

Key market performance drivers

Monthly charts

May 2017

Signatory of:

PRI | Principles for
Responsible
Investment

Market returns concentration

One-year returns ending:

May-17

	NASPERS	
	STANDARD BANK GP	
	FIRSTRAND	
	ANGLO	
Top 5	SHOPRIT	93%
Top 6	BIDVEST	100%
	SAPPI	
	SANLAM	
	BARWORLD	
Top 10	NEDBANK	118%
	CAPITEC	
	EXXARO	
	GROWTHPOINT PROPS	
	CLICKS GROUP LTD	
	RMBH	
	KUMBA IRON ORE	
	TIGBRANDS	
	BHPBILL	
	TELKOM SA SOC LTD	
Top 20	PSG	143%
Remaining	(Positive)	30%
Negative	(61 Shares)	-73%

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%

Market-cap weighted returns: 10 shares contributed 118% to the return of the SWIX, while 20 shares contributed 143%

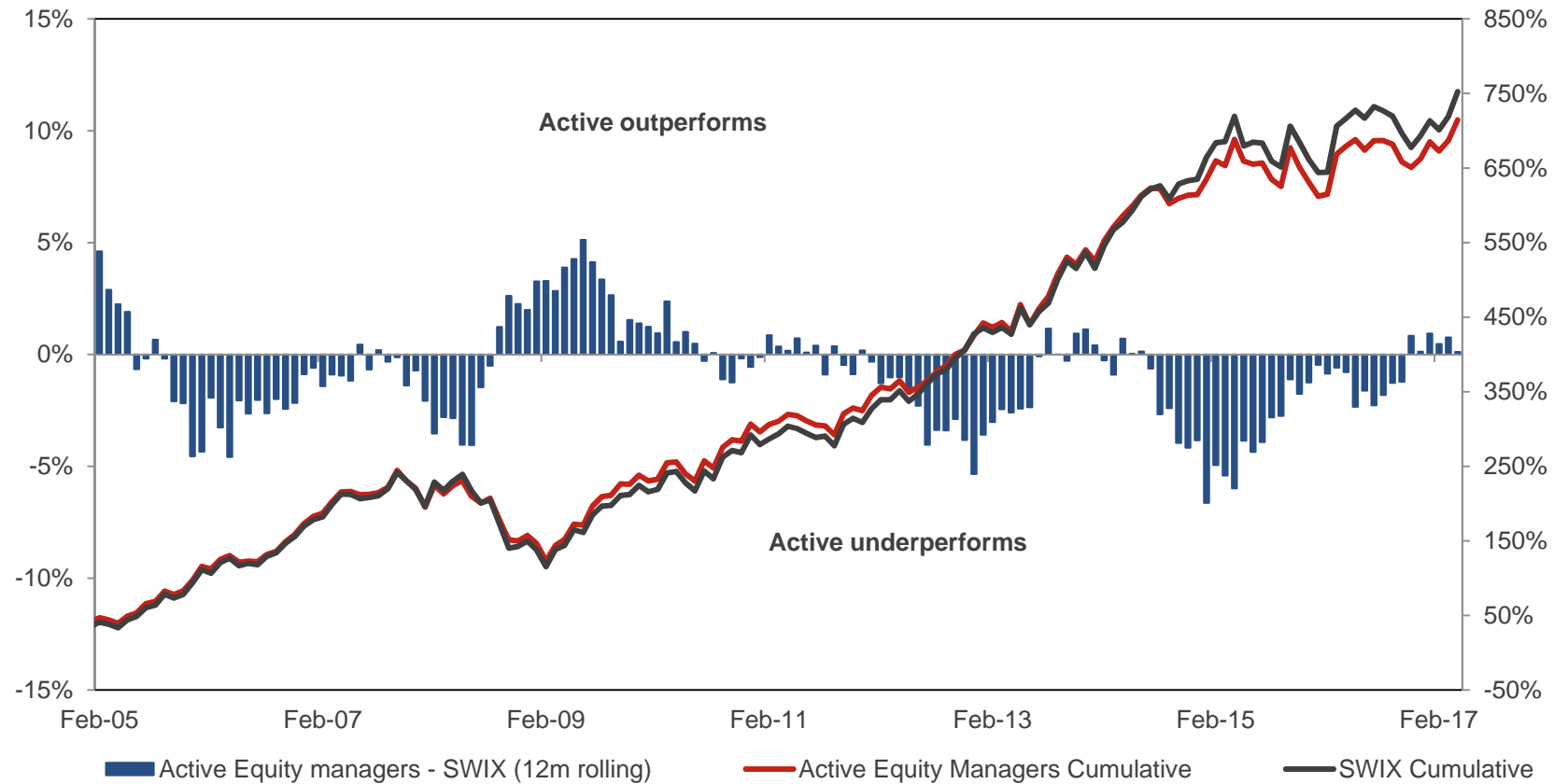
Source: Barra, Deutsche Securities and Momentum Investments



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Active-index analysis

One-year rolling active to April* 2017



Median of Active Equity Managers vs SWIX

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

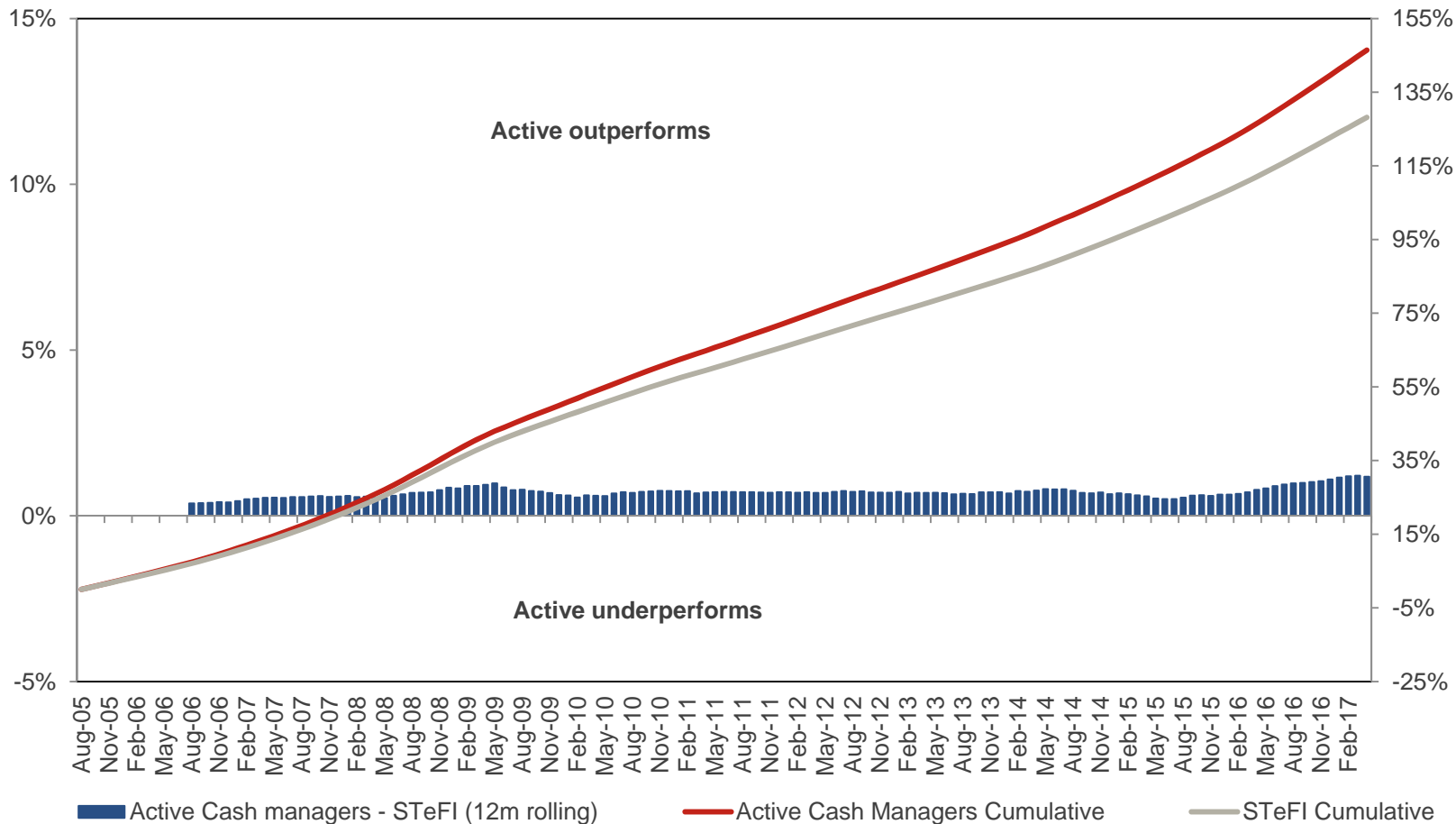
Source: Alexander Forbes SA Equity Manager Watch™, INET BFA and Momentum Investments

* Lagged by one month due to availability of data



Active versus tracker: Cash

One-year rolling average to April* 2017



Median of Active Money Market Managers vs SteFI

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

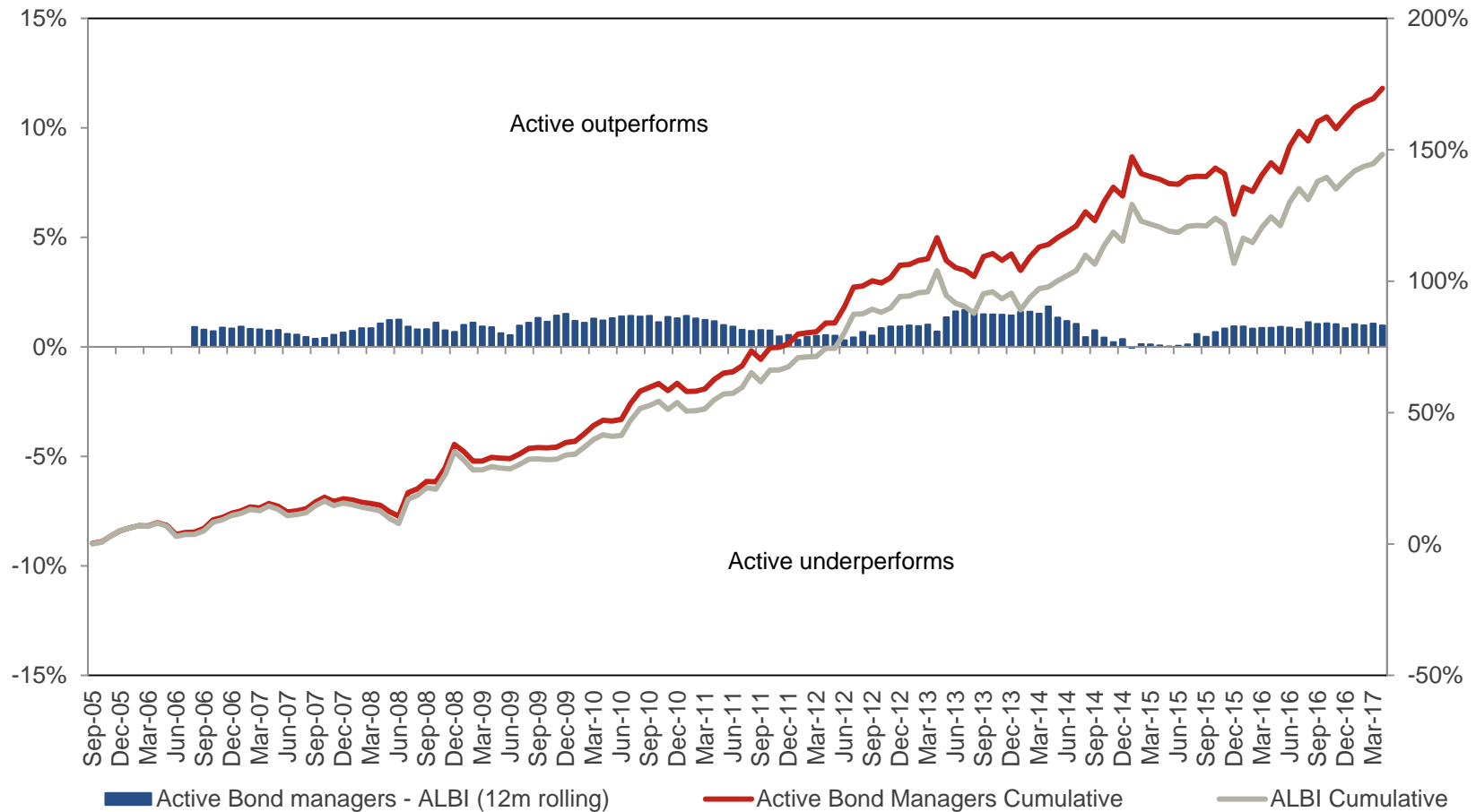
* Lagged by one month due to availability of data



