

Key market performance drivers

Monthly charts to 31 January 2021

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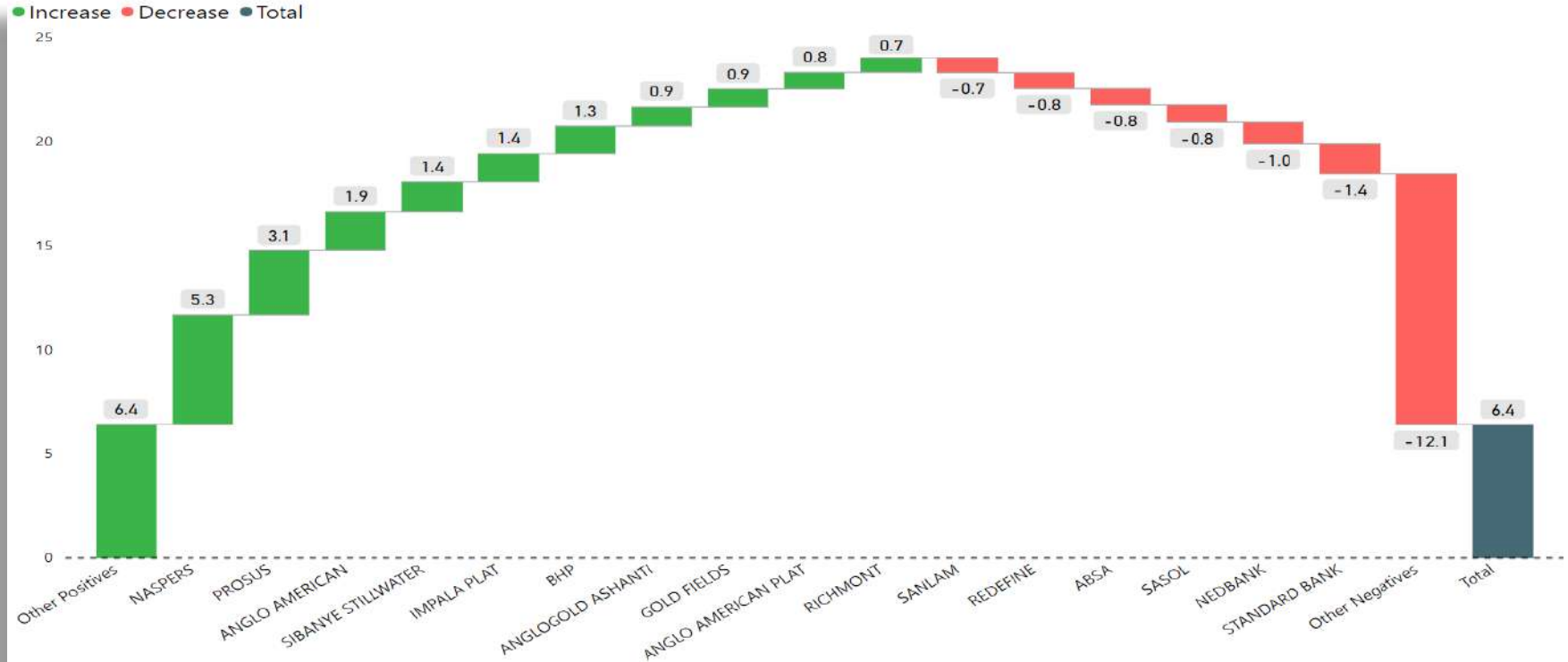
01

Market Concentration

Market concentration



One-year Capped SWIX contributions ending January 2021





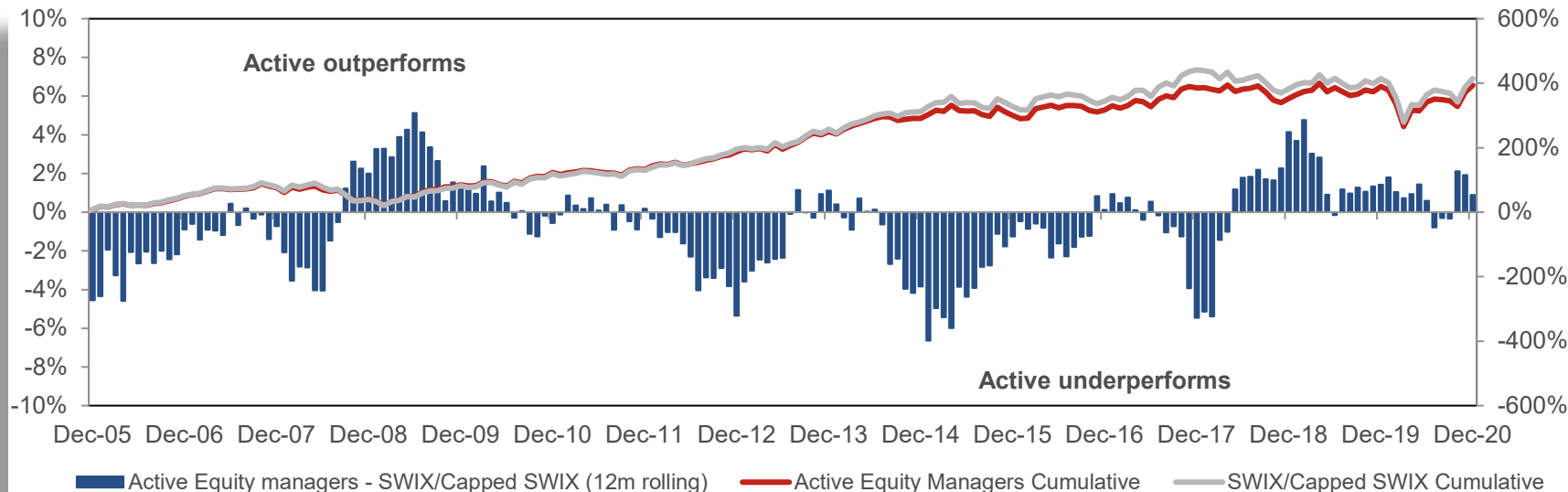
02

Active Index
Analysis

Active index analysis: Equities



One-year rolling active to December 2020



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

(SWIX until 31 October 2017 and Capped SWIX thereafter)

