

**momentum**

investments

# Key market performance drivers

Monthly charts to 30 April 2020

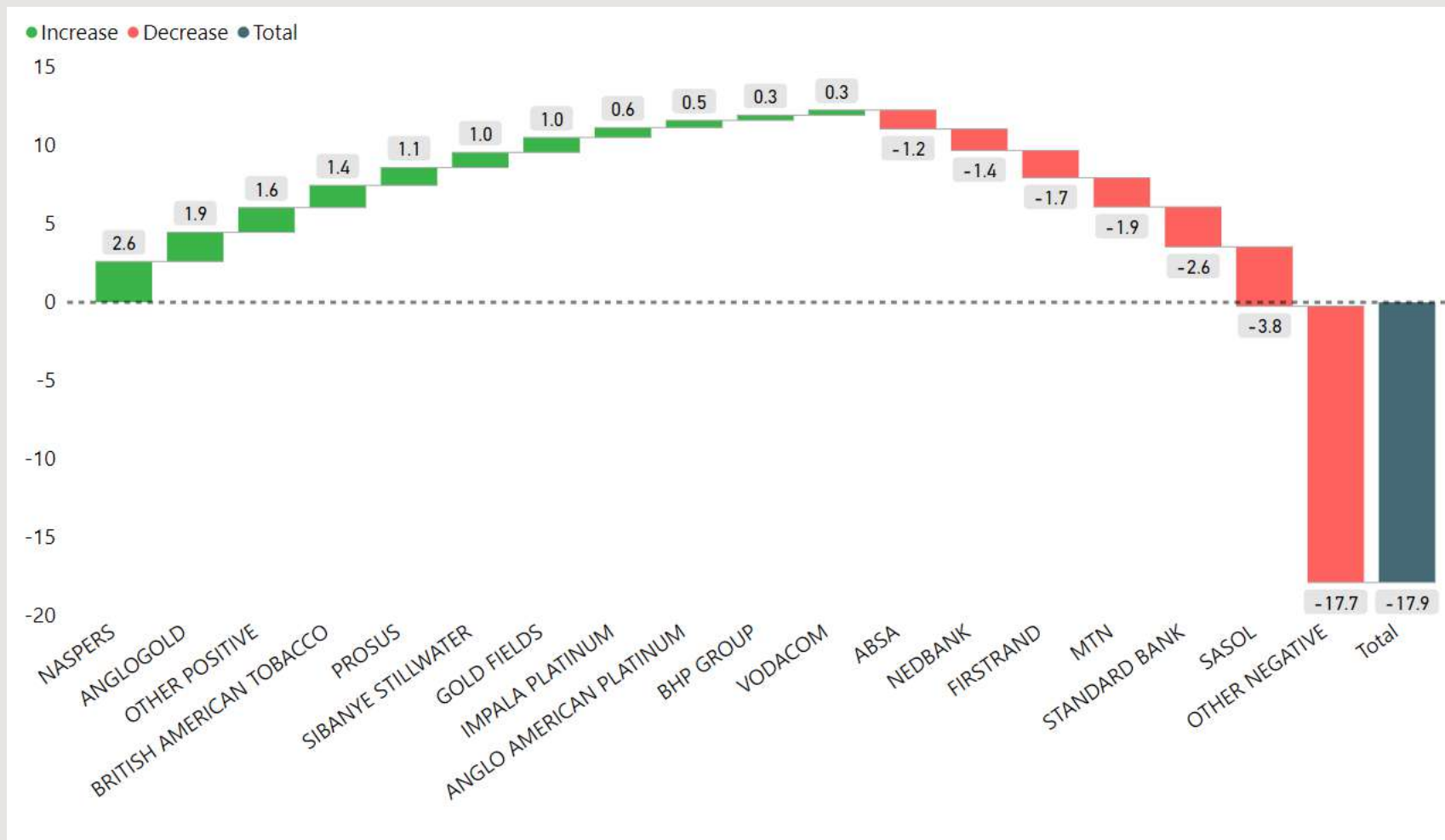
*Signatory of:*

 **PRI** | Principles for  
Responsible  
Investment

# Market concentration



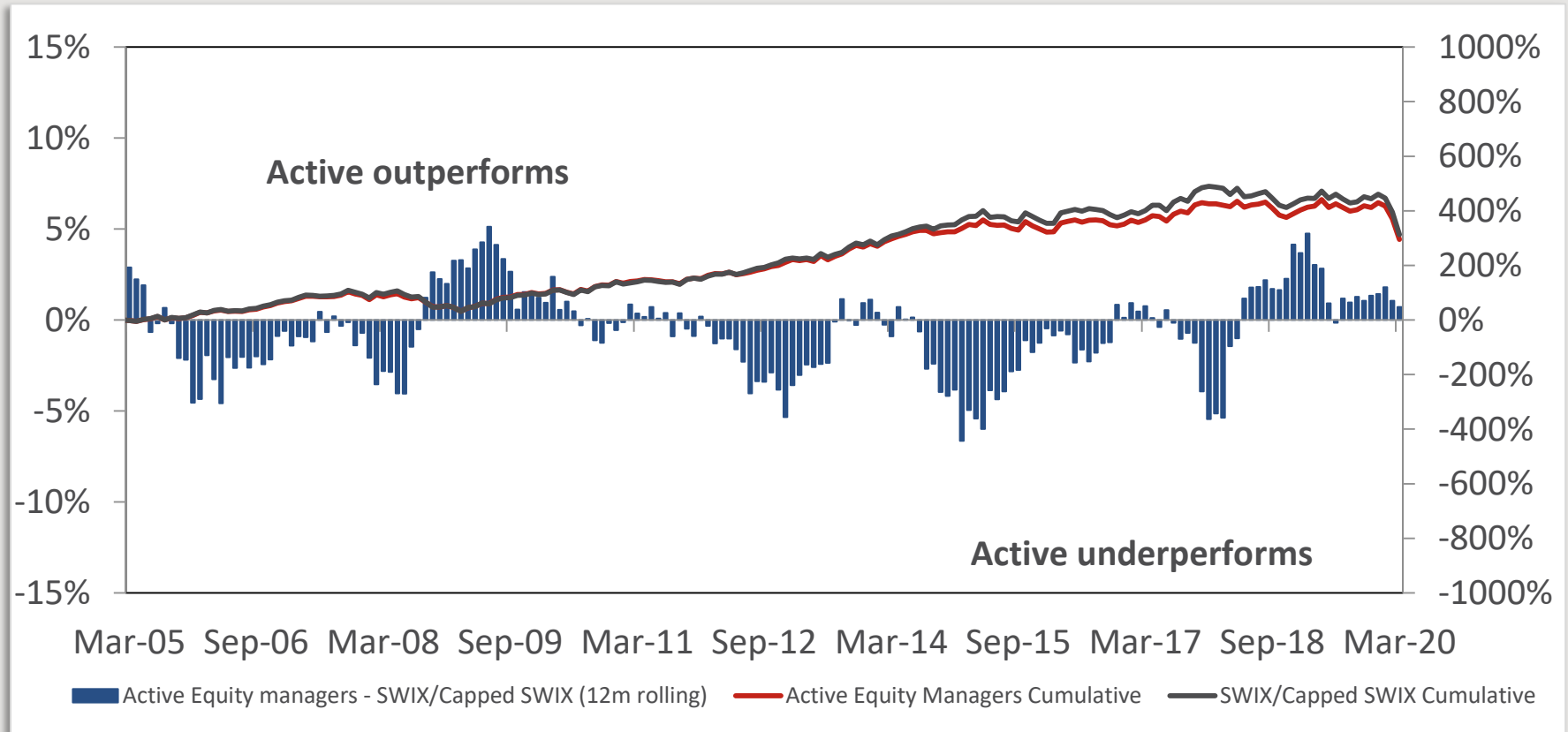
One-year Capped SWIX contributions ending April 2020 (%)



# Active index analysis: Equities



One-year-rolling active to March 2020



The median of the active equity investment managers outperformed the SWIX/Capped SWIX composite benchmark for the 12 month period ending March 2020.

(SWIX until 31 October 2017 and Capped SWIX thereafter)

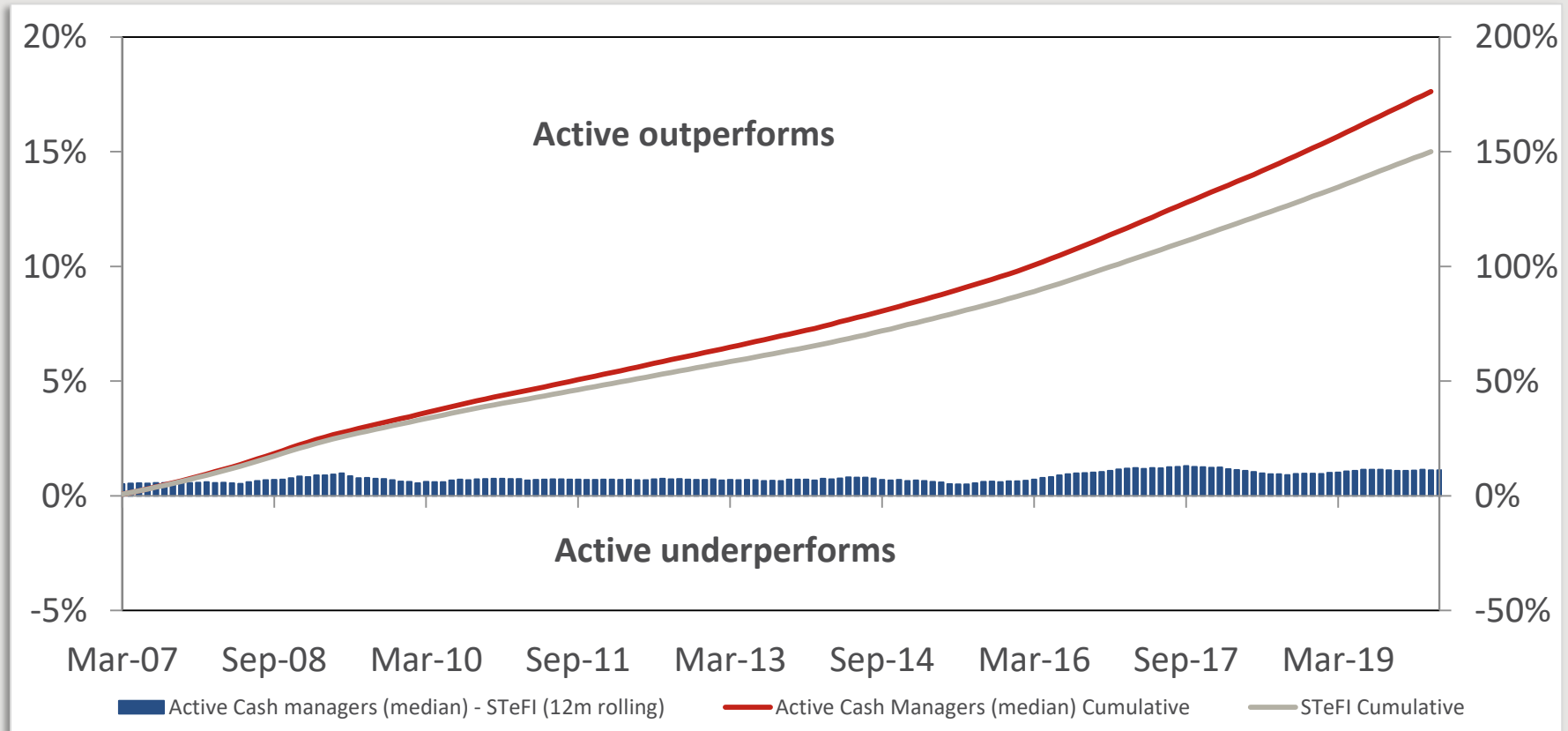
Data lagged by one month

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

# Active versus tracker: Cash



One-year rolling average to March 2020



The median of the active money market investment managers outperformed the SteFI for the 12 month period ending March 2020.

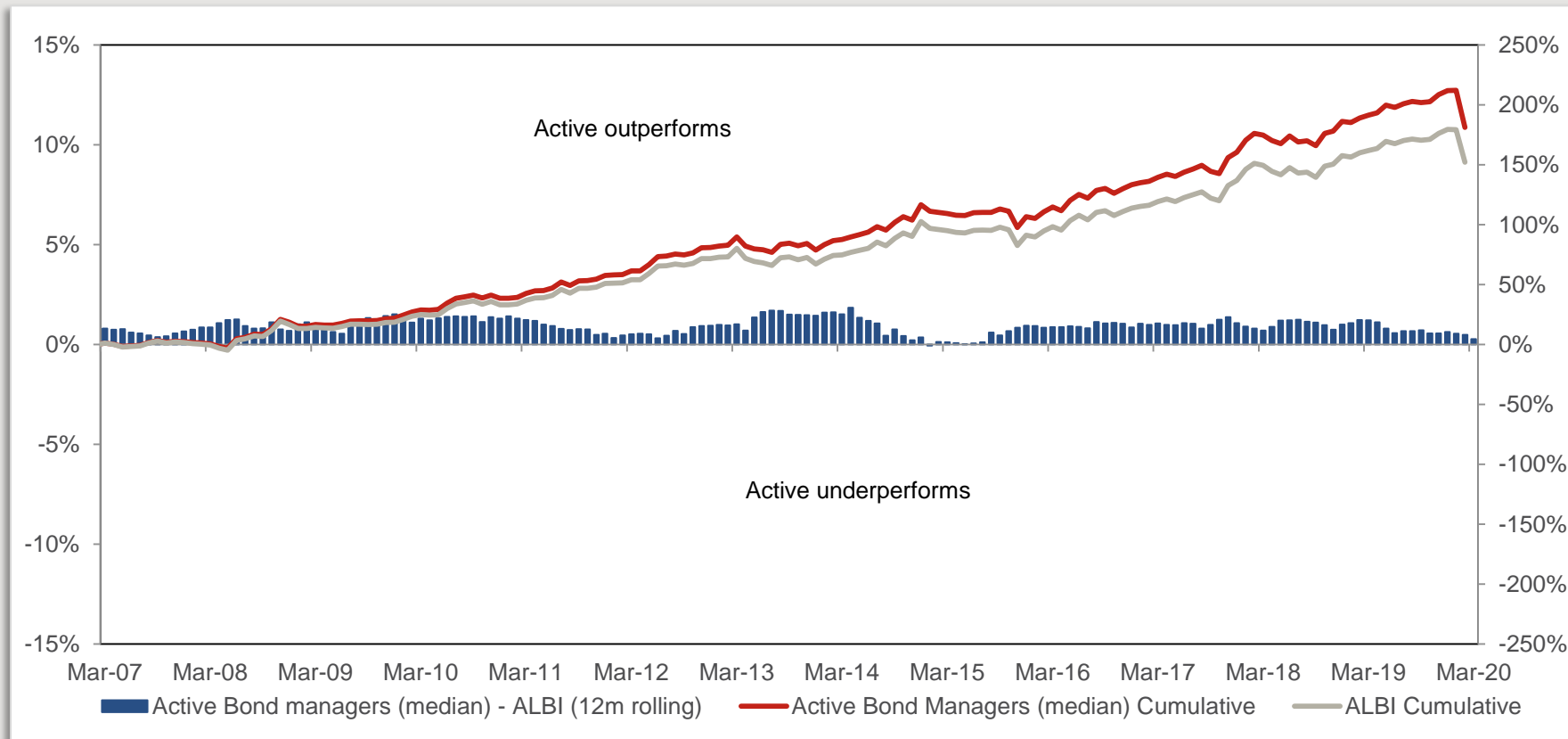
Data lagged by one month

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

# Active versus tracker: Bonds



One-year rolling average to March 2020



The median of the active bond investment managers outperformed the ALBI for the 12 month period ending March 2020.