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Active versus tracker: Bonds

One-year rolling average to April* 2017



Median of Active Bond Managers vs ALBI

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

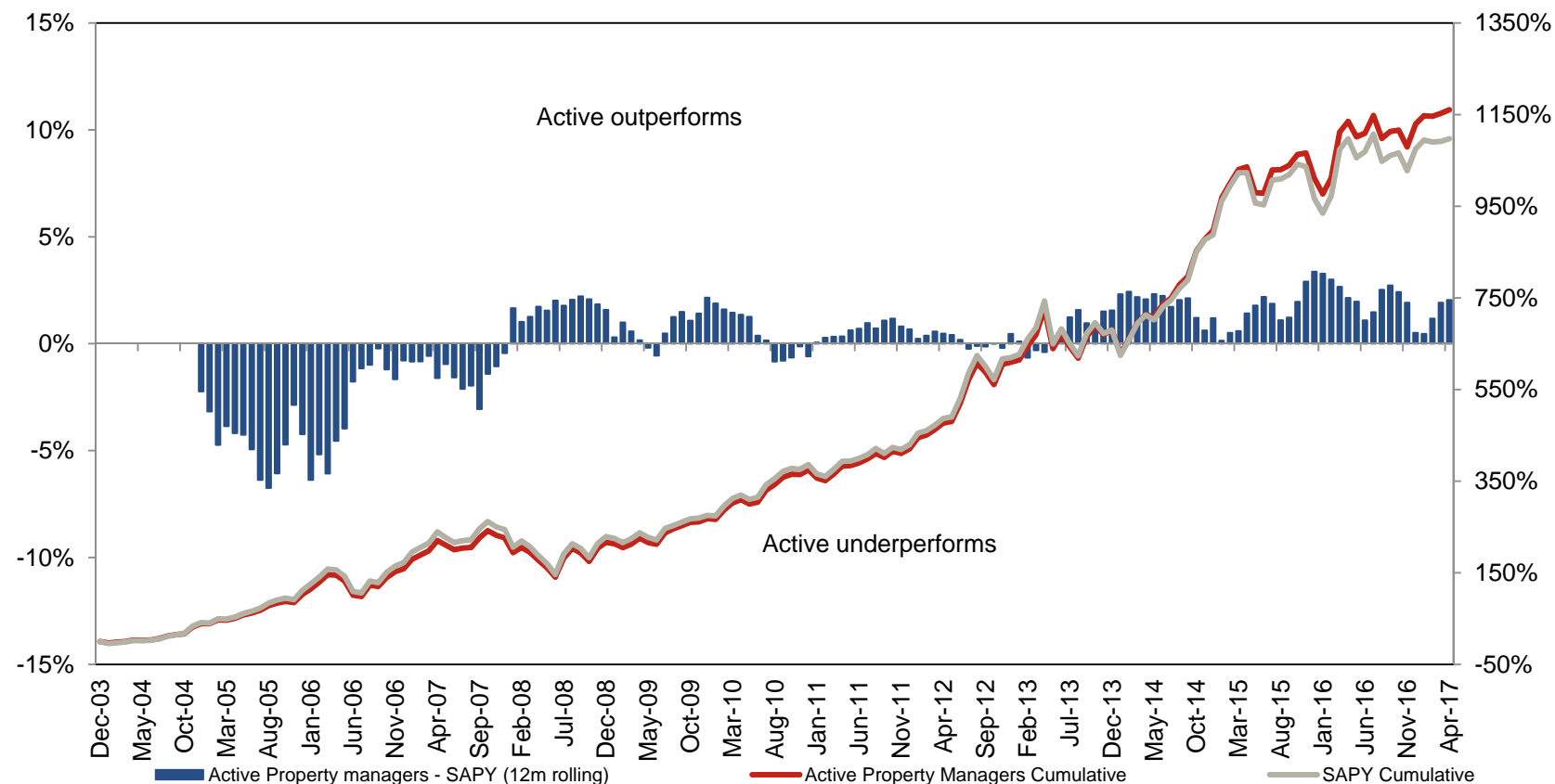
* Lagged by one month due to availability of data



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Active versus tracker: Property

One-year rolling average to April* 2017



Median of Active Property Managers vs SAPY

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

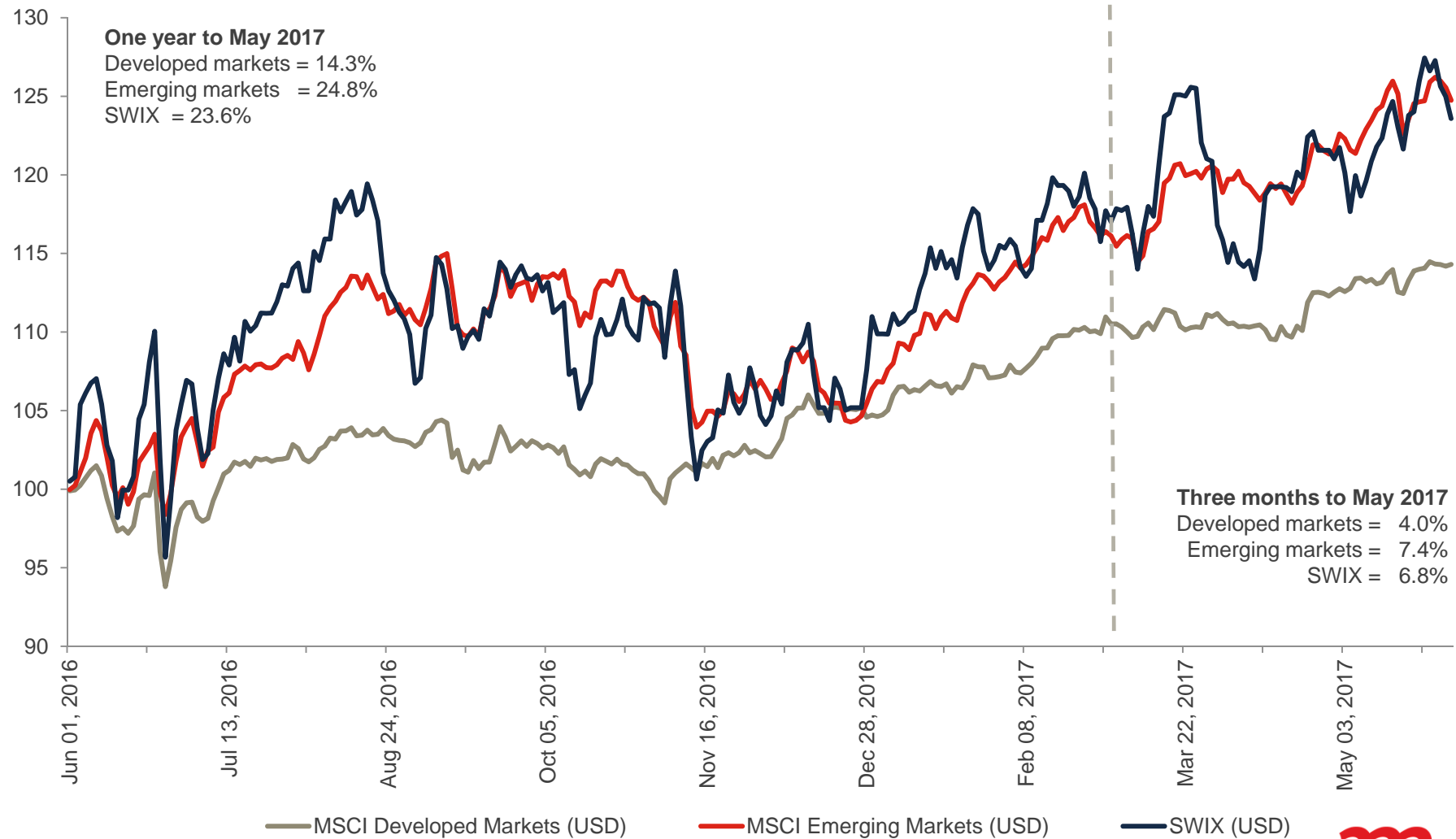
* Lagged by one month due to availability of data



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MSCI developed and emerging markets

One year to May 2017



Source: INET BFA, MSCI and Momentum Investments



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SA 10-year bond yields

Five years to May 2017



SA 10-year bond yields decreased marginally for May 2017

Source: INET BFA and Momentum Investments

Yield of R197 (inflation-linked bond)

Since May 2001 to May 2017



Inflation-linked bond yields were 16 bps higher for May 2017

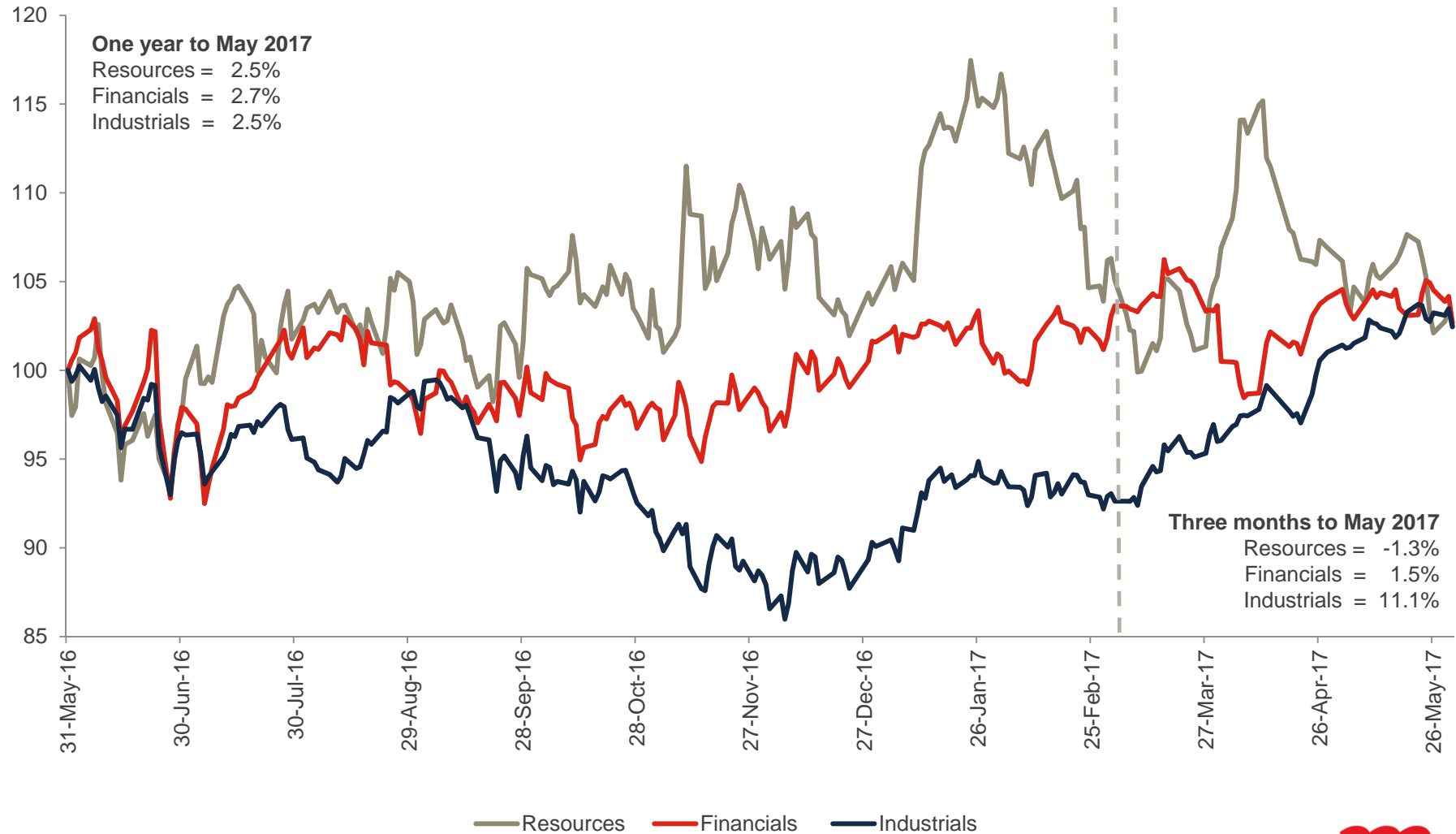
Source: INET BFA and Momentum Investments



