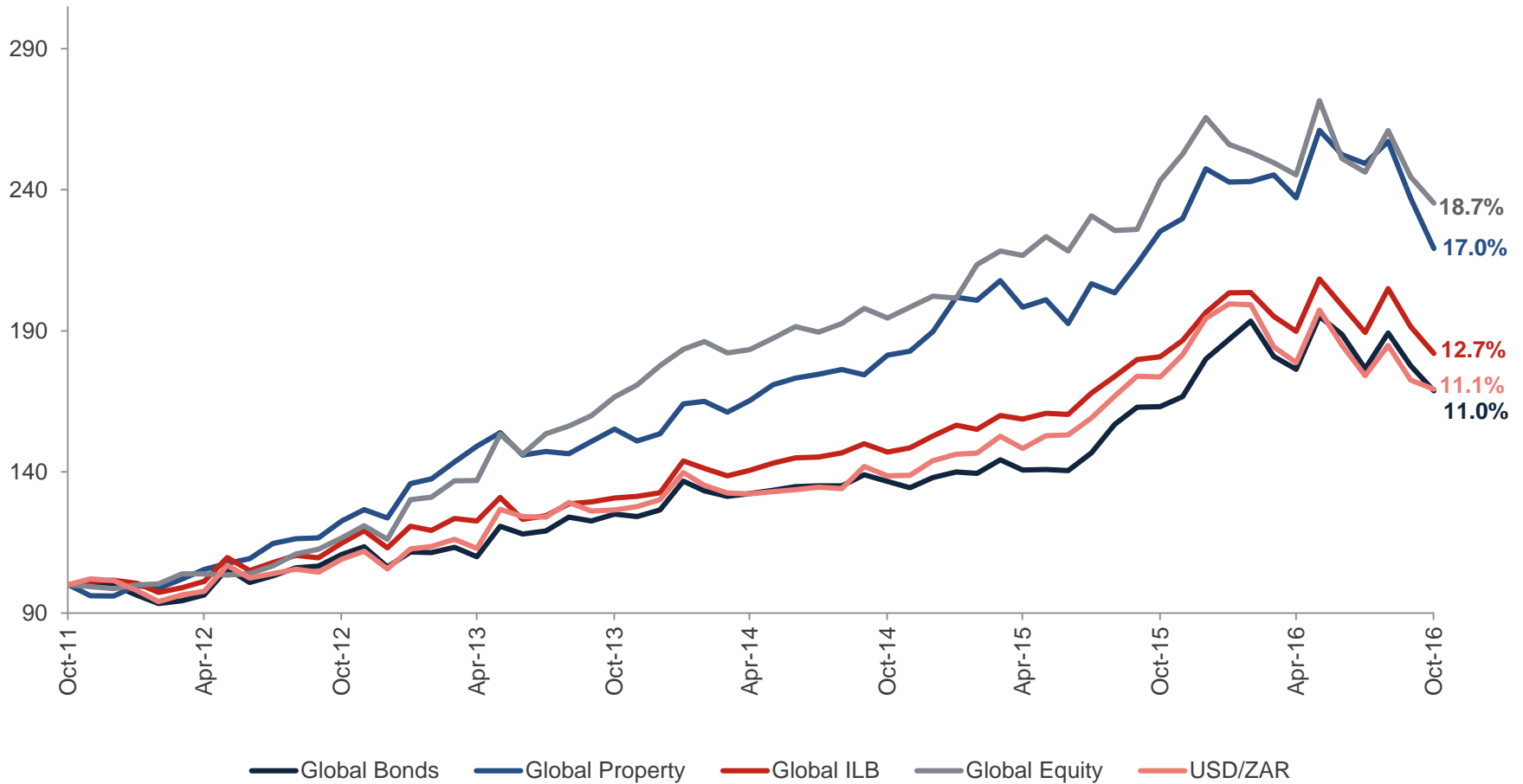
The FTSE/JSE SA Listed Property and the FTSE/JSE SWIX remained in the lead for the five-year period. All the depicted asset classes ended the period ahead of inflation* (five-year inflation was 5.6%).