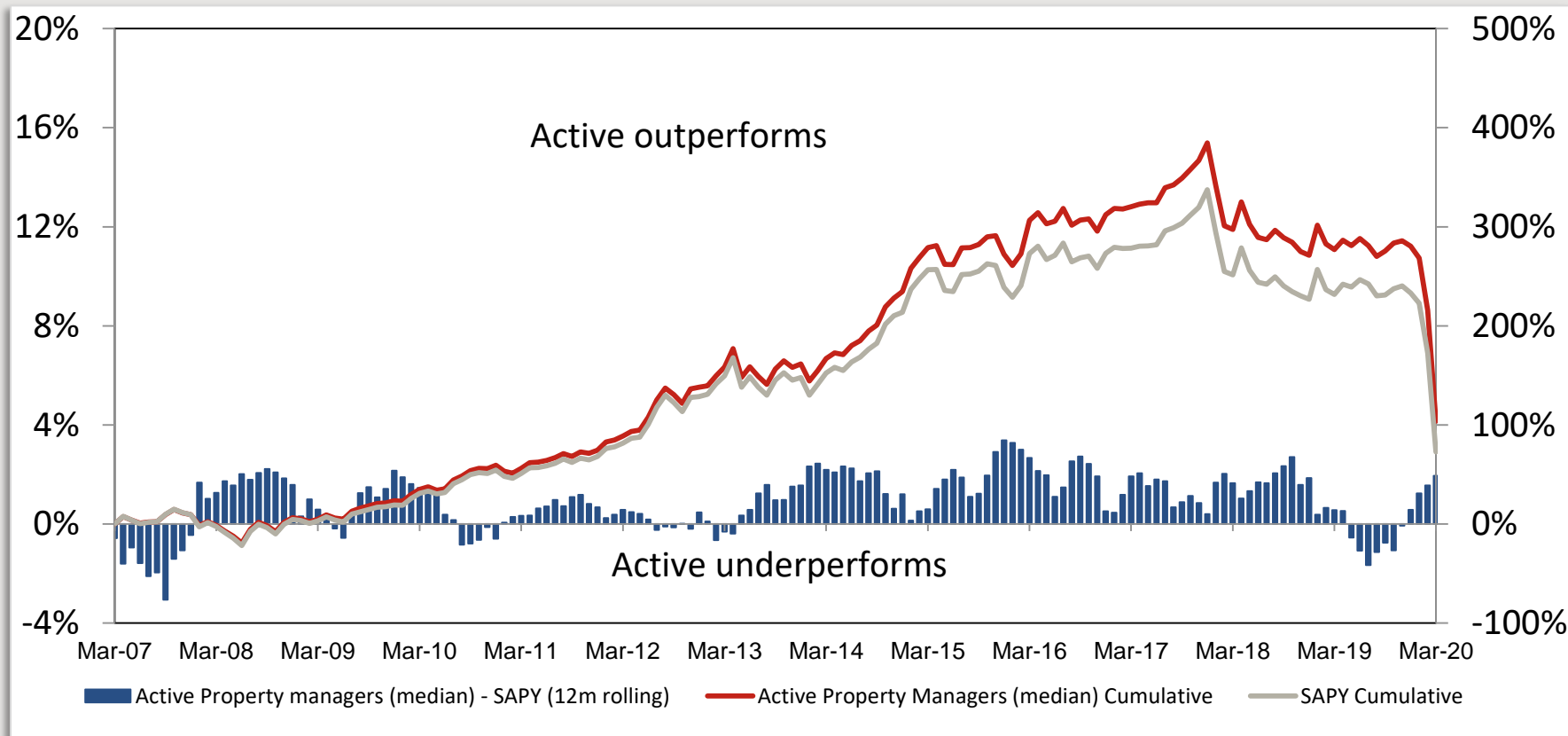
Data lagged by one month

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

# Active versus tracker: Property



One-year rolling average to March 2020



The median return of the active property investment managers outperformed the SAPY for the 12 month period ending March 2020.

Data lagged by one month

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

# Style returns heat map for South Africa



Data to April 2020

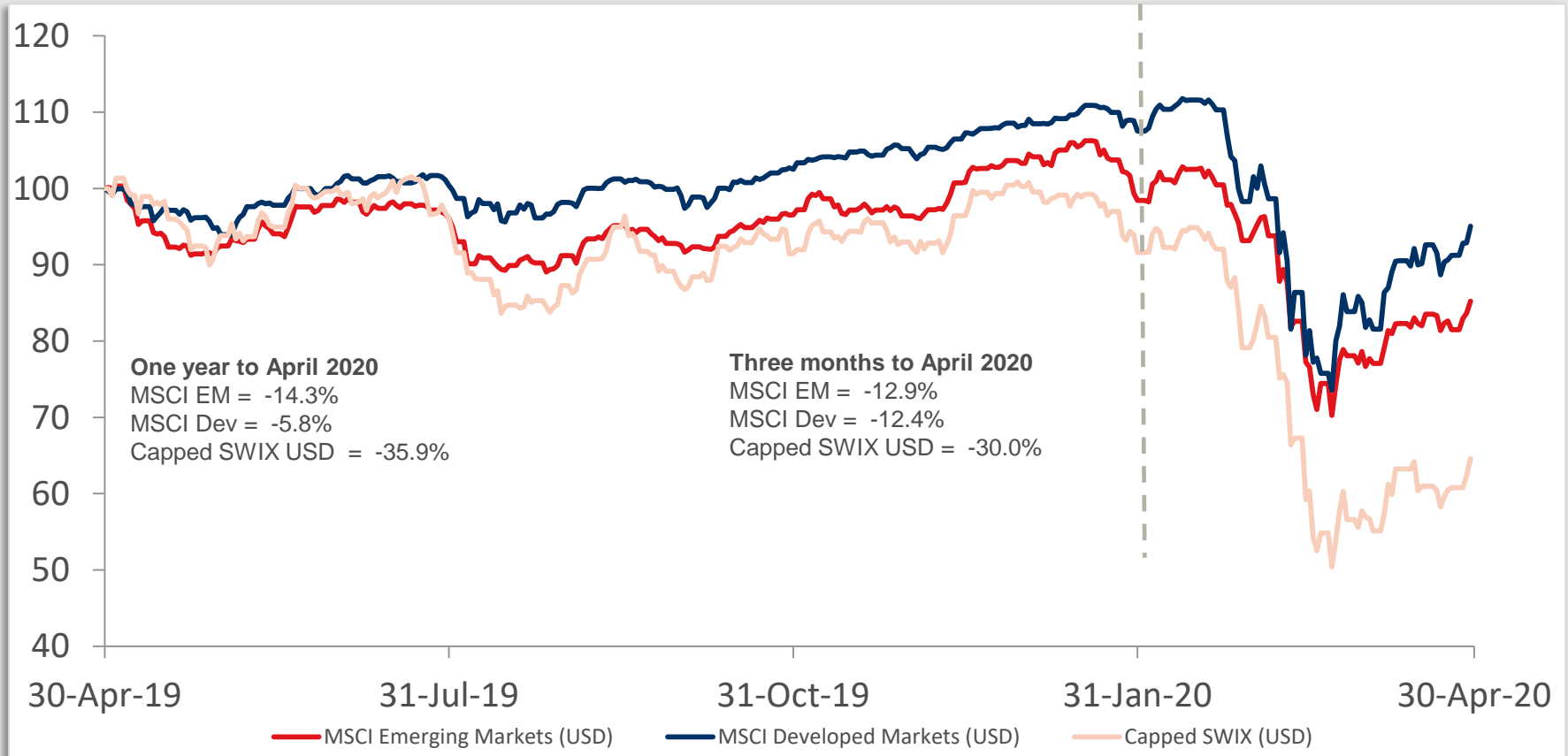
ZAR	Styles	One month to April 2020	Three months to April 2020	One year to April 2020	Three years to April 2020	Five years to April 2020	Ten years to April 2020	Twenty years to April 2020
Value	Book to Price	0.35	-12.92	-20.21	-14.27	-6.75	-5.82	-0.22
	Dividend Yield	-2.27	-9.77	-8.87	-1.81	-1.59	-1.65	2.84
	Earnings Yield	0.88	-2.04	-8.38	-4.63	-2.06	-1.07	0.74
	Cash Flow Yield	-0.90	-10.18	-15.52	-5.22	1.75	-0.42	2.19
	Sales to Price	-1.02	-6.59	-19.49	-10.63	-3.51	-5.26	-0.61
	ROE	-4.80	9.12	10.68	8.02	3.10	2.32	-0.18
Quality	ROIC LT	-7.31	-17.84	-18.72	-8.19	-5.93	-2.03	-2.71
	Income to Sales	-5.33	-3.38	-1.23	1.90	0.25	2.05	-0.17
	Low market beta	-9.86	-11.61	-10.39	-6.02	-2.07	-1.26	0.12
	Low Debt/Equity	-3.19	11.09	11.01	2.84	1.36	-0.80	-0.09
	EBIT Margin Stability	-4.77	-5.87	-3.53	-3.80	-0.02	2.76	1.59
	Earnings Growth	2.37	10.75	18.50	10.59	7.07	4.10	-0.57
Growth	Sales Growth	0.65	7.75	3.48	0.17	-1.99	0.25	-4.66
	12M Earning Growth	18.56	20.27	29.74	9.12	3.28	0.03	3.99
	FY1 Earnings Revisions	7.57	14.77	21.98	16.41	9.34	9.23	10.94
Momentum	Short Term Momentum	-4.89	3.57	22.46	9.77	8.81	3.75	4.02
	Medium Term Momentum	7.29	16.57	43.02	14.25	6.66	8.14	8.63
Size	Size	8.16	9.92	18.09	9.99	3.35	1.74	0.68

Momentum and growth has outperformed over the one year period, while quality is mixed. Value has underperformed over the last ten years.

