

Key market performance drivers

Monthly charts

April 2017



Market returns concentration

One-year returns ending:

April-17

	NASPERS	
	SAPPI	
	STANDARD BANK GP	
	ANGLO	
Top 5	SHOPRIT	122%
Top 6	BRITISH AMERICAN TOBACCO	128%
	FIRSTRAND	
	NEDBANK	
	BARWORLD	
Top 10	MONDI LTD	143%
	TIGBRANDS	
	MONDI PLC	
	CAPITEC	
	CLICKS GROUP LTD	
	SANLAM	
	KAP INTERNATIONAL HLDGS	
	TELKOM SA SOC LTD	
	GROWTHPOINT PROPS	
	PSG	
Top 20	EXXARO	167%
Remaining	(Positive)	25%
Negative	(68 Shares)	-93%

March-17

	NASPERS	
	ANGLO	
	STANDARD BANK GP	
	BHPBILL	
Top 5	SAPPI	106%
Top 6	KUMBA IRON ORE	113%
	TIGBRANDS	
	BARWORLD	
	NEDBANK	
Top 10	CAPITEC	135%
	BRITISH AMERICAN TOBACCO	
	EXXARO	
	SHOPRIT	
	CLICKS GROUP LTD	
	GROWTHPOINT PROPS	
	TELKOM SA SOC LTD	
	PIONEER FOOD GROUP	
	MONDI PLC	
	PSG	
Top 20	MONDI LTD	169%
Remaining	(Positive)	43%
Negative	(58 Shares)	-112%

February-17

	ANGLO	
	NASPERS	
	STANDARD BANK GP	
	SANLAM	
Top 5	TIGBRANDS	53%
Top 6	BHPBILL	57%
	FIRSTRAND	
	KUMBA IRON ORE	
	SHOPRIT	
Top 10	NEDBANK	71%
	CAPITEC	
	BARWORLD	
	FOSCHINI GROUP (THE)	
	CLICKS GROUP LTD	
	SAPPI	
	IMPERIAL	
	BARCLAYS AFRICA GROUP	
	GROWTHPOINT PROPS	
	NORTHAM	
Top 20	PSG	92%
Remaining	(Positive)	36%
Negative	(39 Shares)	-29%

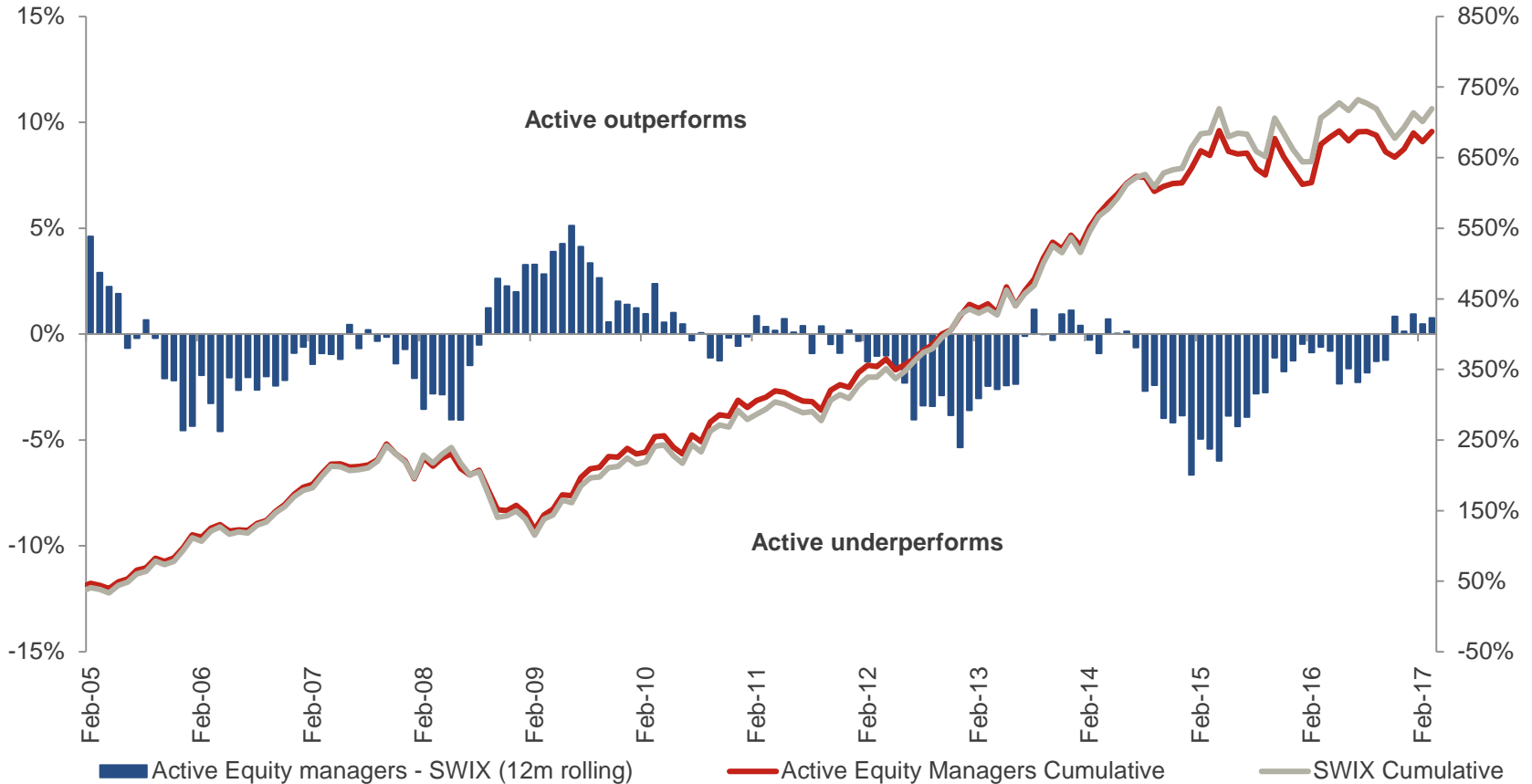
Market-cap weighted returns: 10 shares contributed 143% to the return of the SWIX, while 20 shares contributed 167%



Source: Barra, Deutsche Securities and Momentum Investments

Active-index analysis

One-year rolling active to March* 2017



Median of Active Equity Managers vs SWIX

The median of the active equity managers outperformed the SWIX for the year ended March 2017

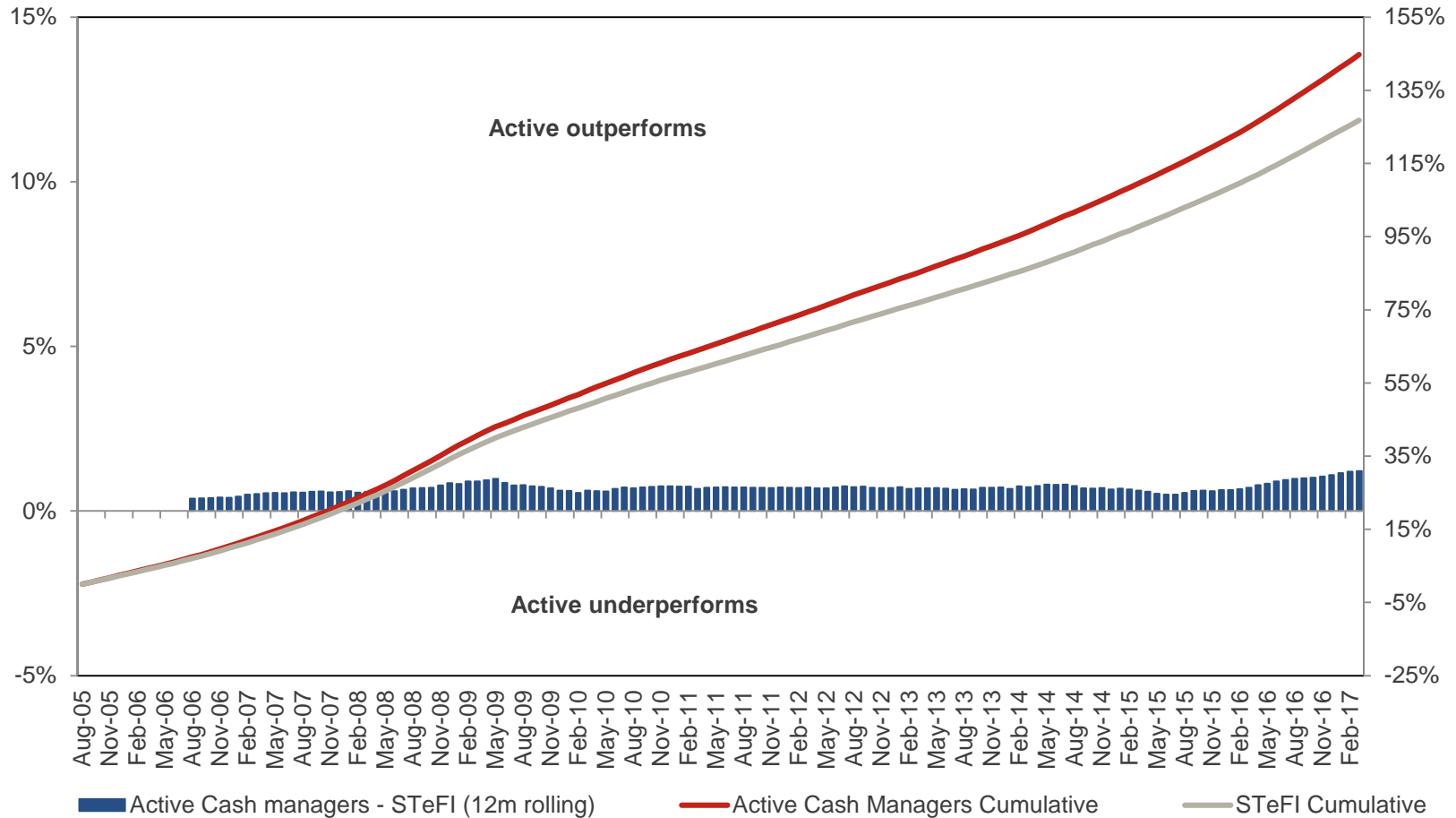
Source: Alexander Forbes SA Equity Manager Watch™, INET BFA and Momentum Investments

* Lagged by one month due to availability of data



Active versus tracker: Cash

One-year rolling average to March* 2017



Median of Active Money Market Managers vs SteFI

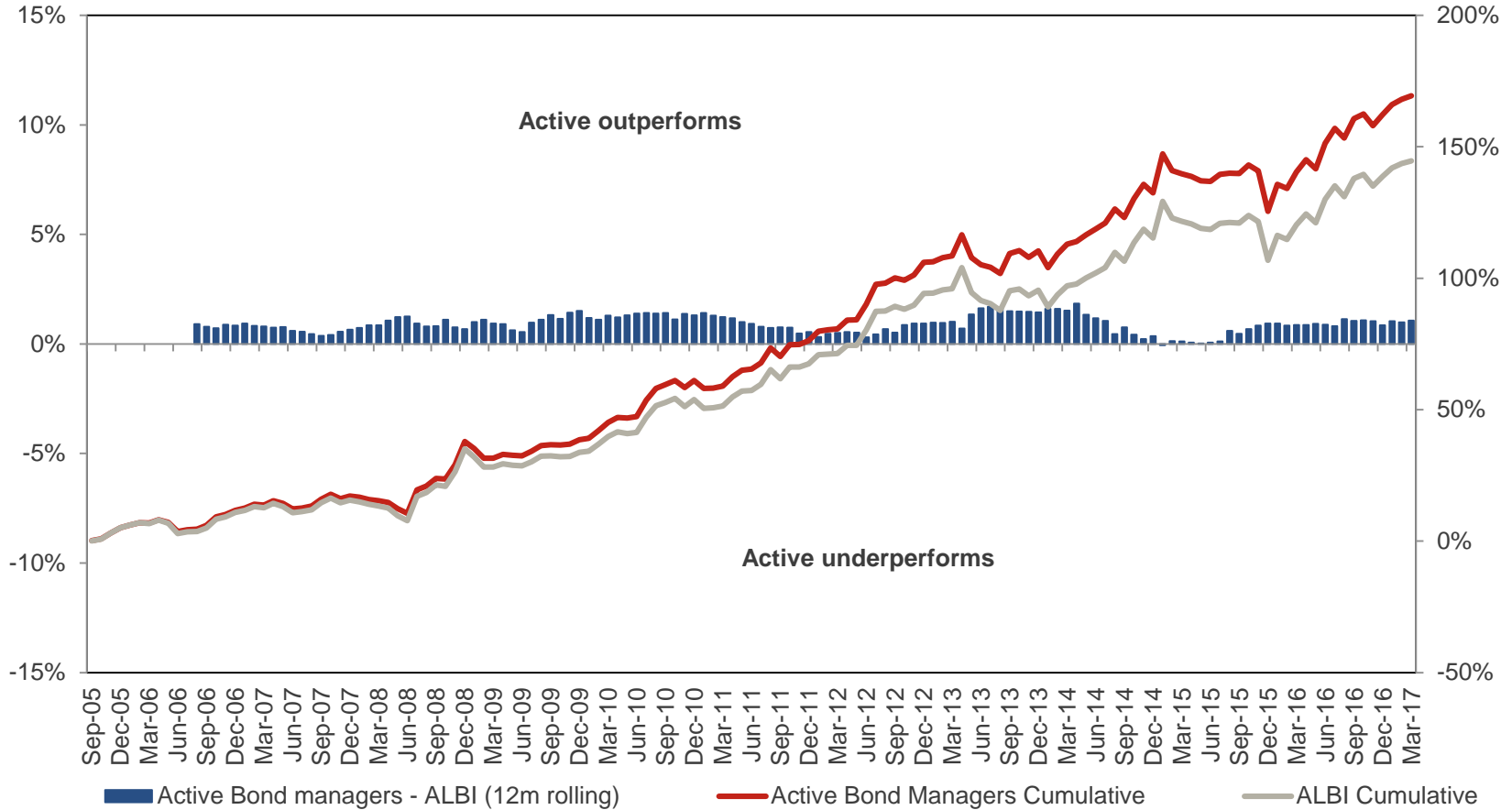
Source: Alexander Forbes SA Money Market Manager Watch™, INET BFA and Momentum Investments

