



momentum
investments

Key market performance drivers

Monthly charts

August 2017

Signatory of:

PRI | Principles for
Responsible
Investment

Market returns concentration

One-year returns ending:

August-17

	NASPERS	
	ANGLO	
	STANDARD BANK GP	
	FIRSTRAND	
Top 5	MTN GROUP	77%
Top 6	BHPBILL	82%
	CAPITEC	
	SANLAM	
	SHOPRIT	
Top 10	VODACOM	95%
	SASOL	
	EXXARO	
	BARWORLD	
	DISCOVERY LIMITED	
	IMPERIAL	
	NEPI ROCKCASTLE	
	SAPPI	
	BID CORPORATION LIMITED	
	MONDI LTD	
Top 20	PSG	115%
Remaining	(Positive)	23%
Negative	(66 Shares)	-38%

July-17

	NASPERS	
	ANGLO	
	STANDARD BANK GP	
	BHPBILL	
Top 5	SASOL	111%
Top 6	BID CORPORATION LIMITED	116%
	FIRSTRAND	
	CAPITEC	
	VODACOM	
Top 10	SAPPI	128%
	BARWORLD	
	MONDI LTD	
	MONDI PLC	
	INVPLC	
	PSG	
	CLICKS GROUP LTD	
	NEDBANK	
	EXXARO	
	DISCOVERY LIMITED	
Top 20	SANLAM	144%
Remaining	(Positive)	16%
Negative	(76 Shares)	-60%

June-17

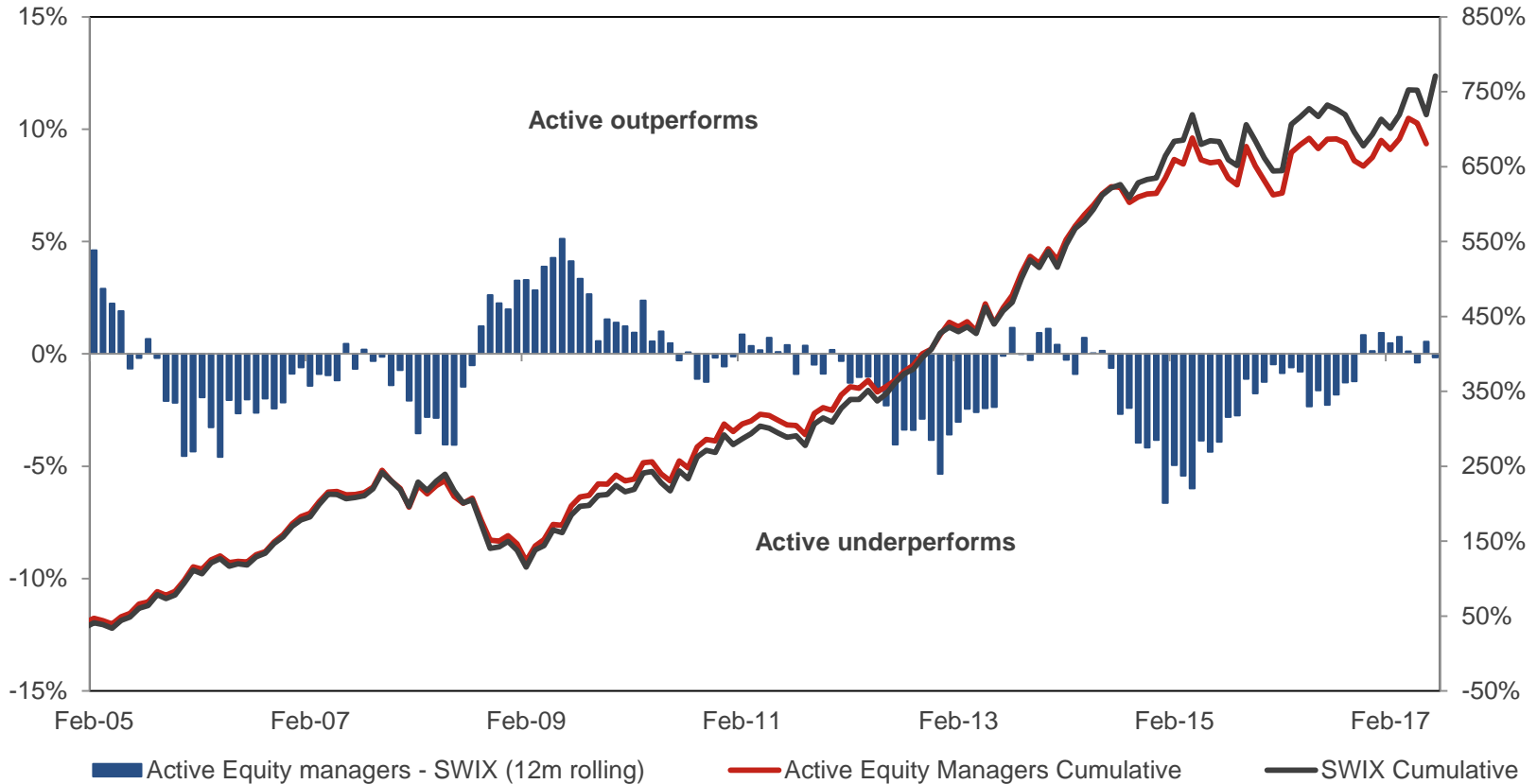
	NASPERS	
	STANDARD BANK GP	
	ANGLO	
	SHOPRIT	
Top 5	CAPITEC	141%
Top 6	FIRSTRAND	150%
	SAPPI	
	SANLAM	
	BARWORLD	
Top 10	MONDI LTD	178%
	BHPBILL	
	MONDI PLC	
	BID CORPORATION LIMITED	
	BIDVEST	
	NEDBANK	
	EXXARO	
	BARCLAYS AFRICA GROUP	
	PSG	
	A V I	
Top 20	CLICKS GROUP LTD	222%
Remaining	(Positive)	47%
Negative	(73 Shares)	-168%

Market-cap weighted returns: 10 shares contributed 95% to the return of the SWIX, while 20 shares contributed 115%



Active-index analysis

One-year rolling active to July* 2017



Median of Active Equity Managers vs SWIX

The median of the active equity managers underperformed the SWIX for the year ended July 2017

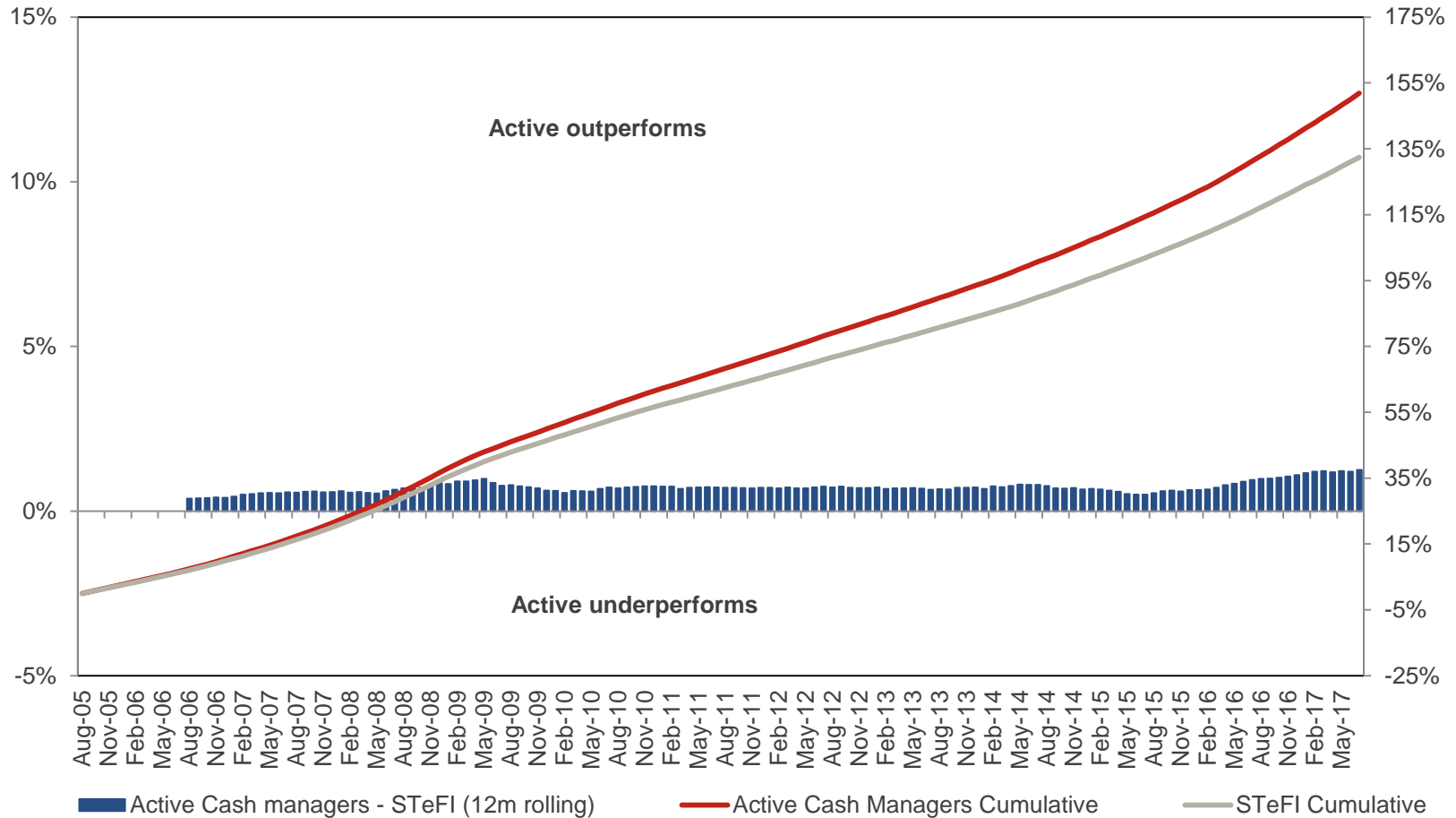
Source: Alexander Forbes SA Equity Manager Watch™, INET BFA and Momentum Investments

* Lagged by one month due to availability of data



Active versus tracker: Cash

One-year rolling average to July* 2017



Median of Active Money Market Managers vs SteFI

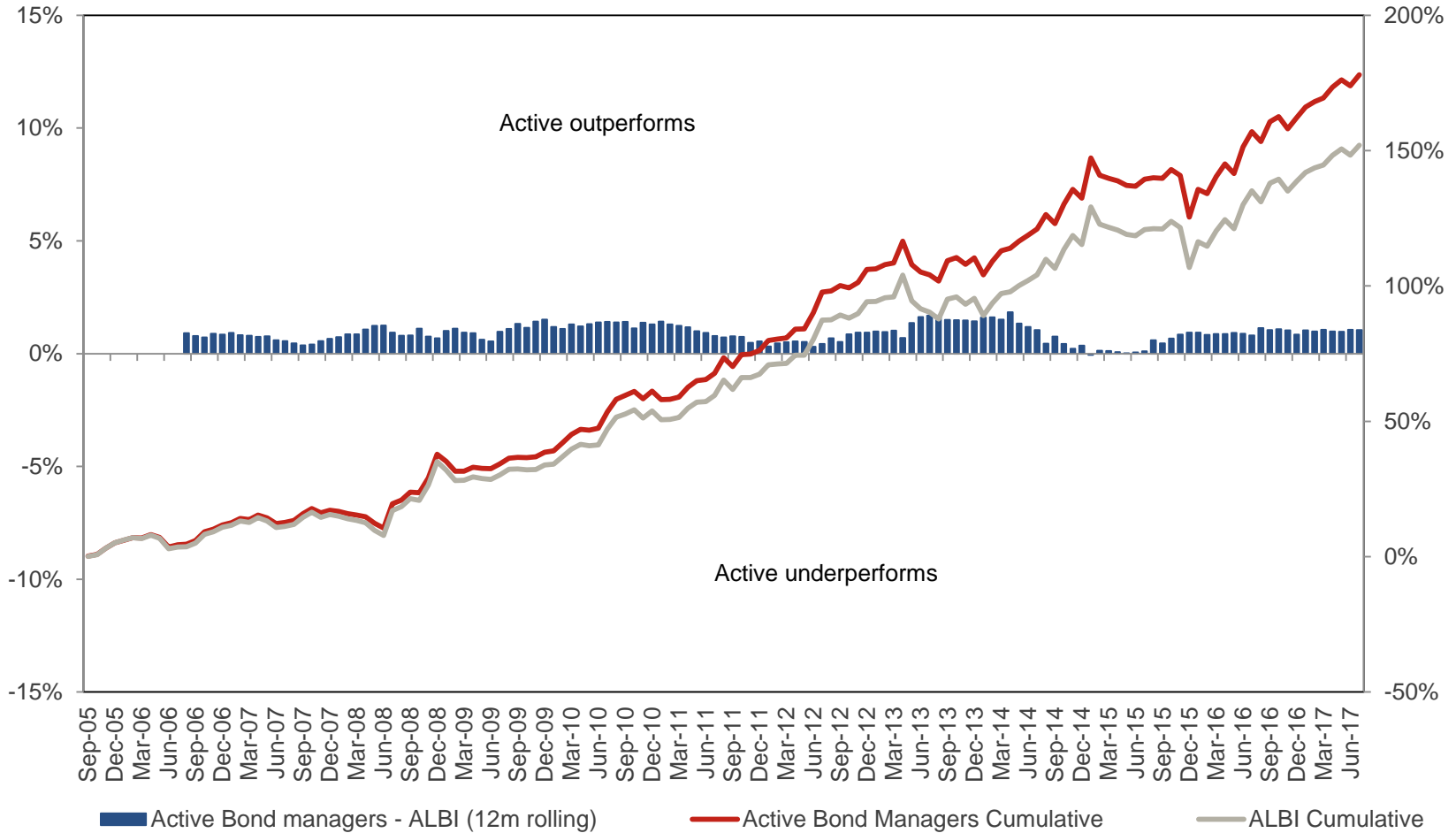
Source: Alexander Forbes SA Money Market Manager Watch™, INET BFA and Momentum Investments