Source: INET BFA and Momentum Investments

*CPI is lagged by one month due to availability of inflation data

Global asset classes

Five years to October 2016



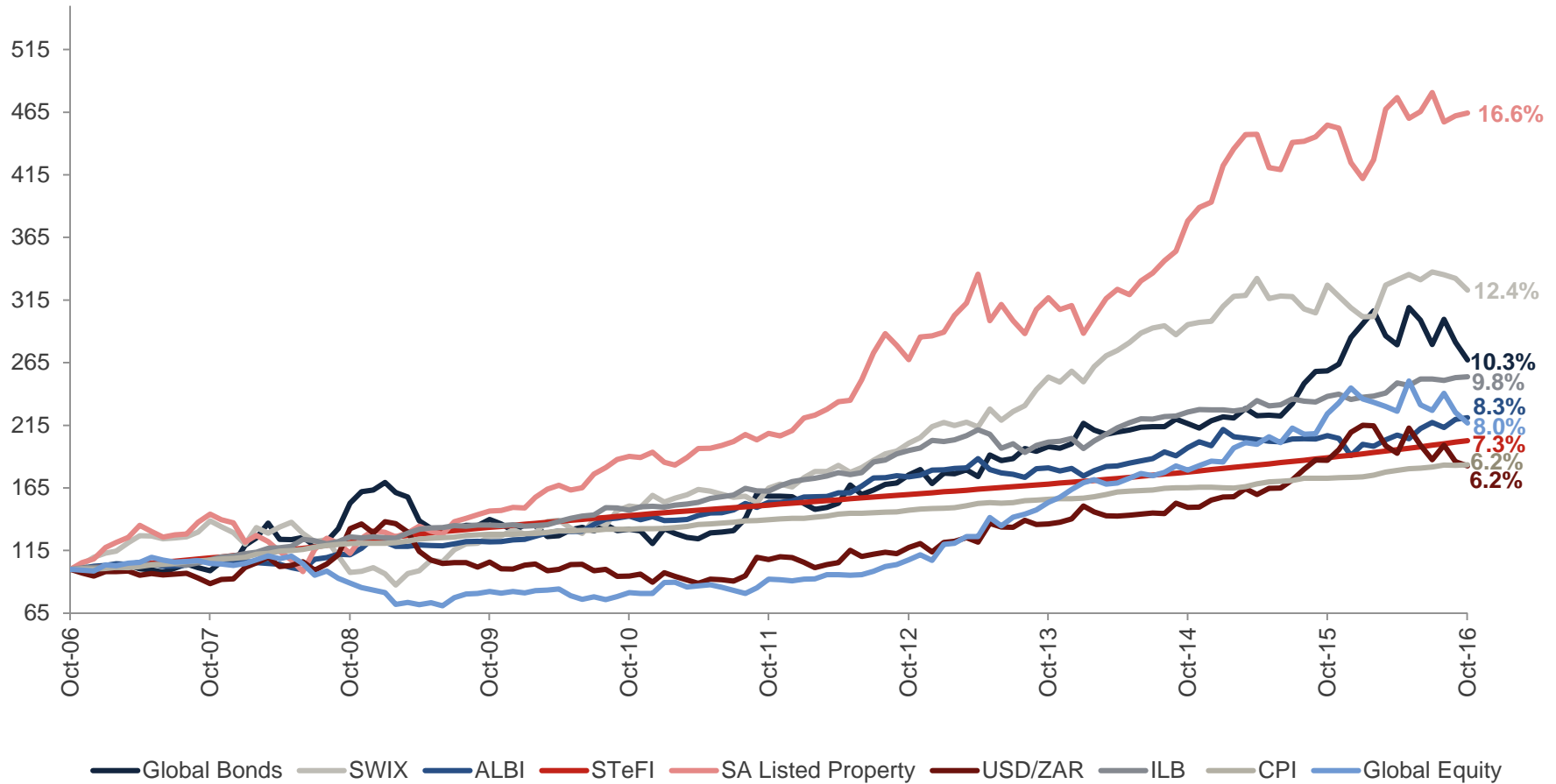
Global equity had the best return for the five-year period, with 18.7%, followed by global property with 17.0%

Source: INET BFA and Momentum Investments

All returns in rand terms

Asset classes

Ten years to October 2016



For the 10-year period to October, the FTSE/JSE SA Listed Property continued to outperform, followed by the SWIX and Global Bonds

