



momentum
investments

Key market performance drivers

Monthly charts

February 2018

Signatory of:

PRI | Principles for
Responsible
Investment

Market returns concentration

One-year returns ending:

February-18

NASPERS		
STANDARD BANK GP		
FIRSTRAND		
ANGLO		
Top 5	SANLAM	70%
Top 6	MR PRICE	73%
BARCLAYS AFRICA GROUP		
SHOPRIT		
BIDVEST		
Top 10	SASOL	82%
MTN GROUP		
DISCOVERY LIMITED		
OLDMUTUAL		
RMBH		
IMPERIAL		
BARWORLD		
BHPBILL		
FOSCHINI GROUP (THE)		
GROWTHPOINT PROPS		
Top 20	VODACOM	95%
Remaining	(Positive)	14%
Negative	(72 Shares)	-9%

January-18

NASPERS		
STANDARD BANK GP		
FIRSTRAND		
SANLAM		
Top 5	MR PRICE	71%
Top 6	BIDVEST	74%
ANGLO		
SHOPRIT		
IMPERIAL		
Top 10	DISCOVERY LIMITED	83%
MTN GROUP		
SASOL		
BARCLAYS AFRICA GROUP		
BARWORLD		
OLDMUTUAL		
CLICKS GROUP LTD		
EXXARO		
KUMBA IRON ORE		
BID CORPORATION LIMITED		
Top 20	RMBH	95%
Remaining	(Positive)	13%
Negative	(64 Shares)	-8%

December-17

NASPERS		
STANDARD BANK GP		
FIRSTRAND		
SANLAM		
Top 5	ANGLO	68%
Top 6	DISCOVERY LIMITED	70%
EXXARO		
CAPITEC		
MR PRICE		
Top 10	MTN GROUP	77%
SHOPRIT		
KUMBA IRON ORE		
NEPI ROCKCASTLE		
CLICKS GROUP LTD		
BID CORPORATION LIMITED		
SASOL		
BRITISH AMERICAN TOBACCO		
IMPERIAL		
RESILIENT REIT LTD		
Top 20	BHPBILL	89%
Remaining	(Positive)	16%
Negative	(58 Shares)	-5%

Market-cap weighted returns: 10 shares contributed 82% to the return of the SWIX, while 20 shares contributed 95%

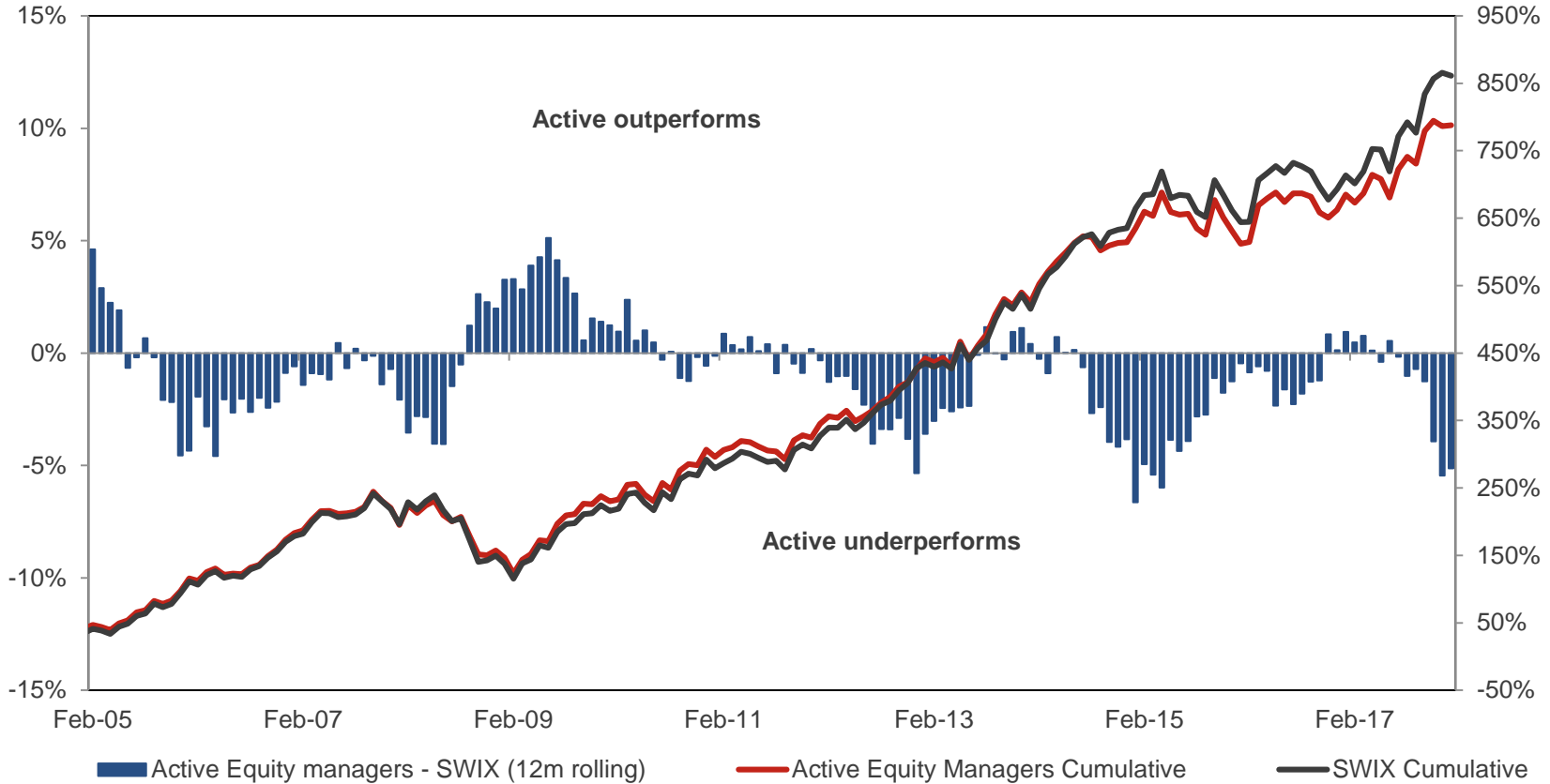
Source: Barra, Deutsche Securities and Momentum Investments



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Active-index analysis

One-year rolling active to January* 2018



Median of Active Equity Managers vs Capped SWIX (SWIX from inception until Oct 2017)

The median of the active equity managers underperformed the Capped SWIX for the year ended January 2018

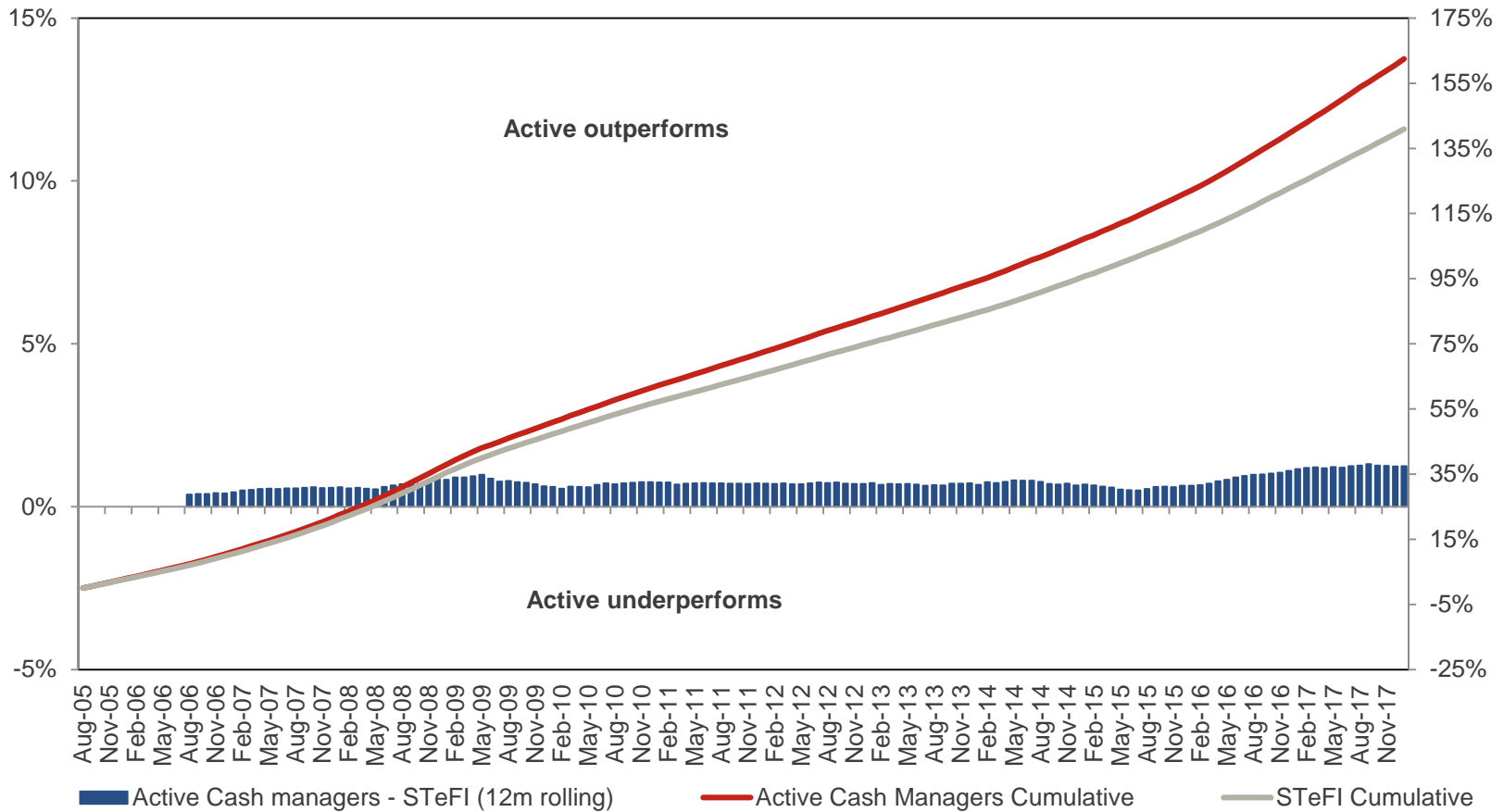
Source: Alexander Forbes SA Equity Manager Watch™, INET BFA and Momentum Investments

* Lagged by one month due to availability of data



Active versus tracker: Cash

One-year rolling average to January* 2018



Median of Active Money Market Managers vs SteFI

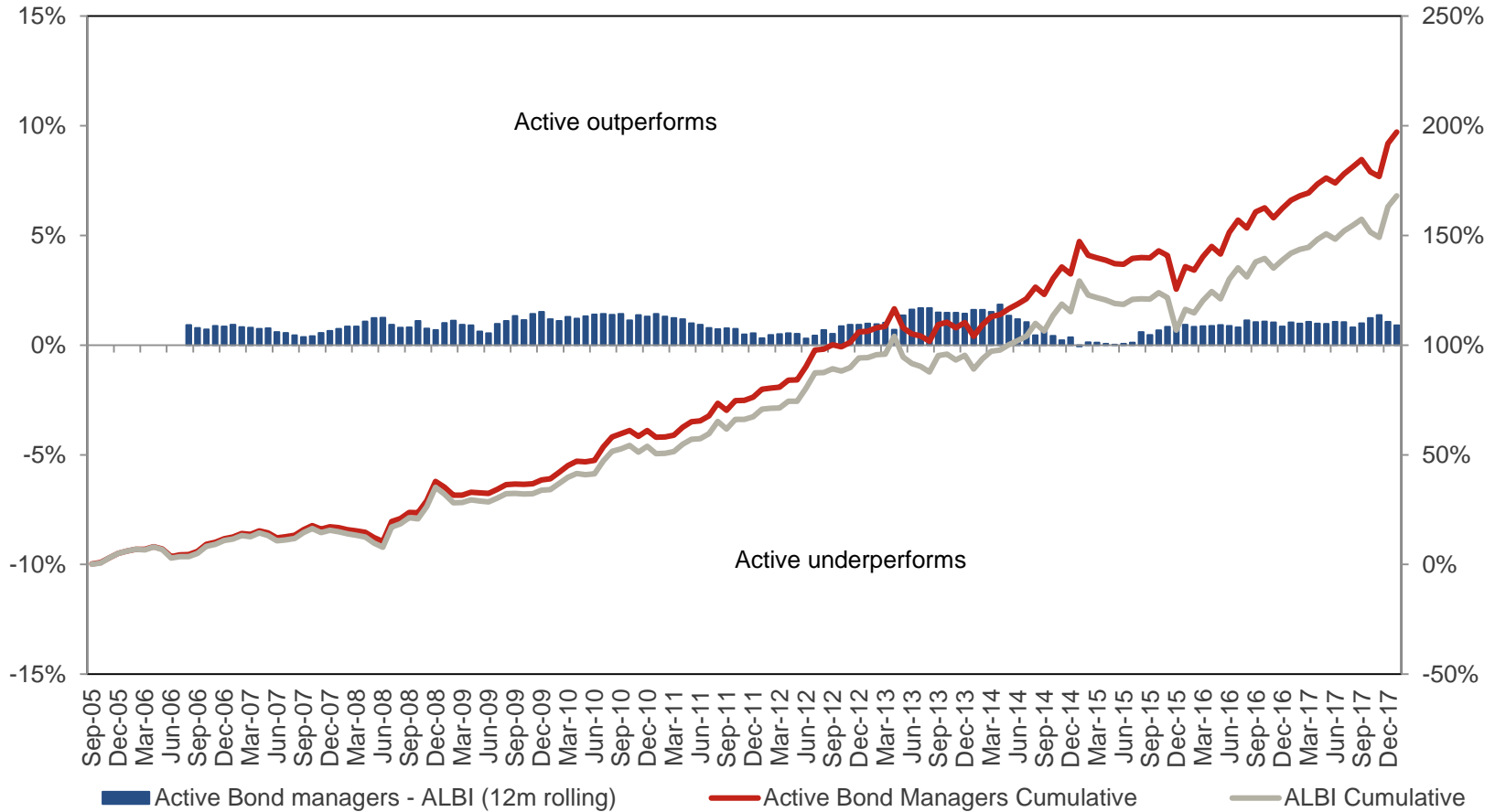
Source: Alexander Forbes SA Money Market Manager Watch™, INET BFA and Momentum Investments

