



Key market performance drivers

Monthly charts to 31 December 2020



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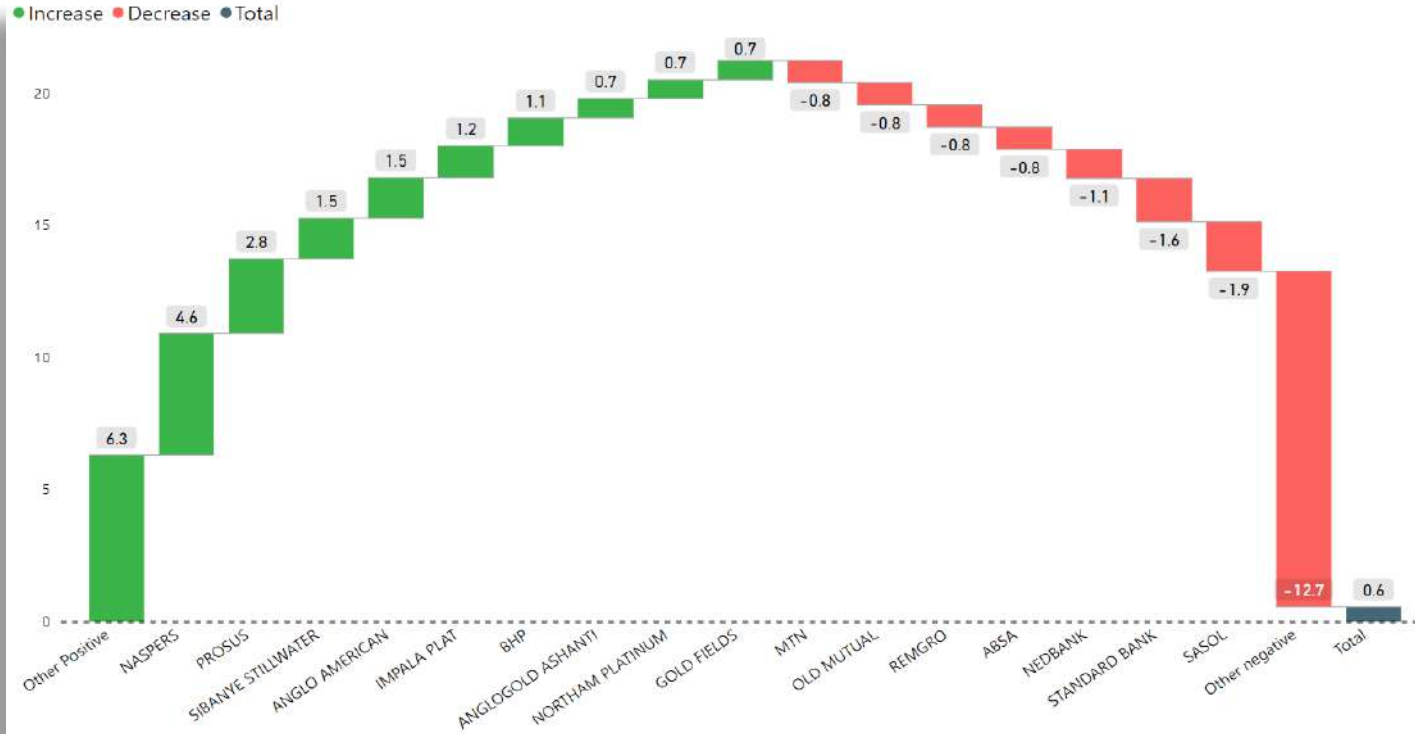
01

Market
Concentration

Market concentration



One-year Capped SWIX contributions ending December 2020





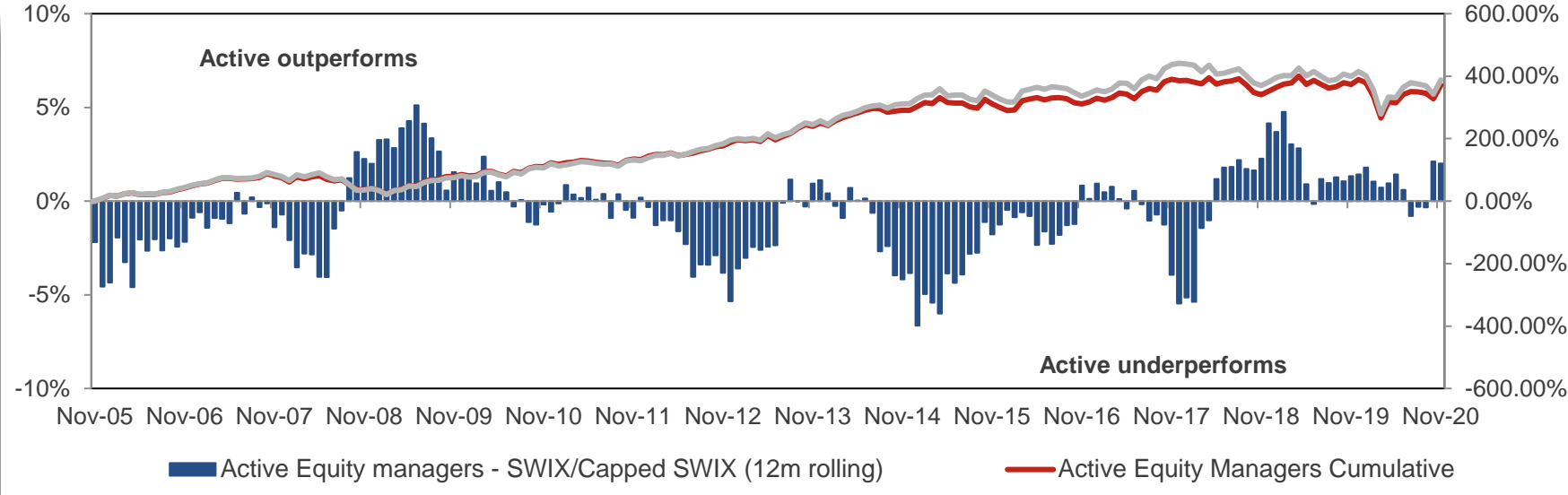
02

Active Index
Analysis

Active index analysis: Equities



One-year rolling active to November 2020



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

(SWIX until 31 October 2017 and Capped SWIX thereafter)