* Lagged by one month due to availability of data



Active versus tracker: Bonds

One-year rolling average to July* 2017



Median of Active Bond Managers vs ALBI

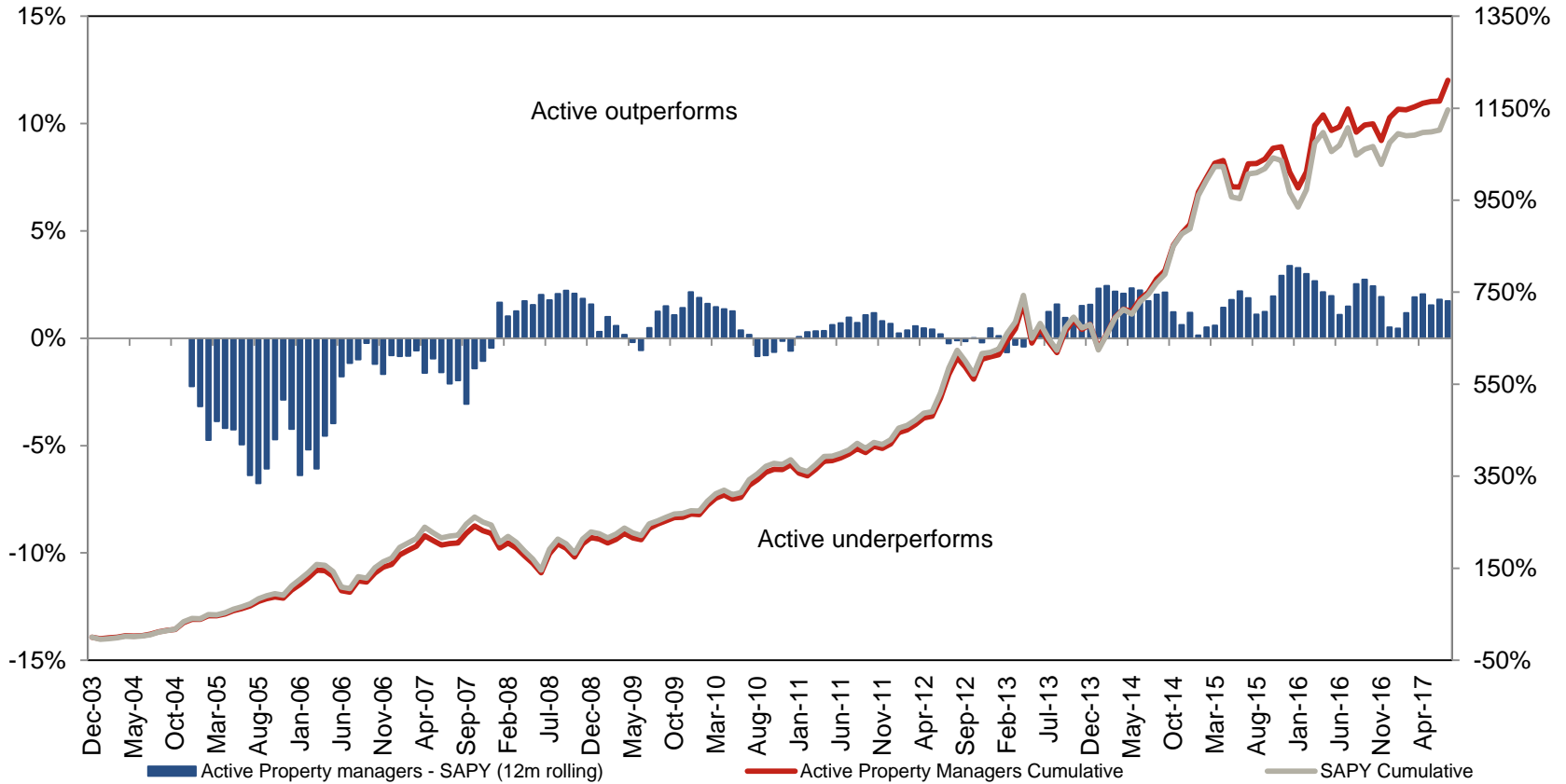
Source: Alexander Forbes SA Bond Manager Watch™, INET BFA and Momentum Investments

* Lagged by one month due to availability of data



Active versus tracker: Property

One-year rolling average to July* 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 August 2017

ZAR	Styles	One month to Aug 2017	Three months to Aug 2017	One year to Aug 2017	Three years to Aug 2017	Five years to Aug 2017	Ten years to Aug 2017	Twenty years to Aug 2017
Value	Book to Price	-0.05	-3.52	1.56	0.45	-2.06	-1.68	2.59
	Dividend Yield	0.29	0.36	8.93	4.32	-0.06	2.42	4.90
	Earnings Yield	0.58	-1.88	7.92	-0.46	-1.13	-0.37	2.90
	Cash Flow Yield	0.28	0.57	12.84	4.14	1.45	-0.03	3.59
	Sales to Price	0.40	-0.79	3.49	0.73	-1.44	-1.48	2.50
Quality	ROE	1.97	1.65	0.14	-0.97	-2.02	0.55	-1.84
	ROIC LT	-0.66	-4.67	-3.45	-0.99	-1.70	-0.89	-2.81
	Income to Sales	1.18	1.73	2.82	-1.02	-0.01	0.96	-0.79
	Low market beta	-1.07	-3.19	-5.22	5.65	4.17	-1.77	1.53
	Low Debt/Equity	1.44	2.93	0.60	-1.53	-0.47	-2.61	-0.87
	EBIT Margin Stability	-2.36	-7.27	-11.52	2.94	1.39	3.03	-1.10
Growth	Earnings Growth	0.97	-1.19	7.34	-0.42	-0.54	-2.20	-0.91
	Sales Growth	-1.02	-3.77	-1.79	-0.88	-0.74	0.28	0.14
	12M Earning Growth	1.15	-0.32	-8.07	-3.73	-2.34	0.51	5.23
Momentum	FY1 Earnings Revisions	0.27	1.47	4.06	3.41	4.77	9.25	7.46
	Short Term Momentum	1.26	1.63	-6.68	2.32	1.00	-0.14	-1.91
	Medium Term Momentum	-0.66	-2.22	-10.10	0.55	3.30	3.66	6.08
Size	Size	0.85	3.61	-0.11	-0.57	-1.36	1.45	-0.26

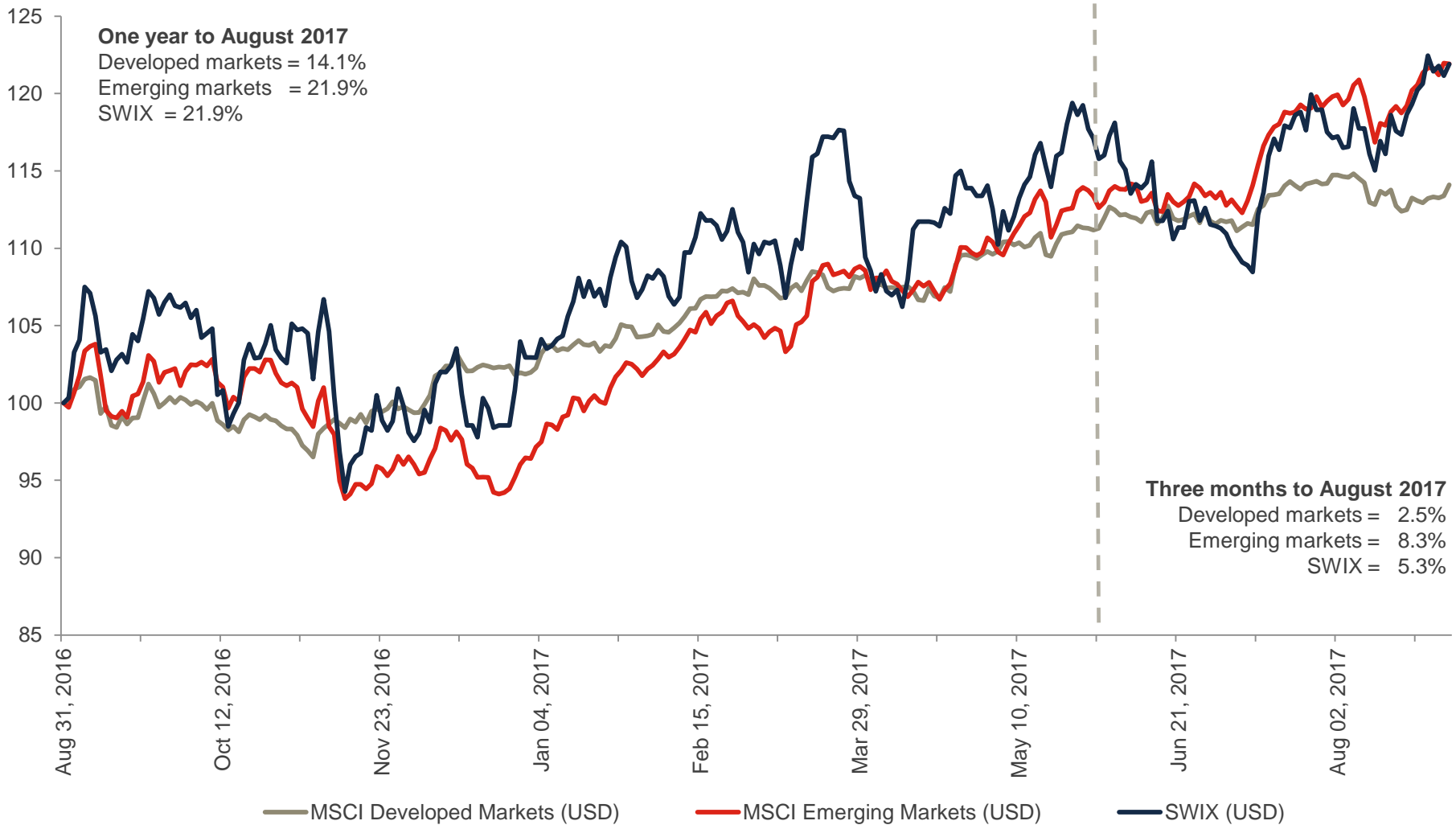
The Size factor and some Momentum factors had strong returns for the shorter term. For the three-year period, the Momentum and Value factors had positive returns.