* Lagged by one month due to availability of data



Active versus tracker: Bonds

One-year rolling average to January* 2018



Median of Active Bond Managers vs ALBI

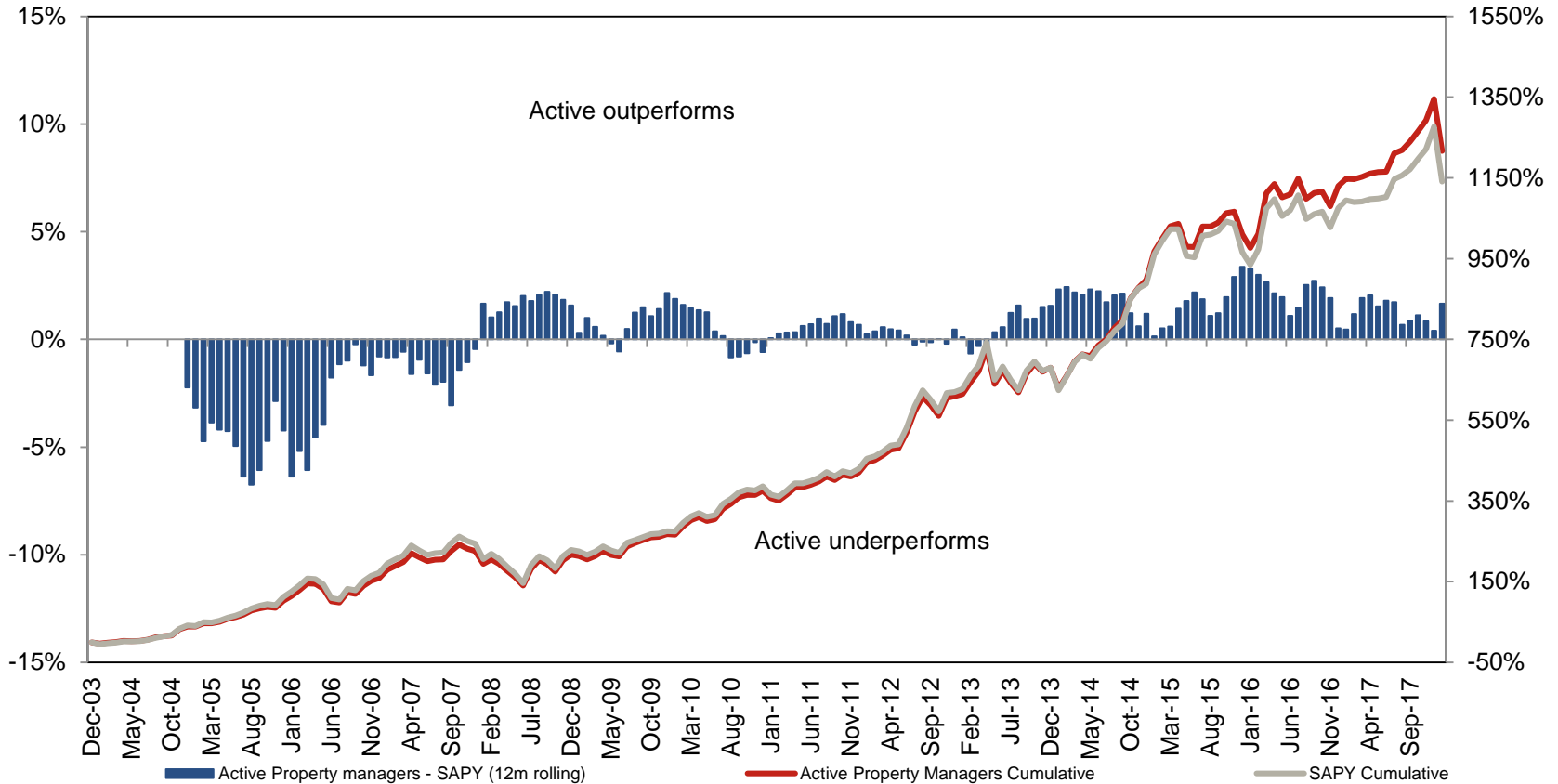
Source: Alexander Forbes SA Bond Manager Watch™, INET BFA and Momentum Investments

* Lagged by one month due to availability of data



Active versus tracker: Property

One-year rolling average to January* 2018



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 2018

ZAR	Styles	One month to Feb 2018	Three months to Feb 2018	One year to Feb 2018	Three years to Feb 2018	Five years to Feb 2018	Ten years to Feb 2018	Twenty years to Feb 2018
Value	Book to Price	1.48	-0.79	-15.21	-2.92	-3.15	-2.44	2.10
	Dividend Yield	2.11	5.31	-0.83	1.10	-0.05	2.37	4.82
	Earnings Yield	2.90	4.48	-3.62	-2.38	-1.63	-0.18	3.19
	Cash Flow Yield	3.02	2.83	-2.34	3.91	0.70	0.16	3.62
	Sales to Price	2.82	4.71	-1.30	1.10	-0.76	-1.11	2.71
Quality	ROE	2.35	7.40	15.95	1.82	1.13	1.41	-0.52
	ROIC LT	1.83	5.90	0.72	0.79	-1.89	-0.04	-2.11
	Income to Sales	-1.18	-3.39	0.83	-1.50	-0.14	0.71	-0.45
	Low market beta	0.11	0.07	-5.60	3.69	3.14	-1.01	1.71
	Low Debt/Equity	1.16	0.66	0.45	-0.53	-0.37	-1.58	-0.77
	EBIT Margin Stability	3.44	4.12	-10.28	3.31	0.96	3.74	-0.92
Growth	Earnings Growth	-1.31	-4.07	0.40	-0.36	-0.47	-2.50	-0.29
	Sales Growth	0.81	-1.60	-7.65	-2.00	-1.75	-0.40	0.09
	12M Earning Growth	-0.16	-4.85	-9.47	-6.41	-2.99	-1.24	4.67
Momentum	FY1 Earnings Revisions	2.90	2.36	4.91	0.20	5.85	8.44	7.50
	Short Term Momentum	3.06	6.10	5.74	6.09	3.22	0.48	-1.64
	Medium Term Momentum	2.89	0.90	3.52	1.51	4.73	4.11	5.66
Size	Size	1.57	4.40	18.12	0.97	0.70	2.46	0.14

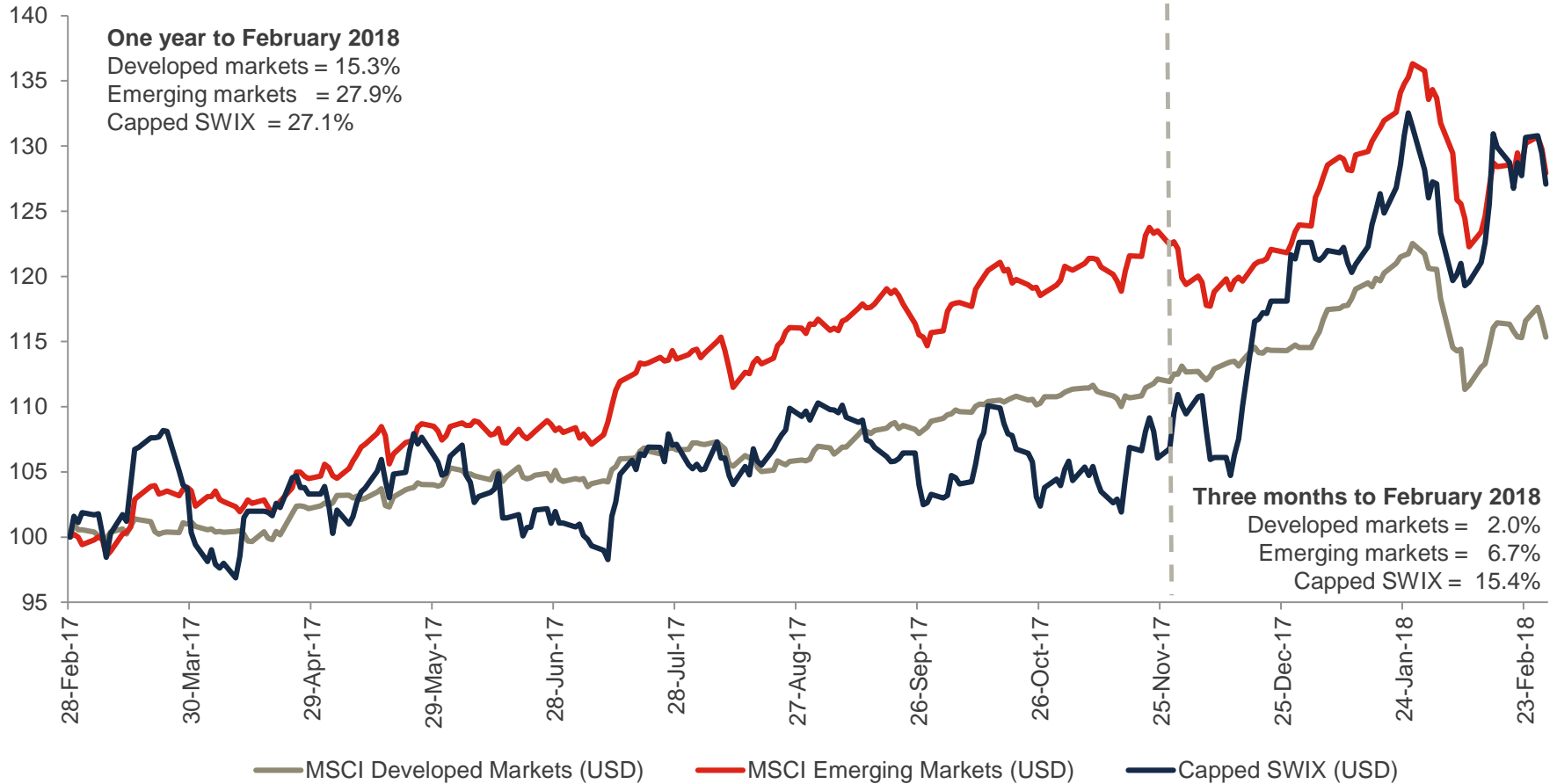
The Size (large cap), Value and Momentum factors had strong returns over the shorter term. The Size and Momentum factors had strong returns over the last 12 months.

