

Key market performance drivers

Monthly charts to 31 July 2021

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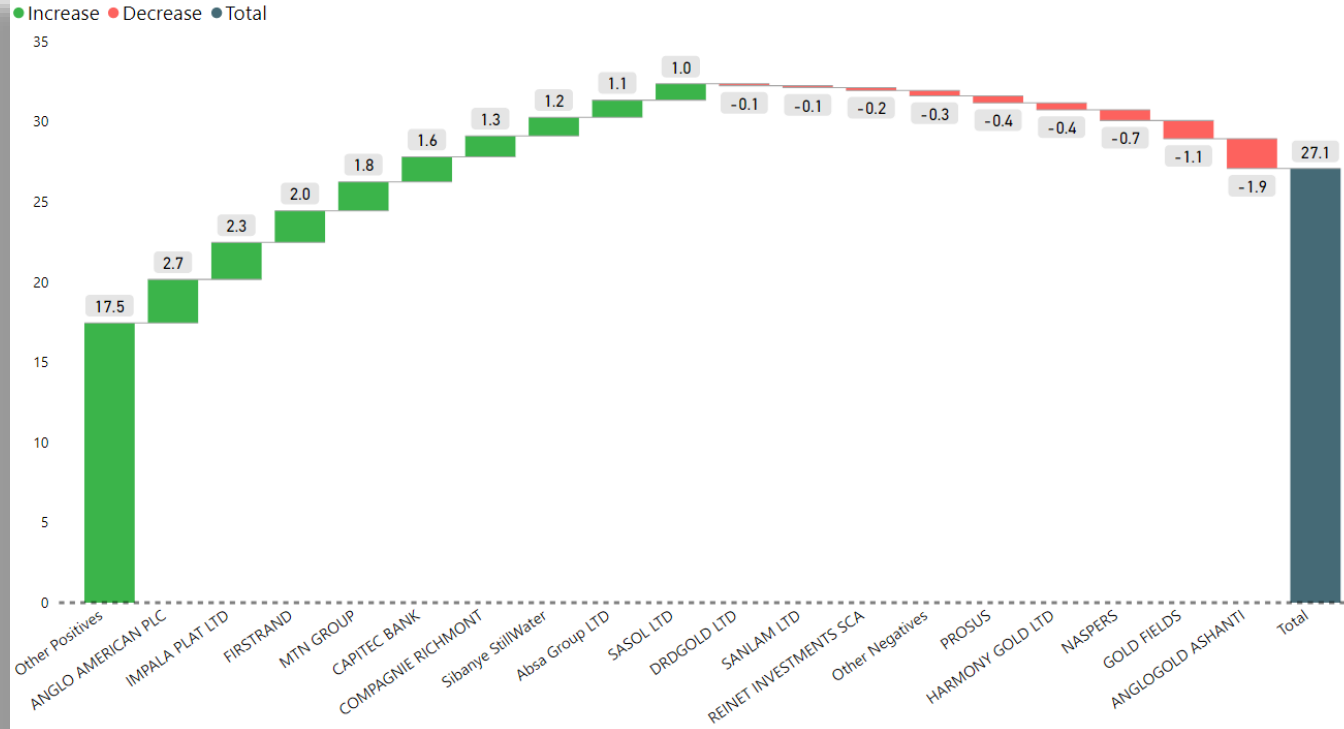
01

Market Concentration

Market concentration



One-year Capped SWIX contributions ending July 2021





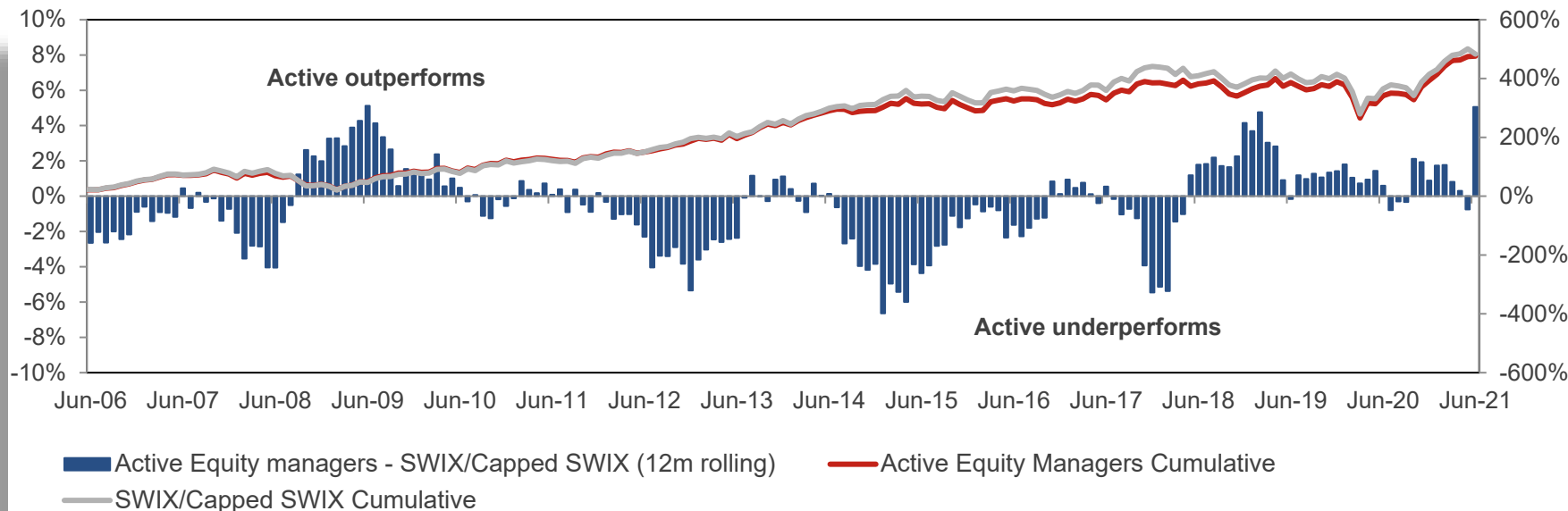
02

Active Index
Analysis

Active index analysis: Equities



One-year rolling active to June 2021



The median of the active equity investment managers outperformed the SWIX/Capped SWIX composite benchmark for the 12-month period ending June 2021.

(SWIX until 31 October 2017 and Capped SWIX thereafter)

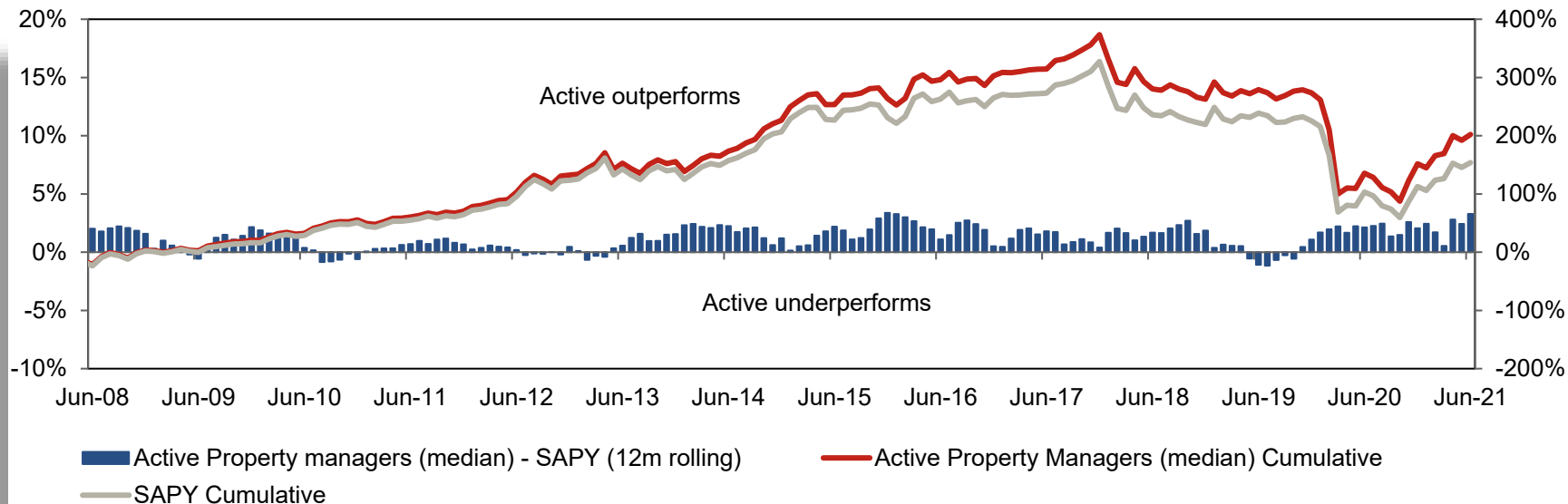
Data lagged by one month

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

Active index analysis: Property



One-year rolling active to June 2021



The median return of the active property investment managers have outperformed the SAPY for a 12-month period ending June 2021.