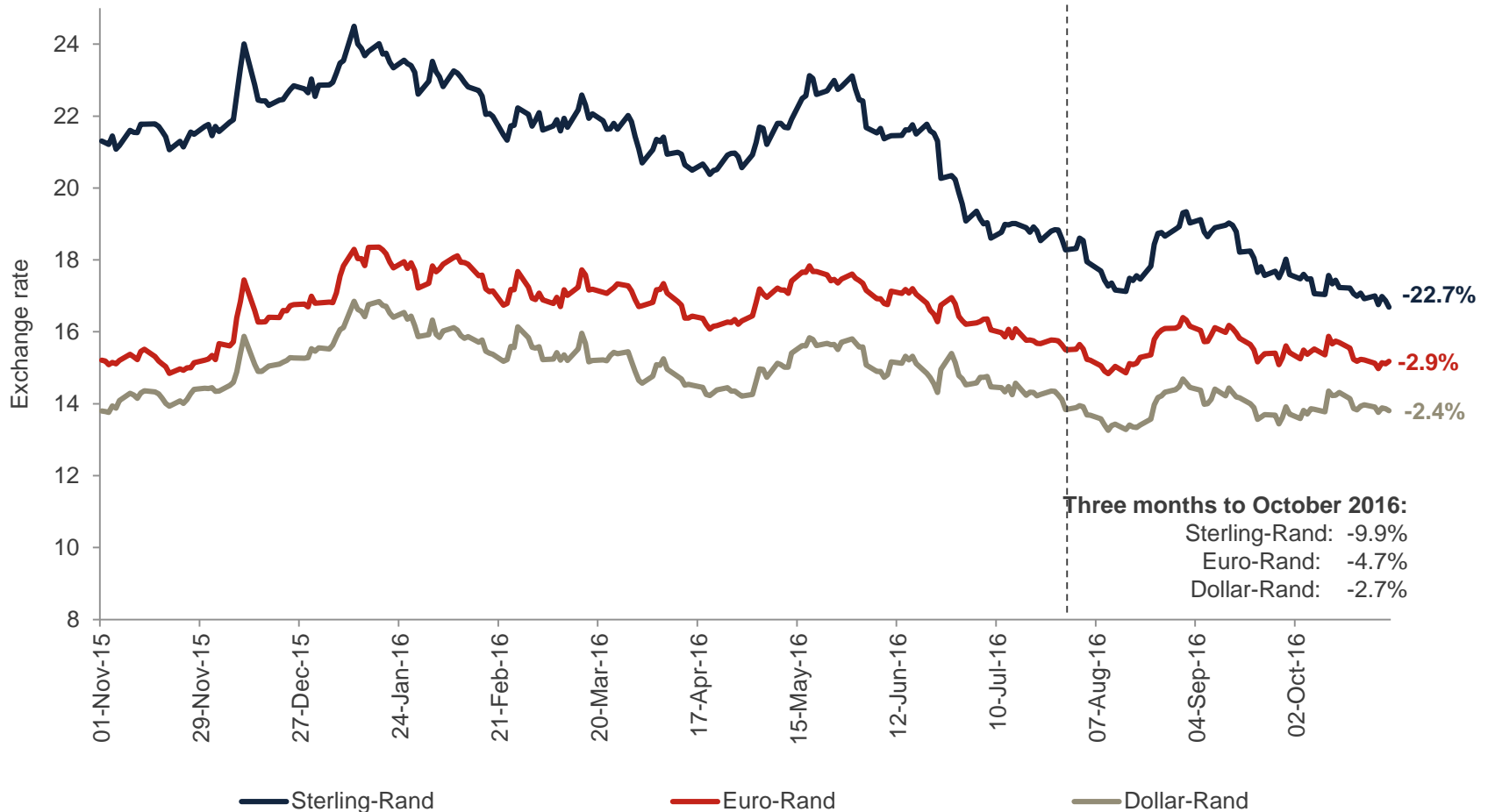
Source: INET BFA and Momentum Investments

