



momentum
investments

Key market performance drivers

Monthly charts

September 2017

Signatory of:

PRI | Principles for
Responsible
Investment

Market returns concentration

One-year returns ending:

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% |

July-17

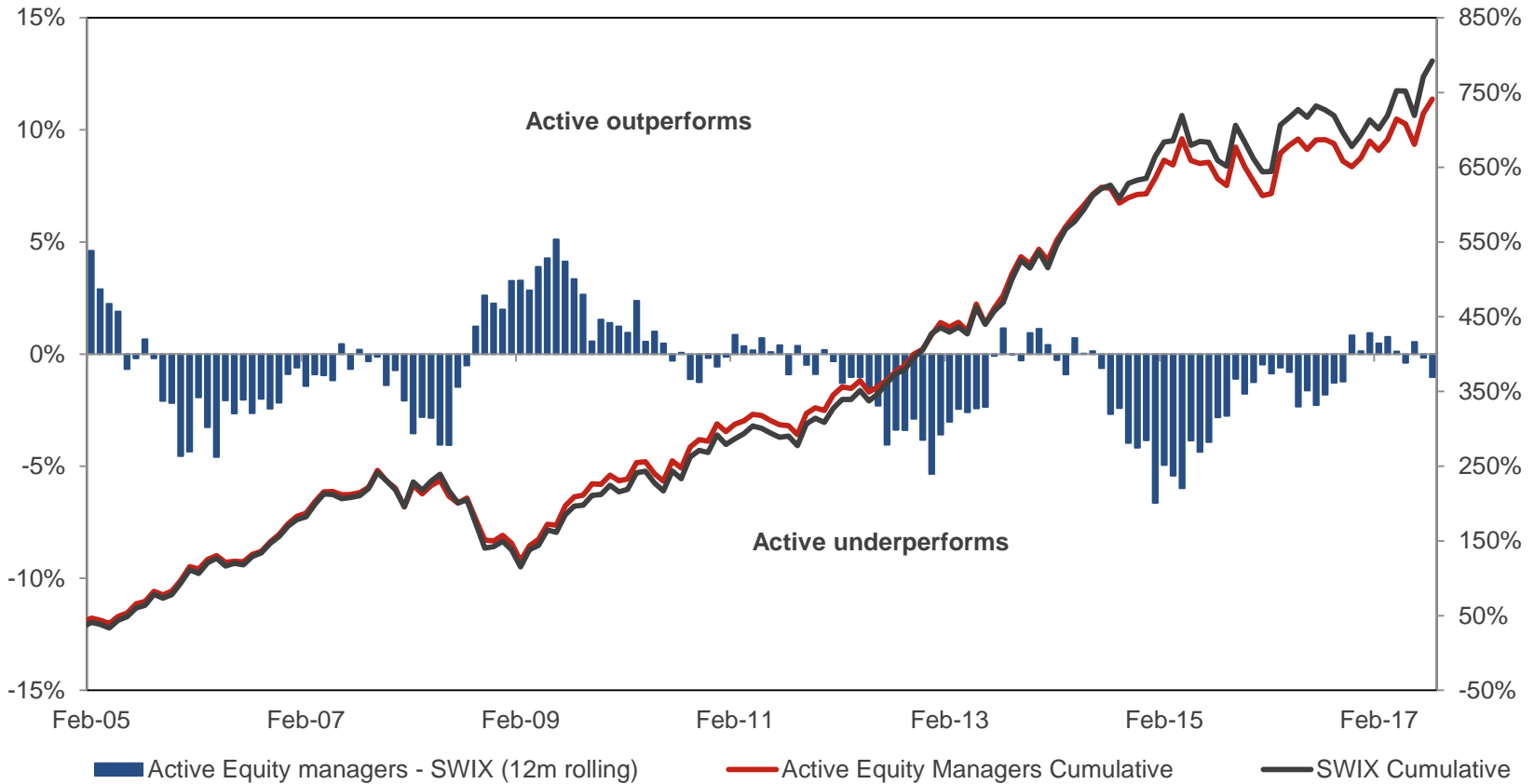
| | | |
|------------------|-------------------------|-------------|
| NASPERS | | |
| ANGLO | | |
| STANDARD BANK GP | | |
| BHPBILL | | |
| Top 5 | SASOL | 111% |
| Top 6 | BID CORPORATION LIMITED | 116% |
| | FIRSTRAND | |
| | CAPITEC | |
| | VODACOM | |
| Top 10 | SAPPI | 128% |
| | BARWORLD | |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

Market-cap weighted returns: 10 shares contributed 91% to the return of the SWIX, while 20 shares contributed 110%



Active-index analysis

One-year rolling active to August* 2017



Median of Active Equity Managers vs SWIX

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

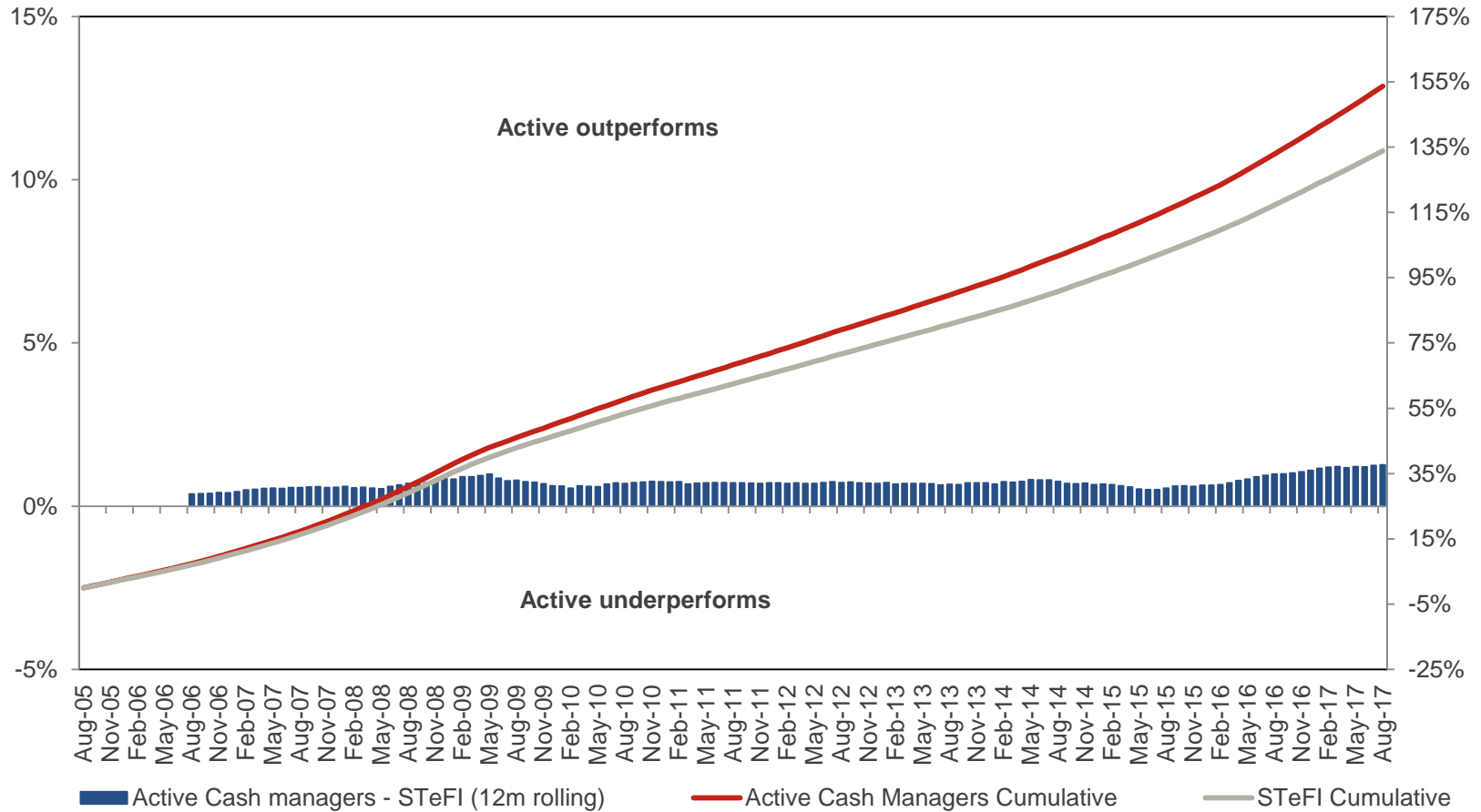
Source: Alexander Forbes SA Equity Manager Watch™, INET BFA and Momentum Investments

* Lagged by one month due to availability of data



Active versus tracker: Cash

One-year rolling average to August* 2017



Median of Active Money Market Managers vs SteFI

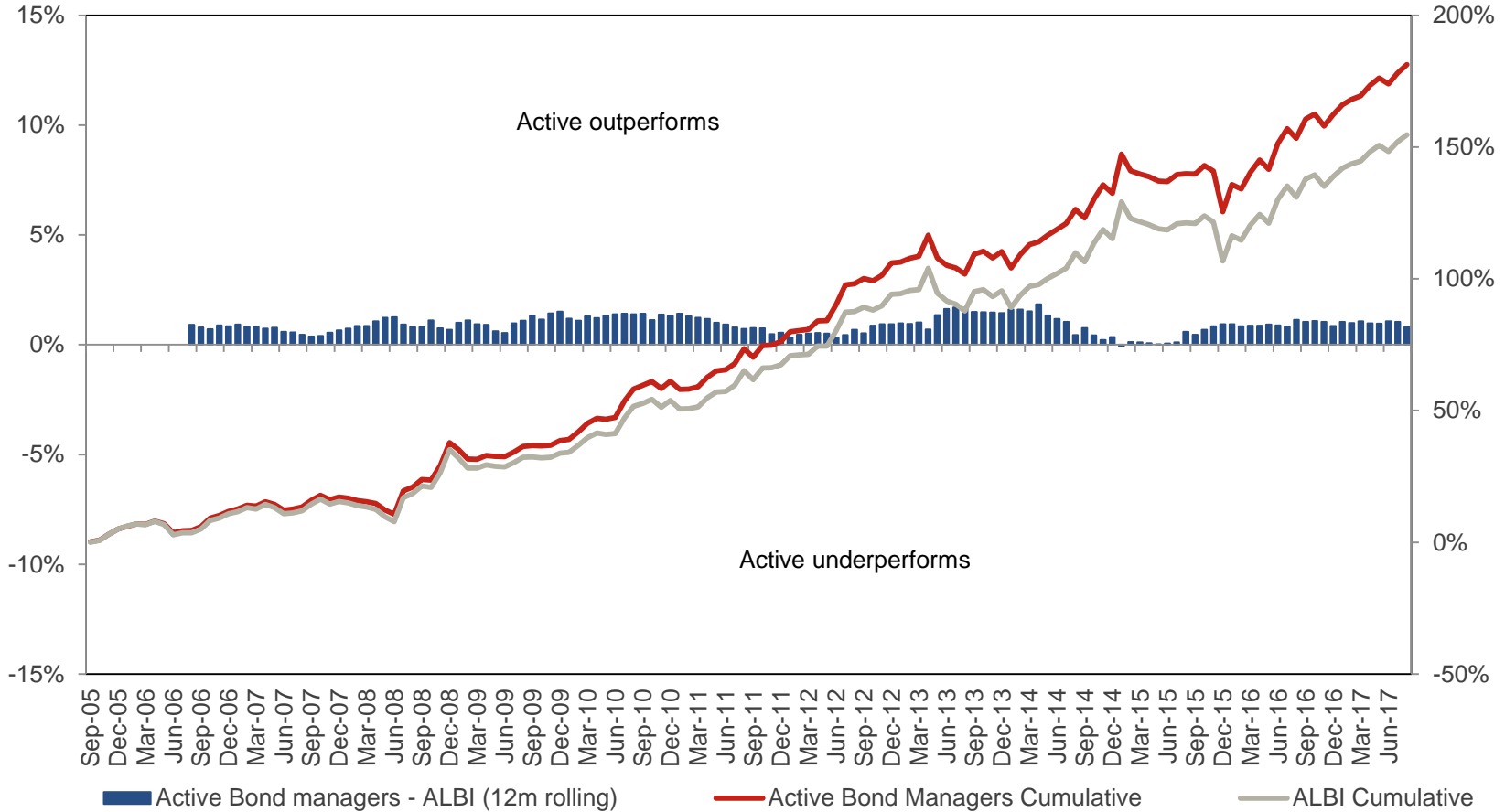
Source: Alexander Forbes SA Money Market Manager Watch™, INET BFA and Momentum Investments

