



Key market performance drivers

Monthly charts to 30 September 2018

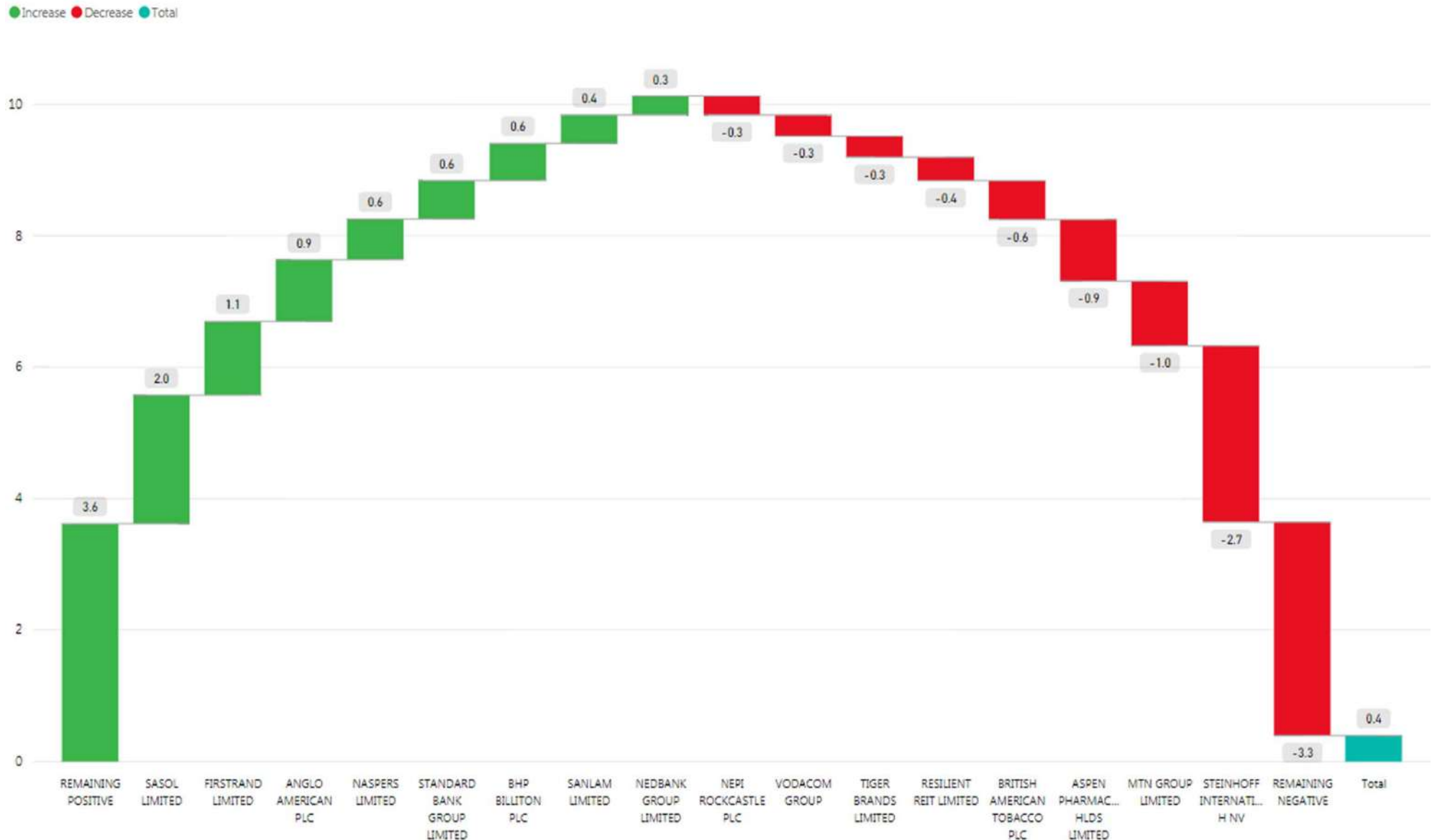
Signatory of:



momentum
investments

Market concentration

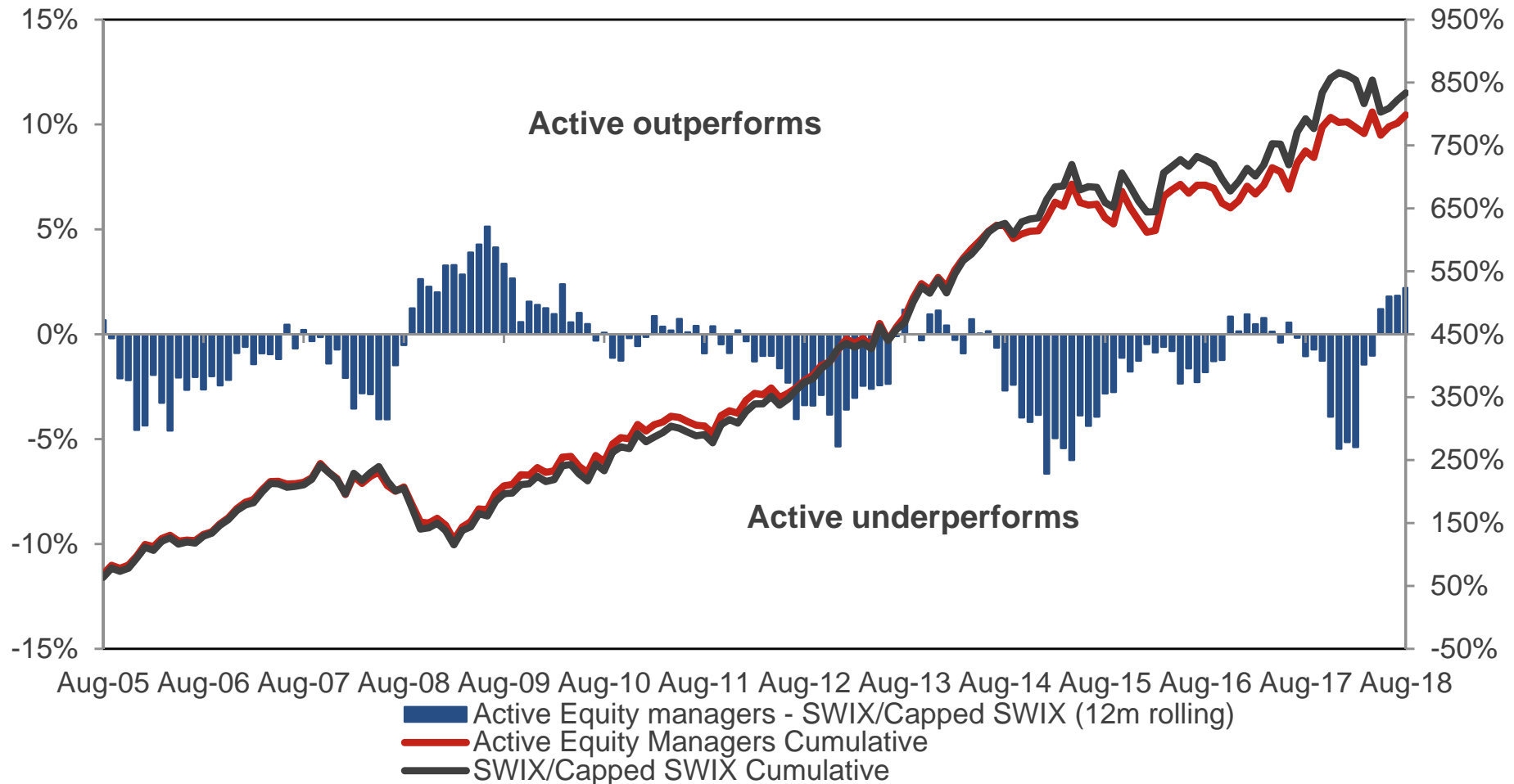
One-year Capped SWIX contributions ending September 2018



Source: StatPro, Power BI and Momentum Investments

Active index analysis

One-year rolling active to August* 2018



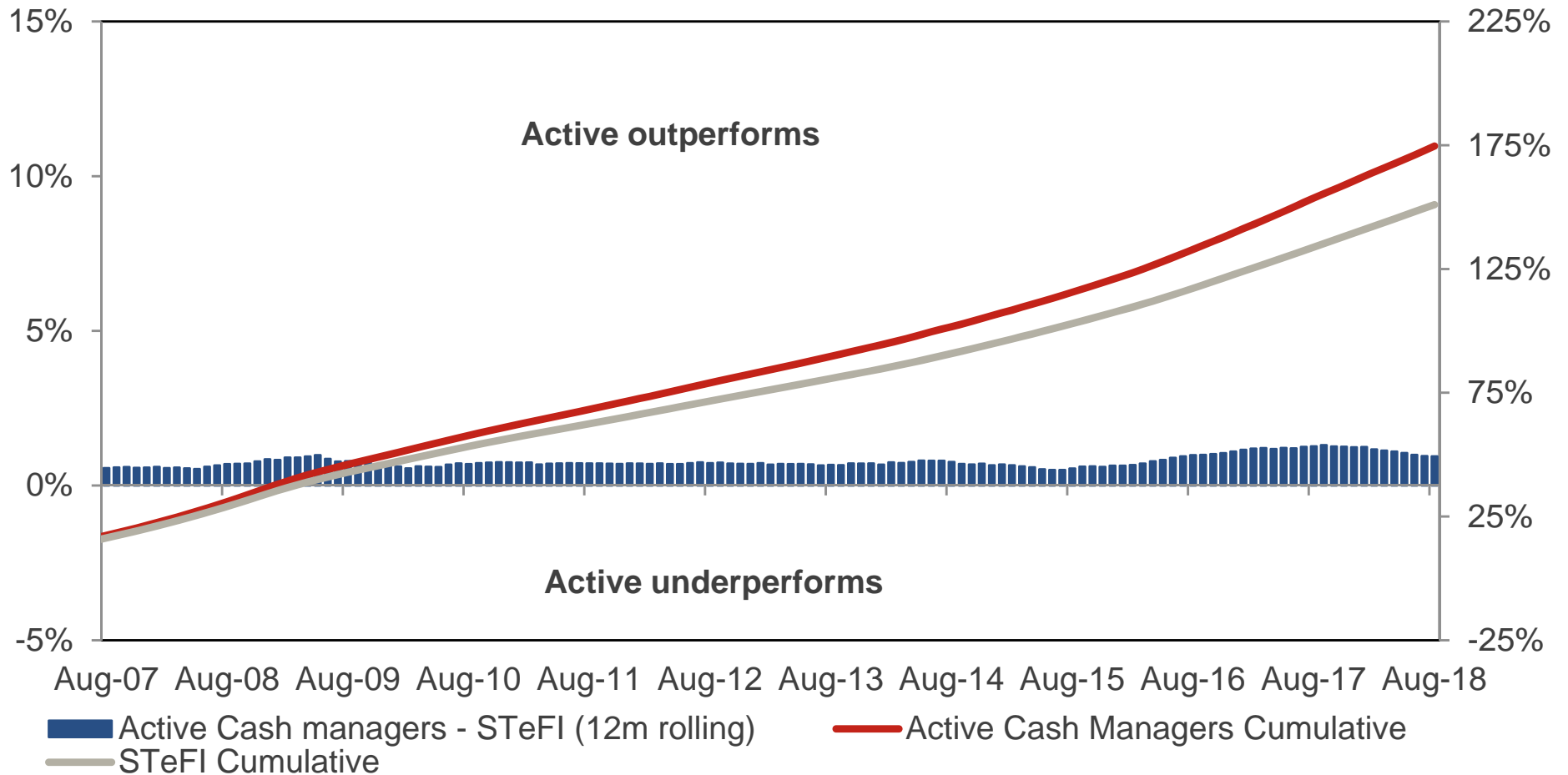
* Lagged by one month due to availability of data

