

Key market performance drivers

Monthly charts to 31 August 2020

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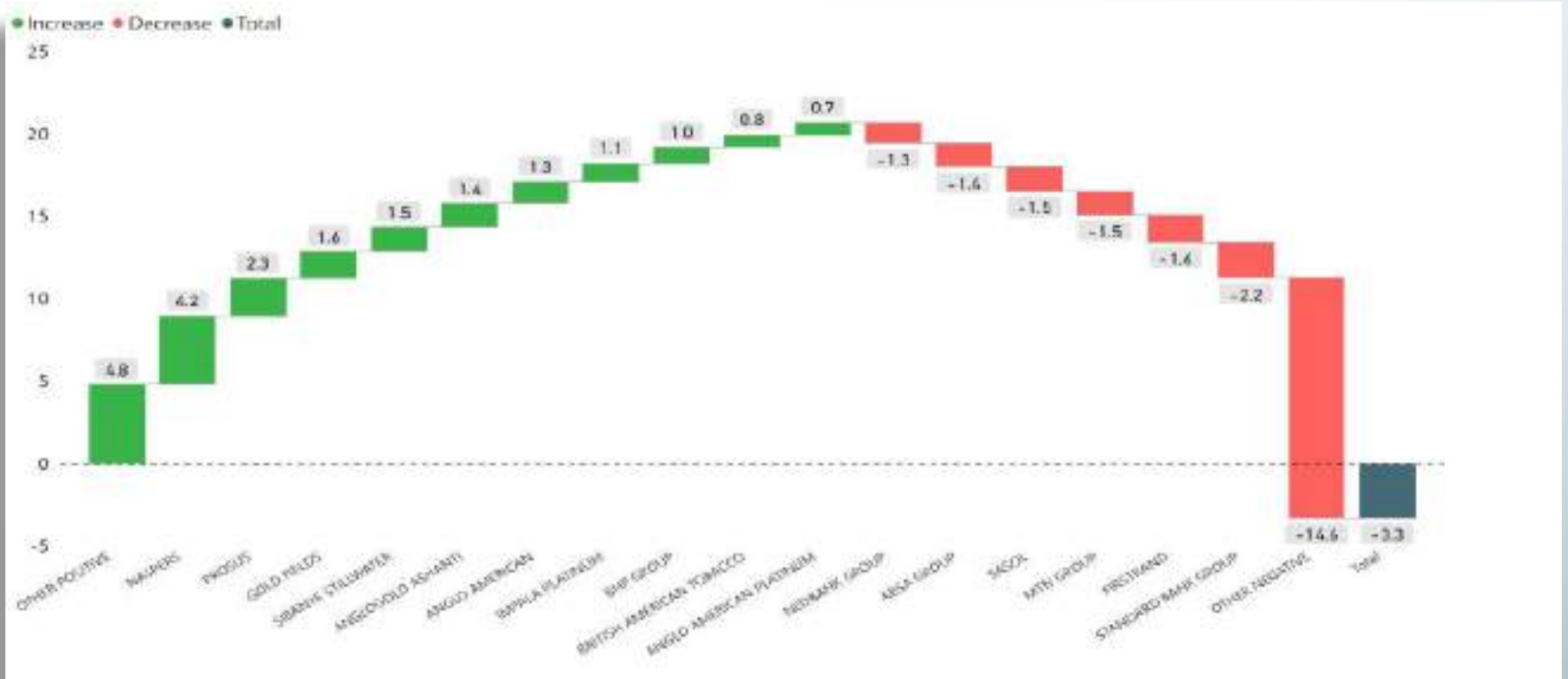
01

Market
concentration

Market concentration



One-year Capped SWIX contributions ending August 2020





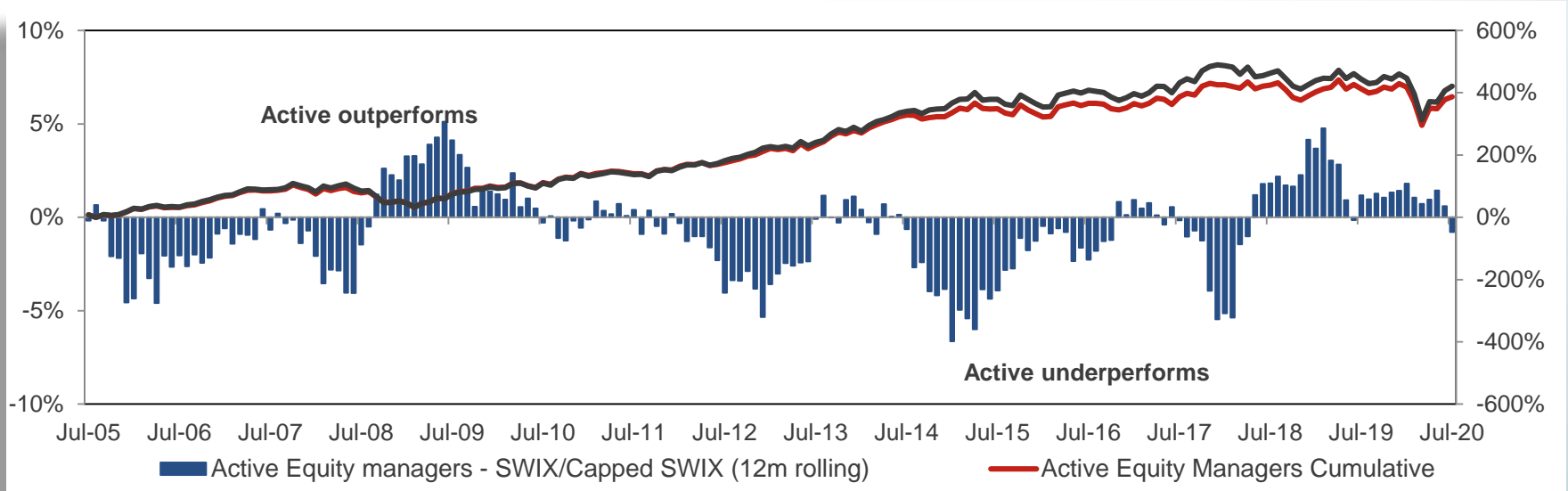
02

Active index analysis

Active index analysis: Equities



One-year rolling active to July 2020



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

(SWIX until 31 October 2017 and Capped SWIX thereafter)

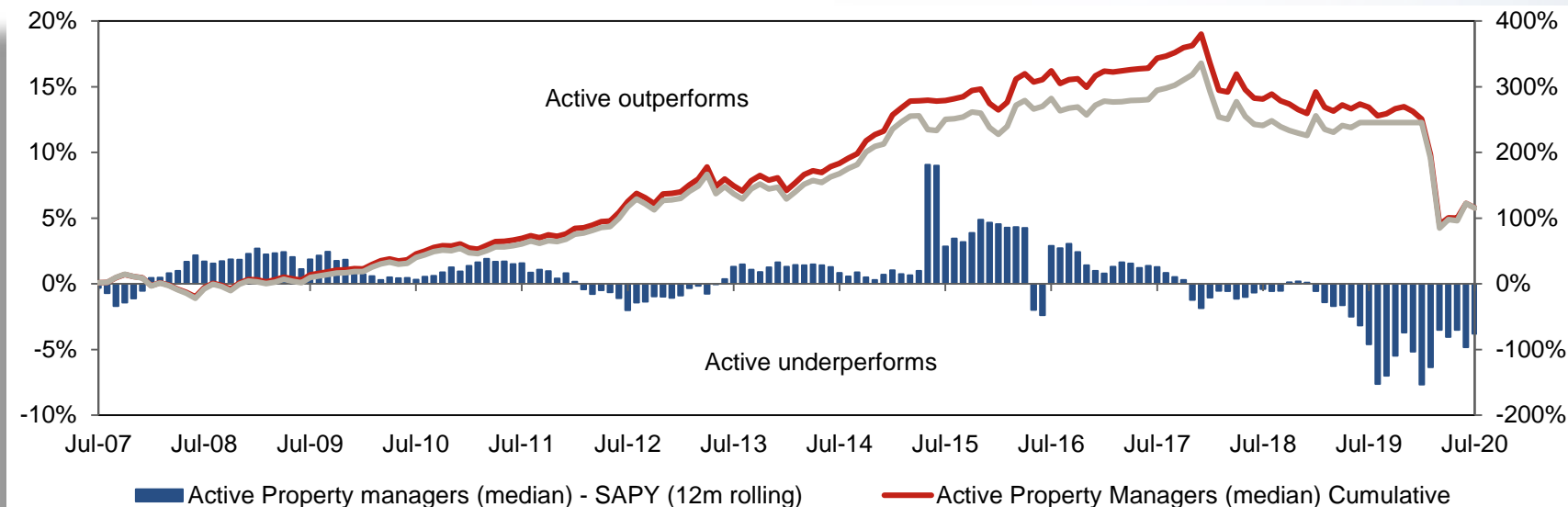
Data lagged by one month

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

Active index analysis: Property



One-year rolling active to July 2020



The median return of the active property investment managers underperformed the SAPY for the 12-month period ending July 2020.

