



Key market performance drivers

Monthly charts to 31 October 2018

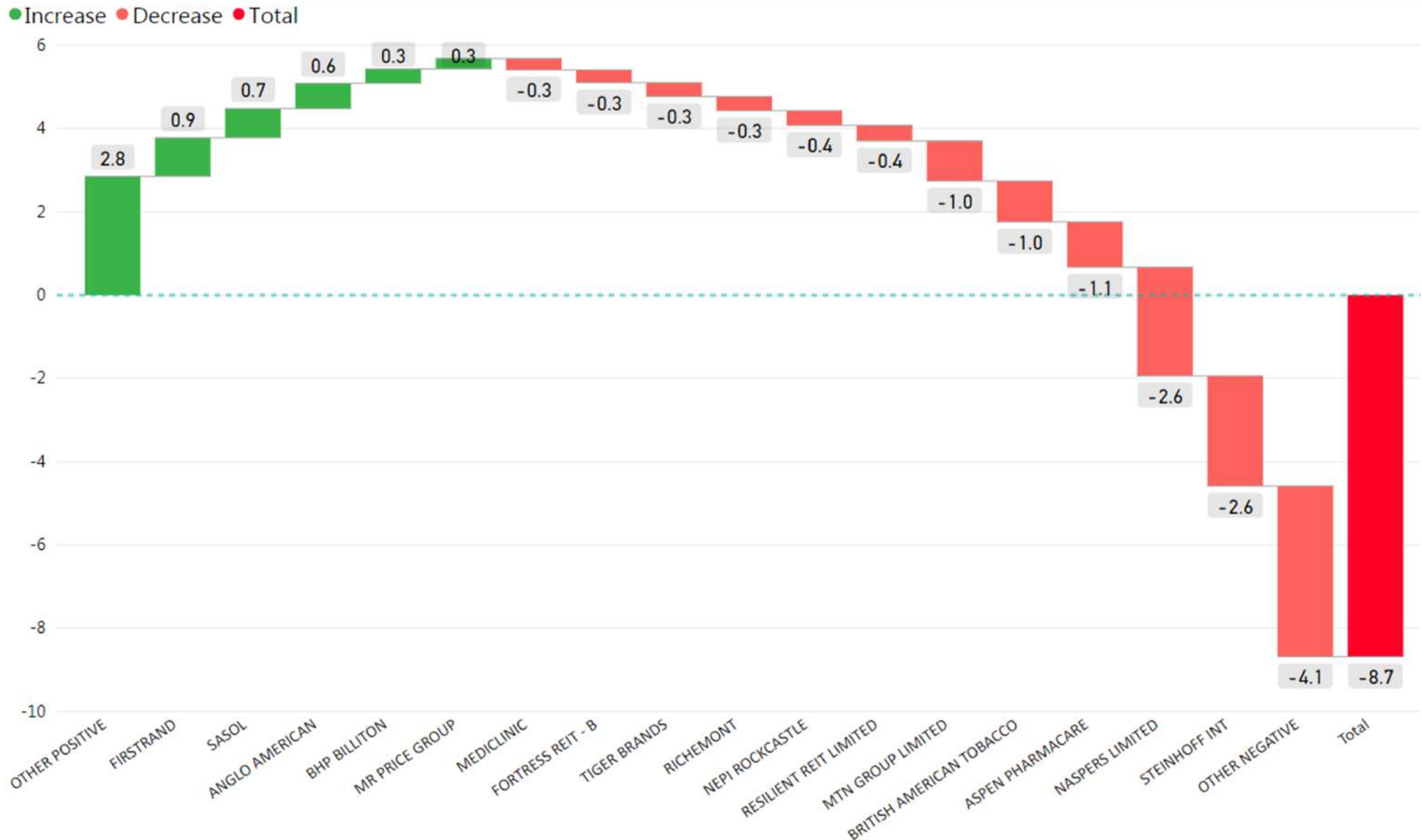
Signatory of:



momentum
investments

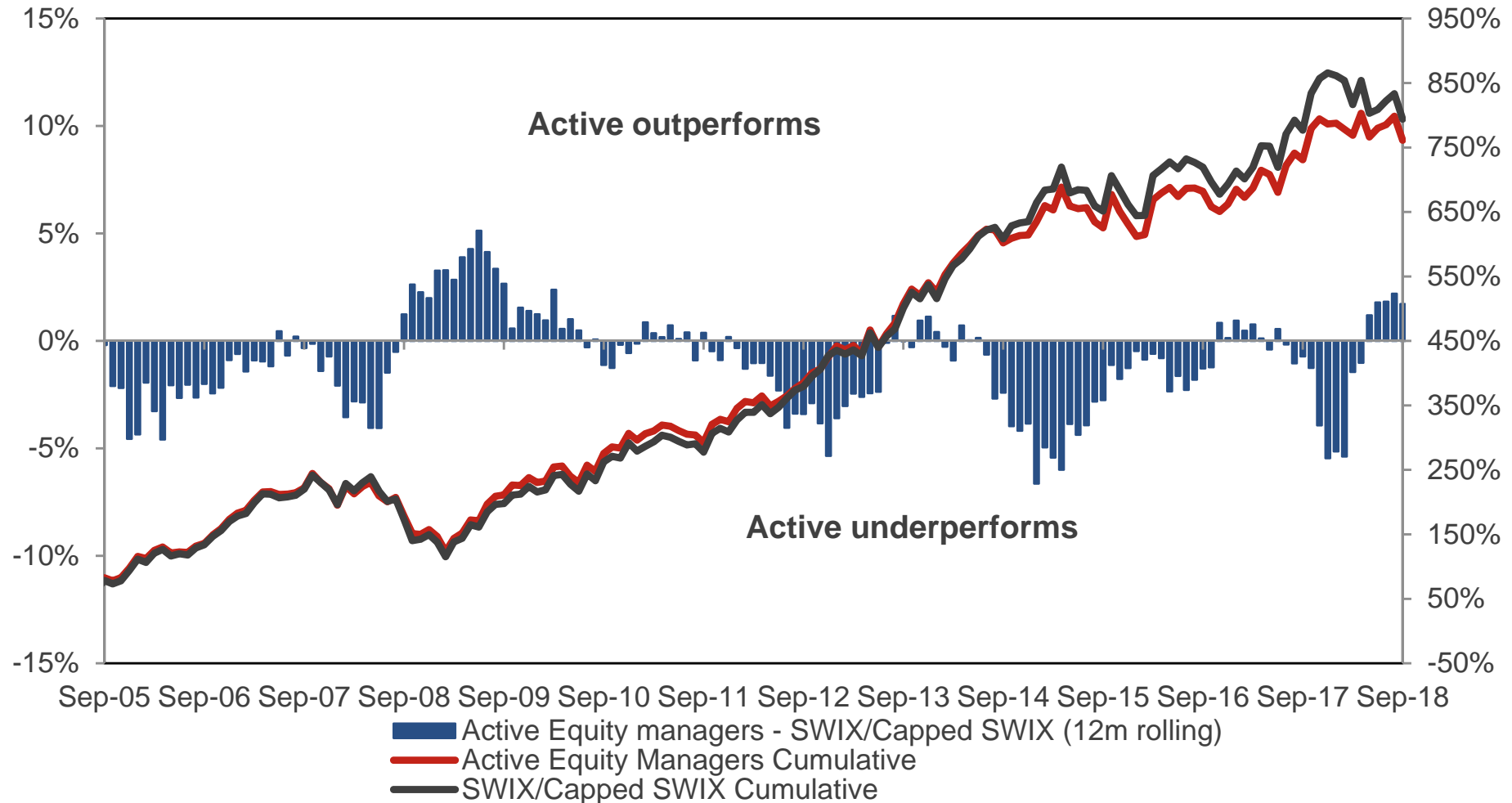
Market concentration

One-year Capped SWIX contributions ending October 2018



Active index analysis

One-year rolling active to September* 2018



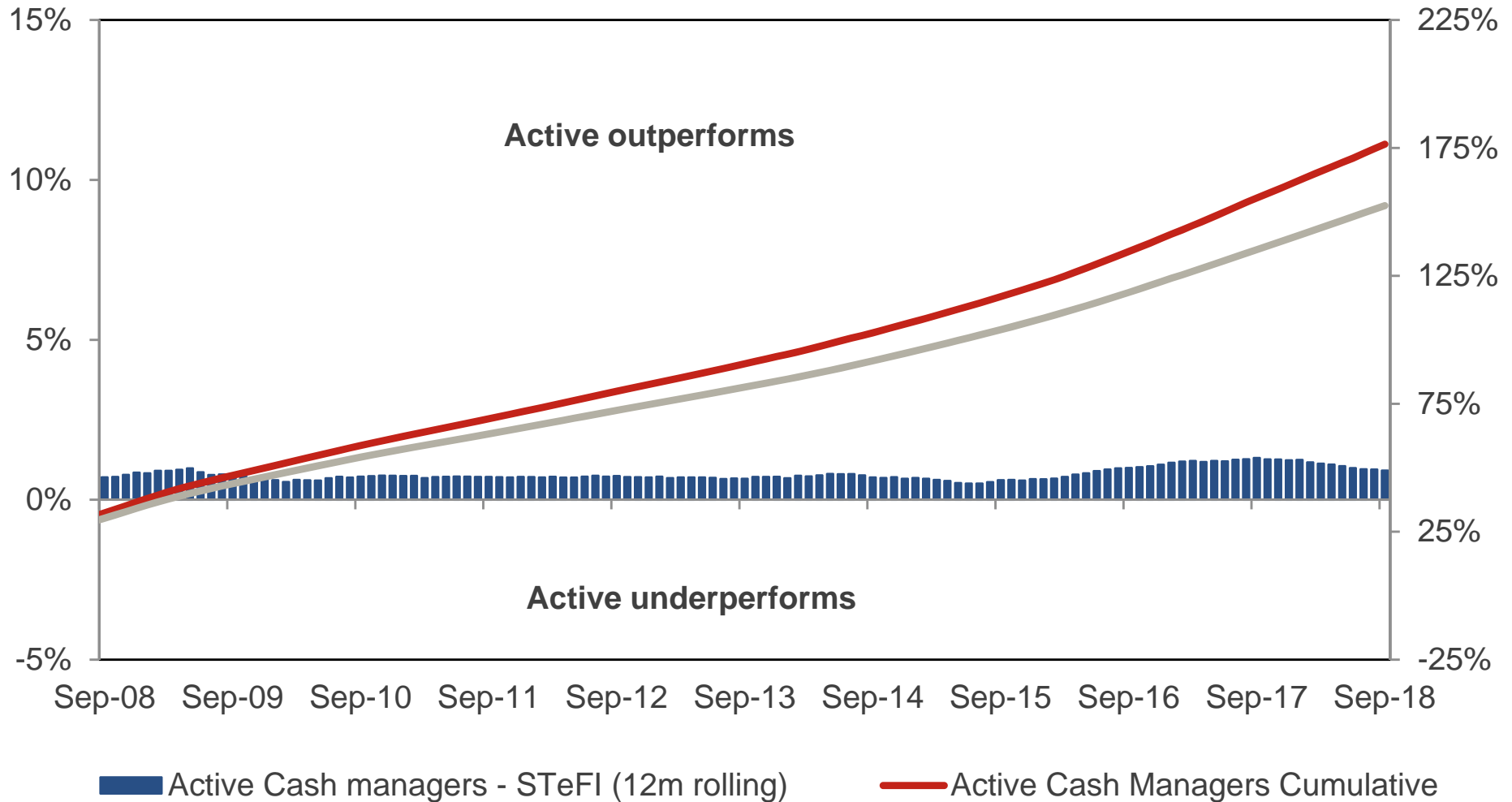
* Lagged by one month due to availability of data

The median of the active equity investment managers underperformed the SWIX/Capped SWIX composite benchmark (SWIX until 31 October 2017 and Capped SWIX thereafter)