Source: FactSet, Momentum Global Investment Management and Momentum Investments



MSCI developed and emerging markets

One year to February 2018



Source: INET BFA, MSCI and Momentum Investments



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SA 10-year bond yields

Five years to February 2018



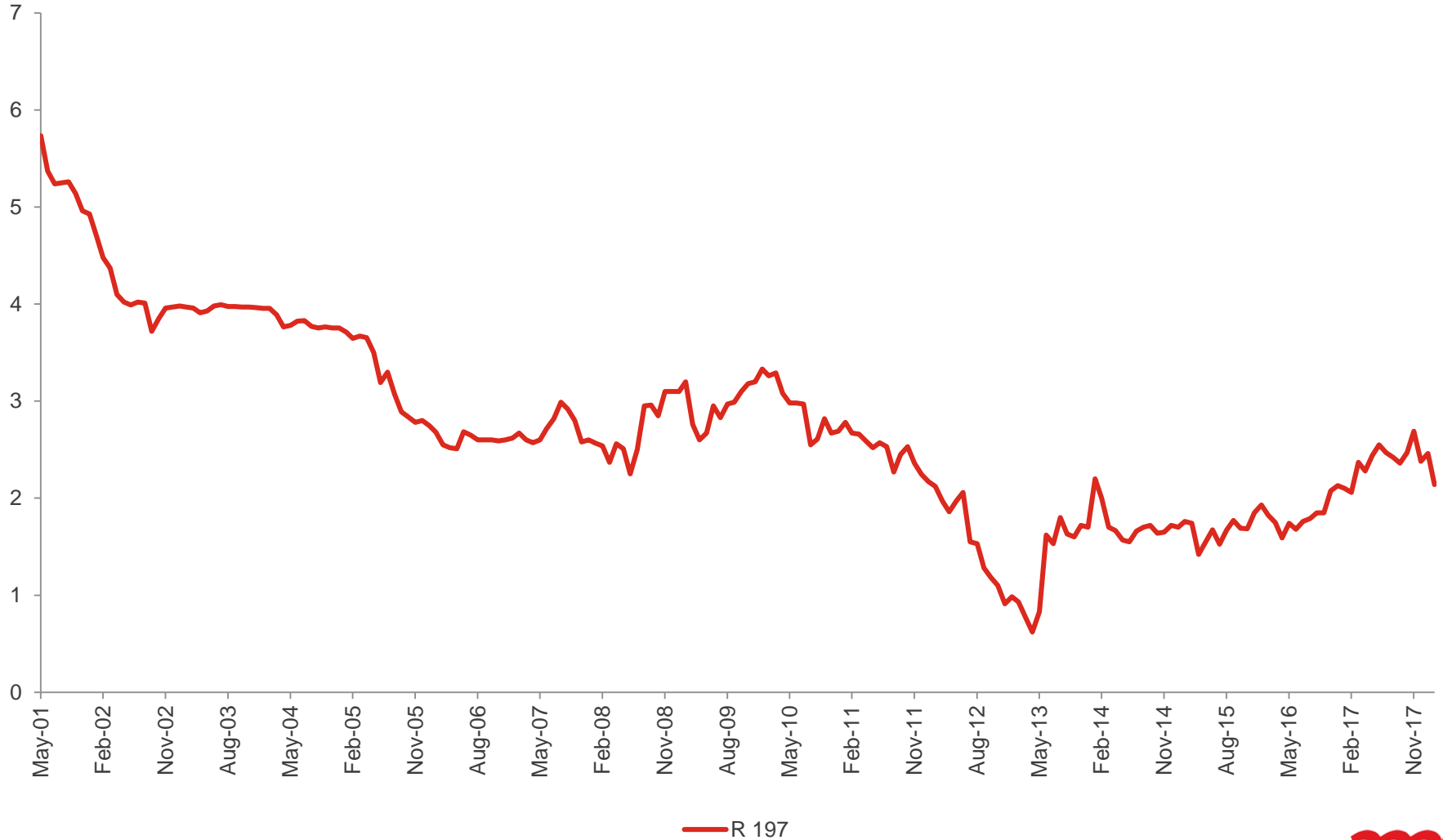
Source: INET BFA and Momentum Investments



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Yield of R197 (inflation-linked bond)

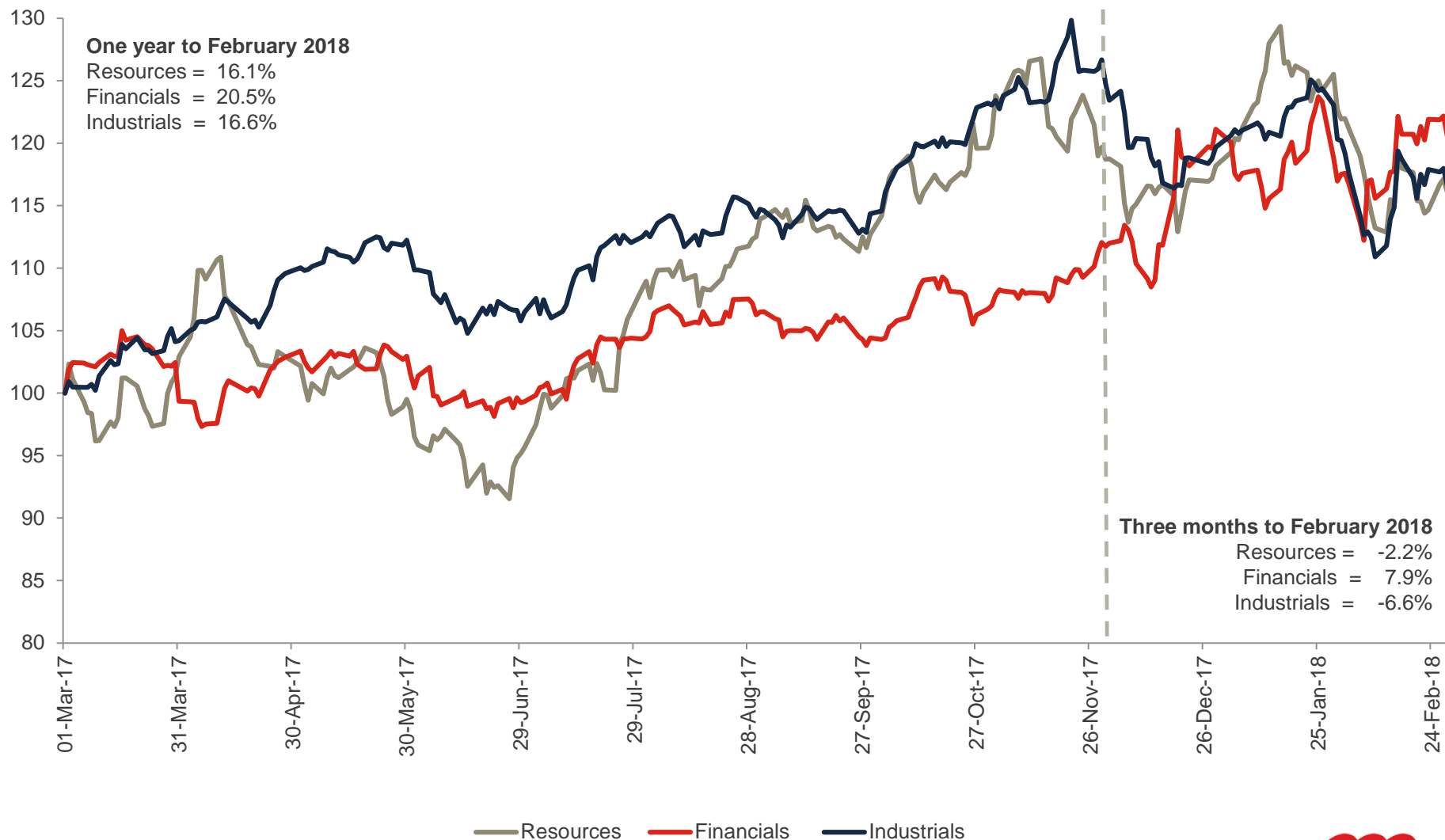
May 2001 to February 2018



Source: INET BFA and Momentum Investments

FTSE/JSE sectors

One year to February 2018



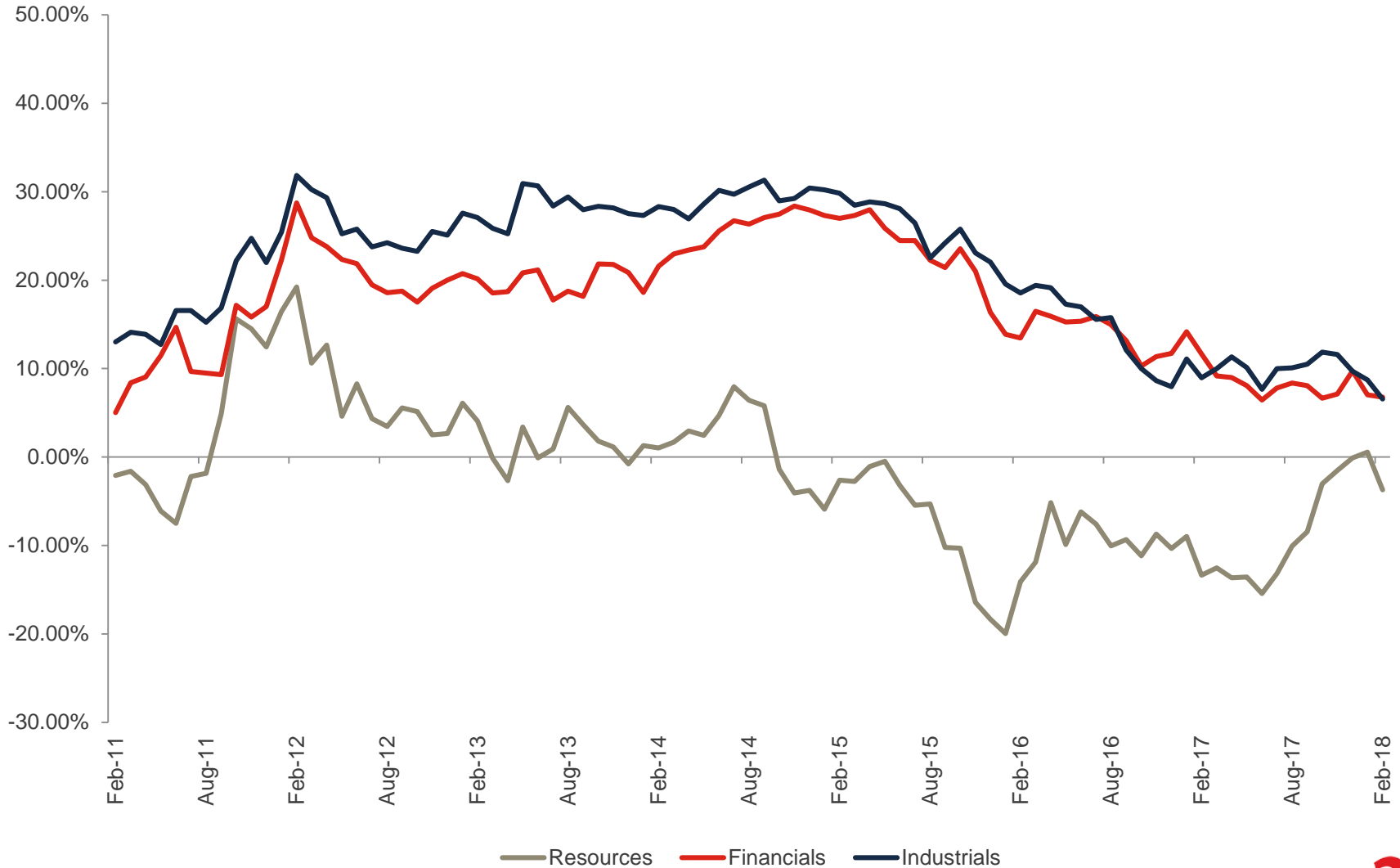
Source: INET BFA and Momentum Investments



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FTSE/JSE sectors

Rolling three-year return to February 2018



Source: INET BFA and Momentum Investments

Returns are annualised



investments

FTSE/JSE sectors

Decomposed

Three months to February 2018

1	General Retailers	Consumer Services	25.4%	19	Industrial Metals	Basic Materials	3.4%
2	Banks	Financials	24.2%	20	Mobile Telecommunications	Telecommunication	2.4%
3	Automobiles & Parts	Consumer Goods	22.6%	21	Support Services	Industrials	-0.1%
4	Travel & Leisure	Consumer Services	21.9%	22	Chemicals	Basic Materials	-1.6%
5	Non-life Insurance	Financials	18.6%	23	Coal Mining	Mining	-1.8%
6	Construction & Materials	Industrials	16.7%	24	Real Estate Investment Trusts	Financials	-7.8%
7	Life Insurance	Financials	14.3%	25	Forestry & Paper	Basic Materials	-8.5%
8	Electronic & Electrical Equipment	Industrials	13.4%	26	Personal Goods	Consumer Goods	-10.5%
9	General Industrials	Industrials	12.2%	27	Pharmaceuticals & Biotechnology	Health Care	-10.9%
10	Industrial Engineering	Industrials	10.9%	28	Media	Consumer Services	-11.3%
11	Food Producers	Consumer Goods	9.5%	29	Platinum Mining	Mining	-12.4%
12	Beverages	Consumer Goods	7.7%	30	Software & Computer Services	Technology	-14.2%
13	Health Care Equipment & Services	Health Care	5.4%	31	Tobacco	Consumer Goods	-18.6%
14	General Financial	Financials	4.9%	32	Equity Investment Instruments	Financials	-20.0%
15	Food & Drug Retailers	Consumer Services	4.7%	33	Gold Mining	Mining	-26.4%
16	Fixed Line Telecommunications	Telecommunication	4.4%	34	Real Estate Investment & Services	Financials	-31.0%
17	General Mining	Mining	4.3%	35	Household Goods	Consumer Goods	-89.7%
18	Industrial Transportation	Industrials	4.0%				