* Lagged by one month due to availability of data



Active versus tracker: Bonds

One-year rolling average to August* 2017



Median of Active Bond Managers vs ALBI

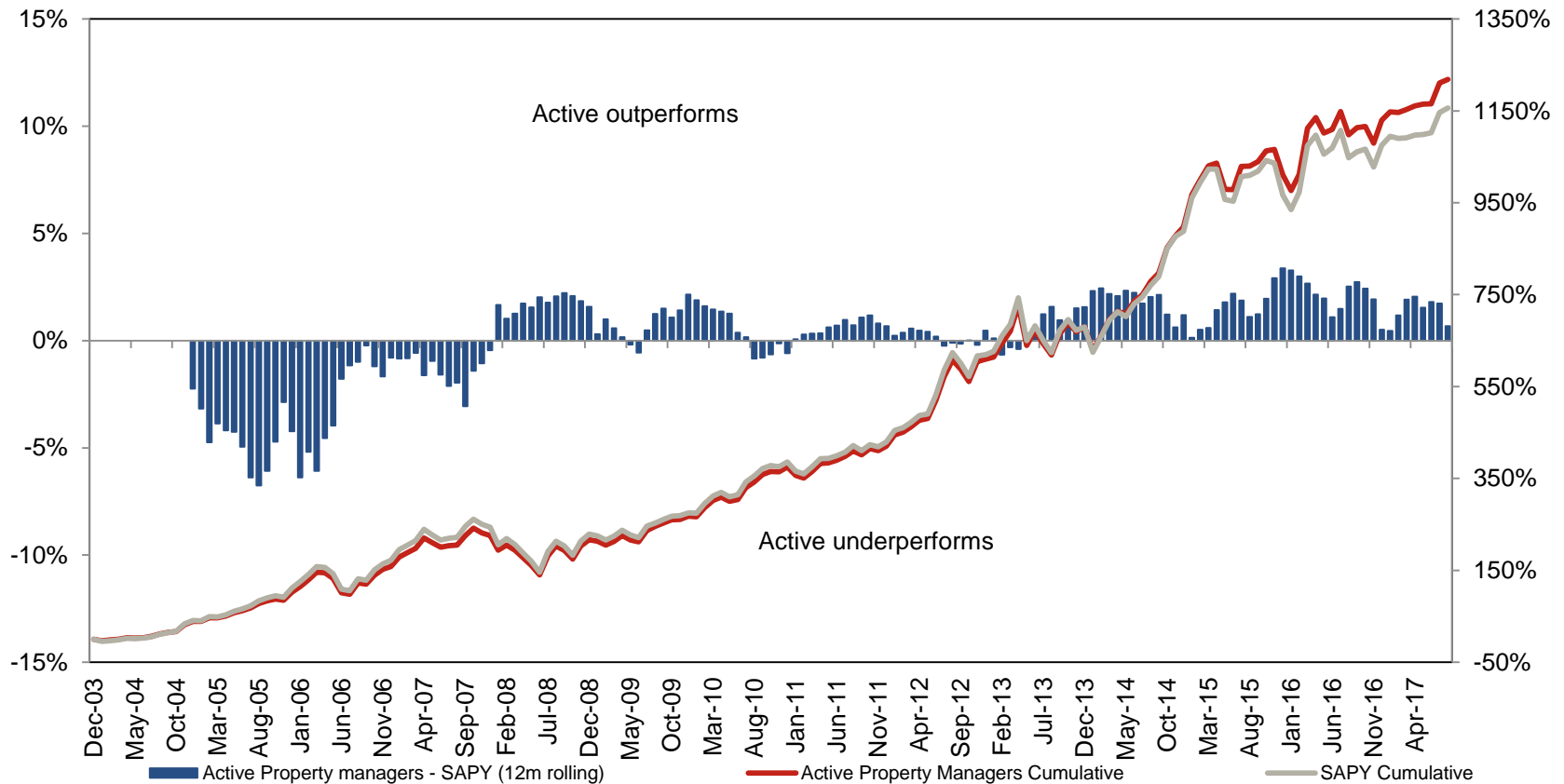
Source: Alexander Forbes SA Bond Manager Watch™, INET BFA and Momentum Investments

* Lagged by one month due to availability of data



Active versus tracker: Property

One-year rolling average to August* 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 September 2017

| ZAR | Styles | One month to Sept 2017 | Three months to Sept 2017 | One year to Sept 2017 | Three years to Sept 2017 | Five years to Sept 2017 | Ten years to Sept 2017 | Twenty years to Sept 2017 |
|----------|------------------------|------------------------|---------------------------|-----------------------|--------------------------|-------------------------|------------------------|---------------------------|
| Value | Book to Price | -0.99 | -3.89 | 2.16 | 0.15 | -1.90 | -1.87 | 2.40 |
| | Dividend Yield | -0.47 | -0.53 | 6.03 | 3.49 | -0.05 | 2.54 | 4.83 |
| | Earnings Yield | -0.59 | -1.95 | 7.57 | -0.98 | -1.16 | -0.30 | 2.89 |
| | Cash Flow Yield | -2.78 | -1.08 | 9.09 | 3.87 | 0.94 | 0.01 | 3.52 |
| | Sales to Price | -1.58 | -0.43 | 0.74 | 0.08 | -1.80 | -1.52 | 2.28 |
| Quality | ROE | -0.13 | 1.99 | 1.37 | -0.59 | -2.35 | 0.64 | -1.75 |
| | ROIC LT | 1.52 | -0.82 | -2.02 | -0.15 | -1.77 | -0.61 | -2.52 |
| | Income to Sales | 1.01 | 2.16 | 8.32 | -0.45 | 0.12 | 1.04 | -0.81 |
| | Low market beta | 0.42 | -3.00 | 0.96 | 5.35 | 4.38 | -1.65 | 1.62 |
| | Low Debt/Equity | 2.59 | 4.51 | 7.33 | -0.46 | 0.04 | -2.33 | -0.79 |
| | EBIT Margin Stability | -0.77 | -5.18 | -12.72 | 2.46 | 1.23 | 2.99 | -0.95 |
| Growth | Earnings Growth | -0.25 | -1.12 | 10.22 | -0.15 | -0.69 | -2.18 | -0.99 |
| | Sales Growth | 1.42 | -2.27 | -0.61 | -0.56 | -0.48 | 0.37 | 0.11 |
| | 12M Earning Growth | 1.99 | 1.96 | -6.84 | -2.68 | -1.85 | 0.72 | 5.32 |
| Momentum | FY1 Earnings Revisions | 0.88 | 4.18 | 2.75 | 3.65 | 4.99 | 9.13 | 7.47 |
| | Short Term Momentum | 0.10 | 2.75 | -6.76 | 2.15 | 1.27 | -0.21 | -1.86 |
| | Medium Term Momentum | 1.88 | 0.28 | -9.25 | 0.35 | 3.79 | 3.79 | 6.19 |
| Size | Size | -0.28 | 3.77 | 0.86 | -0.08 | -1.35 | 1.62 | -0.28 |

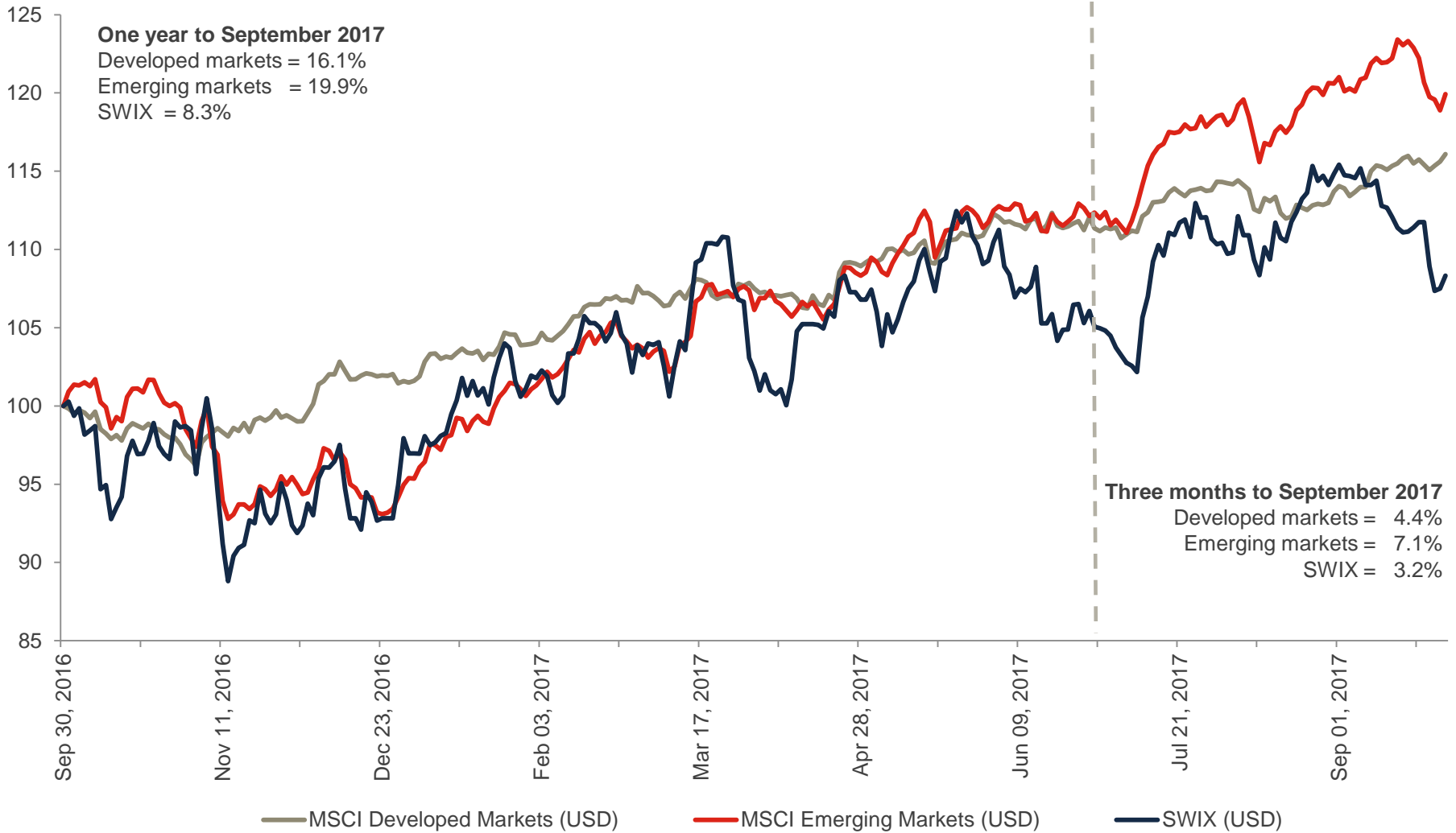
The Momentum and some quality factors had strong returns for the shorter term. For the three-year period, the momentum and some value factors had positive returns.

