



momentum
investments

Key market performance drivers

Monthly charts

October 2017

Signatory of:

PRI | Principles for
Responsible
Investment

Market returns concentration

One-year returns ending:

October-17

NASPERS		
ANGLO		
BRITISH AMERICAN TOBACCO		
STANDARD BANK GP		
Top 5	BID CORPORATION LIMITED	75%
Top 6	SASOL	78%
BHPBILL		
MTN GROUP		
GLENCORE XSTRATA PLC		
Top 10	CAPITEC	85%
FIRSTRAND		
BARWORLD		
KUMBA IRON ORE		
SAPPI		
DISCOVERY LIMITED		
SANLAM		
NEPI ROCKCASTLE		
RESILIENT REIT LTD		
MONDI LTD		
Top 20	OLDMUTUAL	96%
Remaining	(Positive)	16%
Negative	(58 Shares)	-11%

September-17

NASPERS		
ANGLO		
STANDARD BANK GP		
MTN GROUP		
Top 5	FIRSTRAND	76%
Top 6	BID CORPORATION LIMITED	79%
GLENCORE XSTRATA PLC		
BHPBILL		
CAPITEC		
Top 10	SAPPI	91%
BARWORLD		
NEPI ROCKCASTLE		
DISCOVERY LIMITED		
MONDI LTD		
SANLAM		
EXXARO		
MR PRICE		
CLICKS GROUP LTD		
KUMBA IRON ORE		
Top 20	SHOPRIT	110%
Remaining	(Positive)	25%
Negative	(68 Shares)	-35%

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%

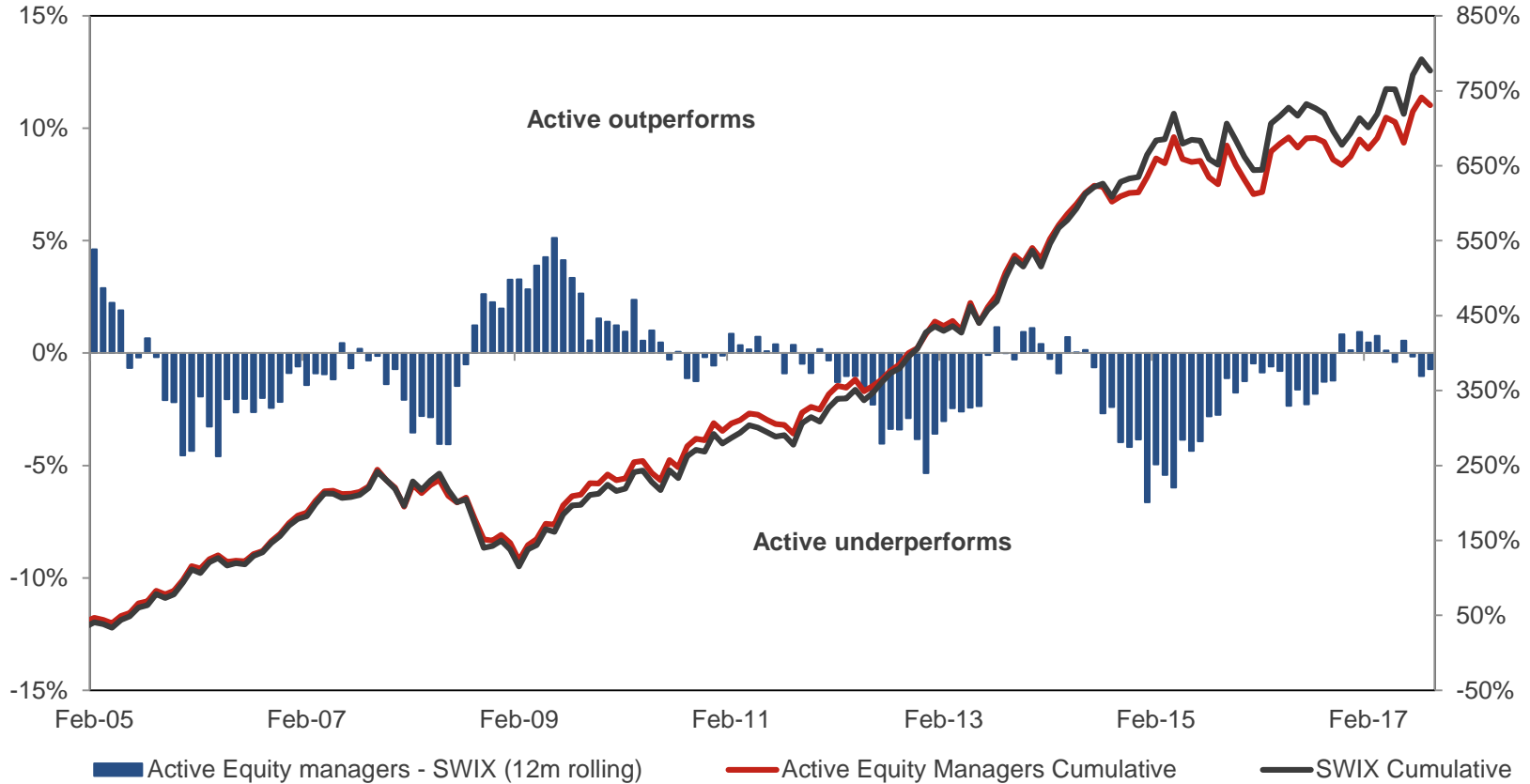
Market-cap weighted returns: 10 shares contributed 85% to the return of the SWIX, while 20 shares contributed 96%



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Active-index analysis

One-year rolling active to September* 2017



Median of Active Equity Managers vs SWIX

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

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

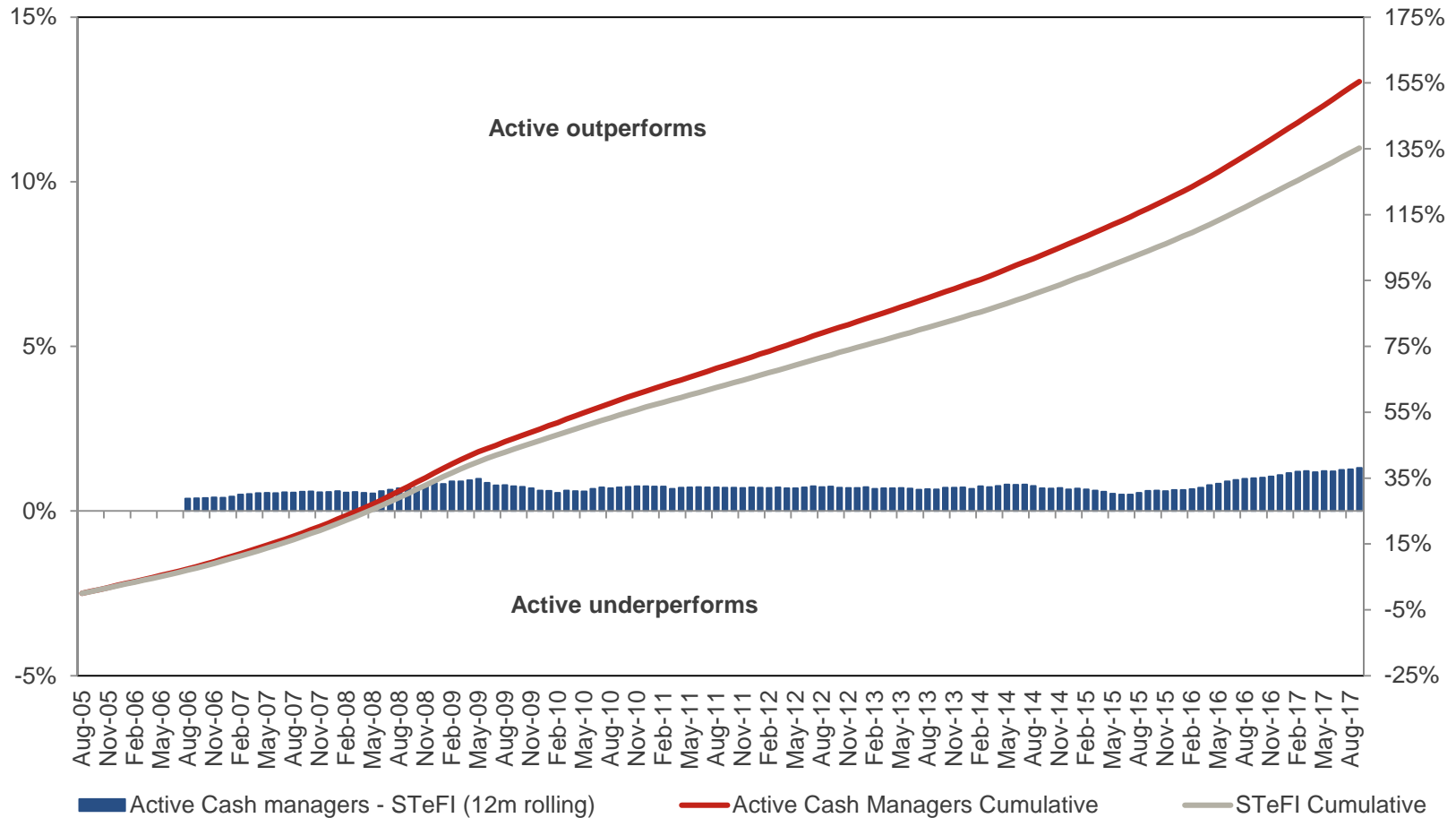
* Lagged by one month due to availability of data



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Active versus tracker: Cash

One-year rolling average to September* 2017



Median of Active Money Market Managers vs SteFI

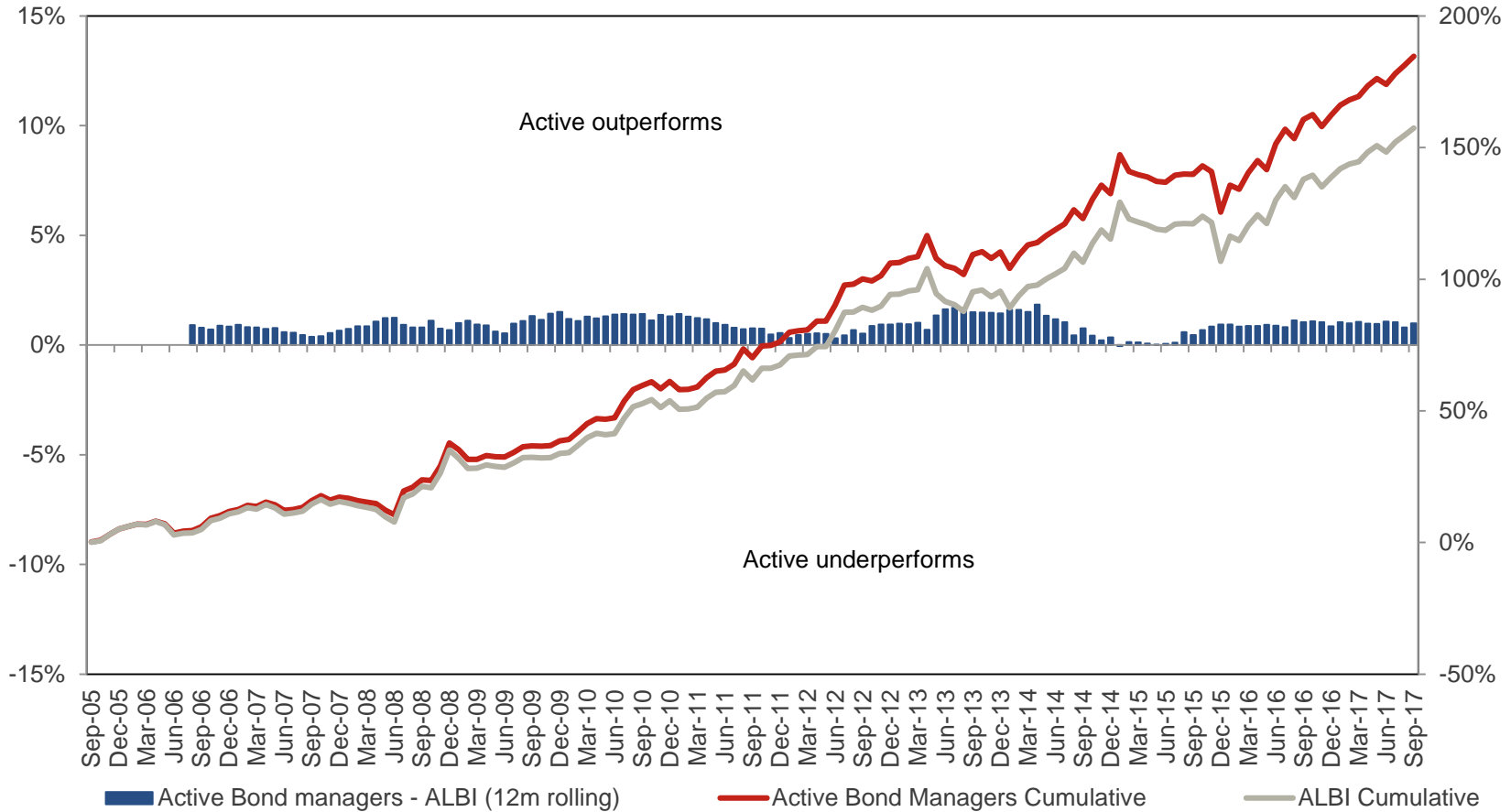
Source: Alexander Forbes SA Money Market Manager Watch™, INET BFA and Momentum Investments

