

Key market performance drivers

Monthly charts to 30 September 2020

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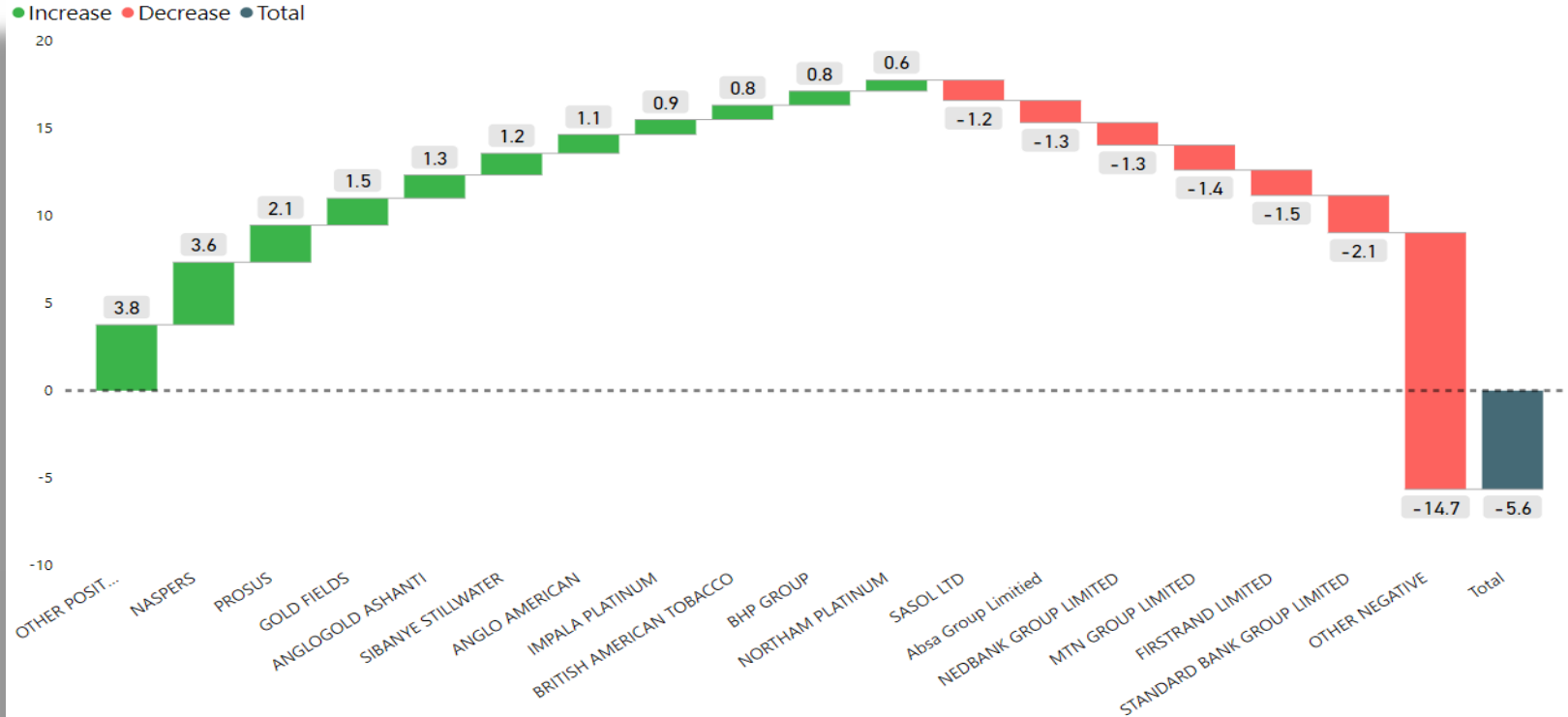
01

Market
Concentration

Market concentration



One-year Capped SWIX contributions ending September 2020





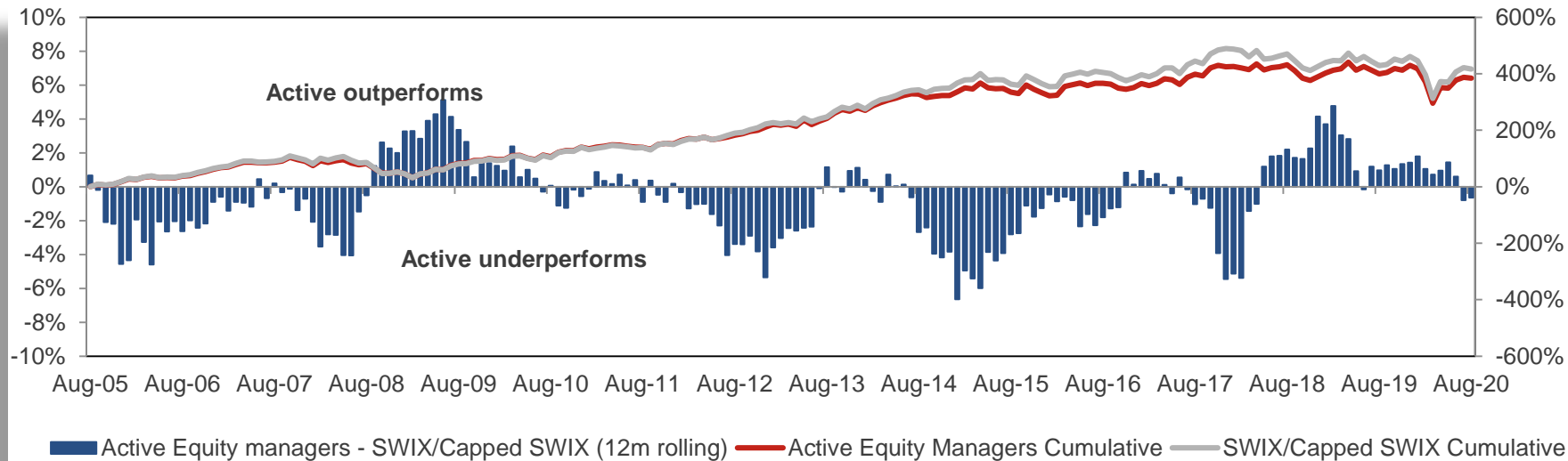
02

Active Index
Analysis

Active index analysis: Equities



One-year rolling active to August 2020



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

(SWIX until 31 October 2017 and Capped SWIX thereafter)

