

Key market performance drivers

Monthly charts to 30 September 2021

Table of Contents

01

Market Concentration

02

Active Index Analysis

03

Style Analysis

04

Sector Analysis

05

Indexed Return Charts

06

Volatility and International Flows



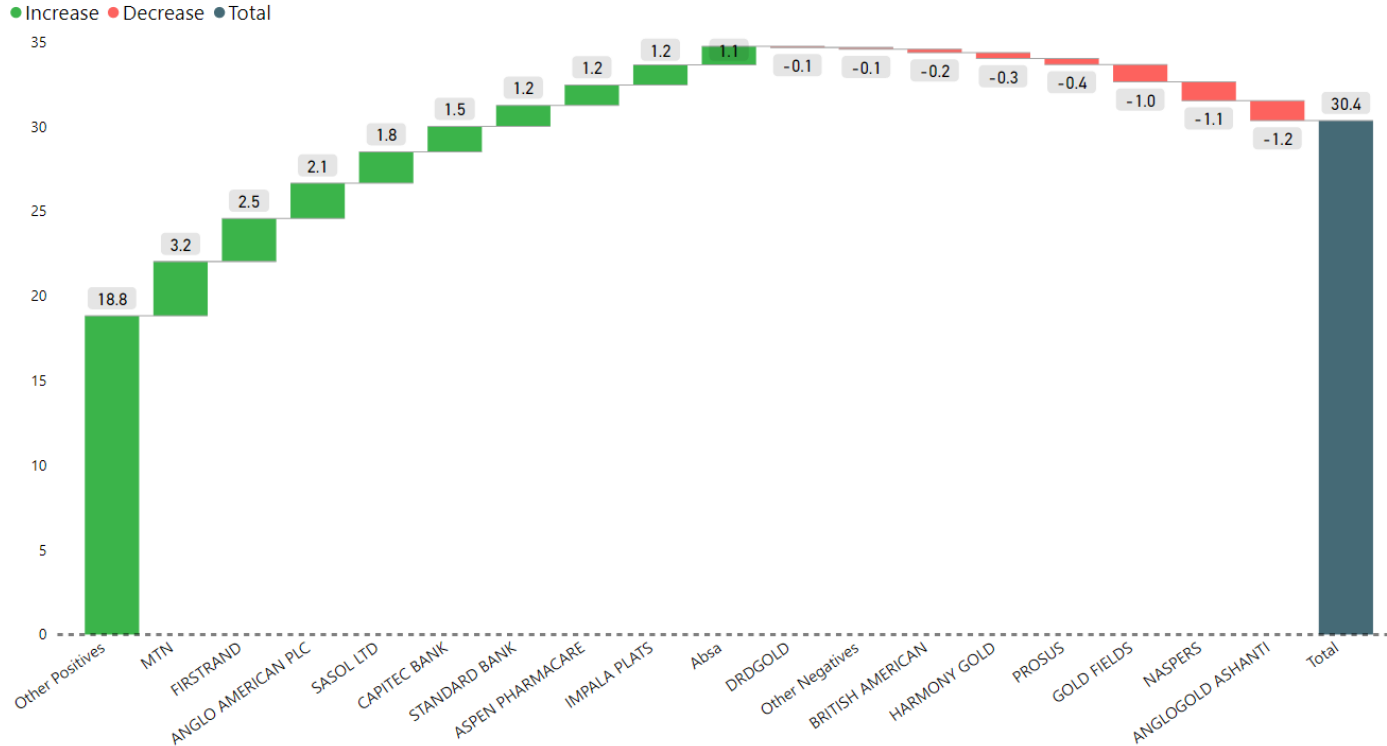
01

Market
Concentration

Market concentration



One-year Capped SWIX contributions ending September 2021





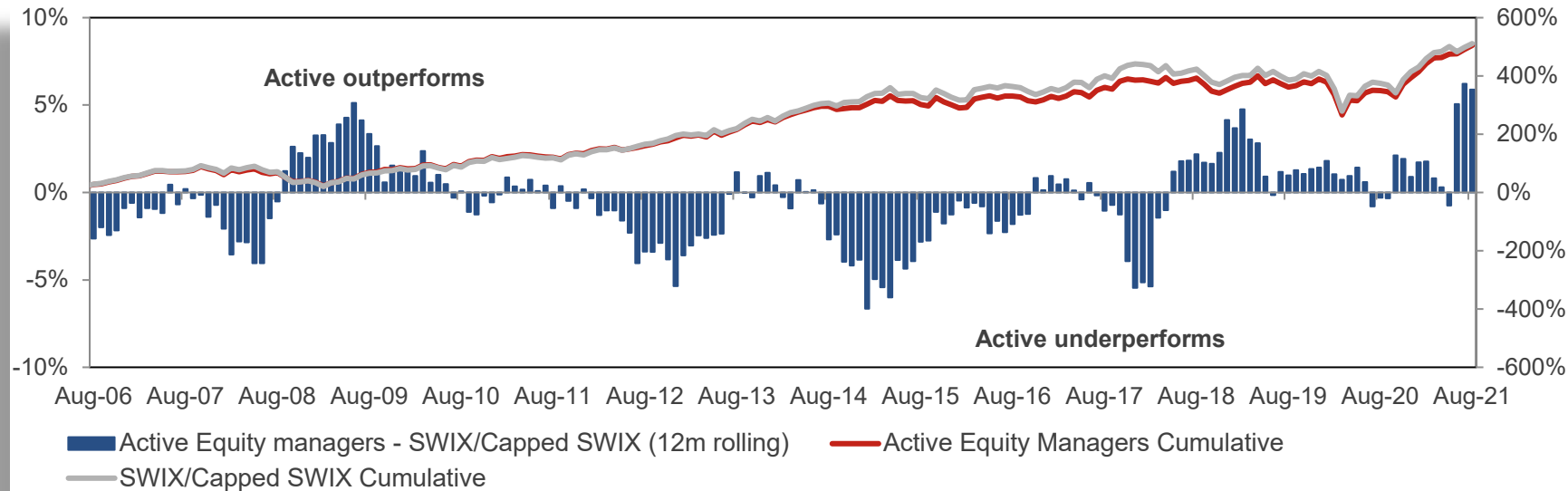
02

Active Index
Analysis

Active index analysis: Equities



One-year rolling active to August 2021



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

(SWIX until 31 October 2017 and Capped SWIX thereafter)

