



Key market performance drivers

Monthly charts to 31 May 2018

Signatory of:



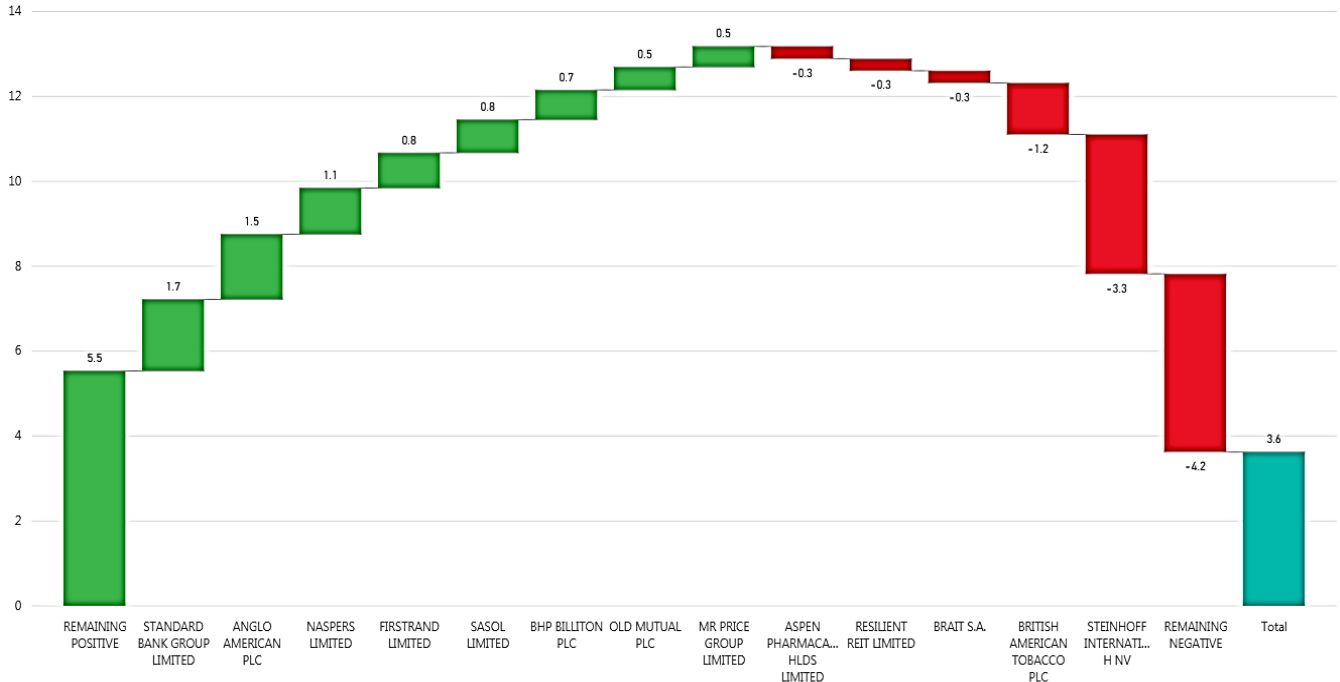
momentum
investments

Market concentration

One-year Capped SWIX contributions ending May 2018:

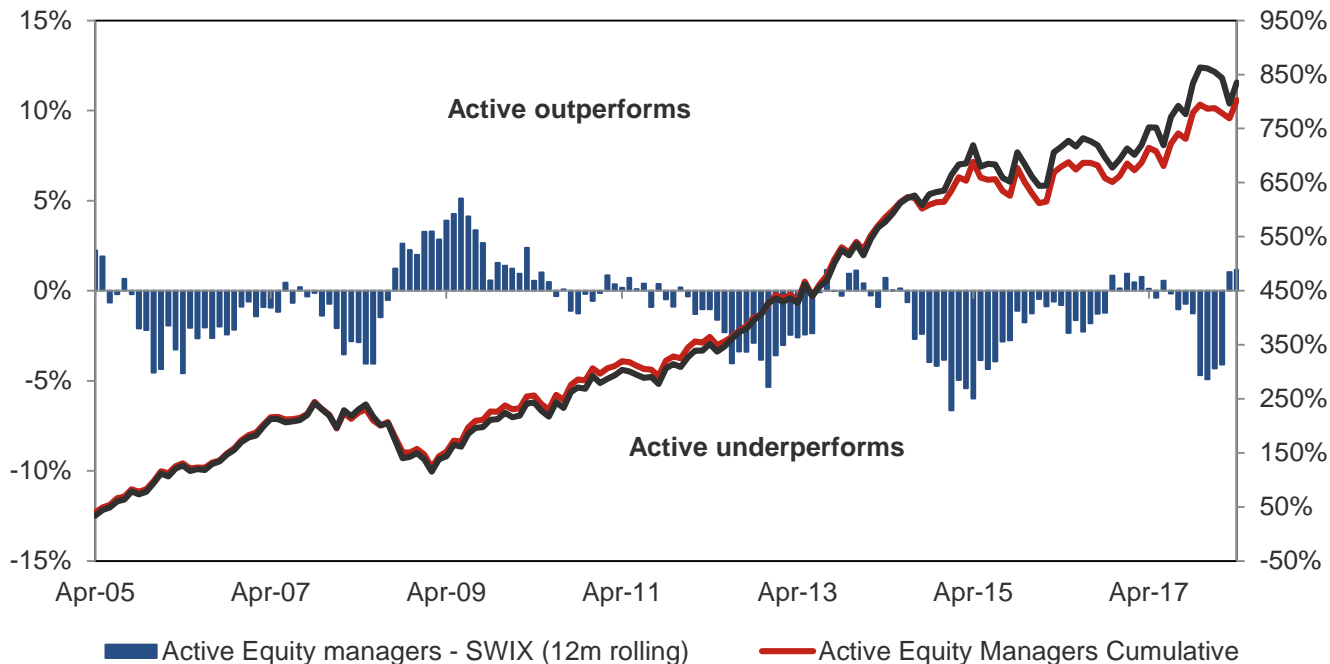
Contribution by Security

● Increase ● Decrease ● Total



Active-index analysis

One-year rolling active to April* 2018



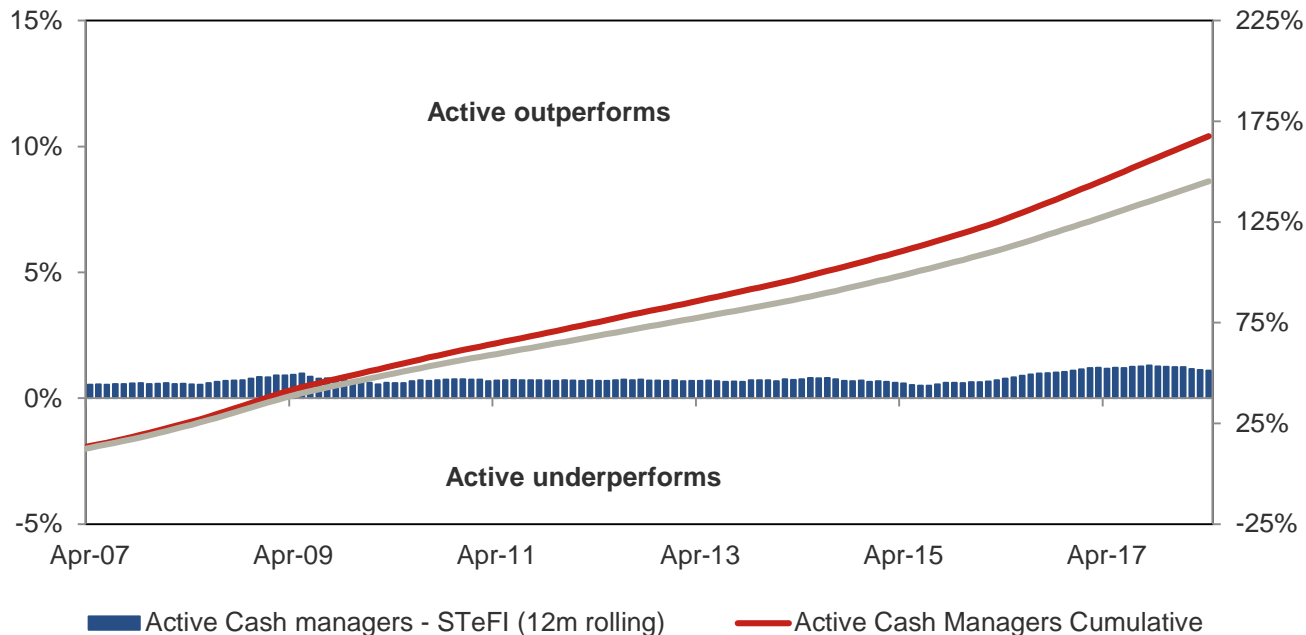
* Lagged by one month due to availability of data

The median of the active equity investment managers underperformed the Capped SWIX