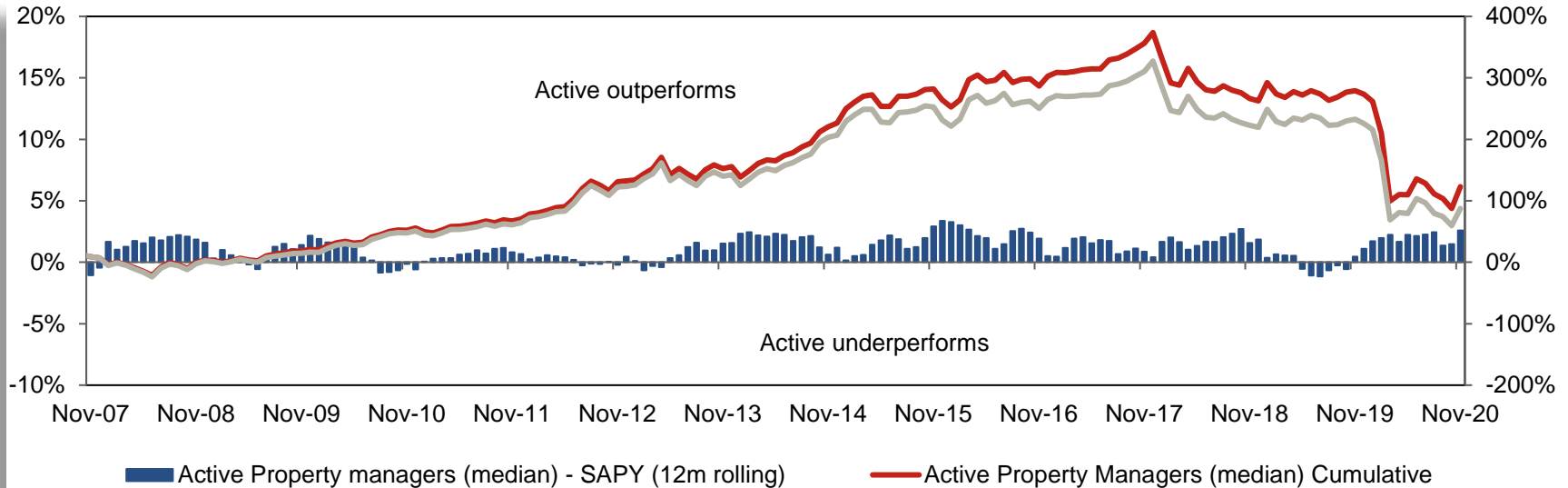
Data lagged by one month

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

Active index analysis: Property



One-year rolling active to November 2020



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

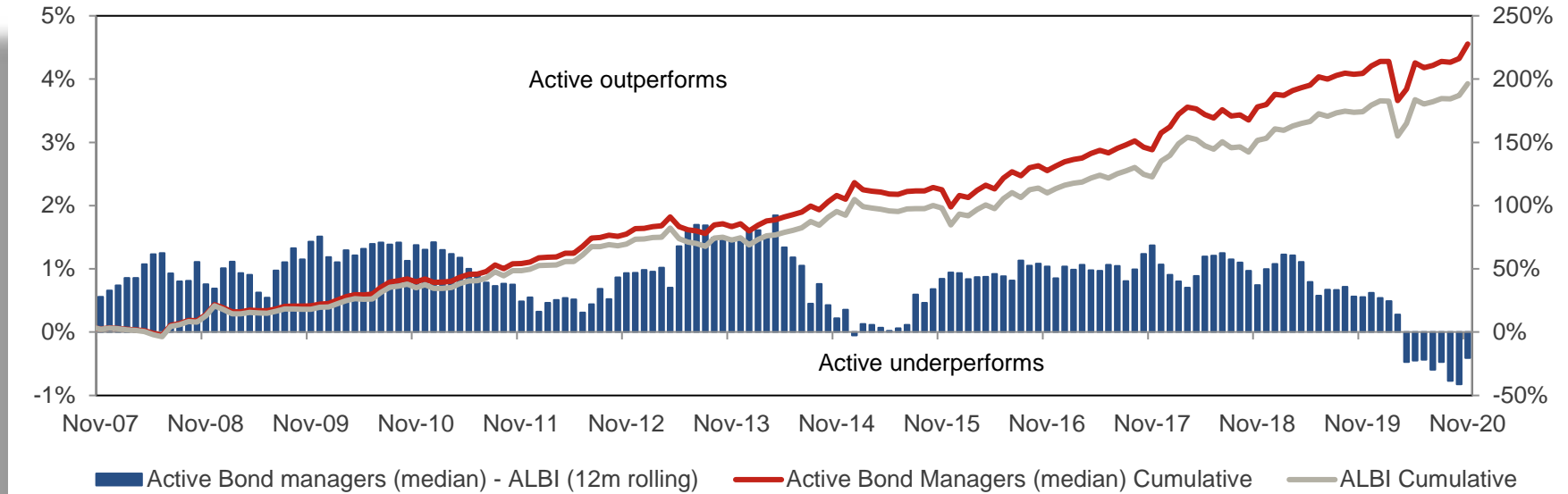
Data lagged by one month

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

Active index analysis: Bonds



One-year rolling active to November 2020



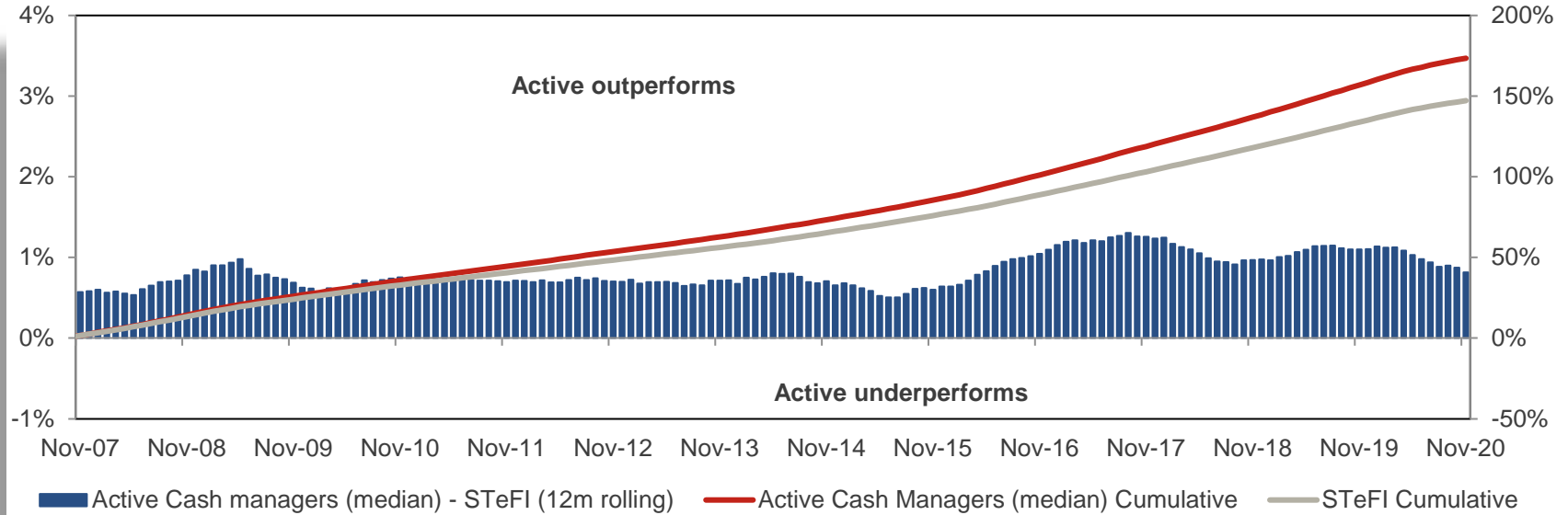
The median of the active bond investment managers underperformed the ALBI for the 12-month period ending November 2020.

Data lagged by one month

Active index analysis: Cash



One-year rolling active to November 2020



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

ZAR	Styles	One month to December 2020	Three months to December 2020	One year to December 2020	Three years to December 2020	Five years to December 2020	Ten years to December 2020	Twenty years to December 2020
Value	Book to Price	4,11	21,61	4,84	-4,37	-2,75	-4,55	-0,24
	Dividend Yield	2,49	21,61	10,53	5,43	5,77	0,66	4,01
	Earnings Yield	0,11	10,46	14,33	-0,60	0,18	-1,30	0,36
	Cash Flow Yield	-2,44	6,63	-10,88	-4,27	1,58	0,04	1,42
	Sales to Price	-0,22	8,80	5,43	-0,88	2,09	-1,38	0,09
Quality	ROE	0,65	-5,13	6,25	7,00	4,45	3,54	1,41
	ROIC LT	0,87	-4,98	-4,17	-1,87	-1,27	-1,45	-0,98
	Income to Sales	-1,84	-4,75	3,72	-0,31	0,01	1,03	-0,26
	Low market beta	-3,52	-2,89	-14,49	-0,99	-1,86	1,58	0,70
	Low Debt/Equity	-1,16	-2,85	3,90	0,99	1,26	0,12	-0,61
	EBIT Margin Stability	-1,57	-2,15	1,99	0,53	-3,25	2,68	0,86
Growth	Earnings Growth	-0,17	5,25	4,90	6,26	3,18	2,44	0,40
	Sales Growth	-0,46	2,27	5,71	4,46	-0,31	1,98	-0,22
	12M Earning Growth	0,01	-8,14	17,09	10,97	3,47	-0,04	4,79
Momentum	FY1 Earnings Revisions	1,79	-3,19	-3,99	2,90	1,16	5,07	7,57
	Short Term Momentum	-2,03	-2,44	-8,50	-3,15	-0,28	0,42	-0,46
	Medium Term Momentum	-0,91	-9,89	9,70	6,19	0,99	6,57	5,83
Size	Size	1,14	-3,27	5,15	5,77	4,86	2,32	0,21

Over the last three months, value has made a significant turn around, outperforming quality and momentum

Source: FactSet, Momentum Global Investment Management and Momentum Investments



04

Sector Analysis

Sector Analysis



FTSE/JSE sectors decomposed

Three months to December 2020

1 Oil & Gas Producers	Financial Services	120,43%	17 Travel & Leisure	Travel & Leisure	11,37%
2 Software & Computer Services	Technology	60,56%	18 Industrial Transportation	Industrials	11,23%
Household Goods & Home					
3 Construction	Consumer Goods	48,57%	19 Mining	Basic Materials	10,29%
4 Real Estate Investment & Services	Financials	32,24%	20 Chemicals	Basic Materials	7,86%
5 Electronic & Electrical Equipment	Industrials	26,44%	21 Mobile Telecommunications	Telecommunications	5,92%
6 Banks	Financials	25,97%	22 Pharmaceuticals & Biotechnology	Healthcare	5,74%
7 Industrial Metals & Mining	Industrials	25,66%	23 Food Producers	Consumer Goods	5,63%
8 Support Services	Industrials	24,15%	24 Food & Drug Retailers	Consumer Services	5,63%
9 General Retailers	Consumer Services	21,92%	25 Media	Consumer Services	5,20%
10 Real Estate Investment Trusts	Financials	19,01%	26 Non-life Insurance	Financials	4,85%
11 Fixed-line Telecommunications	Telecommunications	17,08%	27 Automobiles & Parts	Consumer Goods	4,75%
12 Personal Goods	Consumer Goods	16,72%	28 Forestry & Paper	Basic Materials	2,84%
13 Beverages	Consumer Goods	16,46%	29 Construction & Materials	Industrials	1,21%
14 Financial Services	Financials	14,14%	30 Healthcare Equipment & Service	Healthcare	-4,11%
15 Life Insurance	Financials	14,05%	31 Equity Investment Instruments	Financials	-5,13%
16 General Industrials	Industrials	14,01%	32 Tobacco	Consumer Goods	-6,04%

Key

Resources

Financials

Industrials

Source: Barra and Deutsche Securities

Sector Analysis



FTSE/JSE sectors decomposed

One Year to December 2020

1 Oil & Gas Producers	Financial Services	115,79%	17 Mobile Telecommunications	Telecommunications	-9,62%
2 Industrial Metals & Mining	Industrials	62,30%	18 Fixed-line Telecommunications	Telecommunications	-10,53%
3 Media	Consumer Services	36,89%	19 Beverages	Consumer Goods	-14,93%
4 Mining	Basic Materials	34,12%	20 General Retailers	Consumer Services	-15,21%
Household Goods & Home					
5 Construction	Consumer Goods	23,81%	21 Banks	Financials	-16,72%
6 Software & Computer Services	Technology	20,90%	22 Life Insurance	Financials	-18,73%
7 Personal Goods	Consumer Goods	20,88%	23 Automobiles & Parts	Consumer Goods	-18,83%
8 Support Services	Industrials	20,64%	24 Industrial Transportation	Industrials	-20,20%
9 Pharmaceuticals & Biotechnology	Healthcare	3,42%	25 Construction & Materials	Industrials	-25,51%
10 Equity Investment Instruments	Financials	-0,50%	26 General Industrials	Industrials	-26,00%
11 Forestry & Paper	Basic Materials	-0,97%	27 Real Estate Investment & Services	Financials	-26,67%
12 Tobacco	Consumer Goods	-1,60%	28 Healthcare Equipment & Service	Healthcare	-30,45%
13 Food Producers	Consumer Goods	-5,11%	29 Travel & Leisure	Travel & Leisure	-39,02%
14 Food & Drug Retailers	Consumer Services	-5,92%	30 Real Estate Investment Trusts	Financials	-40,21%
15 Financial Services	Financials	-7,13%	31 Electronic & Electrical Equipment	Industrials	-46,21%
16 Non-life Insurance	Financials	-9,35%			