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FTSE/JSE sectors

One year to May 2017



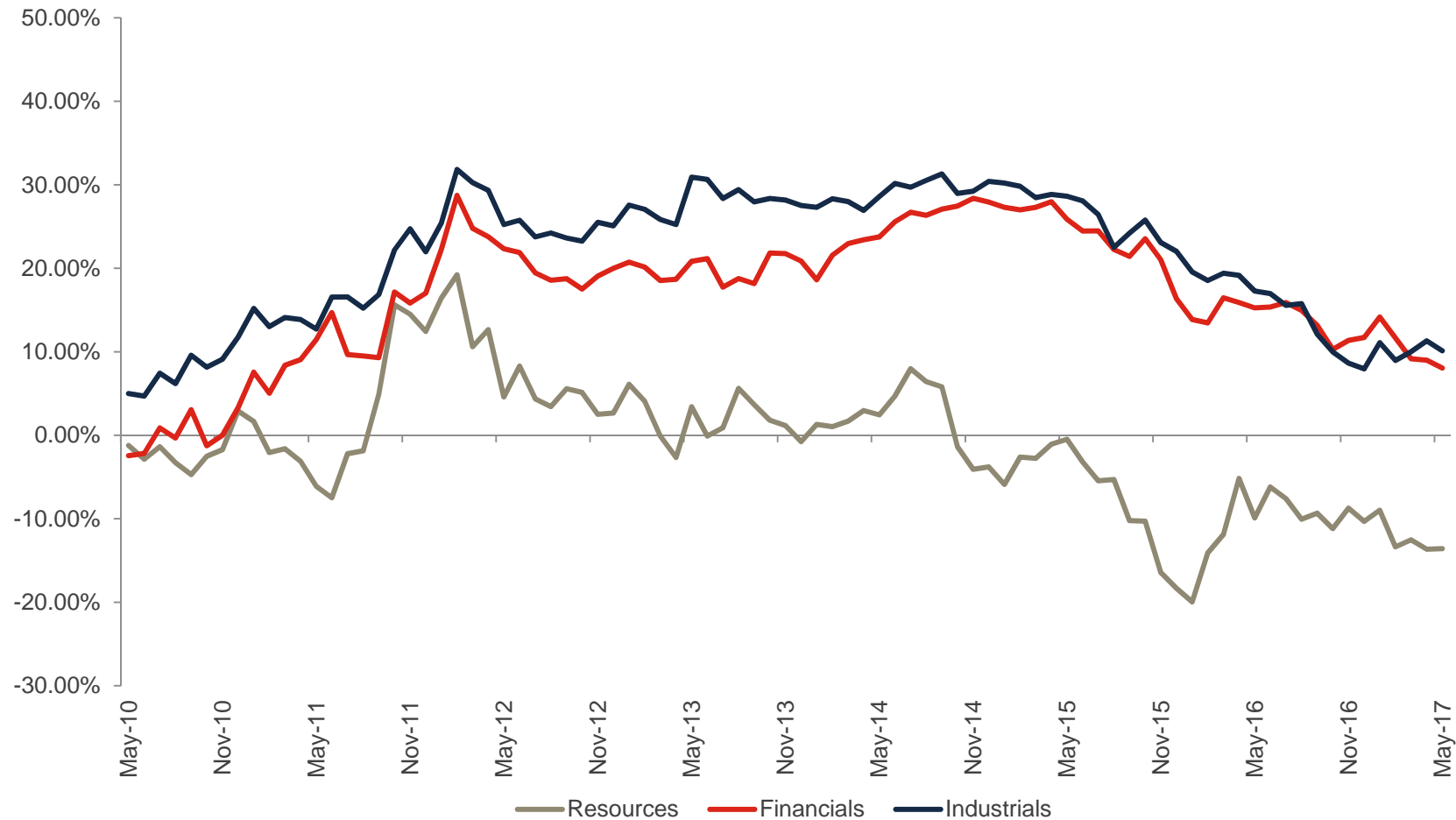
Source: INET BFA and Momentum Investments



investments

FTSE/JSE sectors

Rolling three-year return to May 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 May 2017

1	Media	Consumer Services	29.3%	19	Industrial Transportation	Industrials	-1.0%
2	Tobacco	Consumer Goods	17.6%	20	Life Insurance	Financials	-1.4%
3	Forestry & Paper	Basic Materials	16.4%	21	Coal Mining	Mining	-1.8%
4	Personal Goods	Consumer Goods	15.8%	22	Beverages	Consumer Goods	-2.4%
5	Equity Investment Instruments	Financials	12.3%	23	Construction & Materials	Industrials	-3.6%
6	Fixed Line Telecommunications	Telecommunication	8.2%	24	Health Care Equipment & Services	Health Care	-4.3%
7	Food & Drug Retailers	Consumer Services	7.9%	25	Food Producers	Consumer Goods	-5.5%
8	Real Estate Investment & Services	Financials	5.8%	26	Electronic & Electrical Equipment	Industrials	-6.3%
9	Pharmaceuticals & Biotechnology	Health Care	5.3%	27	General Mining	Mining	-6.4%
10	Chemicals	Basic Materials	5.3%	28	Software & Computer Services	Technology	-8.3%
11	Mobile Telecommunications	Telecommunication	3.8%	29	Industrial Engineering	Industrials	-8.4%
12	General Financial	Financials	3.5%	30	General Retailers	Consumer Services	-9.3%
13	Non-life Insurance	Financials	3.2%	31	Automobiles & Parts	Consumer Goods	-11.0%
14	Gold Mining	Mining	2.7%	32	Support Services	Industrials	-13.5%
15	General Industrials	Industrials	2.2%	33	Travel & Leisure	Consumer Services	-13.9%
16	Banks	Financials	1.5%	34	Platinum Mining	Mining	-16.3%
17	Household Goods	Consumer Goods	0.9%	35	Industrial Metals	Basic Materials	-19.3%
18	Real Estate Investment Trusts	Financials	0.8%				

Key

Resources

Financials

Industrials

Source: Barra, Deutsche Securities and Momentum Investments



investments

FTSE/JSE sectors

Decomposed

One year to May 2017

1	Coal Mining	Mining	71.3%	19	Support Services	Industrials	2.4%
2	Industrial Metals	Basic Materials	63.9%	20	Tobacco	Consumer Goods	0.7%
3	Fixed Line Telecommunications	Telecommunication	35.2%	21	Automobiles & Parts	Consumer Goods	0.5%
4	Personal Goods	Consumer Goods	22.6%	22	Real Estate Investment Trusts	Financials	0.3%
5	Banks	Financials	21.7%	23	Electronic & Electrical Equipment	Industrials	-1.2%
6	Forestry & Paper	Basic Materials	19.2%	24	Travel & Leisure	Consumer Services	-1.9%
7	Media	Consumer Services	17.7%	25	Life Insurance	Financials	-3.9%
8	Construction & Materials	Industrials	17.5%	26	Pharmaceuticals & Biotechnology	Health Care	-5.1%
9	General Mining	Mining	15.5%	27	General Retailers	Consumer Services	-9.1%
10	Non-life Insurance	Financials	15.2%	28	General Financial	Financials	-9.2%
11	Industrial Engineering	Industrials	13.4%	29	Chemicals	Basic Materials	-11.9%
12	General Industrials	Industrials	10.0%	30	Real Estate Investment & Services	Financials	-17.3%
13	Food Producers	Consumer Goods	9.9%	31	Household Goods	Consumer Goods	-21.5%
14	Food & Drug Retailers	Consumer Services	7.8%	32	Health Care Equipment & Services	Health Care	-22.4%
15	Industrial Transportation	Industrials	6.7%	33	Platinum Mining	Mining	-22.8%
16	Software & Computer Services	Technology	3.8%	34	Beverages	Consumer Goods	-28.6%
17	Mobile Telecommunications	Telecommunication	2.8%	35	Gold Mining	Mining	-28.7%
18	Equity Investment Instruments	Financials	2.5%				

Key

Resources

Financials

Industrials

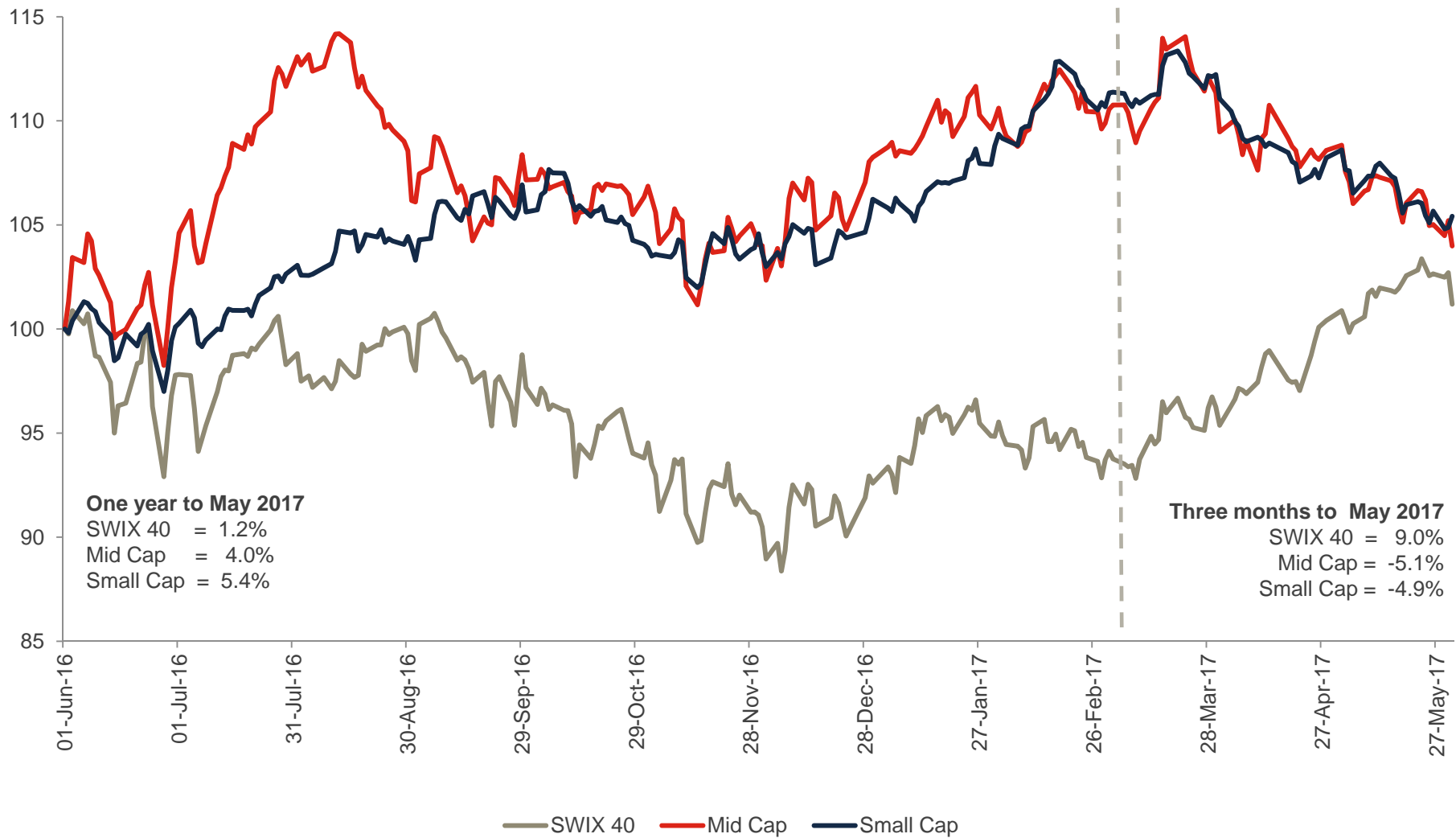
Source: Barra, Deutsche Securities and Momentum Investments



