

**momentum**

investments

# Key market performance drivers

Monthly charts to 31 August 2019

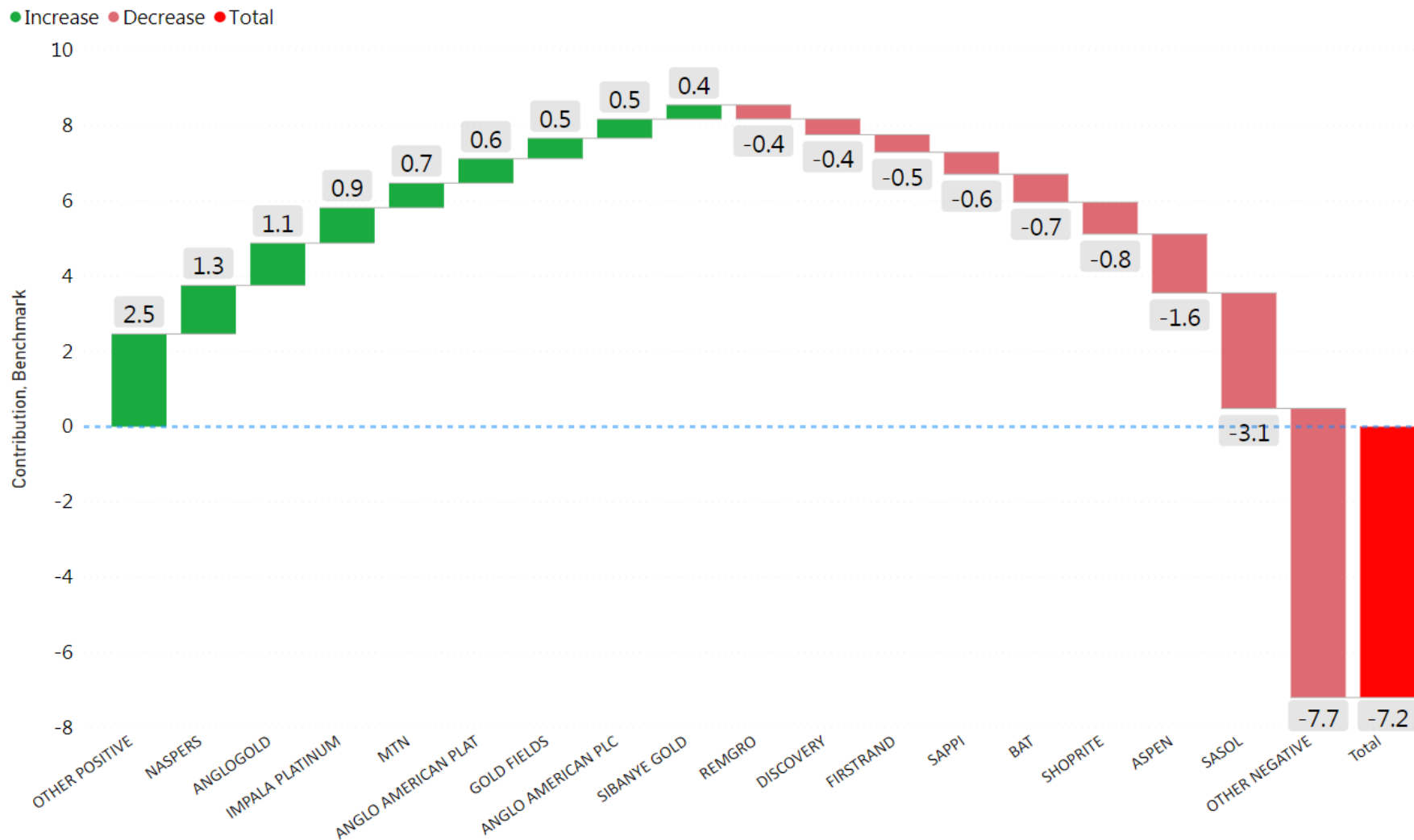
*Signatory of:*