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

Active versus tracker: Cash

One-year rolling average to September* 2018



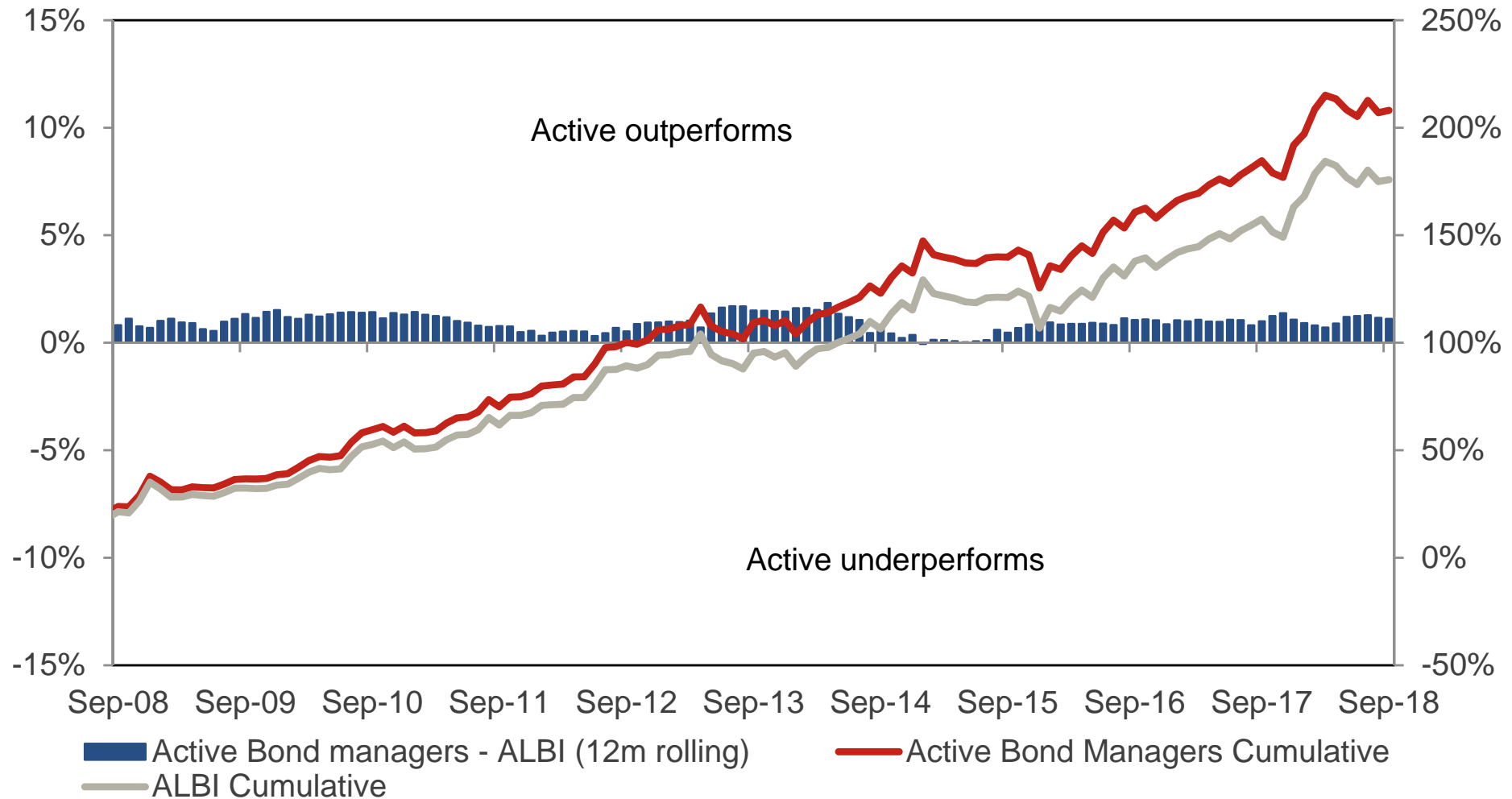
* Lagged by one month due to availability of data

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 September* 2018

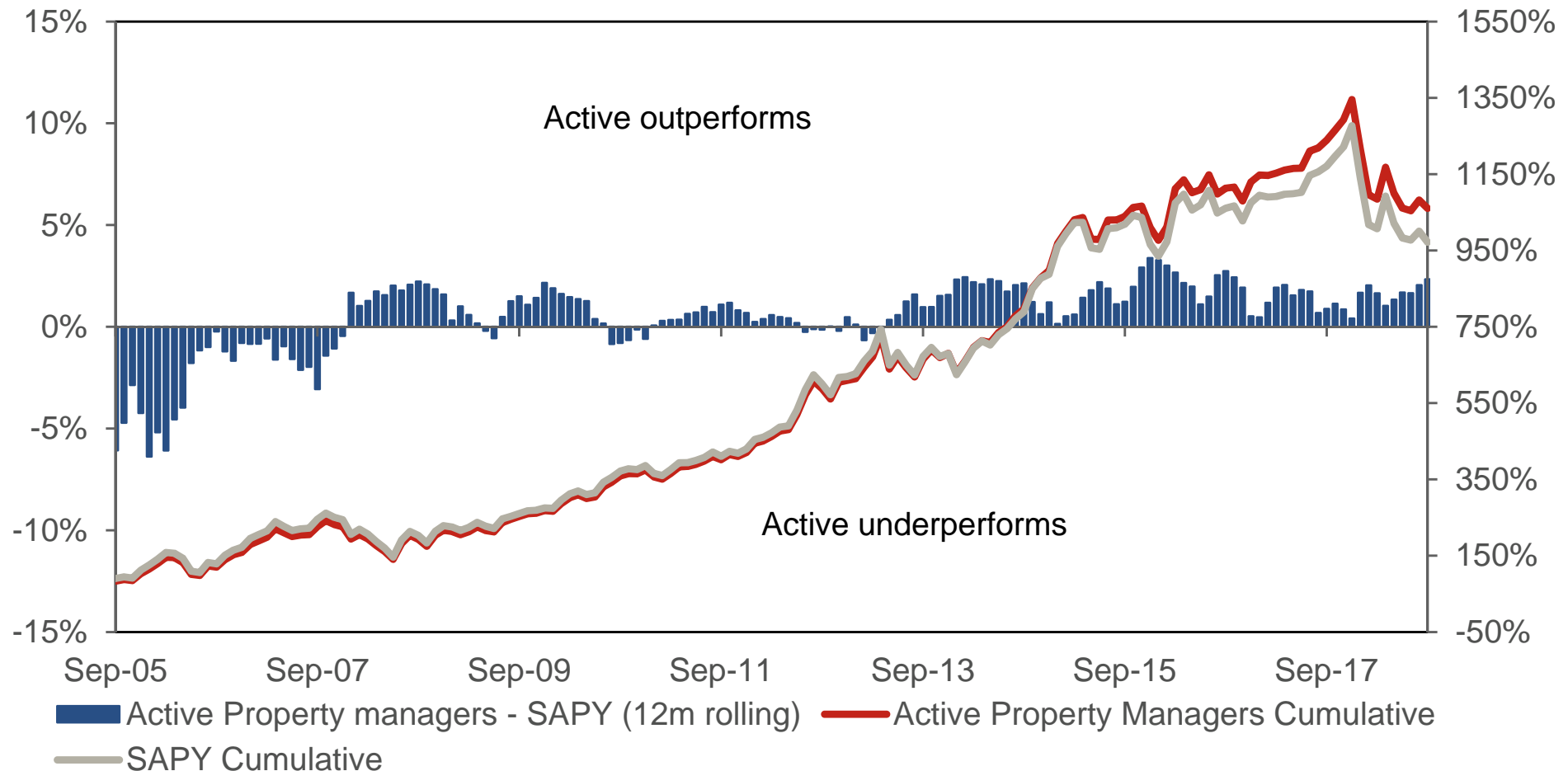


* Lagged by one month due to availability of data

The median of the active bond investment managers outperformed the ALBI

Active versus tracker: Property

One-year rolling average to September* 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

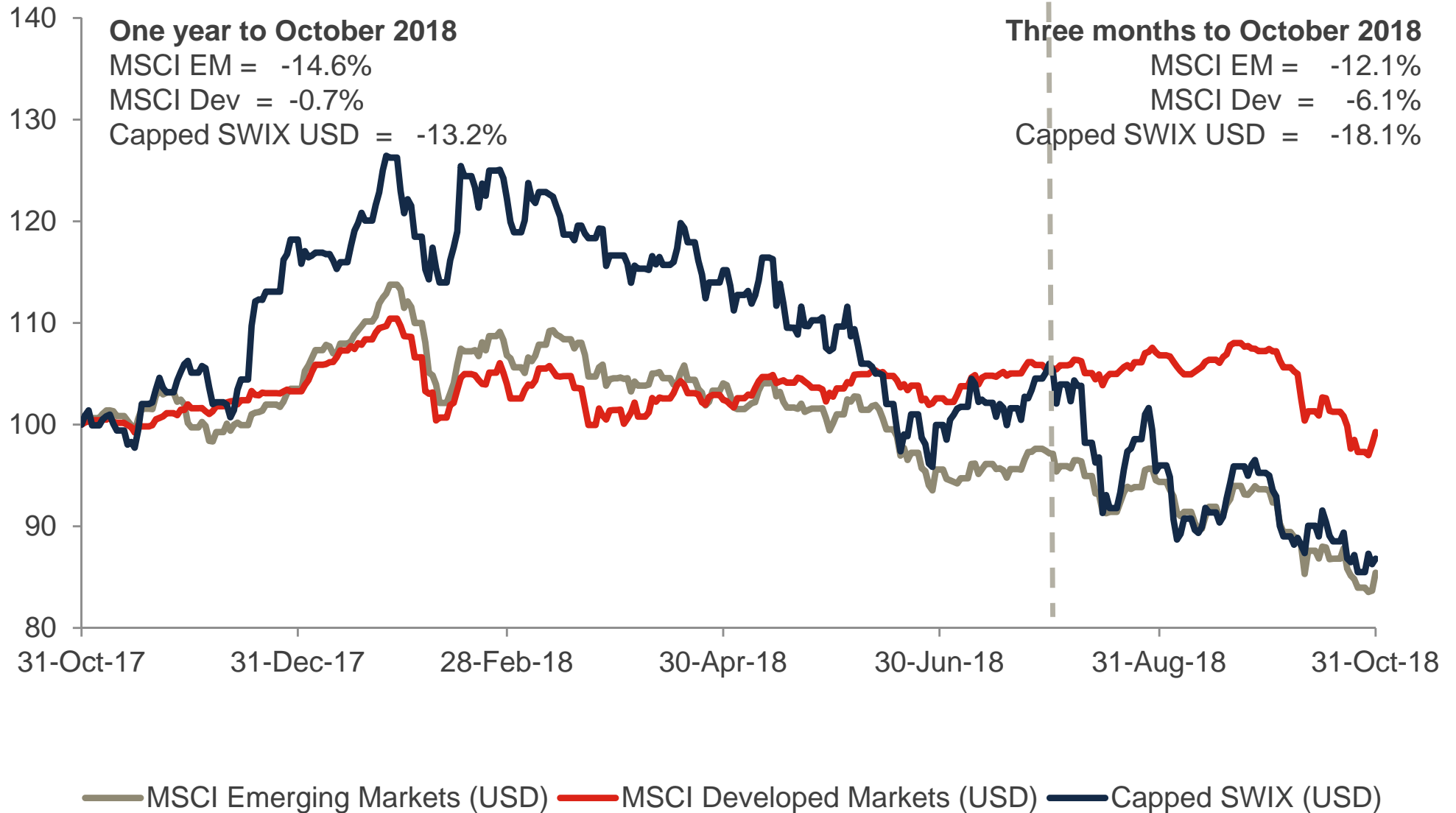
Data to October 2018

ZAR	Styles	One month to October 2018	Three months to October 2018	One year to October 2018	Three years to October 2018	Five years to October 2018	Ten years to October 2018	Twenty years to October 2018
Value	Book to Price	0.91	1.05	-4.80	5.27	-0.34	-2.35	2.89
	Dividend Yield	0.41	3.56	6.49	2.47	0.47	1.72	5.61
	Earnings Yield	-0.31	1.25	1.56	2.36	2.04	1.06	3.35
	Cash Flow Yield	2.32	2.44	4.92	15.05	4.34	1.12	4.37
	Sales to Price	1.22	1.55	-2.59	4.30	-1.73	-3.39	3.55
Quality	ROE	-2.26	-2.35	9.18	0.09	-0.01	0.64	-1.41
	ROIC LT	0.03	-1.98	5.31	-0.10	-1.97	0.59	-1.66
	Income to Sales	0.32	2.35	5.32	0.54	2.41	3.05	-1.56
	Low market beta	1.63	2.72	3.68	0.09	1.15	-1.45	1.72
	Low Debt/Equity	0.03	-0.63	-1.53	-1.07	-1.89	-1.96	-1.67
	EBIT Margin Stability	1.41	-0.72	5.72	-1.77	-0.35	4.26	2.76
Growth	Earnings Growth	1.07	4.00	5.96	3.69	5.89	0.56	-2.04
	Sales Growth	-0.14	0.24	2.12	-4.75	-1.49	-1.54	-4.00
	12M Earning Growth	0.47	-1.10	-8.51	-4.74	-3.84	-3.14	3.17
Momentum	FY1 Earnings Revisions	2.68	7.00	5.26	5.37	8.47	8.00	9.98
	Short Term Momentum	0.03	-3.63	1.45	6.12	4.92	0.27	1.59
	Medium Term Momentum	-1.07	-1.26	-2.81	-5.13	1.56	3.48	7.00
Size	Size	-2.09	-4.37	-0.69	-2.59	-0.61	-0.30	0.14

Quality outperformed all other style factors for the one year period. Most of the value factors have contributed positively over the quarter.