Source: FactSet, Momentum Global Investment Management and Momentum Investments



MSCI developed and emerging markets

One year to August 2017



Source: INET BFA, MSCI and Momentum Investments



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SA 10-year bond yields

Five years to August 2017



Source: INET BFA and Momentum Investments



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Yield of R197 (inflation-linked bond)

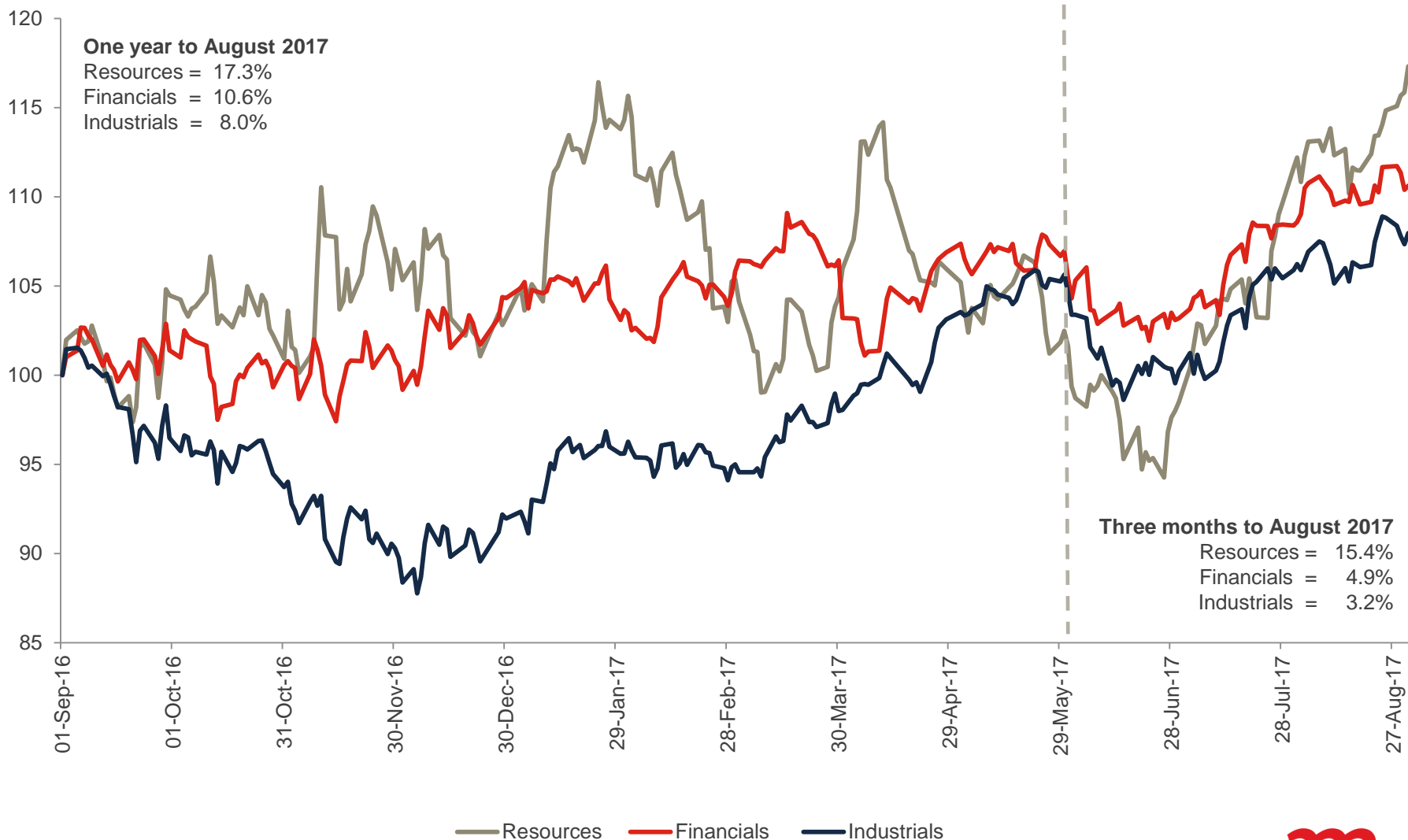
Since May 2001 to August 2017



Source: INET BFA and Momentum Investments

FTSE/JSE sectors

One year to August 2017



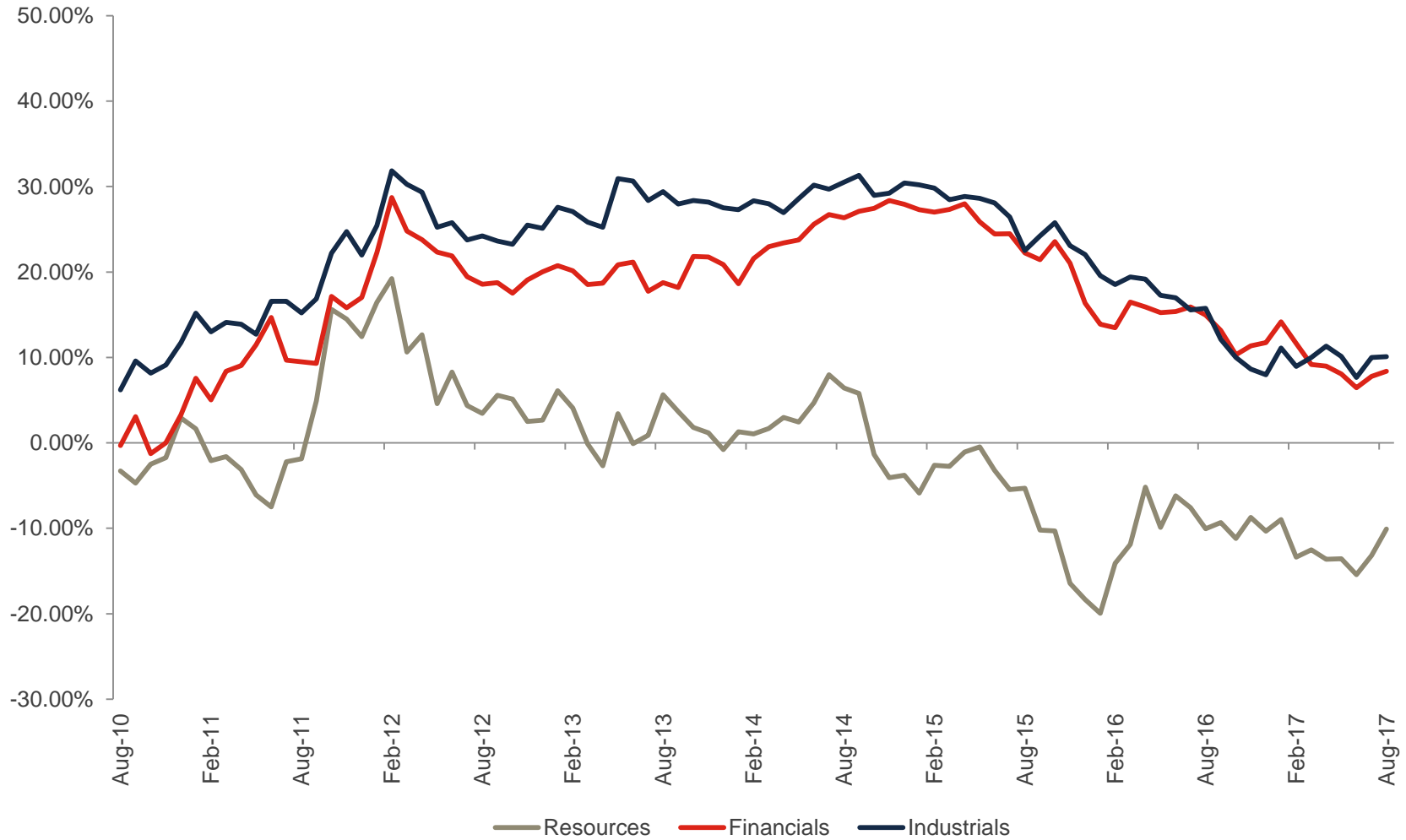
Source: INET BFA and Momentum Investments



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FTSE/JSE sectors

Rolling three-year return to August 2017



Source: INET BFA and Momentum Investments

Returns are annualised



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FTSE/JSE sectors

Decomposed

Three months to August 2017

1	Coal Mining	Mining	28.2%	19	General Industrials	Industrials	0.4%
2	General Mining	Mining	27.5%	20	Real Estate Investment Trusts	Financials	0.2%
3	Industrial Metals	Basic Materials	23.4%	21	Chemicals	Basic Materials	-0.1%
4	Industrial Transportation	Industrials	19.9%	22	Beverages	Consumer Goods	-2.0%
5	Platinum Mining	Mining	14.6%	23	General Financial	Financials	-2.3%
6	Mobile Telecommunications	Telecommunication	12.5%	24	Pharmaceuticals & Biotechnology	Health Care	-2.7%
7	Banks	Financials	10.6%	25	Electronic & Electrical Equipment	Industrials	-3.3%
8	Real Estate Investment & Services	Financials	8.6%	26	Software & Computer Services	Technology	-3.6%
9	Media	Consumer Services	8.3%	27	Automobiles & Parts	Consumer Goods	-4.4%
10	Gold Mining	Mining	7.5%	28	Health Care Equipment & Services	Health Care	-6.2%
11	Life Insurance	Financials	6.8%	29	Construction & Materials	Industrials	-6.7%
12	Non-life Insurance	Financials	5.7%	30	Travel & Leisure	Consumer Services	-8.2%
13	Personal Goods	Consumer Goods	4.7%	31	Household Goods	Consumer Goods	-10.2%
14	General Retailers	Consumer Services	4.5%	32	Fixed Line Telecommunications	Telecommunication	-10.8%
15	Food & Drug Retailers	Consumer Services	3.9%	33	Equity Investment Instruments	Financials	-11.3%
16	Food Producers	Consumer Goods	1.1%	34	Tobacco	Consumer Goods	-13.5%
17	Support Services	Industrials	1.1%	35	Industrial Engineering	Industrials	-13.8%
18	Forestry & Paper	Basic Materials	0.4%				

Key

Resources

Financials

Industrials

Source: Barra, Deutsche Securities and Momentum Investments



investments

FTSE/JSE sectors

Decomposed

One year to August 2017

1	Coal Mining	Mining	82.6%	19	General Industrials	Industrials	2.3%
2	General Mining	Mining	44.0%	20	General Financial	Financials	2.1%
3	Personal Goods	Consumer Goods	40.0%	21	Automobiles & Parts	Consumer Goods	2.0%
4	Banks	Financials	27.0%	22	Real Estate Investment Trusts	Financials	1.7%
5	Non-life Insurance	Financials	25.1%	23	Construction & Materials	Industrials	-1.5%
6	Industrial Transportation	Industrials	23.6%	24	General Retailers	Consumer Services	-2.3%
7	Media	Consumer Services	22.4%	25	Industrial Engineering	Industrials	-4.8%
8	Industrial Metals	Basic Materials	22.4%	26	Equity Investment Instruments	Financials	-5.4%
9	Forestry & Paper	Basic Materials	21.8%	27	Tobacco	Consumer Goods	-8.3%
10	Mobile Telecommunications	Telecommunication	16.1%	28	Software & Computer Services	Technology	-8.5%
11	Food & Drug Retailers	Consumer Services	11.5%	29	Pharmaceuticals & Biotechnology	Health Care	-15.6%
12	Fixed Line Telecommunications	Telecommunication	10.2%	30	Beverages	Consumer Goods	-20.7%
13	Chemicals	Basic Materials	8.7%	31	Platinum Mining	Mining	-22.7%
14	Life Insurance	Financials	7.1%	32	Travel & Leisure	Consumer Services	-24.0%
15	Real Estate Investment & Services	Financials	5.1%	33	Household Goods	Consumer Goods	-26.3%
16	Support Services	Industrials	4.1%	34	Health Care Equipment & Services	Health Care	-28.1%
17	Food Producers	Consumer Goods	2.6%	35	Gold Mining	Mining	-37.2%
18	Electronic & Electrical Equipment	Industrials	2.3%				

Key

Resources

Financials

Industrials

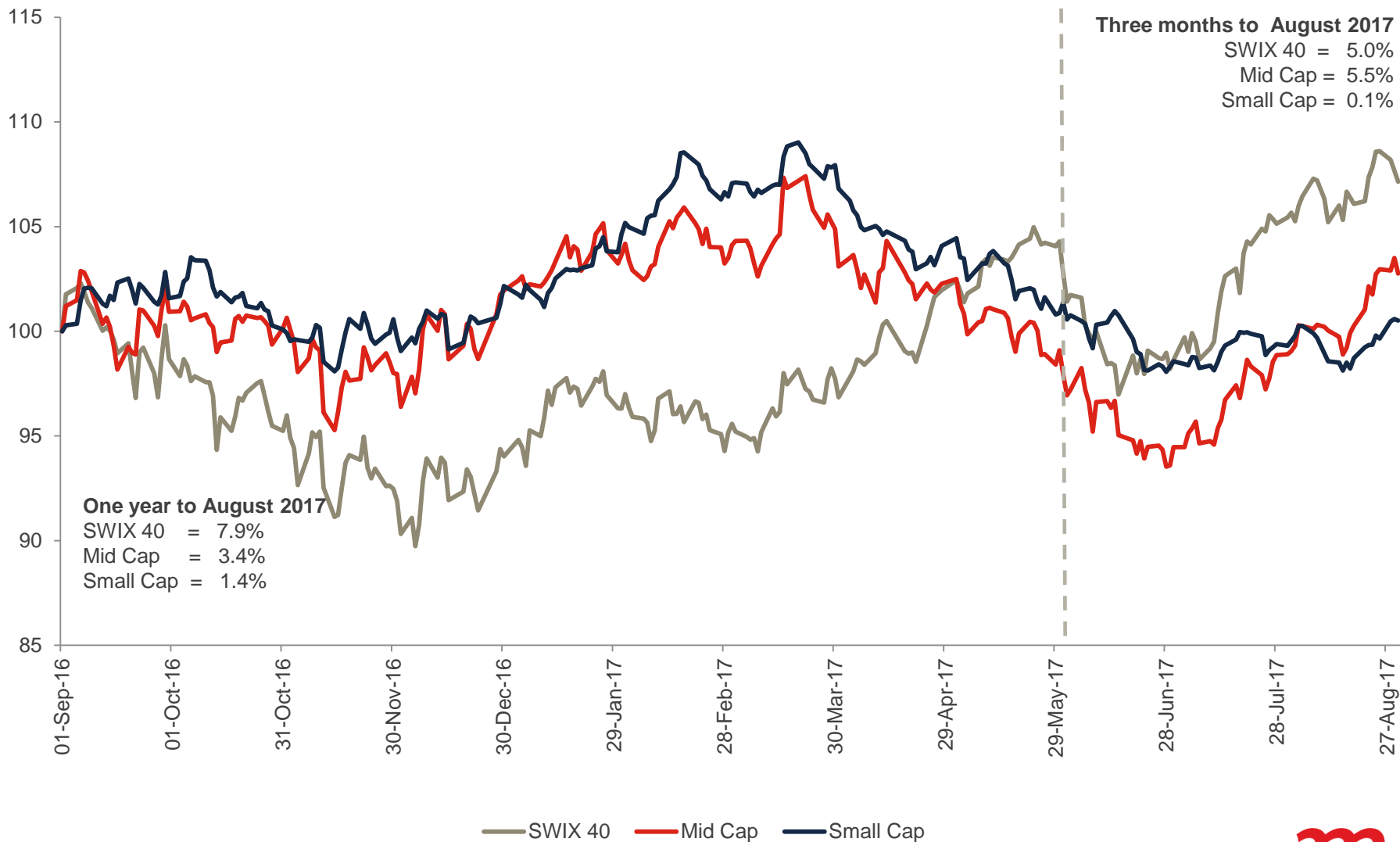
Source: Barra, Deutsche Securities and Momentum Investments