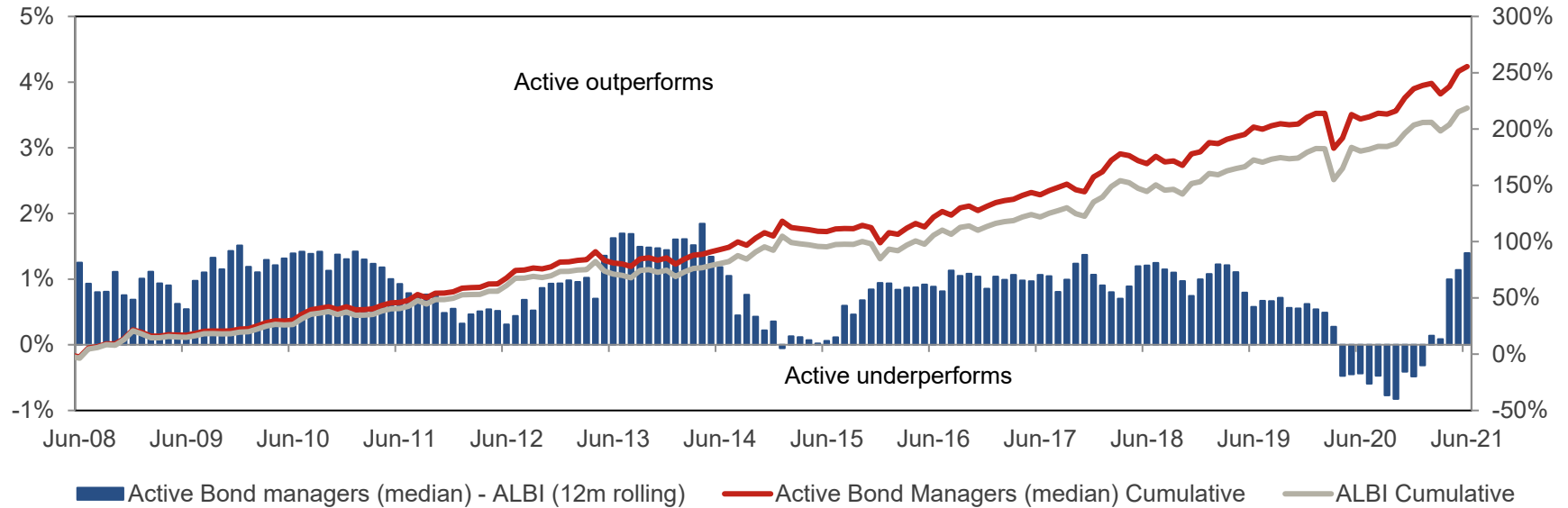
Data lagged by one month

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

Active index analysis: Bonds



One-year rolling active to June 2021



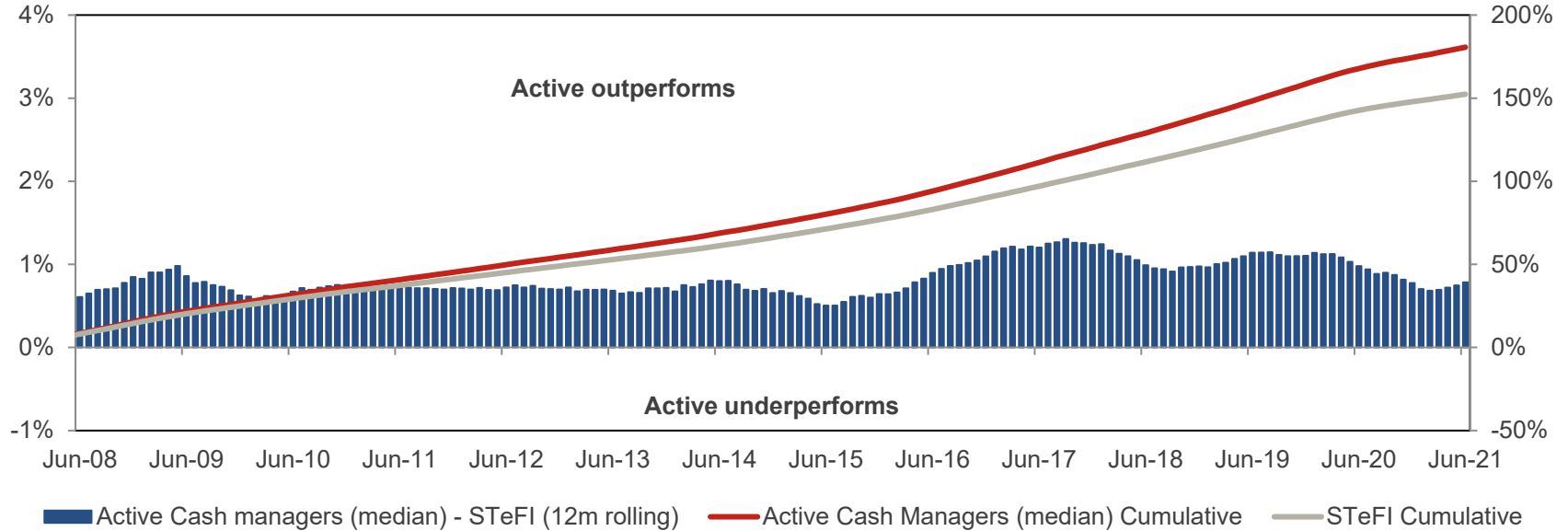
The median of the active bond investment managers outperformed the ALBI for the 12-month period ending June 2021.

Data lagged by one month

Active index analysis: Cash



One-year rolling active to June 2021



The median of the active money market investment managers outperformed the SteFI for the 12-month period ending June 2021.

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 July 2021

ZAR	Styles	One month to July 2021	Three months to July 2021	One year to July 2021	Three years to July 2021	Five years to July 2021	Ten years to July 2021	Twenty years to July 2021
Value	Book to Price	-2,29	-0,69	24,90	-1,38	-1,95	-3,18	-0,65
	Dividend Yield	-0,32	-2,29	13,61	1,68	4,15	0,37	3,23
	Earnings Yield	2,69	2,28	11,96	-0,72	1,46	-0,99	0,18
	Cash Flow Yield	0,28	2,78	14,15	-3,88	0,98	-0,24	1,20
	Sales to Price	1,79	1,57	21,08	1,15	1,65	-0,99	-0,08
Quality	ROE	0,50	-2,89	-13,86	0,33	3,33	2,15	1,22
	ROIC LT	2,21	2,50	-5,72	-1,33	-1,18	-1,09	-0,46
	Income to Sales	2,42	0,93	-9,45	-0,29	0,50	0,63	0,06
	Low market beta	-2,85	-4,51	-13,33	-4,78	-3,98	0,54	-0,11
	Low Debt/Equity	-1,49	-1,00	-11,94	-0,31	0,21	-0,51	-1,03
	EBIT Margin Stability	1,72	0,32	-5,78	-1,56	-2,78	1,67	0,72
Growth	Earnings Growth	-0,86	-0,18	-10,46	5,27	5,69	2,21	0,66
	Sales Growth	-1,11	-3,15	5,76	4,72	2,08	1,61	0,12
	12M Earning Growth	-1,69	-1,81	0,27	10,82	2,62	0,16	4,92
Momentum	FY1 Earnings Revisions	-0,07	3,07	4,32	5,43	3,70	5,15	7,73
	Short Term Momentum	-1,52	-4,54	-5,34	-1,56	-2,29	0,80	-0,25
	Medium Term Momentum	-1,37	0,95	-13,67	6,95	2,52	5,58	5,62
Size	Size	1,50	0,91	-11,25	2,98	2,33	1,63	0,08

Quality continues to lag behind Momentum and Value

Source: FactSet, Momentum Global Investment Management and Momentum Investments



04

Sector Analysis

Sector Analysis

FTSE/JSE sectors decomposed

Three months to July 2021

Key

Resources

Financials

Industrials



1 Personal Goods	Consumer Discretionary	24,80%	17 Tobacco	Consumer Staples	3,91%
2 Industrial Transportation	Industrials	20,88%	18 Consumer Services	Consumer Discretionary	3,91%
3 Oil	Energy	18,89%	19 Services	Real Estate	2,91%
4 Retailers	Consumer Discretionary	18,80%	20 Food Producers	Consumer Staples	1,36%
5 Industrial Support Services	Industrials	16,29%	21 Beverages	Consumer Staples	0,65%
6 General Industrials	Industrials	16,20%	22 Life Insurance	Financials	0,46%
7 Travel and Leisure	Consumer Discretionary	11,76%	23 Investment Banking and Brokerage	Financials	-0,16%
8 Biotechnology	Health Care	11,38%	24 Electronic and Electrical Equipment	Industrials	-0,96%
9 Personal Care	Consumer Staples	10,04%	25 Real Estate Investment Trusts	Real Estate	-1,72%
10 Finance and Credit Services	Financials	10,03%	26 Non-life Insurance	Financials	-2,29%
11 Telecommunications Service Providers	Telecommunications	9,66%	27 Industrial Materials	Basic Materials	-2,92%
12 Construction and Materials	Industrials	9,40%	28 Precious Metals and Mining	Basic Materials	-3,24%
13 Industrial Metals and Mining	Basic Materials	8,40%	29 Closed End Investments	Financials	-5,80%
14 Banks	Financials	7,76%	30 Chemicals	Basic Materials	-8,52%
15 Health Care Providers	Health Care	6,39%	31 Software and Computer Services	Technology	-15,13%
16 Automobiles and Parts	Consumer Discretionary	5,98%	32 Alternative Energy	Energy	-23,12%

Source: Barra and Deutsche Securities

Sector Analysis



FTSE/JSE sectors decomposed

One Year to July 2021

1 Alternative Energy	Energy	203,65%	17 Construction and Materials	Industrials	35,57%
2 Industrial Transportation	Industrials	107,59%	18 Precious Metals and Mining	Basic Materials	35,28%
3 Finance and Credit Services	Financials	91,12%	19 Travel and Leisure	Consumer Discretionary	30,96%
4 Retailers	Consumer Discretionary	91,10%	20 Beverages	Consumer Staples	28,63%
5 Industrial Support Services	Industrials	81,26%	21 Personal Care	Consumer Staples	26,41%
6 Consumer Services	Consumer Discretionary	77,41%	22 Real Estate Investment and Services	Real Estate	25,82%
7 Personal Goods	Consumer Discretionary	72,59%	23 Real Estate Investment Trusts	Real Estate	25,61%
8 Chemicals	Basic Materials	65,11%	24 Closed End Investments	Financials	25,21%
9 Industrial Metals and Mining	Basic Materials	64,14%	25 Pharmaceuticals and Biotechnology	Health Care	24,20%
10 Oil	Energy	62,79%	26 Health Care Providers	Health Care	17,47%
Telecommunications Service					
11 Providers	Telecommunications	53,52%	27 Investment Banking and Brokerage	Financials	12,06%
Electronic and Electrical					
12 Equipment	Industrials	50,62%	28 Food Producers	Consumer Staples	9,77%
13 Banks	Financials	49,45%	29 Life Insurance	Financials	7,29%
14 General Industrials	Industrials	46,82%	30 Non-life Insurance	Financials	-6,51%
15 Automobiles and Parts	Consumer Discretionary	39,01%	31 Software and Computer Services	Technology	-10,83%
16 Industrial Materials	Basic Materials	37,07%	32 Tobacco	Consumer Staples	-11,54%