 **PRI** | Principles for  
Responsible  
Investment

# Market concentration



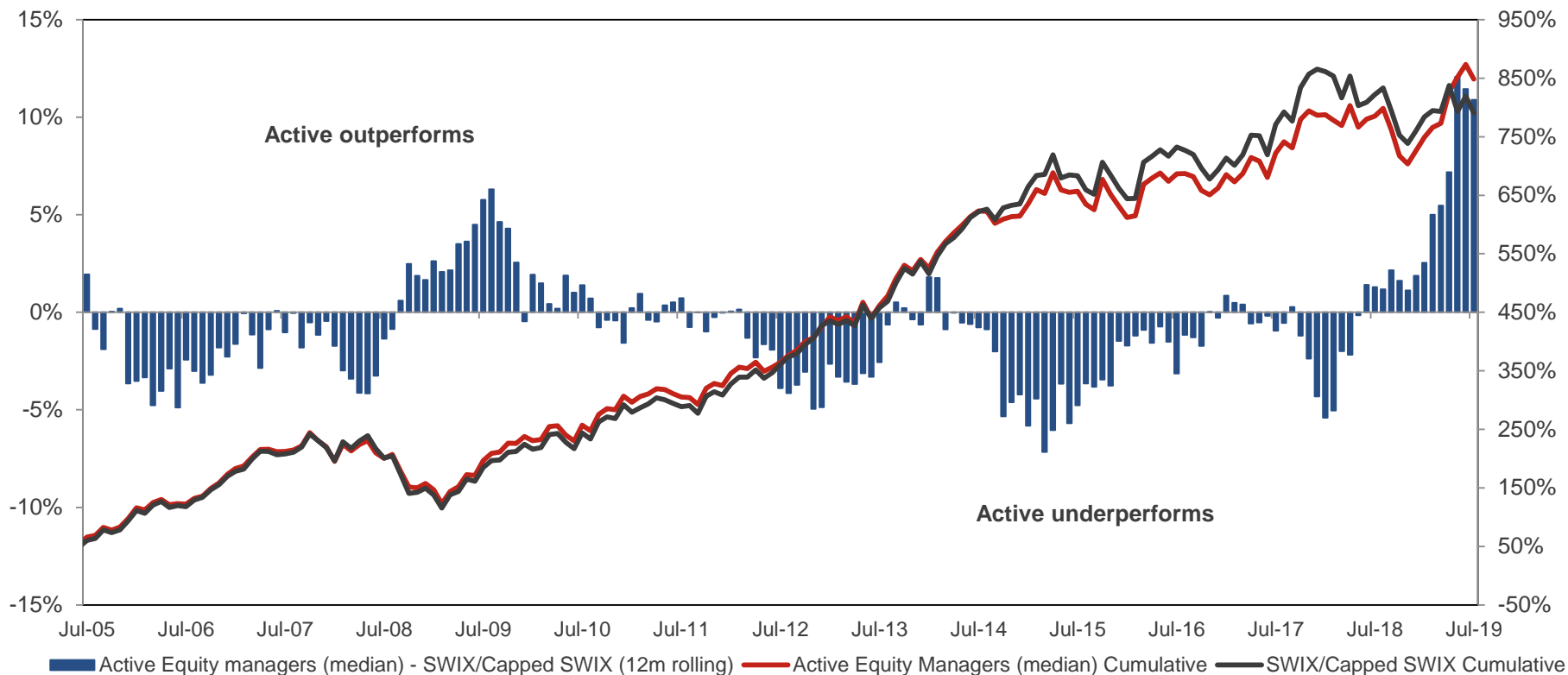
## One-year Capped SWIX contributions ending August 2019