# MSCI developed and emerging markets



One year to April 2020

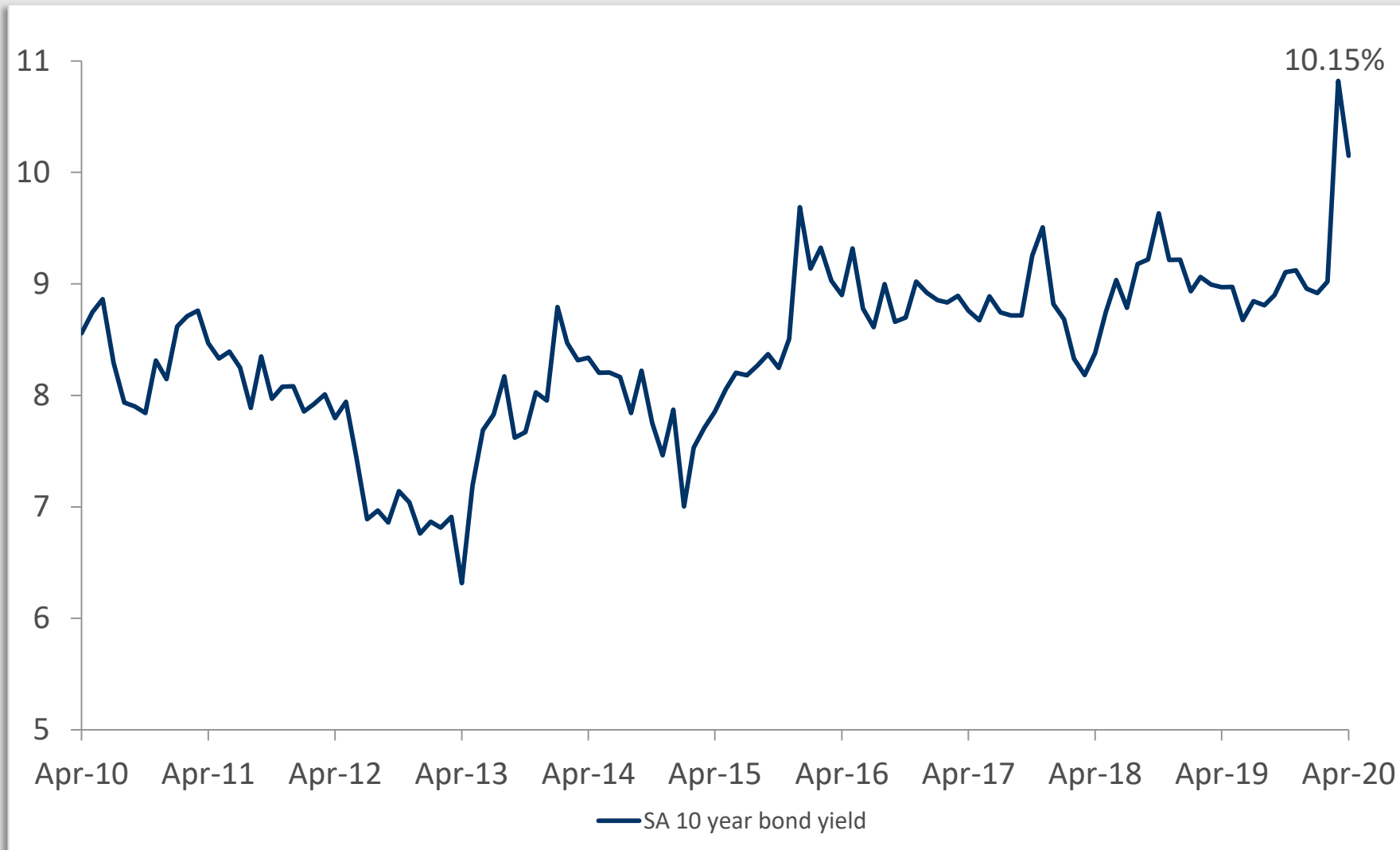




# SA 10-year bond yields



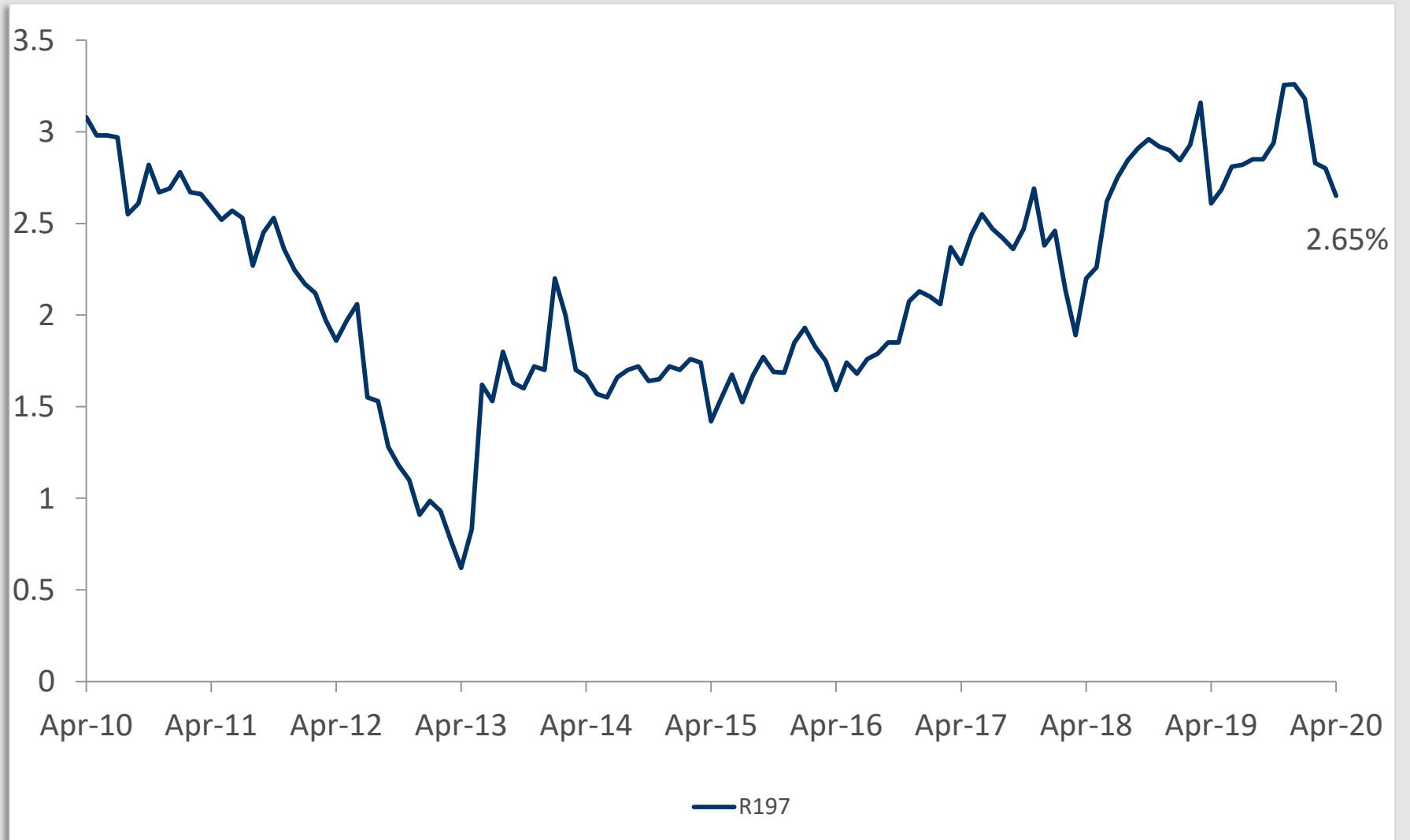
Ten years to April 2020



# Yield of R197 (inflation-linked bond)



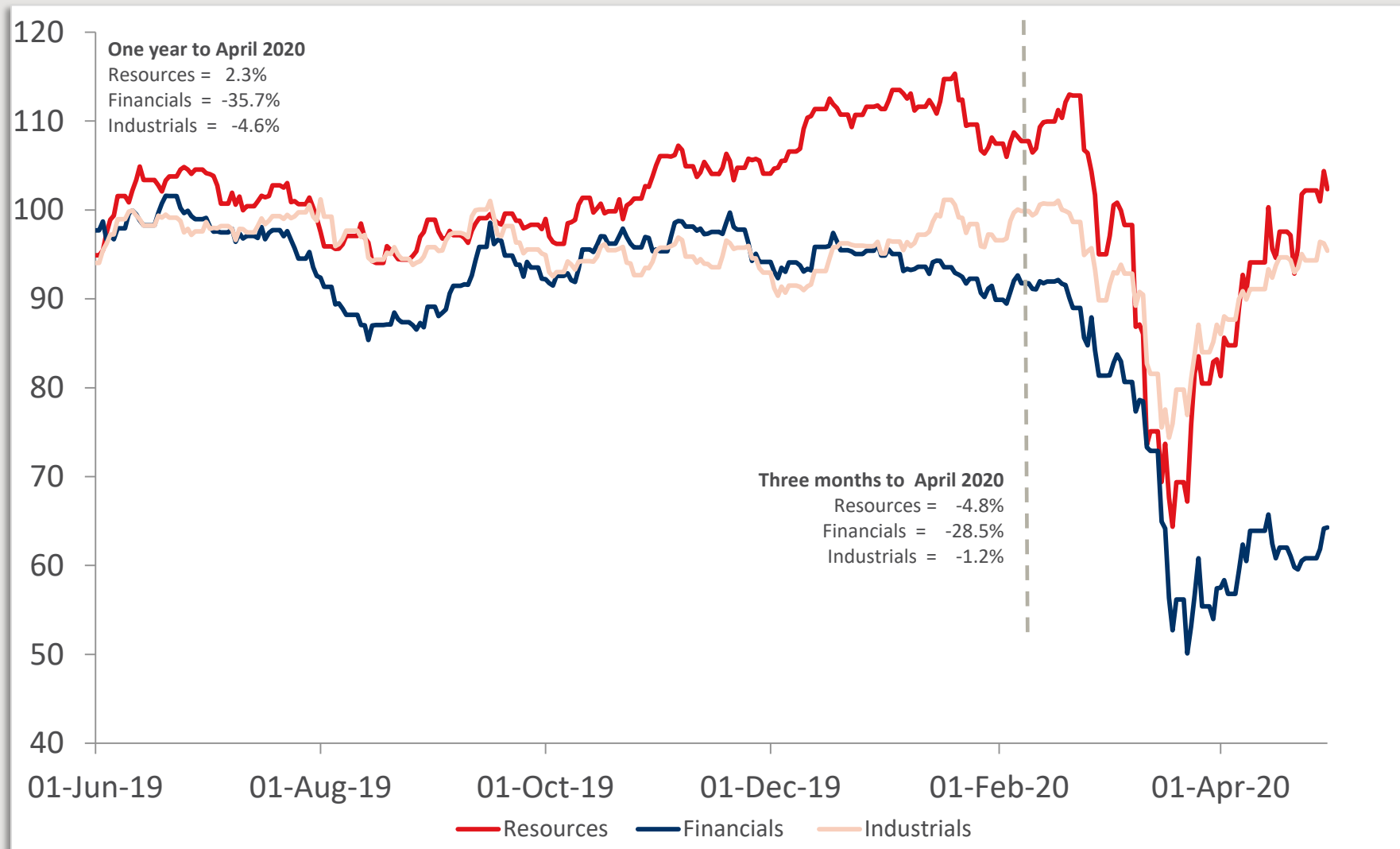
Ten years to April 2020



# FTSE/JSE sectors



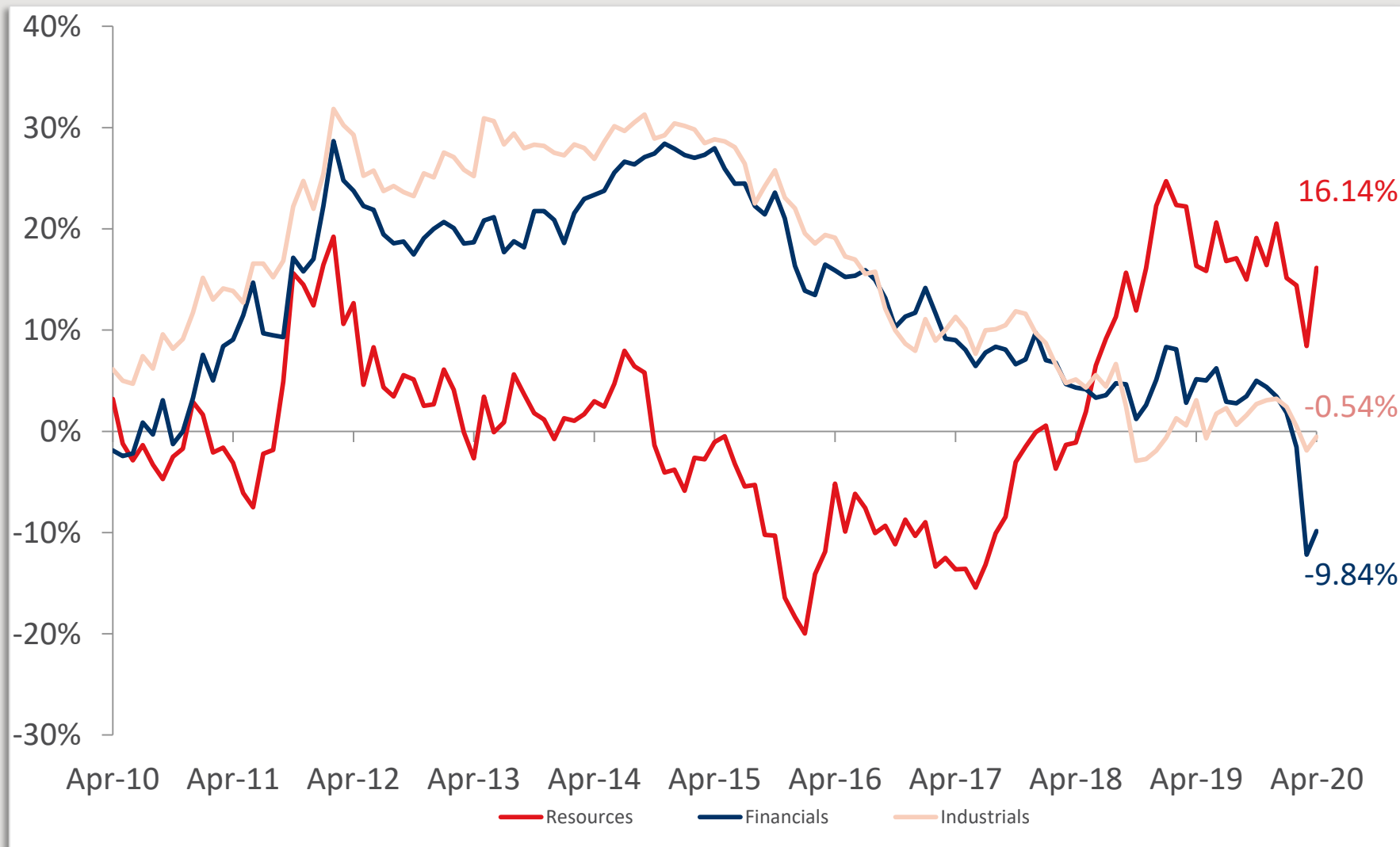
One year to April 2020



# FTSE/JSE sectors



Three-years-rolling to April 2020



## Decomposed

### Three Months to April 2020

1	Household Goods & Home Construction	Consumer Goods	23.33%	18	Healthcare Equipment & Service	Healthcare	-24.21%
2	Media	Consumer Services	17.12%	19	General Industrials	Industrials	-27.16%
3	Tobacco	Consumer Goods	9.67%	20	Beverages	Consumer Goods	-29.41%
4	Industrial Metals & Mining	Industrials	5.39%	21	Construction & Materials	Industrials	-29.76%
5	Non-life Insurance	Financials	0.48%	22	Banks	Financials	-30.99%
6	Mining	Basic Materials	-1.26%	23	General Retailers	Consumer Services	-33.39%
7	Pharmaceuticals & Biotechnology	Healthcare	-1.32%	24	Electronic & Electrical Equipment	Industrials	-34.86%
8	Food Producers	Consumer Goods	-1.51%	25	Real Estate Investment & Services	Financials	-35.23%
9	Personal Goods	Consumer Goods	-5.02%	26	Industrial Transportation	Industrials	-35.78%
10	Forestry & Paper	Basic Materials	-6.07%	27	Fixed-line Telecommunications	Telecommunications	-36.08%
11	Equity Investment Instruments	Financials	-8.32%	28	Automobiles & Parts	Consumer Goods	-36.40%
12	Food & Drug Retailers	Consumer Services	-14.40%	29	Oil & Gas Producers	Financial Services	-37.23%
13	Life Insurance	Financials	-15.89%	30	Travel & Leisure	Travel & Leisure	-45.20%
14	Financial Services	Financials	-22.03%	31	Real Estate Investment Trusts	Financials	-46.05%
15	Software & Computer Services	Technology	-22.05%	32	Chemicals	Basic Materials	-58.38%
16	Mobile Telecommunications	Telecommunications	-22.12%	33	Industrial Engineering	Industrials	-59.47%
17	Support Services	Industrials	-24.02%				

