

Key market performance drivers

Monthly charts

February 2017



Market returns concentration

One-year returns ending:

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%

January-17

	ANGLO	
	NASPERS	
	STANDARD BANK GP	
	BHPBILL	
Top 5	KUMBA IRON ORE	60%
Top 6	FIRSTRAND	62%
	TIGBRANDS	
	IMPALA PLATINUM HOLDINGS	
	ASPEN	
Top 10	SHOPRIT	71%
	SANLAM	
	CAPITEC	
	ASSORE	
	MTN GROUP	
	NEDBANK	
	GROWTHPOINT PROPS	
	REDEFINE PROPERTIES LTD	
	IMPERIAL	
	FOSCHINI GROUP (THE)	
Top 20	ARM	86%
Remaining	(Positive)	28%
Negative	(32 Shares)	-14%

December-16

	ANGLO	
	STANDARD BANK GP	
	FIRSTRAND	
	KUMBA IRON ORE	
Top 5	BHPBILL	65%
Top 6	BARWORLD	69%
	ASSORE	
	IMPALA PLATINUM HOLDINGS	
	SAPPI	
Top 10	TIGBRANDS	82%
	EXXARO	
	IMPERIAL	
	BARCLAYS AFRICA GROUP	
	SHOPRIT	
	NEDBANK	
	ANGLOGOLD ASHANTI LTD	
	GROWTHPOINT PROPS	
	ARM	
	REDEFINE PROPERTIES LTD	
Top 20	FOSCHINI GROUP (THE)	108%
Remaining	(Positive)	34%
Negative	(57 Shares)	-42%

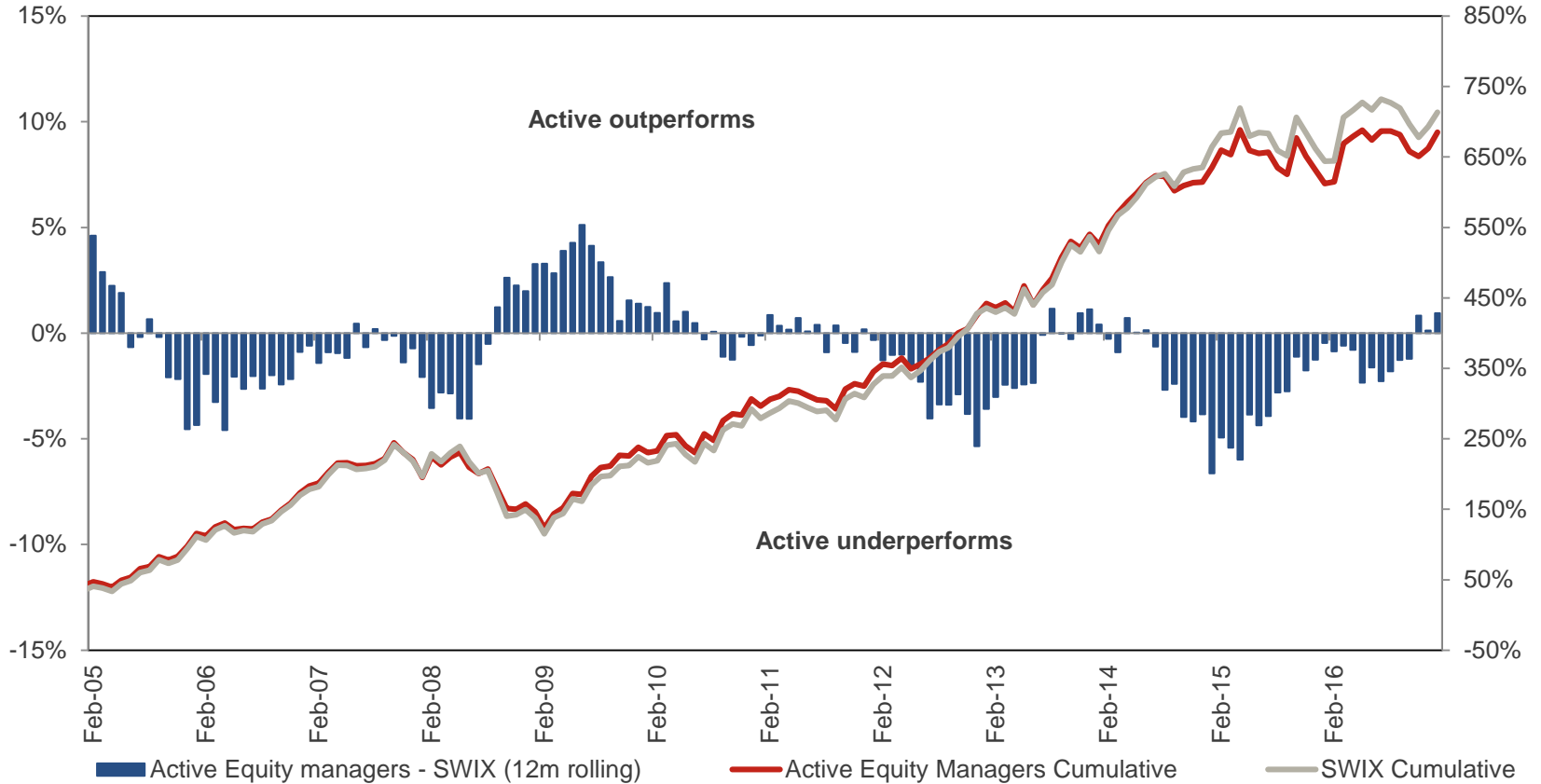
Market-cap weighted returns: 10 shares contributed 71% to the return of the SWIX, while 20 shares contributed 92%



Source: Barra, Deutsche Securities and Momentum Investments

Active-index analysis

One-year rolling active to January* 2017



Median of Active Equity Managers vs SWIX

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

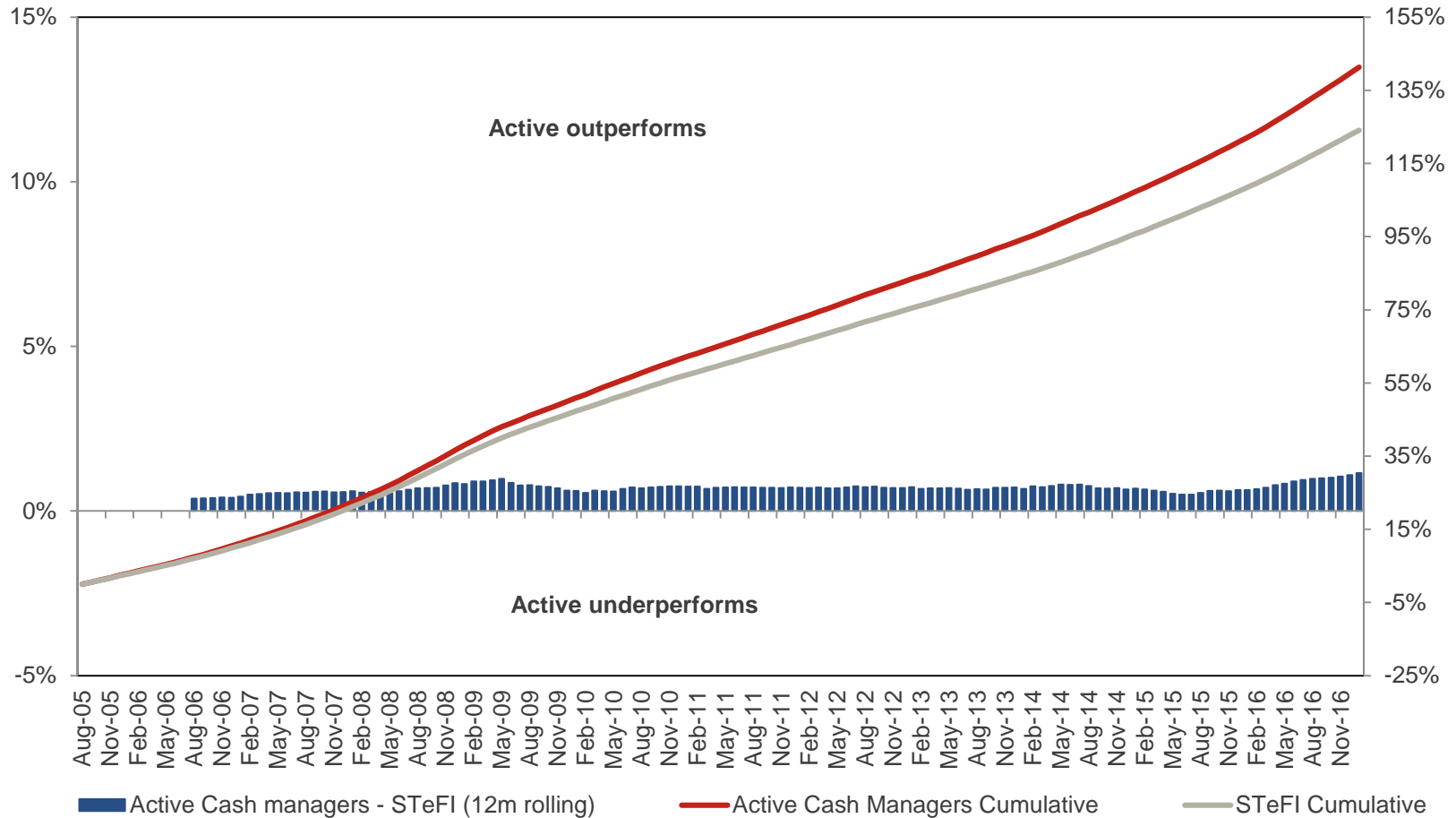
Source: Alexander Forbes SA Equity Manager Watch™, INET BFA and Momentum Investments

* Lagged by one month due to availability of data



Active versus tracker: Cash

One-year rolling average to January* 2017



Median of Active Money Market Managers vs SteFI

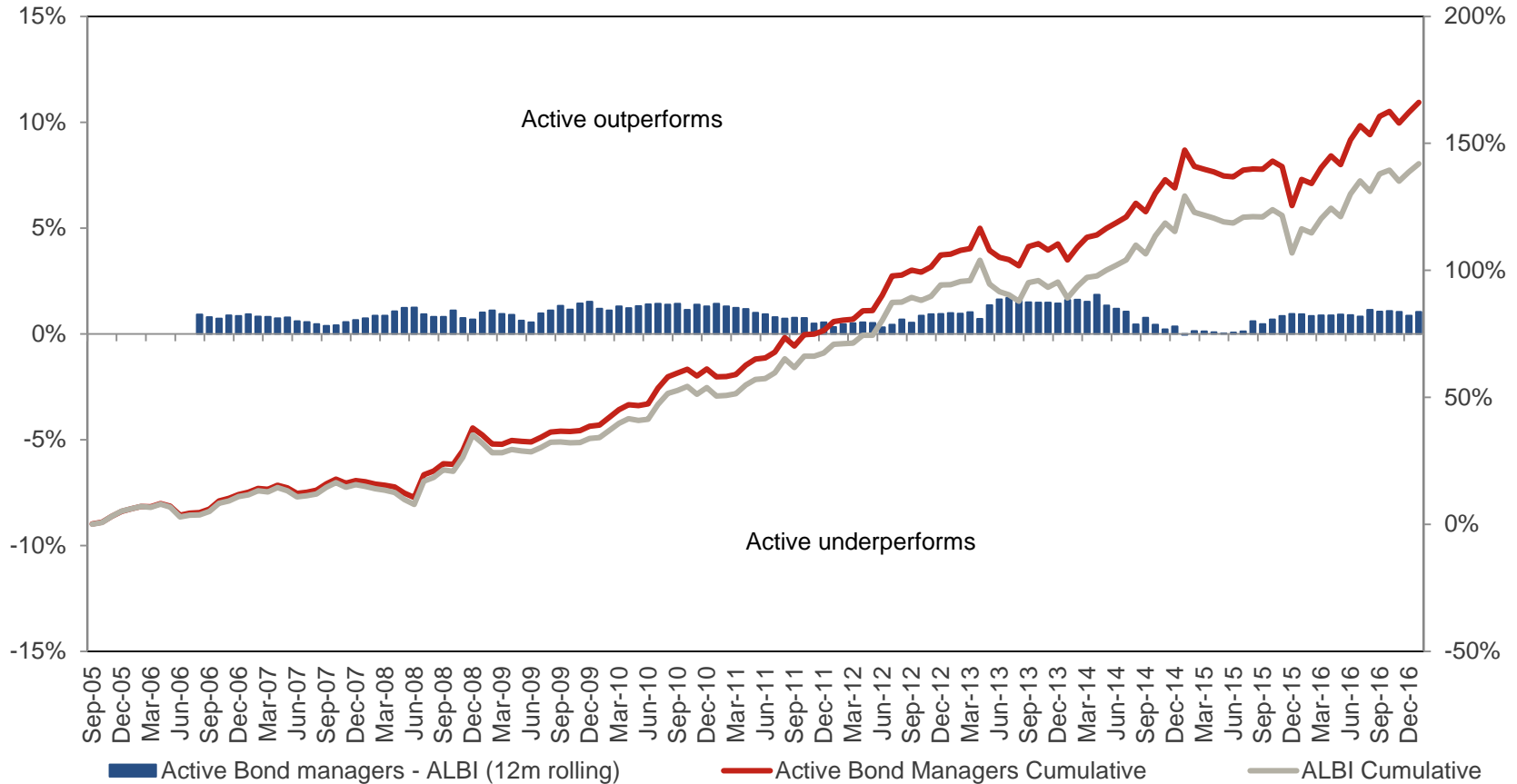
Source: Alexander Forbes SA Money Market Manager Watch™, INET BFA and Momentum Investments