The median of the active equity investment managers outperformed 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 August* 2018



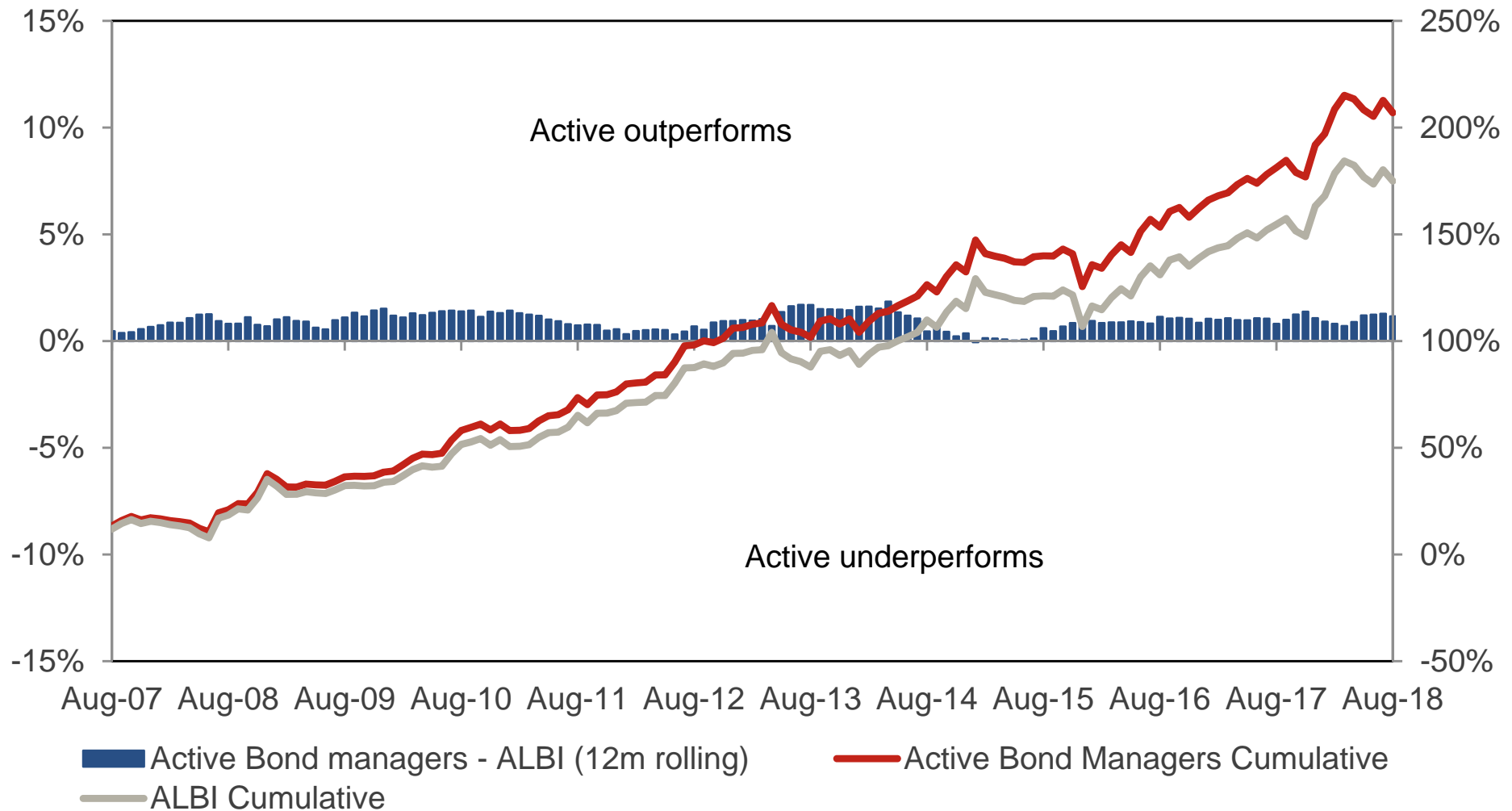
* Lagged by one month due to availability of data

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 August* 2018

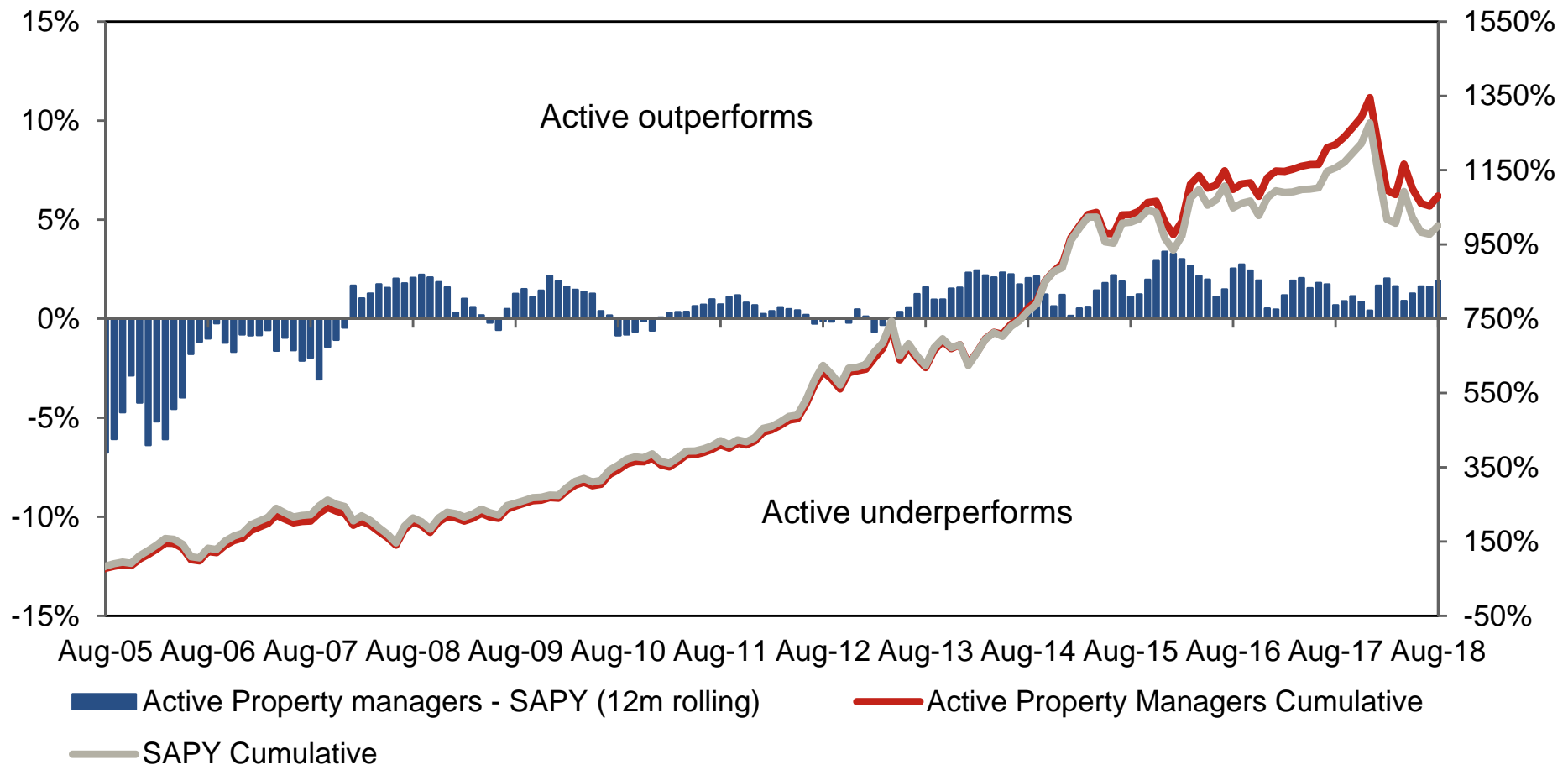


* Lagged by one month due to availability of data

The median of the active bond investment managers outperformed the ALBI

Active versus tracker: Property

One-year rolling average to August* 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 September 2018

| ZAR | Styles | One month to September 2018 | Three months to September 2018 | One year to September 2018 | Three years to September 2018 | Five years to September 2018 | Ten years to September 2018 | Twenty years to September 2018 |
|----------|------------------------|-----------------------------|--------------------------------|----------------------------|-------------------------------|------------------------------|-----------------------------|--------------------------------|
| Value | Book to Price | 0.83 | 2.50 | -4.83 | 4.82 | -0.23 | -2.20 | 2.62 |
| | Dividend Yield | 2.03 | 3.06 | 3.84 | 1.77 | 0.01 | 1.75 | 5.52 |
| | Earnings Yield | 1.51 | 2.18 | 0.44 | 2.31 | 2.24 | 0.94 | 3.16 |
| | Cash Flow Yield | 1.39 | 0.87 | 2.97 | 15.05 | 4.36 | 0.78 | 4.17 |
| | Sales to Price | 1.95 | 0.46 | -3.52 | 4.23 | -1.69 | -3.32 | 3.66 |
| Quality | ROE | 0.56 | -0.61 | 10.51 | 0.45 | 0.45 | 0.45 | -1.19 |
| | ROIC LT | -2.08 | -1.57 | 0.48 | -0.38 | -2.14 | 0.63 | -1.37 |
| | Income to Sales | 1.40 | 1.49 | 3.29 | 0.06 | 2.34 | 2.92 | -1.54 |
| | Low market beta | 0.05 | 1.15 | -0.16 | -0.08 | 1.14 | -0.98 | 1.53 |
| | Low Debt/Equity | 0.87 | -1.83 | -1.30 | -0.91 | -1.88 | -1.83 | -1.83 |
| | EBIT Margin Stability | -0.28 | -0.85 | 4.21 | -2.72 | -0.50 | 4.68 | 2.63 |
| Growth | Earnings Growth | 0.69 | 2.24 | 9.39 | 3.37 | 5.72 | -0.58 | -2.34 |
| | Sales Growth | 0.64 | 1.03 | 0.93 | -3.98 | -1.65 | -2.51 | -4.02 |
| | 12M Earning Growth | 1.72 | -3.52 | -8.99 | -4.29 | -3.68 | -4.14 | 3.16 |
| Momentum | FY1 Earnings Revisions | 2.46 | 3.28 | 7.76 | 5.24 | 7.81 | 8.14 | 9.89 |
| | Short Term Momentum | -2.78 | -7.34 | 5.25 | 6.58 | 4.54 | 0.93 | 1.02 |
| | Medium Term Momentum | -0.76 | -2.73 | 0.17 | -3.99 | 1.64 | 3.29 | 6.70 |
| Size | Size | -2.30 | 0.65 | 2.29 | -1.31 | -0.33 | -0.36 | 0.26 |

Value had strong returns for the last quarter while some momentum factors detracted for the same period. For the longer periods (five plus years) momentum outperformed all other style factors.