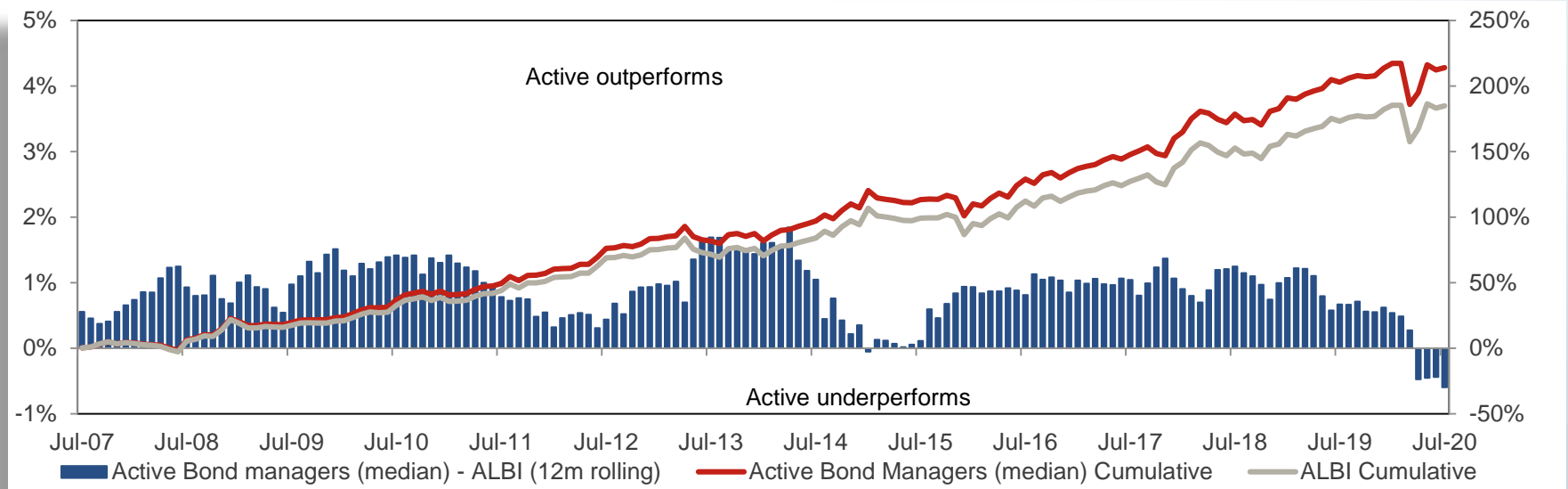
Data lagged by one month

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

Active index analysis: Bonds



One-year rolling active to July 2020



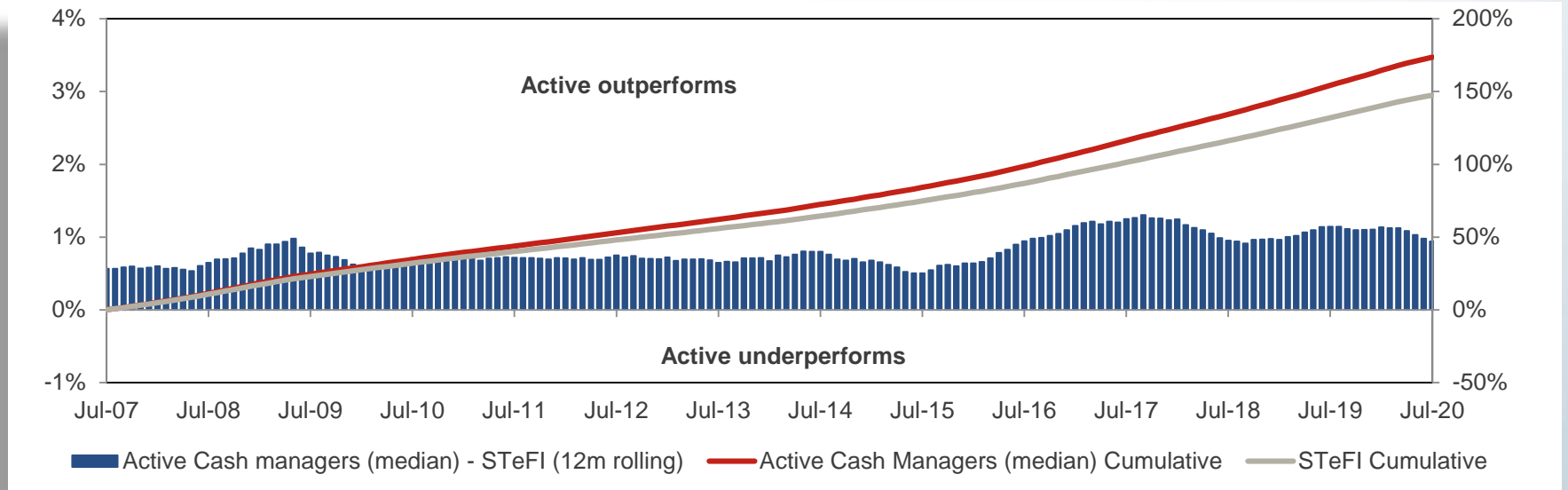
The median of the active bond investment managers underperformed the ALBI for the 12-month period ending July 2020.

Data lagged by one month

Active index analysis: Cash



One-year rolling active to July 2020



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

Data lagged by one month

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



03

Style analysis

Style analysis



Style returns heat map for South Africa to August 2020

ZAR	Styles	One month to August 2020	Three months to August 2020	One year to August 2020	Three years to August 2020	Five years to August 2020	Ten years to August 2020	Twenty years to August 2020
Value	Book to Price	-2.83	9.61	-15.54	-13.36	-6.14	-6.32	-0.79
	Dividend Yield	-3.14	8.54	-10.38	-2.33	1.50	-1.22	3.23
	Earnings Yield	-3.66	7.75	0.49	-6.91	-3.33	-2.46	-0.35
	Cash Flow Yield	-0.83	7.56	-22.39	-8.58	-0.10	-0.77	1.11
	Sales to Price	-0.64	-1.37	-6.24	-6.48	-1.60	-2.61	-1.25
Quality	ROE	2.15	2.33	14.08	10.57	5.25	3.91	1.42
	ROIC LT	-0.83	-3.13	-1.49	-0.40	-0.32	-0.79	-1.70
	Income to Sales	-1.07	-1.28	9.21	2.55	1.59	1.57	0.04
	Low market beta	2.84	-2.45	-7.89	0.16	1.67	2.13	1.13
	Low Debt/Equity	-0.82	-2.99	13.56	3.72	1.82	0.64	0.15
	EBIT Margin Stability	-0.91	1.16	1.66	-0.33	-2.26	3.12	0.21
Growth	Earnings Growth	-3.92	-1.79	13.87	8.47	5.04	3.14	0.82
	Sales Growth	1.97	-3.24	3.82	2.12	0.36	2.12	-0.83
	12M Earning Growth	6.45	10.50	31.14	11.23	4.55	1.16	4.94
Momentum	FY1 Earnings Revisions	-3.07	-5.61	-1.89	3.86	2.46	5.42	7.54
	Short Term Momentum	-2.07	-4.93	-6.08	0.83	2.79	0.71	0.57
	Medium Term Momentum	1.37	2.66	26.35	13.45	5.77	7.83	6.82
Size	Size	-1.68	-2.64	10.38	8.74	4.80	2.42	0.32

Growth has outperformed over the one year period, while quality and momentum is mixed.

Value has underperformed momentum and growth in all periods except the last three months.

Source: FactSet, Momentum Global Investment Management and Momentum Investments



04

Sector analysis

Sector analysis



FTSE/JSE sectors decomposed

Three months to August 2020

1	Chemicals	Basic Materials	47.25%	17	Real Estate Investment Trusts	Financials	3.05%
2	Automobiles & Parts	Consumer Goods	35.83%	18	Software & Computer Services	Technology	2.37%
3	Fixed-line Telecommunications	Telecommunications	28.65%	19	Life Insurance	Financials	1.48%
4	Mining	Basic Materials	27.84%	20	Food Producers	Consumer Goods	1.05%
5	Travel & Leisure	Travel & Leisure	25.68%	21	Industrial Transportation	Industrials	-0.85%
6	Support Services	Industrials	22.62%	22	Banks	Financials	-1.90%
7	Construction & Materials	Industrials	21.19%	23	Forestry & Paper	Basic Materials	-2.32%
8	Equity Investment Instruments	Financials	18.44%	24	Pharmaceuticals & Biotechnology	Healthcare	-2.93%
					Household Goods & Home		
9	Industrial Metals & Mining	Industrials	16.00%	25	Construction	Consumer Goods	-7.92%
10	Media	Consumer Services	13.27%	26	Healthcare Equipment & Service	Healthcare	-8.28%
11	Beverages	Consumer Goods	12.52%	27	Real Estate Investment & Services	Financials	-8.47%
12	Personal Goods	Consumer Goods	10.36%	28	General Industrials	Industrials	-9.14%
13	Mobile Telecommunications	Telecommunications	9.72%	29	Non-life Insurance	Financials	-9.33%
14	Financial Services	Financials	7.81%	30	Tobacco	Consumer Goods	-16.13%
15	General Retailers	Consumer Services	7.31%	31	Oil & Gas Producers	Financial Services	-20.54%
16	Food & Drug Retailers	Consumer Services	3.07%	32	Electronic & Electrical Equipment	Industrials	-27.13%

Key

Resources

Financials

Industrials

Source: Barra and Deutsche Securities

Sector analysis



FTSE/JSE sectors decomposed

One year to August 2020

1	Mining	Basic Materials	56.84%	17	Mobile Telecommunications	Telecommunications	-21.27%
2	Pharmaceuticals & Biotechnology	Healthcare	56.28%	18	Support Services	Industrials	-21.30%
					Household Goods & Home		
3	Industrial Metals & Mining	Industrials	45.26%	19	Construction	Consumer Goods	-22.51%
4	Media	Consumer Services	31.68%	20	Software & Computer Services	Technology	-22.80%
5	Equity Investment Instruments	Financials	27.77%	21	Oil & Gas Producers	Financial Services	-27.55%
6	Tobacco	Consumer Goods	14.63%	22	Industrial Transportation	Industrials	-28.13%
7	Personal Goods	Consumer Goods	-3.20%	23	General Industrials	Industrials	-30.33%
8	Food & Drug Retailers	Consumer Services	-4.29%	24	Beverages	Consumer Goods	-32.78%
9	Forestry & Paper	Basic Materials	-8.69%	25	Banks	Financials	-36.69%
10	Financial Services	Financials	-8.95%	26	General Retailers	Consumer Services	-37.28%
11	Non-life Insurance	Financials	-10.19%	27	Real Estate Investment & Services	Financials	-37.92%
12	Food Producers	Consumer Goods	-10.54%	28	Real Estate Investment Trusts	Financials	-46.77%
13	Construction & Materials	Industrials	-12.06%	29	Chemicals	Basic Materials	-47.21%
14	Automobiles & Parts	Consumer Goods	-16.59%	30	Electronic & Electrical Equipment	Industrials	-47.82%
15	Healthcare Equipment & Service	Healthcare	-18.88%	31	Travel & Leisure	Travel & Leisure	-48.29%
16	Life Insurance	Financials	-19.02%	32	Industrial Engineering	Industrials	-66.87%