* Lagged by one month due to availability of data



Active versus tracker: Bonds

One-year rolling average to January* 2017



Median of Active Bond Managers vs ALBI

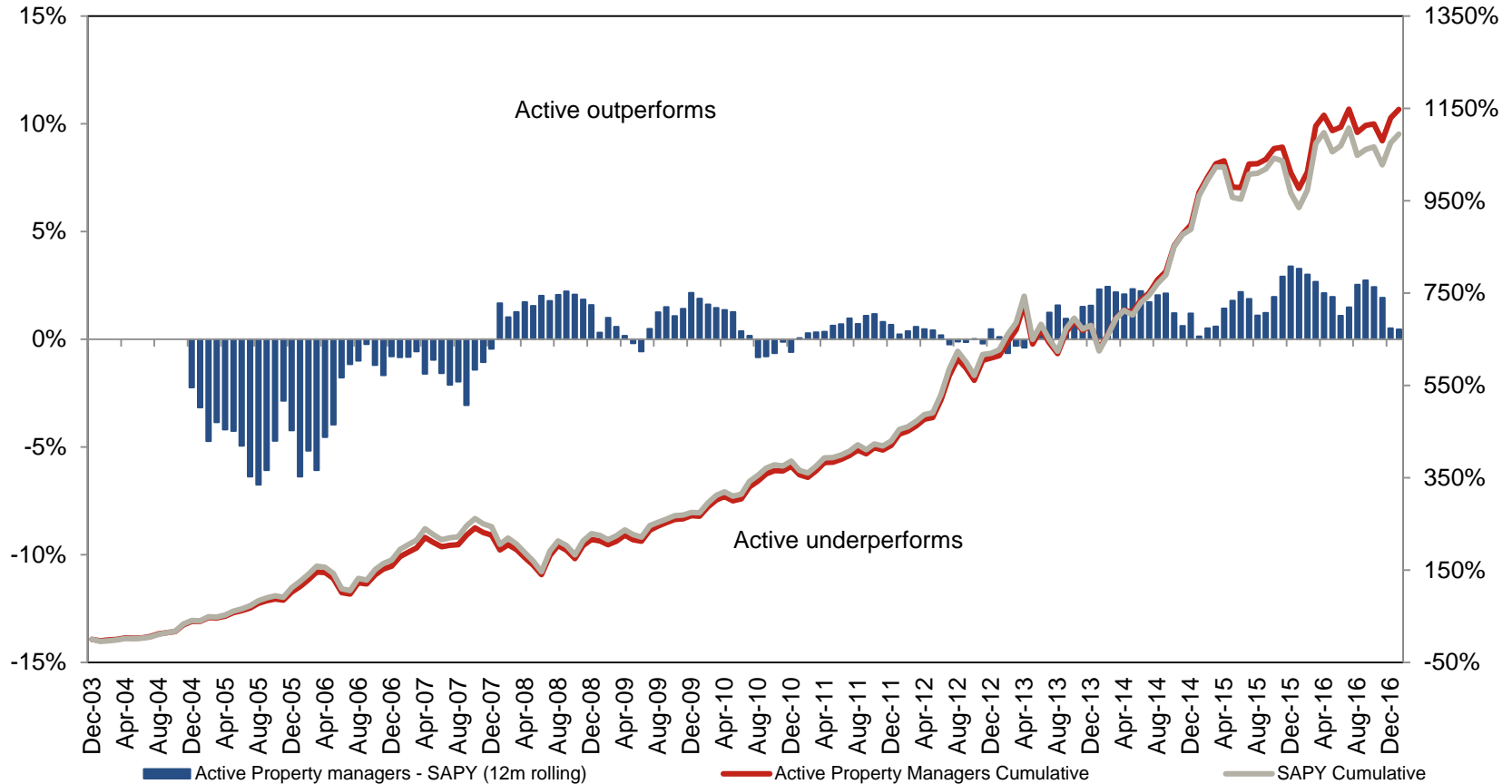
Source: Alexander Forbes SA Bond Manager Watch™, INET BFA and Momentum Investments

* Lagged by one month due to availability of data



Active versus tracker: Property

One-year rolling average to January* 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 February 2017

ZAR	Styles	One month to February 2017	Three months to February 2017	One year to February 2017	Three years to February 2017	Five years to February 2017	Ten years to February 2017	Twenty years to February 2017
Value	Book to Price	1.43	2.28	11.50	0.61	-1.87	-1.67	2.60
	Dividend Yield	0.26	6.20	9.26	4.59	-0.78	2.19	4.56
	Earnings Yield	0.92	1.83	10.73	0.01	-0.17	-0.05	2.85
	Cash Flow Yield	0.87	3.04	18.30	2.54	1.55	0.30	3.67
	Sales to Price	2.44	2.21	10.29	0.21	-2.18	-1.41	2.87
Quality	ROE	0.43	0.00	-6.02	-2.80	-1.13	0.31	-1.95
	ROIC LT	-1.32	0.25	6.19	-0.92	-0.14	-0.24	-2.01
	Income to Sales	-1.39	-1.68	-6.20	-1.02	0.72	0.60	-1.18
	Low market beta	-0.04	-0.28	-6.02	5.82	5.61	-1.71	1.48
	Low Debt/Equity	-0.15	-0.54	2.29	-1.98	-0.37	-2.05	-1.41
	EBIT Margin Stability	0.75	-0.69	3.53	4.99	4.91	5.17	-0.61
Growth	Earnings Growth	0.75	3.25	4.14	1.24	0.46	-1.20	-1.25
	Sales Growth	1.18	0.95	2.34	-0.66	1.72	1.40	0.03
	12M Earning Growth	-0.85	1.93	-5.51	-2.25	-4.24	0.90	5.46
Momentum	FY1 Earnings Revisions	2.20	2.89	-3.07	6.15	4.94	9.97	8.21
	Short Term Momentum	0.65	-0.56	-5.00	2.85	3.16	0.94	-1.07
	Medium Term Momentum	0.78	-2.23	-8.51	2.89	6.23	4.47	6.73
Size	Size	-1.66	-2.21	-10.81	-3.55	-3.00	0.03	-0.87

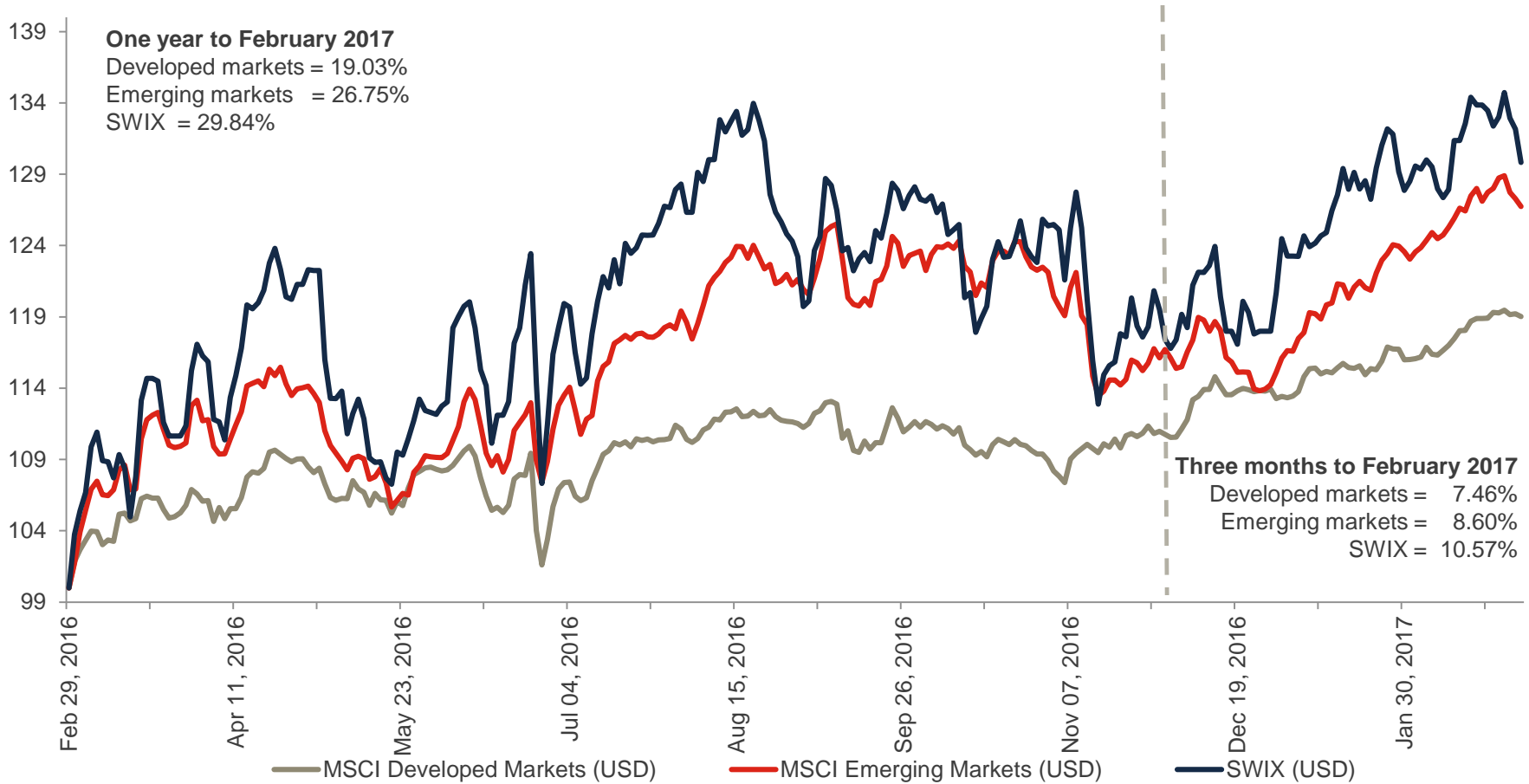
Some Value factors had strong returns for the shorter term. Overall, the various Momentum factors are strong in the longer term, especially FY1 Earnings Revisions and Medium Term Momentum.