MSCI developed and emerging markets

One year to September 2018



SA 10-year bond yields

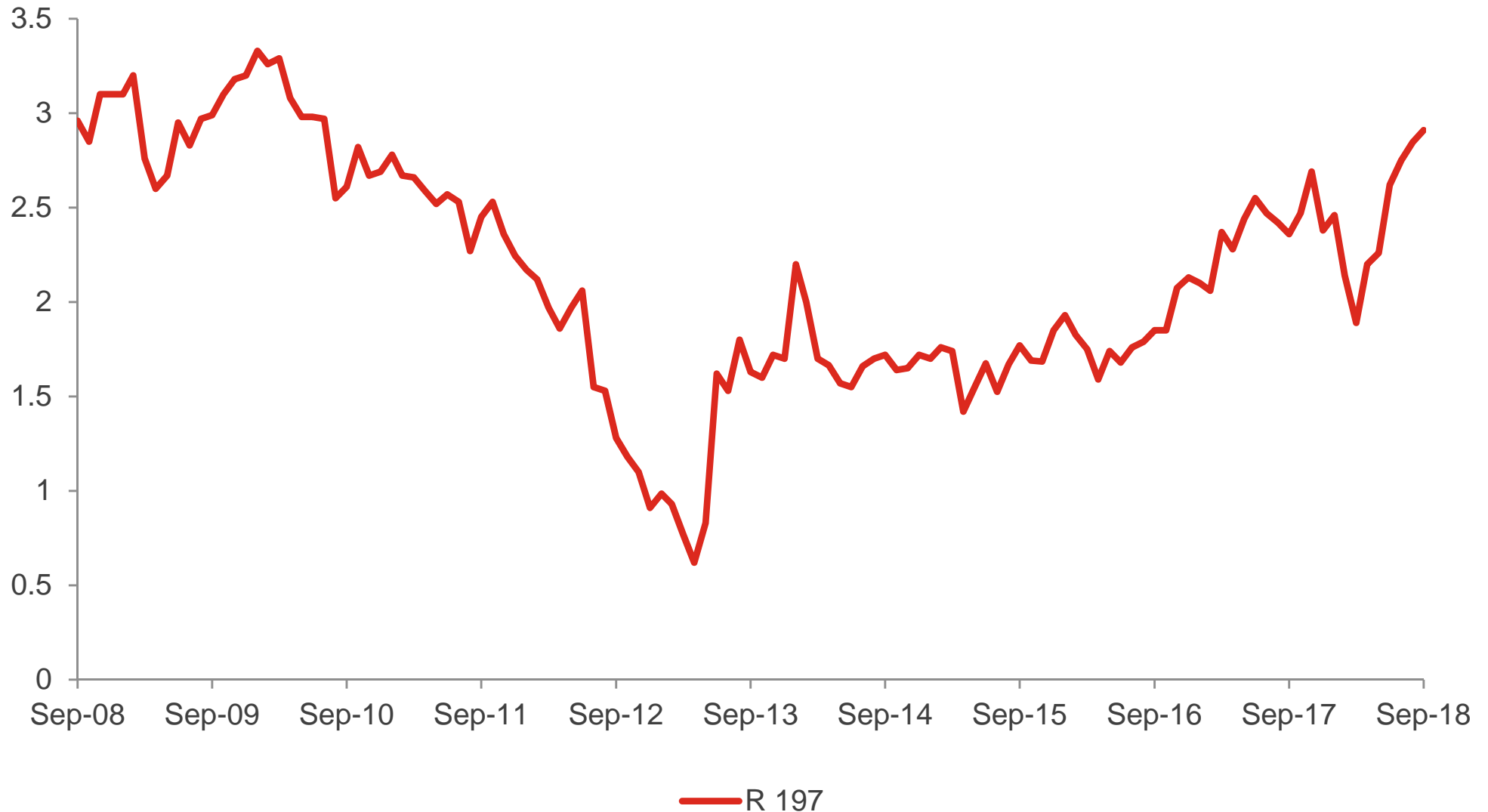
Ten years to September 2018



— SA 10 year bond yield

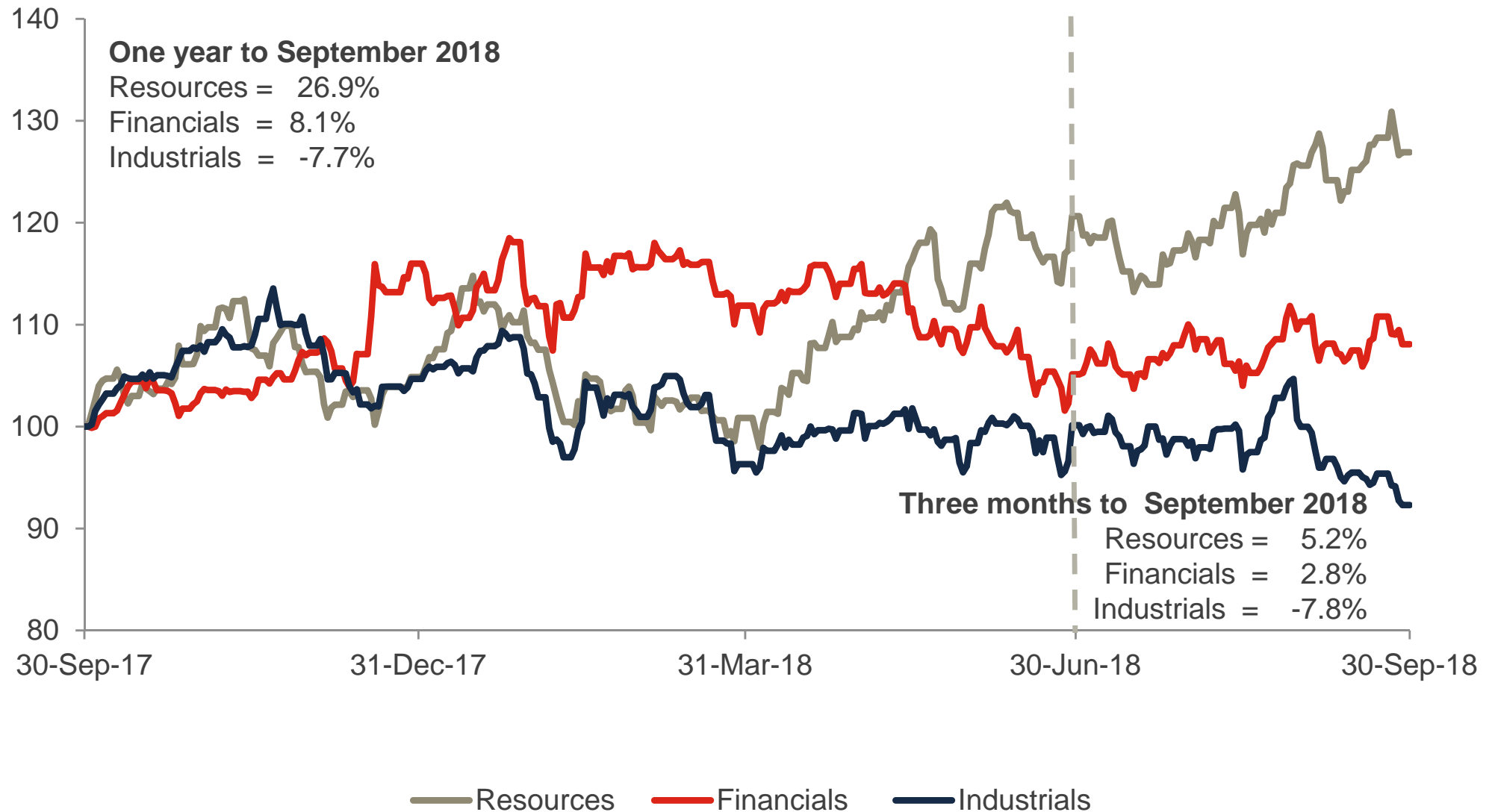
Yield of R197 (inflation-linked bond)