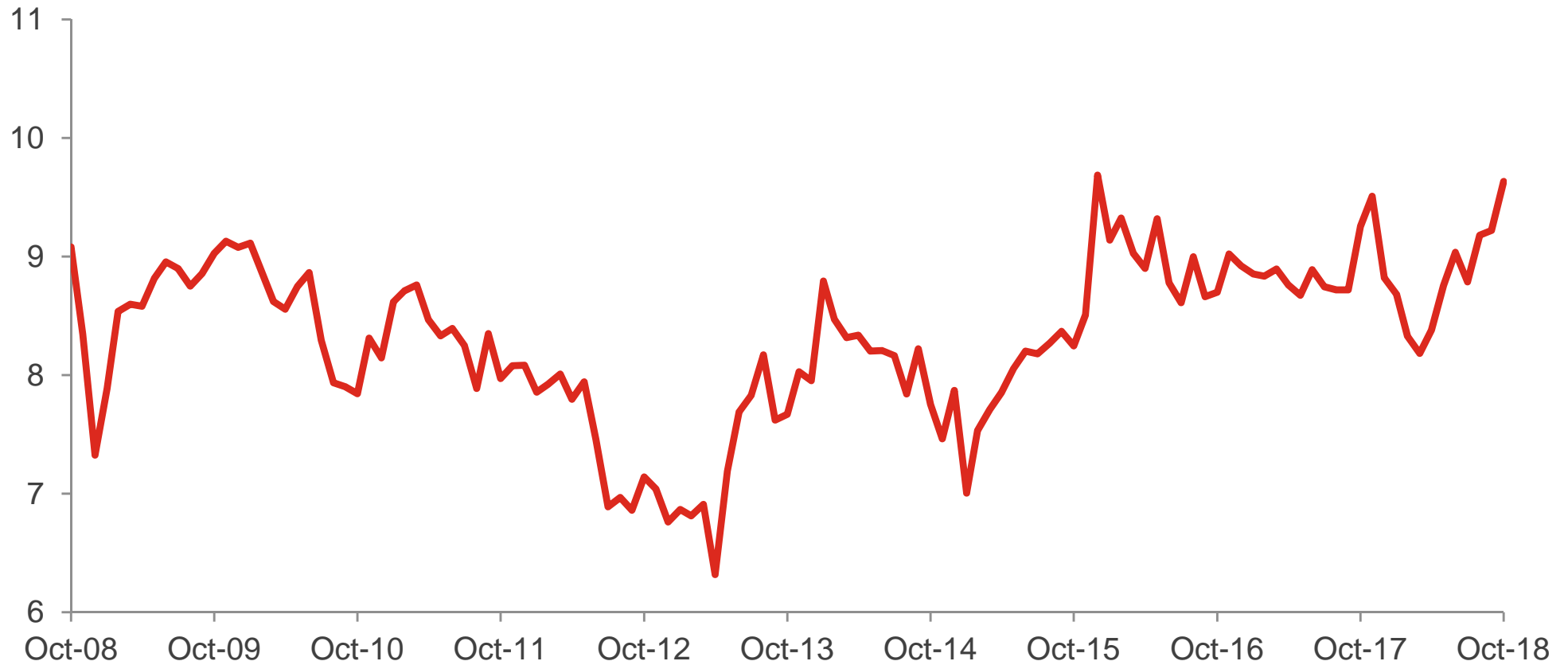
MSCI developed and emerging markets

One year to October 2018



SA 10-year bond yields

Ten years to October 2018



— SA 10 year bond yield

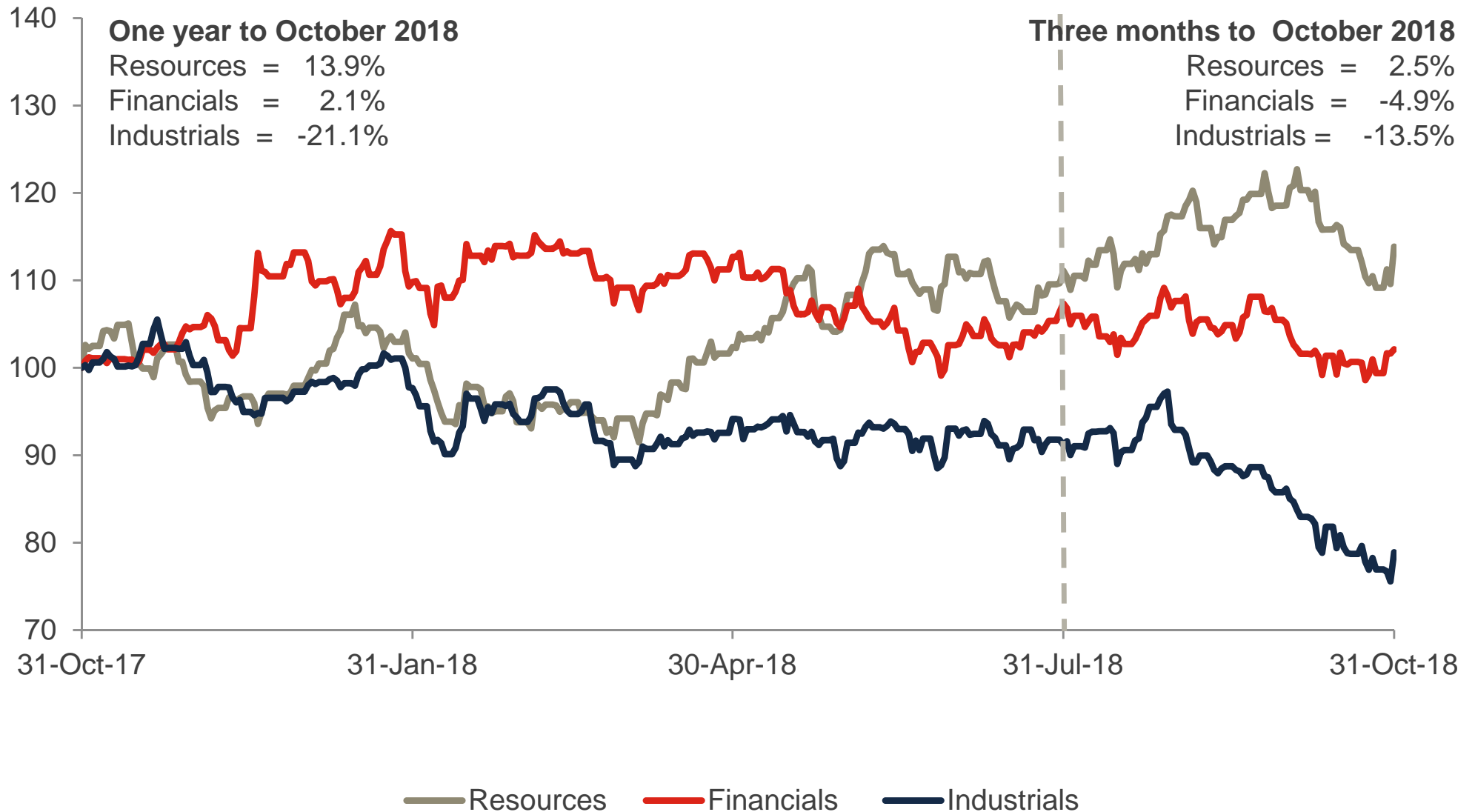
Yield of R197 (inflation-linked bond)

Ten years to October 2018



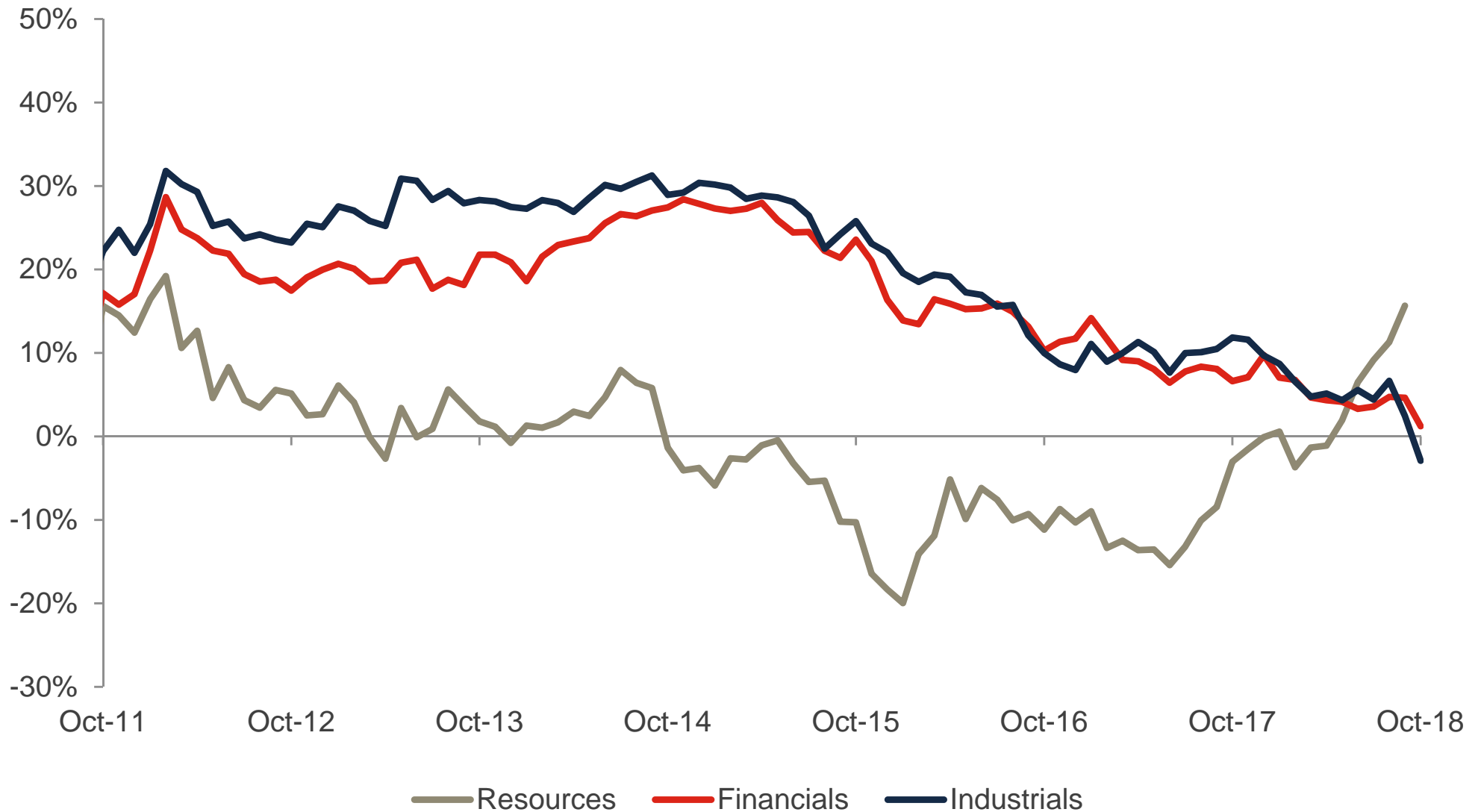
FTSE/JSE sectors

One year to October 2018



FTSE/JSE sectors

Rolling three years to October 2018



FTSE/JSE sectors

Decomposed

Three months to October 2018

1	Mining	Basic Materials	9.96%	18	Travel & Leisure	Travel & Leisure	-5.99%
2	Fixed-line Telecommunications	Telecommunications	6.47%	19	General Industrials	Industrials	-6.15%
3	Real Estate Investment & Services	Financials	5.41%	20	Software & Computer Services	Technology	-6.35%
4	Industrial Metals & Mining	Industrials	5.37%	21	Automobiles & Parts	Consumer Goods	-6.43%
5	Non-life Insurance	Financials	4.03%	22	Financial Services	Financials	-7.07%
6	Construction & Materials	Industrials	1.28%	23	Healthcare Equipment & Service	Healthcare	-8.61%
7	Industrial Engineering	Industrials	0.60%	24	Banks	Financials	-10.02%
8	Life Insurance	Financials	0.18%	25	Tobacco	Consumer Goods	-10.08%
9	Equity Investment Instruments	Financials	-1.81%	26	Industrial Transportation	Industrials	-11.42%
10	Electronic & Electrical Equipment	Industrials	-2.26%	27	Beverages	Consumer Goods	-12.96%
11	Support Services	Industrials	-2.26%	28	Food Producers	Consumer Goods	-19.09%
12	General Retailers	Consumer Services	-2.37%	29	Media	Consumer Services	-19.91%
13	Real Estate Investment Trusts	Financials	-2.72%	30	Oil & Gas Producers	Financial Services	-20.41%
14	Personal Goods	Consumer Goods	-4.80%	31	Mobile Telecommunications	Telecommunications	-20.78%
15	Chemicals	Basic Materials	-5.45%	32	Household Goods & Home Construction	Consumer Goods	-27.72%
16	Forestry & Paper	Basic Materials	-5.63%	33	Pharmaceuticals & Biotechnology	Healthcare	-36.05%
17	Food & Drug Retailers	Consumer Services	-5.66%				