Key

Resources

Financials

Industrials

Source: Barra and Deutsche Securities

FTSE/JSE sectors



One year to August 2020



FTSE/JSE sectors



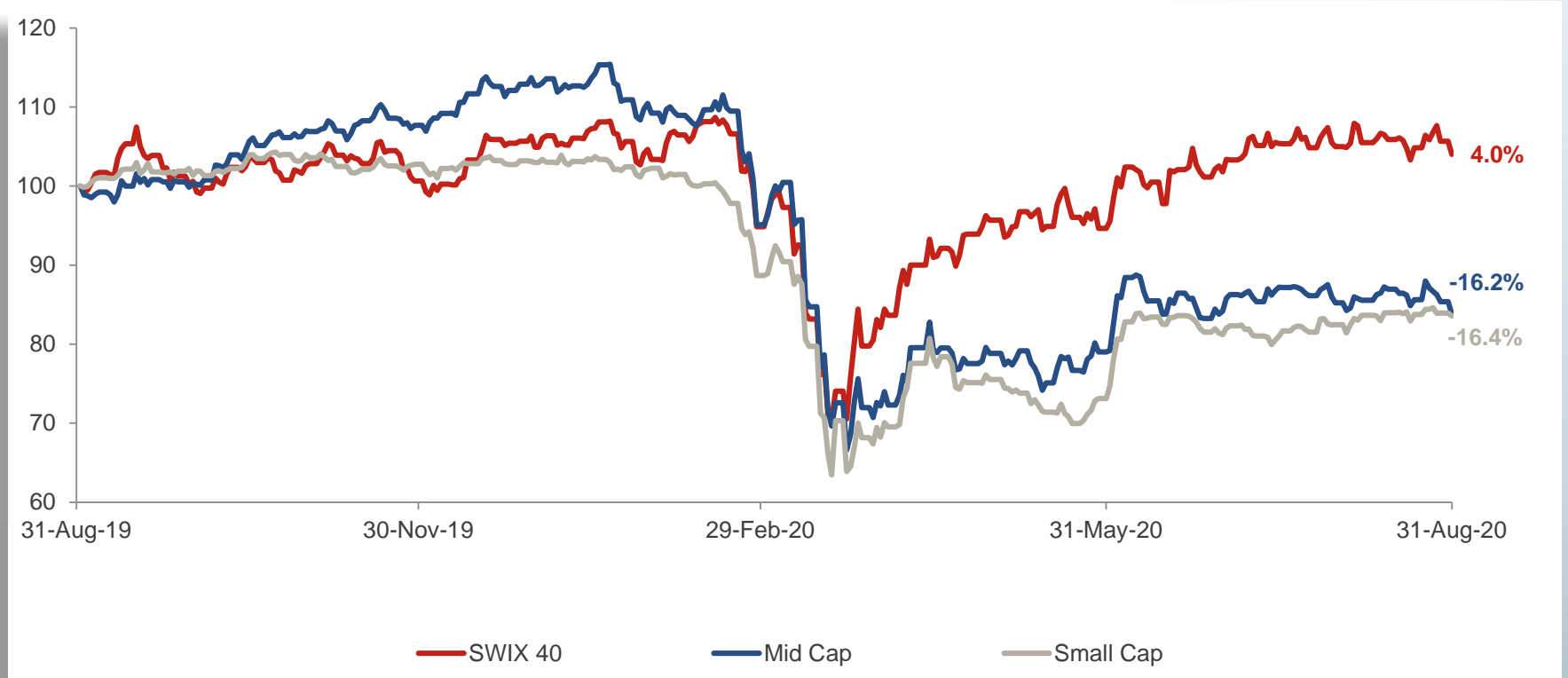
Three years rolling to August 2020



FTSE/JSE market caps



One year to August 2020





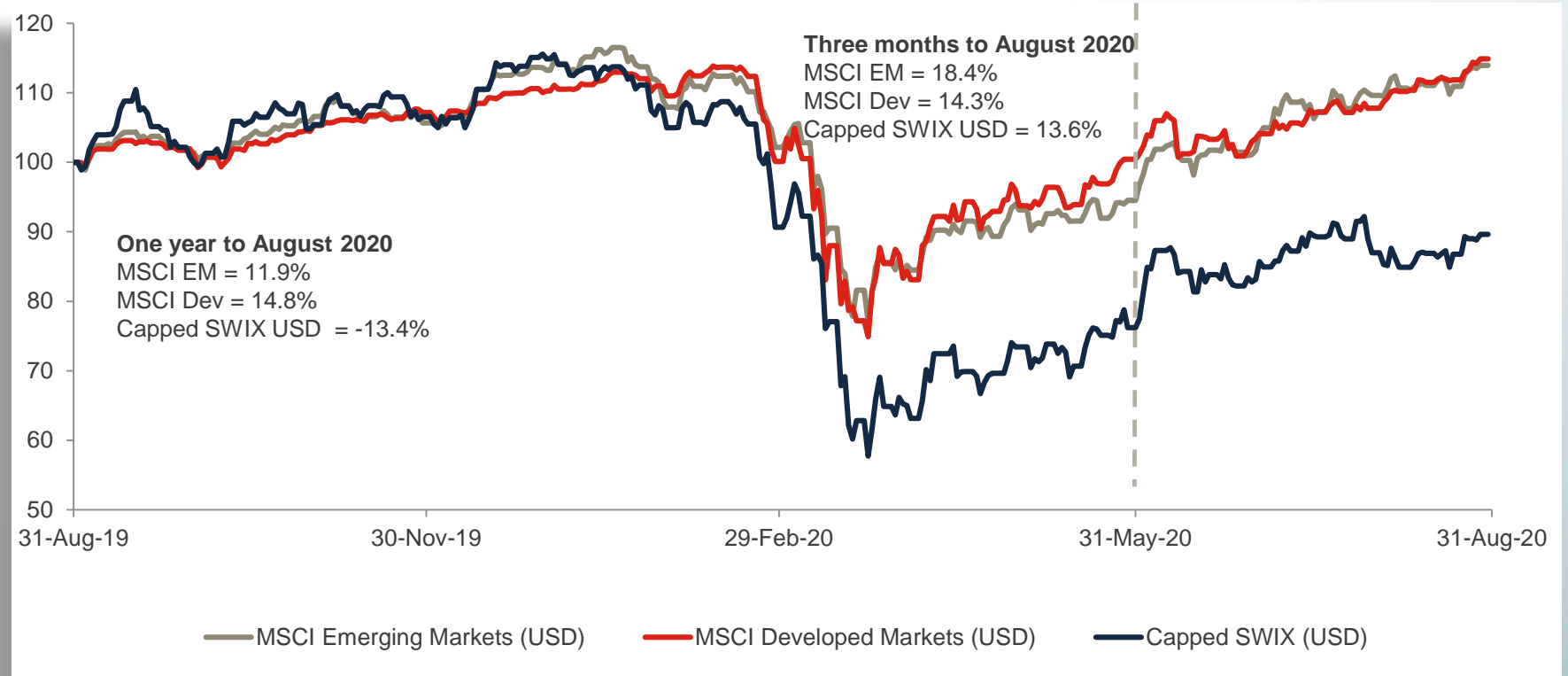
05

Indexed return
charts

MSCI developed and emerging markets



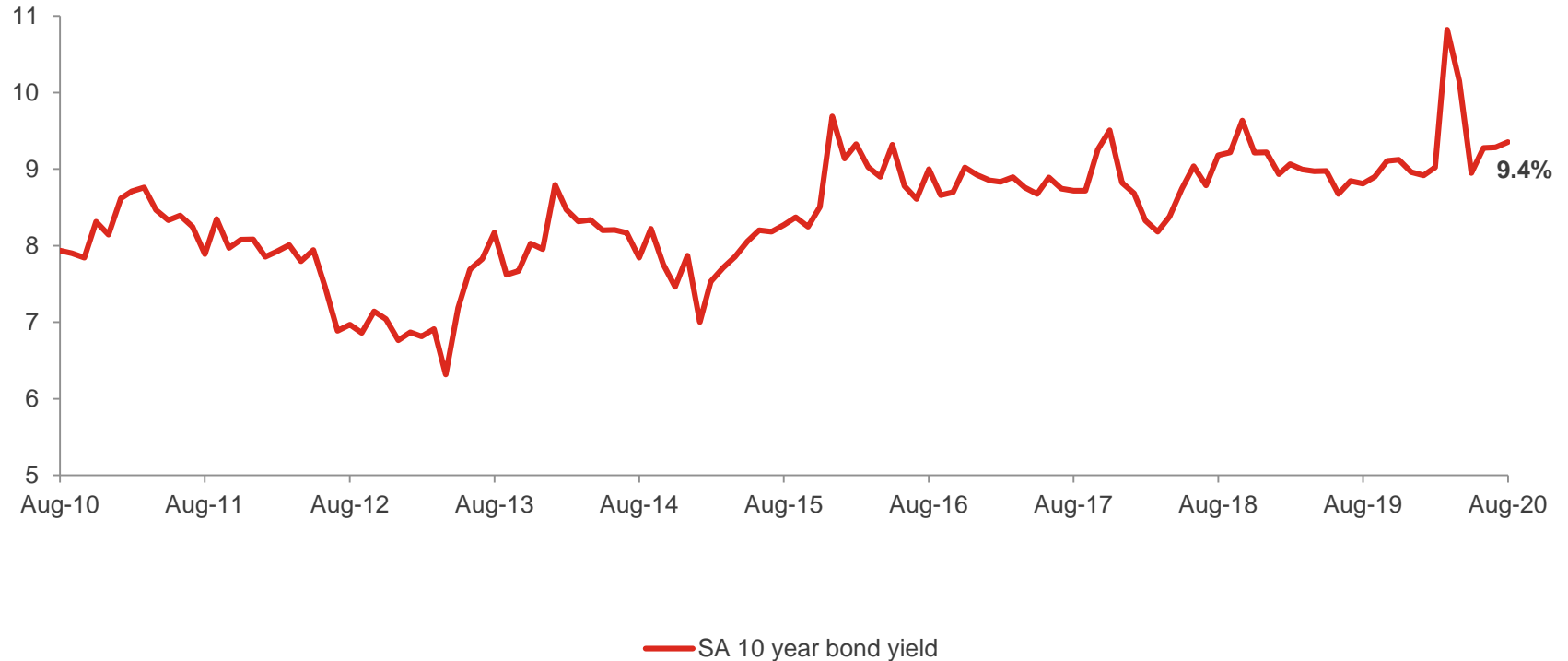
One year to August 2020



SA 10-year bond yields



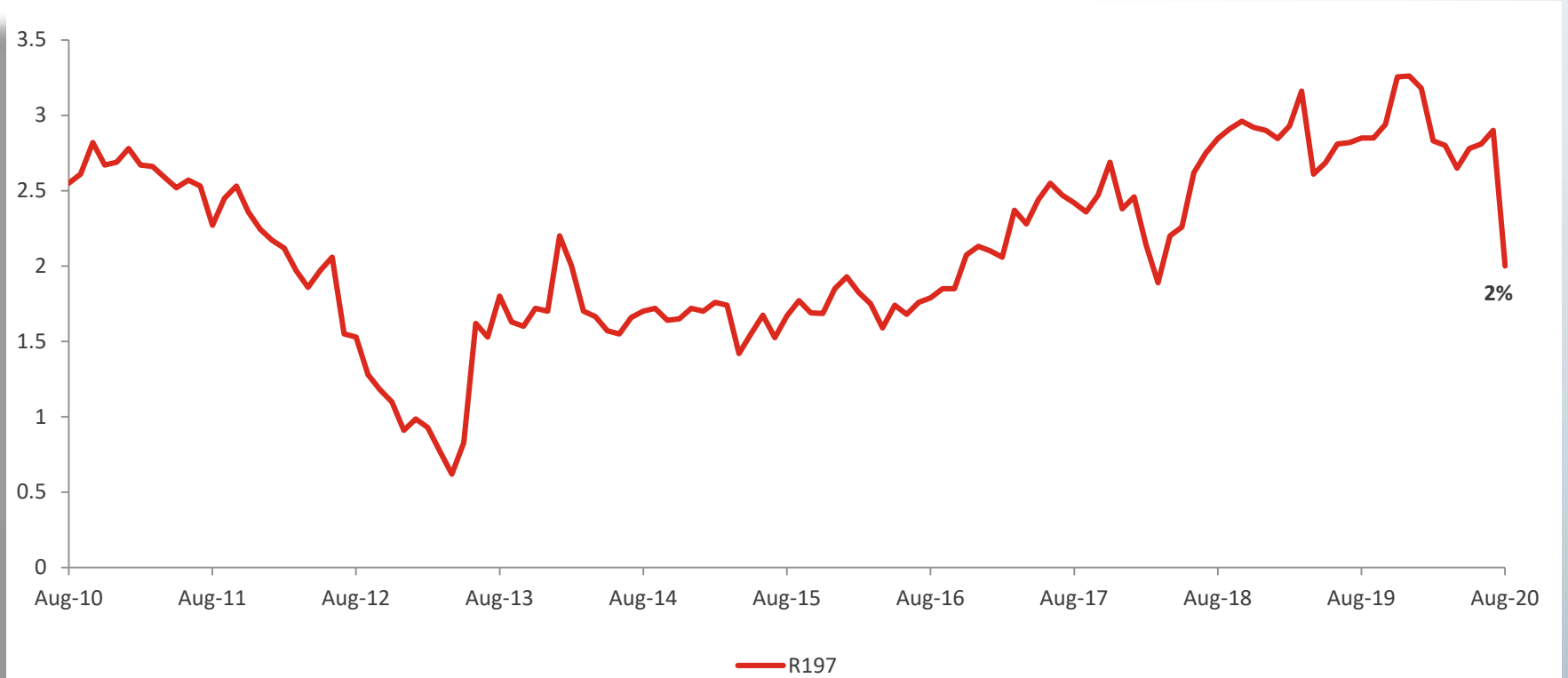
Ten years to August 2020



Yield of R197 (inflation-linked bond)