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

Active versus tracker: Cash

One-year rolling average to April* 2018



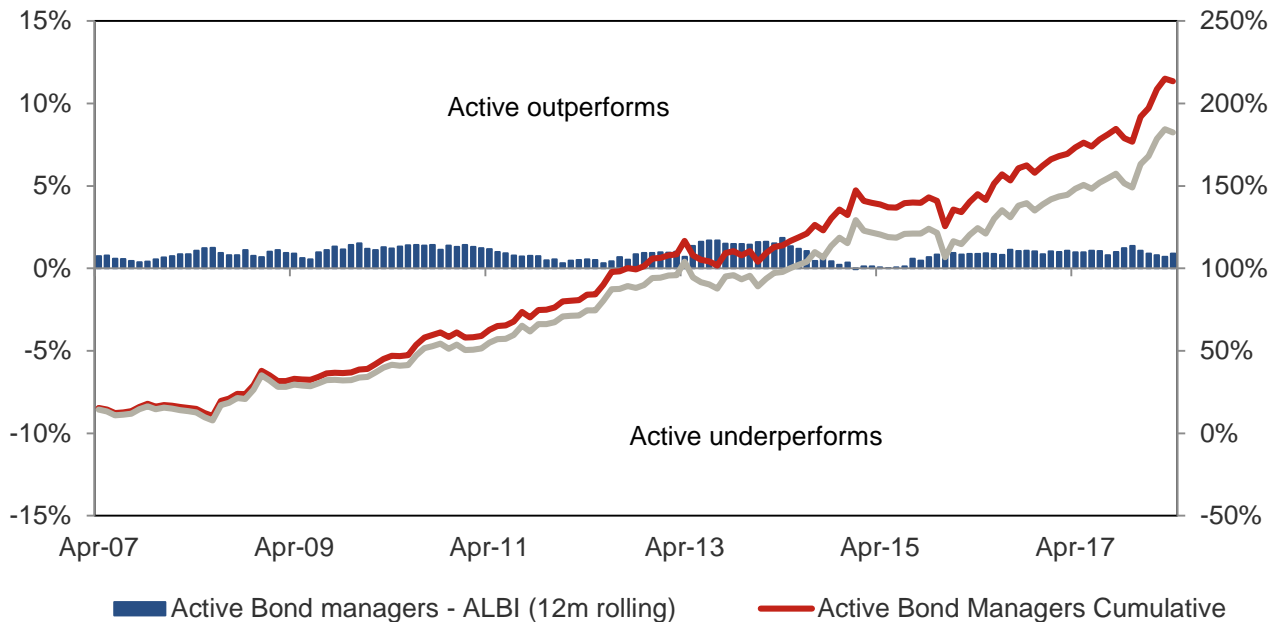
* Lagged by one month due to availability of data

The median of the active money market investment managers outperformed the SteFI

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

Active versus tracker: Bonds

One-year rolling average to April* 2018



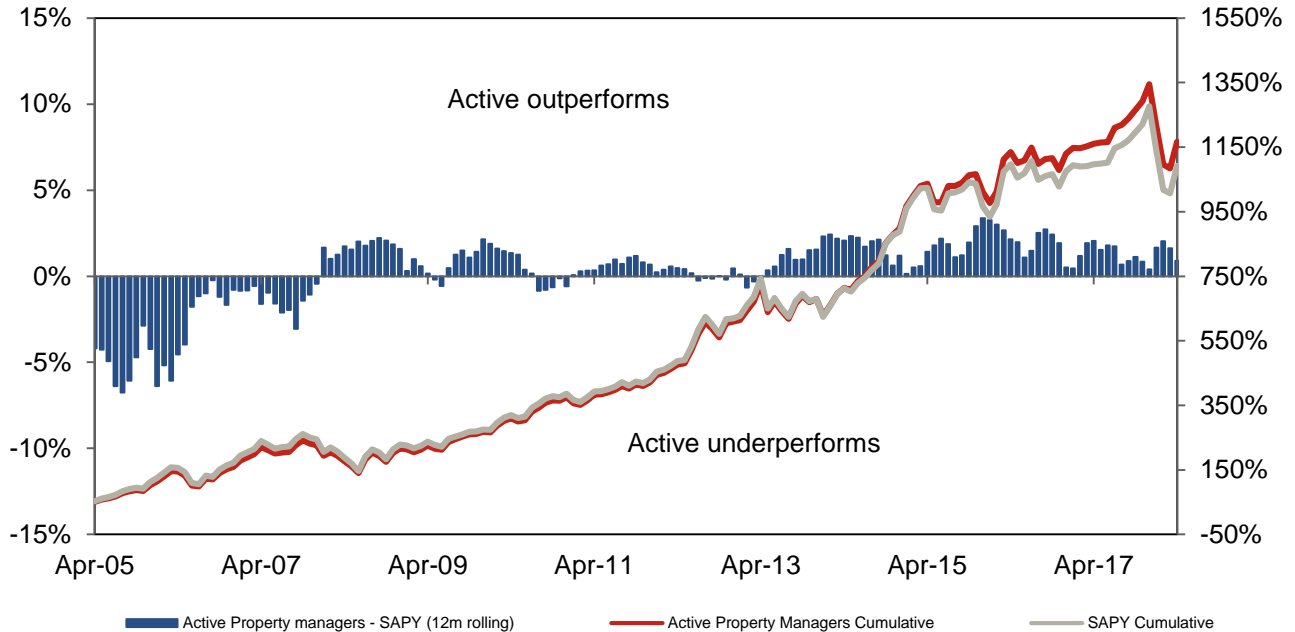
* Lagged by one month due to availability of data

The median of the active bond investment managers outperformed the ALBI

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

Active versus tracker: Property

One-year rolling average to April* 2018



* Lagged by one month due to availability of data

The median of the active property investment managers outperformed the SAPY

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

Style returns for South Africa

Data to May 2018

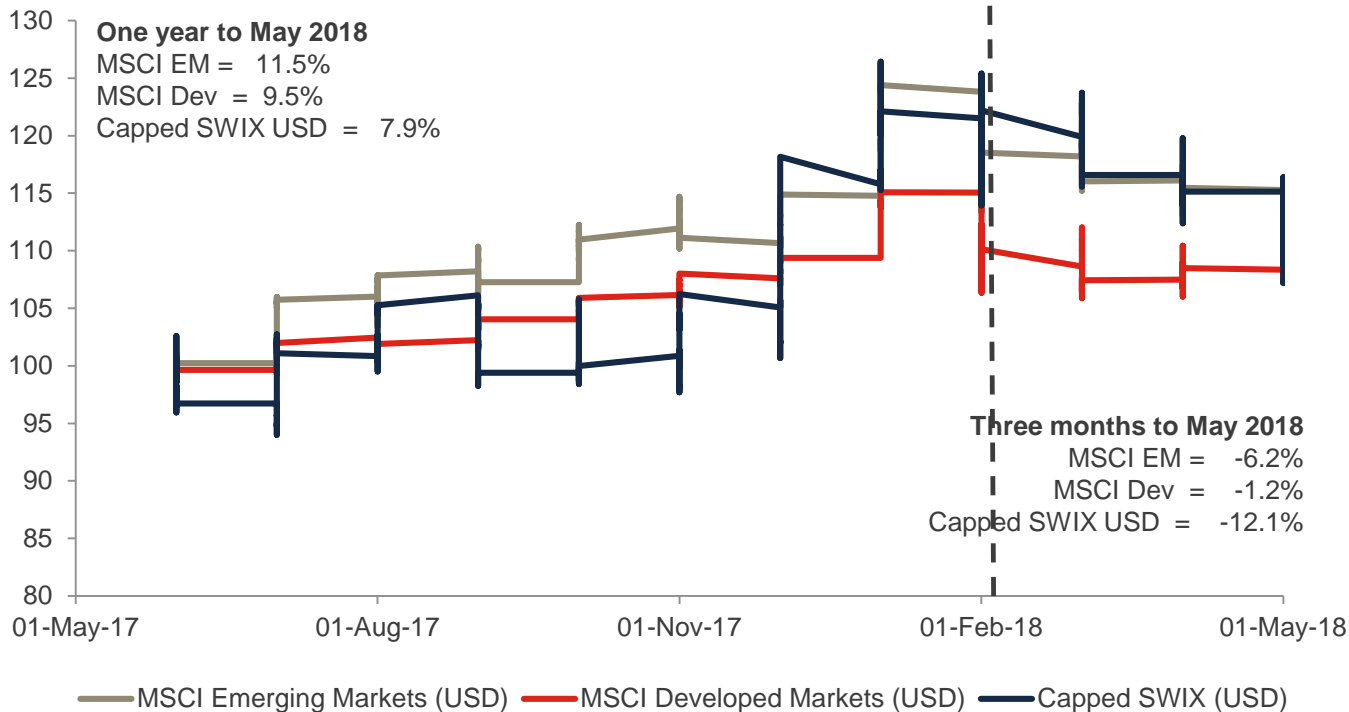
ZAR	Styles	One month to May 2018	Three months to May 2018	One year to May 2018	Three years to May 2018	Five years to May 2018	Ten years to May 2018	Twenty years to May 2018
Value	Book to Price	-0.95	-1.36	-8.83	0.92	-1.09	-1.34	3.14
	Dividend Yield	1.09	5.84	-1.26	0.37	-0.86	2.94	6.14
	Earnings Yield	2.05	-0.10	2.40	2.23	2.63	2.10	4.22
	Cash Flow Yield	1.72	2.14	2.08	10.52	3.94	1.17	5.14
	Sales to Price	-1.96	-2.29	-4.60	3.51	-0.77	-2.38	3.84
Quality	ROE	0.90	1.92	12.87	1.95	0.07	0.82	-0.85
	ROIC LT	-1.69	0.80	1.67	-1.15	-2.31	1.35	-1.89
	Income to Sales	3.37	5.35	3.77	1.96	1.24	3.22	-1.62
	Low market beta	4.47	7.08	-0.78	0.25	1.69	-0.70	1.26
	Low Debt/Equity	0.73	1.34	3.48	-0.19	-1.98	-2.81	-1.54
	EBIT Margin Stability	-0.38	1.93	3.14	-0.56	0.66	5.18	2.38
Growth	Earnings Growth	4.96	4.11	8.07	4.50	4.59	-2.98	-1.95
	Sales Growth	3.27	0.22	-2.53	-4.35	-2.38	-3.10	-3.27
	12M Earning Growth	1.65	3.20	-1.12	-2.82	-3.17	-5.79	3.43
Momentum	FY1 Earnings Revisions	-1.47	-0.59	8.49	4.56	6.71	7.78	9.84
	Short Term Momentum	-0.75	-0.84	14.33	9.04	6.31	0.93	1.95
	Medium Term Momentum	-1.44	-2.16	2.74	-1.11	1.73	1.66	6.59
Size	Size	-2.42	-4.12	3.33	-0.60	-1.45	-0.78	0.08

The growth factor had strong returns in the shorter term. The size and momentum factors had strong returns for the year but weak returns for periods shorter than a year.