Source: FactSet , Momentum Global Investment Management and Momentum Investments



MSCI developed and emerging markets

One year to February 2017

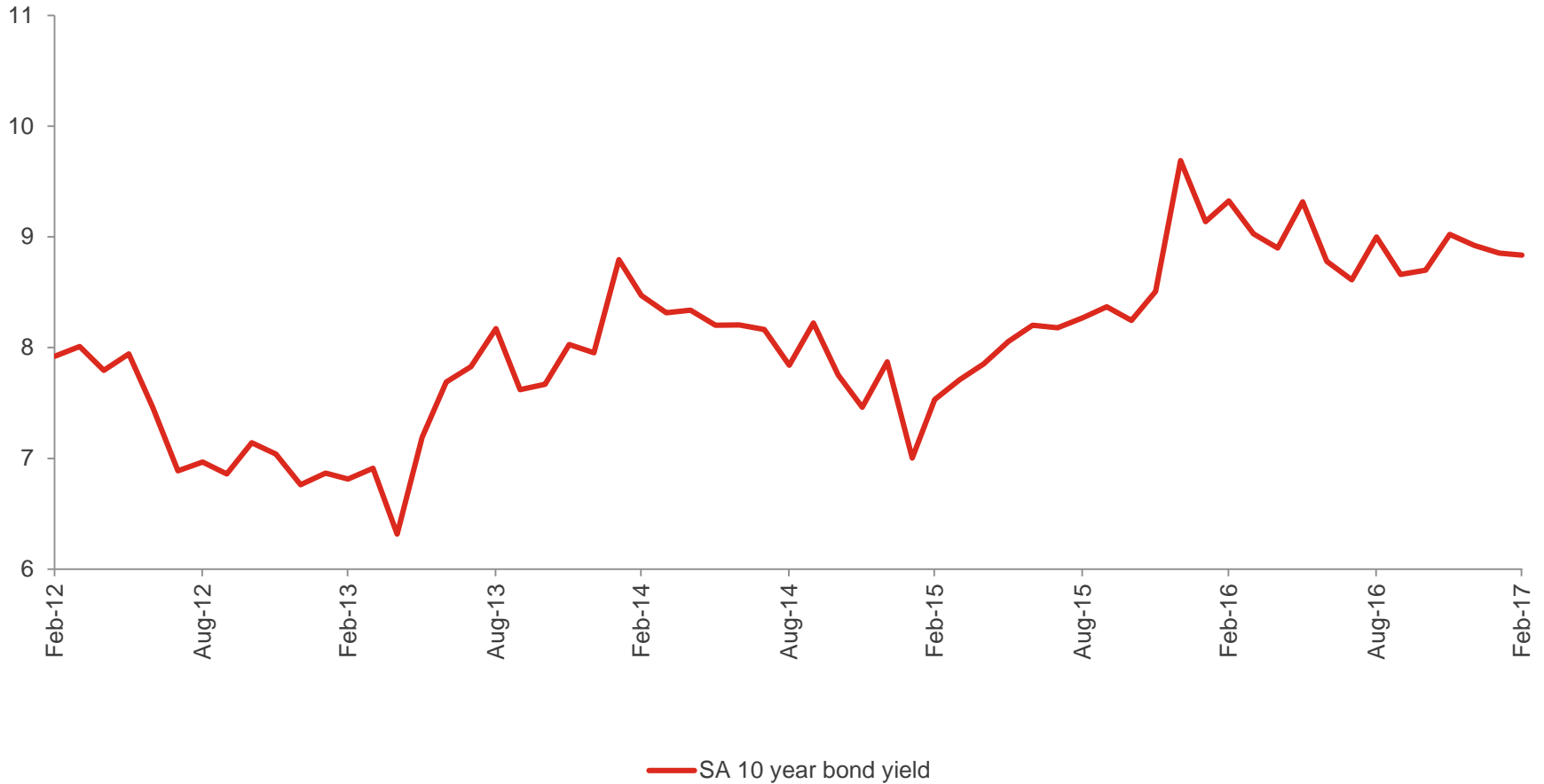


Source: INET BFA, MSCI and Momentum Investments



SA 10-year bond yields

Five years to February 2017



SA 10-year bond yields decreased marginally for February 2017

Source: INET BFA and Momentum Investments



Yield of R197 (inflation-linked bond)

Since May 2001 to February 2017



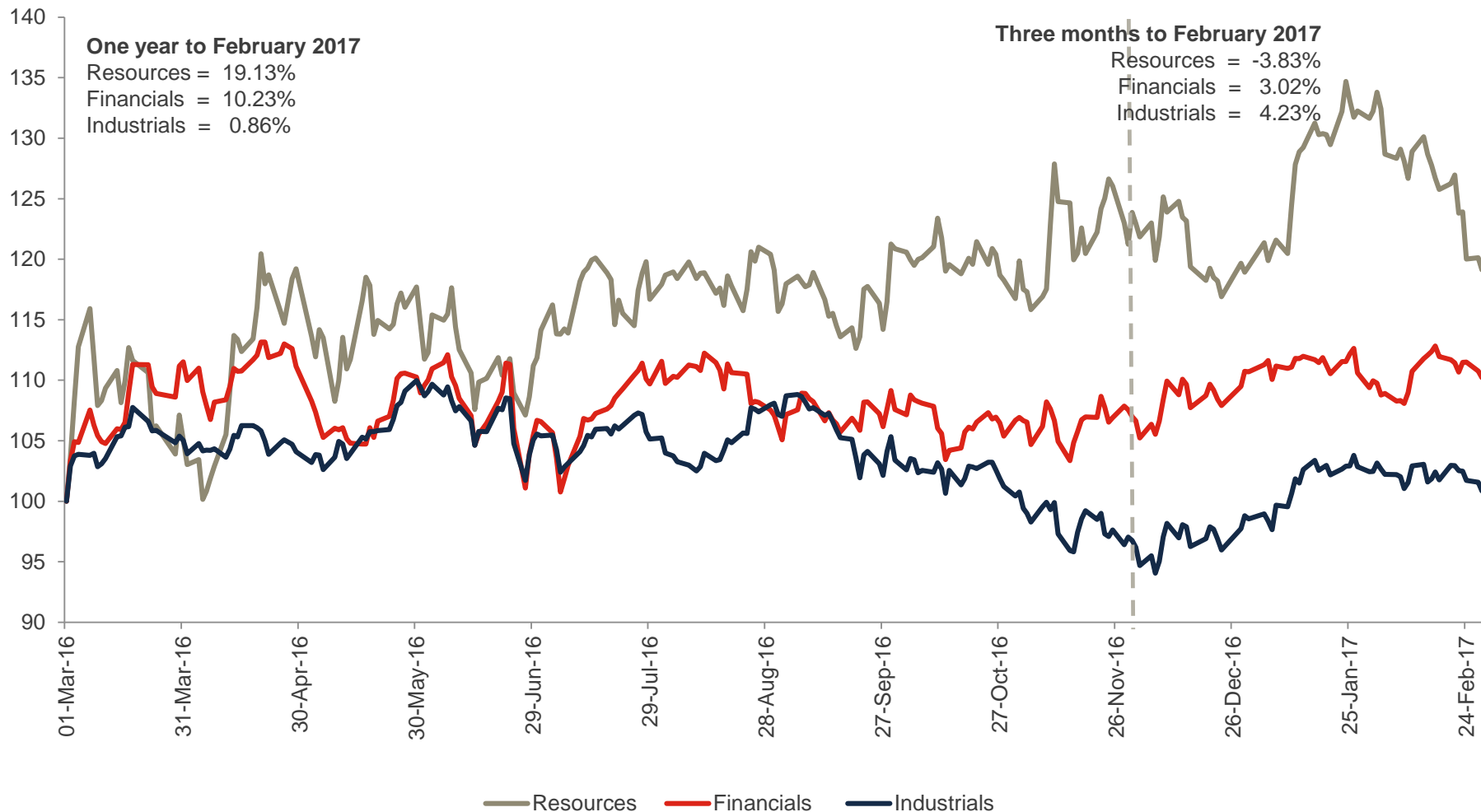
Inflation-linked bond yields were marginally lower for February 2017

Source: INET BFA and Momentum Investments



FTSE/JSE sectors

One year to February 2017

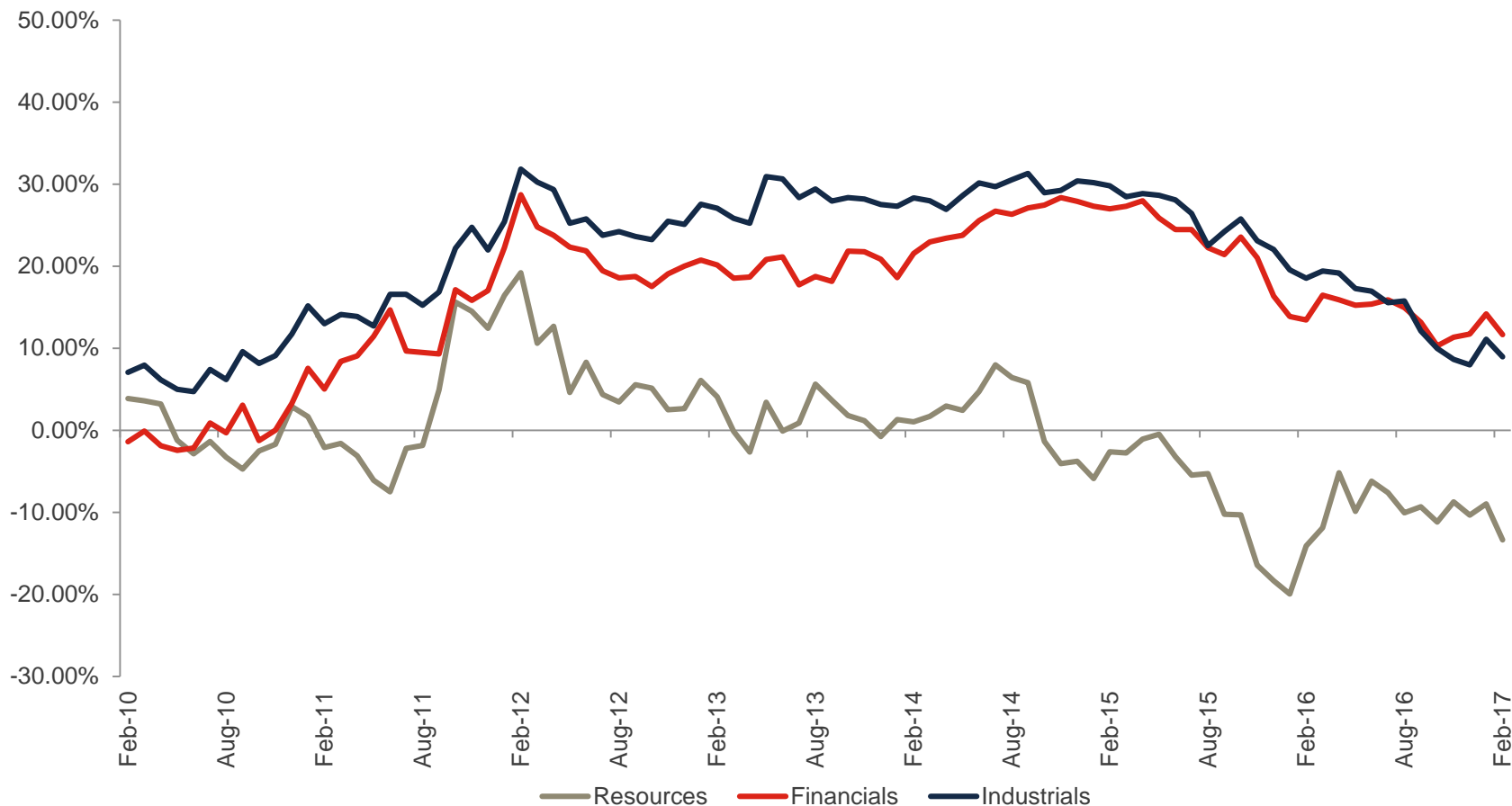


Source: INET BFA and Momentum Investments



FTSE/JSE sectors

Rolling three-year return to February 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 Feb 2017

1	Support Services	Industrials	18.8%	19	Equity Investment Instruments	Financials	3.7%
2	General Retailers	Consumer Services	13.5%	20	Food & Drug Retailers	Consumer Services	3.6%
3	Automobiles & Parts	Consumer Goods	13.0%	21	Health Care Equipment & Services	Health Care	3.6%
4	Construction & Materials	Industrials	12.2%	22	General Financial	Financials	3.2%
5	Industrial Metals	Basic Materials	11.9%	23	Media	Consumer Services	2.1%
6	Coal Mining	Mining	11.7%	24	Travel & Leisure	Consumer Services	1.7%
7	Electronic & Electrical Equipment	Industrials	9.0%	25	Chemicals	Basic Materials	-0.7%
8	Life Insurance	Financials	7.9%	26	Banks	Financials	-1.2%
9	Household Goods	Consumer Goods	7.3%	27	Industrial Engineering	Industrials	-1.5%
10	Food Producers	Consumer Goods	7.2%	28	Pharmaceuticals & Biotechnology	Health Care	-1.9%
11	Real Estate Investment Trusts	Financials	6.5%	29	Fixed Line Telecommunications	Telecommunication	-2.1%
12	Tobacco	Consumer Goods	5.1%	30	Industrial Transportation	Industrials	-2.4%
13	Forestry & Paper	Basic Materials	4.8%	31	Software & Computer Services	Technology	-3.6%
14	Personal Goods	Consumer Goods	4.8%	32	Real Estate Investment & Services	Financials	-4.3%
15	Mobile Telecommunications	Telecommunication	4.7%	33	Beverages	Consumer Goods	-4.5%
16	General Industrials	Industrials	4.7%	34	Gold Mining	Mining	-7.3%
17	Platinum Mining	Mining	4.2%	35	General Mining	Mining	-7.6%
18	Non-life Insurance	Financials	4.1%				

Key

Resources

Financials

Industrials

Source: Barra, Deutsche Securities and Momentum Investments



FTSE/JSE sectors

Decomposed

One year to Feb 2017

1	Industrial Metals	Basic Materials	127.4%	19	Automobiles & Parts	Consumer Goods	11.4%
2	General Mining	Mining	53.8%	20	Electronic & Electrical Equipment	Industrials	10.6%
3	Coal Mining	Mining	52.8%	21	General Retailers	Consumer Services	10.0%
4	Industrial Engineering	Industrials	45.2%	22	Life Insurance	Financials	9.7%
5	Food Producers	Consumer Goods	37.1%	23	Real Estate Investment Trusts	Financials	7.5%
6	Fixed Line Telecommunications	Telecommunication	34.3%	24	Pharmaceuticals & Biotechnology	Health Care	3.4%
7	Non-life Insurance	Financials	31.0%	25	Equity Investment Instruments	Financials	1.5%
8	Travel & Leisure	Consumer Services	29.5%	26	Mobile Telecommunications	Telecommunication	-1.1%
9	Banks	Financials	28.7%	27	Tobacco	Consumer Goods	-1.1%
10	Construction & Materials	Industrials	25.9%	28	Personal Goods	Consumer Goods	-1.9%
11	Support Services	Industrials	25.8%	29	Chemicals	Basic Materials	-5.8%
12	Industrial Transportation	Industrials	20.8%	30	General Financial	Financials	-6.5%
13	General Industrials	Industrials	18.8%	31	Health Care Equipment & Services	Health Care	-13.7%
14	Platinum Mining	Mining	18.4%	32	Real Estate Investment & Services	Financials	-15.0%
15	Forestry & Paper	Basic Materials	14.6%	33	Household Goods	Consumer Goods	-15.3%
16	Food & Drug Retailers	Consumer Services	12.2%	34	Beverages	Consumer Goods	-22.0%
17	Software & Computer Services	Technology	11.9%	35	Gold Mining	Mining	-36.1%
18	Media	Consumer Services	11.5%				