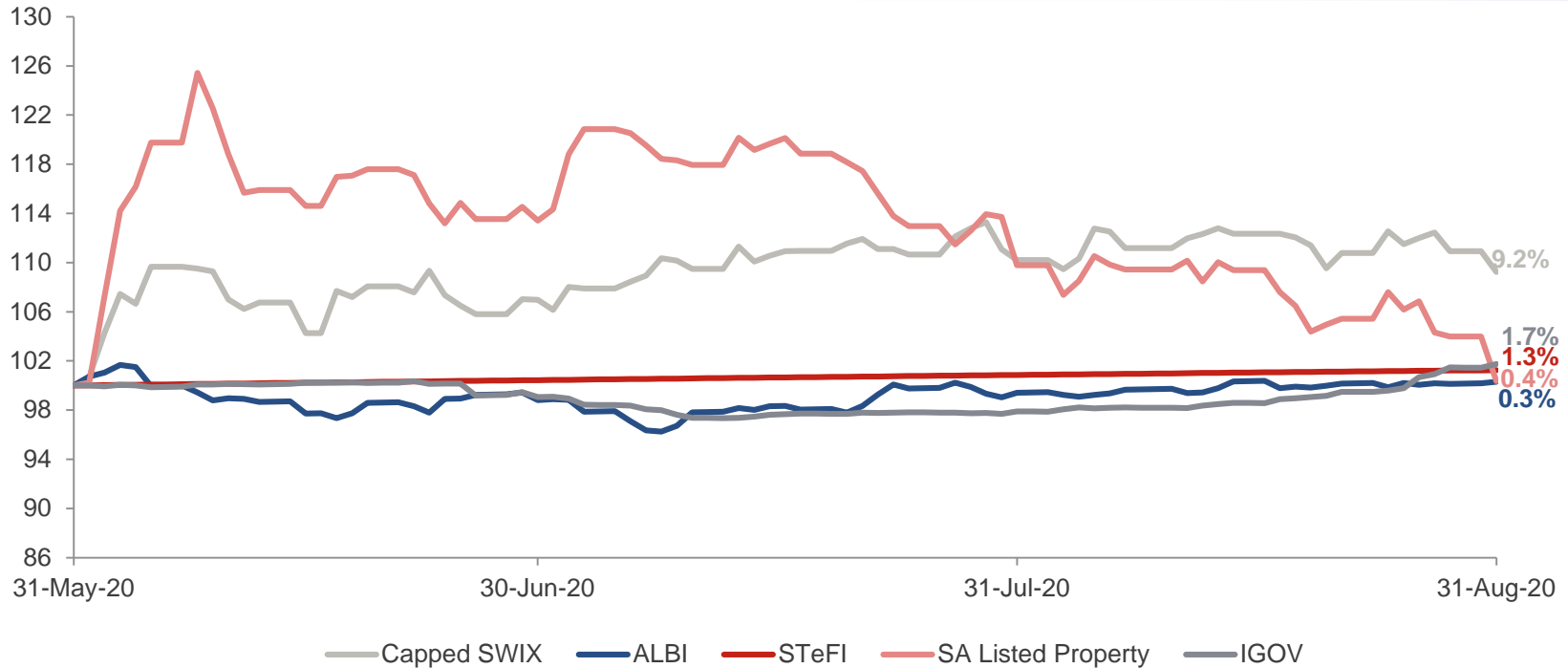
Ten years to August 2020



Local asset classes



Three months to August 2020

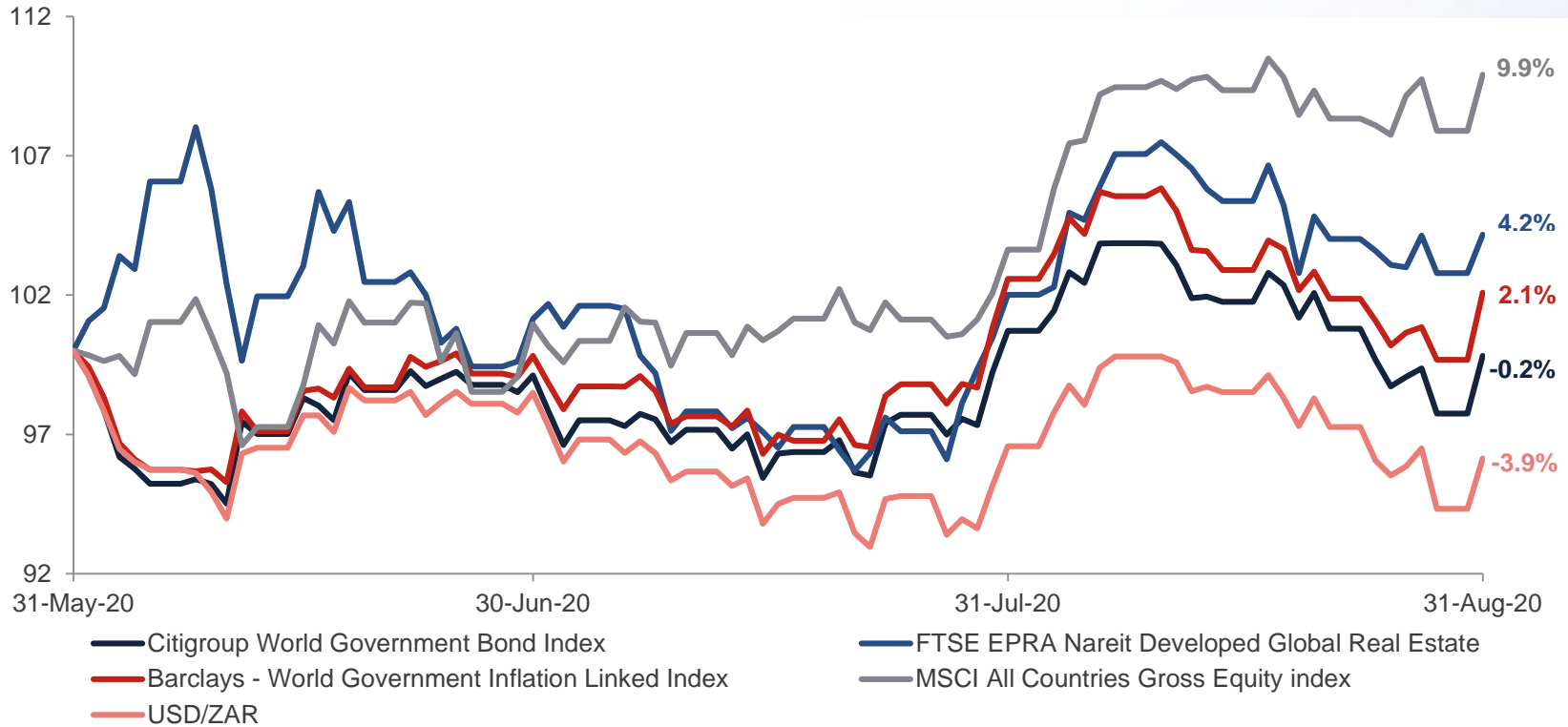


* CPI lagged by one month due to availability of data

Global asset classes



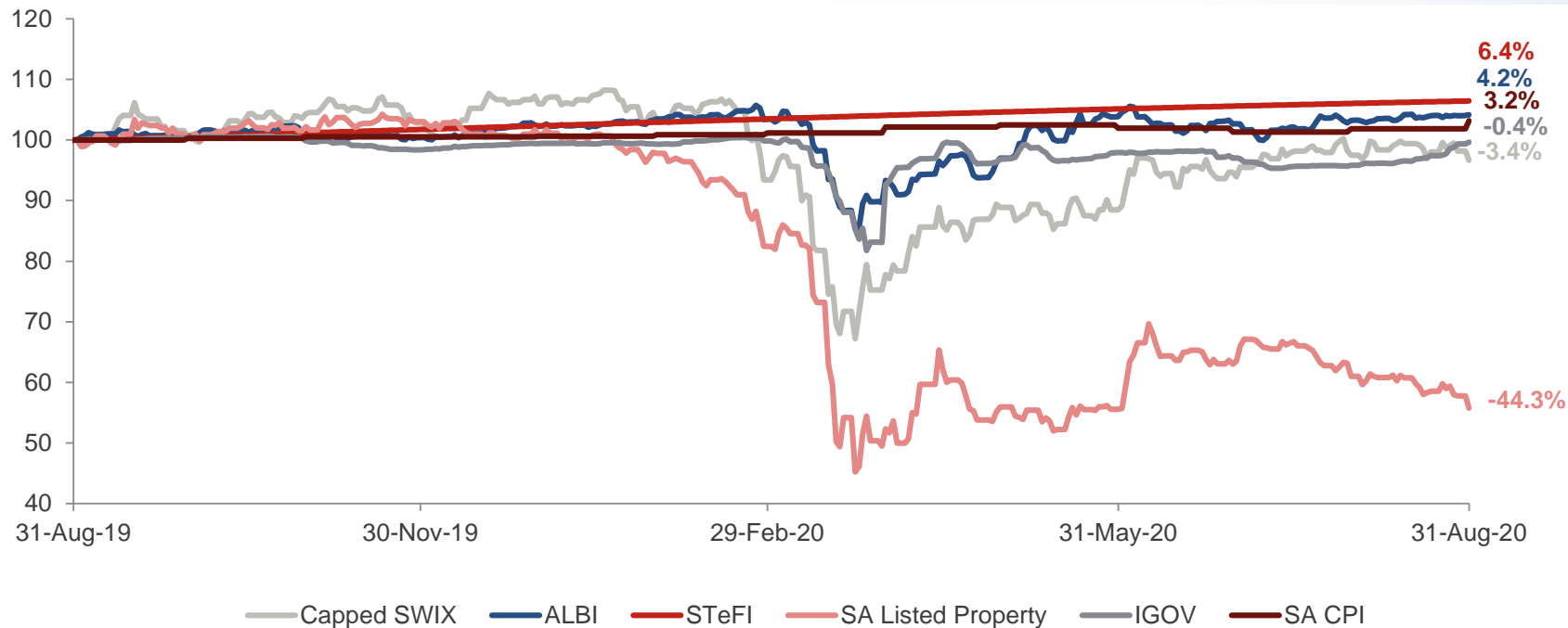
Three months to August 2020



Local asset classes



One year to August 2020