Source: FactSet , Momentum Global Investment Management and Momentum Investments

MSCI developed and emerging markets

One year to May 2018



SA 10-year bond yields

Five years to May 2018



Yield of R197 (inflation-linked bond)

May 2001 to May 2018



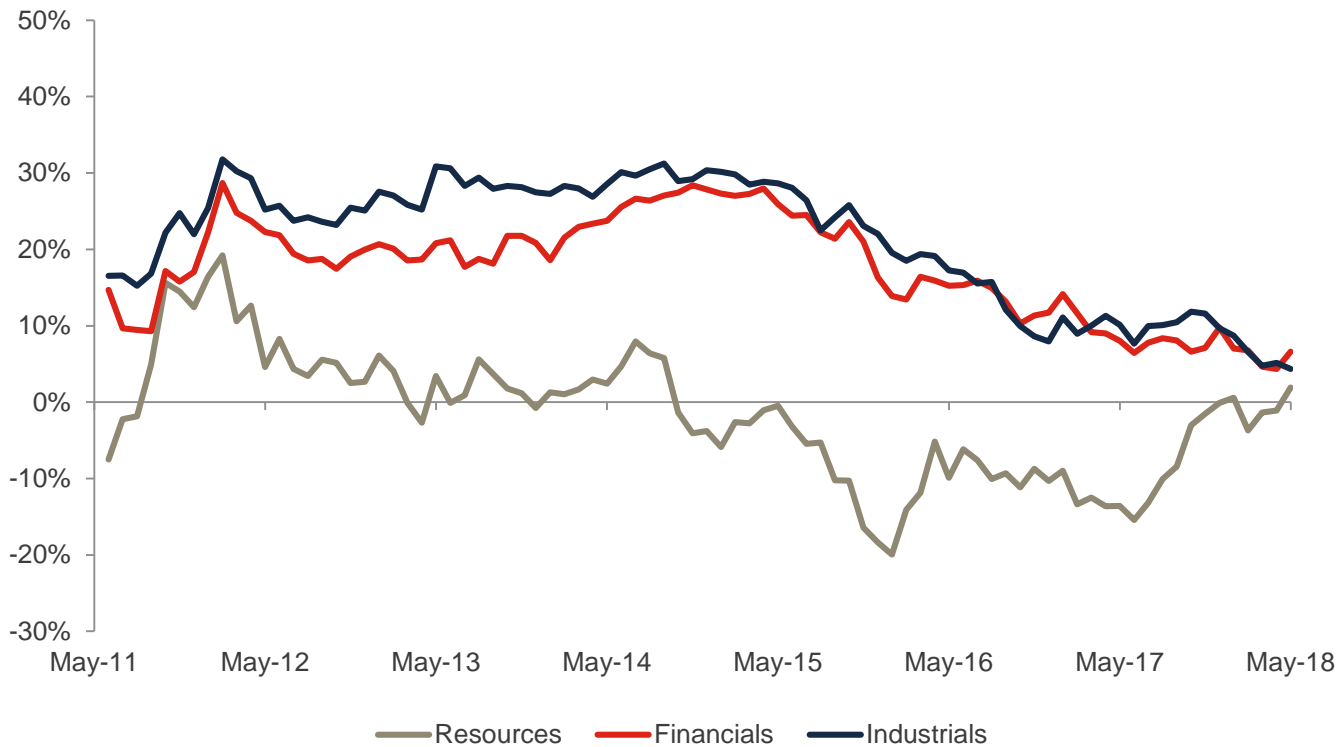
FTSE/JSE sectors

One year to May 2018



FTSE/JSE sectors

Rolling three years to May 2018



FTSE/JSE sectors

Decomposed

Three months to May 2018

1	Oil & Gas Producers	Financial Services	74.44%	18	Tobacco	Consumer Goods	-7.17%
2	Forestry & Paper	Basic Materials	17.97%	19	Industrial Transportation	Industrials	-7.37%
3	Technology Hardware & Equipmen	Technology	15.26%	20	Pharmaceuticals & Biotechnolog	Healthcare	-7.47%
4	Personal Goods	Consumer Goods	11.30%	21	Media	Consumer Services	-7.54%
5	Chemicals	Basic Materials	9.51%	22	Industrial Engineering	Industrials	-7.63%
6	Healthcare Equipment & Service	Healthcare	8.76%	23	Financial Services	Financials	-8.70%
7	Real Estate Investment Trusts	Financials	7.58%	24	Mobile Telecommunications	Telecommunications	-8.75%
8	Construction & Materials	Industrials	4.96%	25	Life Insurance	Financials	-9.37%
9	Electronic & Electrical Equipm	Industrials	4.08%	26	Banks	Financials	-9.39%
10	Non-life Insurance	Financials	2.93%	27	Automobiles & Parts	Consumer Goods	-12.77%
11	Real Estate Investment & Servi	Financials	1.97%	28	General Retailers	Consumer Services	-12.77%
12	Mining	Basic Materials	1.56%	29	General Industrials	Industrials	-13.59%
13	Fixed-line Telecommunications	Telecommunications	0.17%	30	Industrial Metals & Mining	Industrials	-14.03%
14	Food & Drug Retailers	Consumer Services	-3.90%	31	Food Producers	Consumer Goods	-16.66%
15	Equity Investment Instruments	Financials	-6.11%	32	Support Services	Industrials	-20.71%
16	Travel & Leisure	Travel & Leisure	-6.26%	33	Software & Computer Services	Technology	-38.53%
17	Beverages	Consumer Goods	-6.78%	34	Household Goods	Consumer Goods	-80.69%

Key

Resources

Financials

Industrials

FTSE/JSE sectors

Decomposed

One year to May 2018

1	Oil & Gas Producers	Basic Materials	74.44%	18	Electronic & Electrical Equipm	Industrials	1.27%
2	Industrial Metals & Mining	Basic Materials	66.29%	19	Mobile Telecommunications	Telecommunications	-0.80%
3	Banks	Financials	32.30%	20	Travel & Leisure	Travel & Leisure	-3.09%
4	Non-life Insurance	Financials	30.68%	21	Healthcare Equipment & Service	Healthcare	-3.67%
5	Mining	Basic Materials	26.16%	22	Food Producers	Consumer Services	-5.15%
6	Industrial Engineering	Industrials	23.48%	23	Real Estate Investment & Servi	Financials	-5.54%
7	Chemicals	Basic Materials	19.01%	24	Beverages	Consumer Goods	-6.77%
8	Life Insurance	Financials	19.00%	25	Industrial Transportation	Industrials	-7.37%
9	General Retailers	Consumer Services	18.32%	26	Financial Services	Financials	-9.56%
10	Construction & Materials	Industrials	17.31%	27	Real Estate Investment Trusts	Financials	-11.86%
11	Media	Consumer Services	11.55%	28	Equity Investment Instruments	Financials	-15.17%
12	Food & Drug Retailers	Consumer Services	9.79%	29	Pharmaceuticals & Biotechnolog	Healthcare	-16.49%
13	Technology Hardware & Equipmen	Technology	7.98%	30	Fixed-line Telecommunications	Telecommunications	-24.51%
14	Personal Goods	Consumer Goods	6.83%	31	Tobacco	Consumer Goods	-29.06%
15	General Industrials	Industrials	3.14%	32	Support Services	Industrials	-41.65%
16	Forestry & Paper	Basic Materials	2.07%	33	Software & Computer Services	Technology	-57.17%
17	Automobiles & Parts	Consumer Goods	1.44%	34	Household Goods	Consumer Goods	-98.40%