Key

Resources

Financials

Industrials

Source: Barra, Deutsche Securities and Momentum Investments



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FTSE/JSE sectors

Decomposed

One year to February 2018

1	Media	Consumer Services	56.1%	19	Forestry & Paper	Basic Materials	2.7%
2	Industrial Metals	Basic Materials	55.0%	20	Beverages	Consumer Goods	-2.4%
3	Banks	Financials	48.1%	21	Pharmaceuticals & Biotechnology	Health Care	-4.9%
4	Coal Mining	Mining	42.5%	22	Support Services	Industrials	-5.2%
5	Industrial Transportation	Industrials	33.8%	23	Real Estate Investment Trusts	Financials	-6.1%
6	Non-life Insurance	Financials	31.0%	24	Electronic & Electrical Equipment	Industrials	-8.9%
7	General Mining	Mining	30.0%	25	Tobacco	Consumer Goods	-10.1%
8	Life Insurance	Financials	29.7%	26	Industrial Engineering	Industrials	-10.2%
9	Food & Drug Retailers	Consumer Services	23.3%	27	Travel & Leisure	Consumer Services	-11.0%
10	General Retailers	Consumer Services	23.1%	28	Real Estate Investment & Services	Financials	-11.2%
11	General Industrials	Industrials	21.2%	29	Health Care Equipment & Services	Health Care	-15.2%
12	Chemicals	Basic Materials	14.5%	30	Platinum Mining	Mining	-16.5%
13	Construction & Materials	Industrials	13.4%	31	Equity Investment Instruments	Financials	-16.9%
14	Mobile Telecommunications	Telecommunication	12.8%	32	Gold Mining	Mining	-17.4%
15	Personal Goods	Consumer Goods	12.0%	33	Fixed Line Telecommunications	Telecommunication	-18.5%
16	Food Producers	Consumer Goods	7.5%	34	Software & Computer Services	Technology	-33.9%
17	General Financial	Financials	5.7%	35	Household Goods	Consumer Goods	-91.6%
18	Automobiles & Parts	Consumer Goods	3.5%				

Key

Resources

Financials

Industrials

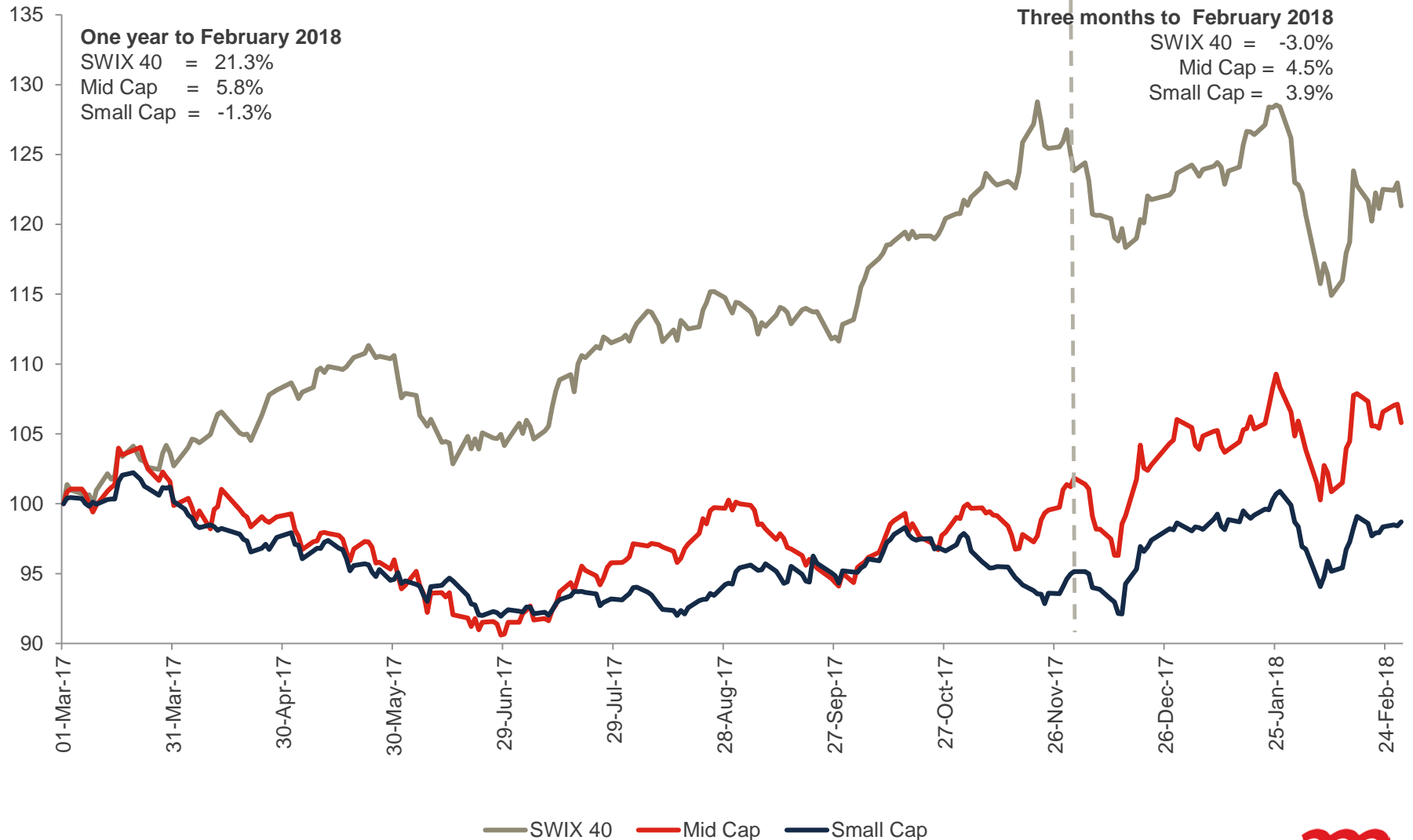
Source: Barra, Deutsche Securities and Momentum Investments



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FTSE/JSE market caps

One year to February 2018



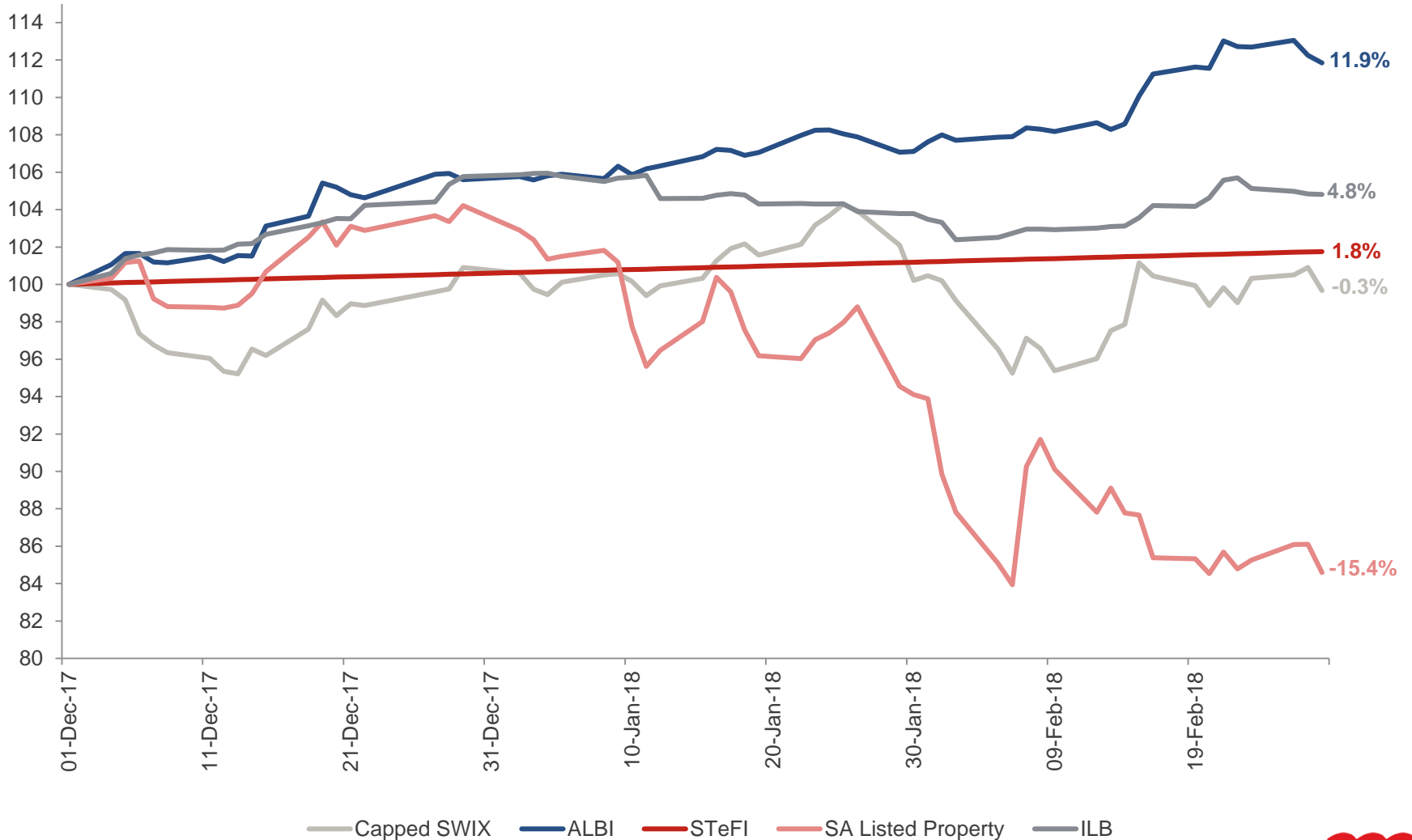
Source: INET BFA and Momentum Investments



