

Key market performance drivers

Monthly charts to 31 January 2022



momentum
investments

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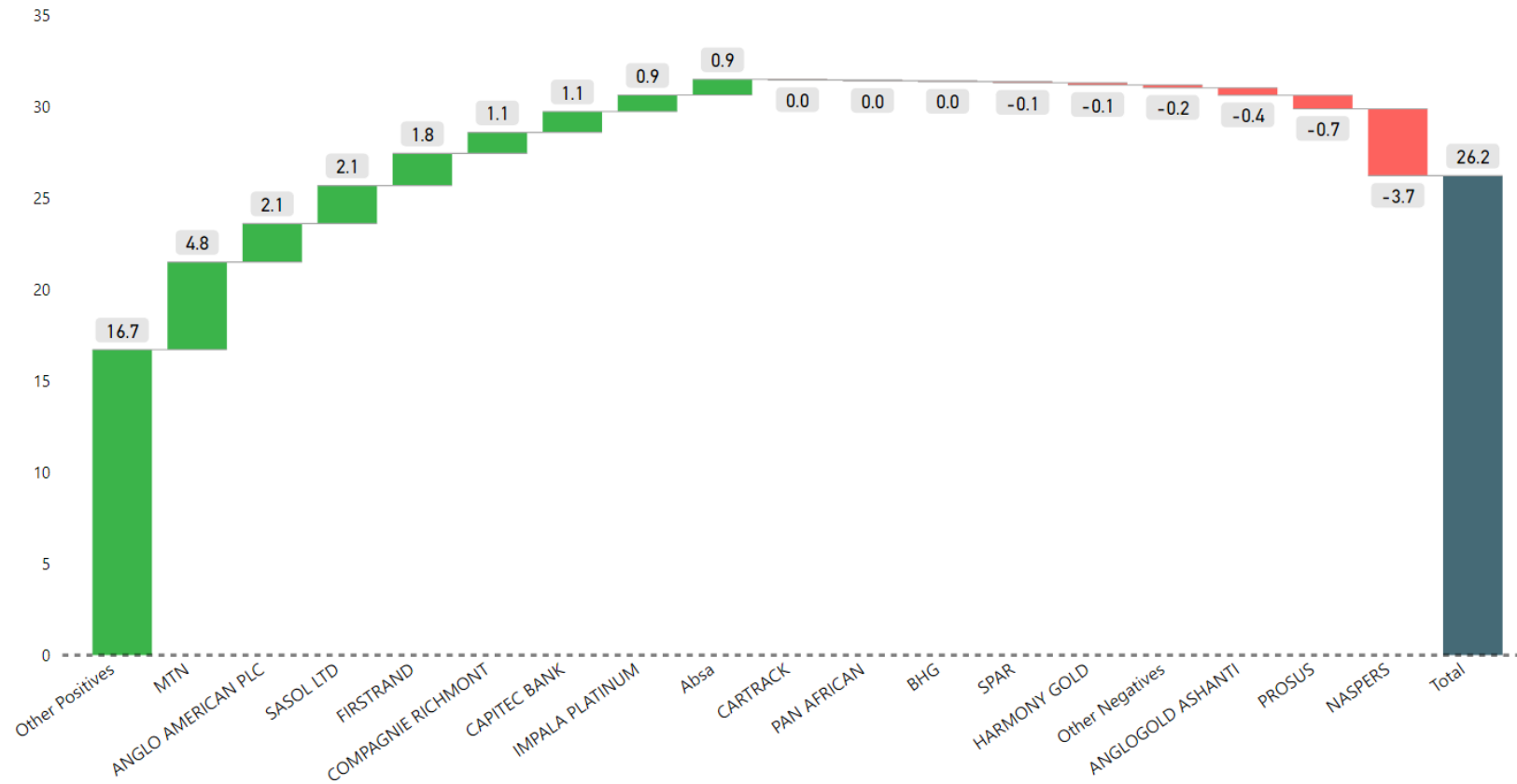
Market
concentration

01

One-year Capped SWIX contributions to January 2022



● Increase ● Decrease ● Total



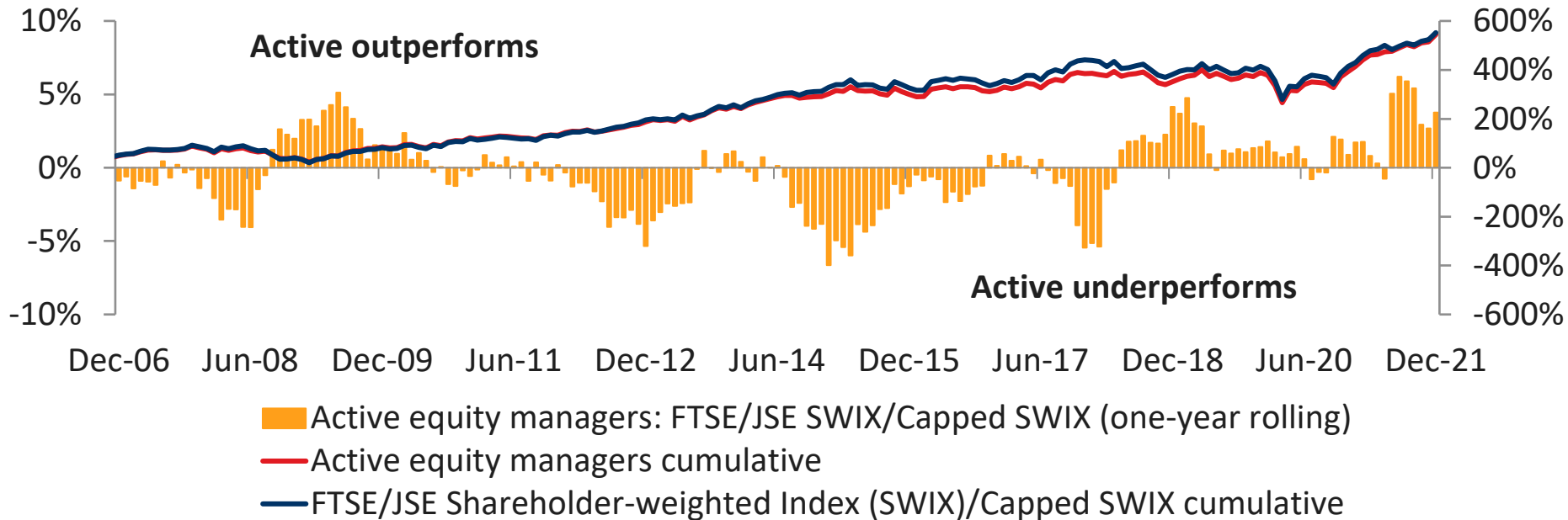
Active index
analysis

02

Active index analysis: Equities



One-year rolling active returns to December 2021

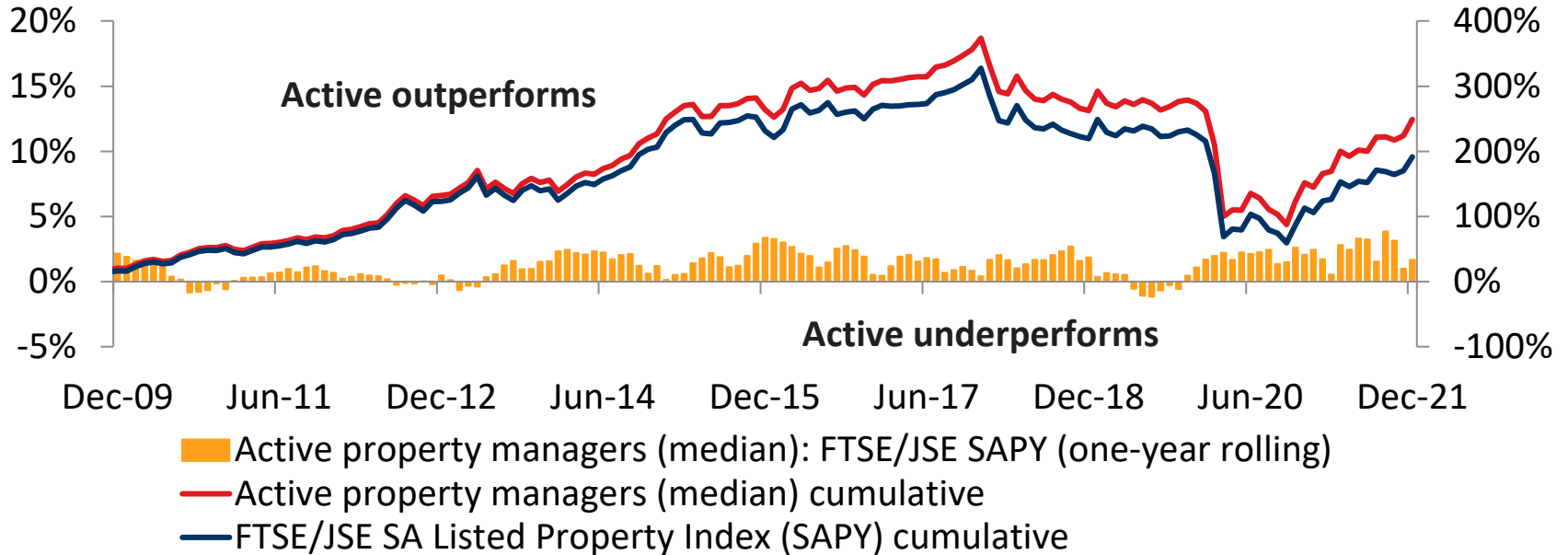


The median of the active equity investment managers outperformed the SWIX/Capped SWIX composite benchmark for a one-year period ending December 2021

Active index analysis: Property



One-year rolling active returns to December 2021

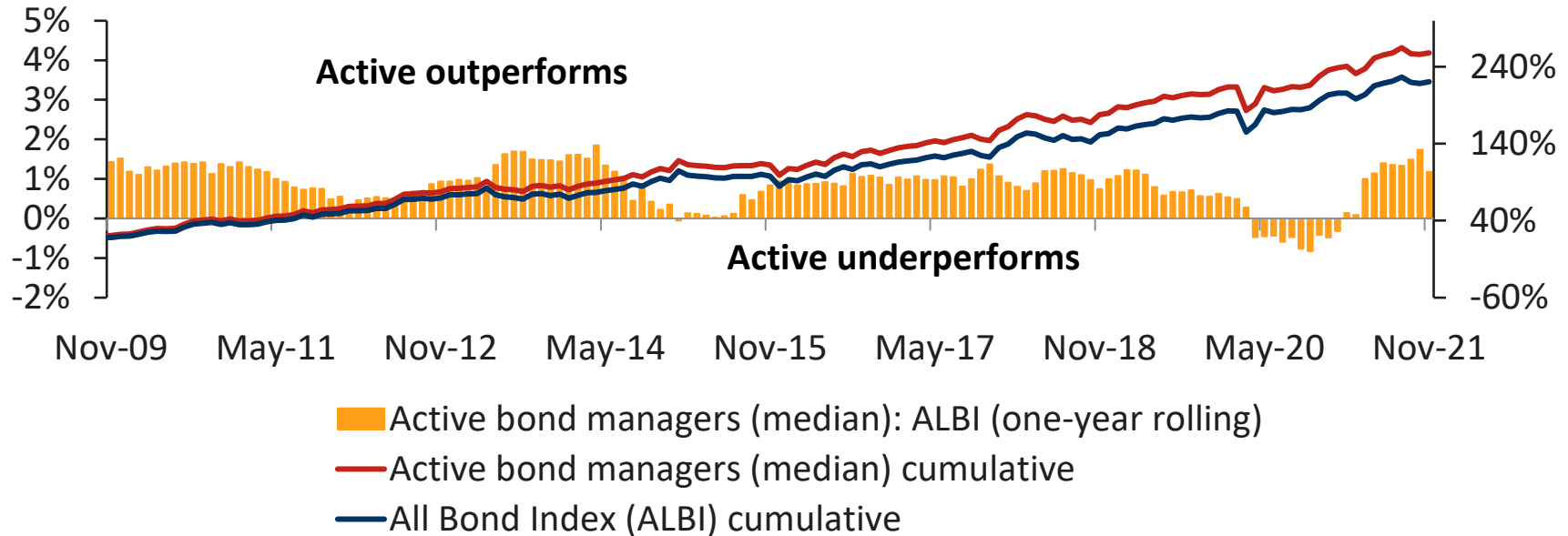


The median return of the active property investment managers have outperformed the SAPY for a one-year period ending December 2021