Source: FactSet , Momentum Global Investment Management and Momentum Investments



MSCI developed and emerging markets

One year to September 2017



Source: INET BFA, MSCI and Momentum Investments



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SA 10-year bond yields

Five years to September 2017



Source: INET BFA and Momentum Investments



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Yield of R197 (inflation-linked bond)

Since May 2001 to September 2017



Source: INET BFA and Momentum Investments

FTSE/JSE sectors

One year to September 2017



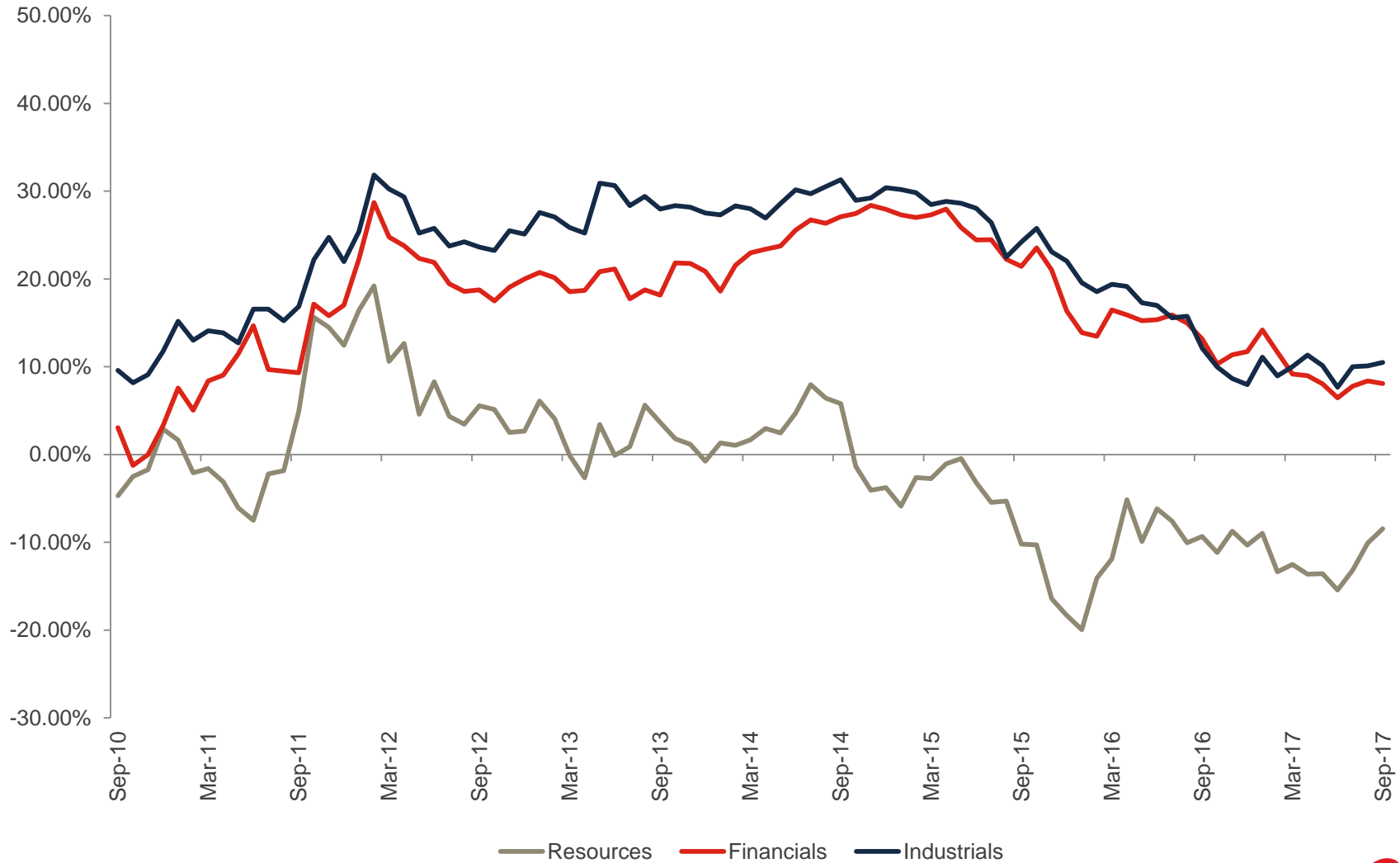
Source: INET BFA and Momentum Investments



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FTSE/JSE sectors

Rolling three-year return to September 2017



Source: INET BFA and Momentum Investments

Returns are annualised



investments

FTSE/JSE sectors

Decomposed

Three months to September 2017

| | | | | | | | |
|----|-----------------------------------|-------------------|-------|----|-----------------------------------|-------------------|--------|
| 1 | Coal Mining | Mining | 35.3% | 19 | Platinum Mining | Mining | 1.9% |
| 2 | General Mining | Mining | 28.8% | 20 | Real Estate Investment Trusts | Financials | 1.9% |
| 3 | Industrial Metals | Basic Materials | 27.9% | 21 | General Financial | Financials | 1.2% |
| 4 | Industrial Transportation | Industrials | 17.8% | 22 | Construction & Materials | Industrials | 0.6% |
| 5 | Personal Goods | Consumer Goods | 16.0% | 23 | Support Services | Industrials | 0.1% |
| 6 | Media | Consumer Services | 15.0% | 24 | Food Producers | Consumer Goods | -1.0% |
| 7 | Real Estate Investment & Services | Financials | 10.0% | 25 | Equity Investment Instruments | Financials | -2.0% |
| 8 | Gold Mining | Mining | 9.9% | 26 | Fixed Line Telecommunications | Telecommunication | -3.7% |
| 9 | Non-life Insurance | Financials | 8.8% | 27 | Automobiles & Parts | Consumer Goods | -4.1% |
| 10 | Banks | Financials | 7.7% | 28 | Tobacco | Consumer Goods | -4.2% |
| 11 | Mobile Telecommunications | Telecommunication | 7.5% | 29 | Beverages | Consumer Goods | -5.4% |
| 12 | Forestry & Paper | Basic Materials | 7.0% | 30 | Travel & Leisure | Consumer Services | -5.7% |
| 13 | Life Insurance | Financials | 6.1% | 31 | Health Care Equipment & Services | Health Care | -6.9% |
| 14 | General Retailers | Consumer Services | 5.3% | 32 | Household Goods | Consumer Goods | -10.5% |
| 15 | Pharmaceuticals & Biotechnology | Health Care | 5.1% | 33 | Electronic & Electrical Equipment | Industrials | -11.0% |
| 16 | Food & Drug Retailers | Consumer Services | 4.9% | 34 | Industrial Engineering | Industrials | -12.2% |
| 17 | Chemicals | Basic Materials | 3.3% | 35 | Software & Computer Services | Technology | -16.1% |
| 18 | General Industrials | Industrials | 2.6% | | | | |

Key

Resources

Financials

Industrials

Source: Barra, Deutsche Securities and Momentum Investments



investments

FTSE/JSE sectors

Decomposed

One year to September 2017

| | | | | | | | |
|----|-----------------------------------|-------------------|-------|----|-----------------------------------|-------------------|--------|
| 1 | Coal Mining | Mining | 54.3% | 19 | Equity Investment Instruments | Financials | 1.4% |
| 2 | Personal Goods | Consumer Goods | 50.6% | 20 | Chemicals | Basic Materials | 1.3% |
| 3 | Industrial Metals | Basic Materials | 39.2% | 21 | General Financial | Financials | 0.3% |
| 4 | General Mining | Mining | 30.1% | 22 | Tobacco | Consumer Goods | -0.2% |
| 5 | Forestry & Paper | Basic Materials | 29.4% | 23 | General Retailers | Consumer Services | -0.9% |
| 6 | Media | Consumer Services | 23.2% | 24 | Pharmaceuticals & Biotechnology | Health Care | -1.8% |
| 7 | Non-life Insurance | Financials | 18.8% | 25 | Electronic & Electrical Equipment | Industrials | -2.4% |
| 8 | Support Services | Industrials | 14.6% | 26 | Food Producers | Consumer Goods | -3.5% |
| 9 | Industrial Transportation | Industrials | 13.7% | 27 | Automobiles & Parts | Consumer Goods | -6.3% |
| 10 | Real Estate Investment & Services | Financials | 13.3% | 28 | Industrial Engineering | Industrials | -8.2% |
| 11 | Banks | Financials | 13.0% | 29 | Beverages | Consumer Goods | -19.1% |
| 12 | Mobile Telecommunications | Telecommunication | 11.0% | 30 | Household Goods | Consumer Goods | -21.0% |
| 13 | Food & Drug Retailers | Consumer Services | 10.4% | 31 | Software & Computer Services | Technology | -22.8% |
| 14 | Life Insurance | Financials | 5.3% | 32 | Health Care Equipment & Services | Health Care | -27.8% |
| 15 | Fixed Line Telecommunications | Telecommunication | 4.6% | 33 | Travel & Leisure | Consumer Services | -28.5% |
| 16 | Real Estate Investment Trusts | Financials | 3.2% | 34 | Gold Mining | Mining | -36.3% |
| 17 | General Industrials | Industrials | 2.5% | 35 | Platinum Mining | Mining | -37.3% |
| 18 | Construction & Materials | Industrials | 1.9% | | | | |

Key

Resources

Financials

Industrials

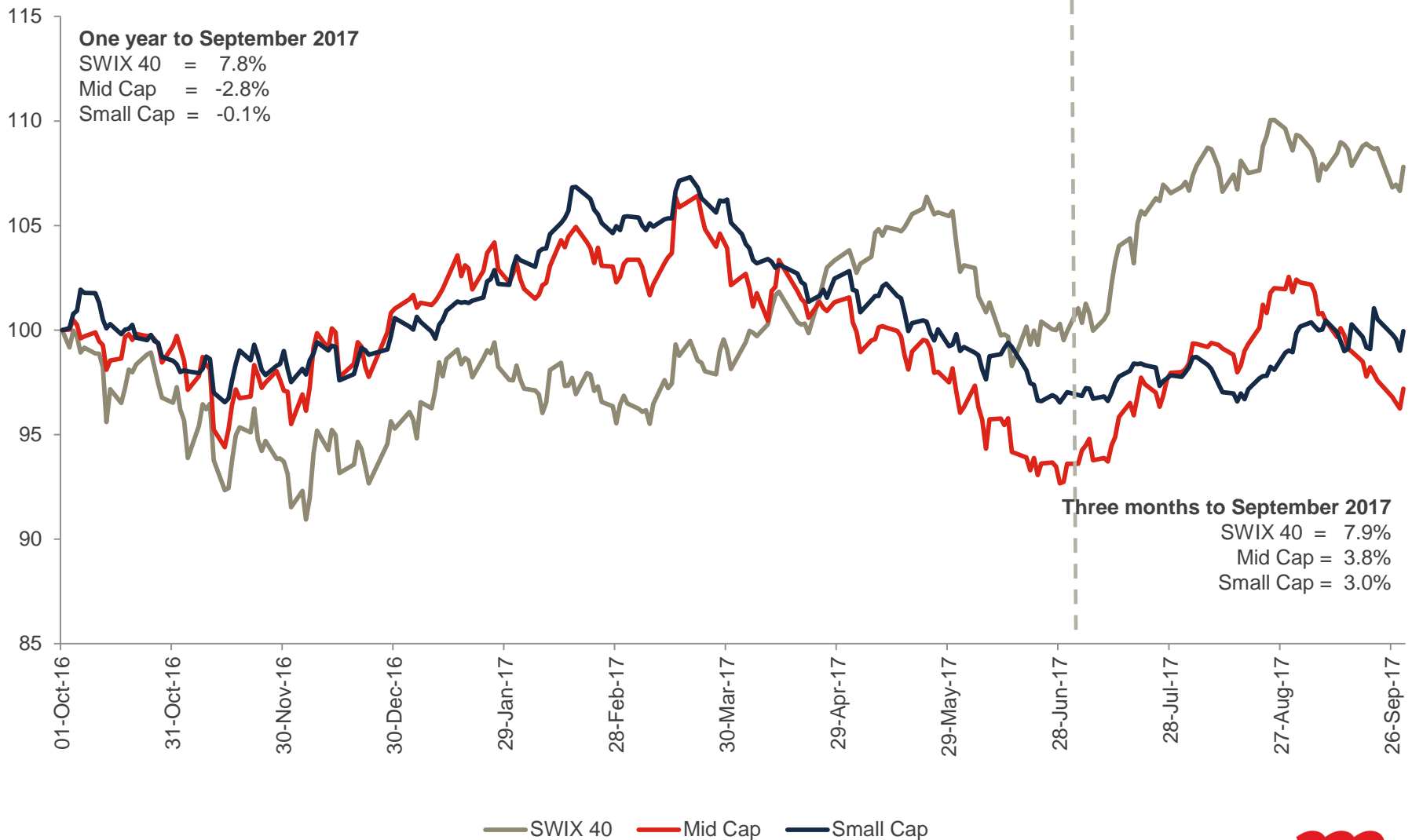
Source: Barra, Deutsche Securities and Momentum Investments