*CPI is lagged by one month due to availability of inflation data

All returns in rand terms

Exchange rates

One year to October 2016

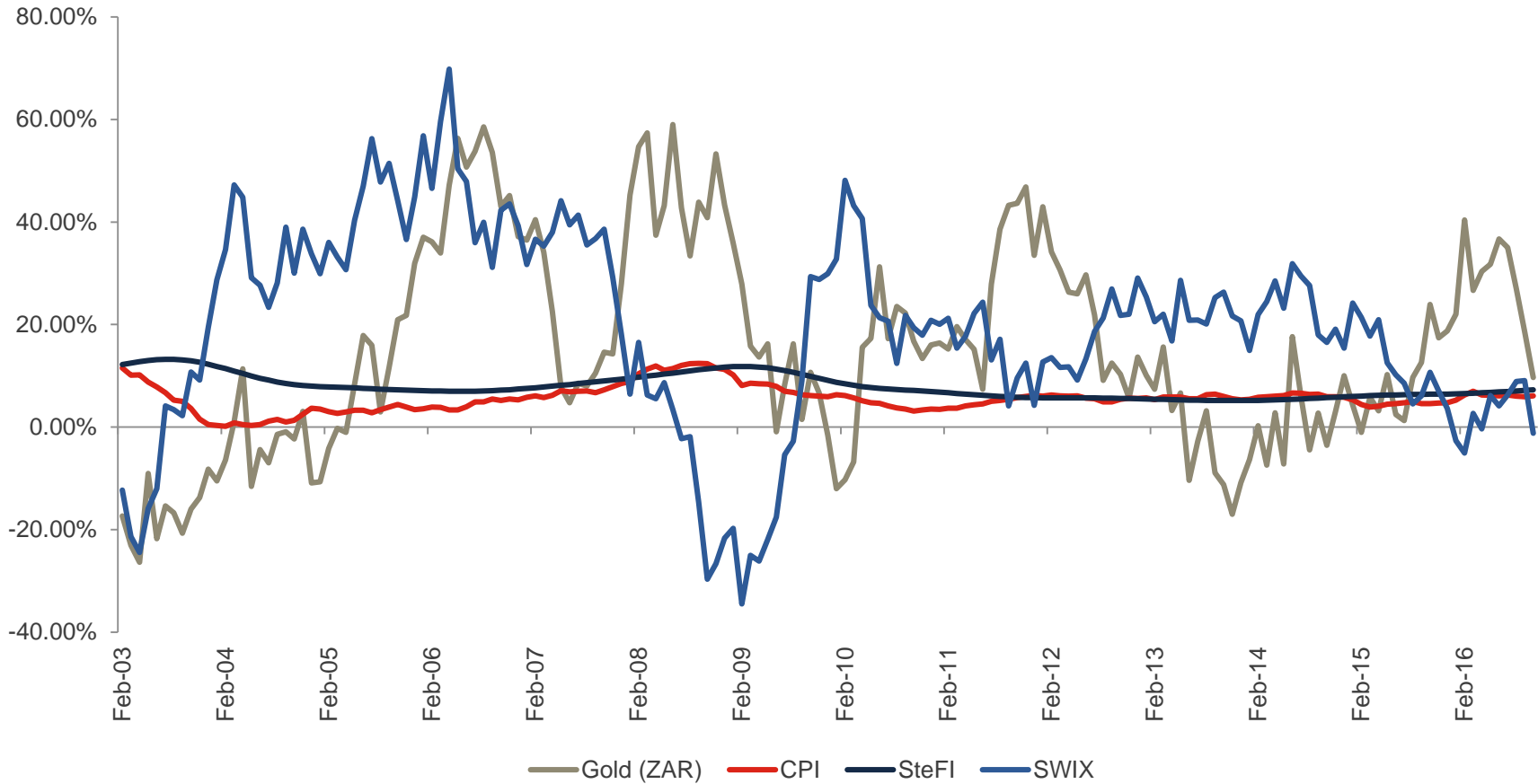


The rand appreciated against all currencies for the last three-month and one-year periods

Source: INET BFA and Momentum Investments