#### Key

Resources  
Financials  
Industrials

## Decomposed

### One Year to April 2020

1	Tobacco	Consumer Goods	36.60%	18	Beverages	Consumer Goods	-35.60%
2	Mining	Basic Materials	35.02%	19	Oil & Gas Producers	Financial Services	-37.23%
3	Equity Investment Instruments	Financials	22.13%	20	Construction & Materials	Industrials	-37.33%
4	Media	Consumer Services	12.68%	21	Real Estate Investment & Services	Financials	-37.45%
5	Pharmaceuticals & Biotechnology	Healthcare	5.44%	22	Support Services	Industrials	-40.79%
6	Personal Goods	Consumer Goods	1.03%	23	Banks	Financials	-41.14%
7	Food Producers	Consumer Goods	-8.71%	24	Automobiles & Parts	Consumer Goods	-43.79%
8	Industrial Metals & Mining	Industrials	-9.60%	25	Electronic & Electrical Equipment	Industrials	-44.33%
9	Non-life Insurance	Financials	-14.33%	26	Household Goods & Home Construction	Consumer Goods	-45.86%
10	Food & Drug Retailers	Consumer Services	-14.64%	27	General Retailers	Consumer Services	-46.01%
11	Forestry & Paper	Basic Materials	-21.90%	28	Industrial Transportation	Industrials	-48.81%
12	Healthcare Equipment & Service	Healthcare	-24.36%	29	Real Estate Investment Trusts	Financials	-51.96%
13	Software & Computer Services	Technology	-24.63%	30	Travel & Leisure	Travel & Leisure	-56.53%
14	Life Insurance	Financials	-24.65%	31	Fixed-line Telecommunications	Telecommunications	-74.65%
15	Financial Services	Financials	-27.05%	32	Industrial Engineering	Industrials	-76.50%
16	Mobile Telecommunications	Telecommunications	-32.15%	33	Chemicals	Basic Materials	-77.67%
17	General Industrials	Industrials	-35.36%				