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Local asset classes

Three months to February 2018

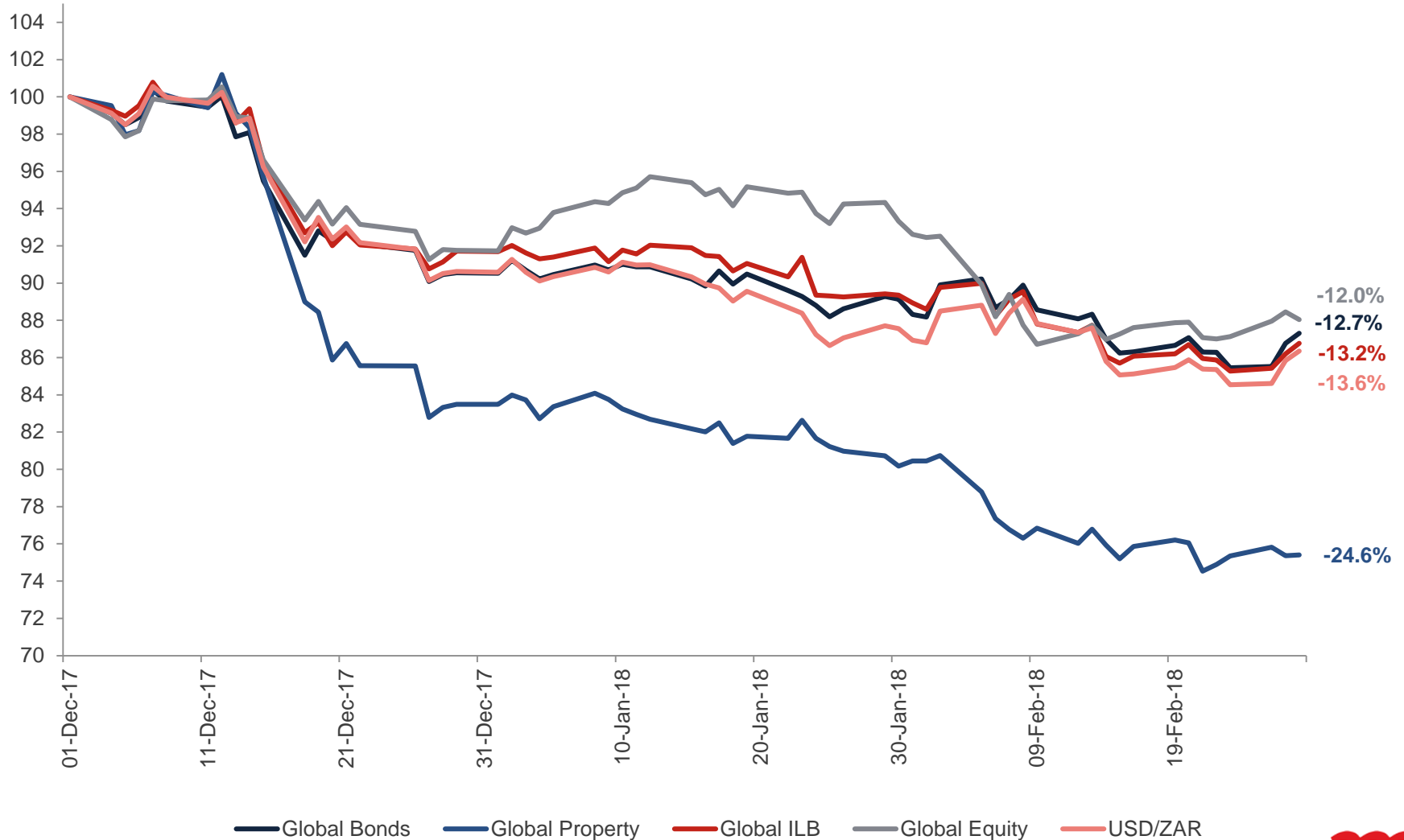


Source: INET BFA and Momentum Investments



Global asset classes

Three months to February 2018



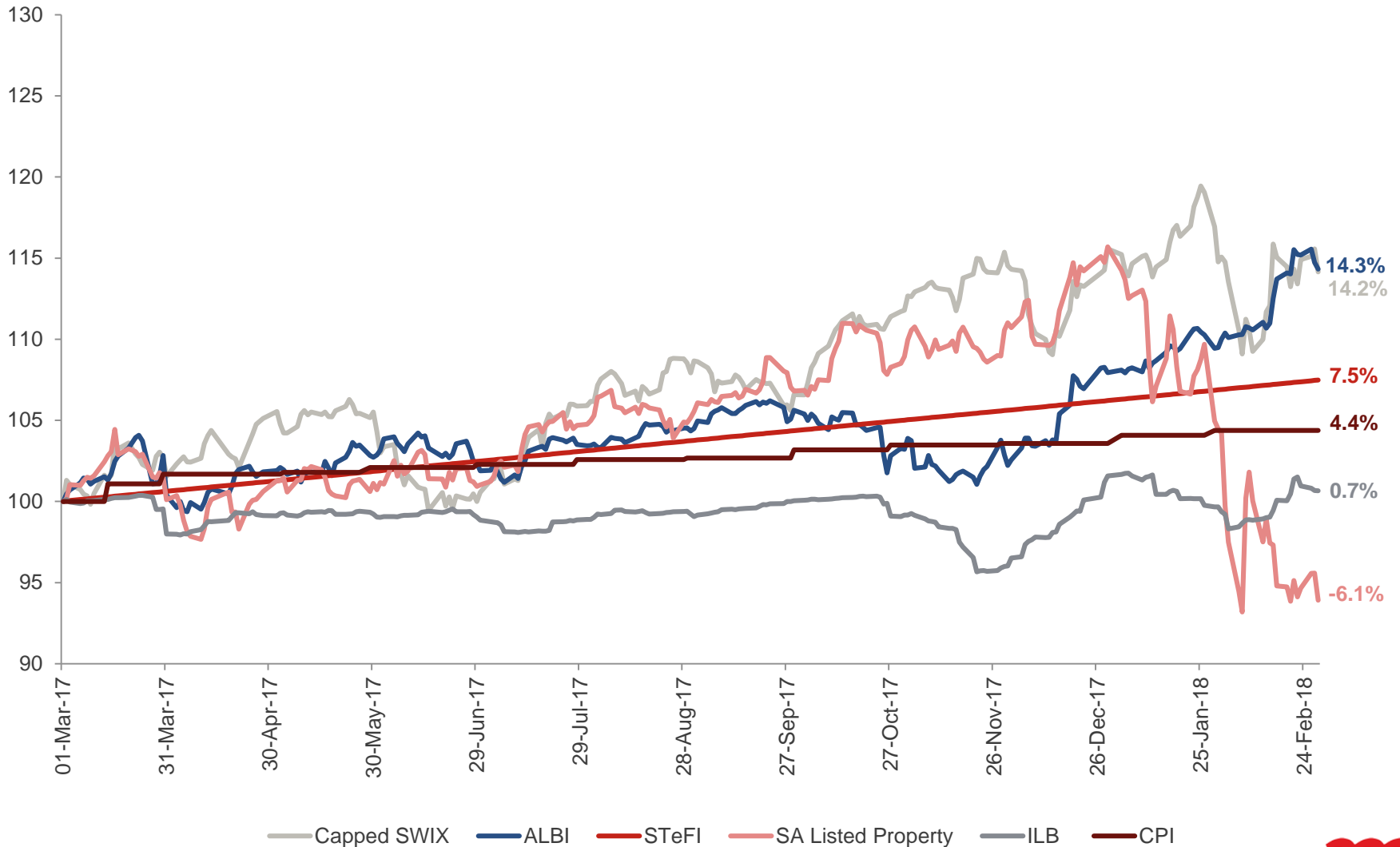
Source: INET BFA and Momentum Investments



investments

Local asset classes

One year to February 2018



Source: INET BFA and Momentum Investments

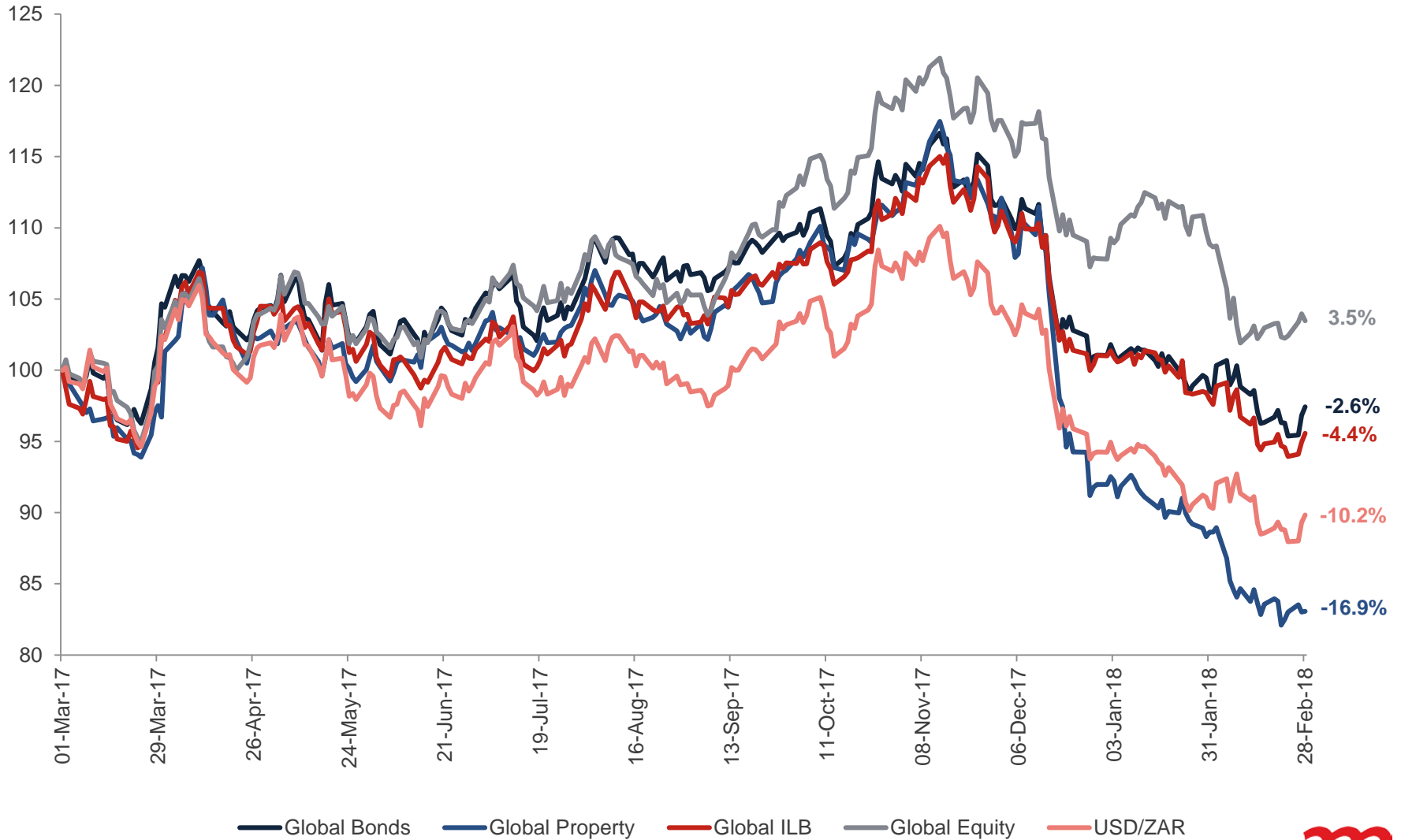
*CPI is lagged by one month due to availability of inflation data



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Global asset classes

One year to February 2018



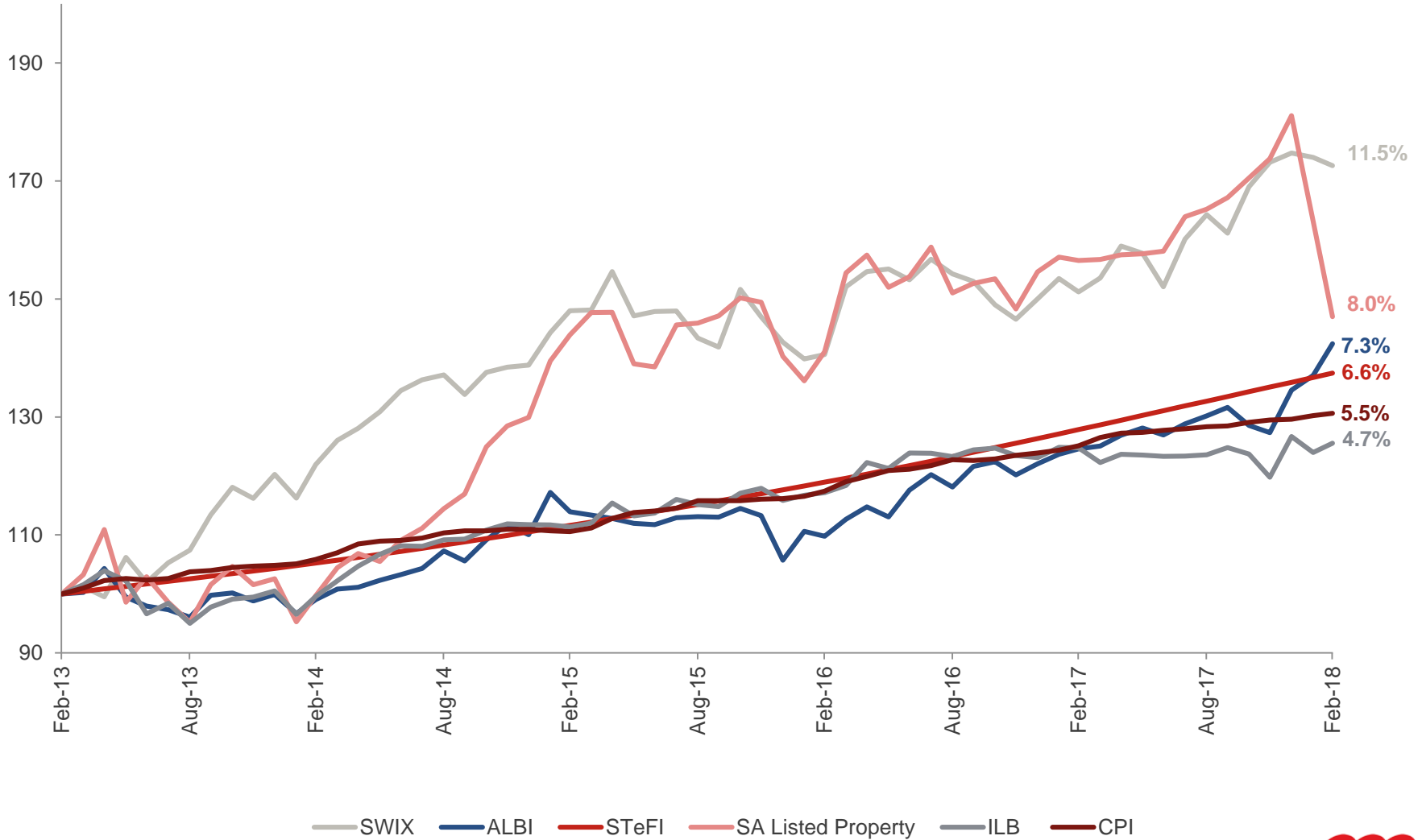
Source: INET BFA and Momentum Investments