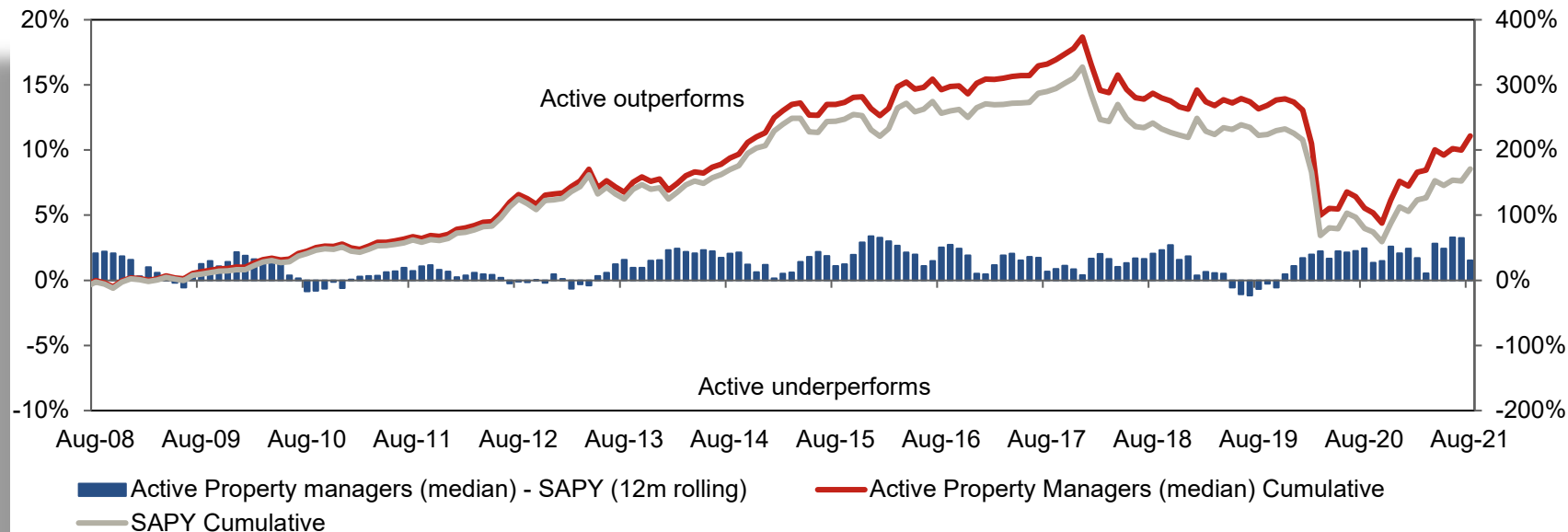
Data lagged by one month

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

Active index analysis: Property



One-year rolling active to August 2021



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

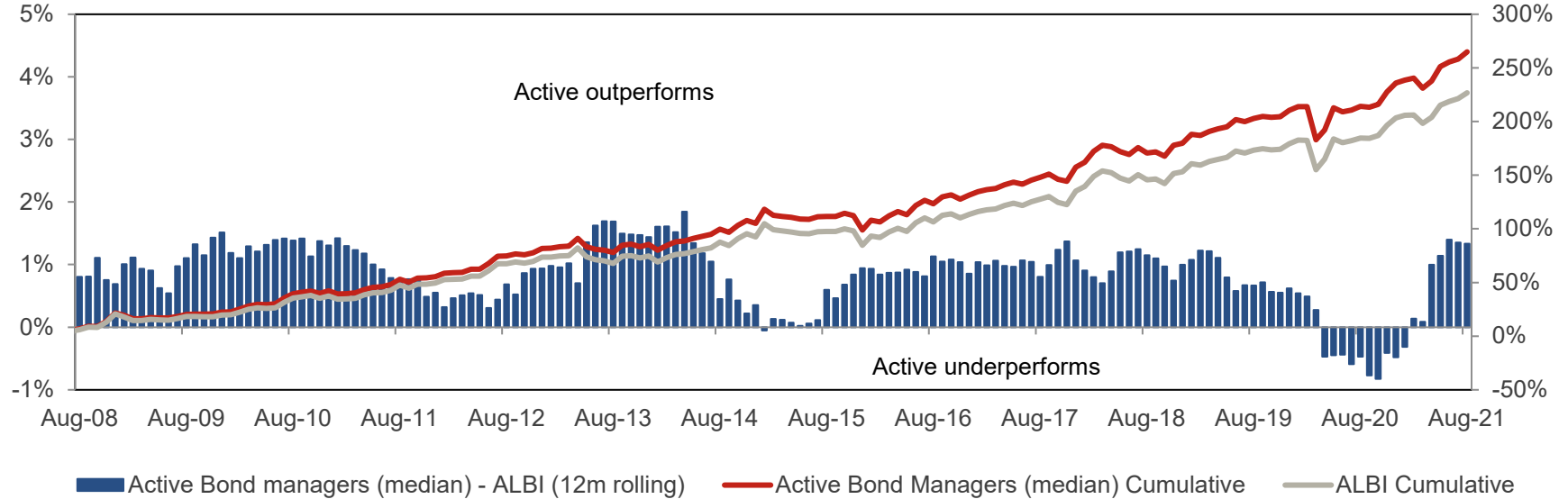
Data lagged by one month

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

Active index analysis: Bonds



One-year rolling active to August 2021



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

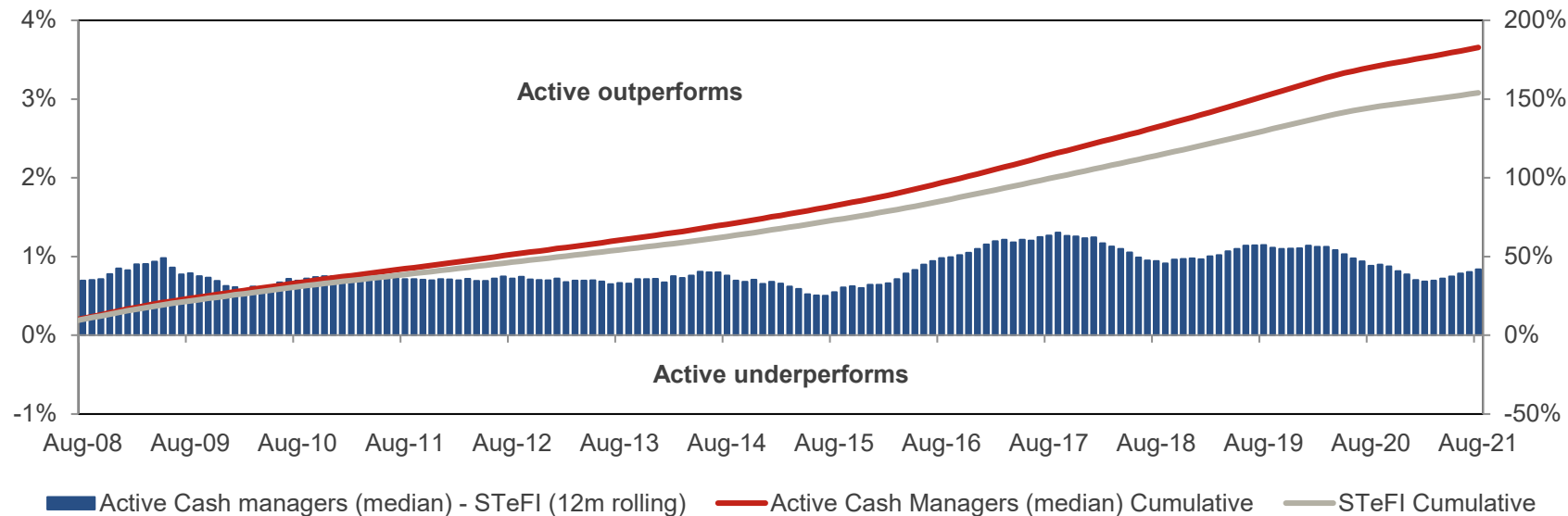
Data lagged by one month

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

Active index analysis: Cash



One-year rolling active to August 2021



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

ZAR	Styles	One month to September 2021	Three months to September 2021	One year to September 2021	Three years to September 2021	Five years to September 2021	Ten years to September 2021	Twenty years to September 2021
Value	Book to Price	7,38	7,25	41,15	2,52	-0,03	-2,41	-0,16
	Dividend Yield	-2,40	-4,57	15,26	-0,10	2,39	0,15	2,90
	Earnings Yield	0,81	0,82	10,34	-1,29	0,23	-1,14	-0,01
	Cash Flow Yield	4,04	9,31	22,03	-0,44	1,97	1,09	1,51
	Sales to Price	1,63	8,81	23,79	3,77	2,26	-0,33	0,11
Quality	ROE	-4,20	-7,06	-26,07	-2,87	1,87	1,43	1,20
	ROIC LT	-6,62	-4,60	-12,94	-2,78	-3,29	-1,55	-0,87
	Income to Sales	0,51	-1,05	-12,63	-1,62	0,62	0,25	-0,04
	Low market beta	1,28	-3,44	-13,15	-5,37	-3,15	0,72	-0,23
	Low Debt/Equity	-3,22	-6,89	-14,95	-2,46	-0,15	-1,20	-1,25
	EBIT Margin Stability	2,48	3,06	-5,16	-0,78	-3,31	1,69	0,73
Growth	Earnings Growth	-1,05	-3,81	-1,60	3,43	5,27	1,83	0,48
	Sales Growth	-1,51	-5,82	-3,28	2,50	0,68	0,99	-0,14
	12M Earning Growth	-5,22	-9,27	-14,24	8,13	2,20	-0,66	4,45
Momentum	FY1 Earnings Revisions	2,20	0,89	6,44	6,23	4,37	5,35	7,61
	Short Term Momentum	3,10	1,92	1,88	0,79	-0,84	1,22	-0,25
	Medium Term Momentum	-0,07	-0,22	-12,91	7,84	3,00	5,77	5,39
Size	Size	-4,94	-3,09	-16,99	2,02	2,62	0,88	0,04

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

Key

Resources

Financials

Industrials



Three months to September 2021

Pharmaceuticals and 1 Biotechnology	Health Care	65,74%	17 Health Care Providers	Health Care	6,36%
2 Alternative Energy	Energy	54,56%	18 Real Estate Investment Trusts	Real Estate	4,74%
3 Automobiles and Parts	Consumer Discretionary	36,04%	19 Construction and Materials	Industrials	3,47%
4 Chemicals	Basic Materials	29,44%	20 Food Producers	Consumer Staples	2,63%
Telecommunications Service 5 Providers	Telecommunications	24,05%	21 Industrial Support Services	Industrials	0,28%
6 Industrial Transportation	Industrials	18,44%	22 Retailers	Consumer Discretionary	0,09%
7 Oil	Energy	15,26%	23 Tobacco	Consumer Staples	-0,52%
8 Banks	Financials	14,96%	24 Industrial Metals and Mining	Basic Materials	-1,25%
9 Consumer Services	Consumer Discretionary	14,76%	25 Industrial Materials	Basic Materials	-1,43%
10 Travel and Leisure	Consumer Discretionary	13,01%	26 Non-life Insurance	Financials	-4,27%
11 Life Insurance	Financials	11,71%	27 Closed End Investments	Financials	-5,54%
Investment Banking and 12 Brokerage	Financials	9,91%	28 Electronic and Electrical Equipment	Industrials	-6,33%
13 Personal Care	Consumer Staples	9,52%	29 Beverages	Consumer Staples	-8,53%
14 Finance and Credit Services	Financials	8,96%	30 Personal Goods	Consumer Discretionary	-9,22%
15 General Industrials	Industrials	8,80%	31 Precious Metals and Mining	Basic Materials	-15,41%
Real Estate Investment and 16 Services	Real Estate	8,58%	32 Software and Computer Services	Technology	-18,41%

Source: Barra and Deutsche Securities

Sector Analysis

FTSE/JSE sectors decomposed

One Year to September 2021

Key

Resources

Financials

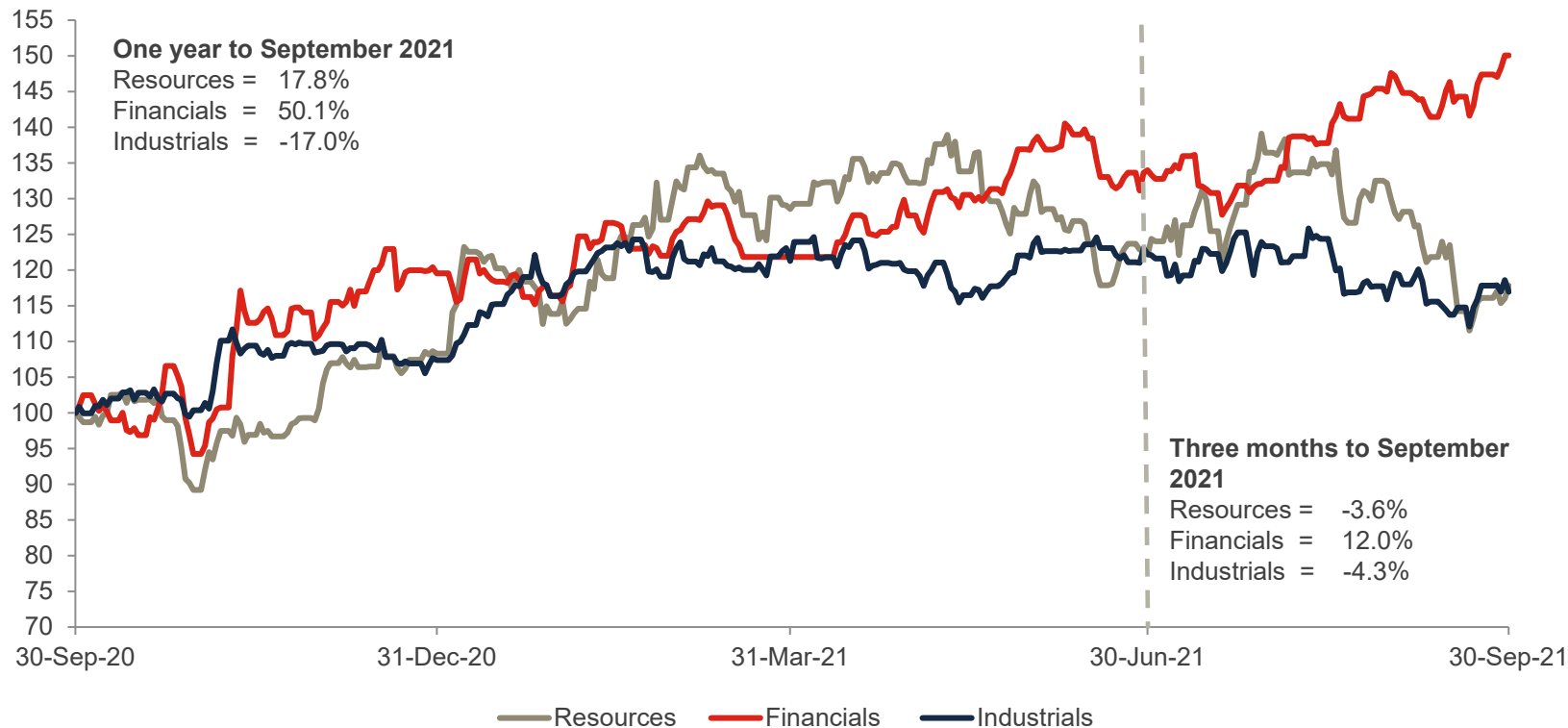
Industrials



1 Alternative Energy	Energy	269,48%	17 Real Estate Investment Trusts	Real Estate	50,25%
Pharmaceuticals and					
2 Biotechnology	Health Care	122,80%	18 Construction and Materials	Industrials	49,59%
3 Chemicals	Basic Materials	114,78%	19 Closed End Investments	Financials	47,92%
4 Finance and Credit Services	Financials	91,16%	20 Personal Goods	Consumer Discretionary	41,02%
5 Industrial Support Services	Industrials	86,68%	21 Industrial Metals and Mining	Basic Materials	37,38%
6 Industrial Transportation	Industrials	84,01%	22 Life Insurance	Financials	33,34%
Telecommunications Service					
7 Providers	Telecommunications	83,54%	23 Personal Care	Consumer Staples	27,38%
8 Consumer Services	Consumer Discretionary	82,33%	24 Investment Banking and Brokerage	Financials	25,29%
9 Automobiles and Parts	Consumer Discretionary	76,89%	25 Beverages	Consumer Staples	21,06%
Electronic and Electrical					
10 Equipment	Industrials	76,46%	26 Health Care Providers	Health Care	20,28%
11 Retailers	Consumer Discretionary	74,89%	27 Industrial Materials	Basic Materials	17,30%
Real Estate Investment and					
12 Services	Real Estate	72,27%	28 Food Producers	Consumer Staples	14,58%
13 Travel and Leisure	Consumer Discretionary	71,85%	29 Non-life Insurance	Financials	2,27%
14 Oil	Energy	65,60%	30 Tobacco	Consumer Staples	-3,19%
15 General Industrials	Industrials	63,43%	31 Precious Metals and Mining	Basic Materials	-6,45%
16 Banks	Financials	62,19%	32 Software and Computer Services	Technology	-18,08%