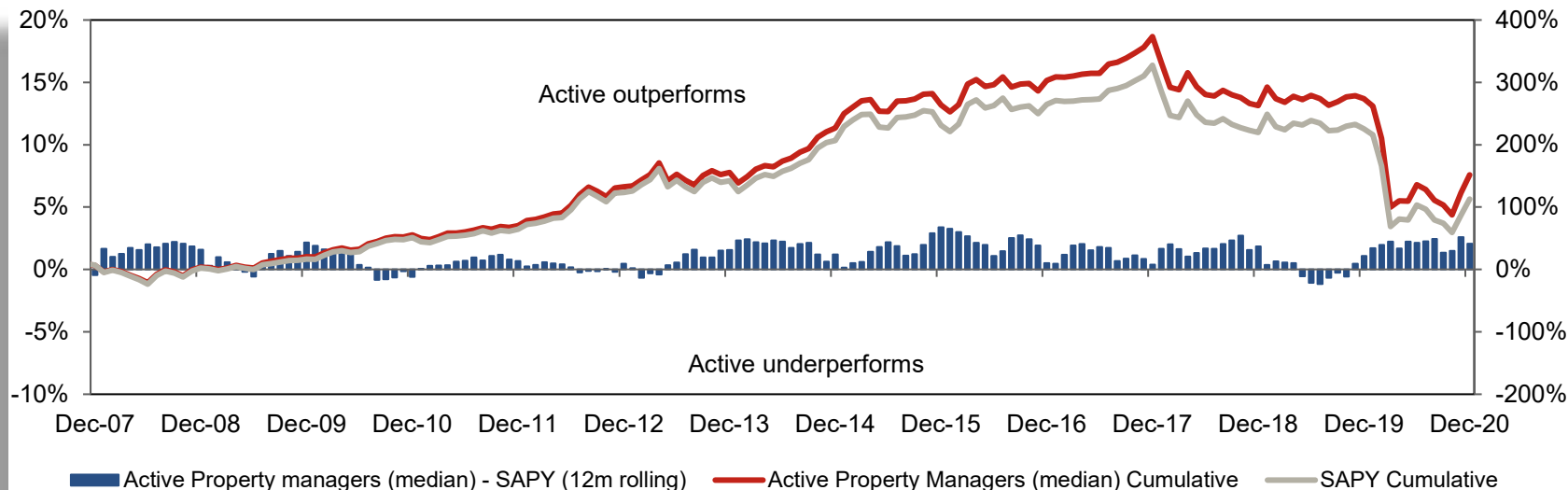
Data lagged by one month

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

Active index analysis: Property



One-year rolling active to December 2020



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

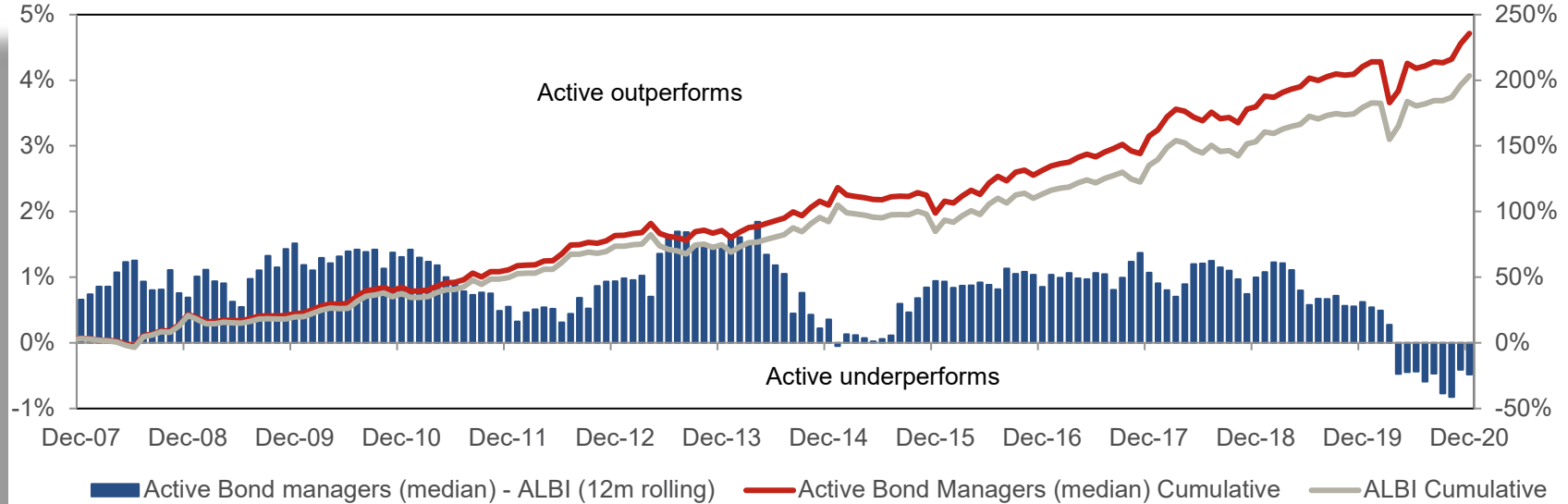
Data lagged by one month

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

Active index analysis: Bonds



One-year rolling active to December 2020



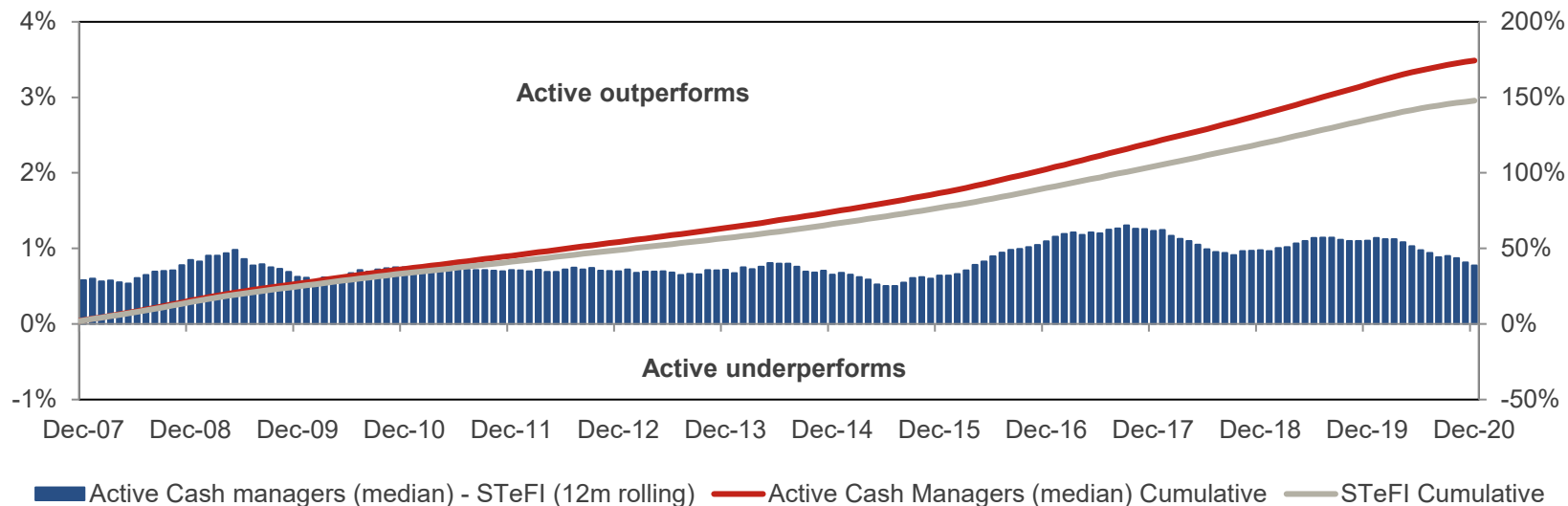
The median of the active bond investment managers underperformed the ALBI for the 12-month period ending December 2020.

Data lagged by one month

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

Active index analysis: Cash

One-year rolling active to December 2020



The median of the active money market investment managers outperformed the STeFI for the 12-month period ending December 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 January 2021

ZAR	Styles	One month to January 2021	Three months to January 2021	One year to January 2021	Three years to January 2021	Five years to January 2021	Ten years to January 2021	Twenty years to January 2021
Value	Book to Price	1,72	21,19	8,16	-3,85	-3,36	-4,41	-0,35
	Dividend Yield	0,01	17,45	12,20	4,95	5,38	0,55	3,88
	Earnings Yield	0,35	9,22	17,26	-0,94	0,76	-1,25	0,06
	Cash Flow Yield	1,26	6,10	-7,25	-3,94	1,16	0,06	1,34
	Sales to Price	3,55	7,62	10,14	-0,23	2,04	-1,04	-0,07
Quality	ROE	-0,79	-5,08	7,57	6,47	5,28	3,61	1,31
	ROIC LT	2,10	-2,81	-2,90	-2,10	0,30	-1,11	-0,82
	Income to Sales	0,17	-4,91	5,26	1,15	0,11	0,77	-0,34
	Low market beta	-0,30	-3,31	-14,48	-0,95	-1,84	1,48	0,69
	Low Debt/Equity	0,38	-0,61	6,19	1,62	1,18	-0,15	-0,58
	EBIT Margin Stability	-0,81	-3,00	3,15	0,27	-3,30	2,74	0,87
Growth	Earnings Growth	-1,38	4,48	0,89	6,06	4,02	2,42	0,25
	Sales Growth	1,59	6,01	6,56	5,36	1,09	2,25	-0,07
	12M Earning Growth	-1,90	-5,42	12,73	10,68	2,92	-0,23	4,64
Momentum	FY1 Earnings Revisions	-1,91	-6,75	-7,73	2,24	1,37	4,91	7,39
	Short Term Momentum	0,43	-4,90	-10,11	-2,67	-1,05	0,67	-0,21
	Medium Term Momentum	1,61	-10,14	6,32	8,31	2,41	6,42	6,02
Size	Size	-1,22	-0,54	7,06	5,62	4,11	2,42	0,18

Value has continued to outperform quality and momentum over the last twelve months

Source: FactSet, Momentum Global Investment Management and Momentum Investments



04

Sector Analysis

Sector Analysis



FTSE/JSE sectors decomposed

Three months to January 2021

Household Goods & Home					
1 Construction	Consumer Goods	139,53%	17 Real Estate Investment Trusts	Financials	23,89%
2 Oil & Gas Producers	Financial Services	127,99%	18 Mining	Basic Materials	23,79%
3 Chemicals	Basic Materials	74,46%	19 Financial Services	Financials	20,16%
4 Software & Computer Services	Technology	54,45%	20 Electronic & Electrical Equipment	Industrials	19,63%
5 Support Services	Industrials	53,46%	21 Travel & Leisure	Travel & Leisure	13,90%
Real Estate Investment & Services					
6 Services	Financials	45,41%	22 Beverages	Consumer Goods	13,51%
7 Personal Goods	Consumer Goods	38,15%	23 Automobiles & Parts	Consumer Goods	13,45%
8 Pharmaceuticals & Biotechnology	Healthcare	34,05%	24 Food & Drug Retailers	Consumer Services	11,06%
9 Forestry & Paper	Basic Materials	33,19%	25 Construction & Materials	Industrials	9,79%
10 Fixed-line Telecommunications	Telecommunications	31,46%	26 Tobacco	Consumer Goods	9,67%
11 General Retailers	Consumer Services	30,95%	27 Non-life Insurance	Financials	8,57%
12 Industrial Transportation	Industrials	27,43%	28 Media	Consumer Services	8,52%
13 Industrial Metals & Mining	Industrials	26,63%	29 Healthcare Equipment & Service	Healthcare	7,84%
14 Life Insurance	Financials	25,00%	30 Mobile Telecommunications	Telecommunications	6,96%
15 General Industrials	Industrials	24,48%	31 Food Producers	Consumer Goods	3,69%
16 Banks	Financials	24,39%			

Key

Resources

Financials

Industrials

Source: Barra and Deutsche Securities

Sector Analysis



FTSE/JSE sectors decomposed

One Year to January 2021

1 Oil & Gas Producers	Financial Services	229,85%	17 Industrial Transportation	Industrials	-4,98%
Household Goods & Home					
2 Construction	Consumer Goods	128,89%	18 Mobile Telecommunications	Telecommunications	-6,70%
3 Industrial Metals & Mining	Industrials	88,32%	19 Tobacco	Consumer Goods	-9,87%
4 Support Services	Industrials	65,07%	20 Banks	Financials	-13,69%
5 Media	Consumer Services	45,69%	21 Life Insurance	Financials	-14,43%
6 Mining	Basic Materials	39,69%	22 Equity Investment Instruments	Financials	-17,27%
7 Software & Computer Services	Technology	34,68%	23 Beverages	Consumer Goods	-18,60%
8 Personal Goods	Consumer Goods	28,77%	24 General Industrials	Industrials	-19,42%
9 Pharmaceuticals & Biotechnology	Healthcare	20,72%	25 Automobiles & Parts	Consumer Goods	-19,83%
10 Forestry & Paper	Basic Materials	20,65%	26 Construction & Materials	Industrials	-22,11%
11 Fixed-line Telecommunications	Telecommunications	5,91%	27 Healthcare Equipment & Service	Healthcare	-24,58%
12 Food Producers	Consumer Goods	0,38%	28 Chemicals	Basic Materials	-25,22%
13 General Retailers	Consumer Services	-2,12%	29 Real Estate Investment & Services	Financials	-26,67%
14 Non-life Insurance	Financials	-2,83%	30 Electronic & Electrical Equipment	Industrials	-33,48%
15 Food & Drug Retailers	Consumer Services	-4,08%	31 Travel & Leisure	Travel & Leisure	-35,56%
16 Financial Services	Financials	-4,70%			