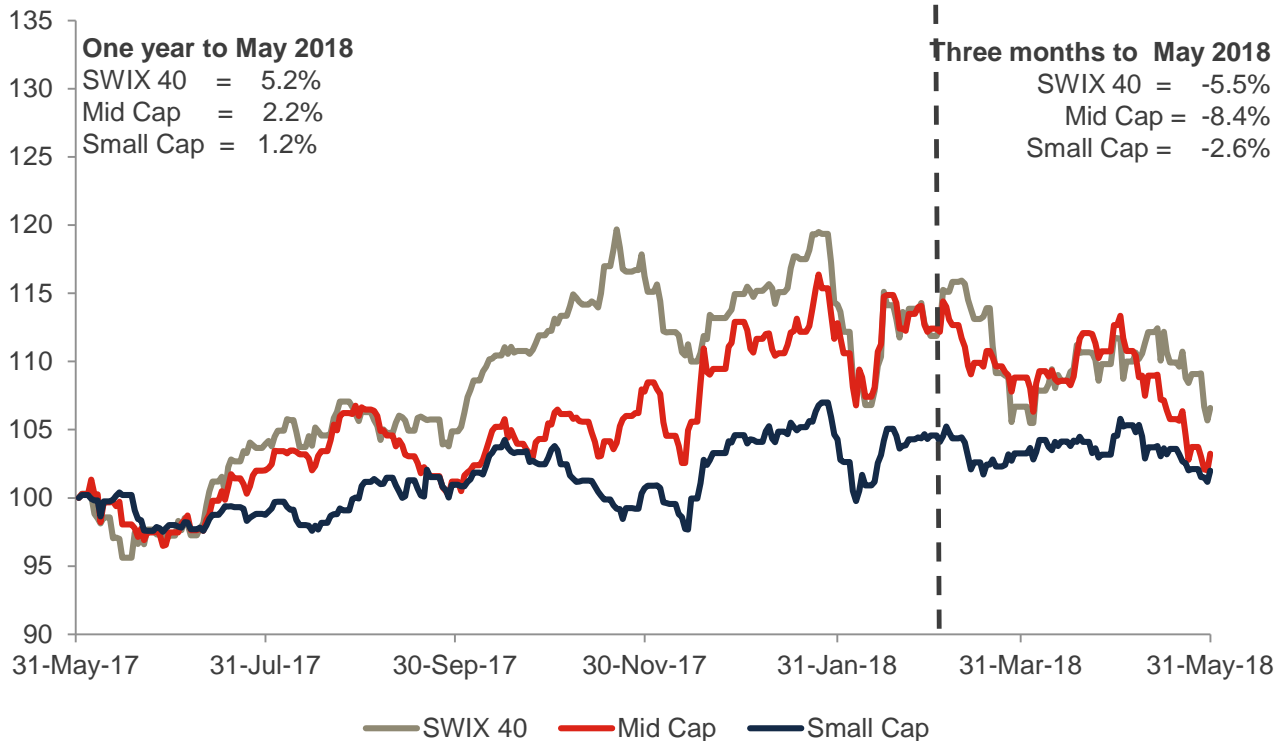
Key

Resources
Financials
Industrials

Source: Barra, Deutsche Securities and Momentum Investments

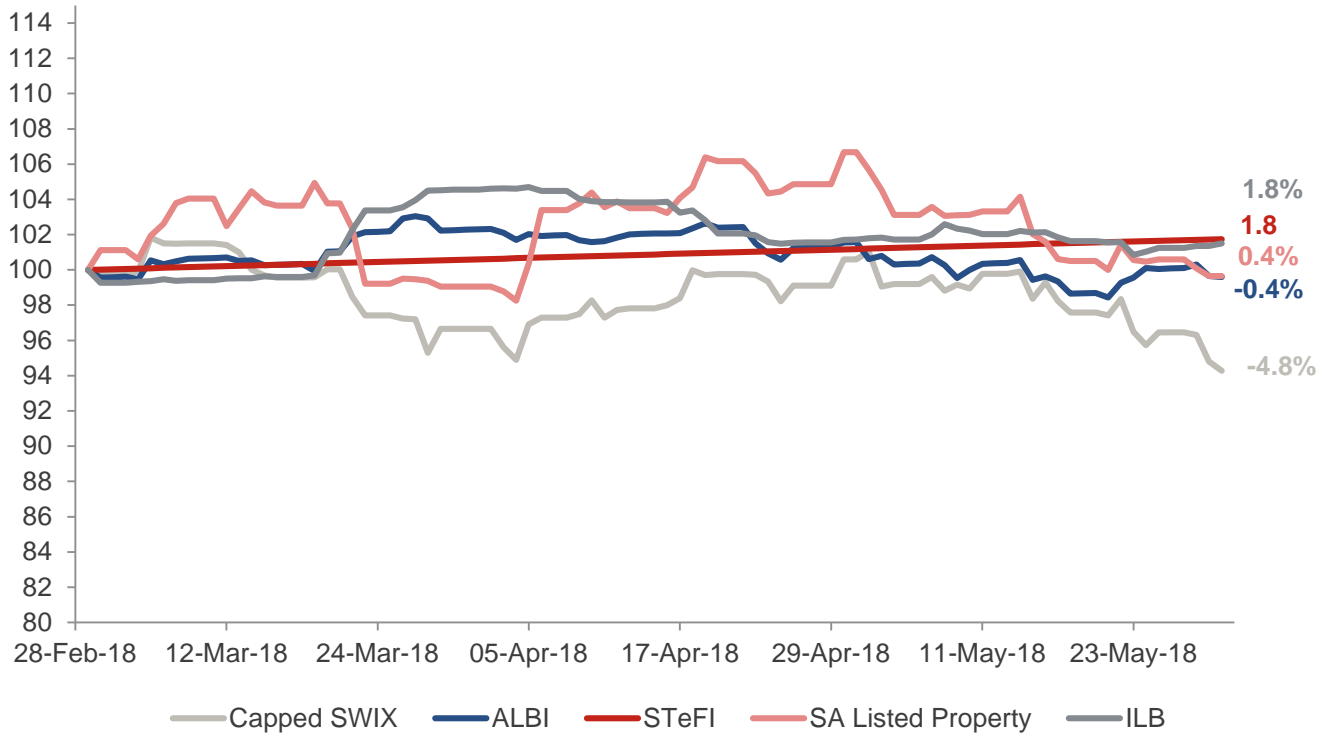
FTSE/JSE market caps

One year to May 2018



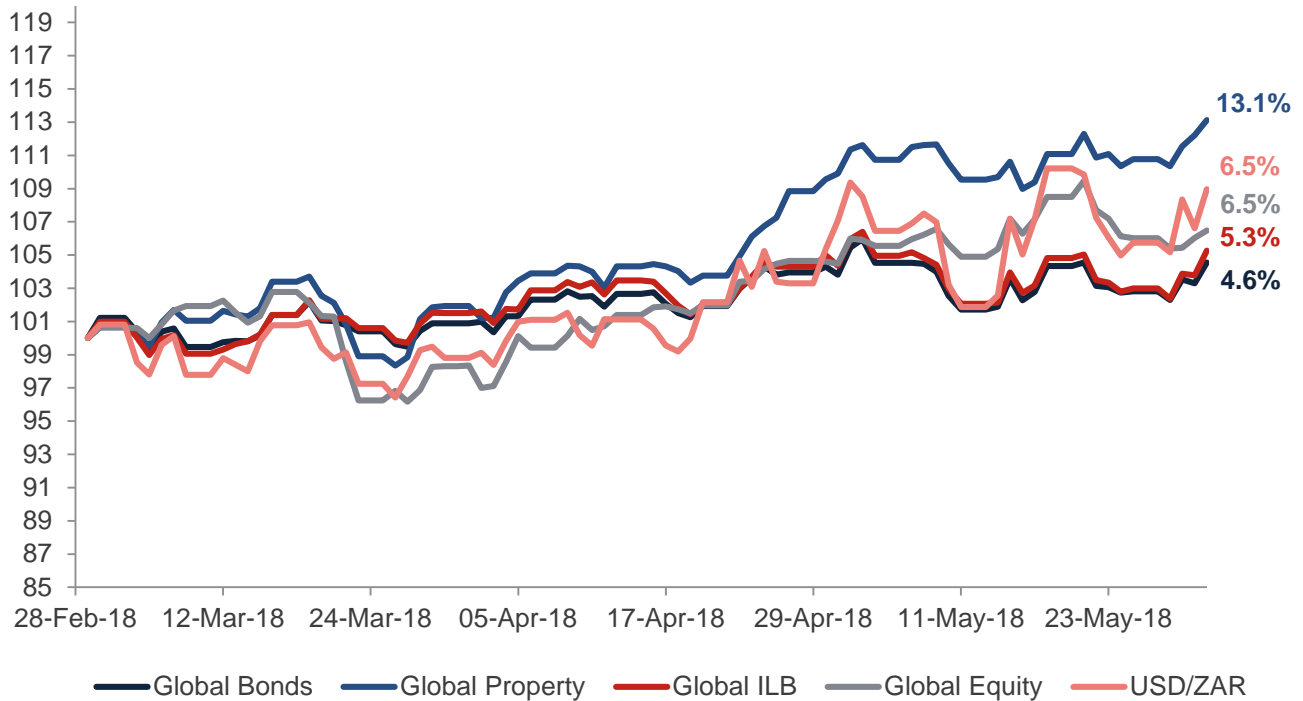
Local asset classes

Three months to May 2018



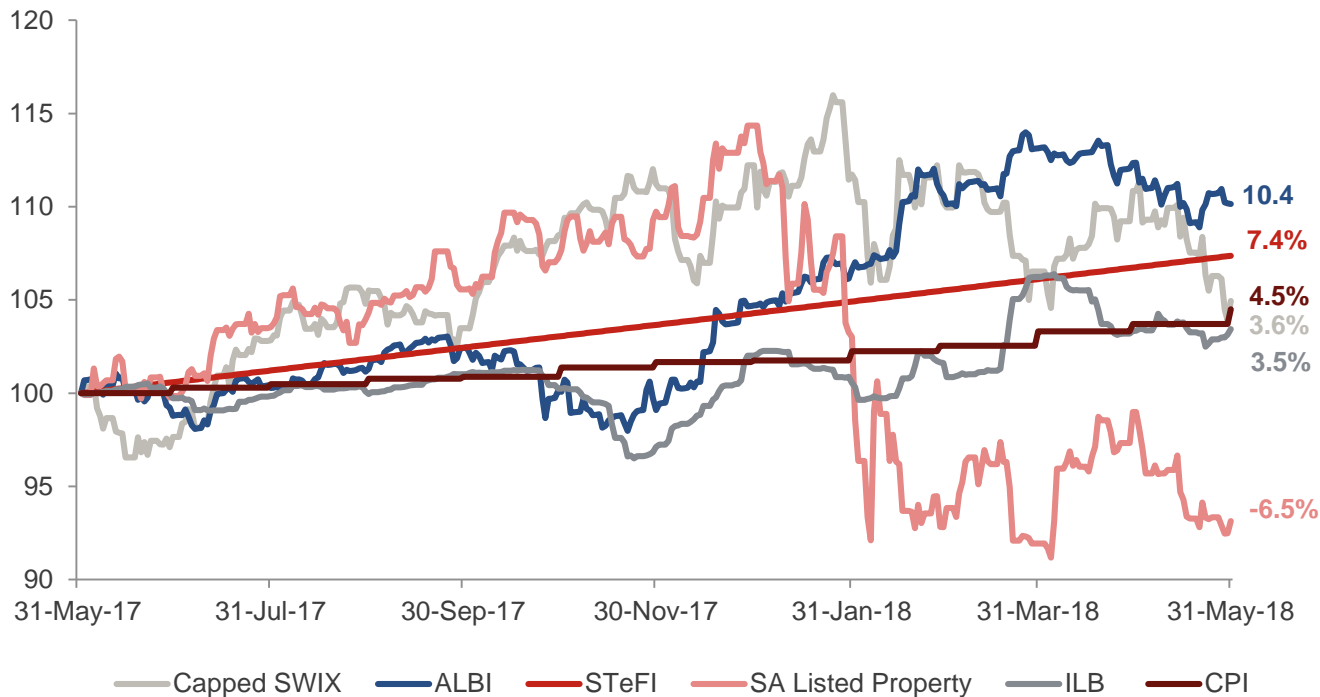