FTSE/JSE sectors

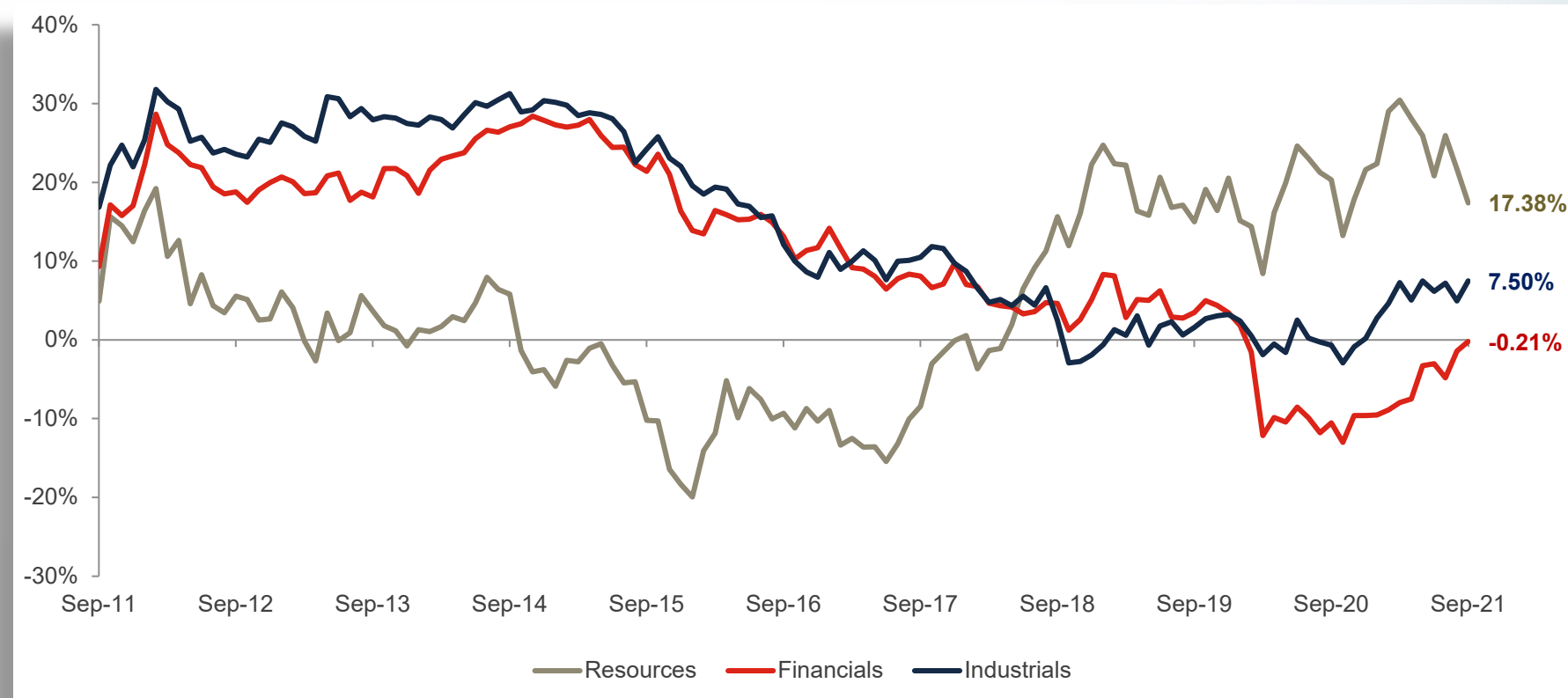
One year rolling to September 2021



FTSE/JSE sectors



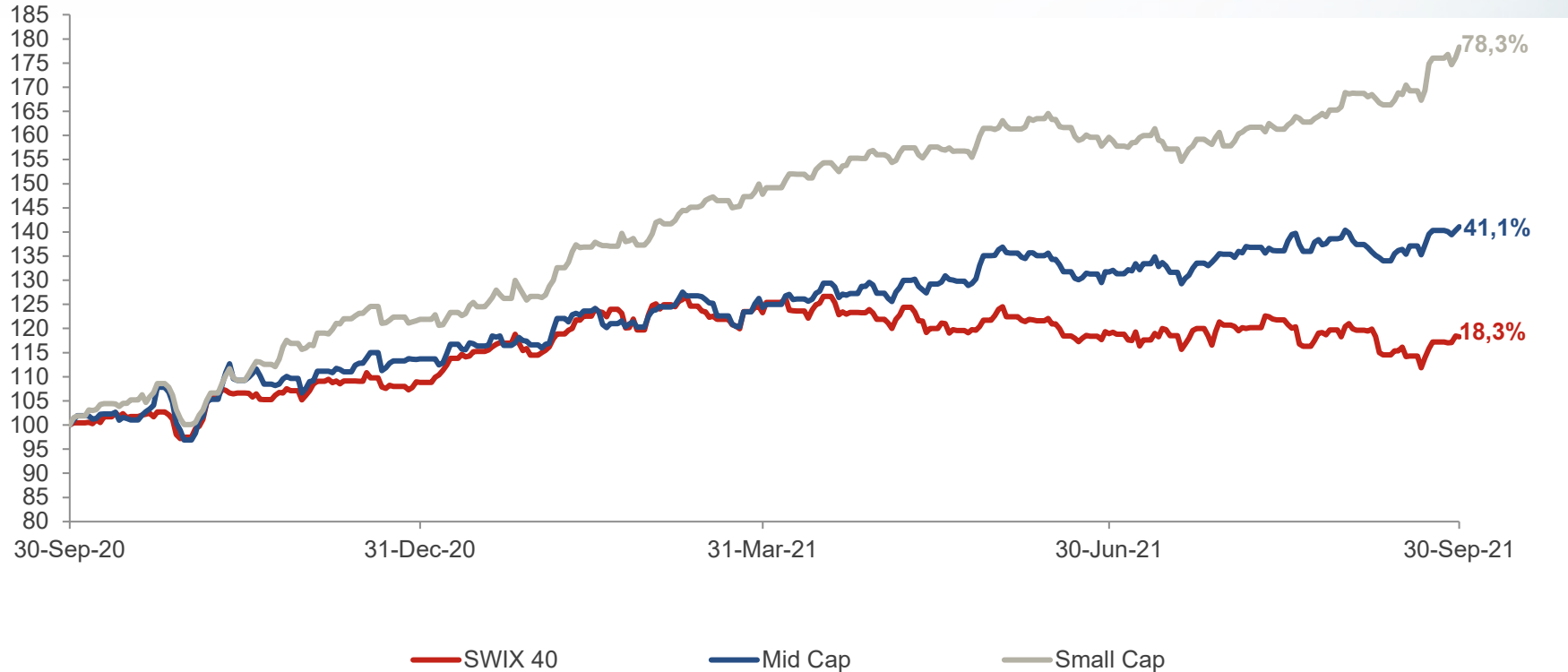
Ten years rolling to September 2021



FTSE/JSE market caps



One year to September 2021





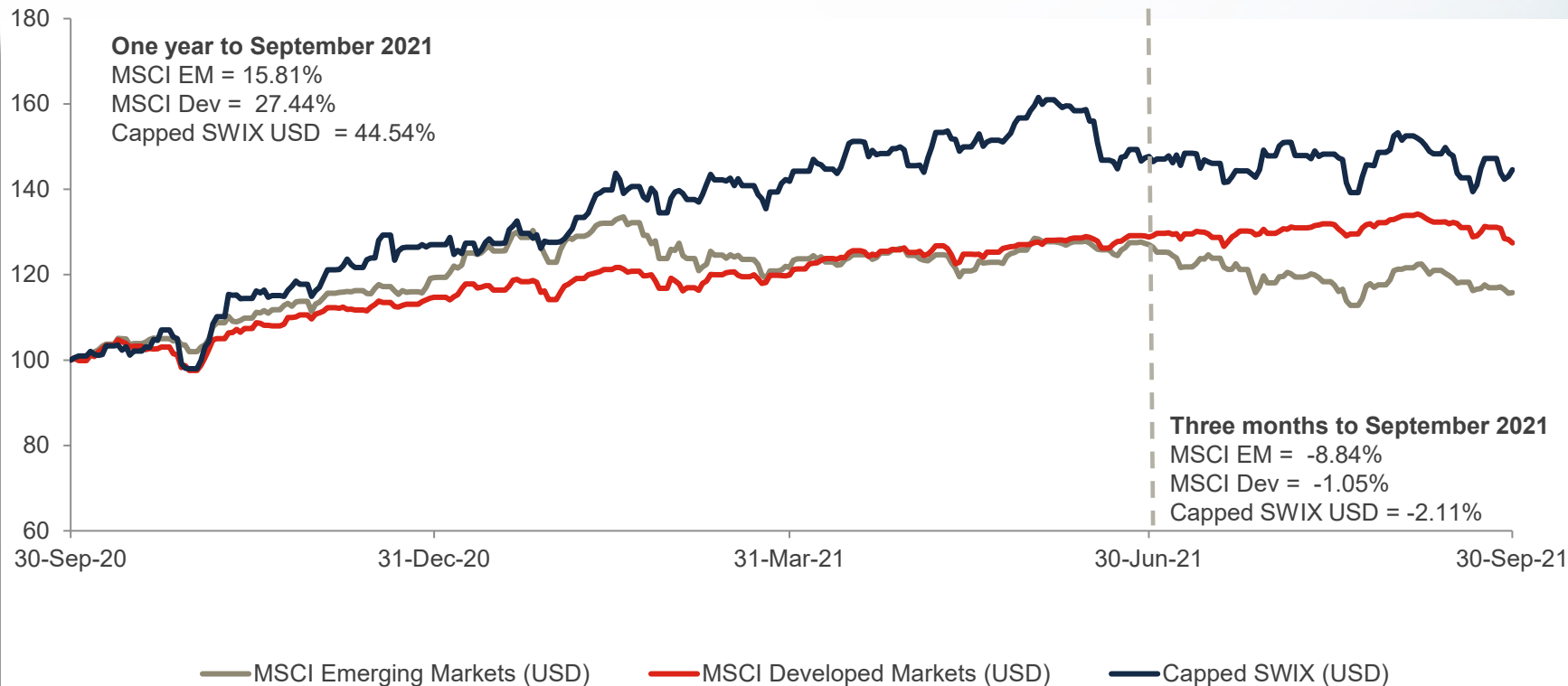
05

Indexed Return Charts

MSCI developed and emerging markets



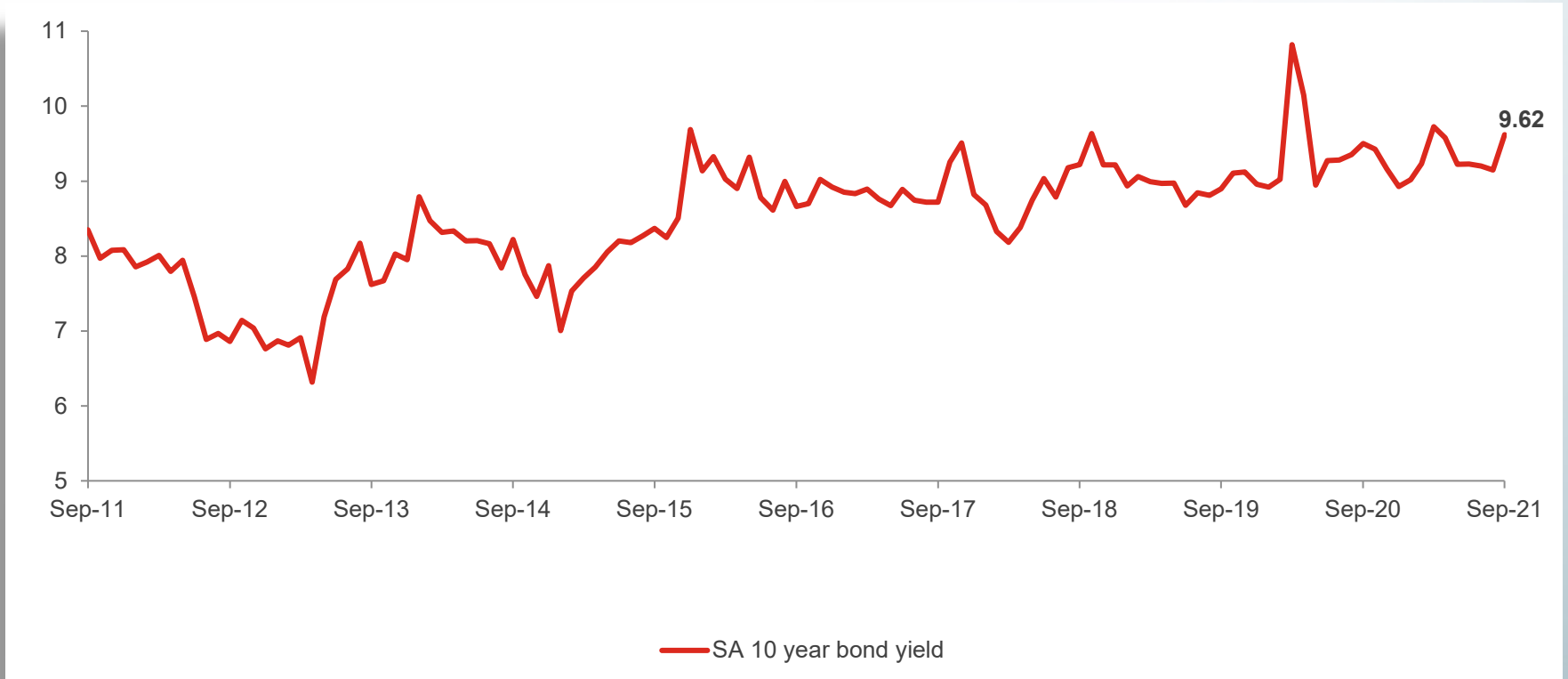
One year to September 2021



SA 10-year bond yields



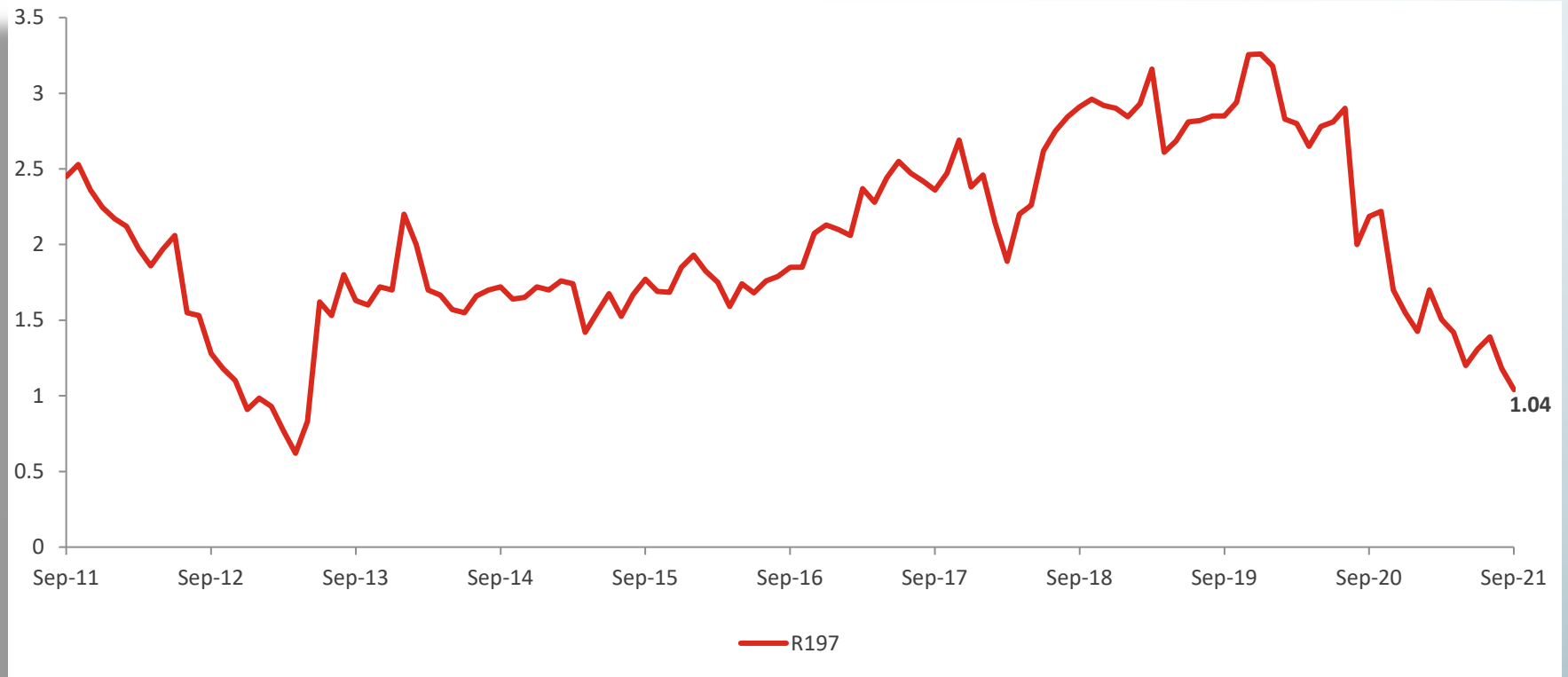
Ten years to September 2021



Yield of R197 (inflation-linked bond)