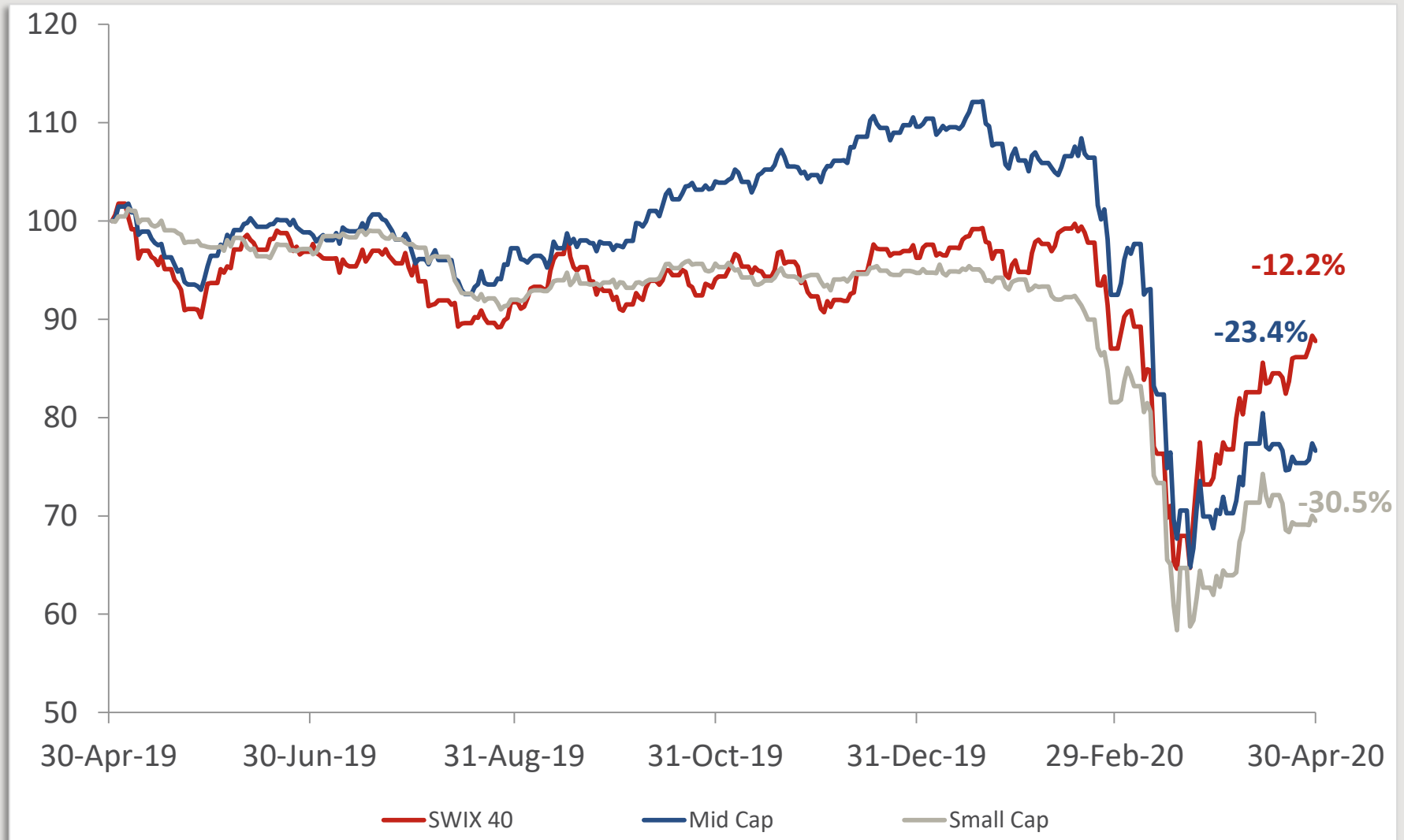
#### Key

Resources  
Financials  
Industrials

# FTSE/JSE market caps



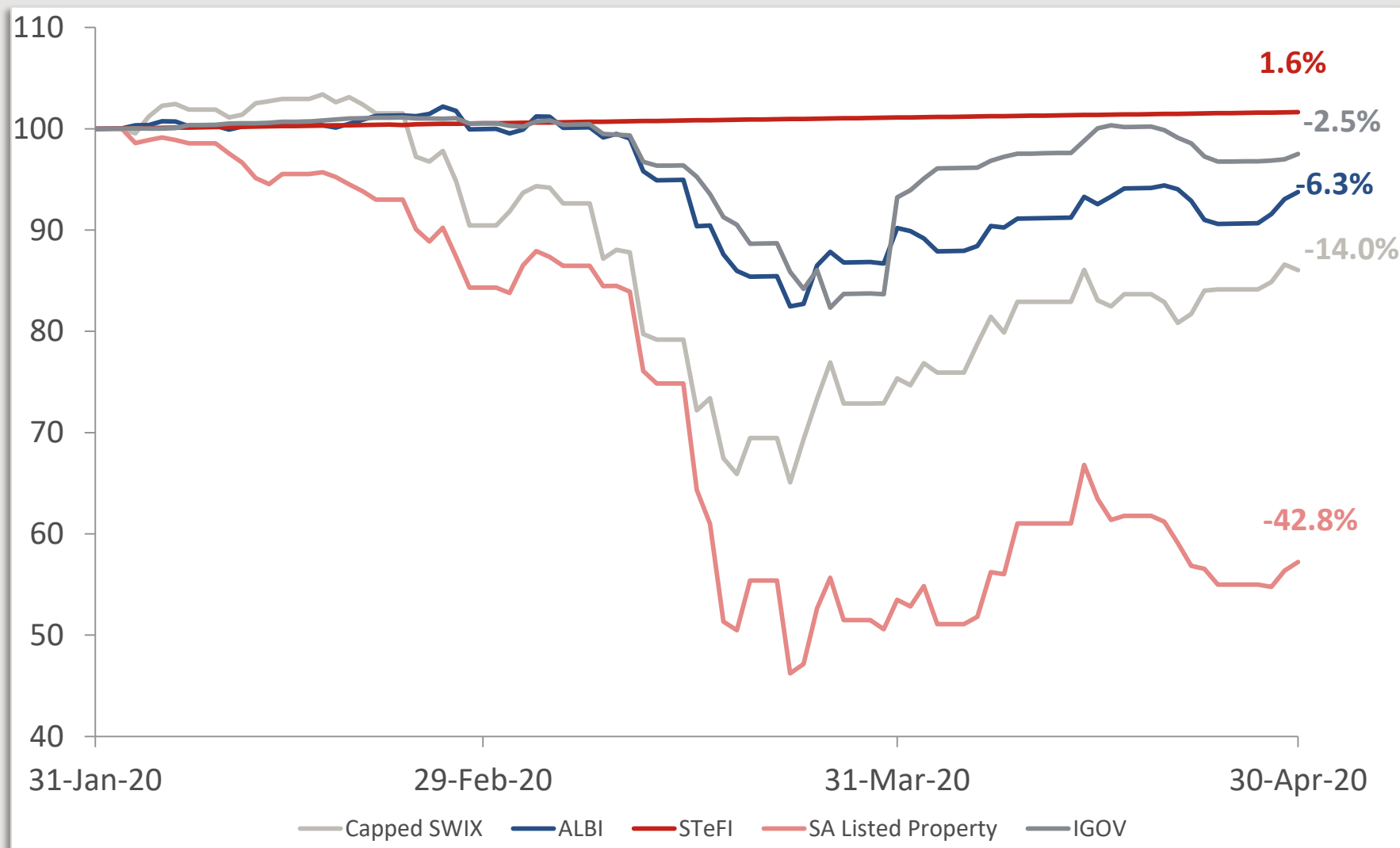
One year to April 2020



# Local asset classes



Three months to April 2020

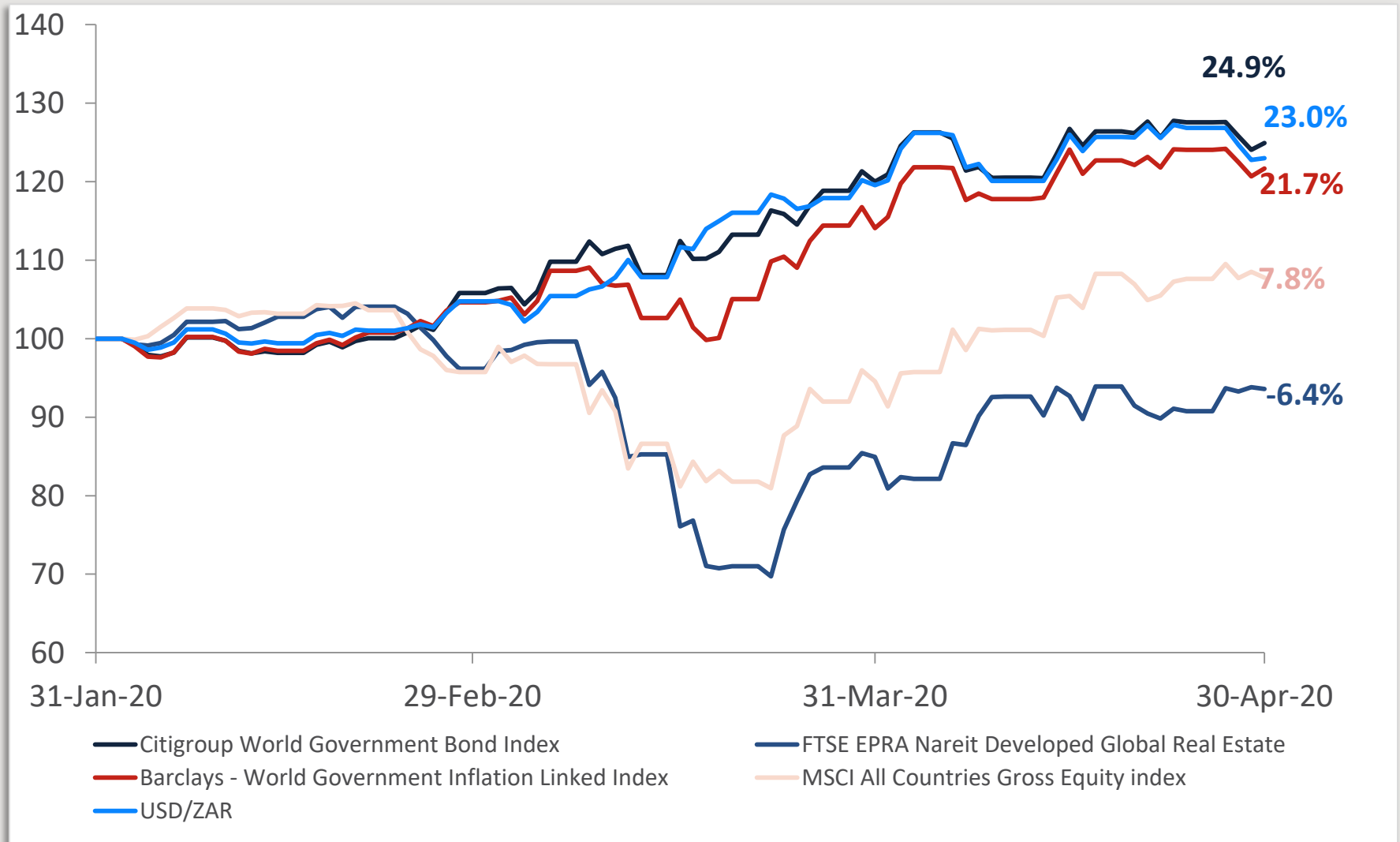




# Global asset classes



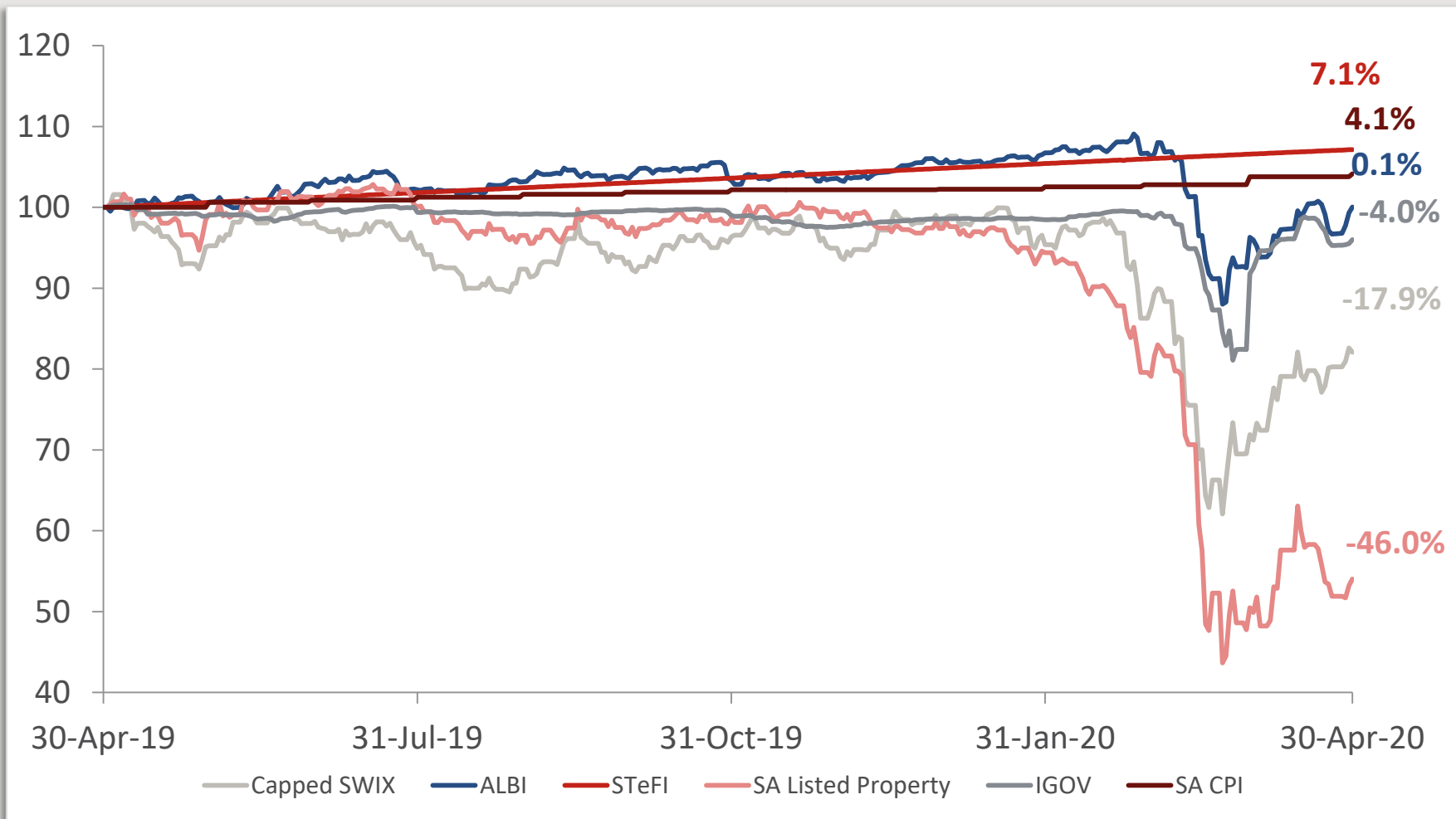
Three months to April 2020



# Local asset classes



One year to April 2020

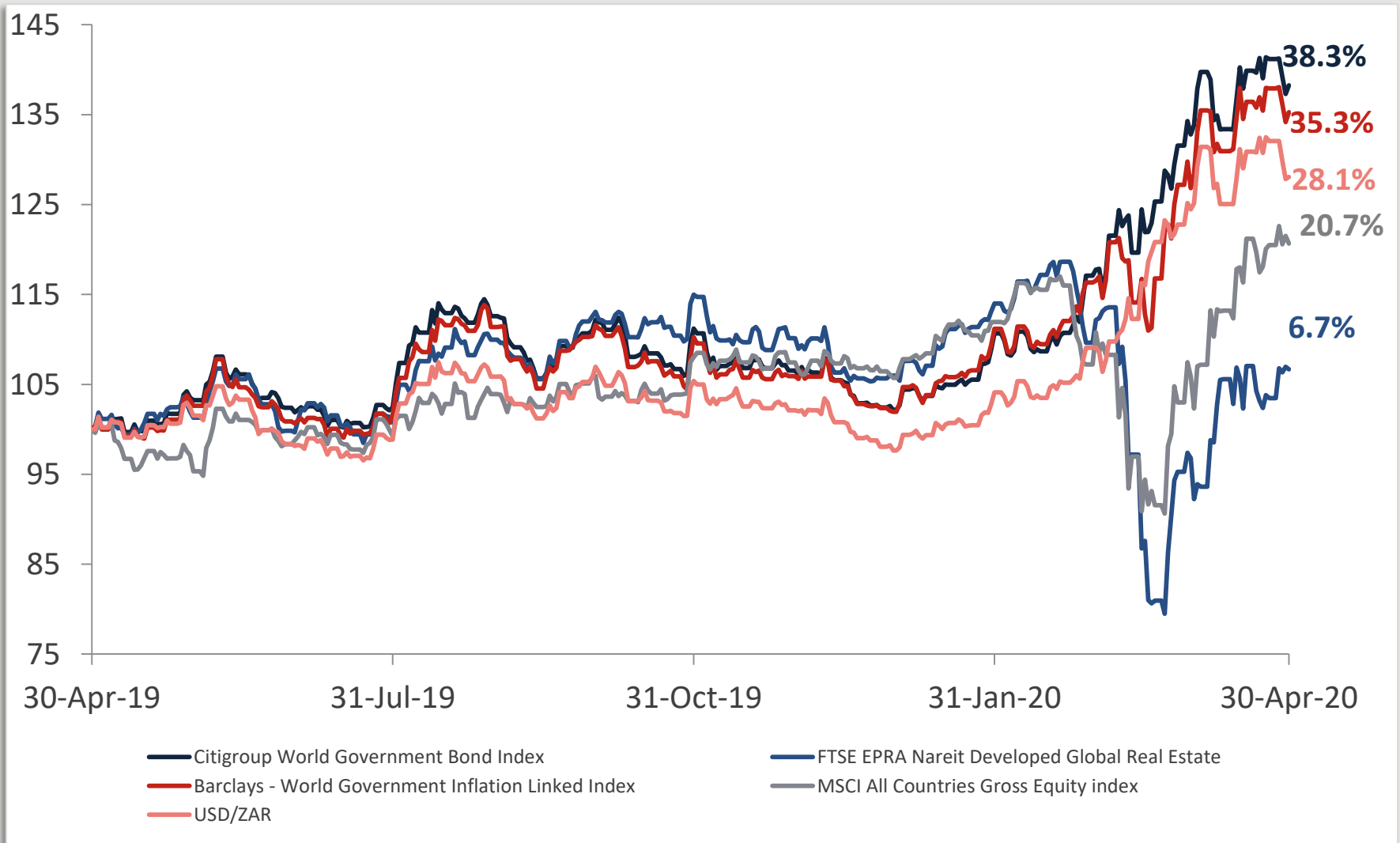


\* CPI lagged by one month due to availability of data