Key

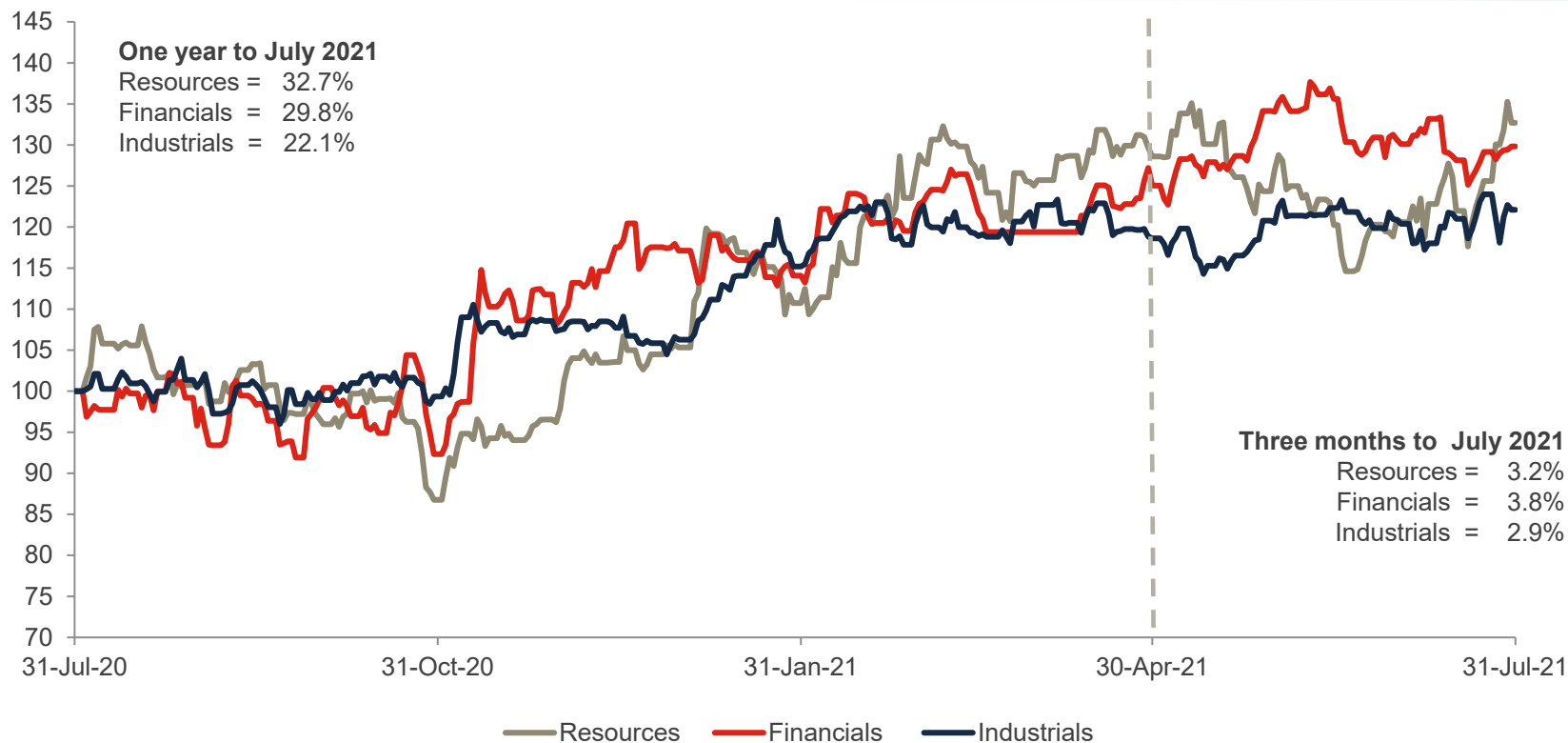
Resources

Financials

Industrials

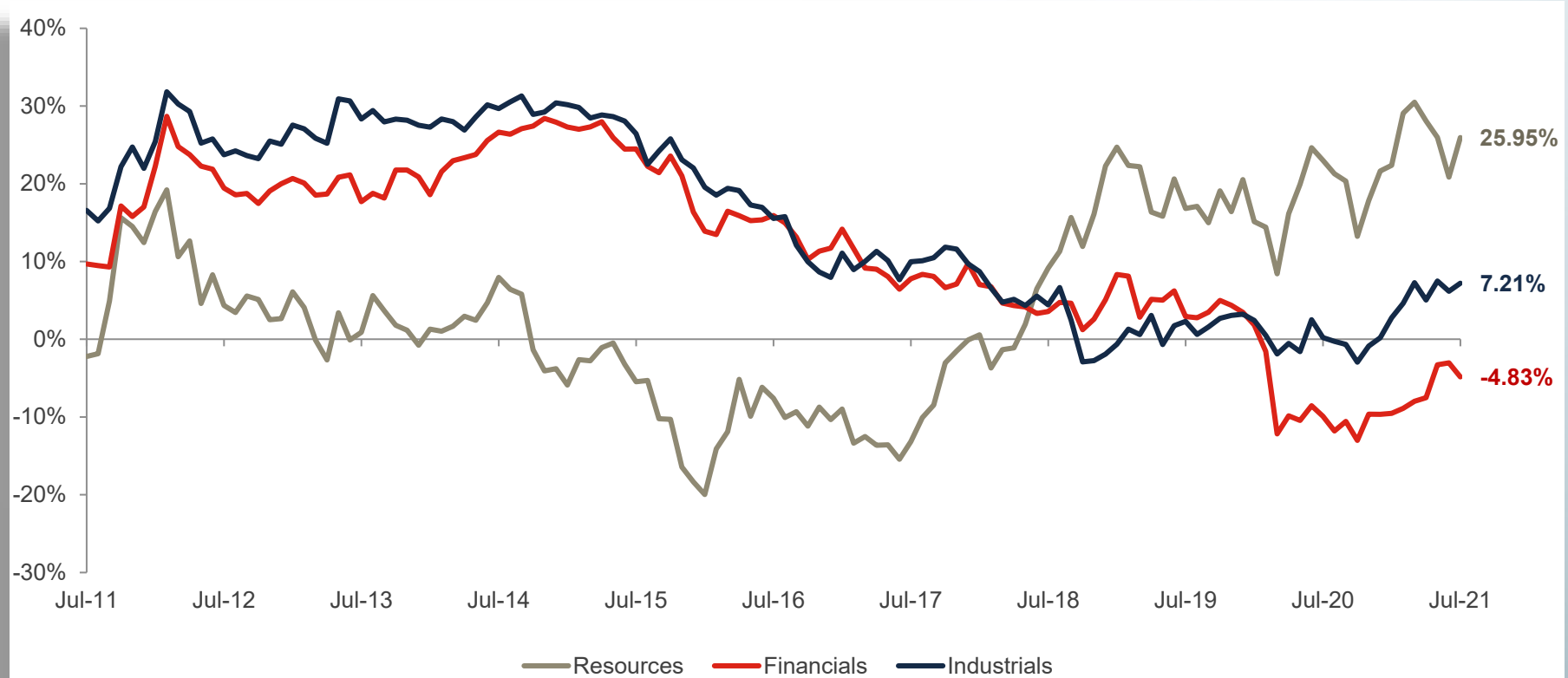
FTSE/JSE sectors

One year rolling to July 2021



FTSE/JSE sectors

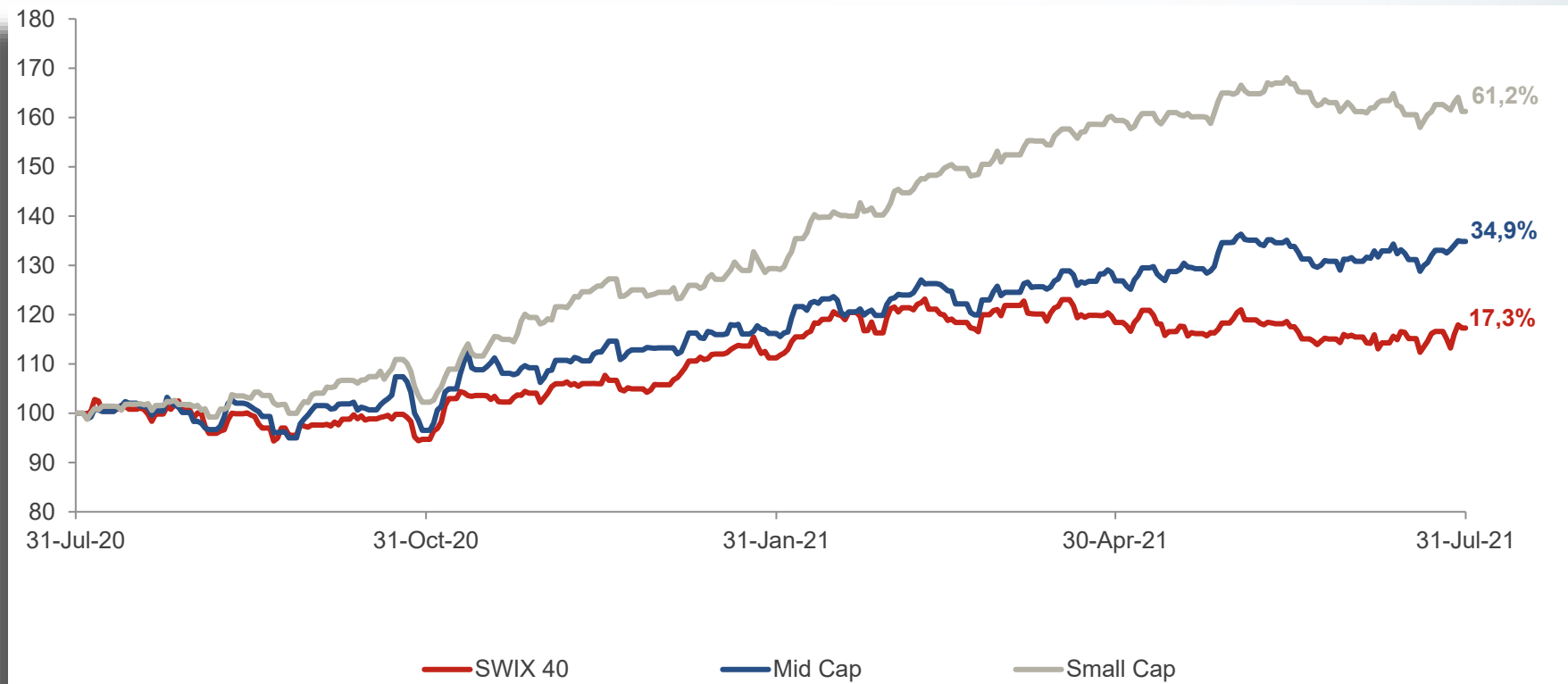
Ten years rolling to July 2021



Source: IRESS and Momentum Investments

FTSE/JSE market caps