* Lagged by one month due to availability of data



Active versus tracker: Bonds

One-year rolling average to September* 2017



Median of Active Bond Managers vs ALBI

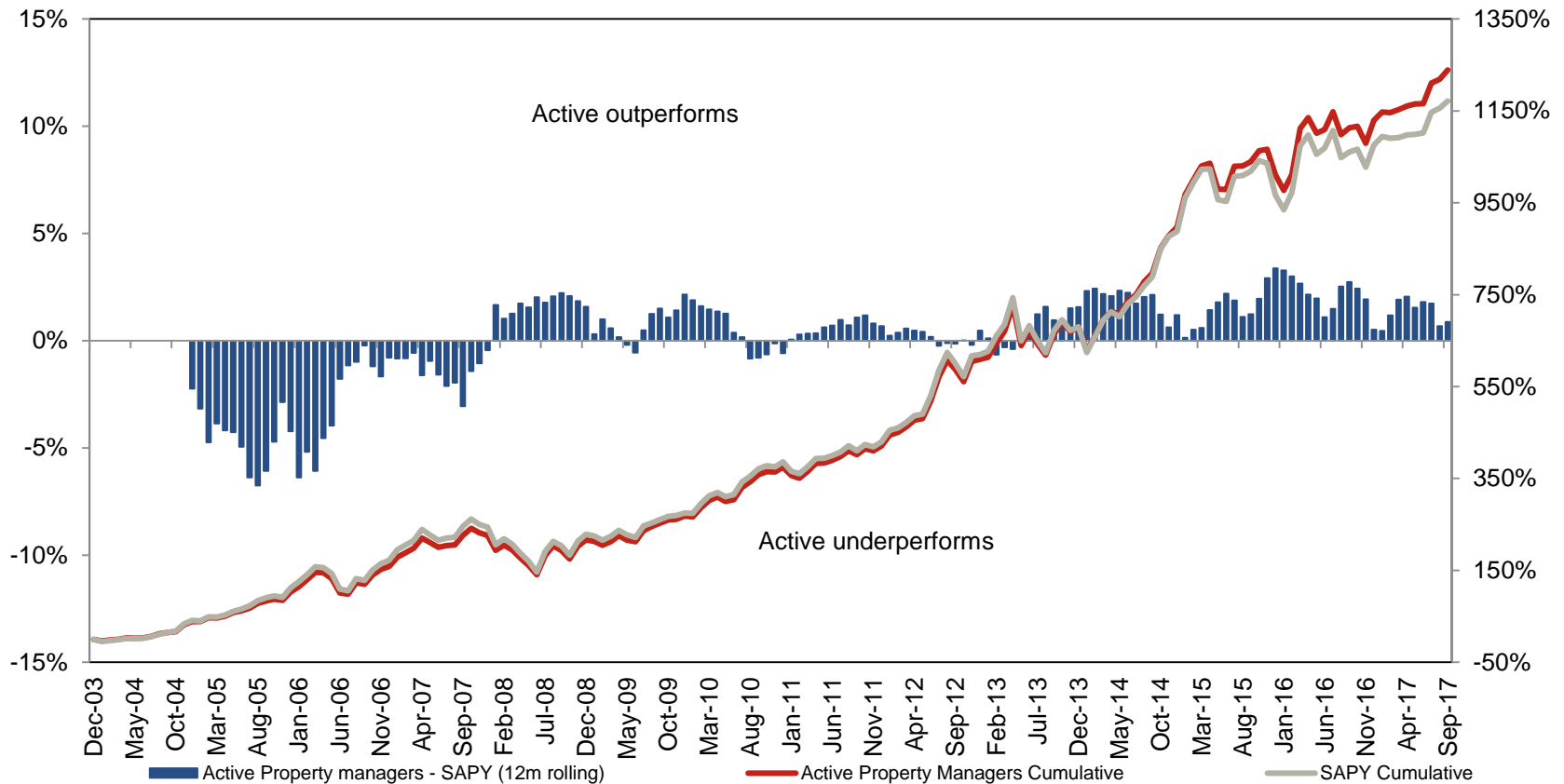
Source: Alexander Forbes SA Bond Manager Watch™, INET BFA and Momentum Investments

* Lagged by one month due to availability of data



Active versus tracker: Property

One-year rolling average to September* 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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Style returns for South Africa

Data to October 2017

ZAR	Styles	One month to Oct 2017	Three months to Oct 2017	One year to Oct 2017	Three years to Oct 2017	Five years to Oct 2017	Ten years to Oct 2017	Twenty years to Oct 2017
Value	Book to Price	0.18	-0.87	-4.38	0.47	-1.67	-1.57	2.44
	Dividend Yield	-0.68	-0.85	5.58	2.38	0.07	2.49	4.66
	Earnings Yield	-0.57	-0.58	-1.39	-1.62	-1.84	-0.18	2.92
	Cash Flow Yield	-0.54	-3.07	1.61	4.61	0.90	-0.14	3.44
	Sales to Price	0.16	-1.04	1.03	0.74	-1.64	-1.52	2.22
Quality	ROE	1.03	2.87	3.39	-1.10	-2.13	0.92	-1.48
	ROIC LT	-1.19	-0.35	-3.62	-0.33	-2.47	-0.40	-2.75
	Income to Sales	1.78	3.97	1.53	-0.44	0.24	1.50	-0.62
	Low market beta	-0.12	-0.78	-4.21	6.30	4.58	-1.27	1.61
	Low Debt/Equity	0.21	4.23	-1.53	-0.34	-0.21	-2.44	-0.76
	EBIT Margin Stability	0.50	-2.65	-12.84	2.19	1.57	3.40	-1.05
Growth	Earnings Growth	4.47	5.14	4.86	1.16	-0.01	-1.50	-0.69
	Sales Growth	-1.13	-0.76	-0.73	-0.90	-0.52	0.21	-0.13
	12M Earning Growth	-0.30	2.83	-2.39	-1.77	-1.58	0.67	5.28
Momentum	FY1 Earnings Revisions	2.62	3.76	8.30	3.37	4.87	9.18	7.58
	Short Term Momentum	2.08	3.43	-1.15	2.50	1.39	-0.04	-1.90
	Medium Term Momentum	1.73	2.93	-3.99	1.06	3.69	3.95	6.14
Size	Size	1.42	1.99	5.61	-0.87	-1.50	1.67	-0.27

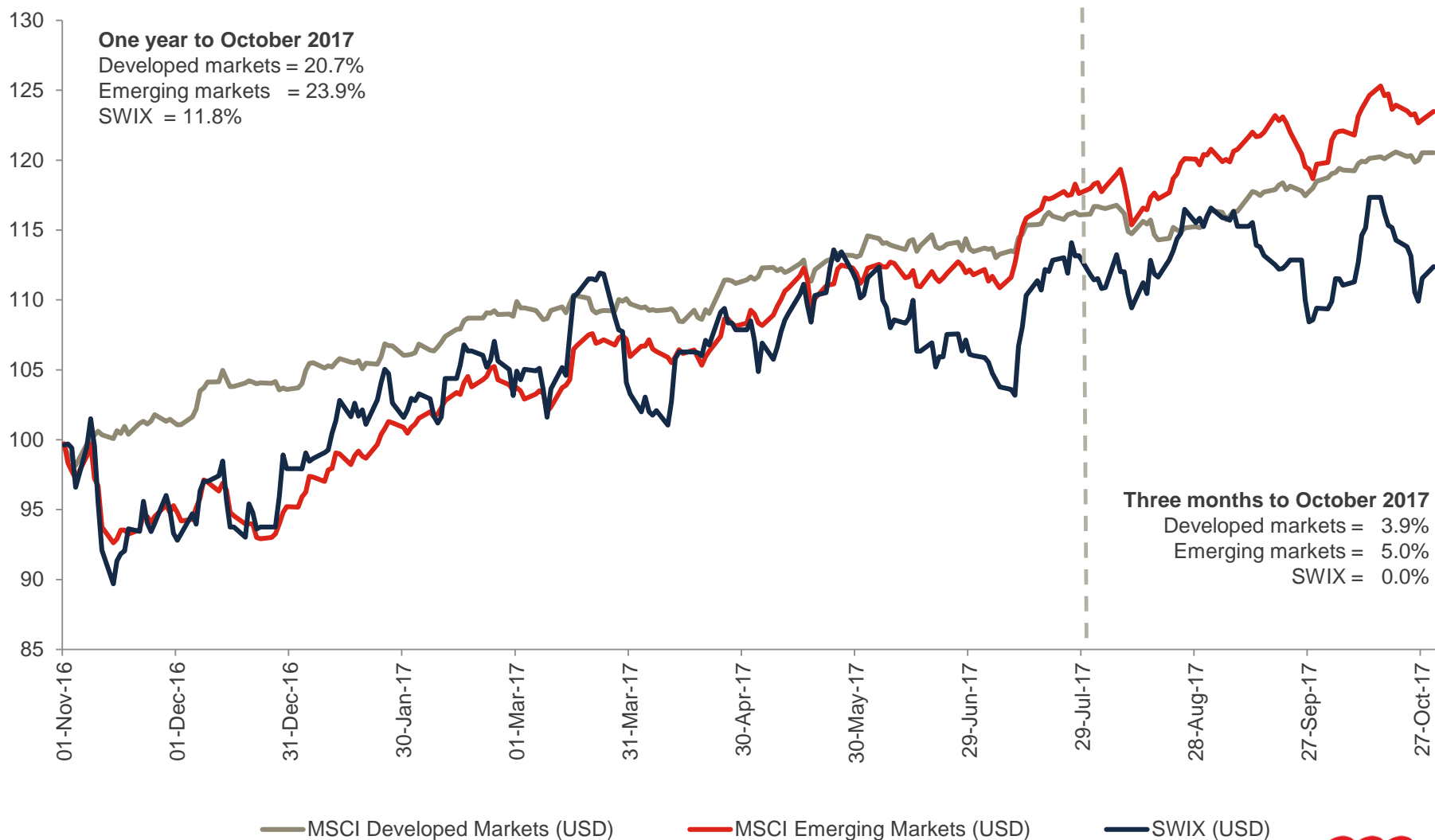
The Momentum and some quality factors had strong returns for the shorter term. For the three-year period, the momentum and some value factors had positive returns.