# Global asset classes



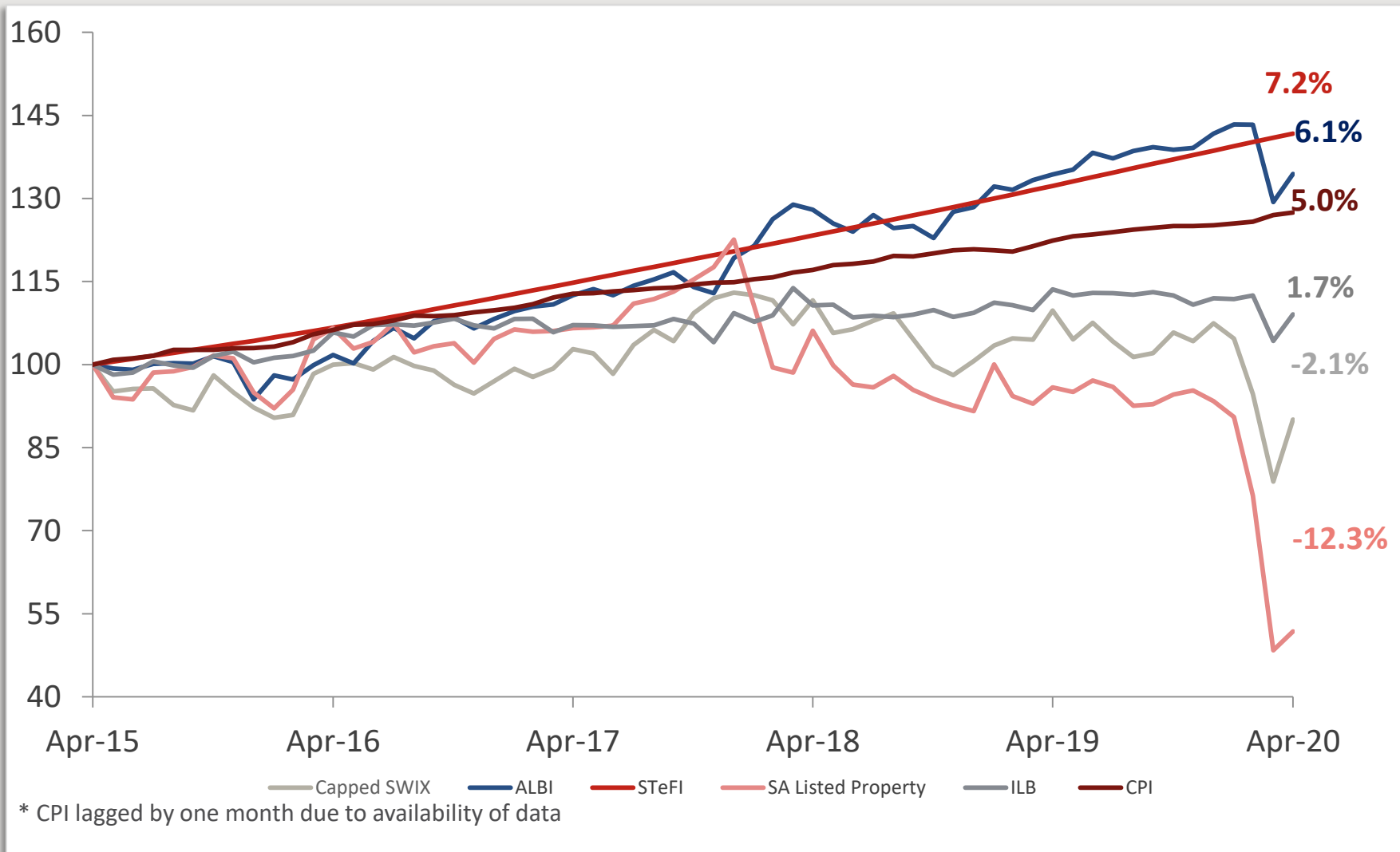
One year to April 2020



# Local asset classes



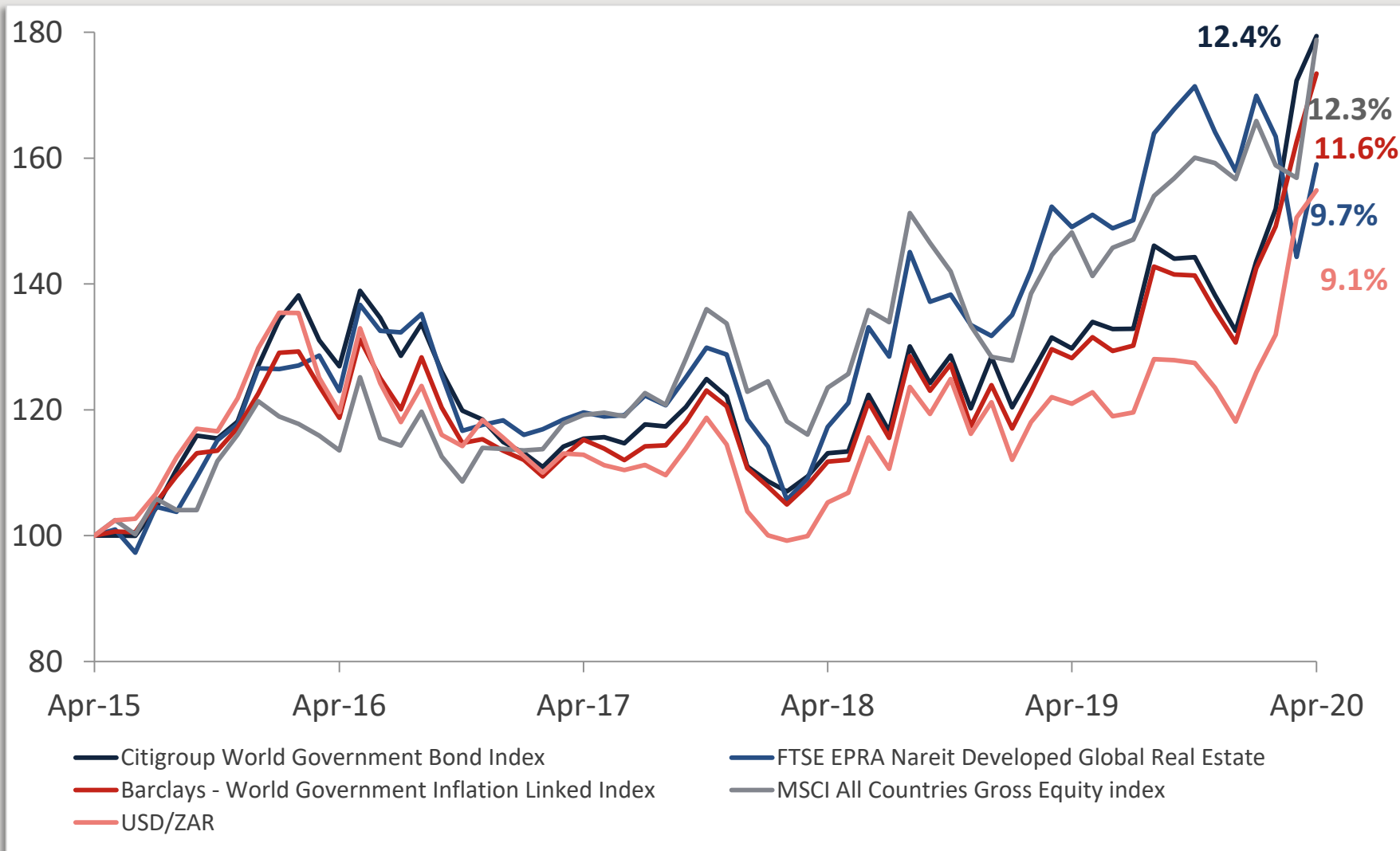
Five years to April 2020



# Global asset classes



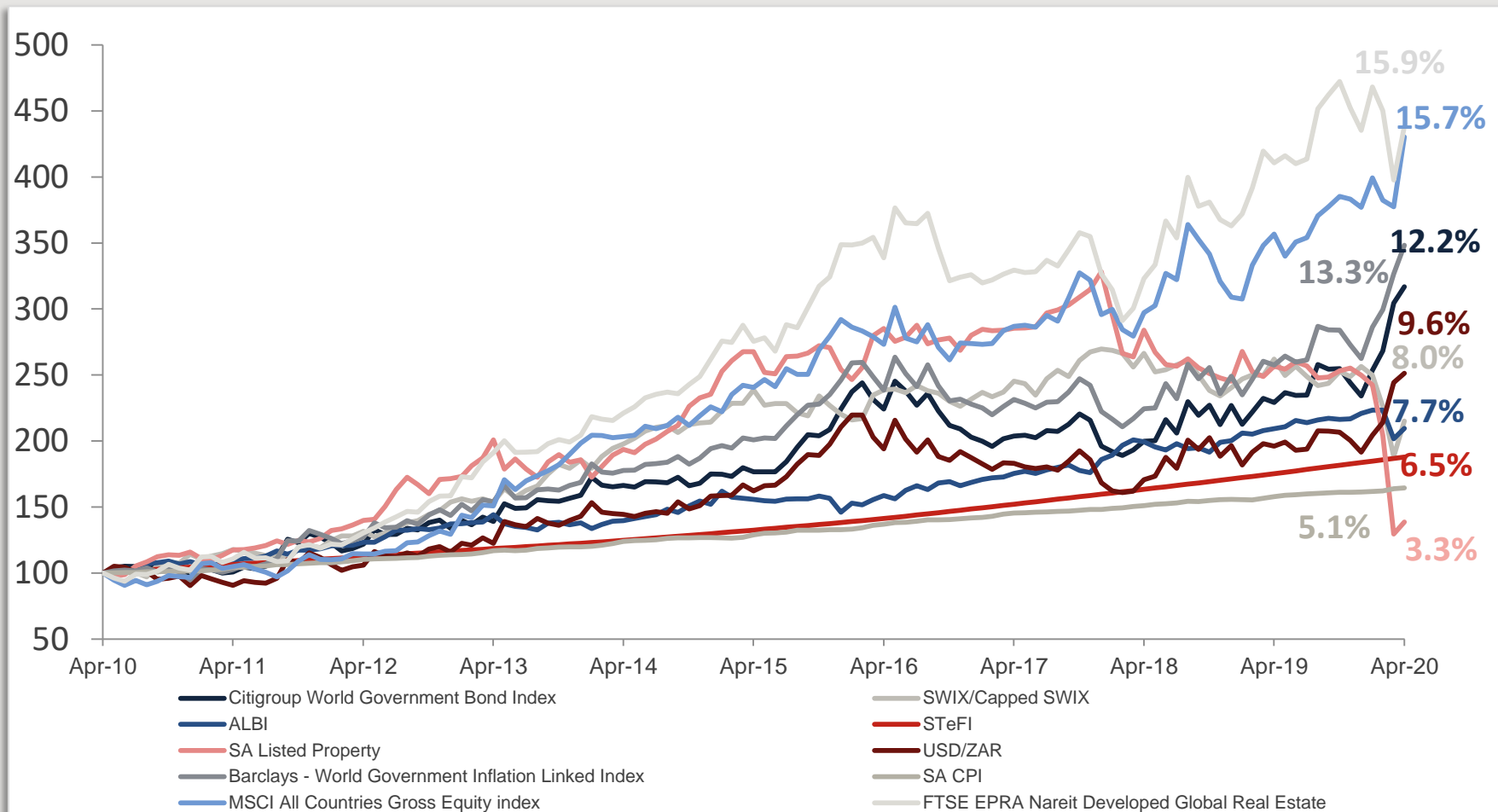
Five years to April 2020



# Asset classes



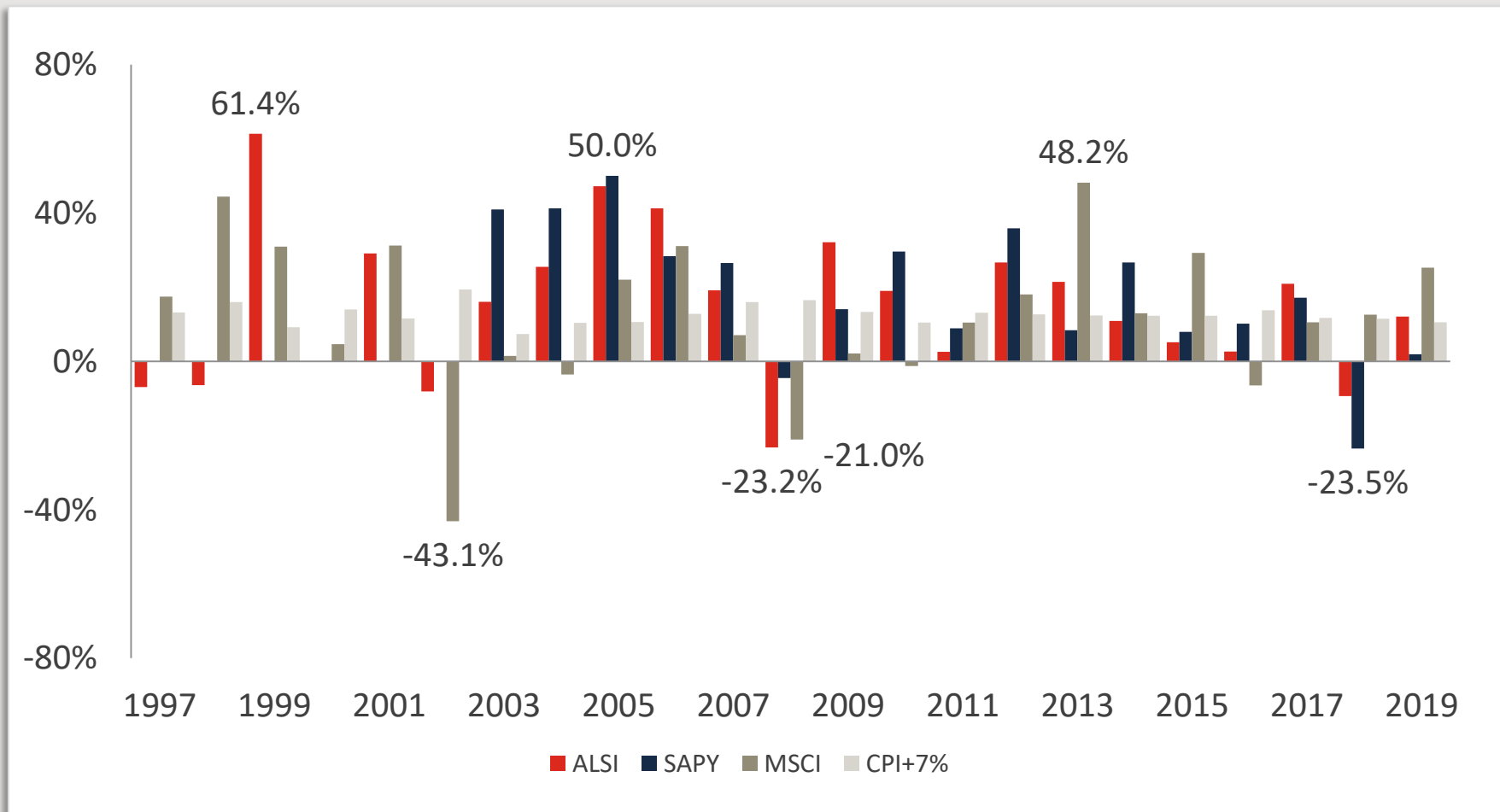
Ten years to April 2020



\* CPI lagged by one month due to availability of data

For the 10-year period to April 2020, Global Property and Global Equity were the best performers.

