

The logo for Momentum Investments, featuring the word "momentum" in a bold, dark blue sans-serif font with a red lowercase "m", and the word "investments" in a smaller, dark blue sans-serif font below it. A large, stylized red "C" shape is positioned to the right of the text, partially overlapping the blue background.

momentum
investments

Key market performance drivers

Monthly charts to
30 June 2020



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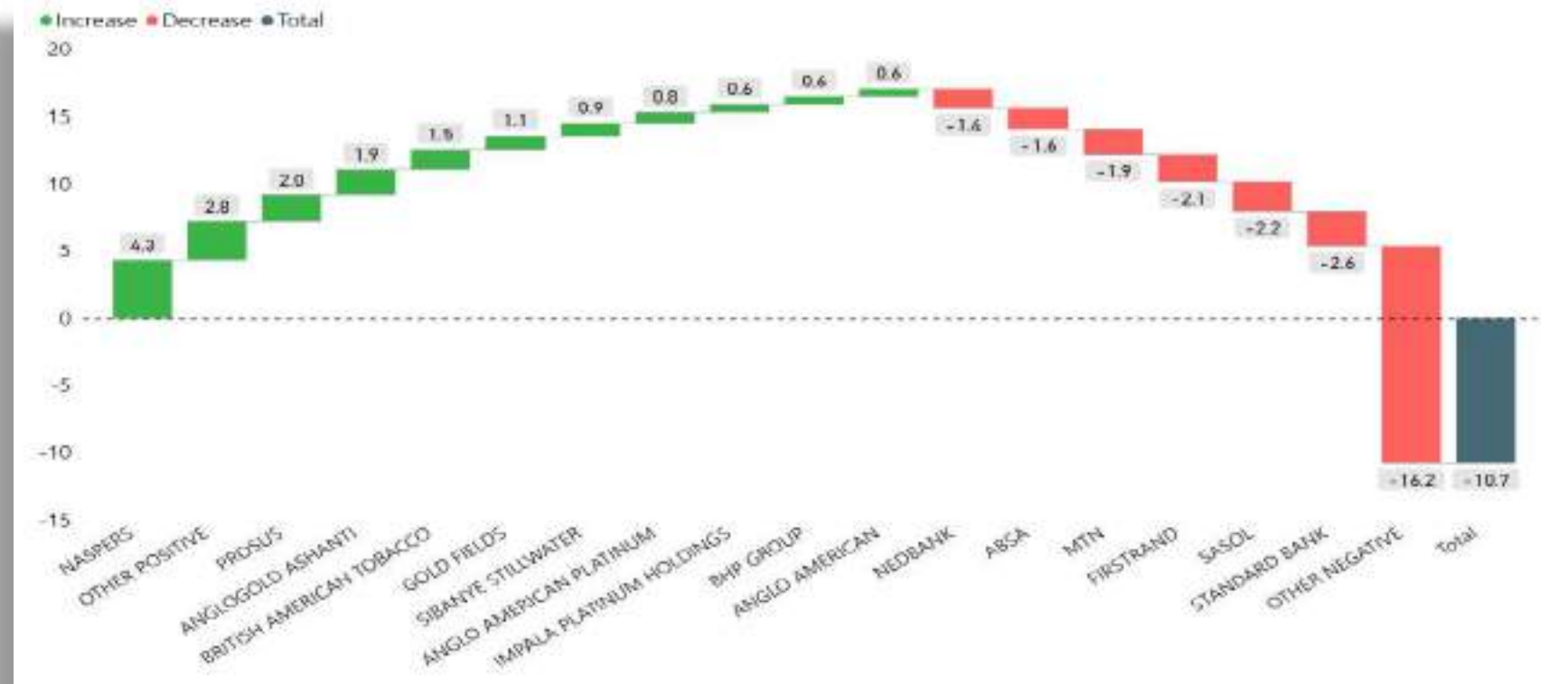
01

Market
concentration

Market concentration



One-year Capped SWIX contributions ending June 2020





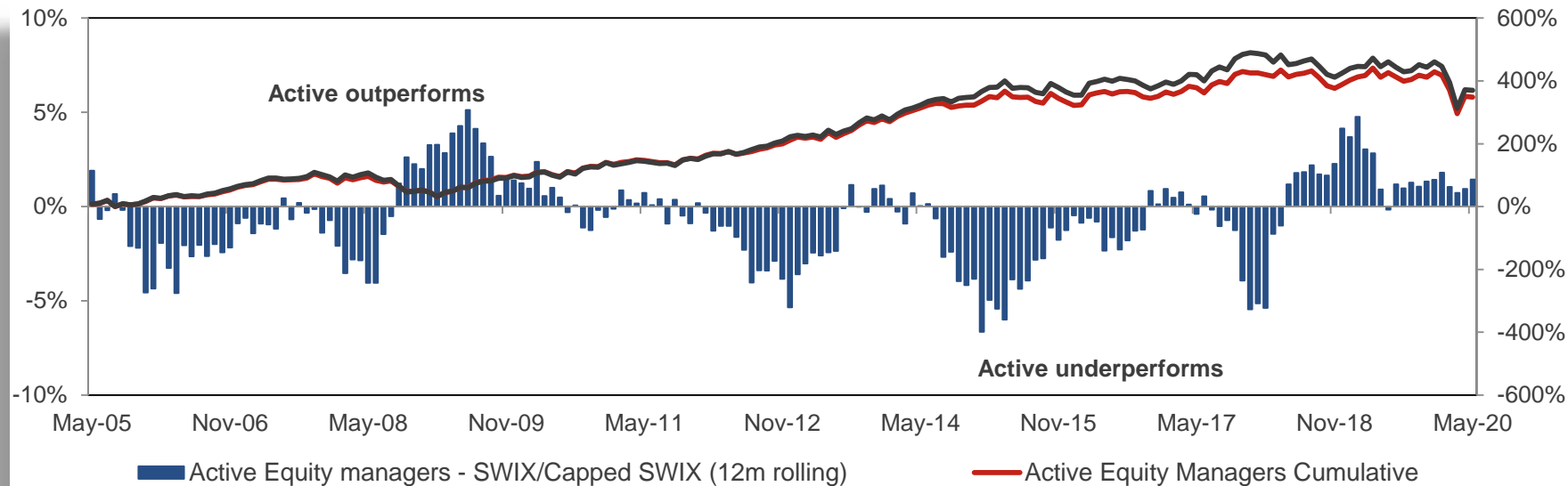
02

Active index
analysis

Active index analysis: Equities



One-year rolling active to May 2020



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

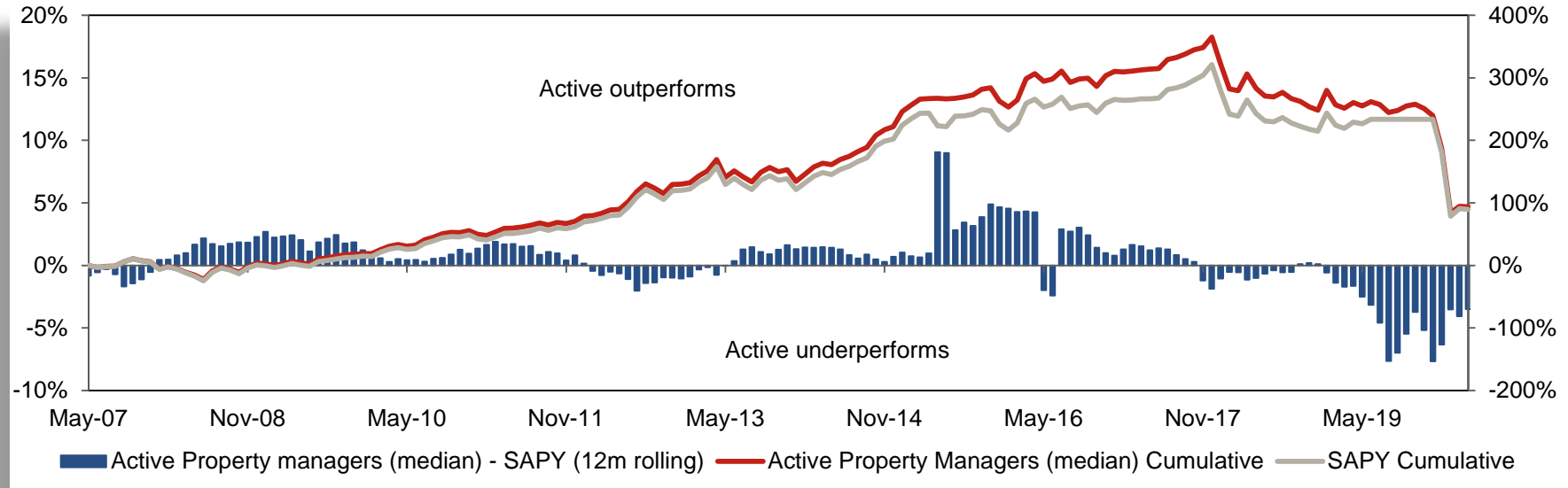
(SWIX until 31 October 2017 and Capped SWIX thereafter)

Data lagged by one month

Active index analysis: Property



One-year rolling active to May 2020



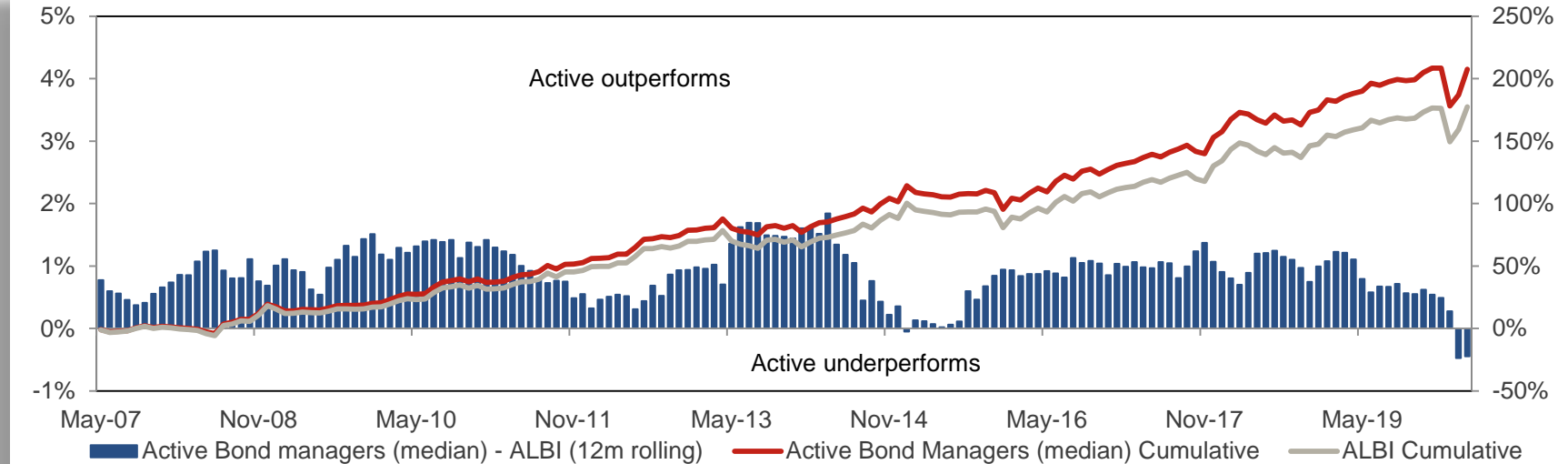
The median return of the active property investment managers underperformed the SAPY for the 12-month period ending May 2020.