* Lagged by one month due to availability of data



Active versus tracker: Bonds

One-year rolling average to March* 2017



Median of Active Bond Managers vs ALBI

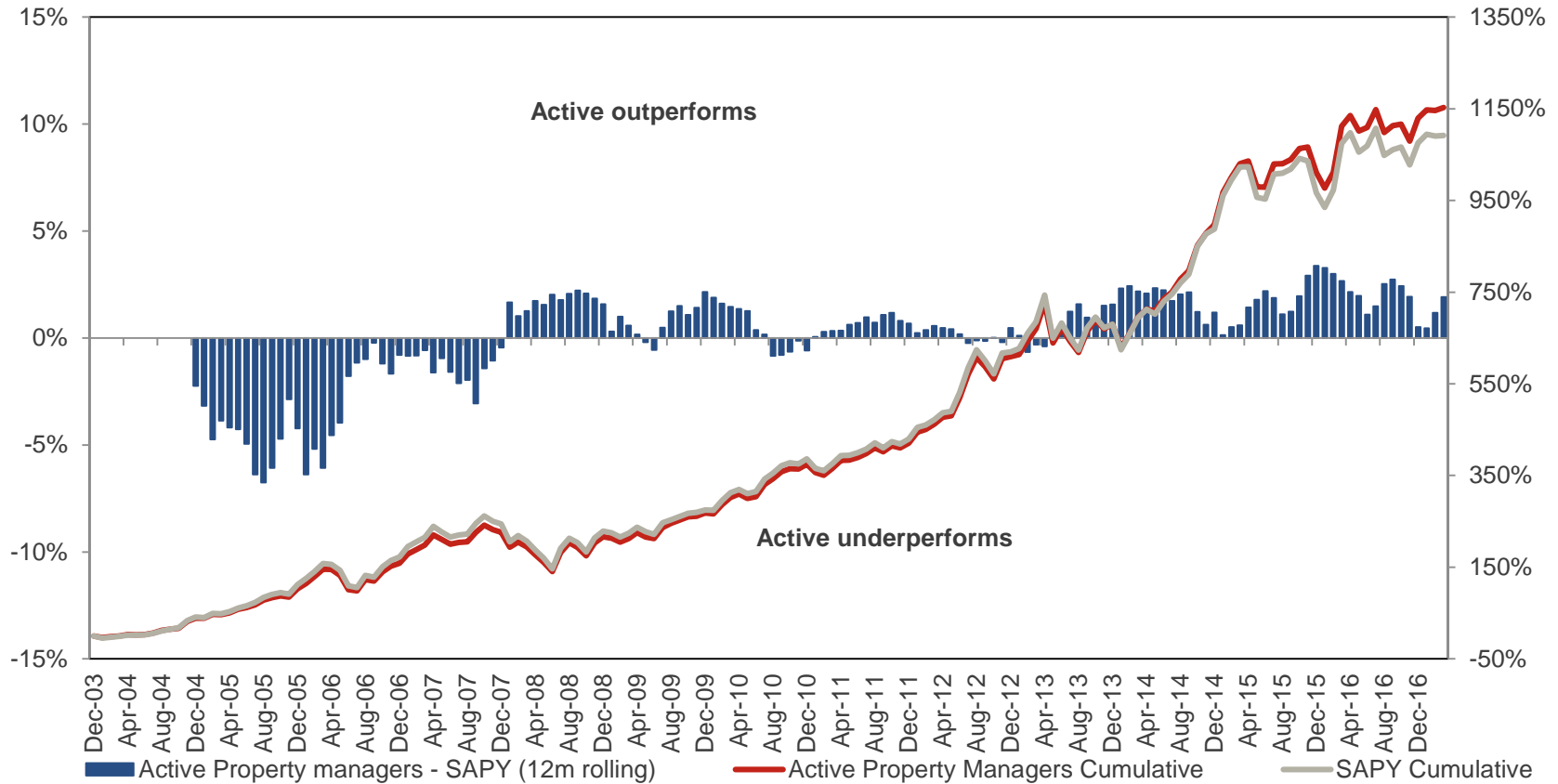
Source: Alexander Forbes SA Bond Manager Watch™, INET BFA and Momentum Investments

* Lagged by one month due to availability of data



Active versus tracker: Property

One-year rolling average to March* 2017



Median of Active Property Managers vs SAPY

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

* Lagged by one month due to availability of data



Style returns for South Africa

Data to April 2017

ZAR	Styles	One month to April 2017	Three months to April 2017	One year to April 2017	Three years to April 2017	Five years to April 2017	Ten years to April 2017	Twenty years to April 2017
Value	Book to Price	-3.81	-1.64	5.51	-0.02	-2.69	-1.83	2.61
	Dividend Yield	-2.21	-0.62	5.87	3.06	-0.79	2.36	4.63
	Earnings Yield	-2.39	-0.81	6.57	-0.50	-0.68	-0.25	2.87
	Cash Flow Yield	-1.49	-0.78	11.95	0.69	1.39	0.28	3.69
	Sales to Price	-2.52	-0.67	4.10	-1.21	-2.67	-1.60	2.67
Quality	ROE	0.37	1.27	-4.97	-2.35	-1.87	0.40	-1.93
	ROIC LT	-0.54	-2.33	2.81	-1.26	-0.52	-0.26	-2.27
	Income to Sales	-1.31	-3.08	-4.72	-1.99	0.35	0.64	-1.09
	Low market beta	1.11	0.17	1.75	6.81	5.79	-1.61	1.68
	Low Debt/Equity	-1.03	-3.31	4.00	-2.08	-0.98	-2.31	-1.29
	EBIT Margin Stability	4.99	1.14	2.70	5.26	4.22	4.74	-0.69
Growth	Earnings Growth	-0.88	0.01	5.16	0.92	0.29	-1.52	-1.05
	Sales Growth	4.22	2.36	5.28	0.64	1.68	1.41	0.28
	12M Earning Growth	-0.31	-2.11	-6.35	-3.20	-4.33	0.87	5.34
Momentum	FY1 Earnings Revisions	-0.68	-1.53	-5.61	4.90	4.17	9.47	7.92
	Short Term Momentum	-1.17	-2.02	-8.76	2.97	2.51	-0.09	-1.19
	Medium Term Momentum	-1.78	-2.17	-7.76	2.44	5.21	3.99	6.57
Size	Size	3.34	2.30	-4.25	-2.55	-1.97	0.65	-0.70

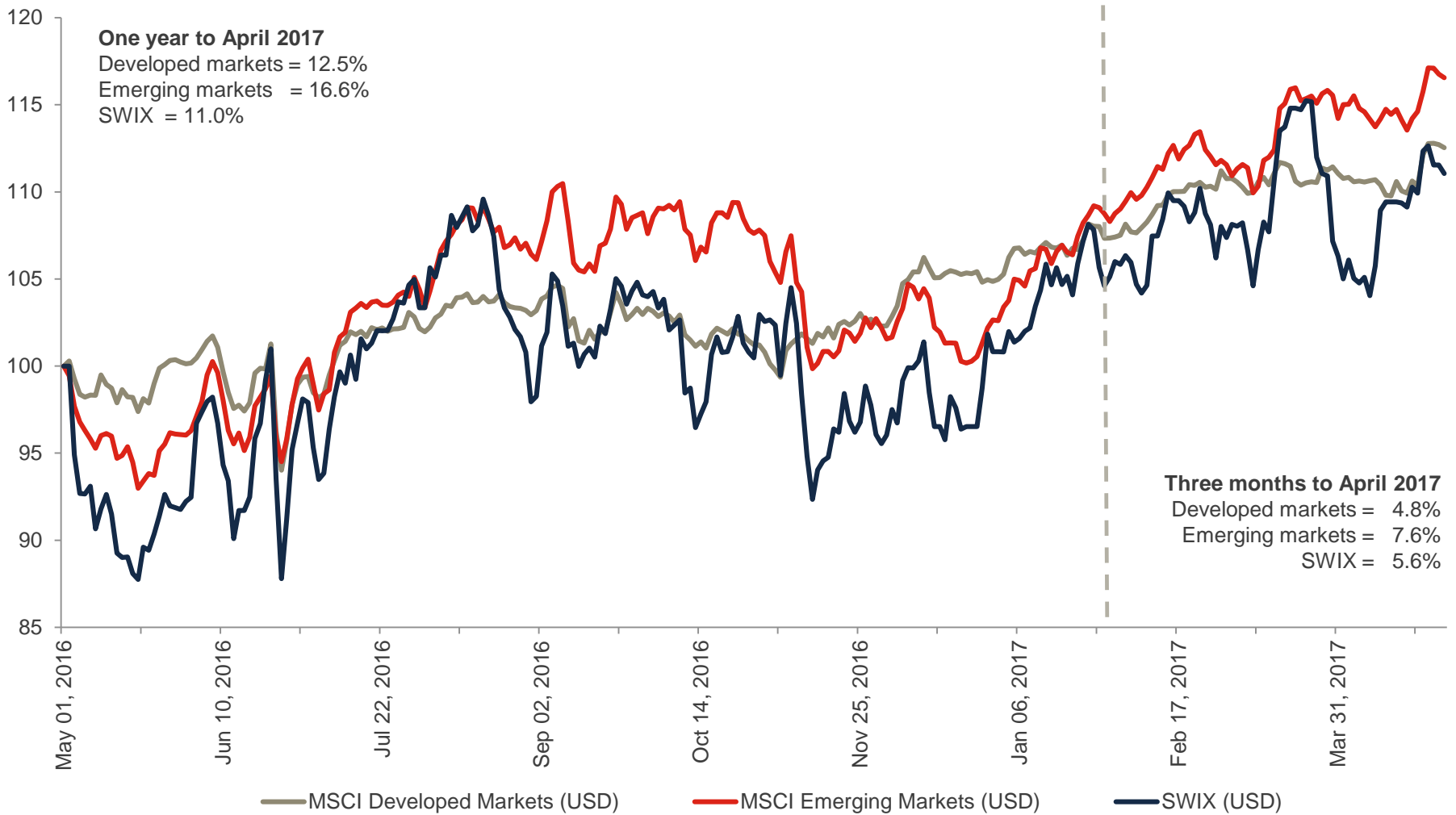
The size factor had strong returns for the shorter term. Overall, the various Momentum factors are strong in the longer term especially FY1 Earnings Revisions and Medium Term Momentum.