Active index analysis: Bonds



One-year rolling active returns to December 2021

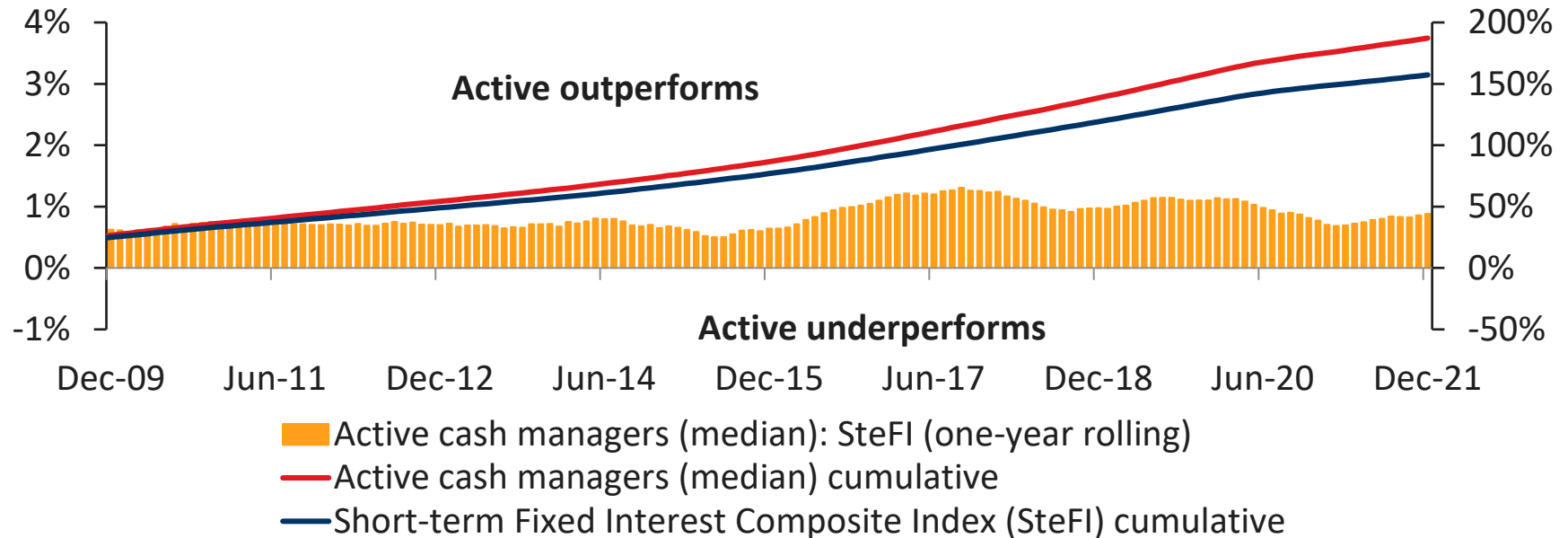


The median of the active bond investment managers outperformed the ALBI for the one-year period ending December 2021

Active index analysis: Cash



One-year rolling active returns to December 2021



The median of the active money market investment managers outperformed the SteFI for the one-year period ending December 2021

Style
analysis

03

Style returns heat map for South Africa to January 2022



In the last year, value outperformed quality and momentum

ZAR	Styles	One month to January 2022	Three months to January 2022	One year to January 2022	Three years to January 2022	Five years to January 2022	Ten years to January 2022	Twenty years to January 2022
Value	Book to price	-0,85	0,75	21,84	6,10	-1,05	-1,71	-0,05
	Dividend yield	1,02	1,43	-8,18	-0,20	0,79	-0,08	2,62
	Earnings yield	1,37	0,46	-0,09	-0,05	-1,69	-1,03	-0,20
	Cash flow yield	1,26	0,67	14,83	0,49	-0,31	0,77	1,21
	Sales to price	1,75	1,52	10,99	5,04	1,72	-0,30	-0,03
	Quality	ROE	0,52	-2,29	-24,26	-4,22	1,76	0,43
ROIC LT		-1,64	-2,78	-15,68	-4,49	-4,89	-2,42	-0,84
Income to sales		0,88	-1,79	-10,35	-2,46	-1,27	-0,10	0,15
Low market beta		-1,61	-3,19	-10,17	-6,22	-3,76	0,84	-0,24
Low debt/equity		-0,42	0,99	-10,05	-0,77	-1,22	-0,88	-1,20
EBIT margin stability		1,39	-0,61	-5,07	-0,20	-3,44	0,77	0,28
Growth	Earnings growth	-0,31	-2,25	-6,58	2,90	2,80	1,53	0,18
	Sales growth	0,69	2,53	-3,53	3,93	1,04	1,37	-0,15
	12M earning growth	1,20	1,50	-0,55	9,65	4,23	-0,08	4,25
Momentum	FY1 earnings revisions	1,67	-0,56	9,35	5,90	4,11	4,46	7,41
	Short-term momentum	-1,46	-6,00	-6,14	-2,95	-2,16	0,59	-0,85
	Medium-term momentum	-0,38	0,00	-4,45	7,46	4,37	5,56	5,37
Size	Size	3,15	1,73	-16,55	-0,74	2,99	0,20	-0,17

Source: FactSet, Momentum Global Investment Management and Momentum Investments

Sector
analysis

04

FTSE/JSE sectors decomposed

Three months to January 2022

1 Chemicals	Basic materials	29,62%	17 Retailers	FTSE/JSE Industrials	
2 Closed-end investments	Financials	28,43%	18 General industrials	Consumer discretionary	1,91%
Telecommunications service				Industrials	1,33%
3 Providers	Telecommunications	27,71%	19 Beverages	Consumer staples	0,23%
4 Tobacco	Consumer staples	26,04%	20 Industrial transportation	Industrials	0,17%
5 Industrial metals and mining	Basic materials	16,55%	21 Automobiles and parts	Consumer discretionary	-0,07%
6 Personal goods	Consumer discretionary	16,55%	22 Finance and credit services	Financials	-0,48%
7 Banks	Financials	12,72%	23 Industrial support services	Industrials	-0,68%
8 Precious metals and mining	Basic materials	9,80%	24 Electronic and electrical equipment	Industrials	-1,83%
9 Real estate investment trusts	Real estate	8,87%	25 Industrial materials	Basic materials	-2,29%
10 Non-life insurance	Financials	5,91%	26 Food producers	Consumer staples	-2,69%
11 Personal care	Consumer staples	4,26%	27 Software and computer services	Technology	-4,91%
12 Life insurance	Financials	4,04%	28 Health care providers	Health care	-6,94%
Investment banking and				Consumer discretionary	-8,49%
13 brokerage	Financials	3,77%	29 Travel and leisure		
14 Construction and materials	Industrials	3,33%	30 Alternative energy	Energy	-9,62%
Real estate investment and				Consumer discretionary	-13,28%
15 services	Real estate	2,79%	31 Consumer services		
16 Oil	Energy	2,58%	32 Pharmaceuticals and biotechnology	Health care	-14,28%

FTSE/JSE sectors decomposed

One year to January 2022

Key

FTSE/JSE Resources



FTSE/JSE Financials

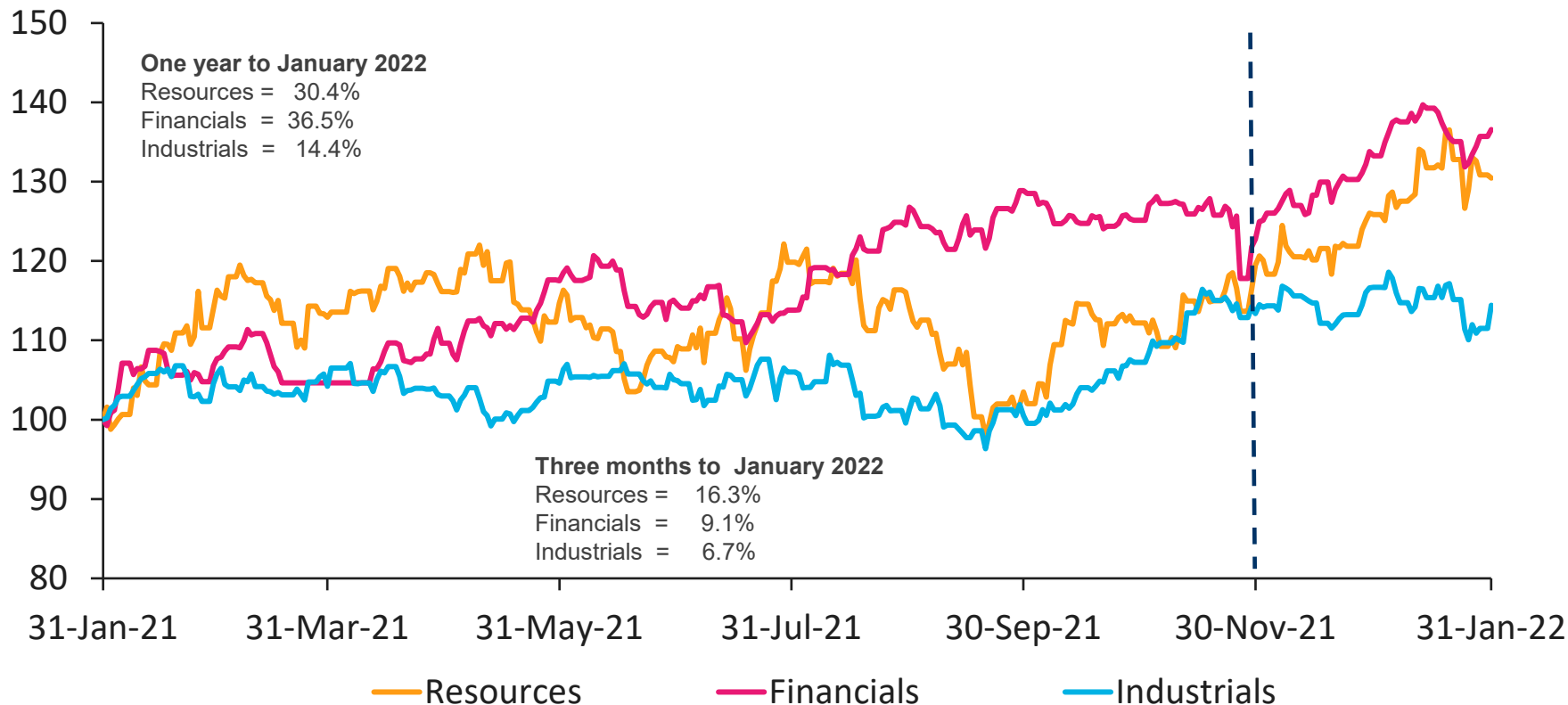
FTSE/JSE Industrials

1 Telecommunications service providers	Telecommunications	102,00 %	17 Retailers	Consumer discretionary	32,69%
2 Chemicals	Basic materials	99,19%	18 Electronic and electrical equipment	Industrials	32,09%
3 Travel and leisure	Consumer discretionary	93,94%	19 General industrials	Industrials	31,92%
4 Closed-end investments	Financials	87,14%	20 Real estate investment and services	Real estate	31,01%
5 Finance and credit services	Financials	83,75%	21 Tobacco	Consumer staples	29,44%
6 Automobiles and parts	Consumer discretionary	60,08%	22 Personal care	Consumer staples	28,53%
7 Personal goods	Consumer discretionary	58,73%	23 Investment banking and brokerage	Financials	25,03%
8 Industrial transportation	Industrials	57,59%	24 Life insurance	Financials	21,96%
9 Industrial support services	Industrials	56,00%	25 Beverages	Consumer staples	16,31%
10 Construction and materials	Industrials	51,05%	26 Health care providers	Health care	14,51%
11 Consumer services	Consumer discretionary	46,12%	27 Precious metals and mining	Basic materials	13,03%
12 Pharmaceuticals and biotechnology	Health care	44,21%	28 Industrial materials	Basic materials	7,16%
13 Banks	Financials	42,46%	29 Food producers	Consumer staples	4,55%
14 Real estate investment trusts	Real estate	40,77%	30 Non-life insurance	Financials	3,00%
15 Oil	Energy	40,17%	31 Alternative energy	Energy	-5,00%
16 Industrial metals and mining	Basic materials	37,69%	32 Software and computer services	Technology	-29,01%