Key

Resources

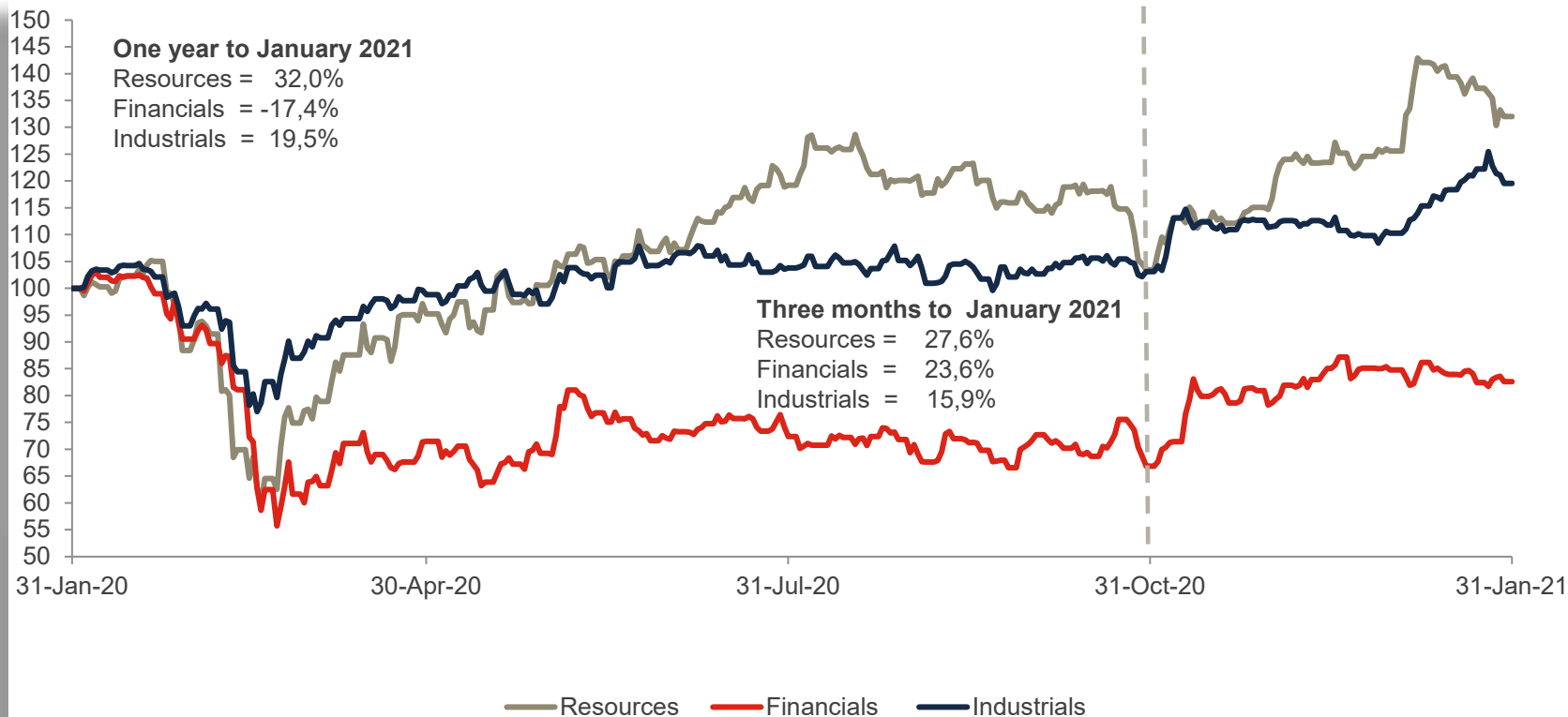
Financials

Industrials

Source: Barra and Deutsche Securities

FTSE/JSE sectors

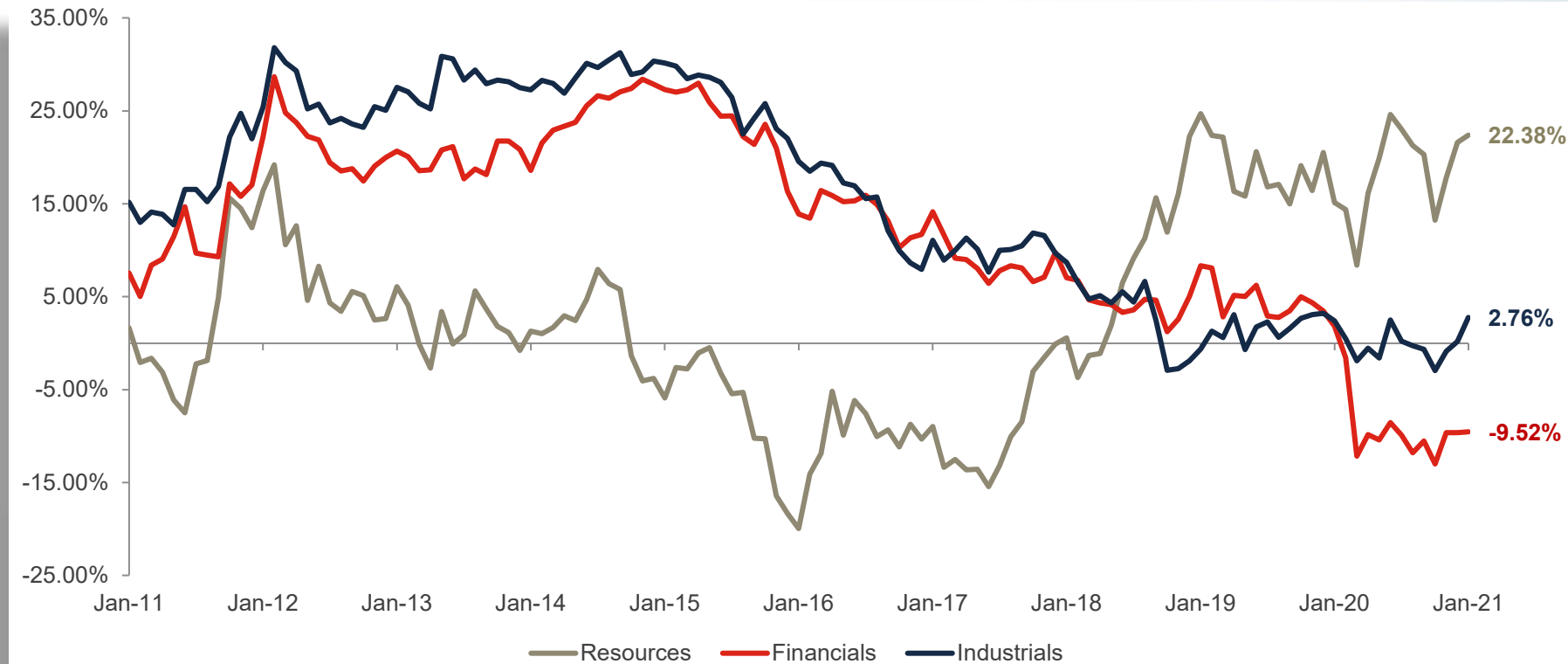
One year rolling to January 2021



FTSE/JSE sectors

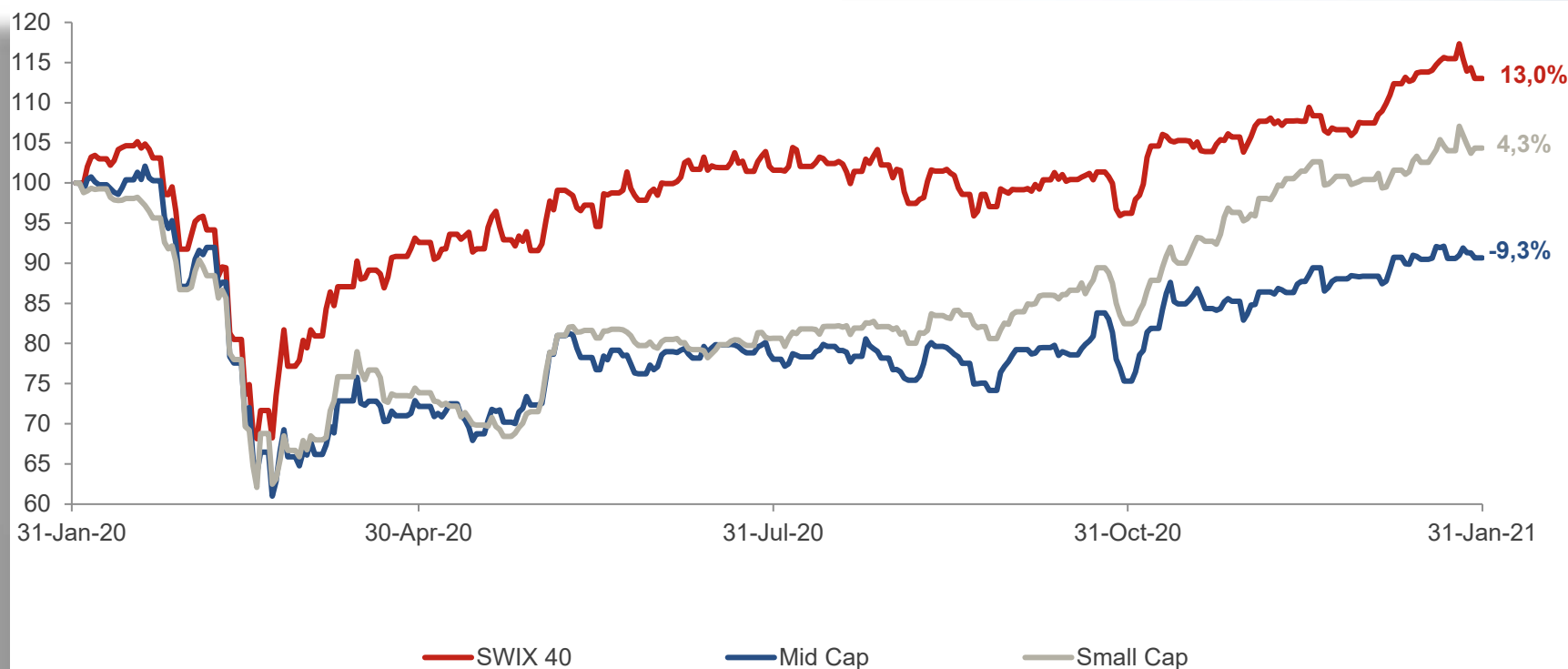


Ten years rolling to January 2021



FTSE/JSE market caps