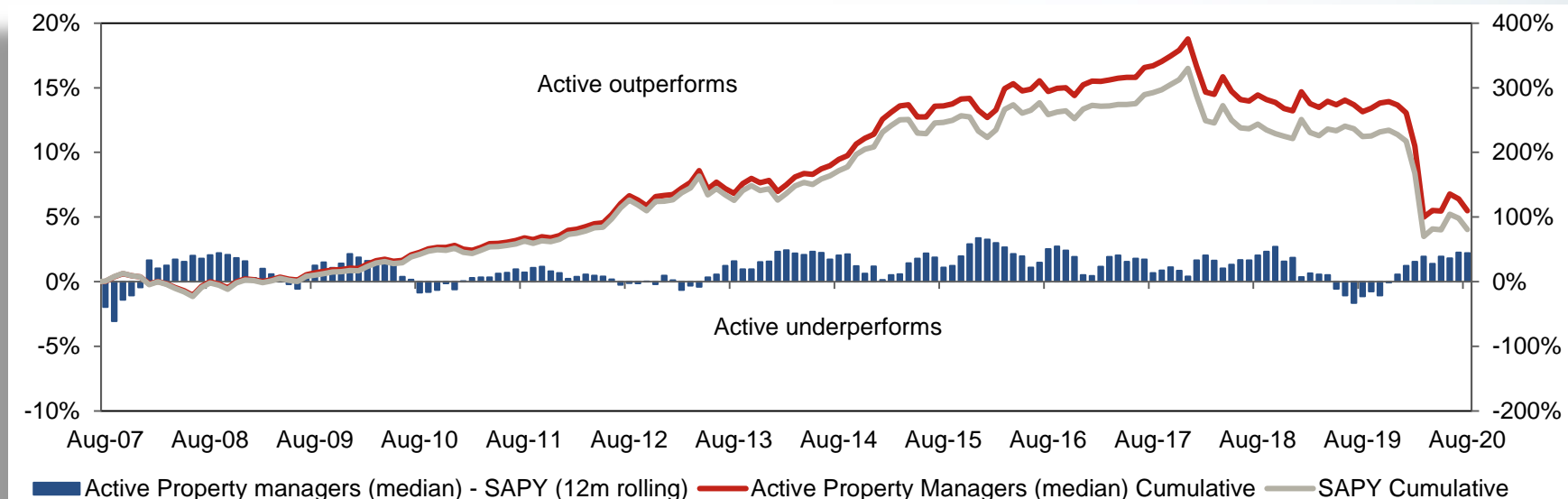
Data lagged by one month

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

Active index analysis: Property



One-year rolling active to August 2020



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

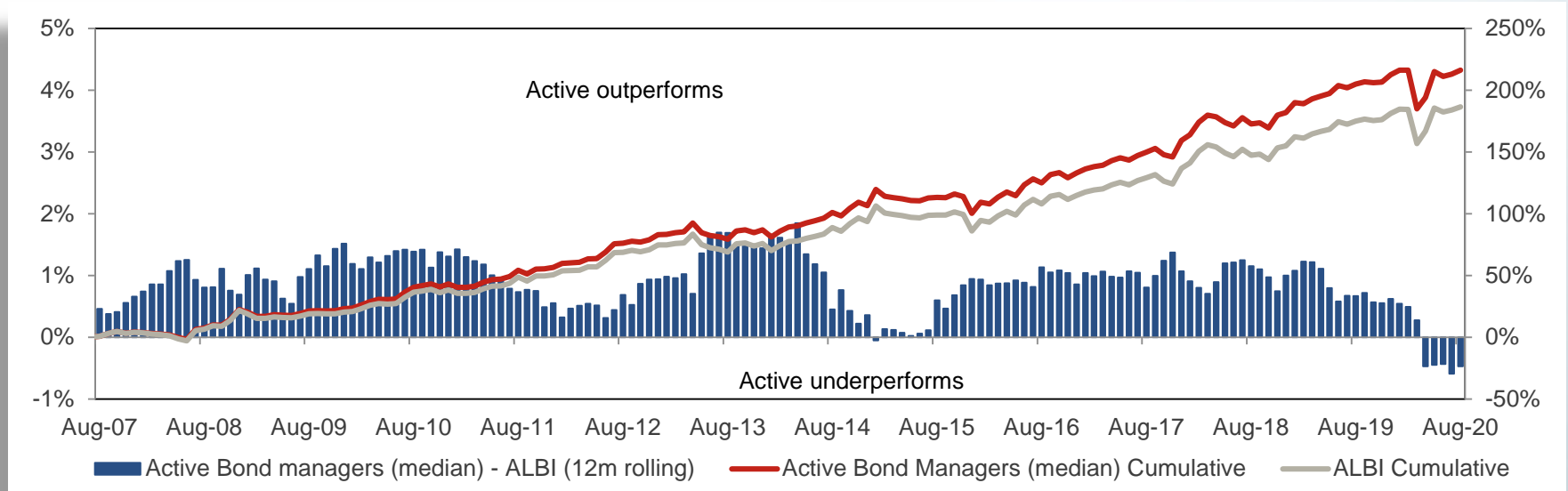
Data lagged by one month

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

Active index analysis: Bonds



One-year rolling active to August 2020



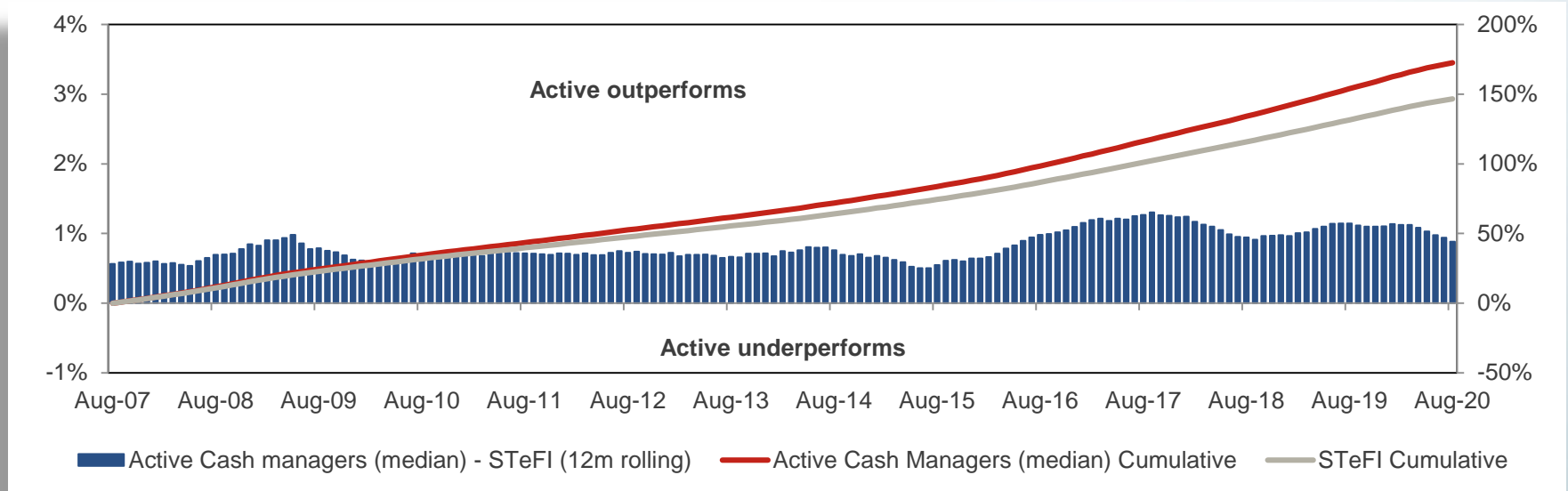
The median of the active bond investment managers underperformed the ALBI for the 12-month period ending August 2020.

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 August 2020



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

ZAR	Styles	One month to September 2020	Three months to September 2020	One year to September 2020	Three years to September 2020	Five years to September 2020	Ten years to September 2020	Twenty years to September 2020
Value	Book to Price	-3,39	-9,29	-16,84	-14,17	-6,60	-6,32	-1,11
	Dividend Yield	-2,69	-6,14	-8,73	-3,08	1,16	-1,16	2,98
	Earnings Yield	3,58	-1,69	5,34	-5,55	-2,55	-2,11	-0,16
	Cash Flow Yield	1,98	-4,87	-17,41	-7,00	0,63	-0,47	1,13
	Sales to Price	5,01	-2,72	-3,27	-4,33	-0,16	-2,13	-0,95
Quality	ROE	2,68	5,58	13,18	11,50	5,76	3,98	1,63
	ROIC LT	1,29	0,90	2,57	-0,47	0,03	-0,82	-1,52
	Income to Sales	0,85	-0,70	10,90	2,50	1,22	1,62	0,04
	Low market beta	-3,48	-0,18	-12,59	-1,16	0,52	1,96	0,82
	Low Debt/Equity	-1,60	-4,28	10,25	2,32	1,29	0,41	-0,09
	EBIT Margin Stability	1,64	-2,92	6,42	0,47	-1,99	3,00	0,51
Growth	Earnings Growth	-7,58	-9,72	2,62	5,91	2,78	2,06	0,43
	Sales Growth	2,35	4,19	6,13	2,43	0,24	2,05	-0,66
	12M Earning Growth	0,64	11,26	33,82	10,78	4,89	0,92	4,88
Momentum	FY1 Earnings Revisions	1,97	-1,72	1,32	4,22	2,32	5,53	7,61
	Short Term Momentum	-1,66	-4,14	-4,91	0,24	1,95	0,44	0,27
	Medium Term Momentum	-0,97	4,23	24,28	12,49	4,68	7,41	6,56
Size	Size	2,95	3,92	12,94	9,81	5,57	2,46	0,52

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 month.

Source: FactSet, Momentum Global Investment Management and Momentum Investments



04

Sector Analysis

Sector Analysis



FTSE/JSE sectors decomposed

Three months to September 2020

1 Oil & Gas Producers	Financial Services	39,42%	17 Financial Services	Financials	-0,86%
2 Support Services	Industrials	24,04%	18 Chemicals	Basic Materials	-0,91%
3 Industrial Metals & Mining	Industrials	10,90%	19 Construction & Materials	Industrials	-1,63%
4 Industrial Transportation	Industrials	10,01%	20 Equity Investment Instruments	Financials	-3,45%
5 General Retailers	Consumer Services	9,14%	21 Software & Computer Services	Technology	-3,45%
6 Forestry & Paper	Basic Materials	9,13%	22 General Industrials	Industrials	-5,33%
7 Mining	Basic Materials	8,84%	23 Media	Consumer Services	-5,60%
8 Banks	Financials	7,14%	24 Life Insurance	Financials	-6,46%
9 Travel & Leisure	Travel & Leisure	4,97%	25 Tobacco	Consumer Goods	-8,47%
10 Food & Drug Retailers	Consumer Services	4,83%	26 Non-life Insurance	Financials	-9,33%
11 Beverages	Consumer Goods	4,51%	27 Fixed-line Telecommunications	Telecommunications	-10,19%
12 Mobile Telecommunications	Telecommunications	3,99%	28 Real Estate Investment Trusts	Financials	-12,19%
13 Personal Goods	Consumer Goods	2,76%	29 Electronic & Electrical Equipment	Industrials	-14,55%
14 Food Producers	Consumer Goods	1,55%	30 Pharmaceuticals & Biotechnology	Healthcare	-17,00%
15 Healthcare Equipment & Service	Healthcare	1,39%	31 Real Estate Investment & Services	Financials	-20,30%
16 Automobiles & Parts	Consumer Goods	-0,83%	Household Goods & Home		
			32 Construction	Consumer Goods	-31,37%

Source: Barra and Deutsche Securities

Key

Resources

Financials

Industrials

Sector Analysis

FTSE/JSE sectors decomposed



One Year to September 2020

1 Mining	Basic Materials	48,79%	17 Mobile Telecommunications	Telecommunications	-23,42%
2 Industrial Metals & Mining	Industrials	41,74%	18 Industrial Transportation	Industrials	-23,79%
3 Media	Consumer Services	28,07%	19 Life Insurance	Financials	-25,00%
4 Pharmaceuticals & Biotechnology	Healthcare	27,98%	20 Software & Computer Services	Technology	-27,29%
			Household Goods & Home		
5 Tobacco	Consumer Goods	15,02%	21 Construction	Consumer Goods	-28,58%
6 Forestry & Paper	Basic Materials	9,31%	22 General Industrials	Industrials	-28,96%
7 Equity Investment Instruments	Financials	6,09%	23 General Retailers	Consumer Services	-31,00%
8 Personal Goods	Consumer Goods	1,54%	24 Construction & Materials	Industrials	-31,30%
9 Oil & Gas Producers	Financial Services	-2,11%	25 Banks	Financials	-33,97%
10 Support Services	Industrials	-3,15%	26 Beverages	Consumer Goods	-37,94%
11 Food Producers	Consumer Goods	-4,47%	27 Chemicals	Basic Materials	-43,41%
12 Food & Drug Retailers	Consumer Services	-4,62%	28 Real Estate Investment & Services	Financials	-44,75%
13 Financial Services	Financials	-13,69%	29 Real Estate Investment Trusts	Financials	-48,06%
14 Non-life Insurance	Financials	-14,70%	30 Travel & Leisure	Travel & Leisure	-48,12%
15 Healthcare Equipment & Service	Healthcare	-16,16%	31 Electronic & Electrical Equipment	Industrials	-55,24%
16 Automobiles & Parts	Consumer Goods	-22,17%	32 Fixed-line Telecommunications	Telecommunications	-61,70%