Global asset classes

Three months to May 2018



Local asset classes

One year to May 2018

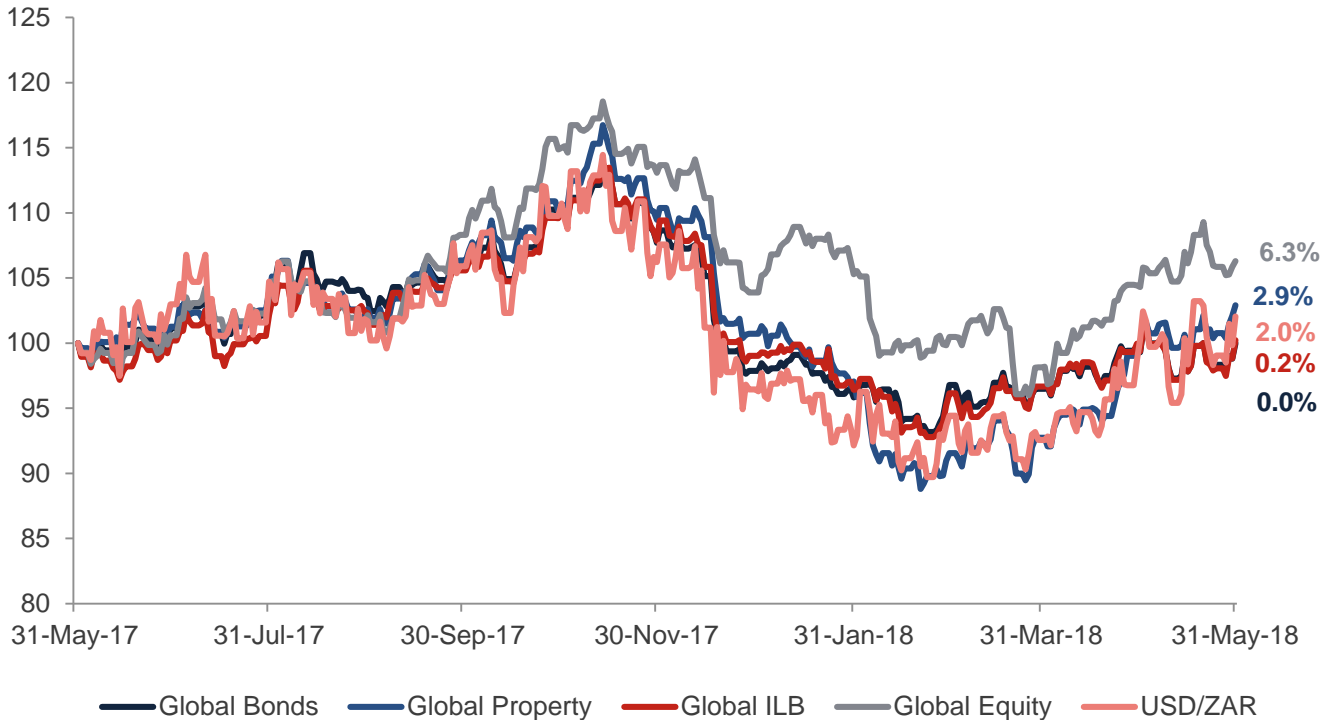


* CPI lagged by one month due to availability of data

Source: INET BFA and Momentum Investments

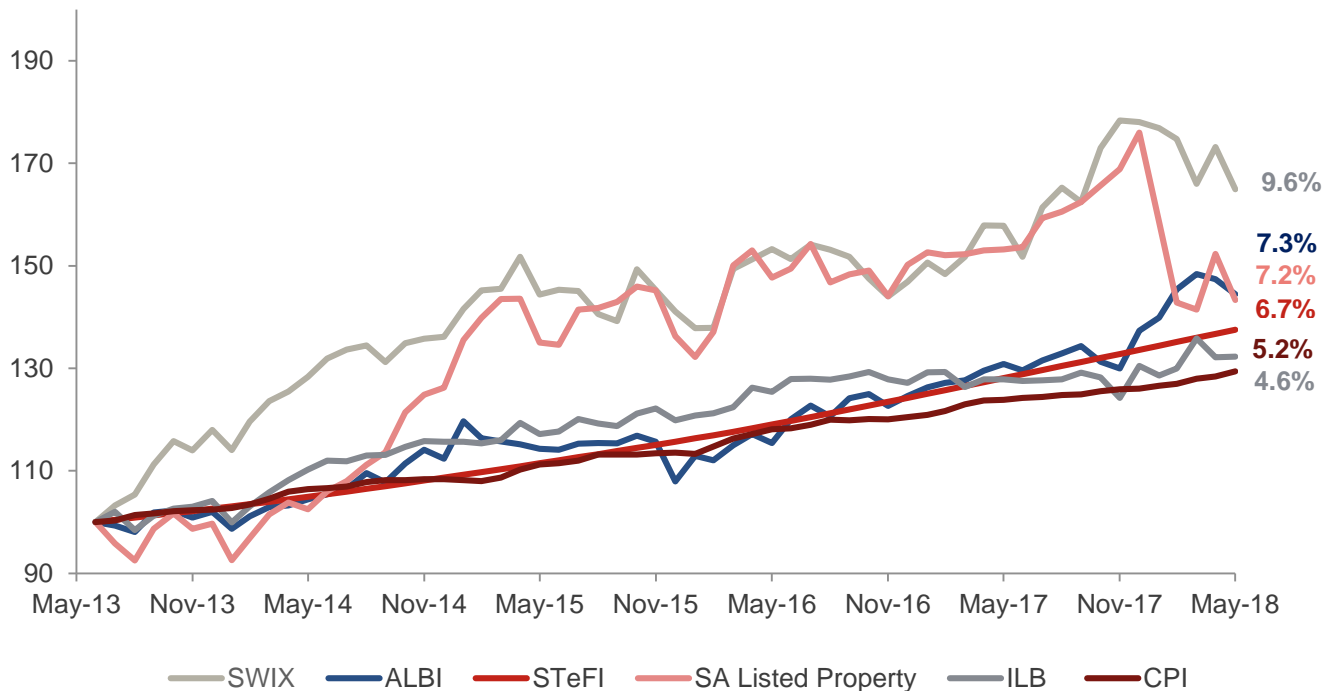
Global asset classes

One year to May 2018



Local asset classes

Five years to May 2018