One year to January 2021





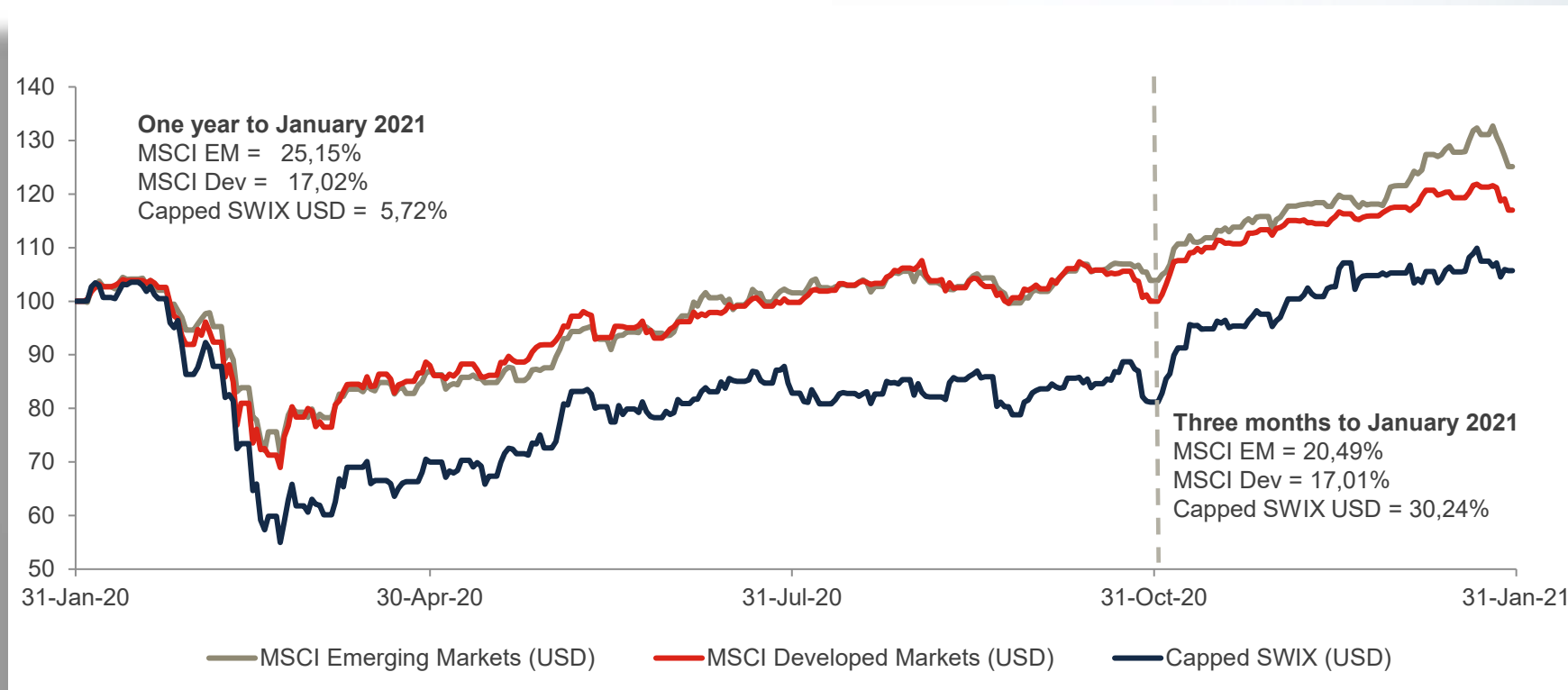
05

Indexed Return Charts

MSCI developed and emerging markets



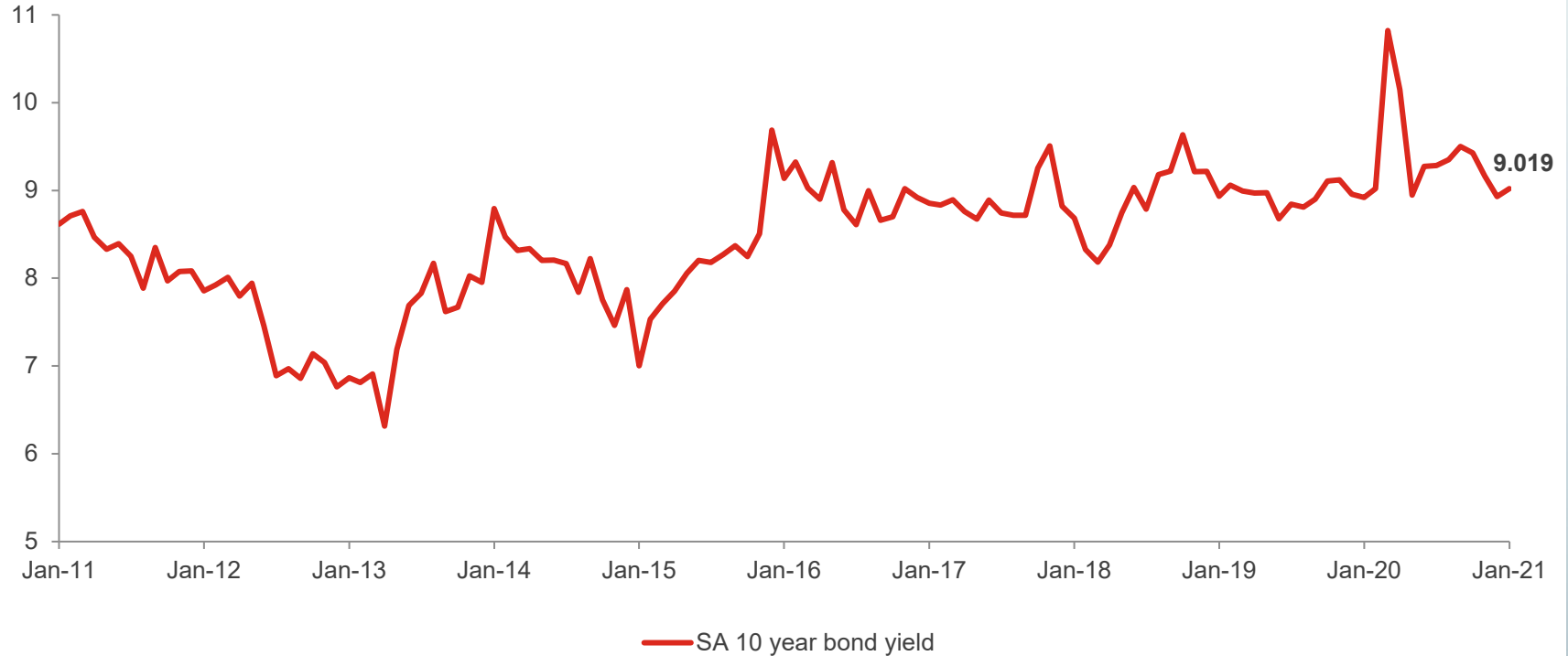
One year to January 2021



SA 10-year bond yields



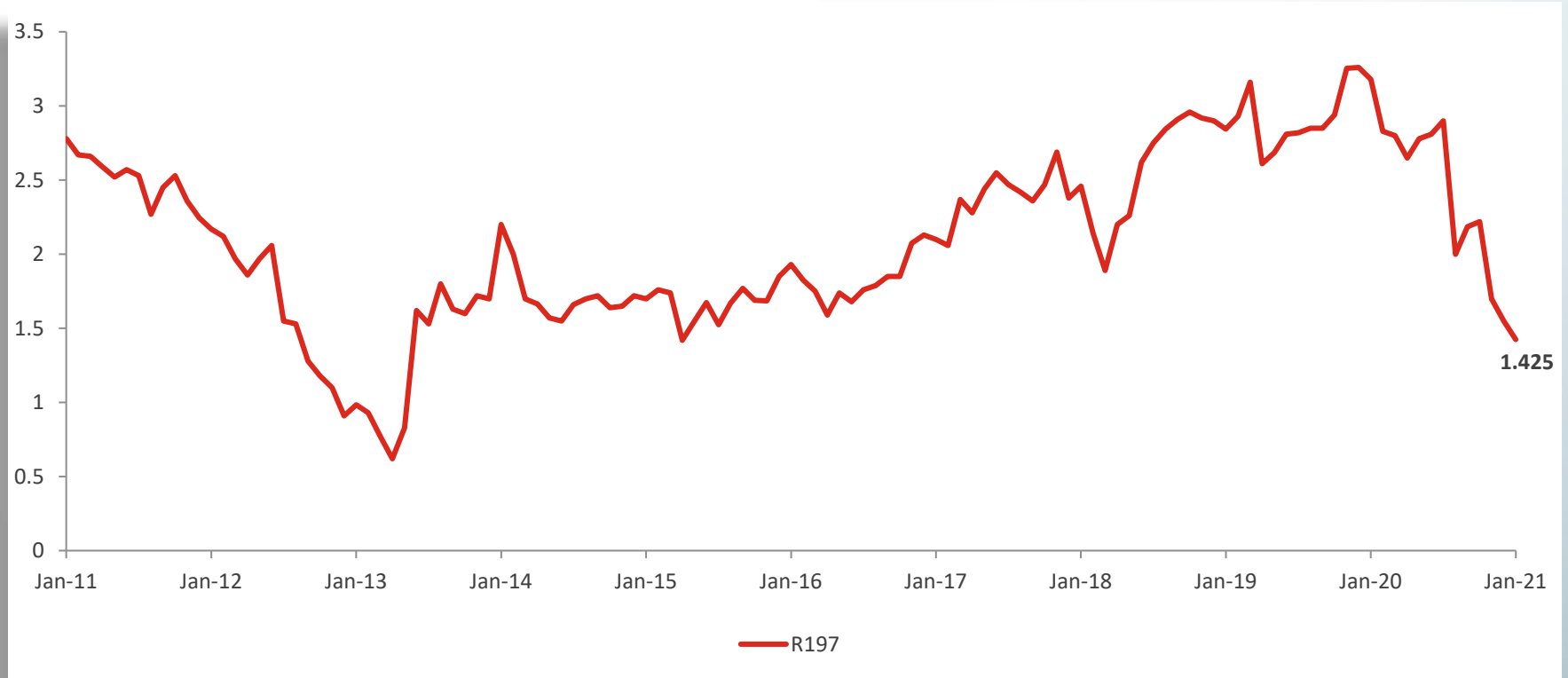
Ten years to January 2021



Yield of R197 (inflation-linked bond)