Source: FactSet , Momentum Global Investment Management and Momentum Investments



MSCI developed and emerging markets

One year to April 2017

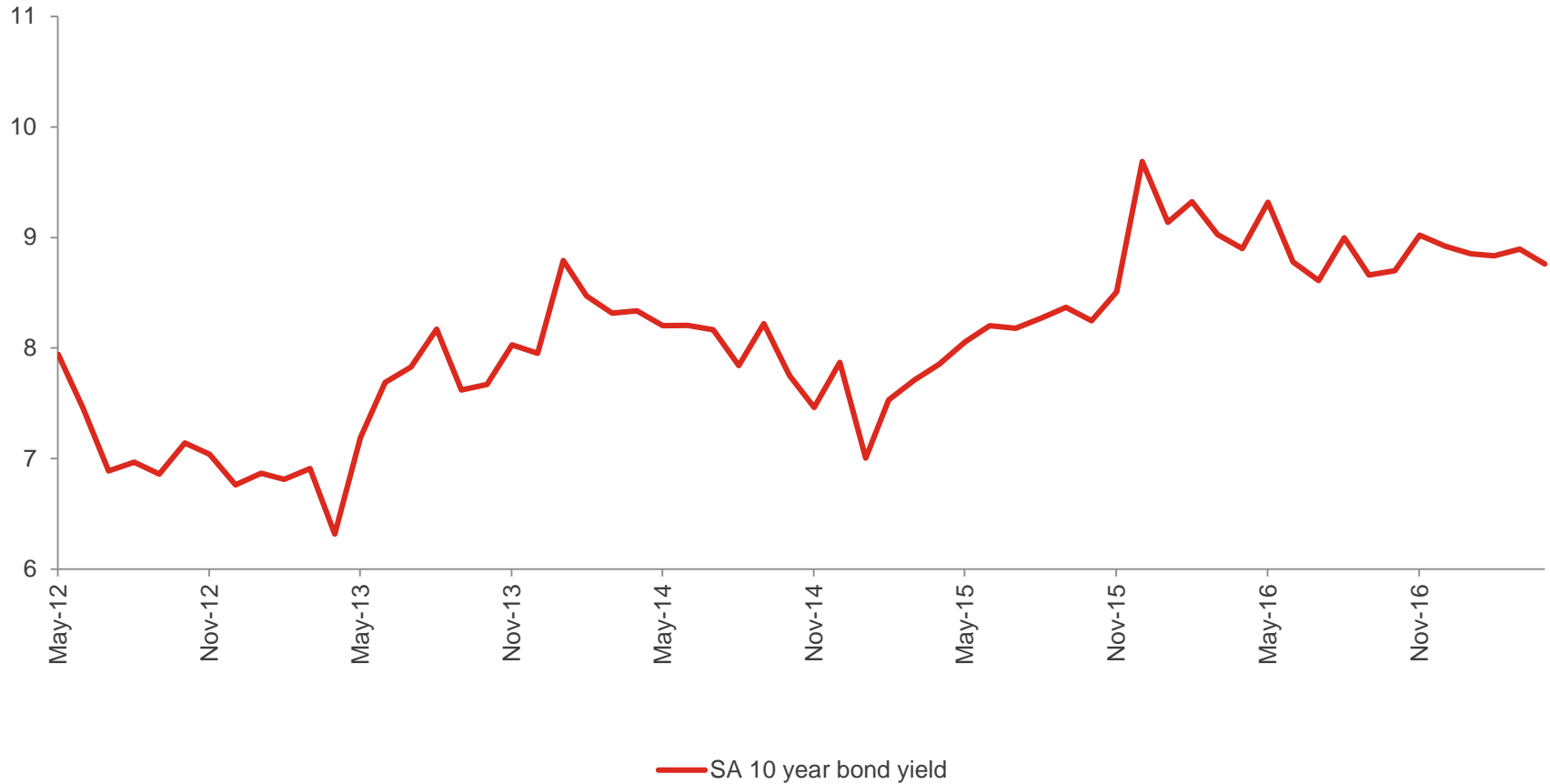


Source: INET BFA, MSCI and Momentum Investments



SA 10-year bond yields

Five years to April 2017



SA 10-year bond yields decreased marginally for April 2017

Source: INET BFA and Momentum Investments



Yield of R197 (inflation-linked bond)

Since May 2001 to April 2017



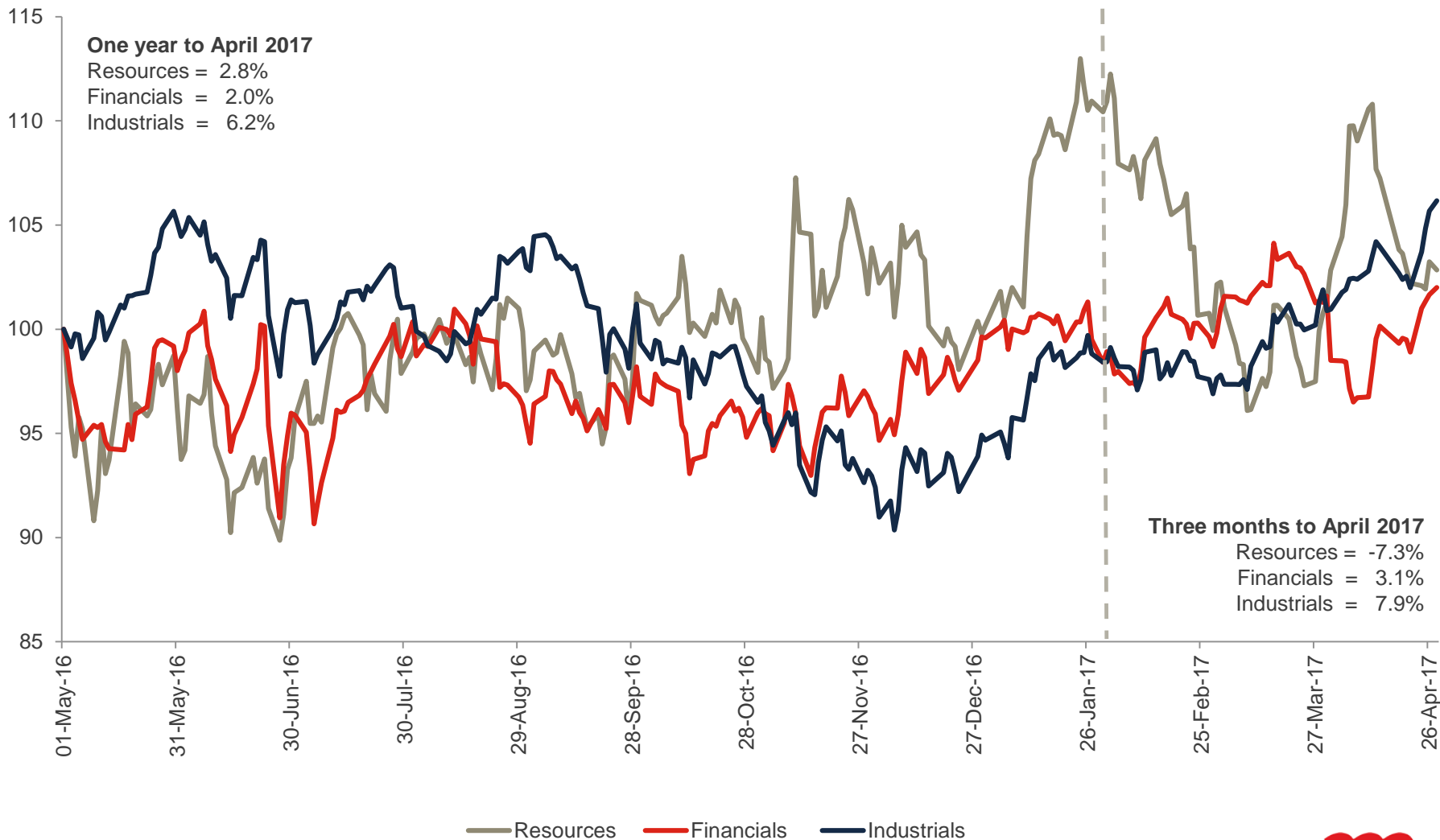
Inflation-linked bond yields were 9 bps lower for April 2017

Source: INET BFA and Momentum Investments



FTSE/JSE sectors

One year to April 2017

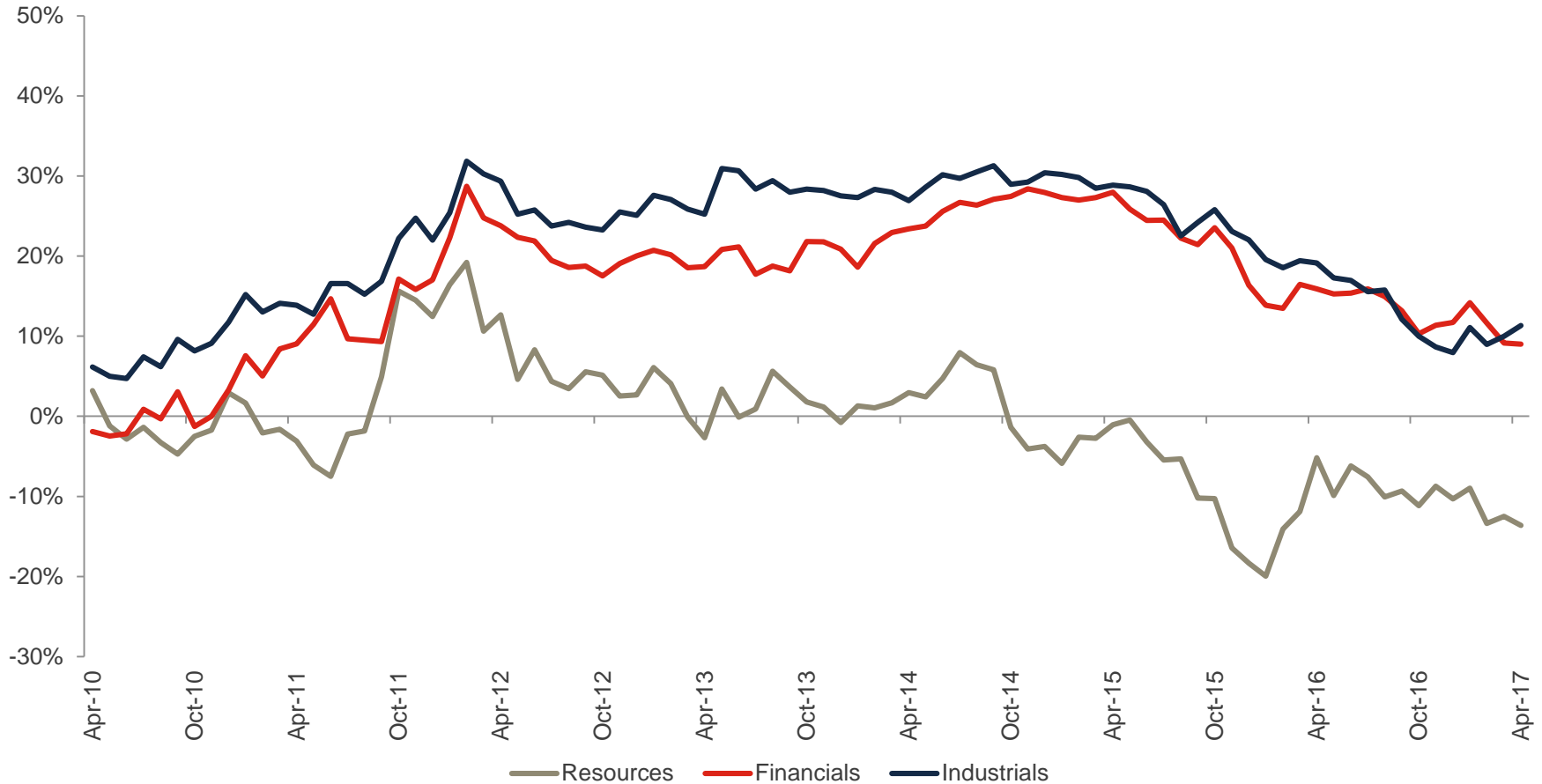


Source: INET BFA and Momentum Investments



FTSE/JSE sectors

Rolling three-year return to April 2017



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

Source: INET BFA and Momentum Investments

Returns are annualised



FTSE/JSE sectors

Decomposed

Three months to April 2017

1	Media	Consumer Services	18.7%	19	Fixed Line Telecommunications	Telecommunication	1.6%
2	Forestry & Paper	Basic Materials	17.8%	20	General Industrials	Industrials	1.4%
3	Equity Investment Instruments	Financials	14.1%	21	Real Estate Investment & Services	Financials	1.4%
4	Food & Drug Retailers	Consumer Services	12.7%	22	General Retailers	Consumer Services	1.2%
5	Tobacco	Consumer Goods	12.5%	23	Construction & Materials	Industrials	1.1%
6	Coal Mining	Mining	11.2%	24	Industrial Transportation	Industrials	0.8%
7	Support Services	Industrials	7.9%	25	Food Producers	Consumer Goods	-0.1%
8	Automobiles & Parts	Consumer Goods	7.2%	26	Electronic & Electrical Equipment	Industrials	-2.4%
9	Personal Goods	Consumer Goods	6.8%	27	Travel & Leisure	Consumer Services	-5.1%
10	Household Goods	Consumer Goods	5.8%	28	Health Care Equipment & Services	Health Care	-6.4%
11	Non-life Insurance	Financials	5.2%	29	Pharmaceuticals & Biotechnology	Health Care	-8.3%
12	Life Insurance	Financials	4.5%	30	Gold Mining	Mining	-8.4%
13	Chemicals	Basic Materials	3.8%	31	Industrial Engineering	Industrials	-9.7%
14	Mobile Telecommunications	Telecommunication	3.1%	32	Beverages	Consumer Goods	-10.1%
15	Banks	Financials	2.5%	33	Platinum Mining	Mining	-11.7%
16	Real Estate Investment Trusts	Financials	2.2%	34	General Mining	Mining	-15.5%
17	General Financial	Financials	2.1%	35	Industrial Metals	Basic Materials	-16.8%
18	Software & Computer Services	Technology	1.9%				