FTSE/JSE sectors



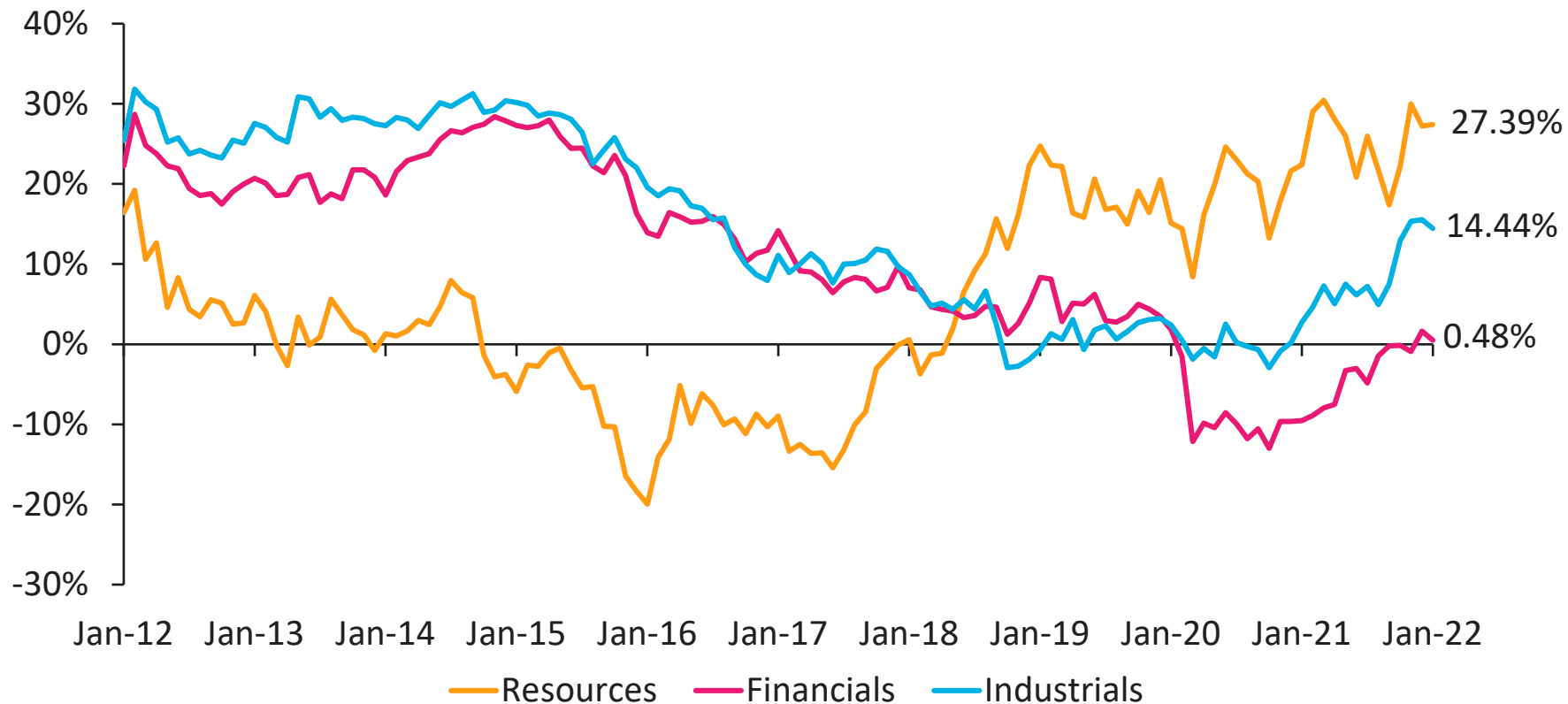
One-year rolling returns to January 2022