Source: FactSet , Momentum Global Investment Management and Momentum Investments



MSCI developed and emerging markets

One year to October 2017



Source: INET BFA, MSCI and Momentum Investments



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SA 10-year bond yields

Five years to October 2017



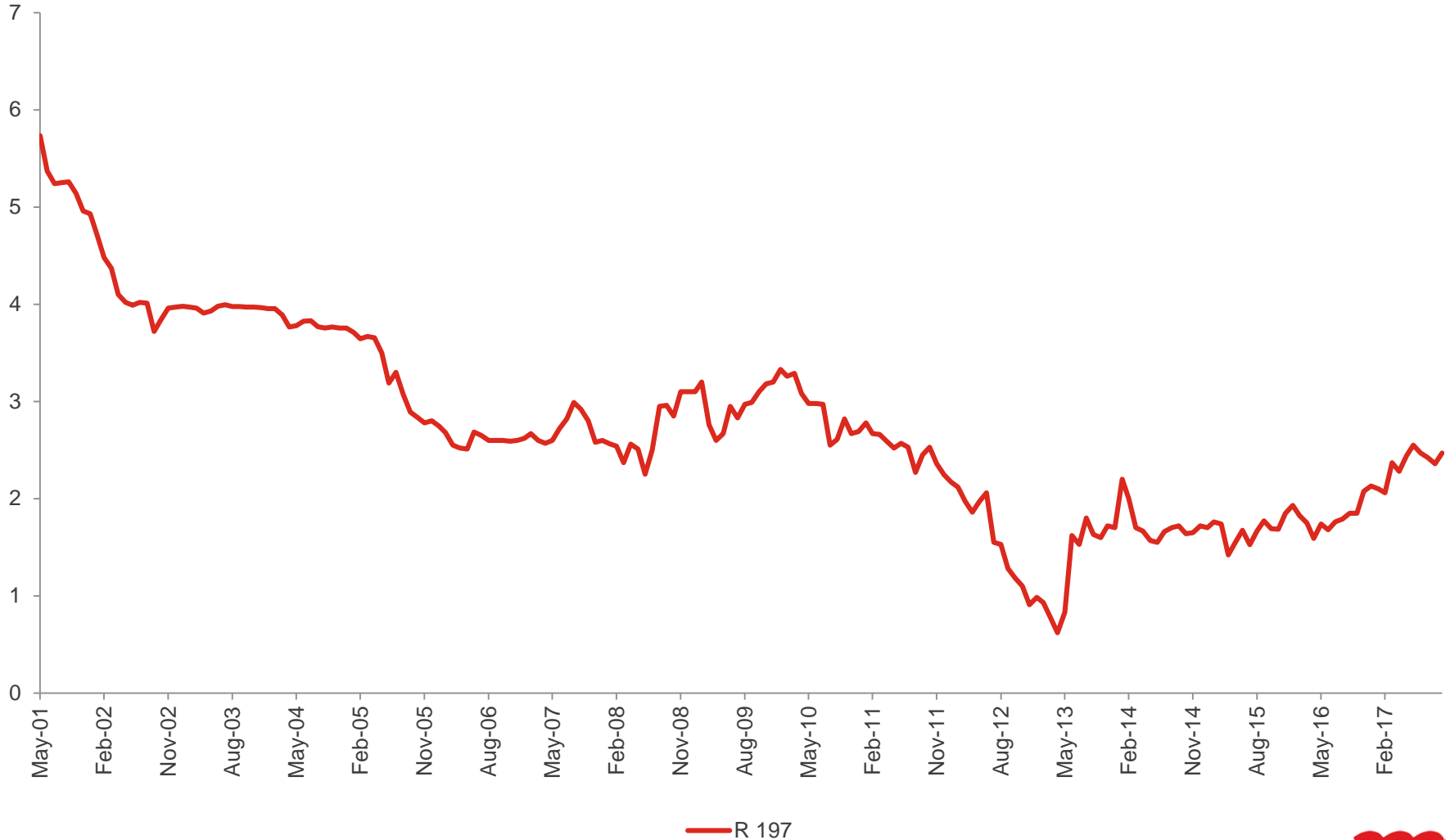
Source: INET BFA and Momentum Investments



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Yield of R197 (inflation-linked bond)

Since May 2001 to October 2017

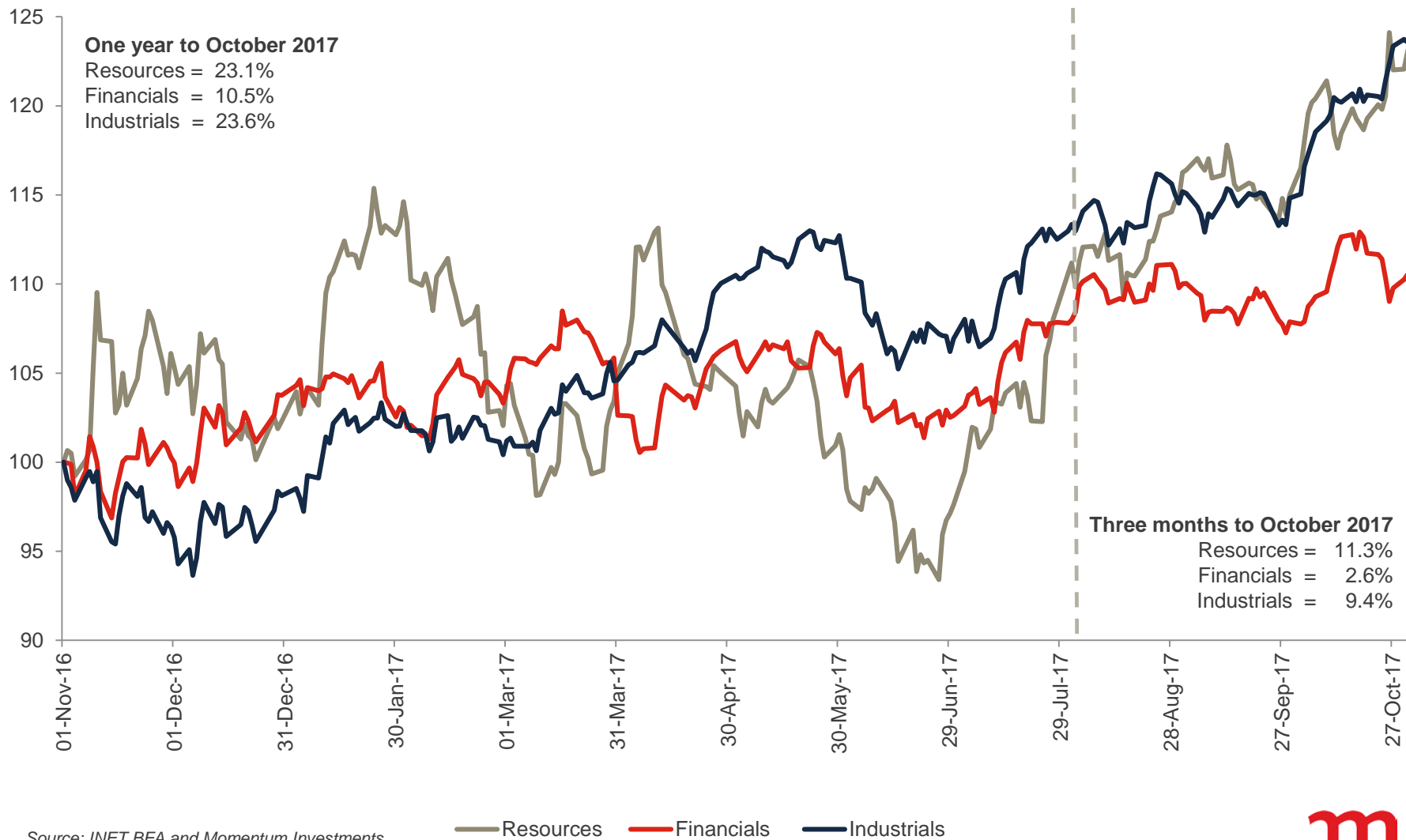


Source: INET BFA and Momentum Investments



FTSE/JSE sectors

One year to October 2017



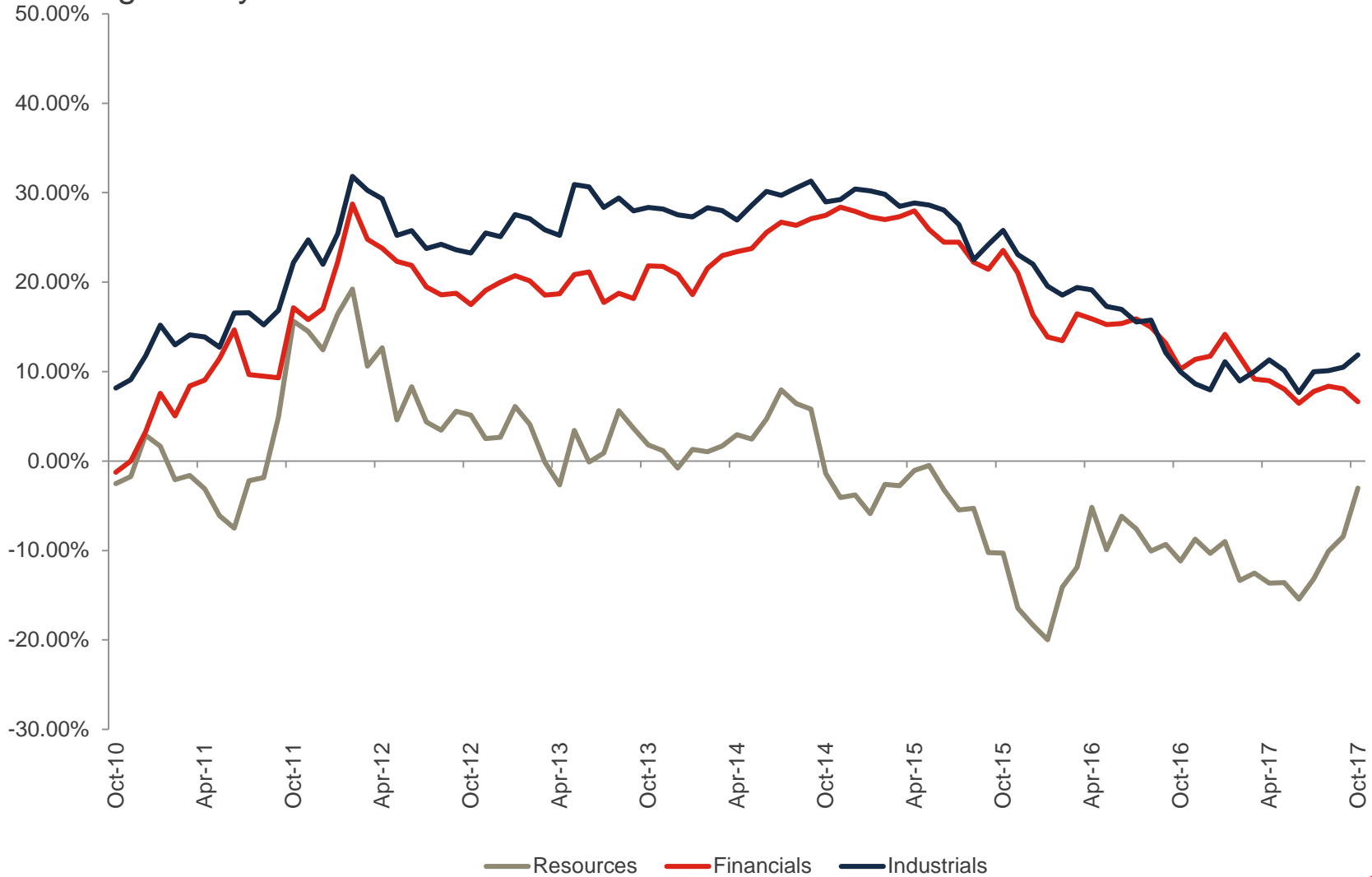
Source: INET BFA and Momentum Investments



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FTSE/JSE sectors

Rolling three-year return to October 2017



Source: INET BFA and Momentum Investments

Returns are annualised



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FTSE/JSE sectors

Decomposed

Three months to October 2017

1	Industrial Metals	Basic Materials	41.8%	19	Support Services	Industrials	2.4%
2	Coal Mining	Mining	35.1%	20	Banks	Financials	2.0%
3	Media	Consumer Services	18.7%	21	Forestry & Paper	Basic Materials	1.5%
4	Personal Goods	Consumer Goods	18.7%	22	Food & Drug Retailers	Consumer Services	1.0%
5	Industrial Transportation	Industrials	18.0%	23	Real Estate Investment Trusts	Financials	0.3%
6	Platinum Mining	Mining	16.5%	24	Mobile Telecommunications	Telecommunication	-0.3%
7	Construction & Materials	Industrials	15.7%	25	Software & Computer Services	Technology	-0.4%
8	General Mining	Mining	15.3%	26	Automobiles & Parts	Consumer Goods	-2.1%
9	Pharmaceuticals & Biotechnology	Health Care	14.3%	27	General Financial	Financials	-2.5%
10	Tobacco	Consumer Goods	11.6%	28	Food Producers	Consumer Goods	-2.5%
11	Real Estate Investment & Services	Financials	11.3%	29	General Retailers	Consumer Services	-3.0%
12	Equity Investment Instruments	Financials	8.1%	30	Health Care Equipment & Services	Health Care	-4.5%
13	Chemicals	Basic Materials	6.3%	31	Household Goods	Consumer Goods	-7.0%
14	Life Insurance	Financials	5.4%	32	Electronic & Electrical Equipment	Industrials	-7.8%
15	Non-life Insurance	Financials	5.3%	33	Beverages	Consumer Goods	-8.6%
16	Industrial Engineering	Industrials	4.2%	34	Travel & Leisure	Consumer Services	-9.6%
17	Gold Mining	Mining	4.2%	35	Fixed Line Telecommunications	Telecommunication	-18.6%
18	General Industrials	Industrials	3.1%				