Key

Resources

Financials

Industrials

Source: Barra, Deutsche Securities and Momentum Investments

FTSE/JSE sectors

Decomposed

One year to October 2018

1	Non-life Insurance	Financials	27.18%	18	General Industrials	Industrials	-4.78%
2	Chemicals	Basic Materials	17.59%	19	Construction & Materials	Industrials	-6.19%
3	Banks	Financials	16.08%	20	Equity Investment Instruments	Financials	-8.87%
4	Life Insurance	Financials	11.25%	21	Financial Services	Financials	-9.37%
5	Industrial Metals & Mining	Industrials	10.05%	22	Real Estate Investment Trusts	Financials	-11.15%
6	Electronic & Electrical Equipment	Industrials	10.00%	23	Real Estate Investment & Services	Financials	-11.92%
7	Fixed-line Telecommunications	Telecommunications	8.81%	24	Healthcare Equipment & Service	Healthcare	-12.33%
8	General Retailers	Consumer Services	8.32%	25	Personal Goods	Consumer Goods	-15.90%
9	Mining	Basic Materials	7.29%	26	Food Producers	Consumer Goods	-17.70%
10	Travel & Leisure	Travel & Leisure	5.40%	27	Industrial Engineering	Industrials	-18.39%
11	Forestry & Paper	Basic Materials	3.86%	28	Automobiles & Parts	Consumer Goods	-20.63%
12	Oil & Gas Producers	Financial Services	0.00%	29	Mobile Telecommunications	Telecommunications	-24.12%
13	Technology Hardware & Equipment	Technology	0.00%	30	Media	Consumer Services	-24.66%
14	Industrial Transportation	Industrials	0.00%	31	Tobacco	Consumer Goods	-25.80%
15	Beverages	Consumer Goods	0.00%	32	Pharmaceuticals & Biotechnology	Healthcare	-48.71%
16	Support Services	Industrials	0.00%	33	Software & Computer Services	Technology	-53.20%
17	Food & Drug Retailers	Consumer Services	-1.42%	34	Household Goods & Home Construction	Consumer Goods	-97.07%