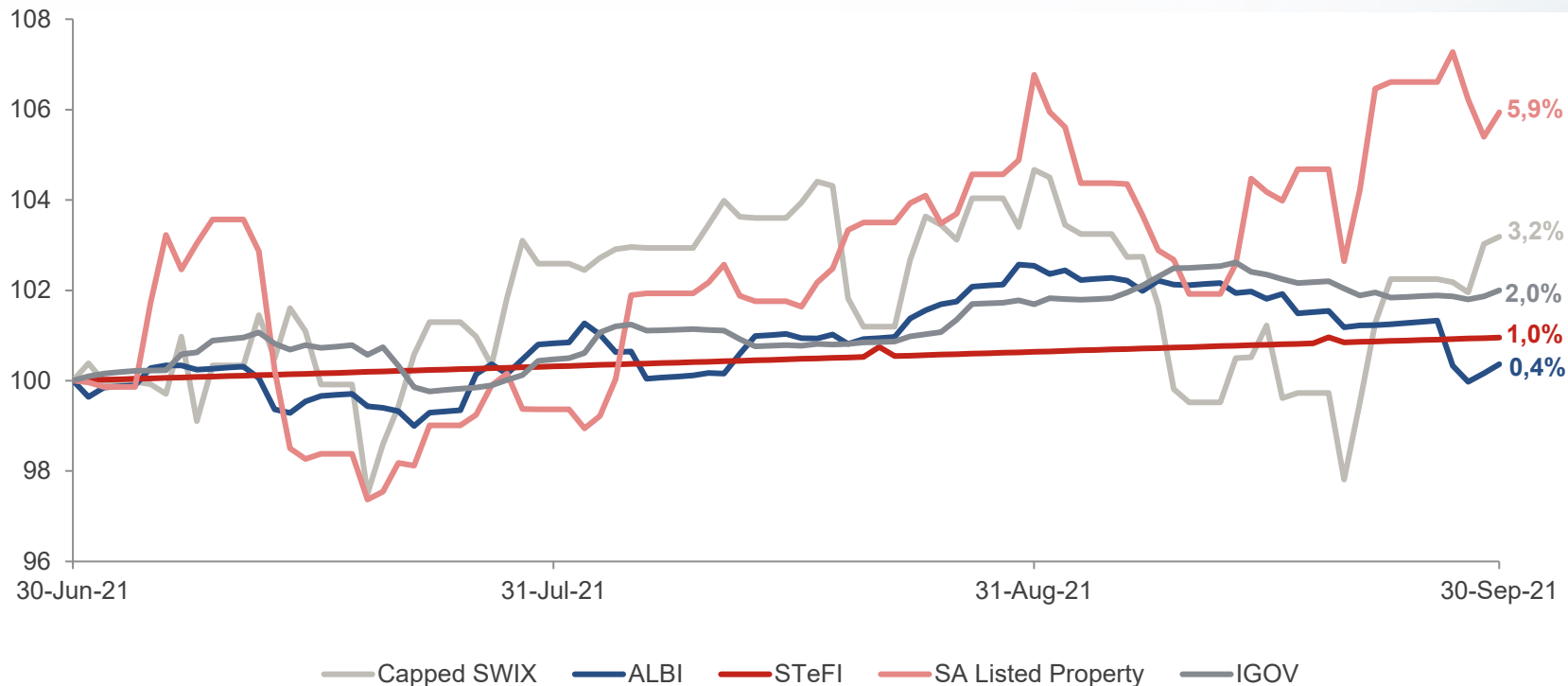
Ten years to September 2021



Local asset classes



Three months to September 2021

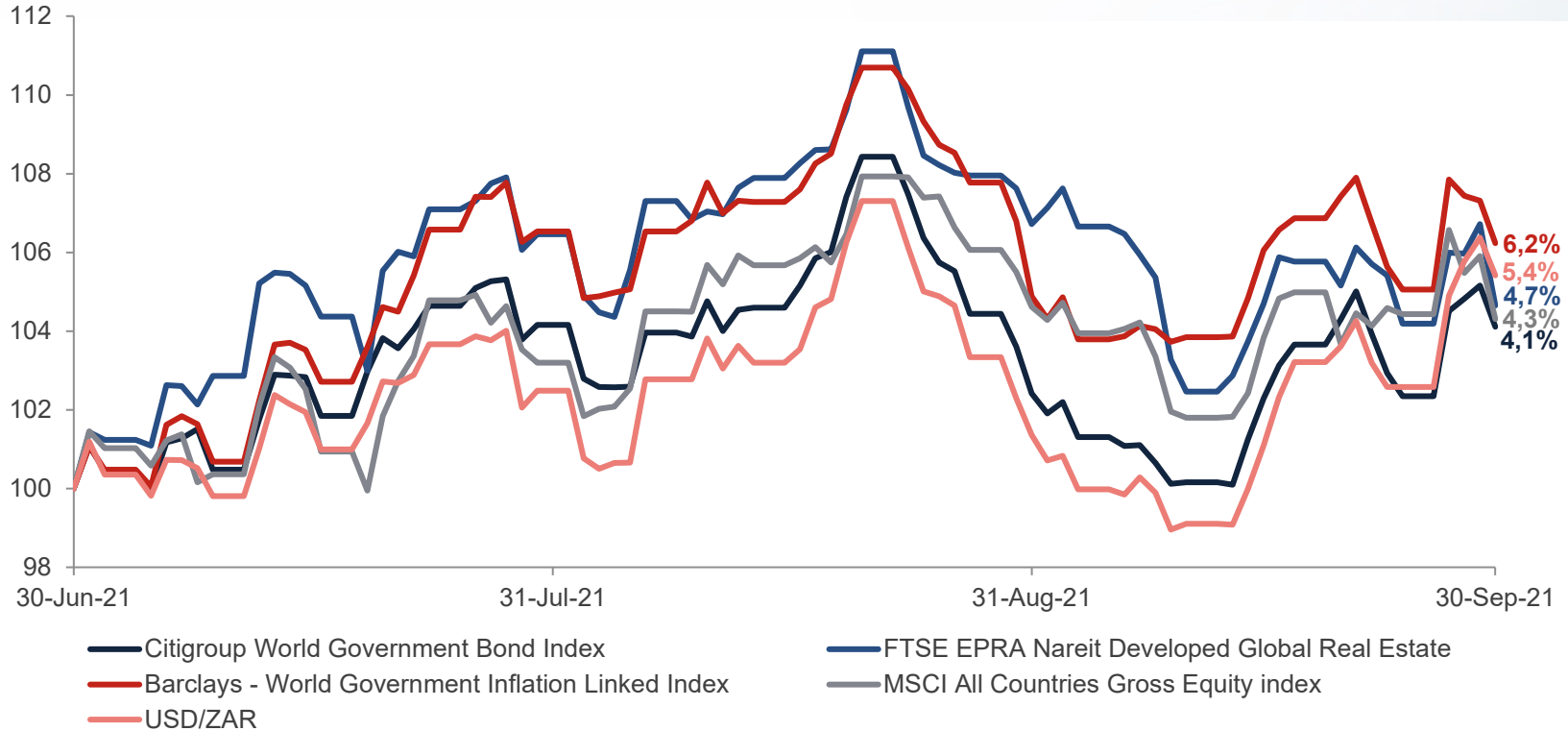


* CPI lagged by one month due to availability of data

Global asset classes



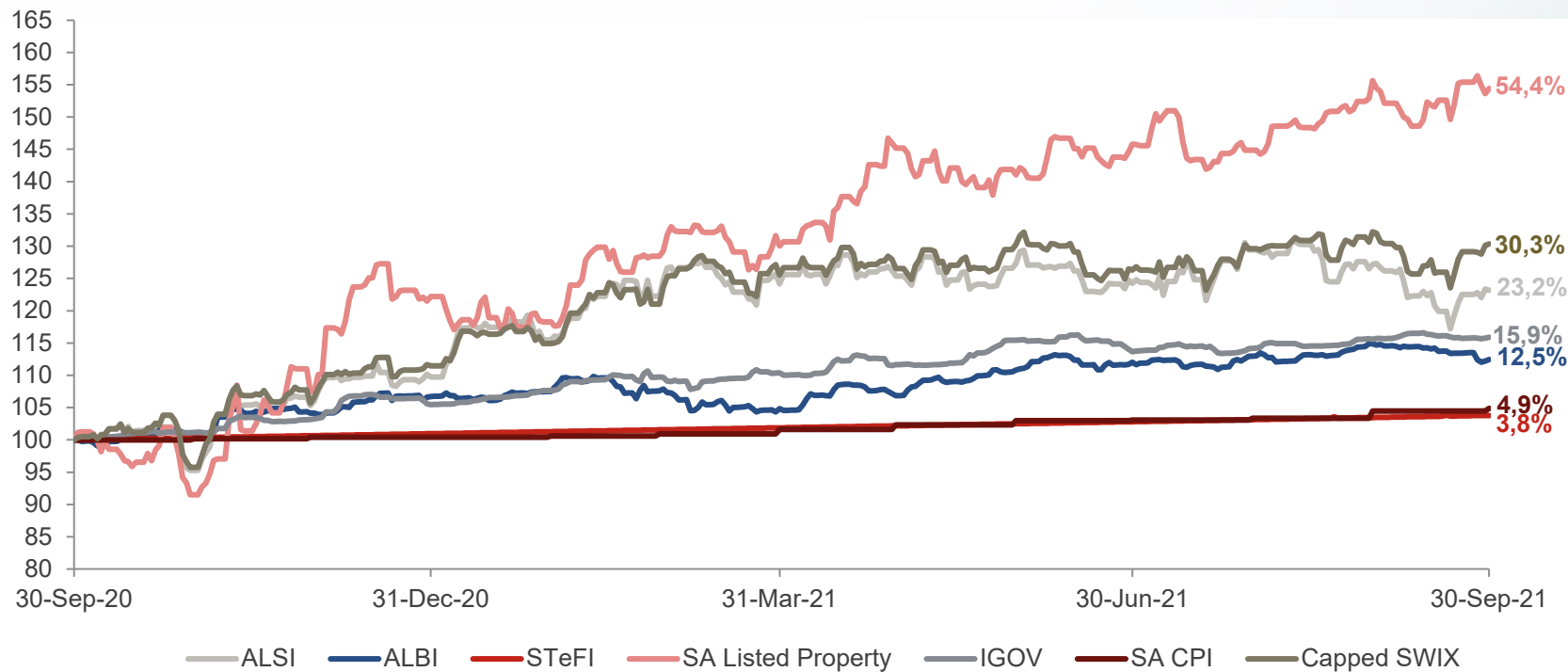
Three months to September 2021



Local asset classes