Key

Resources

Financials

Industrials

Source: Barra and Deutsche Securities

FTSE/JSE sectors

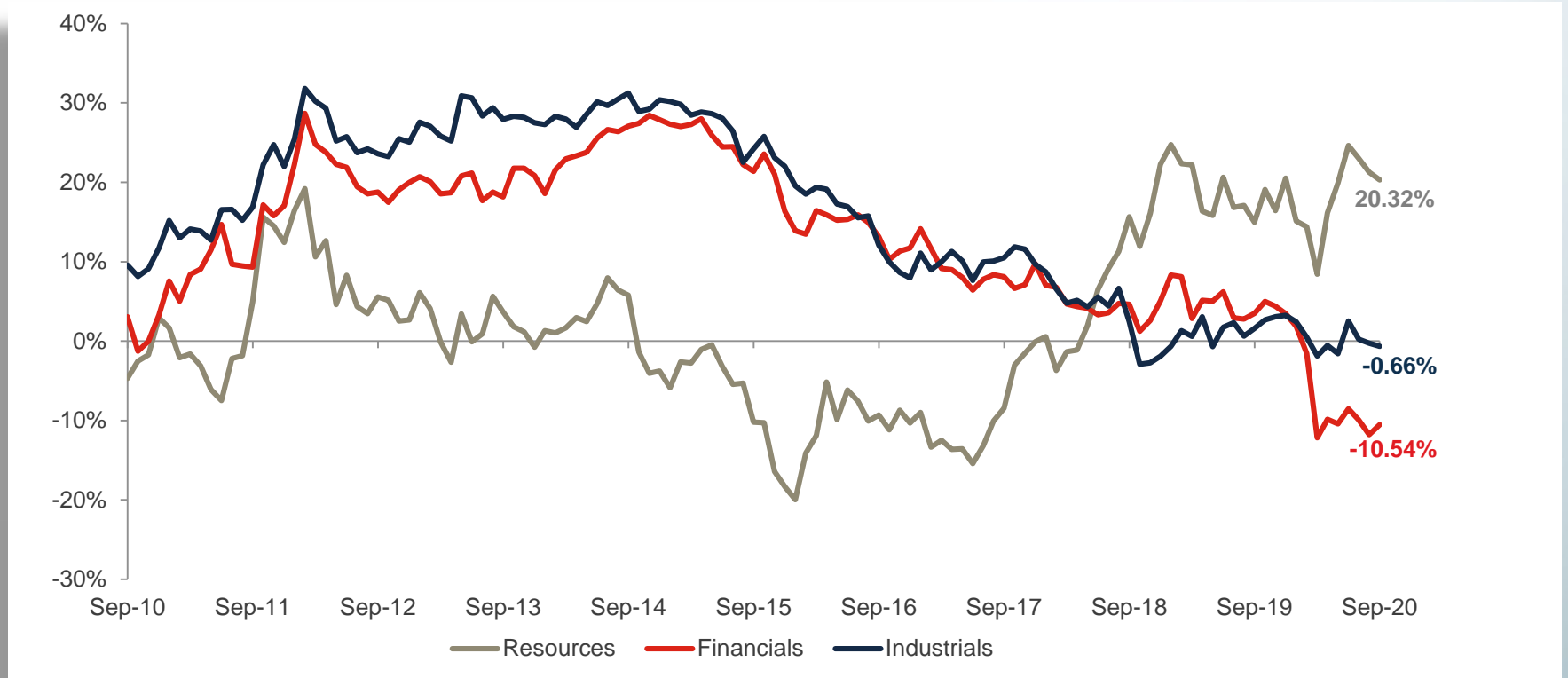
One year rolling to September 2020



FTSE/JSE sectors



Three years rolling to September 2020



FTSE/JSE market caps



One year to September 2020





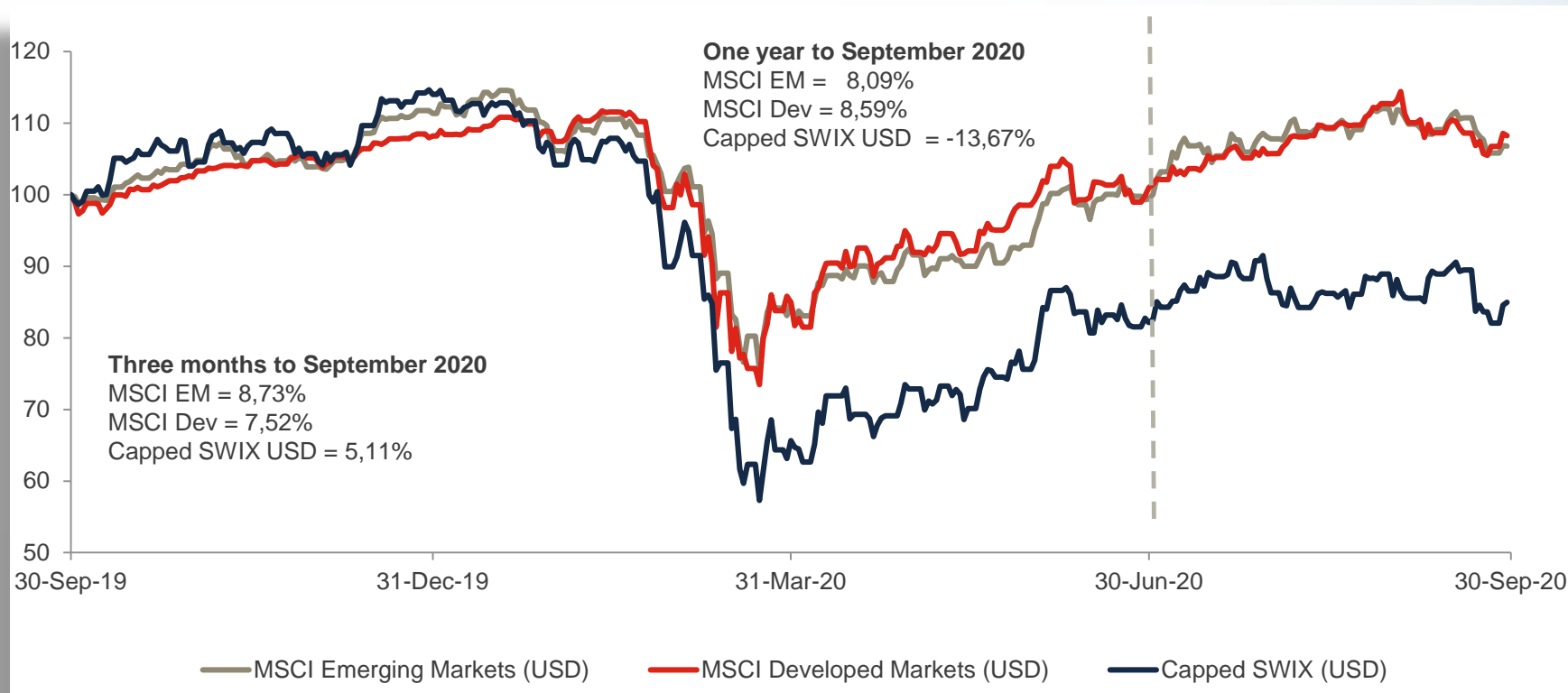
05

Indexed Return Charts

MSCI developed and emerging markets



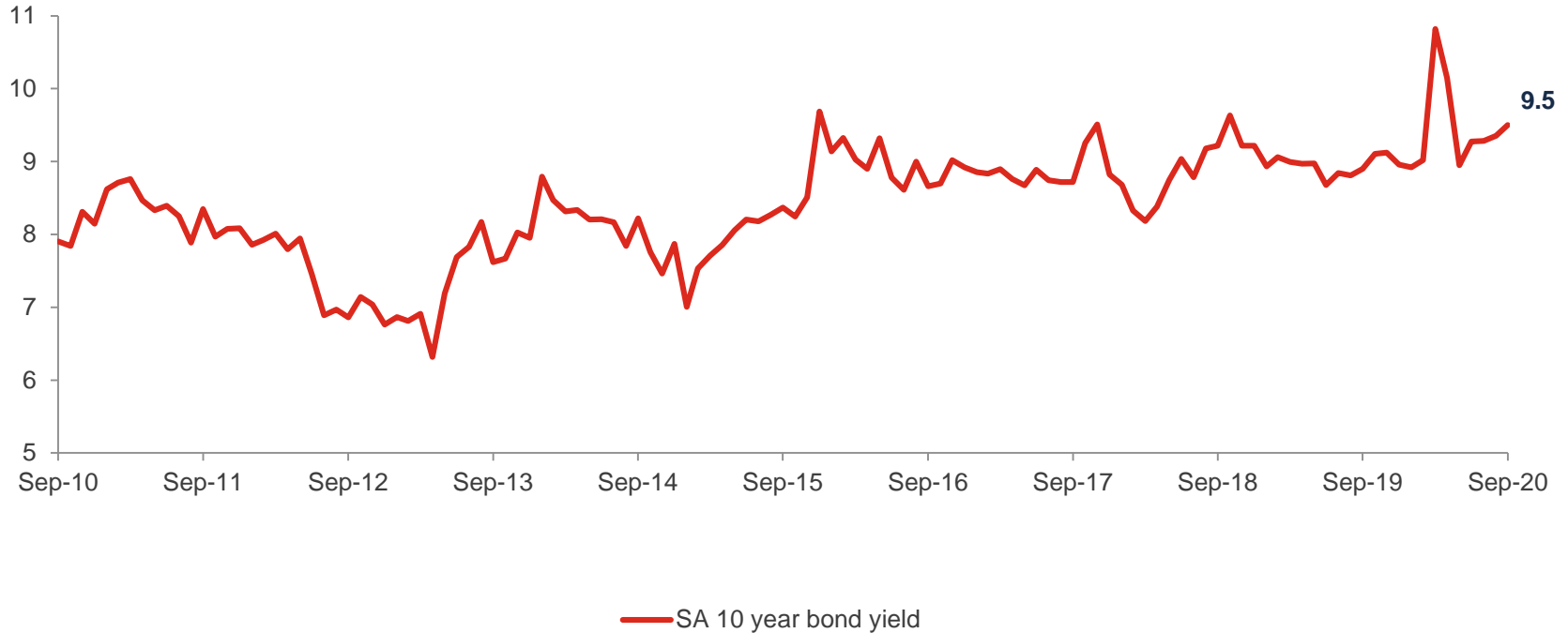
One year to September 2020



SA 10-year bond yields



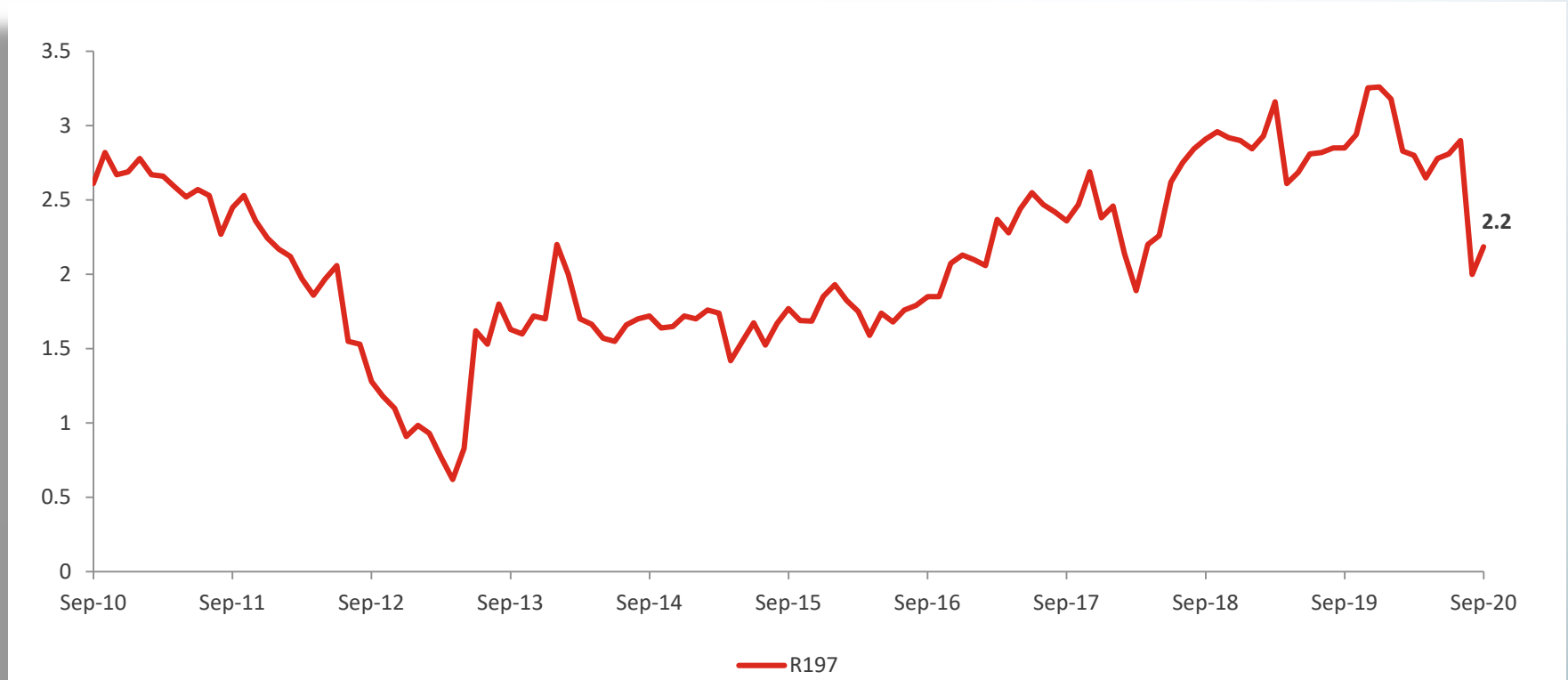
Ten years to September 2020



Yield of R197 (inflation-linked bond)