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

One-year rolling returns to October 2016



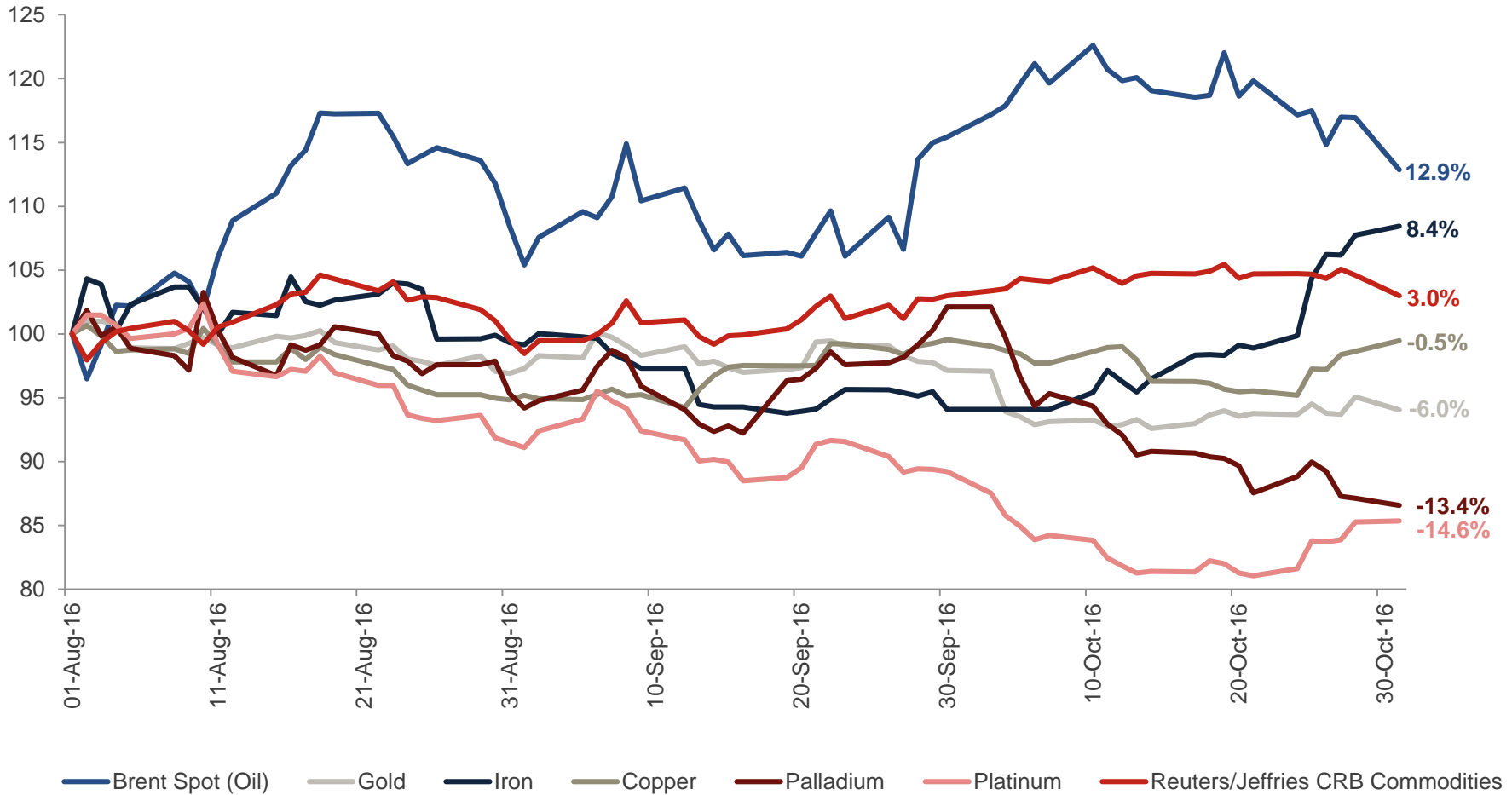
Returns from the gold price in rand terms for the one-year rolling period are showing their diversification benefits compared with equities. The returns were higher than those of the equity market for October 2016.

