



**momentum**  
investments

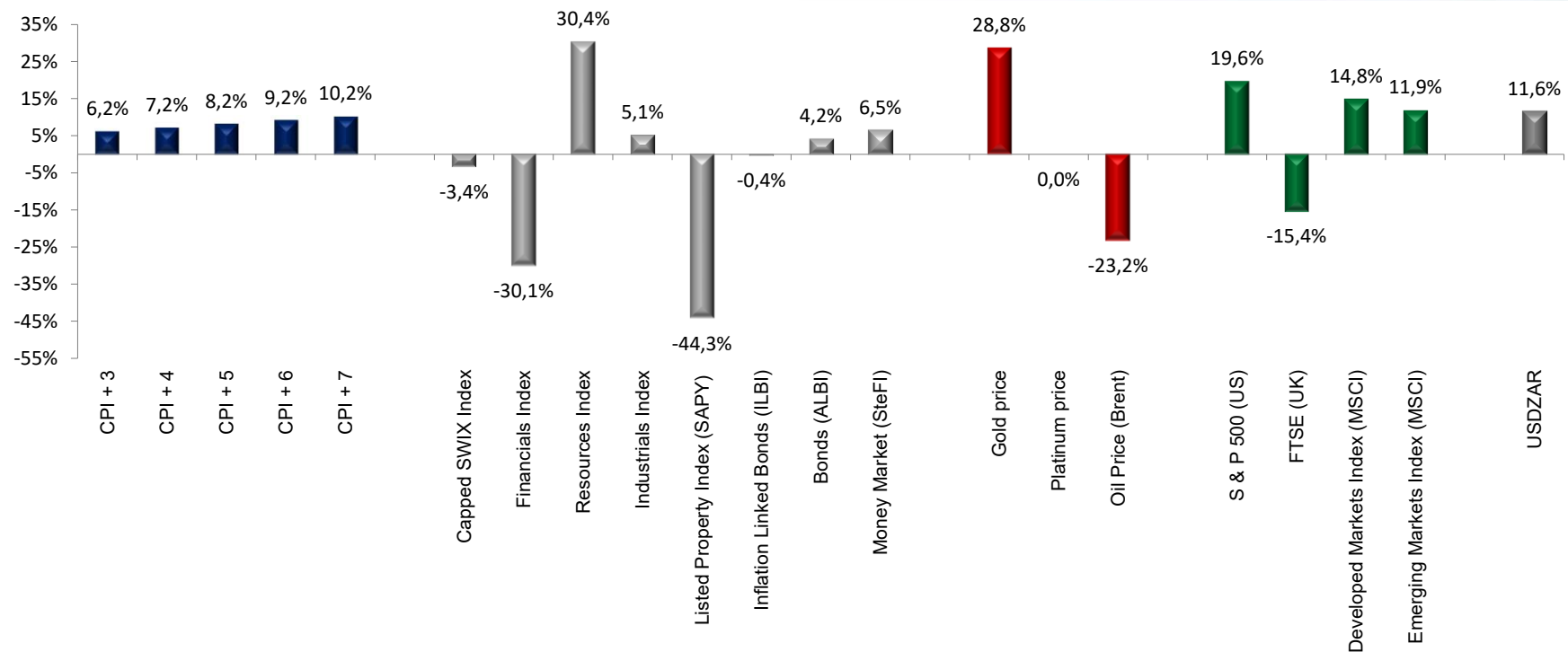
**moments**  
with our investment gurus

An update on the SA equity market for 2020  
**Wayne Dennehy**

21 October 2020

# Asset class returns

One-year to August 2020

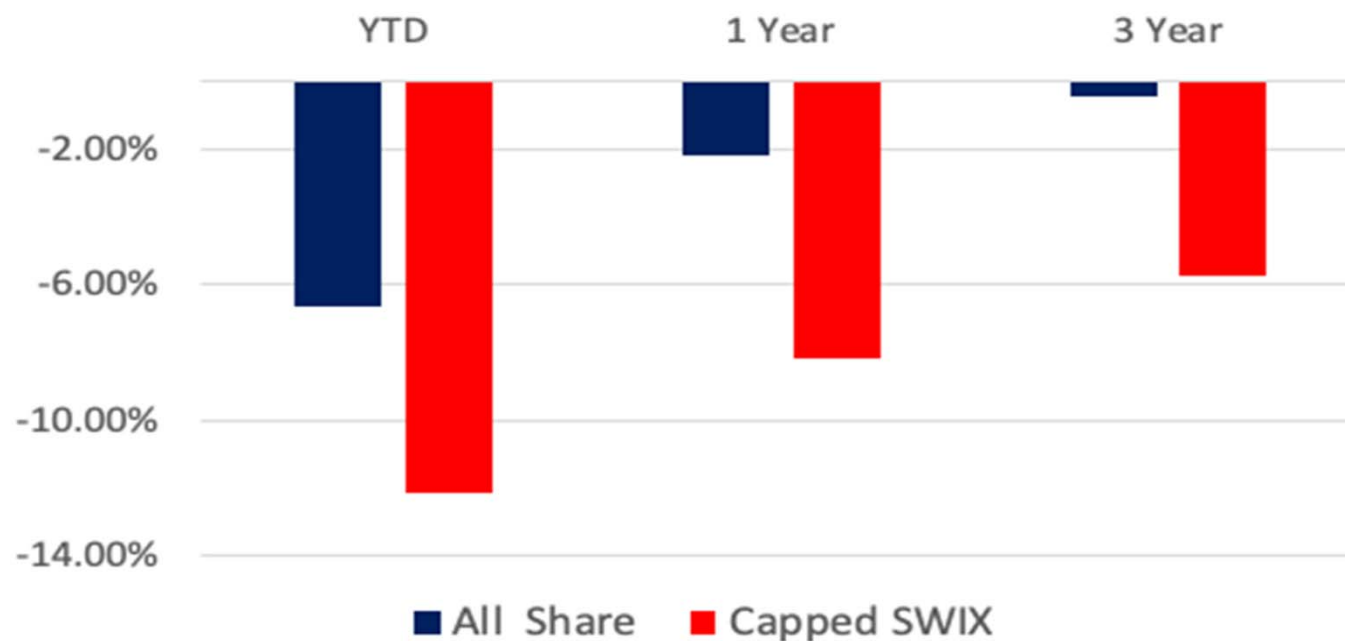


Sources: Iress, Bloomberg