One year to September 2021

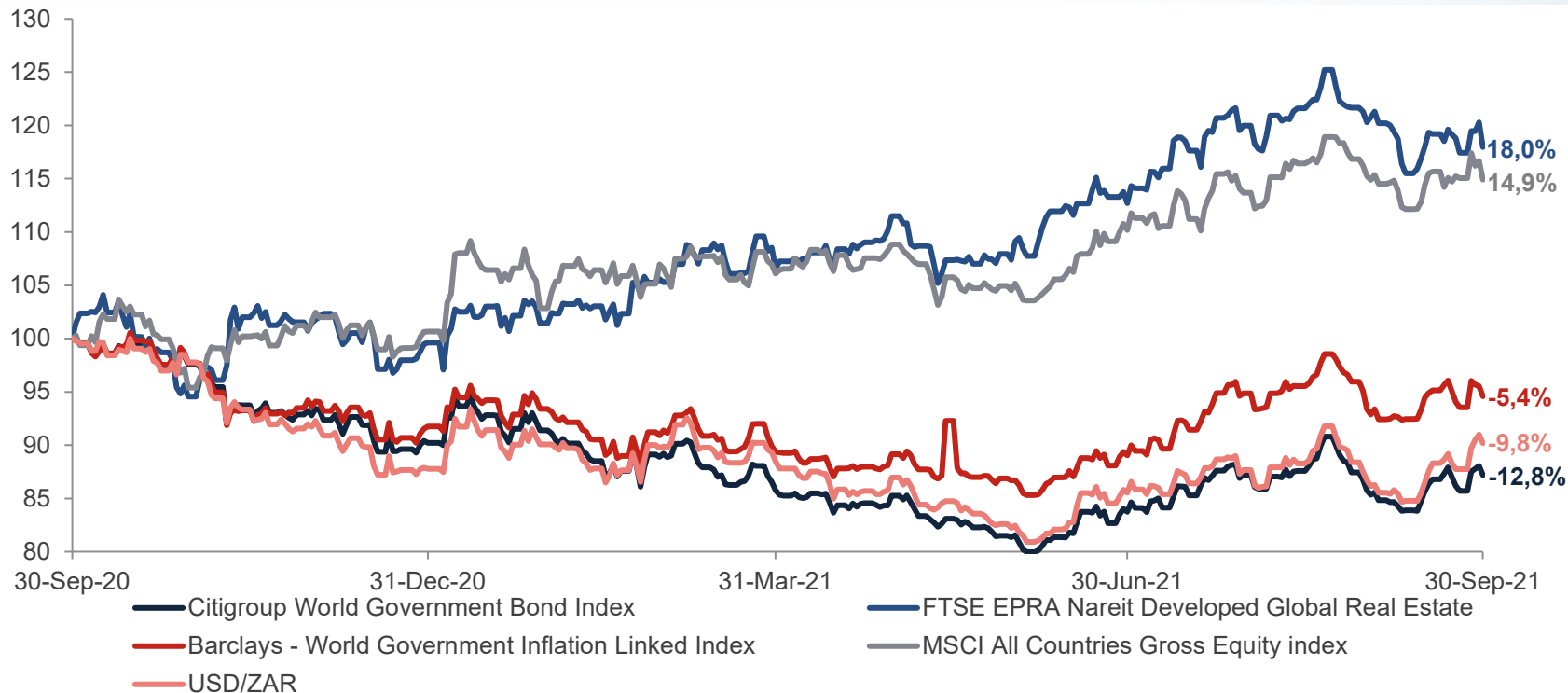


* CPI lagged by one month due to availability of data

Global asset classes



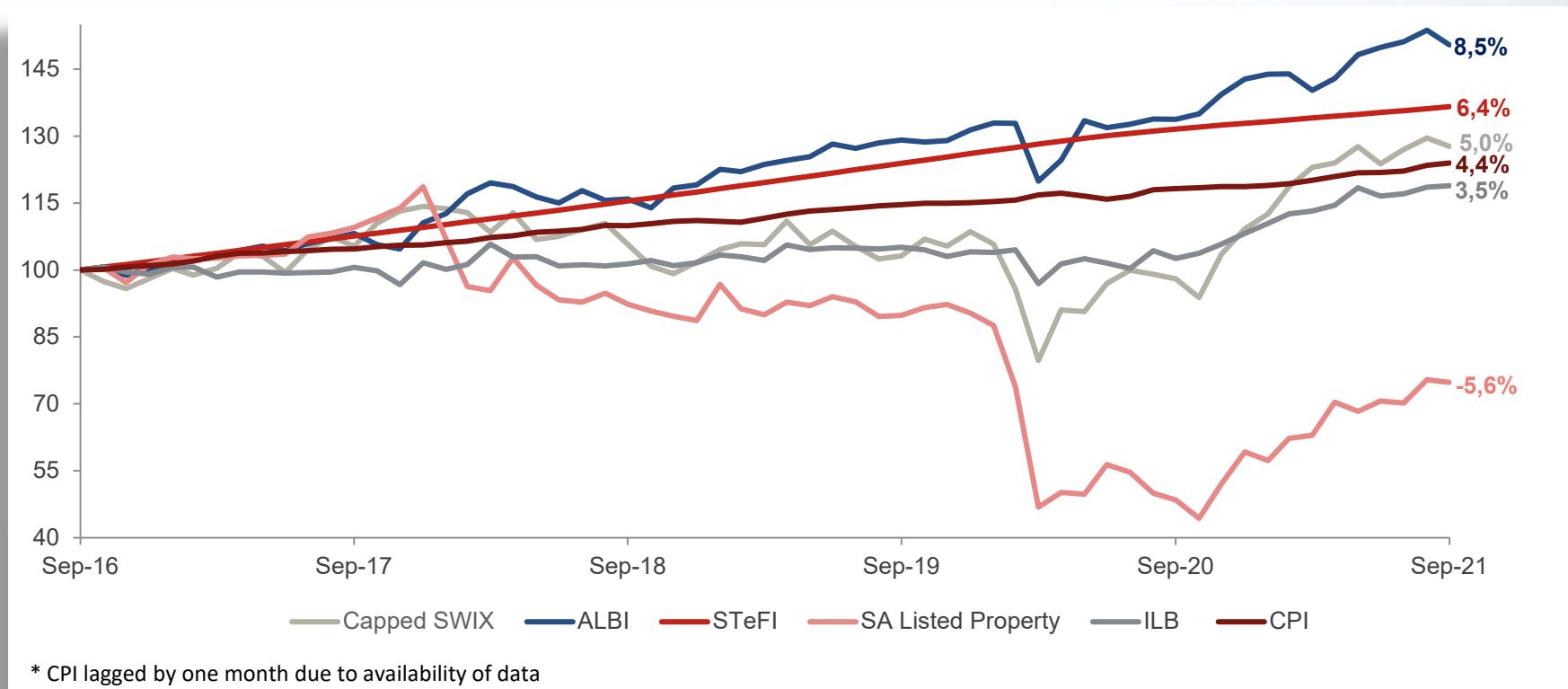
One year to September 2021



Local asset classes



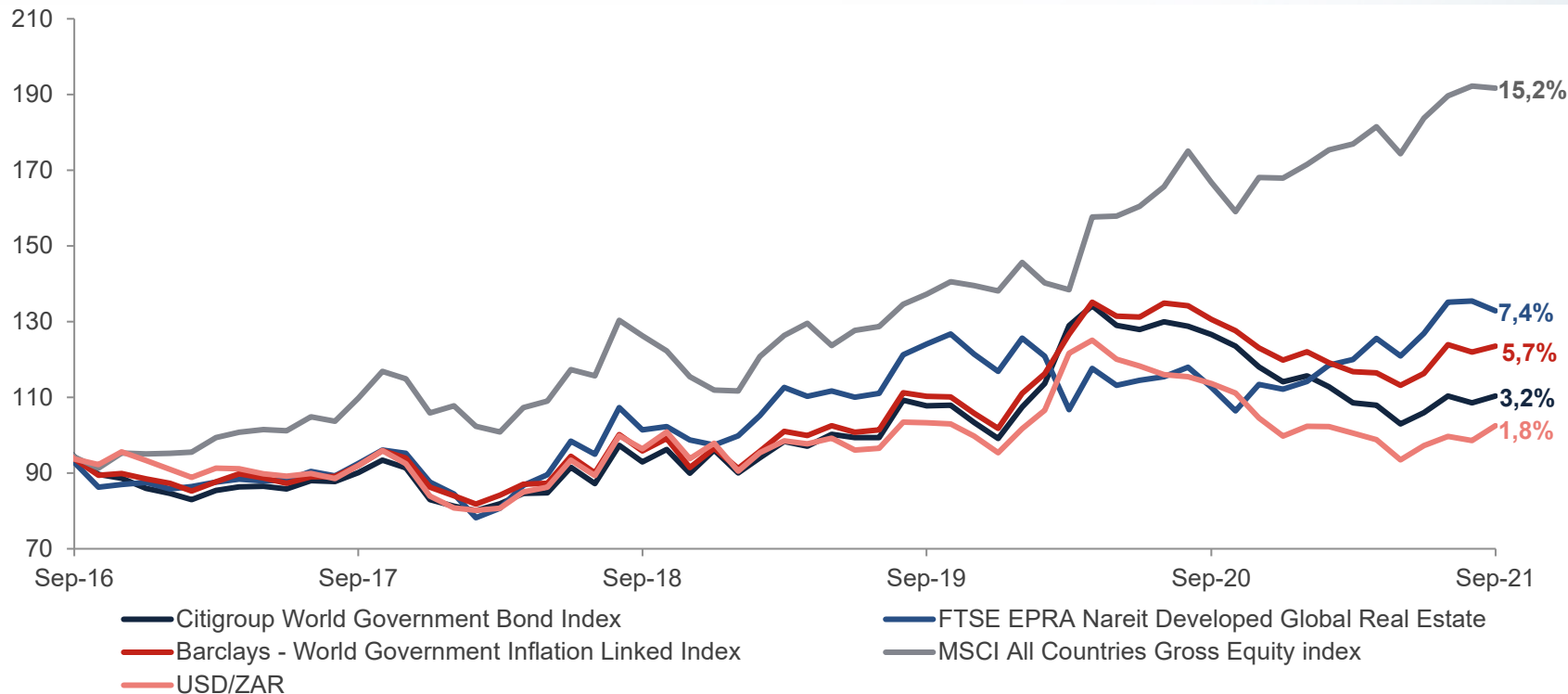
Five years to September 2021



Global asset classes



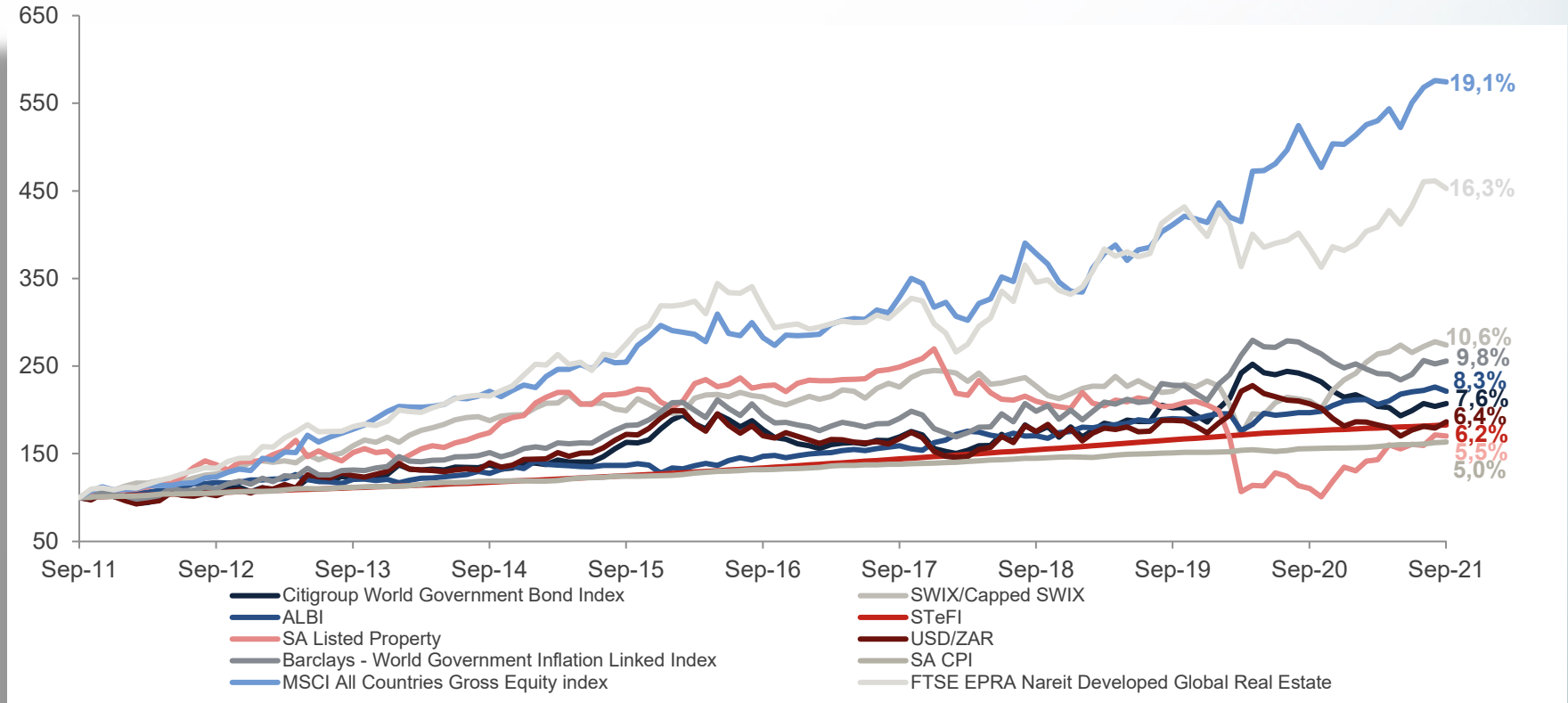