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FTSE/JSE market caps

One year to September 2017



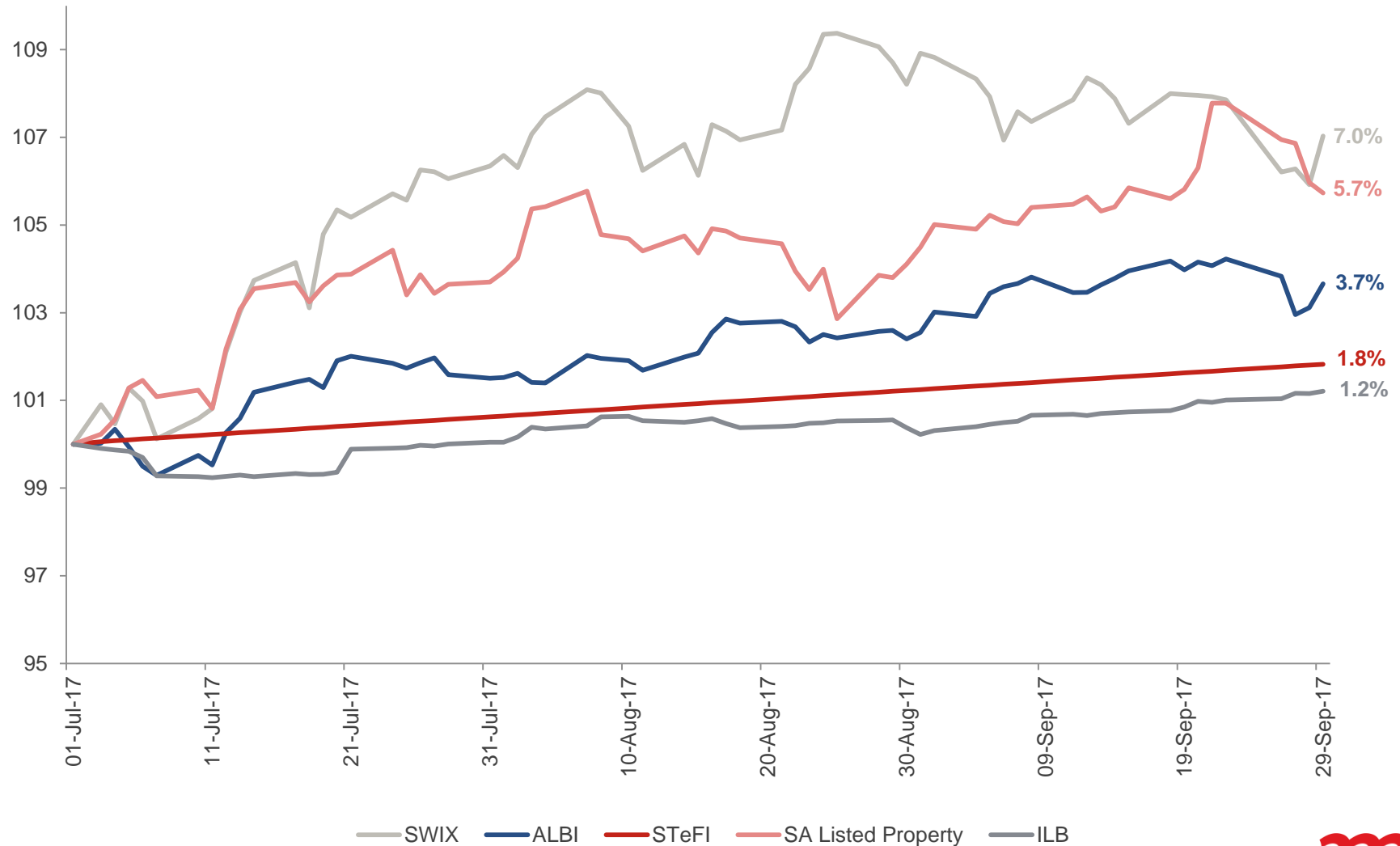
Source: INET BFA and Momentum Investments



investments

Local asset classes

Three months to September 2017



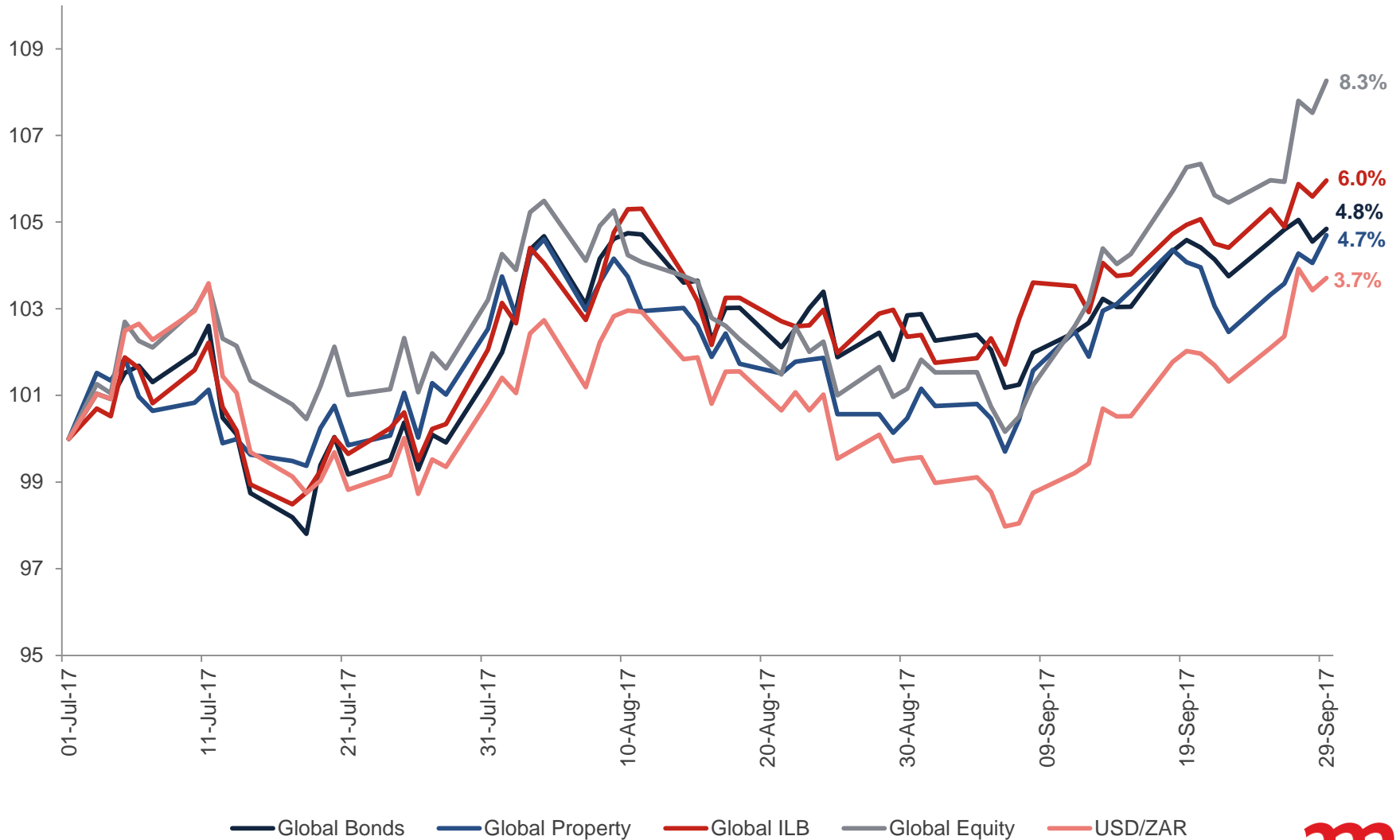
Source: INET BFA and Momentum Investments



investments

Global asset classes

Three months to September 2017



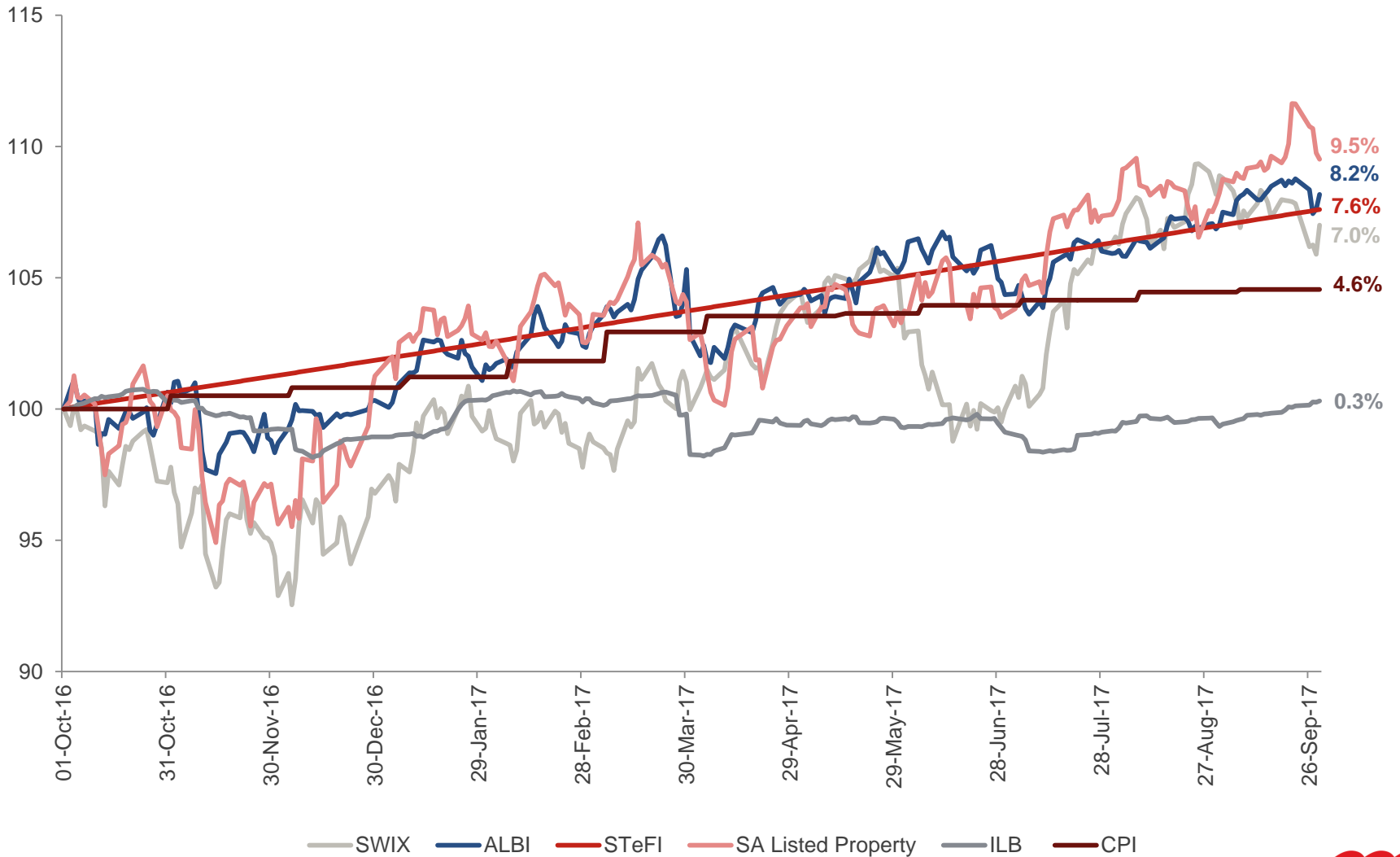
Source: INET BFA and Momentum Investments