# Active index analysis



One-year rolling active to July\* 2019



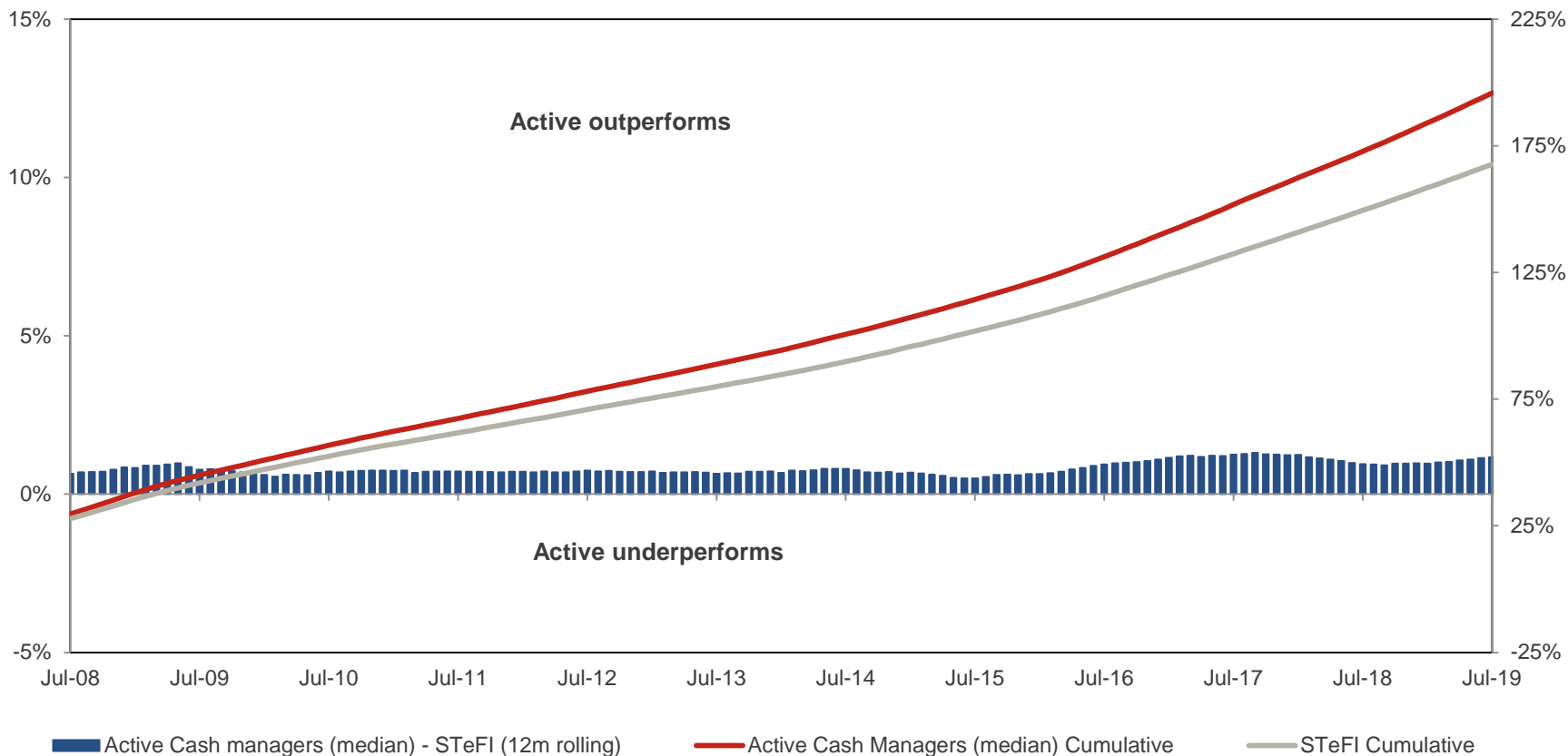
\* Lagged by one month due to availability of data

The median of the active equity investment managers outperformed the SWIX/Capped SWIX composite benchmark for the 12 month period ending July 2019. (SWIX until 31 October 2017 and Capped SWIX thereafter)