FTSE/JSE sectors



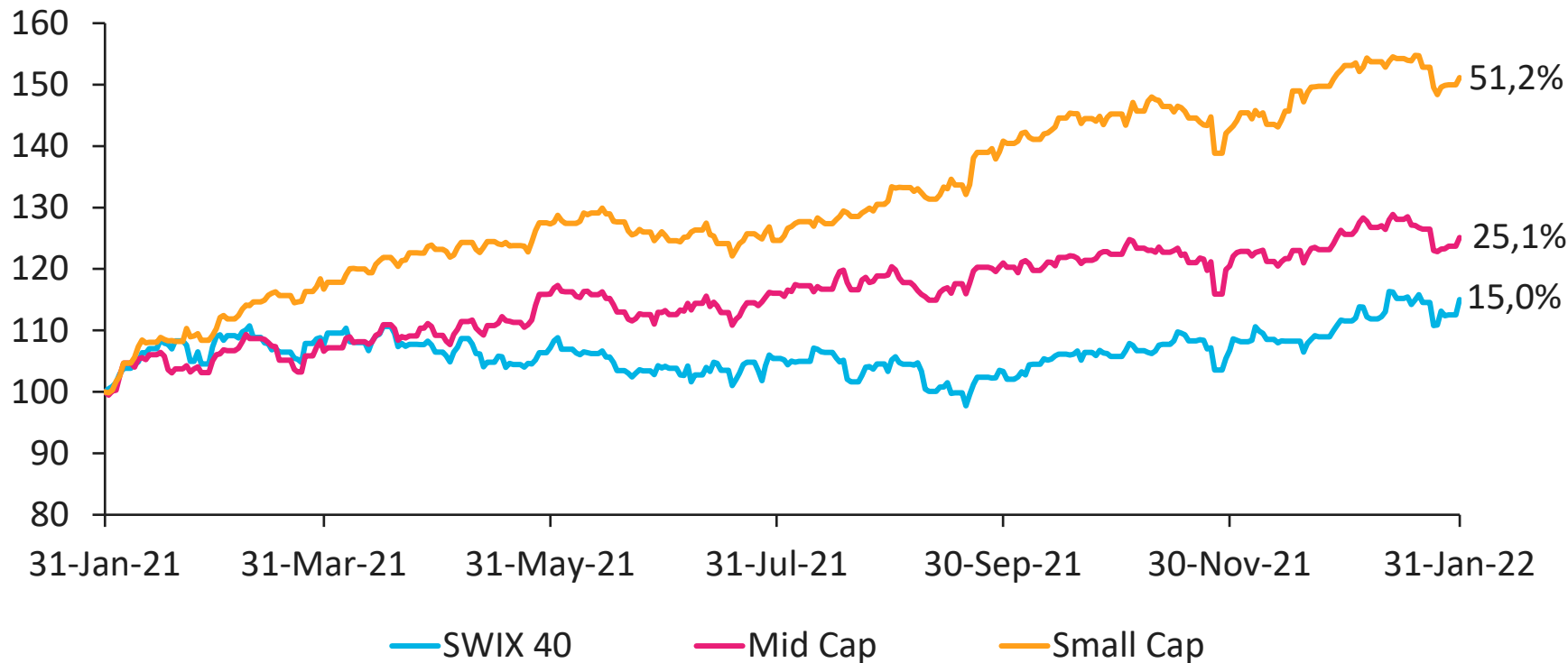
Ten years rolling to January 2022



FTSE/JSE market caps



One year to January 2022



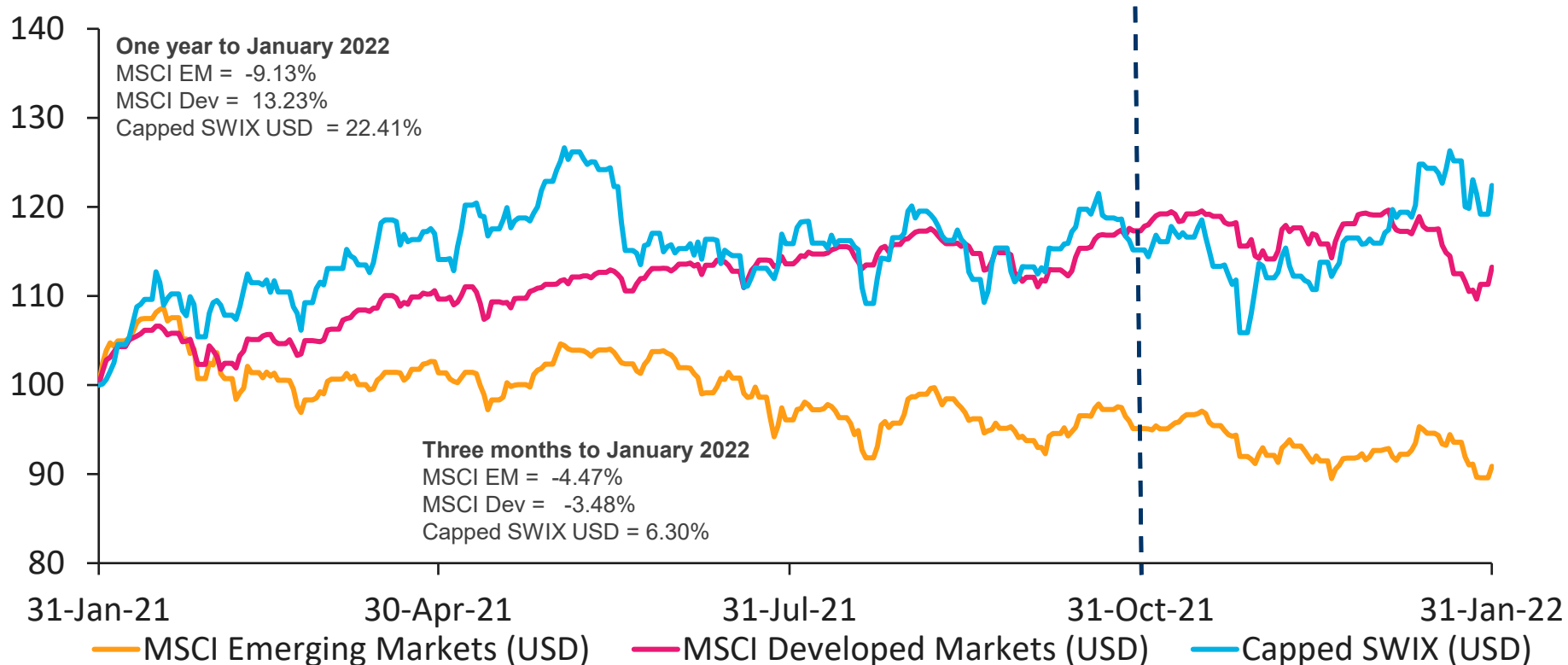
Index return
charts

05

MSCI developed and emerging markets



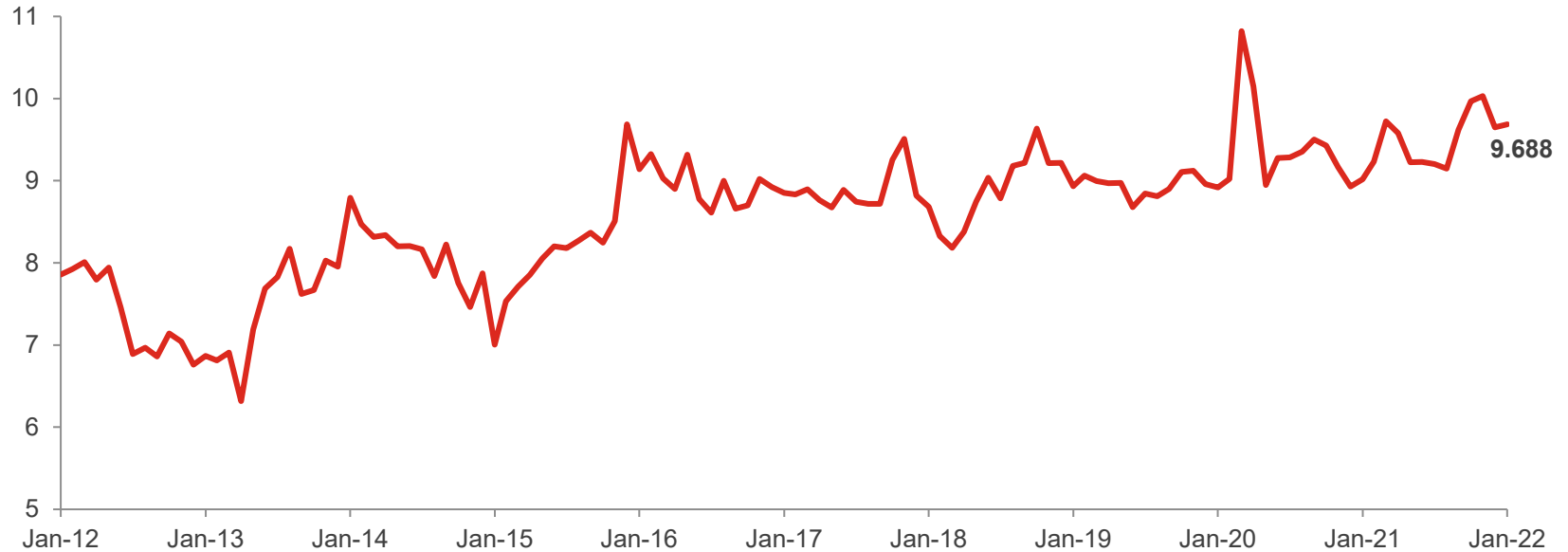
One year to January 2022



SA 10-year bond yields



Ten years to January 2022

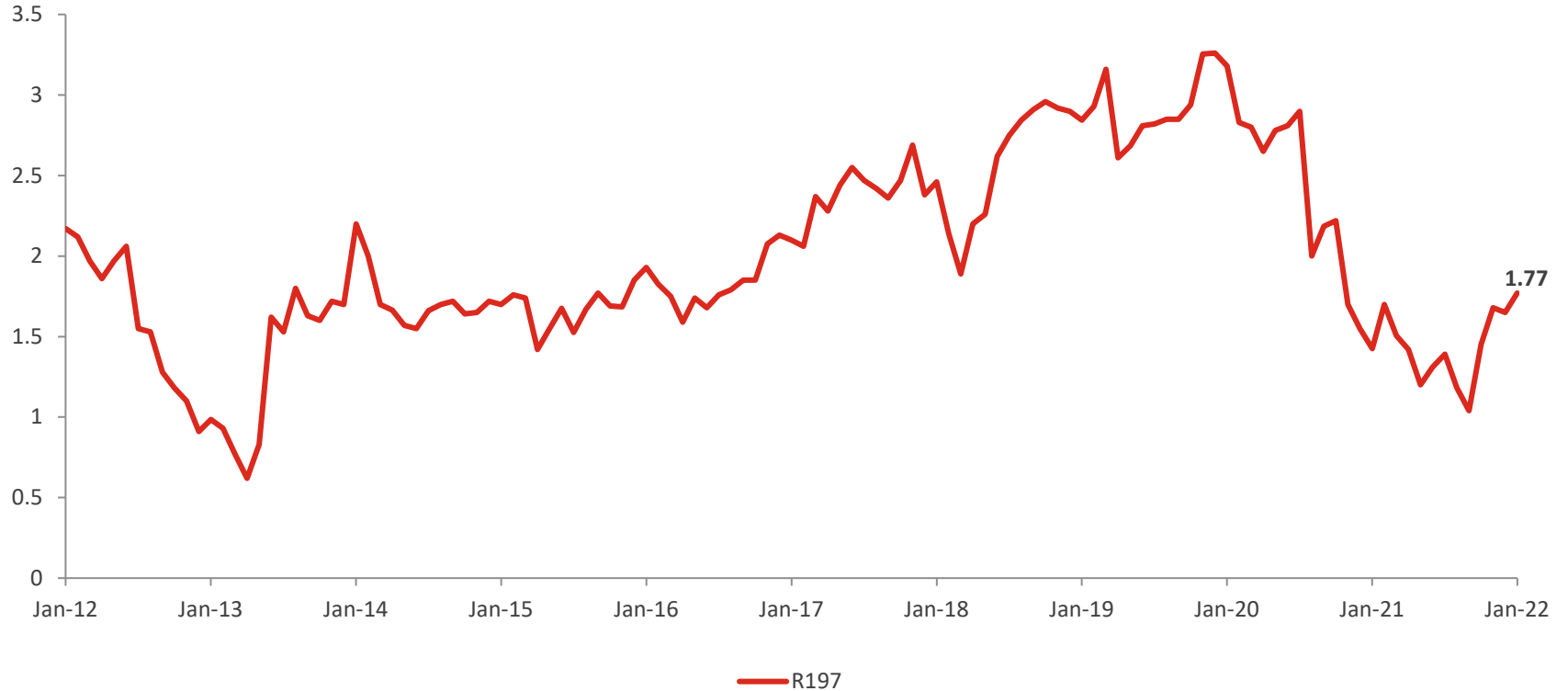


— SA 10 year bond yield

Yield of R197 (inflation-linked bond)