One year to June 2021





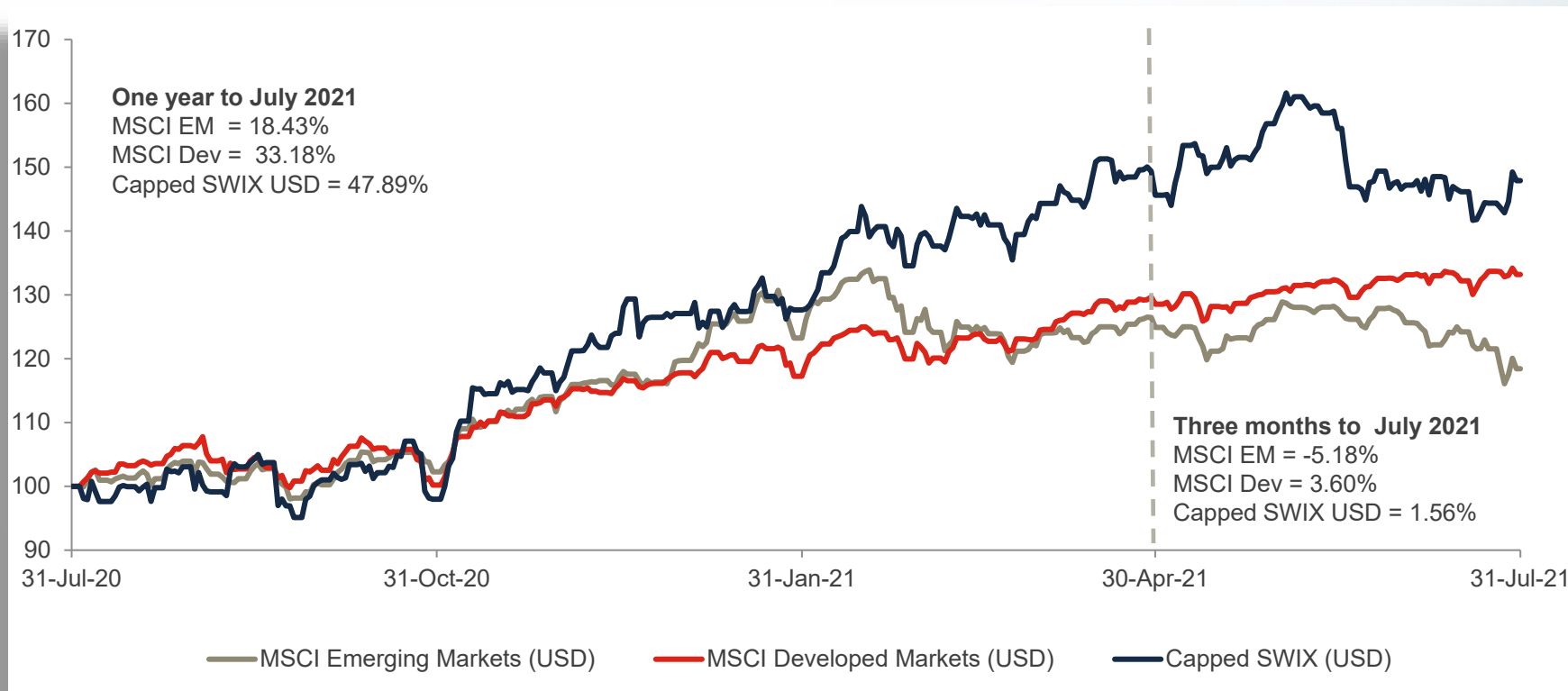
05

Indexed Return Charts

MSCI developed and emerging markets



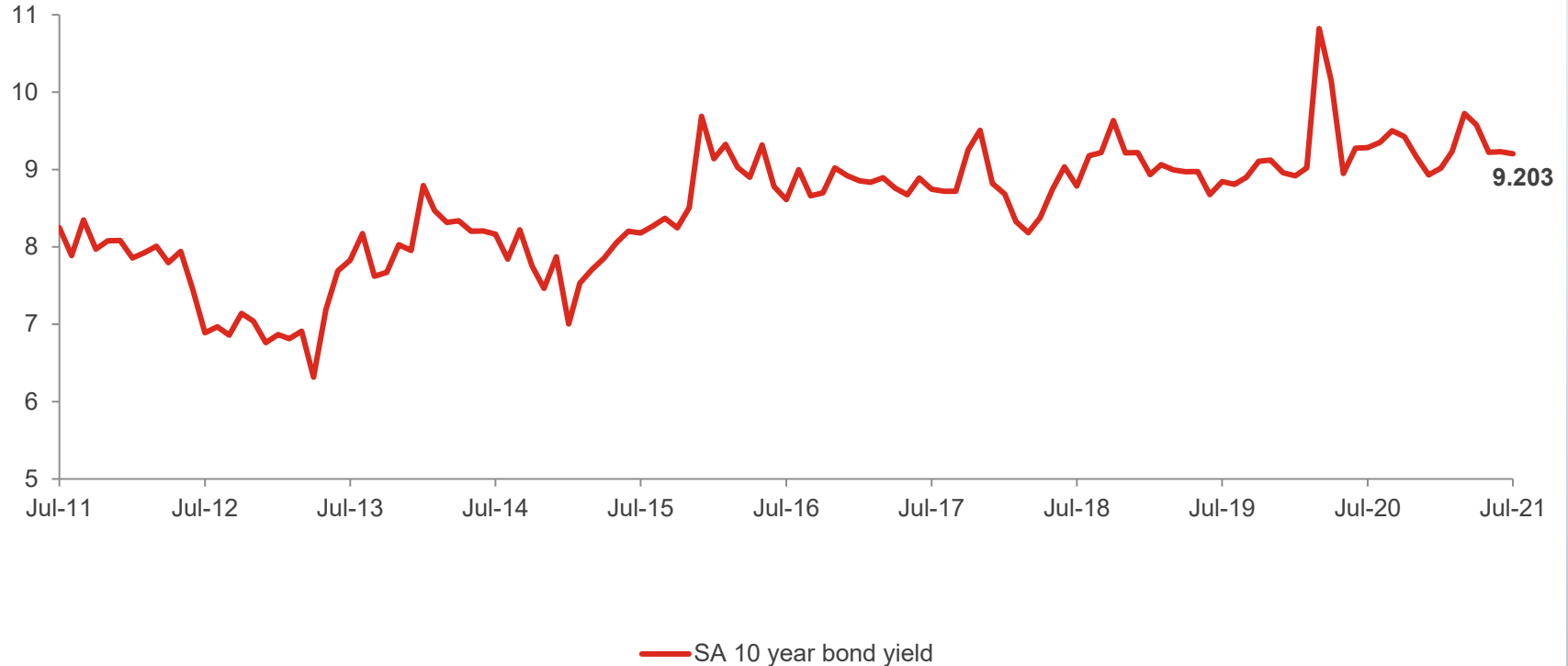
One year to July 2021



SA 10-year bond yields



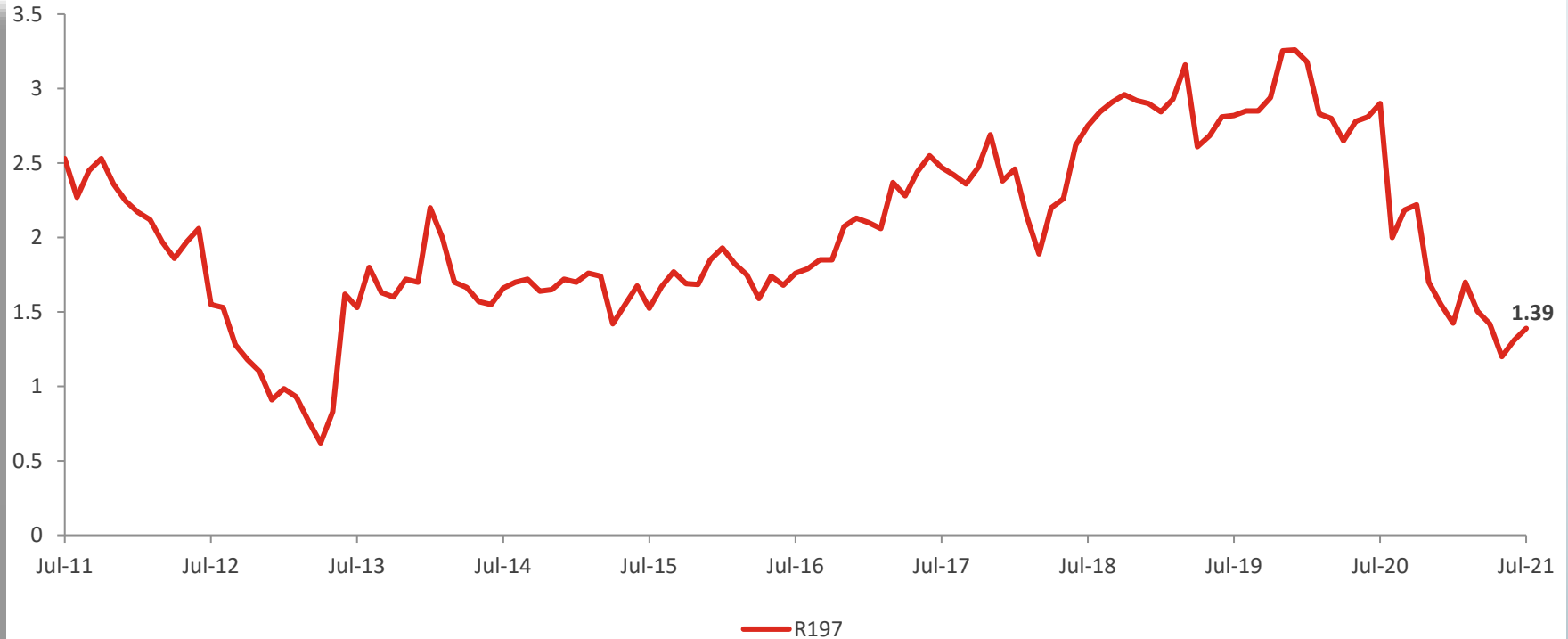
Ten years to July 2021



Yield of R197 (inflation-linked bond)