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Local asset classes

Five years to February 2018



Source: INET BFA and Momentum Investments

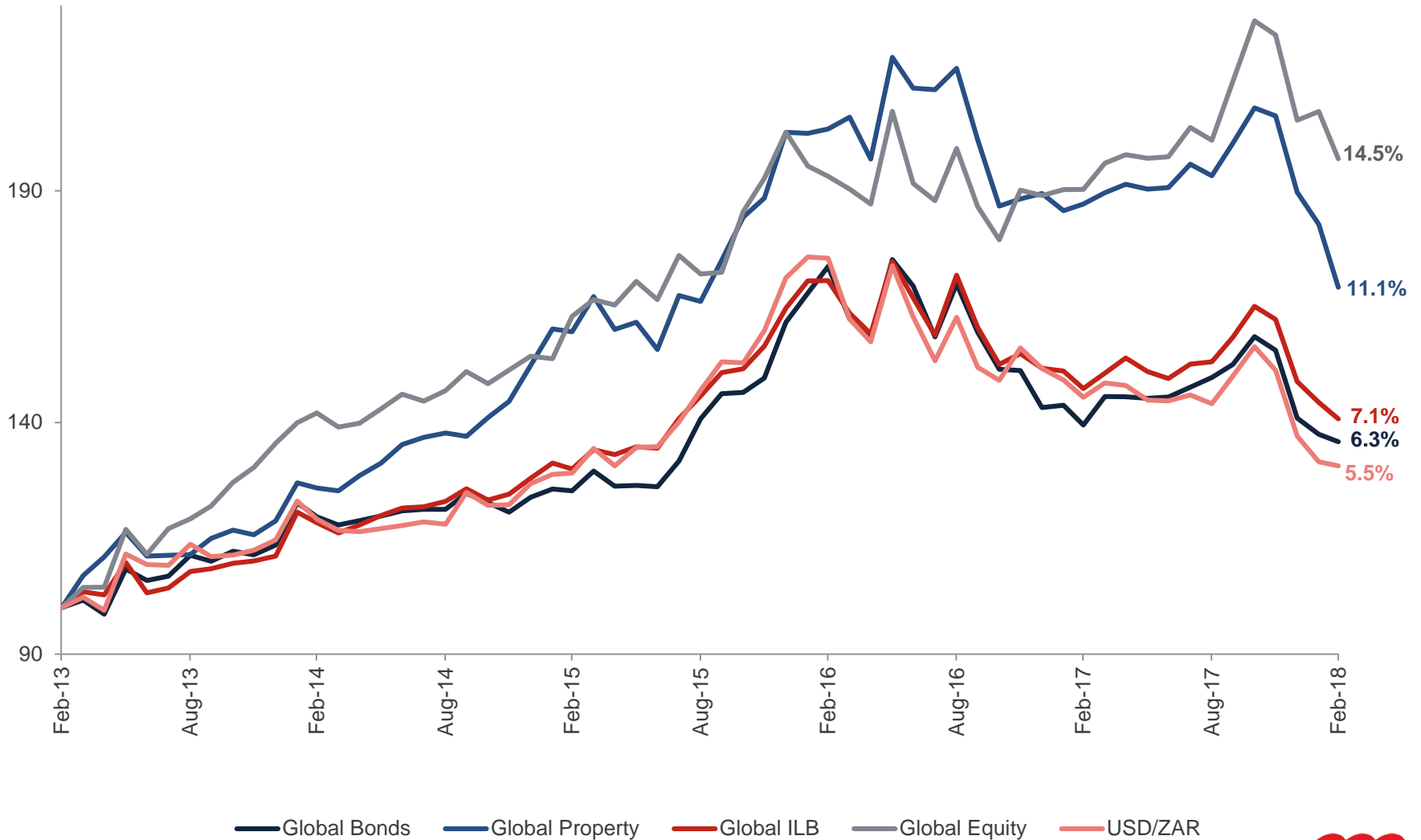
*CPI is lagged by one month due to availability of inflation data



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Global asset classes

Five years to February 2018



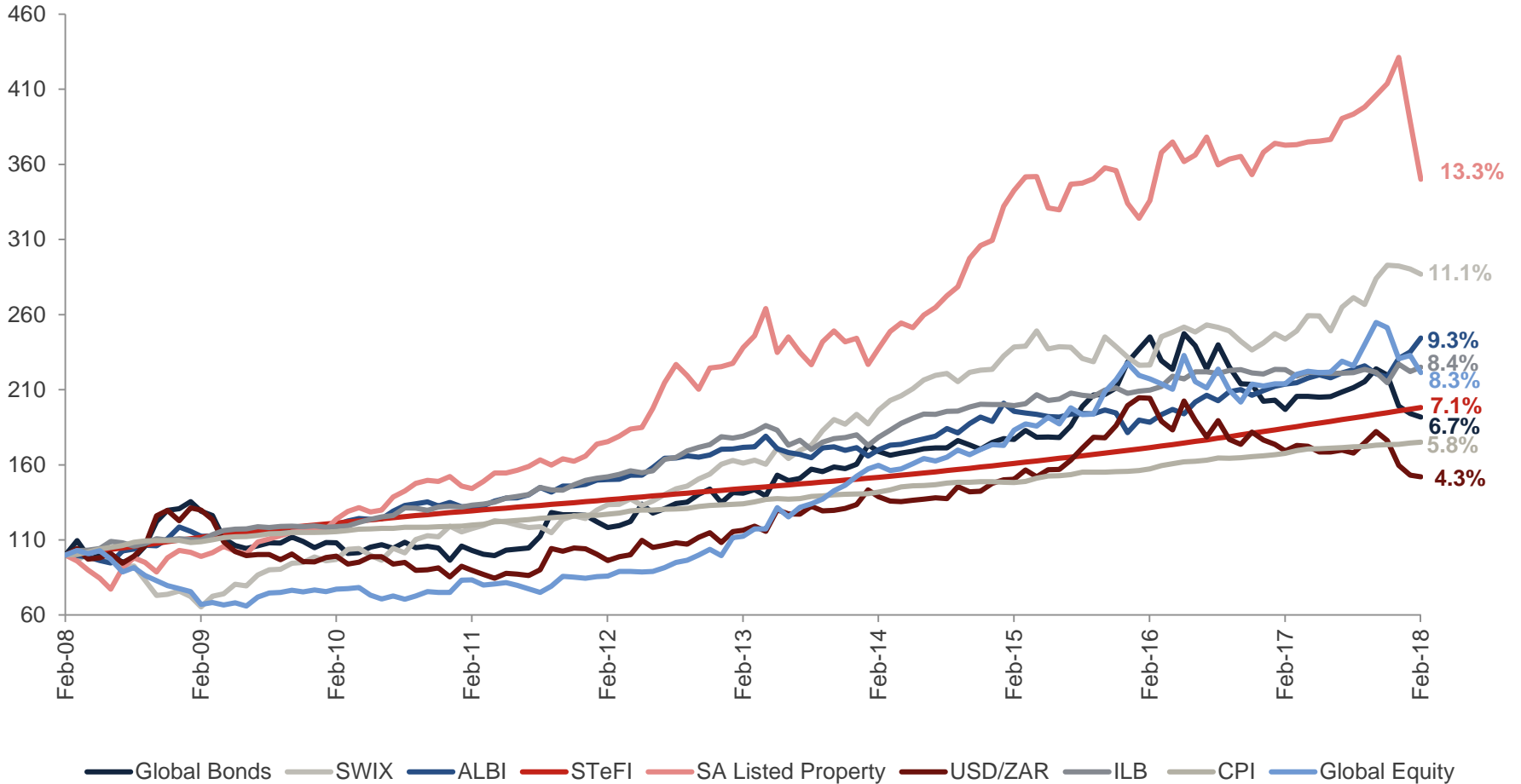
Source: INET BFA and Momentum Investments



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Asset classes

Ten years to February 2018



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

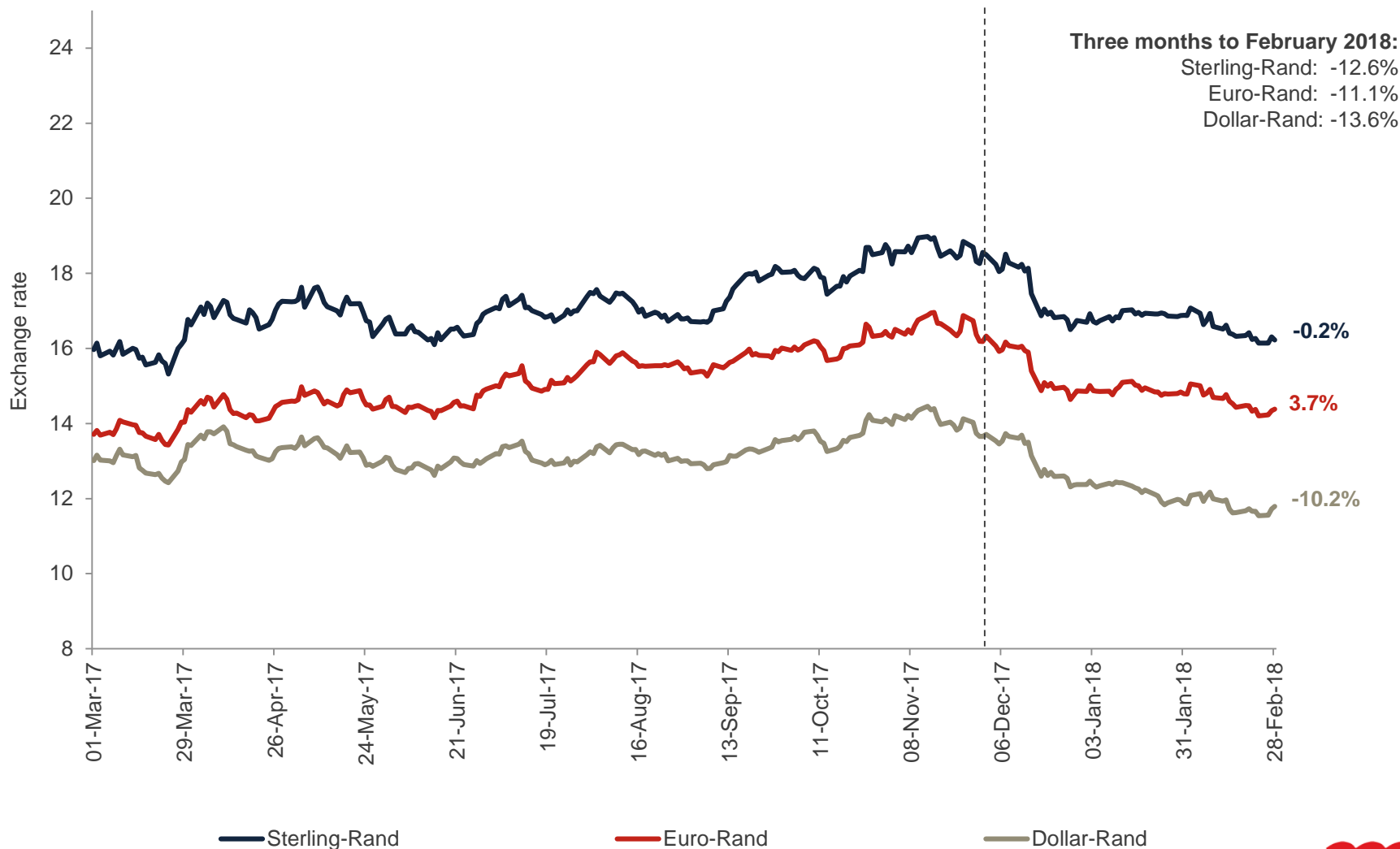
Source: INET BFA and Momentum Investments