investments

Local asset classes

One year to September 2017



Source: INET BFA and Momentum Investments

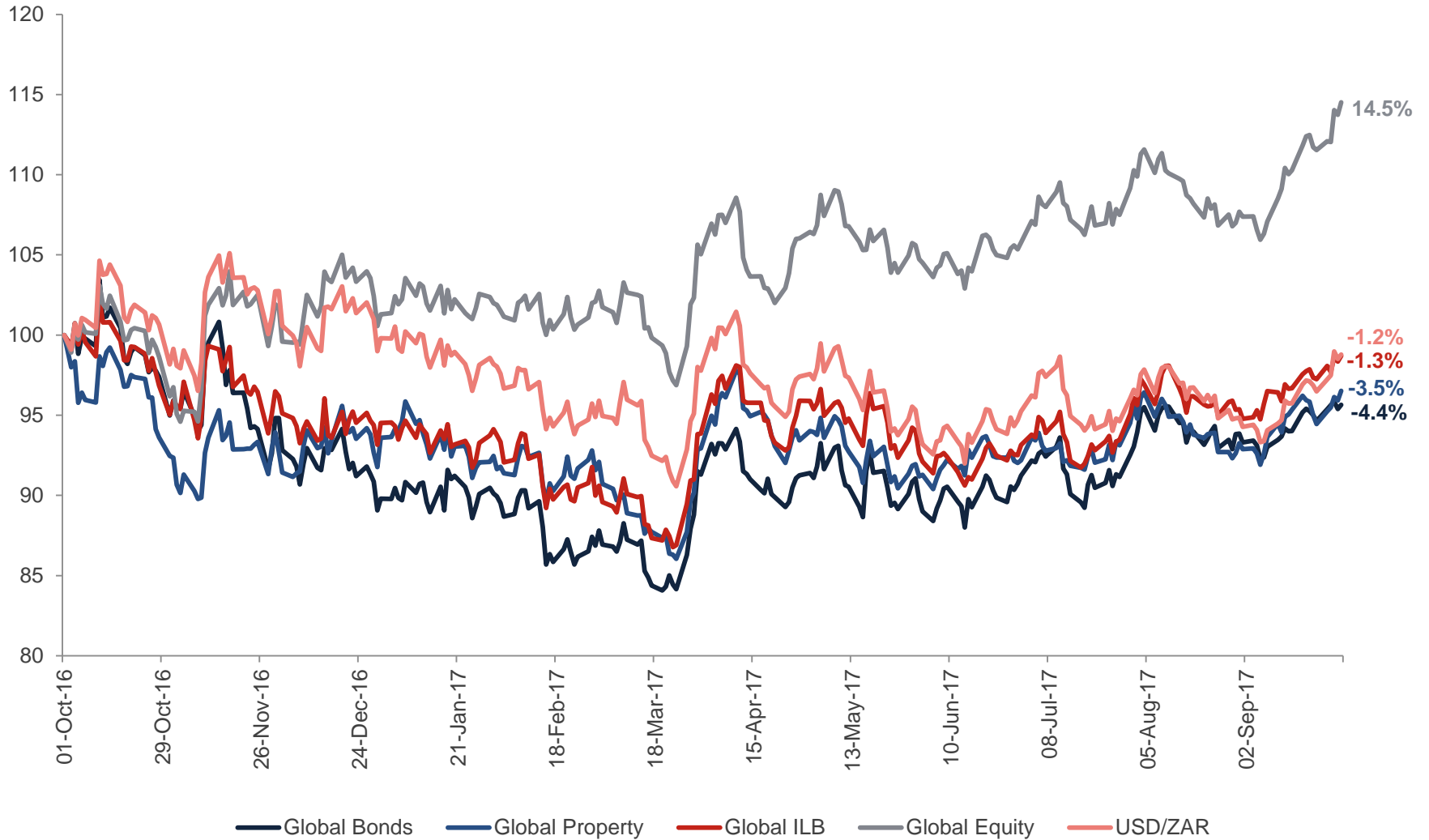
*CPI is lagged by one month due to availability of inflation data



investments

Global asset classes

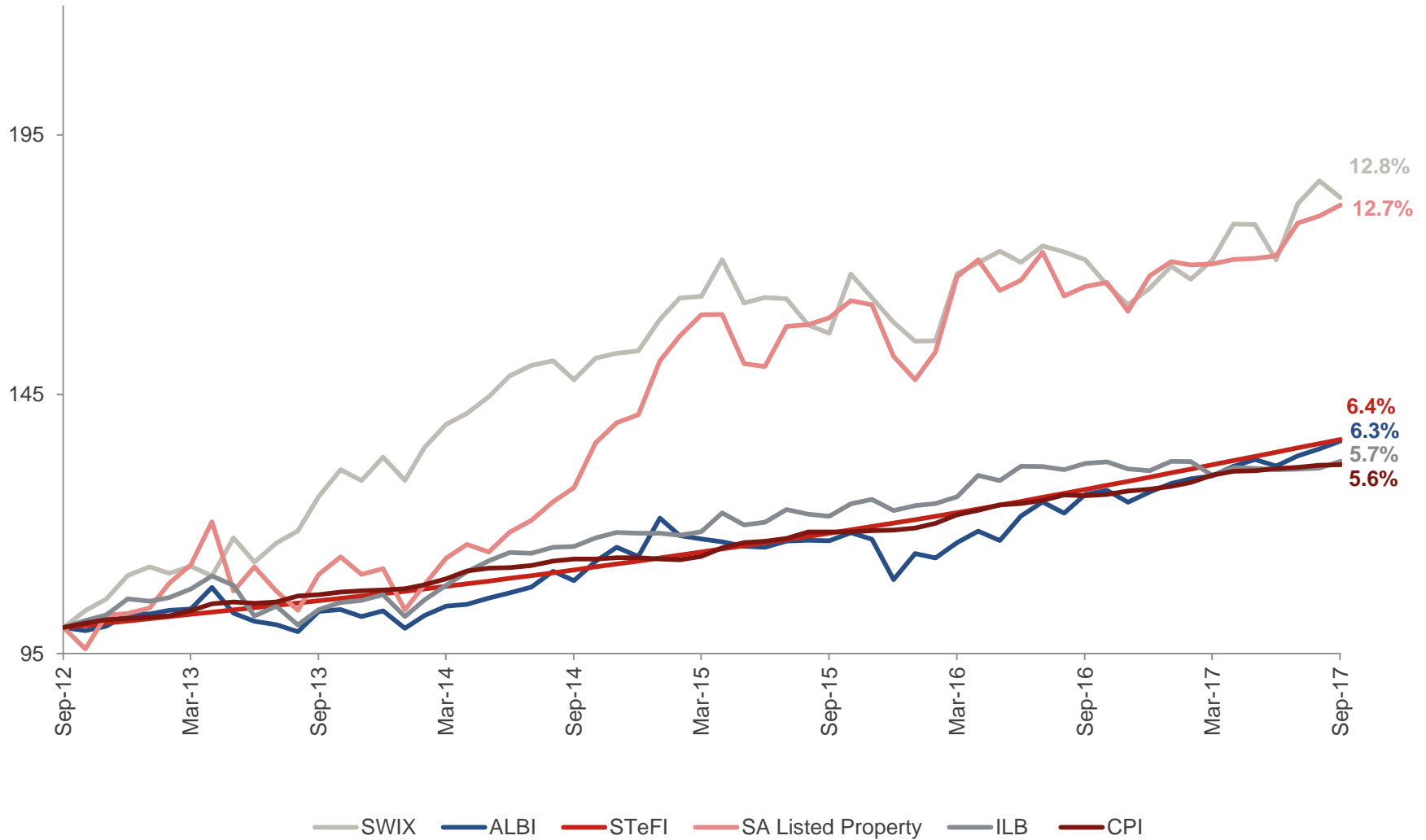
One year to September 2017



Source: INET BFA and Momentum Investments

Local asset classes

Five years to September 2017



Source: INET BFA and Momentum Investments

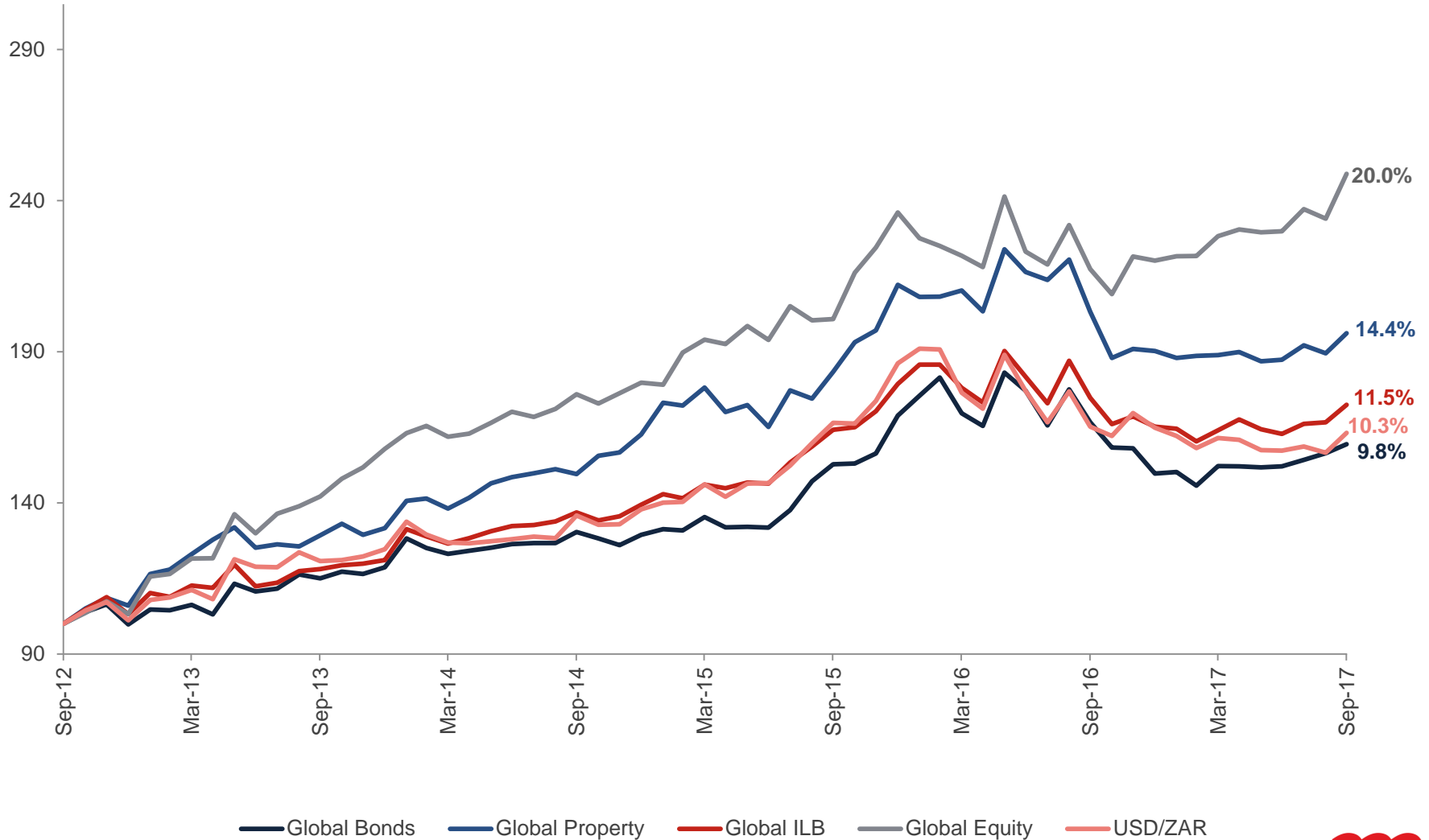
*CPI is lagged by one month due to availability of inflation data



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Global asset classes

Five years to September 2017



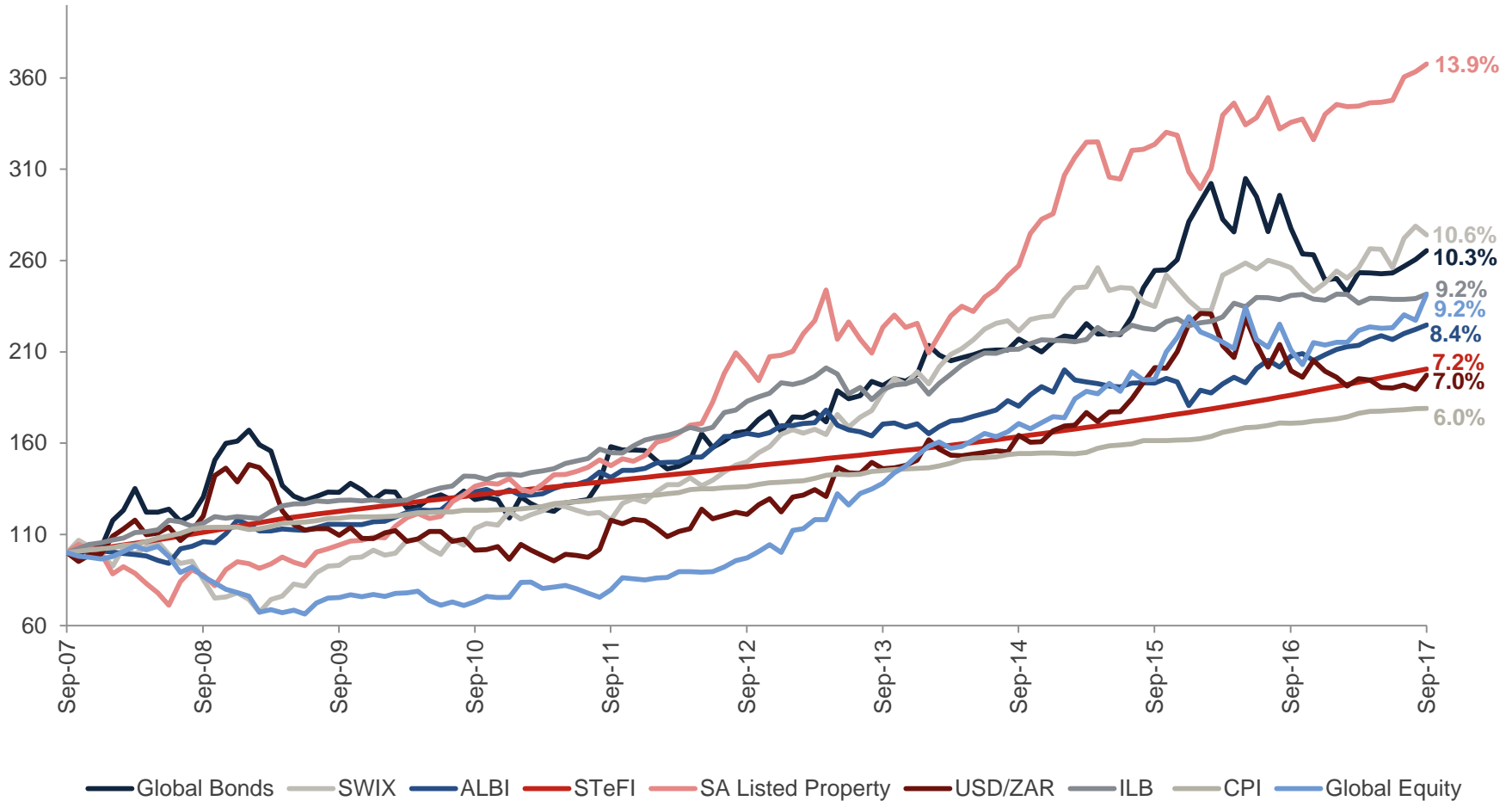
Source: INET BFA and Momentum Investments