Key

Resources

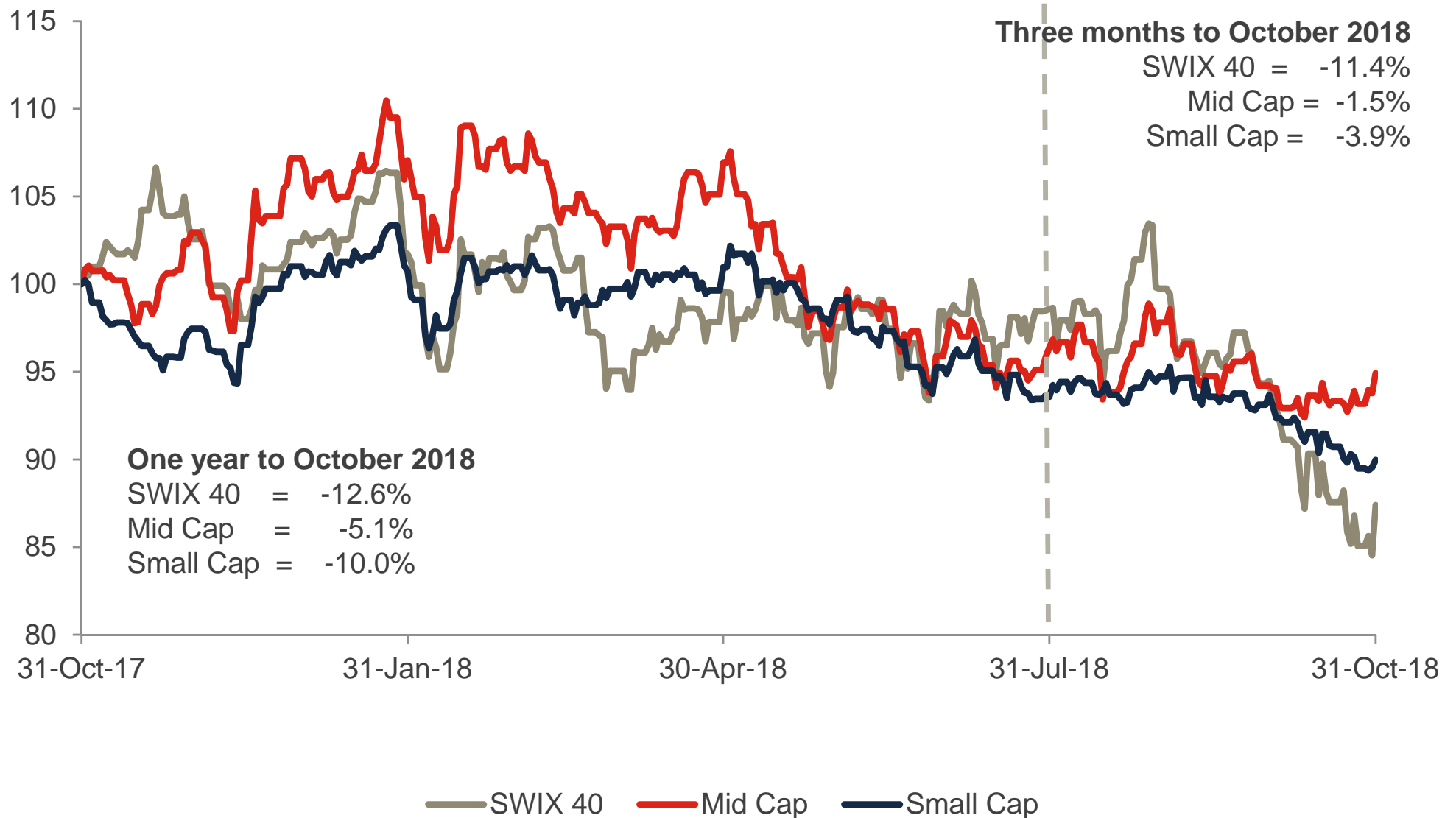
Financials

Industrials

Source: Barra, Deutsche Securities and Momentum Investments

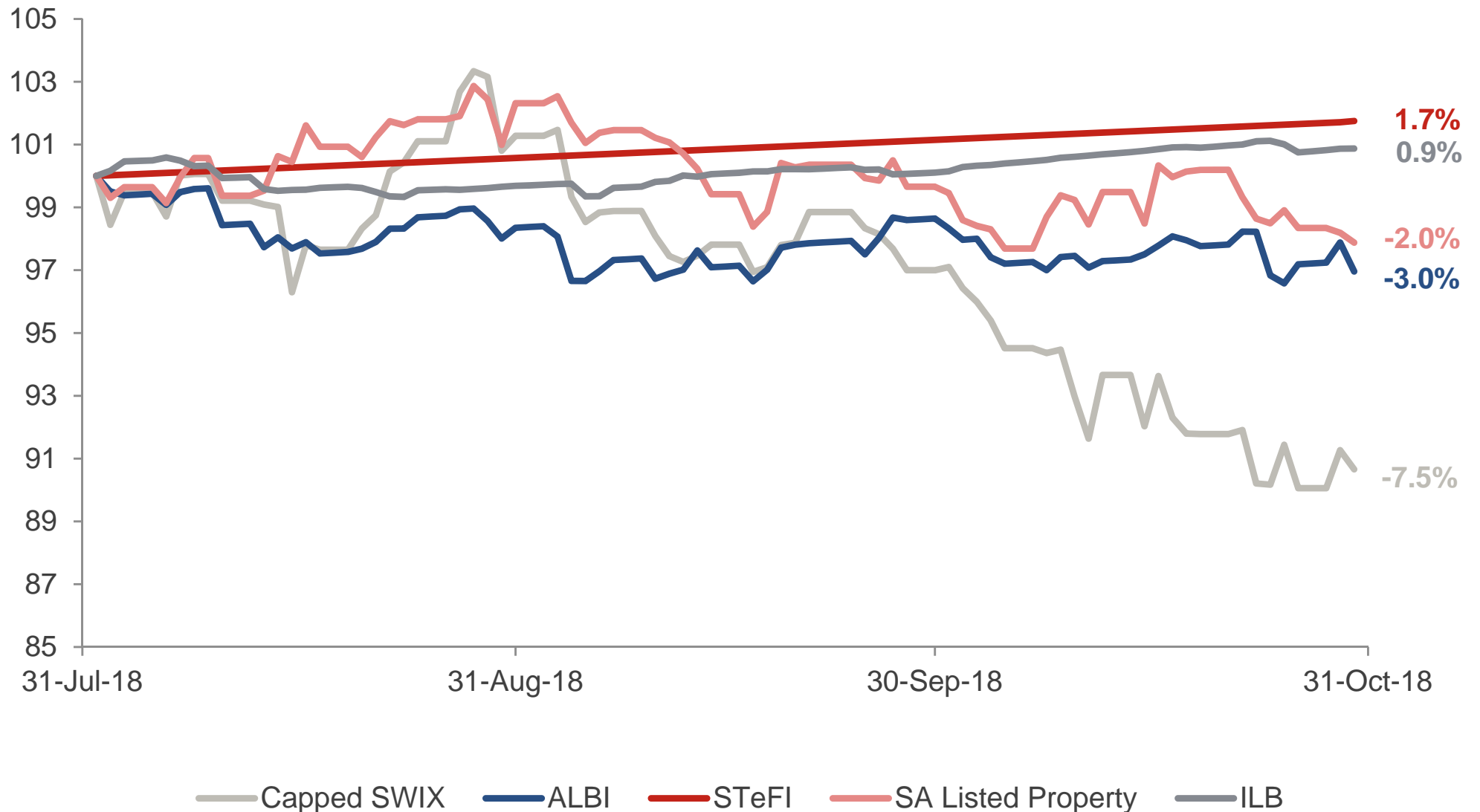
FTSE/JSE market caps

One year to October 2018



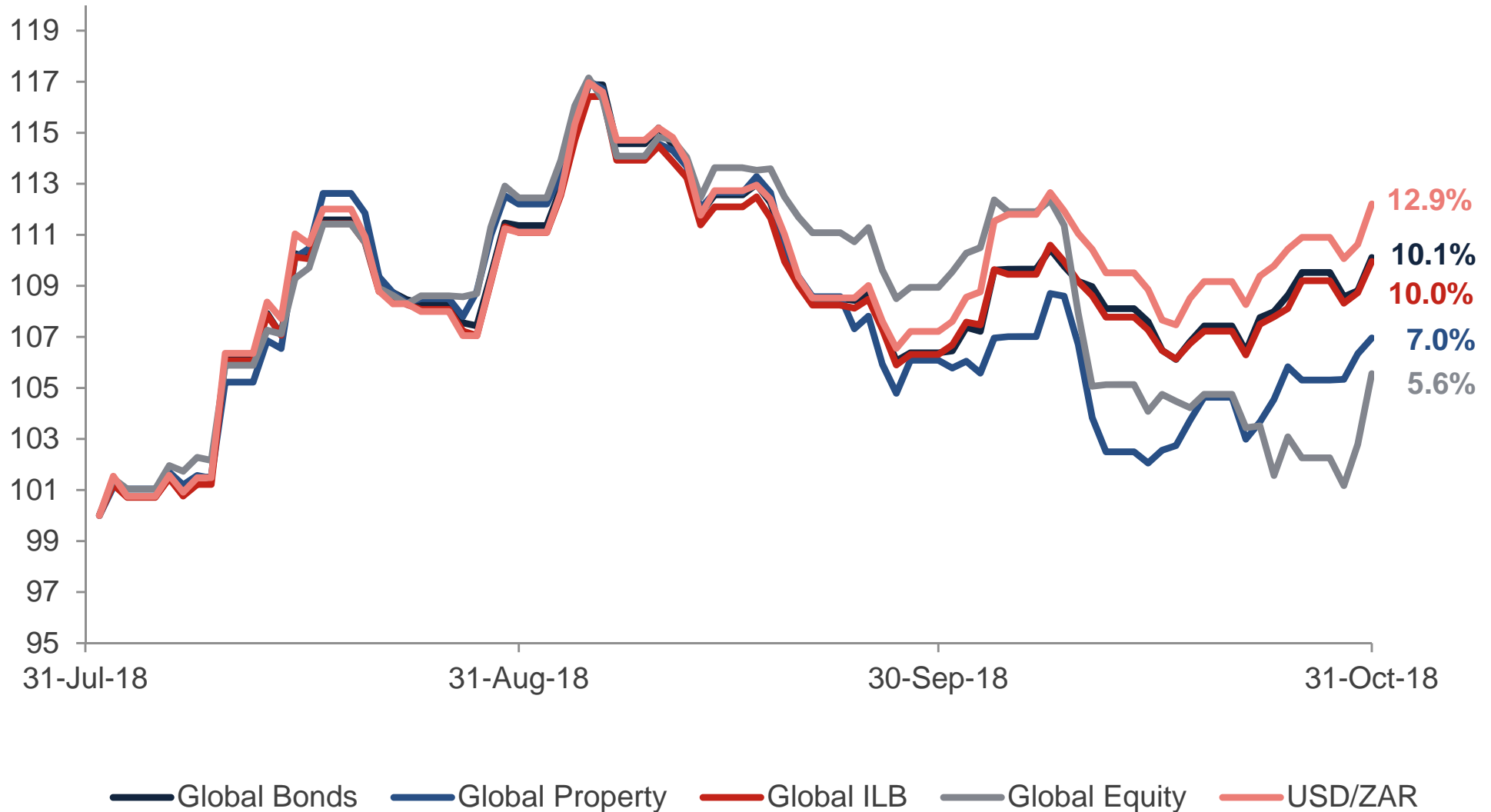
Local asset classes

Three months to October 2018



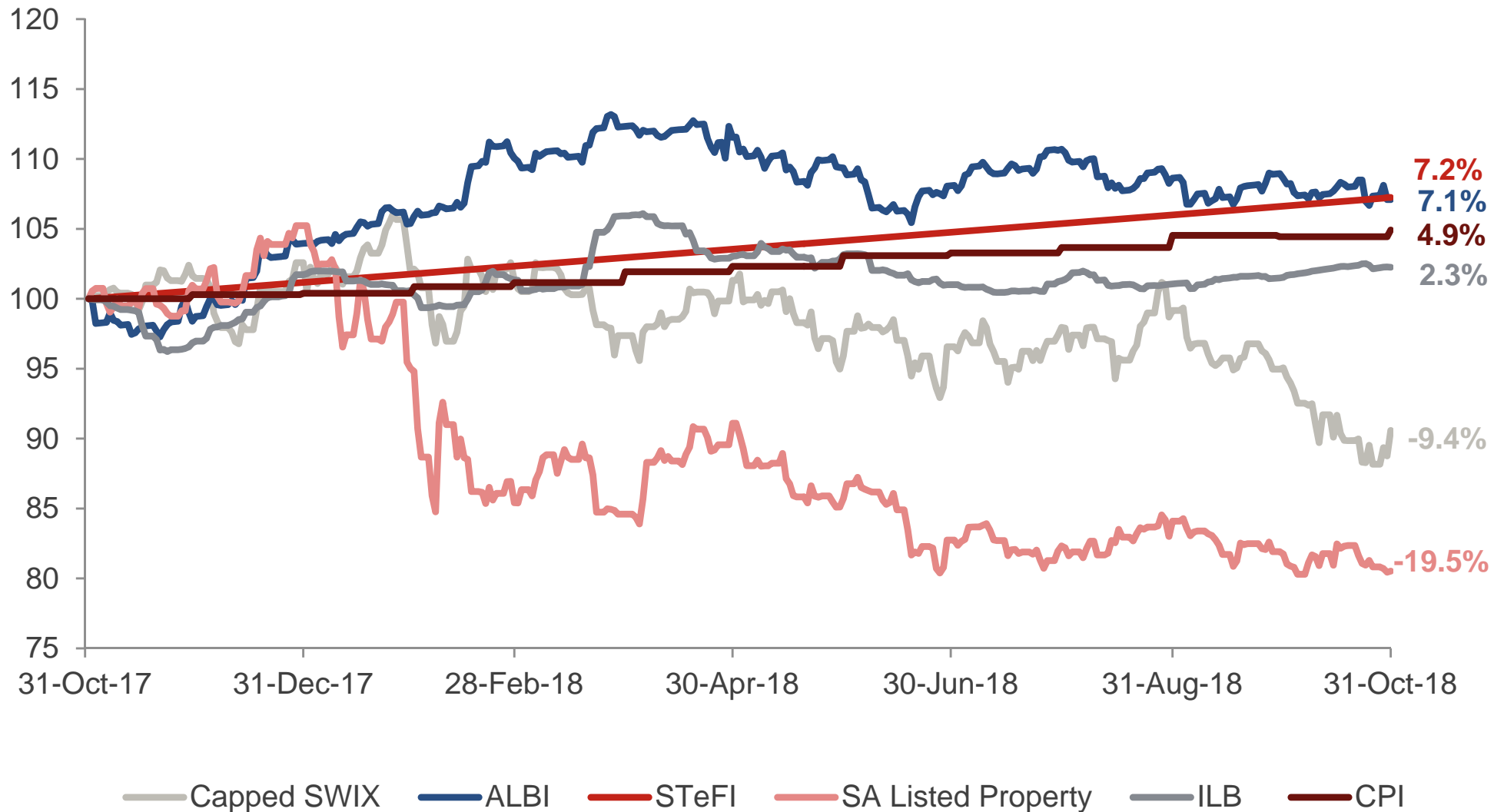
Global asset classes

Three months to October 2018



Local asset classes

One year to October 2018



* CPI lagged by one month due to availability of data

Source: INET BFA and Momentum Investments

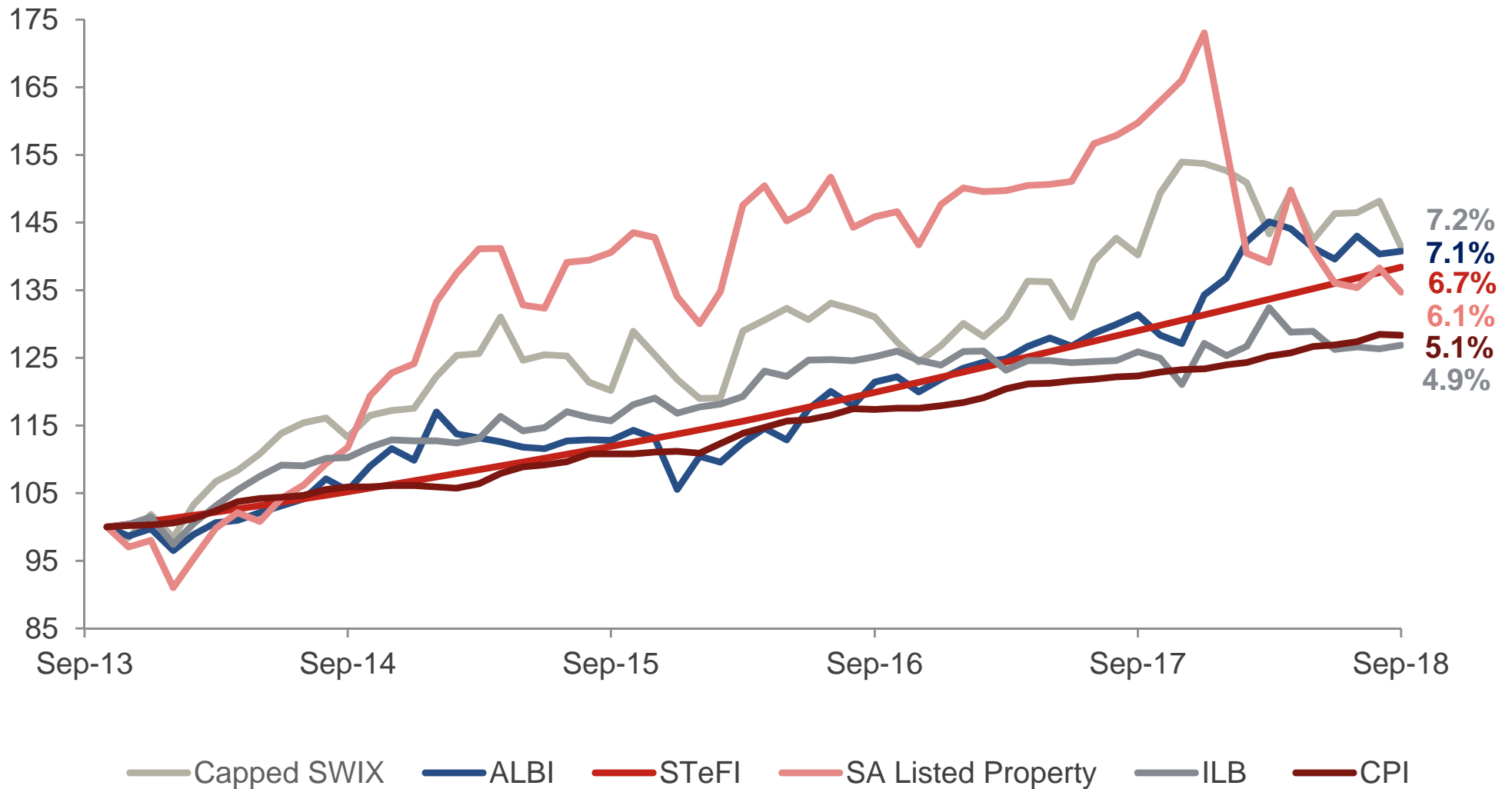
Global asset classes