Data lagged by one month

Active index analysis: Bonds



One-year rolling active to May 2020



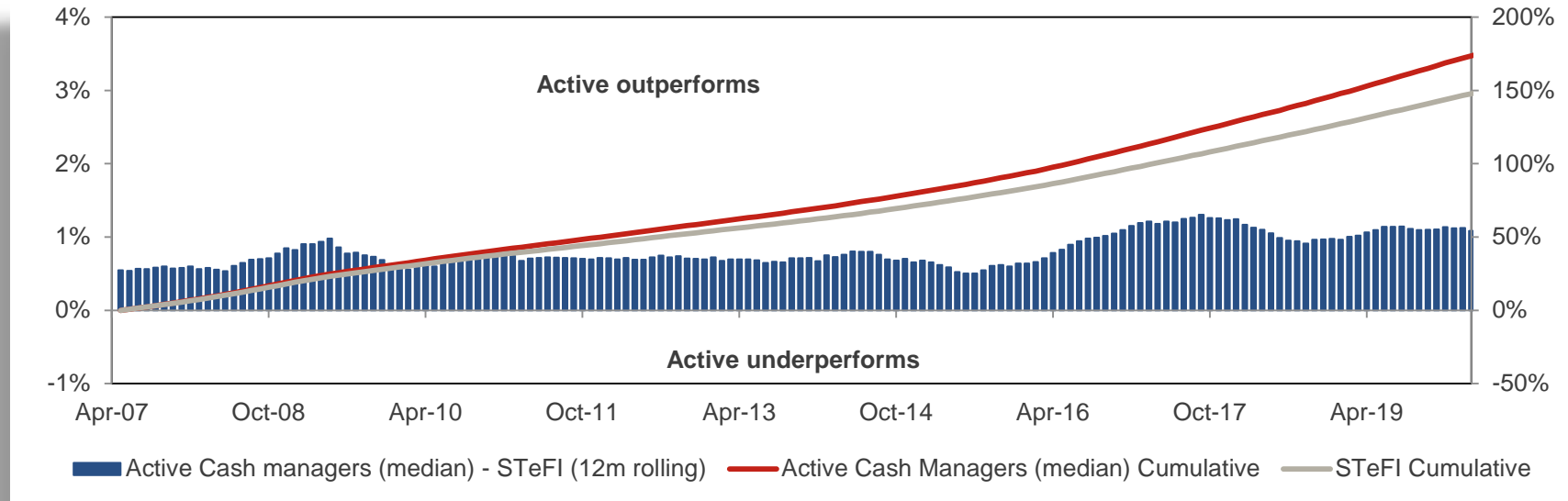
The median of the active bond investment managers underperformed the ALBI for the 12-month period ending May 2020.

Data lagged by one month

Active index analysis: Cash



One-year rolling active to May 2020



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

ZAR	Styles	One month to June 2020	Three months to June 2020	One year to June 2020	Three years to June 2020	Five years to June 2020	Ten years to June 2020	Twenty years to June 2020
Value	Book to Price	16.70	4.25	-10.65	-12.35	-5.10	-5.45	-0.56
	Dividend Yield	12.63	9.35	-6.10	-1.19	1.56	-0.85	3.69
	Earnings Yield	13.73	11.69	2.49	-5.63	-2.92	-2.15	0.06
	Cash Flow Yield	15.42	5.63	-14.31	-5.73	0.70	0.02	1.72
	Sales to Price	6.45	7.29	-1.76	-3.57	-0.27	-1.90	-0.58
Quality	ROE	-0.56	-3.64	6.72	10.31	4.87	3.44	1.15
	ROIC LT	-2.72	0.70	-0.21	-1.05	-0.48	-0.89	-2.09
	Income to Sales	0.27	1.81	7.59	3.45	1.92	1.45	0.27
	Low market beta	-5.65	-15.74	-7.85	-2.11	0.95	1.90	0.91
	Low Debt/Equity	-0.31	-2.44	13.48	5.26	2.57	0.47	0.20
	EBIT Margin Stability	5.89	8.81	7.22	-0.30	-1.06	3.51	0.25
Growth	Earnings Growth	0.21	1.27	15.22	8.85	5.54	3.05	0.88
	Sales Growth	-4.96	-7.82	2.93	0.28	0.23	1.90	-1.15
	12M Earning Growth	-0.10	15.72	22.21	7.72	2.87	0.16	4.32
Momentum	FY1 Earnings Revisions	-1.97	1.42	3.51	6.19	3.36	5.72	7.91
	Short Term Momentum	-2.46	-8.69	2.92	2.54	2.81	0.95	0.82
	Medium Term Momentum	-2.50	1.53	28.40	11.17	5.17	7.46	6.70
Size	Size	-3.57	5.59	7.49	9.76	4.33	2.39	0.57

Momentum and growth has outperformed over the one year period, while quality is mixed.

Value has come back over the last three months, outperforming momentum and growth.



04

Sector analysis

Sector analysis



FTSE/JSE sectors decomposed

Three months to June 2020

1	Chemicals	Basic Materials	162.18%	17	Construction & Materials	Industrials	12.30%
2	Industrial Metals & Mining	Industrials	65.36%	18	Tobacco	Consumer Goods	11.85%
3	Pharmaceuticals & Biotechnology	Healthcare	52.26%	19	Forestry & Paper	Basic Materials	11.40%
4	Mining	Basic Materials	50.03%	20	General Industrials	Industrials	8.40%
5	Fixed-line Telecommunications	Telecommunications	44.33%	21	Banks	Financials	6.95%
6	Industrial Transportation	Industrials	34.97%	22	Equity Investment Instruments	Financials	6.63%
7	Automobiles & Parts	Consumer Goods	28.93%	23	Support Services	Industrials	6.53%
8	Media	Consumer Services	25.48%	24	Beverages	Consumer Goods	5.81%
9	Financial Services	Financials	19.54%	25	Software & Computer Services	Technology	1.98%
10	Real Estate Investment Trusts	Financials	19.35%	26	Non-life Insurance	Financials	0.00%
11	Life Insurance	Financials	19.23%	27	Food Producers	Consumer Goods	-1.59%
12	Travel & Leisure	Travel & Leisure	17.62%	28	Food & Drug Retailers	Consumer Services	-2.04%
13	Real Estate Investment & Services	Financials	15.87%	29	Healthcare Equipment & Service	Healthcare	-5.97%
14	General Retailers	Consumer Services	14.13%	30	Household Goods & Home Construction	Consumer Goods	-8.11%
15	Personal Goods	Consumer Goods	14.04%	31	Oil & Gas Producers	Financial Services	-17.50%
16	Mobile Telecommunications	Telecommunications	13.68%	32	Electronic & Electrical Equipment	Industrials	-21.23%

Key

Resources
Financials
Industrials

Sector analysis



FTSE/JSE sectors decomposed

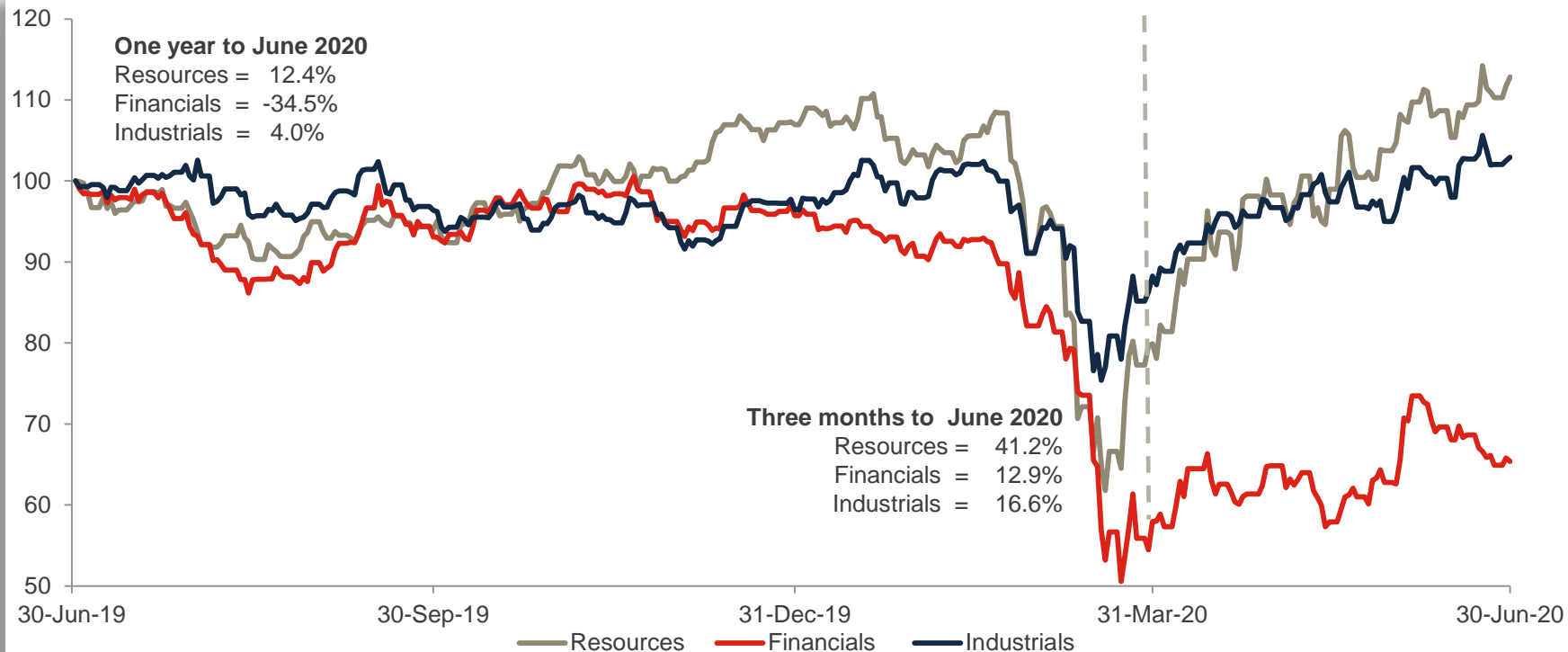
One year to June 2020

1	Tobacco	Consumer Goods	42.87%	18	Support Services	Industrials	-29.60%
2	Mining	Basic Materials	36.90%	19	Oil & Gas Producers	Financial Services	-29.79%
3	Pharmaceuticals & Biotechnology	Healthcare	33.87%	20	Software & Computer Services	Technology	-30.58%
4	Media	Consumer Services	33.29%	21	Mobile Telecommunications	Telecommunications	-30.90%
5	Equity Investment Instruments	Financials	32.58%	22	General Industrials	Industrials	-30.97%
6	Industrial Metals & Mining	Industrials	3.10%	23	Real Estate Investment & Services	Financials	-32.24%
7	Personal Goods	Consumer Goods	-6.14%	24	Industrial Transportation	Industrials	-32.64%
8	Food Producers	Consumer Goods	-6.19%	25	Beverages	Consumer Goods	-32.64%
9	Non-life Insurance	Financials	-6.59%	26	General Retailers	Consumer Services	-41.76%
10	Food & Drug Retailers	Consumer Services	-12.27%	27	Banks	Financials	-43.15%
11	Healthcare Equipment & Service	Healthcare	-14.37%	28	Real Estate Investment Trusts	Financials	-44.61%
12	Forestry & Paper	Basic Materials	-14.65%	29	Electronic & Electrical Equipment	Industrials	-46.48%
13	Financial Services	Financials	-19.30%	30	Travel & Leisure	Travel & Leisure	-53.27%
14	Automobiles & Parts	Consumer Goods	-20.94%	31	Chemicals	Basic Materials	-57.57%
	Household Goods & Home						
15	Construction	Consumer Goods	-21.55%	32	Fixed-line Telecommunications	Telecommunications	-67.34%
16	Life Insurance	Financials	-25.75%	33	Industrial Engineering	Industrials	-73.85%
17	Construction & Materials	Industrials	-26.81%				