Source: INET BFA and Momentum Investments

*CPI is lagged by one month due to availability of inflation data

Commodities

Three months to October 2016



Oil and iron ore were the best-performing commodities for the last three months

Source: INET BFA, FT.com and Momentum Investments

All returns in dollar terms

Commodities

One year to October 2016

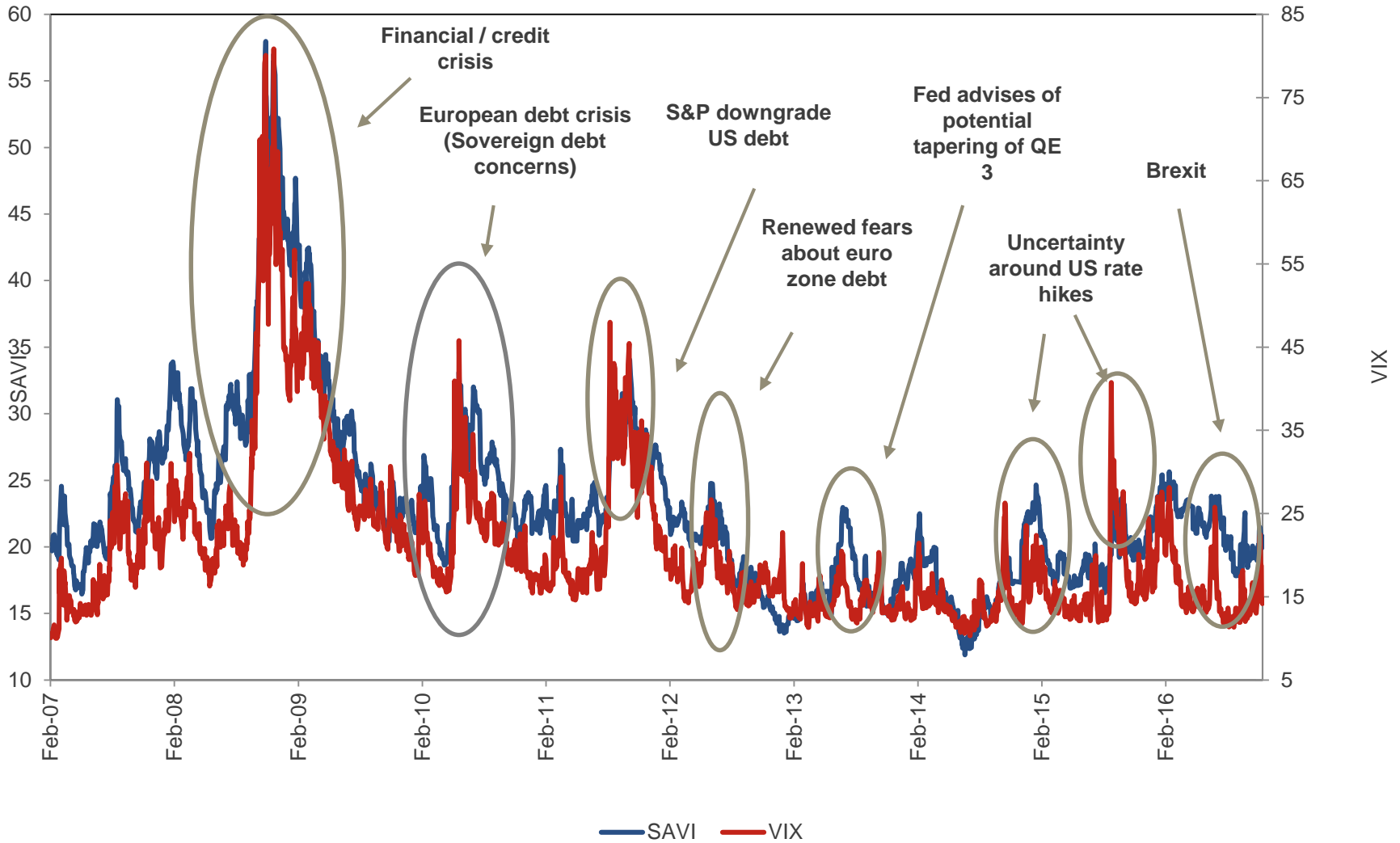