# Active versus tracker: Cash



One-year rolling average to July\* 2019



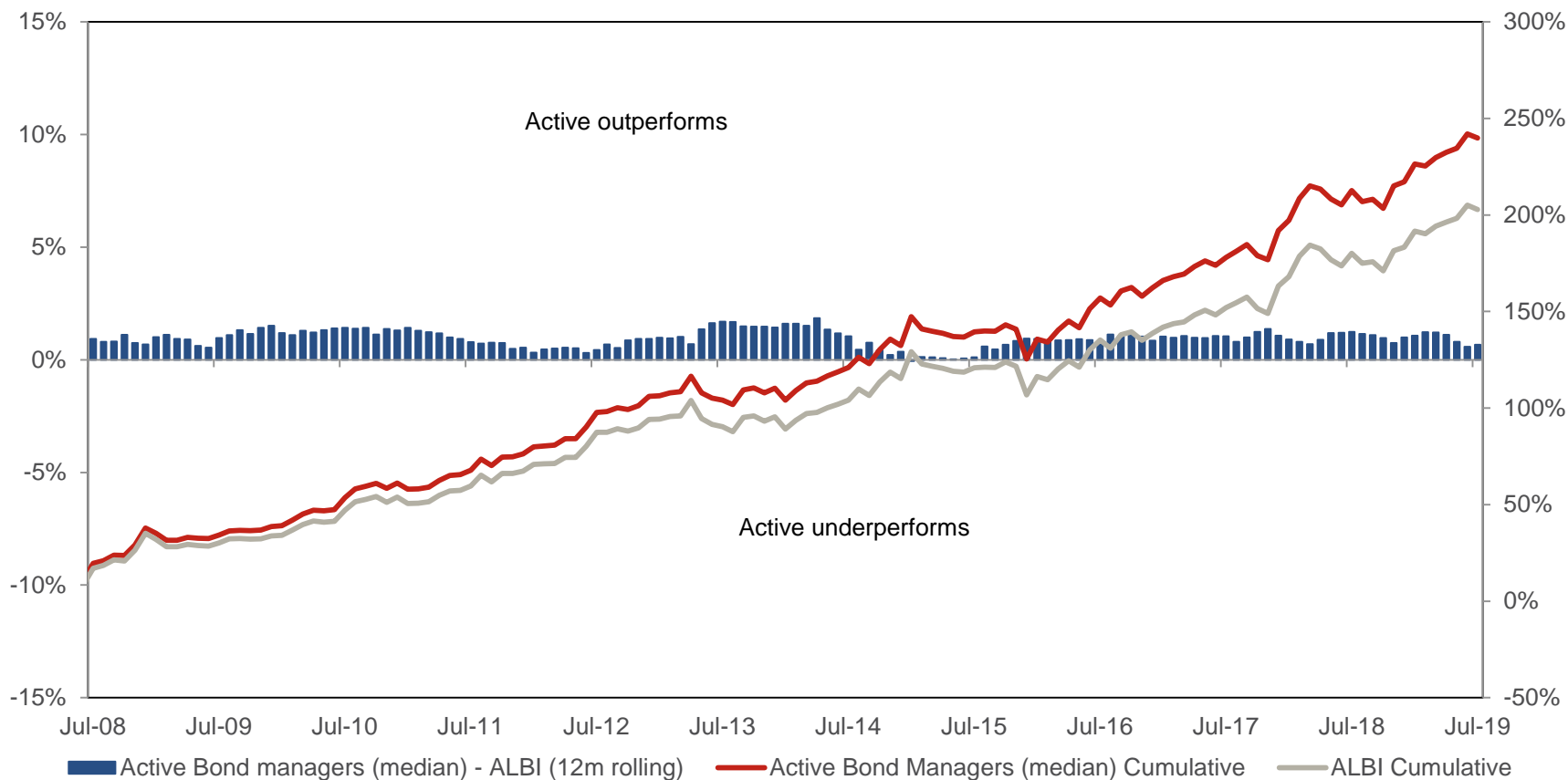
\* Lagged by one month due to availability of data

- The median of the active money market investment managers outperformed the SteFI for the 12 month period ending July 2019