Key

Resources
Financials
Industrials

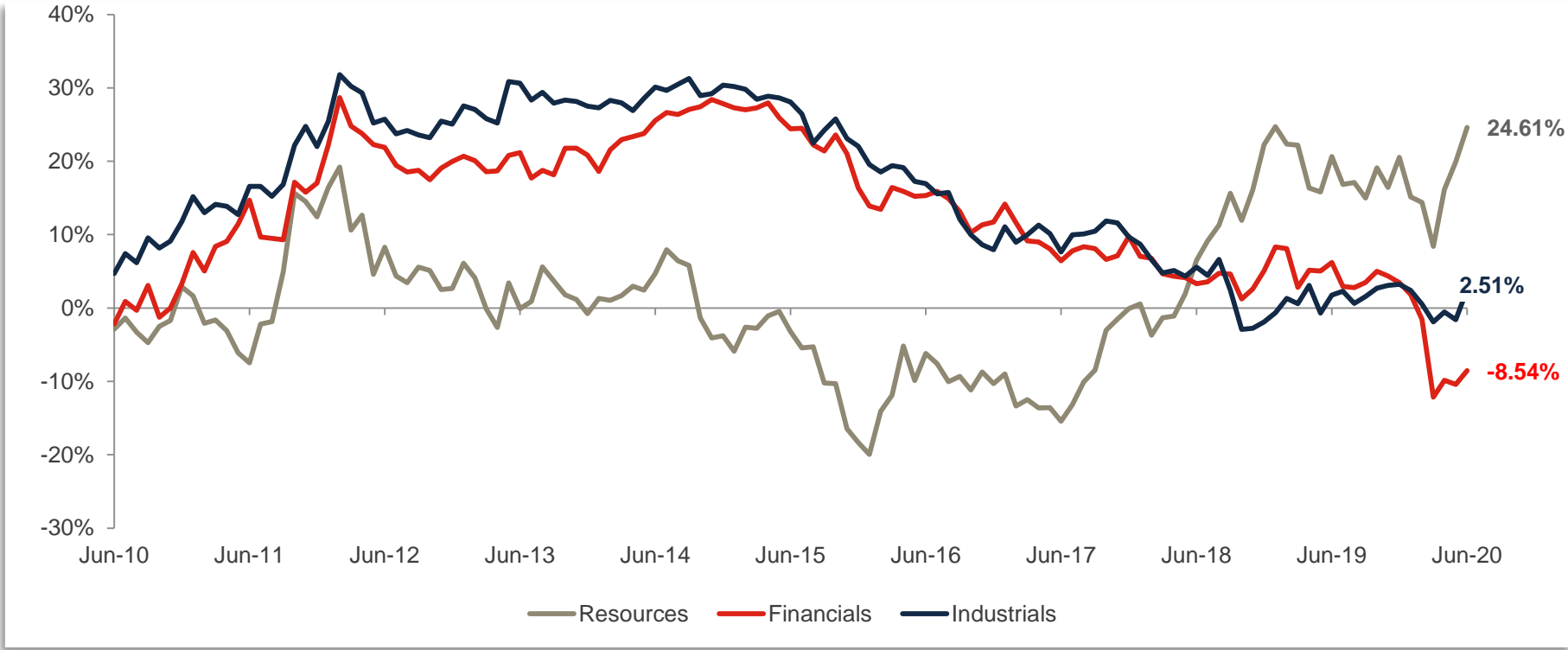
One year to June 2020



FTSE/JSE sectors



Three years rolling to June 2020

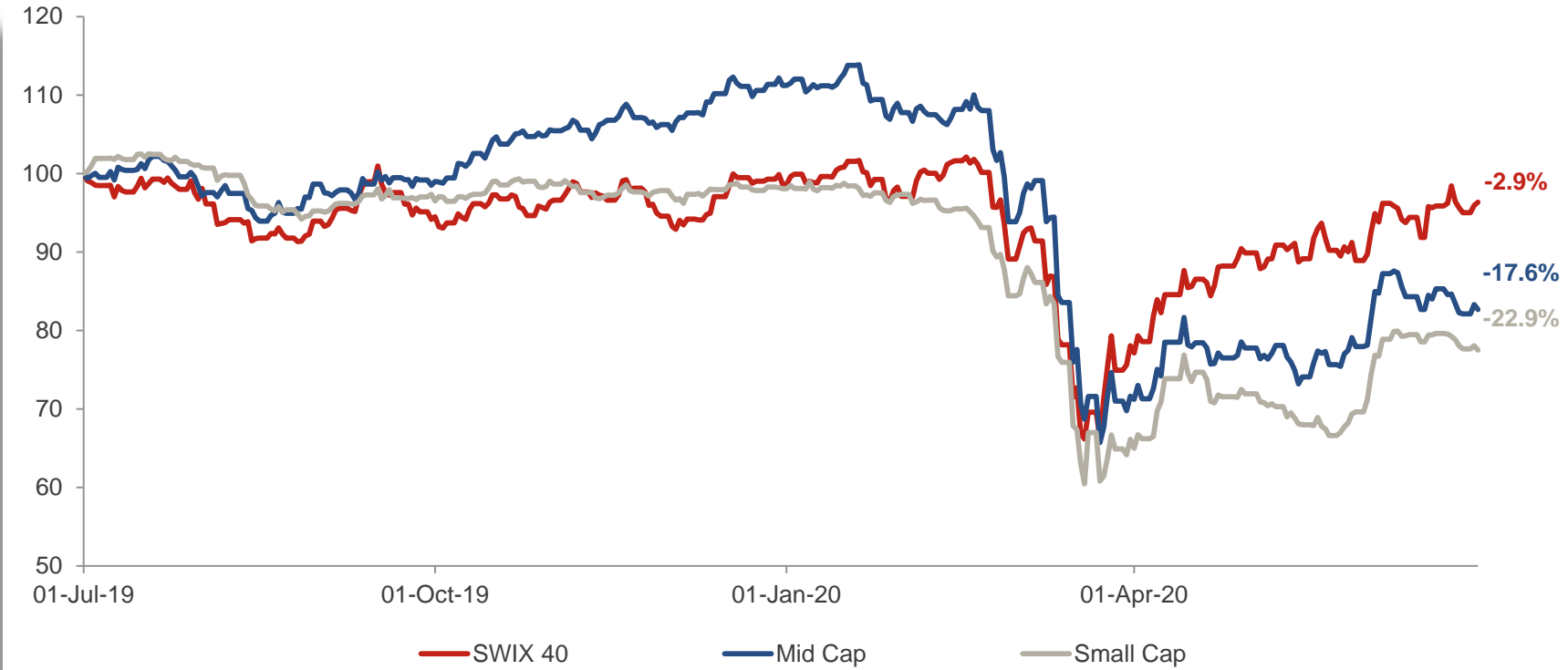


Source: IRESS and Momentum Investments

FTSE/JSE market caps



One year to June 2020





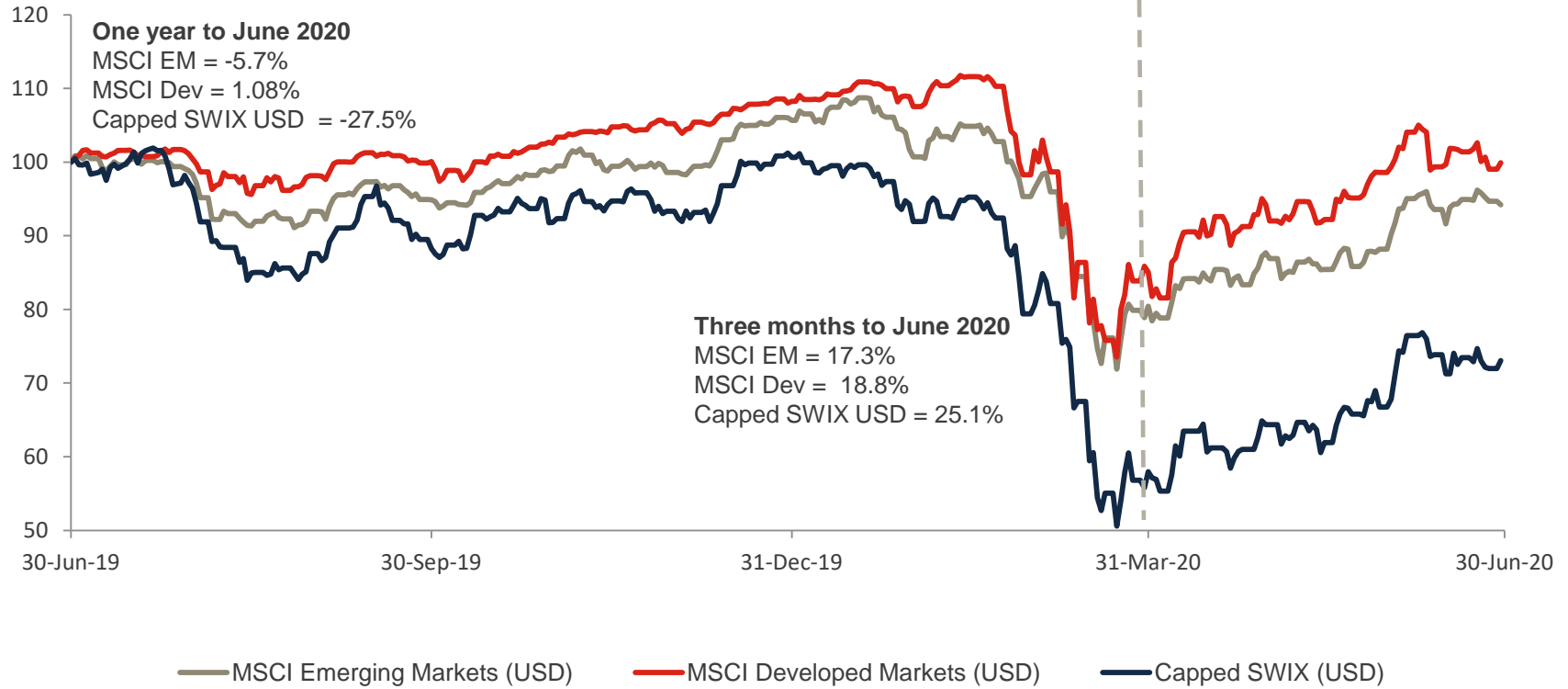