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Asset classes

Ten years to September 2017



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

Source: INET BFA and Momentum Investments

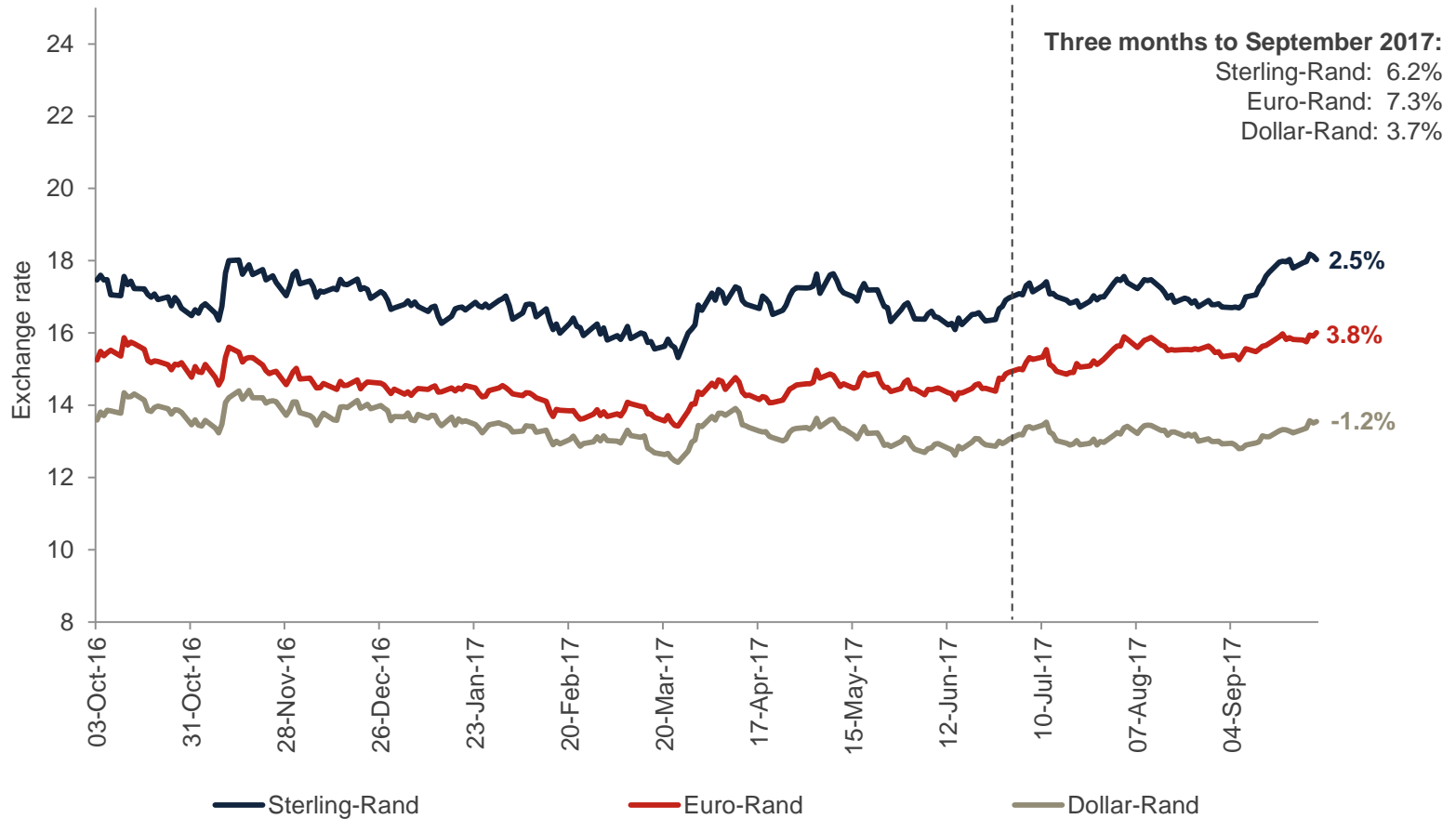
*CPI is lagged by one month due to availability of inflation data



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Exchange rates

One year to September 2017



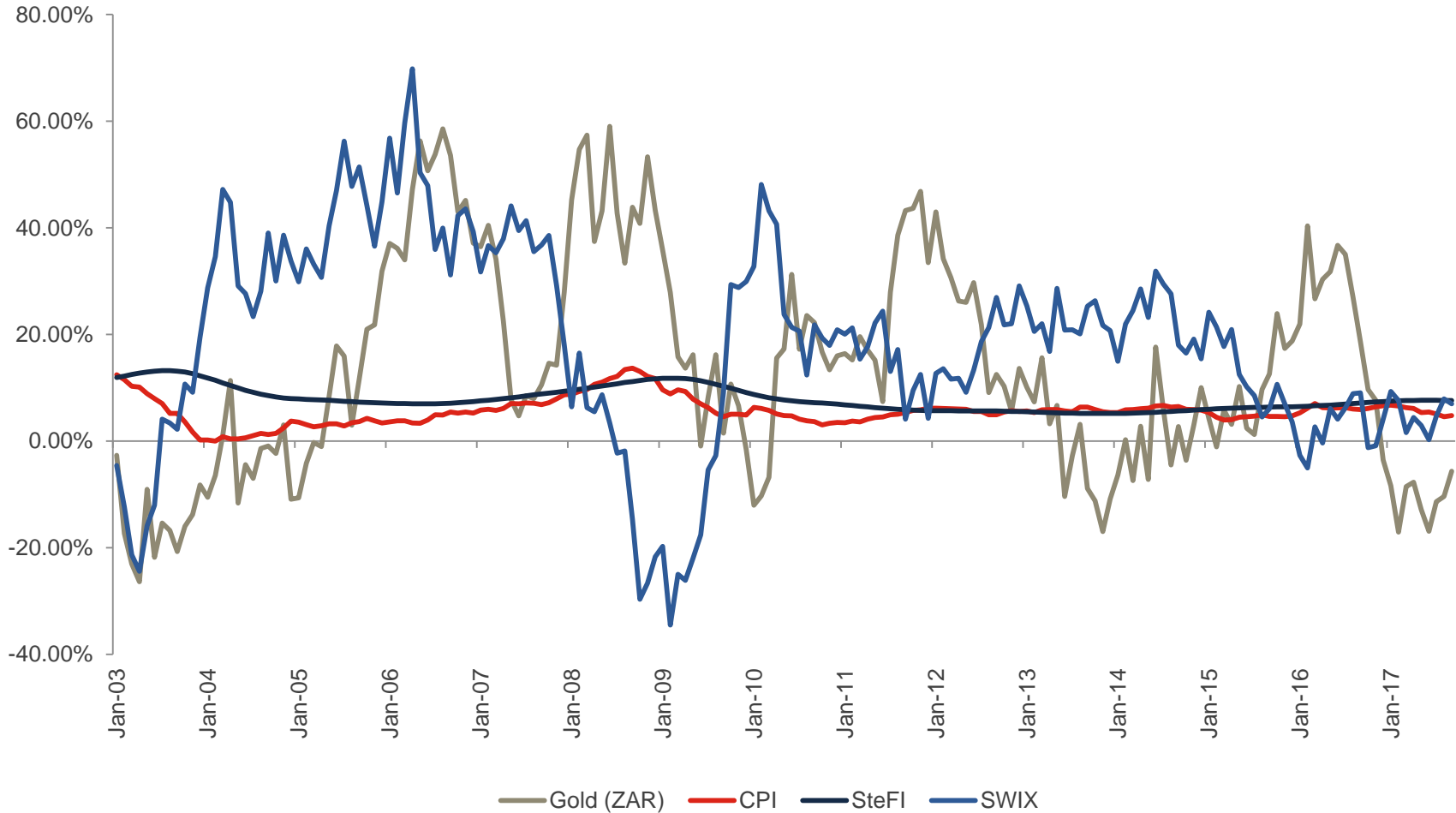
Source: INET BFA and Momentum Investments