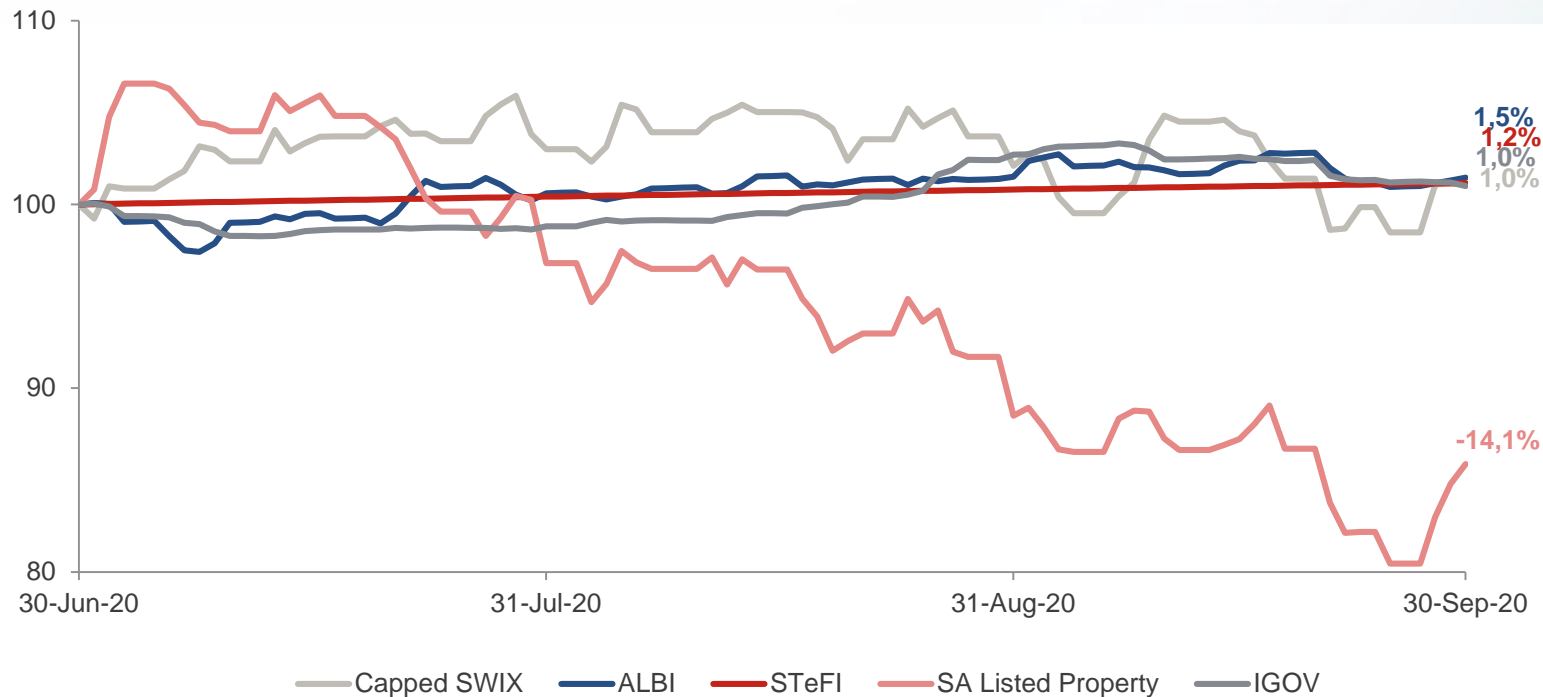
Ten years to September 2020



Local asset classes



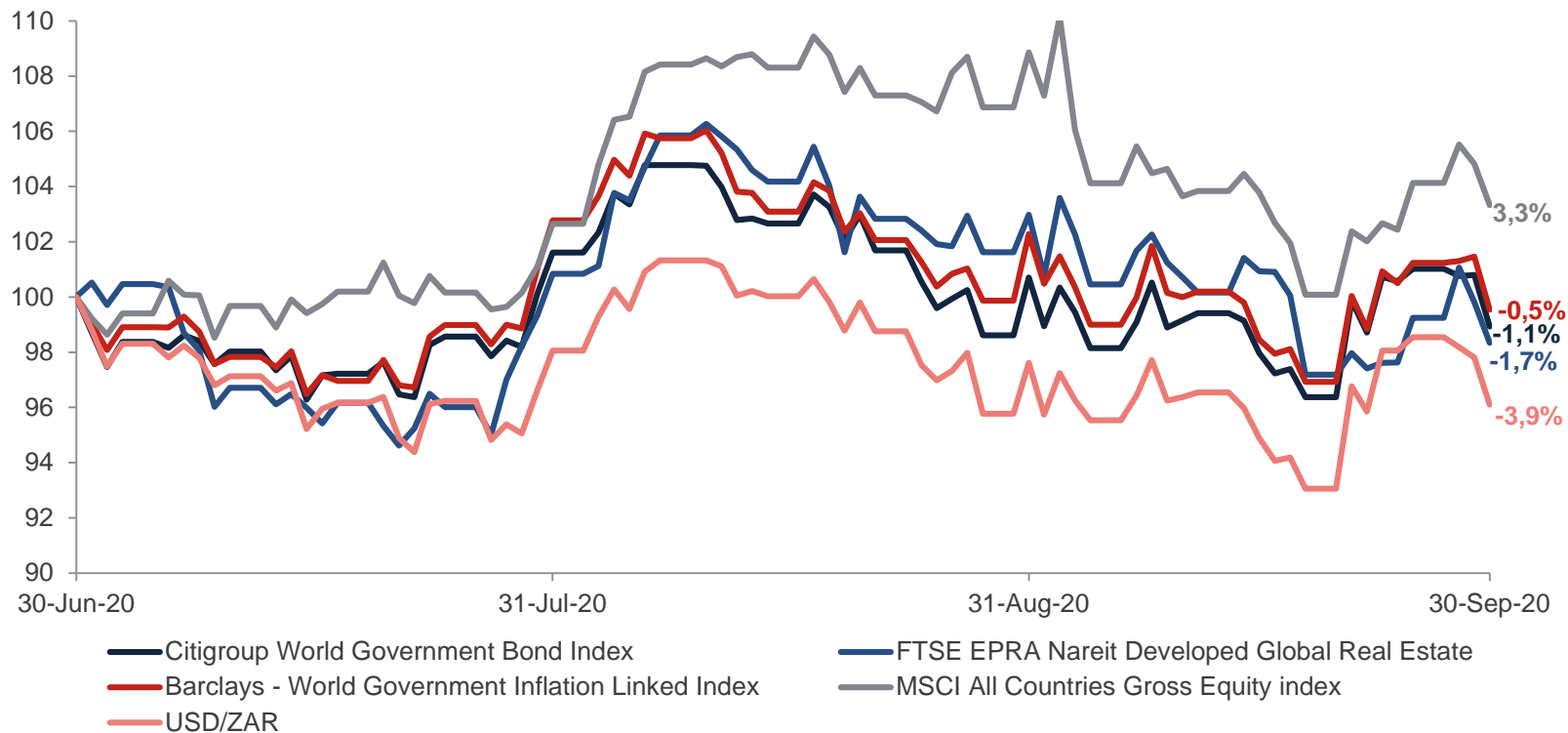
Three months to September 2020



* CPI lagged by one month due to availability of data

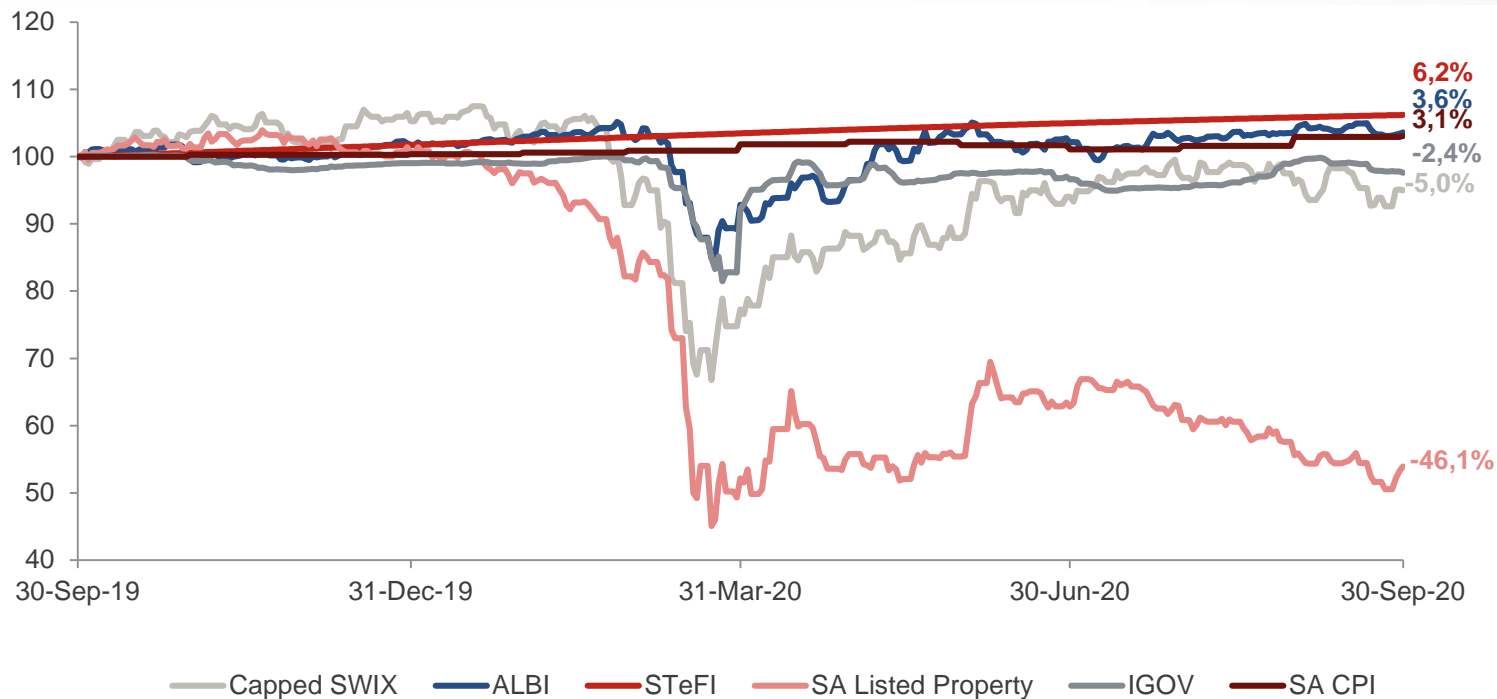
Global asset classes

Three months to September 2020



Local asset classes

One year to September 2020