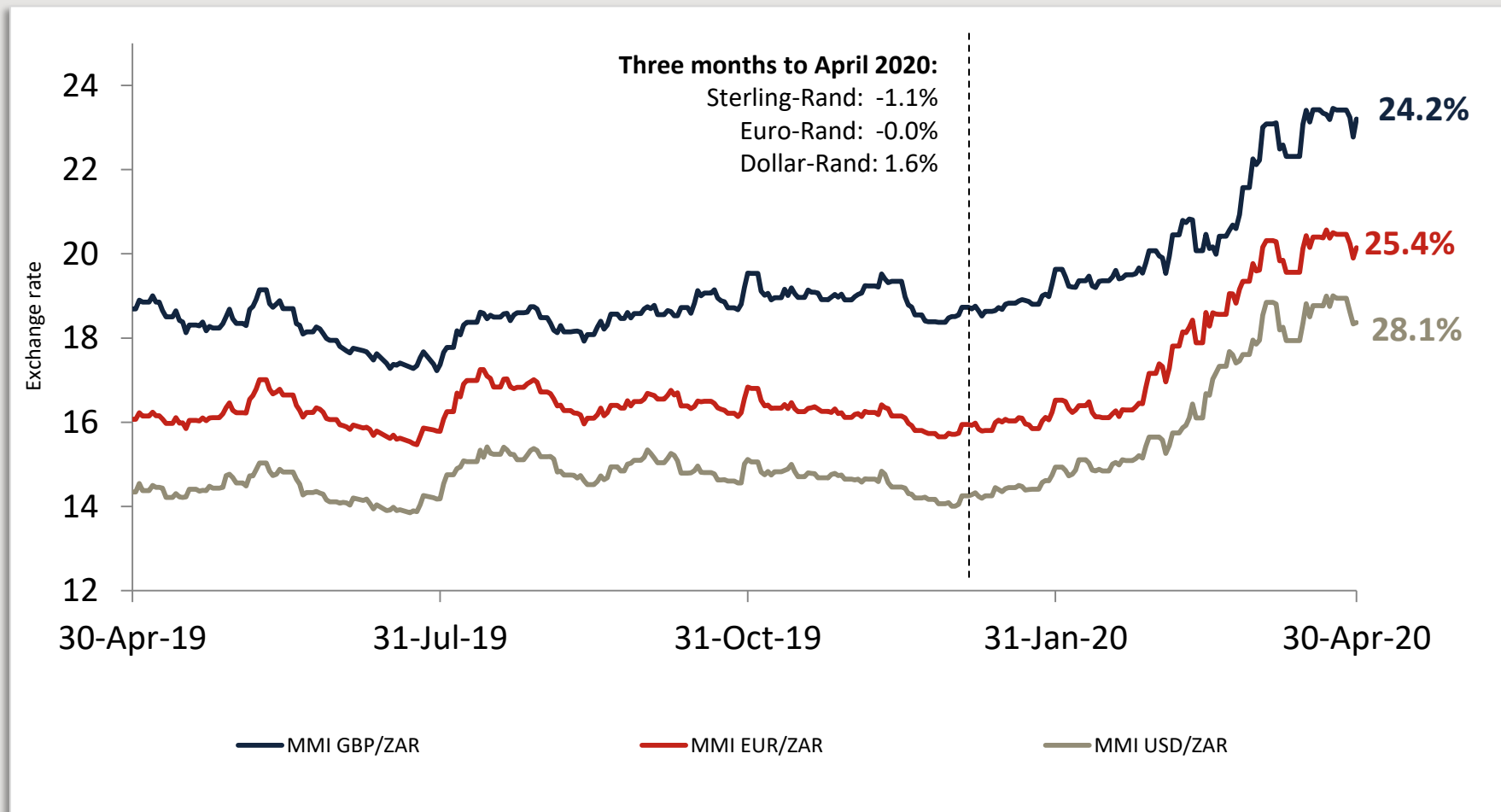
# Annual asset class returns



# Exchange rates



One year to April 2020

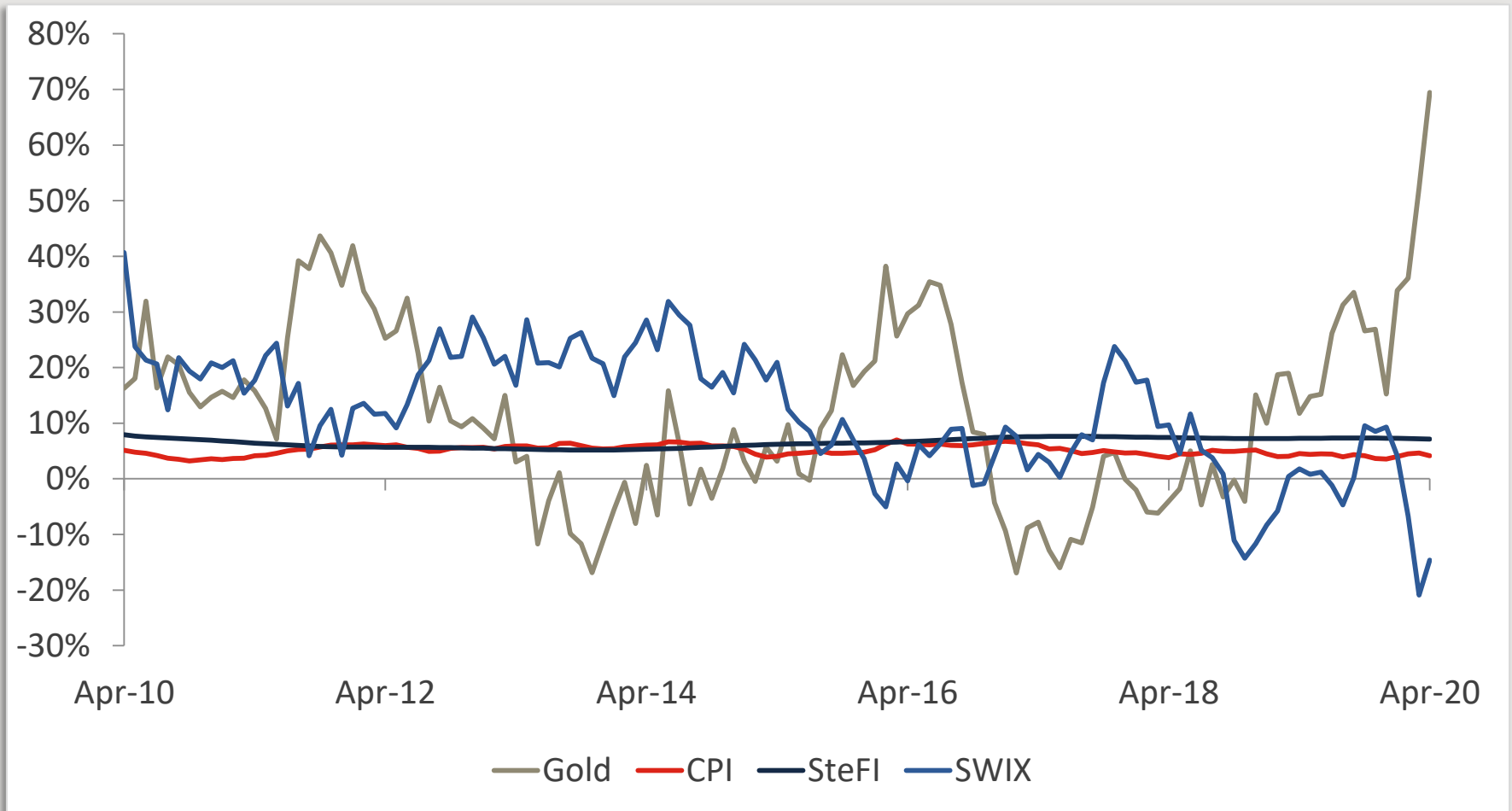




# Gold (rands), FTSE/JSE SWIX, CPI, SteFI



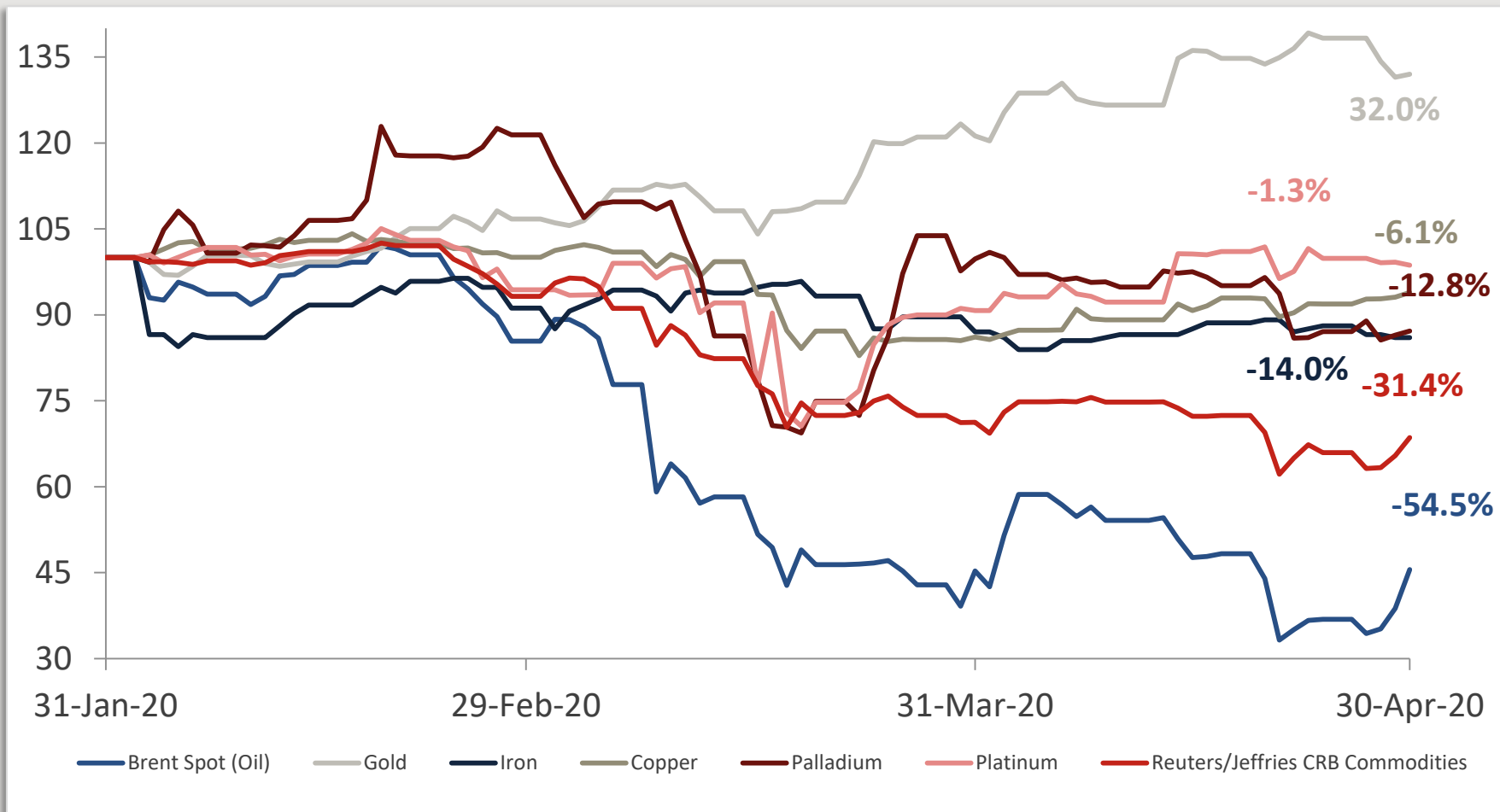
One-year rolling returns to April 2020



# Commodities



Three months to April 2020

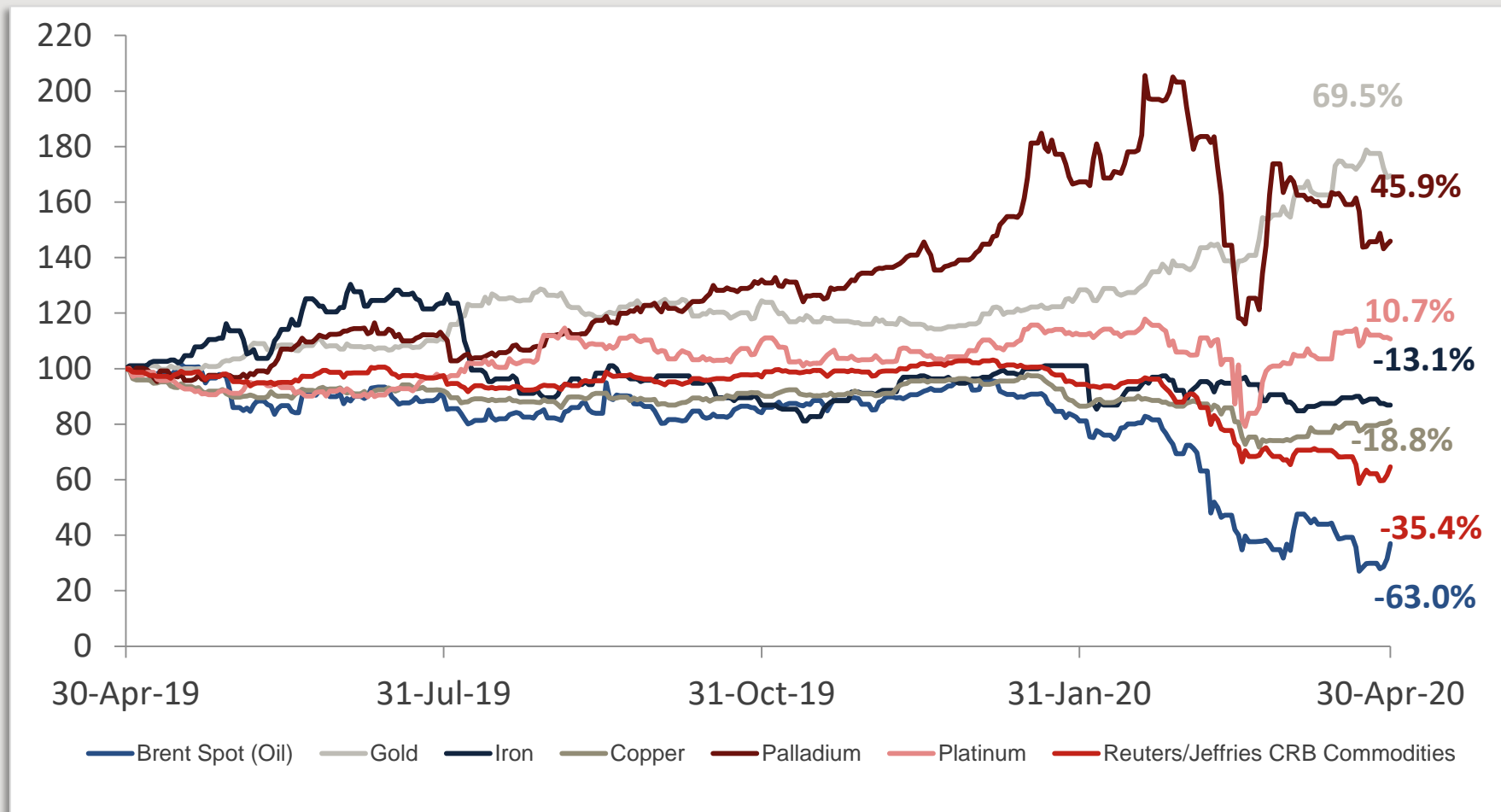


All returns are in dollar terms

# Commodities



One year to April 2020

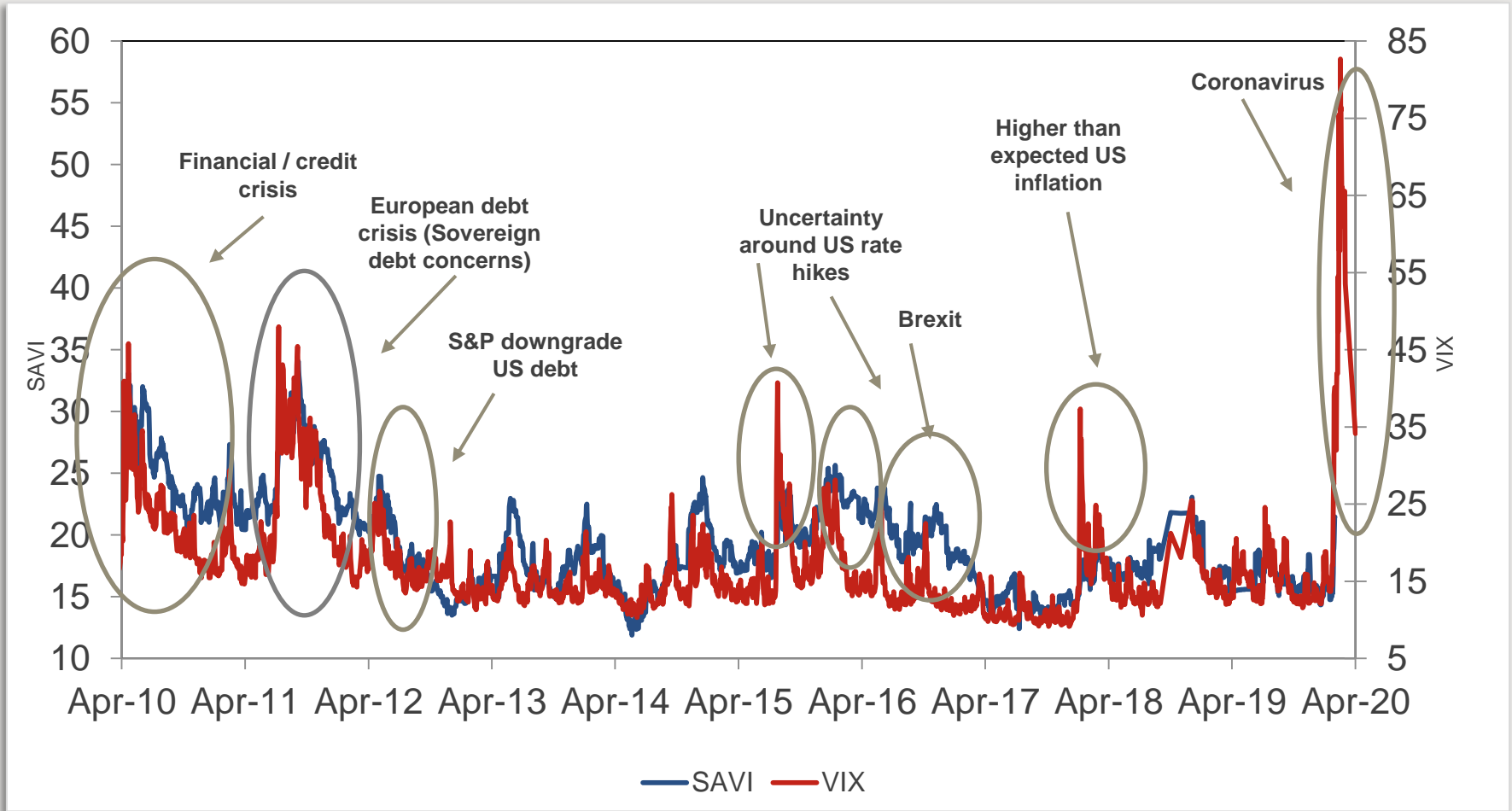


All returns are in dollar terms

# SAVI-VIX



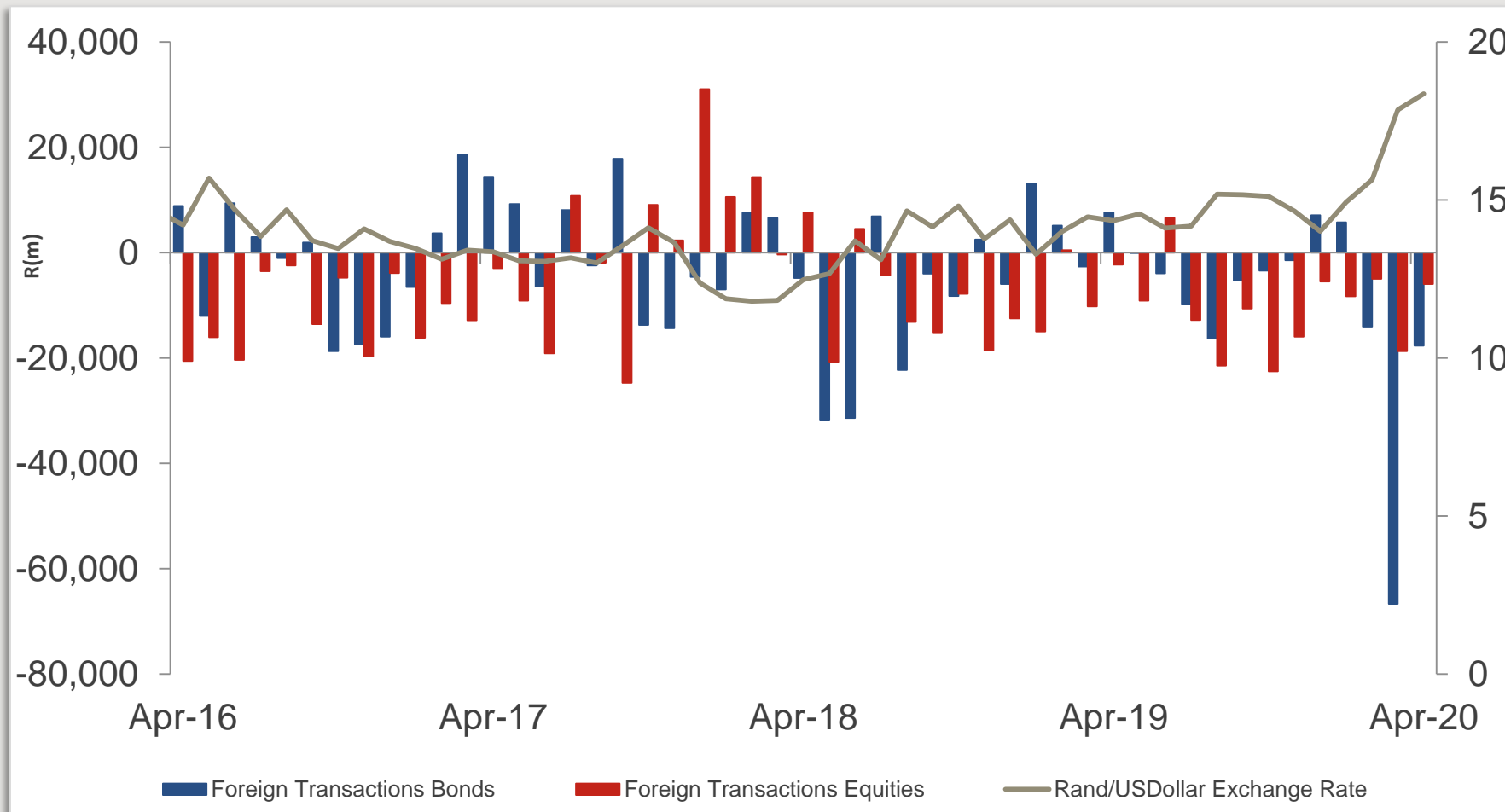
10 years to April 2020