Ten years to September 2018



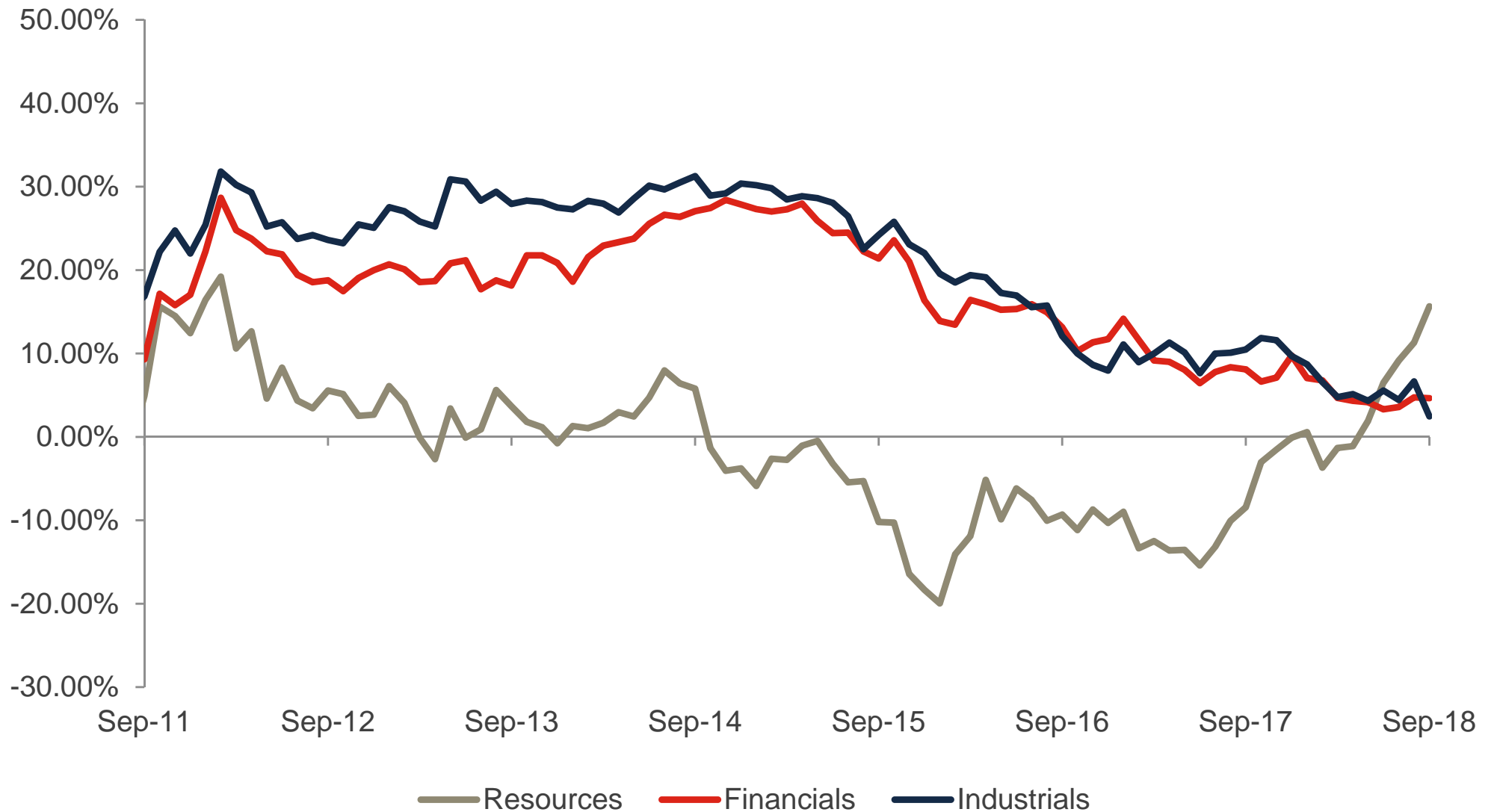
FTSE/JSE sectors

One year to September 2018



FTSE/JSE sectors

Rolling three years to September 2018



FTSE/JSE sectors

Decomposed

Three months to September 2018

| | | | | | | | |
|----|---------------------------------------|---------------------------|---------------|----|-----------------------------------|--------------------|---------|
| 1 | Household Goods & Home Construction | Consumer Goods | 78.26% | 18 | General Industrials | Industrials | -3.28% |
| 2 | Non-life Insurance | Financials | 16.63% | 19 | Industrial Engineering | Industrials | -3.34% |
| 3 | Industrial Metals & Mining | Industrials | 15.90% | 20 | Real Estate Investment Trusts | Financials | -3.41% |
| 4 | Life Insurance | Financials | 12.07% | 21 | Food & Drug Retailers | Consumer Services | -3.44% |
| 5 | Software & Computer Services | Technology | 10.44% | 22 | Tobacco | Consumer Goods | -3.49% |
| 6 | Equity Investment Instruments | Financials | 9.62% | 23 | Automobiles & Parts | Consumer Goods | -3.59% |
| 7 | Chemicals | Basic Materials | 9.52% | 24 | Travel & Leisure | Travel & Leisure | -3.61% |
| 8 | Mining | Basic Materials | 6.72% | 25 | Industrial Transportation | Industrials | -4.93% |
| 9 | Fixed-line Telecommunications | Telecommunications | 5.34% | 26 | Electronic & Electrical Equipment | Industrials | -5.31% |
| 10 | Real Estate Investment & Services | Financials | 2.92% | 27 | Support Services | Industrials | -5.67% |
| 11 | Forestry & Paper | Basic Materials | 2.05% | 28 | Healthcare Equipment & Service | Healthcare | -9.76% |
| 12 | Banks | Financials | 1.38% | 29 | Media | Consumer Services | -12.25% |
| 13 | Personal Goods | Consumer Goods | 1.36% | 30 | Food Producers | Consumer Goods | -12.32% |
| 14 | Financial Services | Financials | 0.04% | 31 | Mobile Telecommunications | Telecommunications | -12.77% |
| 15 | General Retailers | Consumer Services | -0.47% | 32 | Beverages | Consumer Goods | -21.68% |
| 16 | Oil & Gas Producers | Financial Services | -1.34% | 33 | Pharmaceuticals & Biotechnology | Healthcare | -31.85% |
| 17 | Construction & Materials | Industrials | -2.23% | | | | |

Key

Resources

Financials

Industrials

Source: Barra, Deutsche Securities and Momentum Investments

FTSE/JSE sectors

Decomposed

One year to September 2018

| | | | | | | | |
|----|-----------------------------------|--------------------|--------|----|-------------------------------------|--------------------|---------|
| 1 | Oil & Gas Producers | Financial Services | 69.34% | 18 | Equity Investment Instruments | Financials | -1.97% |
| 2 | Industrial Metals & Mining | Industrials | 50.45% | 19 | Personal Goods | Consumer Goods | -4.09% |
| 3 | Chemicals | Basic Materials | 46.99% | 20 | Fixed-line Telecommunications | Telecommunications | -6.41% |
| 4 | Non-life Insurance | Financials | 32.03% | 21 | Healthcare Equipment & Service | Healthcare | -8.70% |
| 5 | Banks | Financials | 24.91% | 22 | Real Estate Investment & Services | Financials | -9.31% |
| 6 | Technology Hardware & Equipment | Technology | 24.00% | 23 | Food Producers | Consumer Goods | -10.75% |
| 7 | Life Insurance | Financials | 19.06% | 24 | Industrial Engineering | Industrials | -10.80% |
| 8 | Mining | Basic Materials | 17.00% | 25 | Real Estate Investment Trusts | Financials | -11.85% |
| 9 | Forestry & Paper | Basic Materials | 10.27% | 26 | Automobiles & Parts | Consumer Goods | -14.56% |
| 10 | General Retailers | Consumer Services | 7.33% | 27 | Industrial Transportation | Industrials | -15.99% |
| 11 | Construction & Materials | Industrials | 6.49% | 28 | Tobacco | Consumer Goods | -18.39% |
| 12 | Electronic & Electrical Equipment | Industrials | 5.96% | 29 | Beverages | Consumer Goods | -21.27% |
| 13 | Media | Consumer Services | 4.53% | 30 | Mobile Telecommunications | Telecommunications | -24.35% |
| 14 | Food & Drug Retailers | Consumer Services | 3.04% | 31 | Pharmaceuticals & Biotechnology | Healthcare | -42.01% |
| 15 | General Industrials | Industrials | 0.62% | 32 | Support Services | Industrials | -44.16% |
| 16 | Travel & Leisure | Travel & Leisure | 0.36% | 33 | Software & Computer Services | Technology | -48.56% |
| 17 | Financial Services | Financials | -1.40% | 34 | Household Goods & Home Construction | Consumer Goods | -96.17% |