Key

Resources

Financials

Industrials

Source: Barra, Deutsche Securities and Momentum Investments



investments

FTSE/JSE sectors

Decomposed

One year to October 2017

1	Industrial Metals	Basic Materials	56.9%	19	Real Estate Investment Trusts	Financials	6.4%
2	Coal Mining	Mining	54.0%	20	Support Services	Industrials	5.4%
3	Personal Goods	Consumer Goods	53.2%	21	General Financial	Financials	5.1%
4	Media	Consumer Services	52.7%	22	General Industrials	Industrials	4.6%
5	General Mining	Mining	37.8%	23	Automobiles & Parts	Consumer Goods	2.9%
6	Forestry & Paper	Basic Materials	31.5%	24	Industrial Engineering	Industrials	1.4%
7	Industrial Transportation	Industrials	22.0%	25	Electronic & Electrical Equipment	Industrials	0.3%
8	Tobacco	Consumer Goods	21.9%	26	Food Producers	Consumer Goods	-0.1%
9	Real Estate Investment & Services	Financials	17.9%	27	General Retailers	Consumer Services	-4.0%
10	Construction & Materials	Industrials	14.4%	28	Fixed Line Telecommunications	Telecommunication	-9.1%
11	Food & Drug Retailers	Consumer Services	13.5%	29	Platinum Mining	Mining	-9.7%
12	Chemicals	Basic Materials	13.1%	30	Household Goods	Consumer Goods	-12.8%
13	Banks	Financials	12.9%	31	Software & Computer Services	Technology	-12.9%
14	Equity Investment Instruments	Financials	12.1%	32	Beverages	Consumer Goods	-17.2%
15	Life Insurance	Financials	12.1%	33	Gold Mining	Mining	-18.0%
16	Mobile Telecommunications	Telecommunication	10.6%	34	Health Care Equipment & Services	Health Care	-23.2%
17	Pharmaceuticals & Biotechnology	Health Care	7.7%	35	Travel & Leisure	Consumer Services	-29.8%
18	Non-life Insurance	Financials	7.7%				

Key

Resources

Financials

Industrials

Source: Barra, Deutsche Securities and Momentum Investments



investments

FTSE/JSE market caps

One year to October 2017



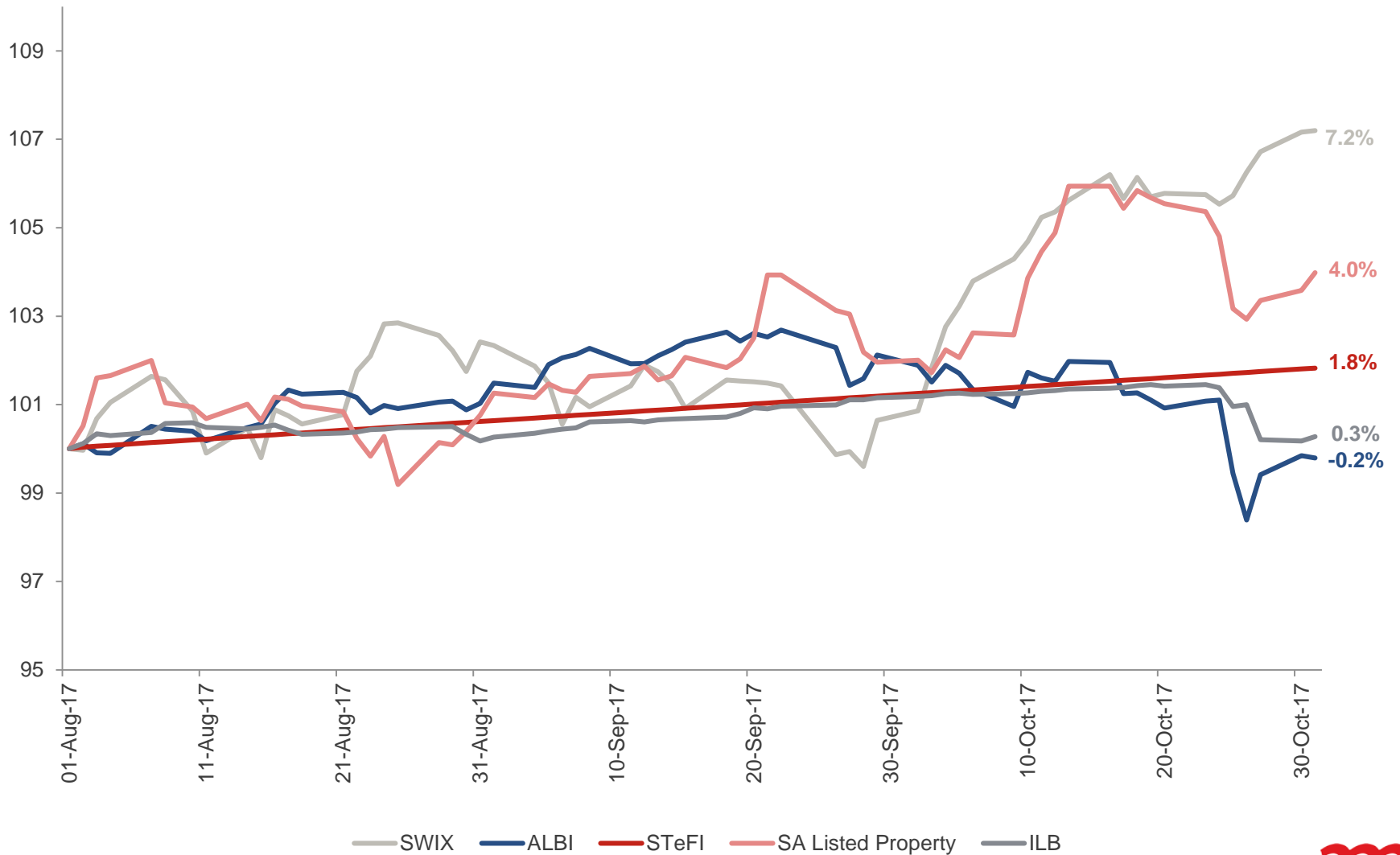
Source: INET BFA and Momentum Investments



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Local asset classes

Three months to October 2017



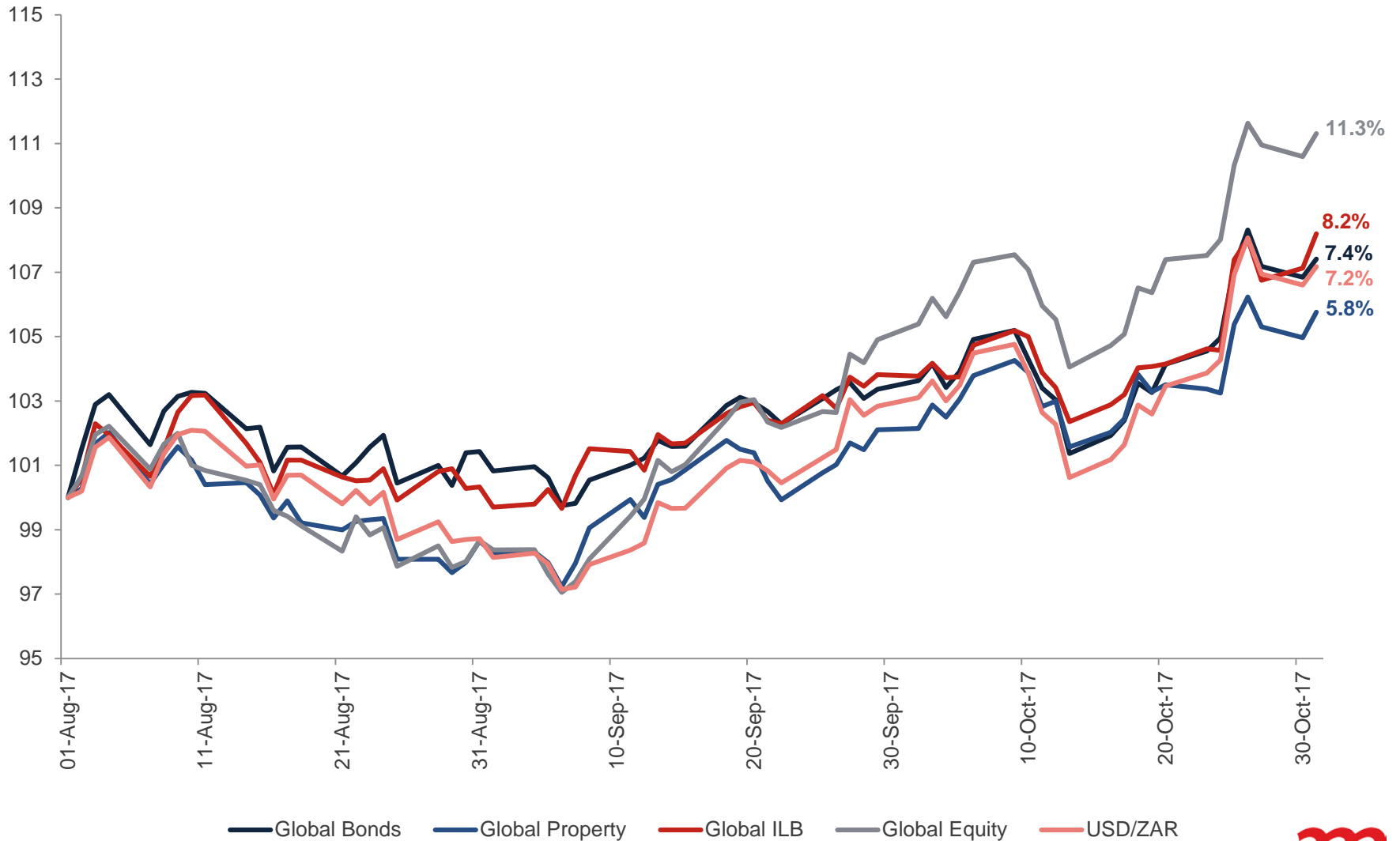
Source: INET BFA and Momentum Investments