Key

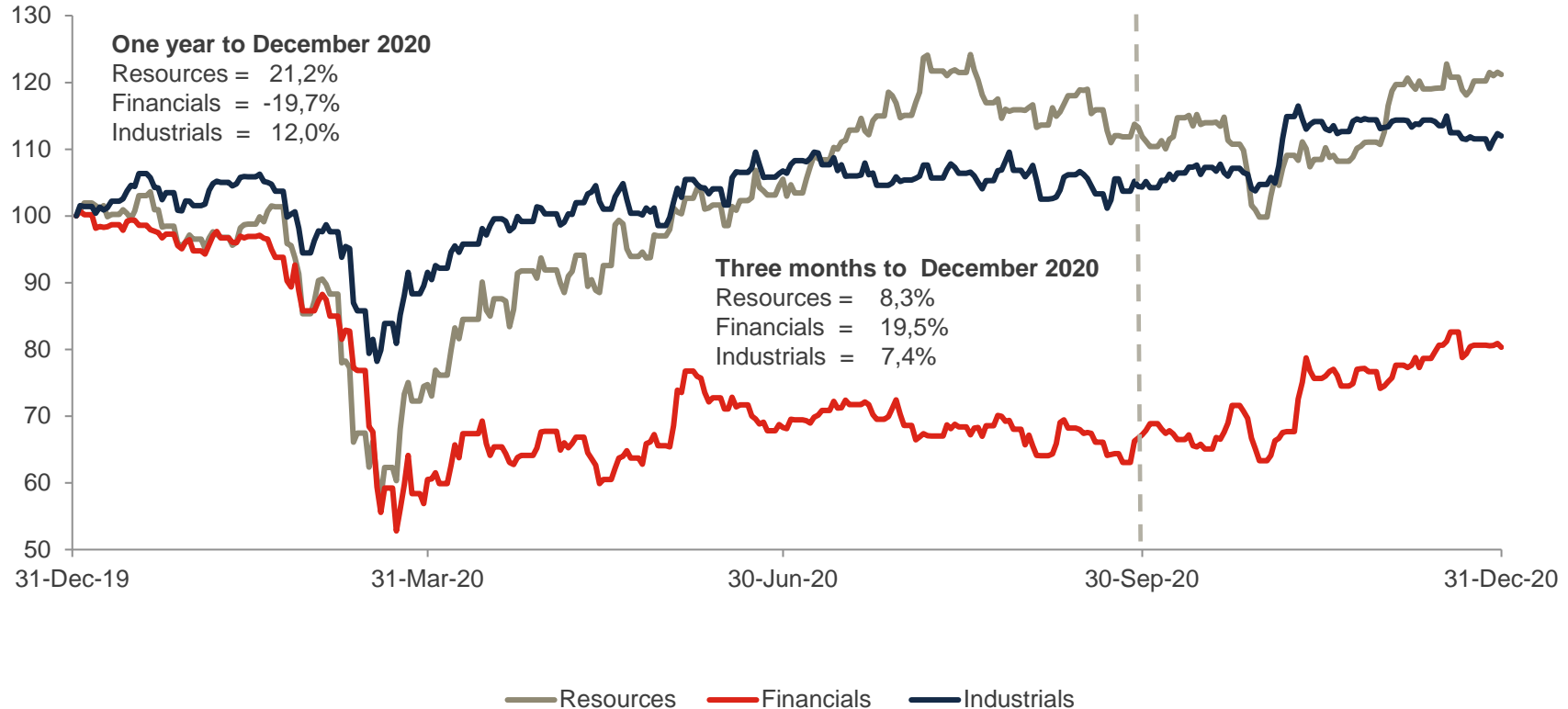
Resources

Financials

Industrials

FTSE/JSE sectors

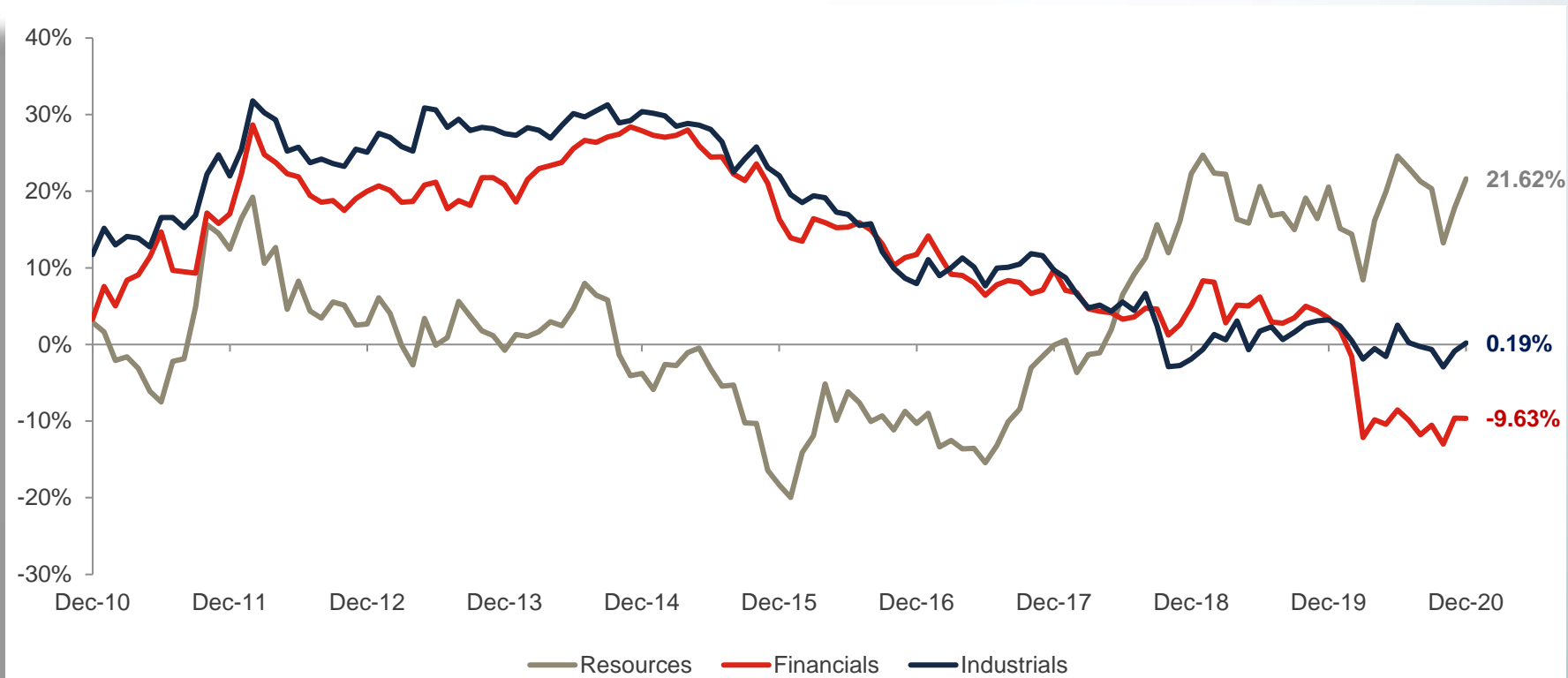
One year rolling to December 2020



FTSE/JSE sectors



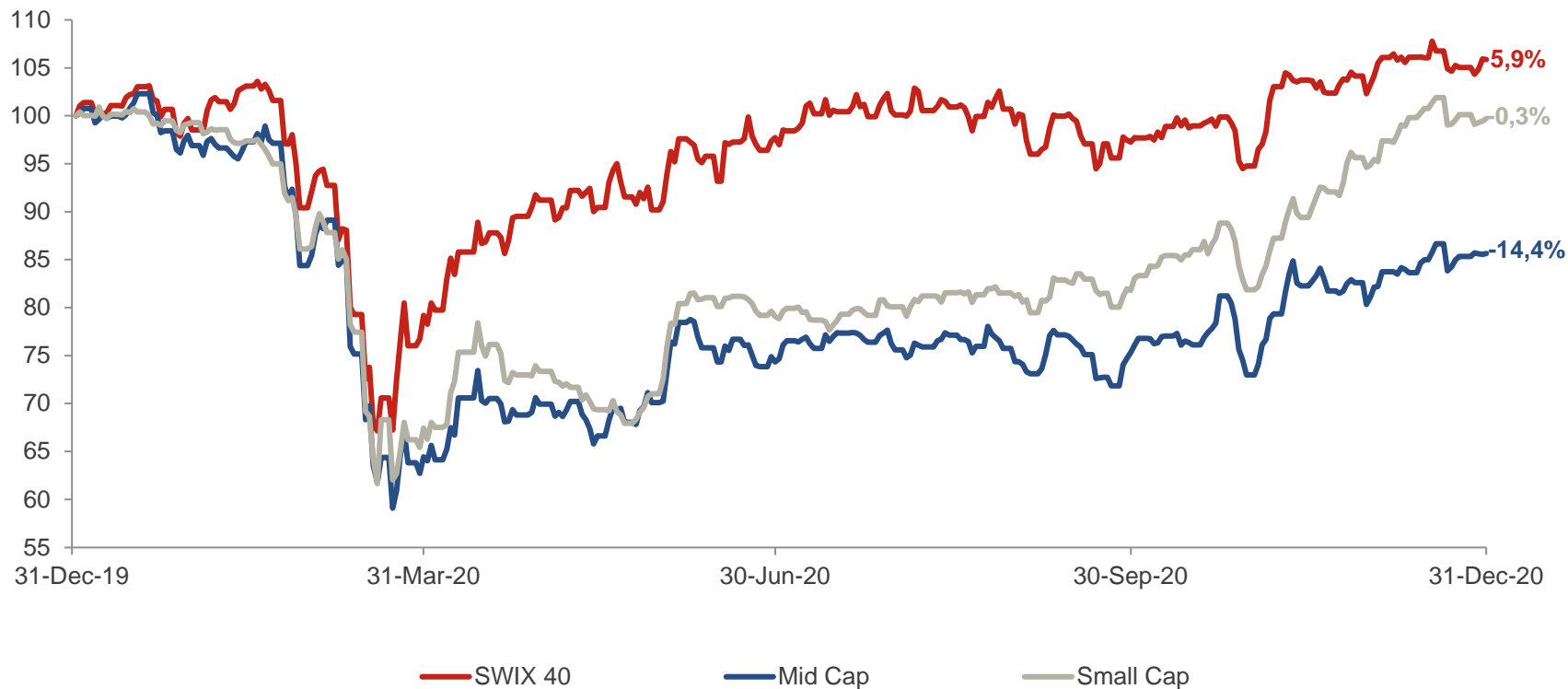
Ten years rolling to December 2020



Source: IRESS and Momentum Investments

FTSE/JSE market caps

One year to December 2020