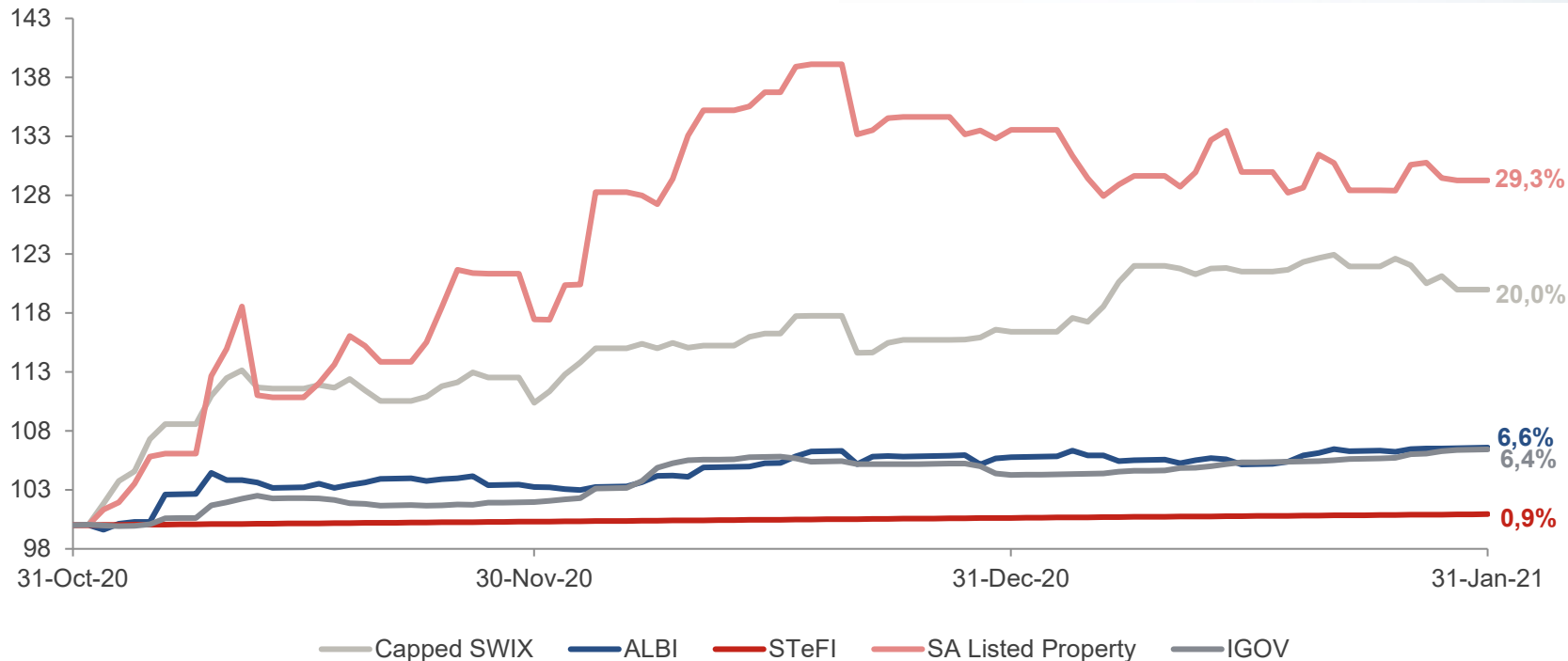
Ten years to January 2021



Local asset classes



Three months to January 2021

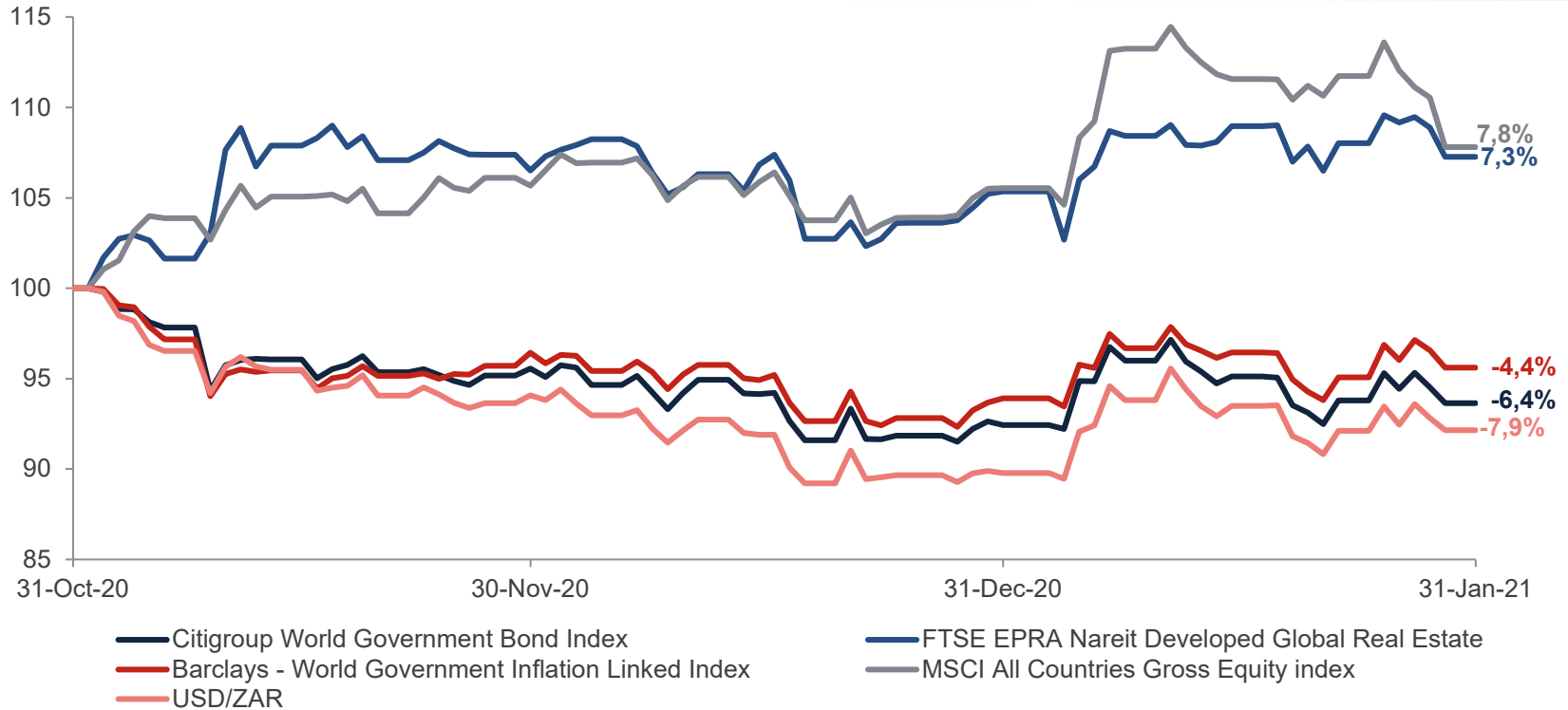


* CPI lagged by one month due to availability of data

Global asset classes

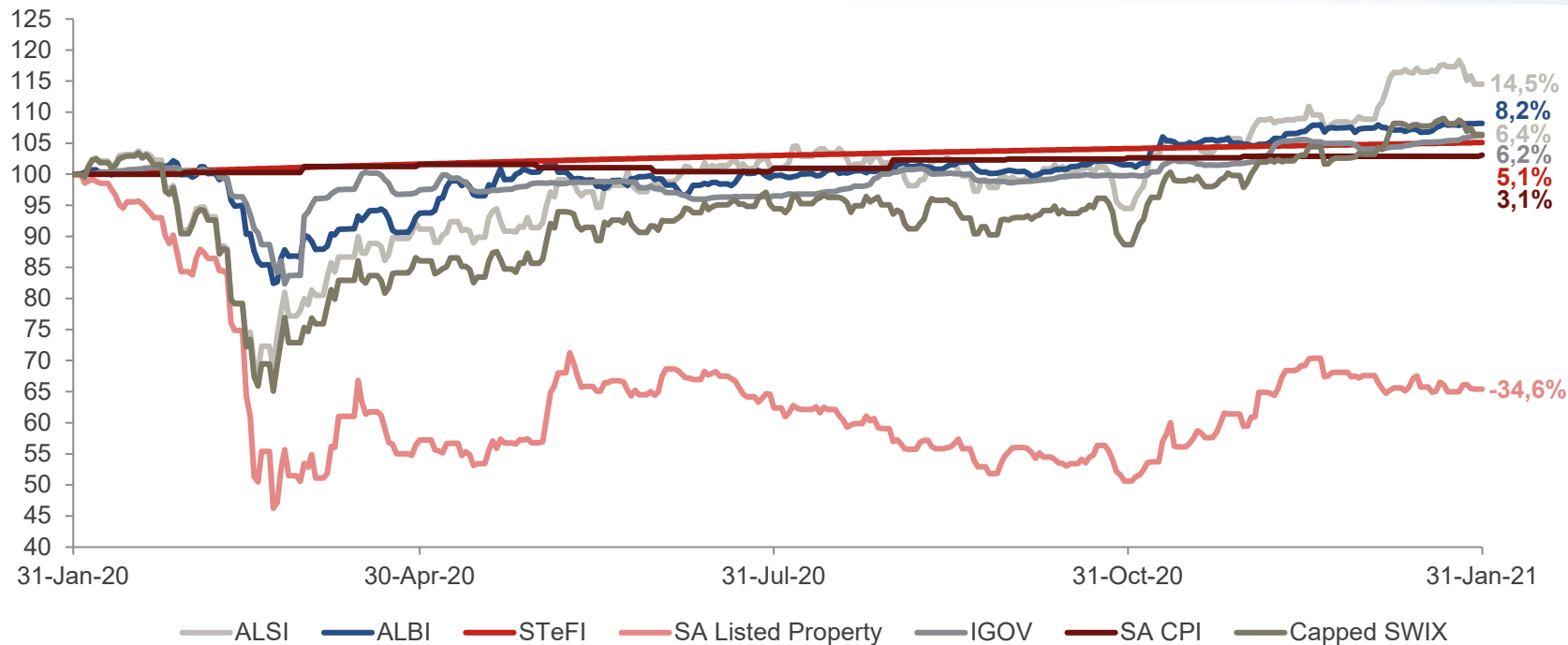


Three months to January 2021



Local asset classes

One year to January 2021

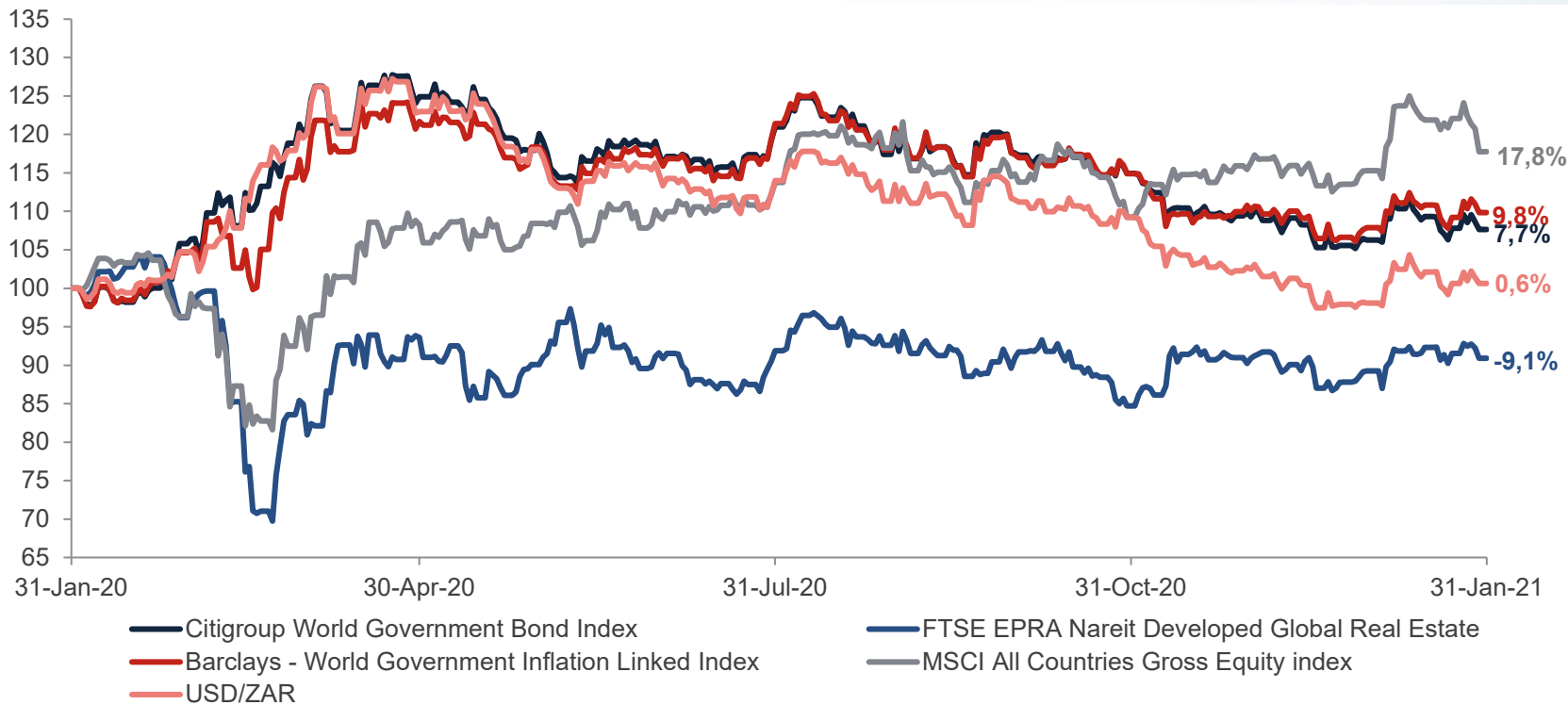


* CPI lagged by one month due to availability of data

Global asset classes



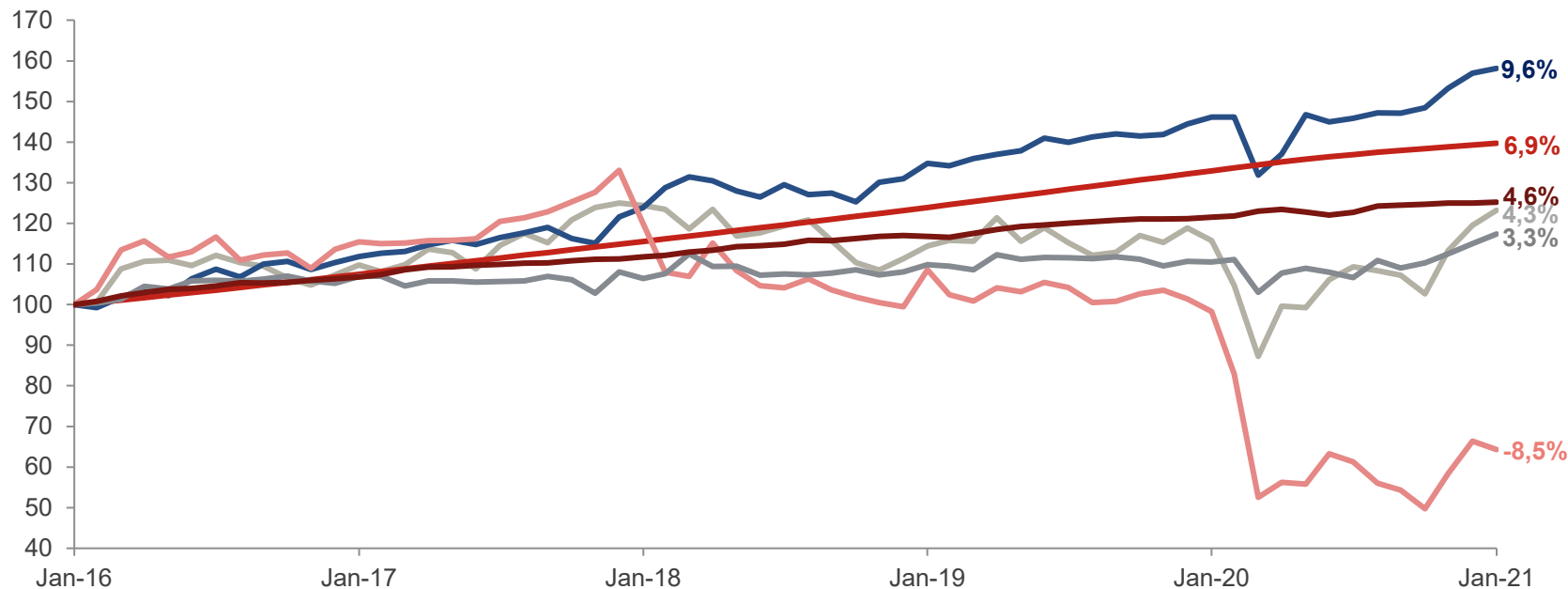
One year to January 2021



Local asset classes