# Benchmark made a big difference lately

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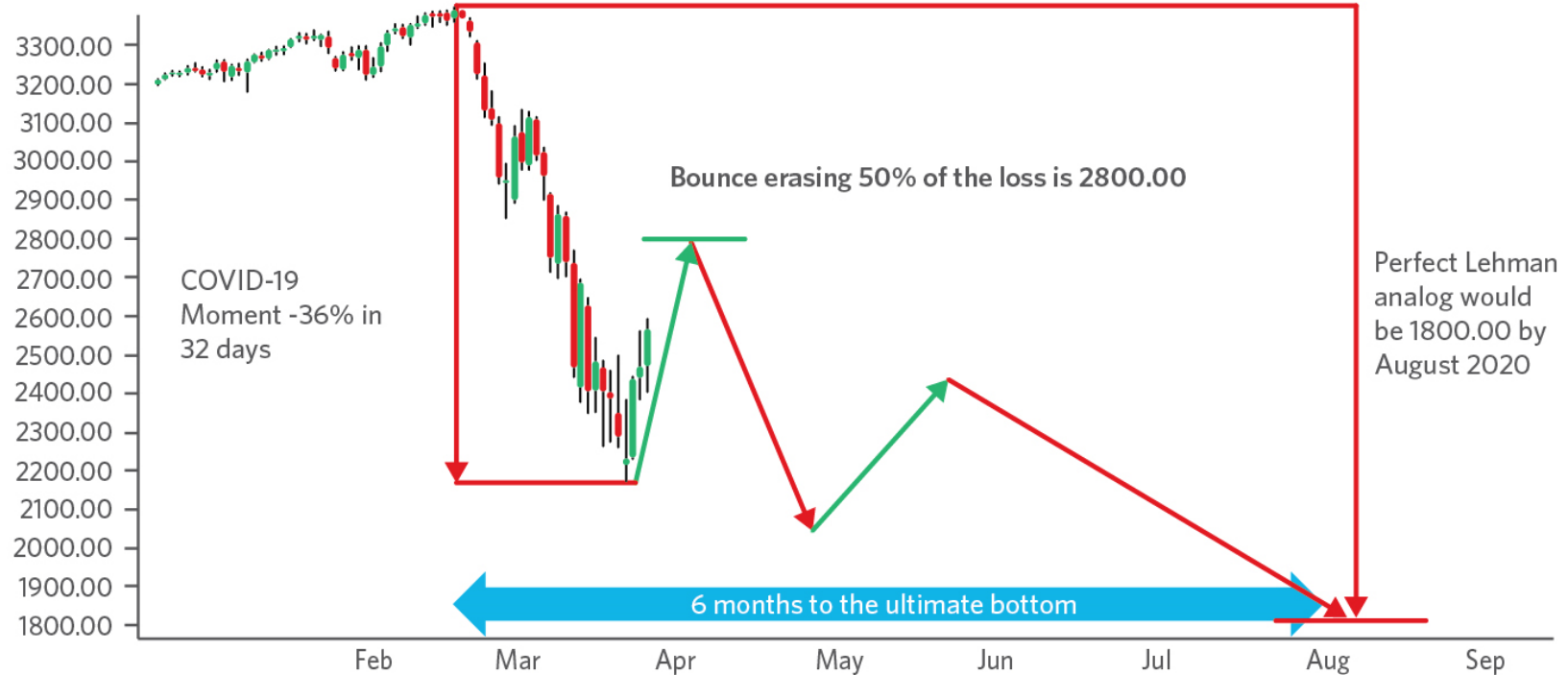
SA equities – Capped SWIX vs JSE All Share to 30 September 2020



Source: Iress

# Rebound expectation then some weakness <sup>m</sup>

The rebound in US equities was much stronger, driven by Central Bank liquidity and speculation