05

Indexed return
charts

MSCI developed and emerging markets



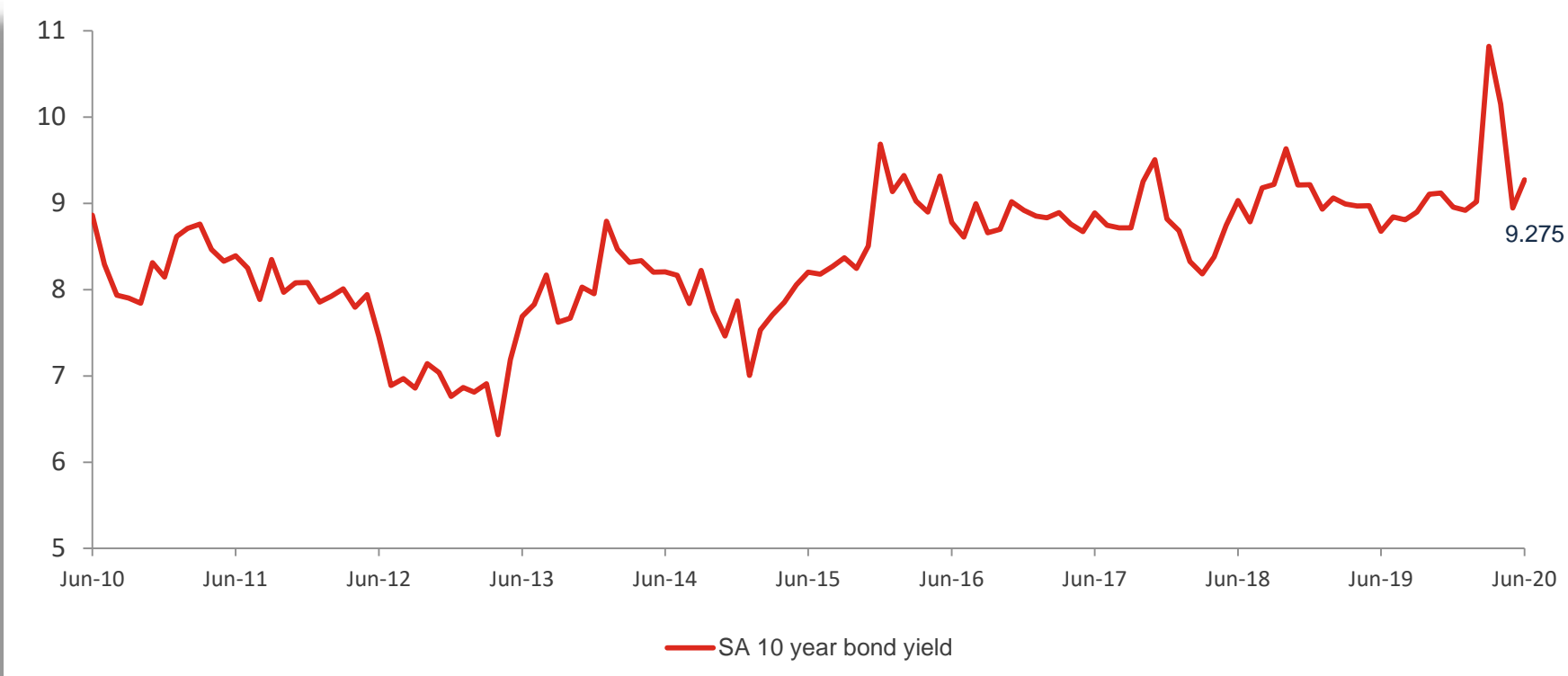
One year to June 2020



SA 10-year bond yields



Ten years to June 2020

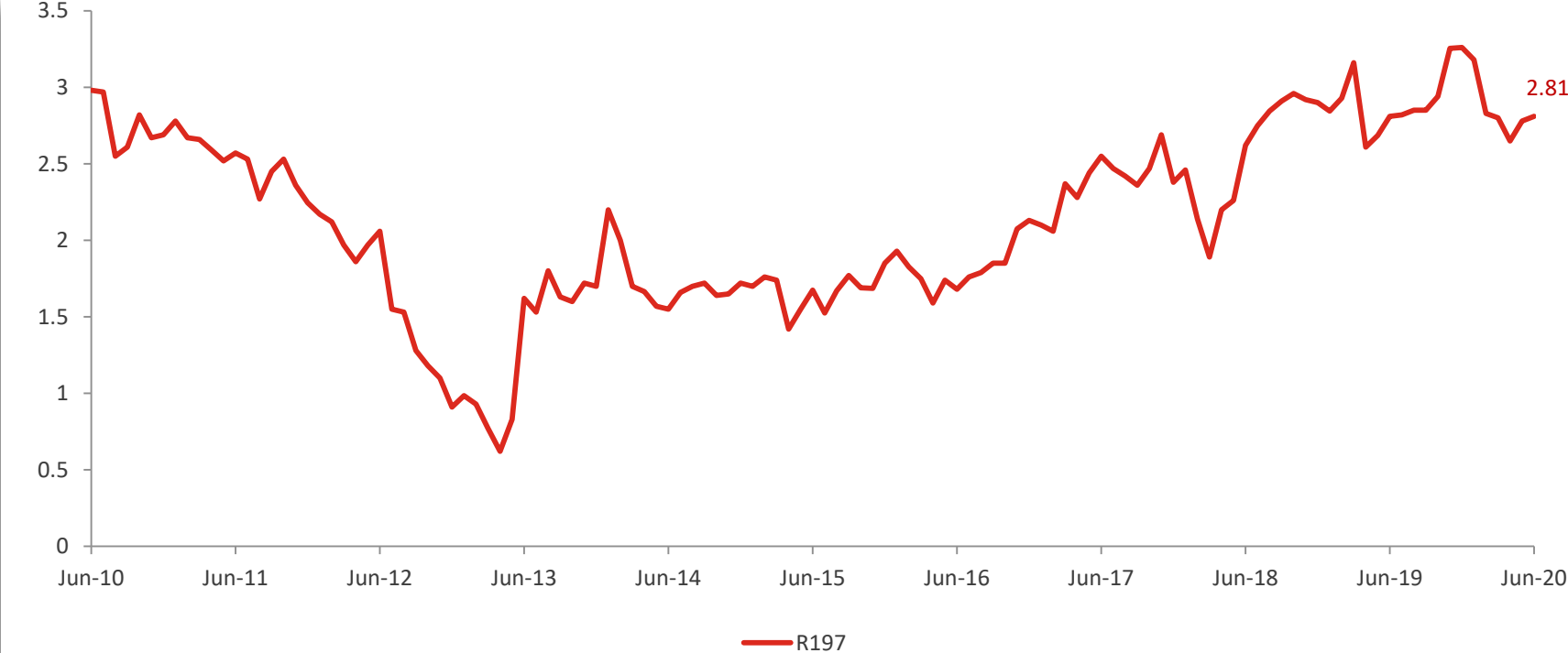


Source: IRESS and Momentum Investments

Yield of R197 (inflation-linked bond)