Key

Resources

Financials

Industrials

Source: Barra, Deutsche Securities and Momentum Investments

FTSE/JSE market caps

One year to September 2018



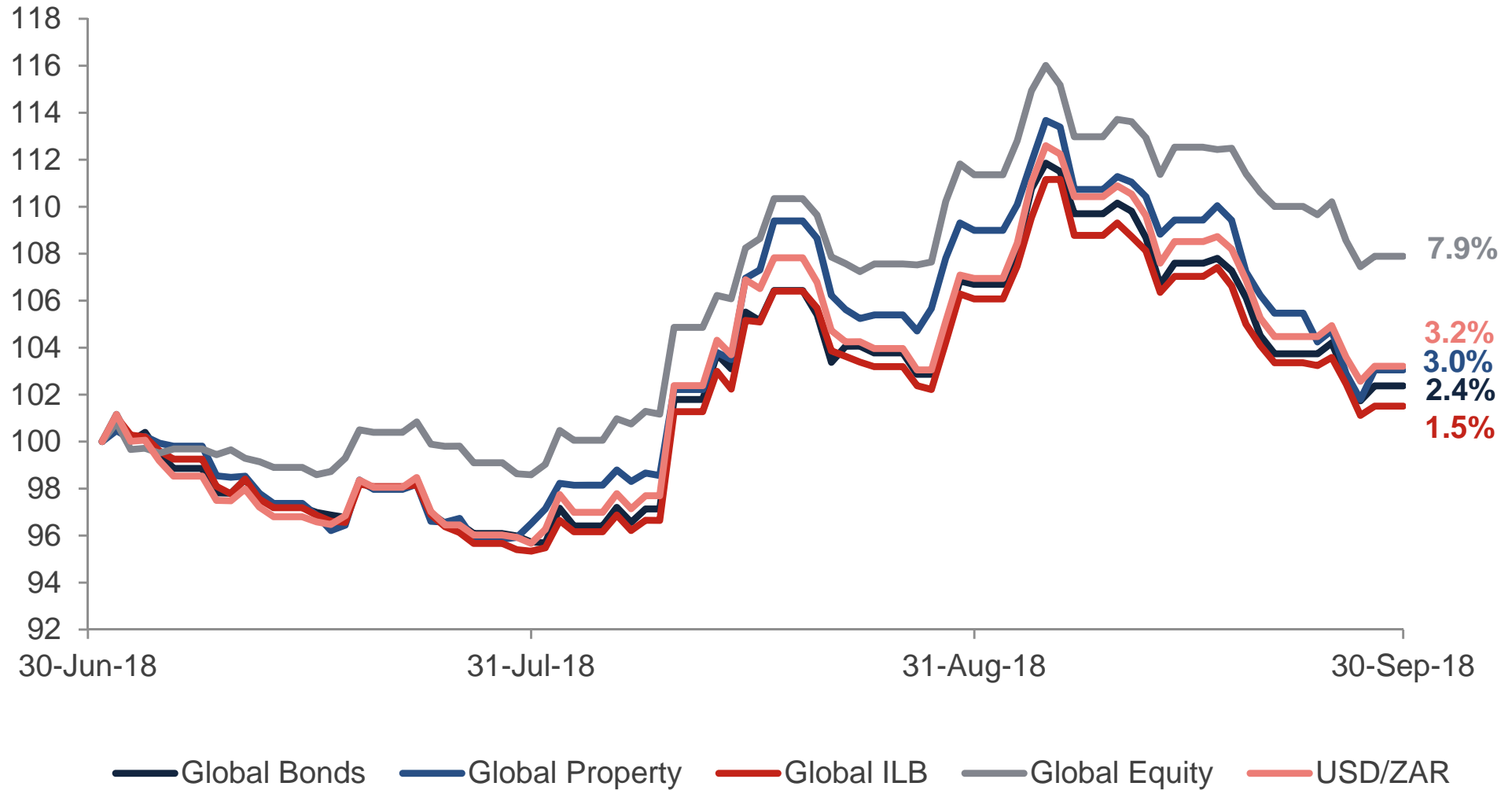
Local asset classes

Three months to September 2018



Global asset classes

Three months to September 2018



Local asset classes

One year to September 2018

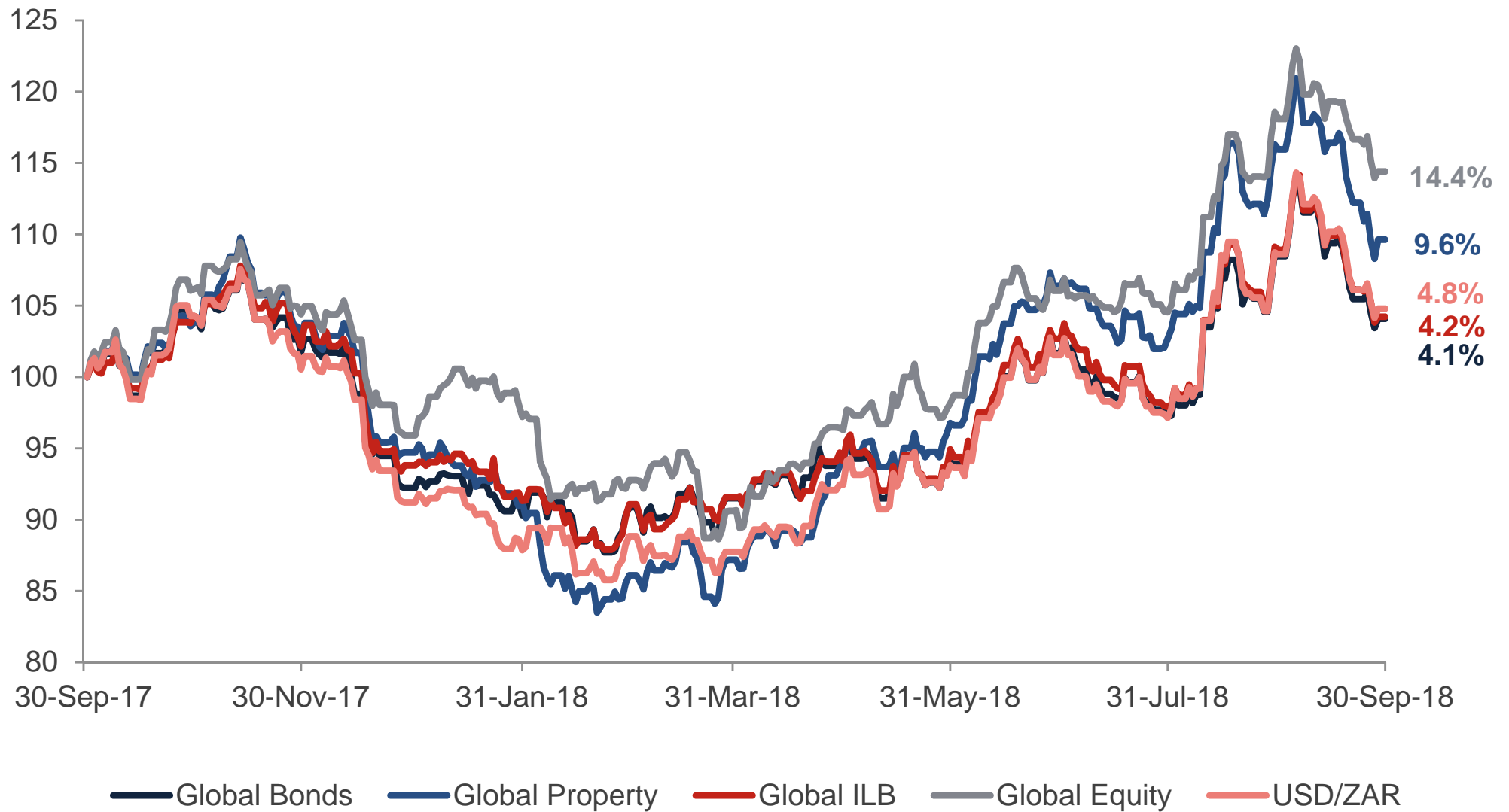


* CPI lagged by one month due to availability of data

Source: INET BFA and Momentum Investments