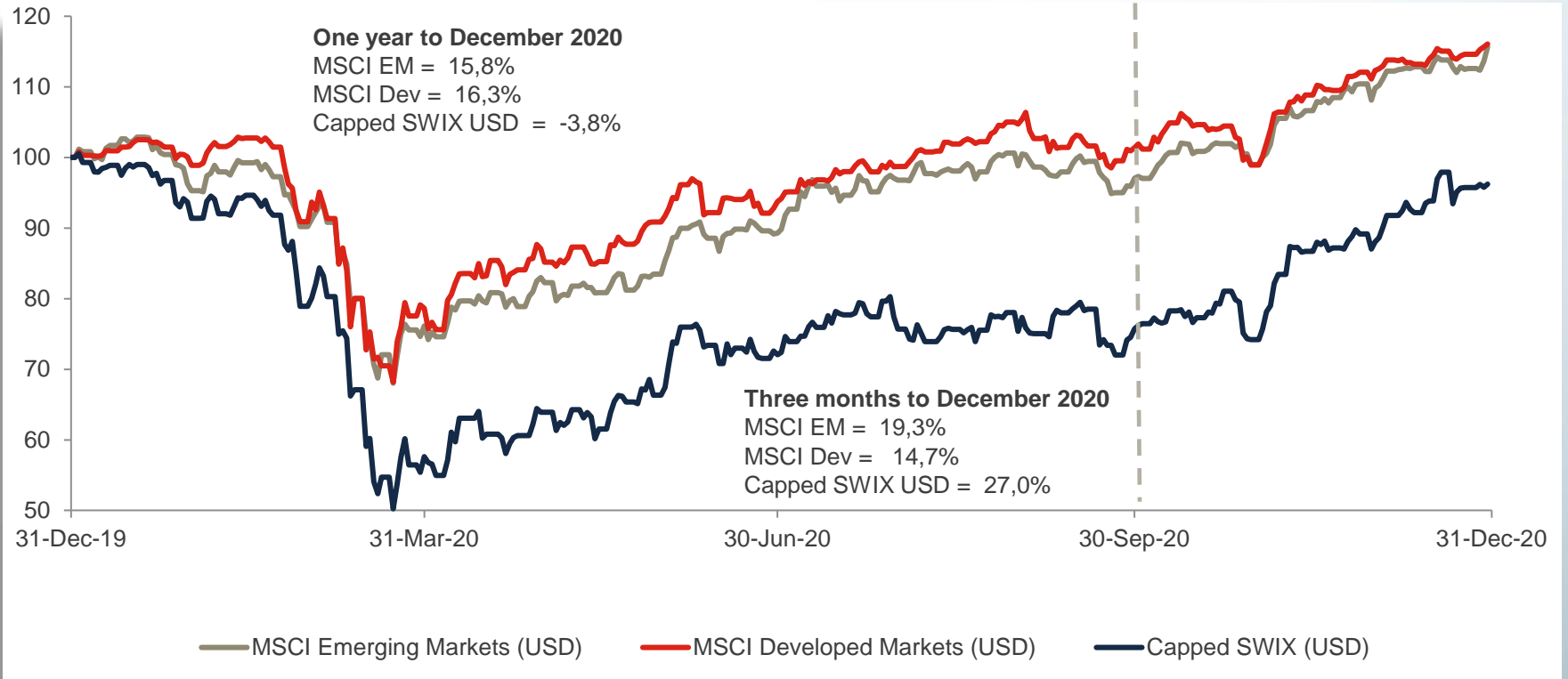
05

Indexed Return
Charts

MSCI developed and emerging markets



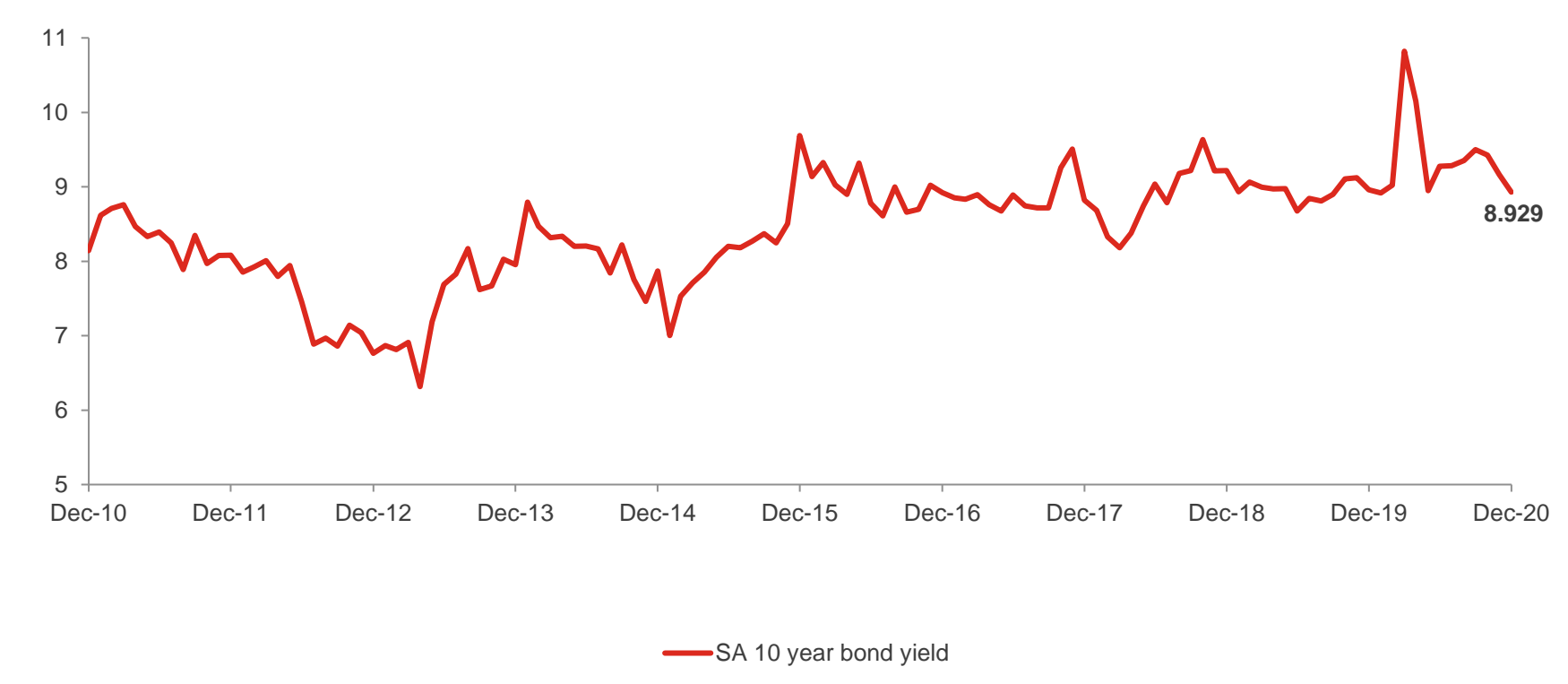
One year to December 2020



SA 10-year bond yields



Ten years to December 2020

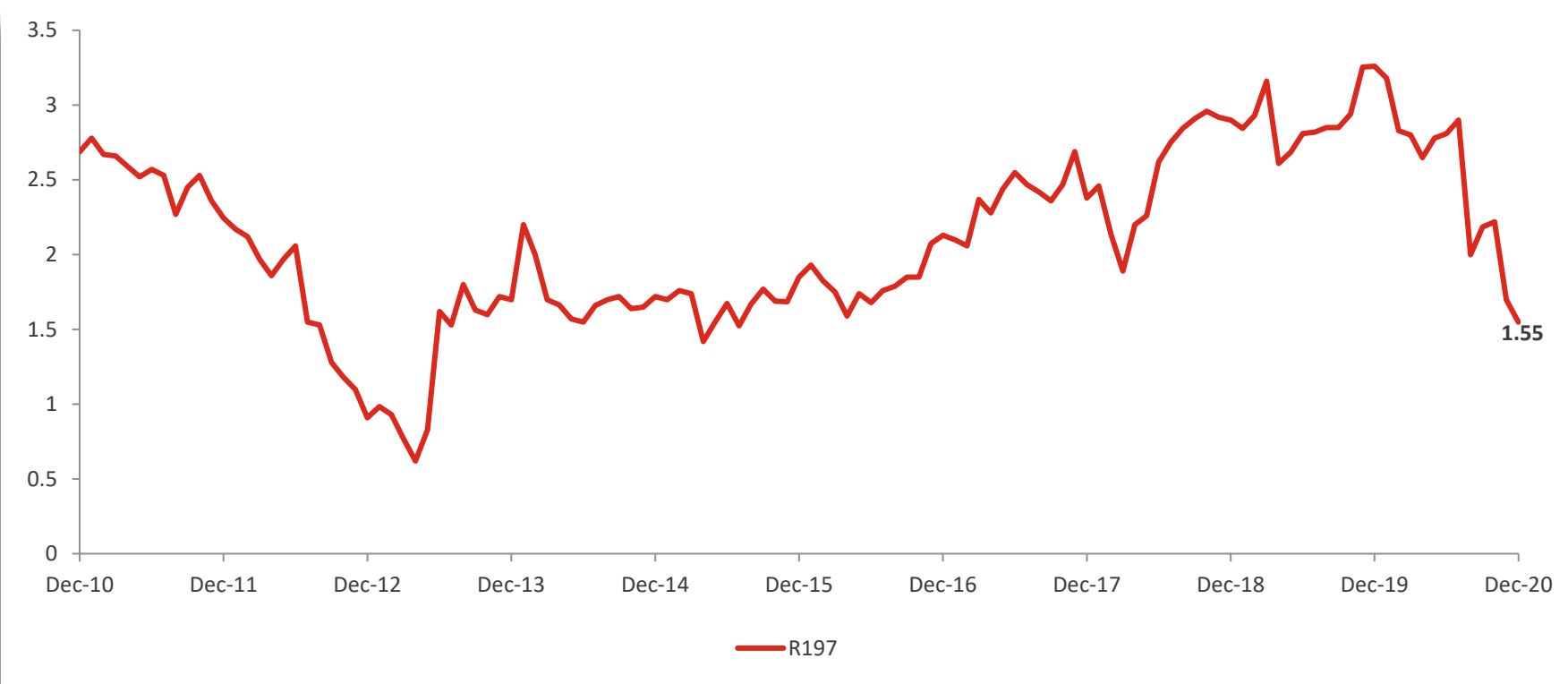


Source: IRESS and Momentum Investments

Yield of R197 (inflation-linked bond)