Ten years to June 2020



Source: IRESS and Momentum Investments

Local asset classes



Three months to June 2020

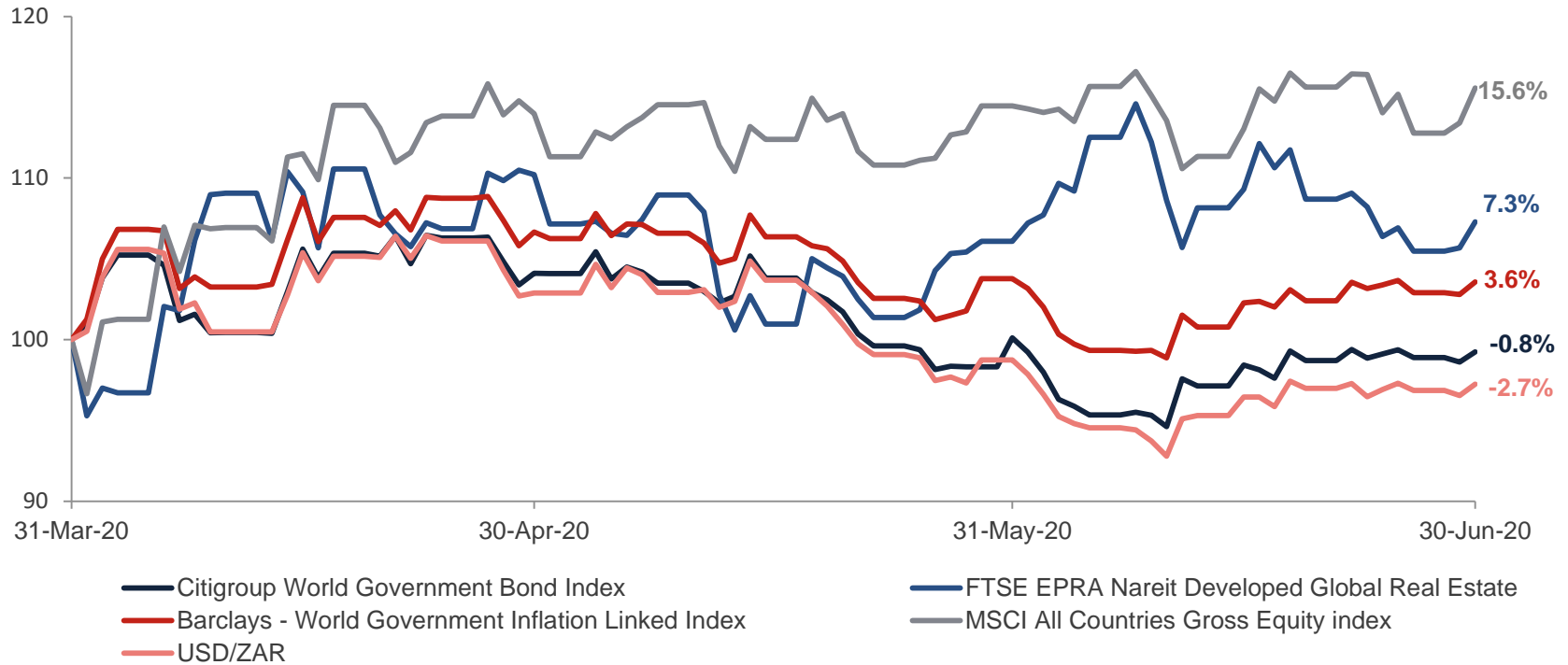


* CPI lagged by one month due to availability of data

Global asset classes



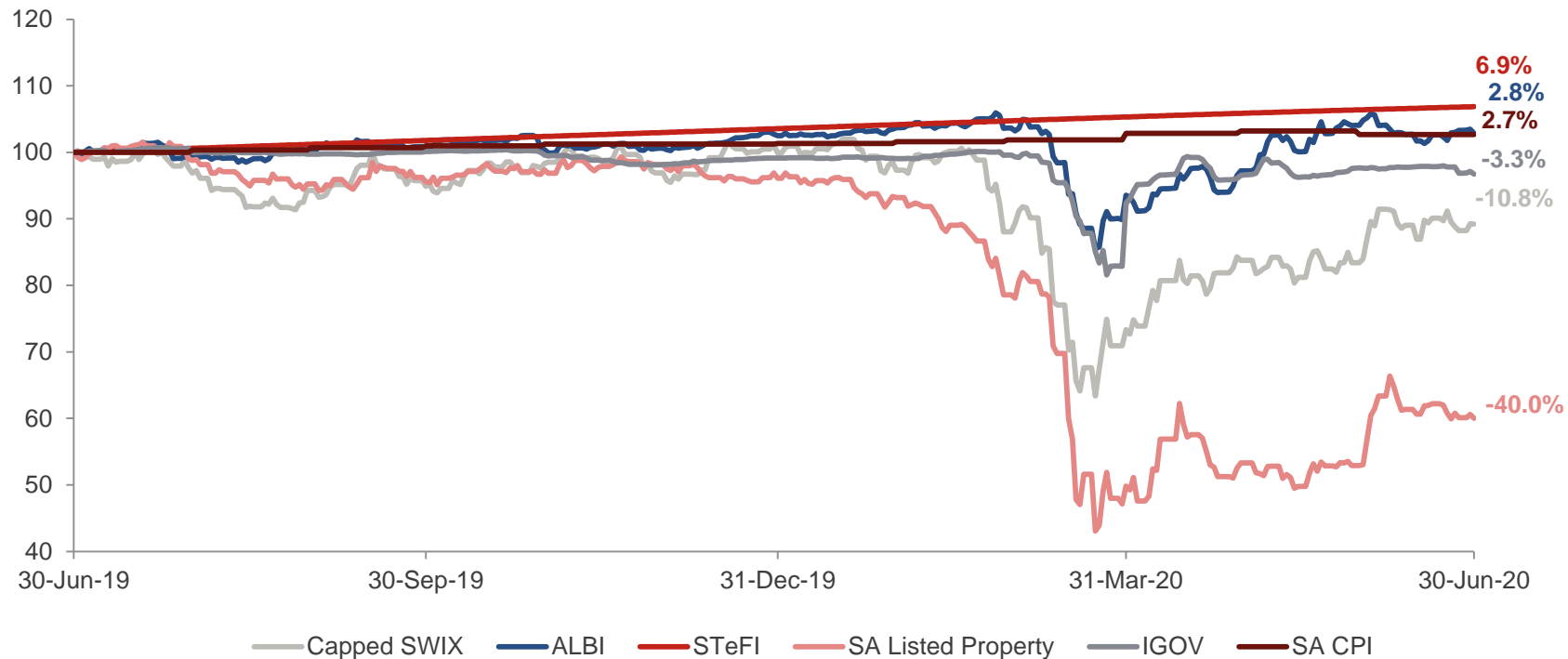
Three months to June 2020



Local asset classes



One year to June 2020

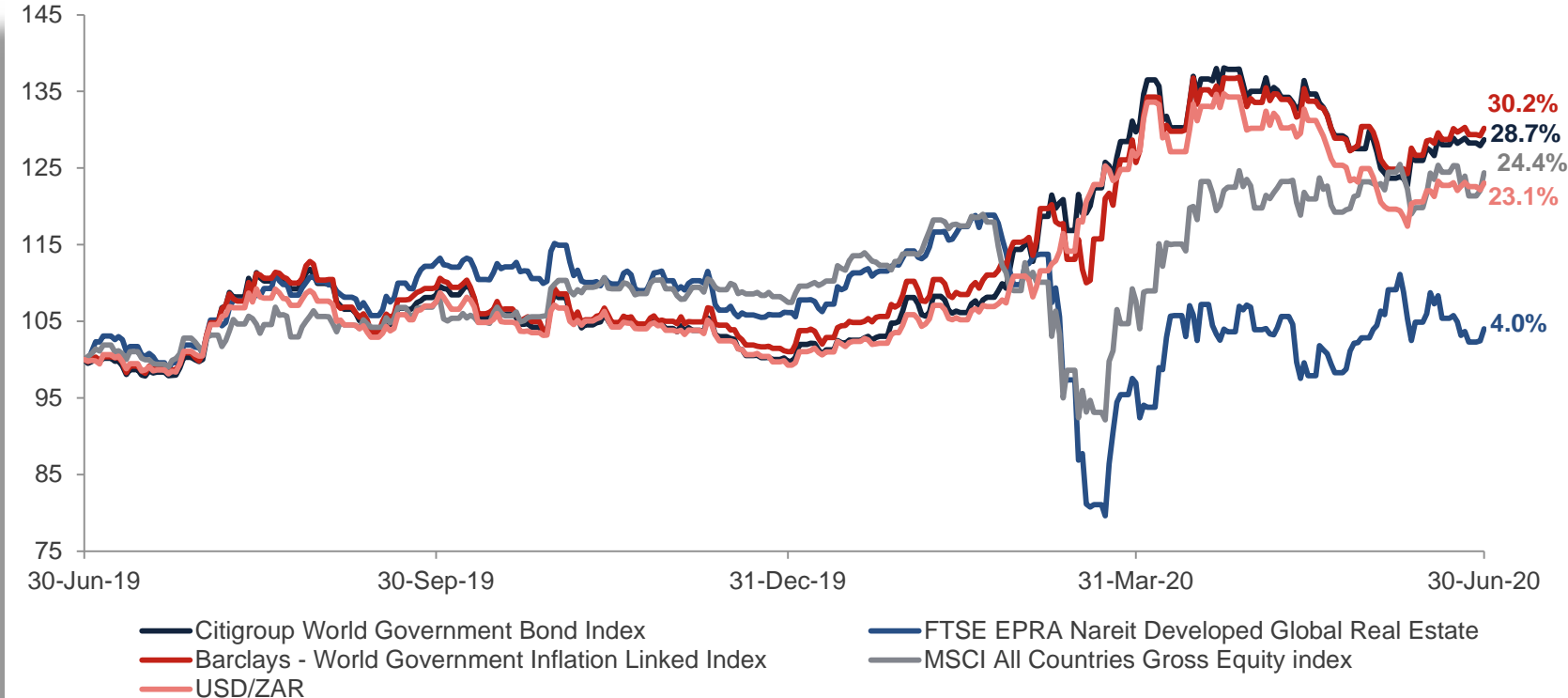


* CPI lagged by one month due to availability of data

Global asset classes



One year to June 2020