Five years to January 2021



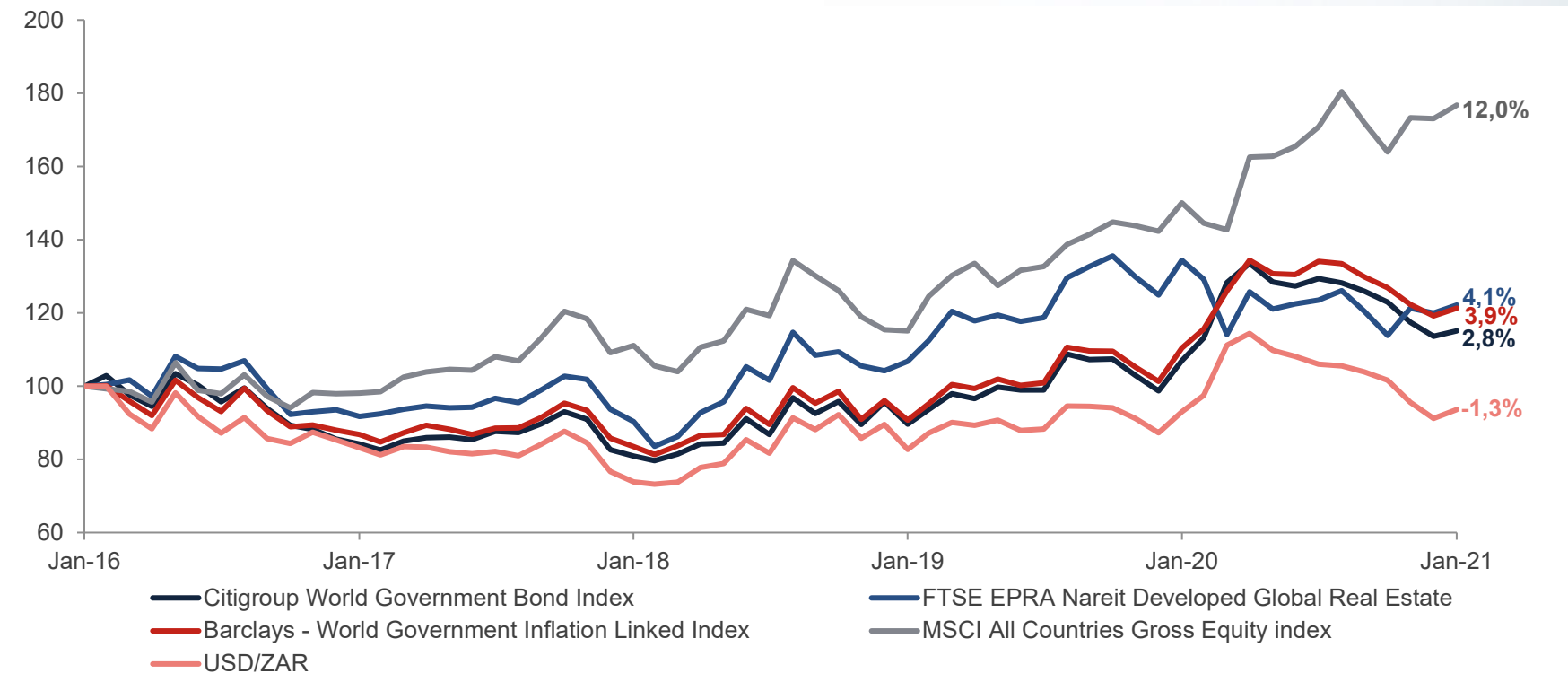
* CPI lagged by one month due to availability of data

Legend: Capped SWIX, ALBI, STeFI, SA Listed Property, ILB, CPI

Global asset classes



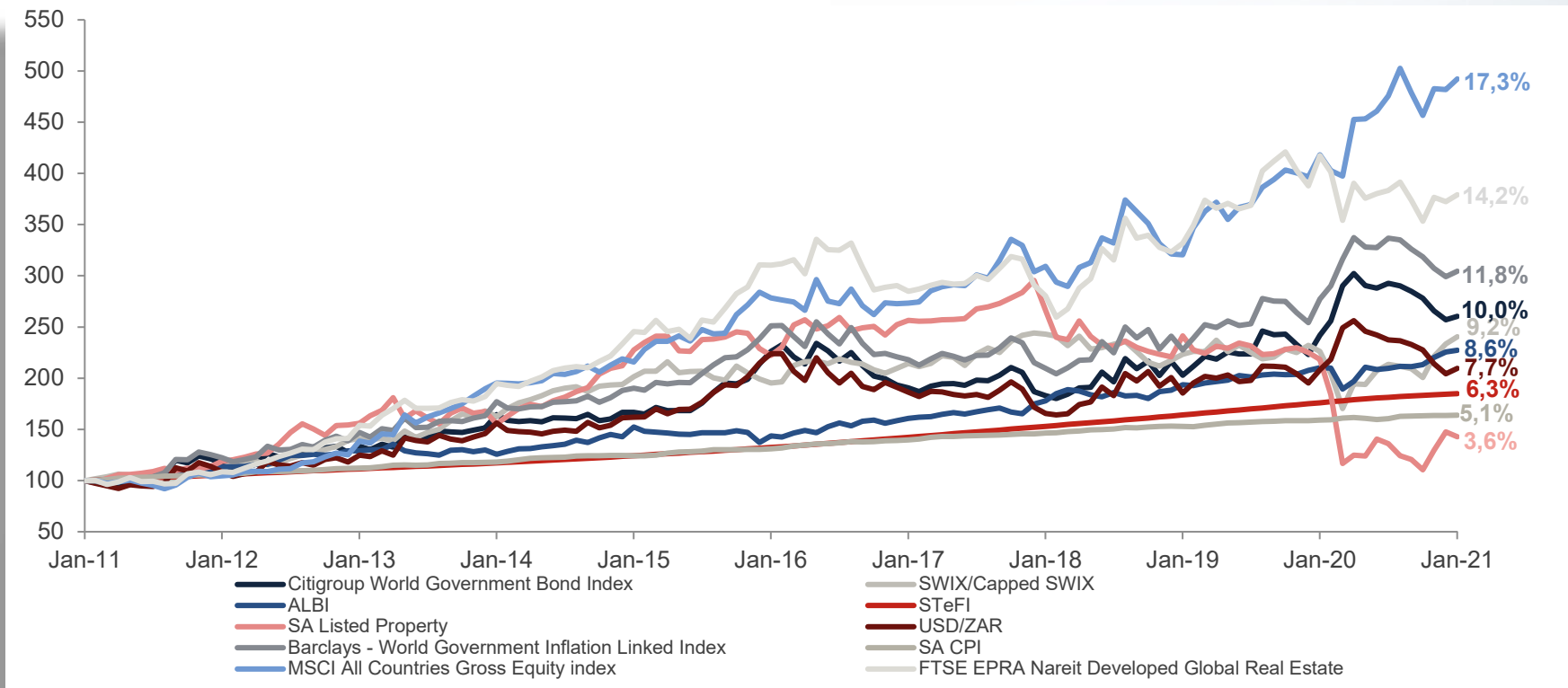
Five years to January 2021



Asset classes



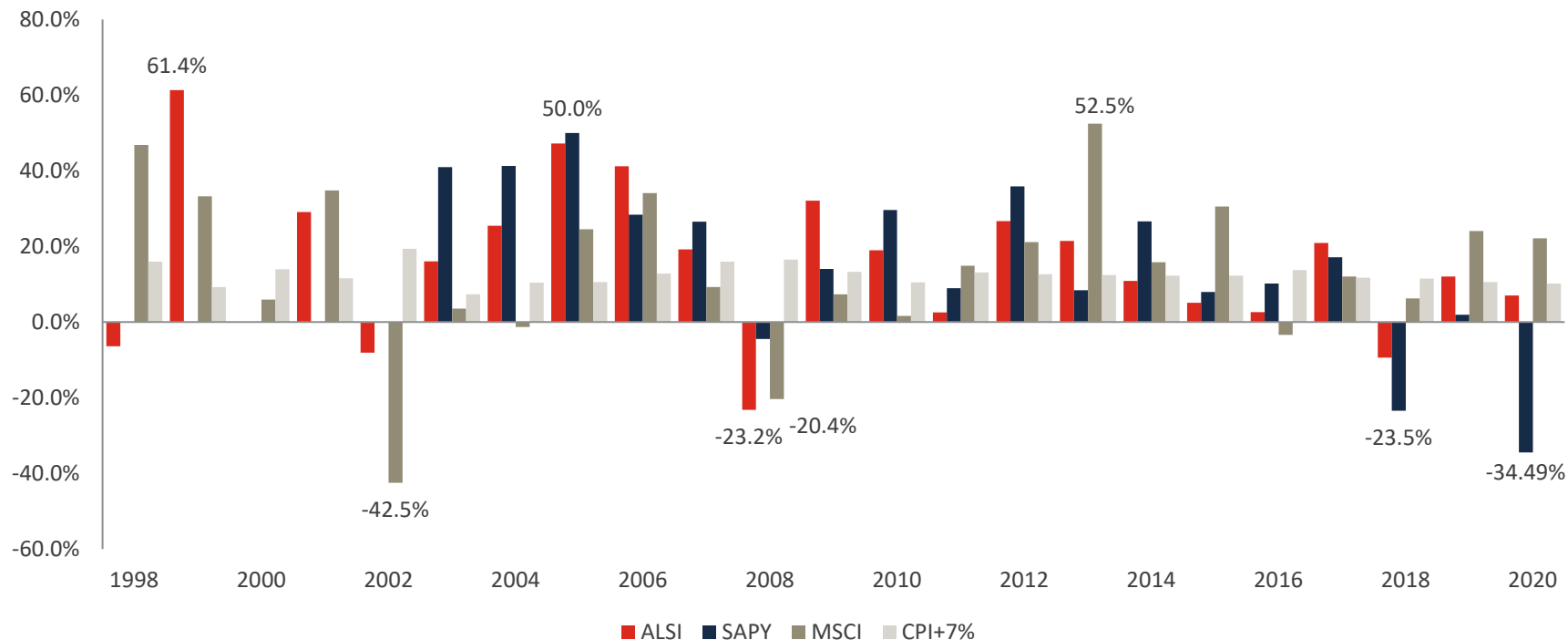
Ten years to January 2021



* CPI lagged by one month due to availability of data

Source: IRESS and Momentum Investments

Annual asset class returns



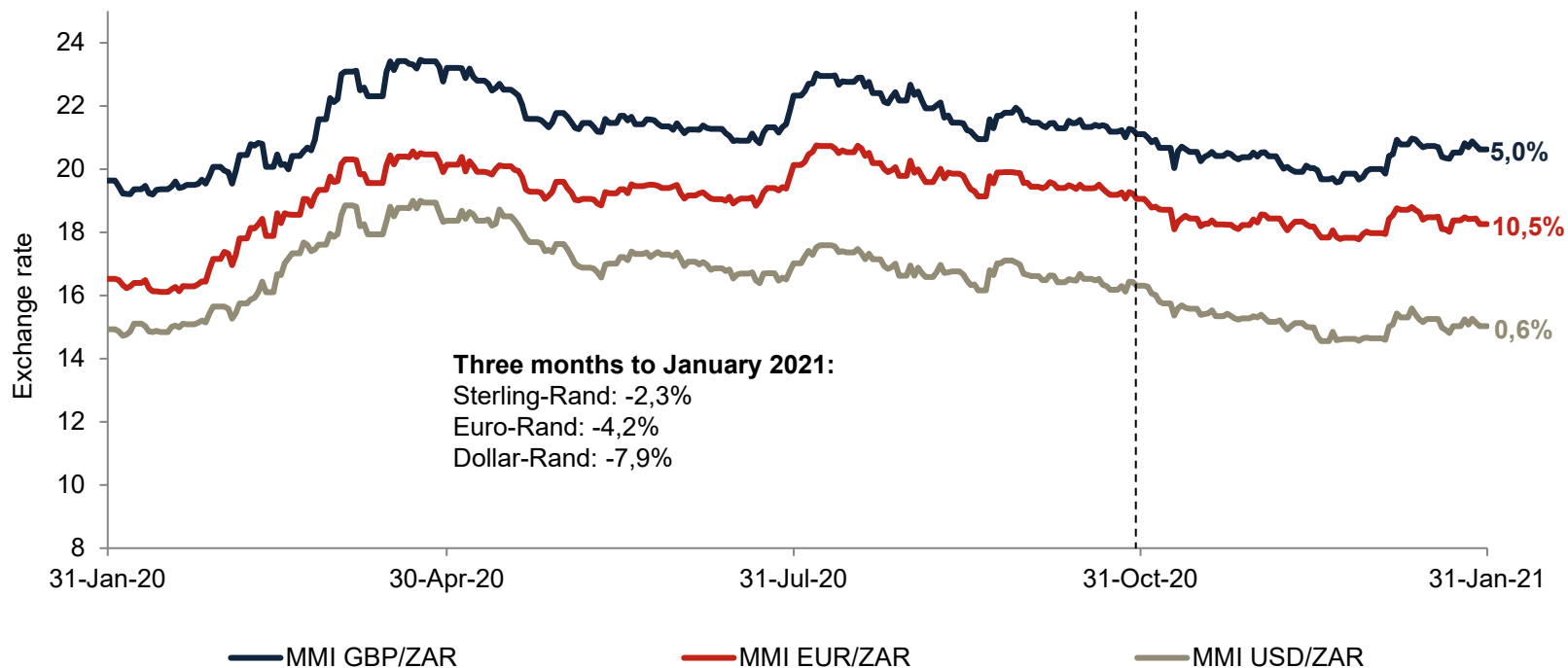
* CPI lagged by one month due to availability of data