Key

Resources

Financials

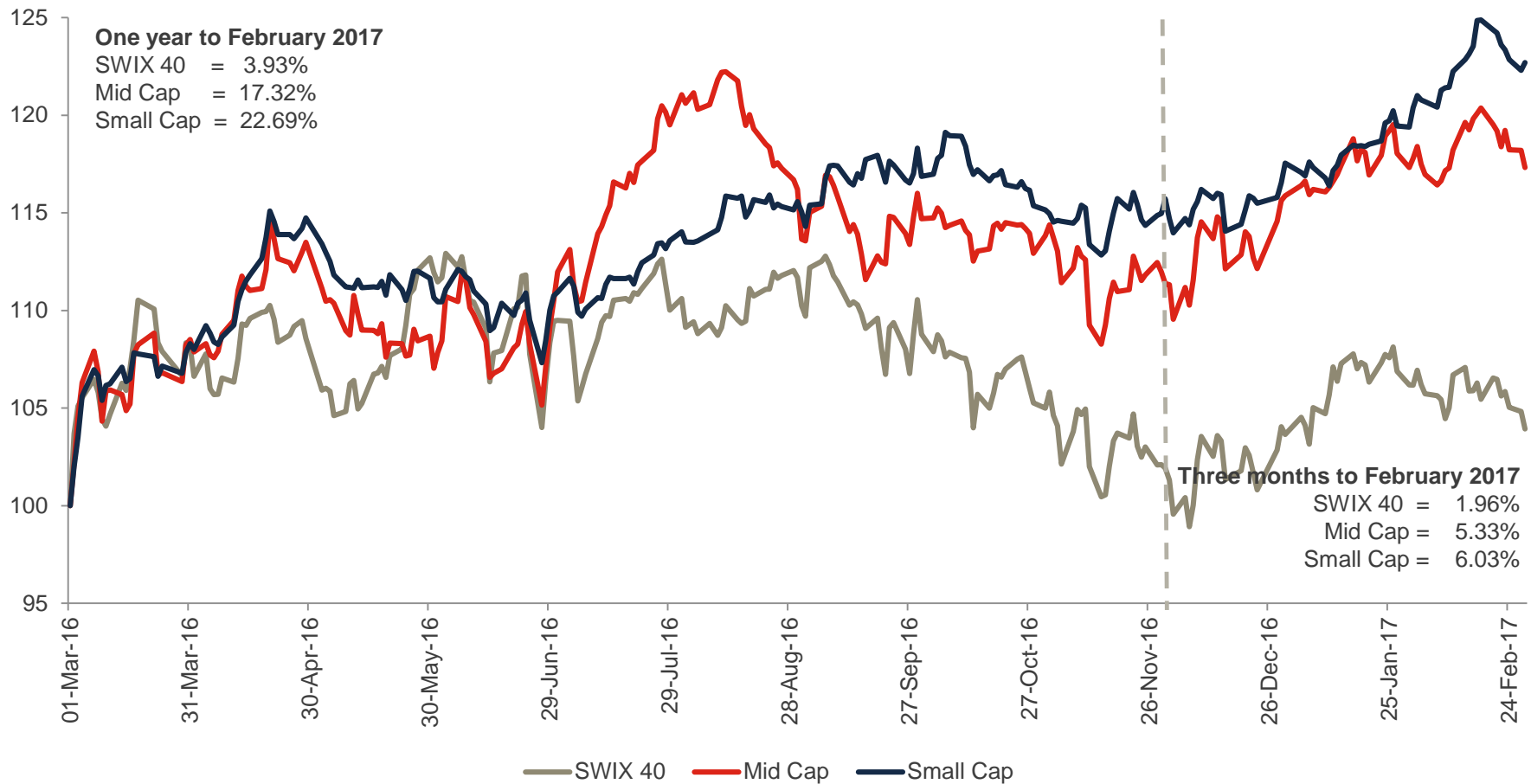
Industrials

Source: Barra, Deutsche Securities and Momentum Investments



FTSE/JSE market caps

One year to February 2017



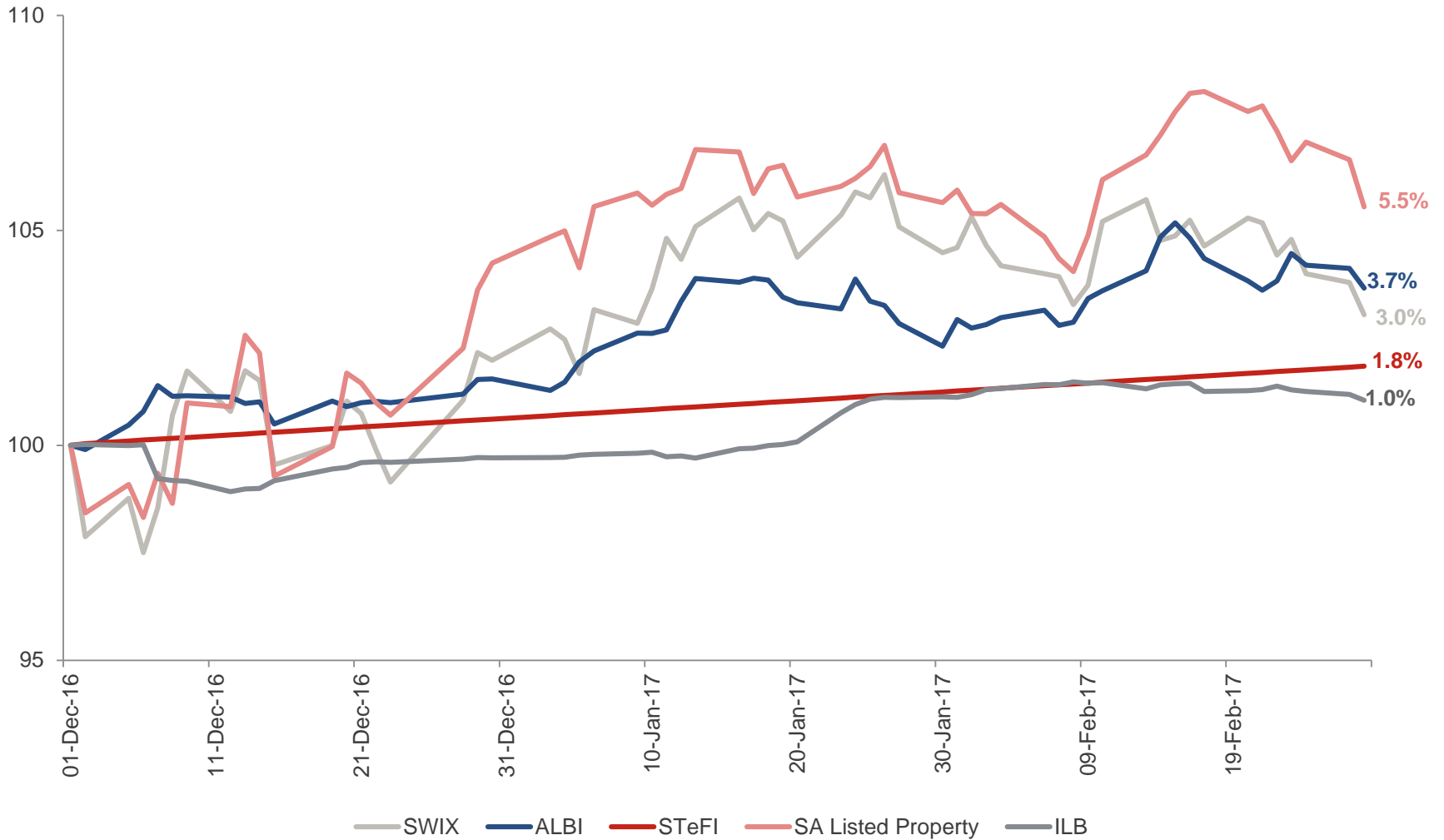
The FTSE/JSE Mid Cap and Small Cap Indices had positive double-digit returns for the one-year period, while the SWIX 40 returns were relatively flat albeit positive for the same period