Ten years to December 2020

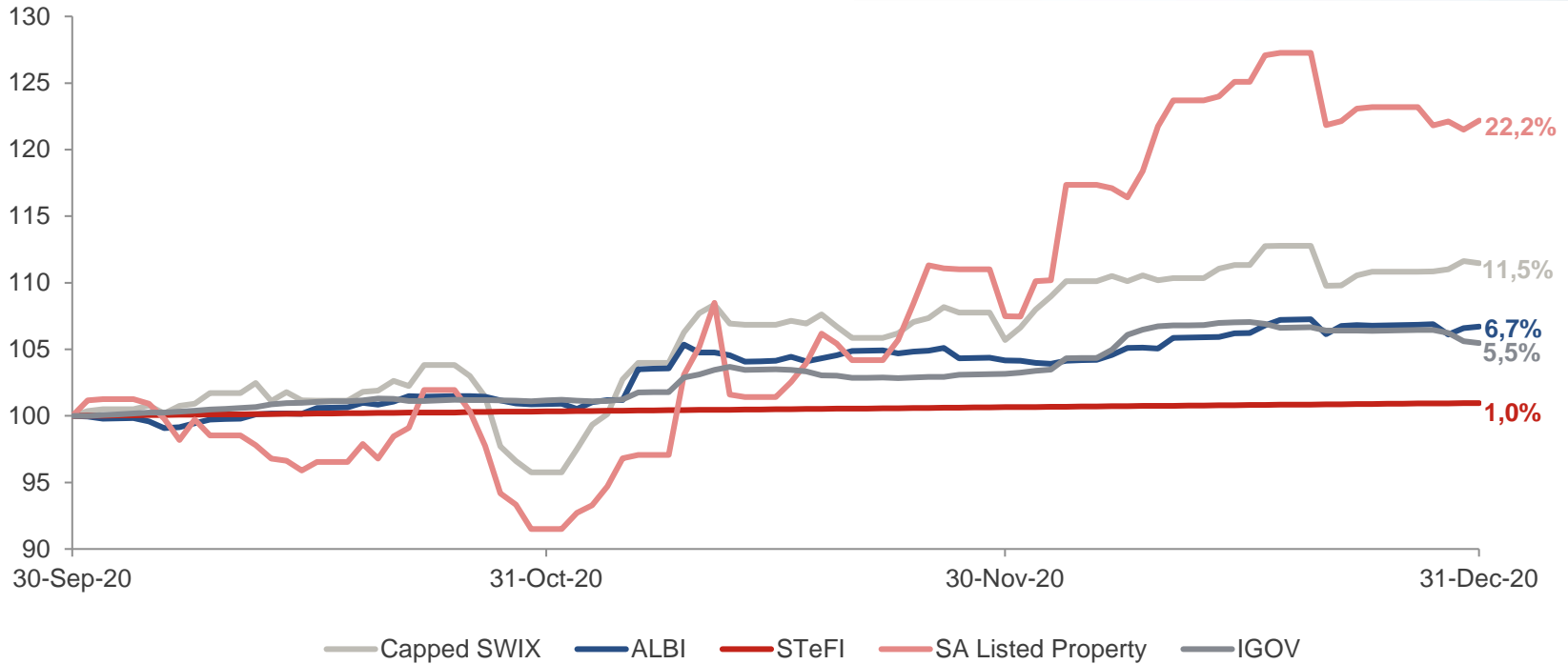


Source: IRESS and Momentum Investments

Local asset classes



Three months to December 2020

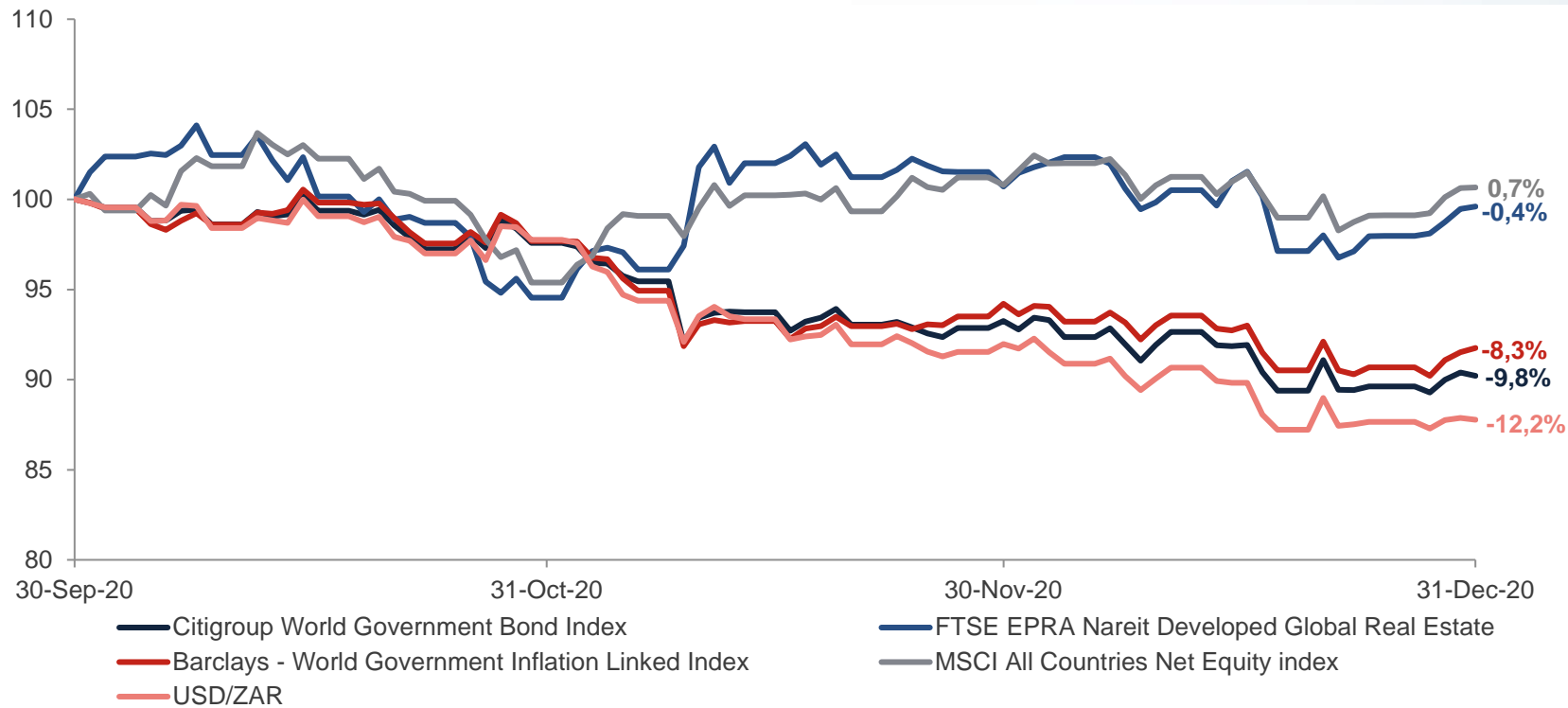


* CPI lagged by one month due to availability of data

Global asset classes



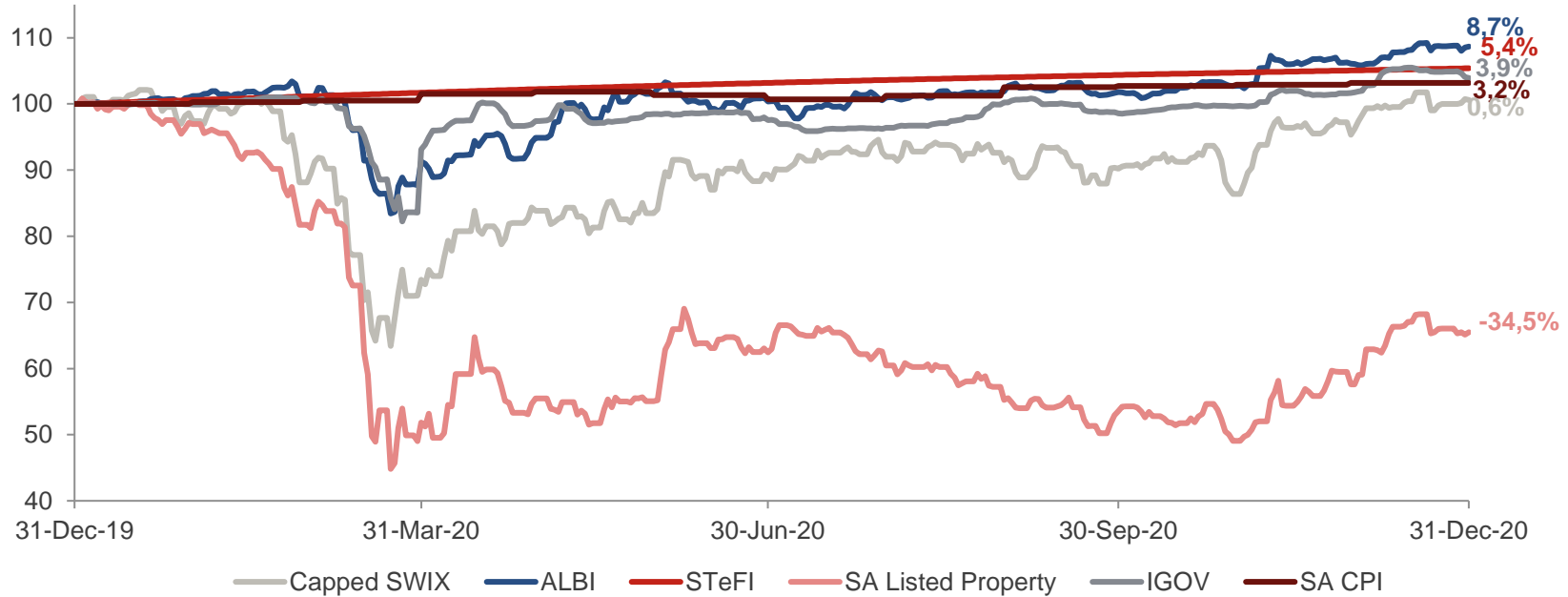
Three months to December 2020



Source: IRESS and Momentum Investments

Local asset classes

One year to December 2020

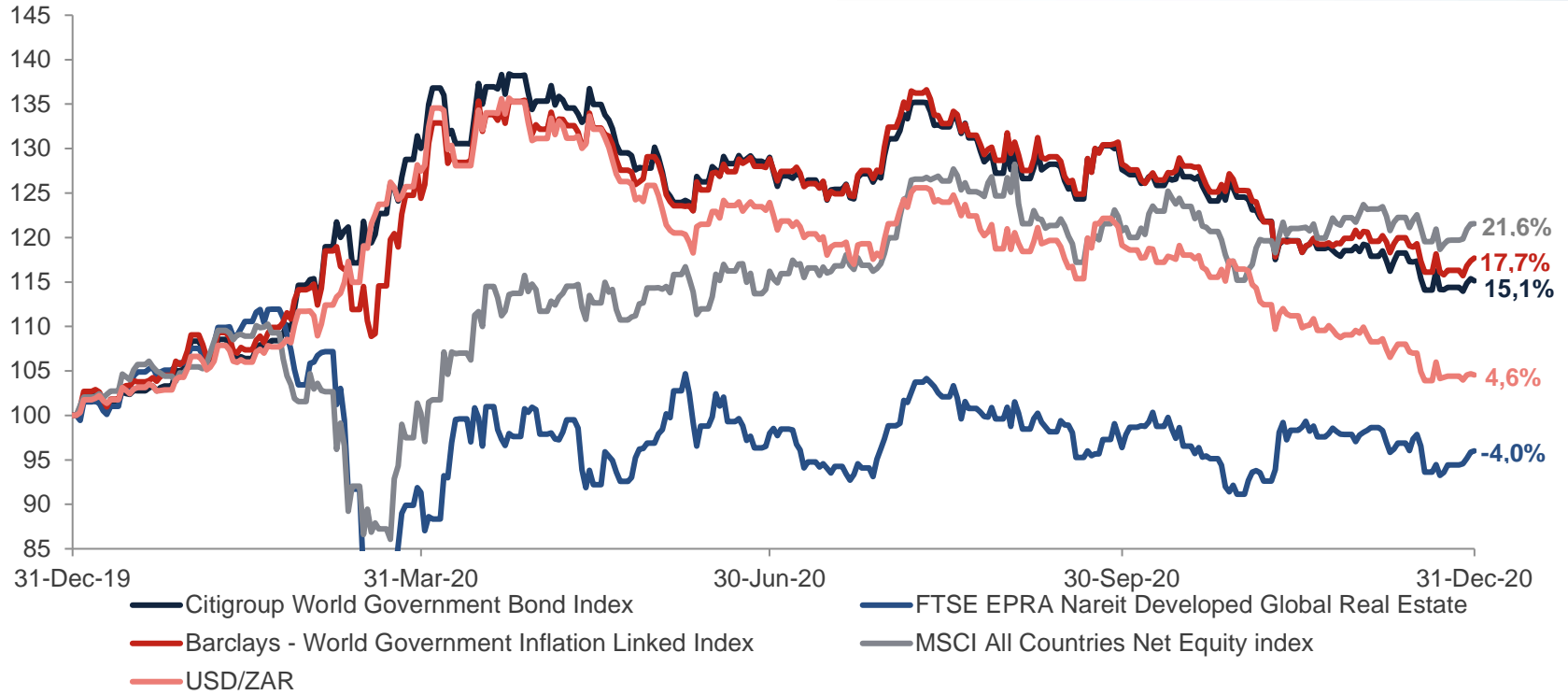


* CPI lagged by one month due to availability of data

Global asset classes



One year to December 2020

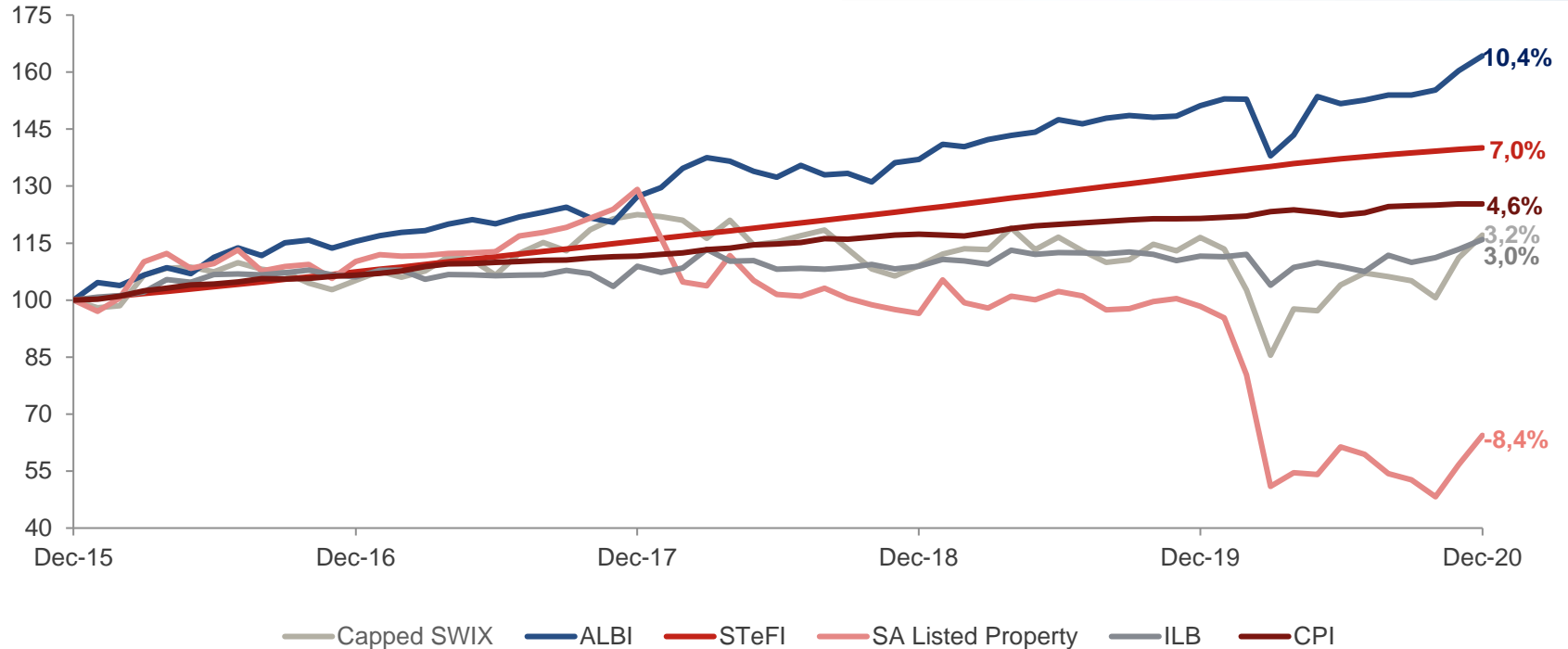