Key

Resources

Financials

Industrials

Source: Barra, Deutsche Securities and Momentum Investments



FTSE/JSE sectors

Decomposed

One year to Apr 2017

1	Fixed Line Telecommunications	Telecommunication	40.3%	19	Food & Drug Retailers	Consumer Services	3.5%
2	Forestry & Paper	Basic Materials	37.1%	20	Real Estate Investment Trusts	Financials	-0.9%
3	Coal Mining	Mining	33.2%	21	Construction & Materials	Industrials	-1.5%
4	Media	Consumer Services	30.1%	22	Industrial Engineering	Industrials	-2.4%
5	Industrial Metals	Basic Materials	23.2%	23	Life Insurance	Financials	-2.5%
6	Personal Goods	Consumer Goods	22.0%	24	Chemicals	Basic Materials	-6.0%
7	Banks	Financials	18.5%	25	General Retailers	Consumer Services	-6.4%
8	Software & Computer Services	Technology	15.6%	26	Electronic & Electrical Equipment	Industrials	-6.9%
9	Non-life Insurance	Financials	12.9%	27	Mobile Telecommunications	Telecommunication	-9.5%
10	General Mining	Mining	12.6%	28	General Financial	Financials	-11.6%
11	General Industrials	Industrials	12.6%	29	Pharmaceuticals & Biotechnology	Health Care	-14.1%
12	Food Producers	Consumer Goods	11.9%	30	Real Estate Investment & Services	Financials	-16.1%
13	Support Services	Industrials	9.4%	31	Household Goods	Consumer Goods	-20.8%
14	Equity Investment Instruments	Financials	7.2%	32	Health Care Equipment & Services	Health Care	-20.9%
15	Tobacco	Consumer Goods	6.9%	33	Platinum Mining	Mining	-23.0%
16	Automobiles & Parts	Consumer Goods	6.2%	34	Beverages	Consumer Goods	-23.4%
17	Travel & Leisure	Consumer Services	5.7%	35	Gold Mining	Mining	-35.1%
18	Industrial Transportation	Industrials	3.6%				