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Global asset classes

Three months to October 2017



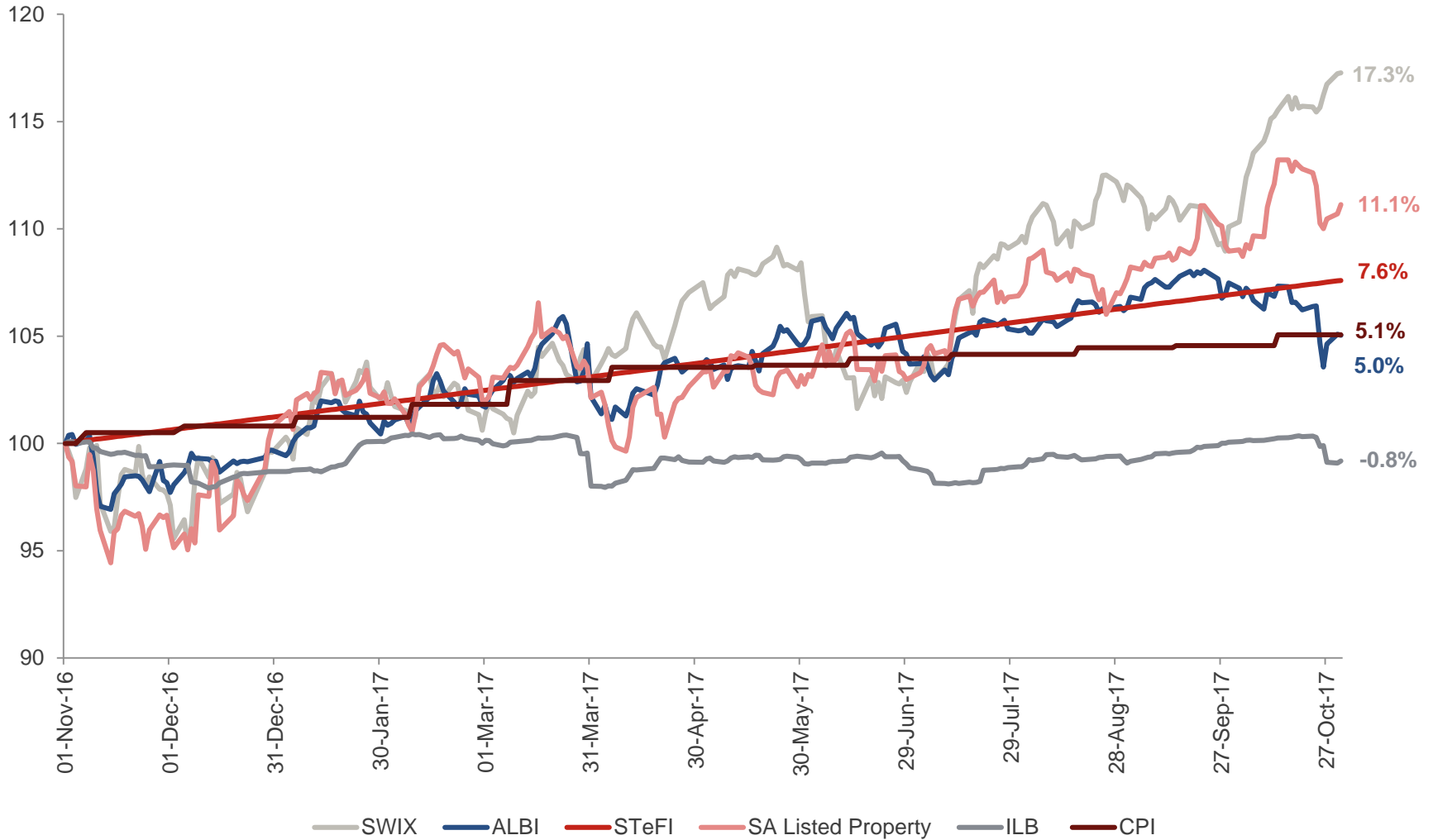
Source: INET BFA and Momentum Investments



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Local asset classes

One year to October 2017



Source: INET BFA and Momentum Investments

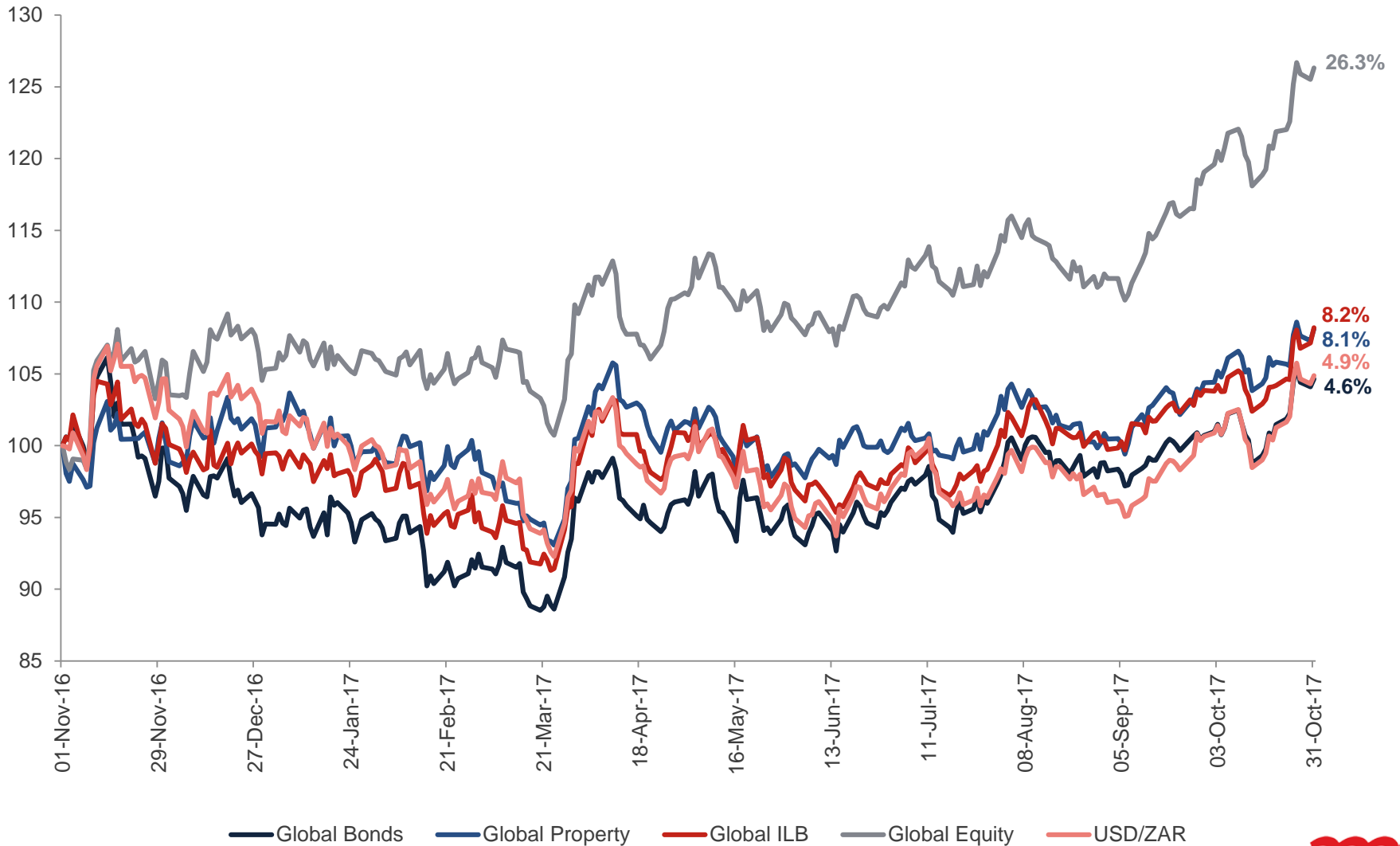
*CPI is lagged by one month due to availability of inflation data



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Global asset classes

One year to October 2017



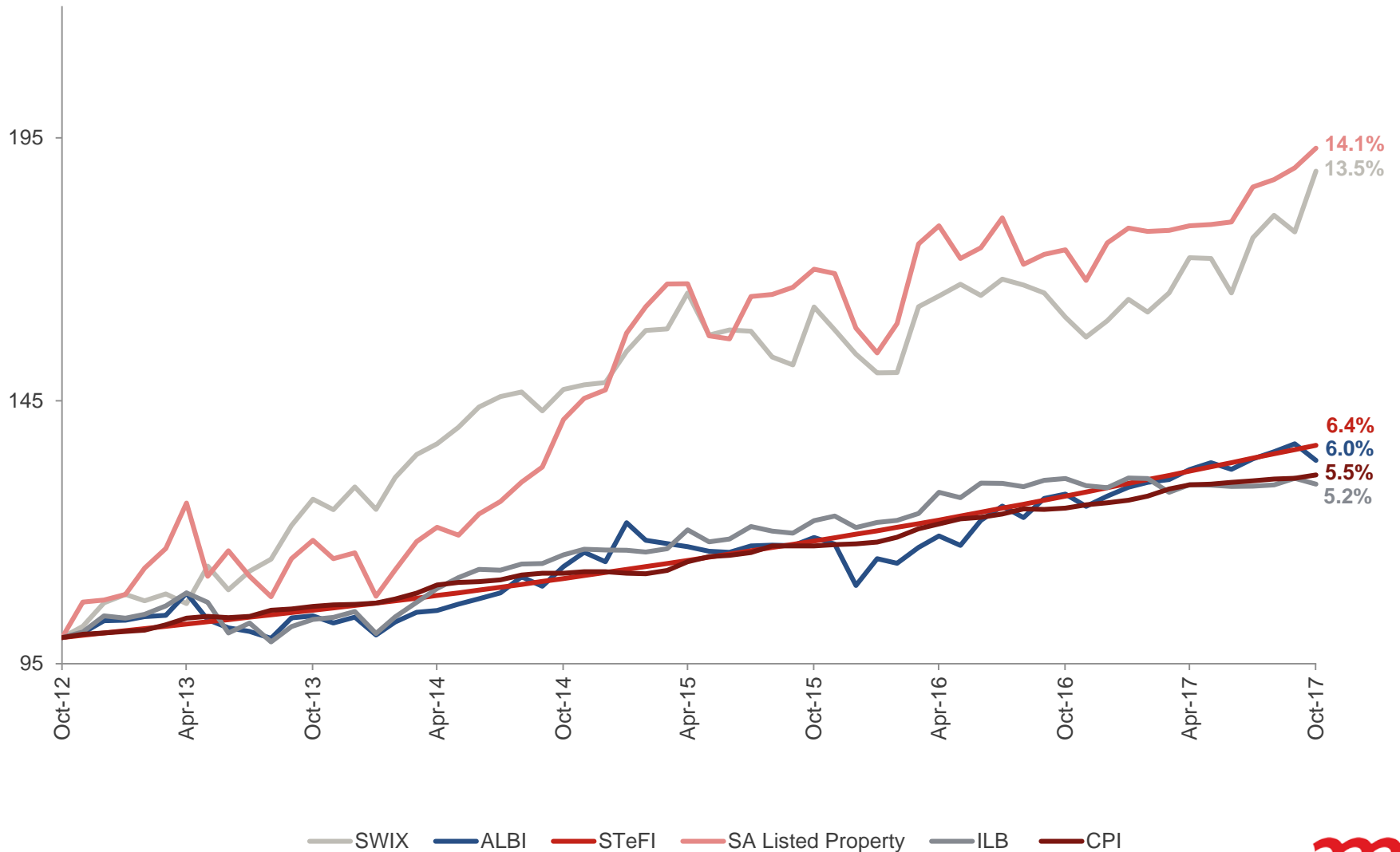
Source: INET BFA and Momentum Investments



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Local asset classes

Five years to October 2017



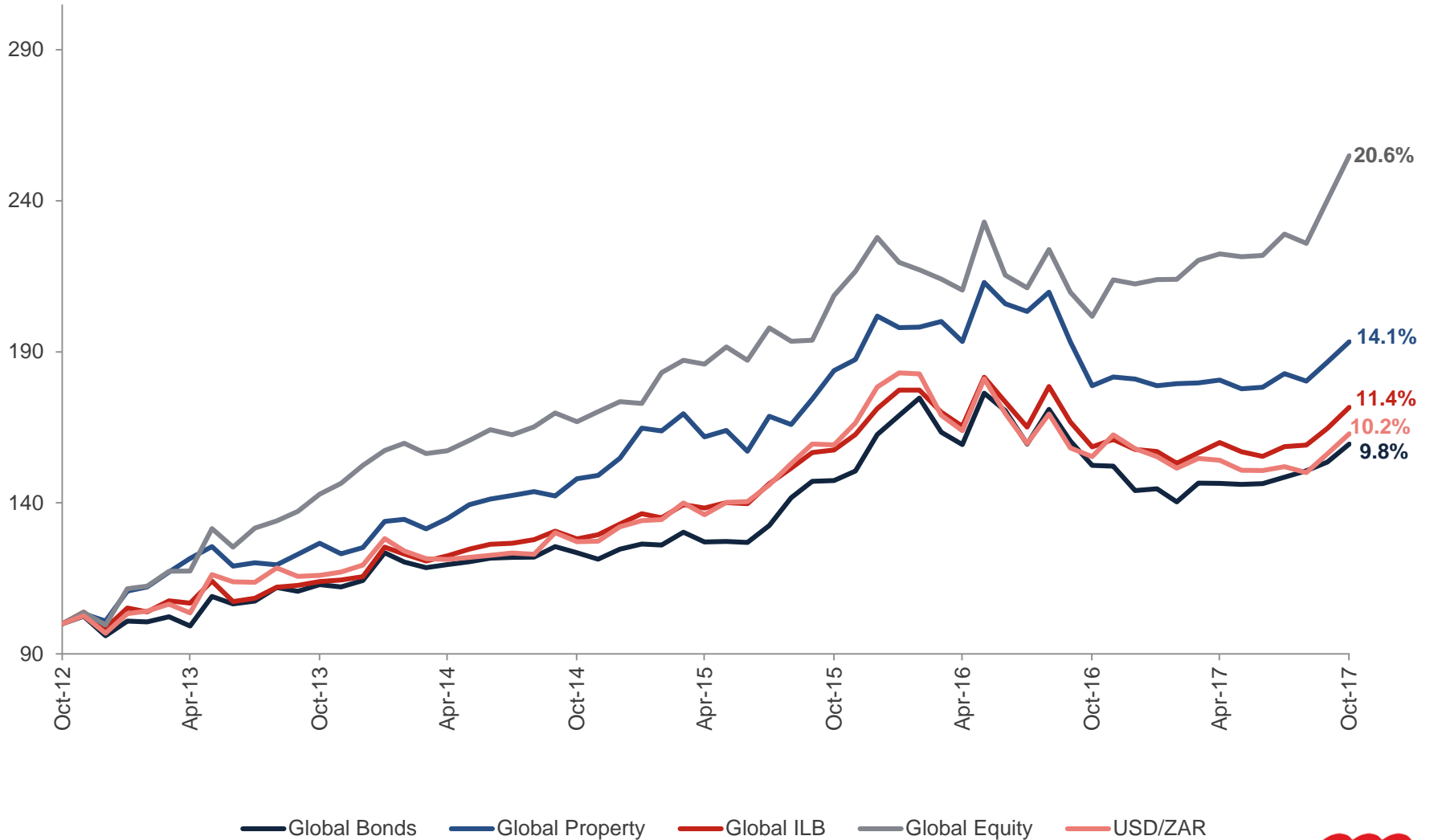
Source: INET BFA and Momentum Investments