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FTSE/JSE market caps

One year to May 2017



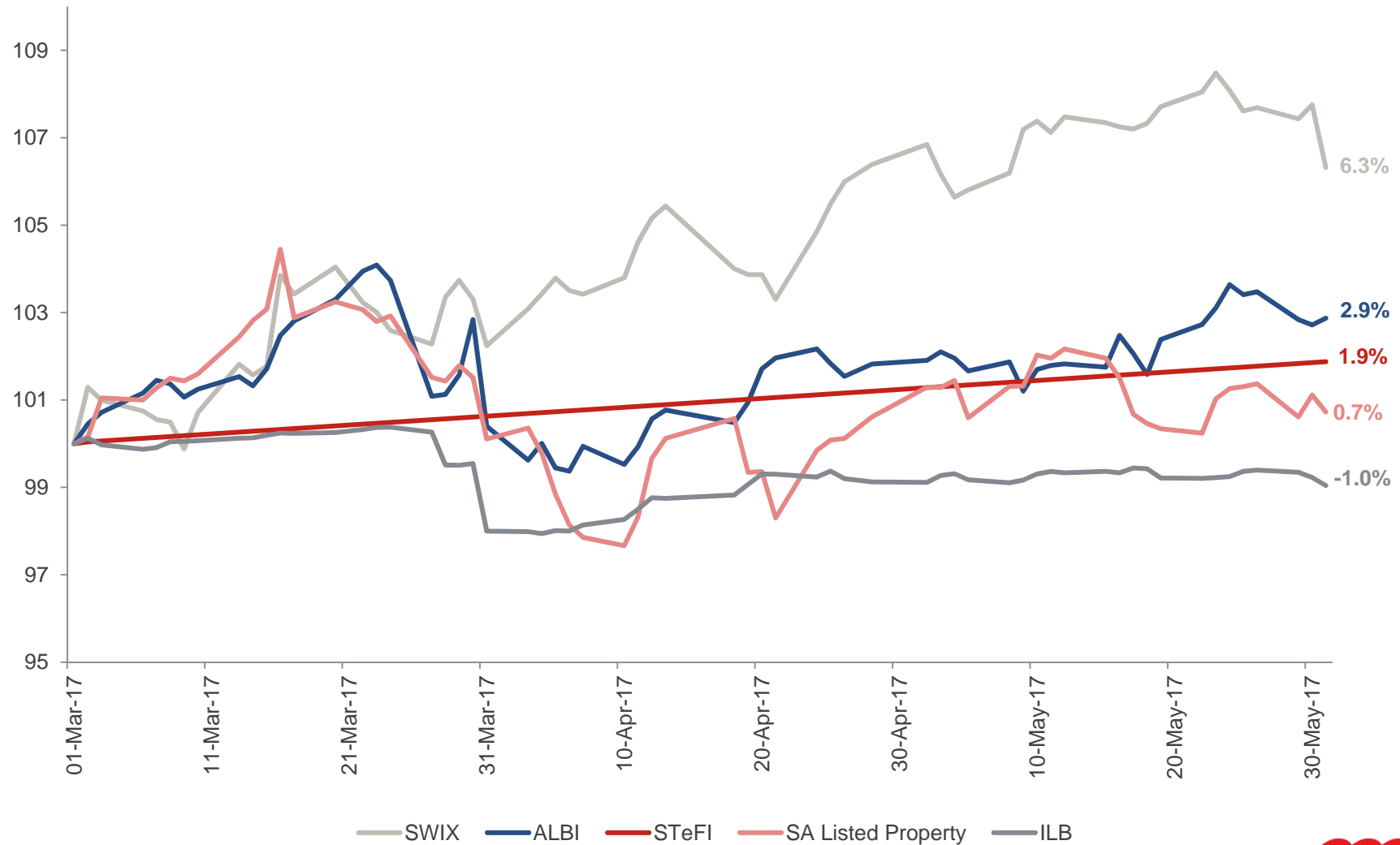
Source: INET BFA and Momentum Investments



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Local asset classes

Three months to May 2017



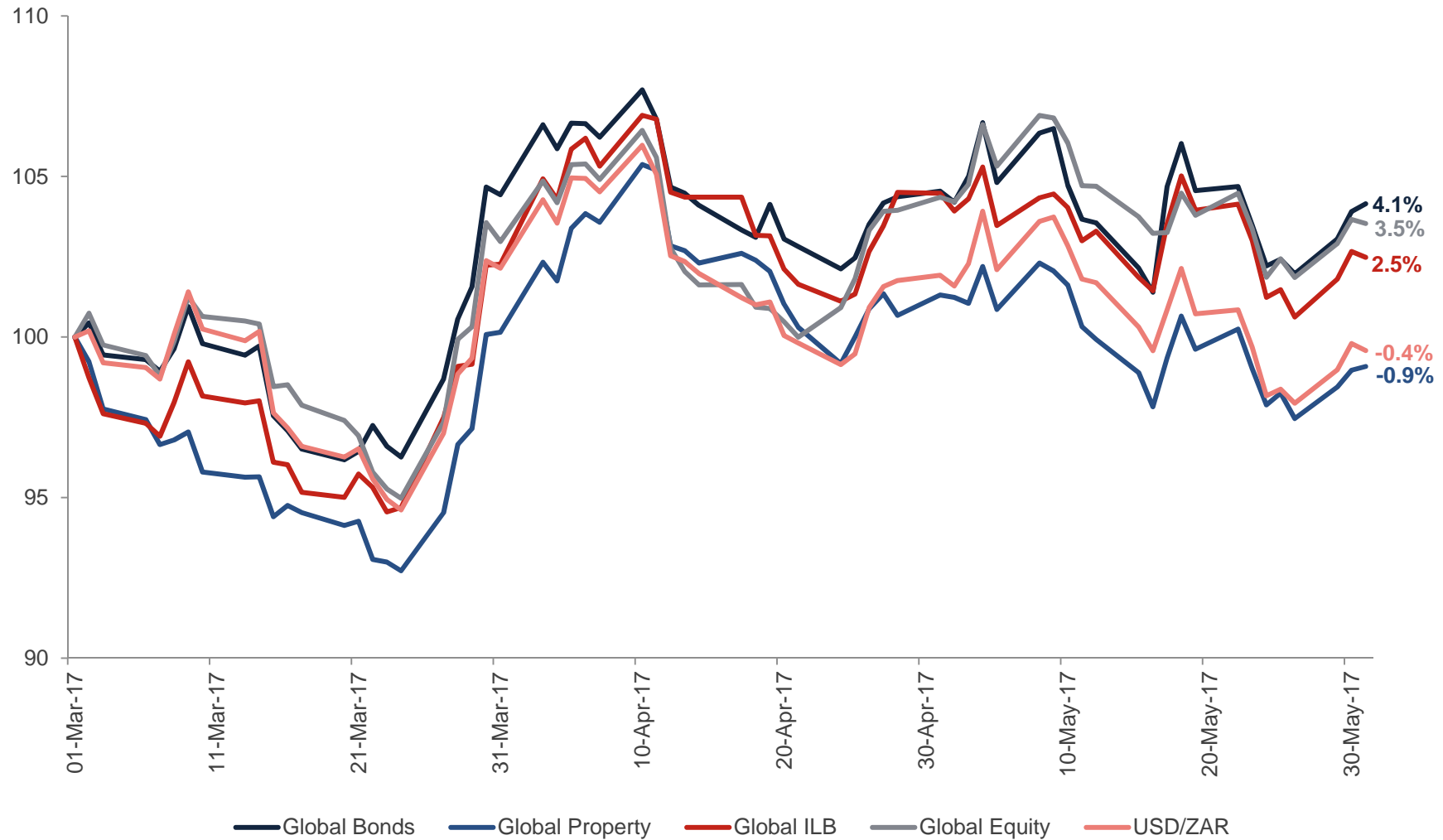
Source: INET BFA and Momentum Investments



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Global asset classes

Three months to May 2017



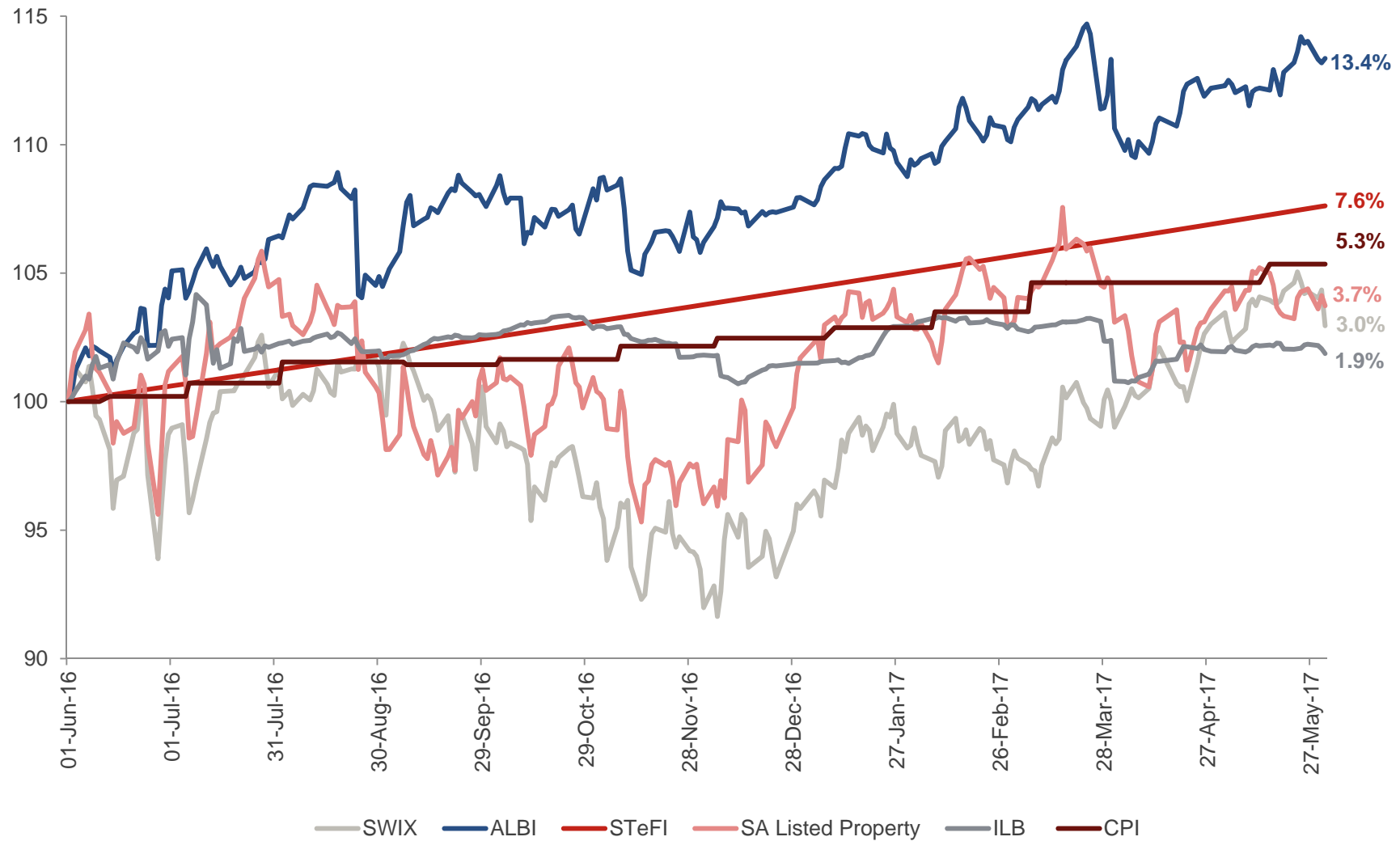
Source: INET BFA and Momentum Investments