One year to October 2018



Local asset classes

Five years to October 2018

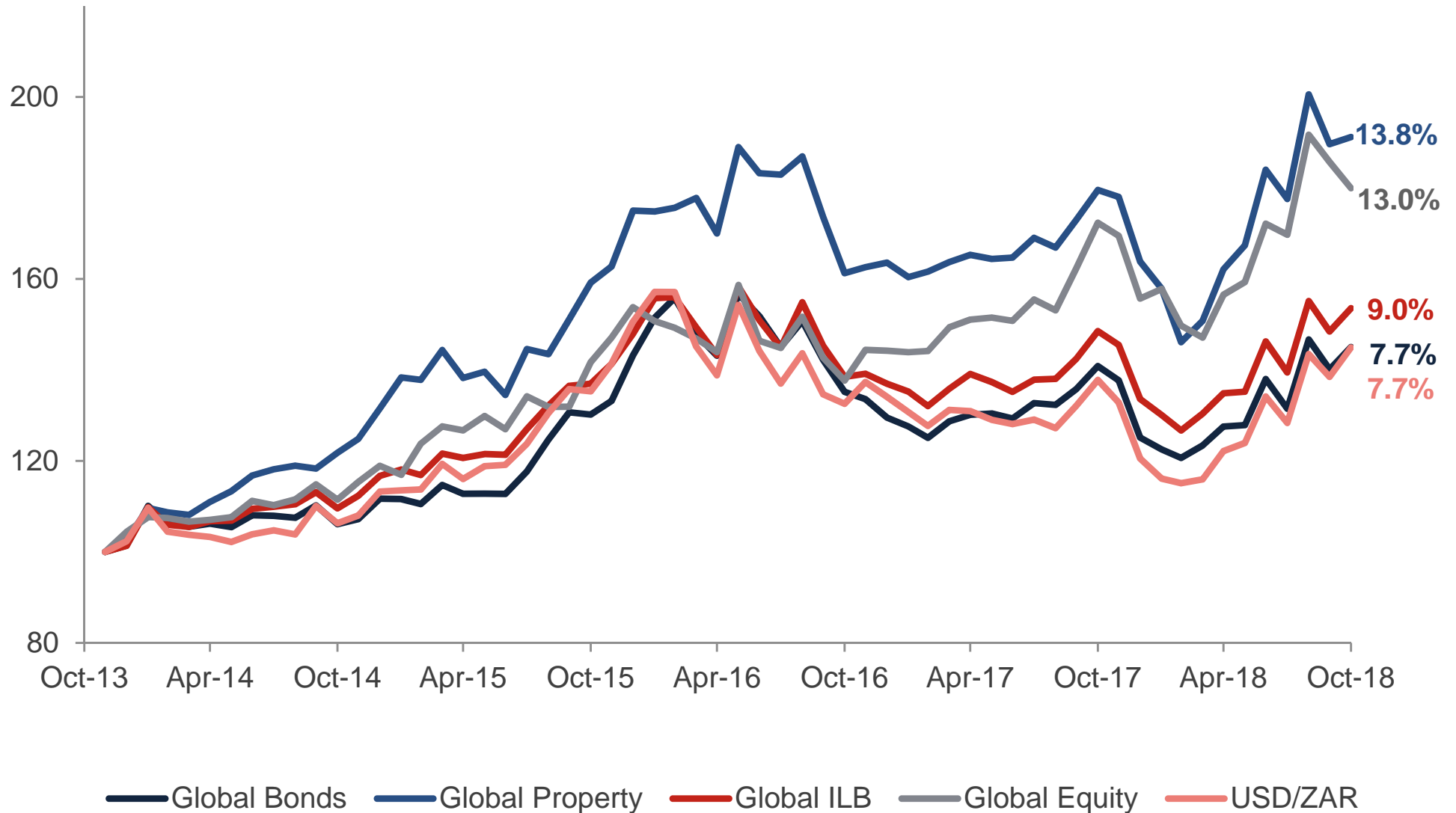


* CPI lagged by one month due to availability of data

Source: INET BFA and Momentum Investments

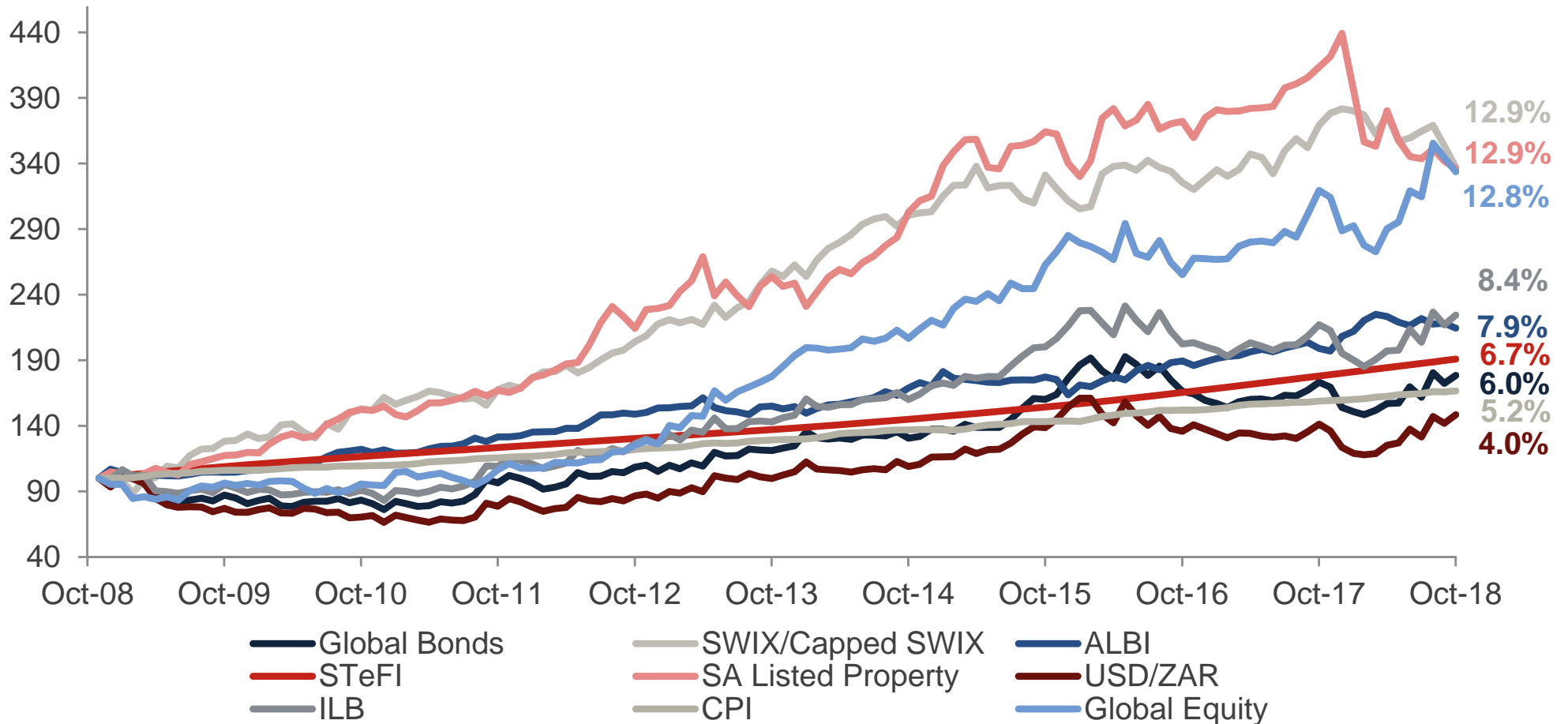
Global asset classes

Five years to October 2018



Asset classes

Ten years to October 2018



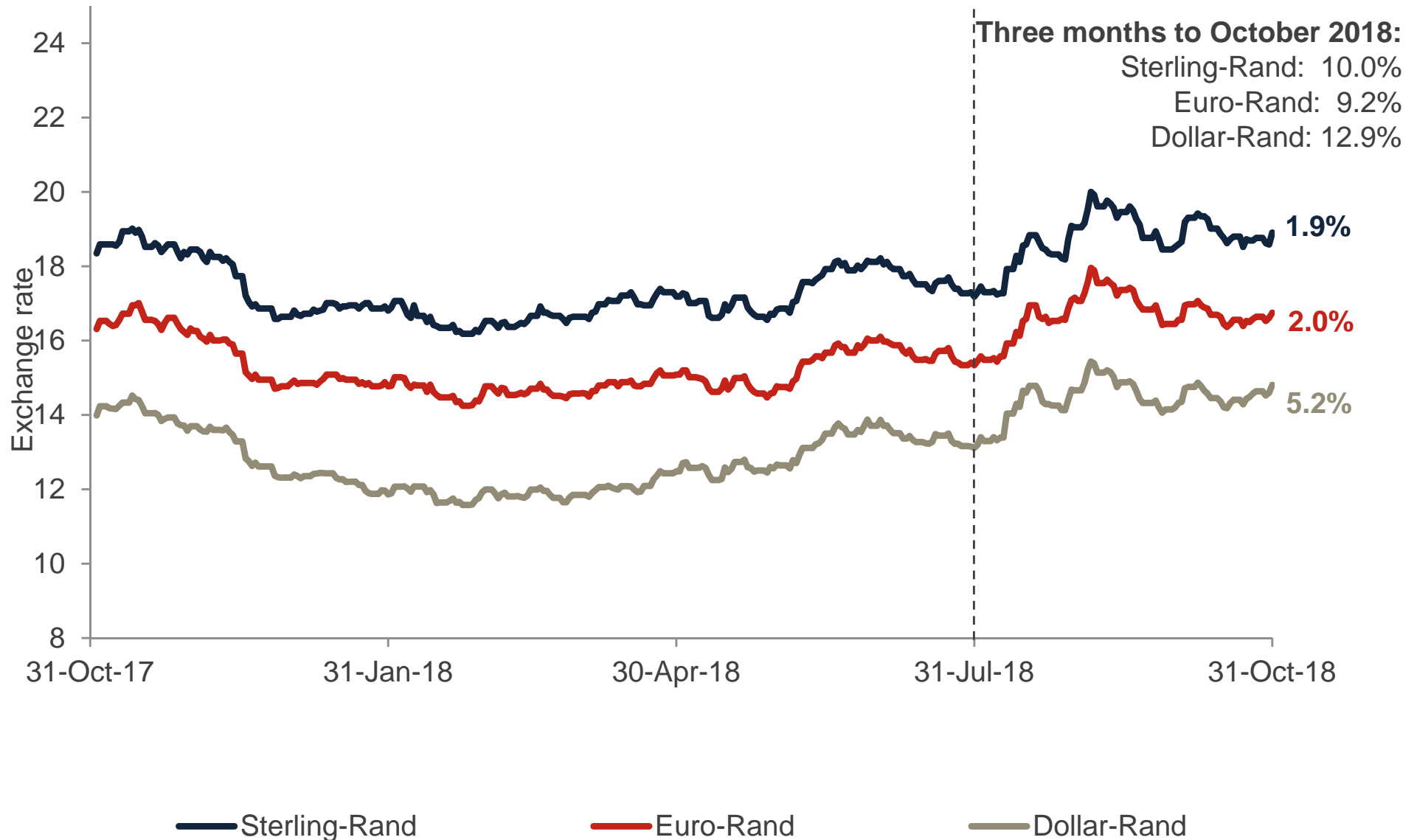
* CPI lagged by one month due to availability of data

For the 10-year period to September 2018, the FTSE/JSE SA Listed Property continued to outperform, followed by the SWIX/Capped SWIX composite and global equity