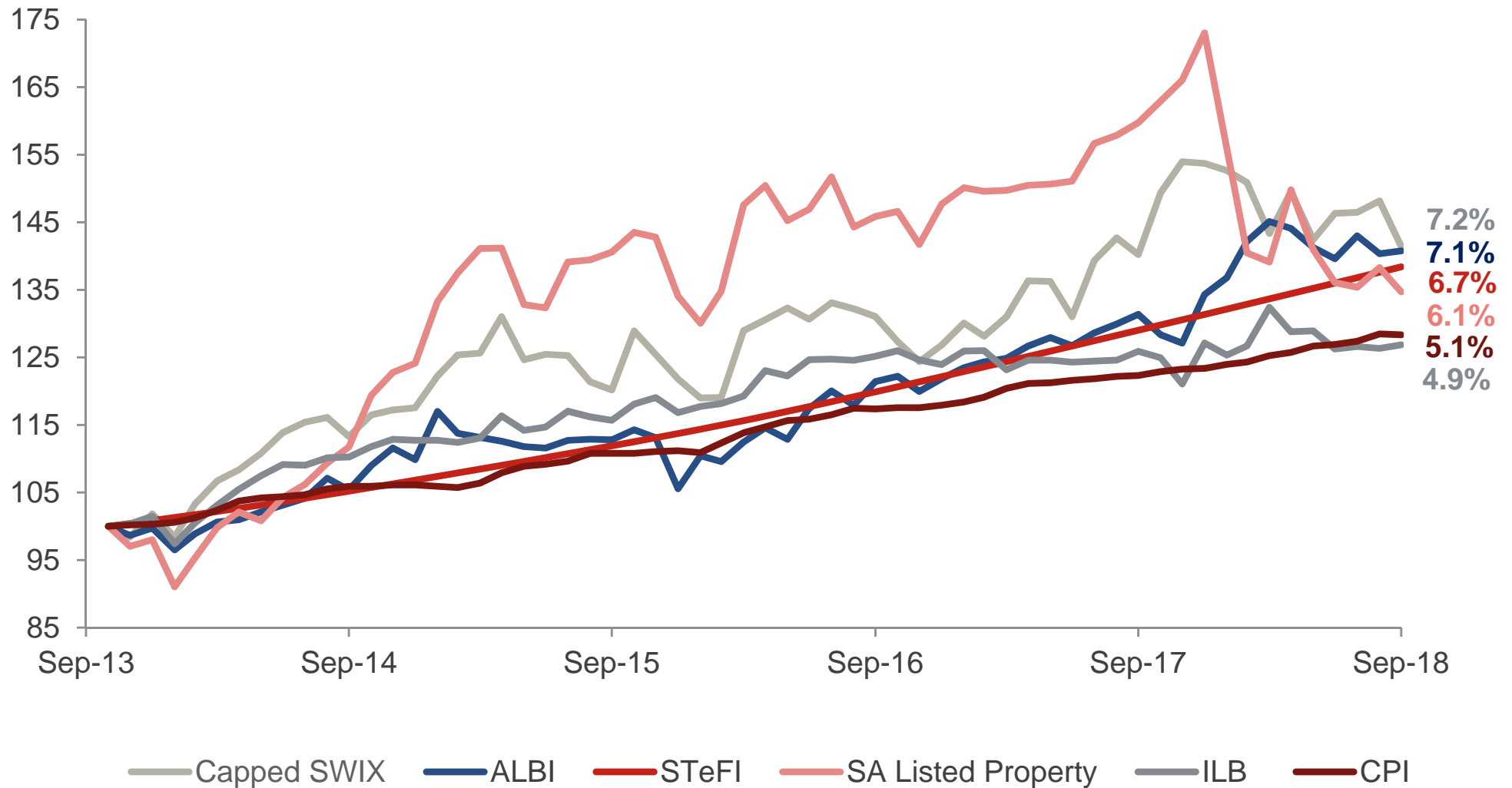
Global asset classes

One year to September 2018



Local asset classes

Five years to September 2018

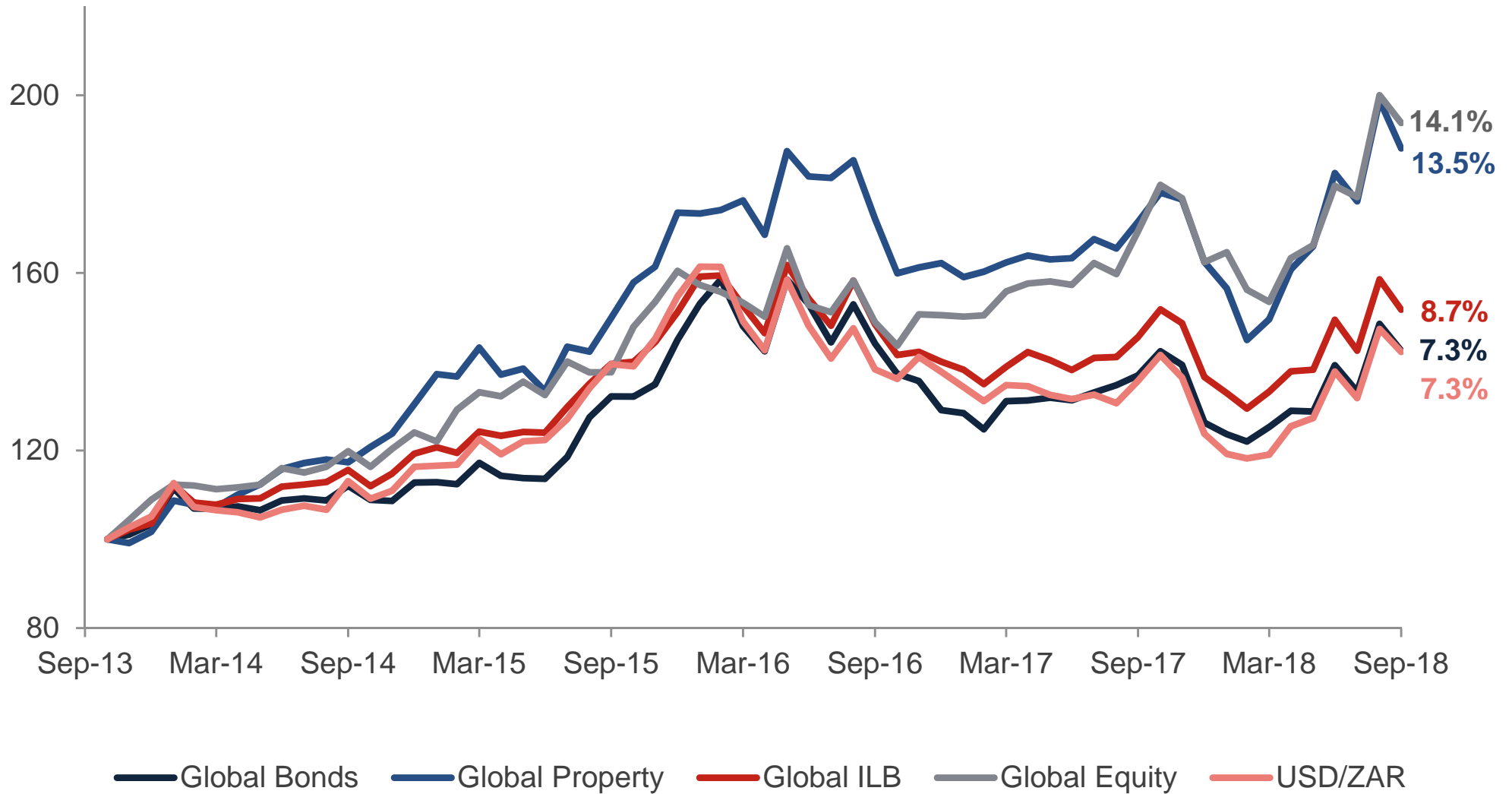


* CPI lagged by one month due to availability of data

Source: INET BFA and Momentum Investments

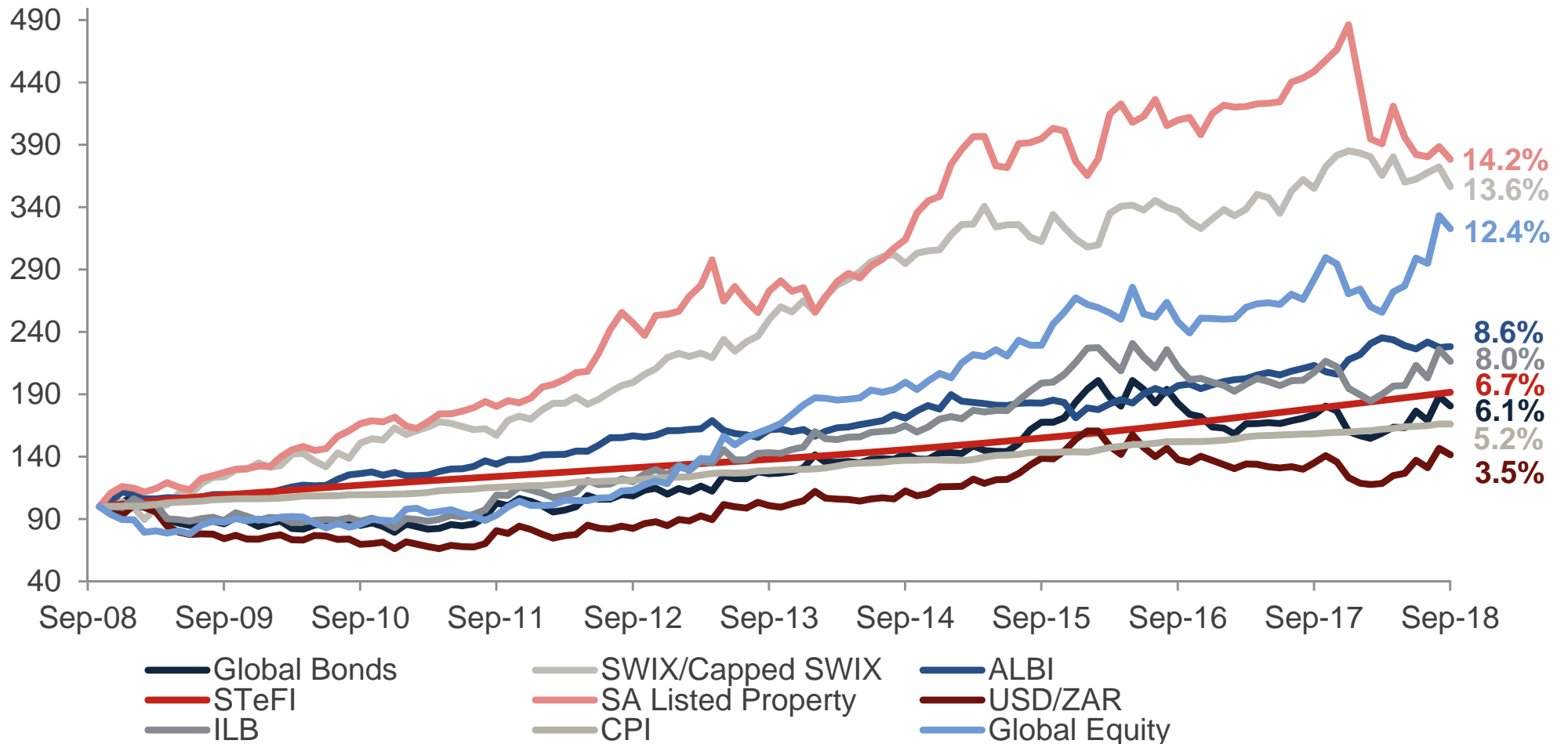
Global asset classes

Five years to September 2018



Asset classes

Ten years to September 2018



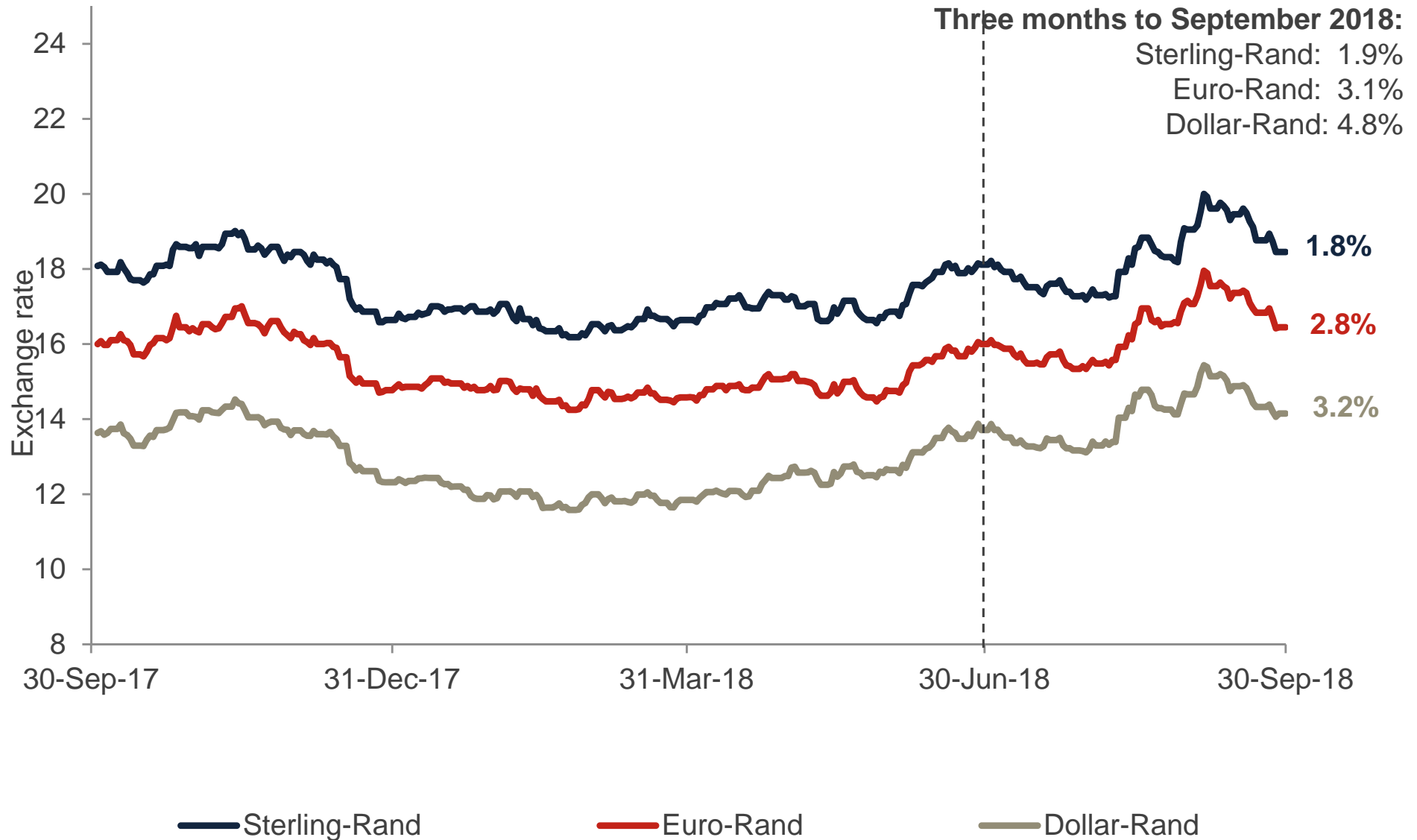
* CPI lagged by one month due to availability of data