Source: IRESS and Momentum Investments

Local asset classes



Five years to December 2020

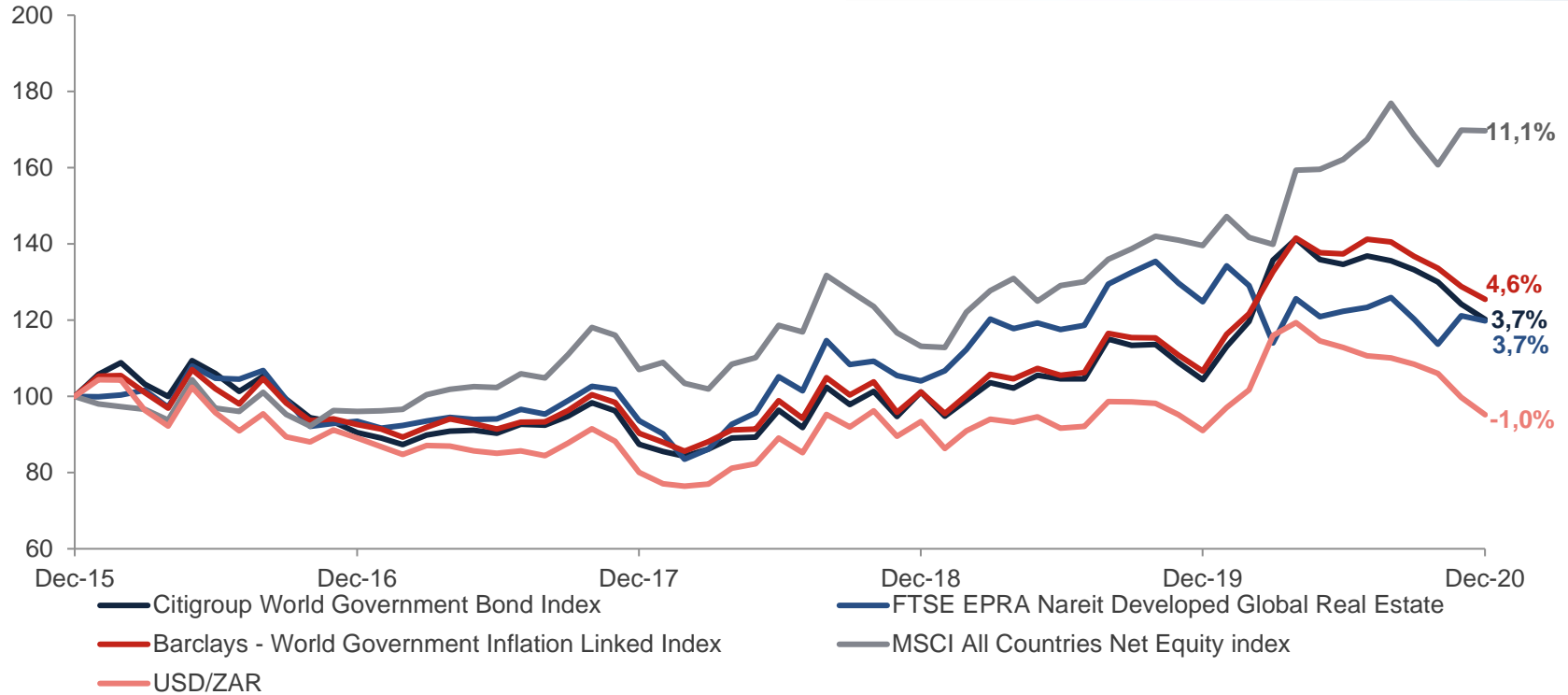


* CPI lagged by one month due to availability of data

Global asset classes



Five years to December 2020

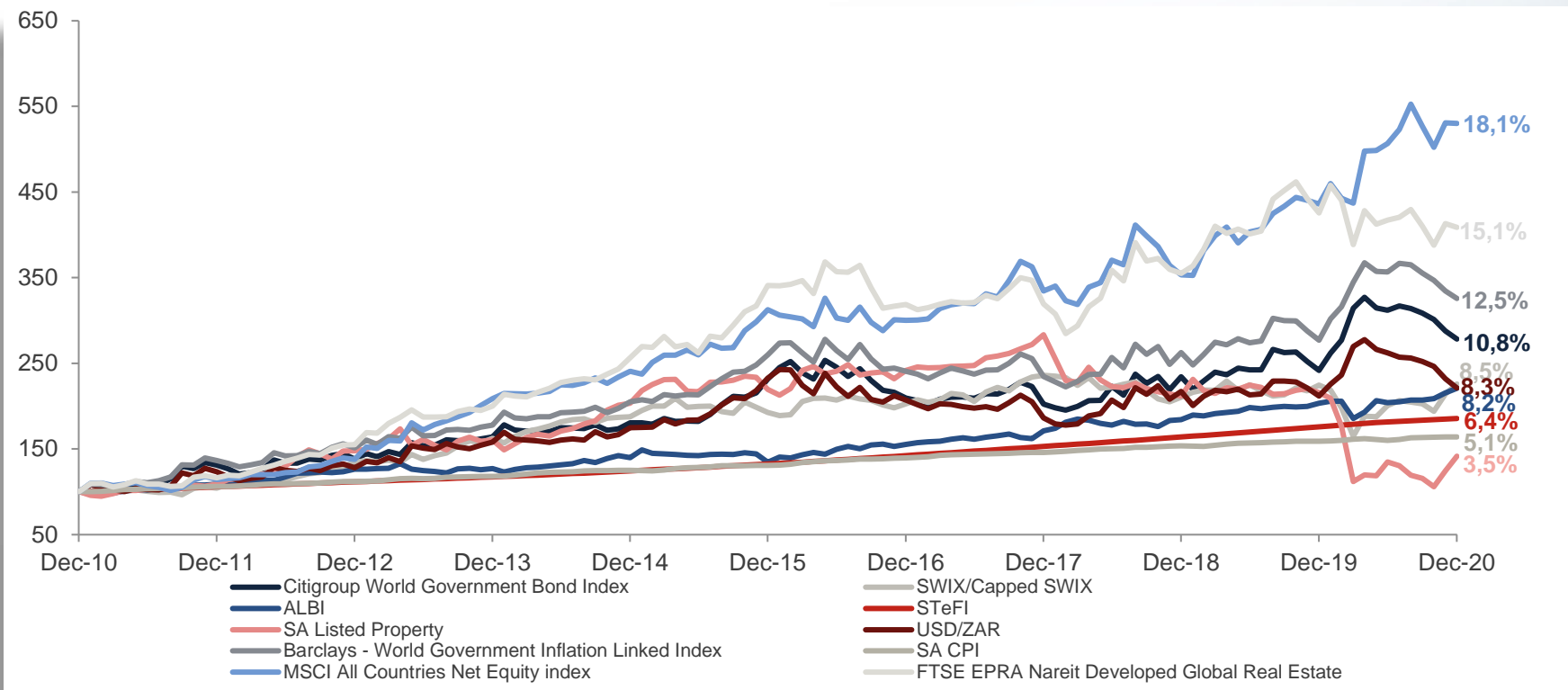


Source: IRESS and Momentum Investments

Asset classes



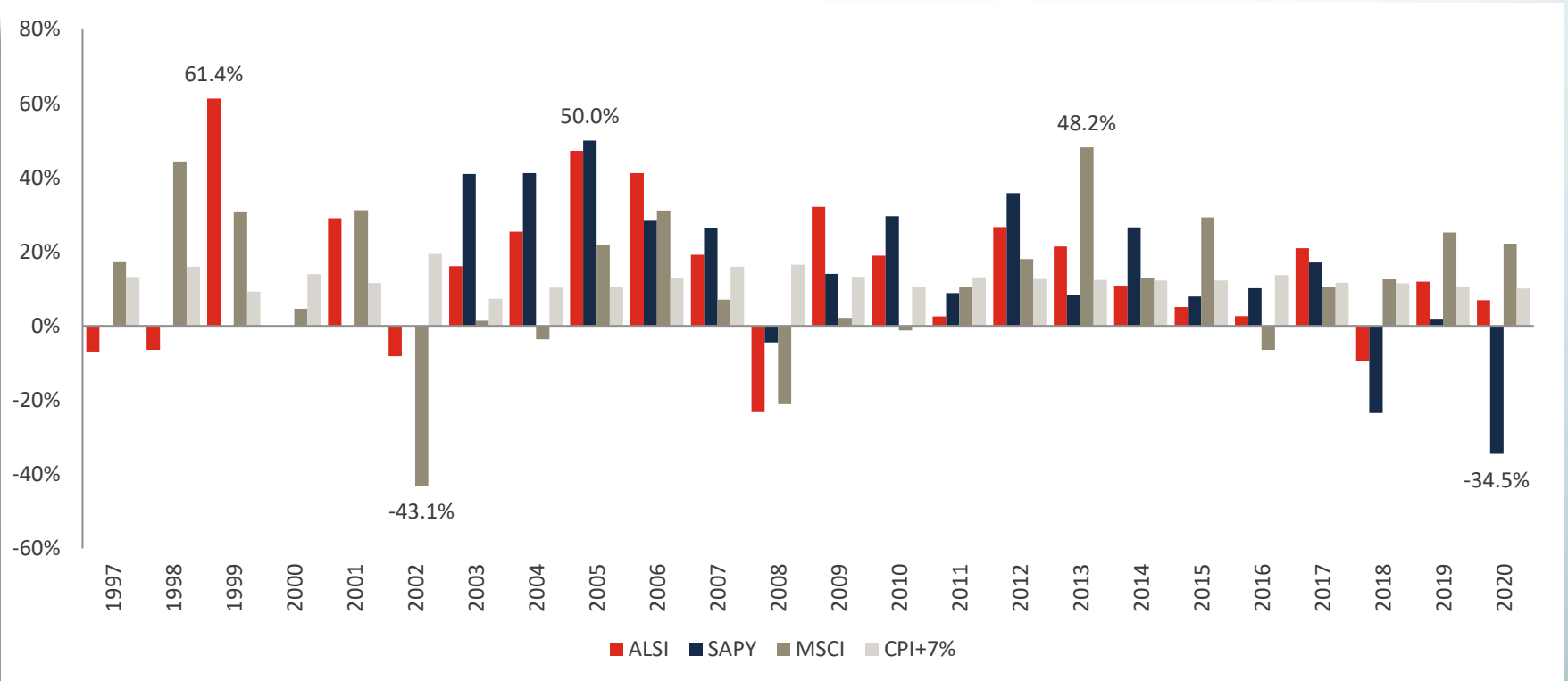
Ten years to December 2020



* CPI lagged by one month due to availability of data

Source: IRESS and Momentum Investments

Annual asset class returns



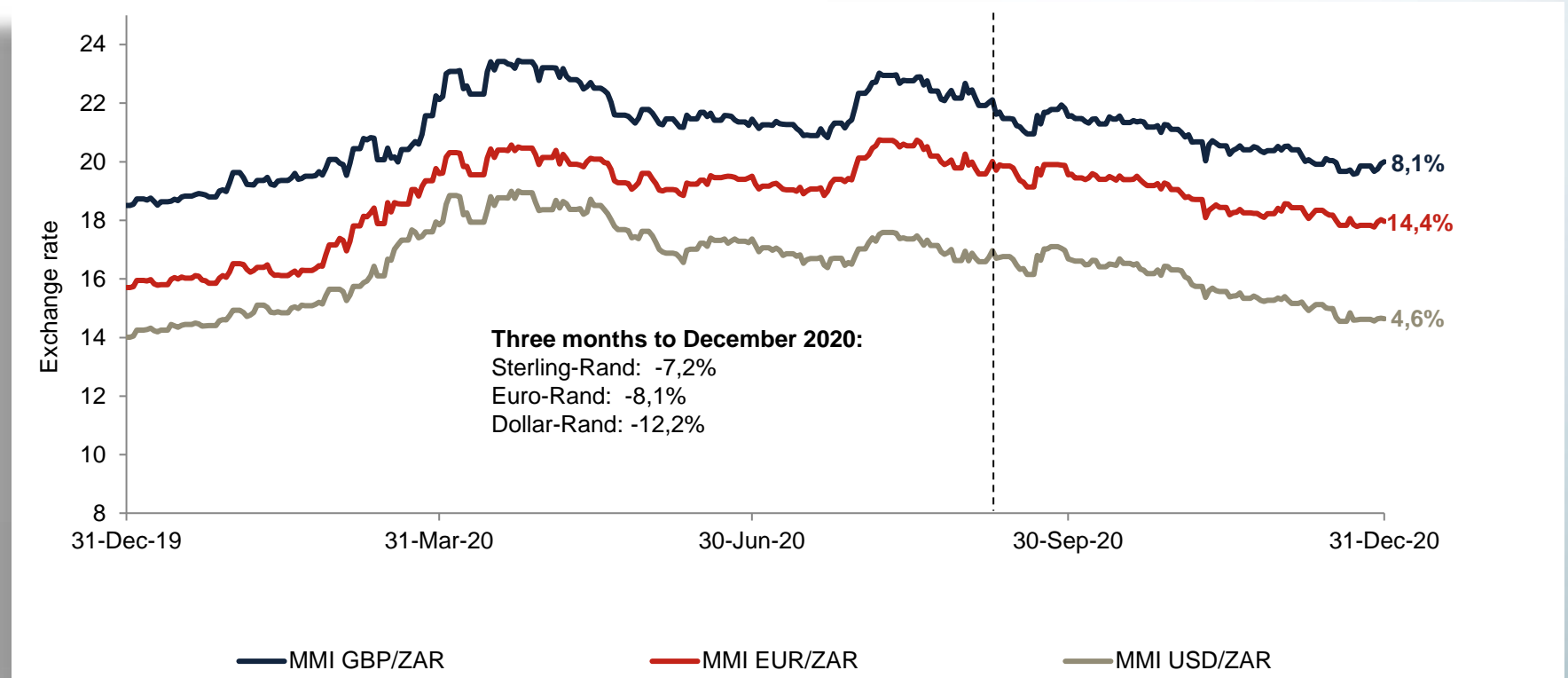
* CPI lagged by one month due to availability of data