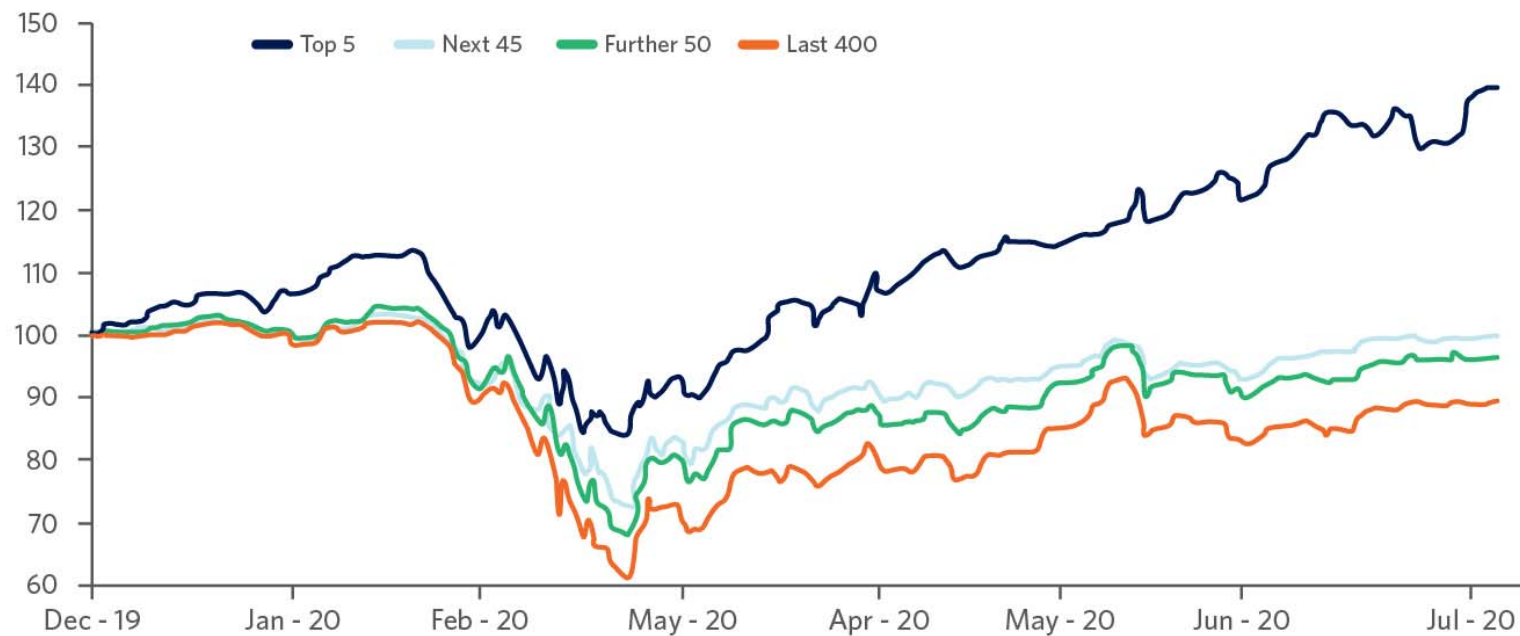


Source: Macrovoices

# Global equity concentration



The largest-five companies were responsible for this year's US equity return



Source: Citi