Source: INET BFA and Momentum Investments



Local asset classes

Three months to February 2017

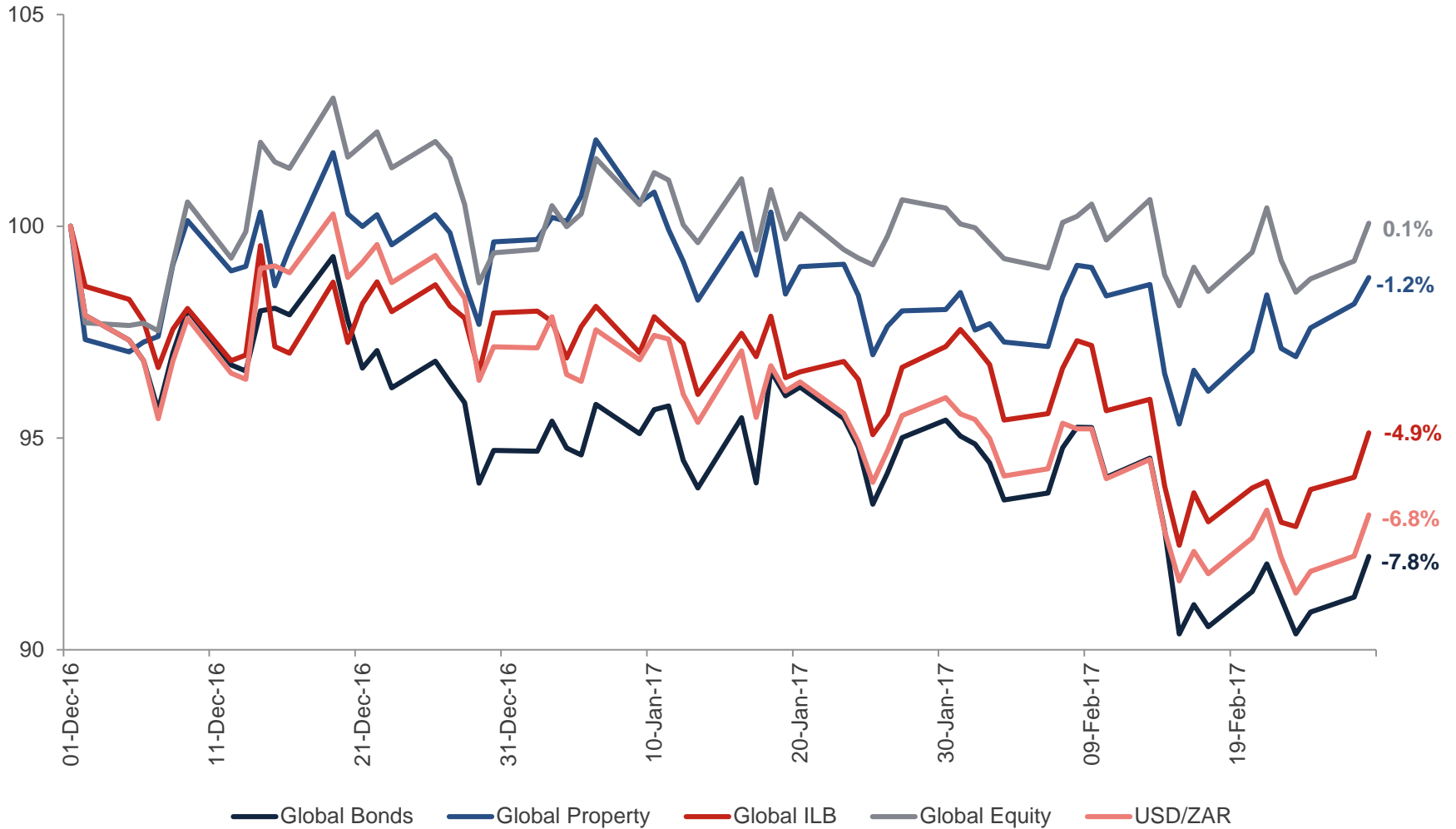


Source: INET BFA and Momentum Investments



Global asset classes

Three months to February 2017

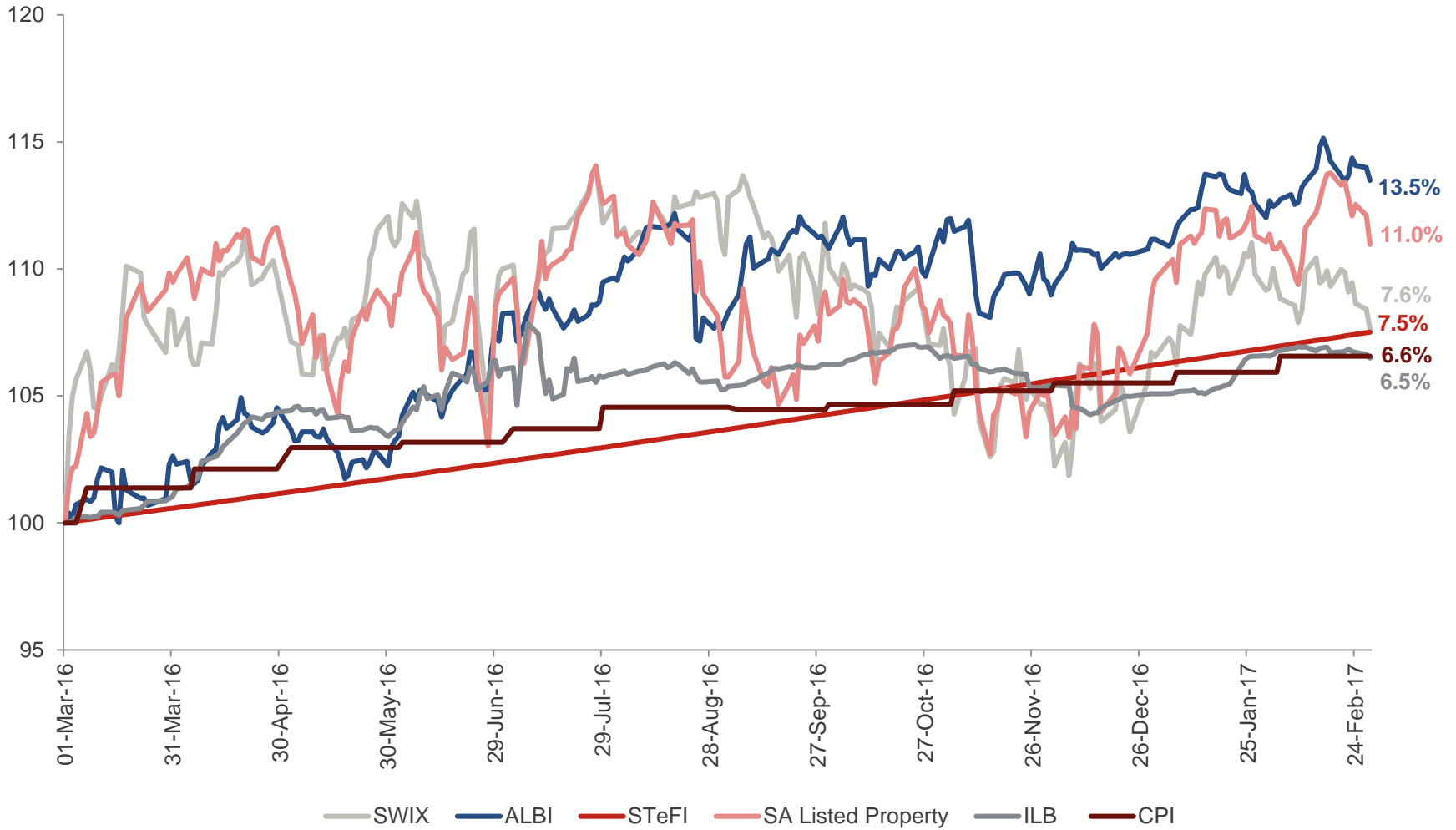


Source: INET BFA and Momentum Investments



Local asset classes

One year to February 2017



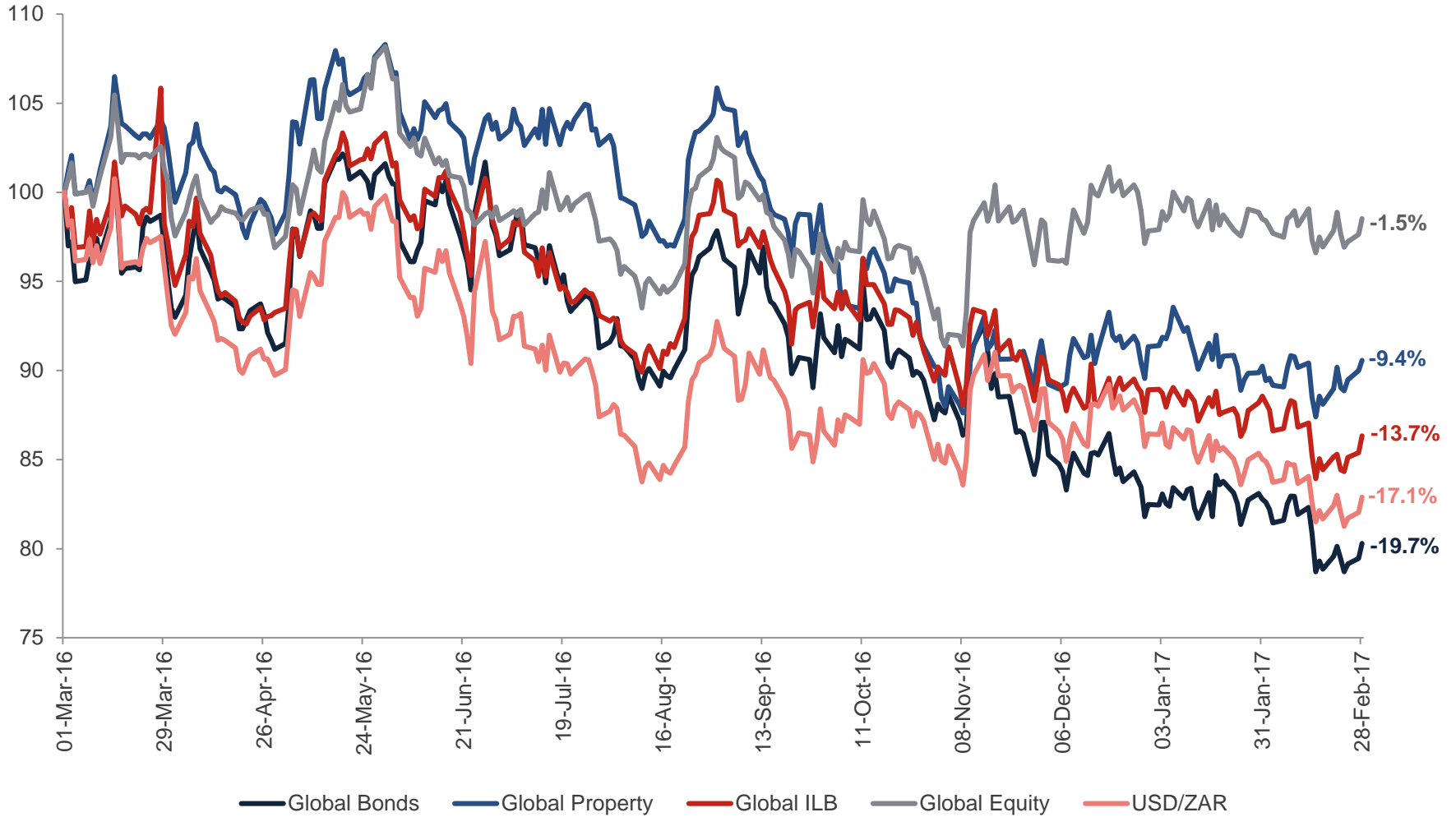
Source: INET BFA and Momentum Investments

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



Global asset classes

One year to February 2017



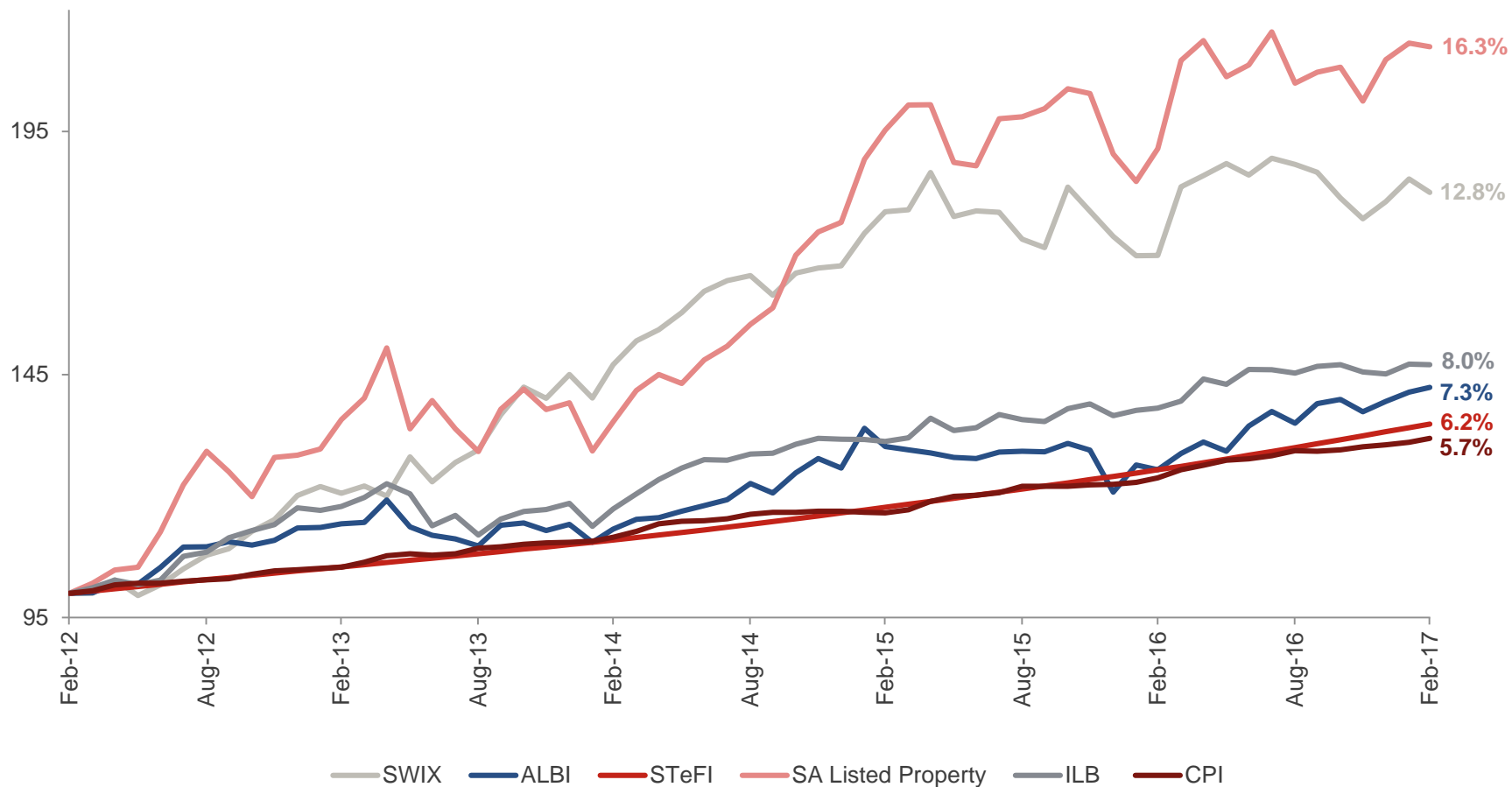
Source: INET BFA and Momentum Investments

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



Local asset classes

Five years to February 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%).