Key

Resources

Financials

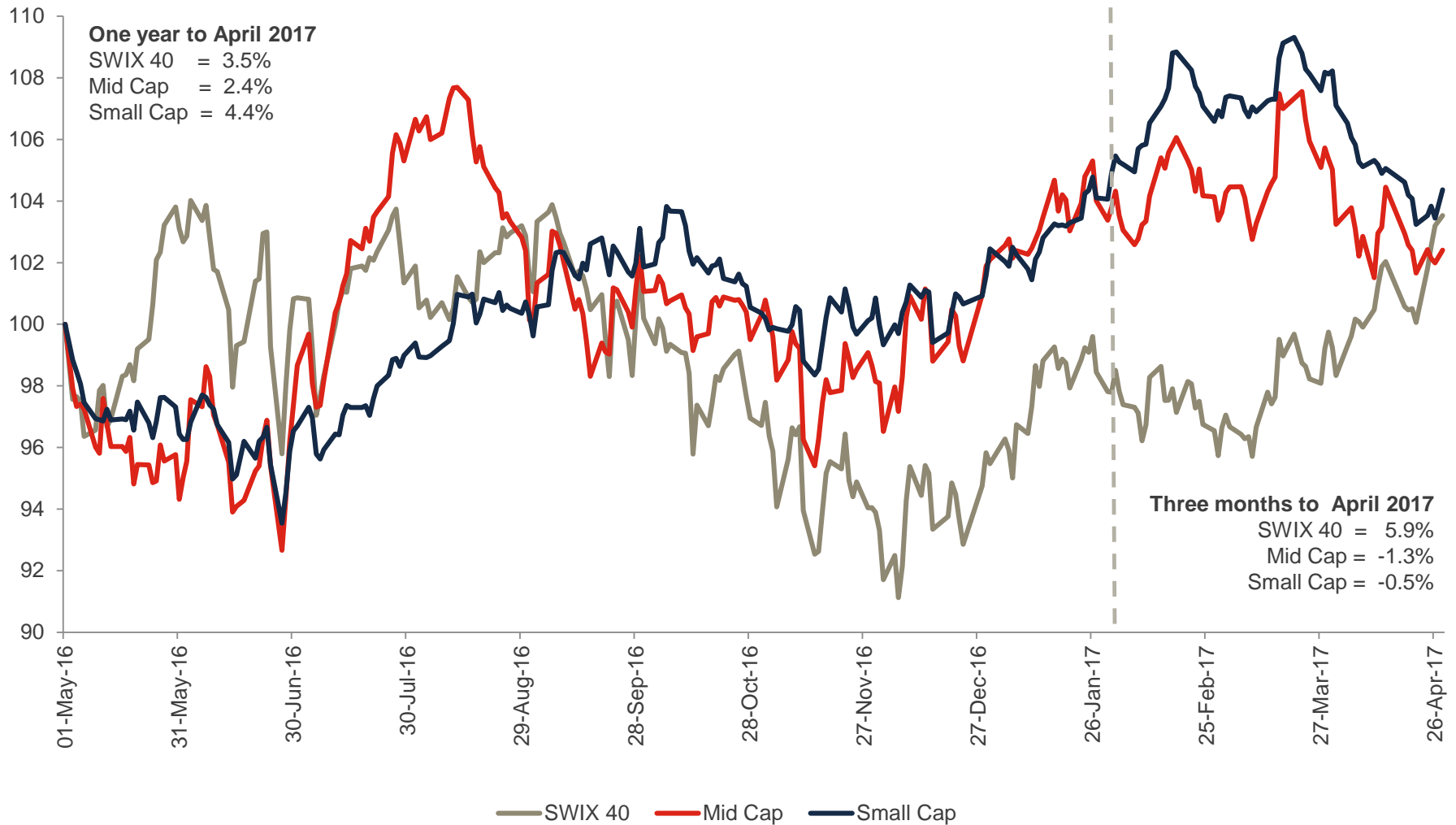
Industrials

Source: Barra, Deutsche Securities and Momentum Investments



FTSE/JSE market caps

One year to April 2017

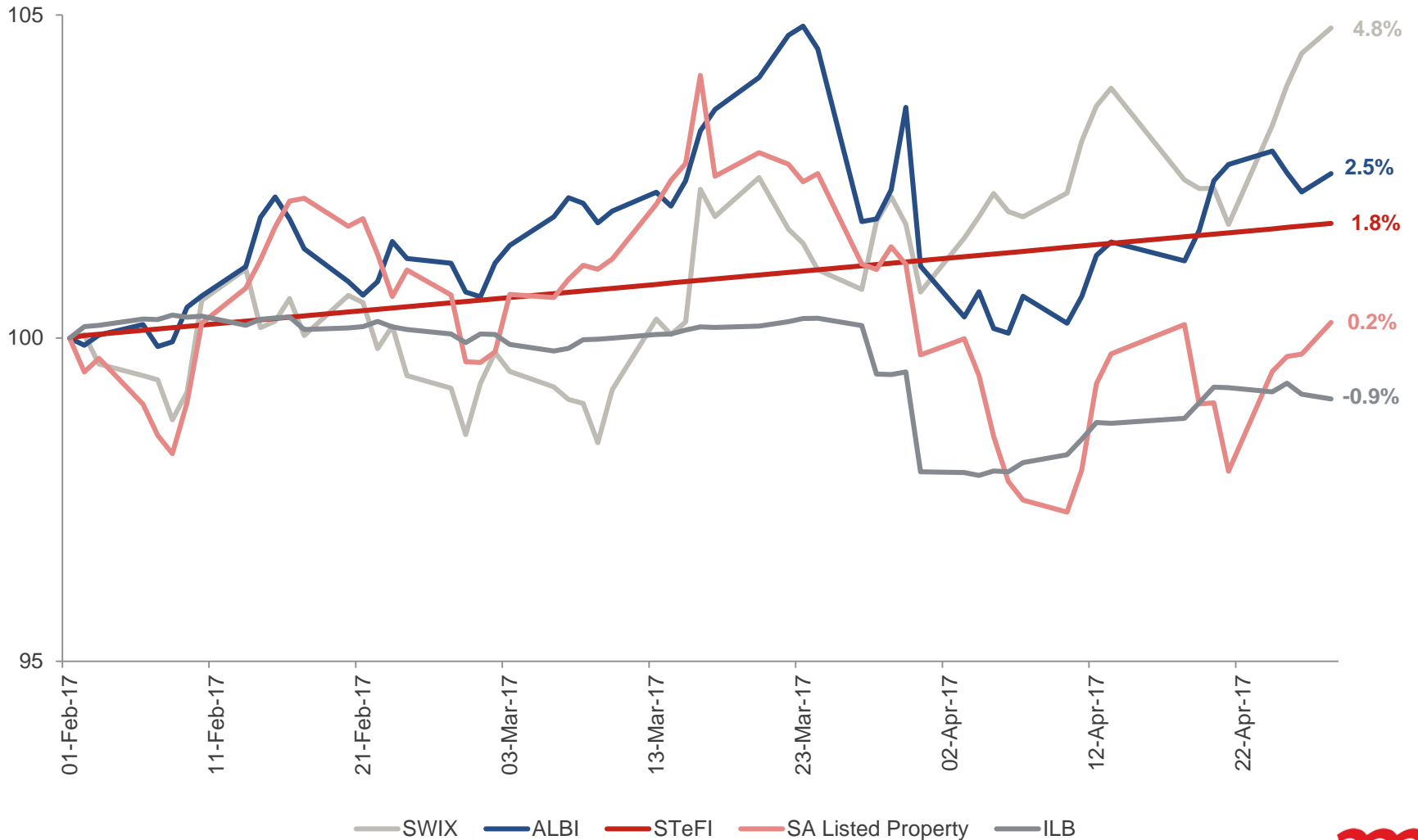


Source: INET BFA and Momentum Investments



Local asset classes

Three months to April 2017

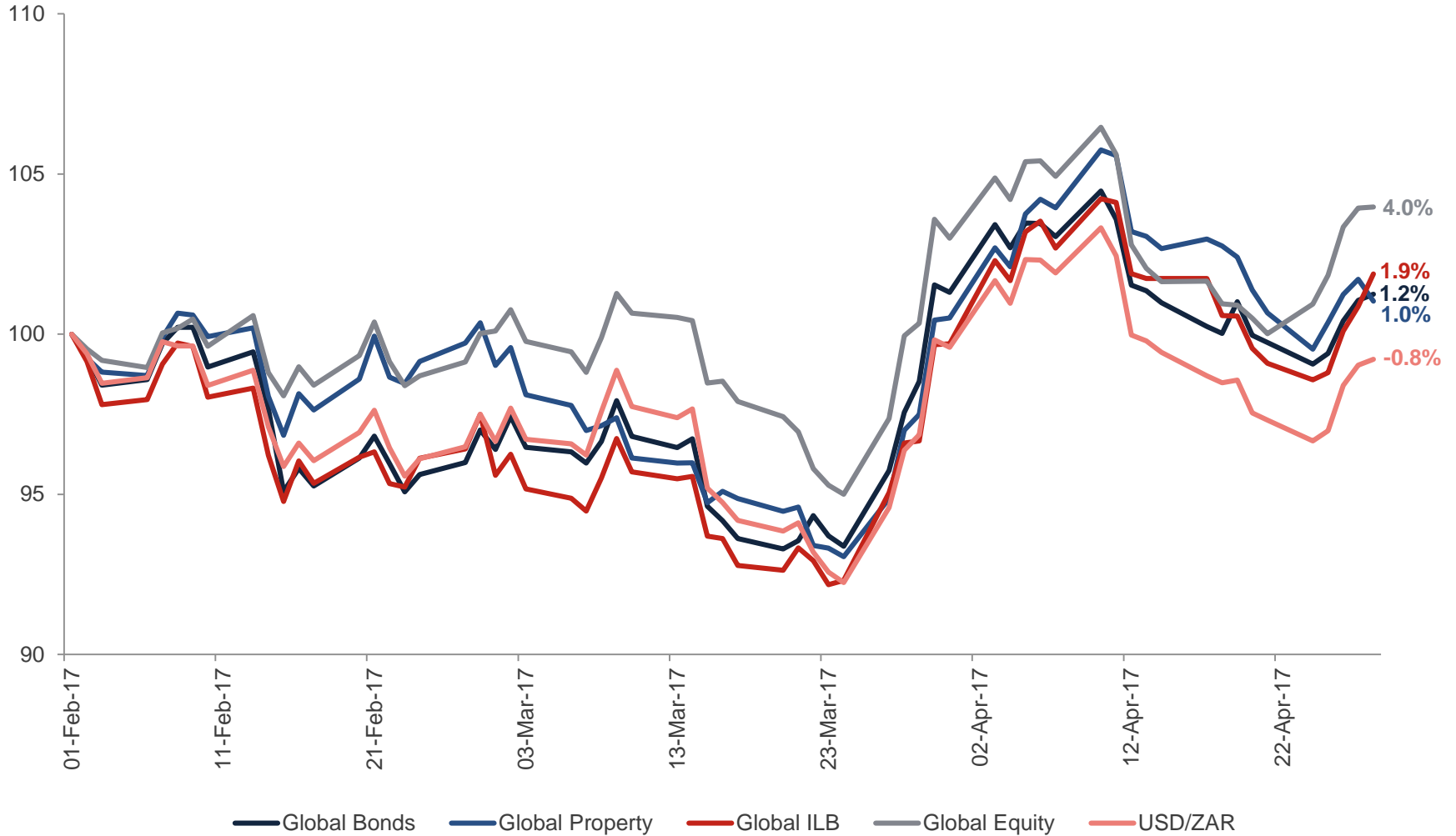


Source: INET BFA and Momentum Investments



Global asset classes

Three months to April 2017

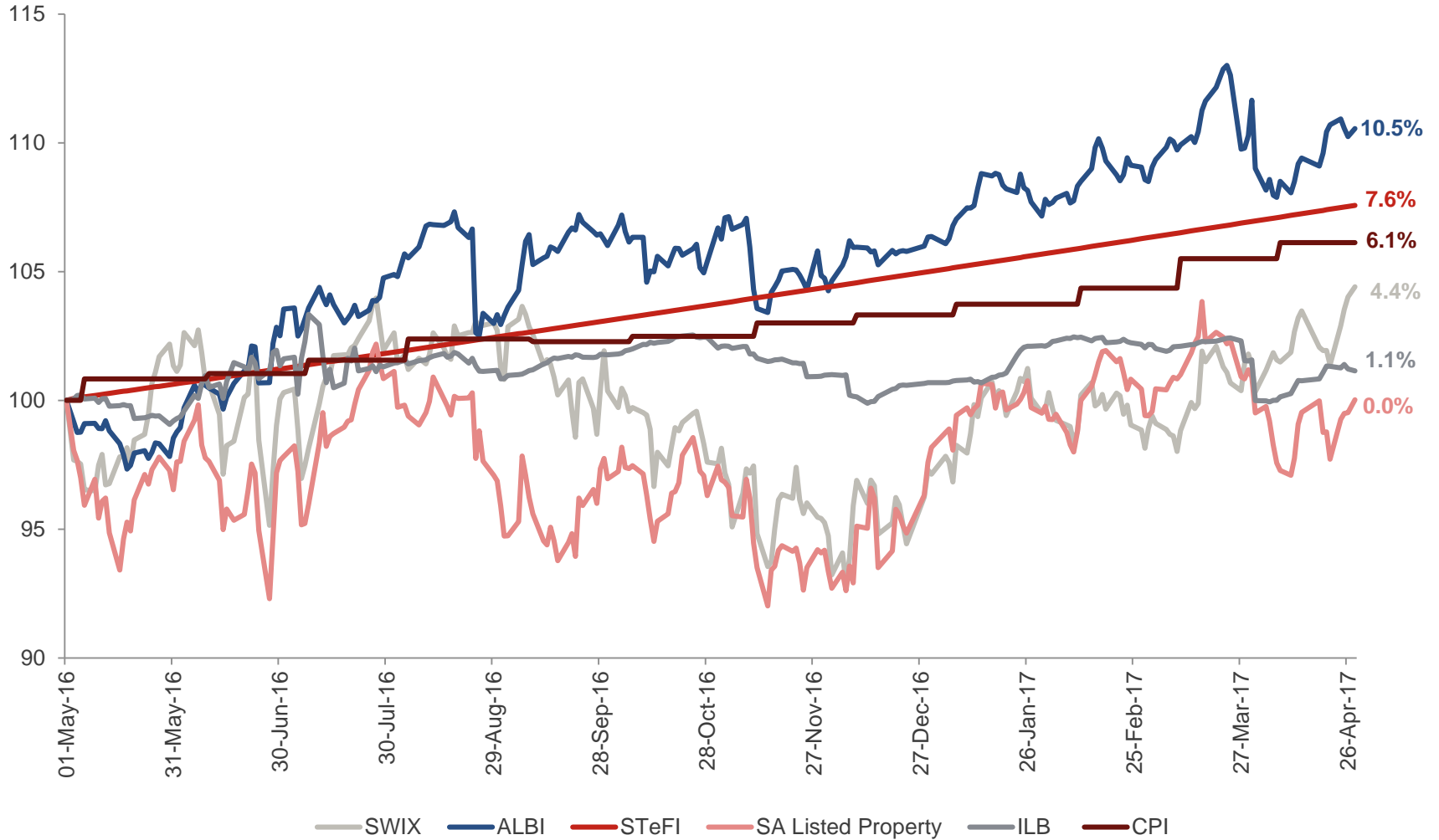


Source: INET BFA and Momentum Investments



Local asset classes

One year to April 2017



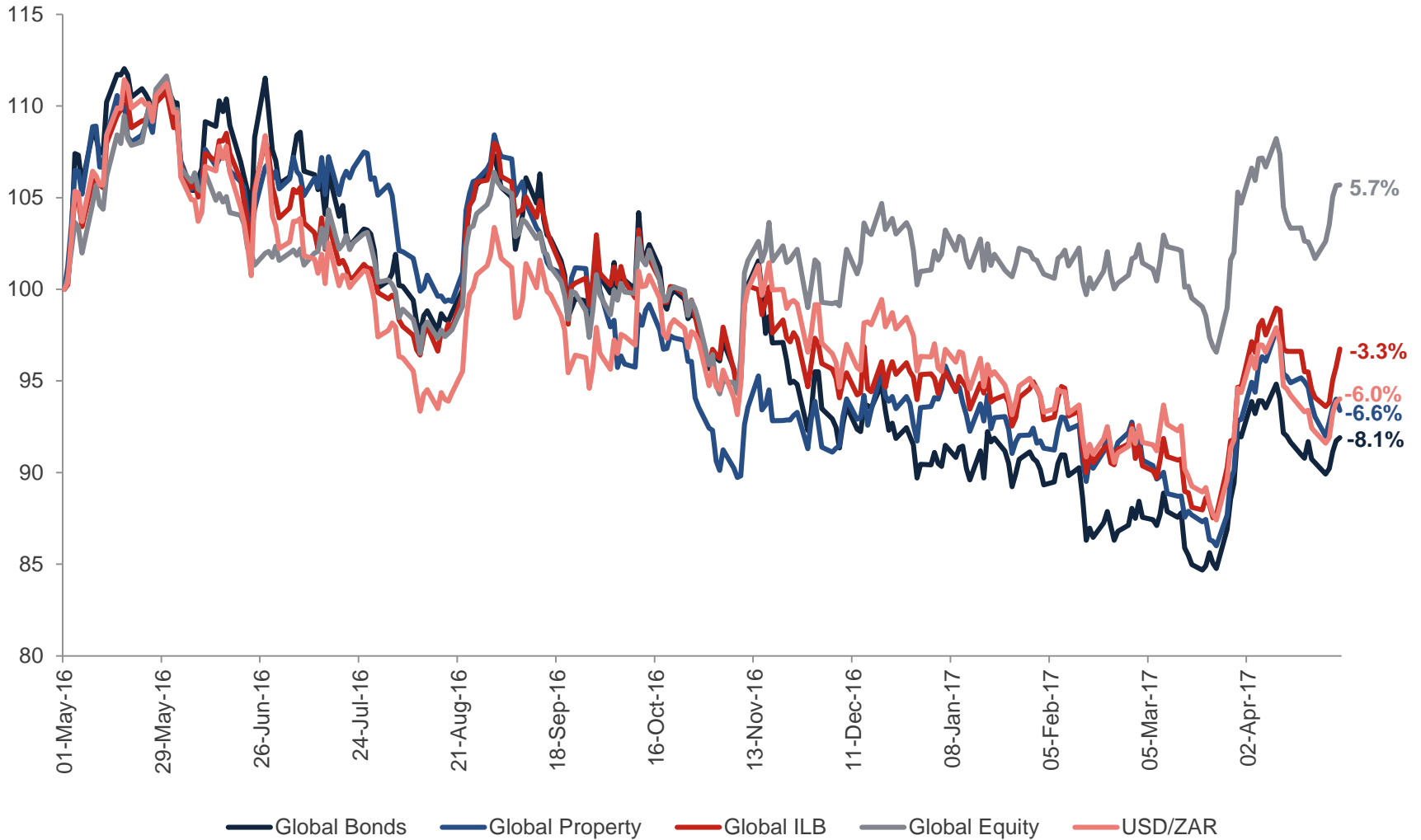
Source: INET BFA and Momentum Investments

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



Global asset classes

One year to April 2017



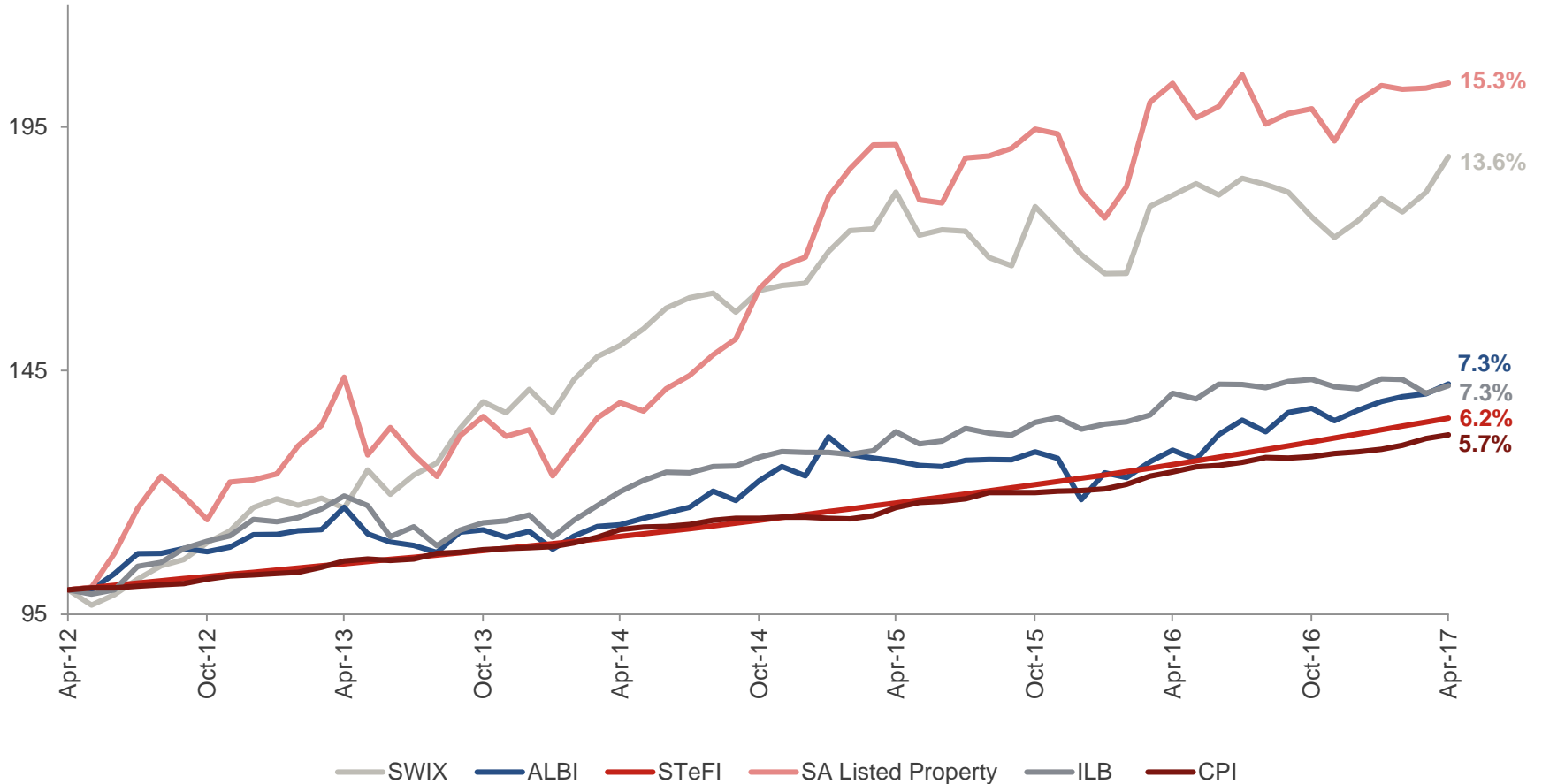
Source: INET BFA and Momentum Investments

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



Local asset classes

Five years to April 2017



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 5.7%).