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

One-year rolling returns to September 2017

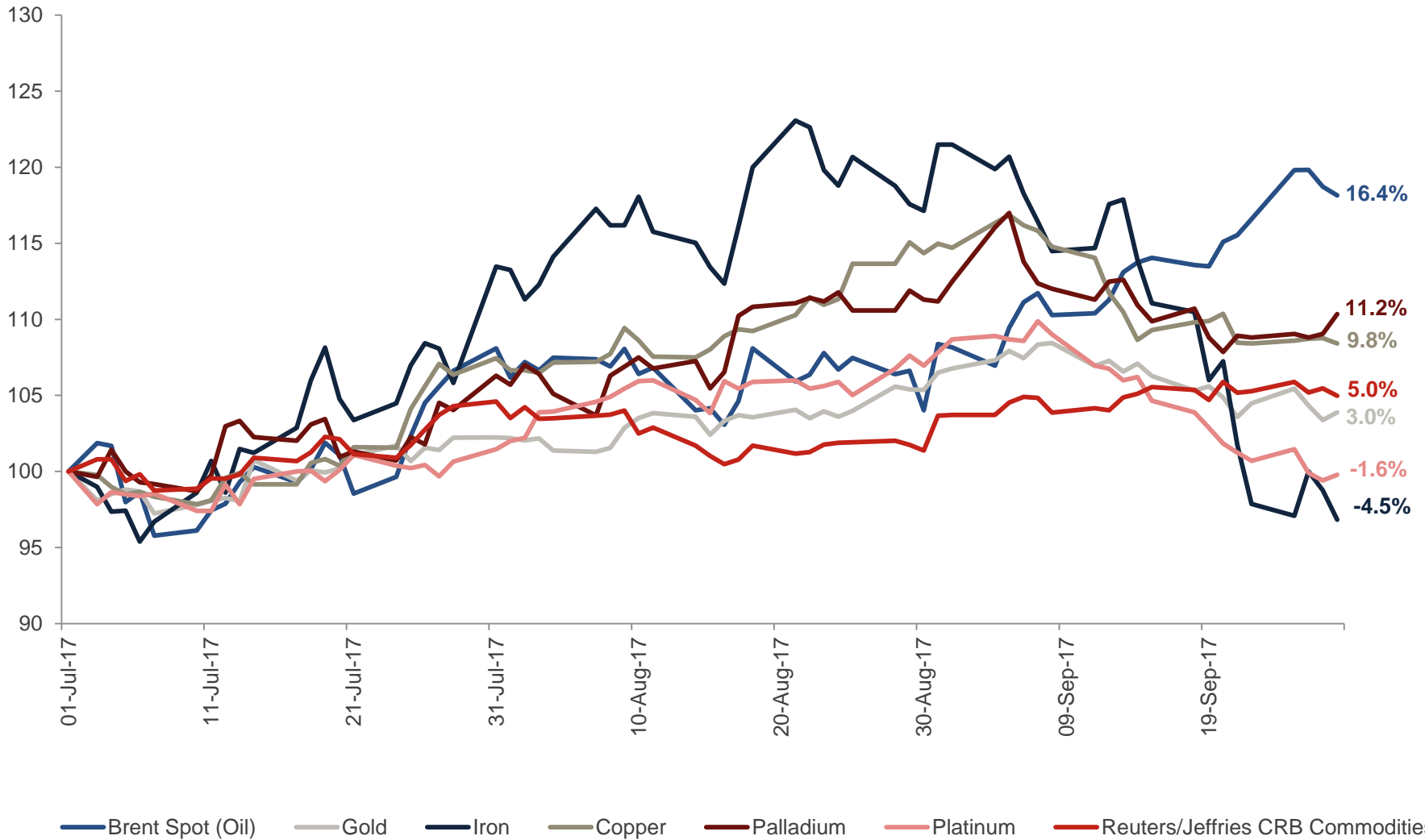


Source: INET BFA and Momentum Investments

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

Commodities

Three months to September 2017



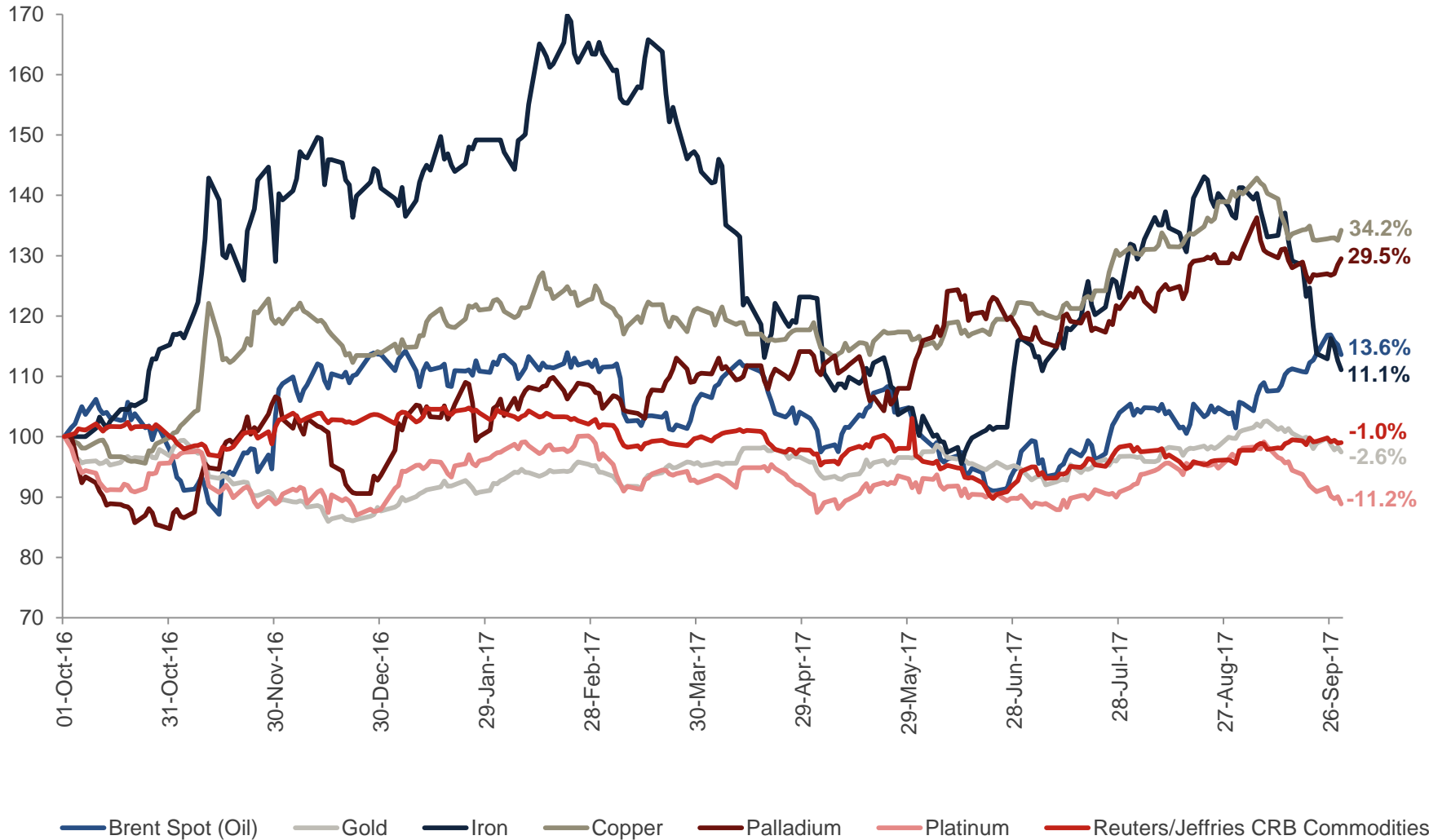
Source: INET BFA, FT.com and Momentum Investments

All returns in dollar terms



Commodities

One year to September 2017



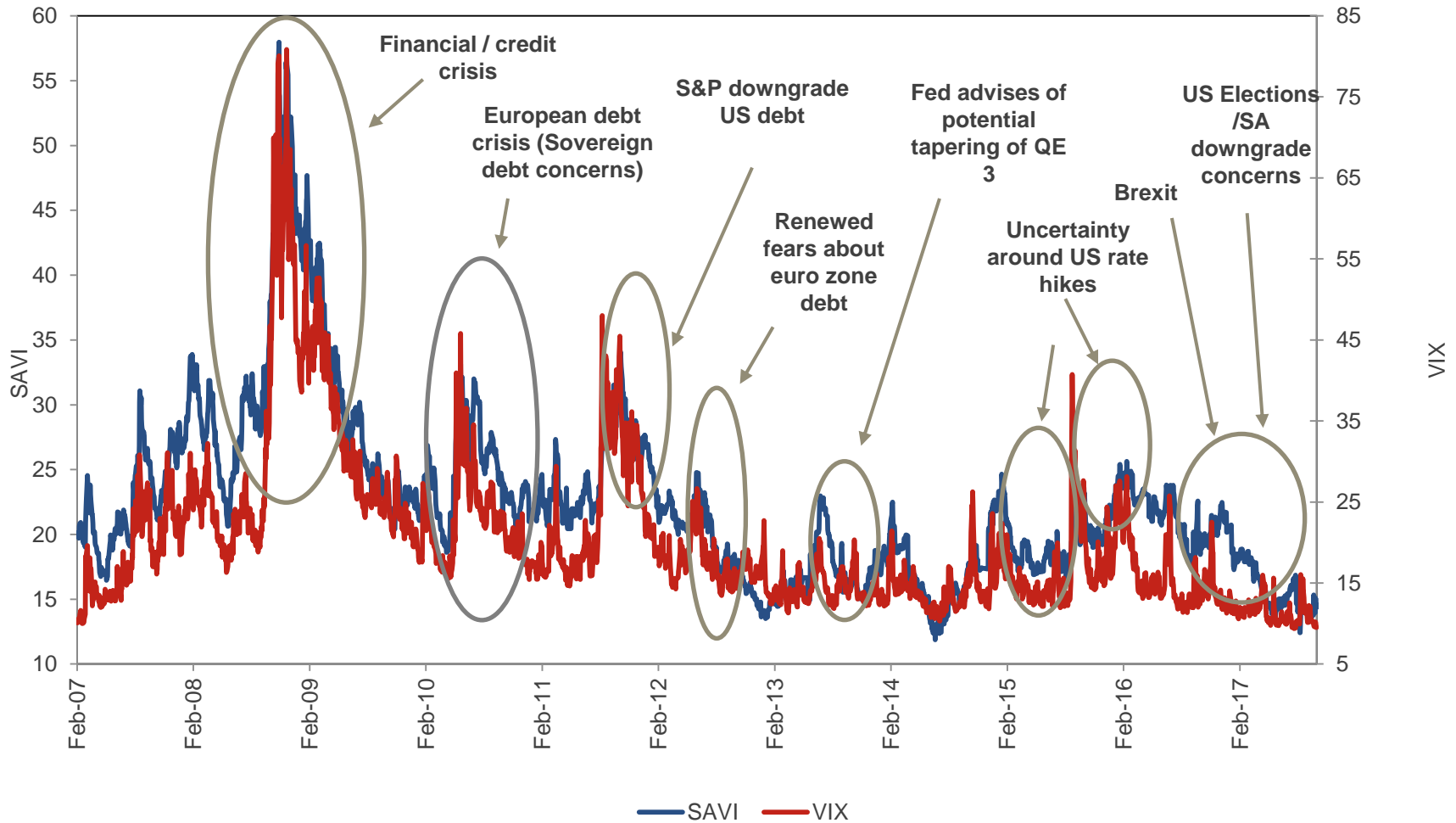
Source: INET BFA, FT.com and Momentum Investments

All returns in dollar terms



SAVI-VIX

Since February 2007 to September 2017



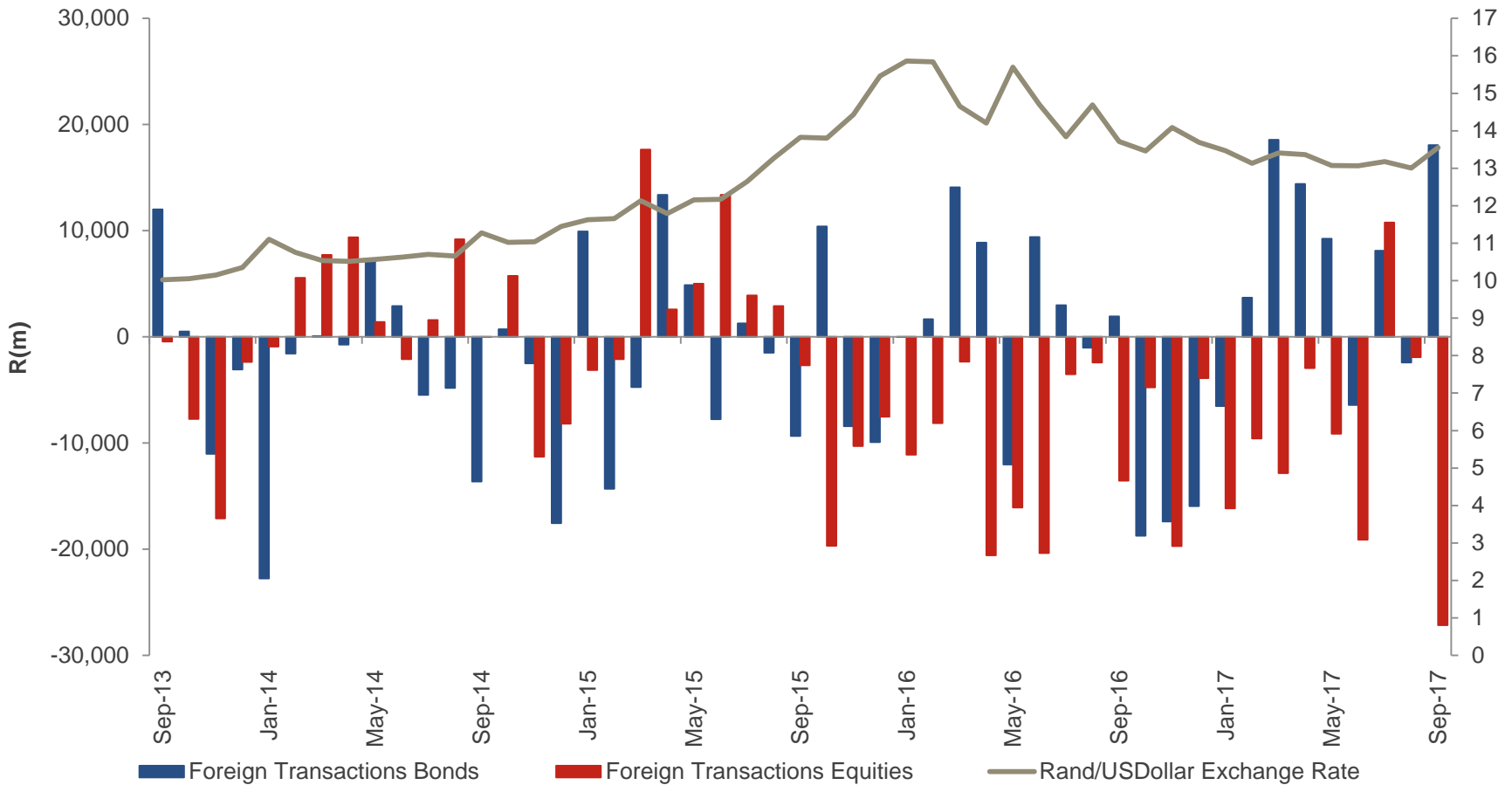
Source: INET BFA and Momentum Investments