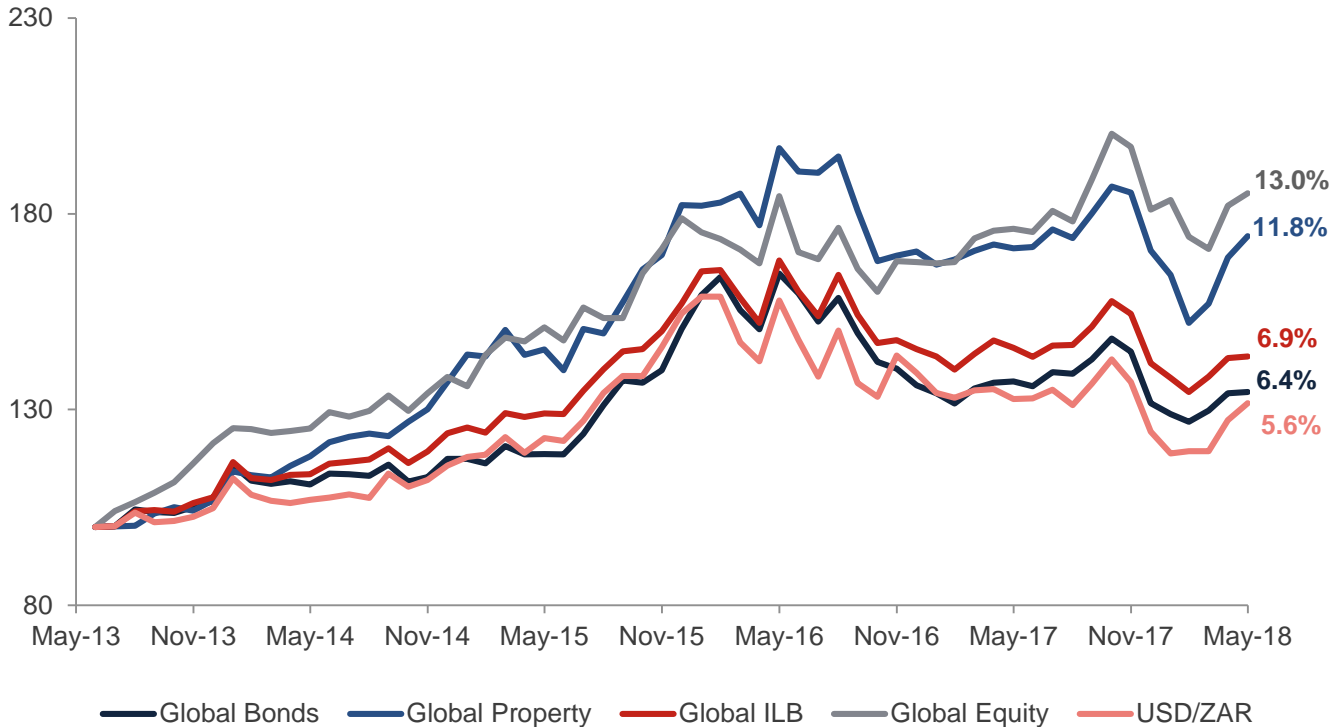


* CPI lagged by one month due to availability of data

Source: INET BFA and Momentum Investments

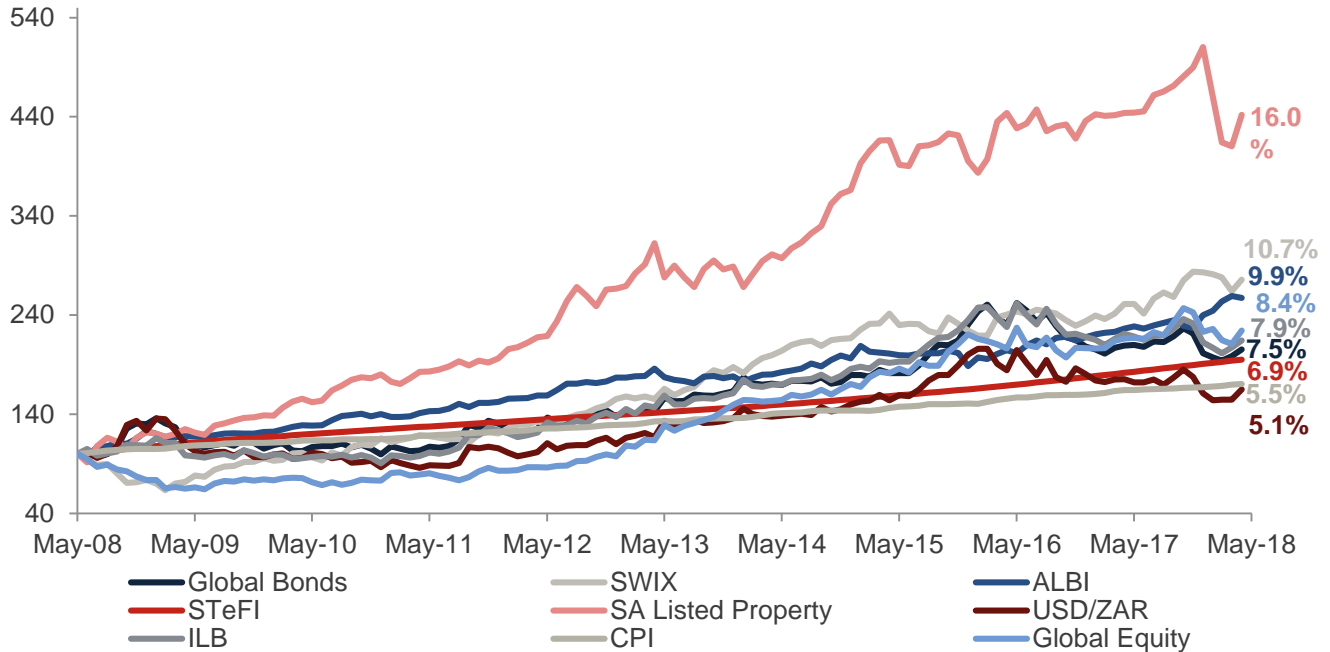
Global asset classes

Five years to May 2018



Asset classes

Ten years to May 2018



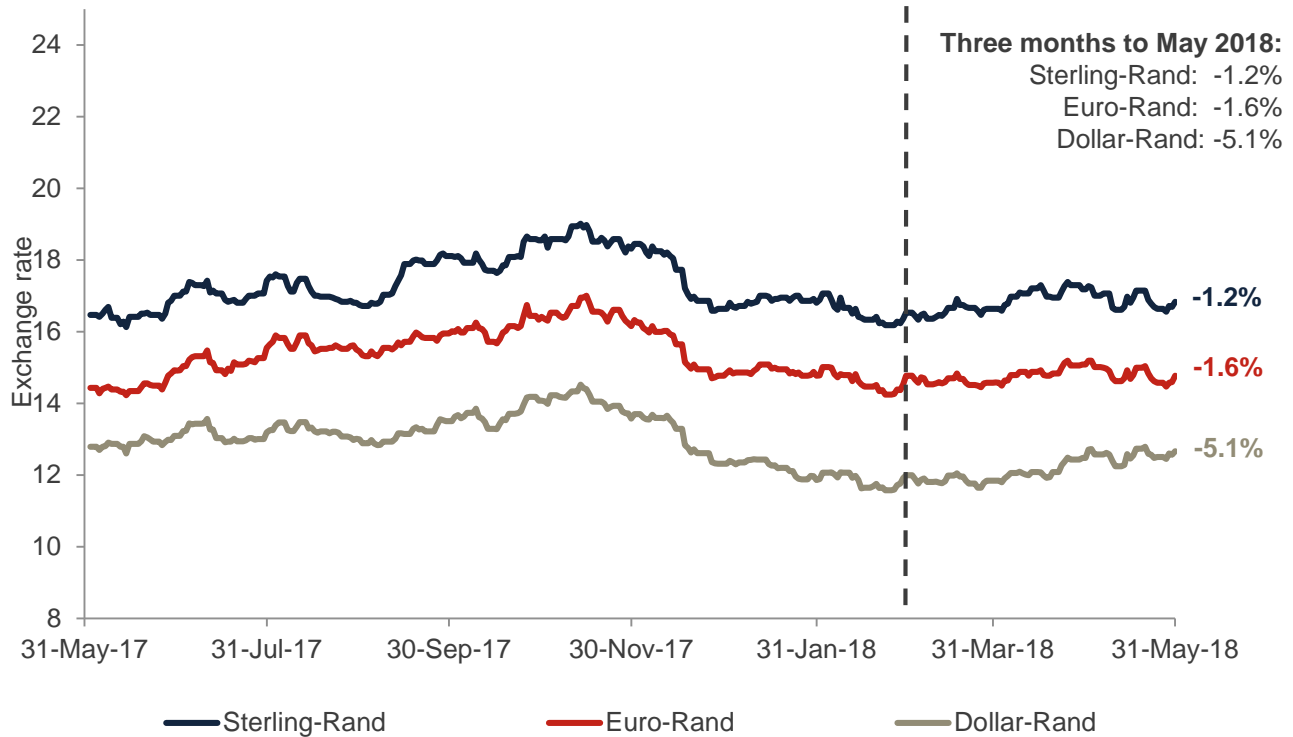
* CPI lagged by one month due to availability of data