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

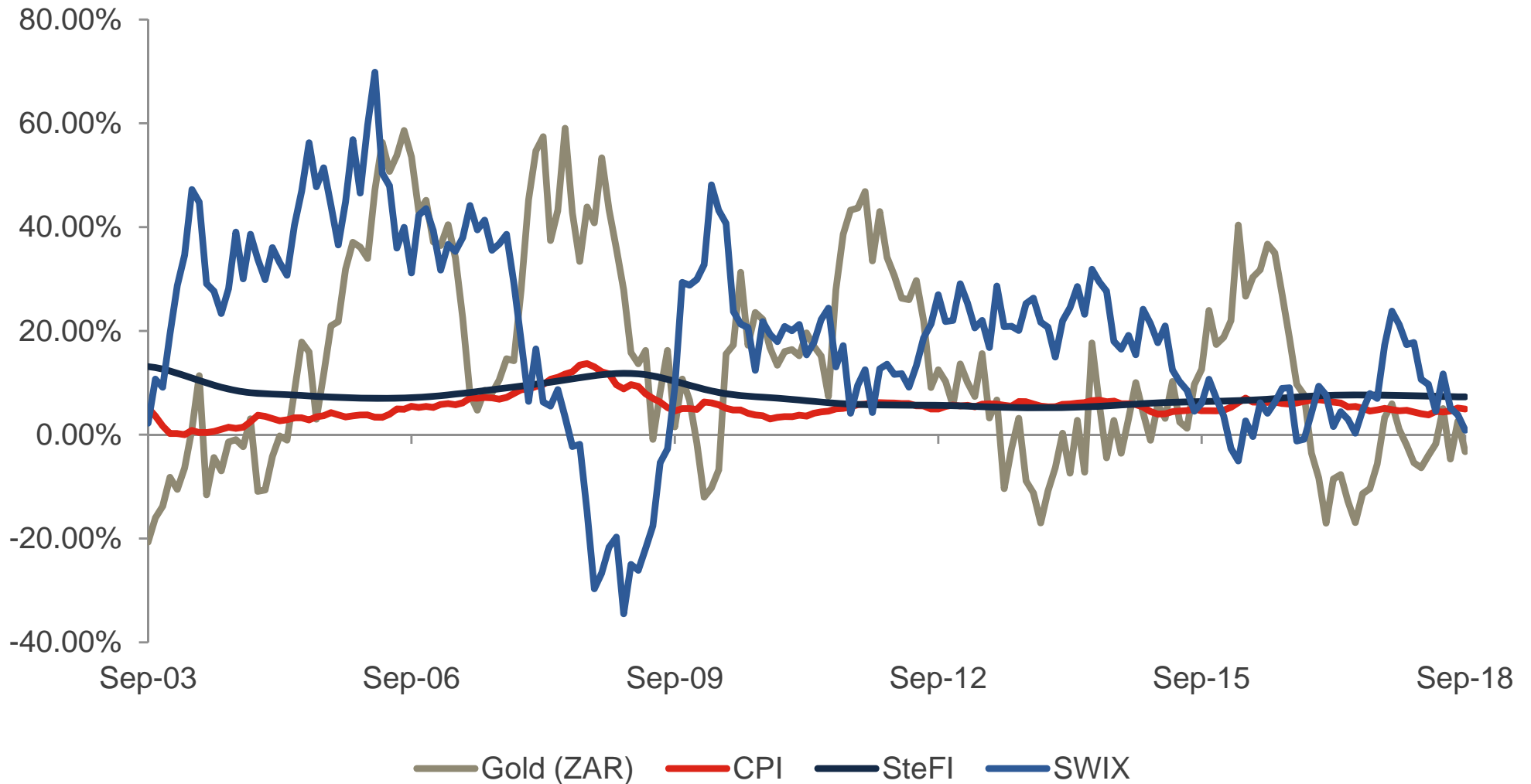
Exchange rates

One year to September 2018



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

One-year rolling returns to September 2018

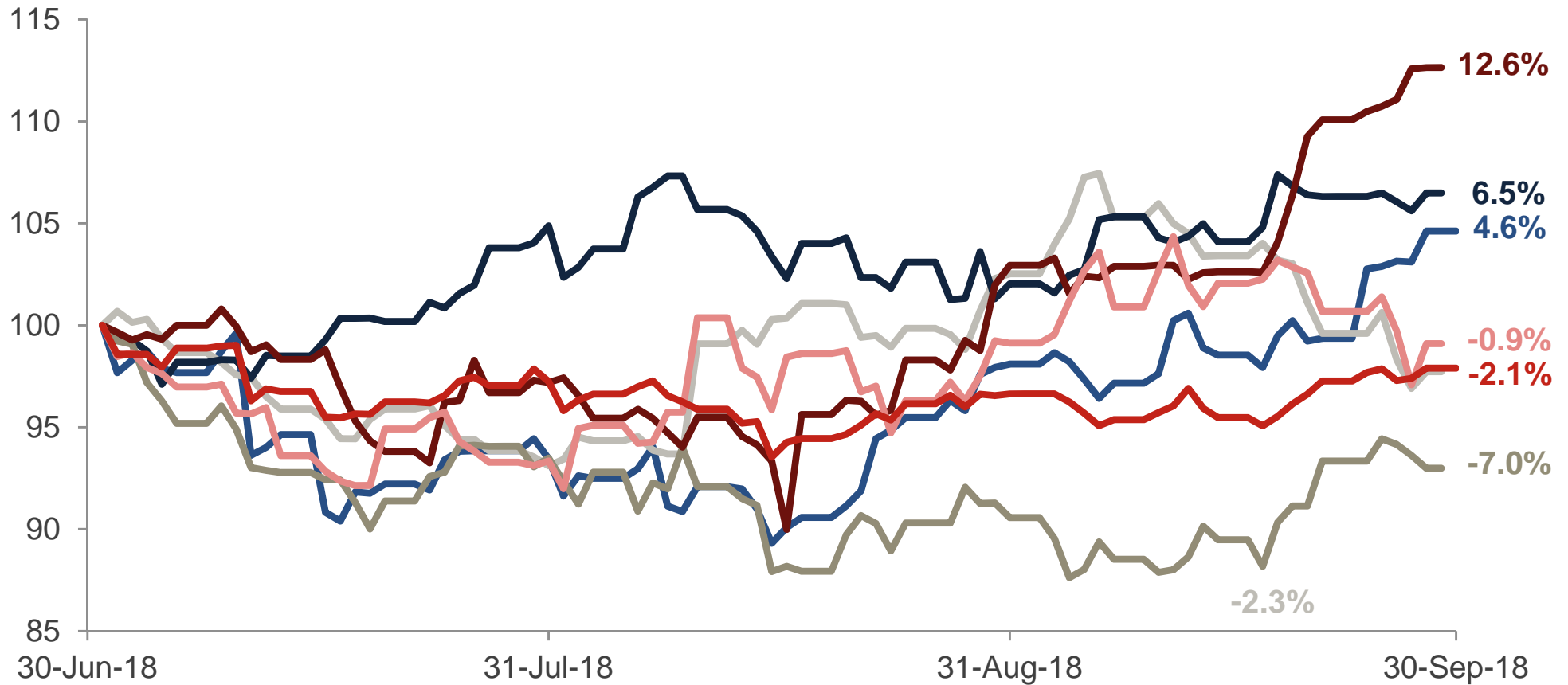


* CPI lagged by one month due to availability of data

Source: INET BFA and Momentum Investments

Commodities

Three months to September 2018



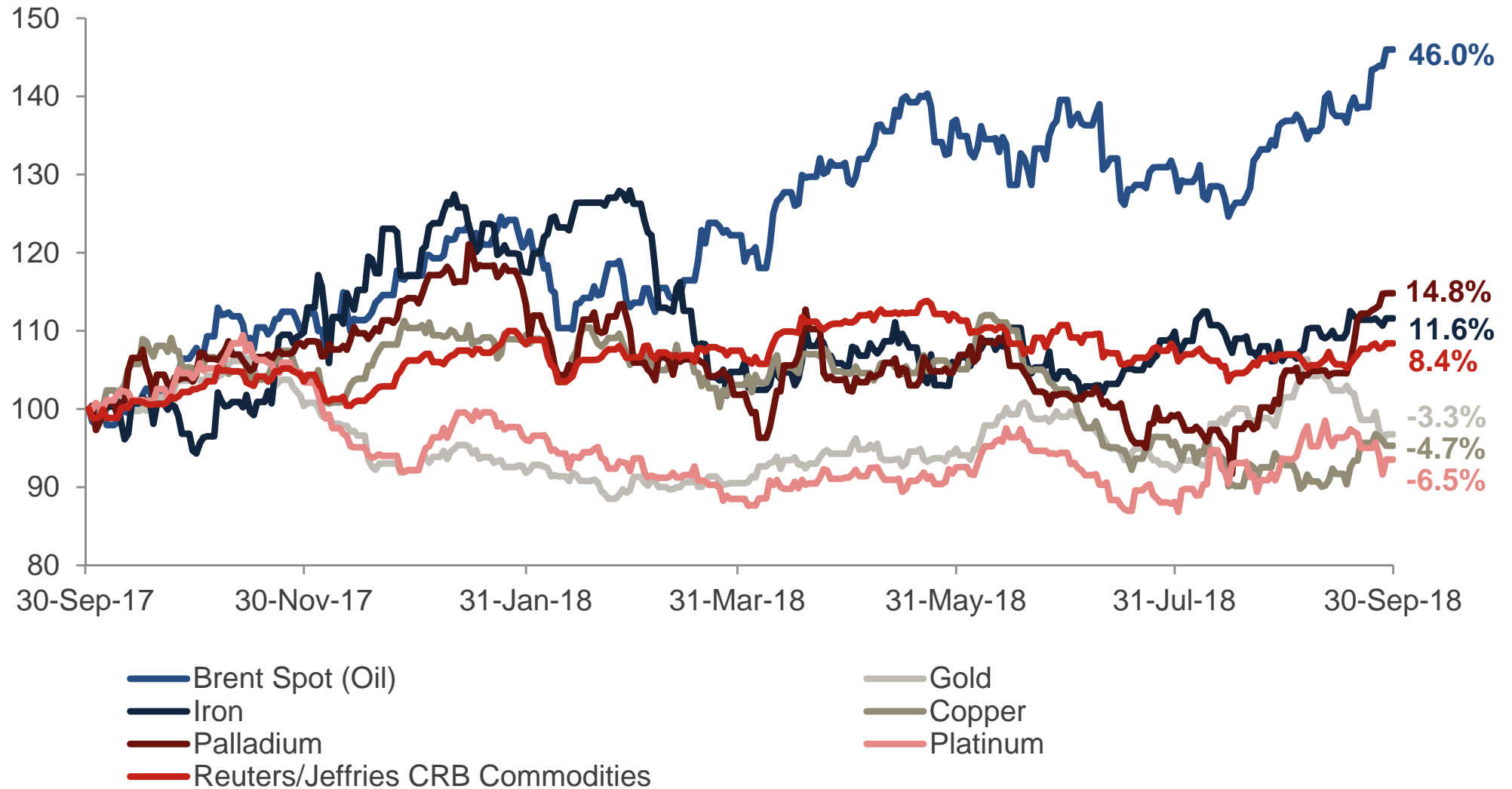
- Brent Spot (Oil)
- Iron
- Palladium
- Reuters/Jeffries CRB Commodities
- Gold
- Copper
- Platinum