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Foreign transactions

2013 to 2017



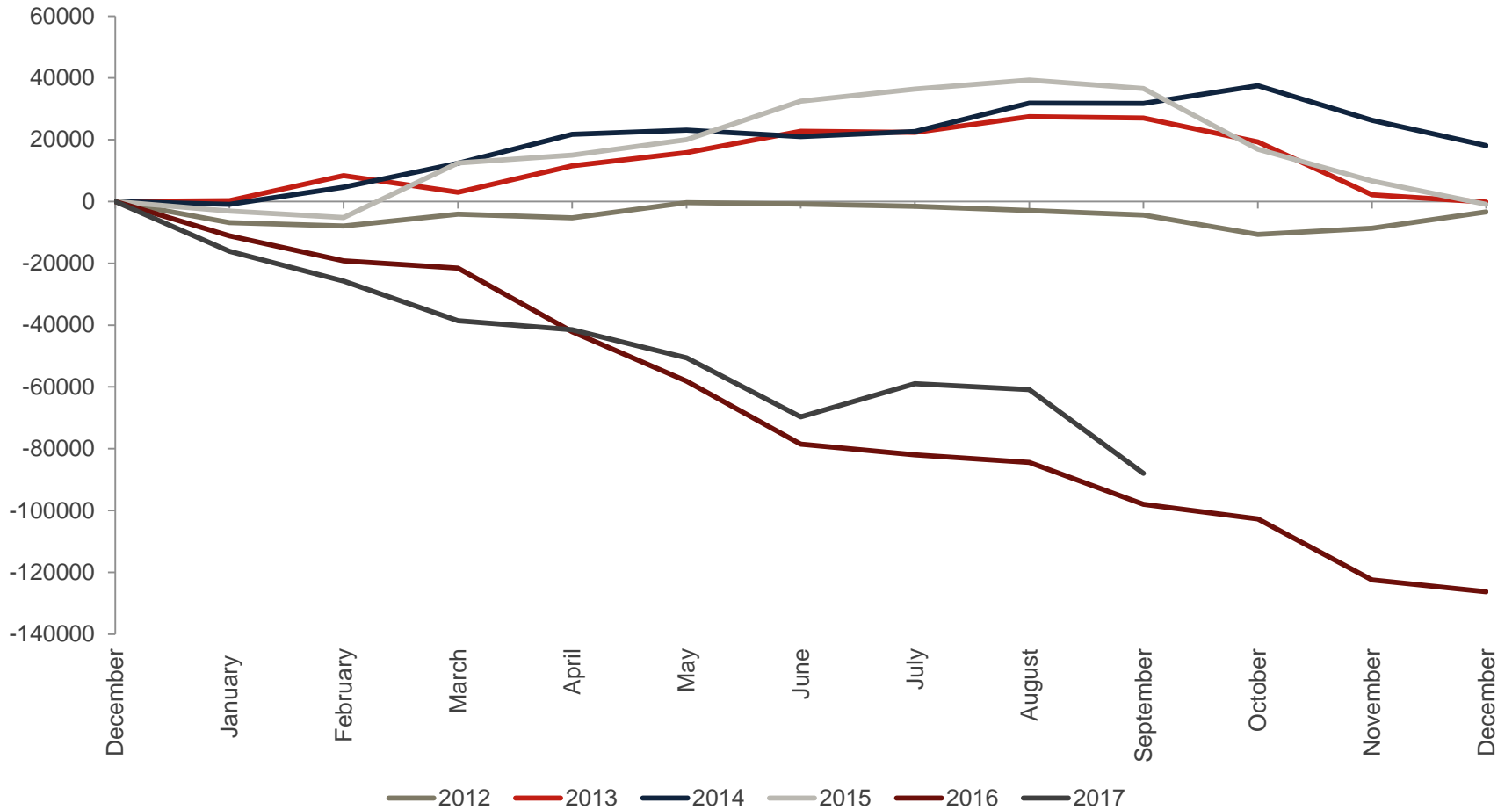
Source: INET BFA and Momentum Investments



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Cumulative foreign transaction equities

2012 to 2017



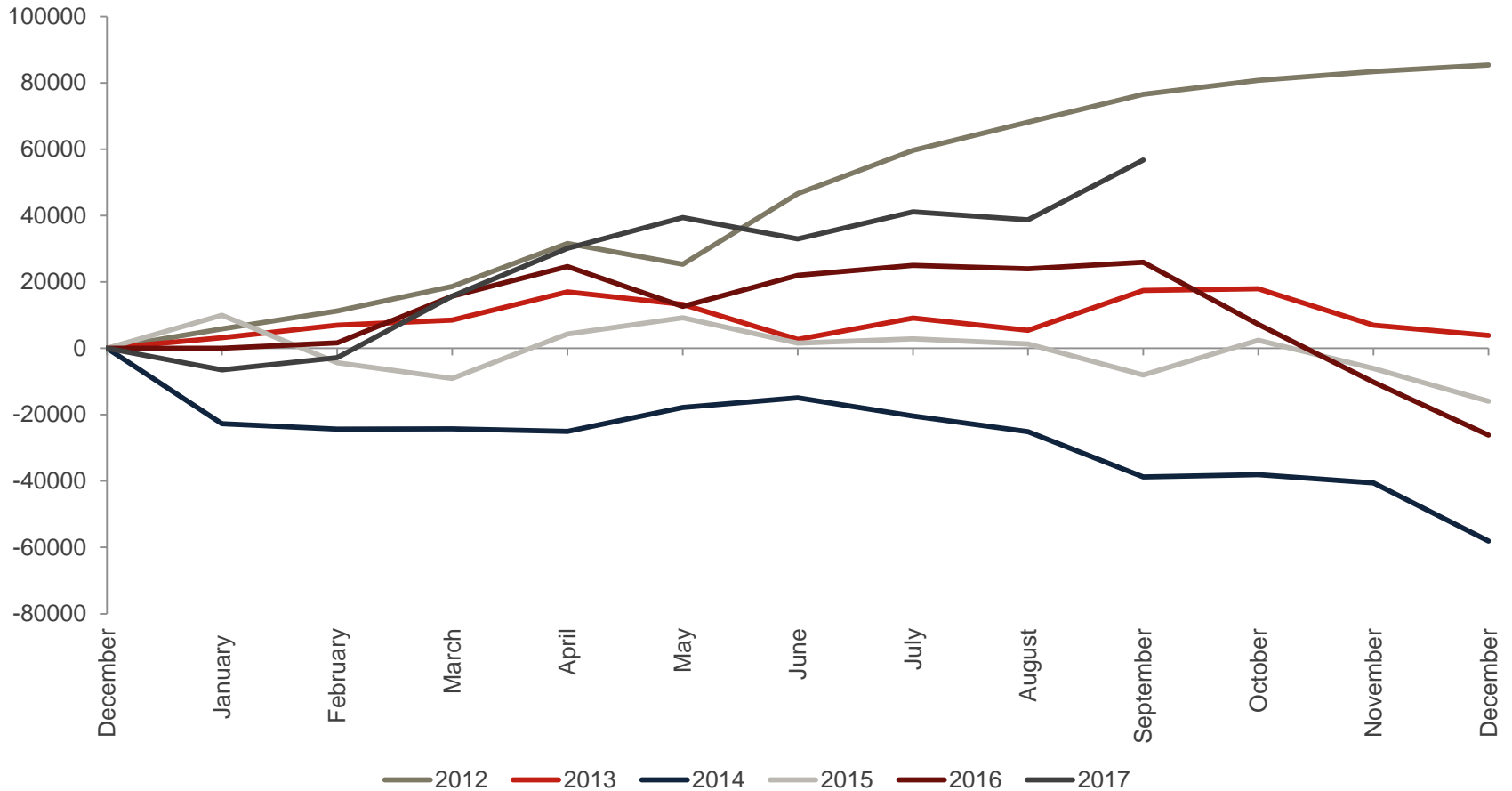
Source: INET BFA and Momentum Investments



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Cumulative foreign transaction bonds

2012 to 2017



Source: INET BFA and Momentum Investments

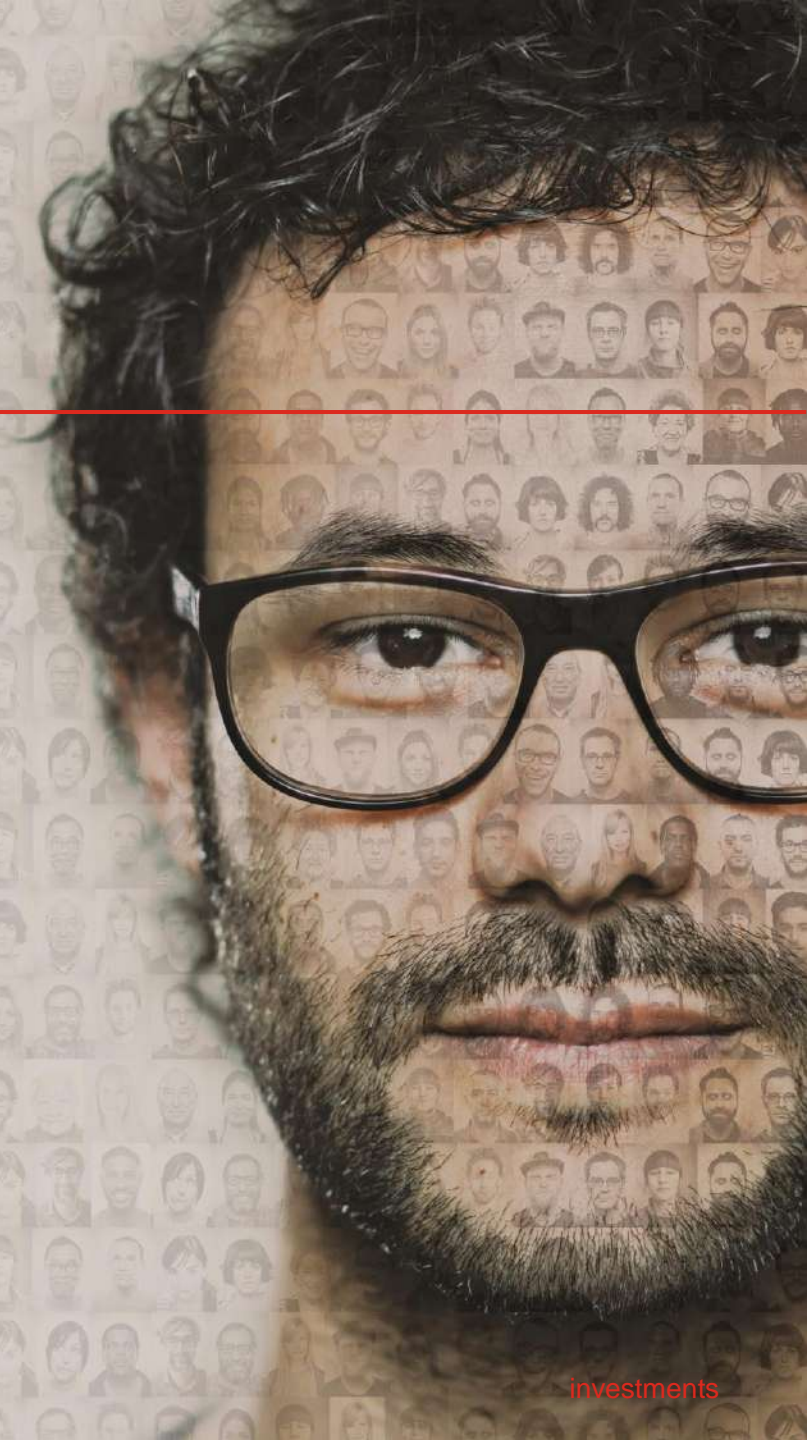


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The background of the slide is a dense, repeating grid of small, semi-transparent portraits of people from various ethnicities and ages, creating a textured, human-centric backdrop.

End of key market performance drivers monthly charts for September 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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