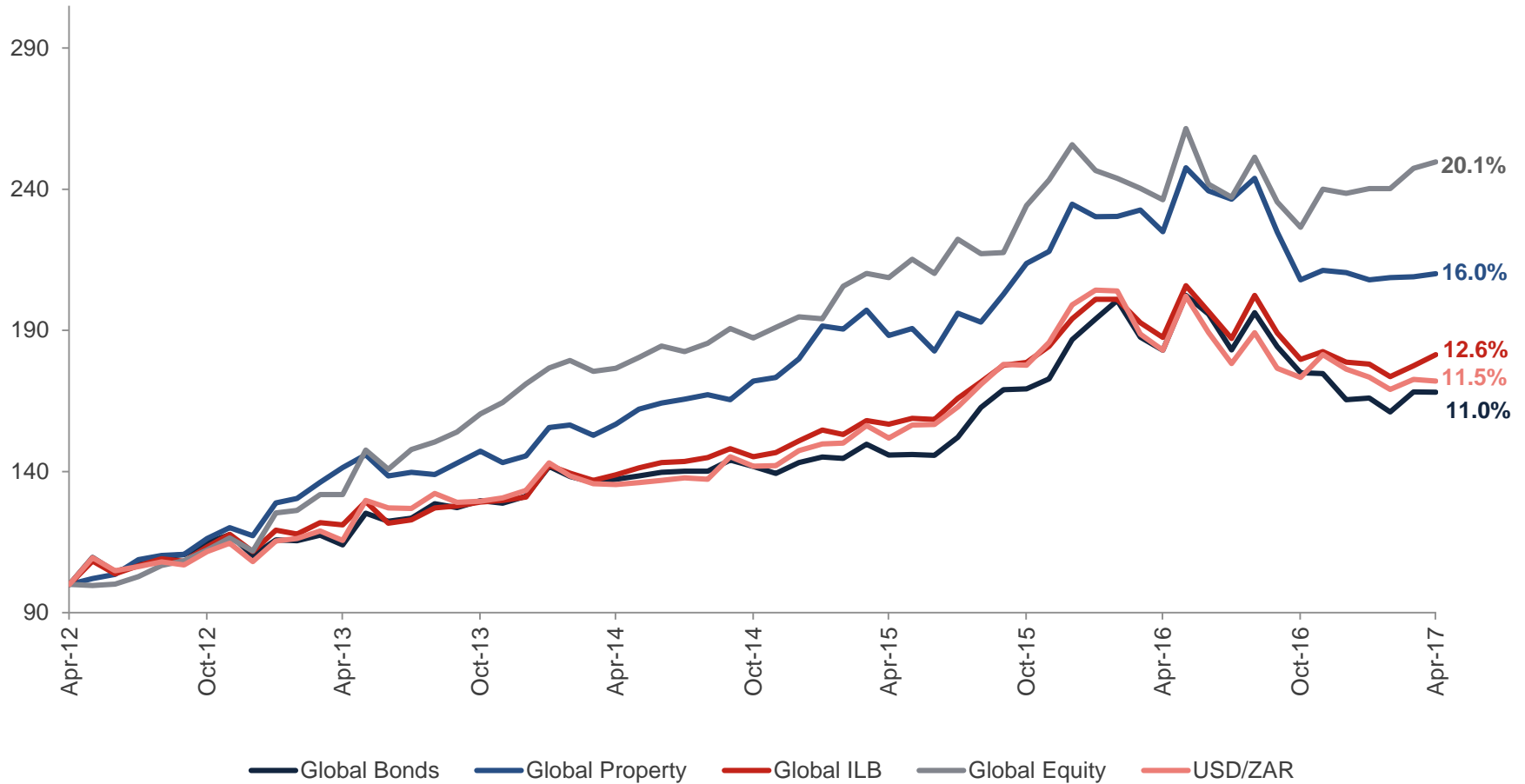
Source: INET BFA and Momentum Investments

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



Global asset classes

Five years to April 2017



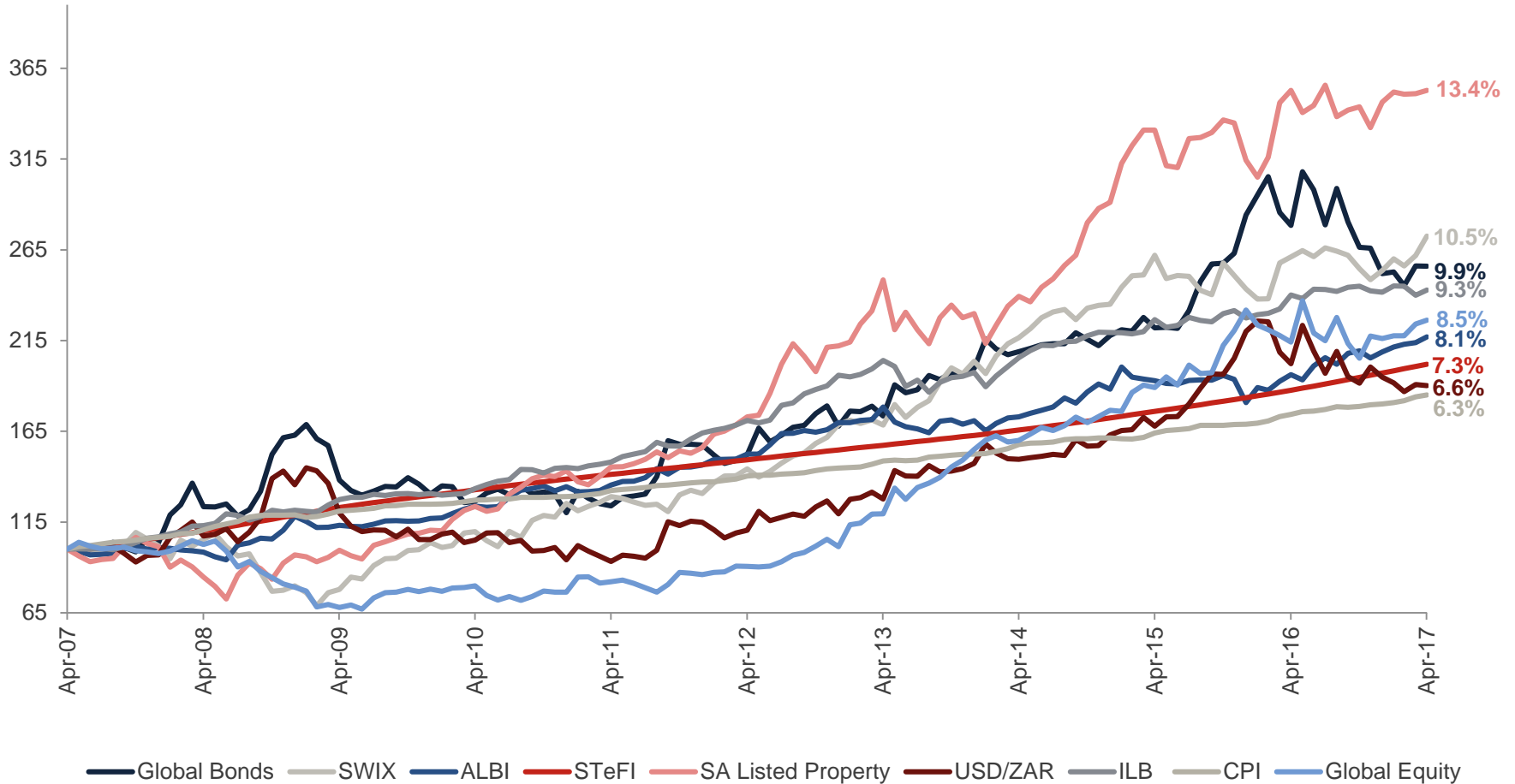
Global equity had the best return for the five-year period, with 20.1%, followed by global property with 16.0%

Source: INET BFA and Momentum Investments



Asset classes

Ten years to April 2017



For the 10-year period to April 2017, the FTSE/JSE SA Listed Property continued to outperform, followed by the SWIX and global bonds

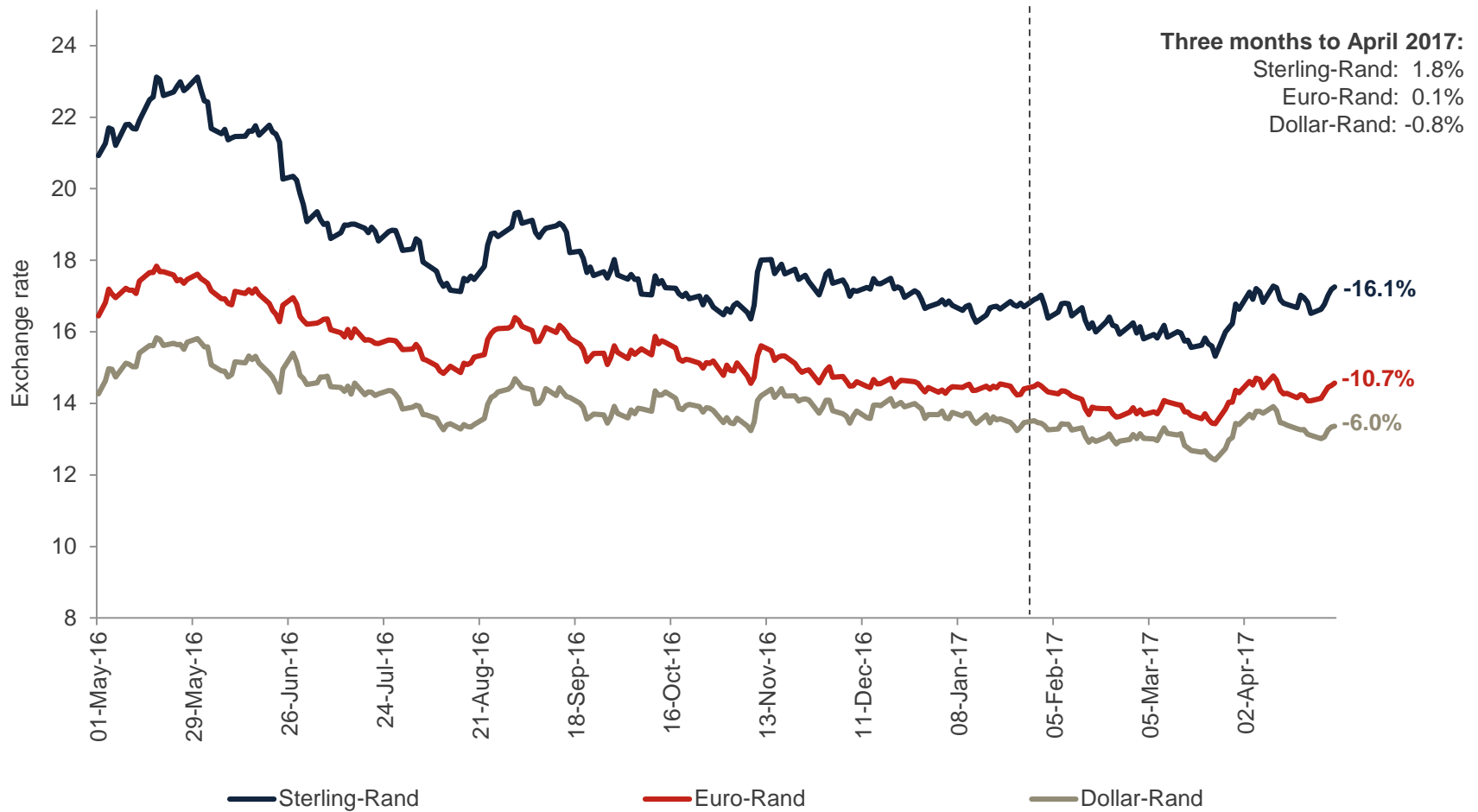
Source: INET BFA and Momentum Investments