Source: INET BFA, FT.com and Momentum Investments

All returns in dollar terms

SAVI-VIX

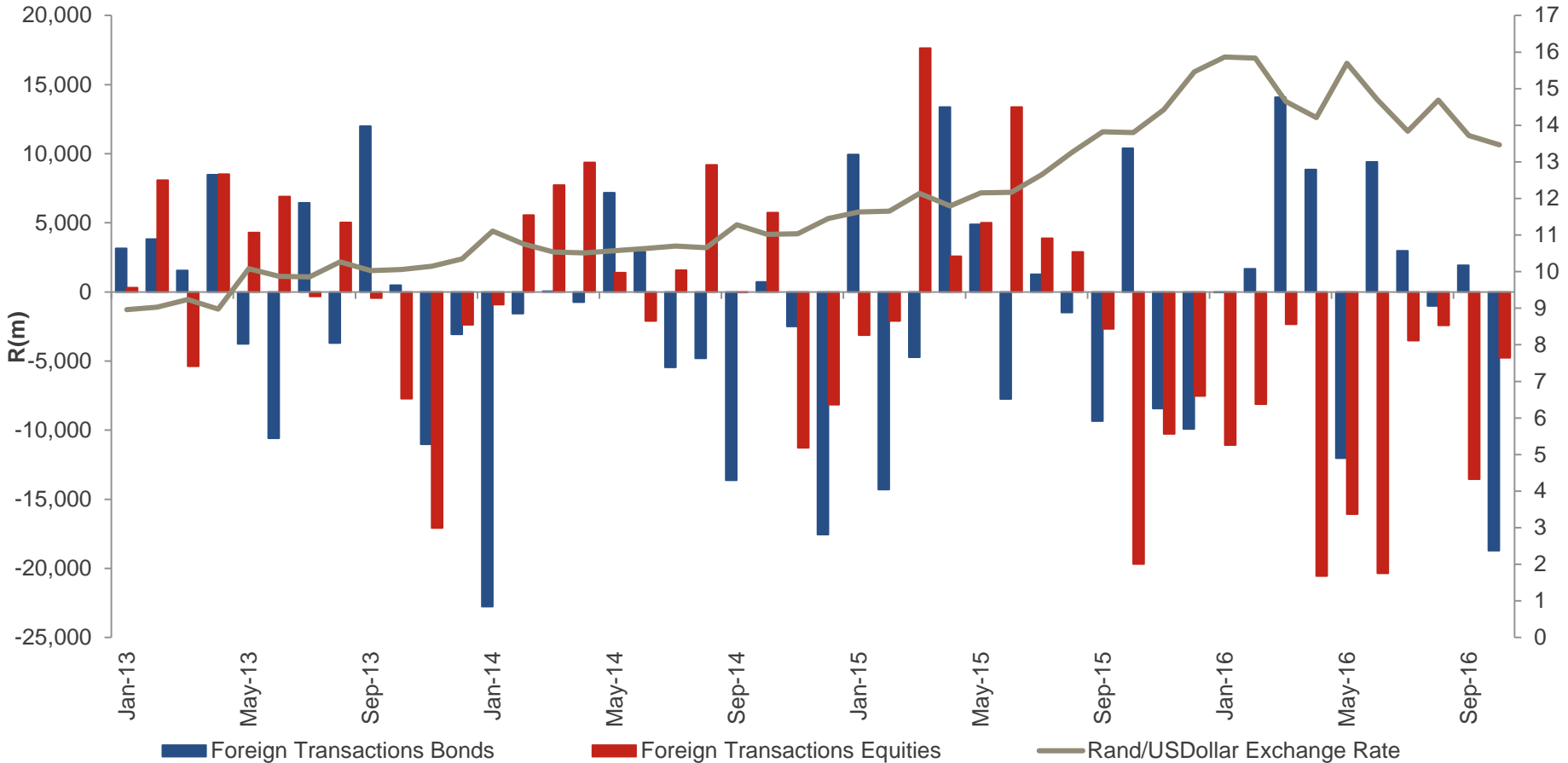
Since February 2007 to October 2016



Source: INET BFA and Momentum Investments

Foreign transactions

2013 to 2016



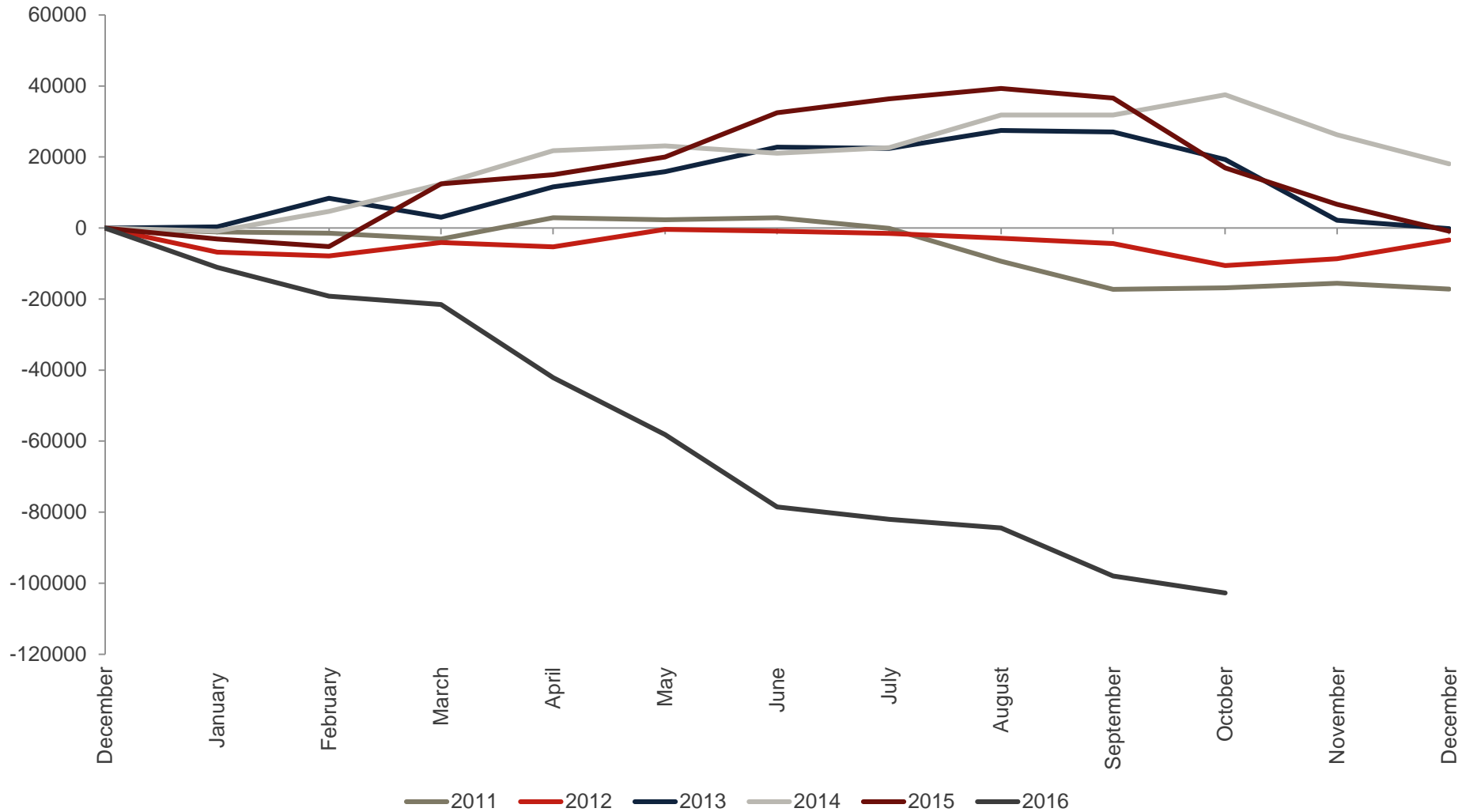
There have been mixed results over the years. However, for October 2016, net outflows have taken place for bonds and equities.