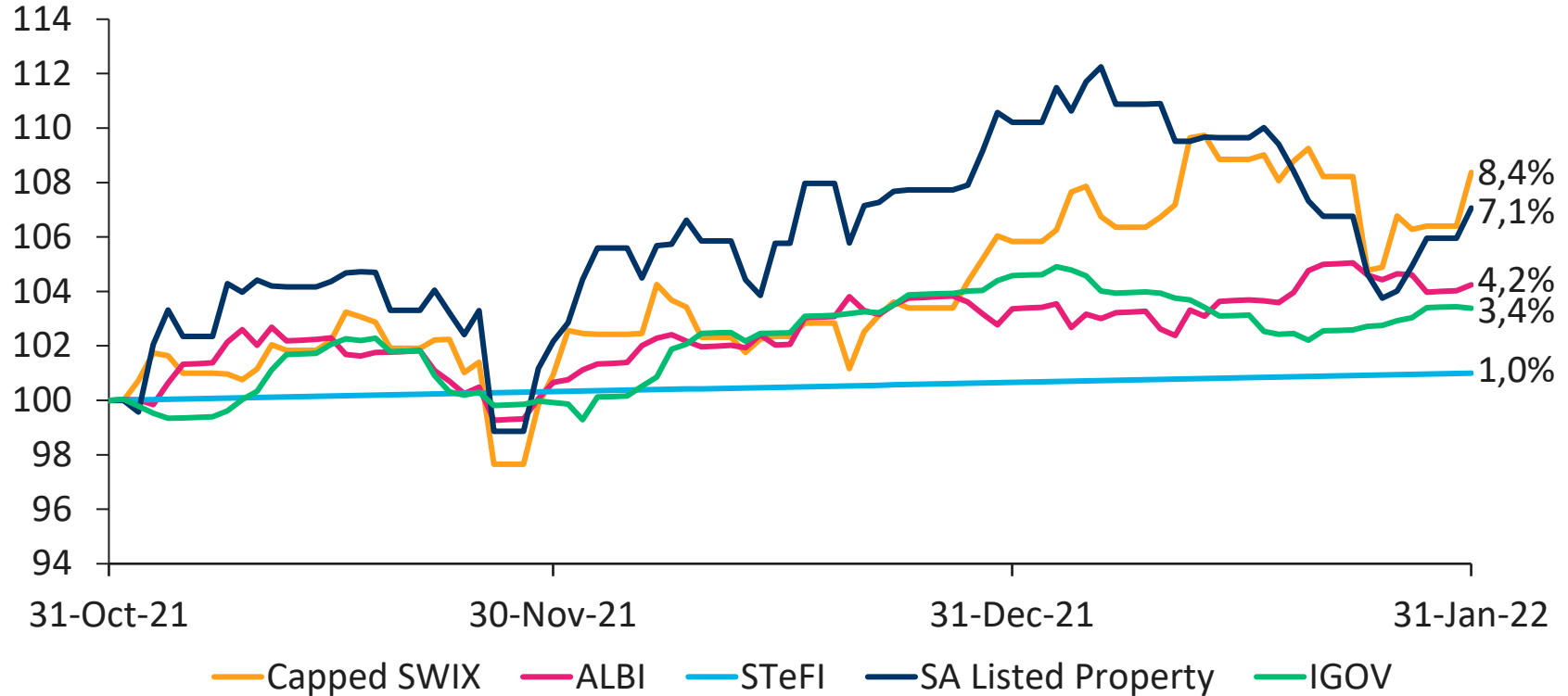
Ten years to January 2022



Local asset classes



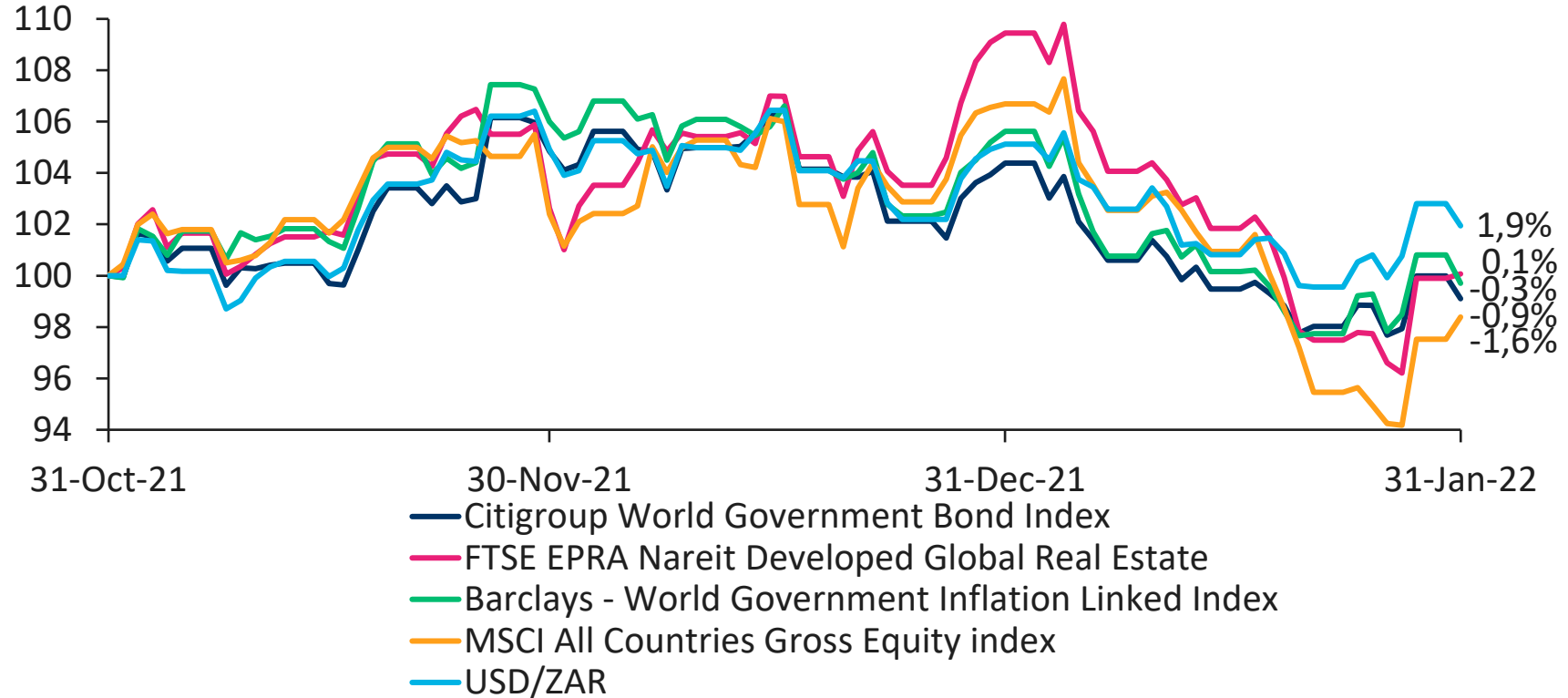
Three months to January 2022



Global asset classes



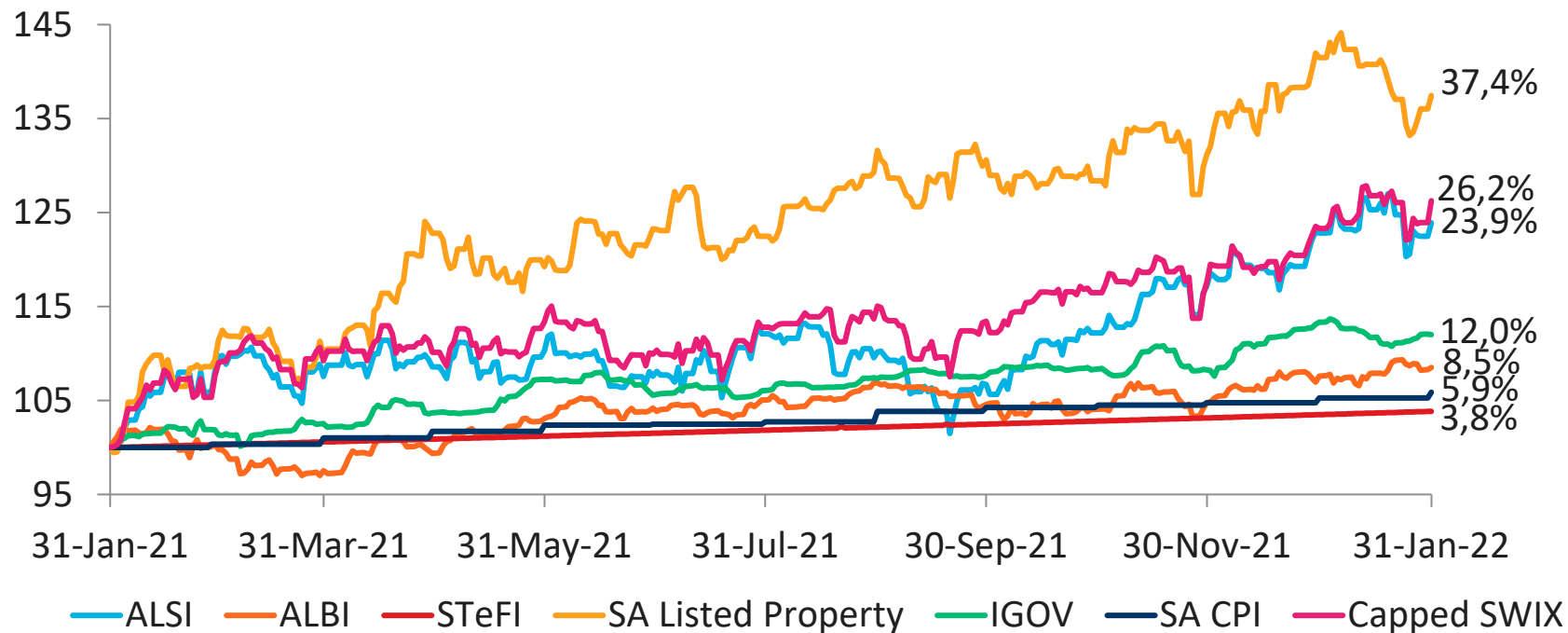
Three months to January 2022



Local asset classes



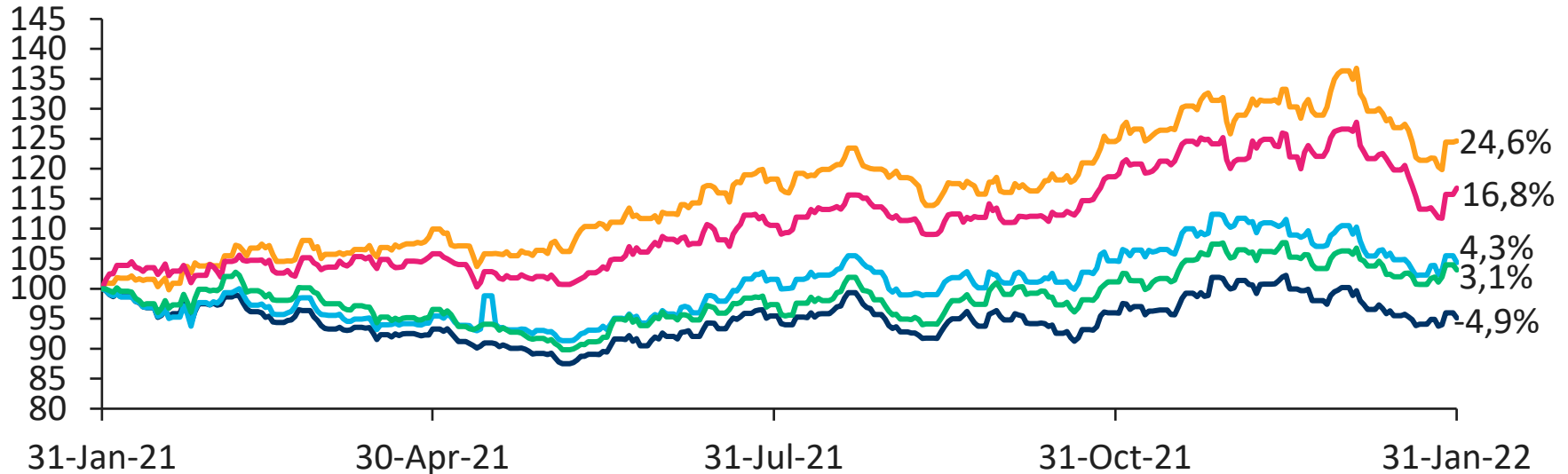
One year to January 2022



Global asset classes



One year to January 2022



— Citigroup World Government Bond Index

— FTSE EPRA Nareit Developed Global Real Estate

— Barclays - World Government Inflation Linked Index

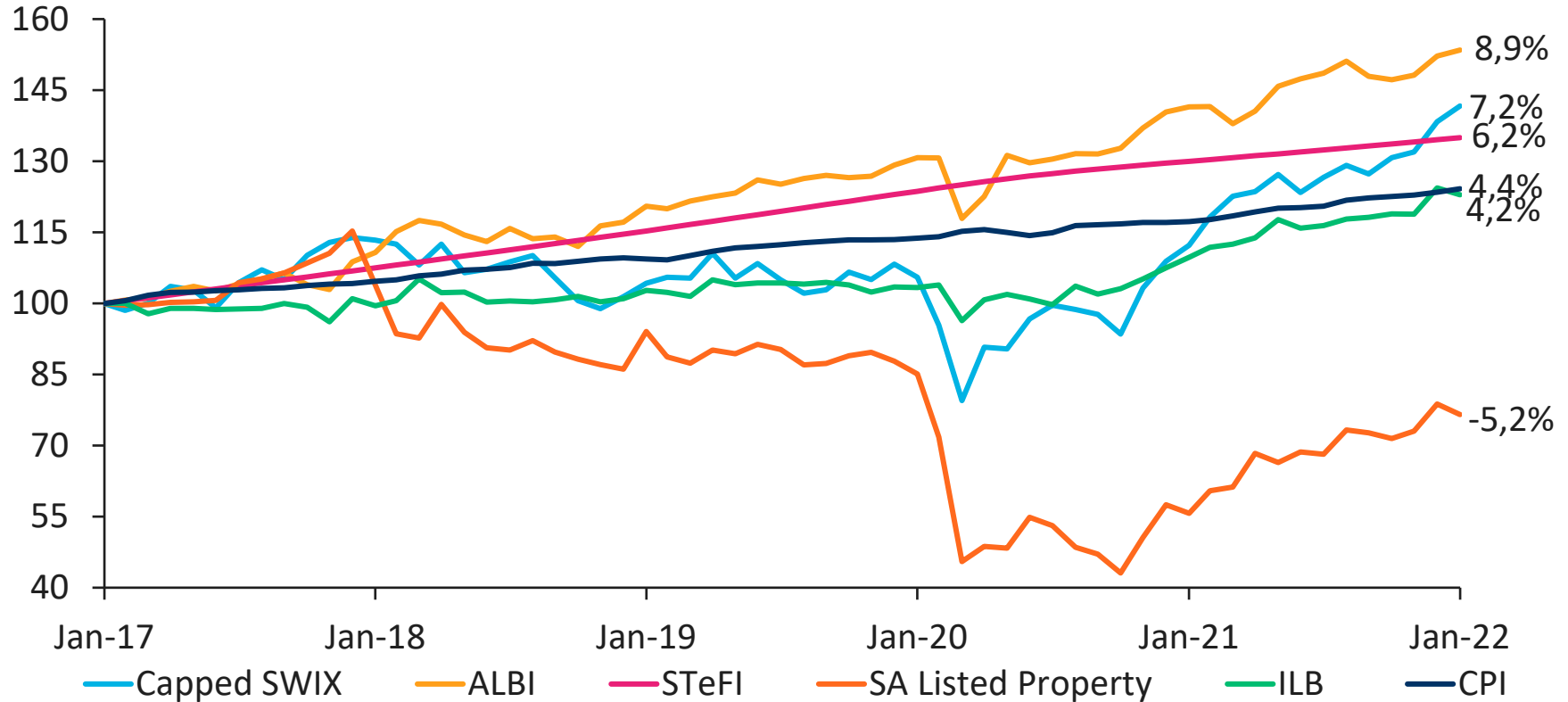
— MSCI All Countries Gross Equity index

— USD/ZAR

Local asset classes



Five years to January 2022

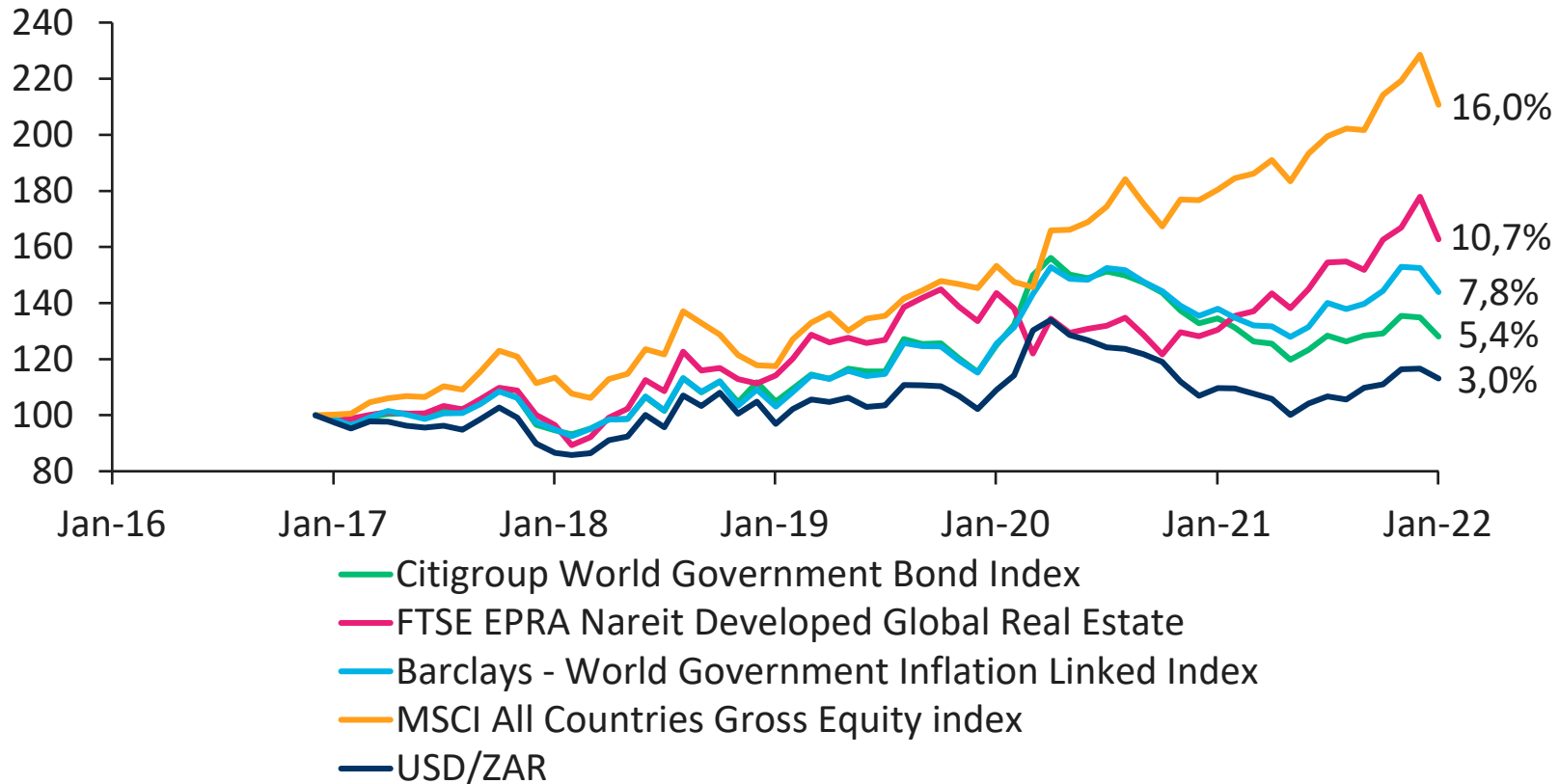


Sources: IRESS and Momentum Investments
*CPI lagged by one month due to availability of data.