# Global equity concentration

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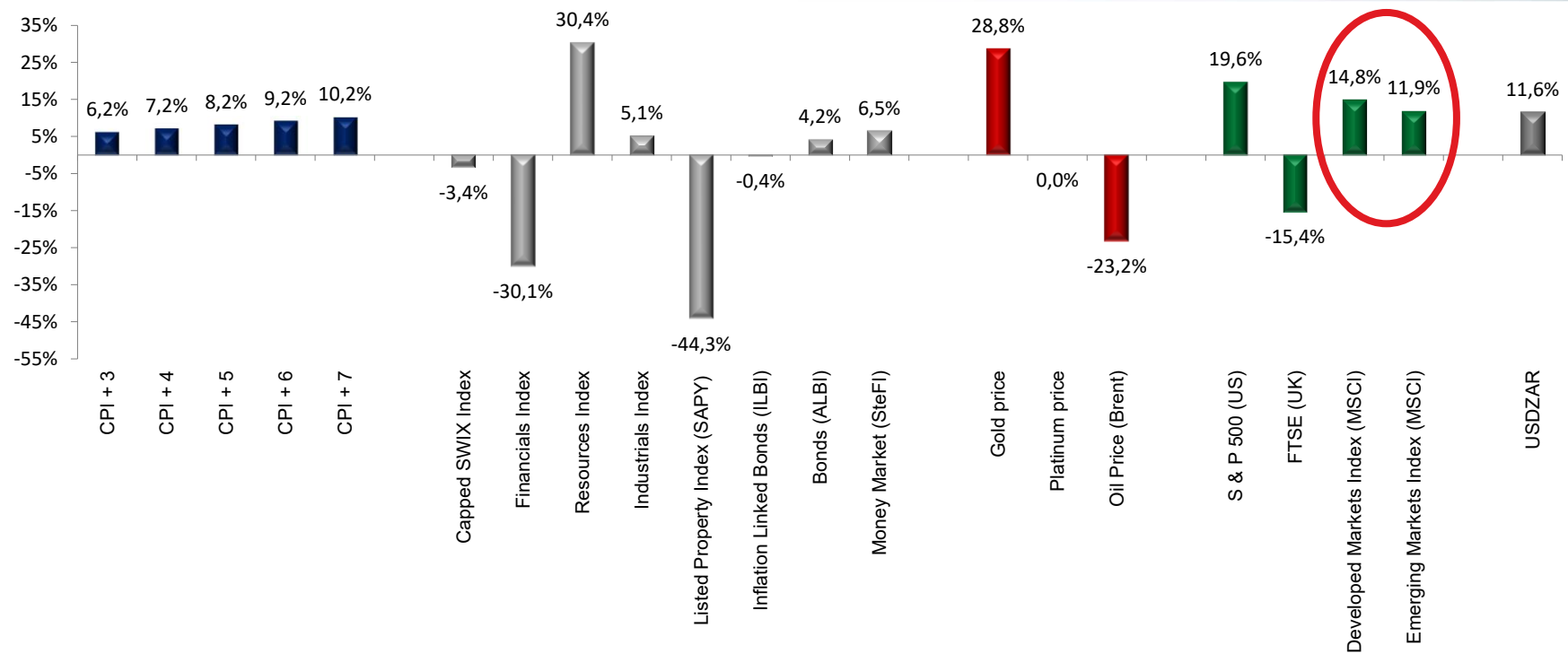
Tech leadership led to significant concentration, higher than the tech bubble