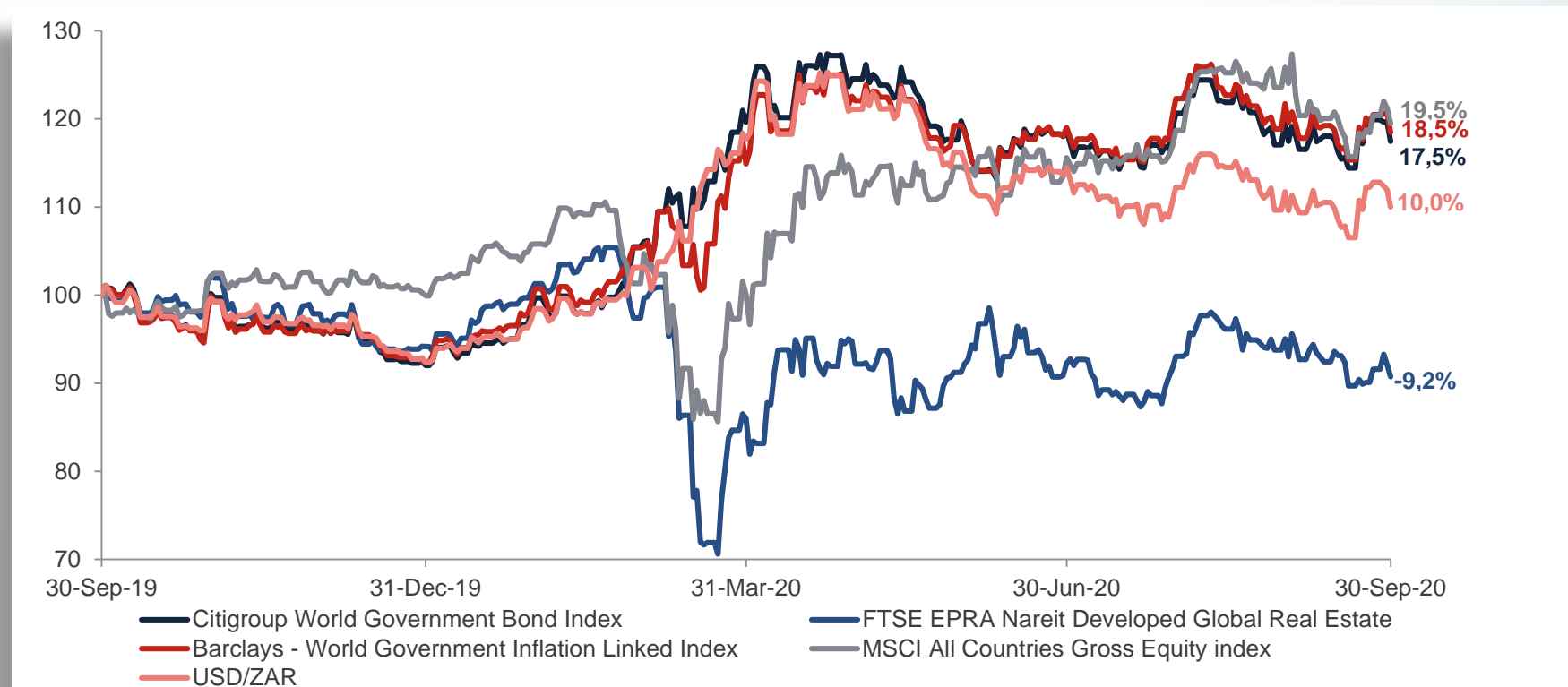


* CPI lagged by one month due to availability of data

Global asset classes



One year to September 2020

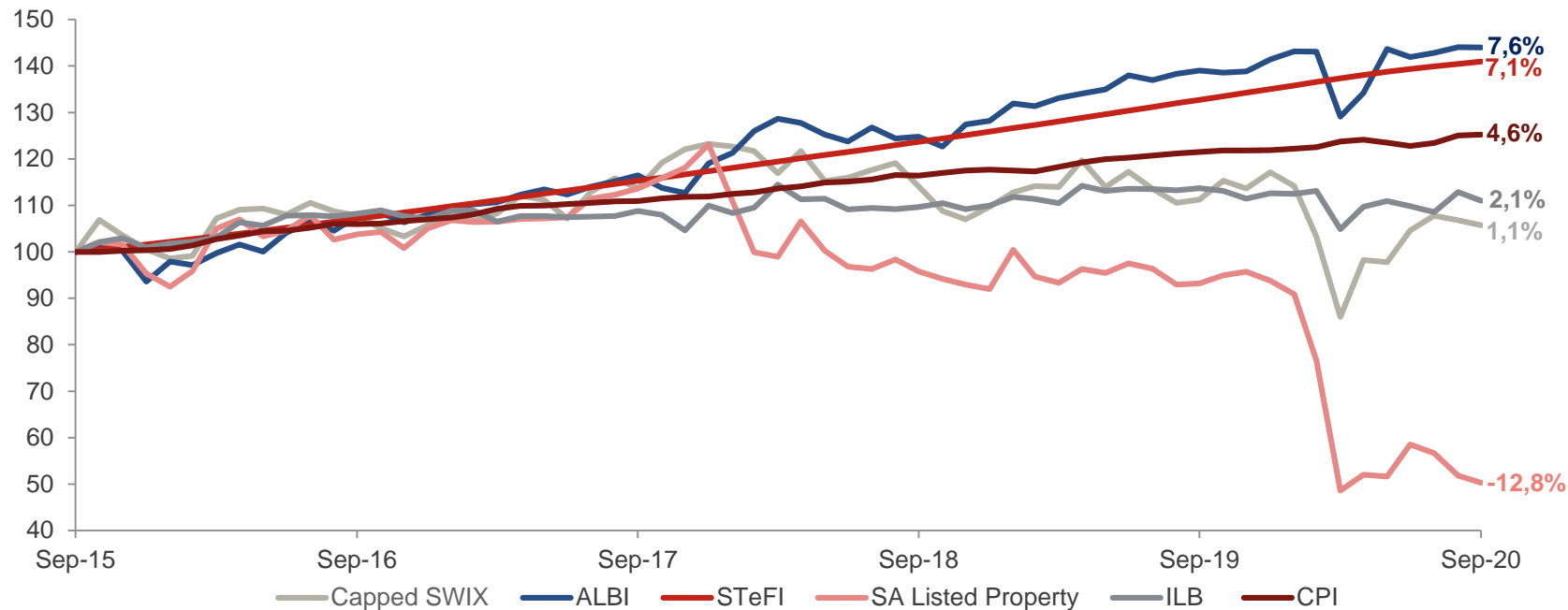


Source: IRESS and Momentum Investments

Local asset classes



Five years to September 2020

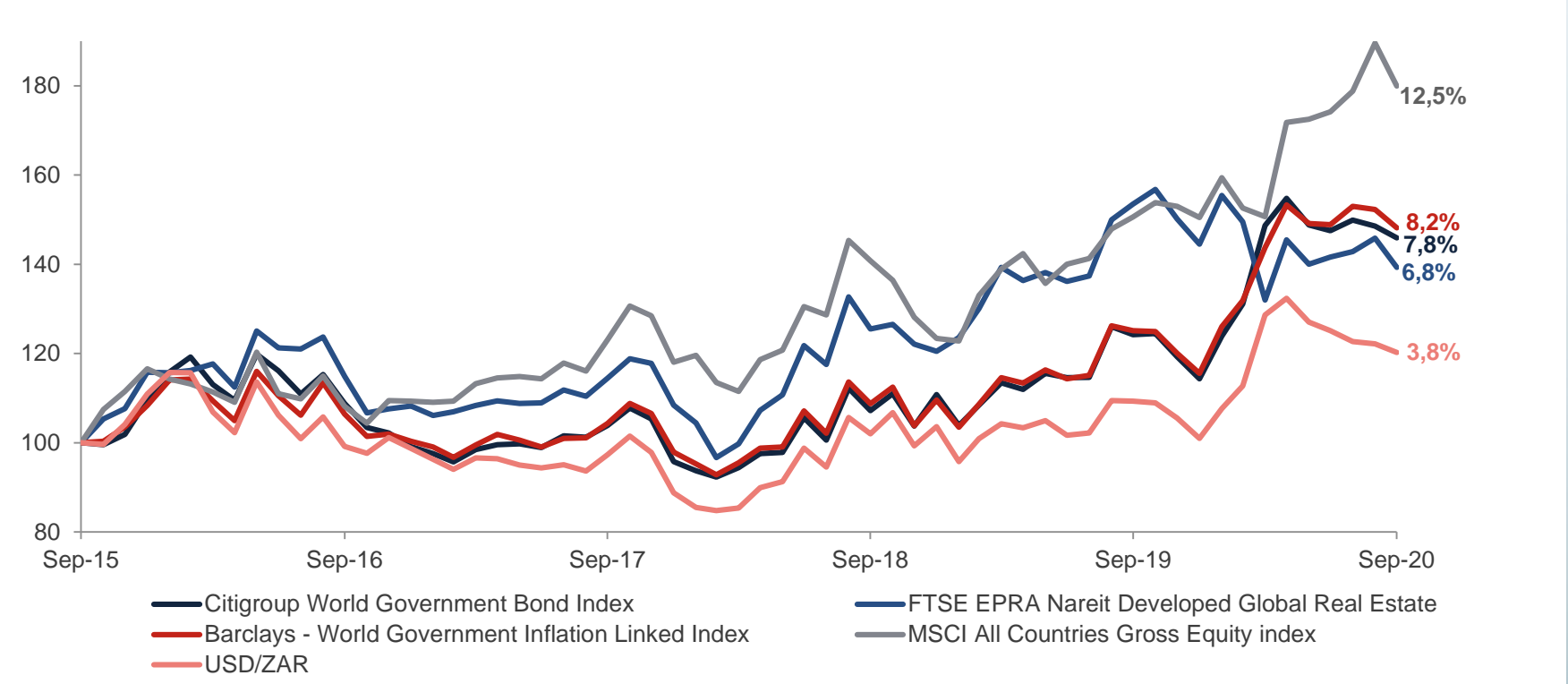


* CPI lagged by one month due to availability of data

Global asset classes