Global asset classes



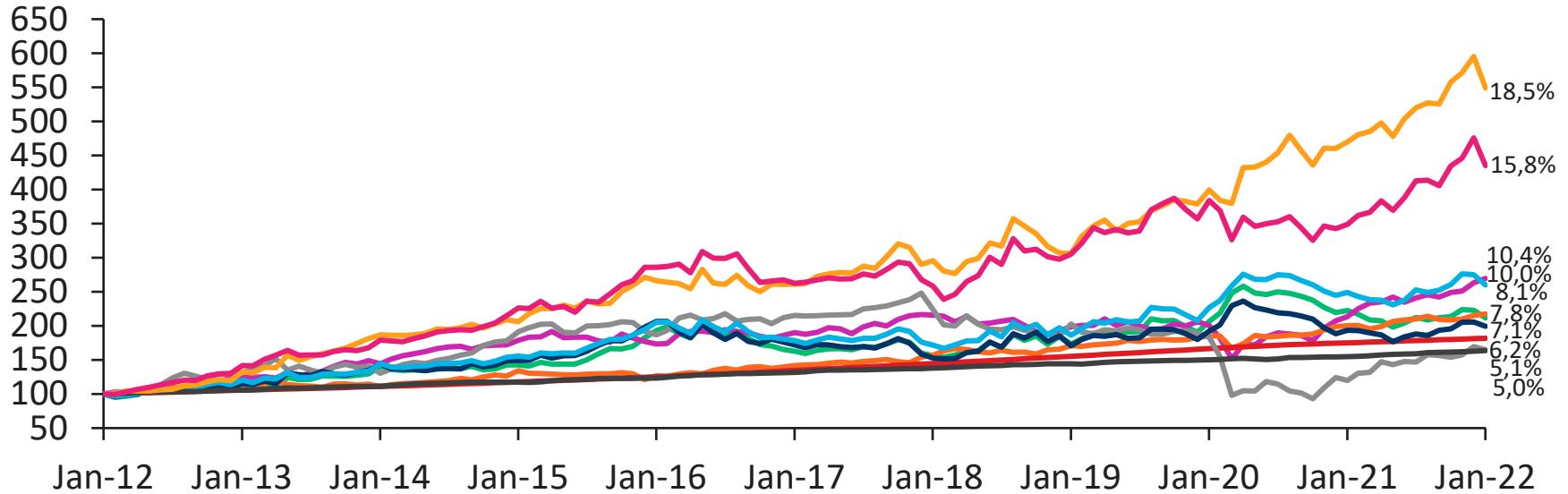
Five years to January 2022



Asset classes



Ten years to January 2022



- Citigroup World Government Bond Index
- ALBI
- SA Listed Property
- Barclays - World Government Inflation Linked Index
- MSCI All Countries Gross Equity index

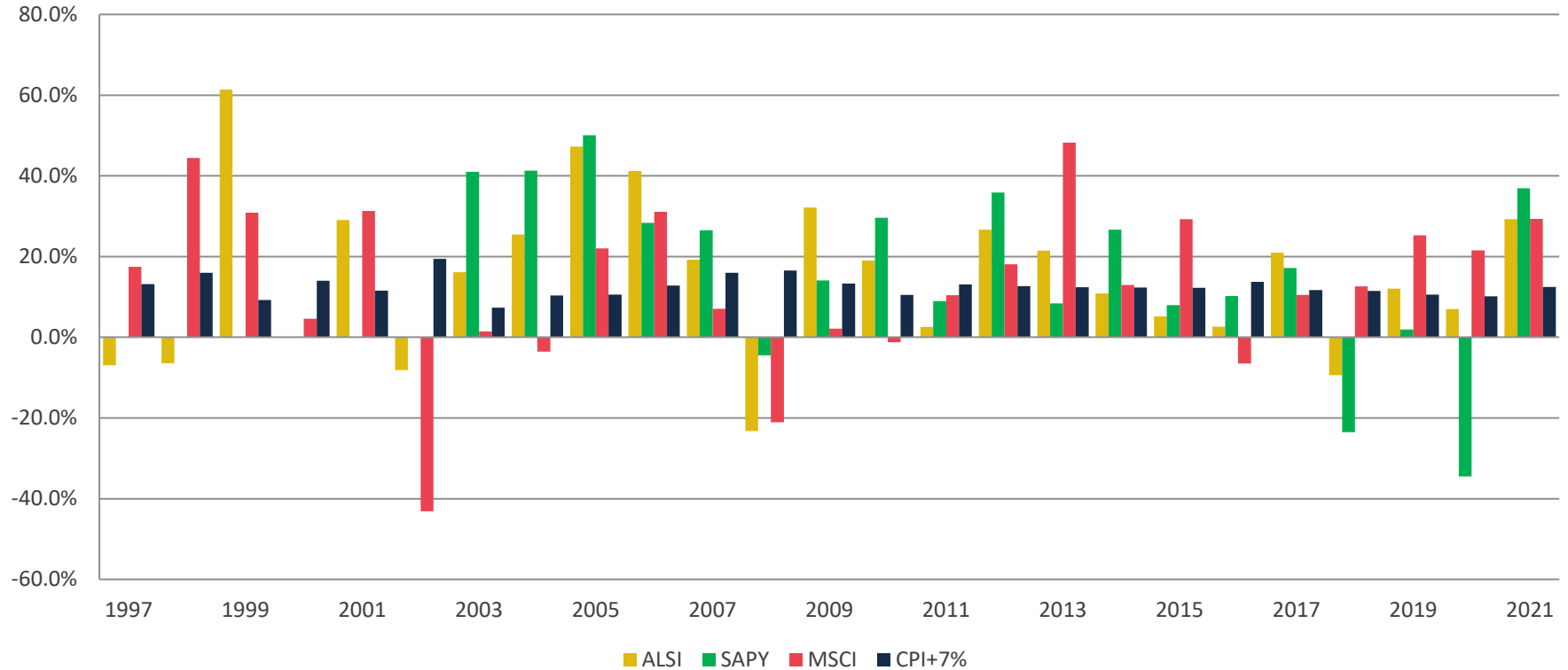
- SWIX/Capped SWIX
- STeFI
- USD/ZAR
- SA CPI
- FTSE EPRA Nareit Developed Global Real Estate

Sources: IRESS and Momentum Investments
 *CPI lagged by one month due to availability of data.

Annual asset class returns



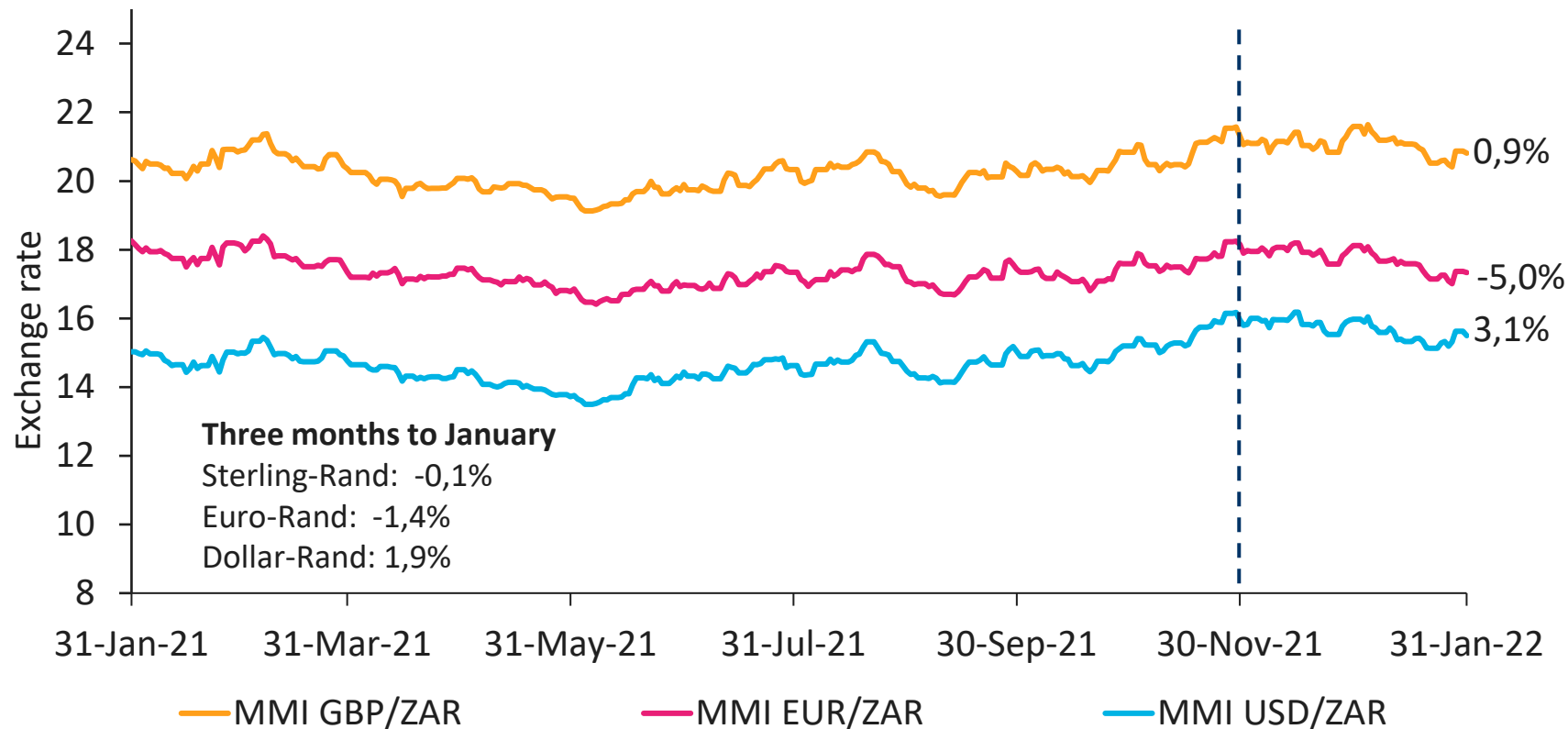
Ten-year rolling returns to December 2021



Sources: IRESS and Momentum Investments
*CPI lagged by one month due to availability of data.