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



Global asset classes

Five years to October 2017



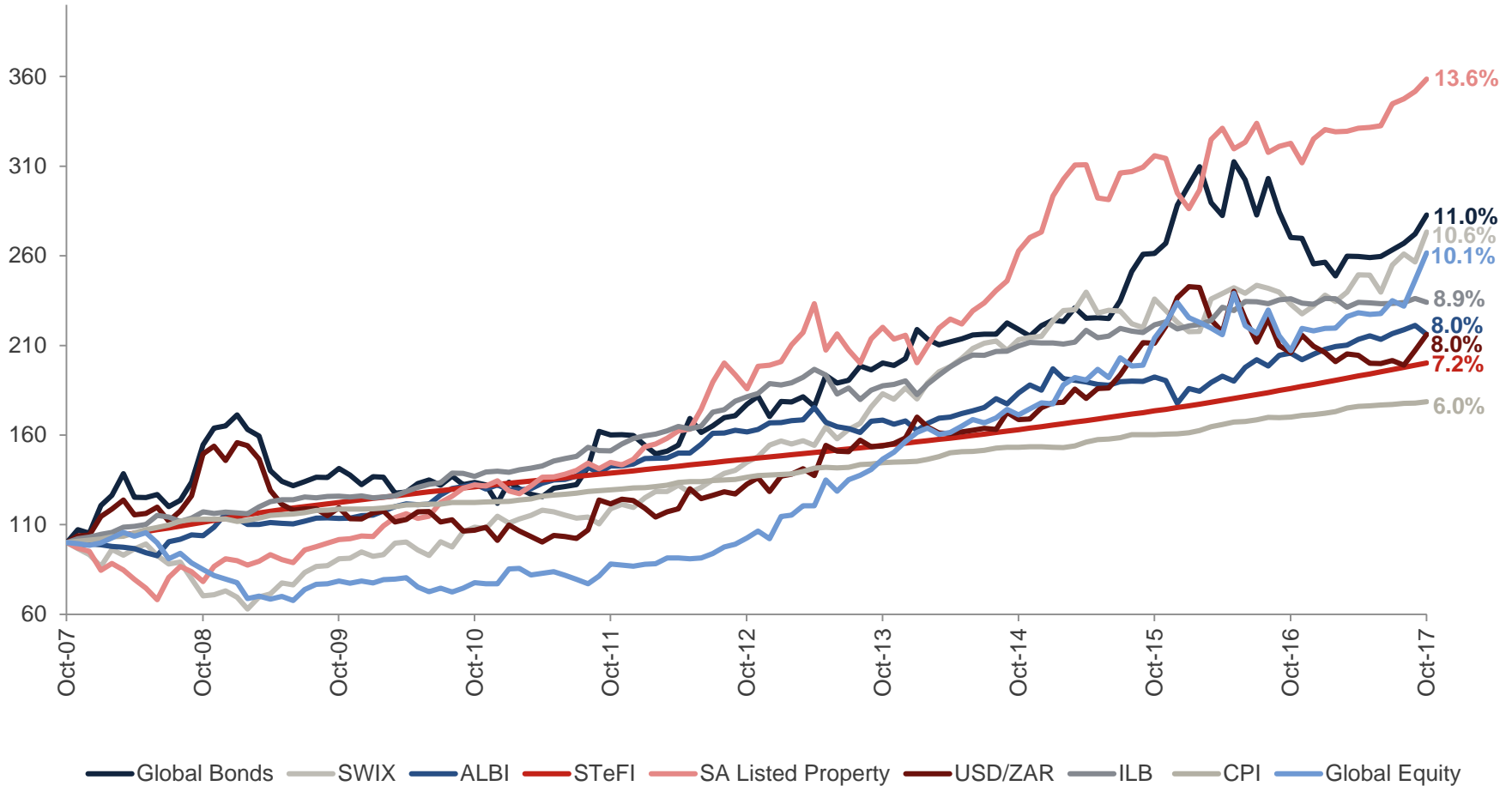
Source: INET BFA and Momentum Investments



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Asset classes

Ten years to October 2017



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

Source: INET BFA and Momentum Investments

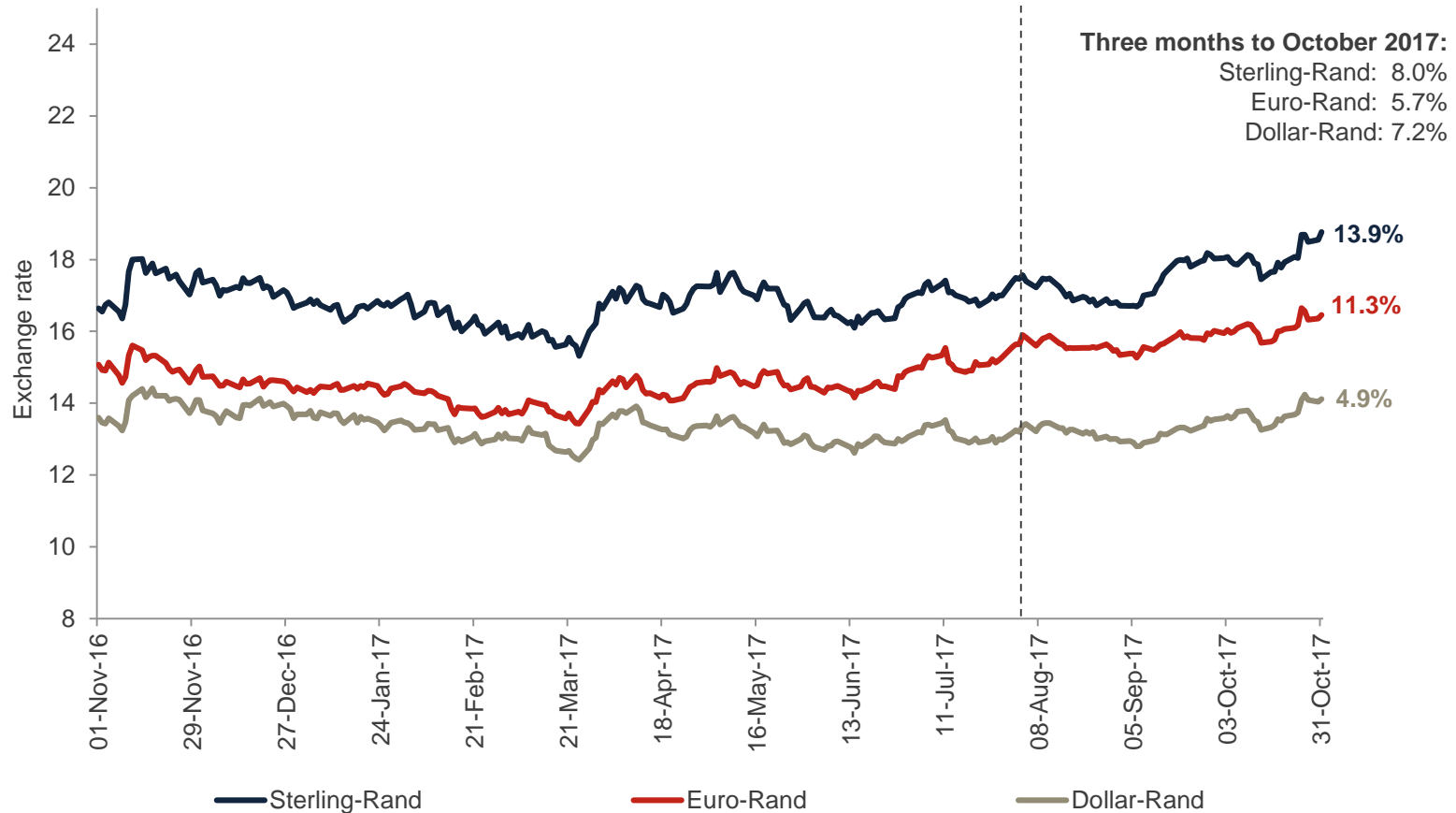
*CPI is lagged by one month due to availability of inflation data



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Exchange rates

One year to October 2017



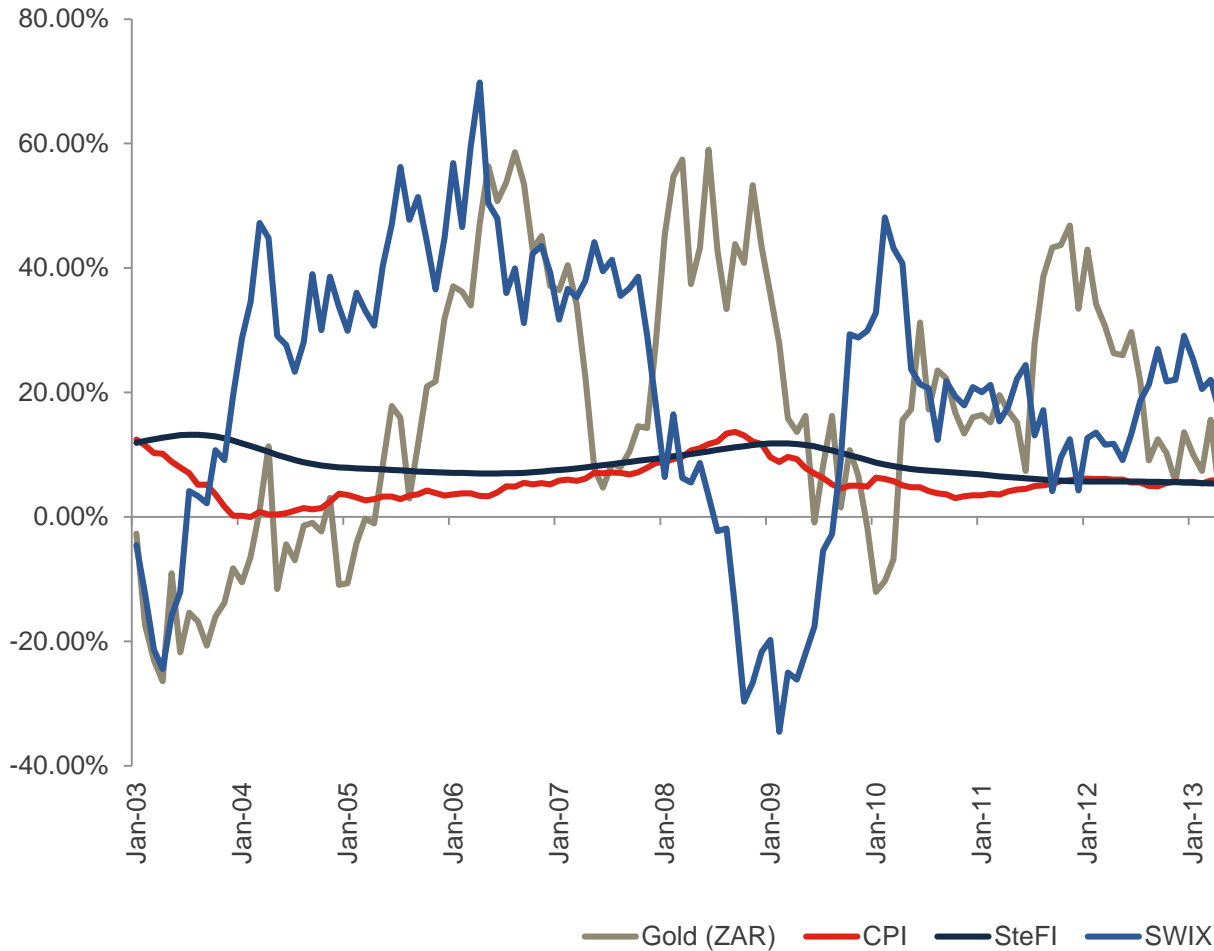
Source: INET BFA and Momentum Investments