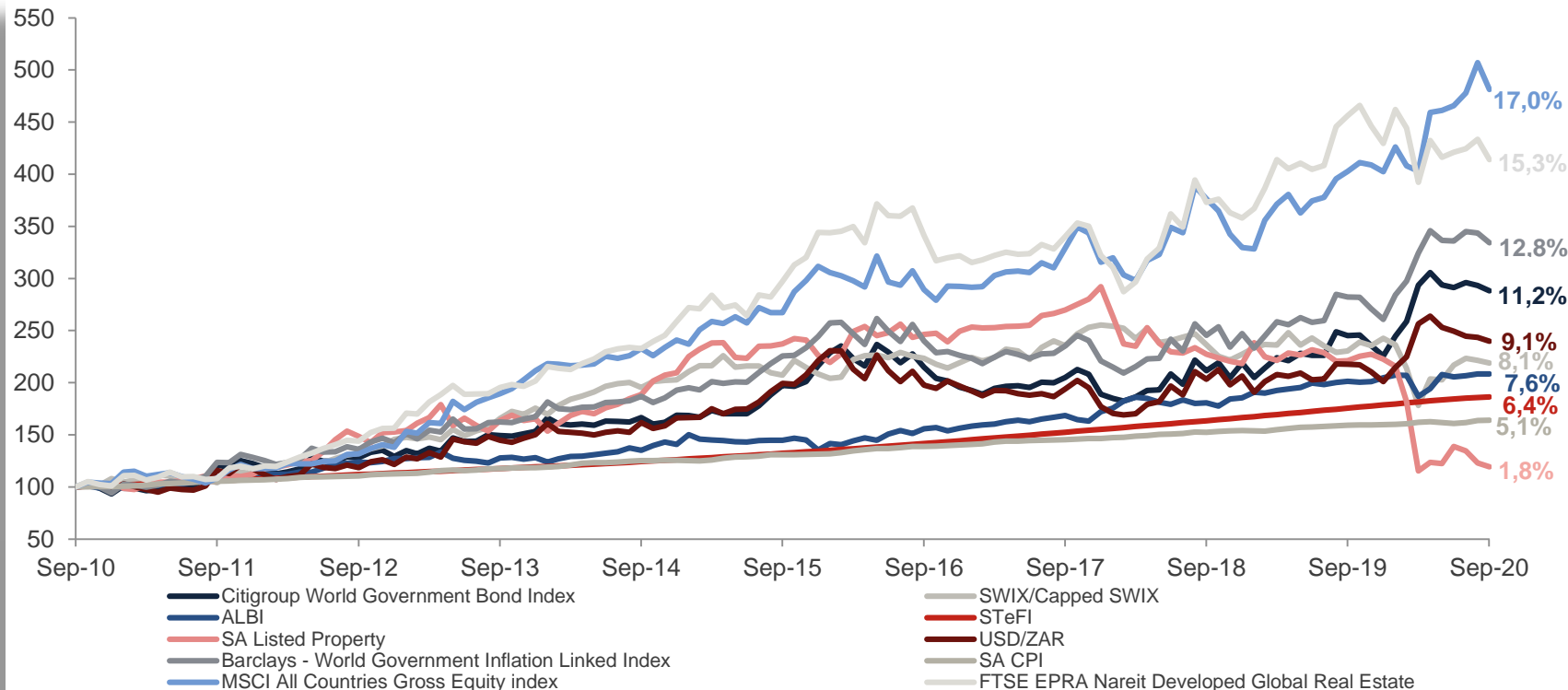
Five years to September 2020



Asset classes



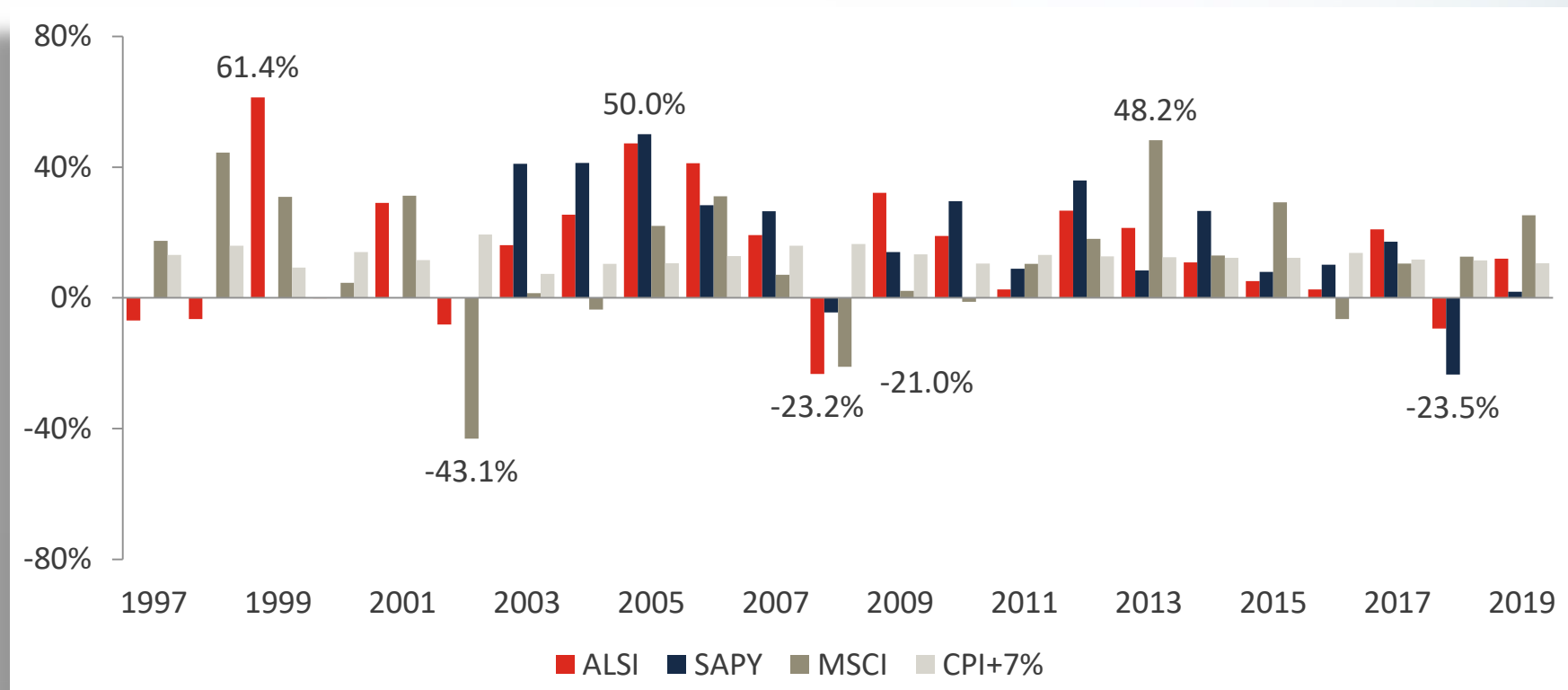
Ten years to September 2020



* CPI lagged by one month due to availability of data

Source: IRESS and Momentum Investments

Annual asset class returns



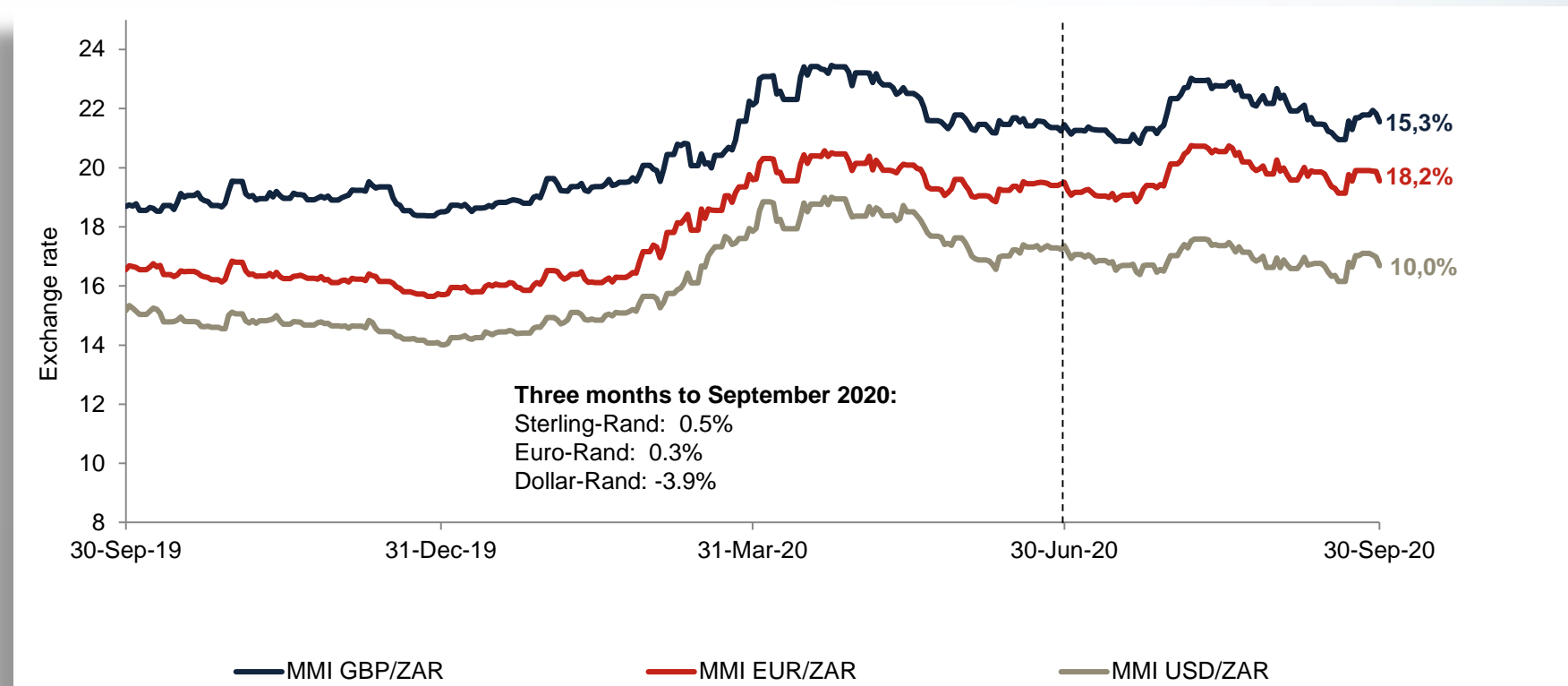
* CPI lagged by one month due to availability of data