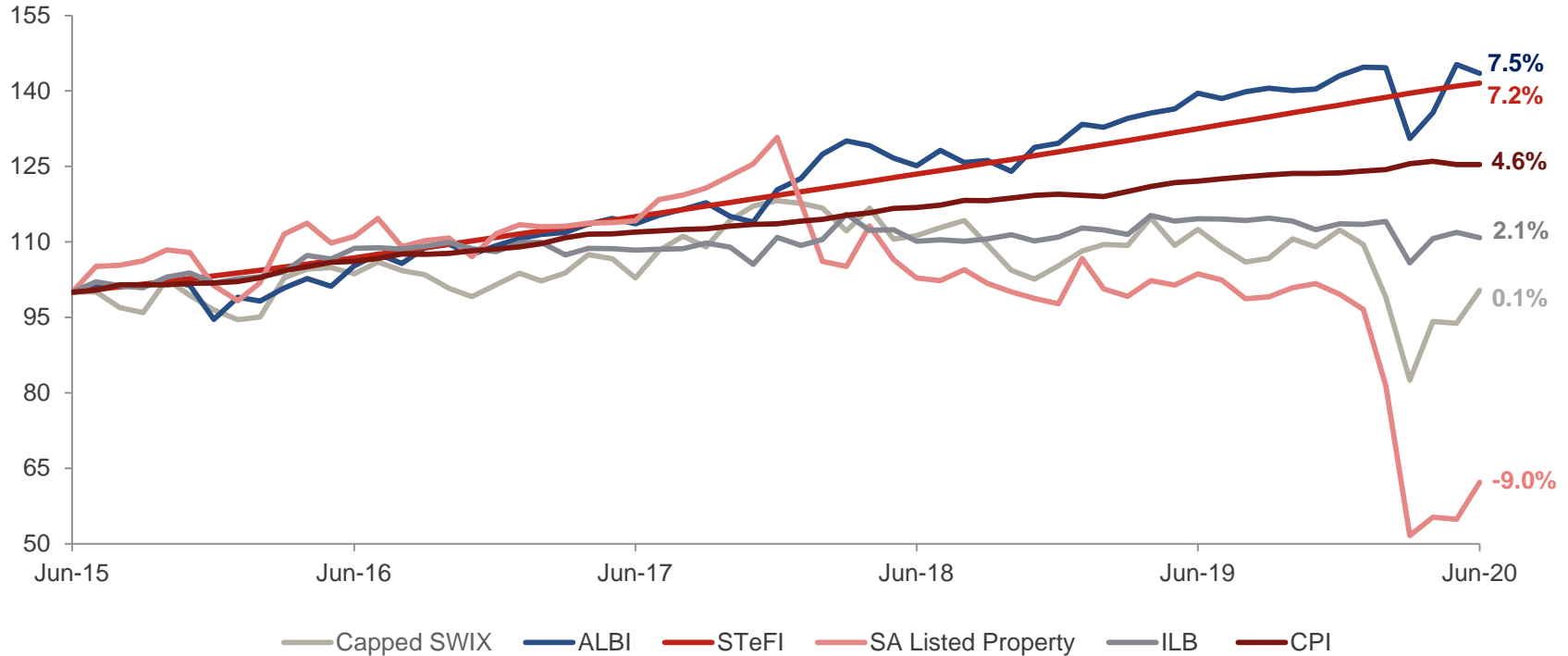


Source: IRESS and Momentum Investments

Local asset classes



Five years to June 2020

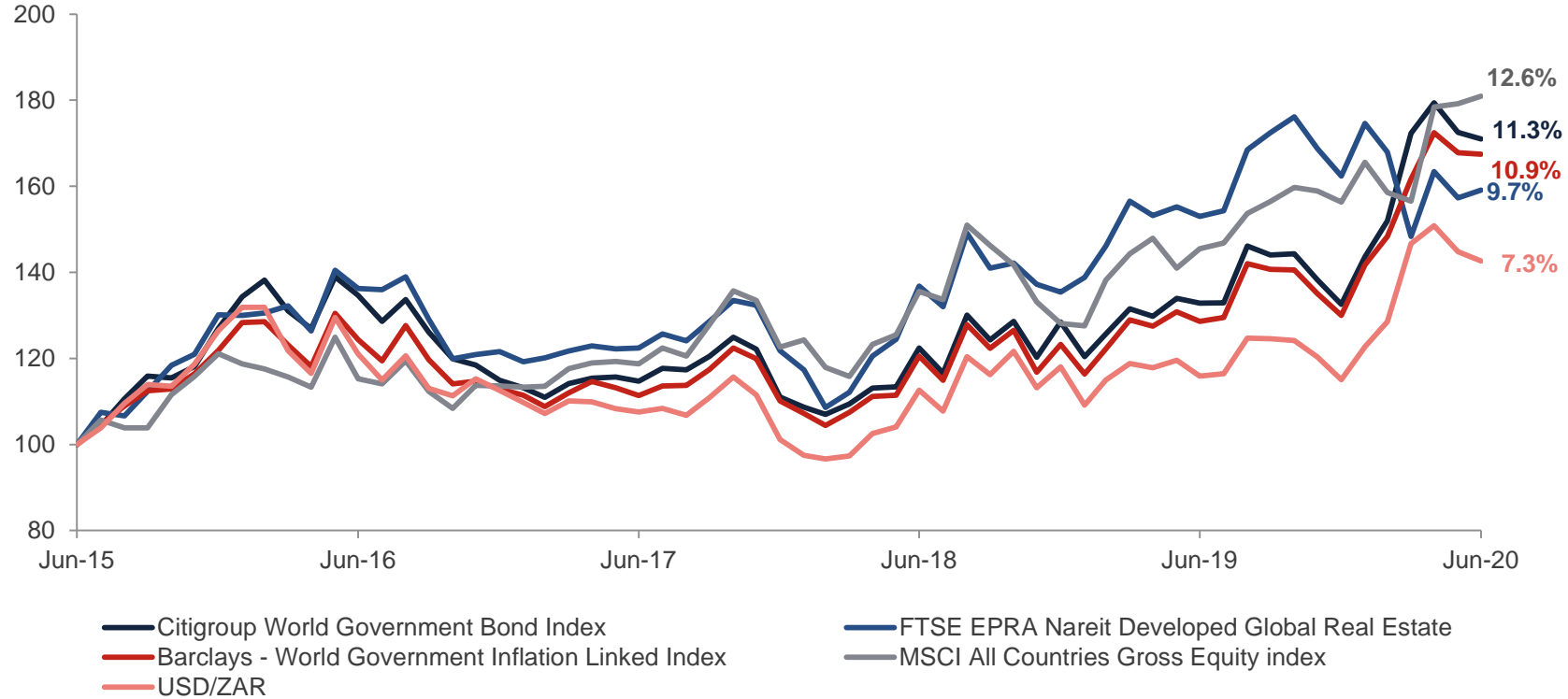


* CPI lagged by one month due to availability of data

Global asset classes



Five years to June 2020

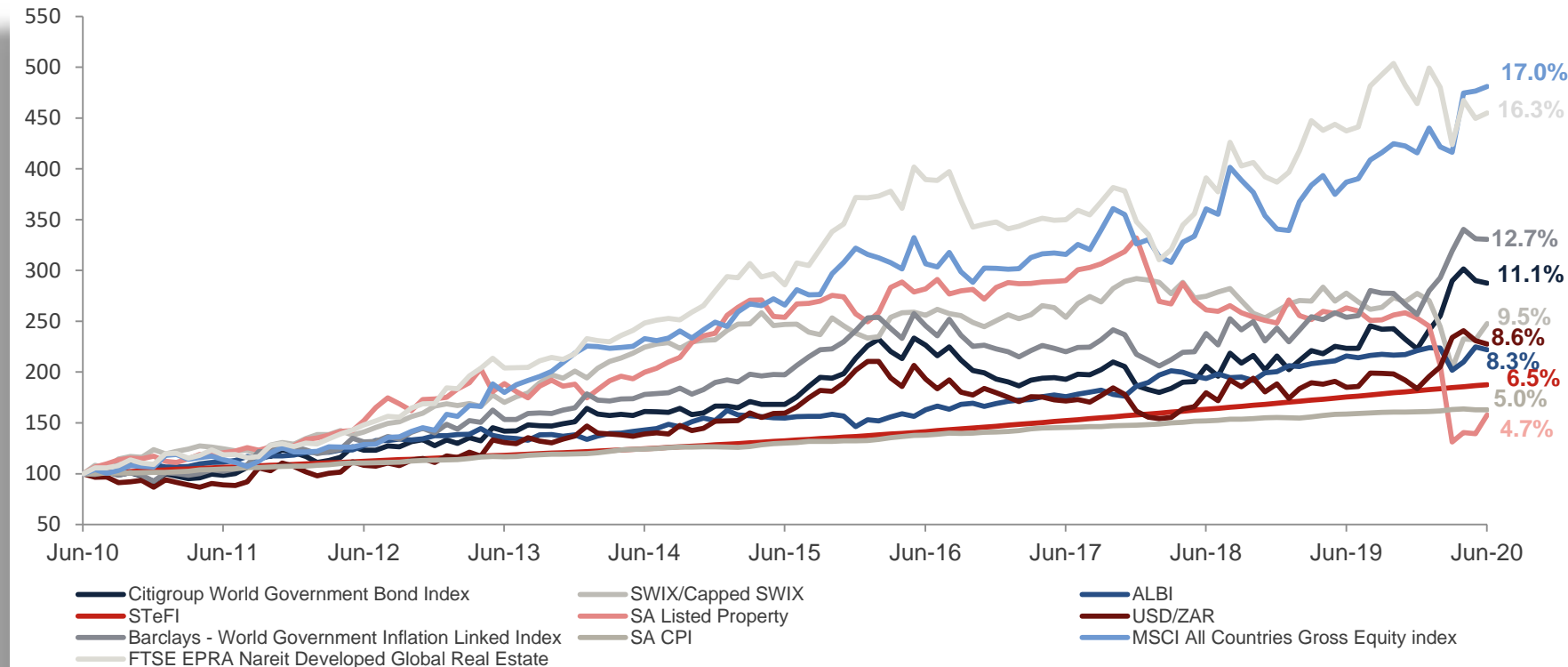


Source: IRESS and Momentum Investments

Asset classes

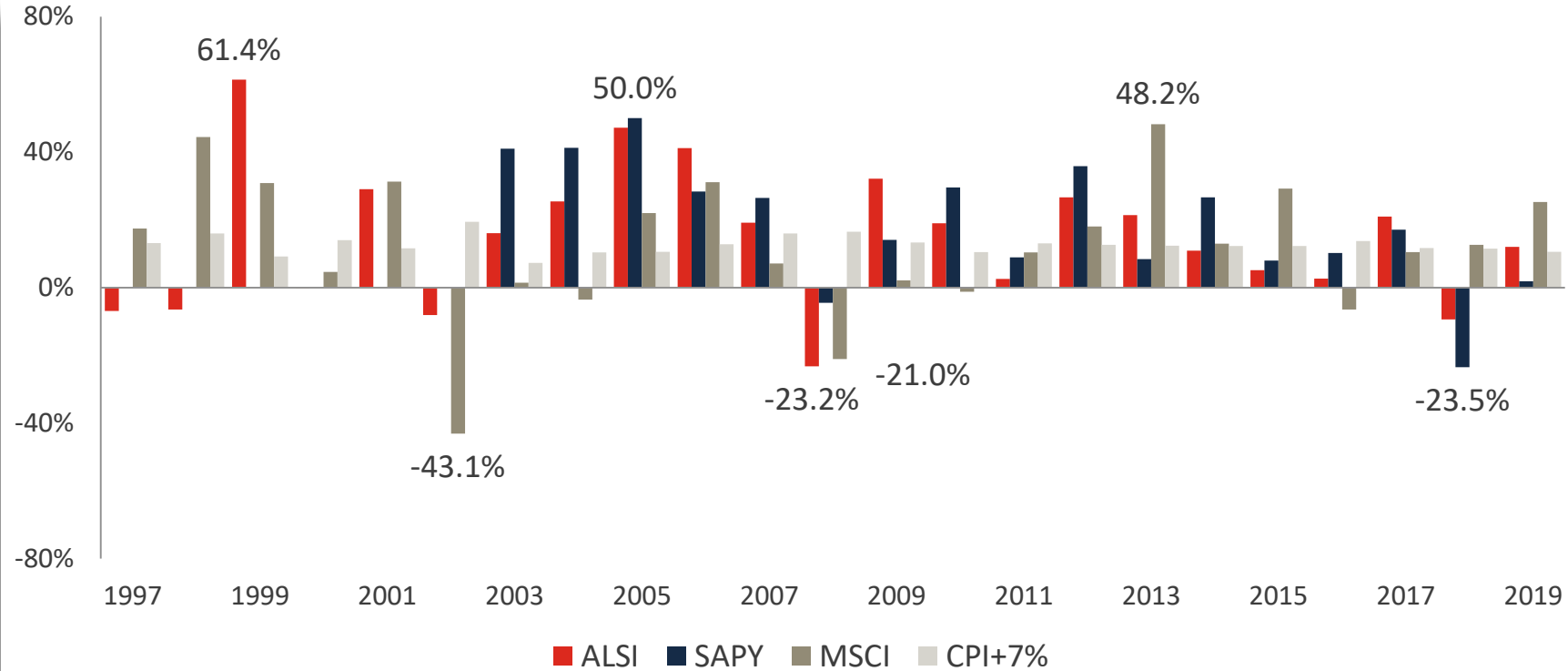


Ten years to June 2020



* CPI lagged by one month due to availability of data