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

Source: INET BFA and Momentum Investments

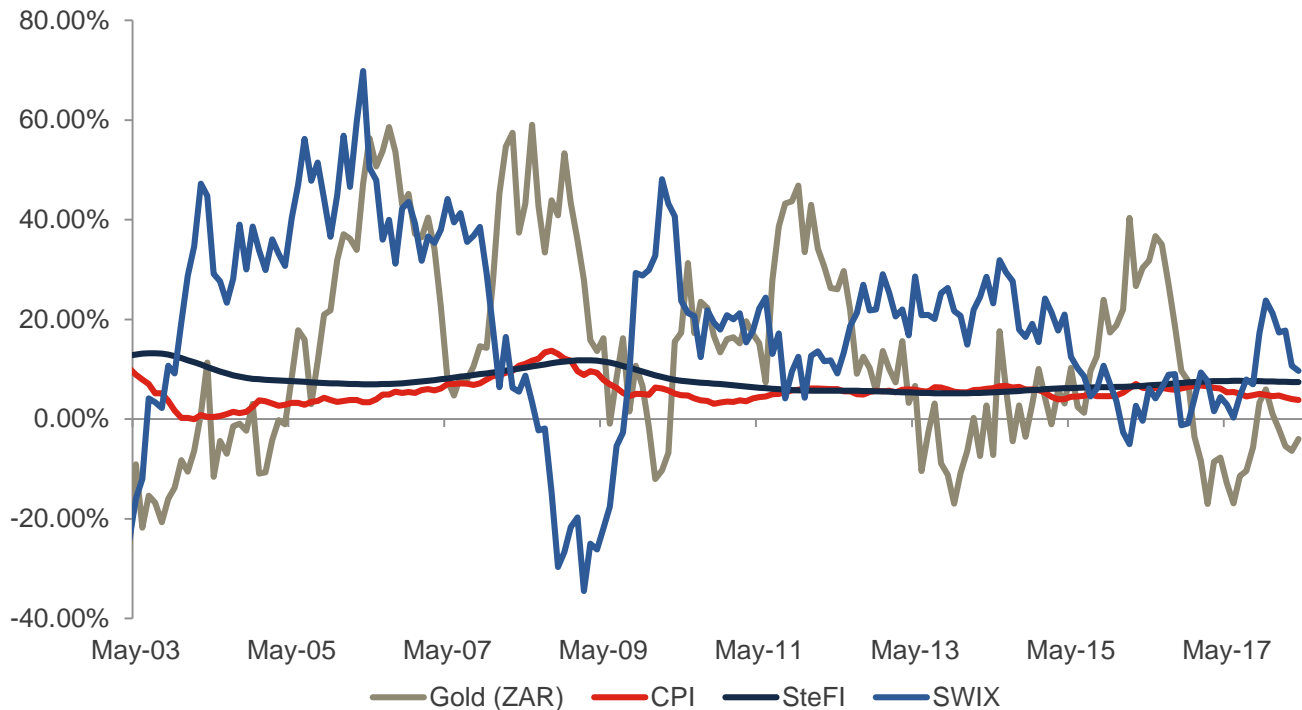
Exchange rates

One year to May 2018



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

One-year rolling returns to May 2018

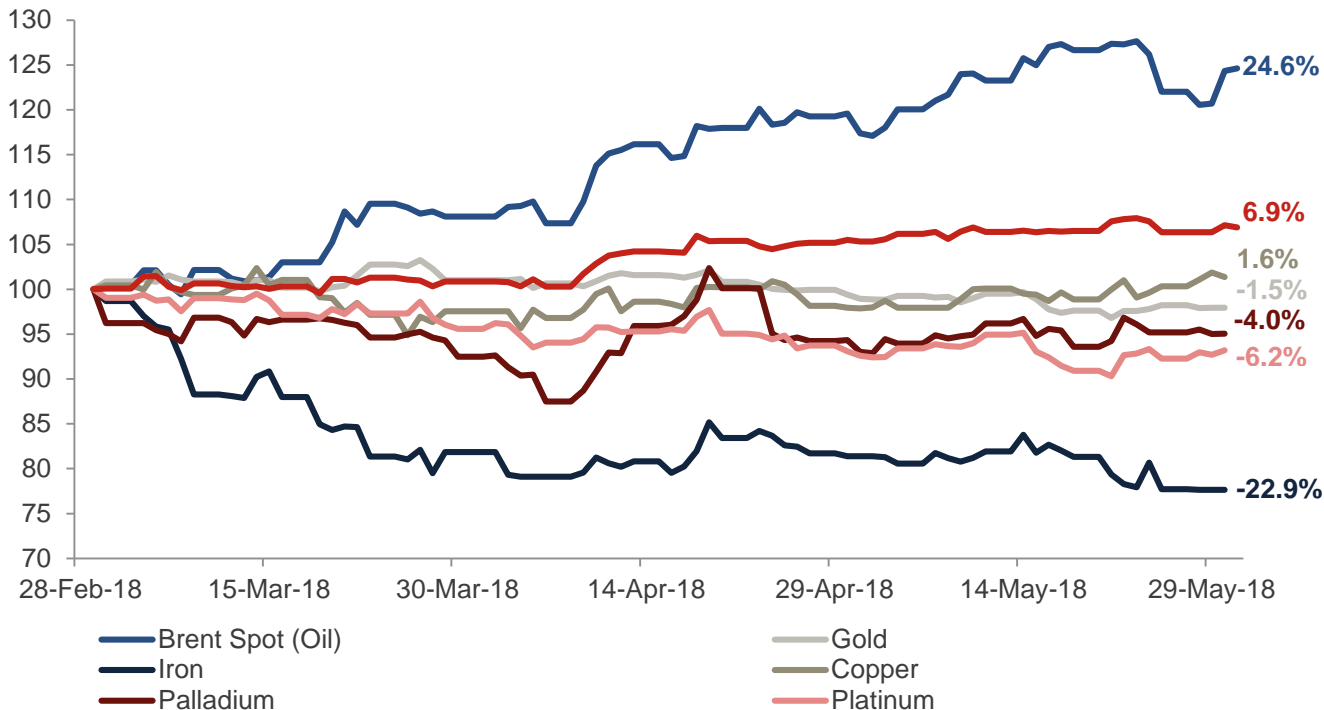


* CPI lagged by one month due to availability of data

Source: INET BFA and Momentum Investments

Commodities

Three months to May 2018

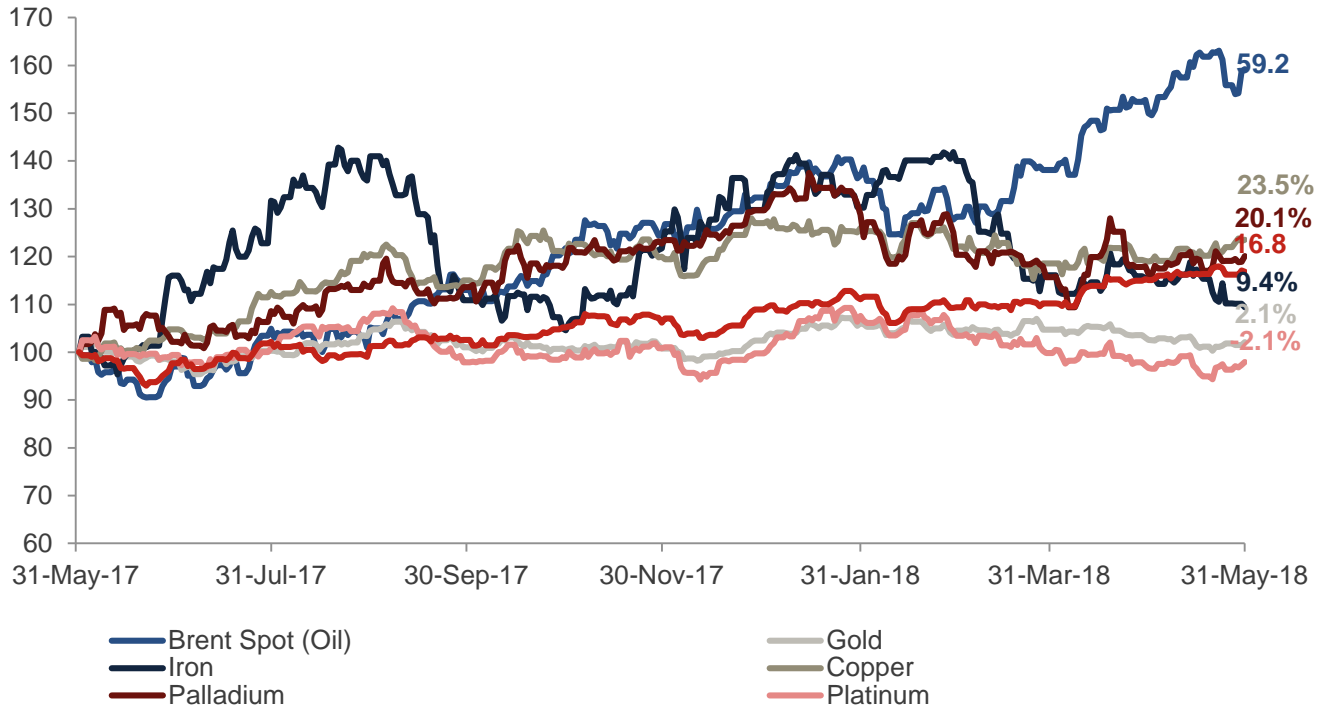


All returns are in dollar terms

Source: INET BFA, FT.com and Momentum Investments

Commodities

One year to May 2018