Source: IRESS and Momentum Investments

Exchange rates



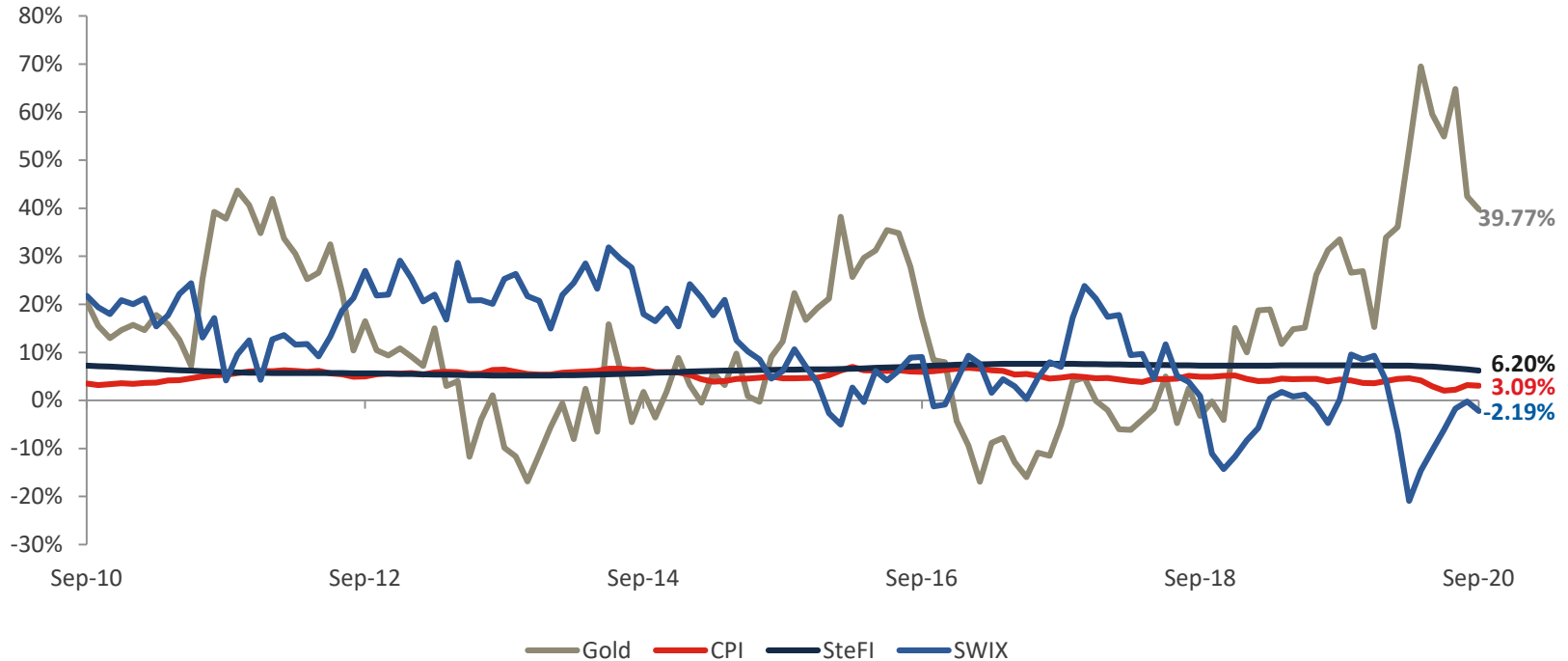
One year to September 2020



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



One-year rolling returns to September 2020

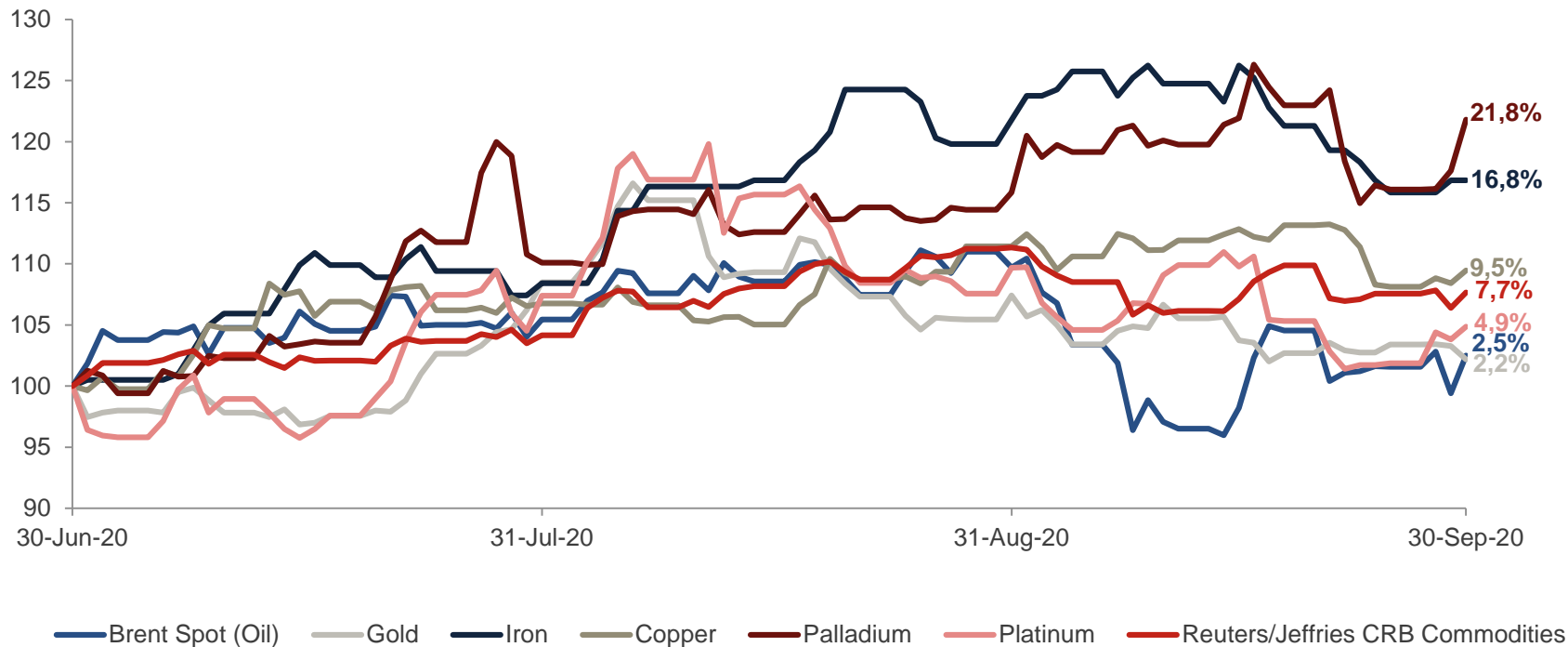


* CPI lagged by one month due to availability of data

Commodities



Three months to September 2020

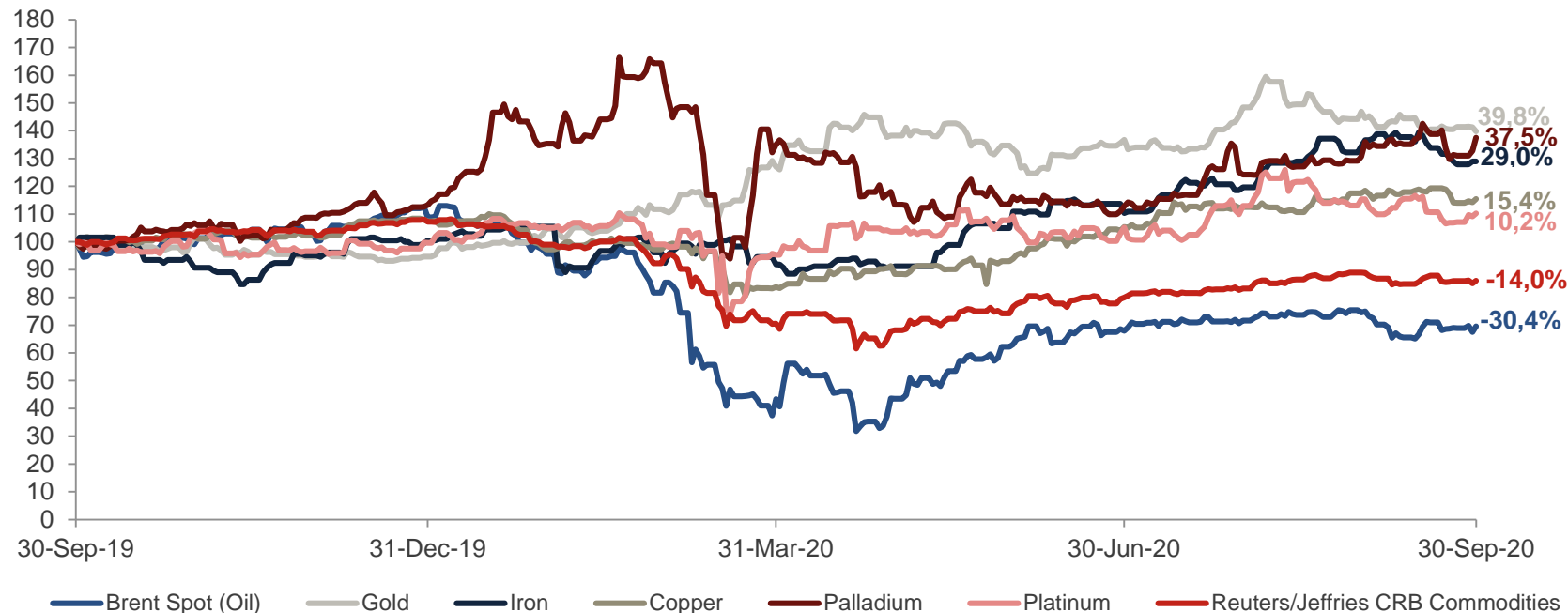


All returns are in dollar terms

Commodities