Source: INET BFA and Momentum Investments

Cumulative foreign transaction equities

2011 to 2016

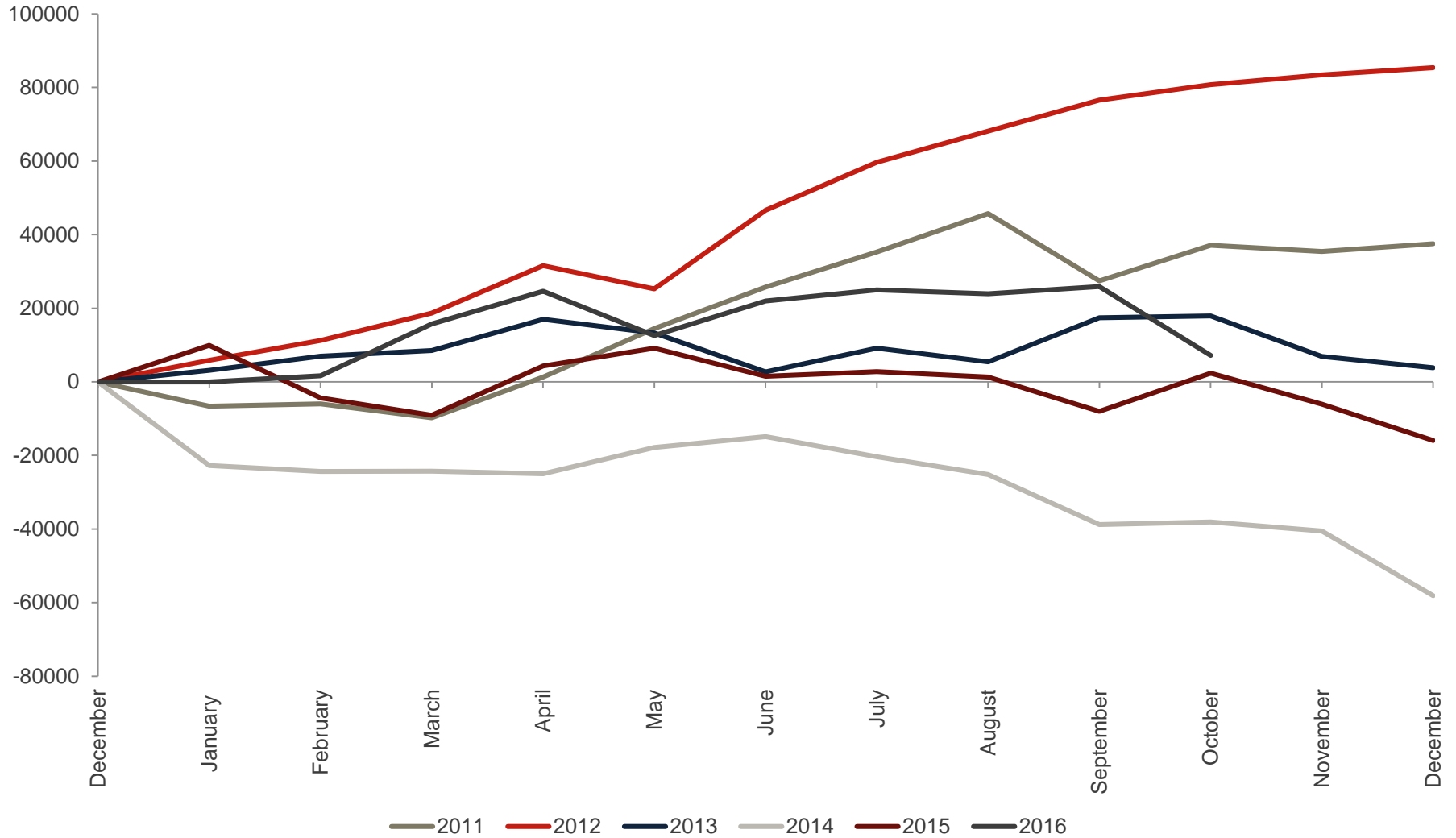
m



Source: INET BFA and Momentum Investments

Cumulative foreign transaction bonds 2011 to 2016

m



Source: INET BFA and Momentum Investments

End of key market performance drivers monthly charts for October 2016



Thank you

Disclaimer



1. Sources: Momentum Investments (Pty) Ltd, INET BFA, 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
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