Source: BofA

# Asset class returns

One-year to August 2020

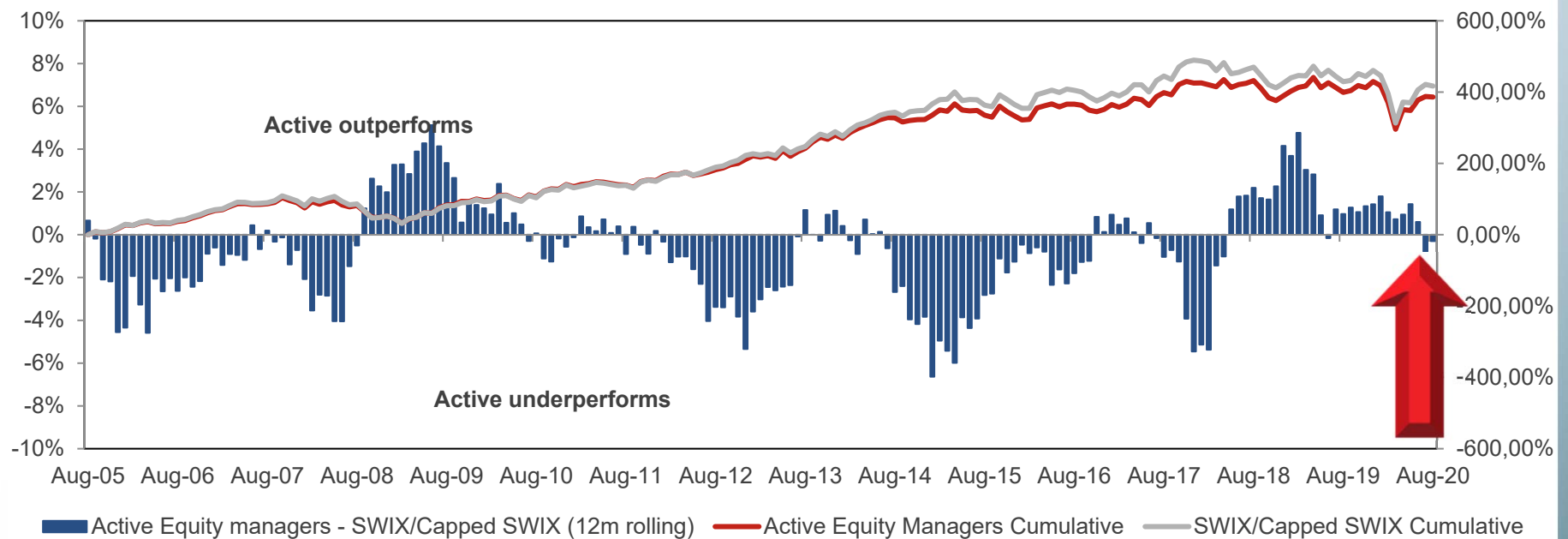


Sources: Iress, Bloomberg

# Active index analysis: Equity

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One-year rolling returns to August 2020