Five years to September 2021



Asset classes



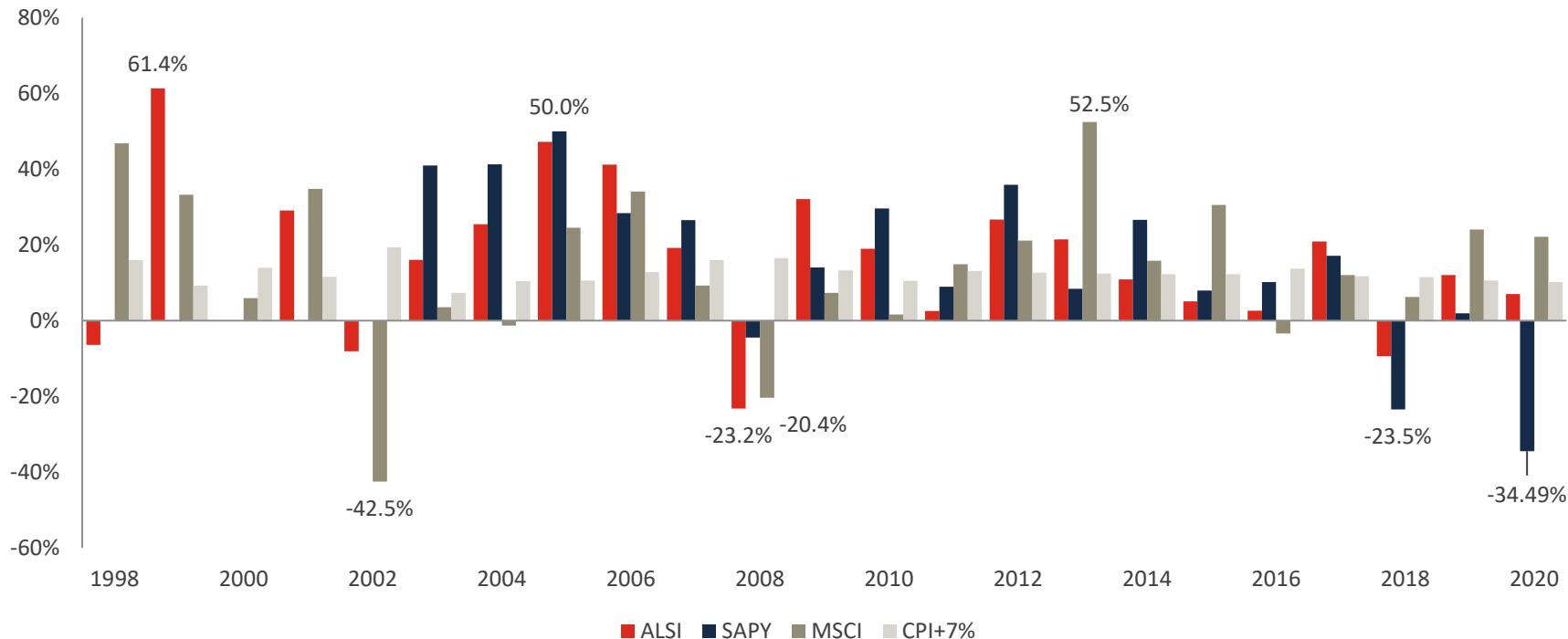
Ten years to September 2021



* CPI lagged by one month due to availability of data

Source: IRESS and Momentum Investments

Annual asset class returns



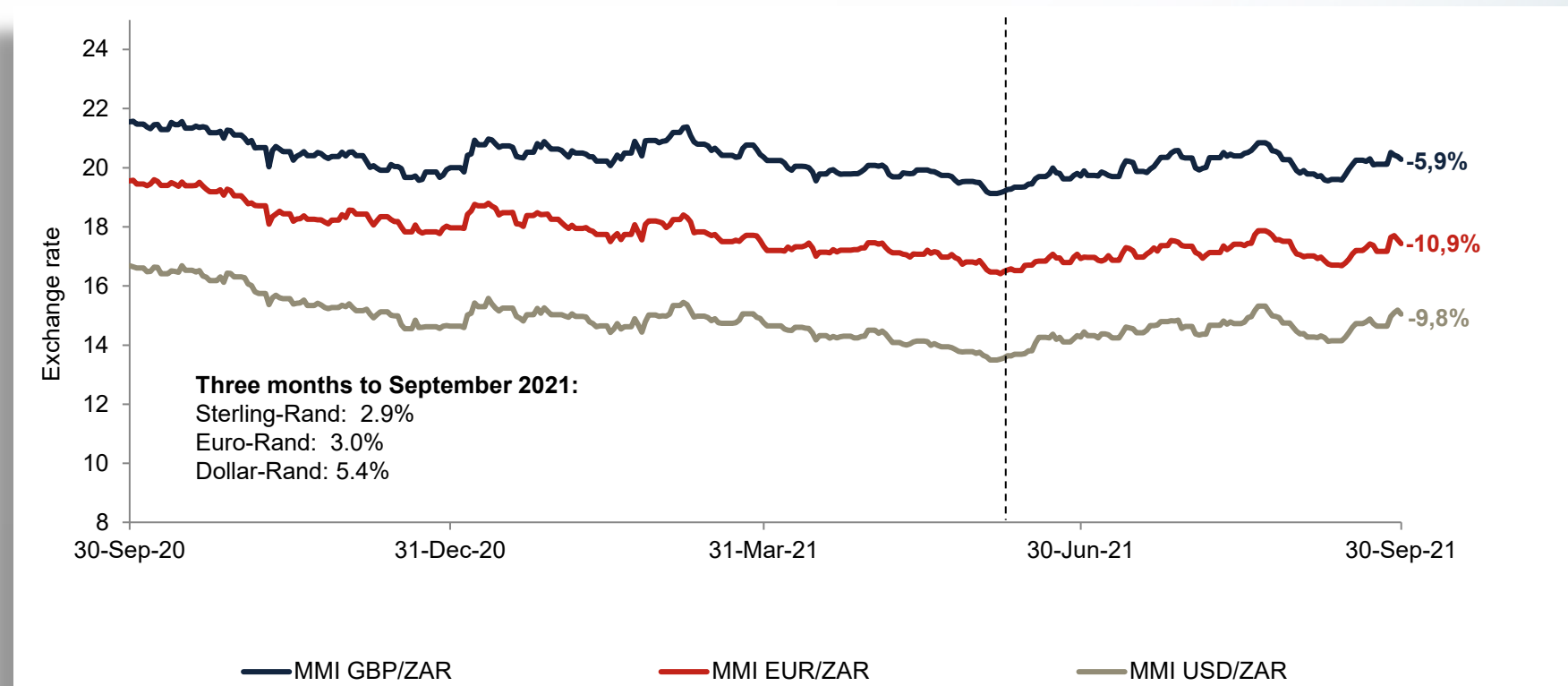
* CPI lagged by one month due to availability of data