Source: INET BFA and Momentum Investments

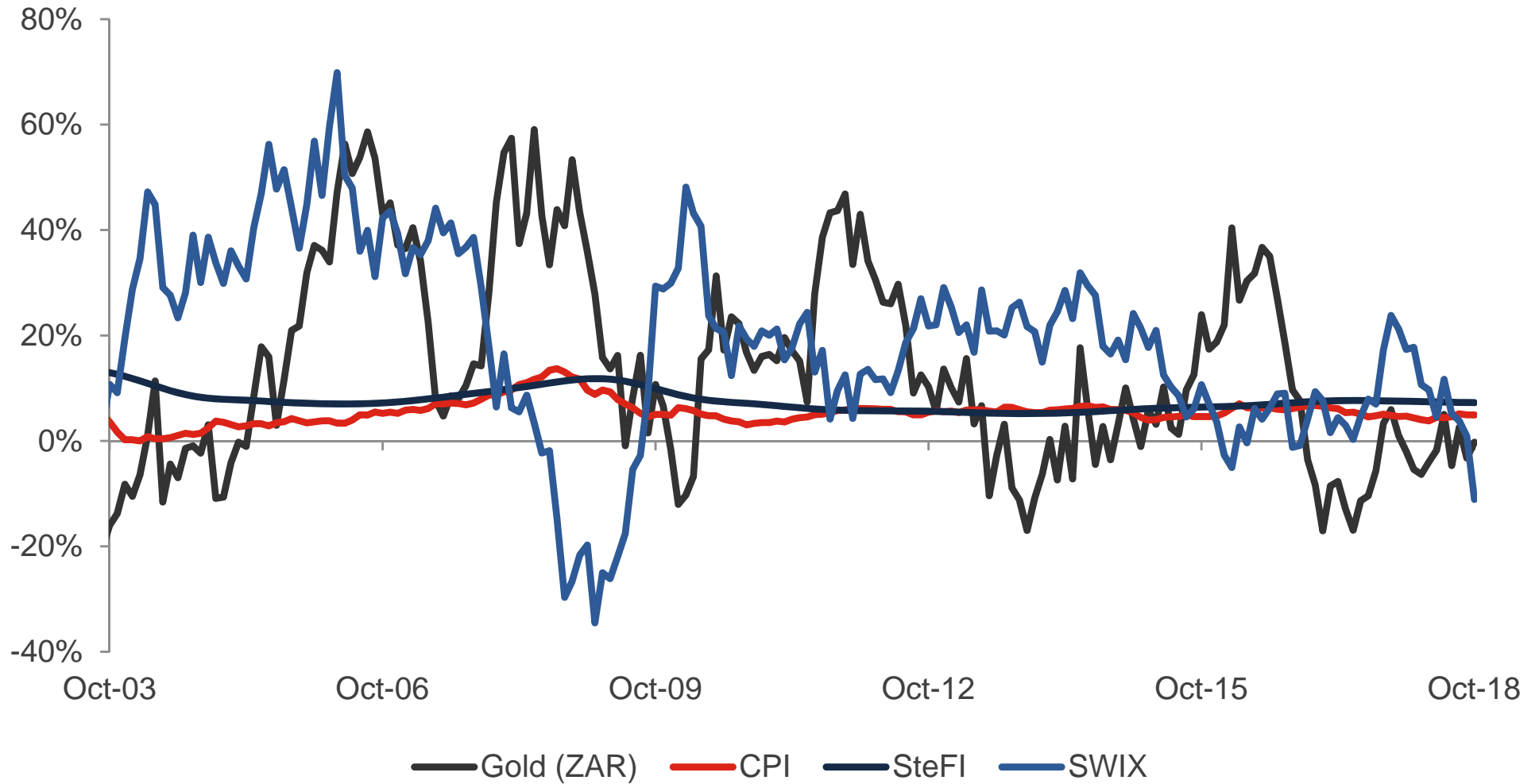
Exchange rates

One year to October 2018



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

One-year rolling returns to October 2018

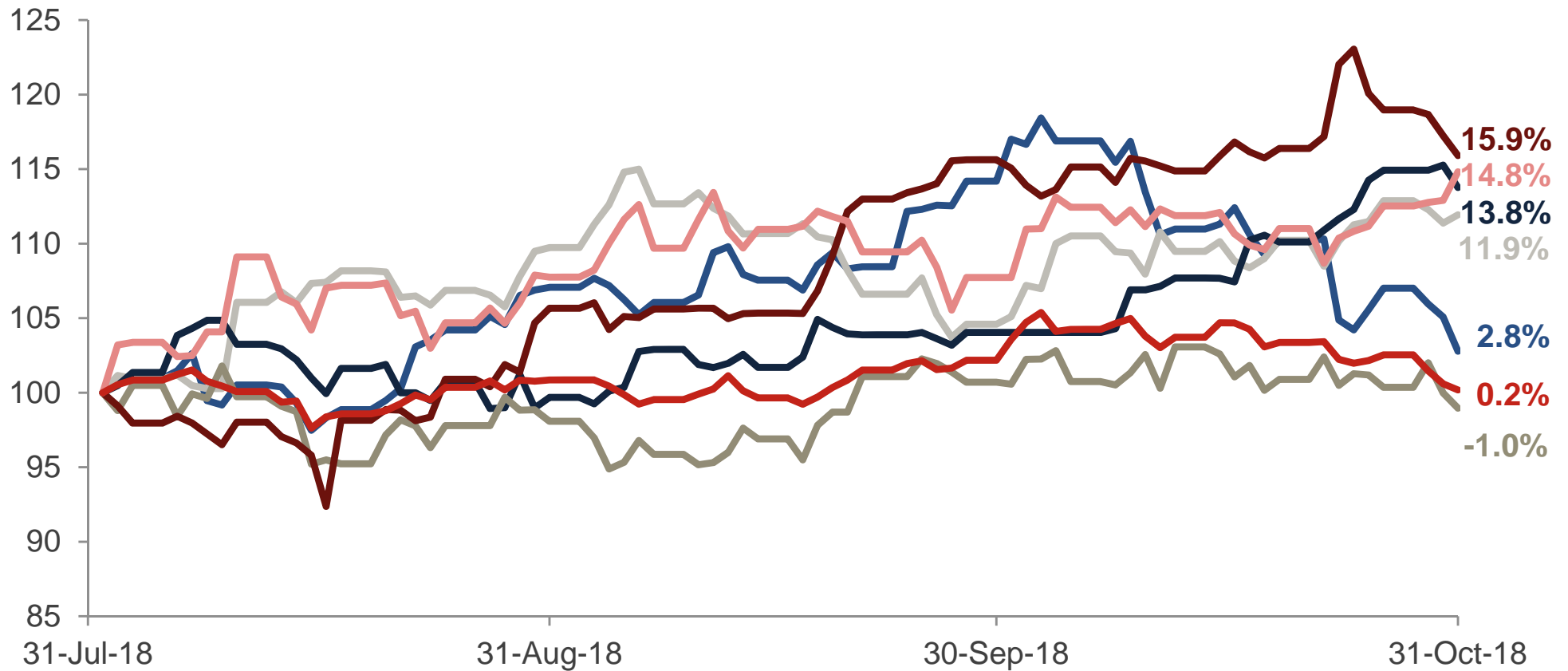


* CPI lagged by one month due to availability of data

Source: INET BFA and Momentum Investments

Commodities

Three months to October 2018



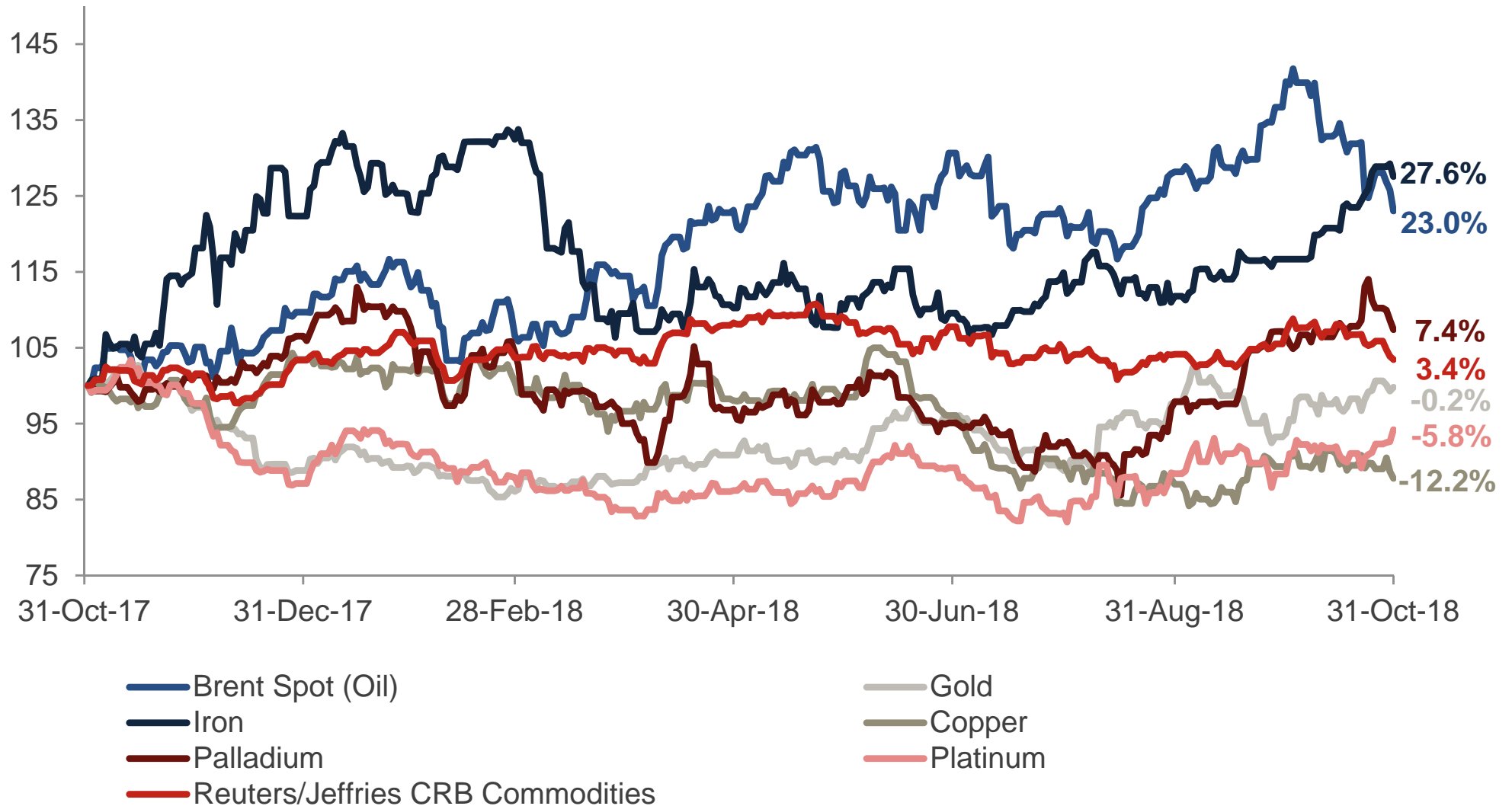
- Brent Spot (Oil)
- Iron
- Palladium
- Reuters/Jeffries CRB Commodities
- Gold
- Copper
- Platinum