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

One-year rolling returns to October 2017

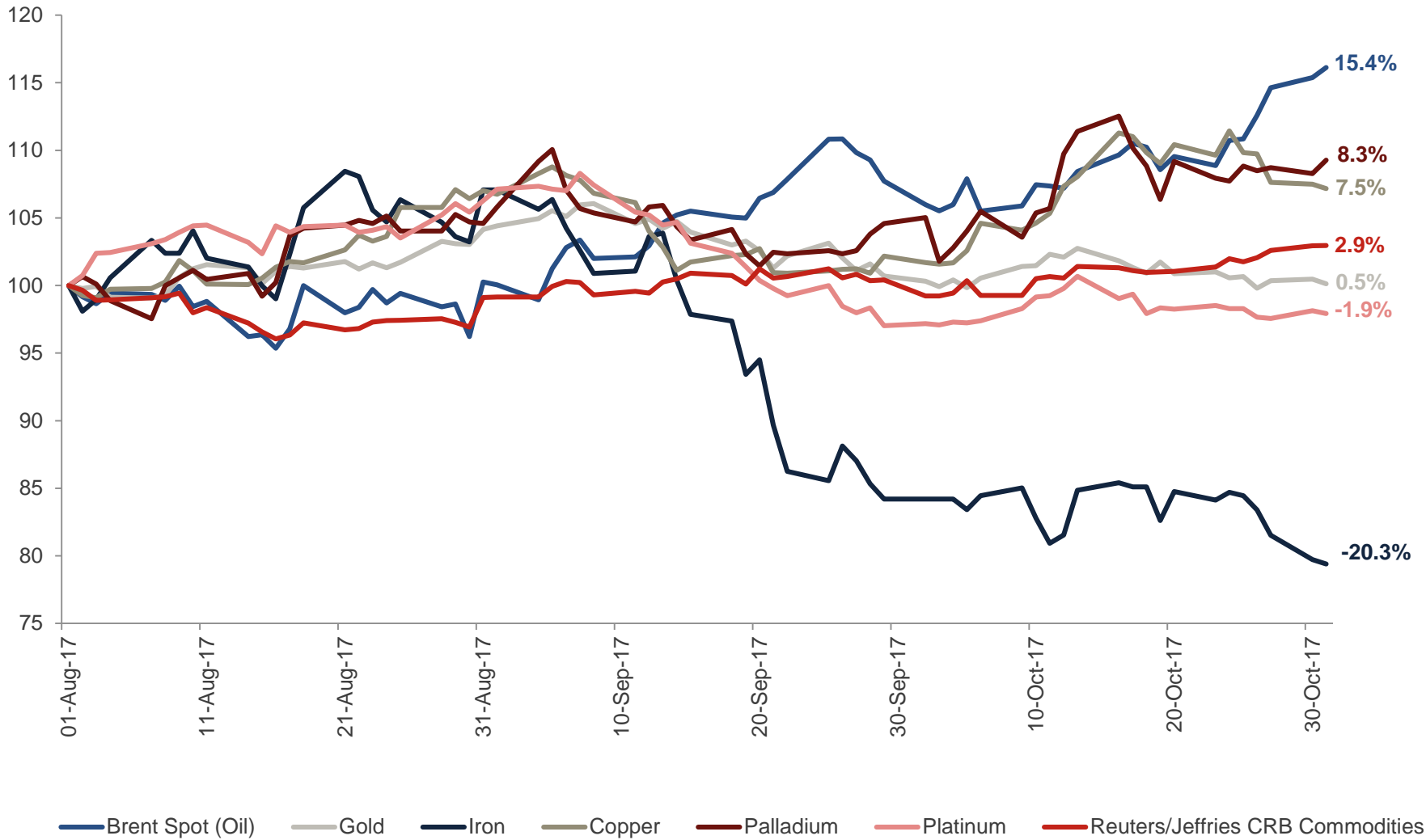


Source: INET BFA and Momentum Investments

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

Commodities

Three months to October 2017



Source: INET BFA, FT.com and Momentum Investments

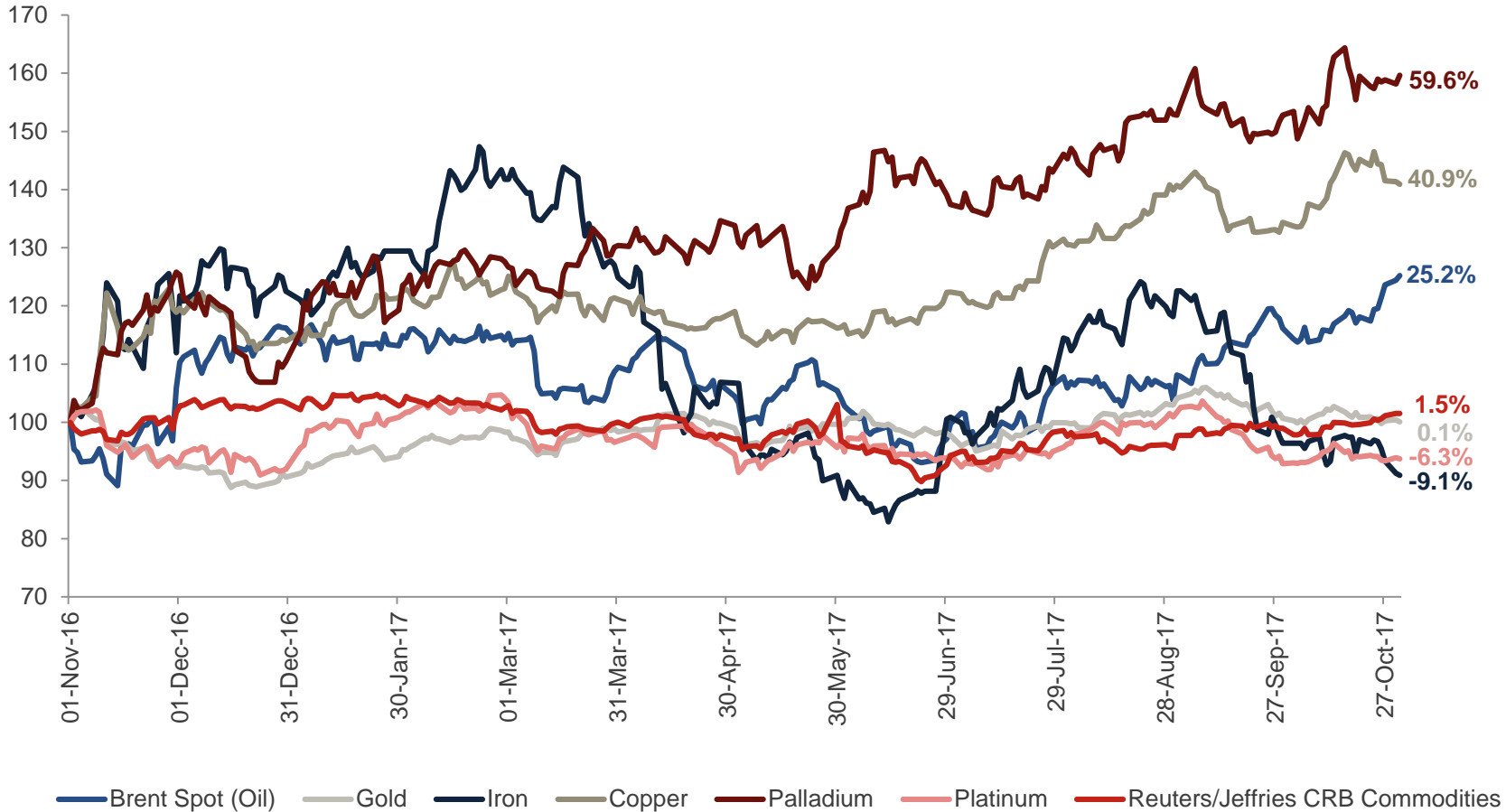
All returns in dollar terms



investments

Commodities

One year to October 2017



Source: INET BFA, FT.com and Momentum Investments

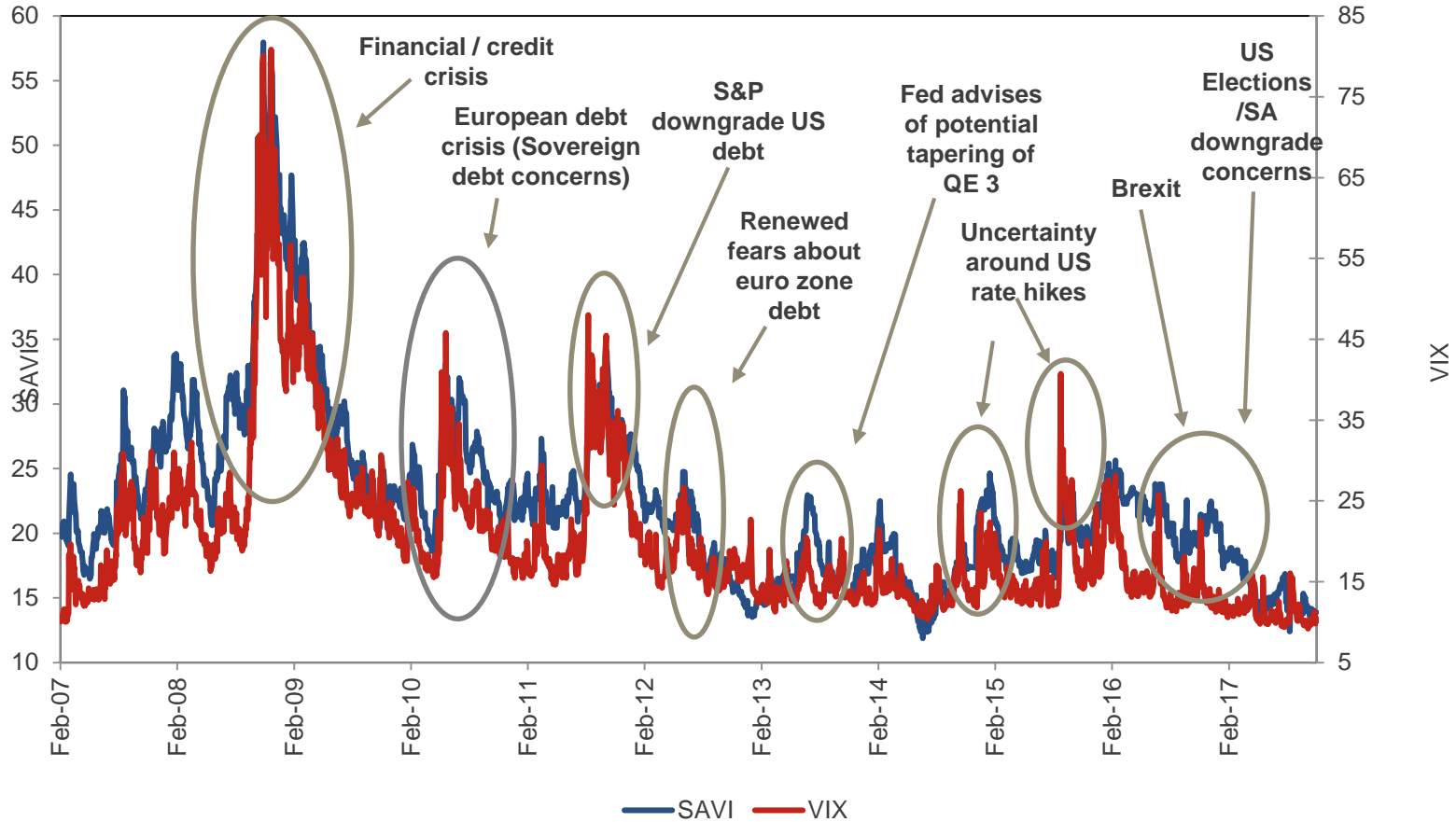
All returns in dollar terms



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SAVI-VIX

Since February 2007 to October 2017