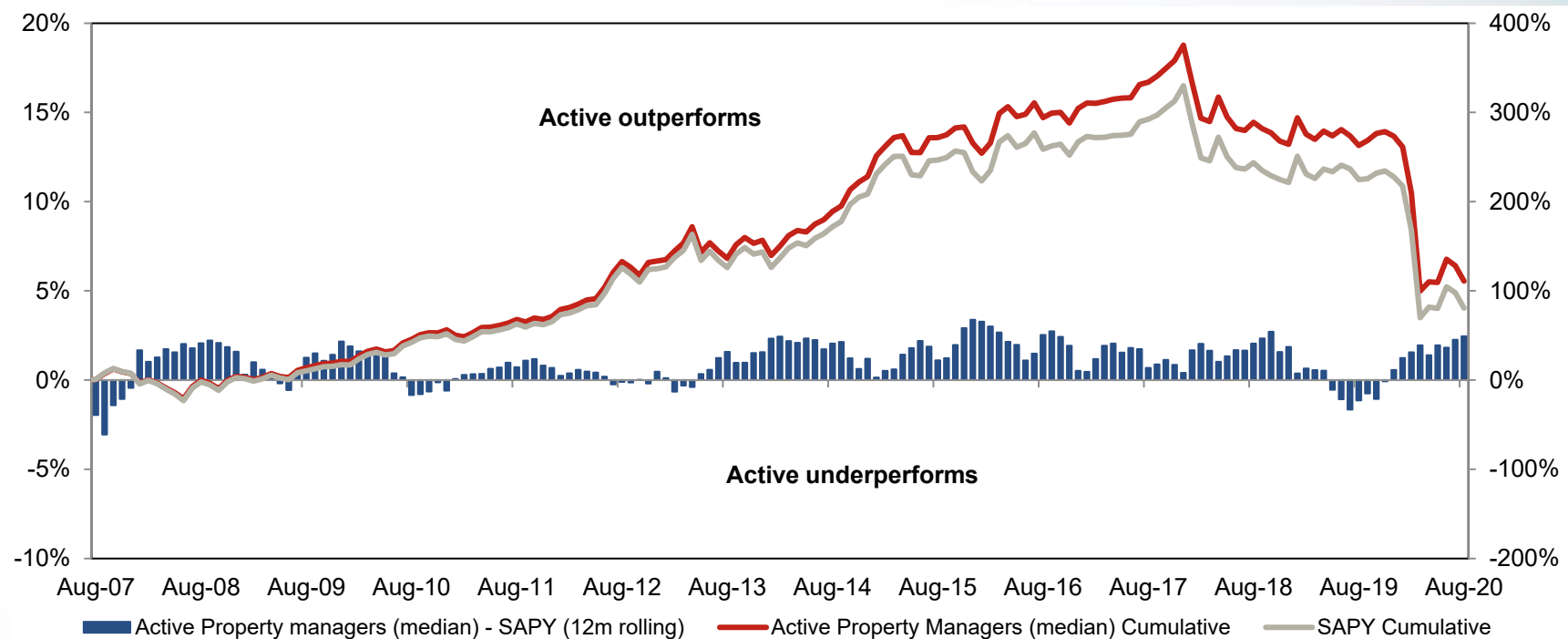
Sources: Alexander Forbes SA Equity Manager Watch™, Iress and Momentum Investments

(Swix until 31 October 2017 and Capped Swix thereafter)



# Active index analysis: Property

One-year rolling returns to August 2020



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

# Late March, tough times

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Ever wondered what a V-shaped recovery looks like?