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



Exchange rates

One year to February 2018



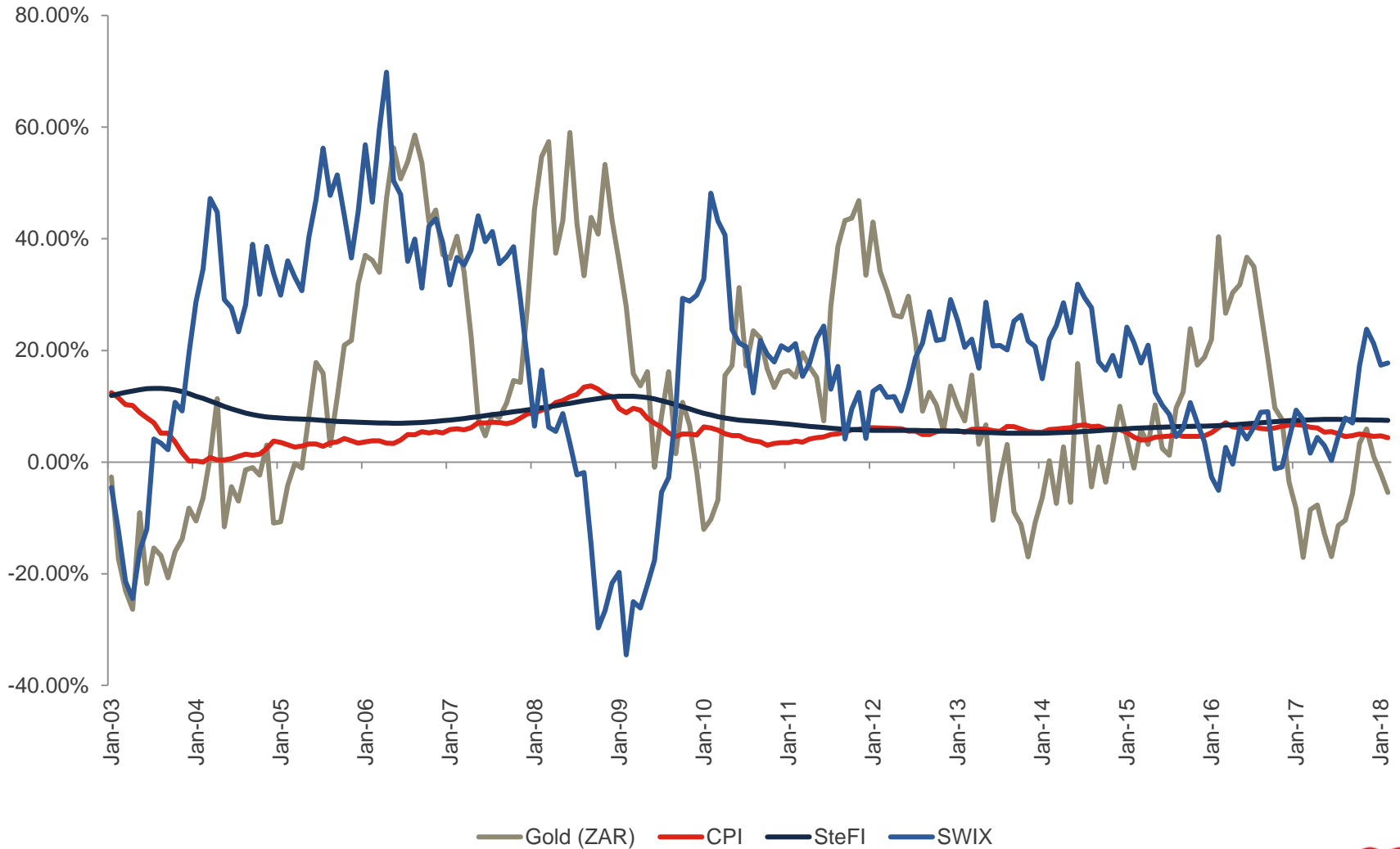
Source: INET BFA and Momentum Investments



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

One-year rolling returns to February 2018



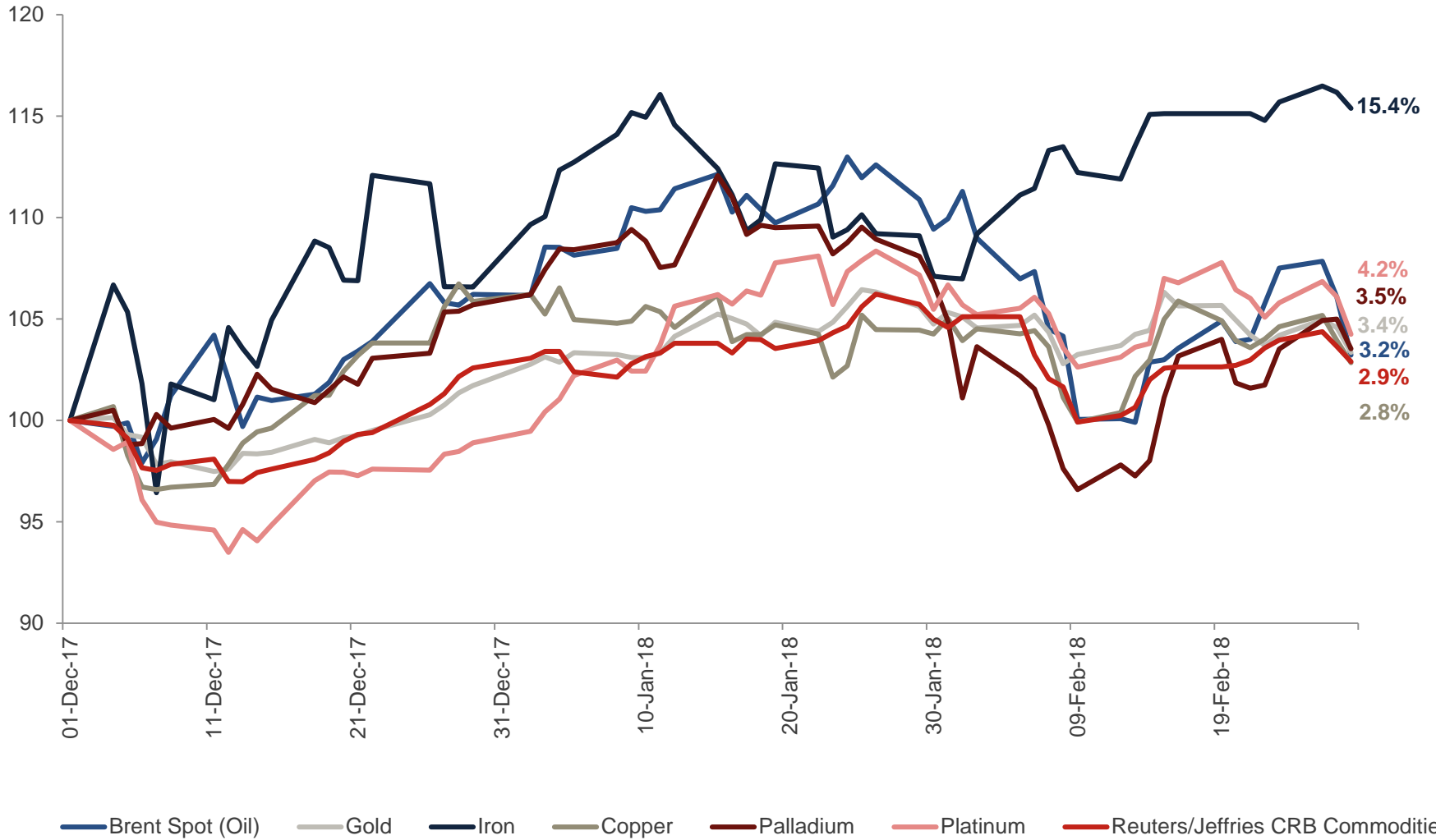
Source: INET BFA and Momentum Investments

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



Commodities

Three months to February 2018



Source: INET BFA, FT.com and Momentum Investments

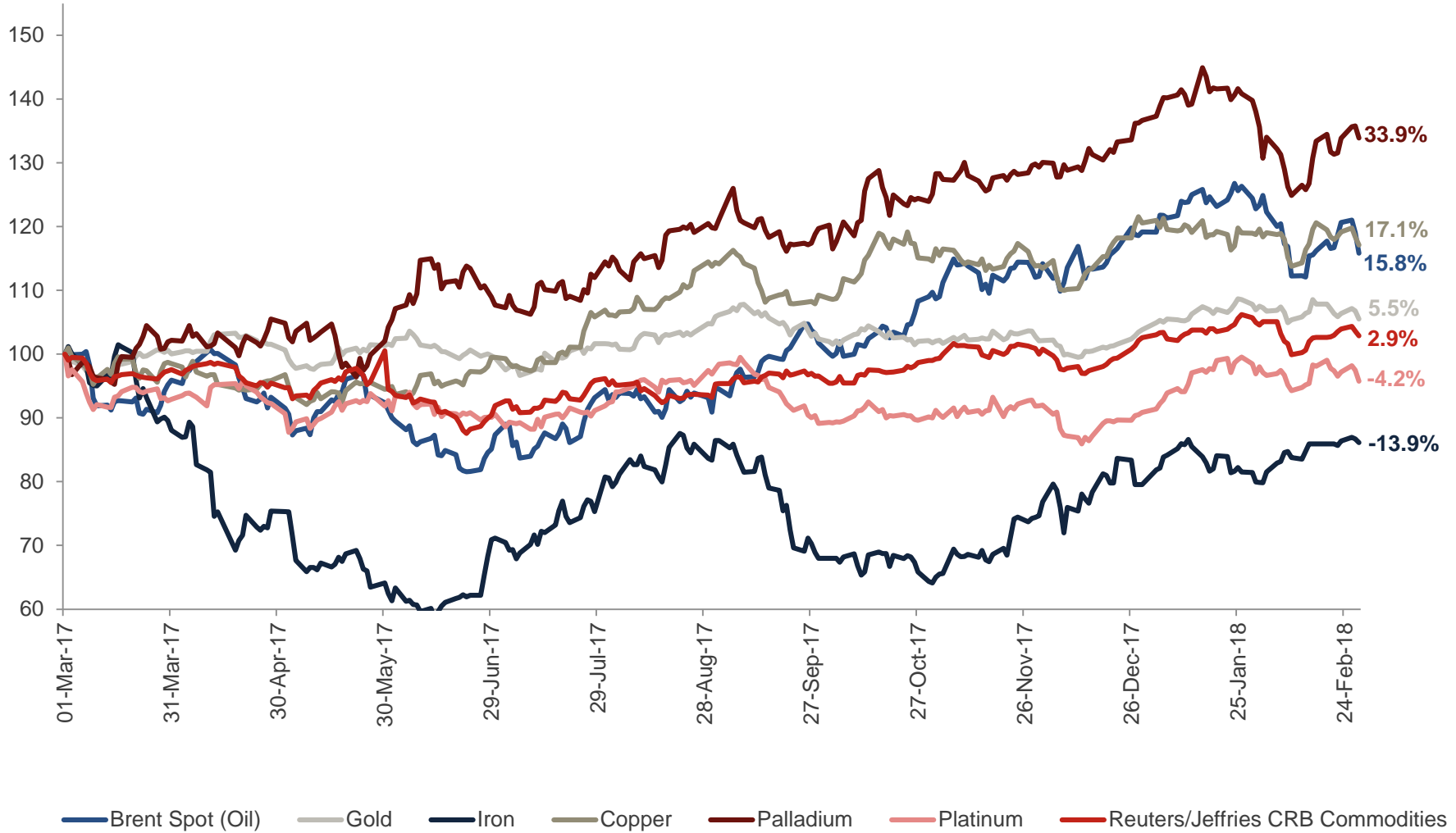
All returns in dollar terms



investments

Commodities

One year to February 2018



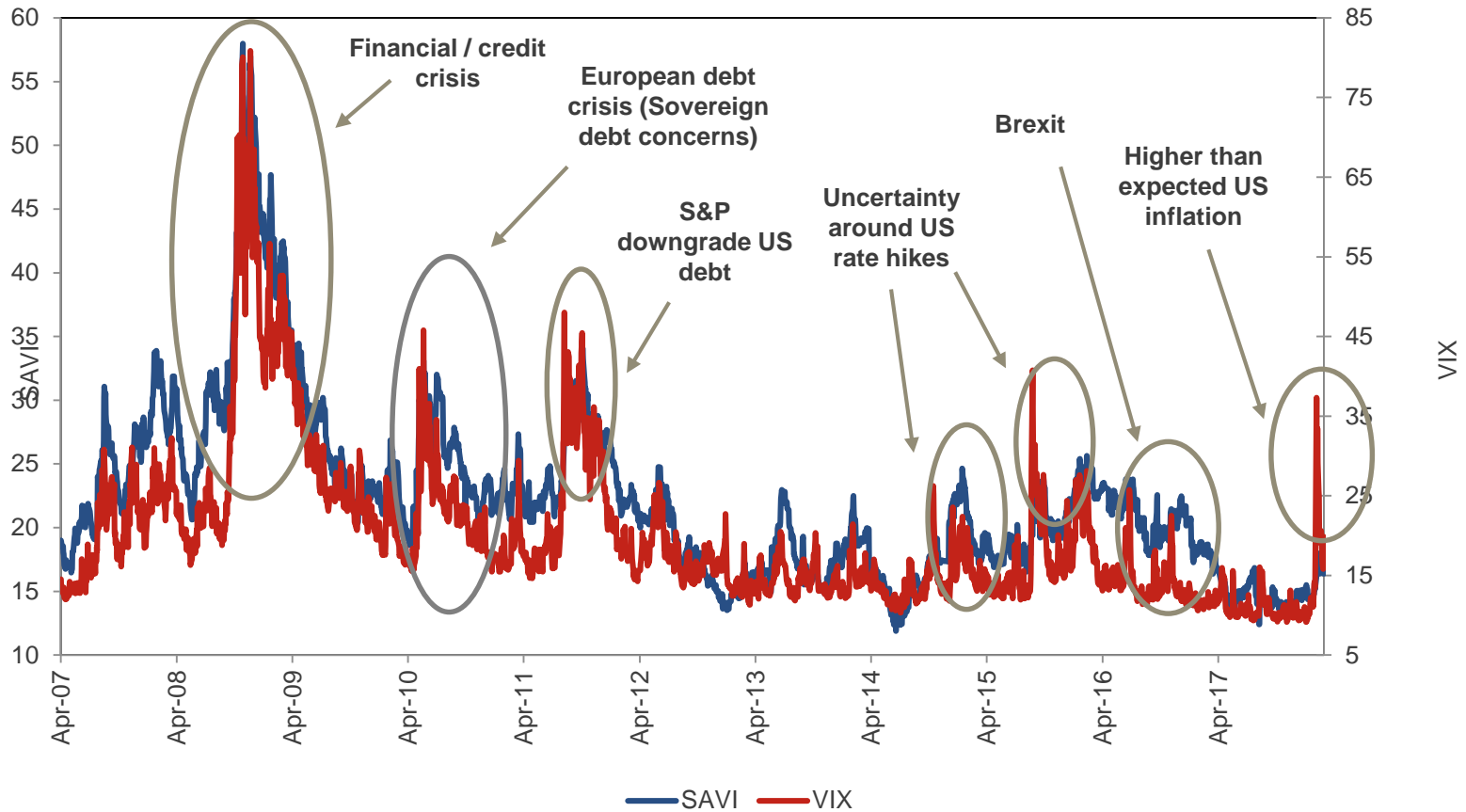
Source: INET BFA, FT.com and Momentum Investments