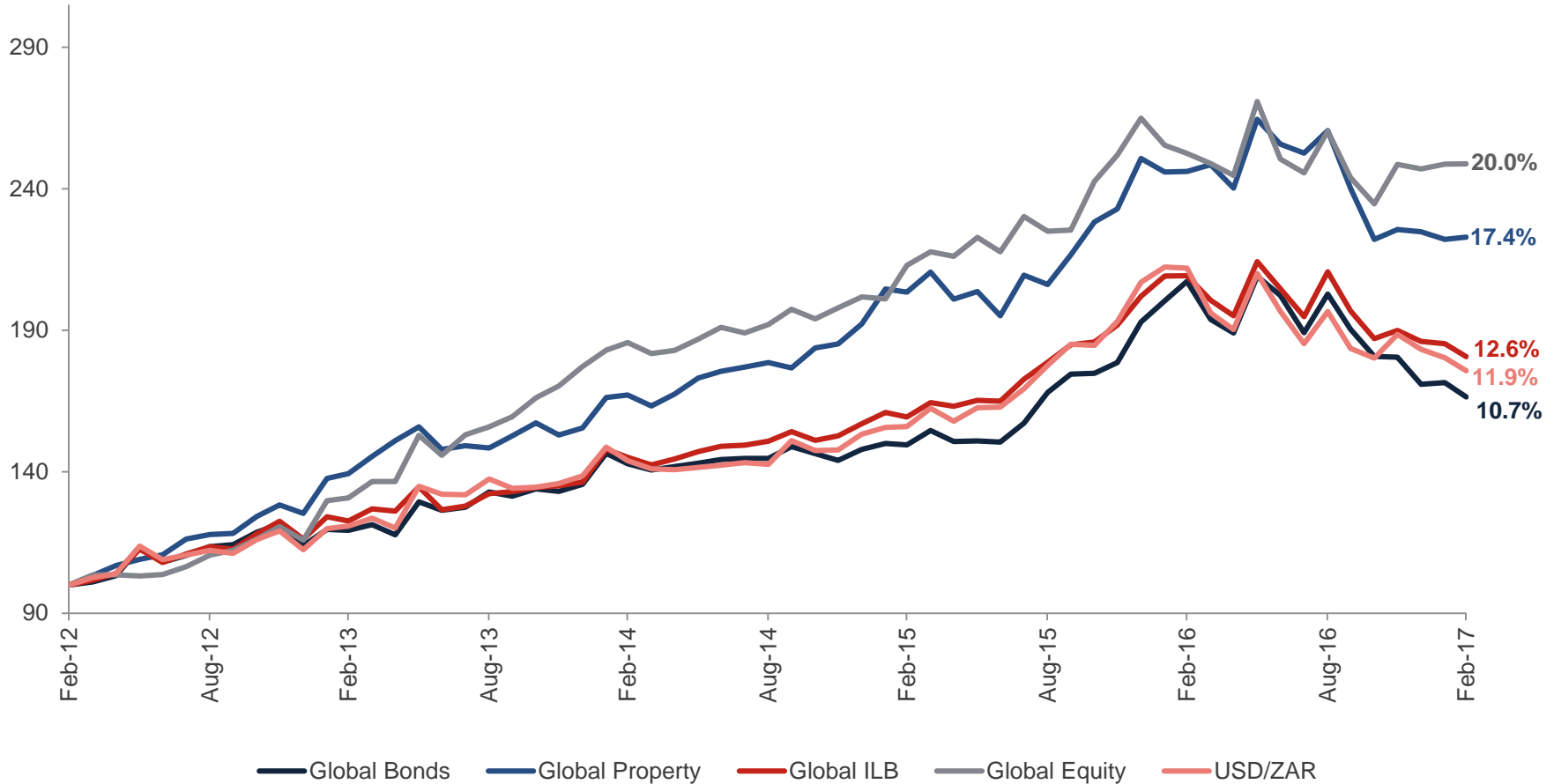
Source: INET BFA and Momentum Investments

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



Global asset classes

Five years to February 2017



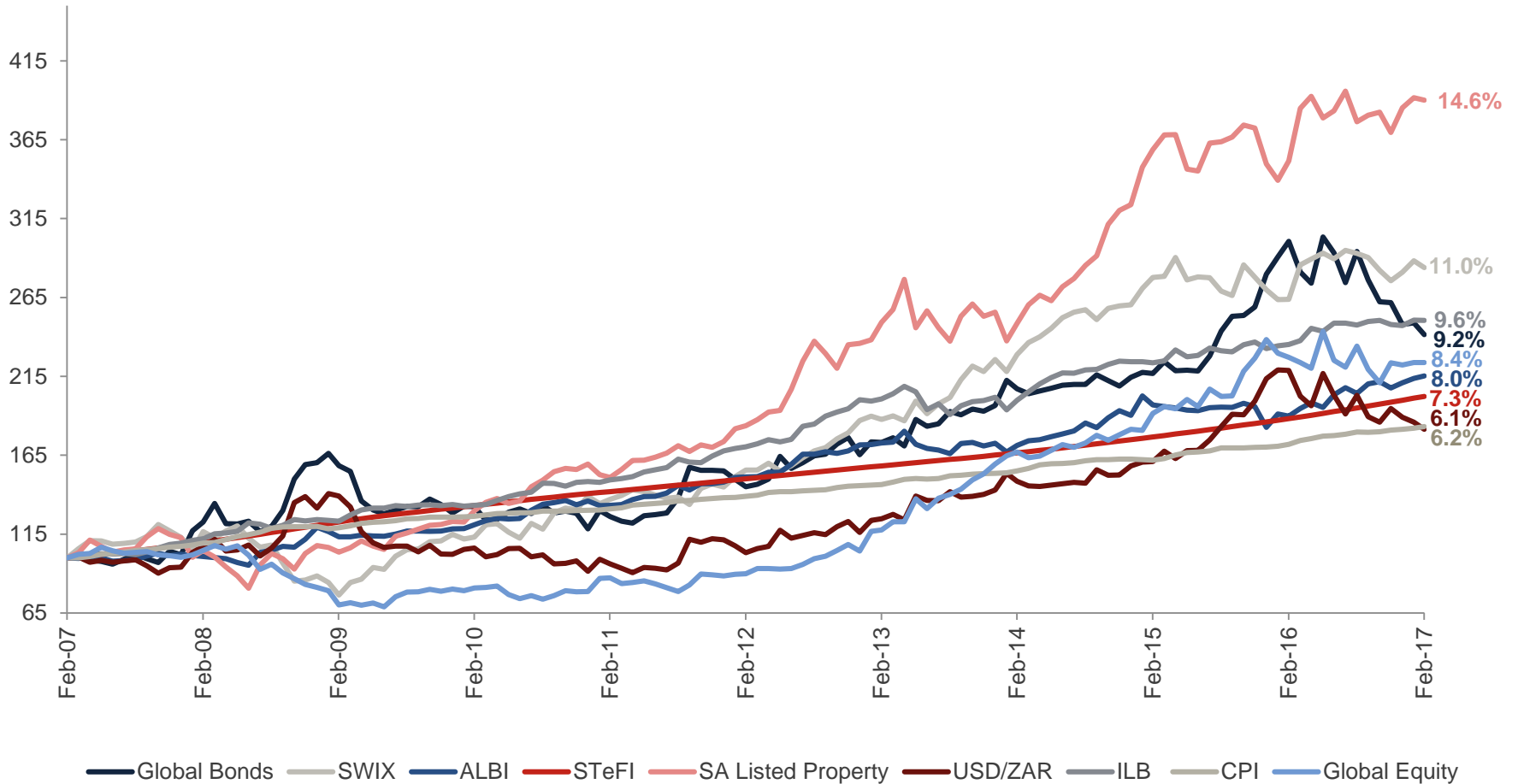
Global equity had the best return for the five-year period, with 20.0%, followed by global property with 17.4%

Source: INET BFA and Momentum Investments



Asset classes

Ten years to February 2017



For the 10-year period to February 2017, the FTSE/JSE SA Listed Property continued to outperform, followed by the SWIX and Local ILBs

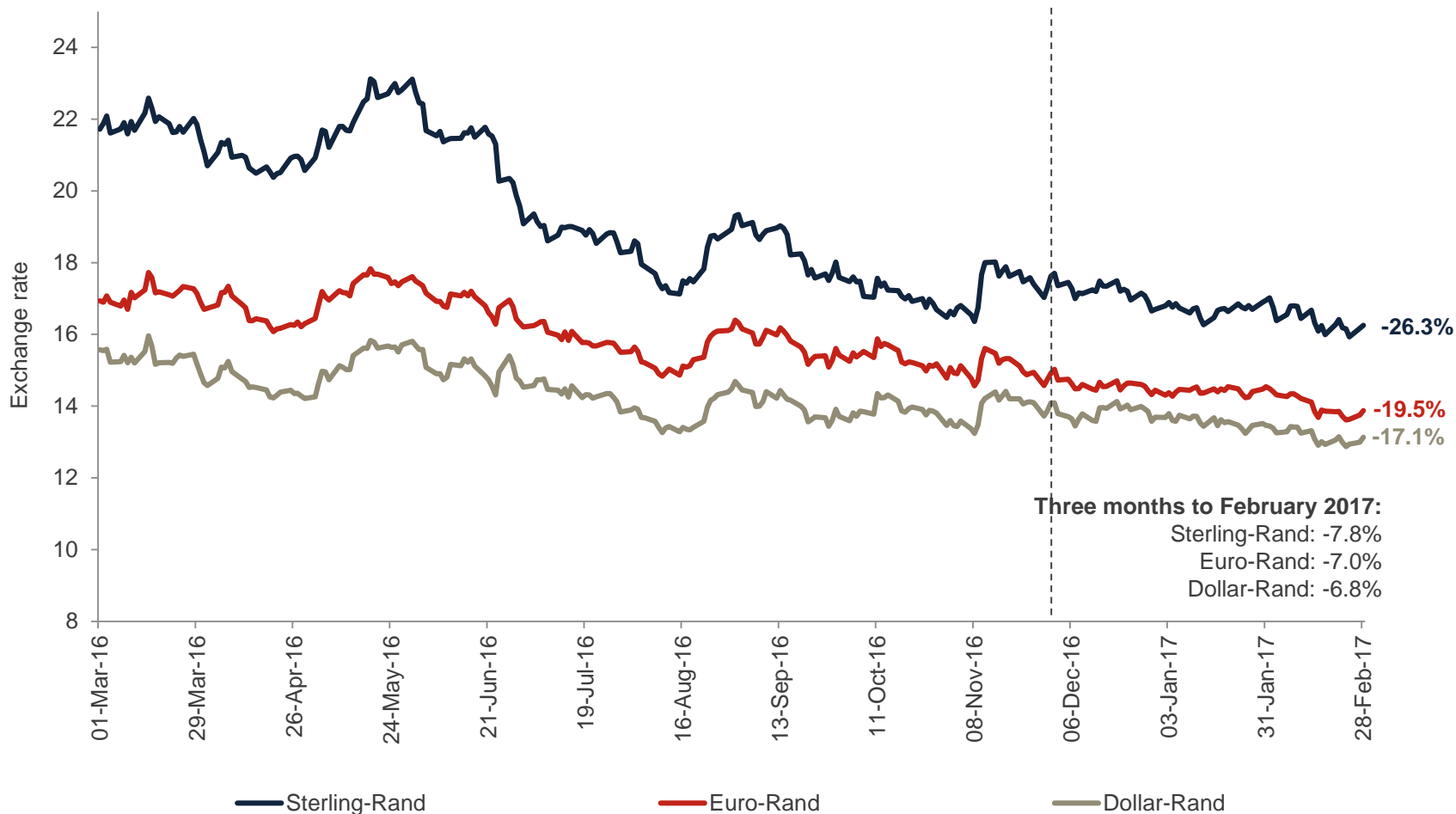
Source: INET BFA and Momentum Investments

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



Exchange rates

One year to February 2017



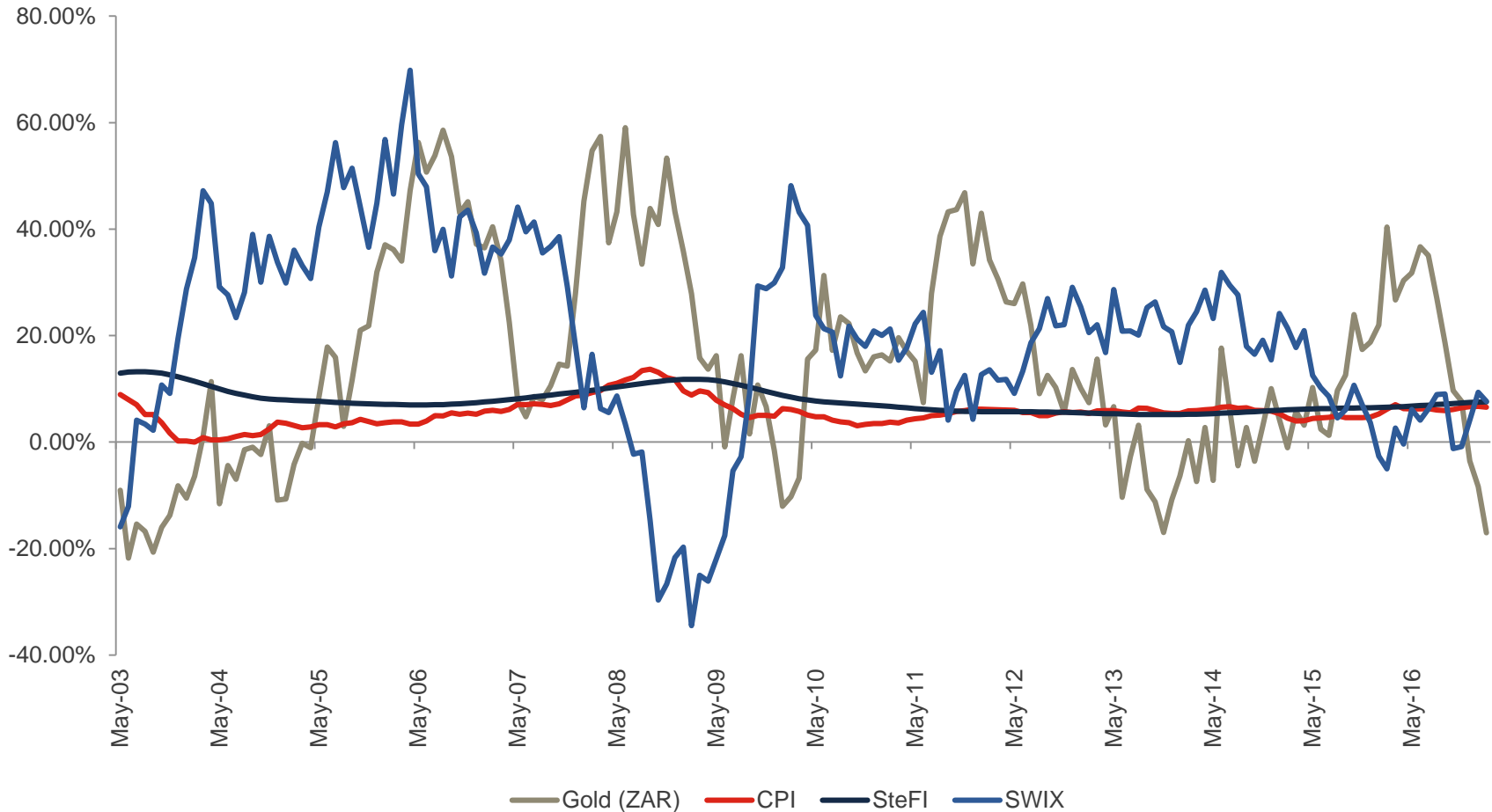
The rand appreciated against all currencies for the one-year and three-month period