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Local asset classes

One year to May 2017



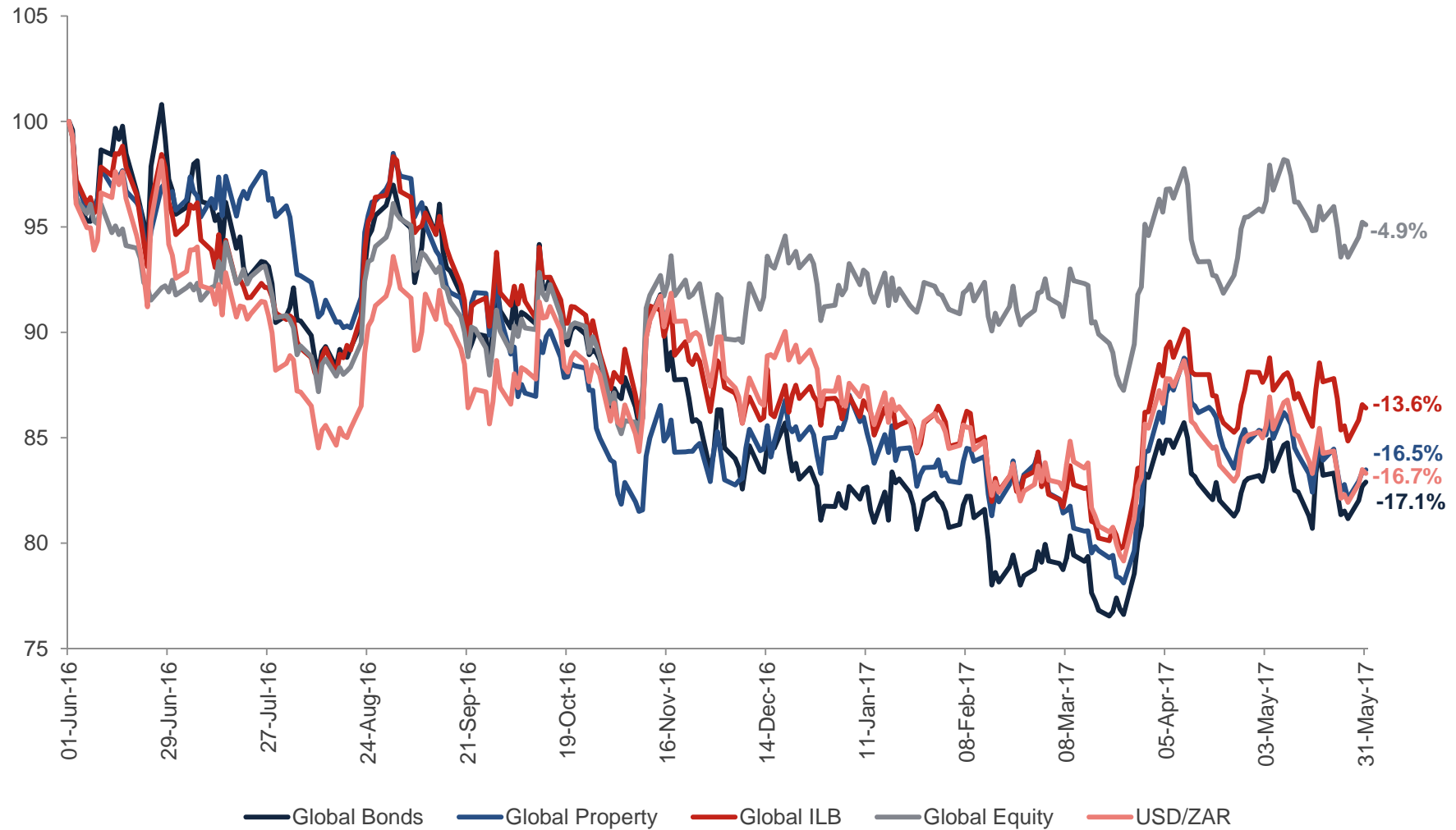
Source: INET BFA and Momentum Investments

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



Global asset classes

One year to May 2017



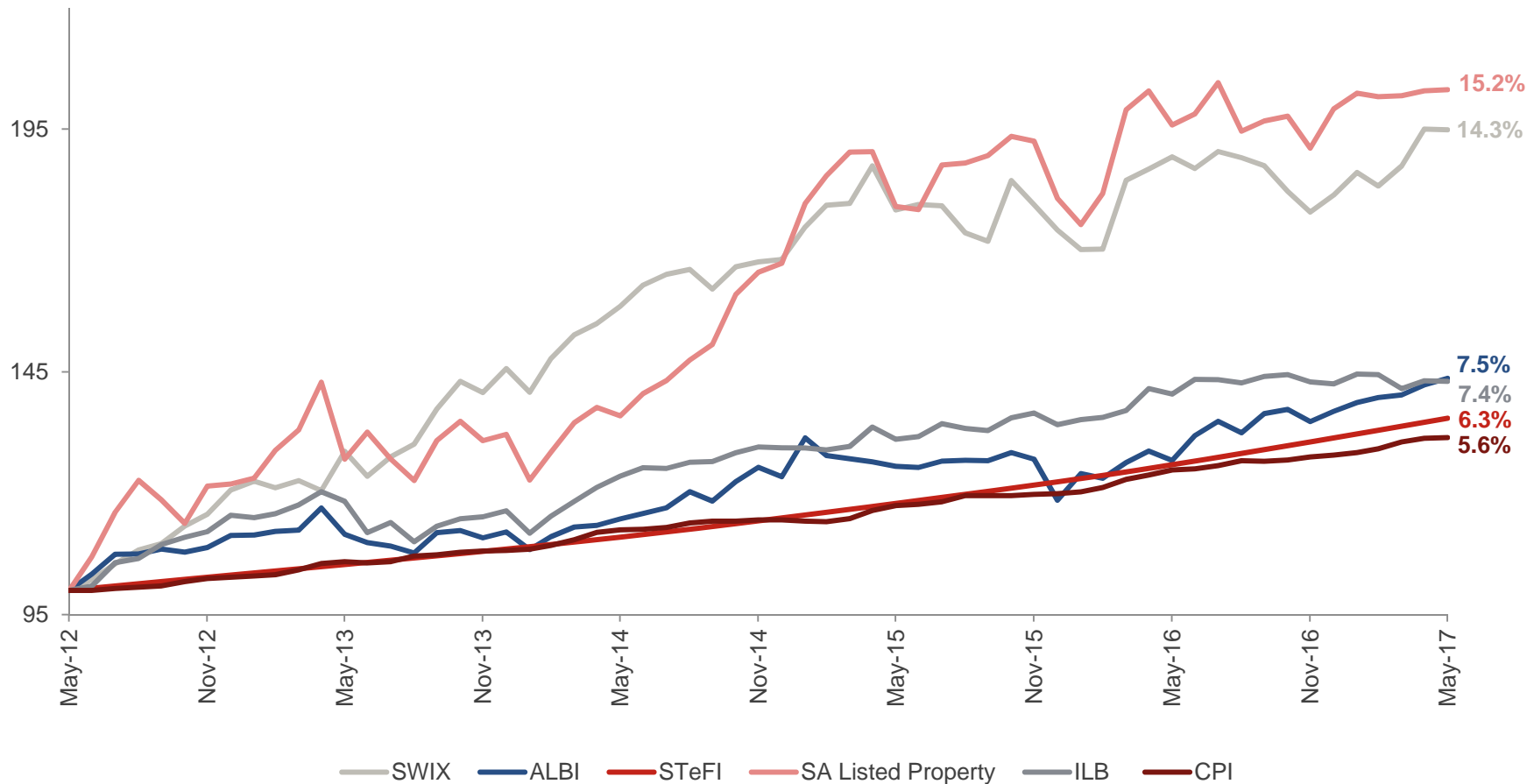
Source: INET BFA and Momentum Investments

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



Local asset classes

Five years to May 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 5.6%).

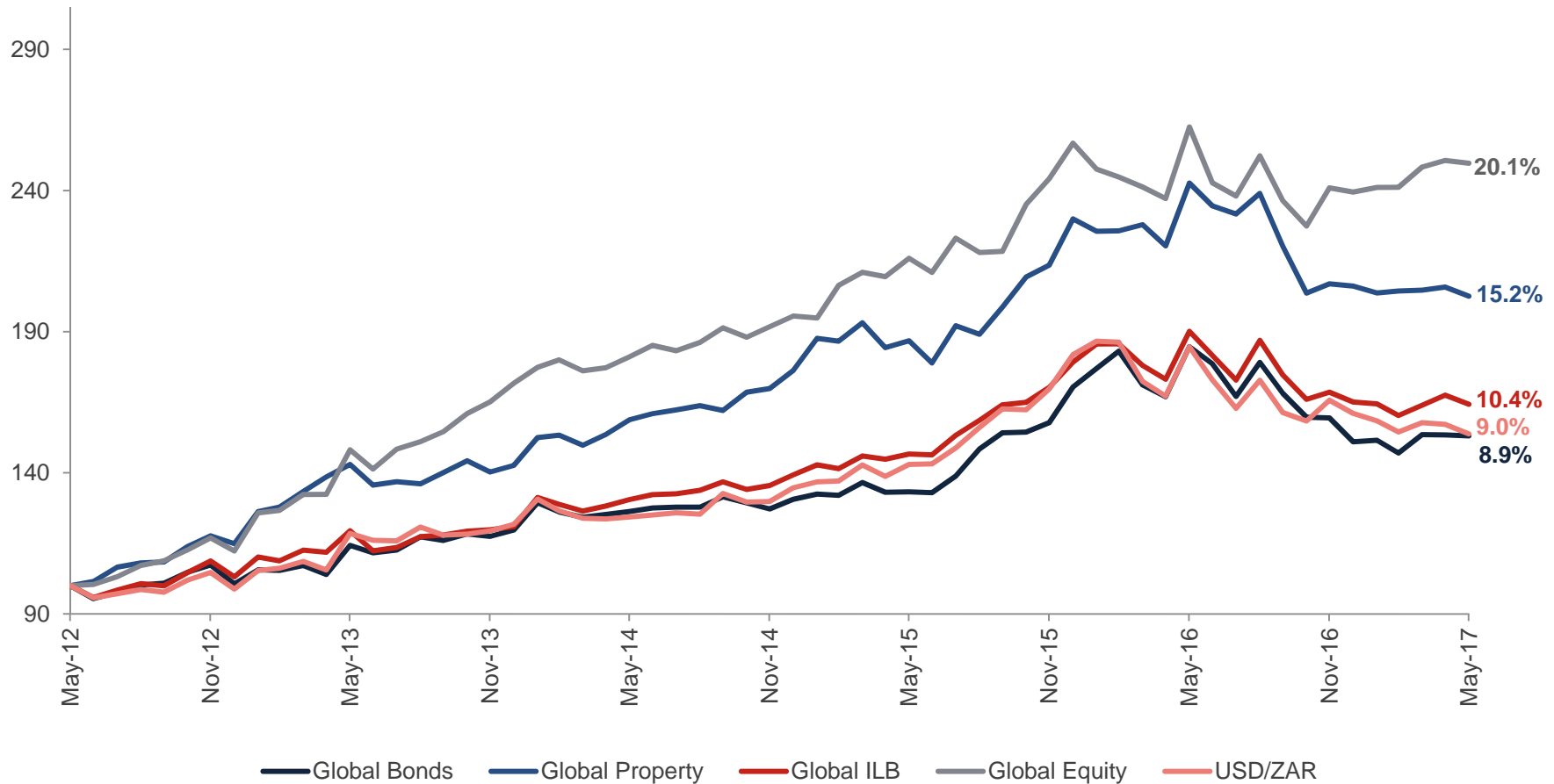
Source: INET BFA and Momentum Investments