Source: IRESS and Momentum Investments

Exchange rates



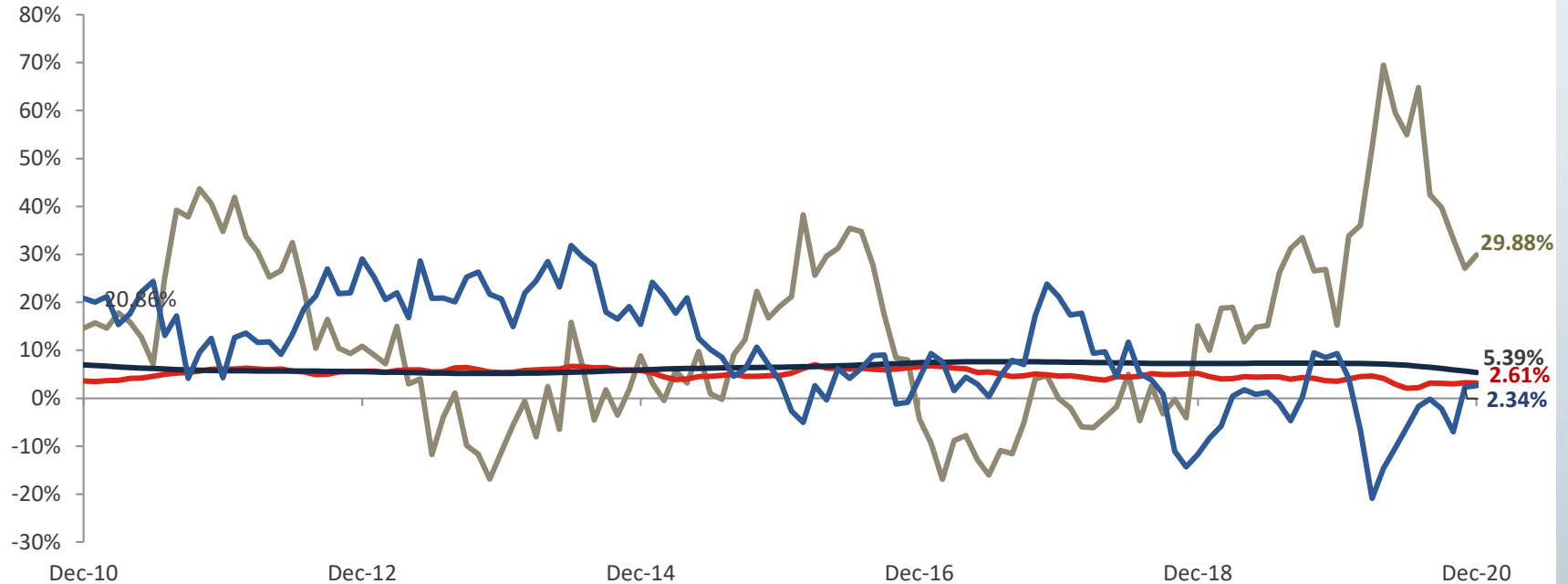
One year to December 2020



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



Ten-year rolling returns to December 2020



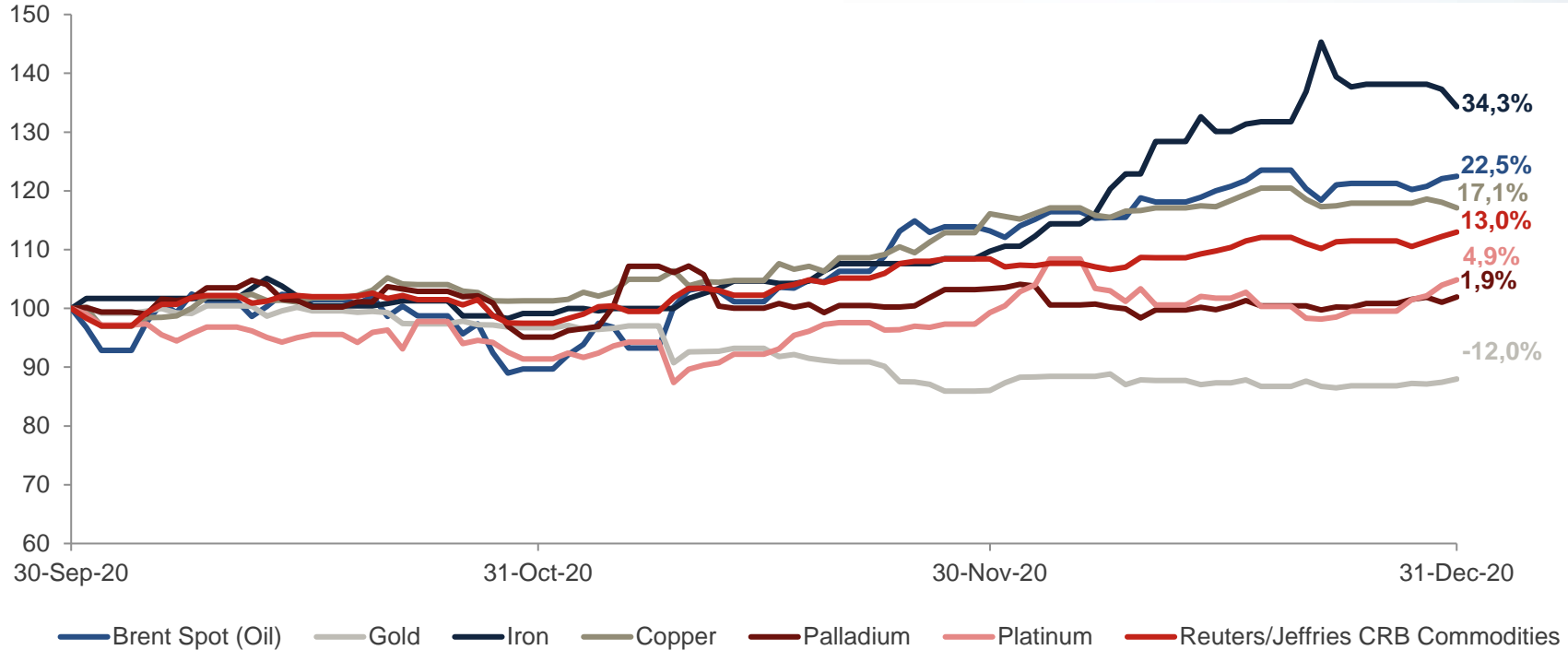
* CPI lagged by one month due to availability of data