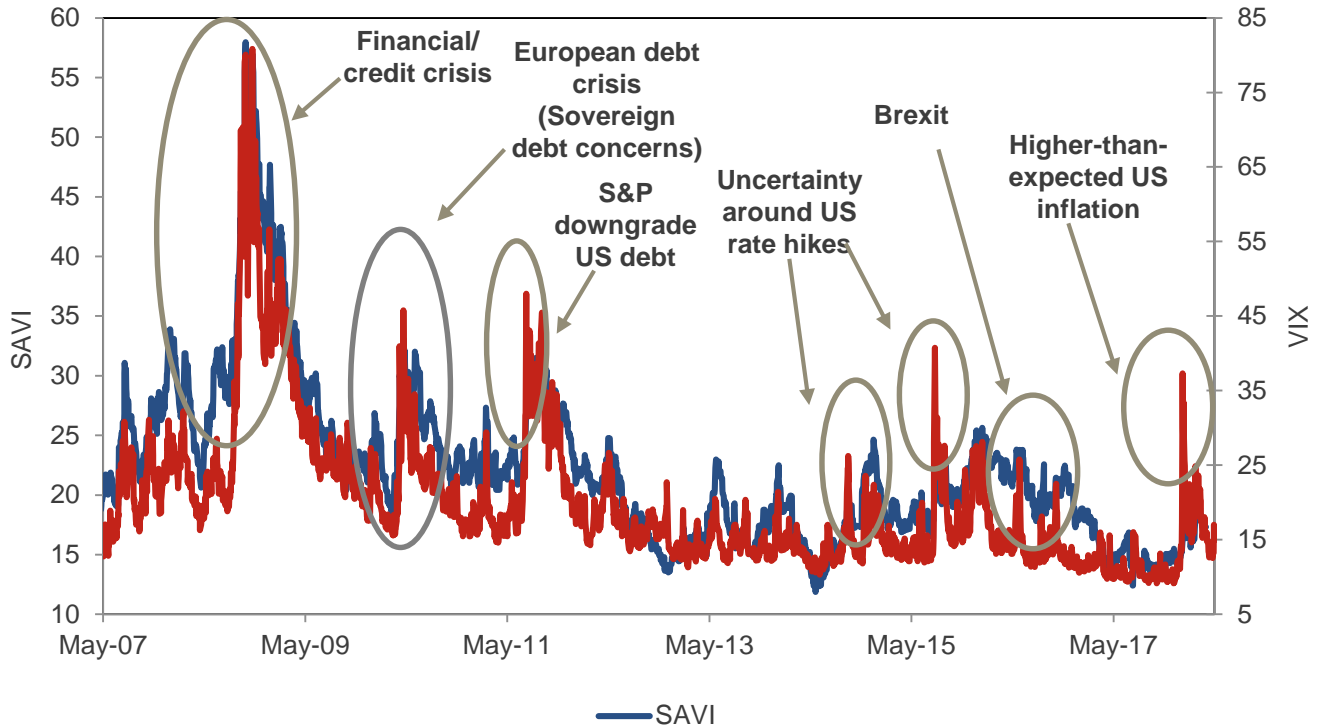


All returns are in dollar terms

Source: INET BFA, FT.com and Momentum Investments

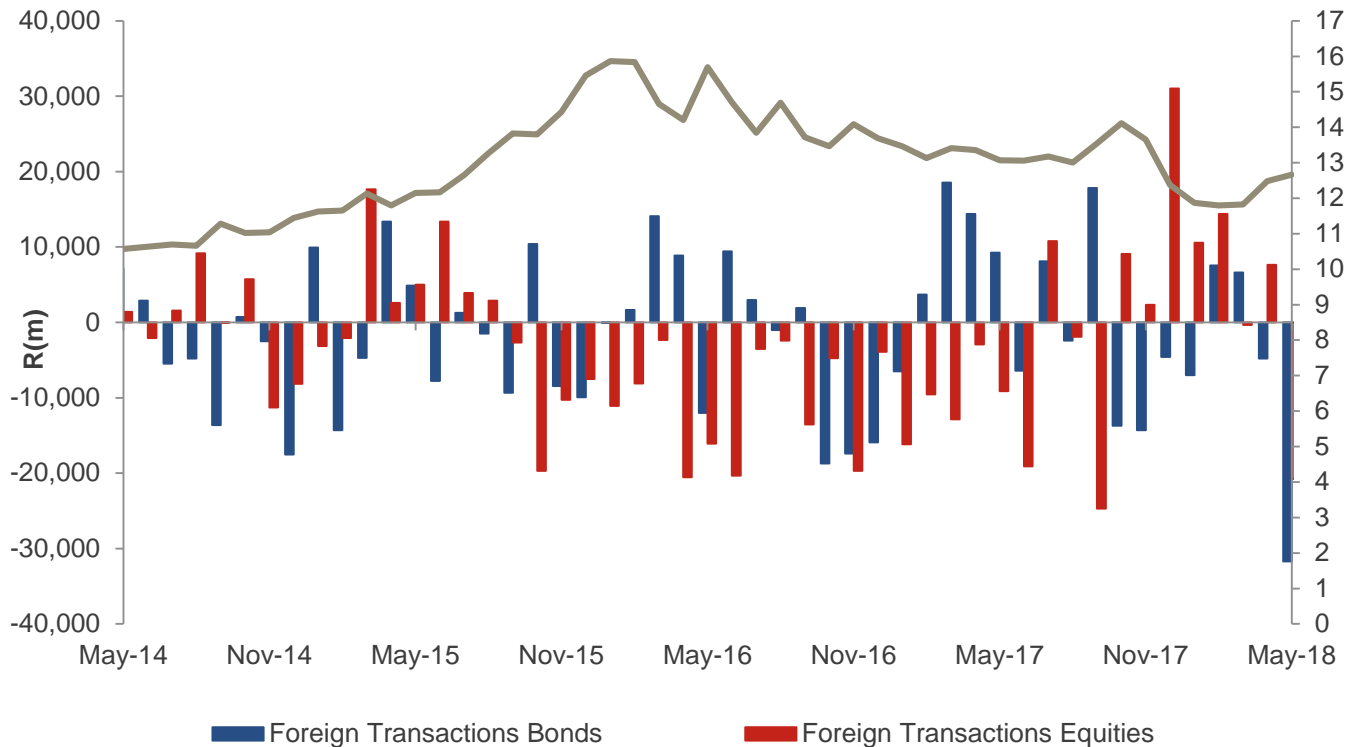
SAVI-VIX

Since February 2007 to May 2018



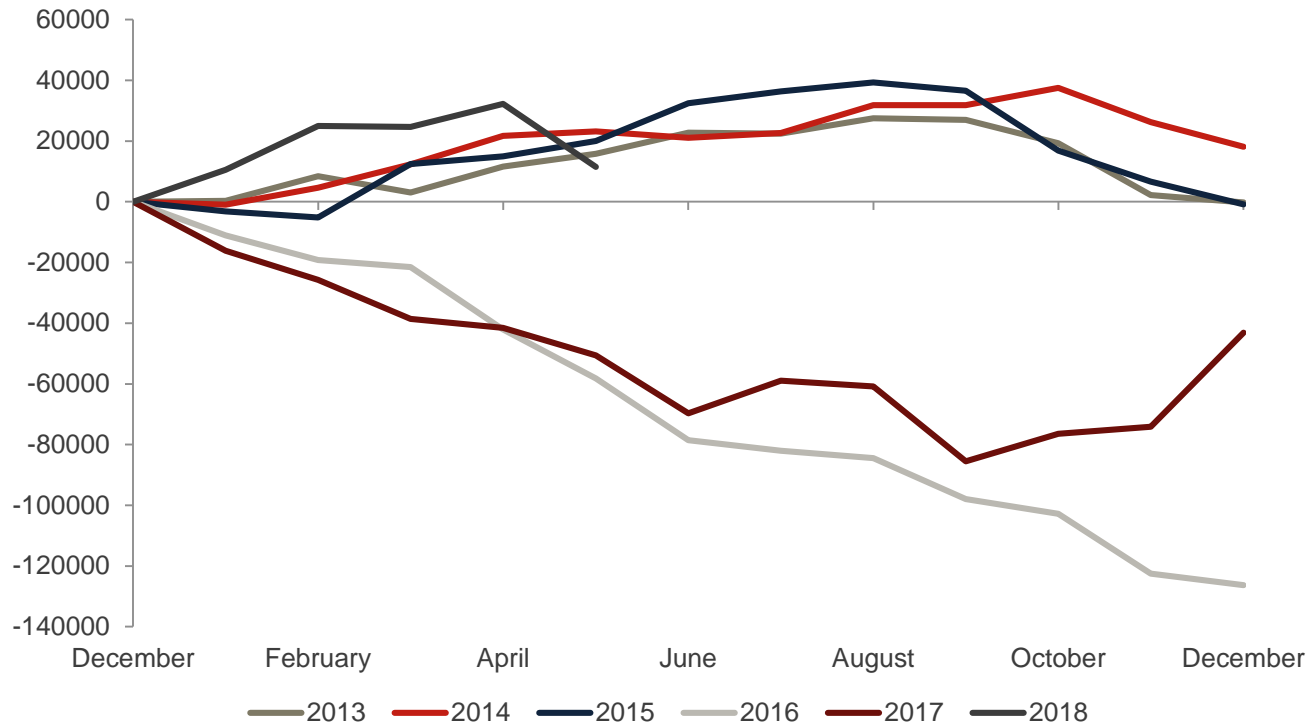
Foreign transactions

2014 to 2018



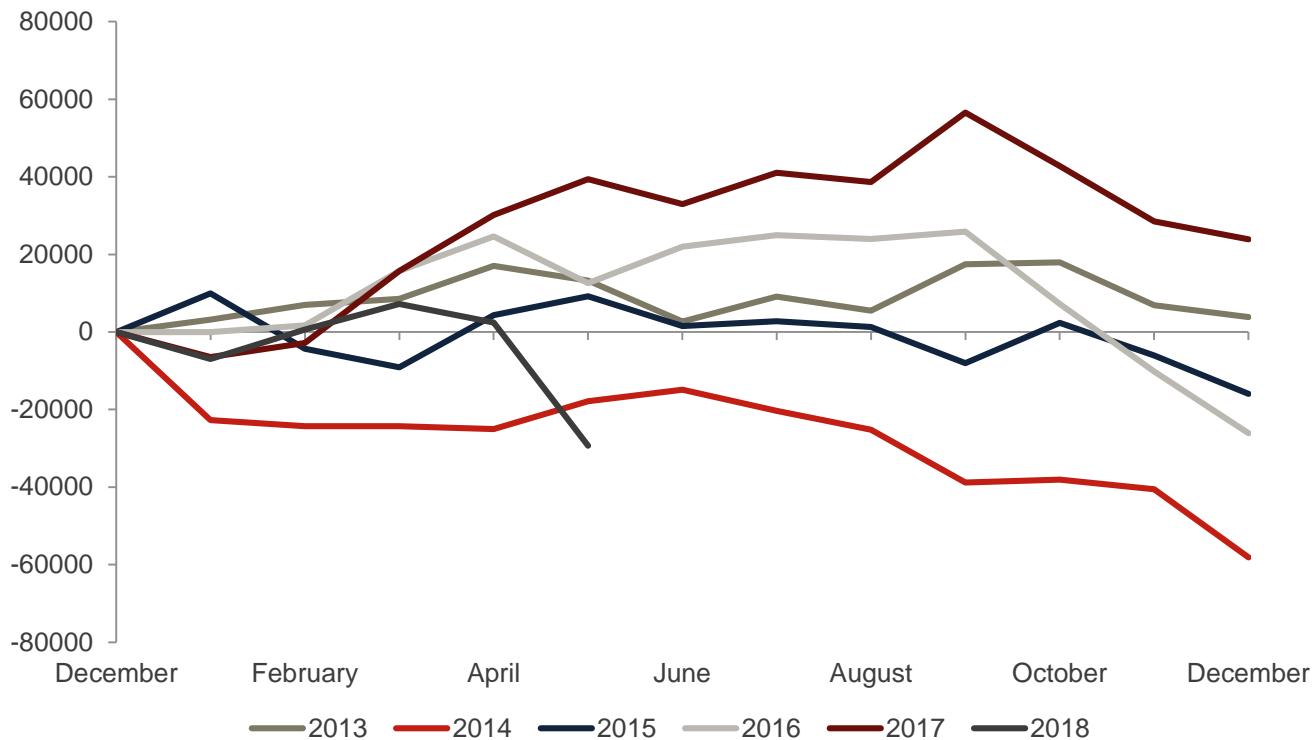
Cumulative foreign transaction equities

2013 to 2018



Cumulative foreign transaction bonds

2013 to 2018





momentum
investments

Disclaimer

1. Sources: Momentum Investments, I-Net Bridge, 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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