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FTSE/JSE market caps

One year to August 2017



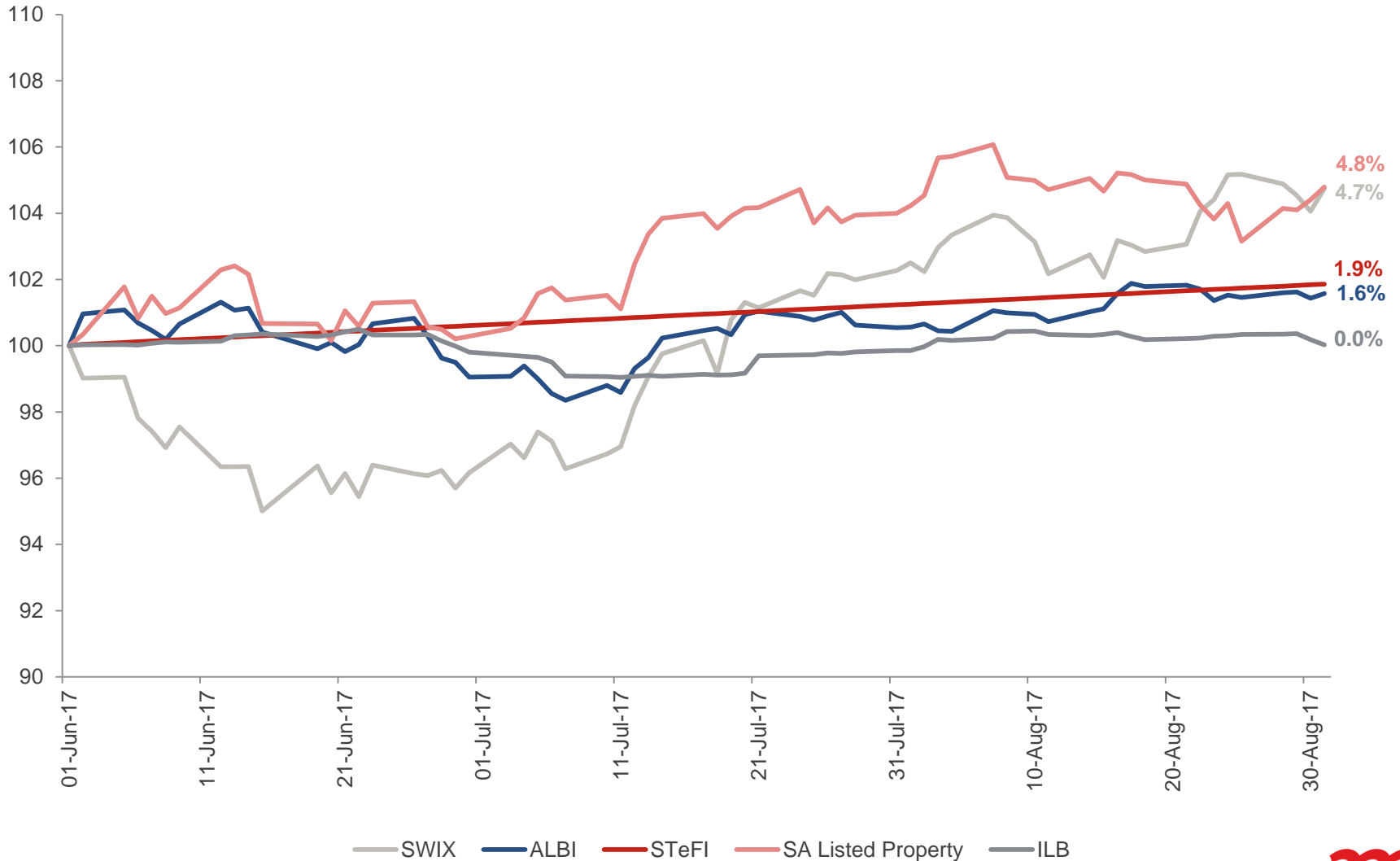
Source: INET BFA and Momentum Investments



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Local asset classes

Three months to August 2017



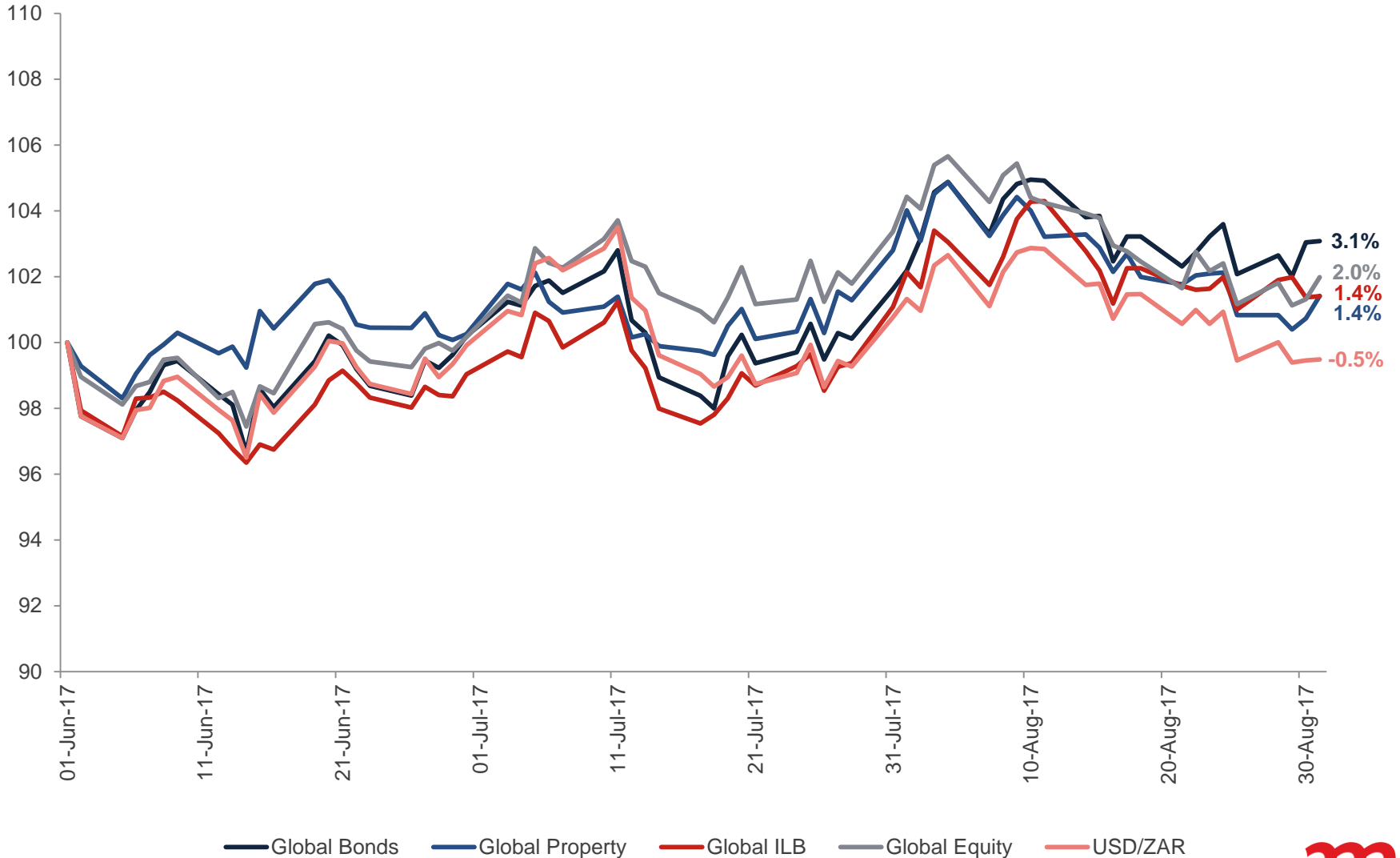
Source: INET BFA and Momentum Investments



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Global asset classes

Three months to August 2017



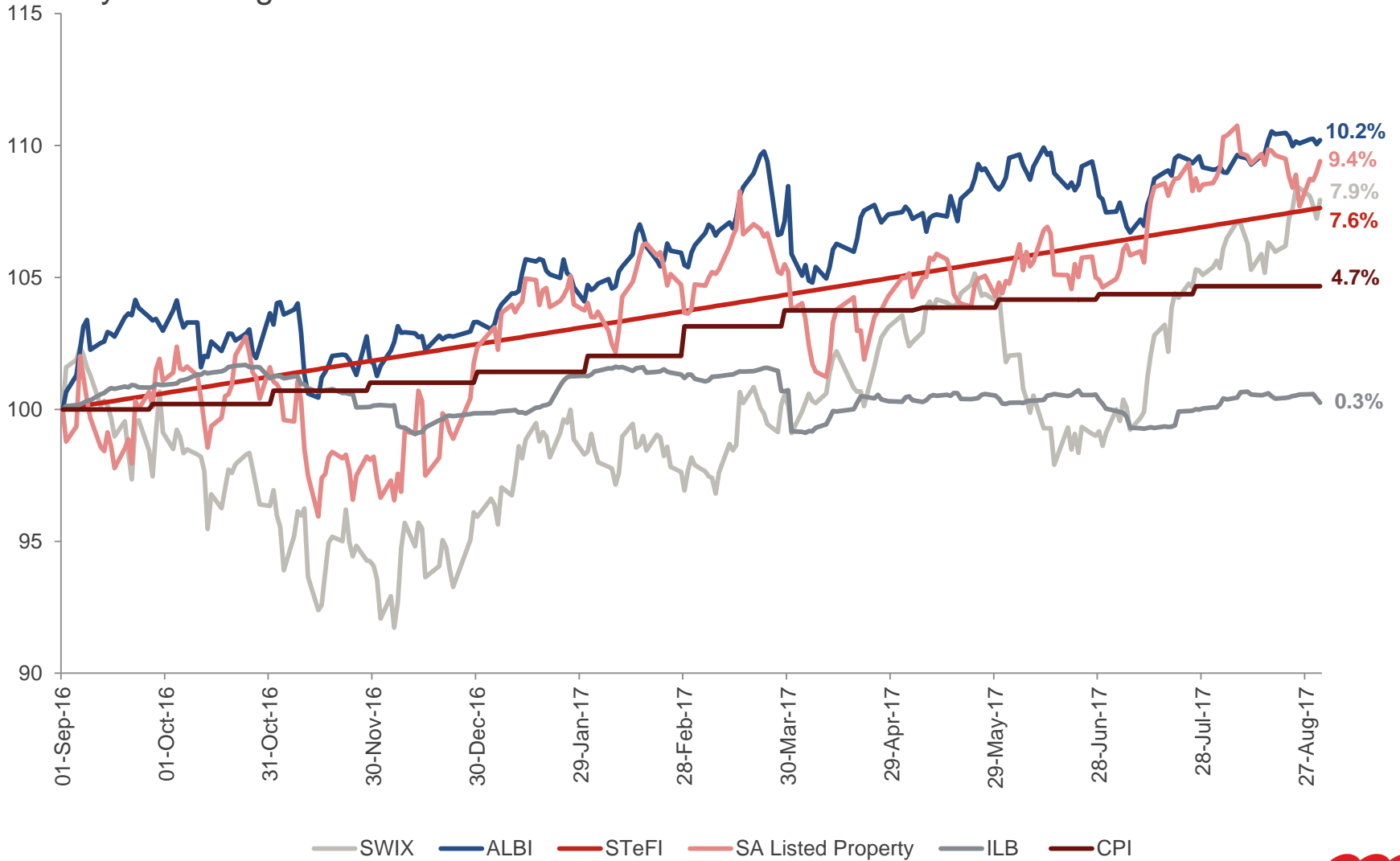
Source: INET BFA and Momentum Investments