Source: IRESS and Momentum Investments

Exchange rates



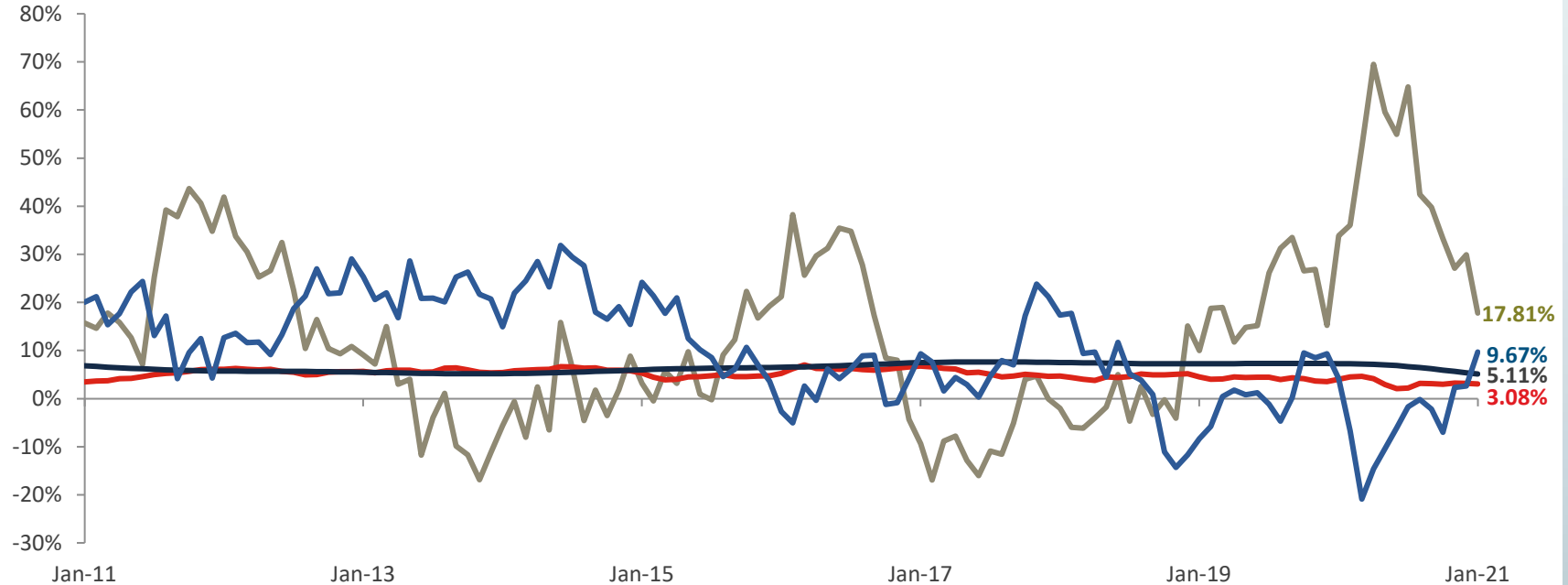
One year to January 2021



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



Ten-year rolling returns to January 2021



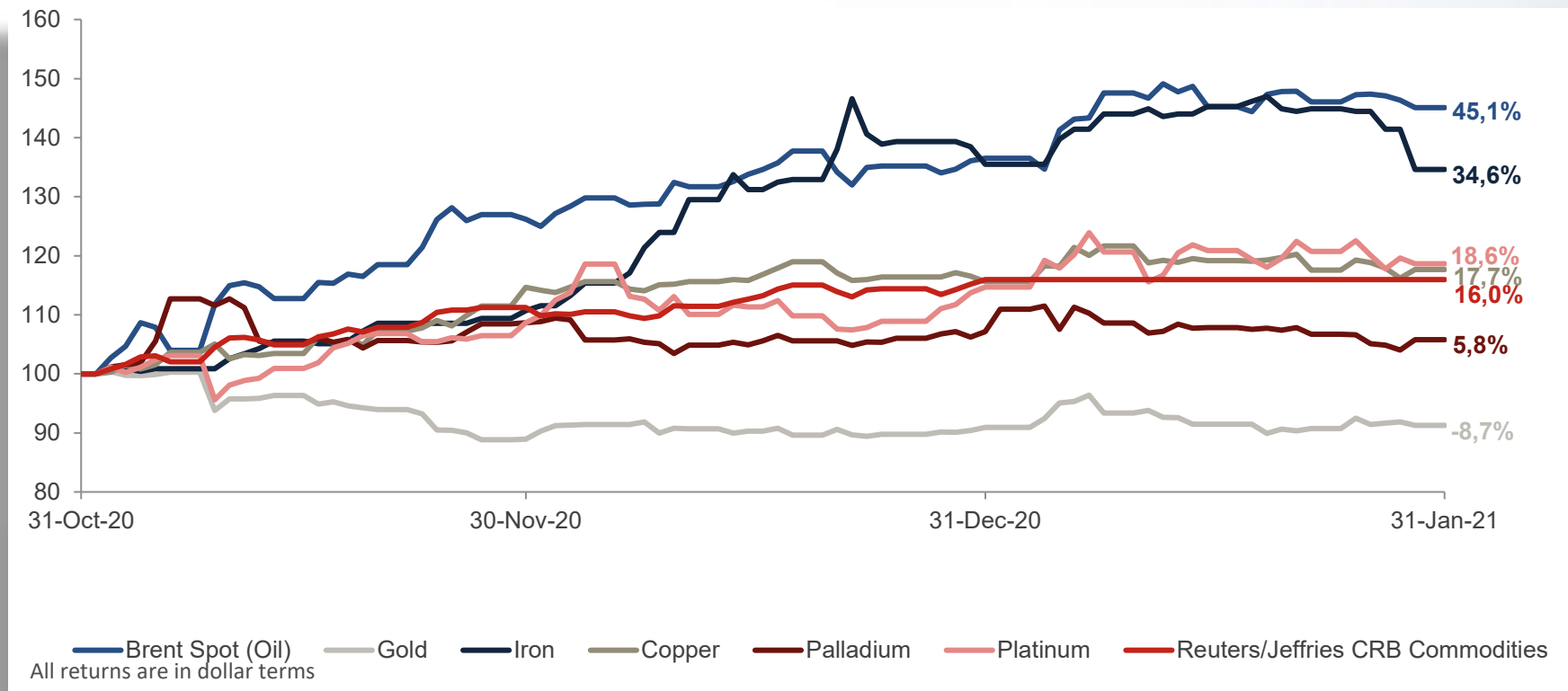
* CPI lagged by one month due to availability of data