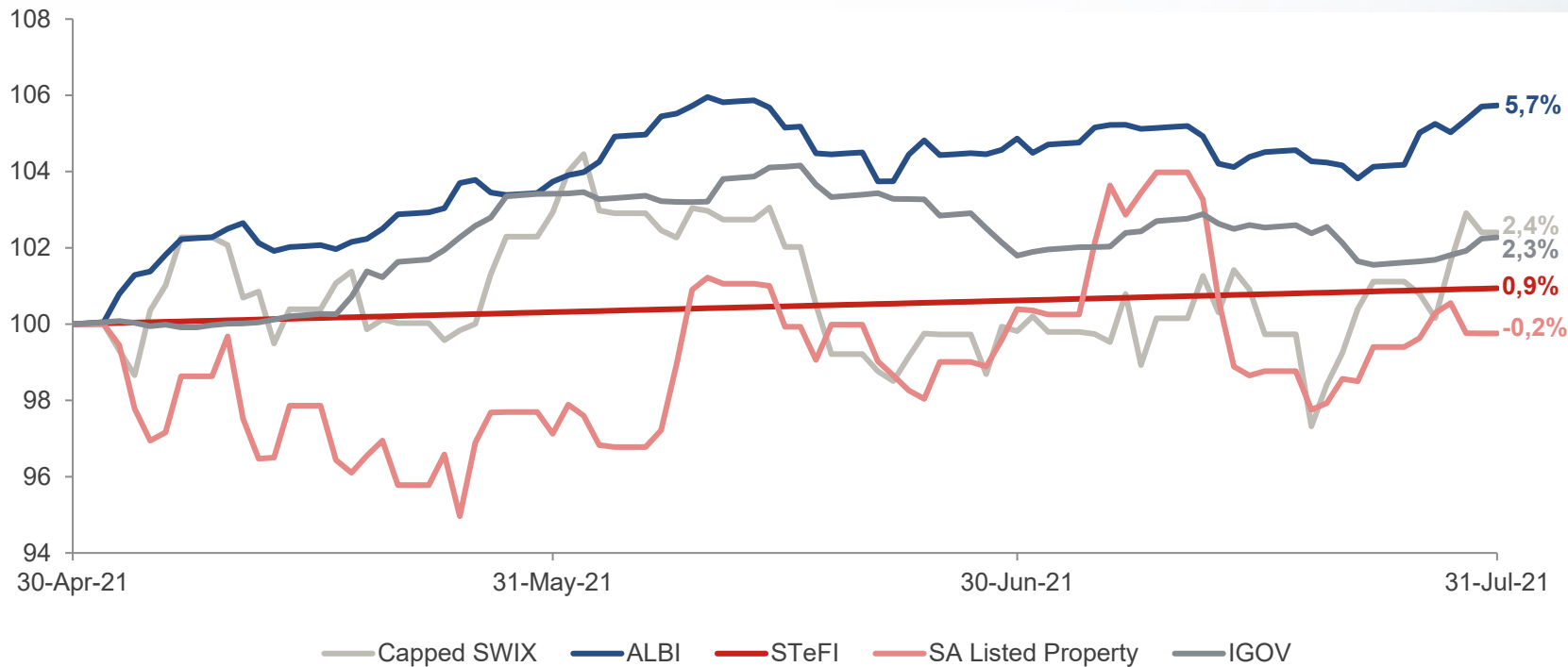
Ten years to July 2021



Local asset classes



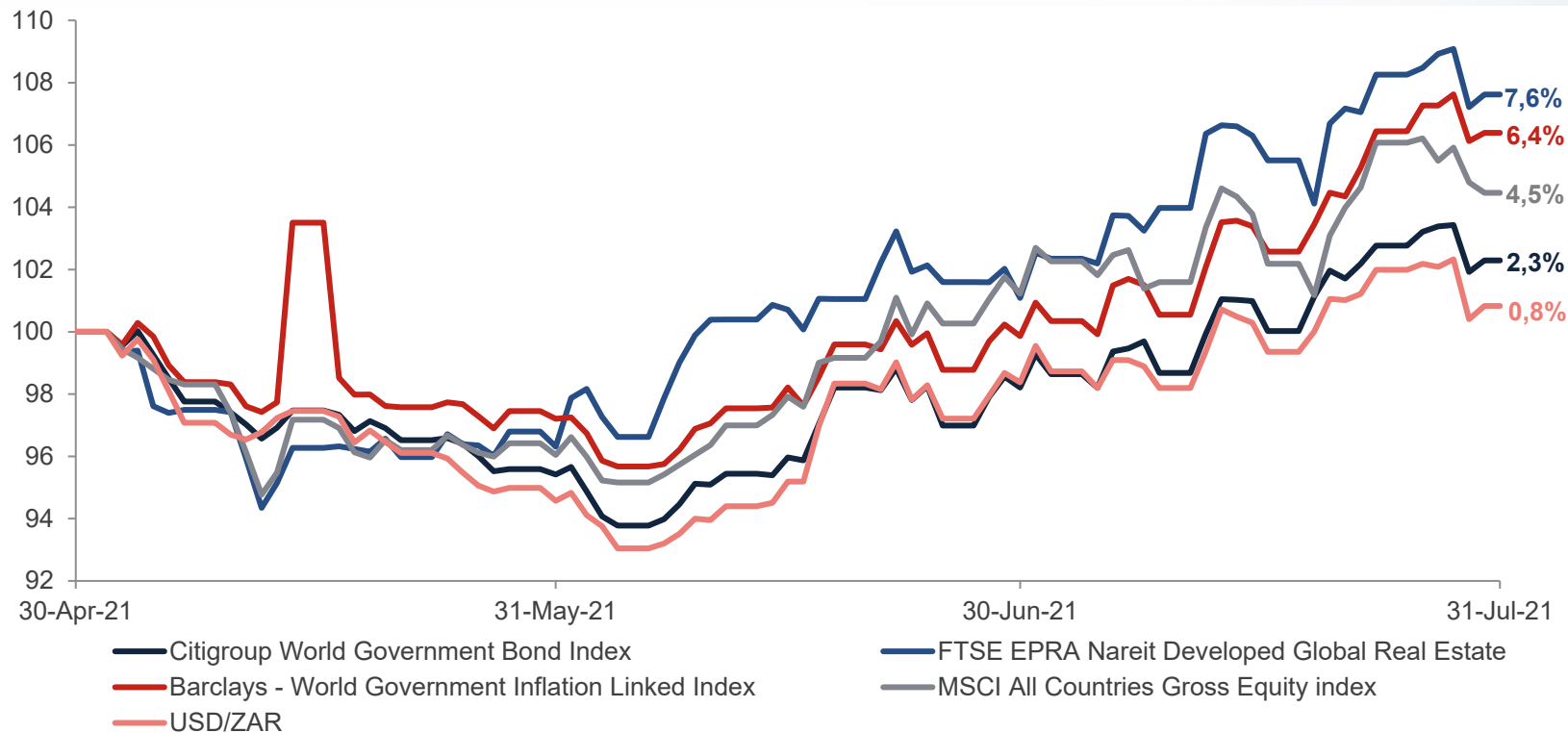
Three months to July 2021



* CPI lagged by one month due to availability of data

Global asset classes

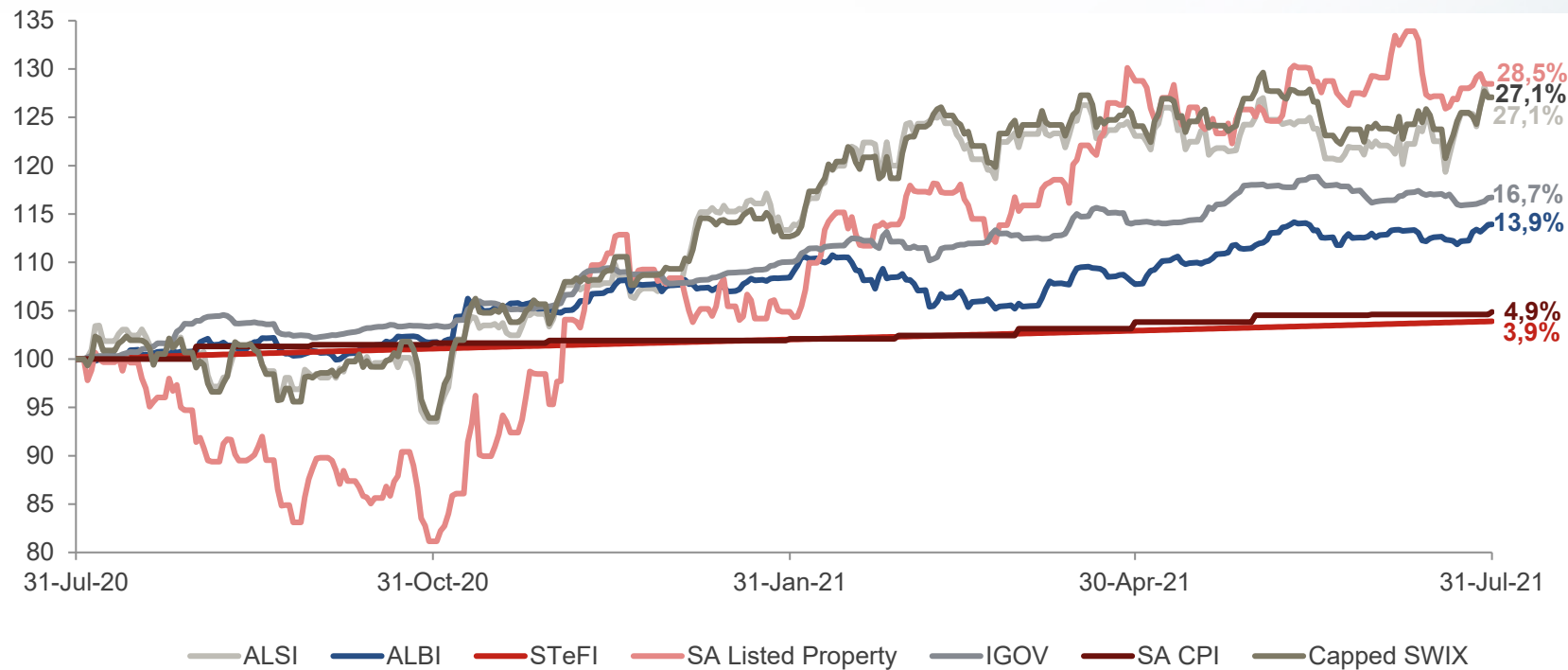
Three months to July 2021



Local asset classes



One year to June 2021

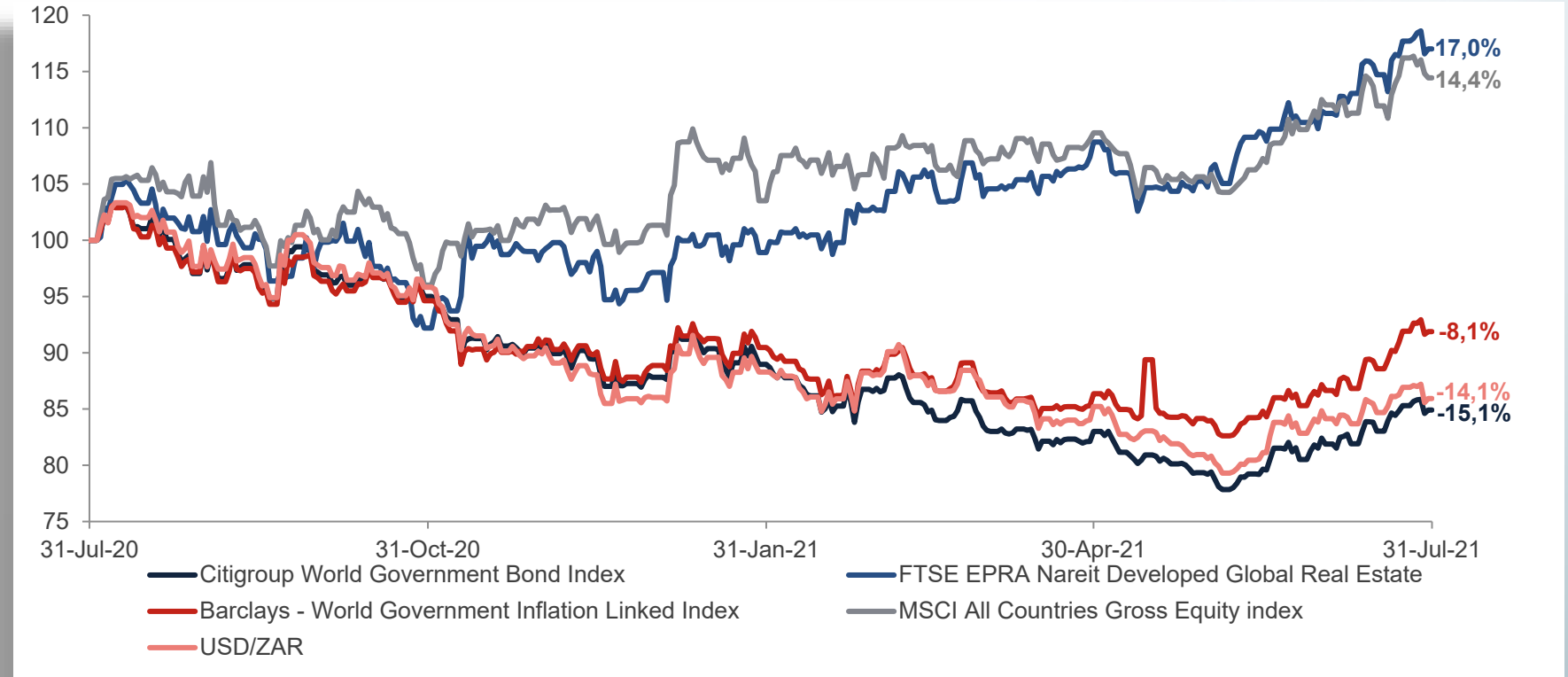


* CPI lagged by one month due to availability of data

Global asset classes



One year to July 2021

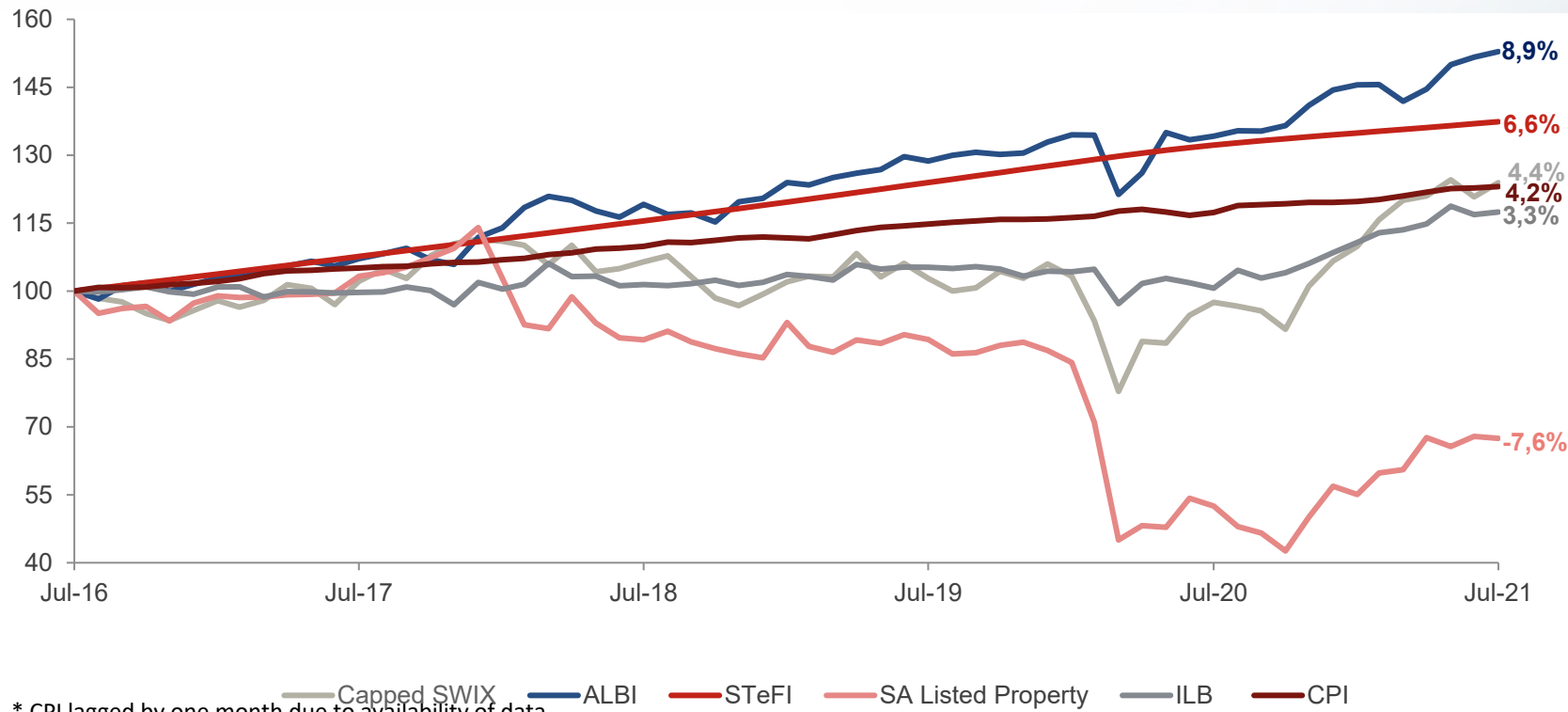