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Local asset classes

One year to August 2017



Source: INET BFA and Momentum Investments

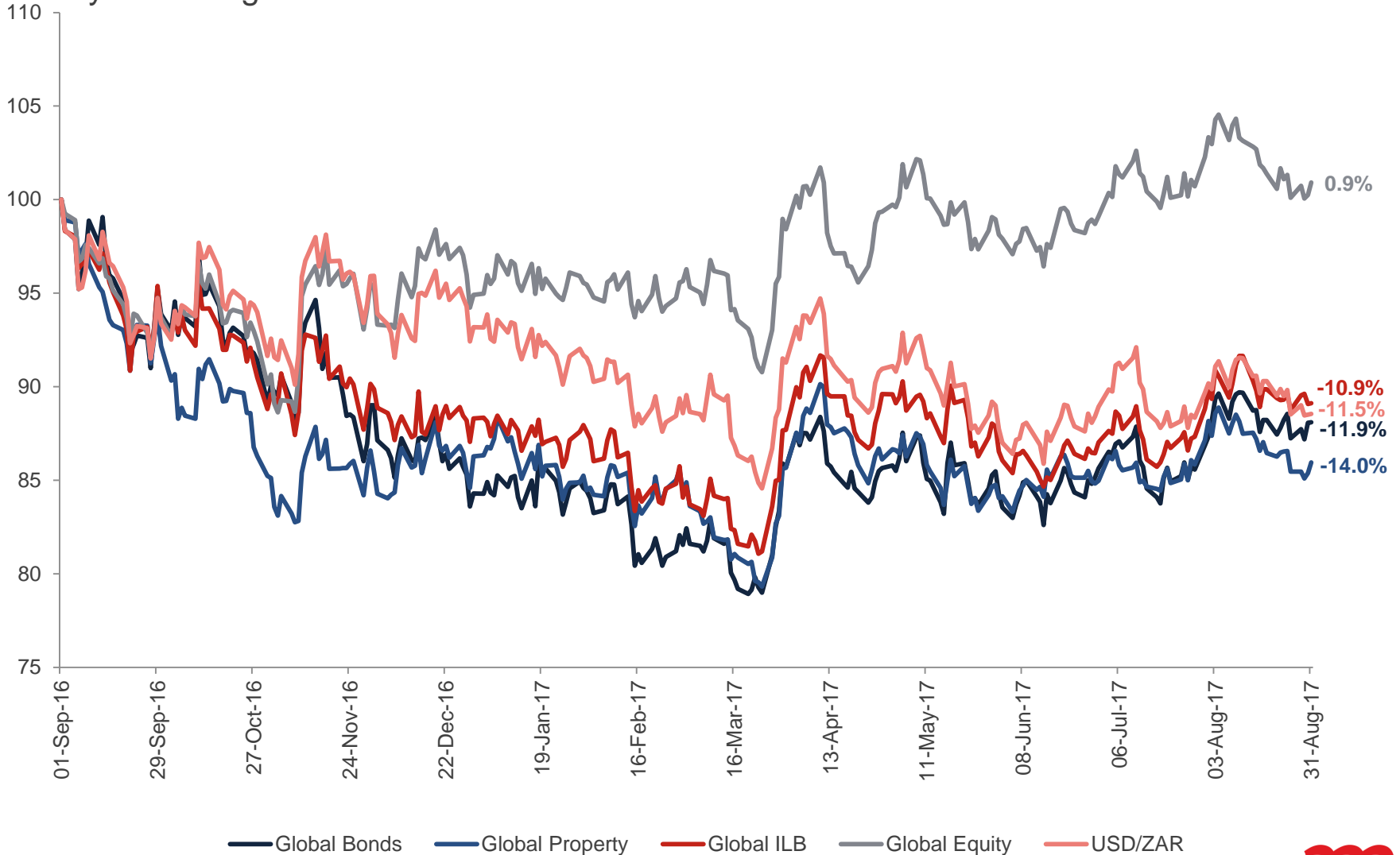
*CPI is lagged by one month due to availability of inflation data



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Global asset classes

One year to August 2017



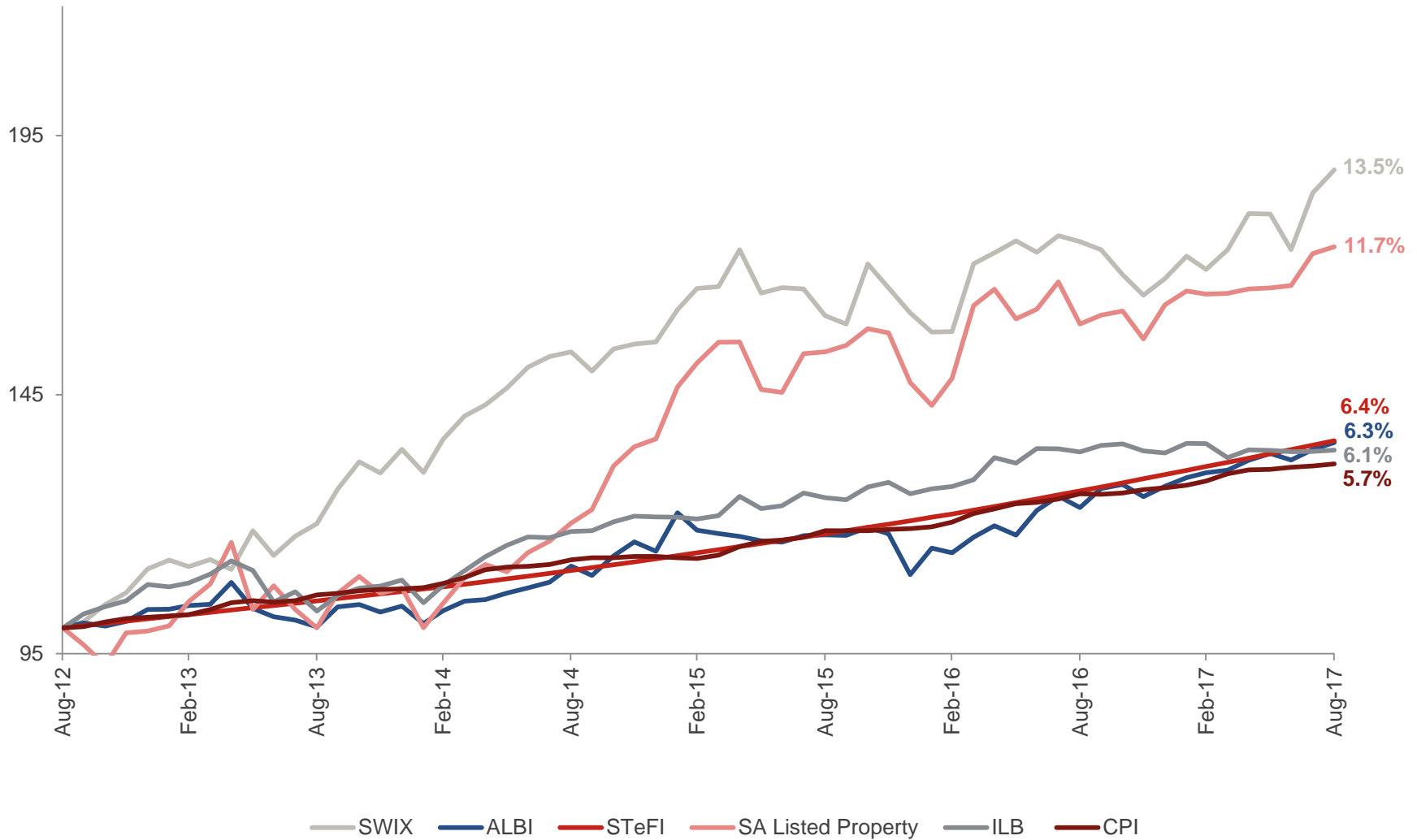
Source: INET BFA and Momentum Investments

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



Local asset classes

Five years to August 2017



Source: INET BFA and Momentum Investments

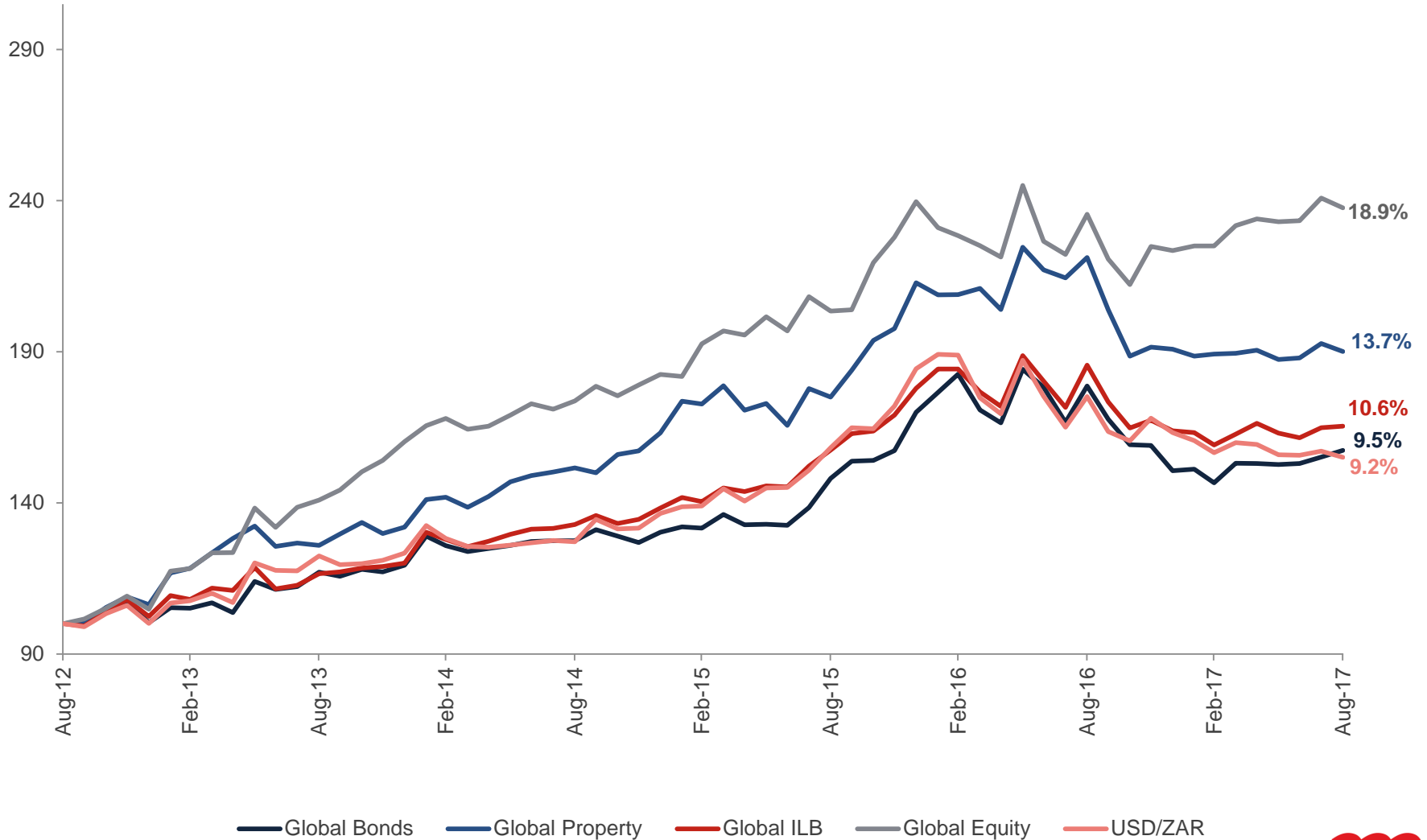
*CPI is lagged by one month due to availability of inflation data