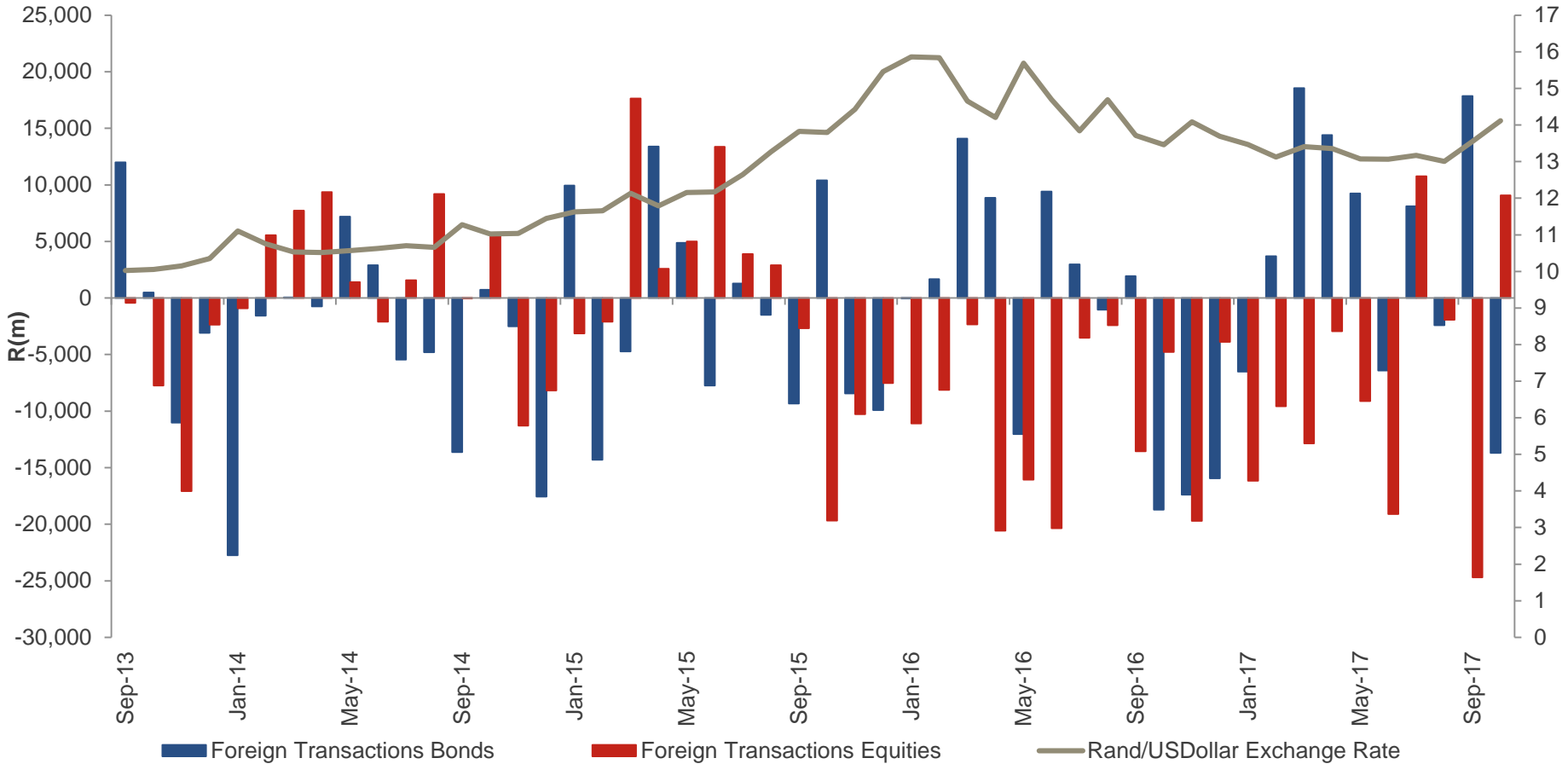
Source: INET BFA and Momentum Investments



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Foreign transactions

2013 to 2017



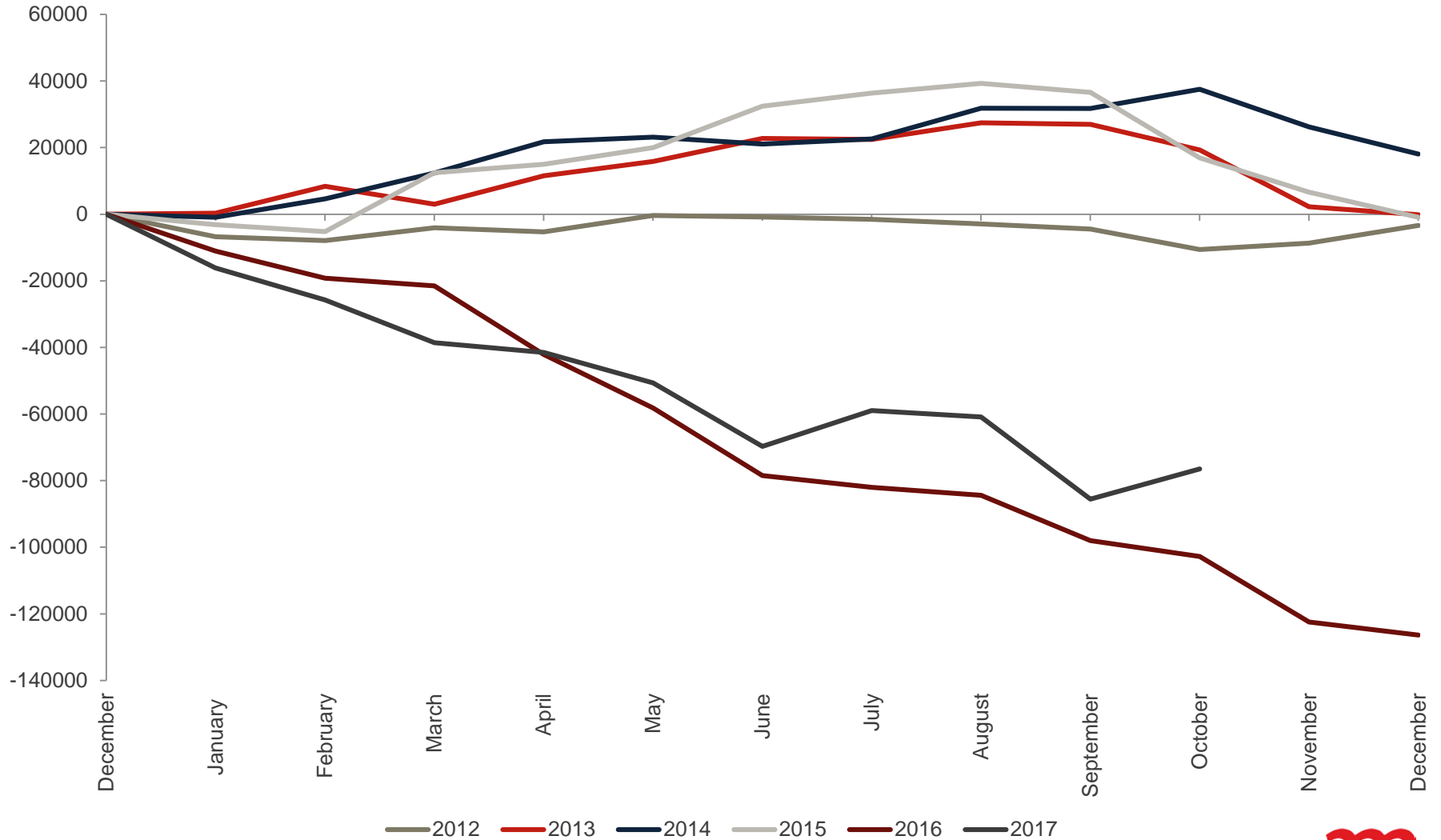
Source: INET BFA and Momentum Investments



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Cumulative foreign transaction equities

2012 to 2017



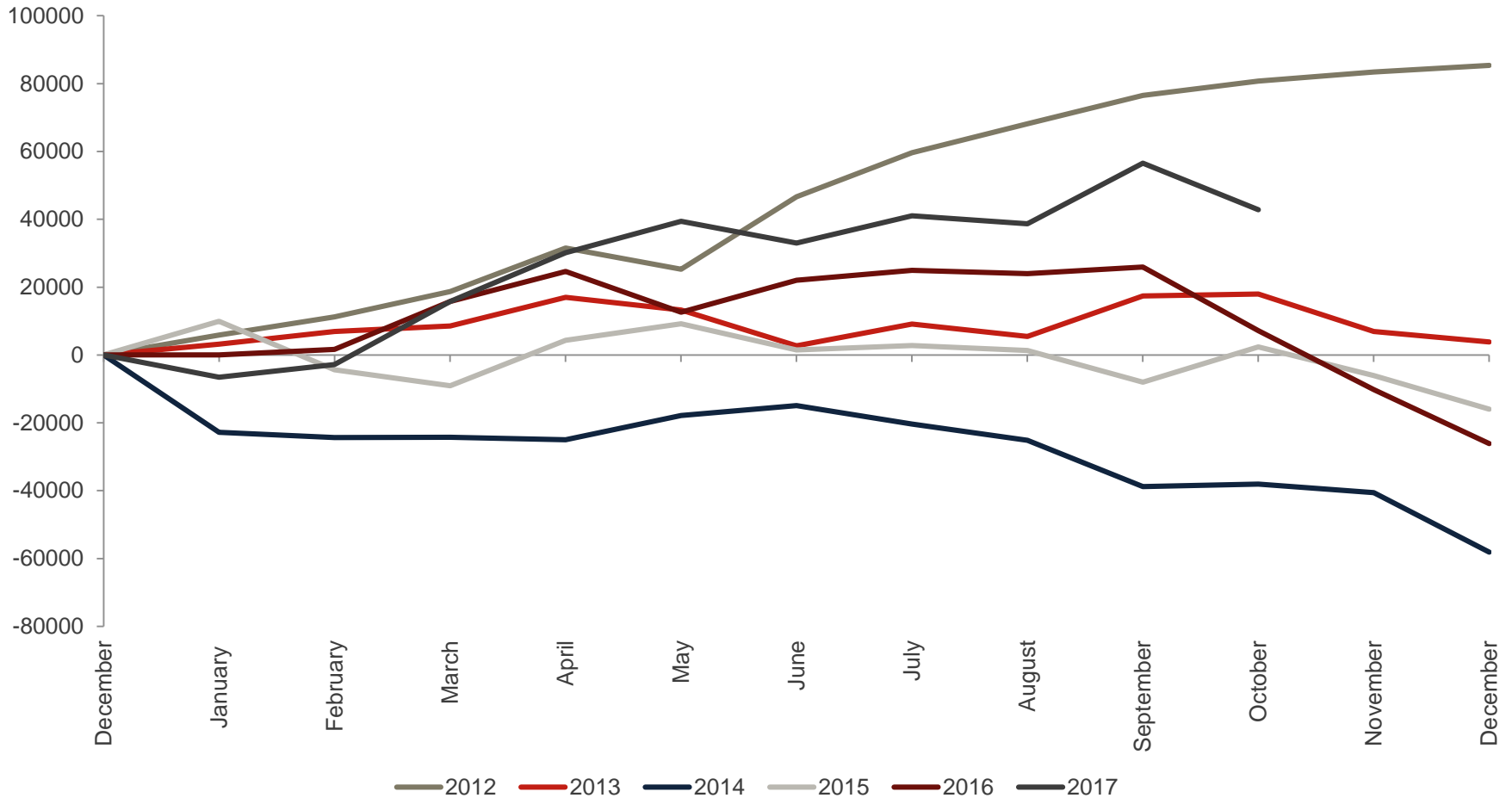
Source: INET BFA and Momentum Investments



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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 October 2017



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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