All returns are in dollar terms

Source: INET BFA, FT.com and Momentum Investments

Commodities

One year to October 2018

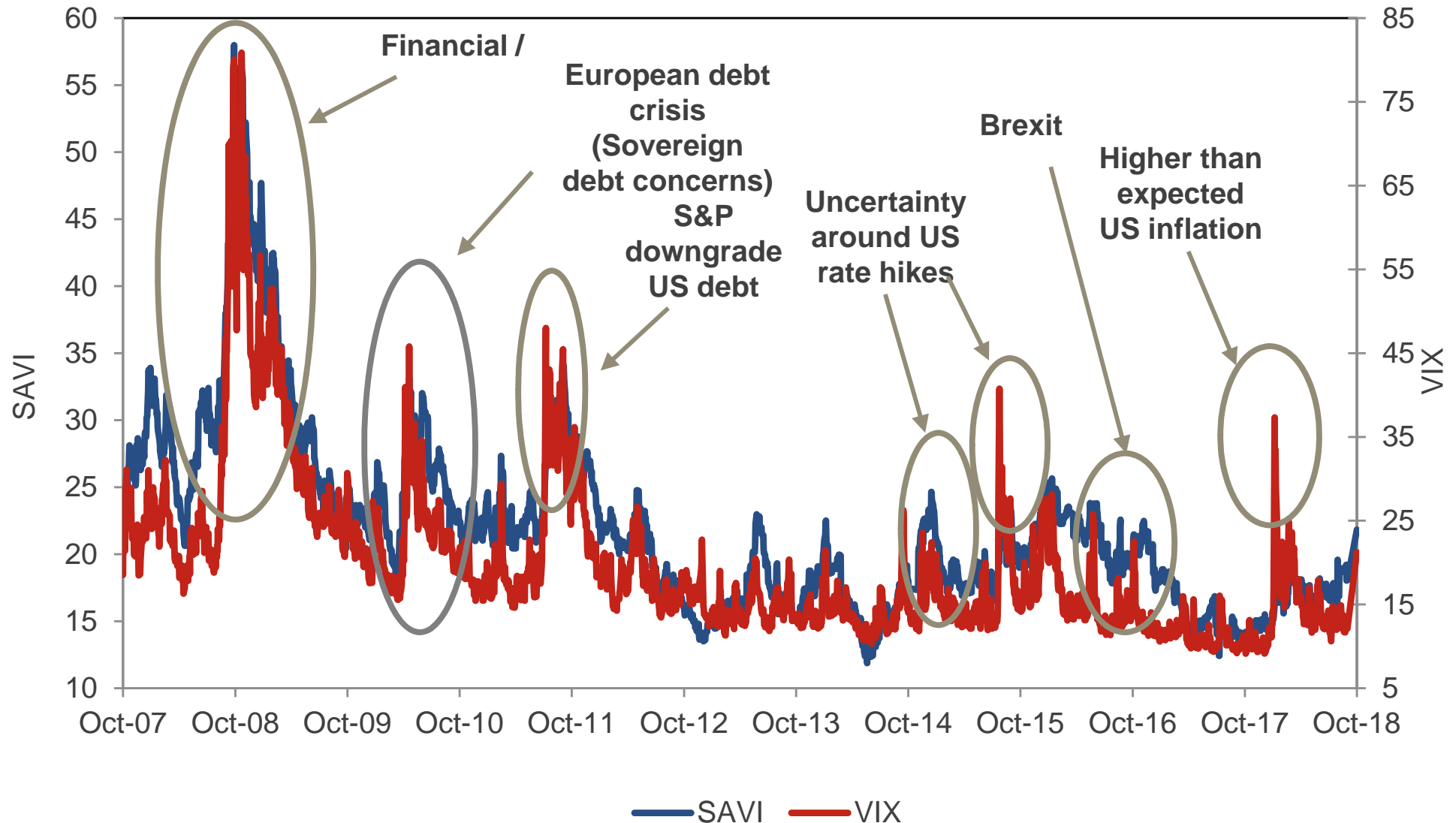


All returns are in dollar terms

Source: INET BFA, FT.com and Momentum Investments

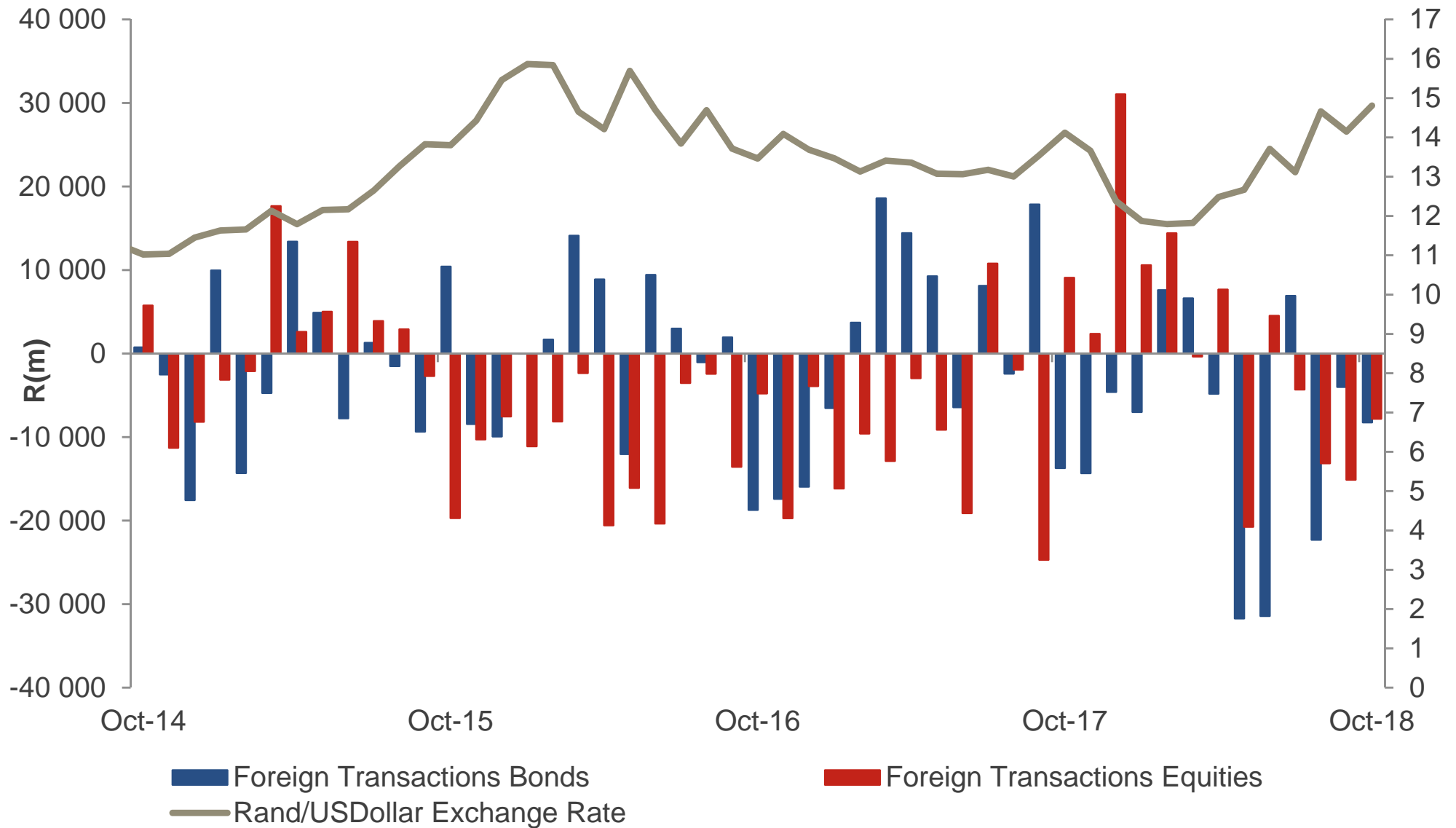
SAVI-VIX

Since October 2007 to October 2018



Foreign transactions

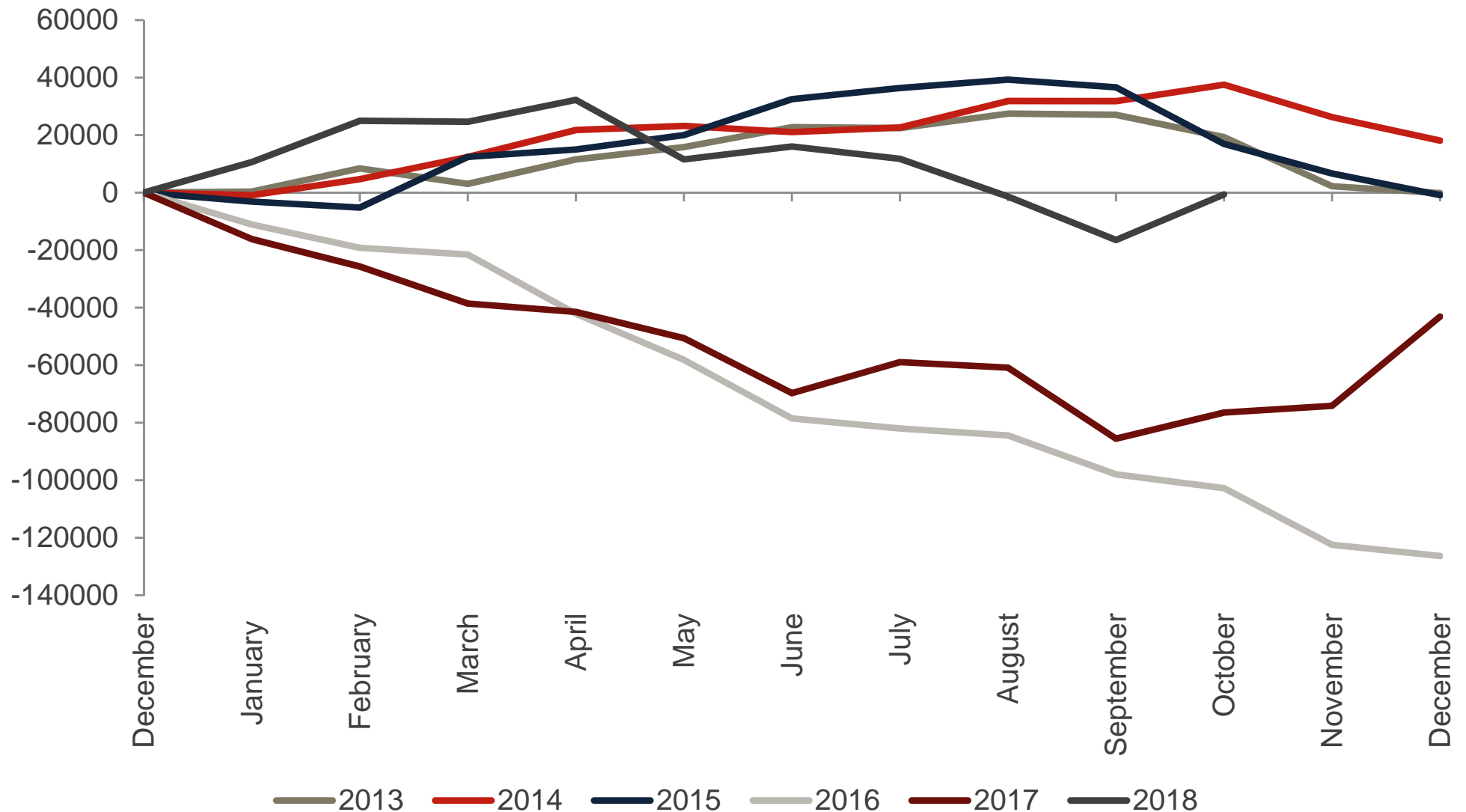
2014 to 2018



Source: INET BFA and Momentum Investments

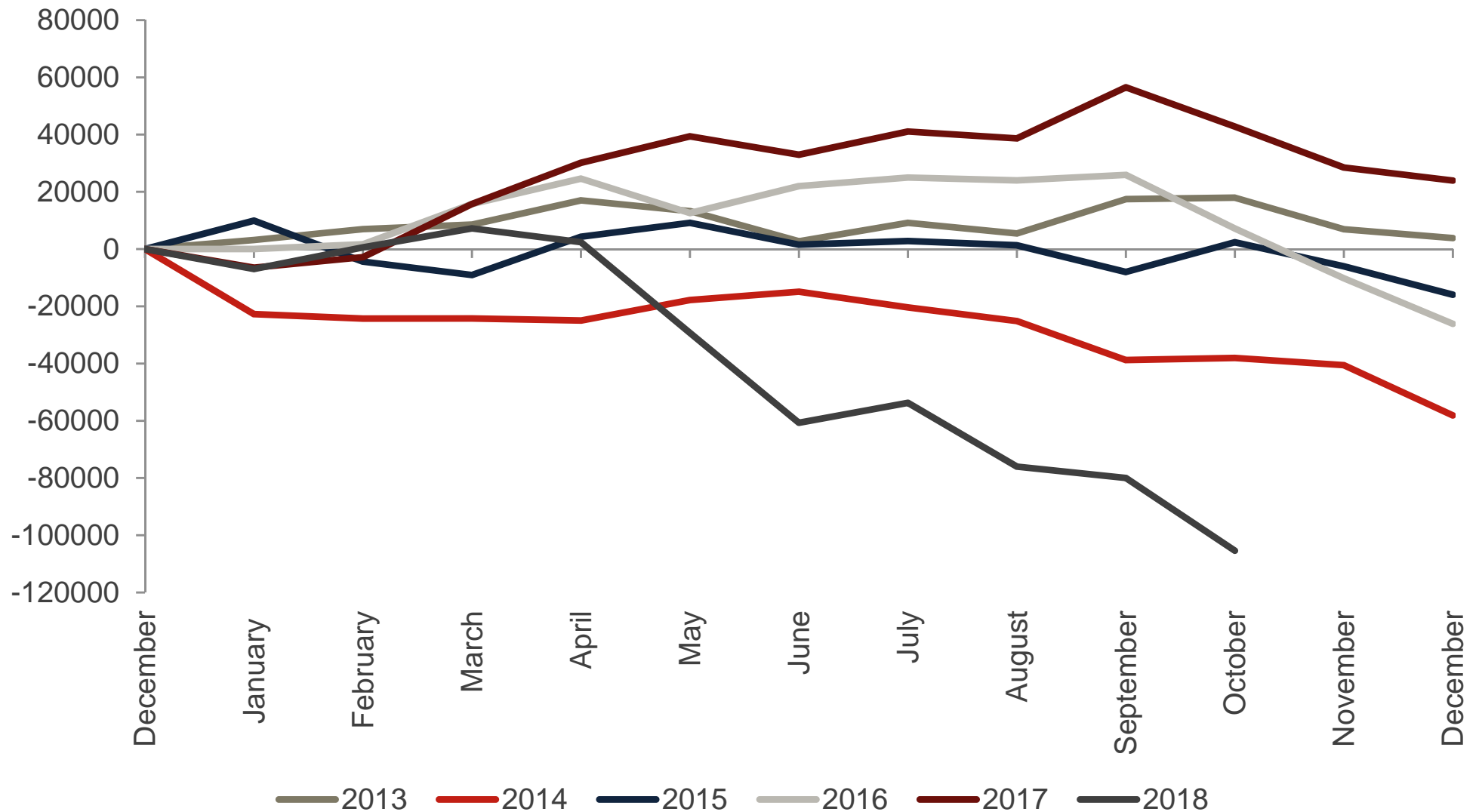
Cumulative foreign transaction equities

2013 to 2018



Cumulative foreign transaction bonds

2013 to 2018



m



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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