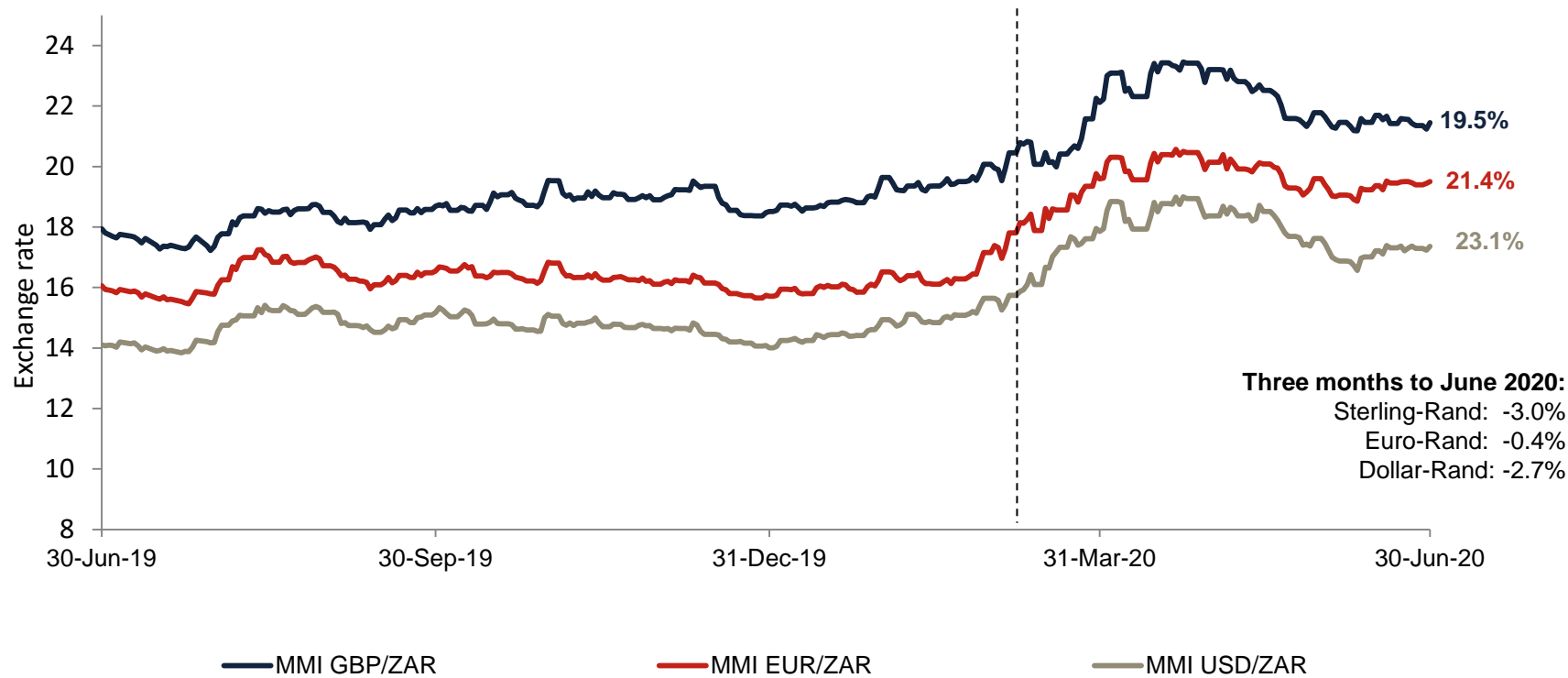
Annual asset class returns



* CPI lagged by one month due to availability of data

Source: IRESS and Momentum Investments

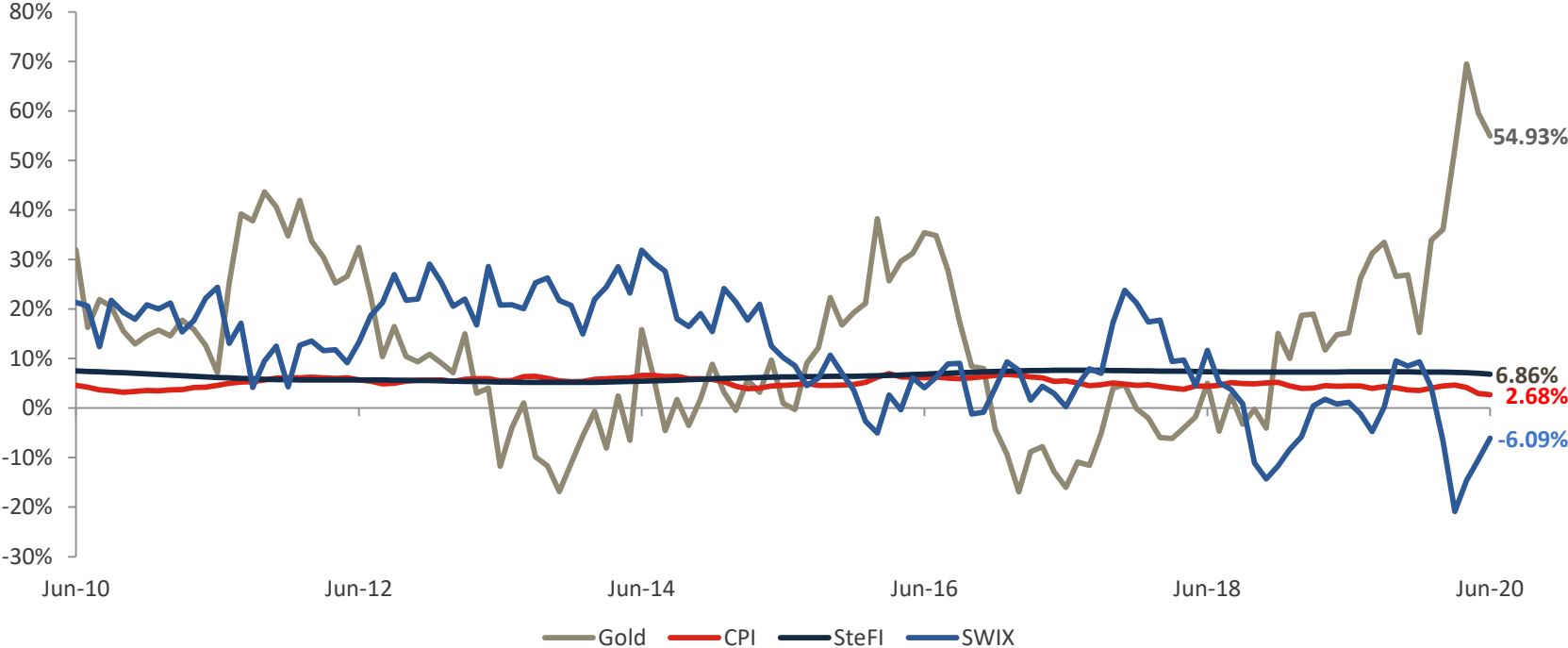
One year to June 2020



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

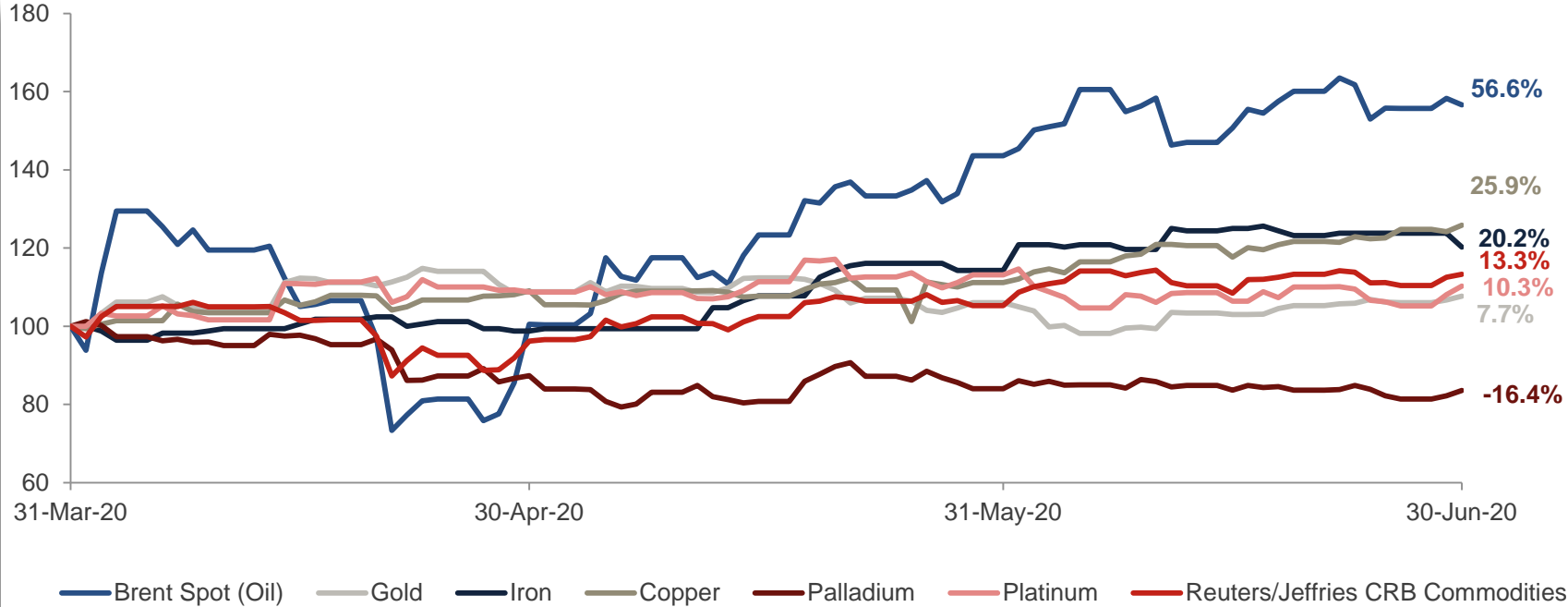


One-year rolling returns to June 2020



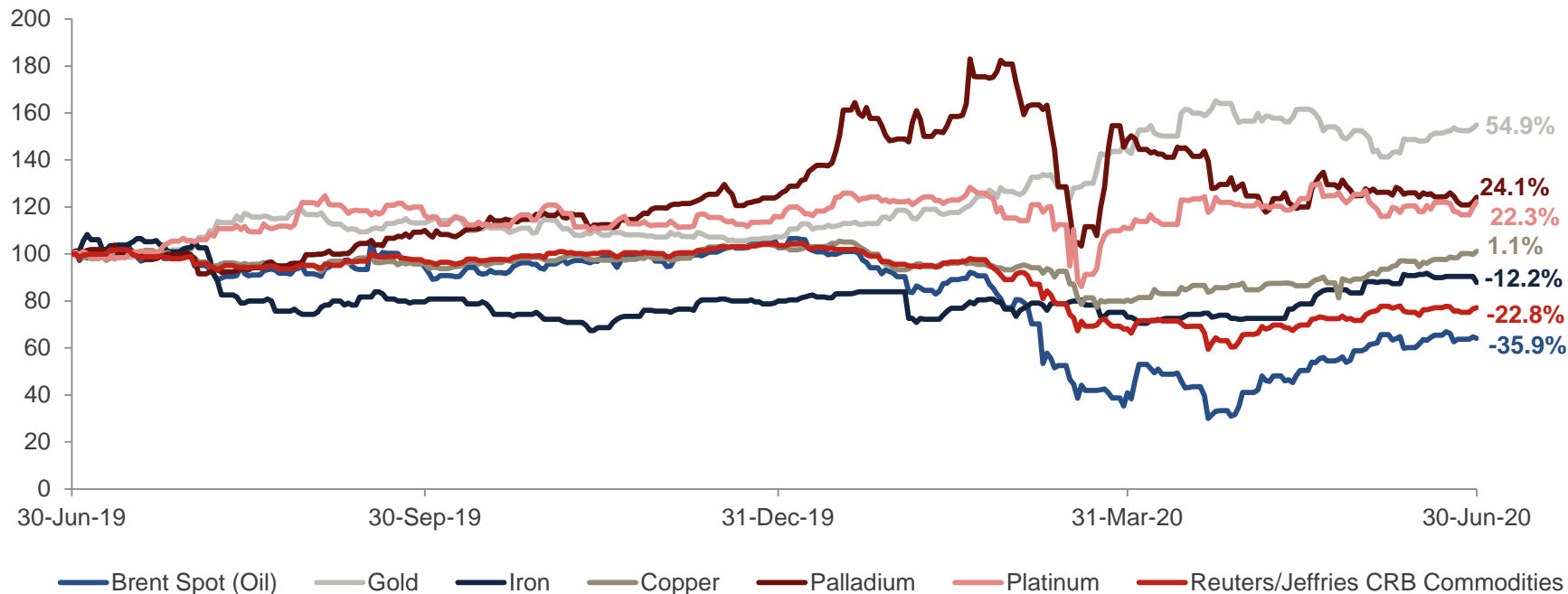
* CPI lagged by one month due to availability of data