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Global asset classes

Five years to August 2017



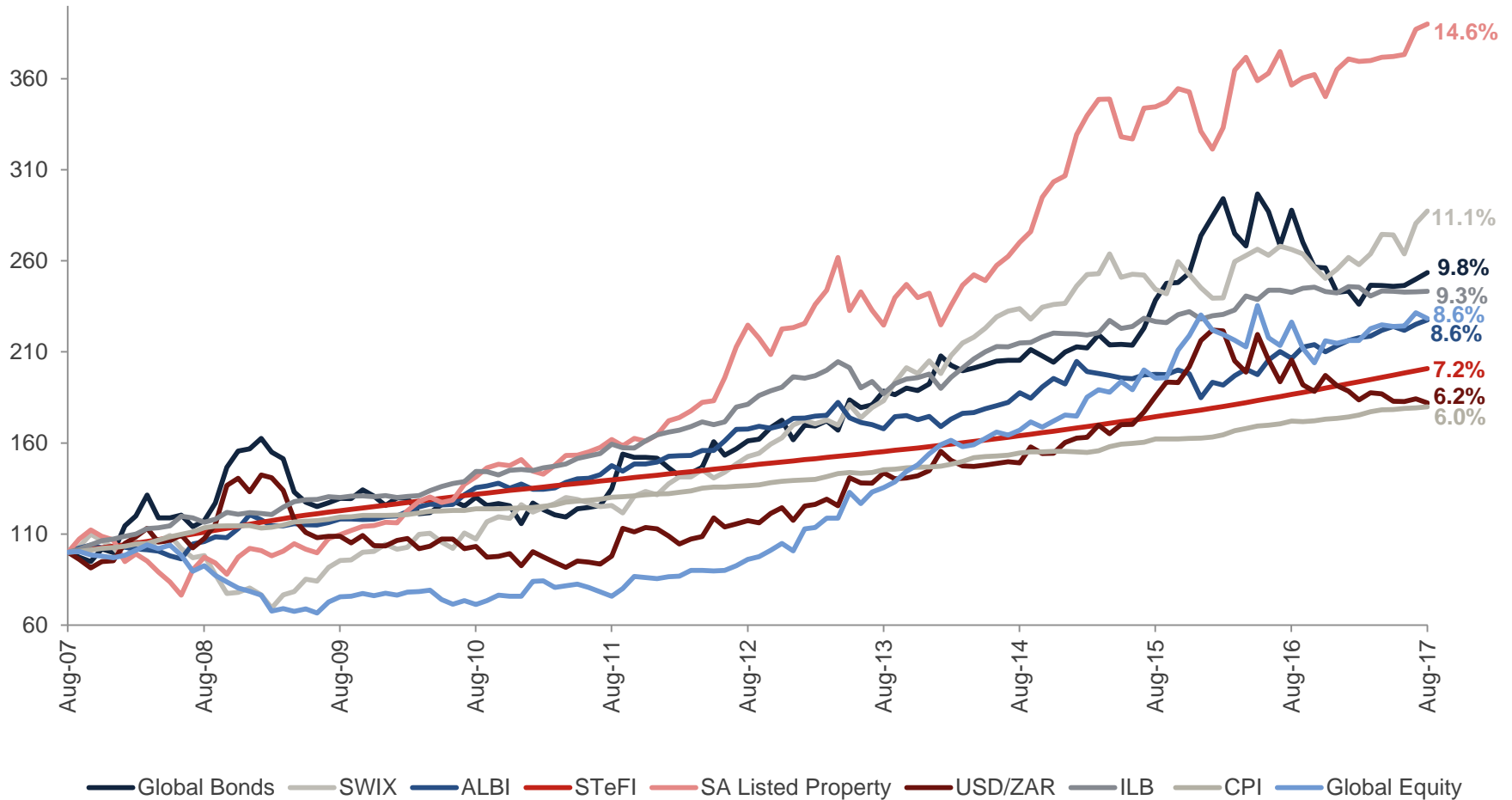
Source: INET BFA and Momentum Investments



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Asset classes

Ten years to August 2017



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

Source: INET BFA and Momentum Investments

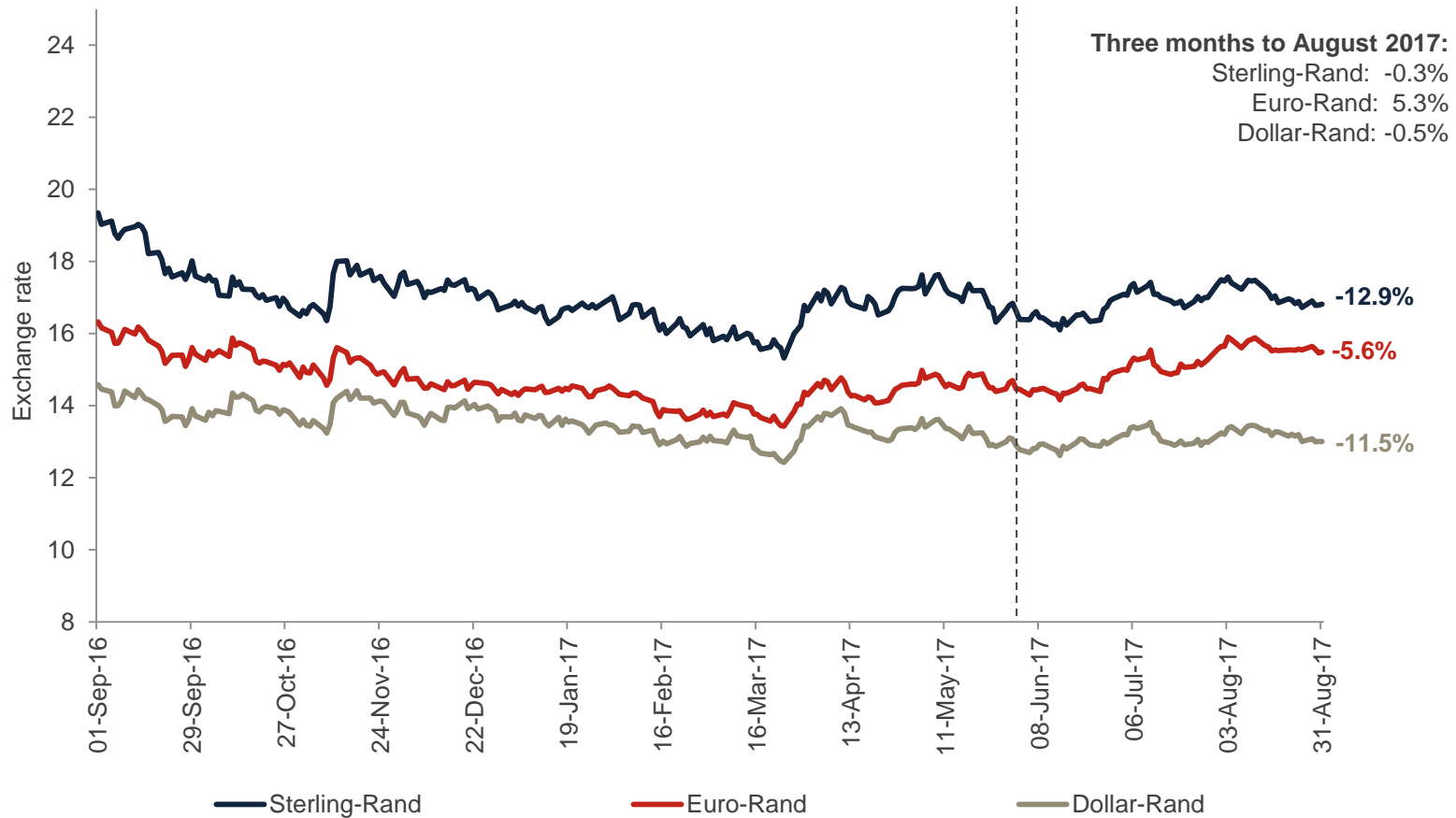
*CPI is lagged by one month due to availability of inflation data



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Exchange rates

One year to August 2017



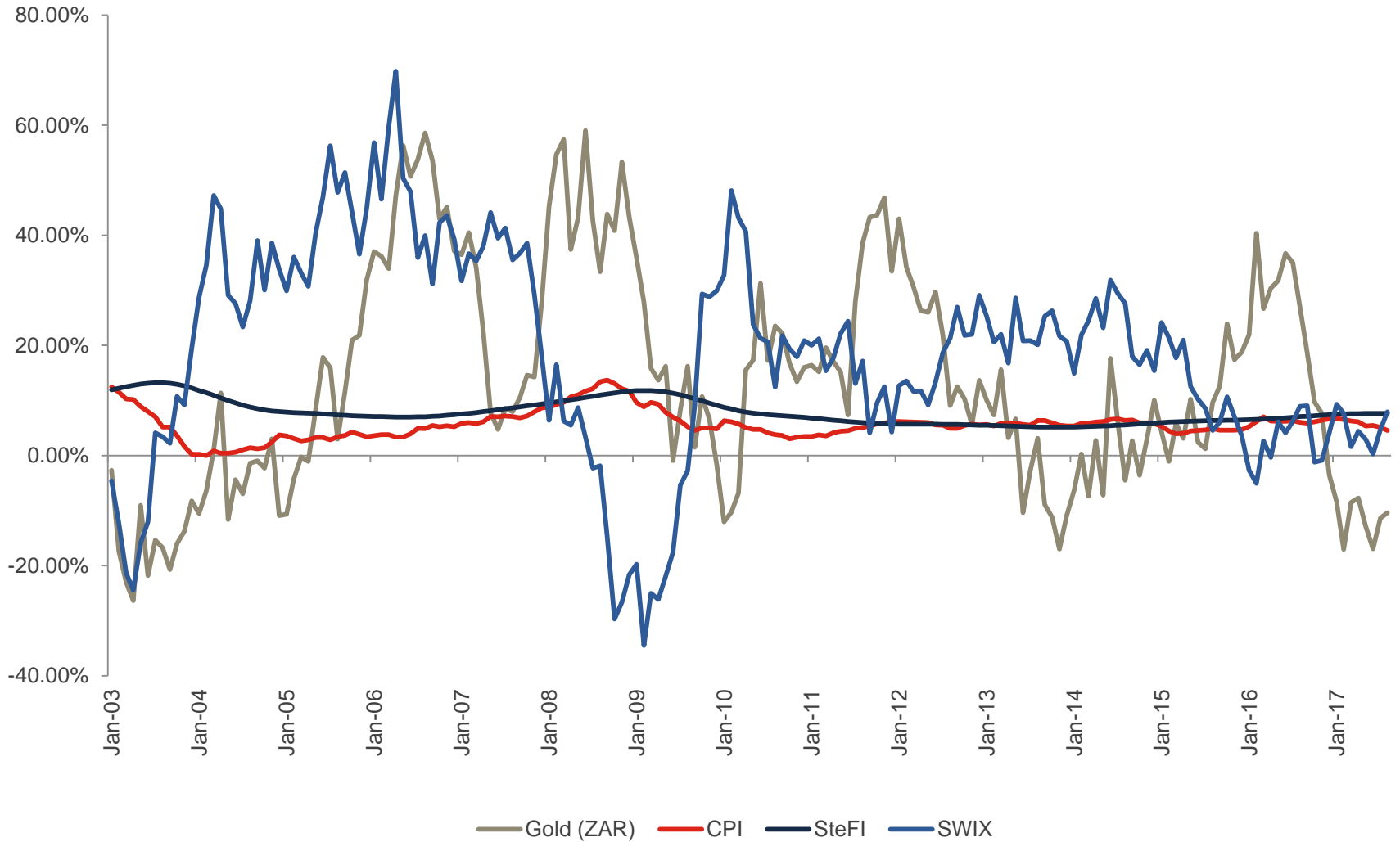
Source: INET BFA and Momentum Investments