Source: Iress

# The Alsi40 index rebounded strongly

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Since March, the resource sector was a major driver of the Alsi40 returns



Source: Iress

# Not a symmetrical recovery

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FTSE/JSE Resources (red), Industrials (green) and Financials (blue)



Source: Iress

# You need a mix of all the ingredients

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*Mix of different equity styles*

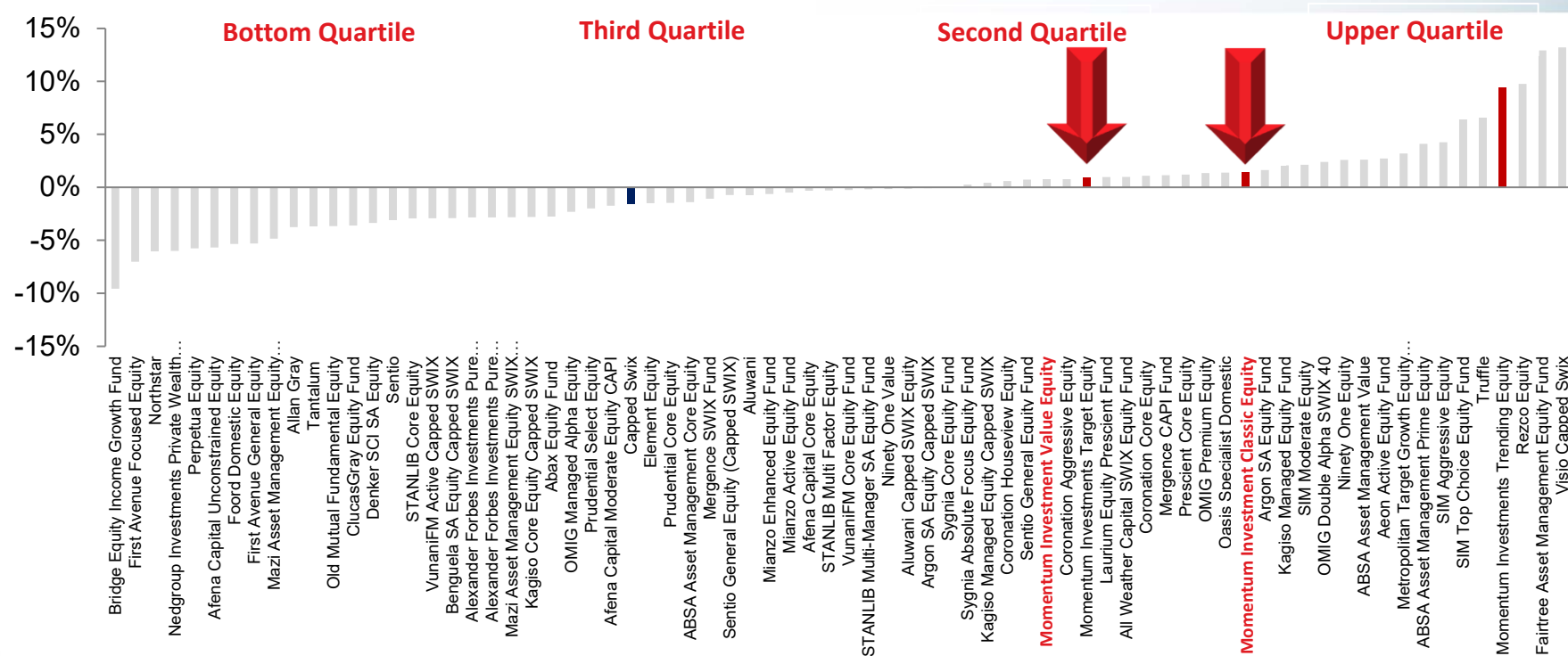
*Selection of active mandates*

*Selection of passive/smart beta mandates*

# Local equity investment managers

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Three-years returns to end August 2020



Source: Alexander Forbes Multi Managers and Specialist Surveys and Momentum Investments



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Thank you for joining us

## CIS disclosures



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