# Foreign transactions



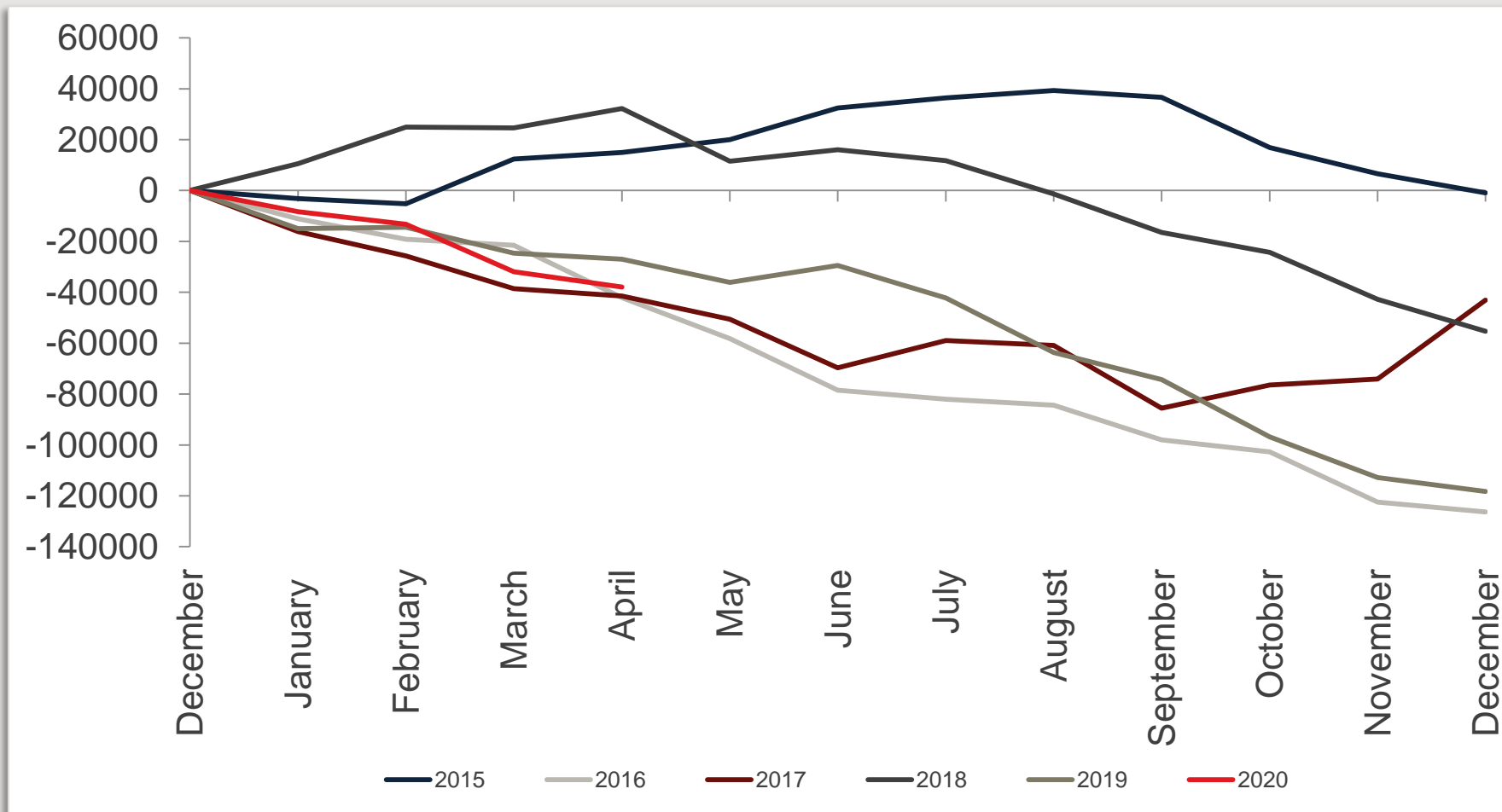
2016 to 2020



# Cumulative foreign transaction equities



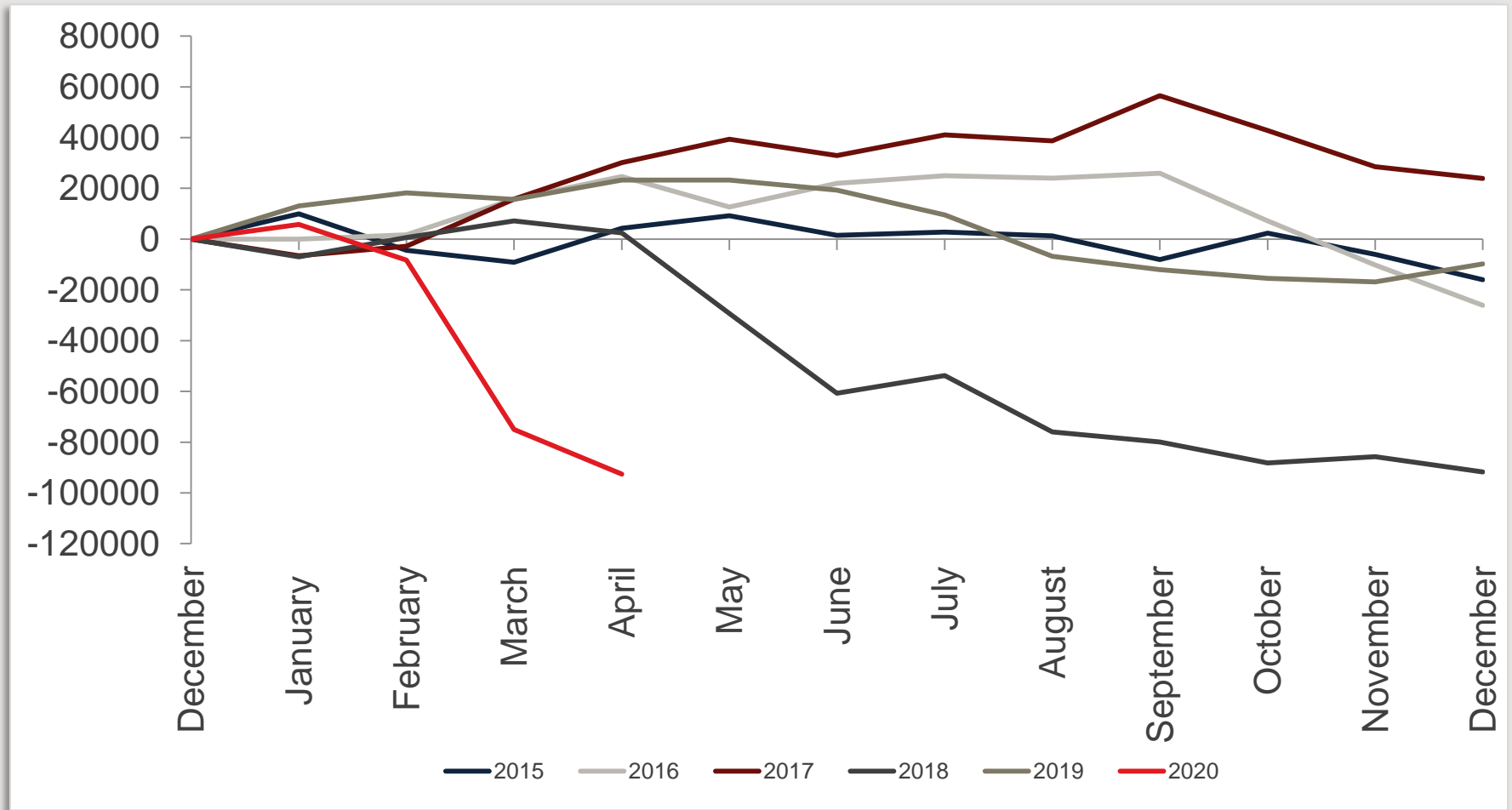
2015 to 2020



# Cumulative foreign transaction bonds



2015 to 2020



Thank you

*Signatory of:*





1. Sources: Momentum Investments, I-Net Bridge, [www.msci.com](http://www.msci.com), [www.yieldbook.com](http://www.yieldbook.com), [www.ft.com](http://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.
5. FTSE/JSE disclaimer: [www.jse.co.za](http://www.jse.co.za)
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