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



Exchange rates

One year to April 2017



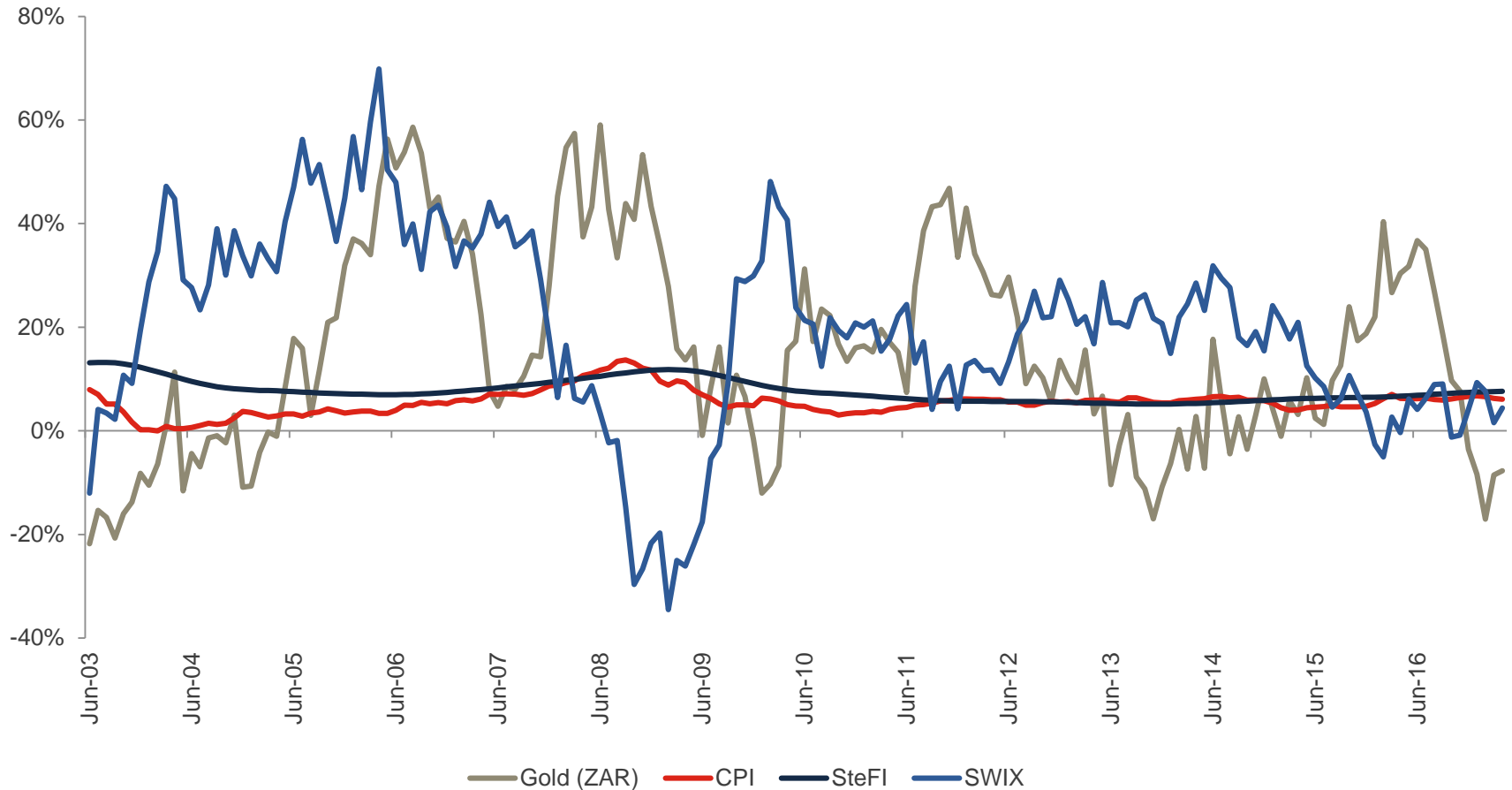
The rand appreciated against all currencies for the one-year period

Source: INET BFA and Momentum Investments



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

One-year rolling returns to April 2017



Returns from the equities for the one-year rolling period are showing their diversification benefits compared with the gold price in rand

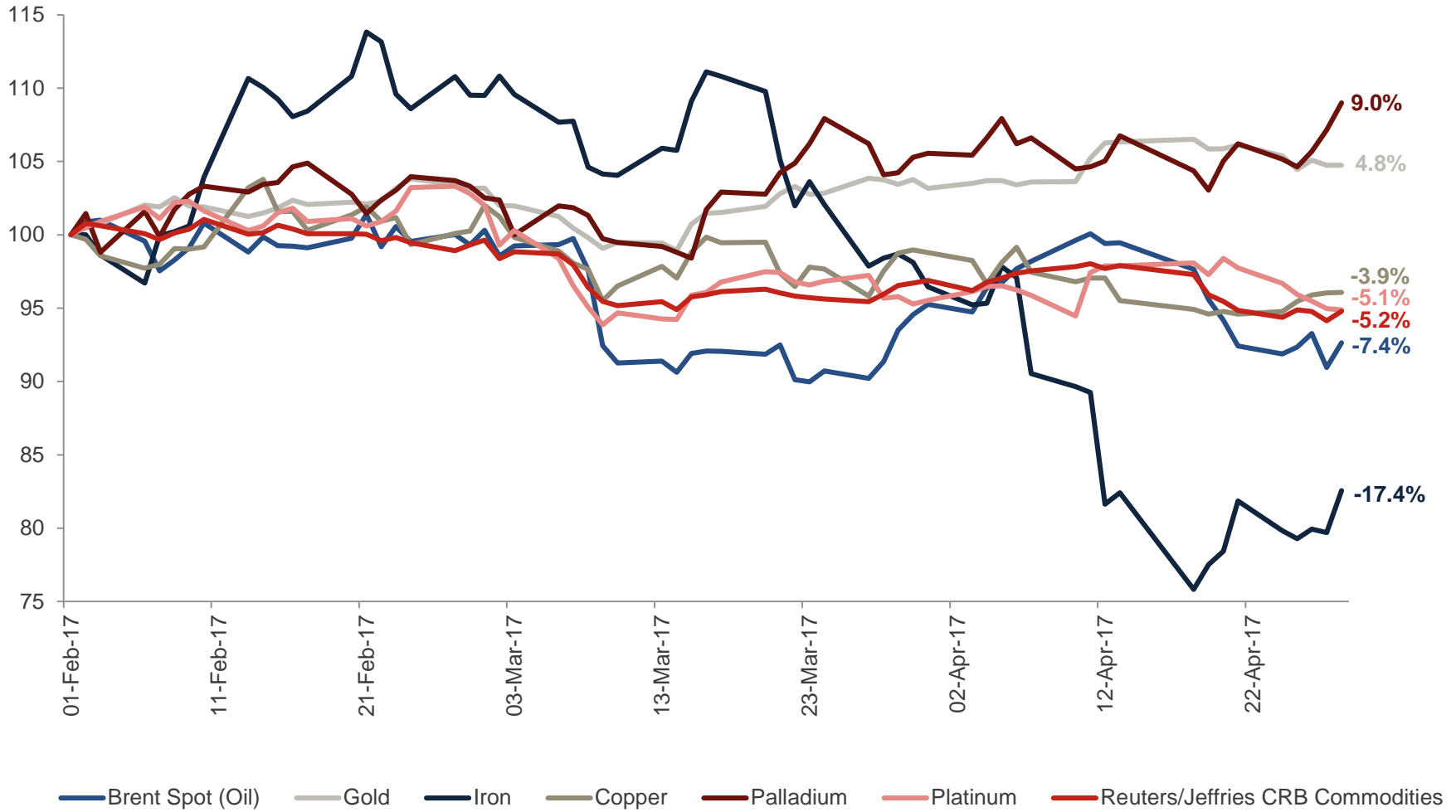
Source: INET BFA and Momentum Investments

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



Commodities

Three months to April 2017



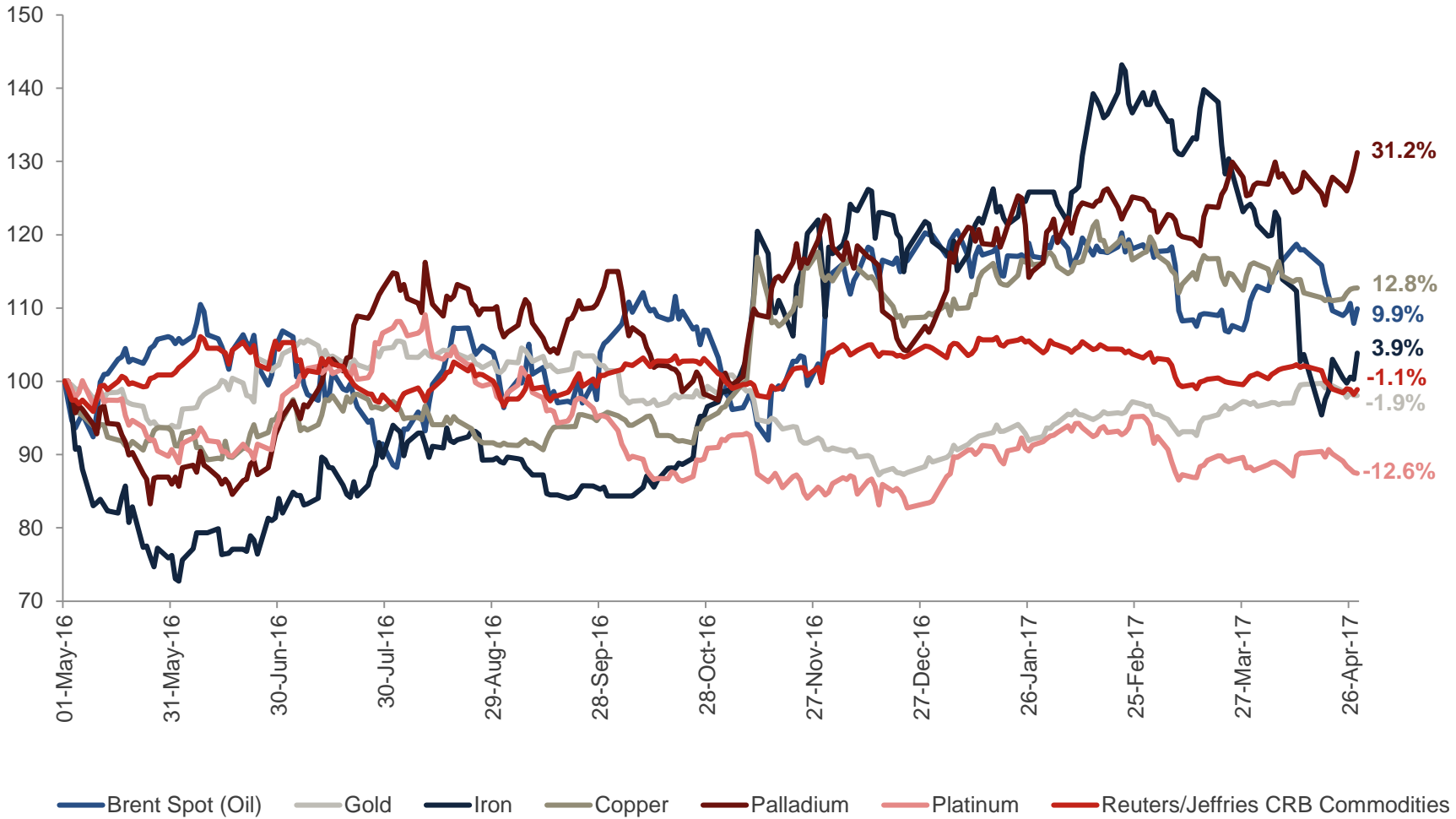
Source: INET BFA, FT.com and Momentum Investments

All returns in dollar terms



Commodities

One year to April 2017



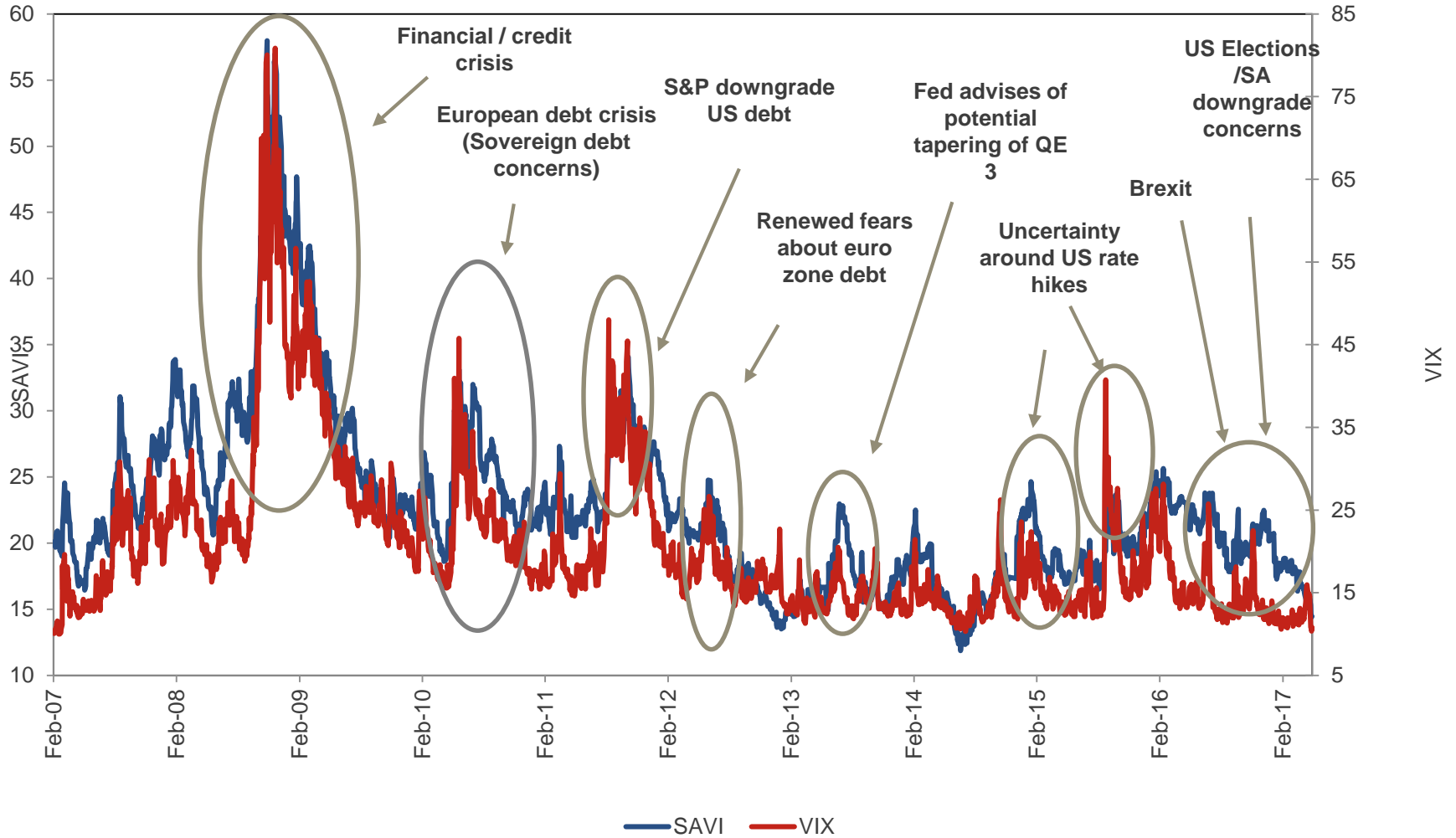
Source: INET BFA, FT.com and Momentum Investments