All returns are in dollar terms

Source: INET BFA, FT.com and Momentum Investments

Commodities

One year to September 2018

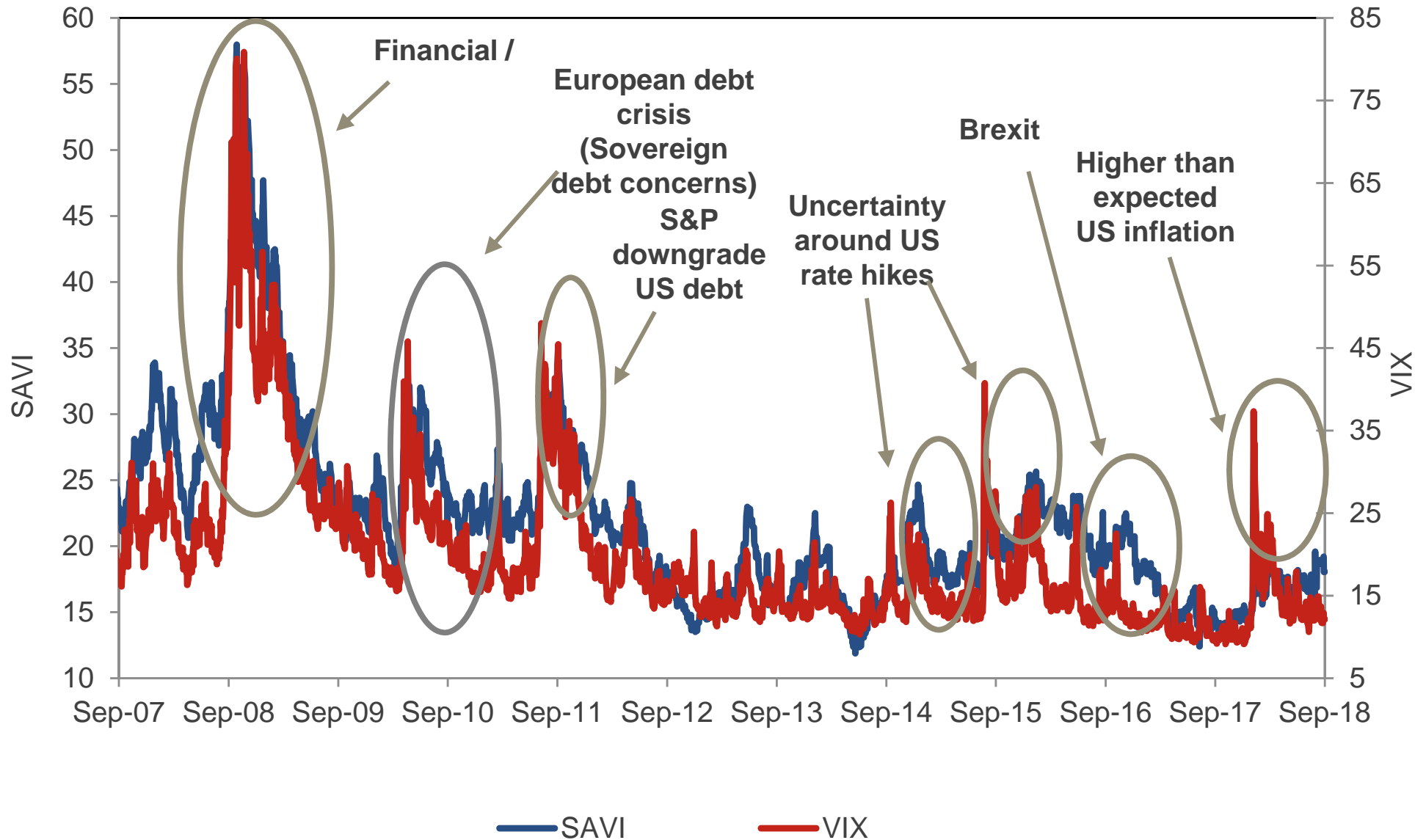


All returns are in dollar terms

Source: INET BFA, FT.com and Momentum Investments

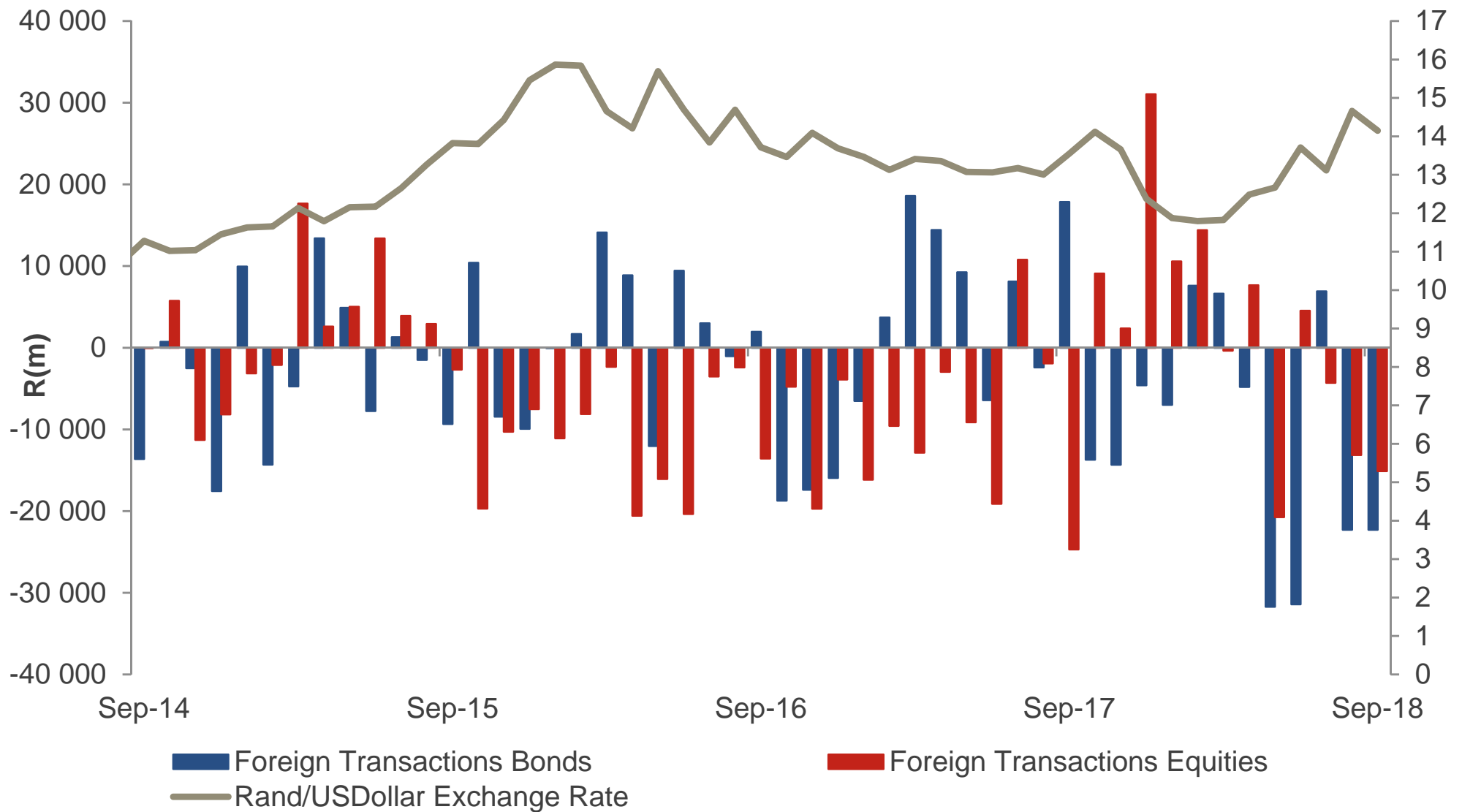
SAVI-VIX

Since September 2007 to September 2018



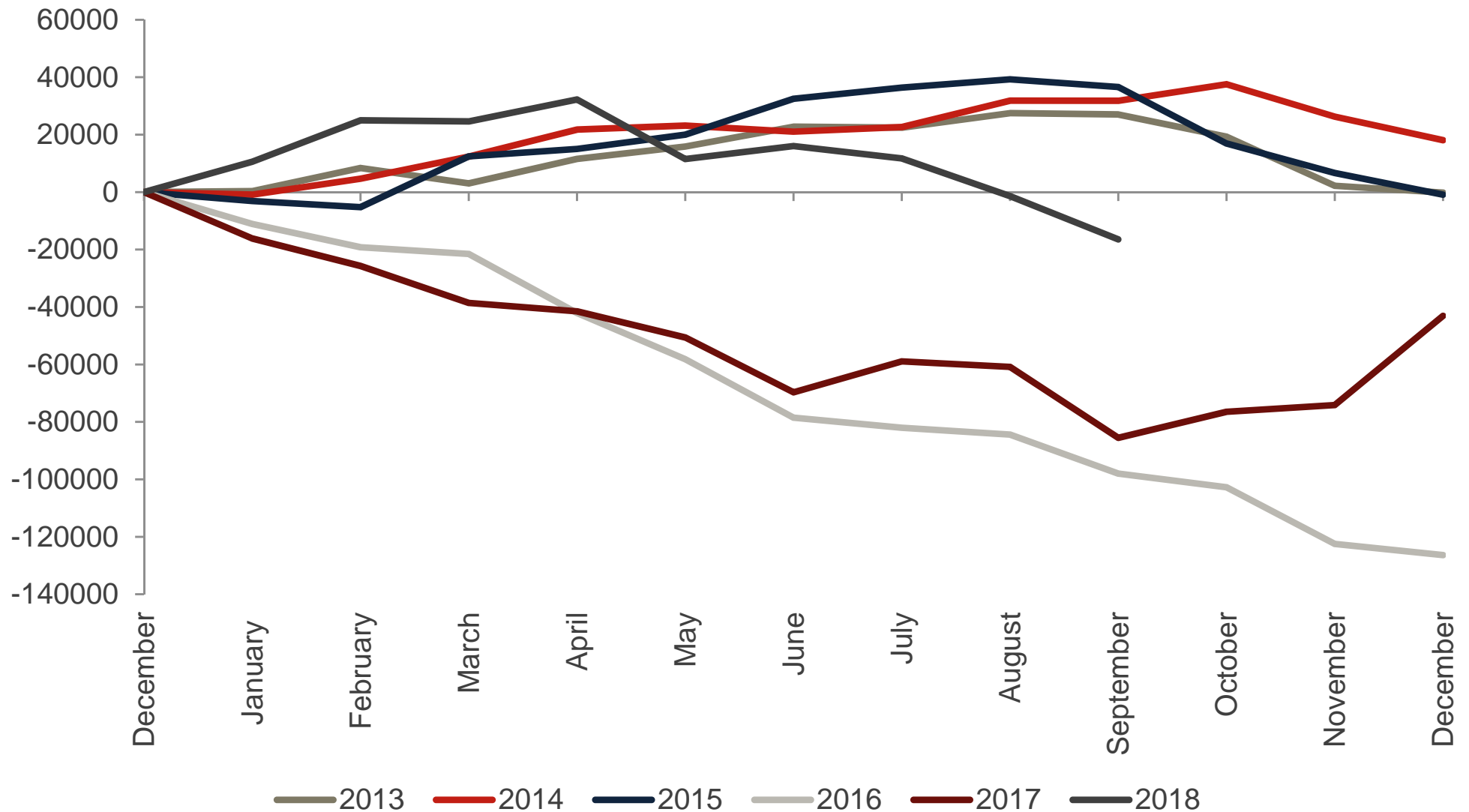
Foreign transactions

2014 to 2018



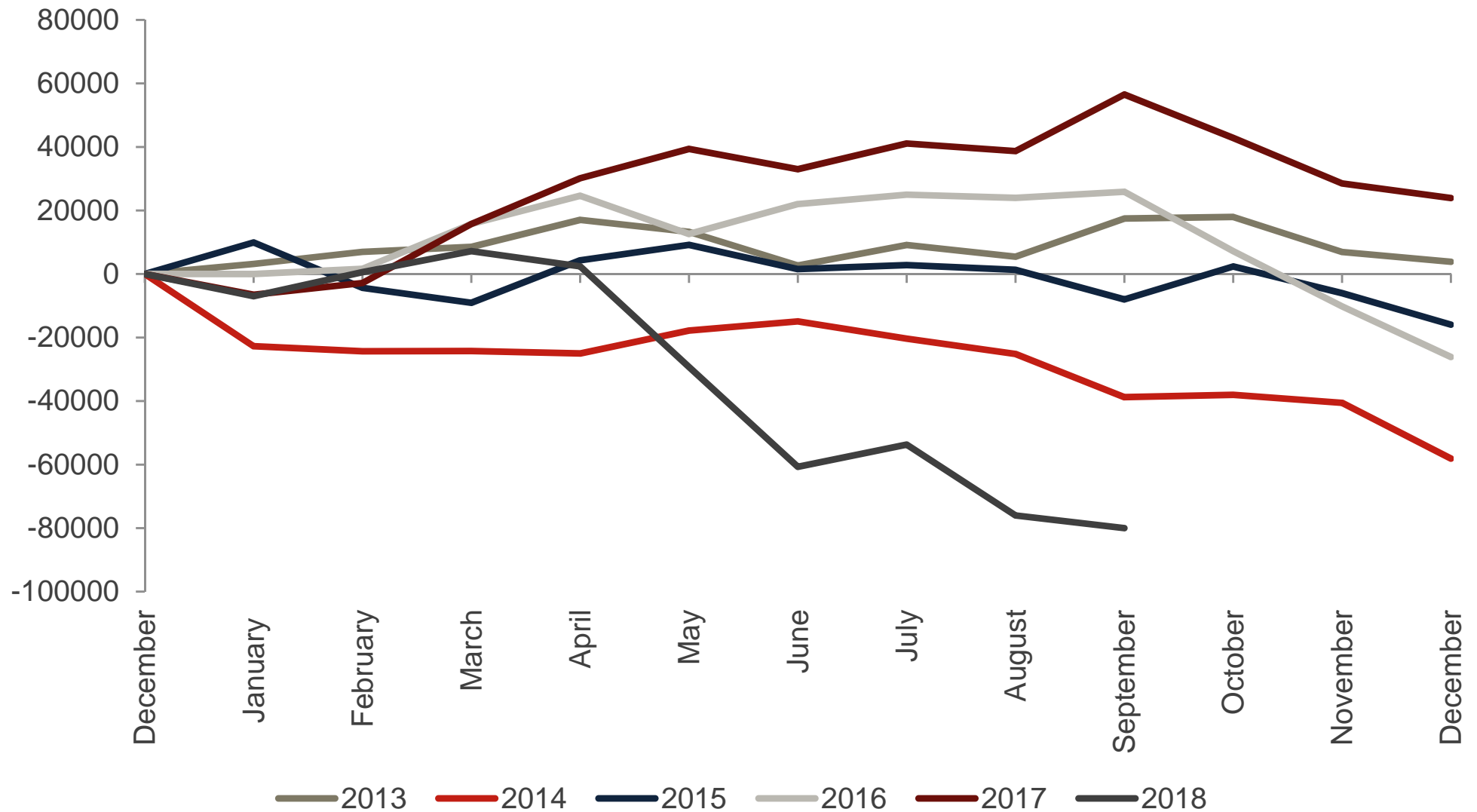
Cumulative foreign transaction equities

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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