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



Global asset classes

Five years to May 2017



Global equity had the best return for the five-year period, with 20.1%, followed by global property with 15.2%

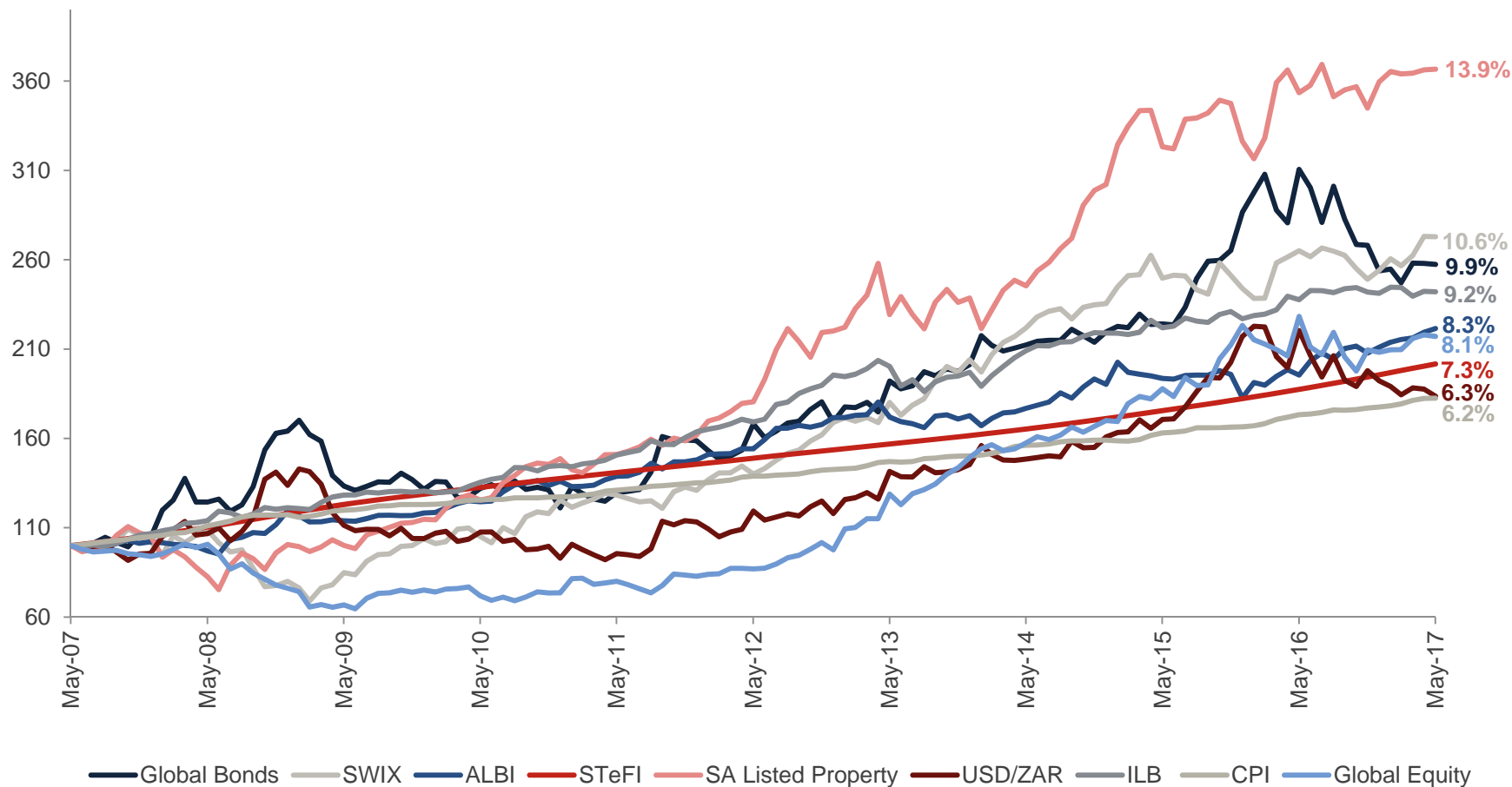
Source: INET BFA and Momentum Investments



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Asset classes

Ten years to May 2017



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

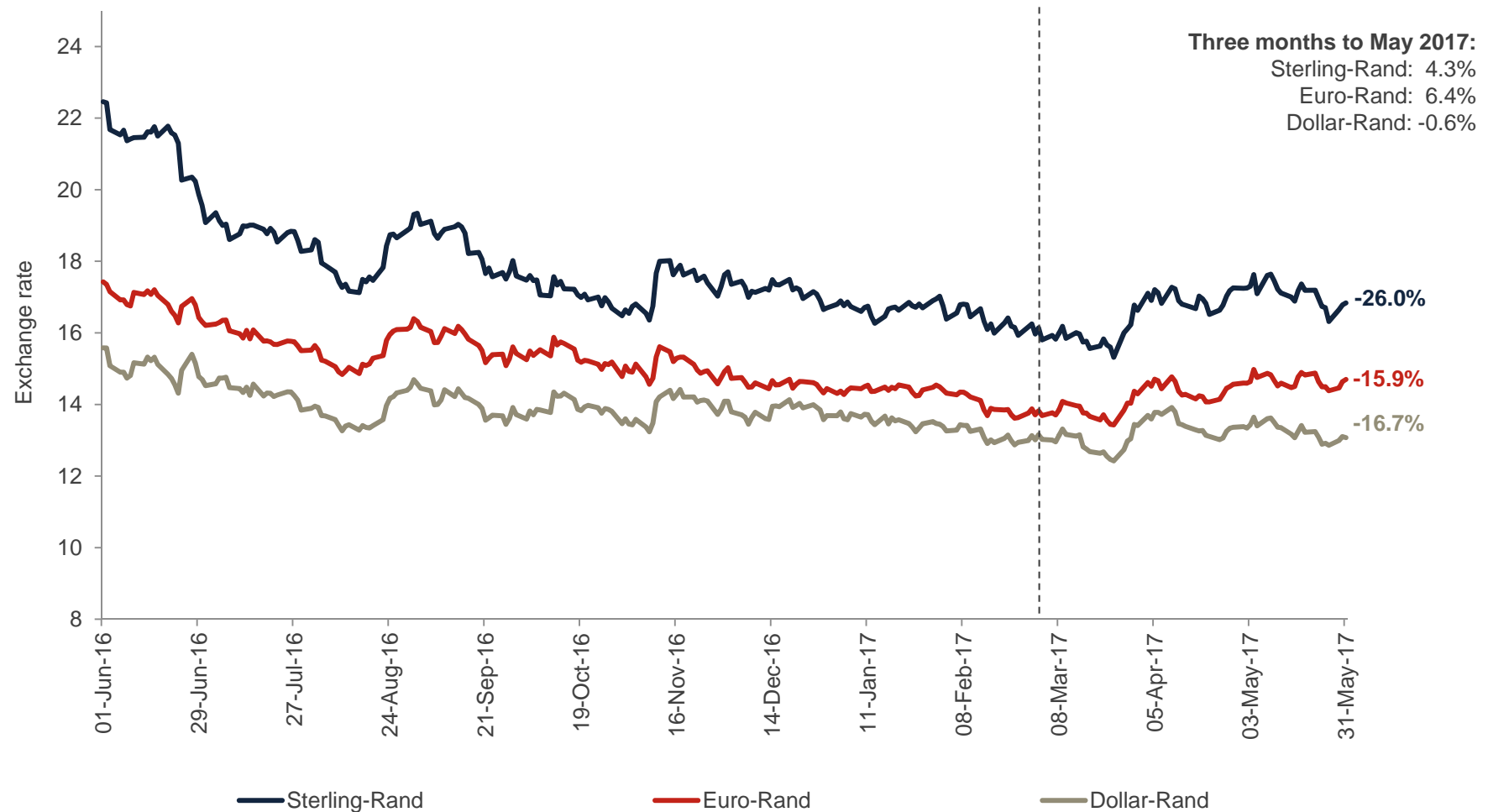
Source: INET BFA and Momentum Investments

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



Exchange rates

One year to May 2017



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

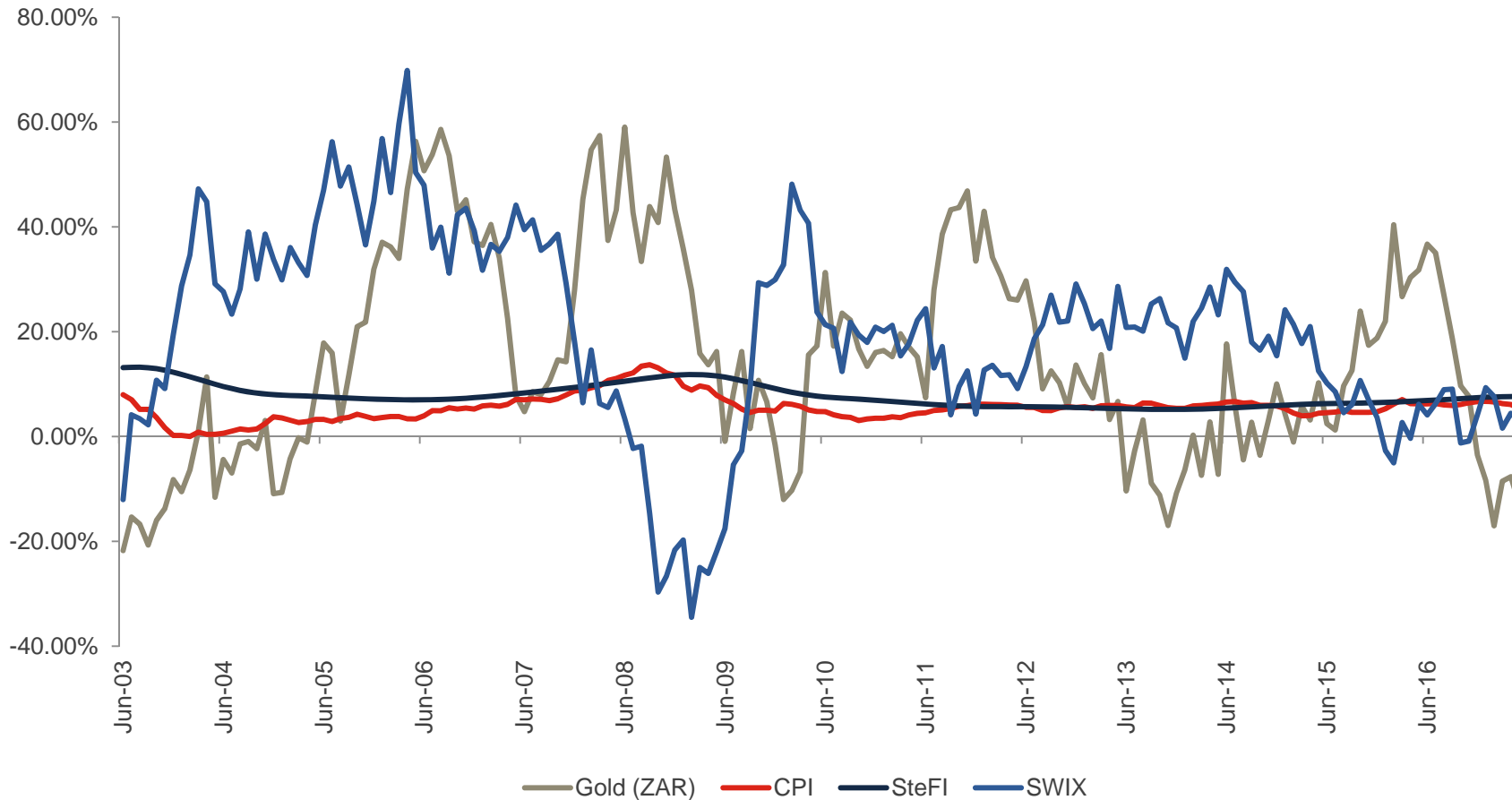
Source: INET BFA and Momentum Investments