All returns in dollar terms



SAVI-VIX

Since February 2007 to April 2017

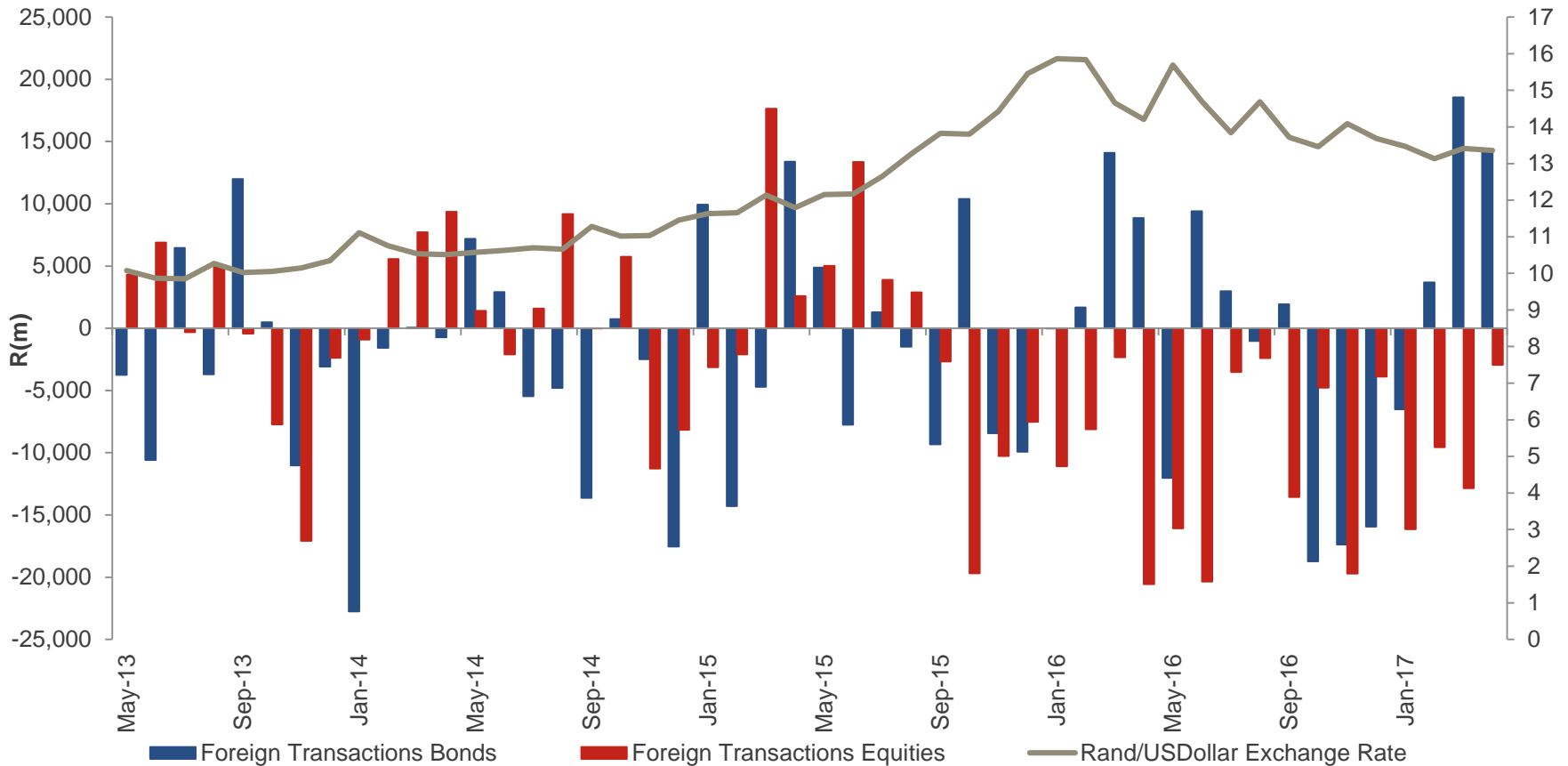


Source: INET BFA and Momentum Investments



Foreign transactions

2013 to 2017



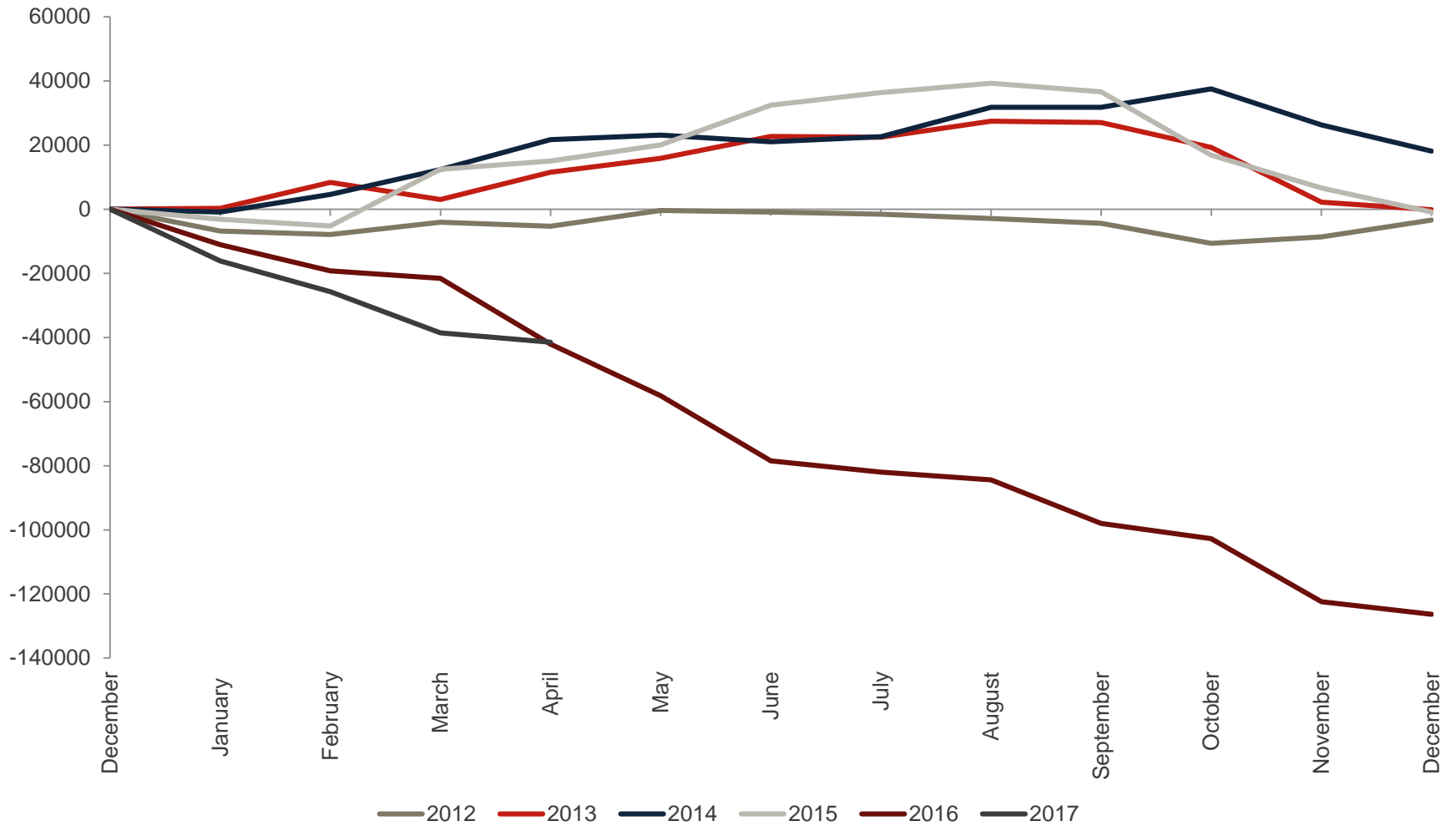
There have been mixed results over the years. However, for April 2017 net outflows have taken place for equities and net inflows for bonds.

Source: INET BFA and Momentum Investments



Cumulative foreign transaction equities

2012 to 2017

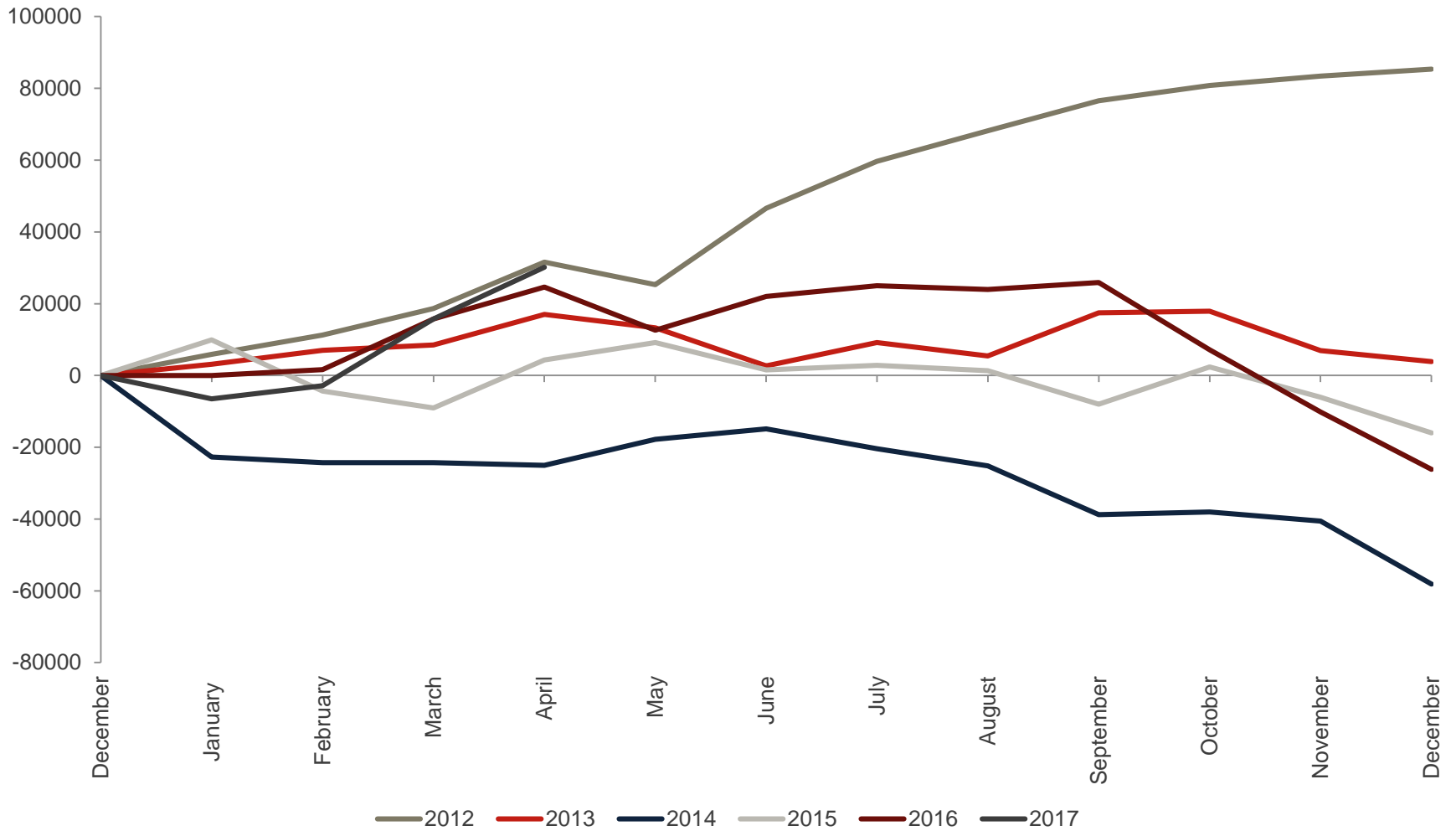


Source: INET BFA and Momentum Investments



Cumulative foreign transaction bonds

2012 to 2017



Source: INET BFA and Momentum Investments



End of key market performance drivers monthly charts for April 2017



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.
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