Source: IRESS and Momentum Investments

Exchange rates



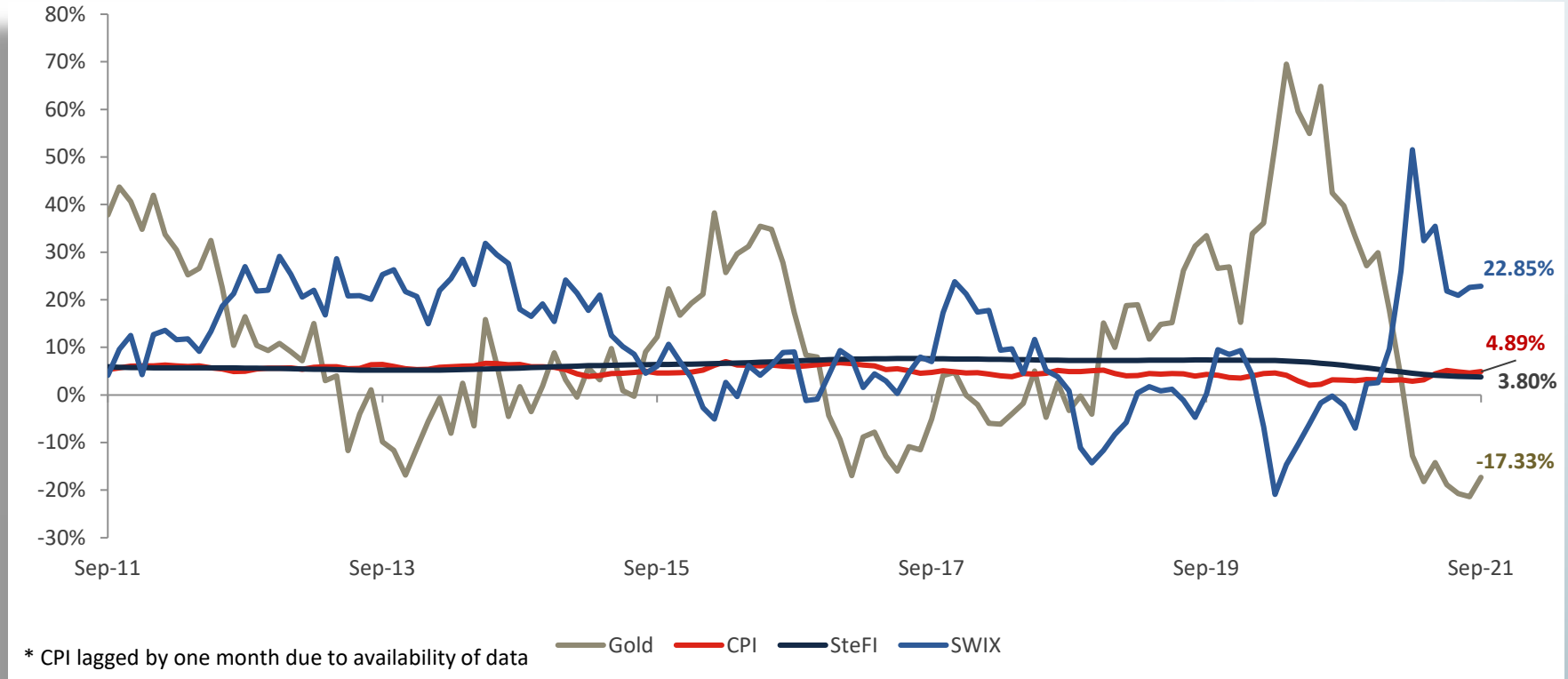
One year to September 2021



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



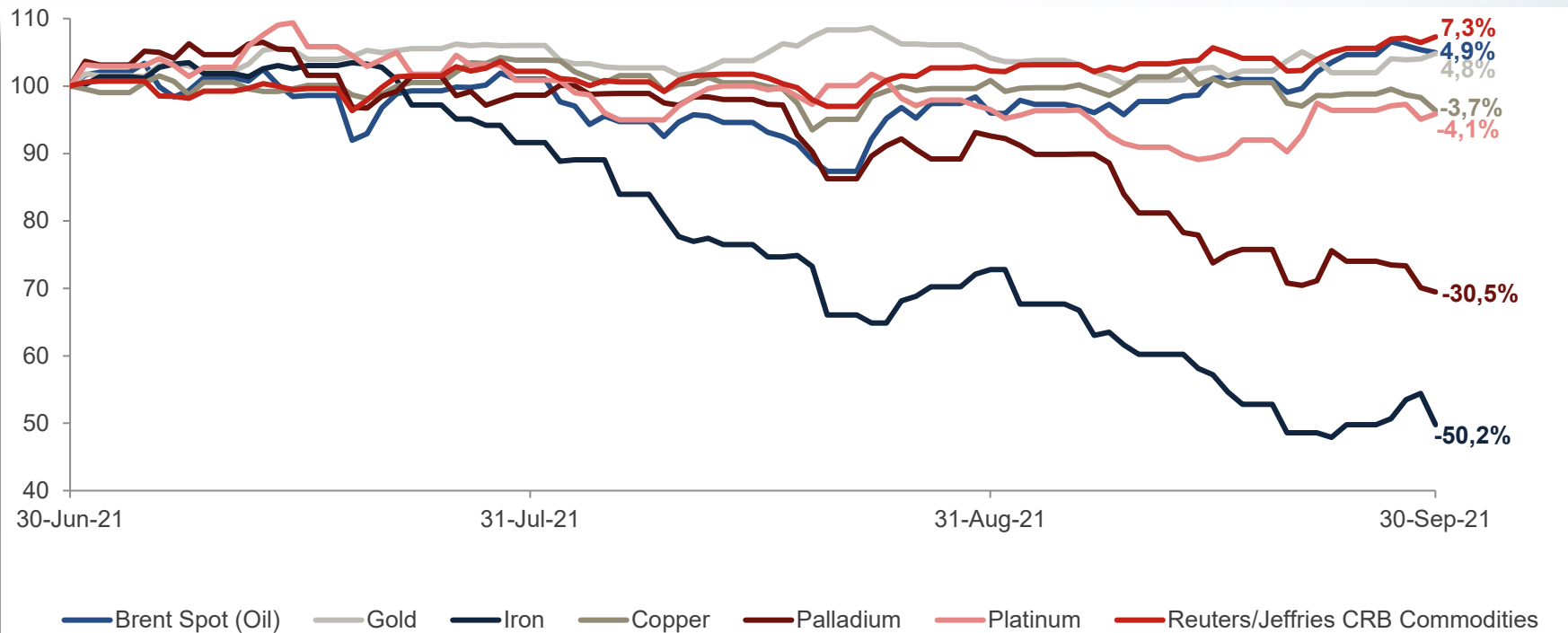
Ten-year rolling returns to September 2021