Source: INET BFA and Momentum Investments



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

One-year rolling returns to February 2017



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

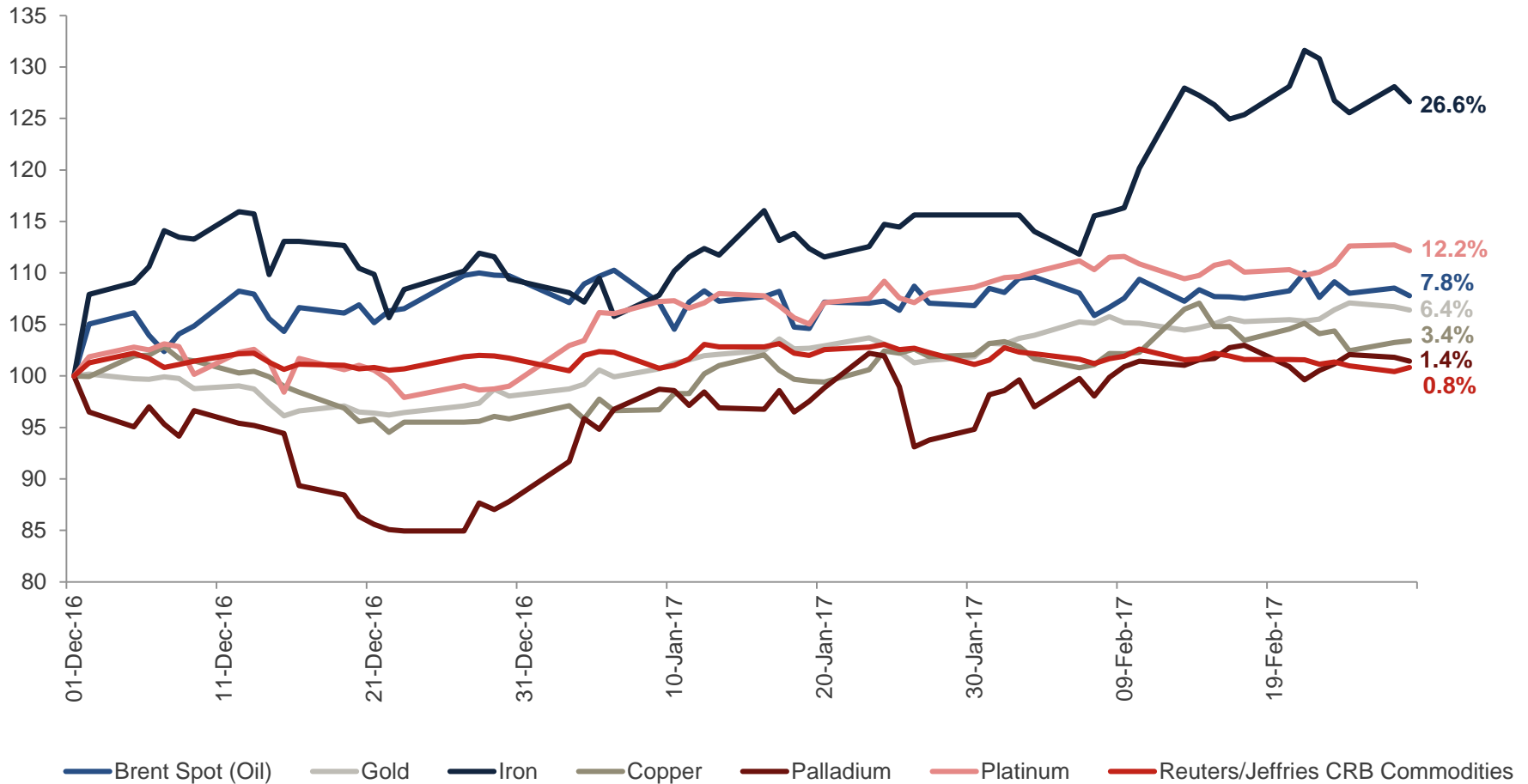
Source: INET BFA and Momentum Investments

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



Commodities

Three months to February 2017



Iron ore, Platinum and Brent Oil were the best-performing commodities for the last three months

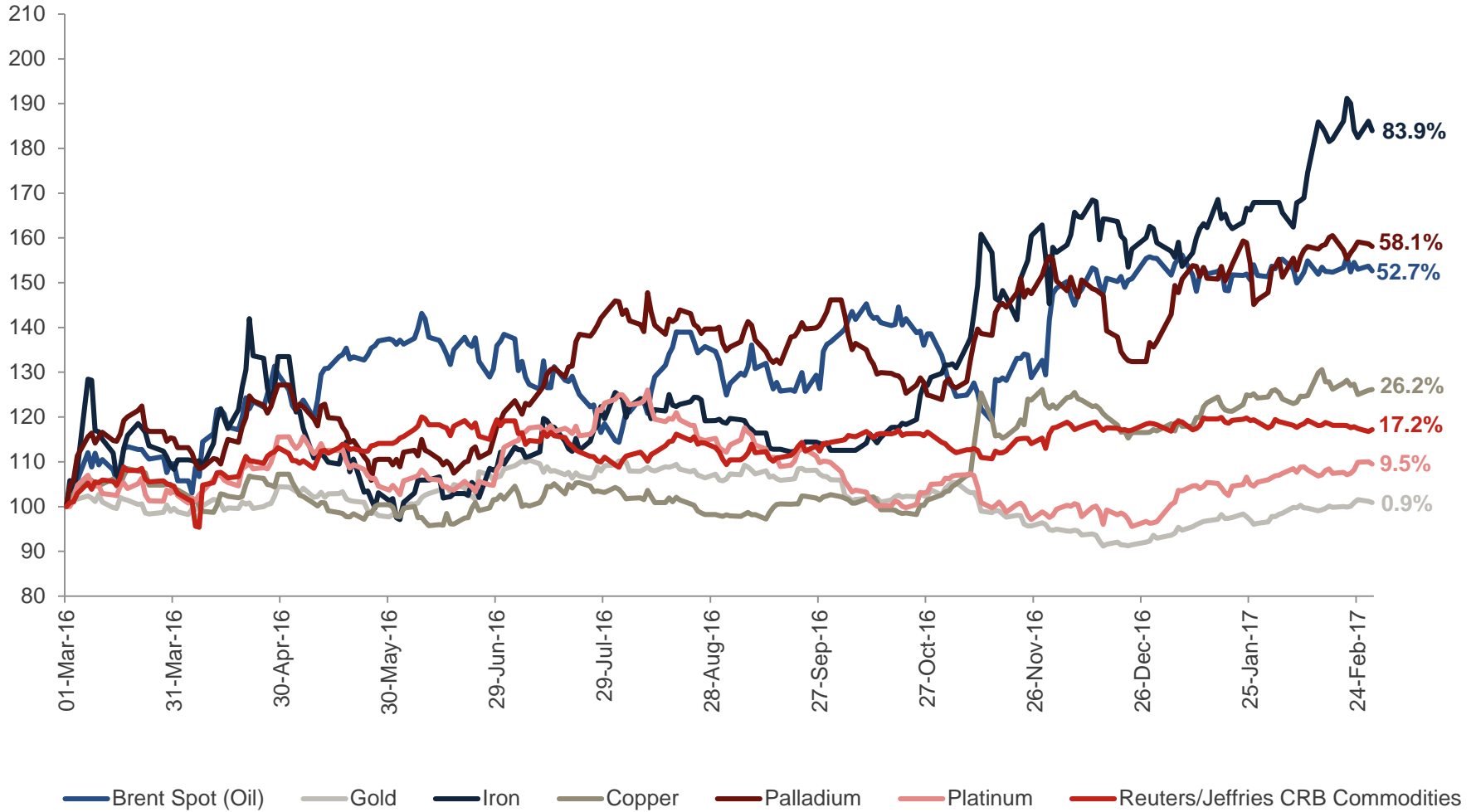
Source: INET BFA, FT.com and Momentum Investments

All returns in dollar terms



Commodities

One year to February 2017



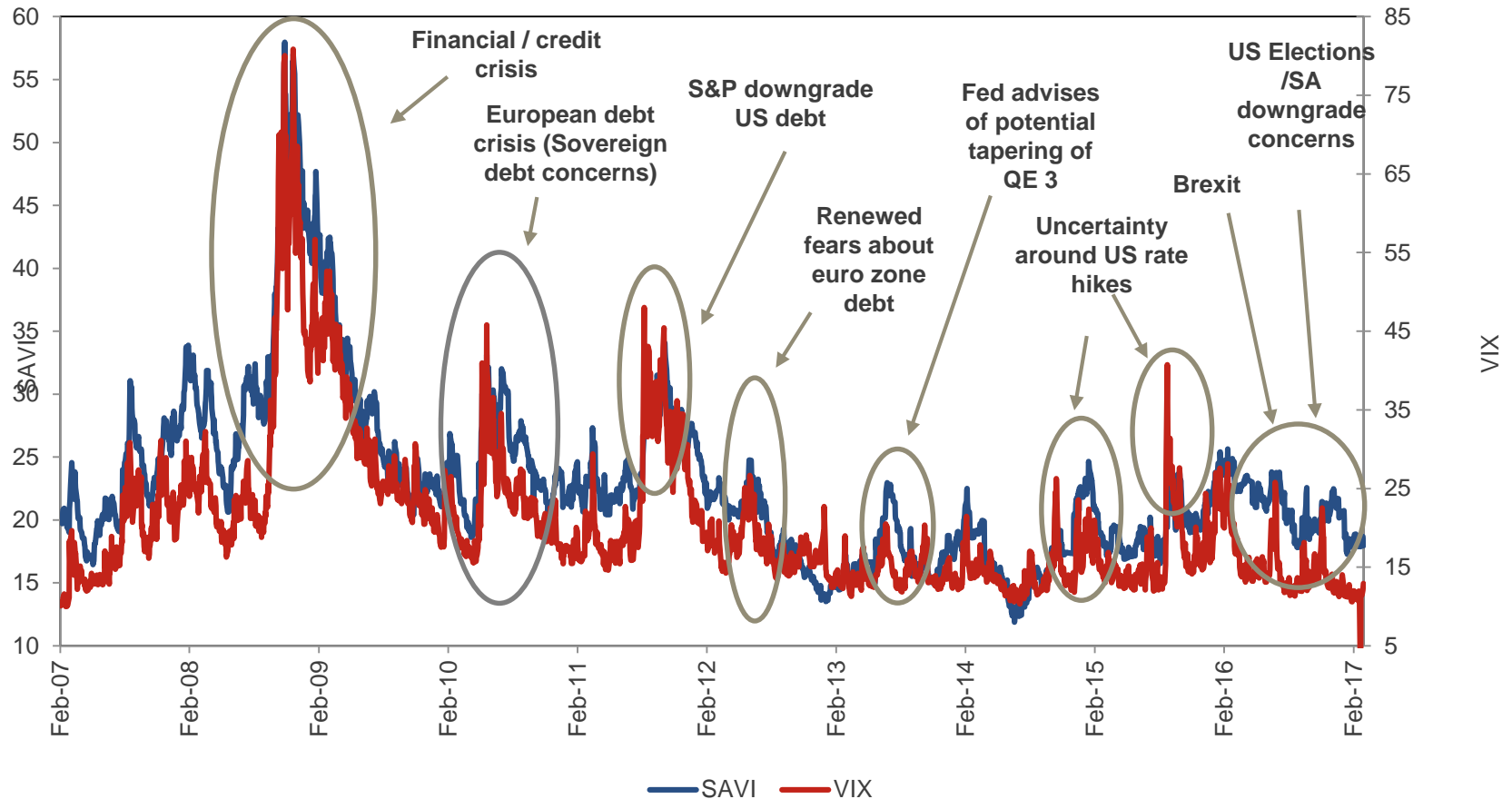
Source: INET BFA, FT.com and Momentum Investments