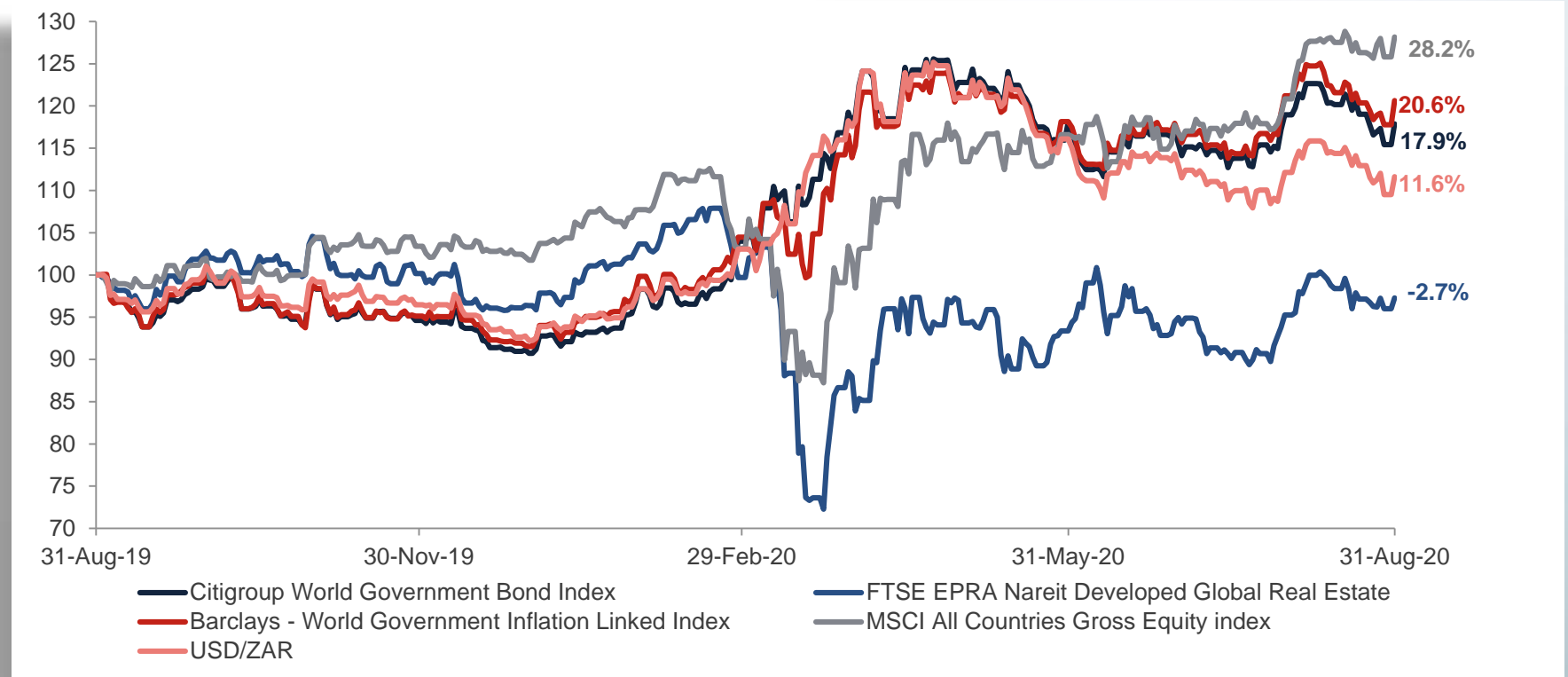


* CPI lagged by one month due to availability of data

Global asset classes



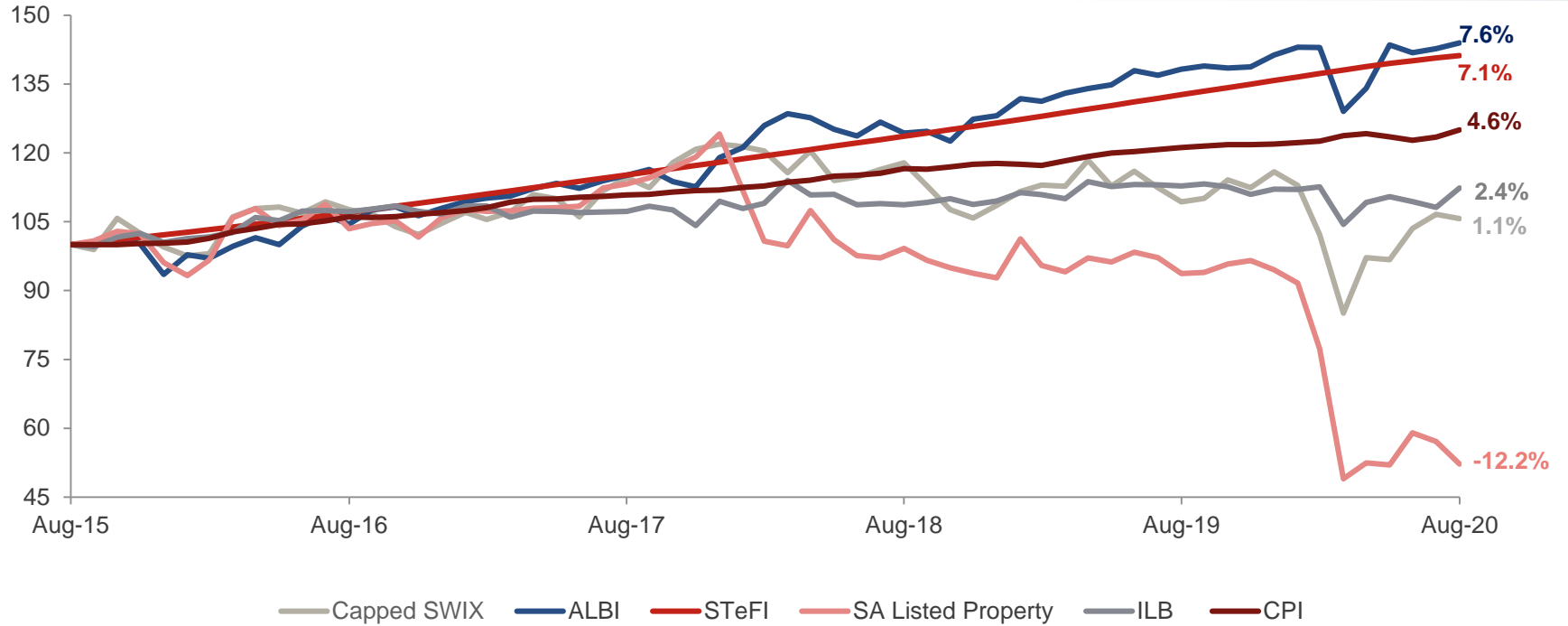
One year to August 2020



Local asset classes



Five years to August 2020

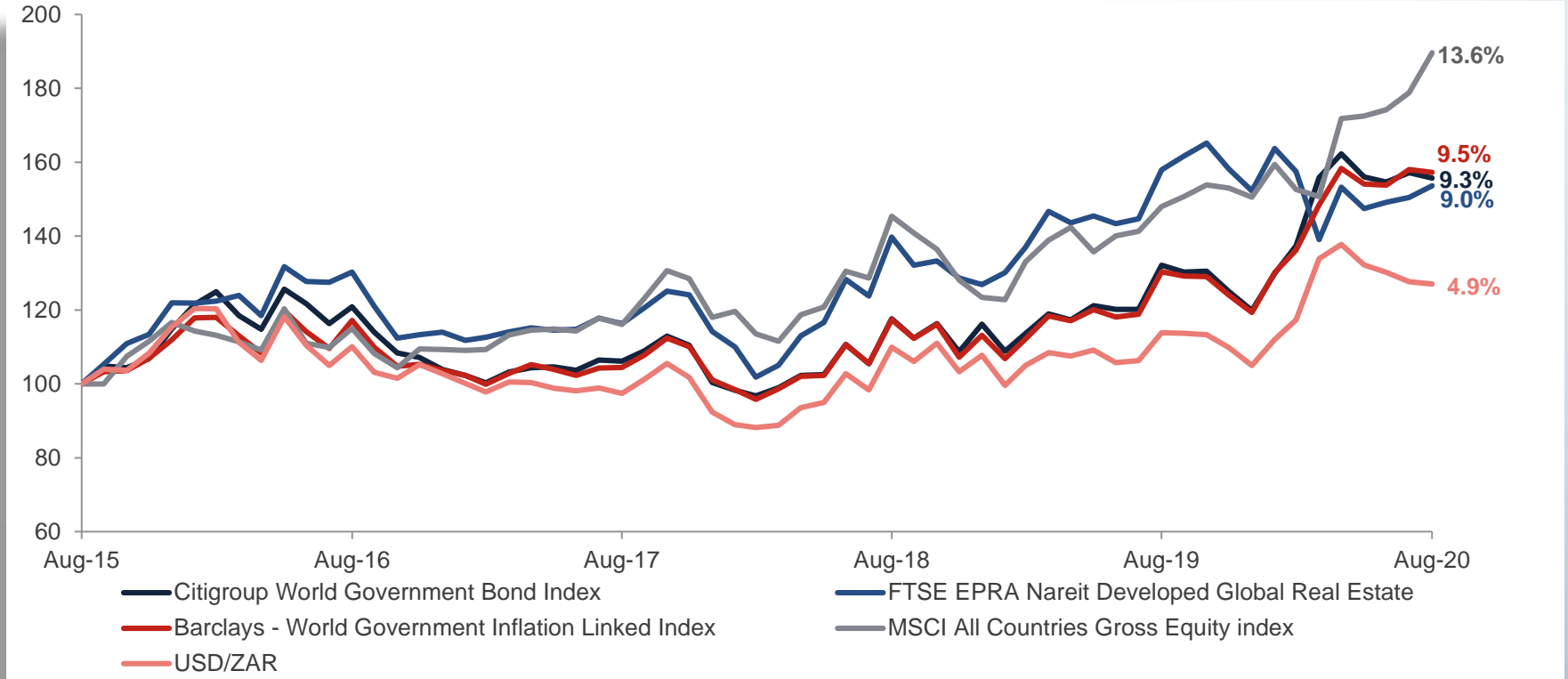


* CPI lagged by one month due to availability of data

Global asset classes