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

One-year rolling returns to May 2017



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

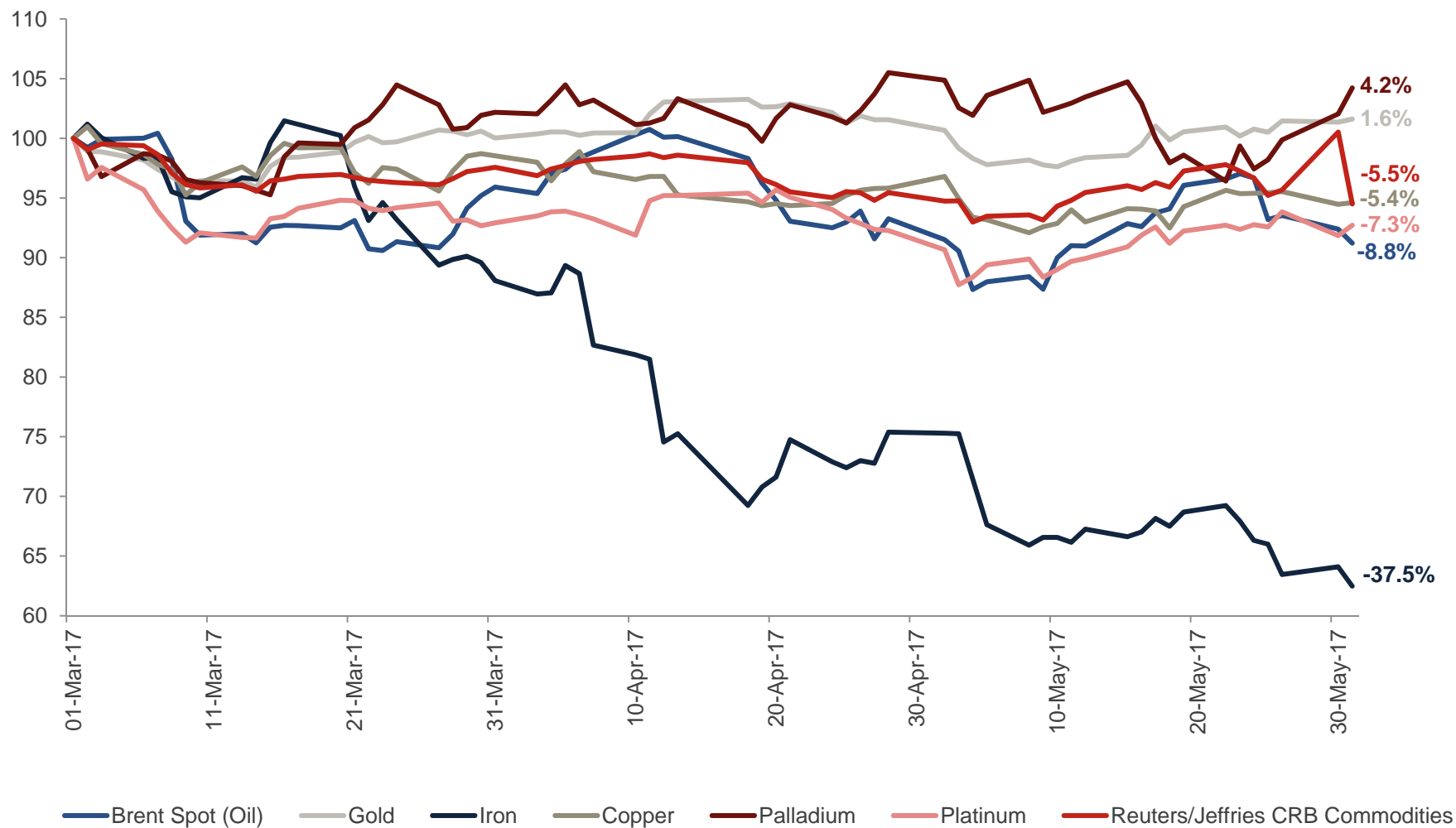
Source: INET BFA and Momentum Investments

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Commodities

Three months to May 2017



Source: INET BFA, FT.com and Momentum Investments

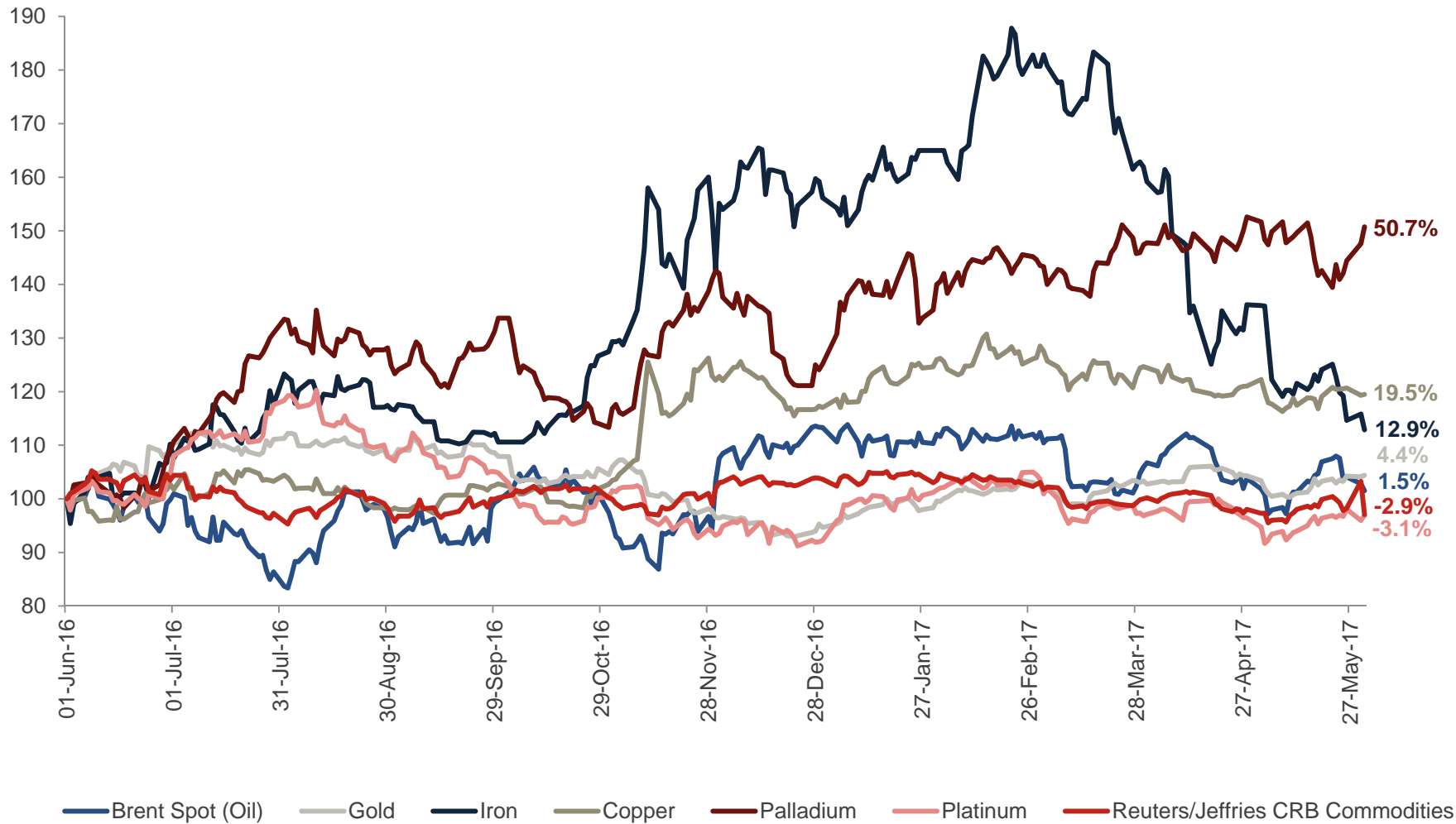
All returns in dollar terms



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Commodities

One year to May 2017



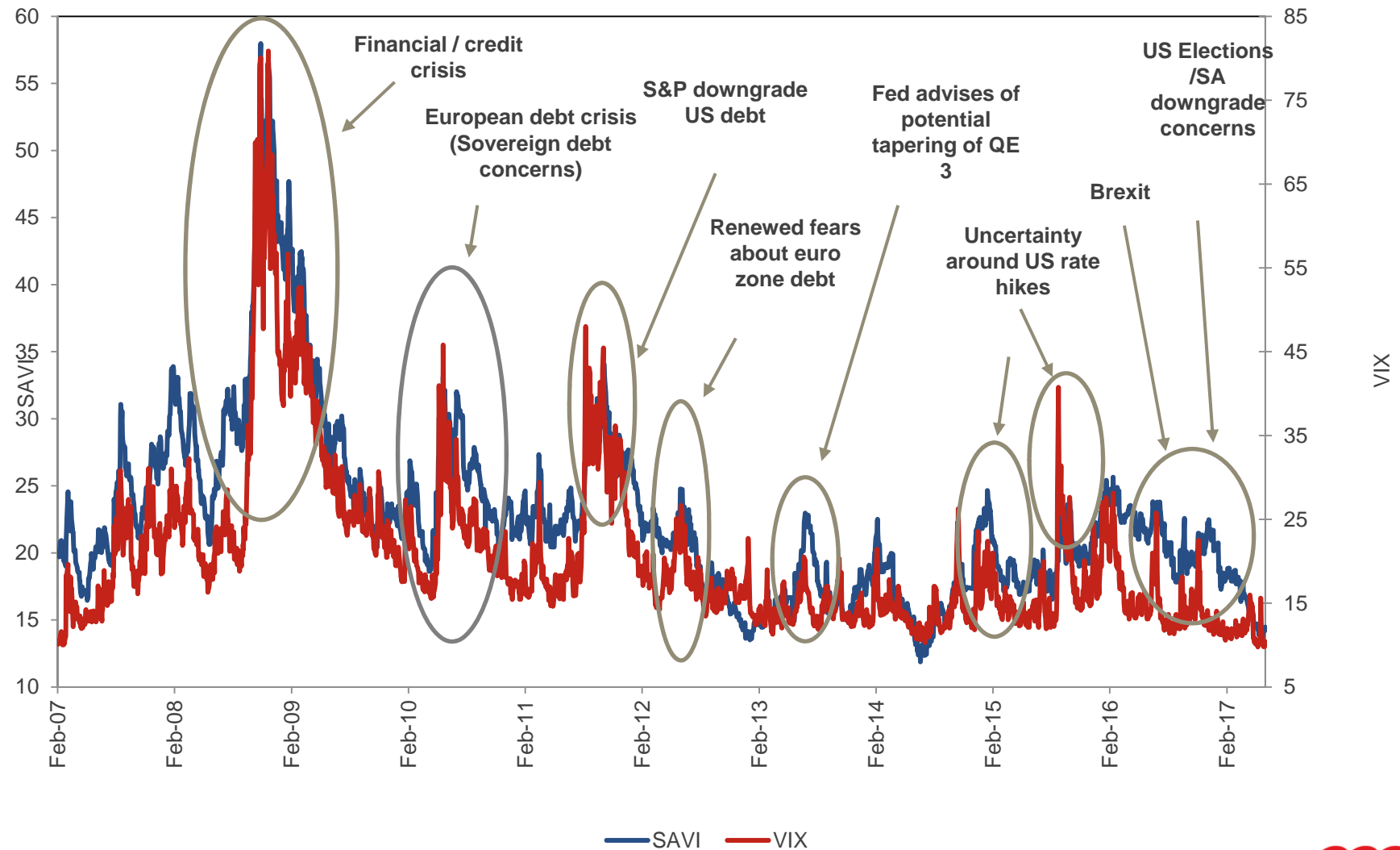
Source: INET BFA, FT.com and Momentum Investments