Three months to June 2020



All returns are in dollar terms

One year to June 2020



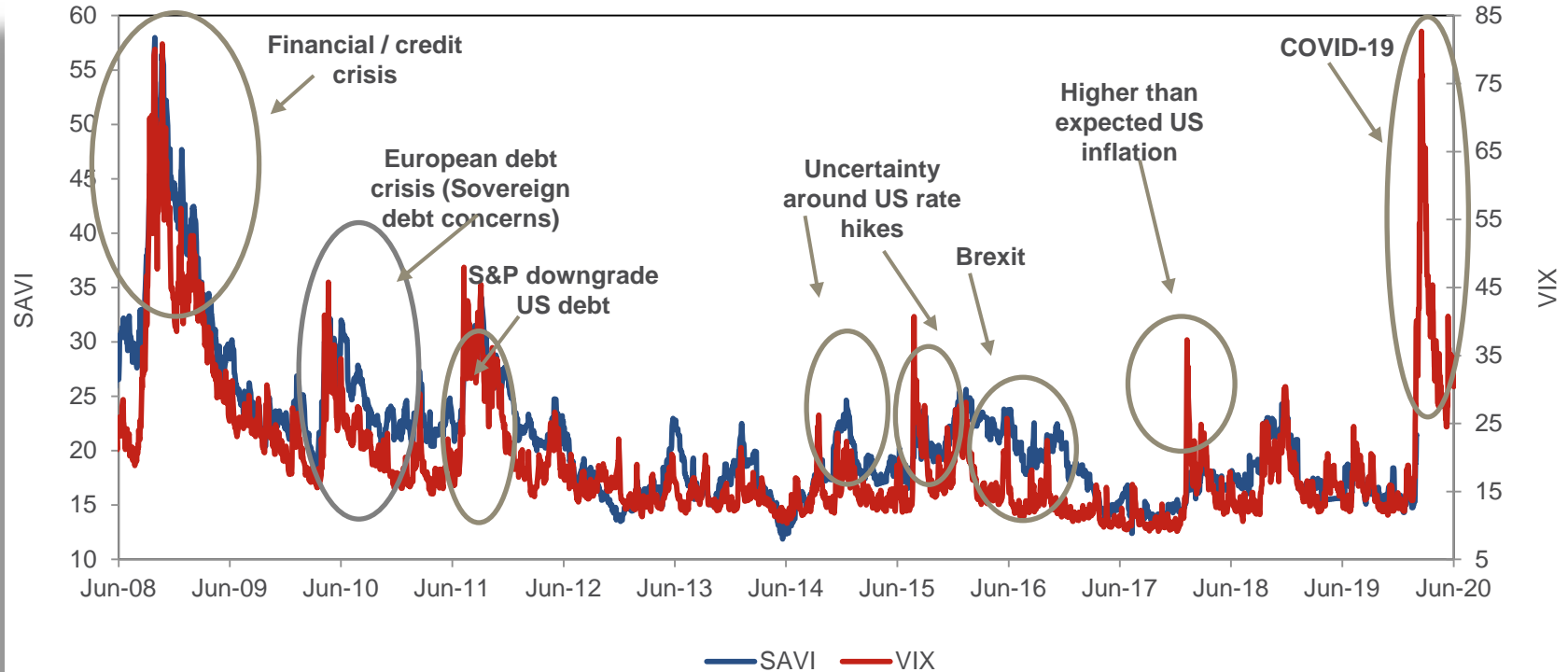
All returns are in dollar terms



06

Volatility and
international flows

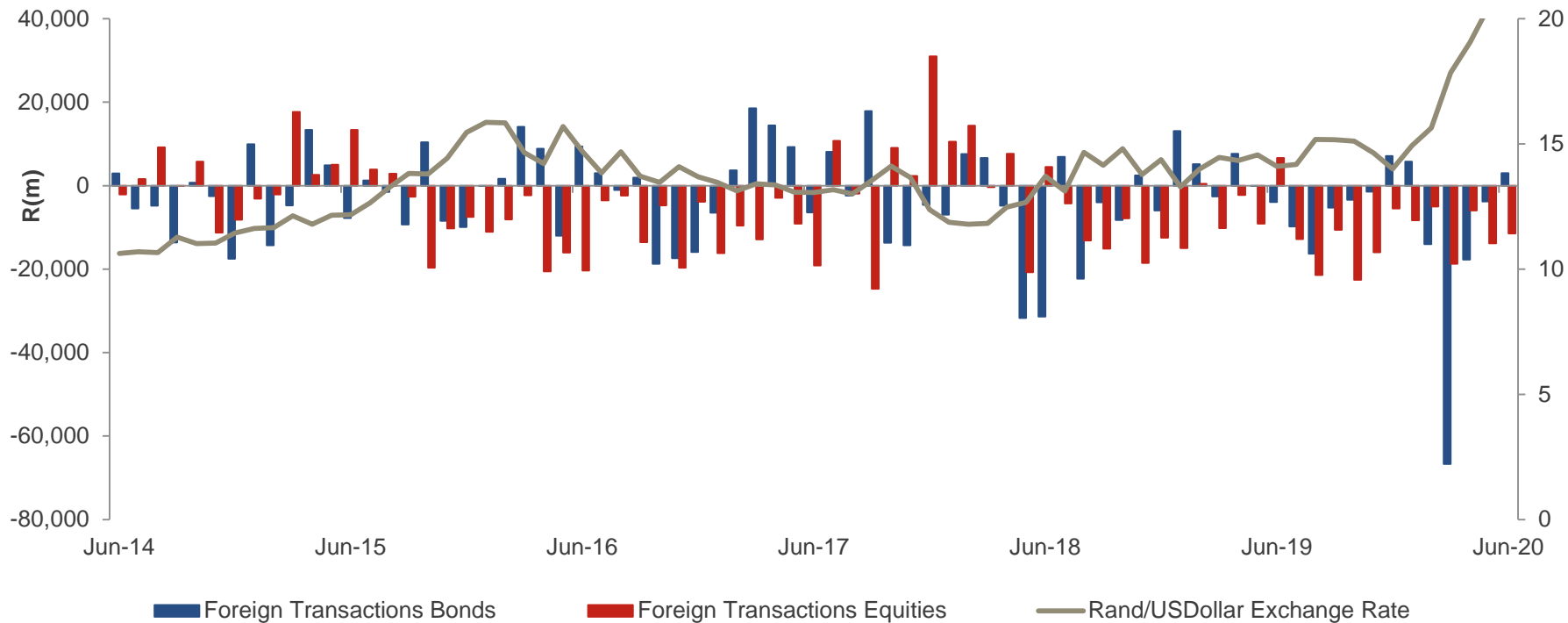
12 years to June 2020



Foreign Transactions



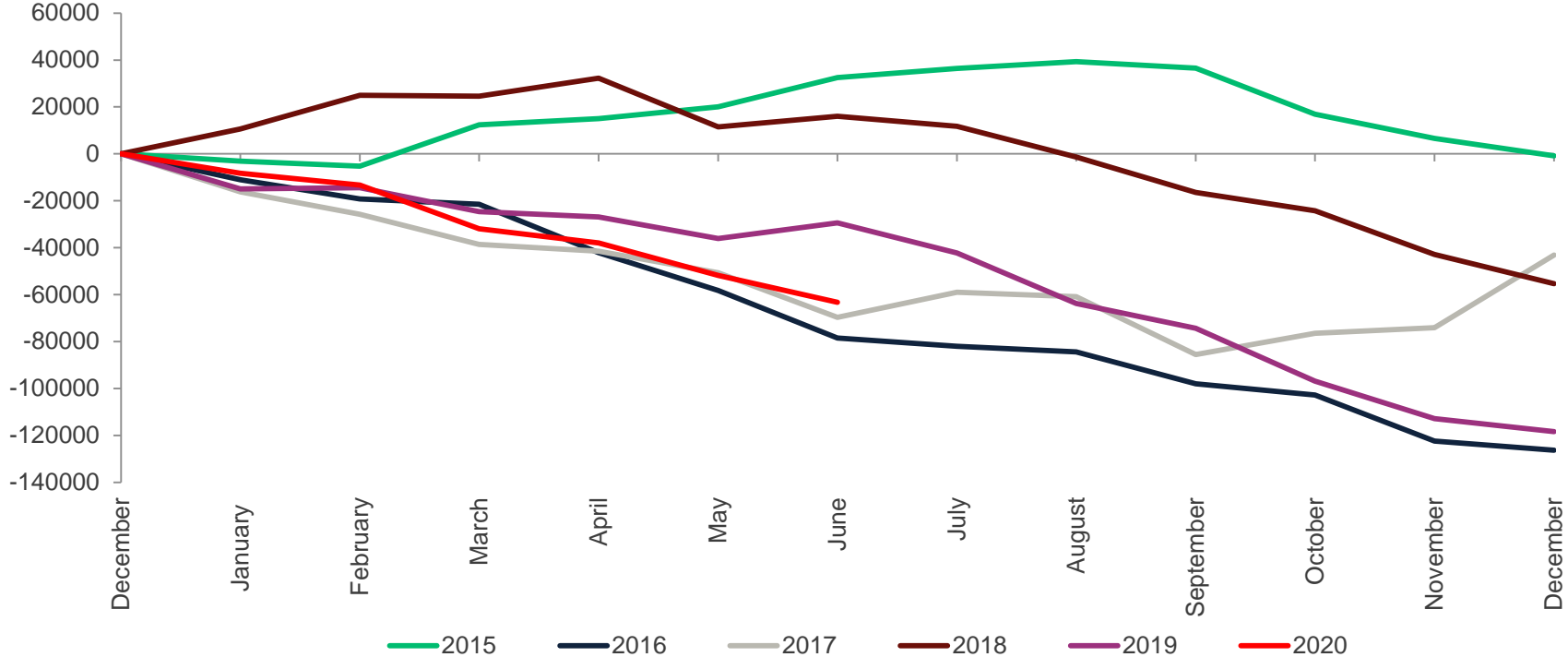
2015 to 2020



Cumulative foreign transaction: Equities



2015 to 2020

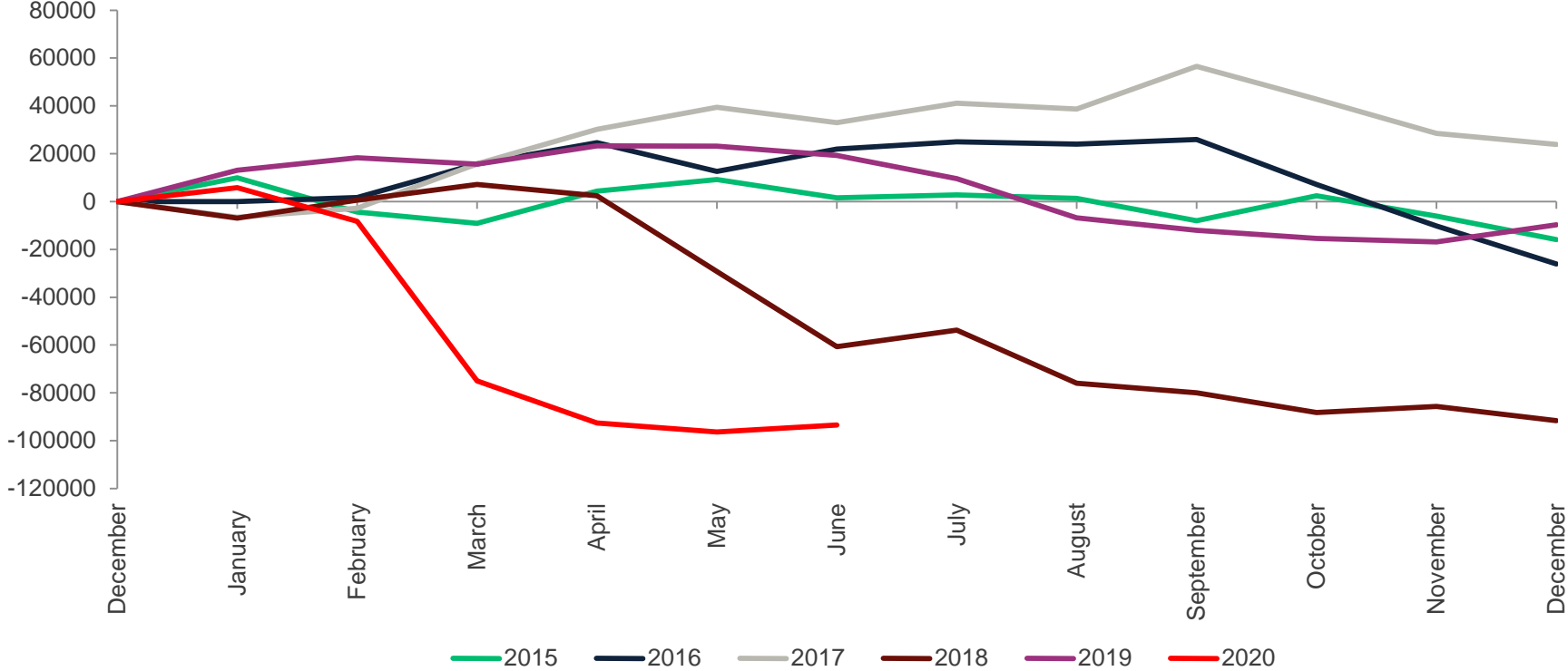


Source: IRESS and Momentum Investments

Cumulative foreign transaction: Bonds



2015 to 2020



Source: IRESS and Momentum Investments

momentum

investments

Thank you



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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