All returns in dollar terms



SAVI-VIX

Since February 2007 to February 2017

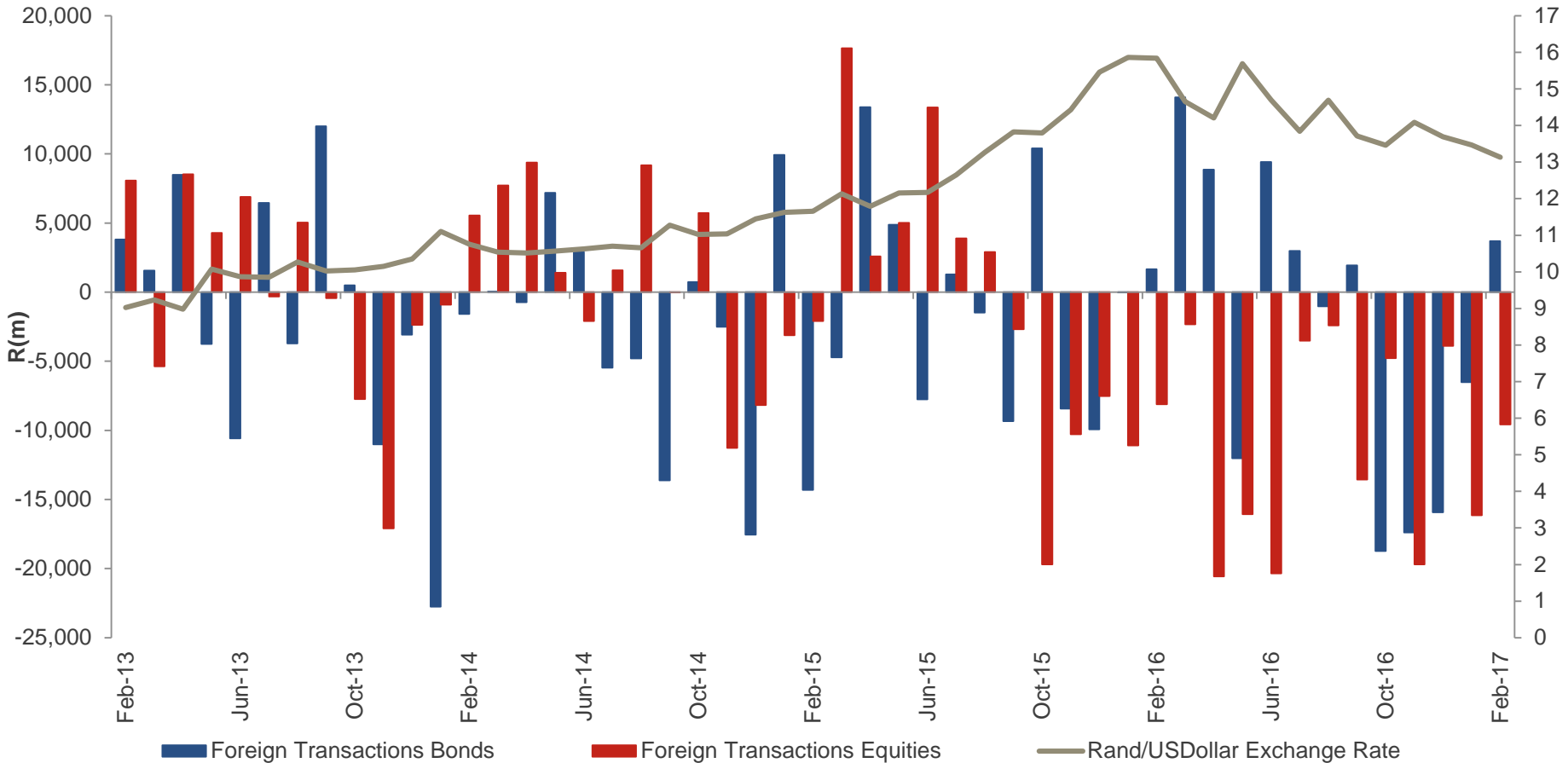


Source: INET BFA and Momentum Investments



Foreign transactions

2013 to 2017



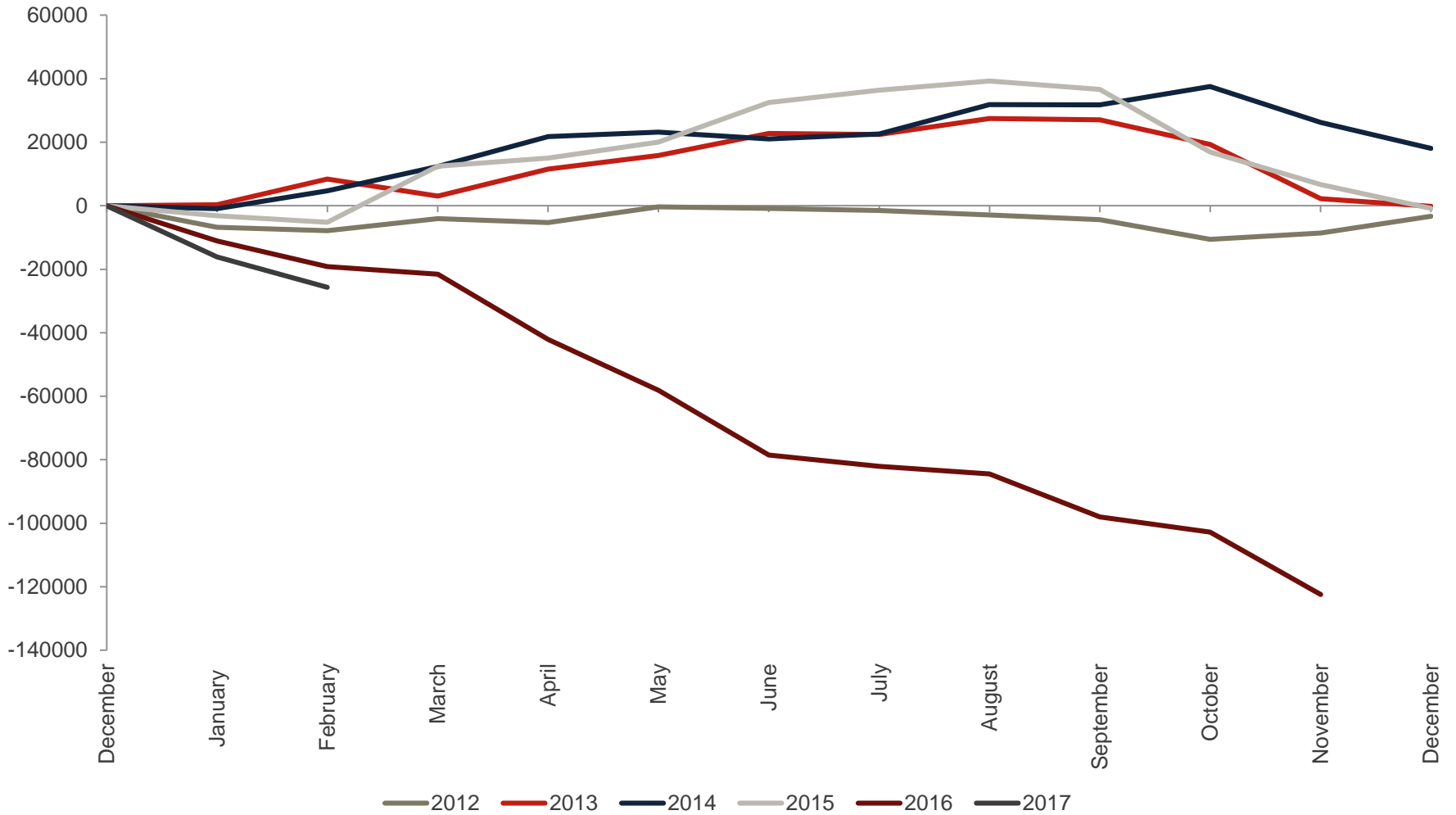
There have been mixed results over the years. However, for February 2017 net outflows have taken place for equities and net inflows for bonds.

Source: INET BFA and Momentum Investments



Cumulative foreign transaction equities

2012 to 2017

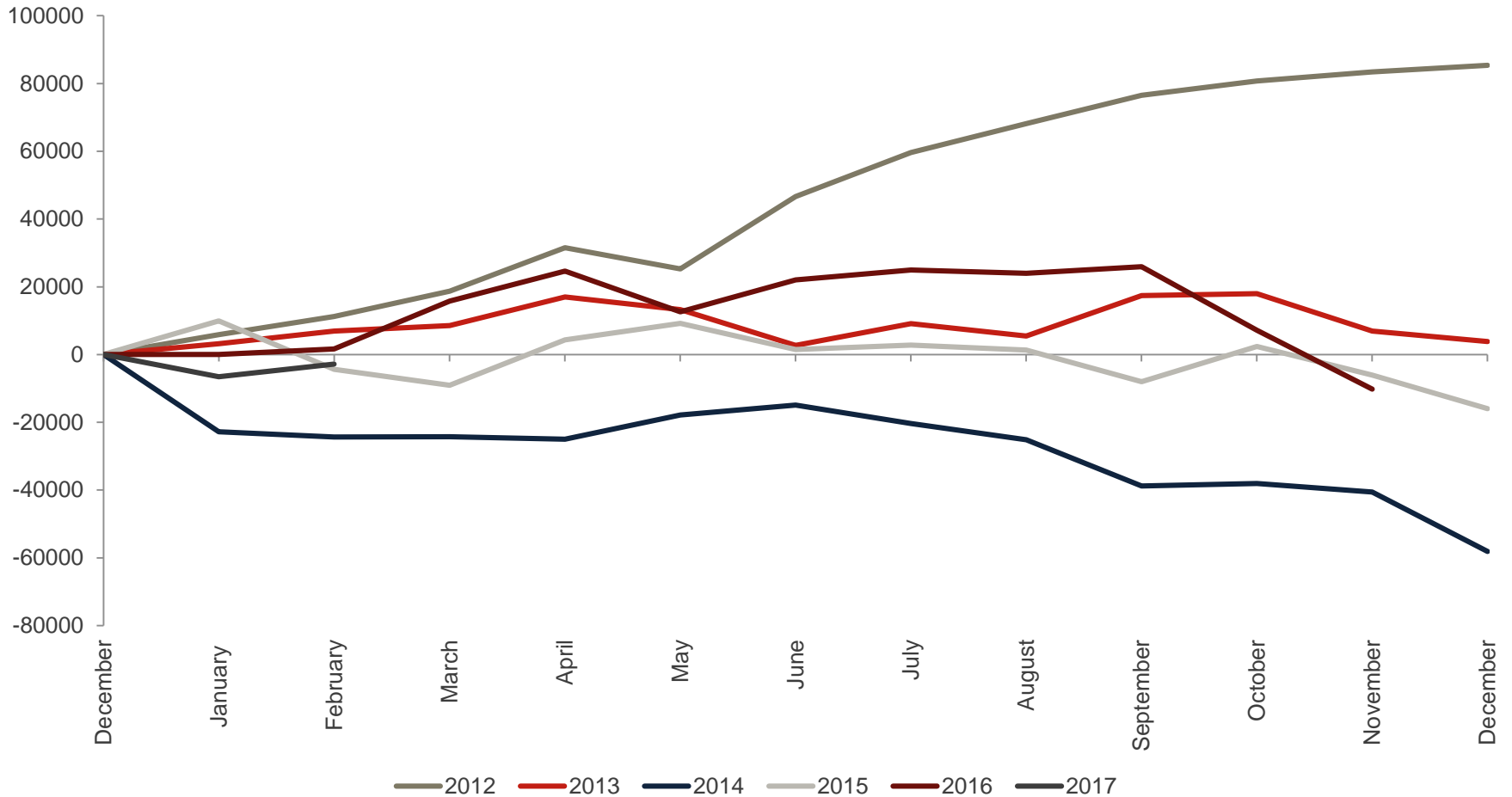


Source: INET BFA and Momentum Investments



Cumulative foreign transaction bonds

2012 to 2017



Source: INET BFA and Momentum Investments



End of key market performance drivers monthly charts for February 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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