Exchange rates

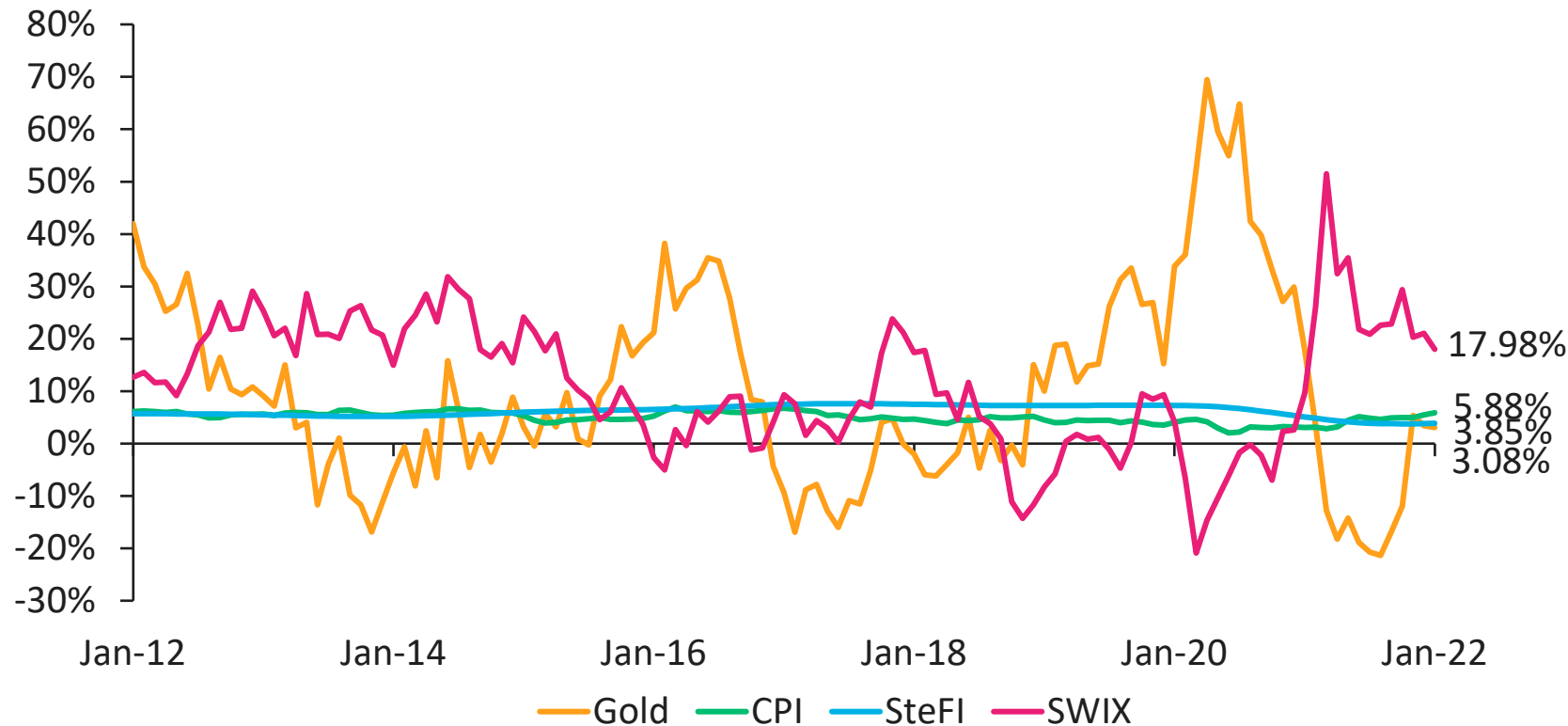
One year to January 2022



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



Ten-year rolling returns to January 2022

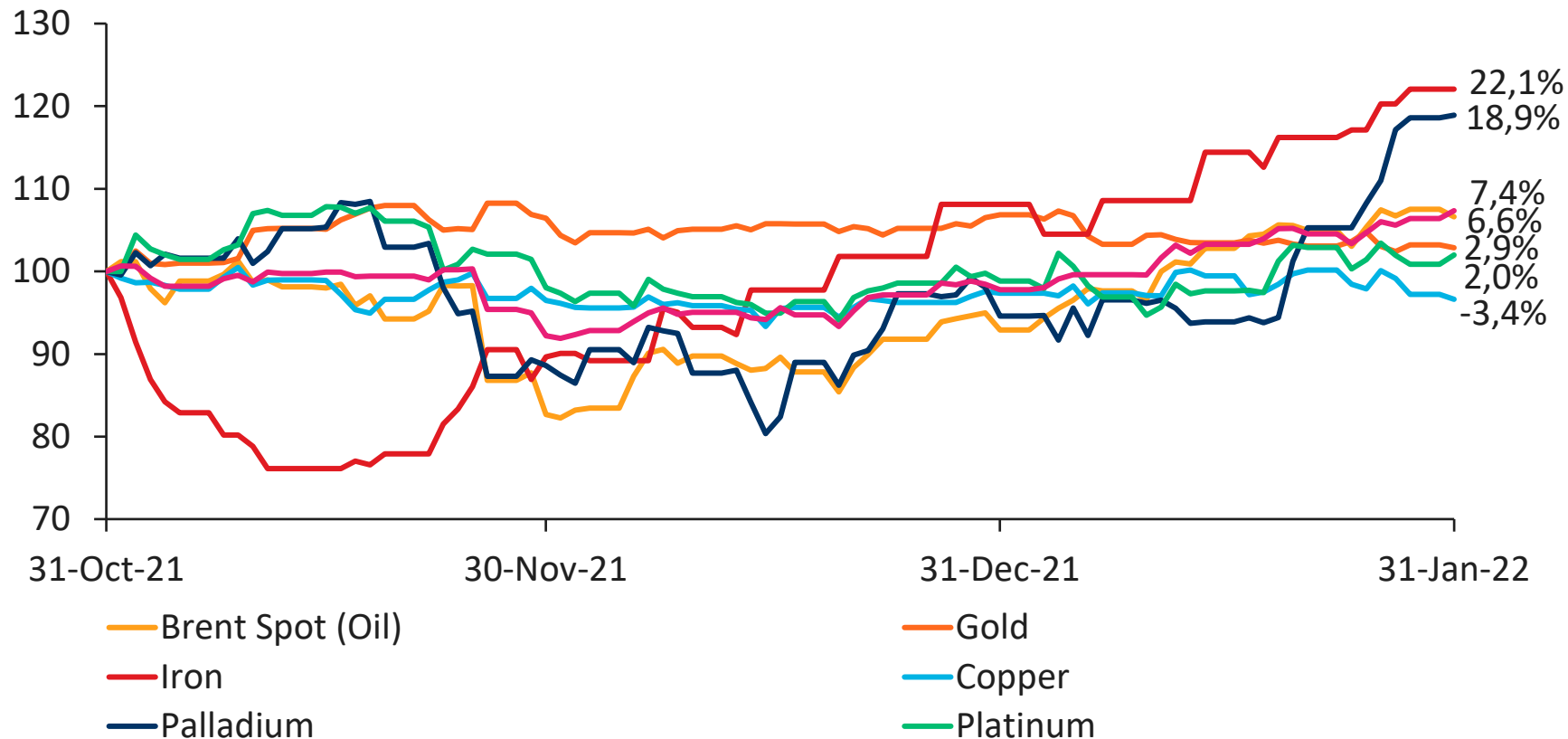


Sources: IRESS and Momentum Investments
*CPI lagged by one month due to availability of data.