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

One-year rolling returns to August 2017

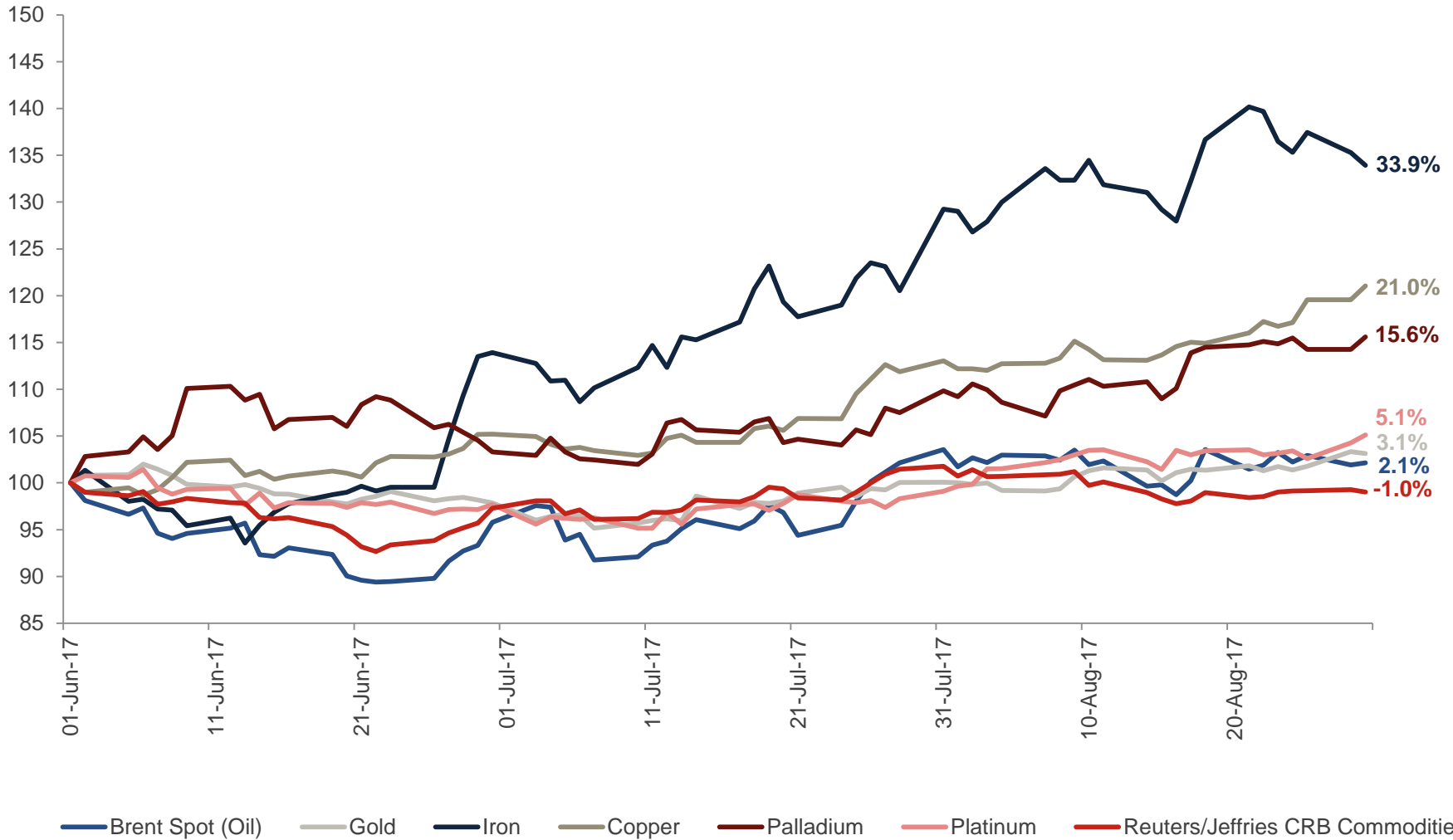


Source: INET BFA and Momentum Investments

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

Commodities

Three months to August 2017



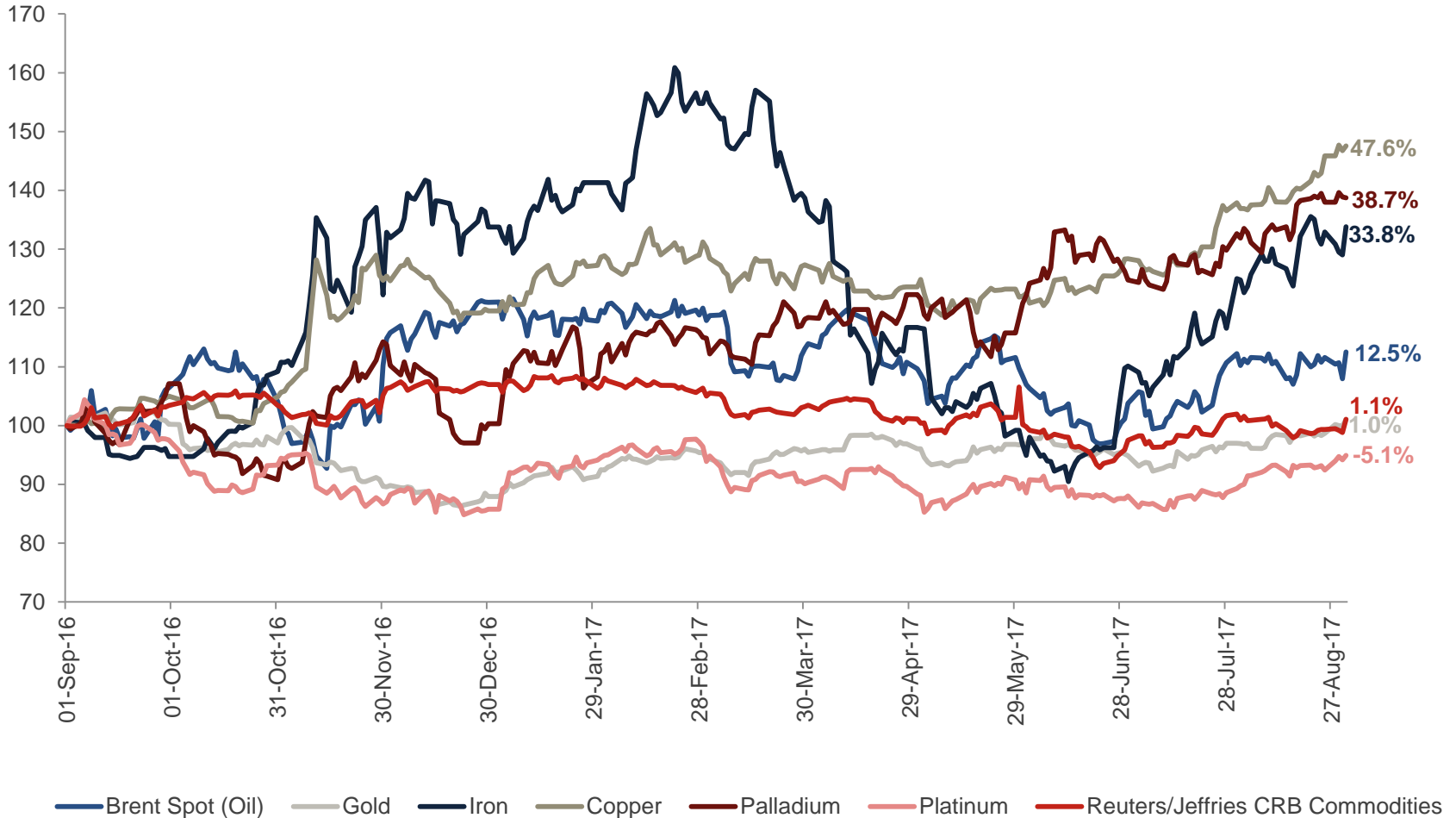
Source: INET BFA, FT.com and Momentum Investments

All returns in dollar terms



Commodities

One year to August 2017



Source: INET BFA, FT.com and Momentum Investments

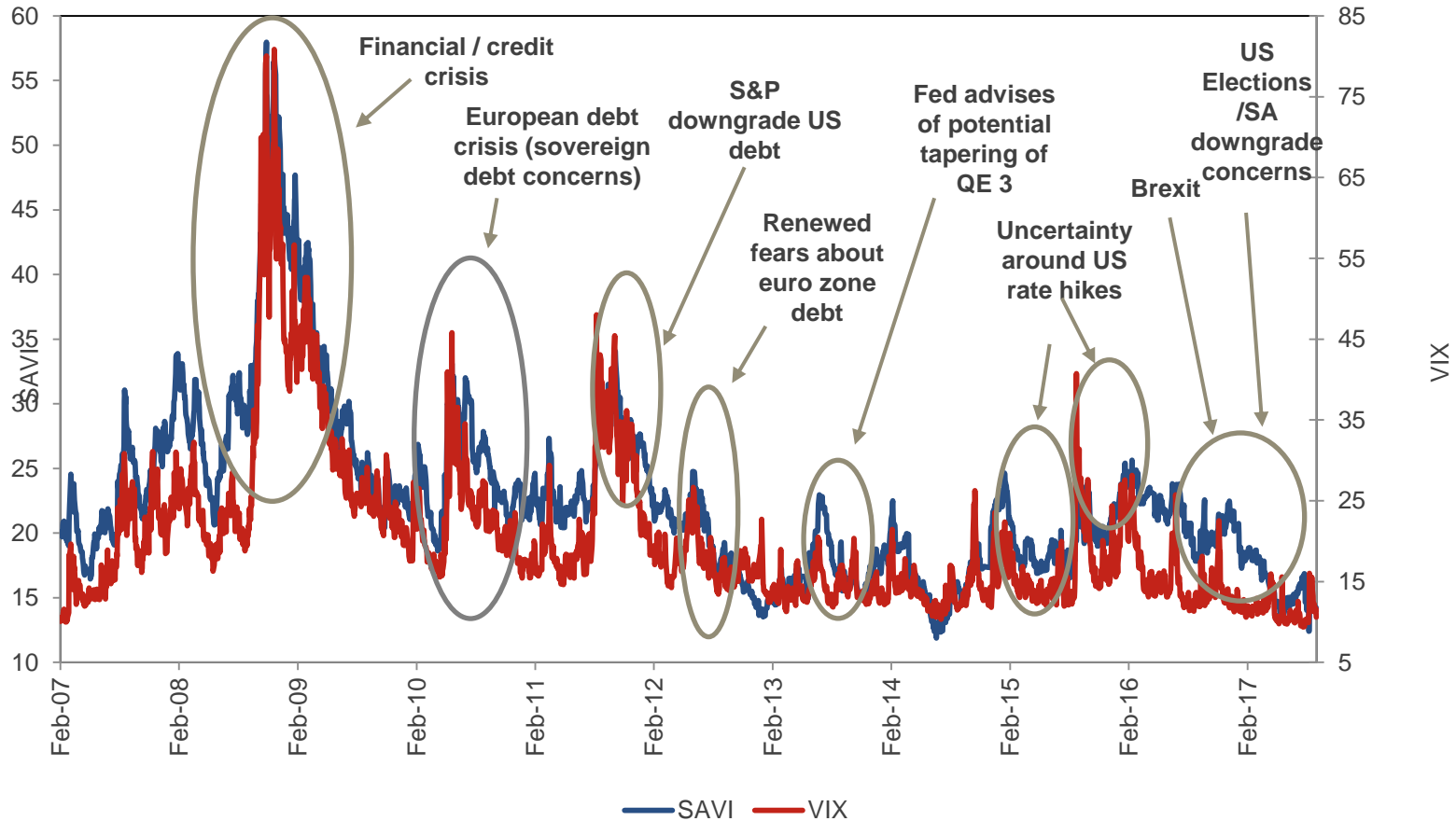
All returns in dollar terms



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SAVI-VIX

Since February 2007 to August 2017



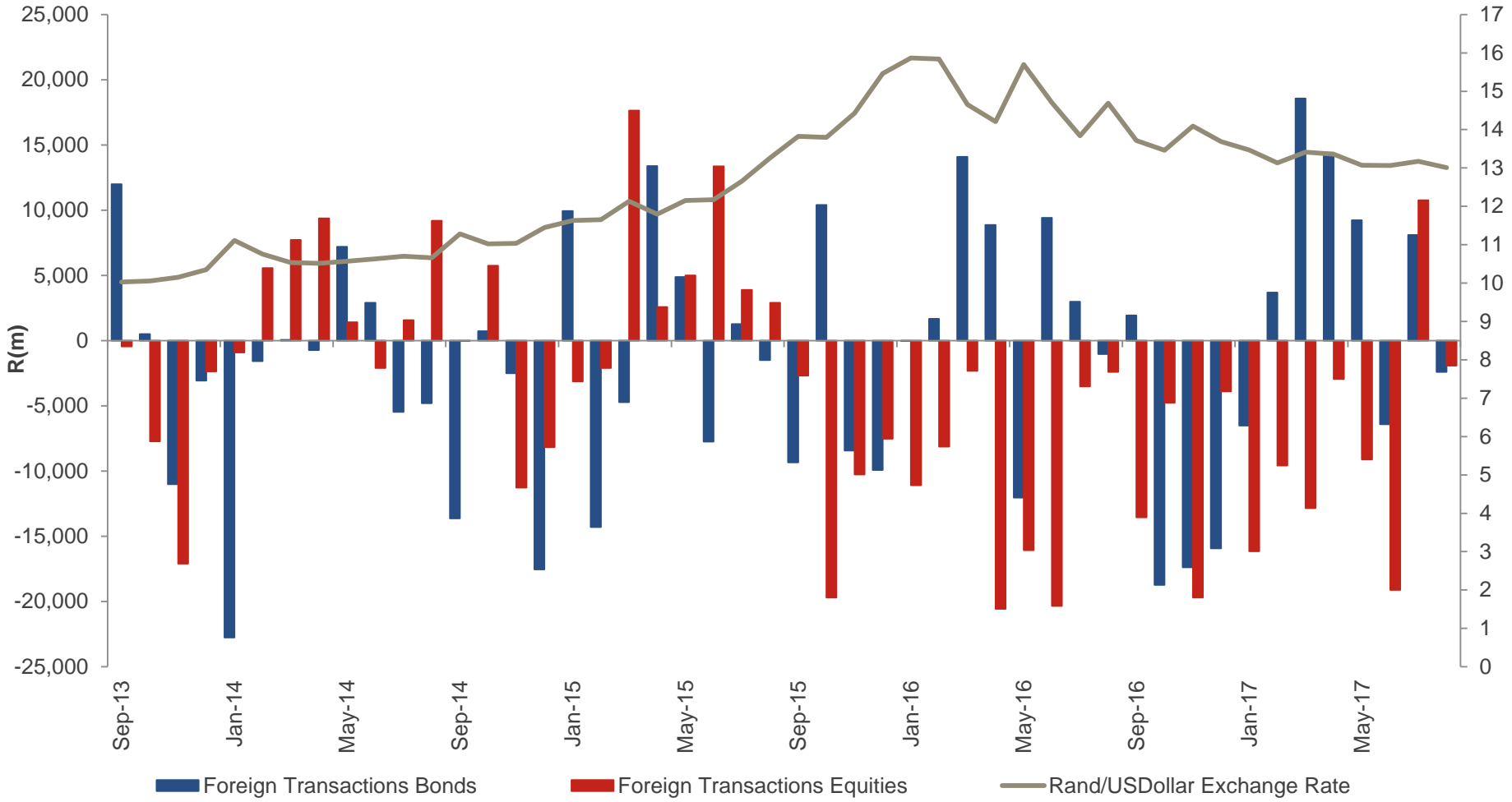
Source: INET BFA and Momentum Investments