Source: IRESS and Momentum Investments

Local asset classes



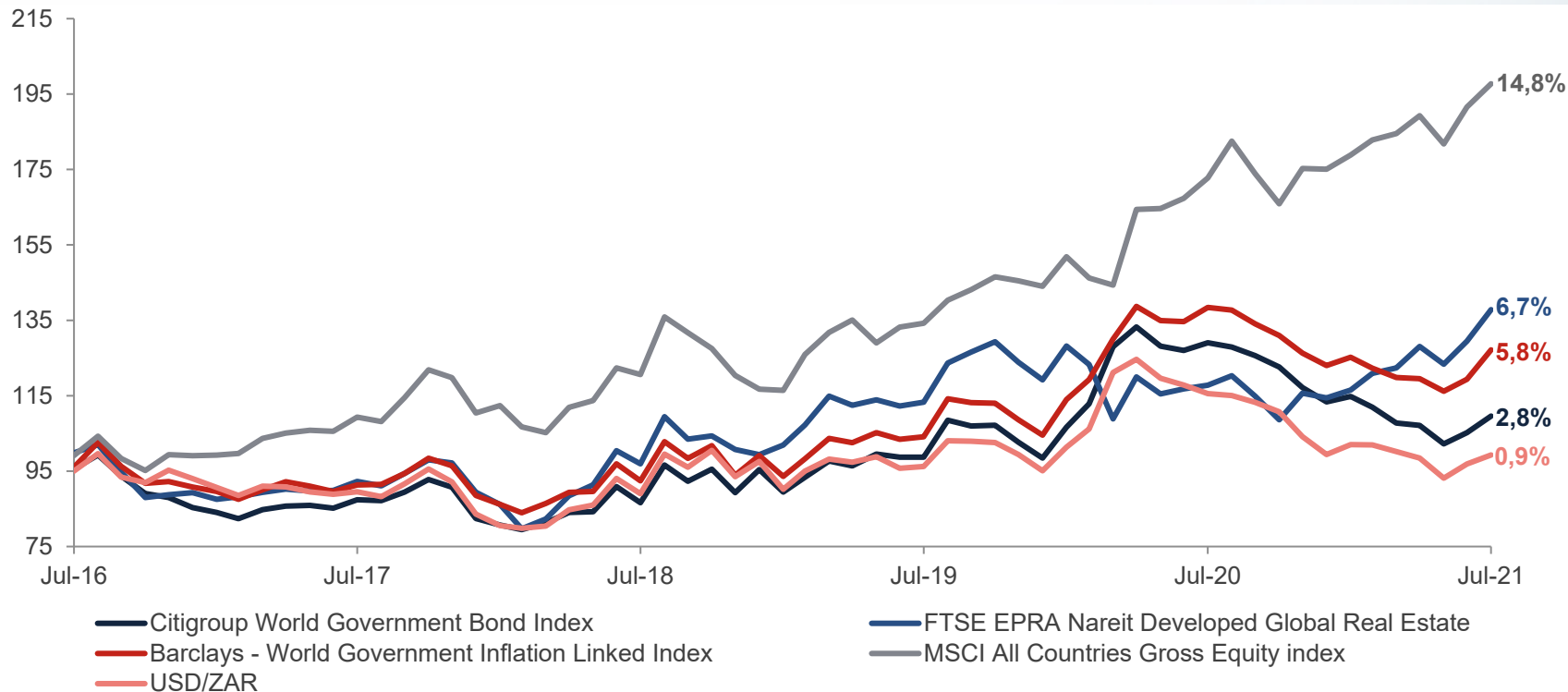
Five years to July 2021



Global asset classes

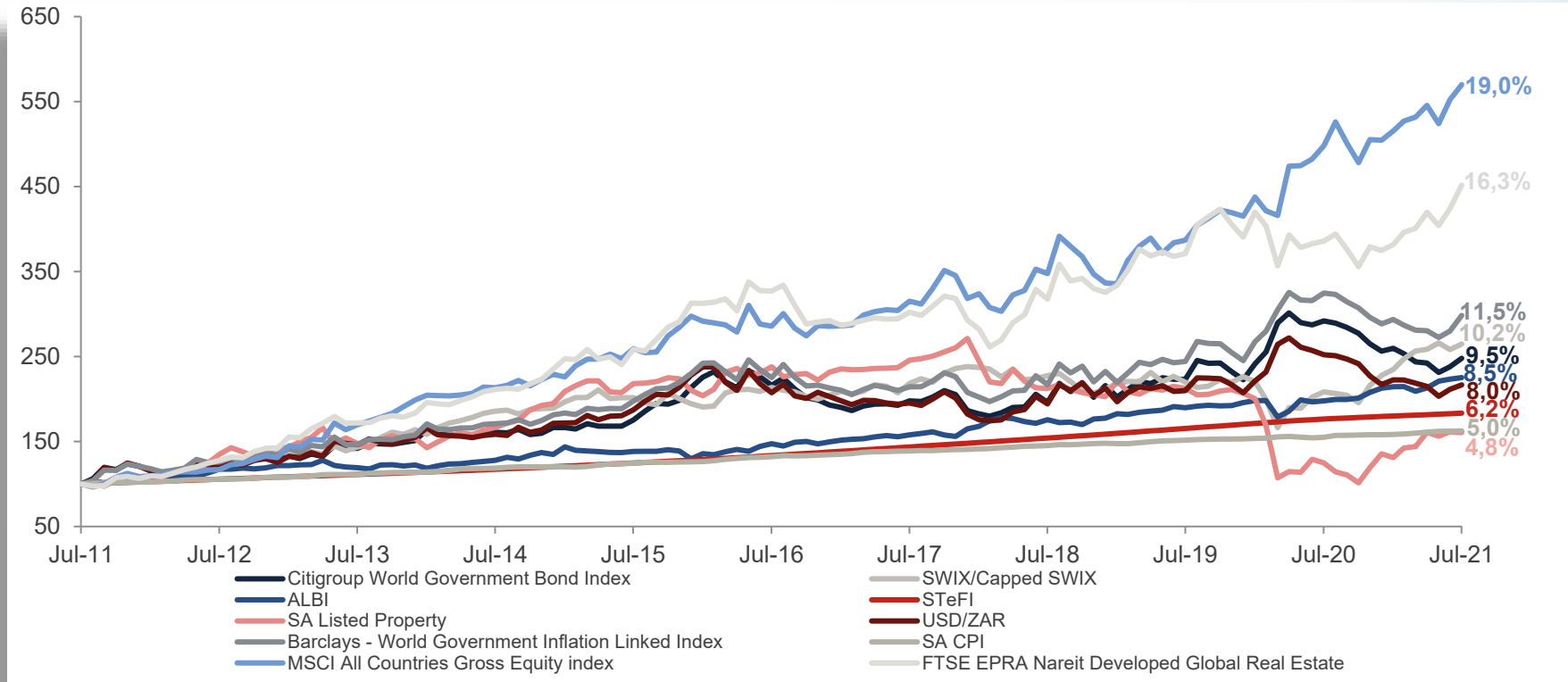


Five years to July 2021



Asset classes

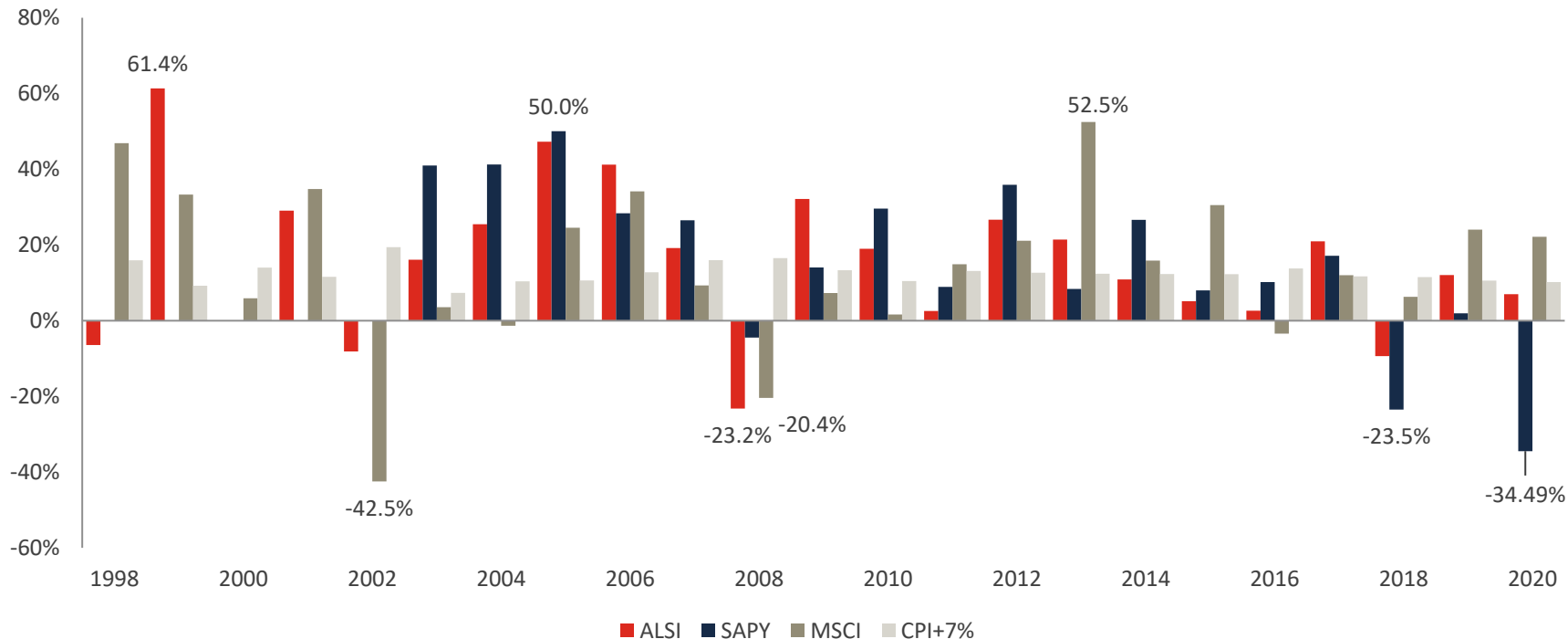
Ten years to July 2021



* CPI lagged by one month due to availability of data

Source: IRESS and Momentum Investments

Annual asset class returns



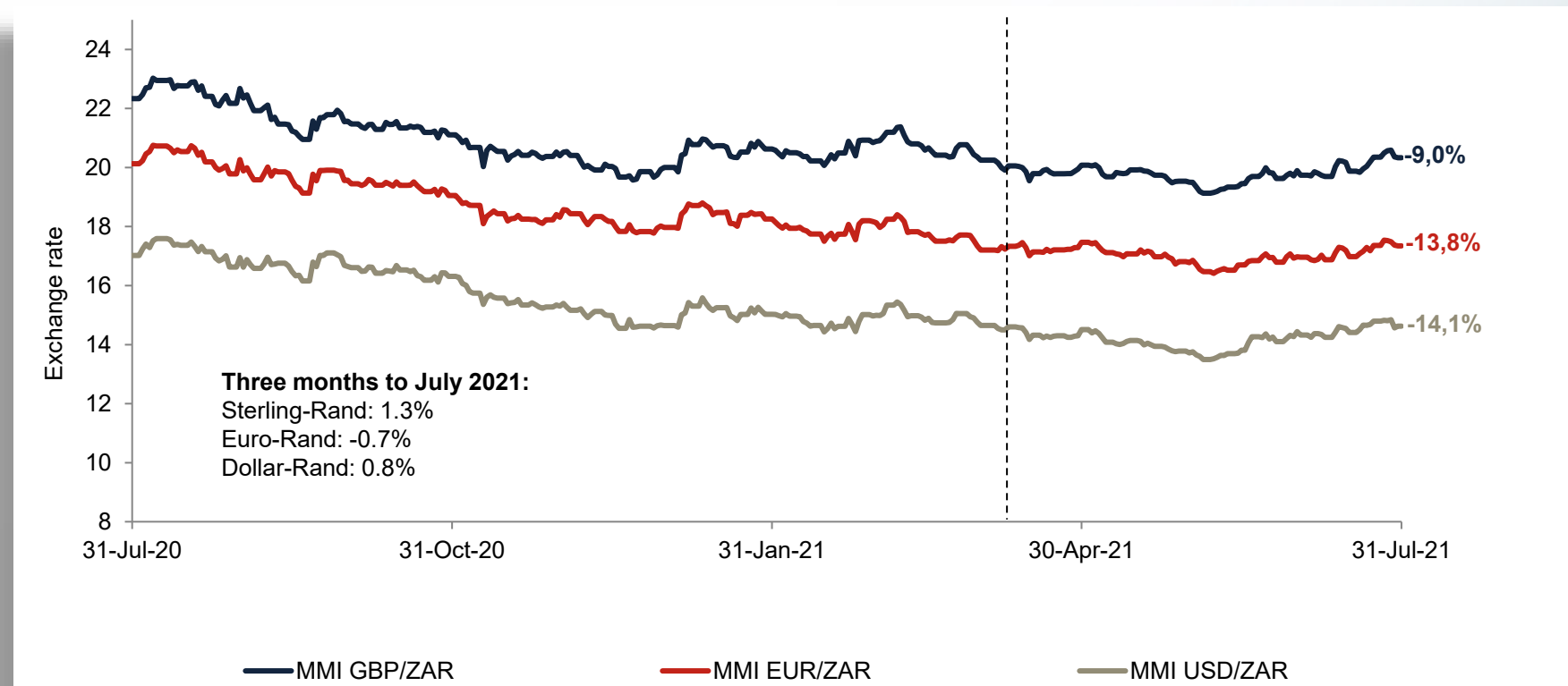
* CPI lagged by one month due to availability of data