All returns in dollar terms



SAVI-VIX

Since February 2007 to May 2017



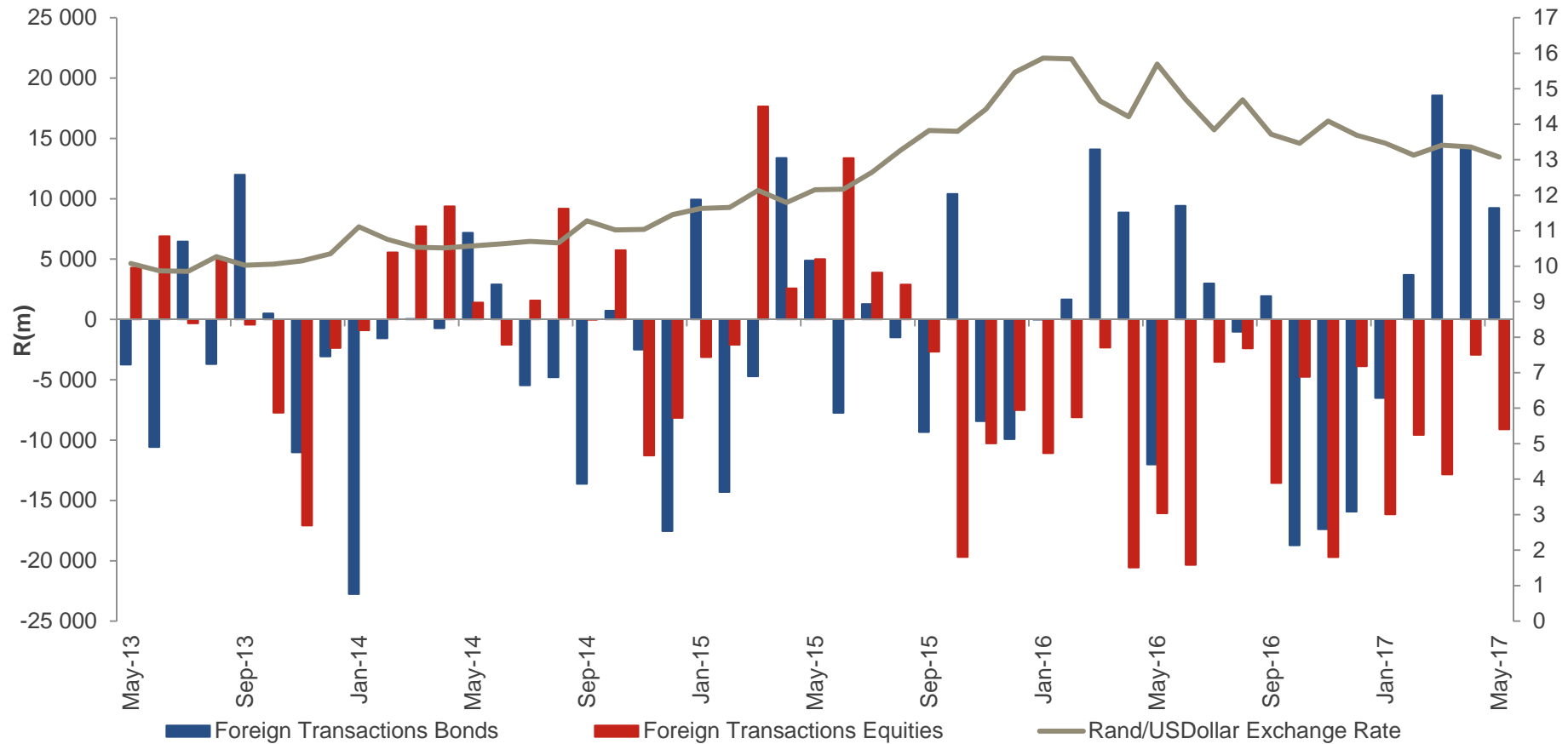
Source: INET BFA and Momentum Investments



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Foreign transactions

2013 to 2017



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

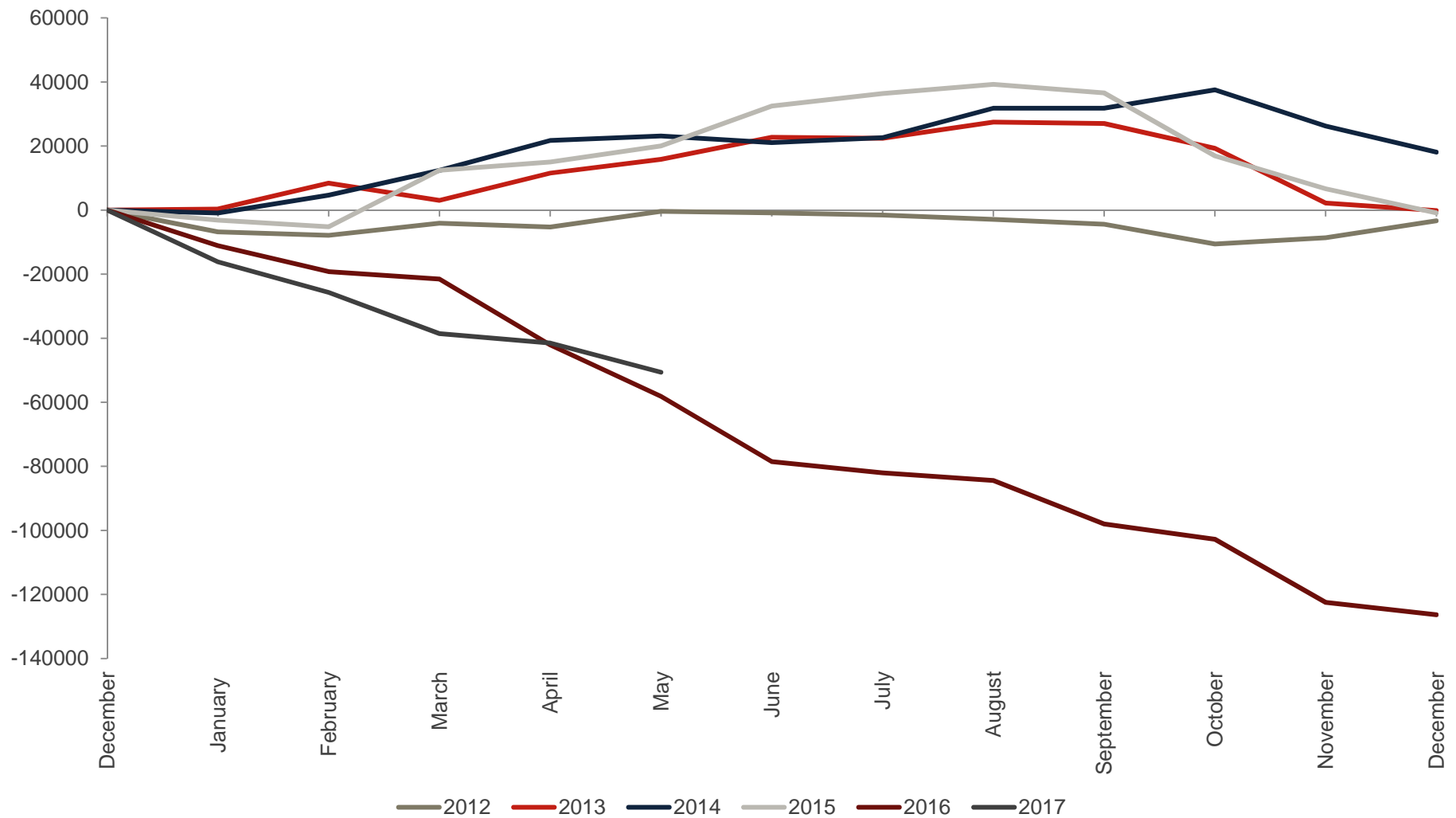
Source: INET BFA and Momentum Investments



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Cumulative foreign transaction equities

2012 to 2017



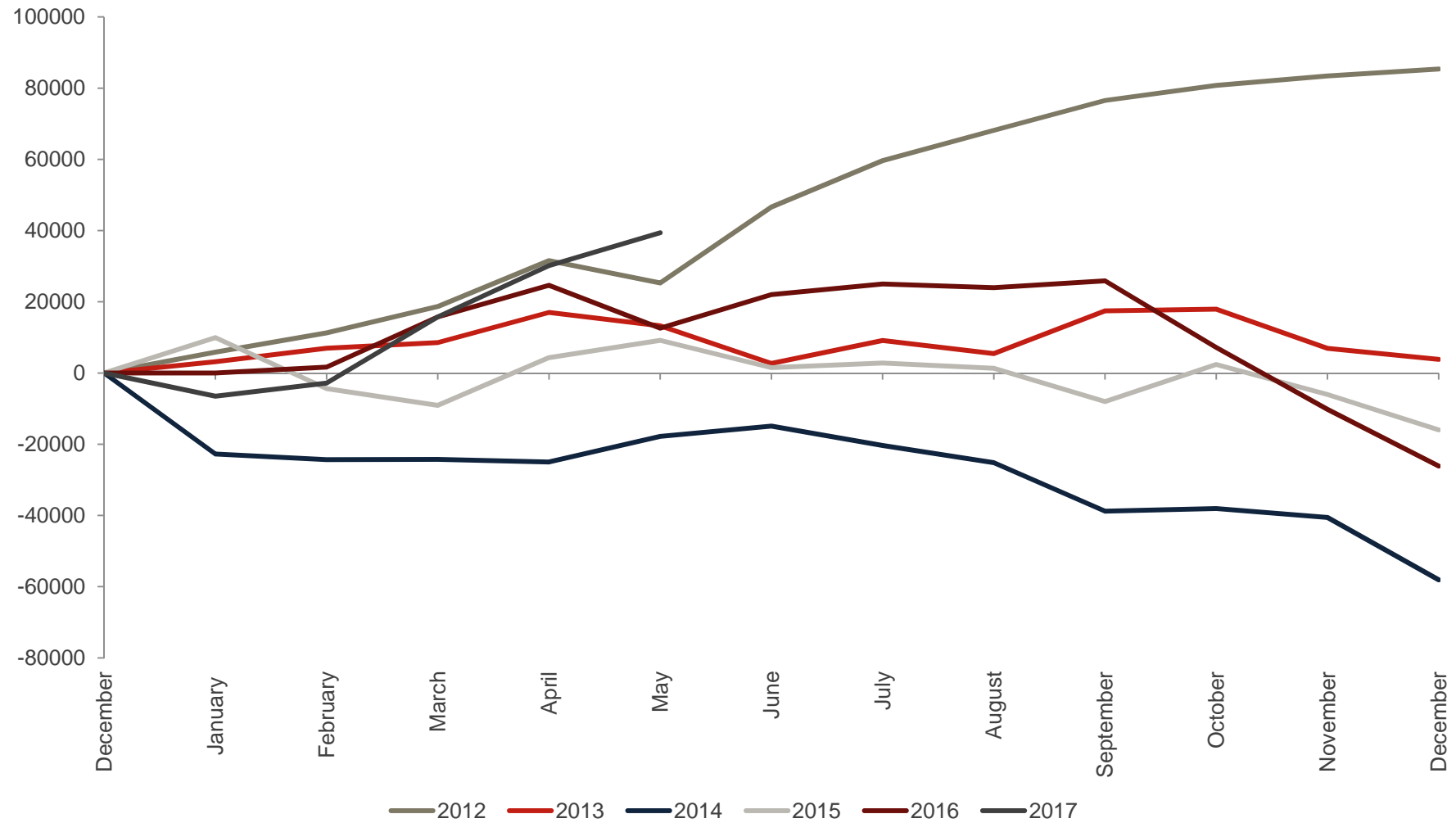
Source: INET BFA and Momentum Investments



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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 May 2017



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Thank you

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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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