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Foreign transactions

2013 to 2017



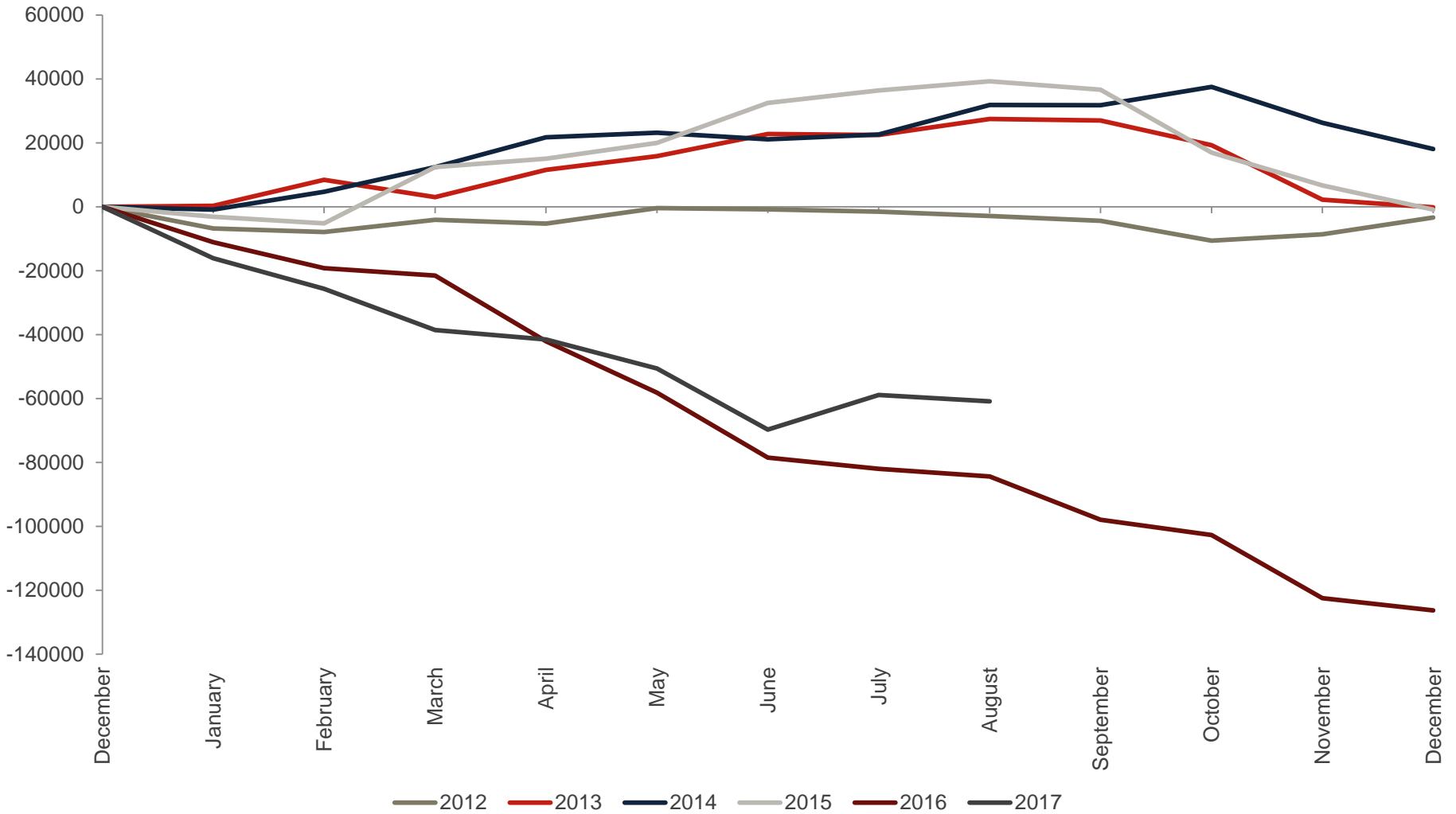
Source: INET BFA and Momentum Investments



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Cumulative foreign transaction equities

2012 to 2017



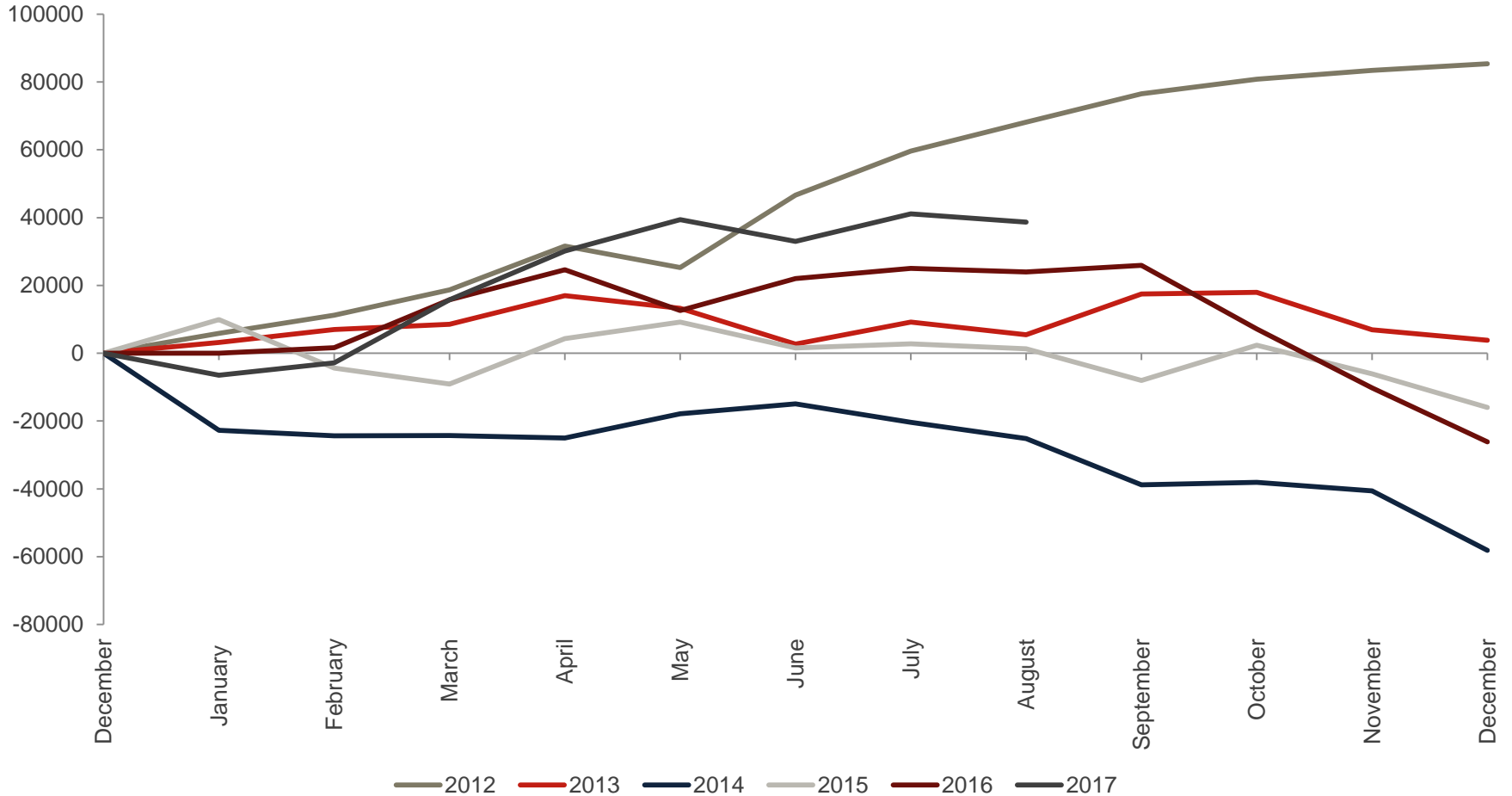
Source: INET BFA and Momentum Investments



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Cumulative foreign transaction bonds

2012 to 2017



Source: INET BFA and Momentum Investments

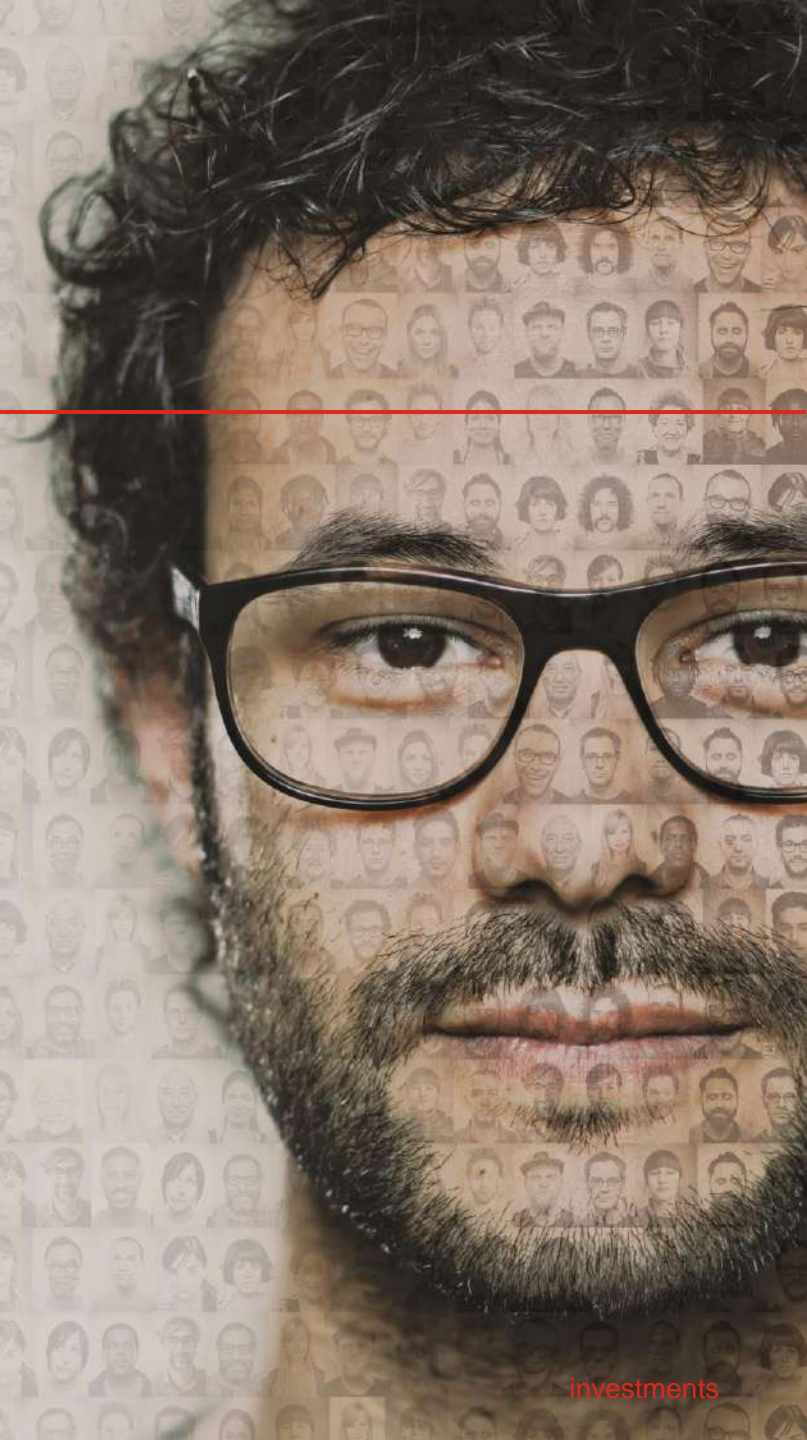


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End of key market performance drivers monthly charts for August 2017

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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