Source: IRESS and Momentum Investments

Exchange rates



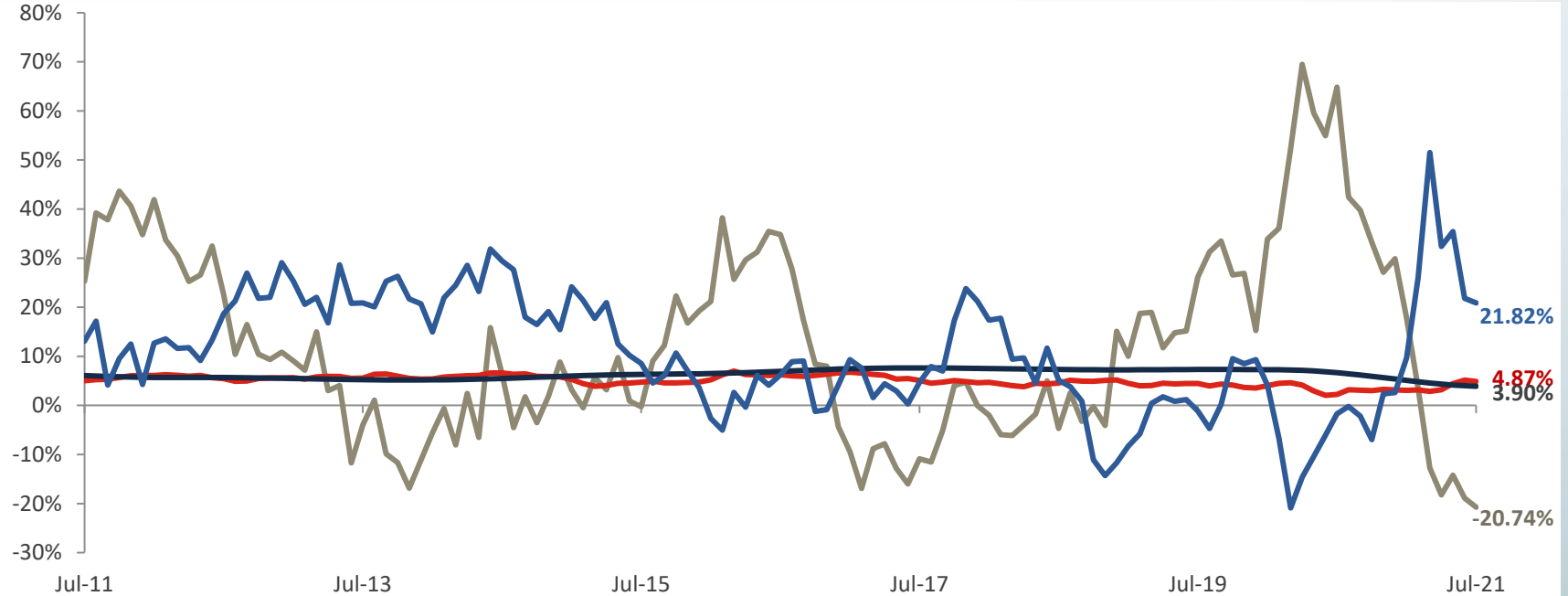
One year to July 2021



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



Ten-year rolling returns to July 2021



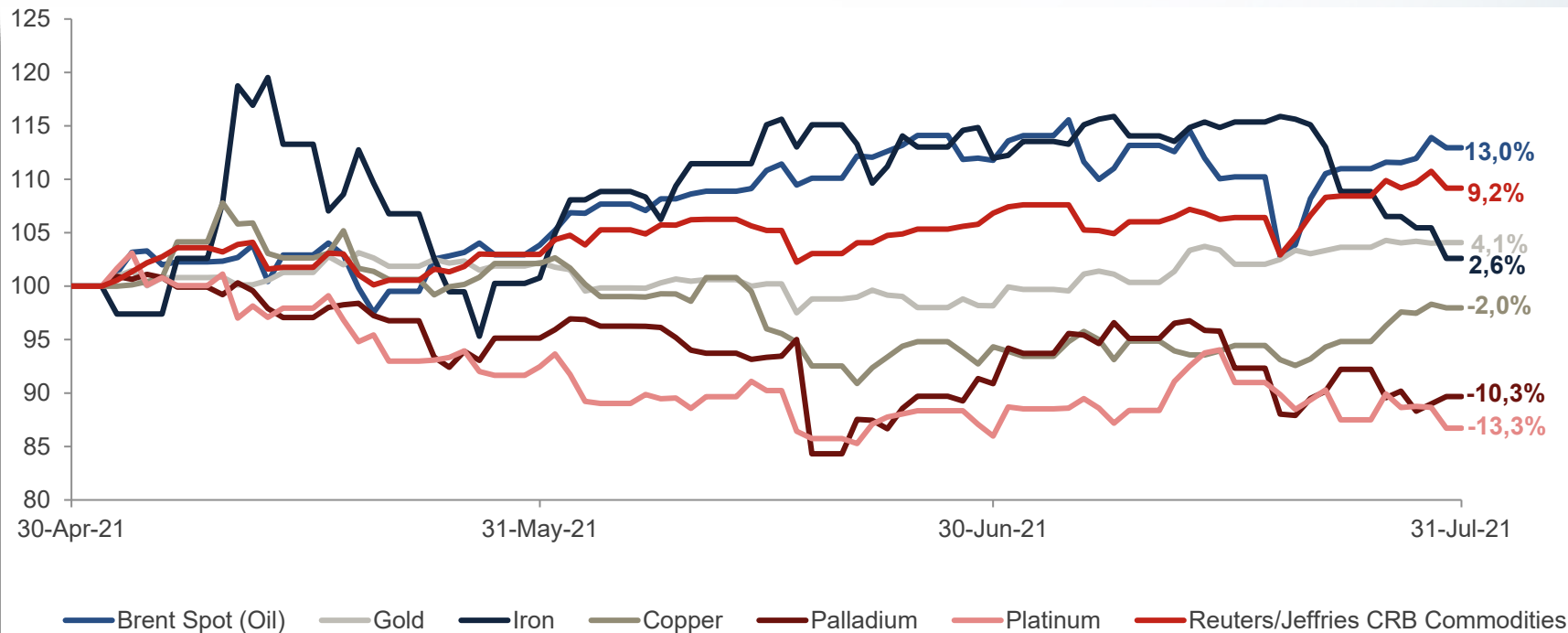
* CPI lagged by one month due to availability of data