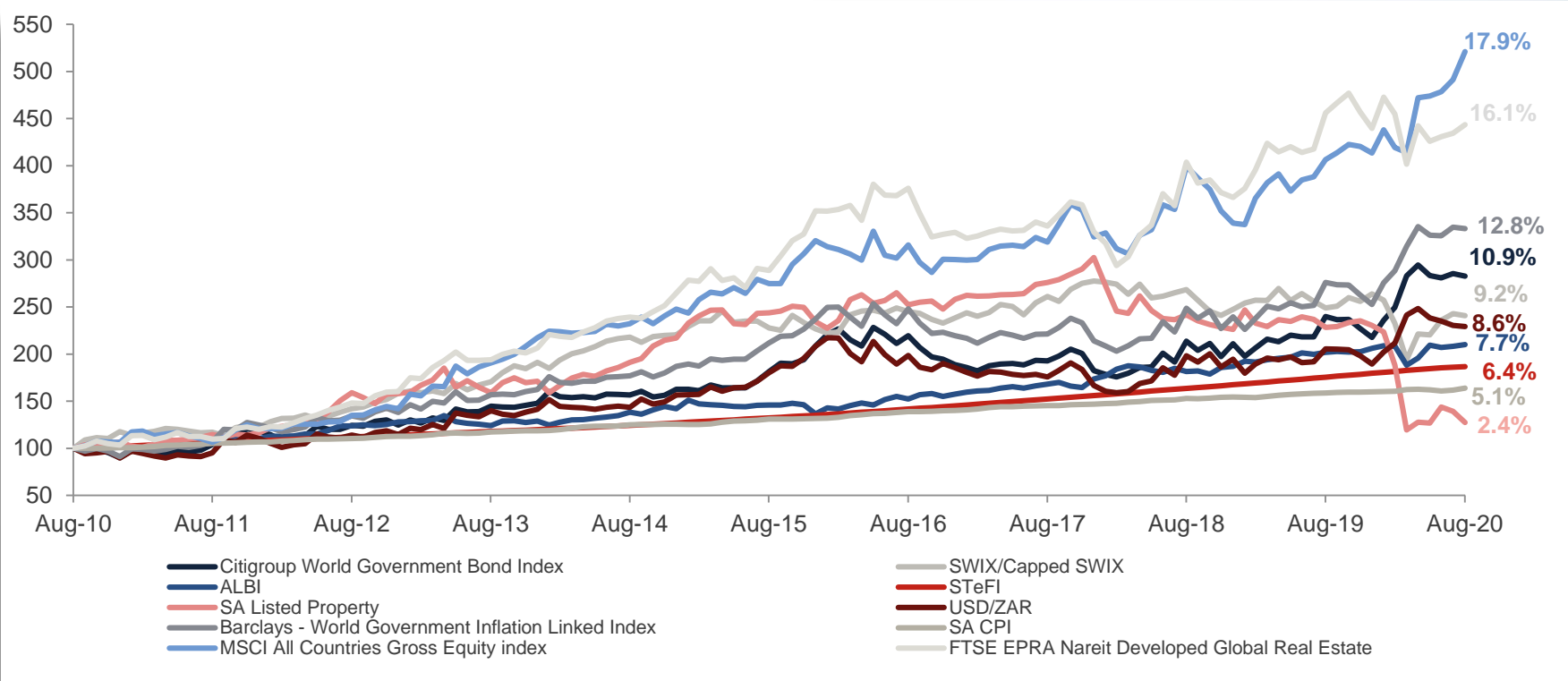
Five years to August 2020



Asset classes



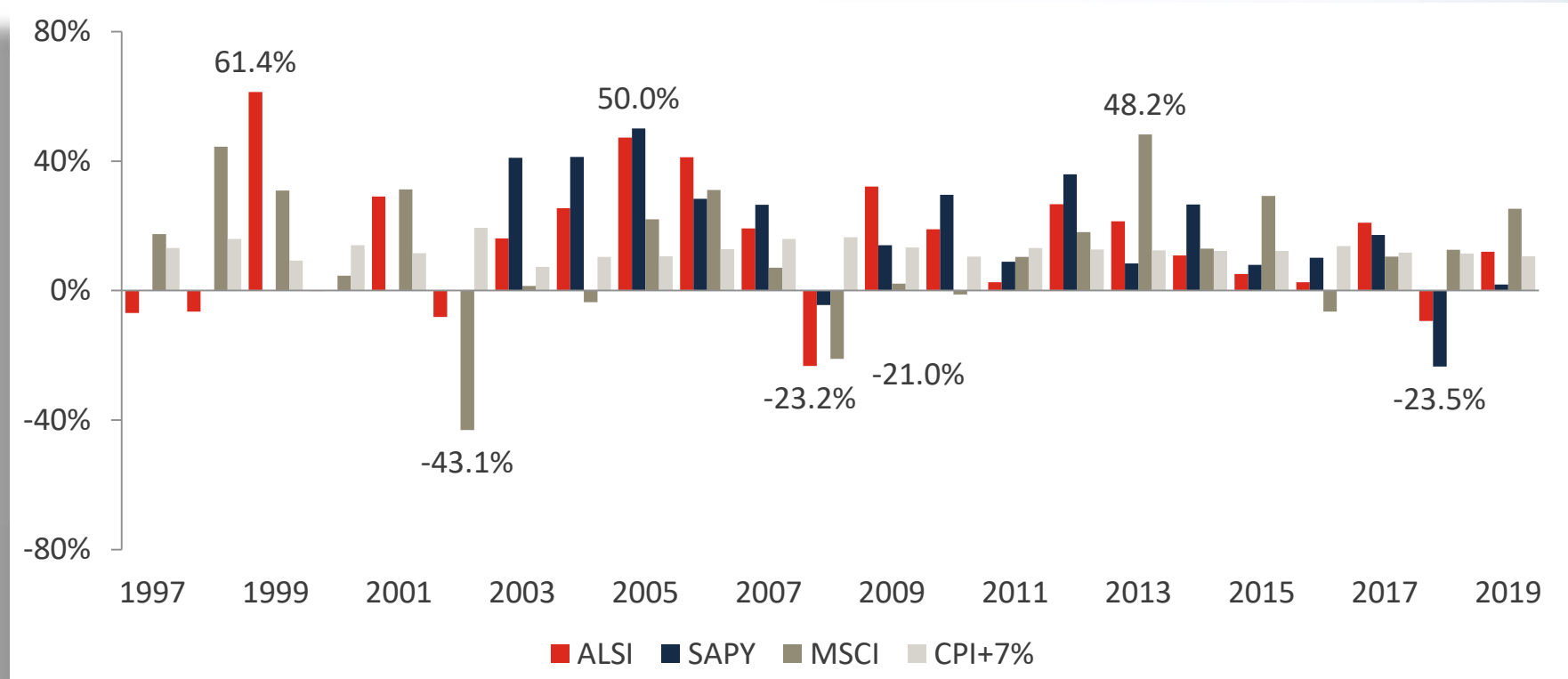
Ten years to August 2020



* CPI lagged by one month due to availability of data

Source: IRESS and Momentum Investments

Annual asset class returns



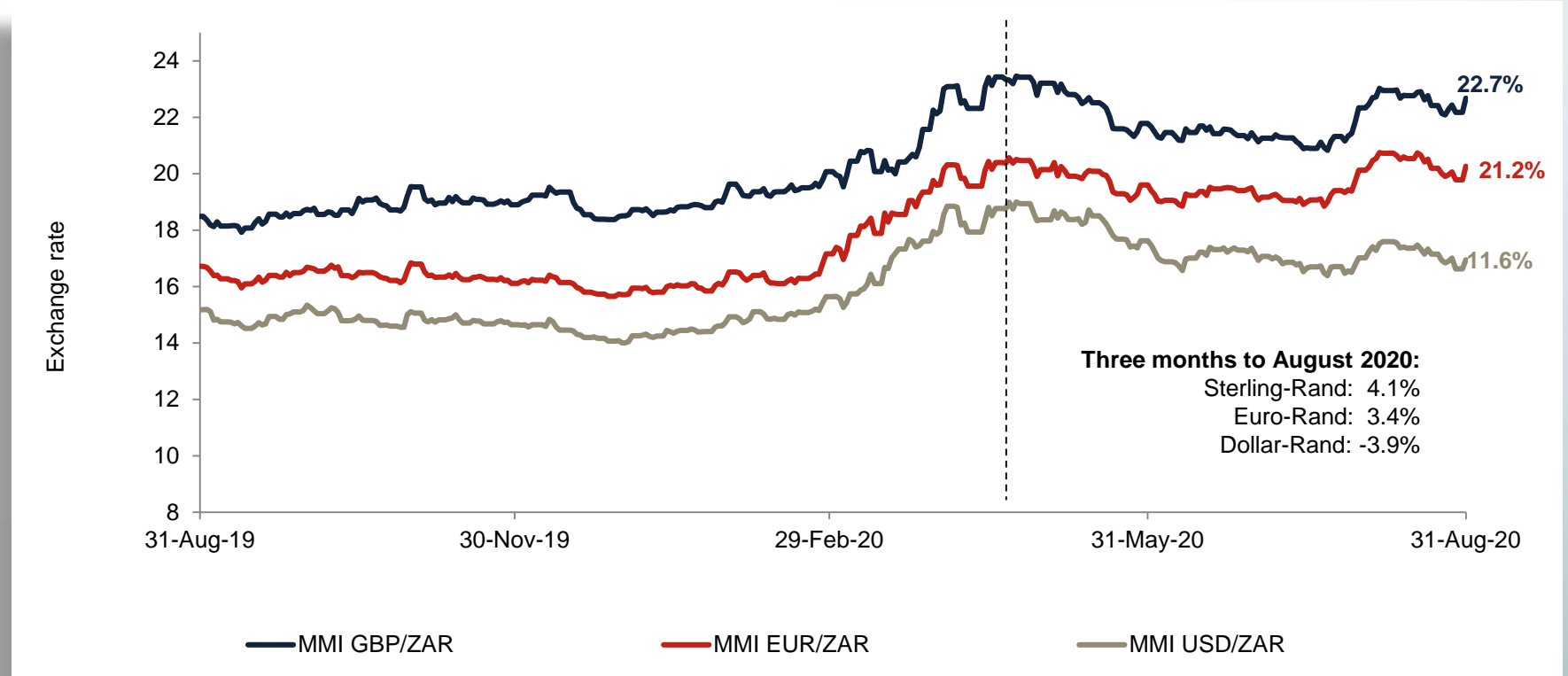
* CPI lagged by one month due to availability of data