Commodities



Three months to September 2021

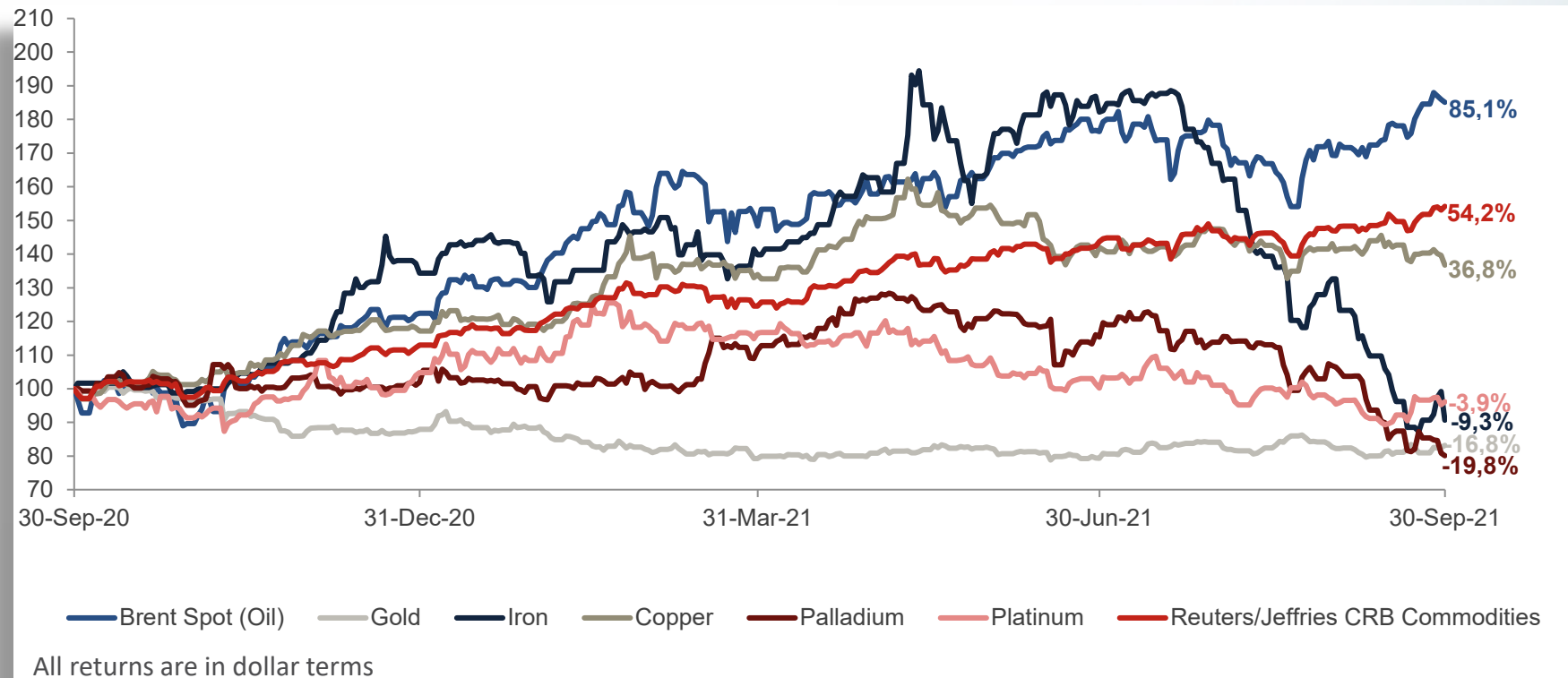


All returns are in dollar terms

Commodities



One year to September 2021



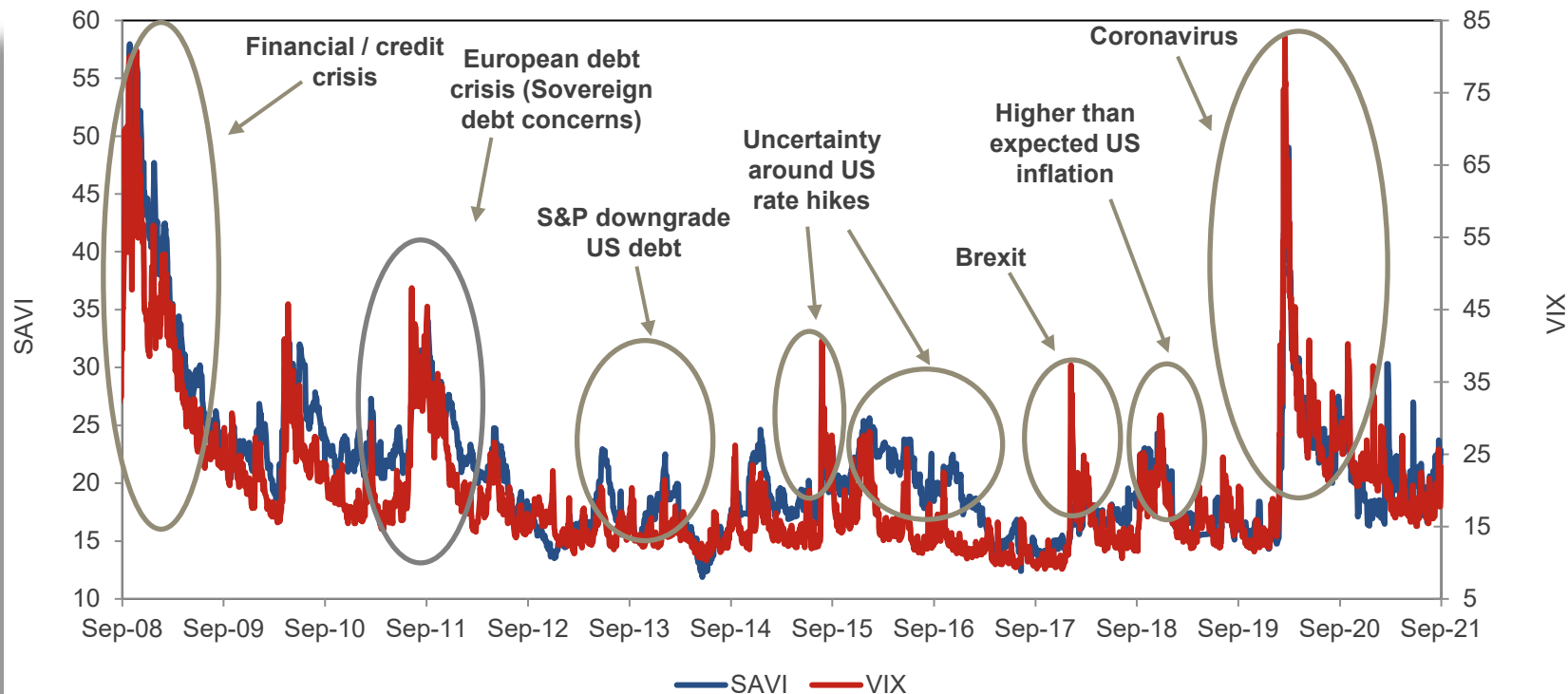


06

Volatility and
international flows

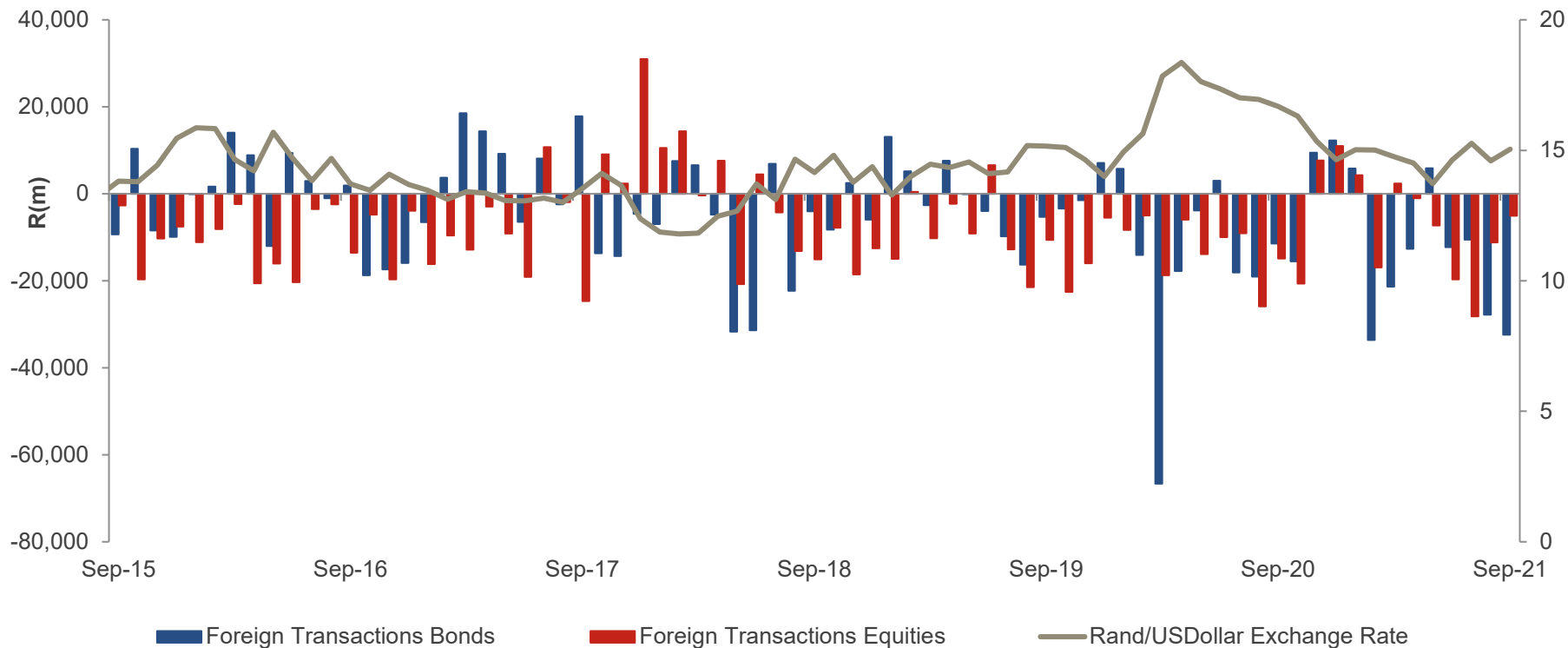
SAVI-VIX

September 2021



Foreign Transactions

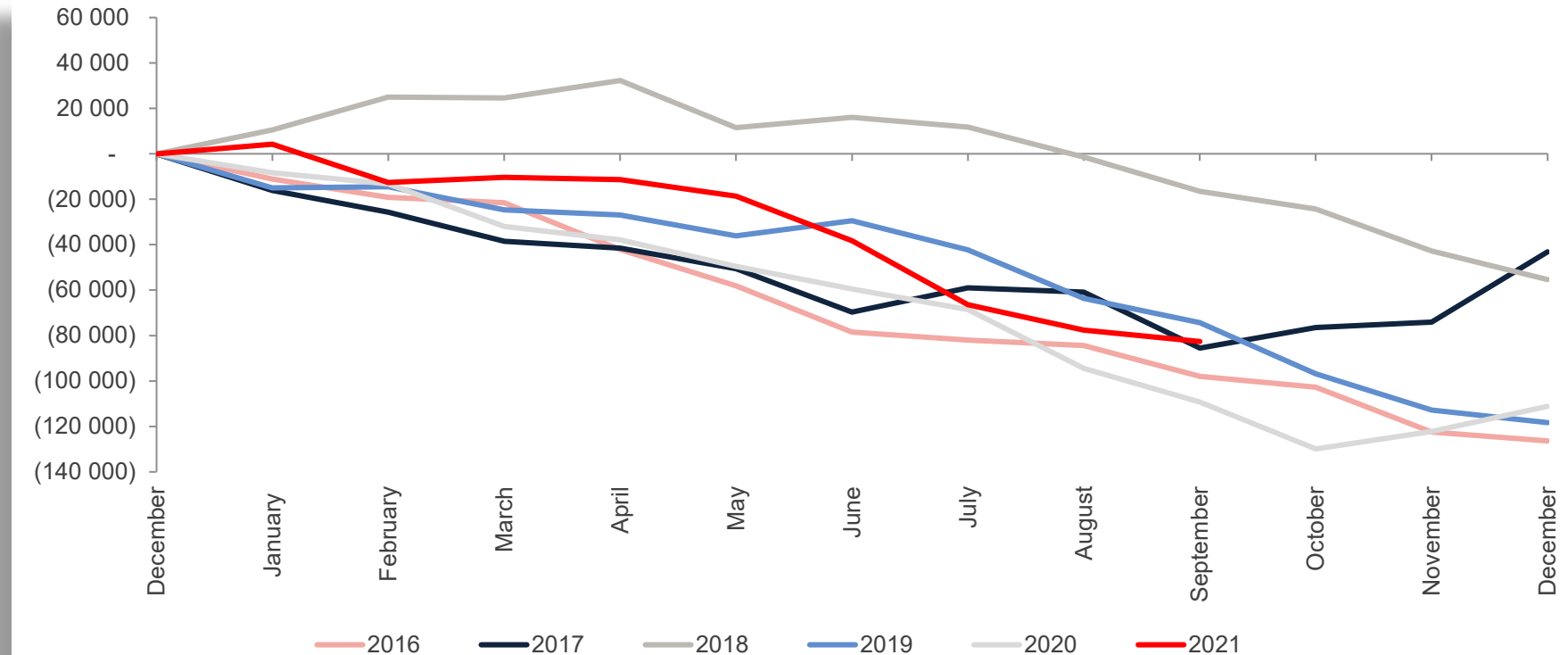
2016 to 2021



Cumulative foreign transaction: Equities



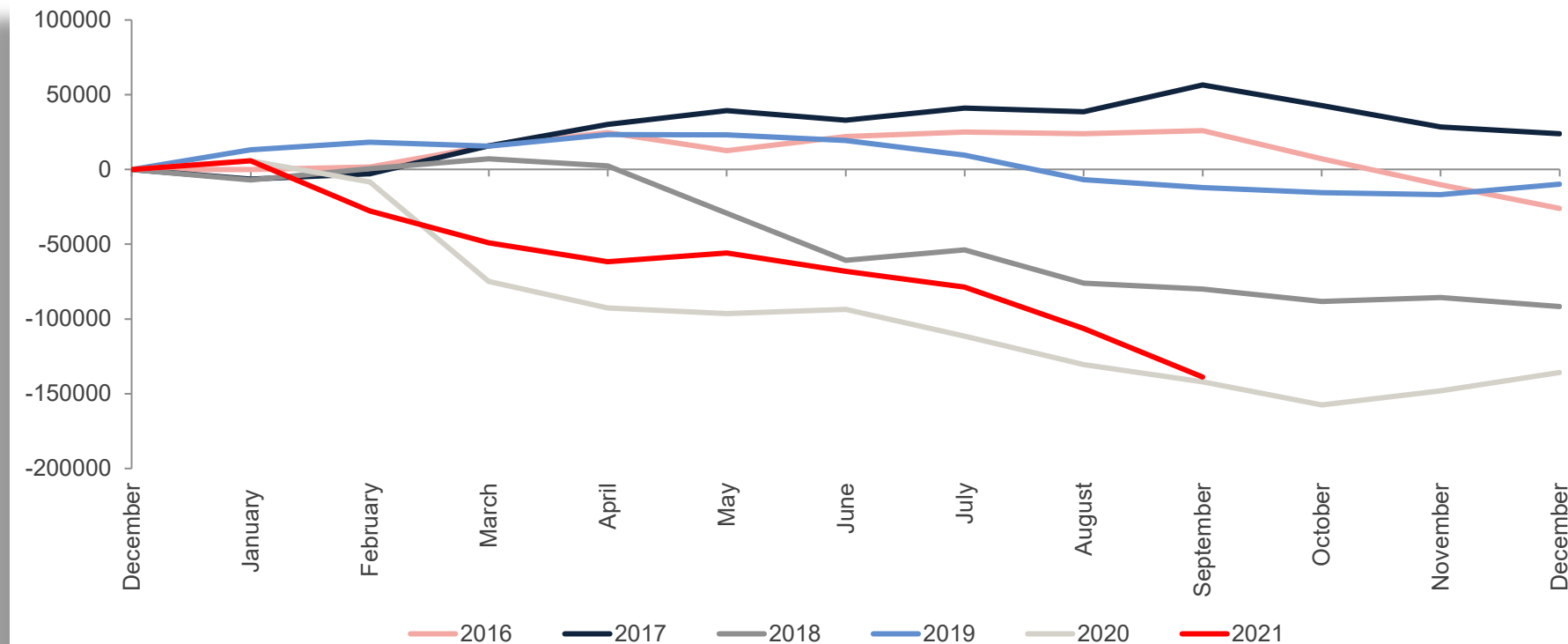
2016 to 2021



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.
5. FTSE/JSE disclaimer: www.jse.co.za
6. The information reproduced in this document has been compiled by or arrived at by Investments from sources believed to be reliable.
7. Reasonable steps have been taken to ensure the validity and accuracy of the information in this document. However, Momentum Investments does not accept any responsibility for any claim, damages, loss or expense, howsoever arising out of or in connection with the information in this document, whether by a client, investor or intermediary.
8. The content used in this document is sourced from various media publications, the Internet and Momentum Investments. For further information, please visit us at www.momentuminv.co.za.
9. Momentum Investments is a division of MMI Group Limited, which is an authorised financial services and credit provider.