— Gold — CPI — SteFI — SWIX

Commodities



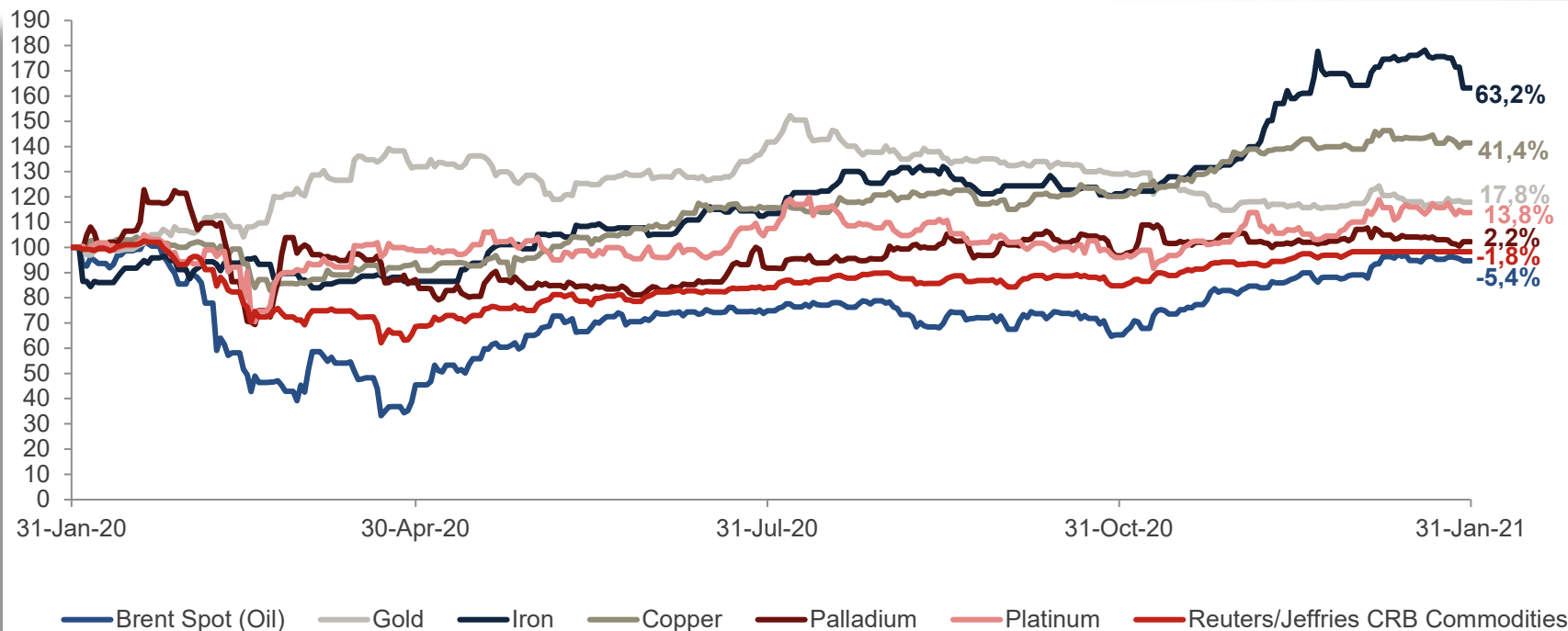
Three months to January 2021



Commodities



One year to January 2021



All returns are in dollar terms

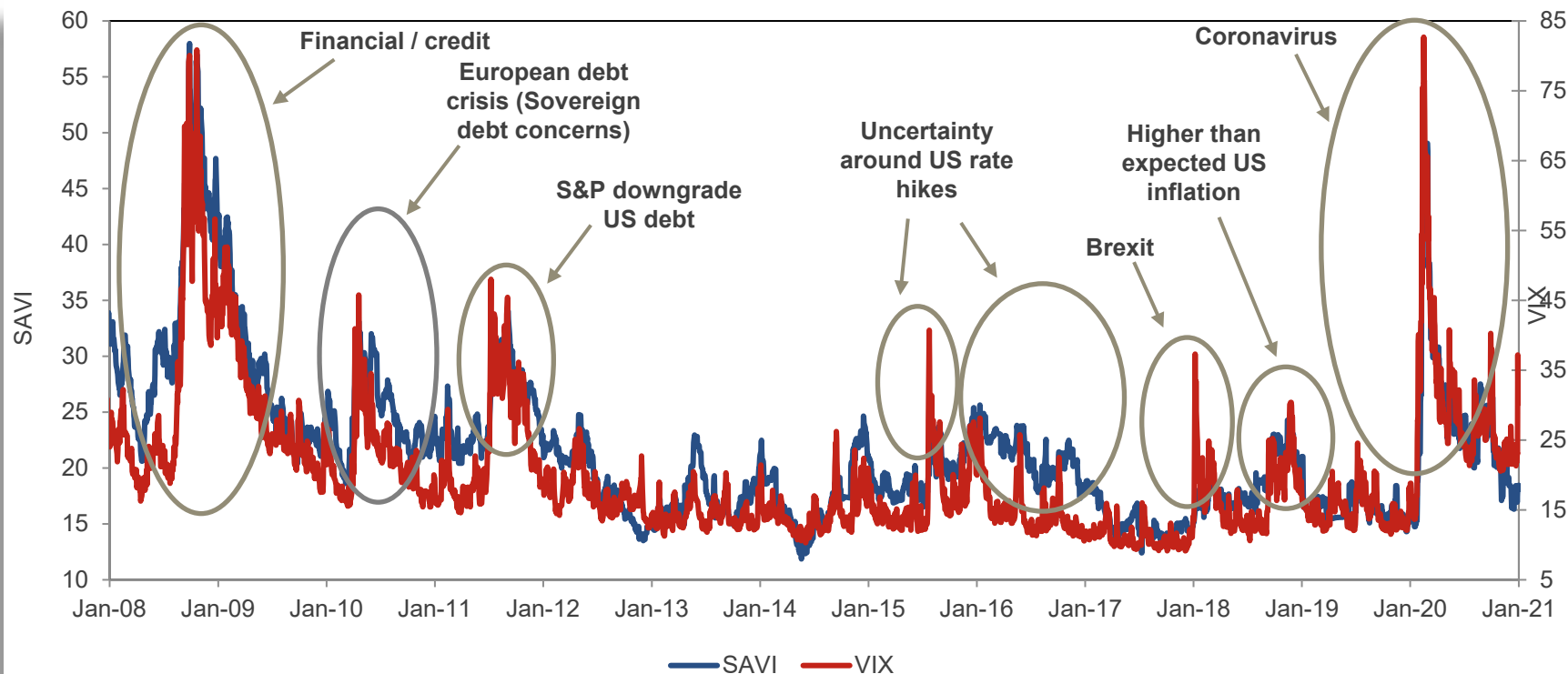


06

Volatility and
international flows

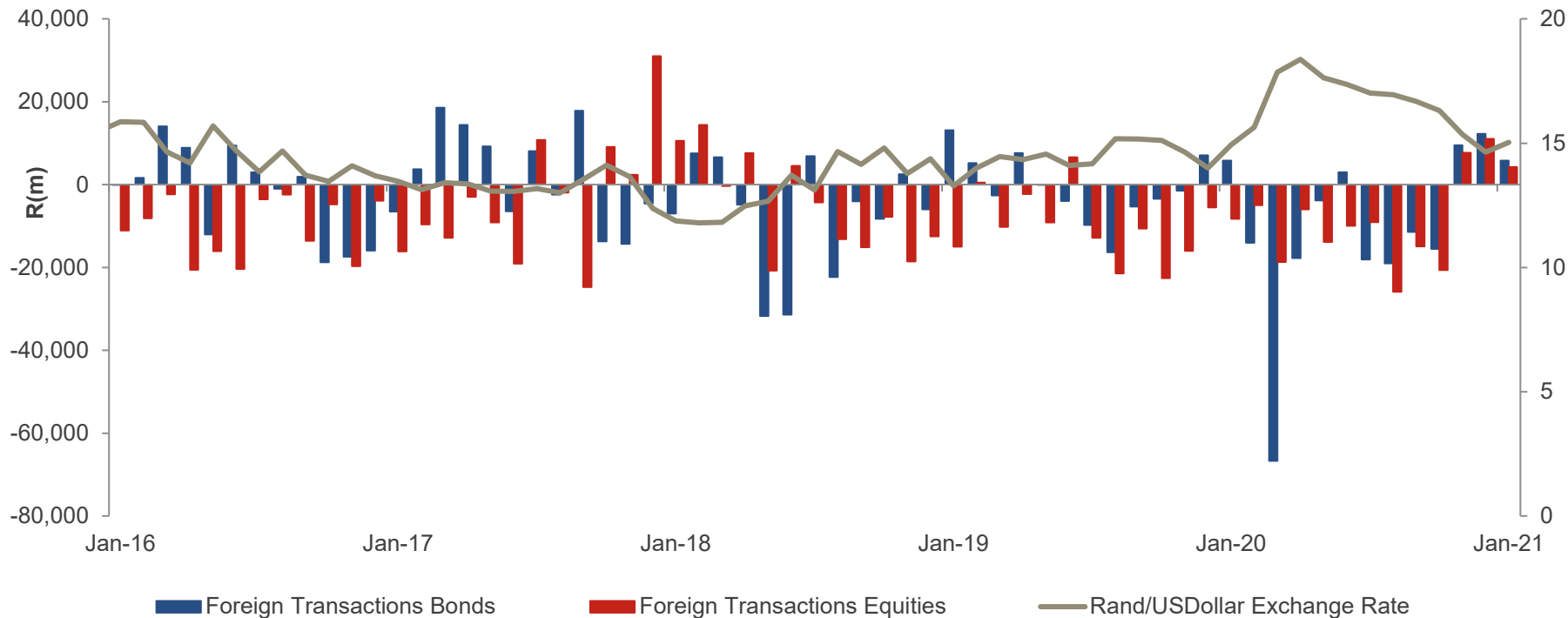
SAVI-VIX

January 2021



Foreign Transactions

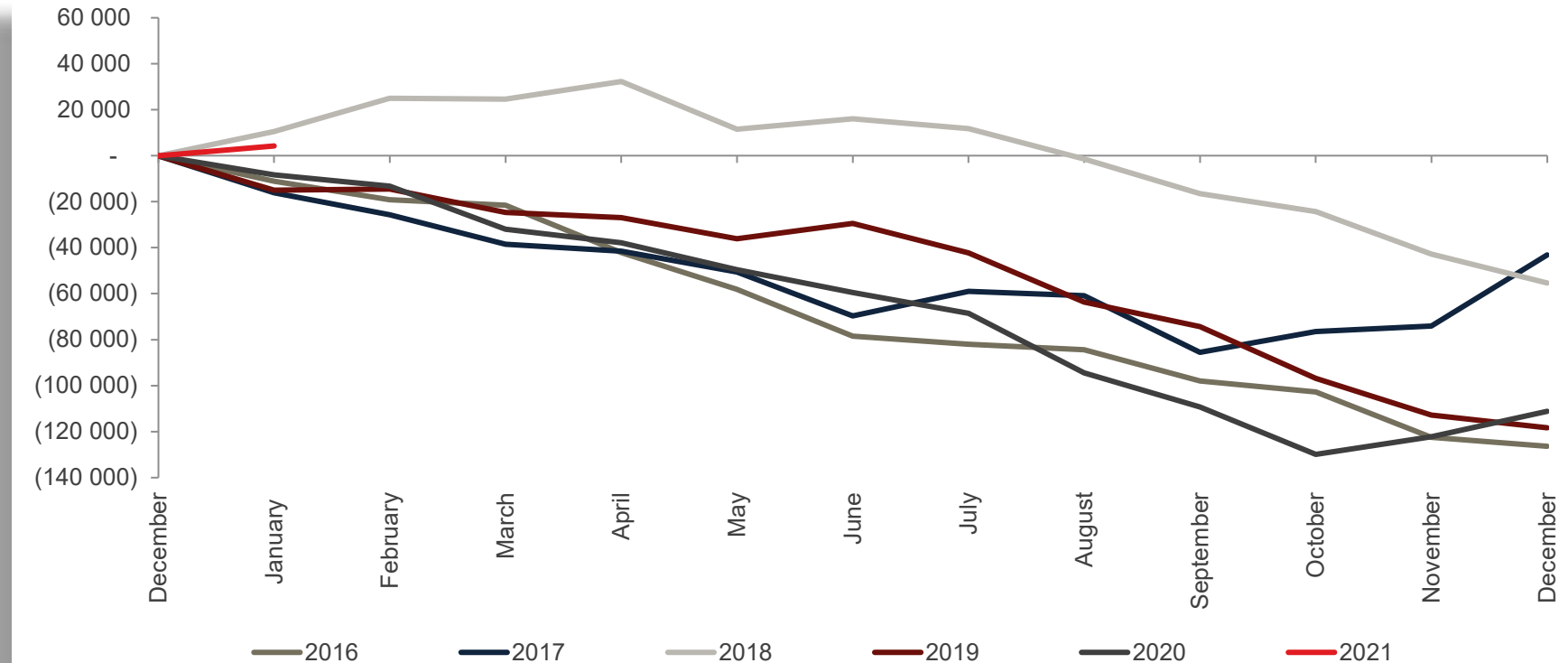
2016 to 2021



Cumulative foreign transaction: Equities



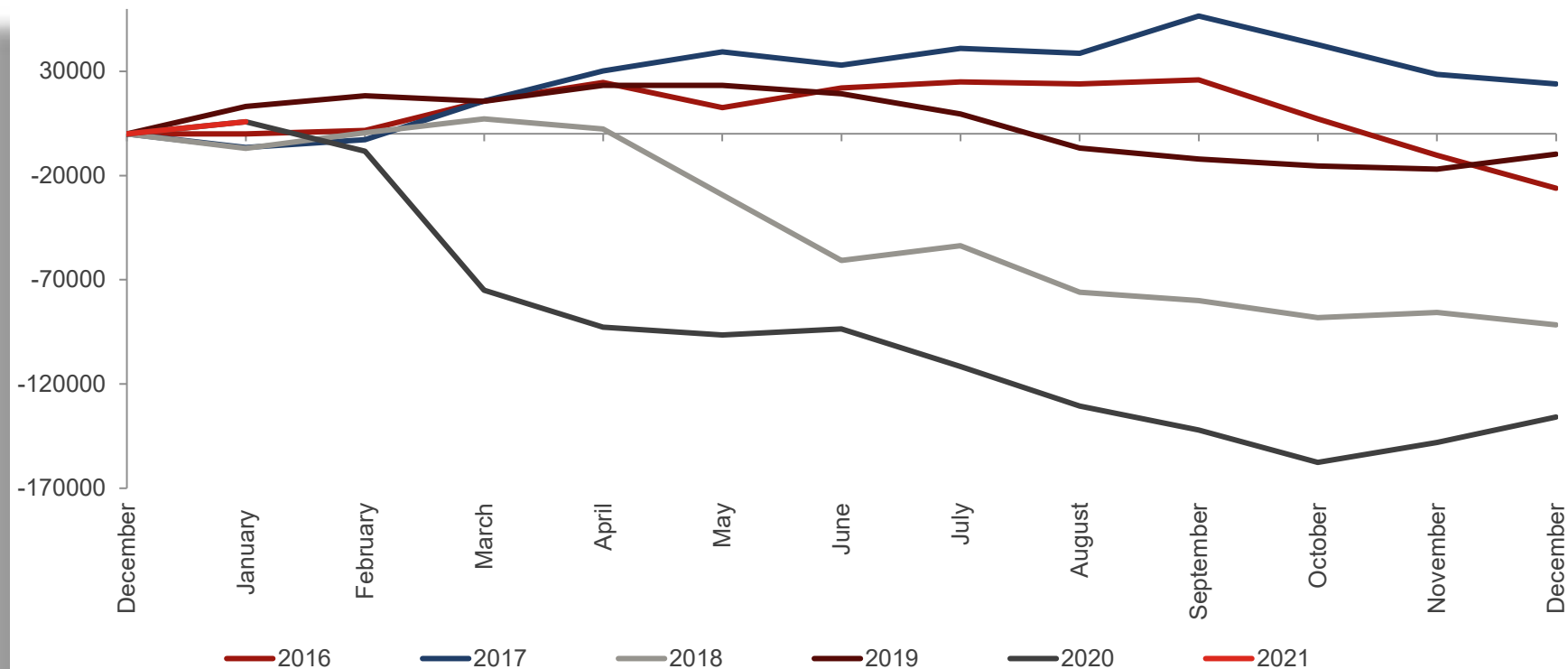
2016 to 2021



Cumulative foreign transaction: Bonds



2016 to 2021



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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