Source: IRESS and Momentum Investments

Exchange rates



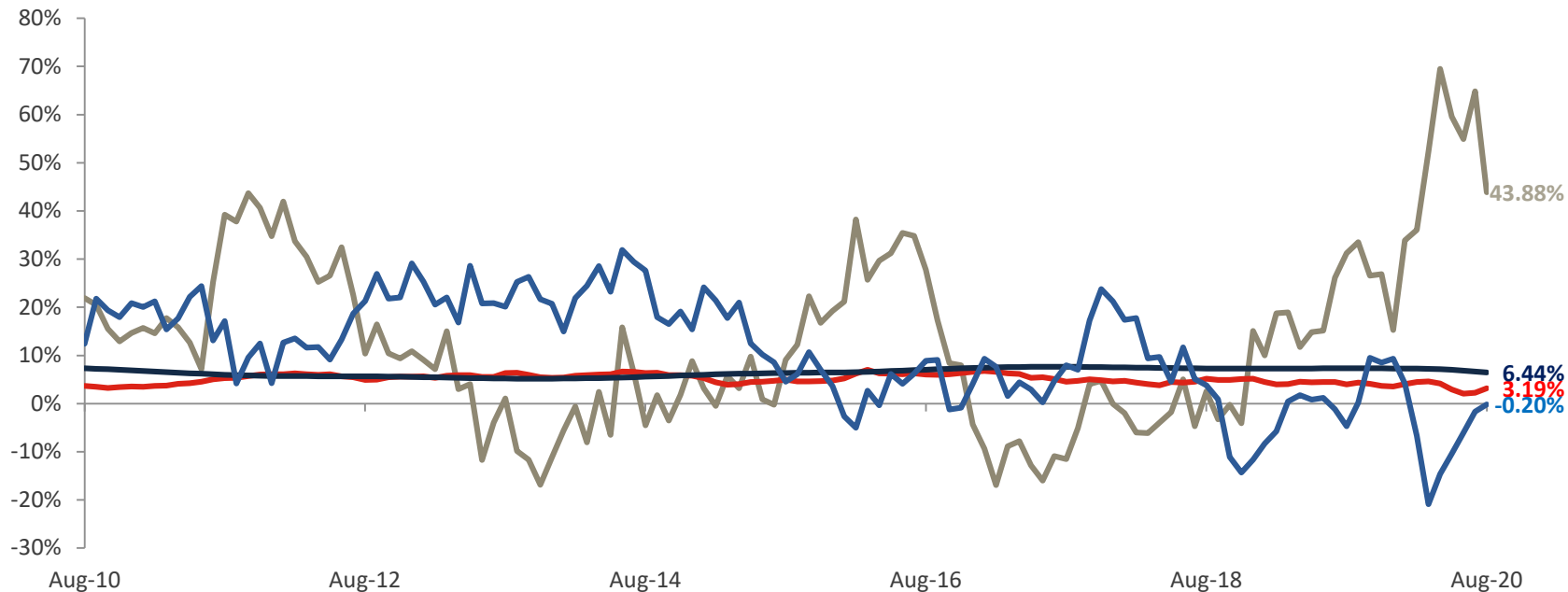
One year to August 2020



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



One-year rolling returns to August 2020



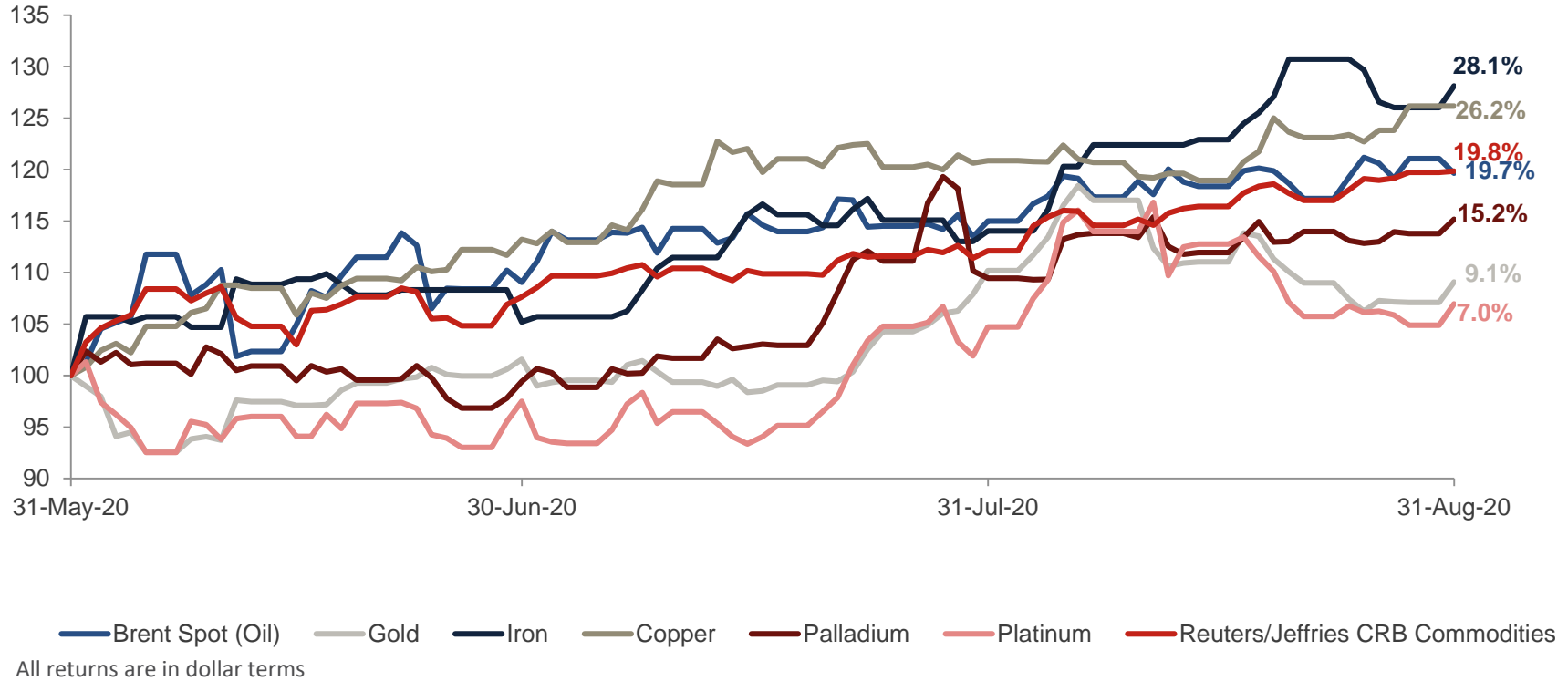
* CPI lagged by one month due to availability of data