One year to September 2020



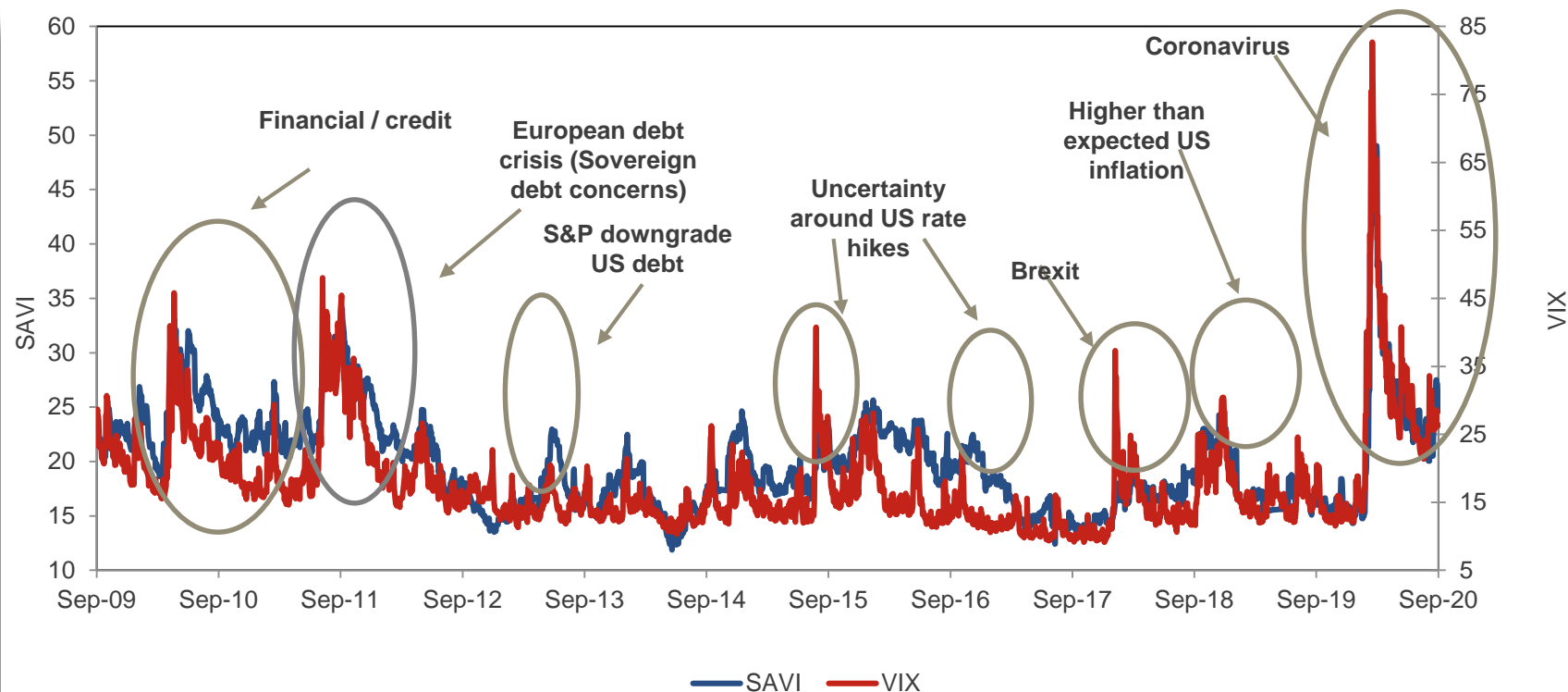
All returns are in dollar terms



06

Volatility and
international flows

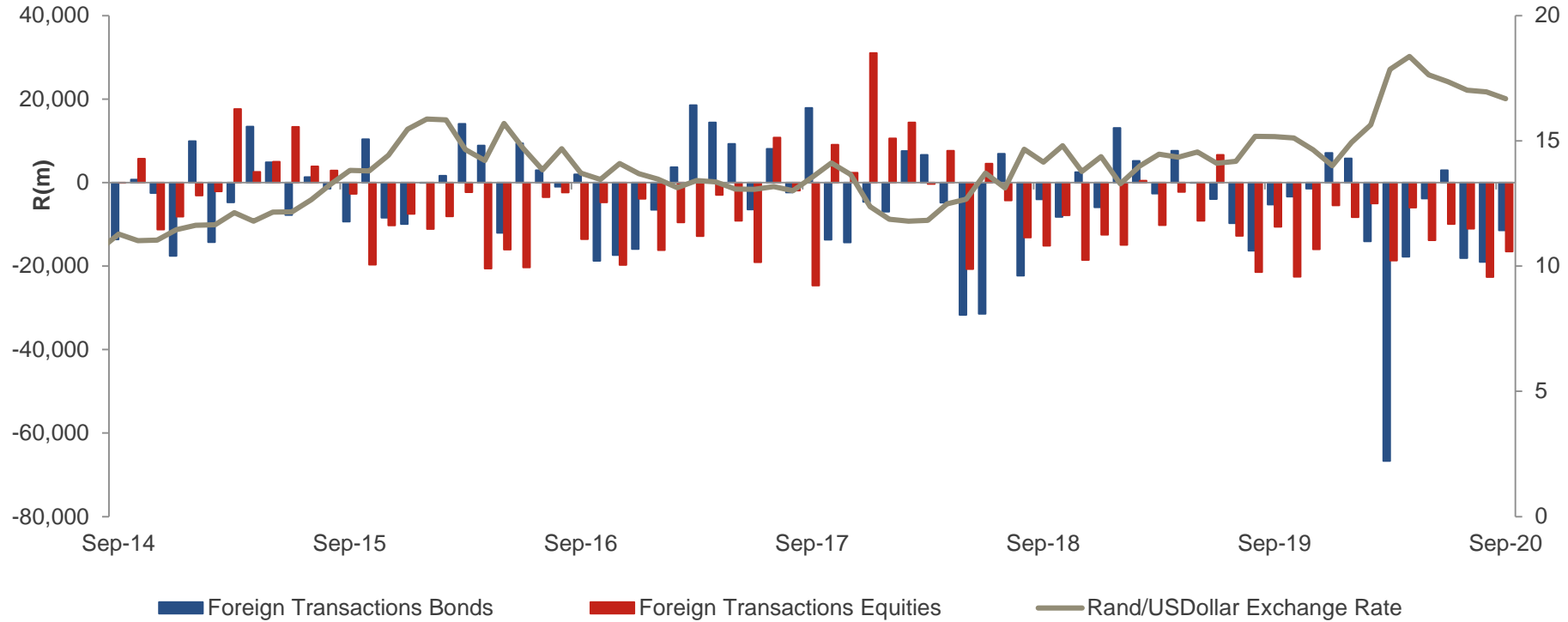
September 2020



Foreign Transactions



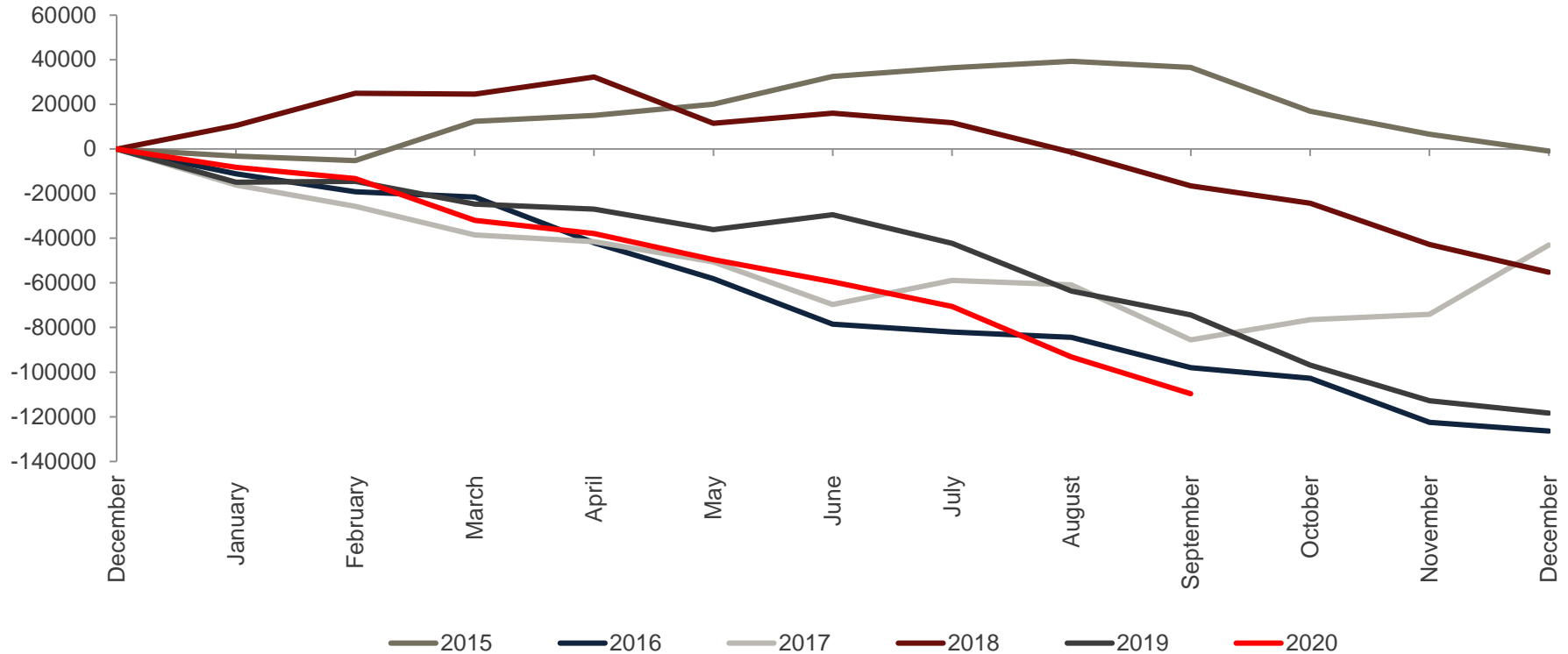
2015 to 2020



Cumulative foreign transaction: Equities



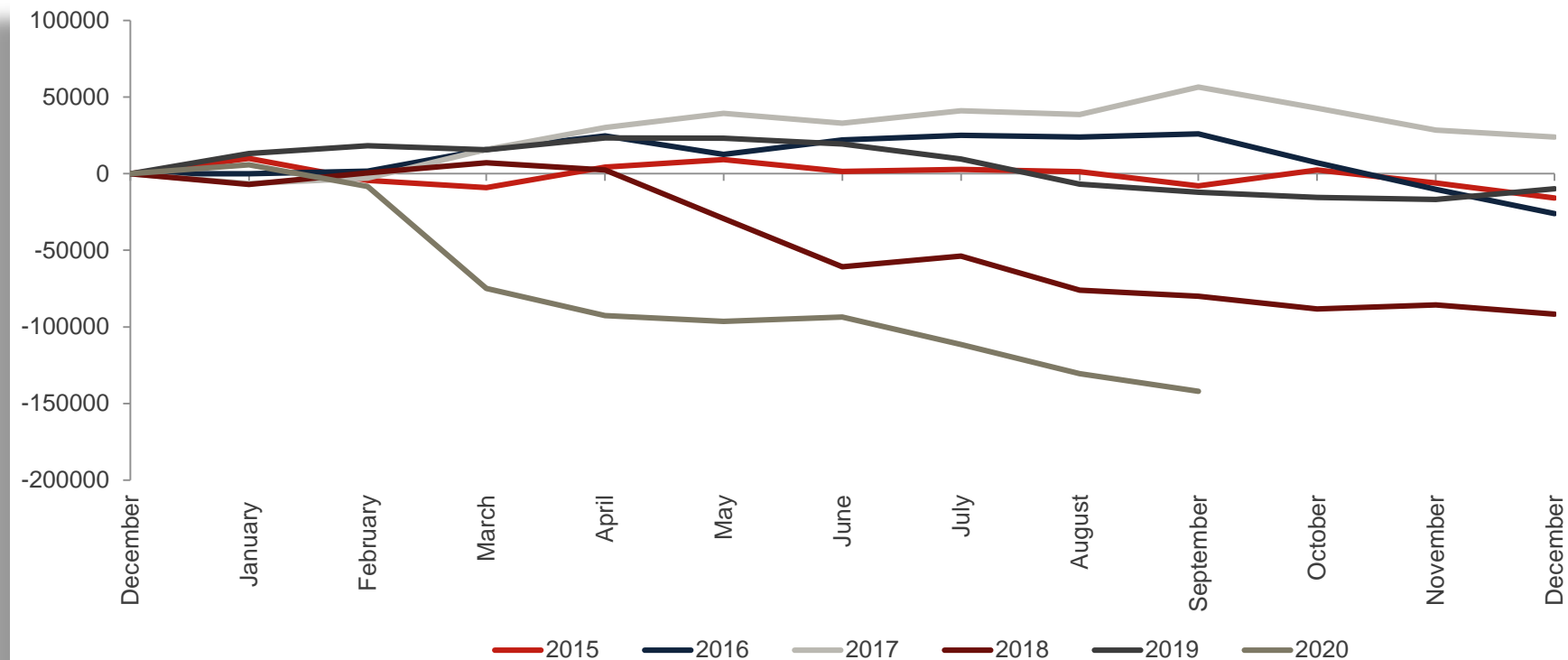
2015 to 2020



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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