— Gold — CPI — SteFI — SWIX

Commodities



Three months to July 2021

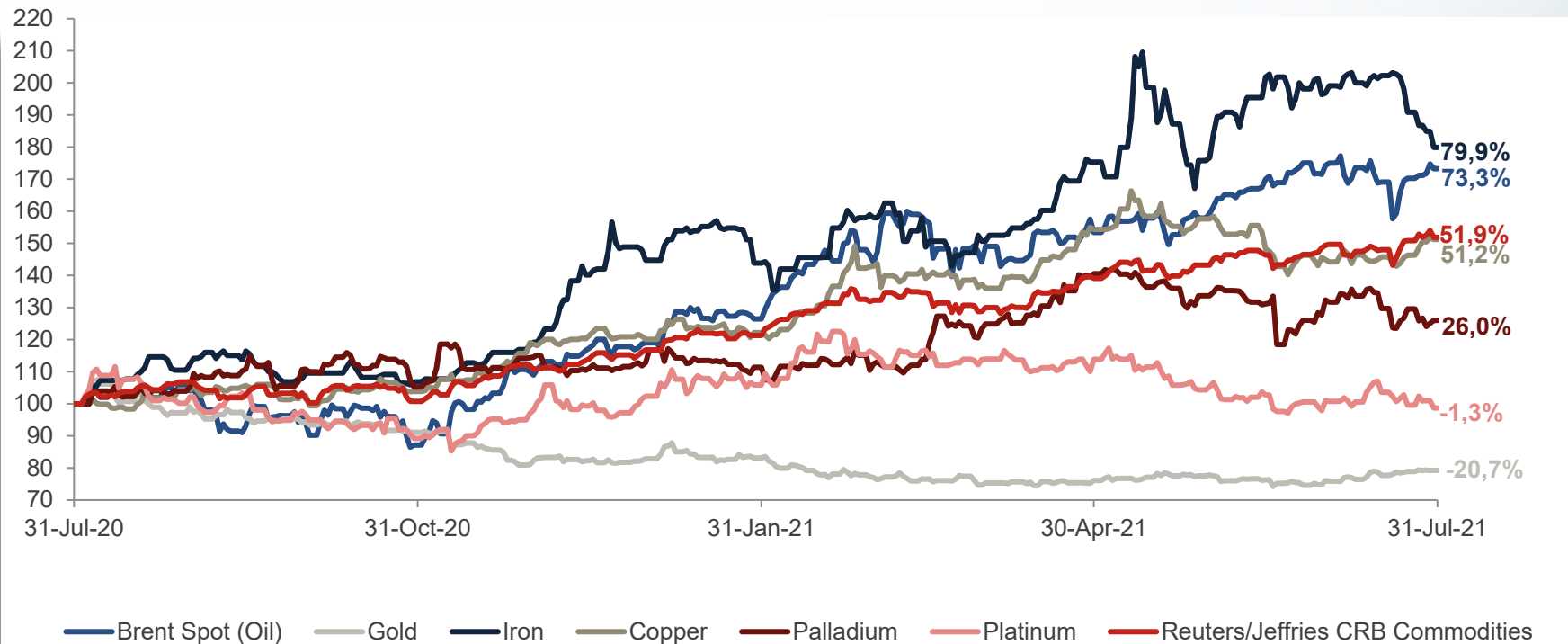


All returns are in dollar terms

Commodities



One year to July 2021



All returns are in dollar terms



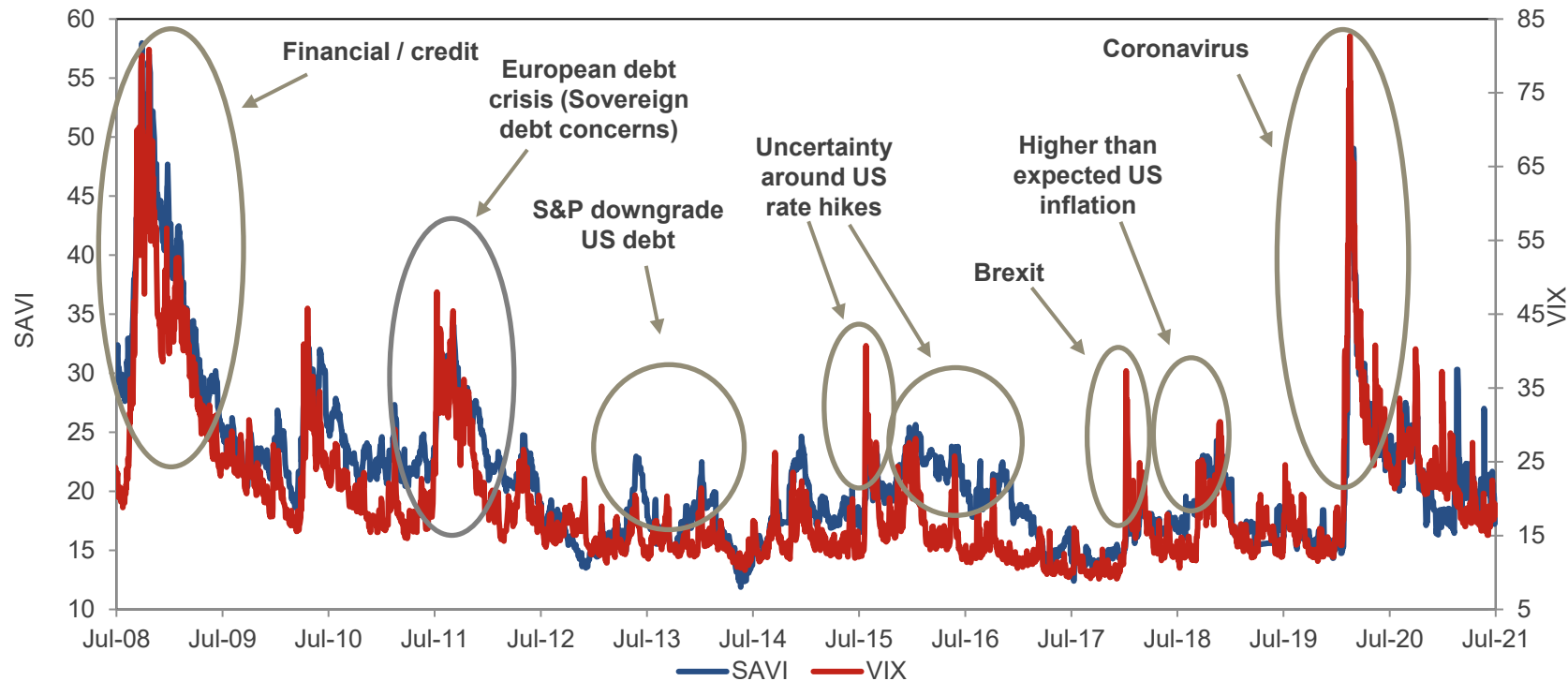
06

Volatility and
international flows

SAVI-VIX



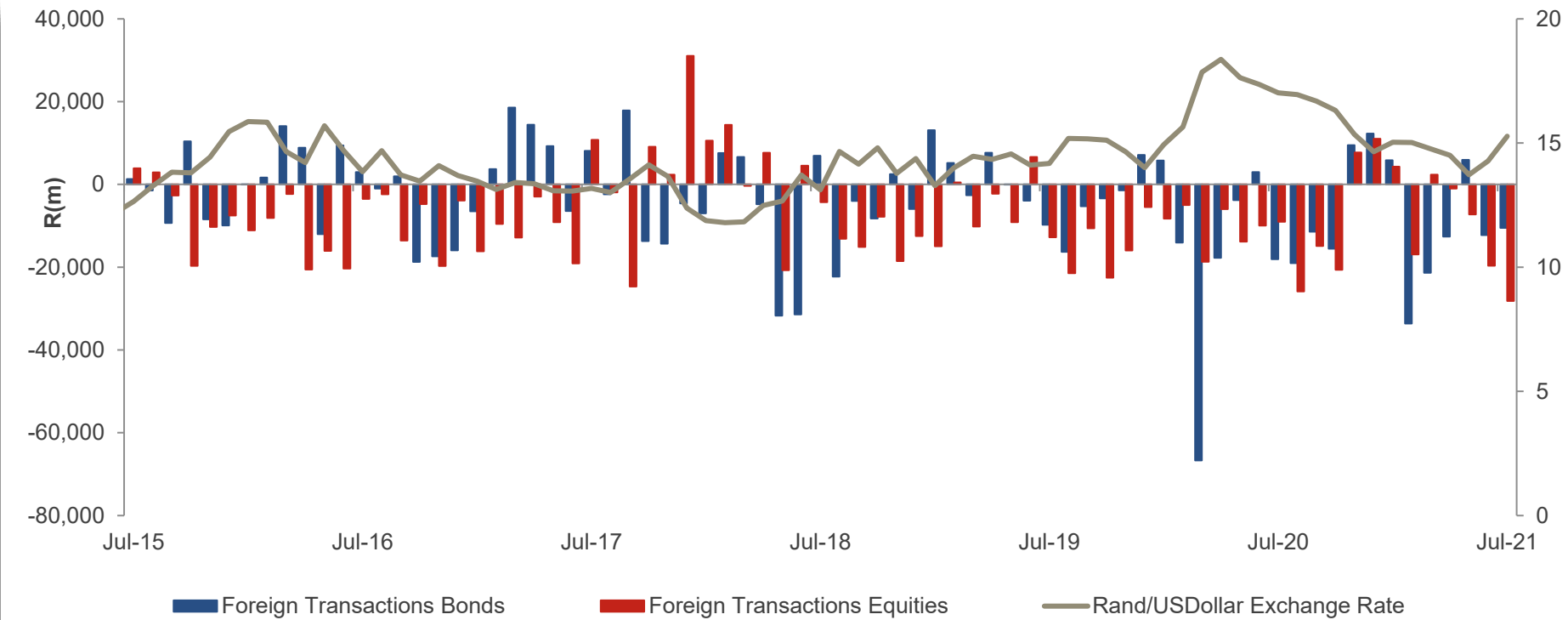
July 2021



Foreign Transactions



2016 to 2021

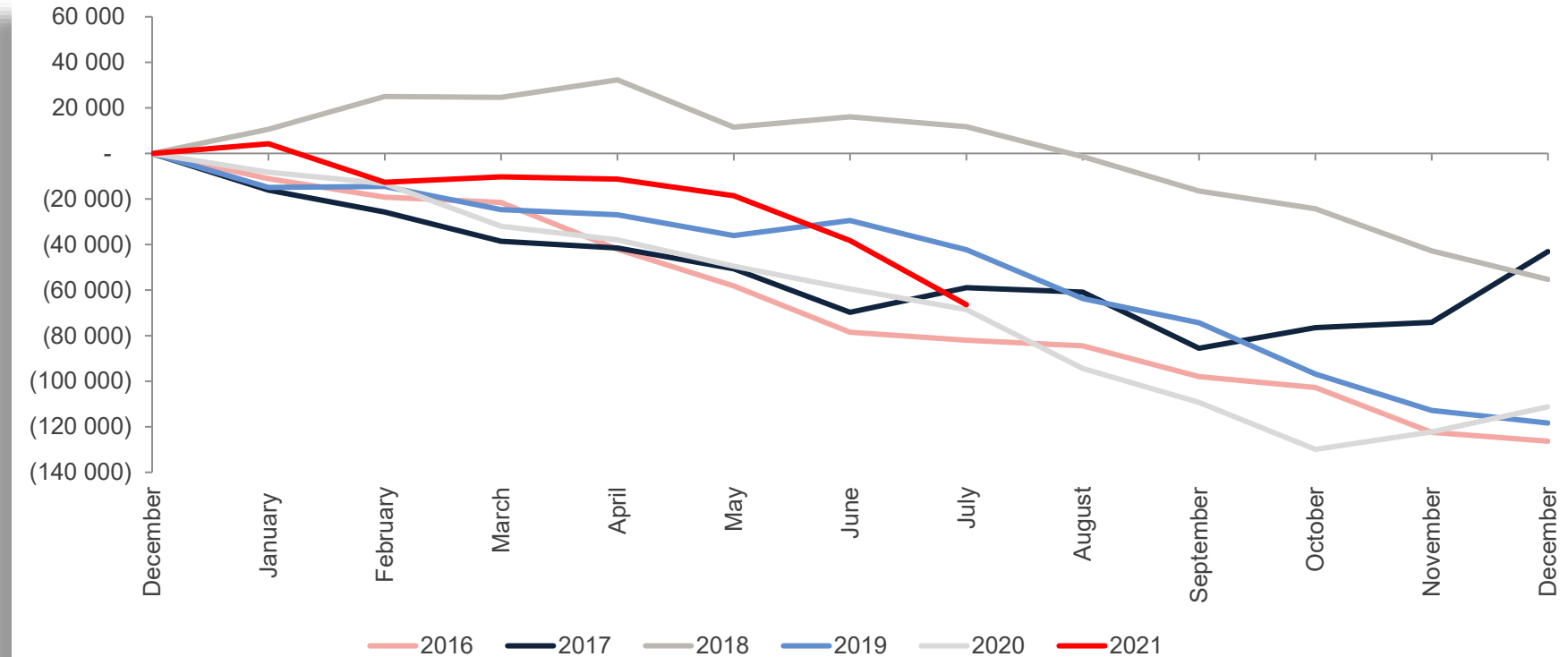


Source: IRESS and Momentum Investments

Cumulative foreign transaction: Equities



2016 to 2021

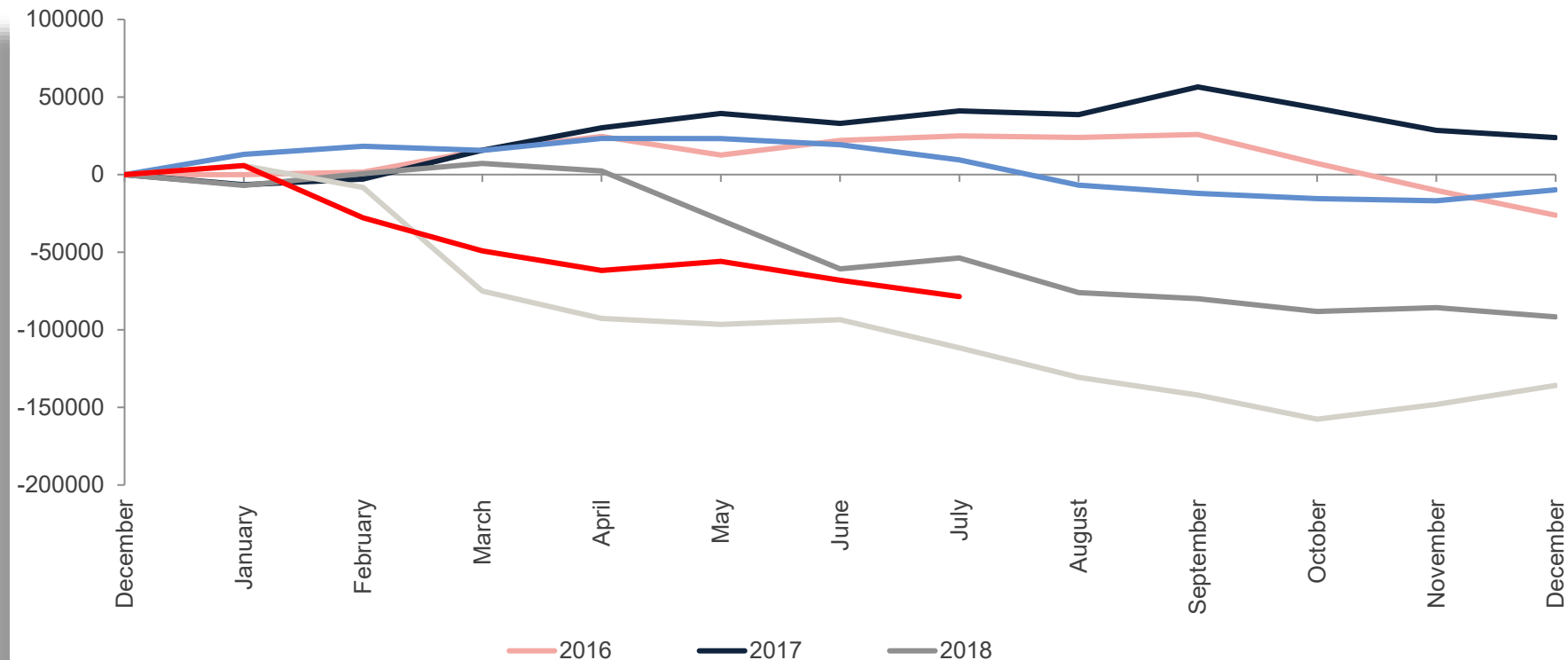


Source: IRESS and Momentum Investments

Cumulative foreign transaction: Bonds



2016 to 2021



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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