— Gold — CPI — SteFI — SWIX

Commodities



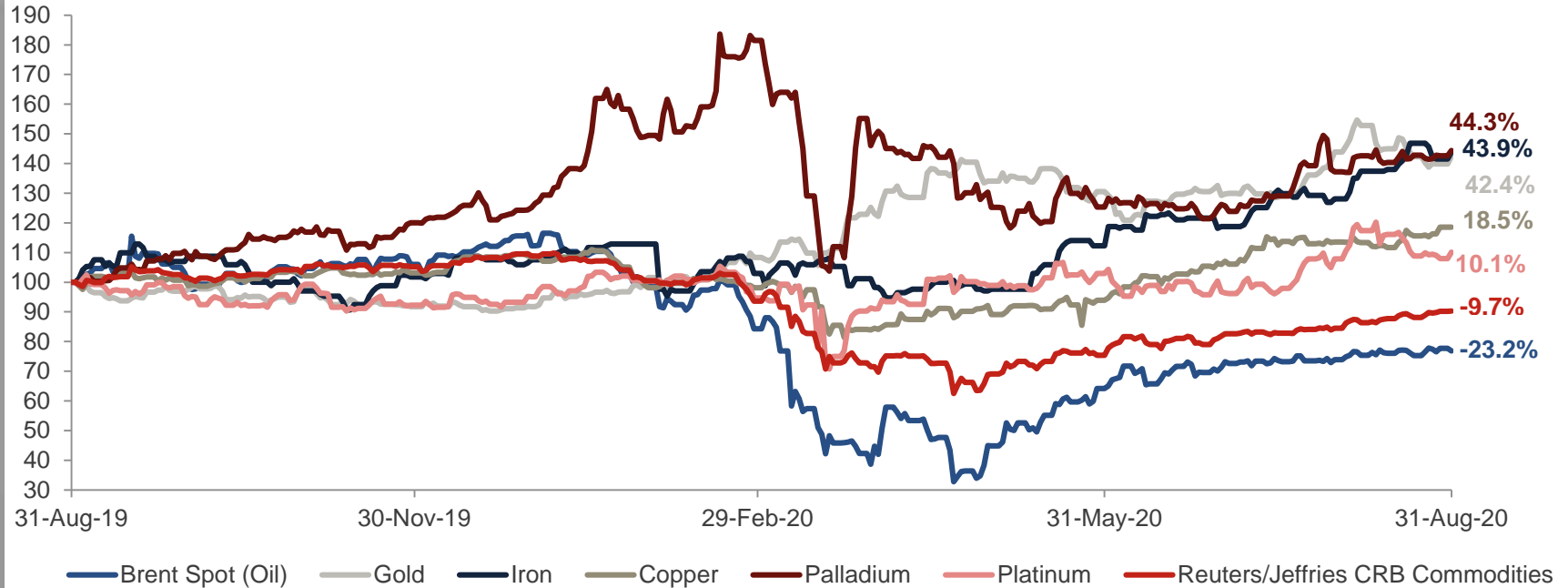
Three months to August 2020



Commodities



One year to August 2020



All returns are in dollar terms



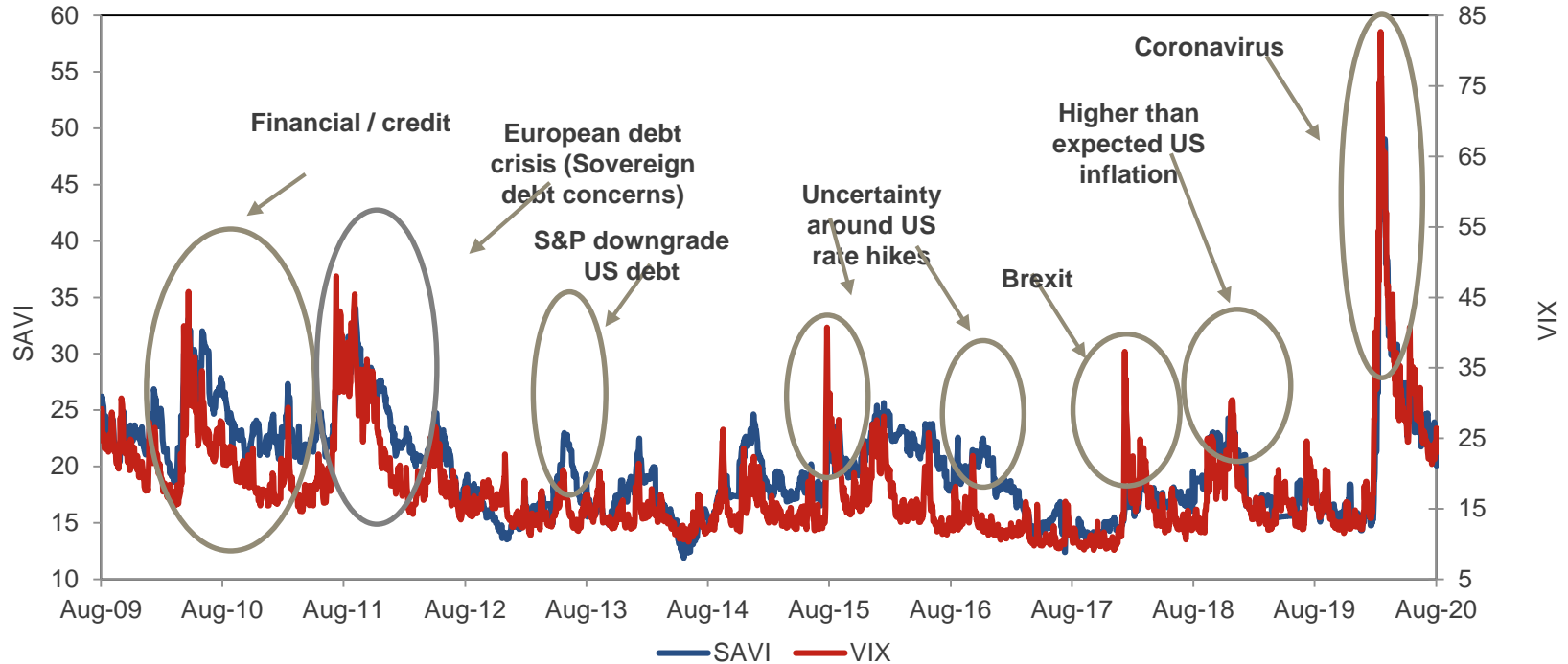
06

Volatility and
international flows

SAVI-VIX



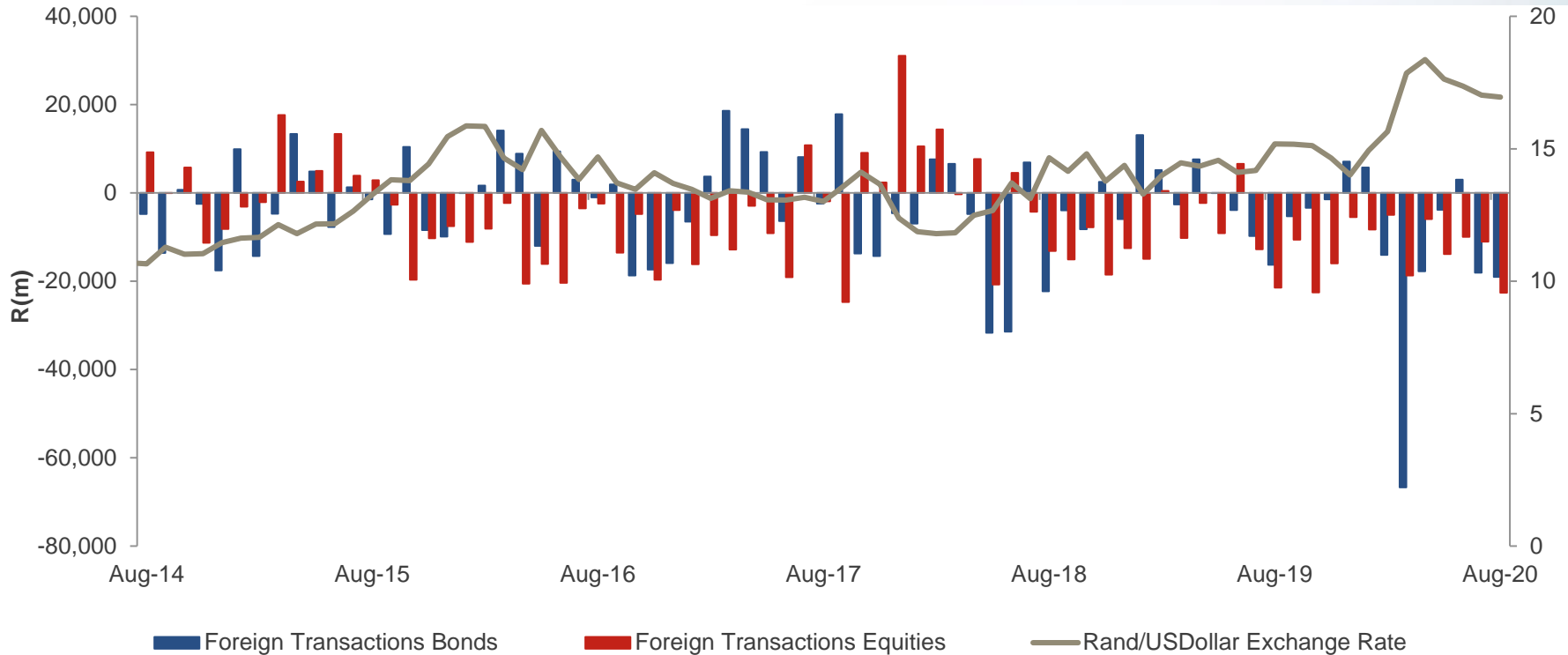
August 2020



Foreign Transactions



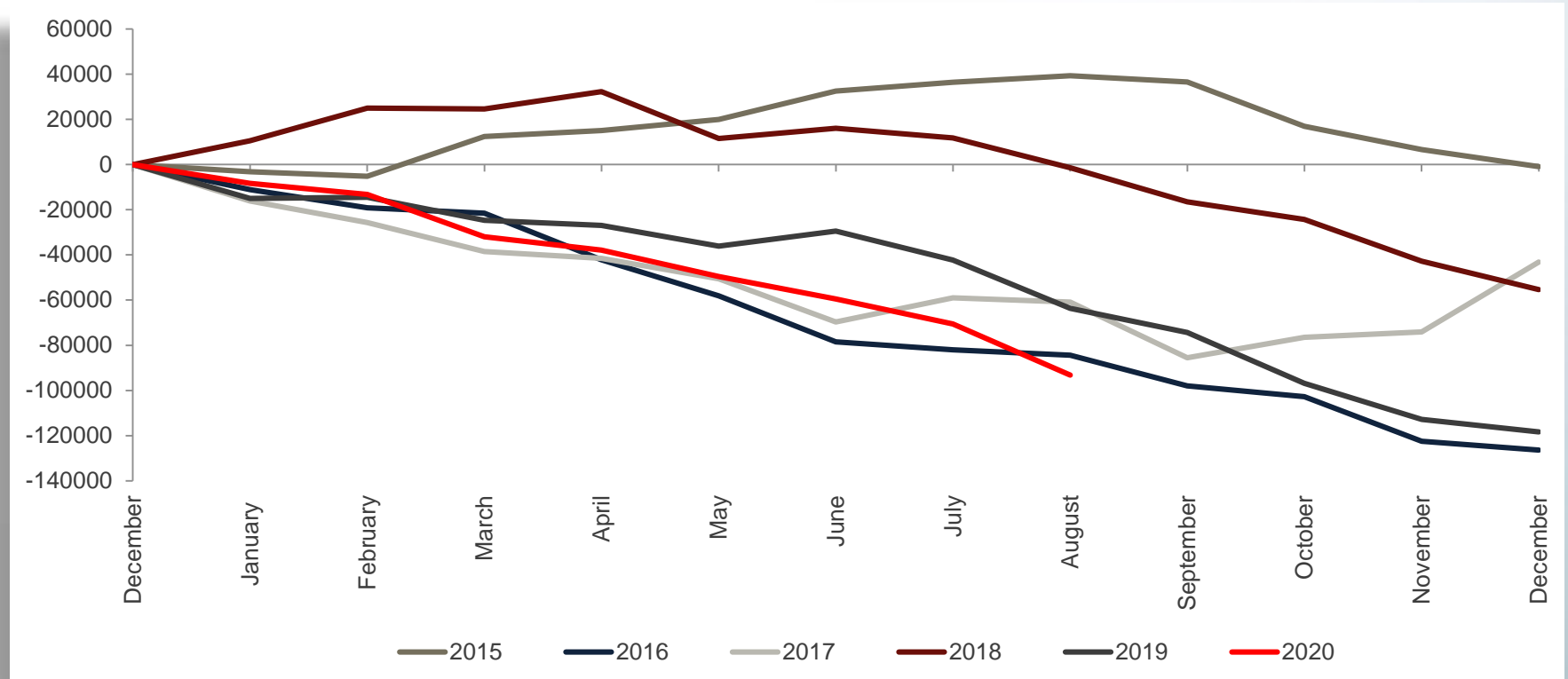
2015 to 2020



Cumulative foreign transaction: Equities



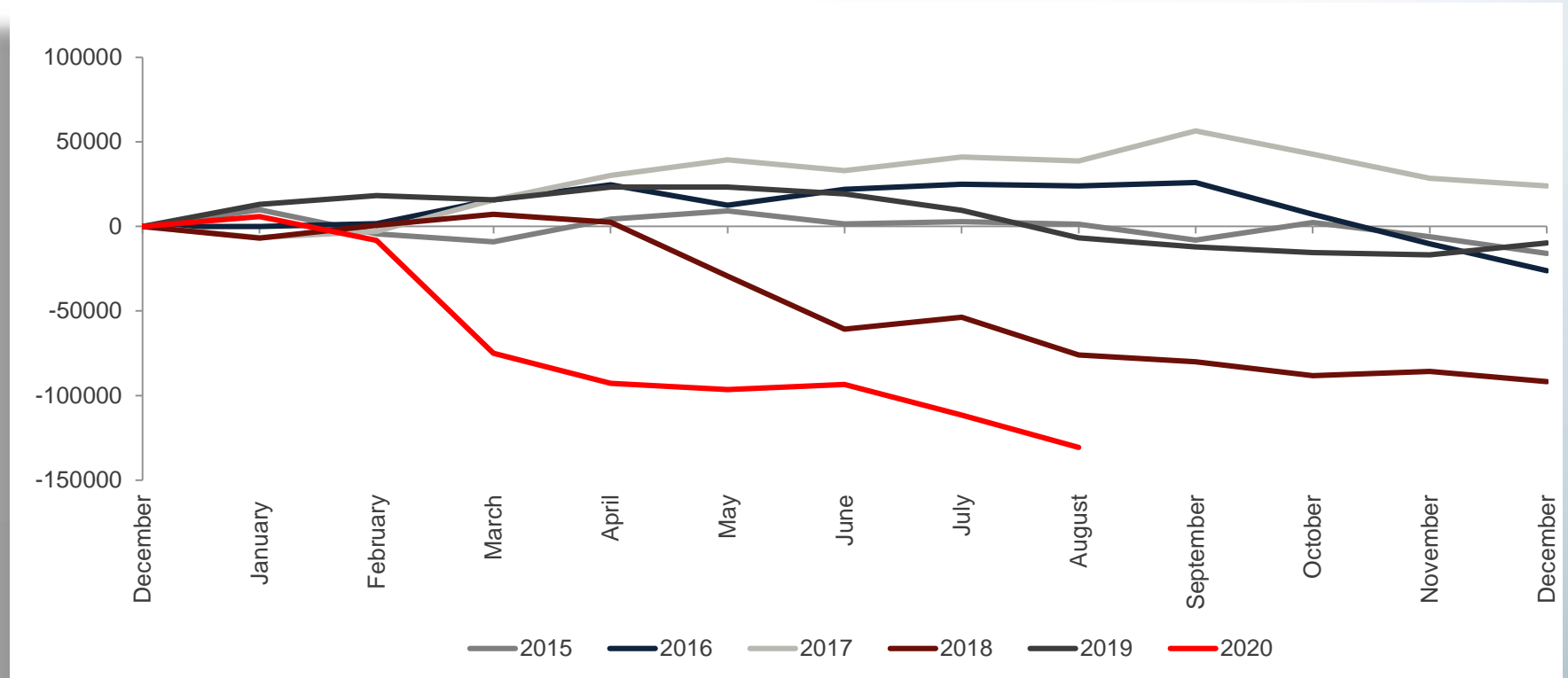
2015 to 2020



Cumulative foreign transaction: Bonds



2015 to 2020



Source: IRESS and Momentum Investments

momentum
investments

Thank you



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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