All returns in dollar terms



SAVI-VIX

Since February 2007 to February 2018

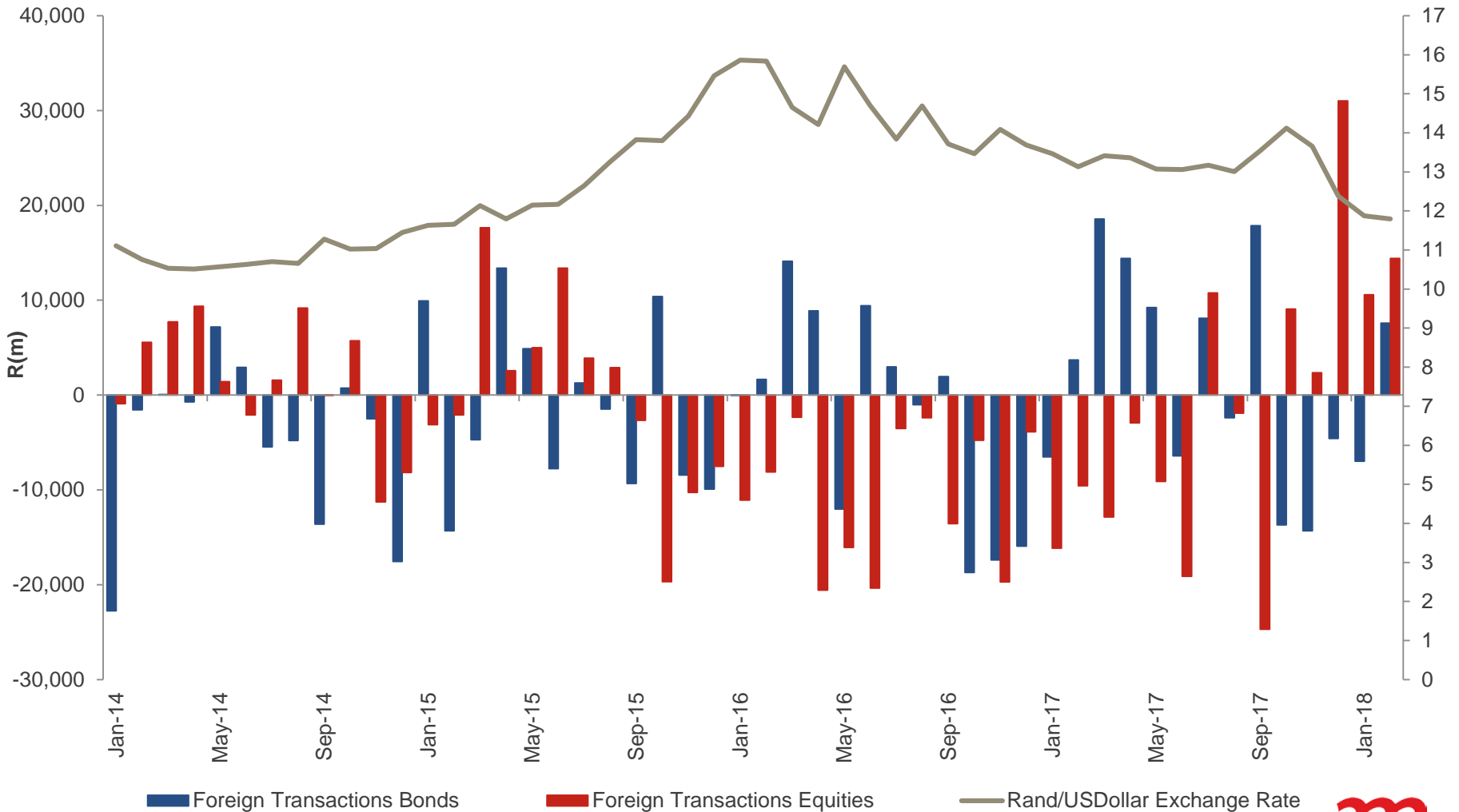


Source: INET BFA and Momentum Investments



Foreign transactions

2014 to 2018

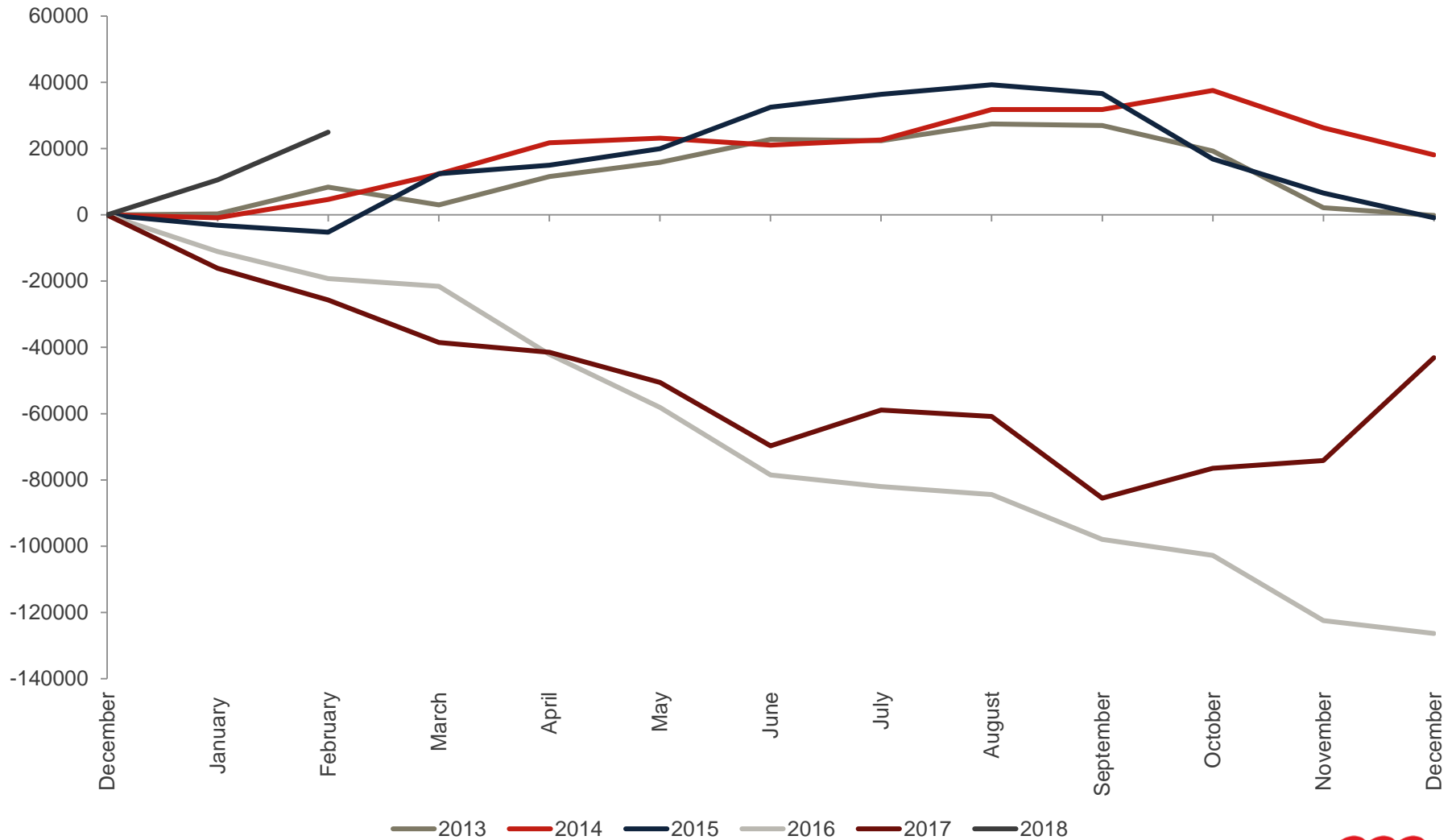


Source: INET BFA and Momentum Investments



Cumulative foreign transaction equities

2013 to 2018

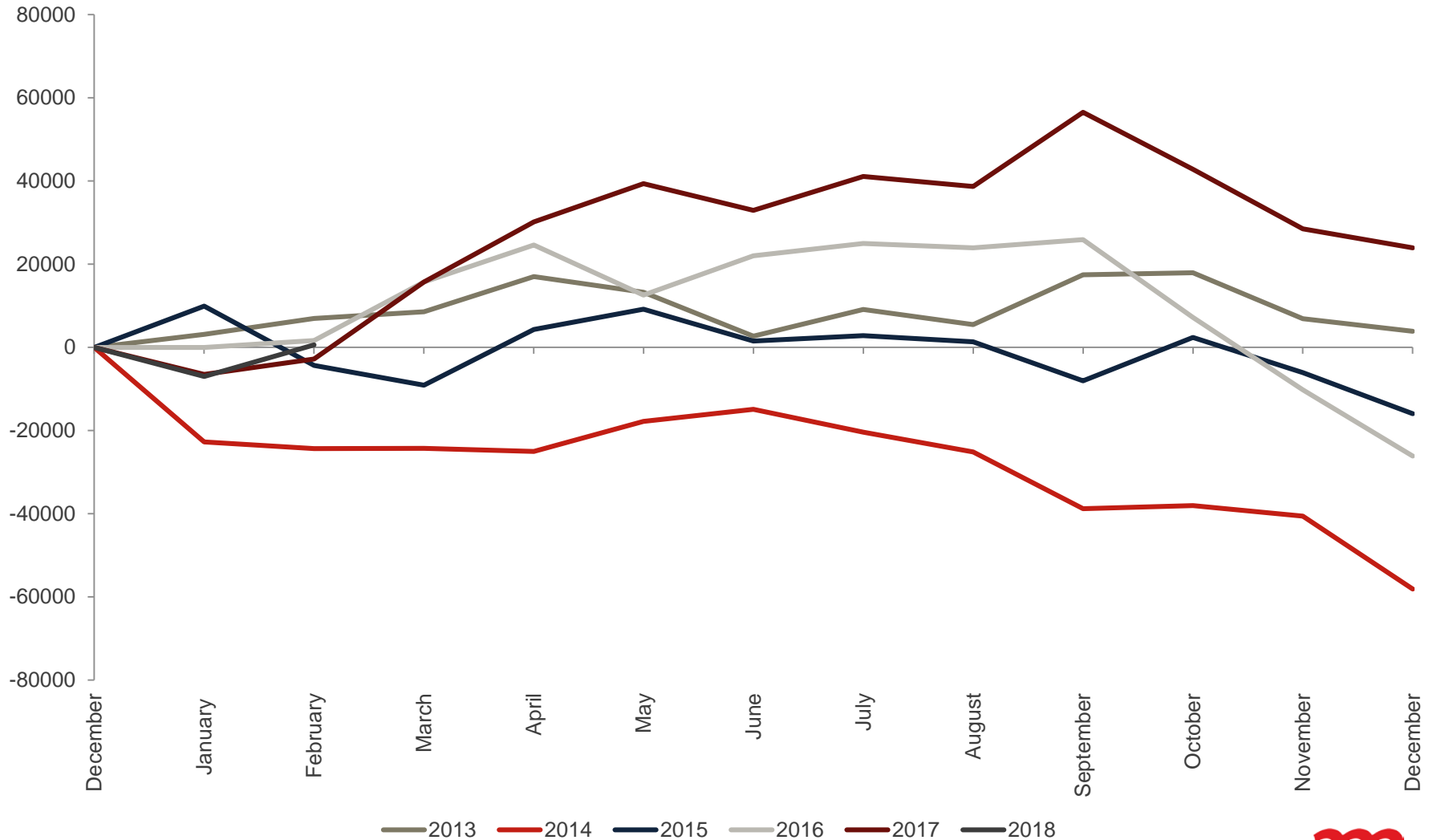


Source: INET BFA and Momentum Investments



Cumulative foreign transaction bonds

2013 to 2018



Source: INET BFA and Momentum Investments



investments

A background grid of many small, diverse human faces, mostly in shades of gray and light brown, arranged in a regular pattern across the entire page.

End of key market performance drivers monthly charts for February 2018



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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