Commodities



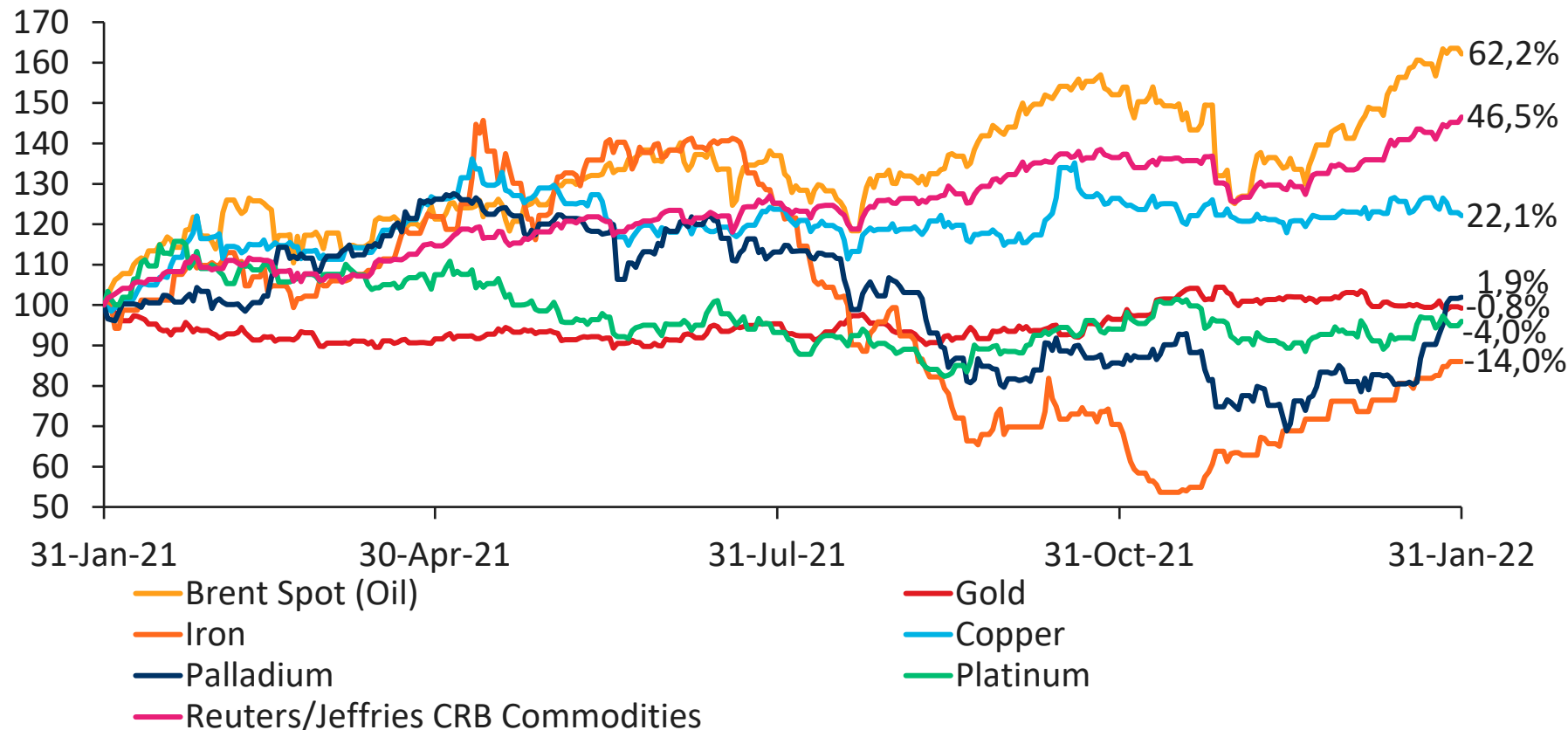
Three months to January 2022



Commodities



One year to January 2022



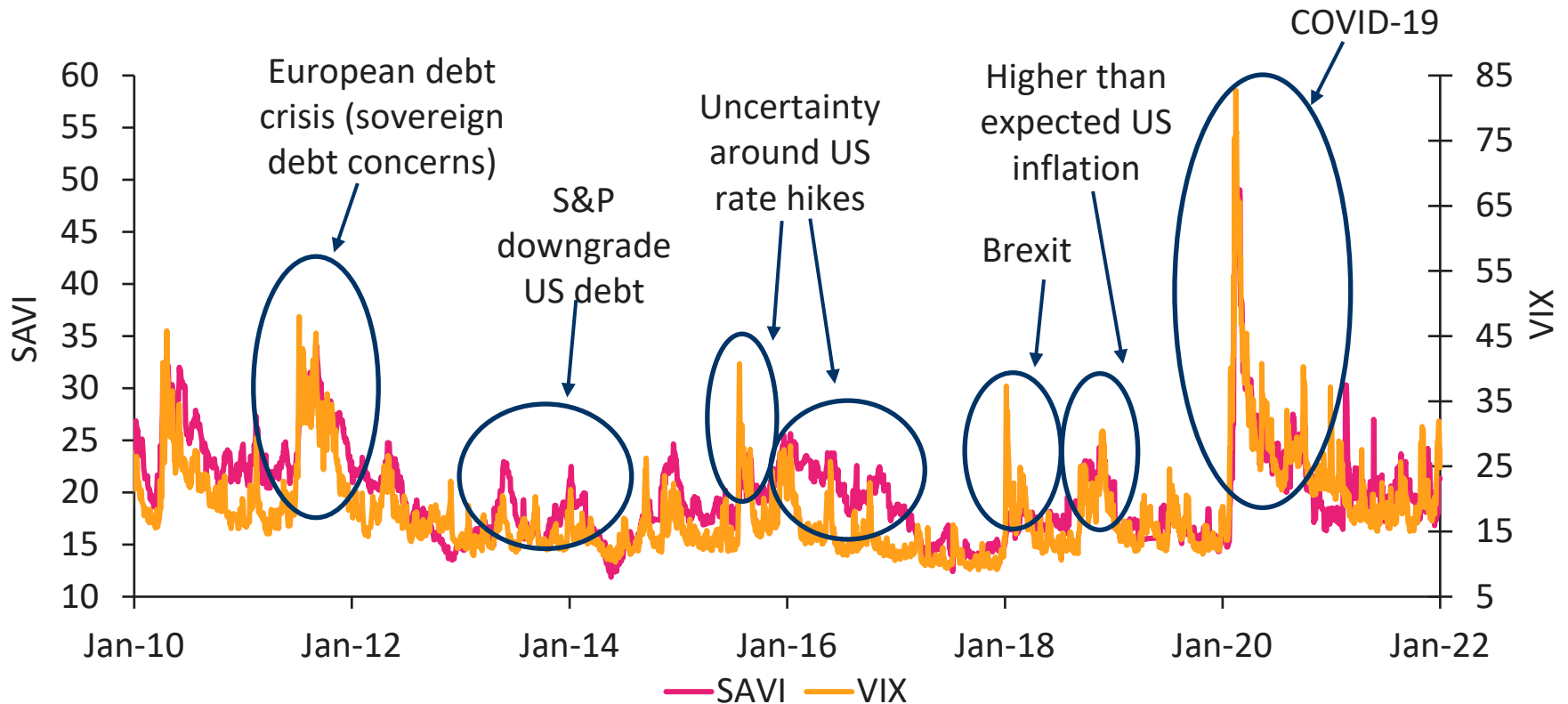
Volatility and
international flows

06

SAVI compared to the VIX



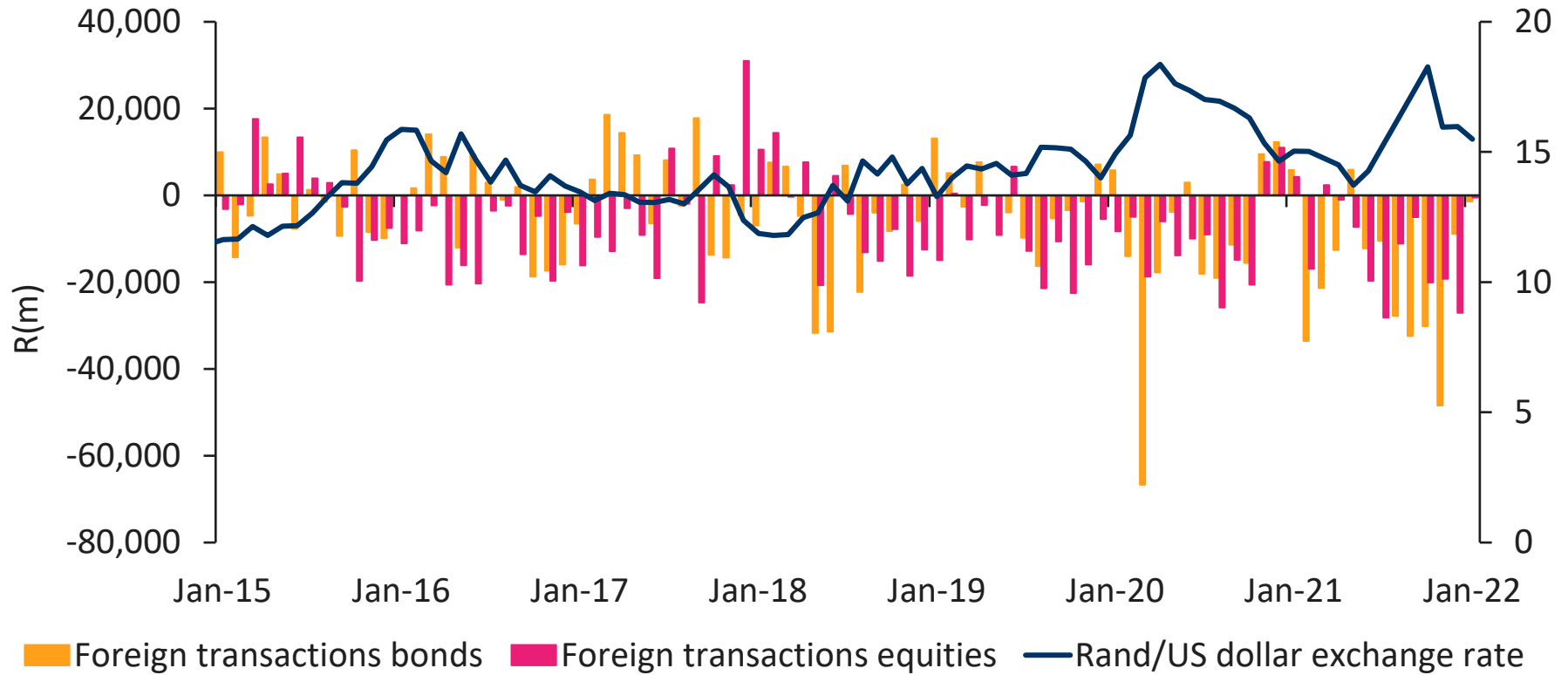
South African Volatility Index (SAVI) compared to the CBOE Volatility Index (VIX) to January 2022



Foreign transactions



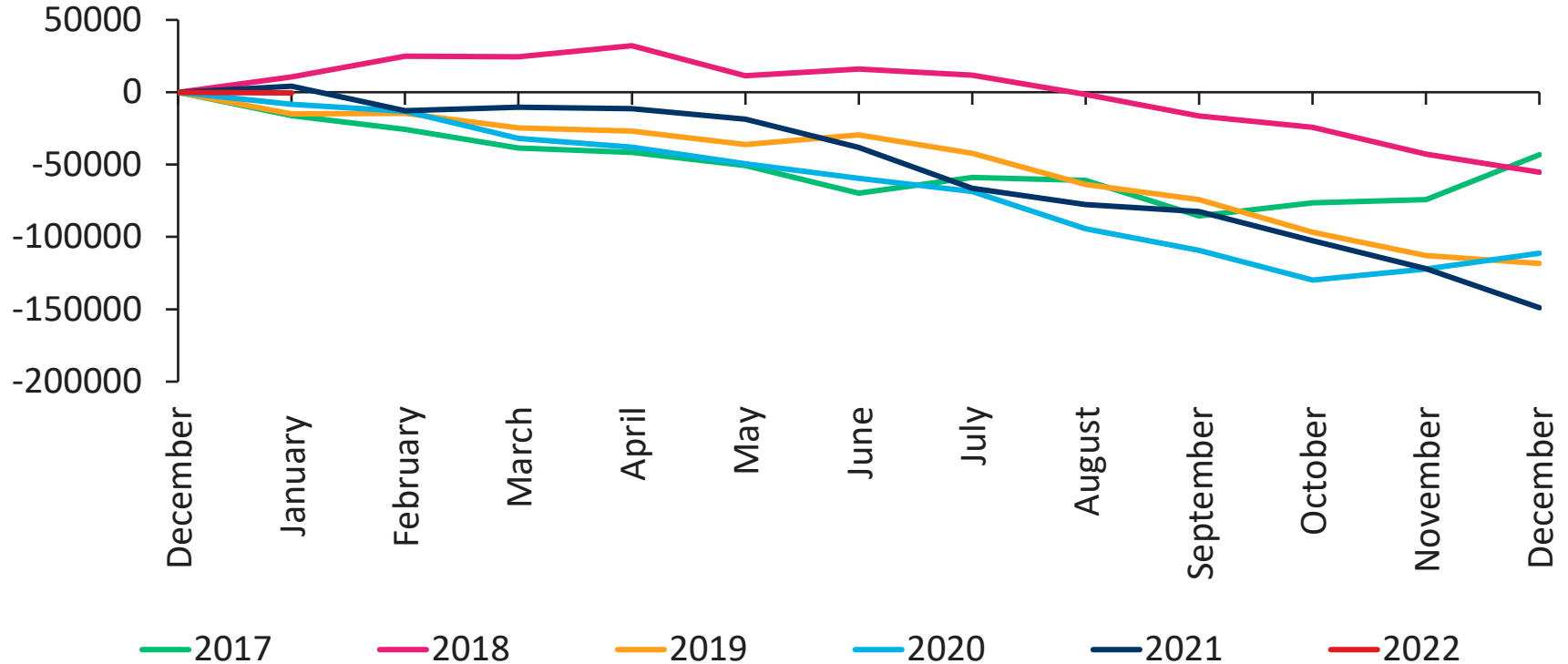
2015 to 2022



Cumulative foreign transaction: Equities



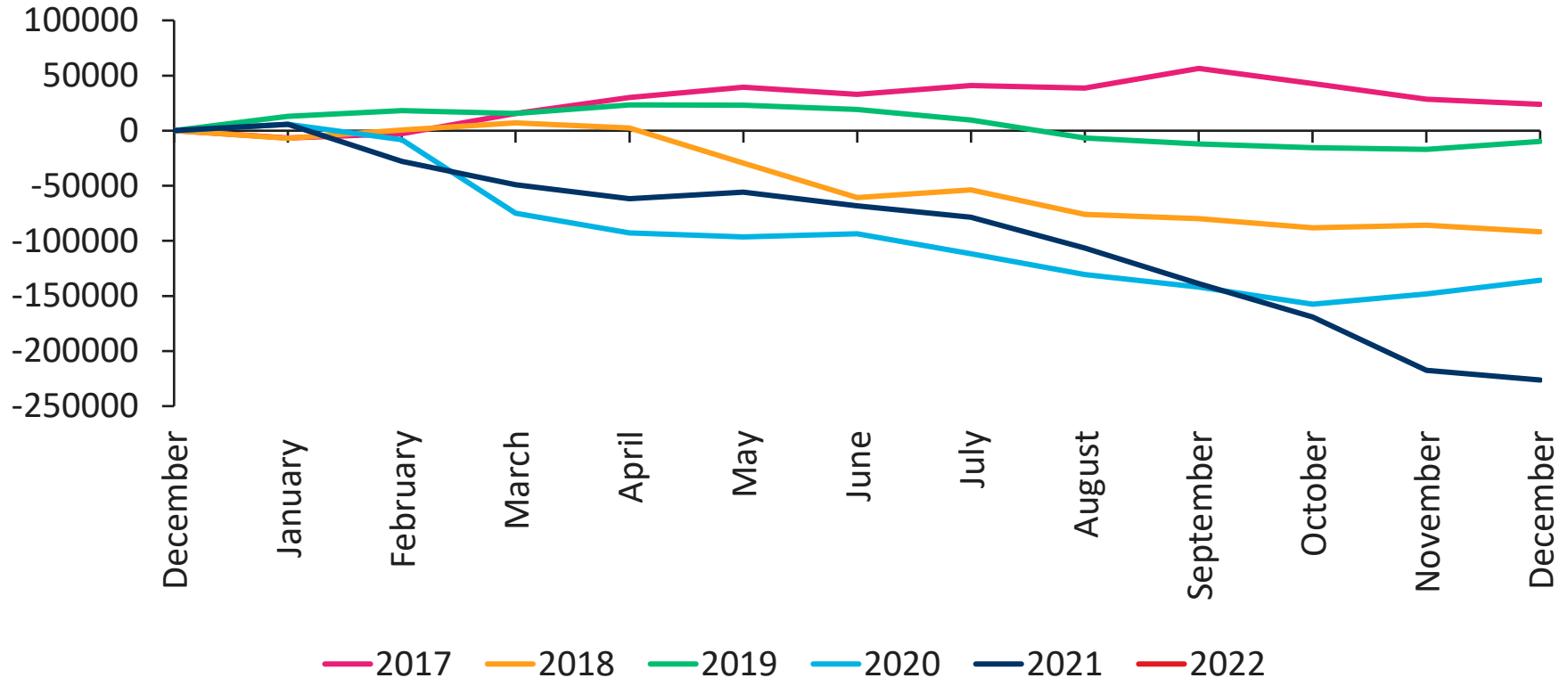
2017 to 2022



Cumulative foreign transaction: Bonds



2017 to 2022





momentum
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Thank you



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