— Gold — CPI — SteFI — SWIX

Commodities



Three months to December 2020

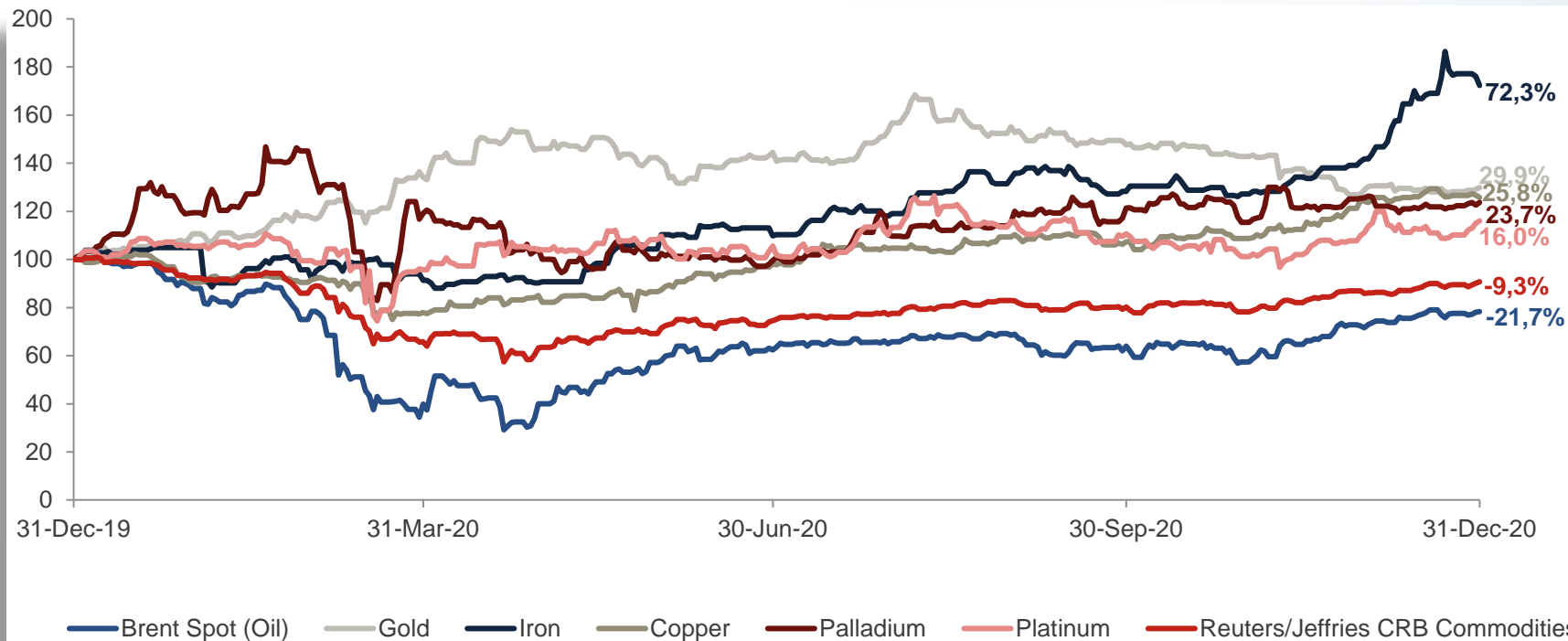


All returns are in dollar terms

Commodities



One year to December 2020



All returns are in dollar terms



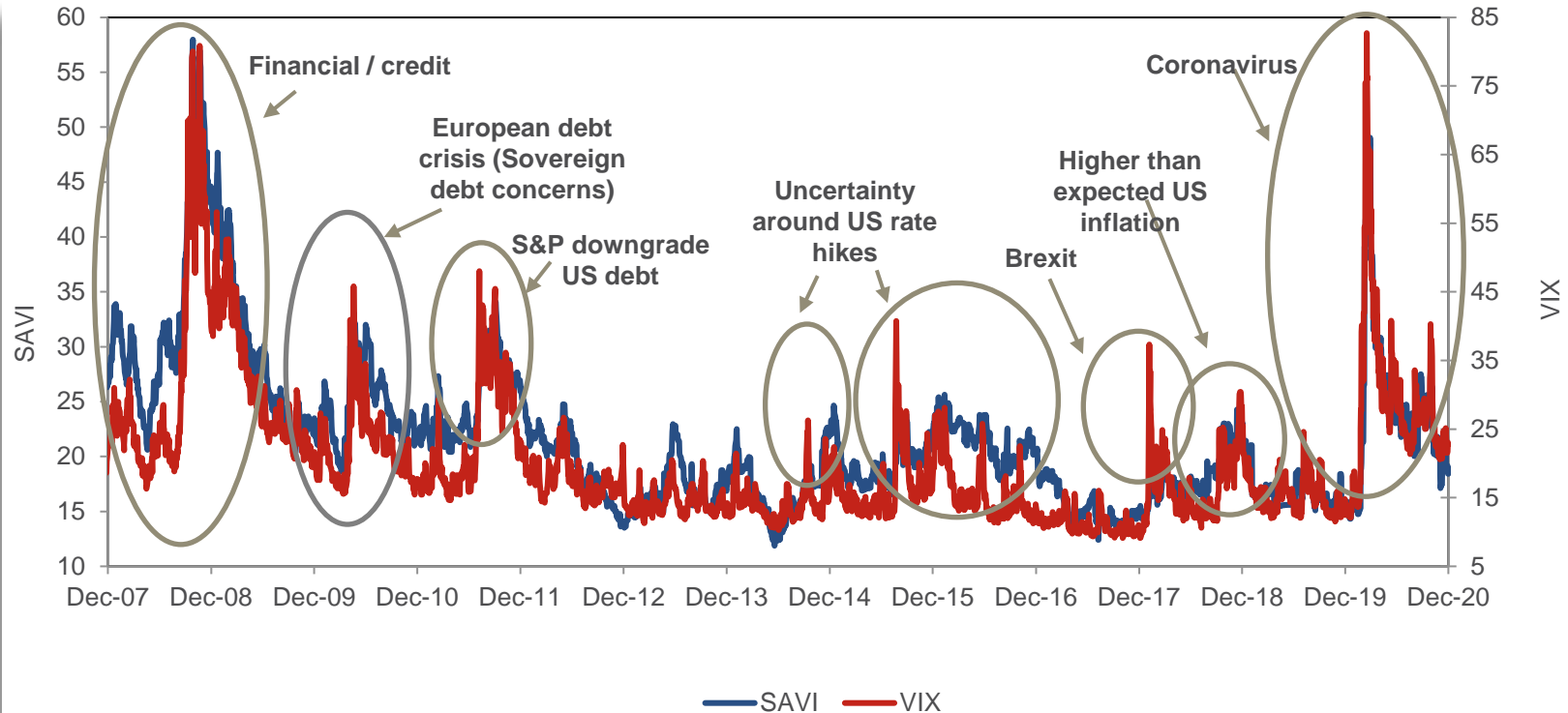
06

Volatility and
international flows

SAVI-VIX



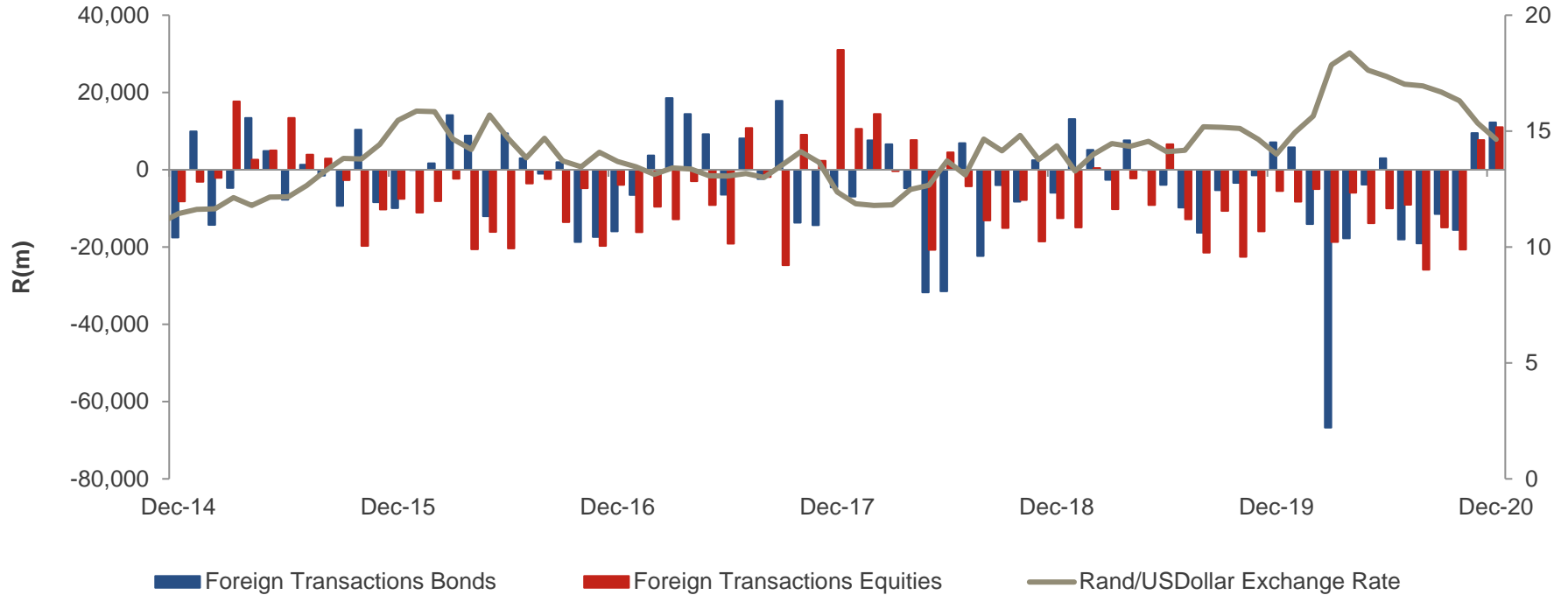
December 2020



Foreign Transactions



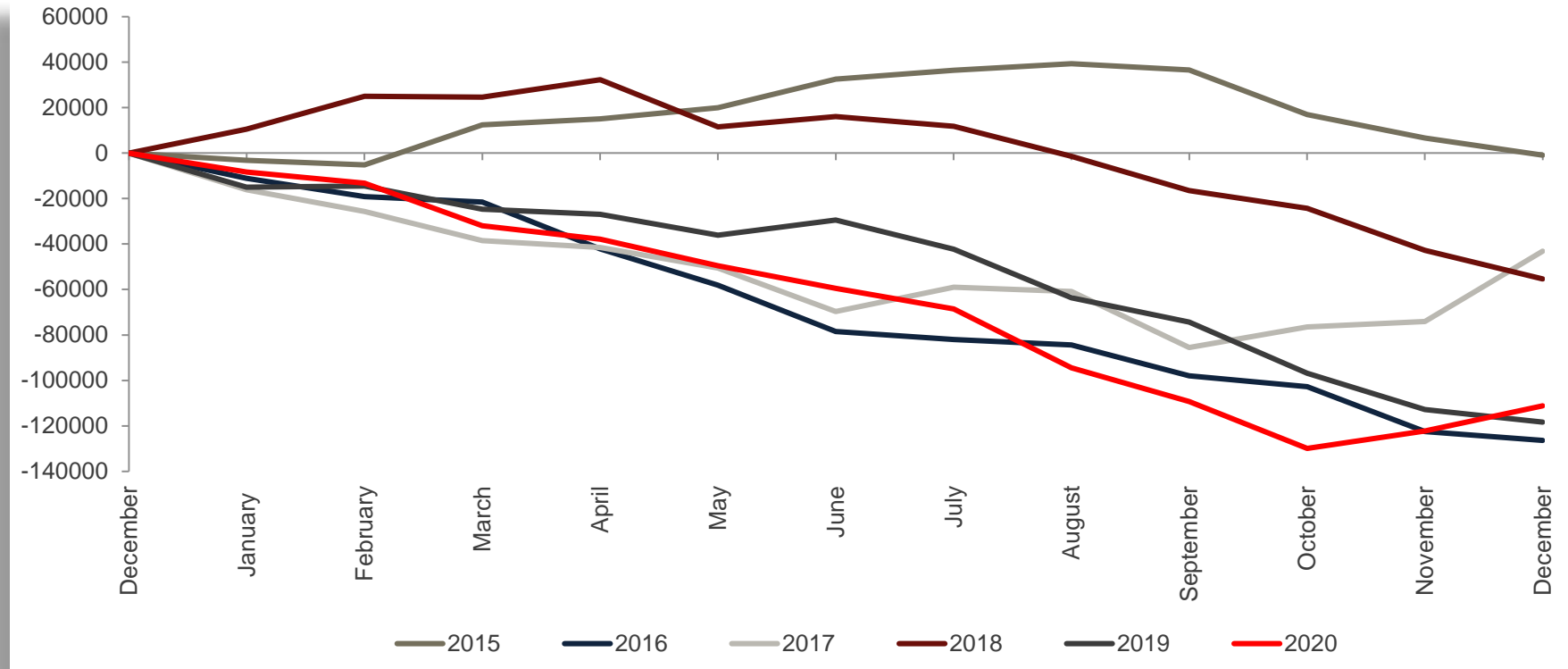
2015 to 2020



Cumulative foreign transaction: Equities



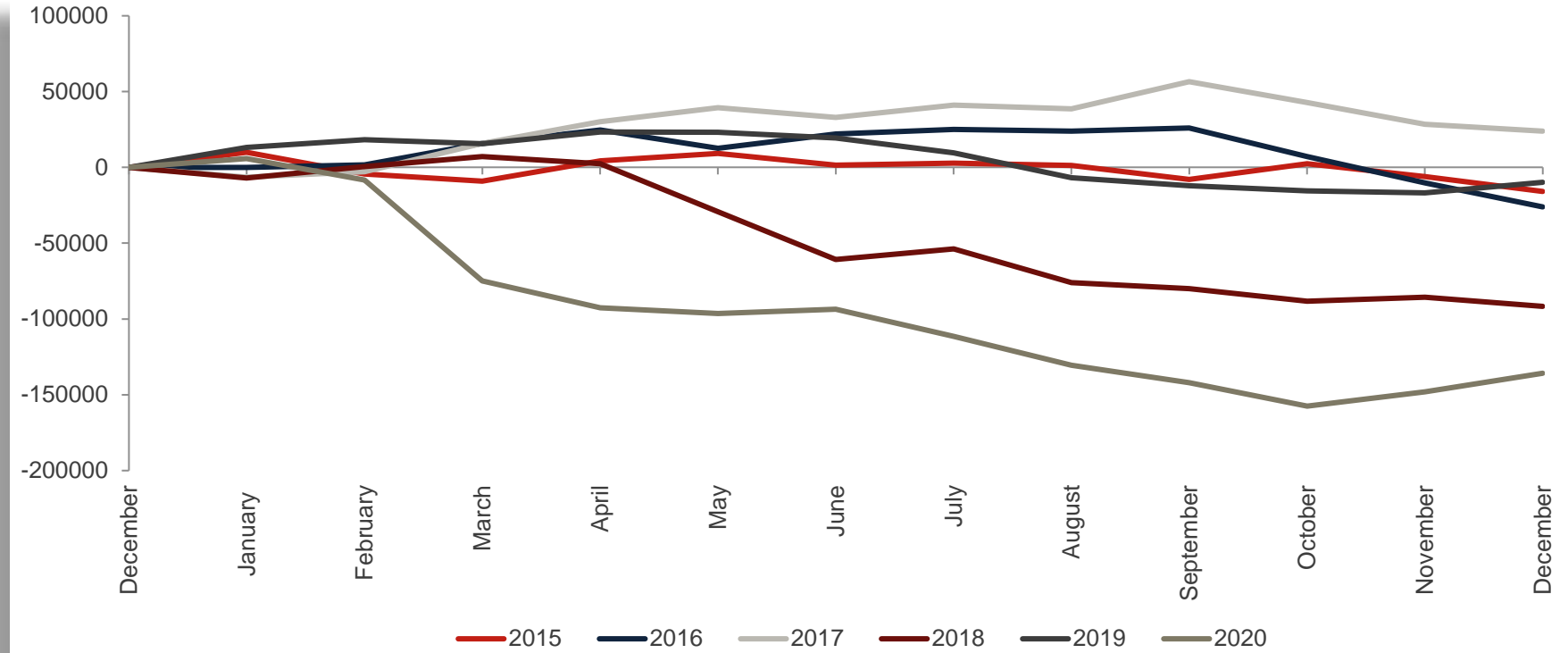
2015 to 2020



Cumulative foreign transaction: Bonds



2015 to 2020



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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