# Active versus tracker: Bonds



One-year rolling average to July\* 2019



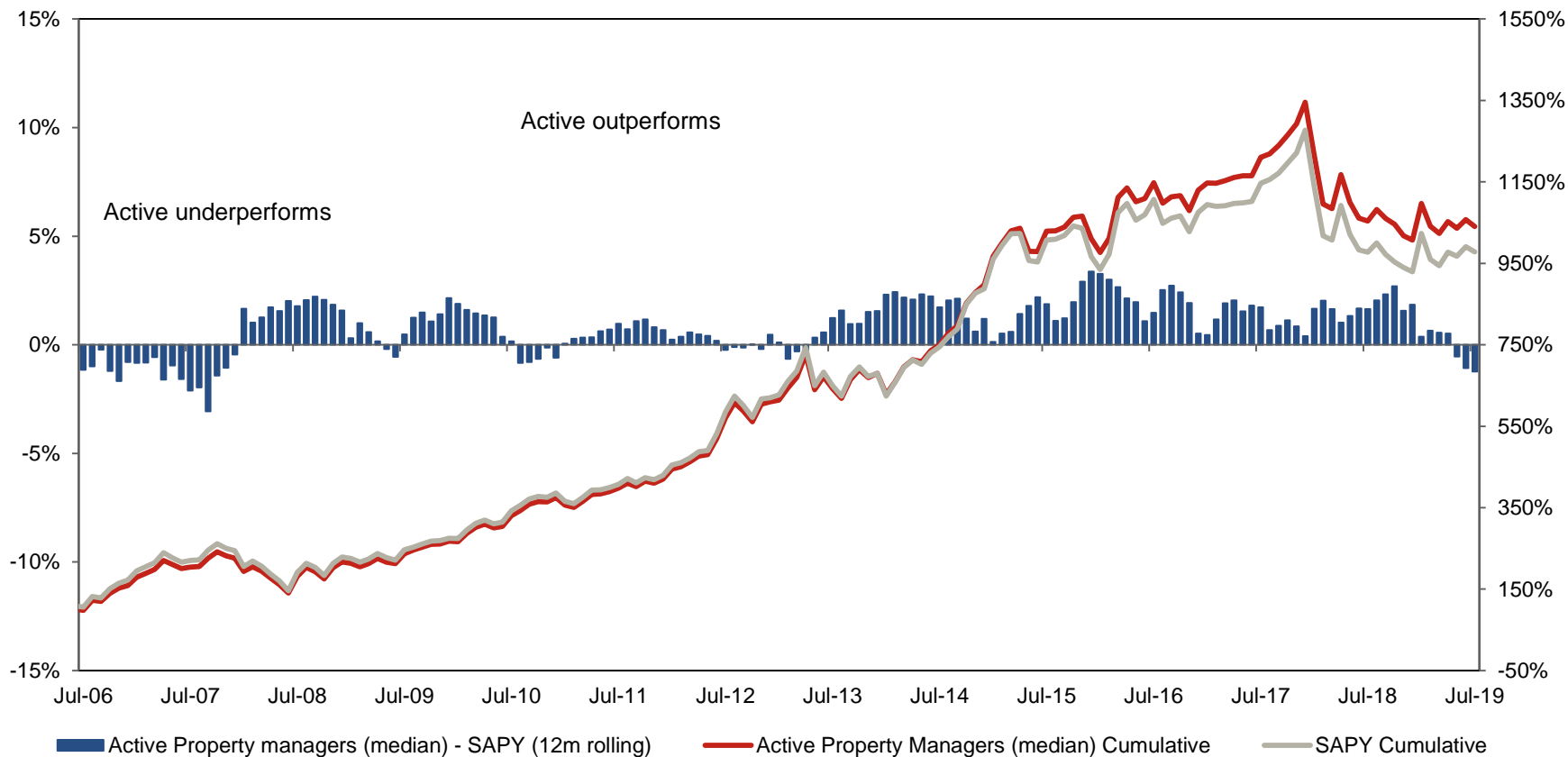
\* Lagged by one month due to availability of data

- The median of the active bond investment managers outperformed the ALBI for the 12 month period ending July 2019

# Active versus tracker: Property



One-year rolling average to July\* 2019



\* Lagged by one month due to availability of data

The median of the active property investment managers underperformed the SAPY for the 12 month period ending July 2019

# Style returns for South Africa



Data to August 2019

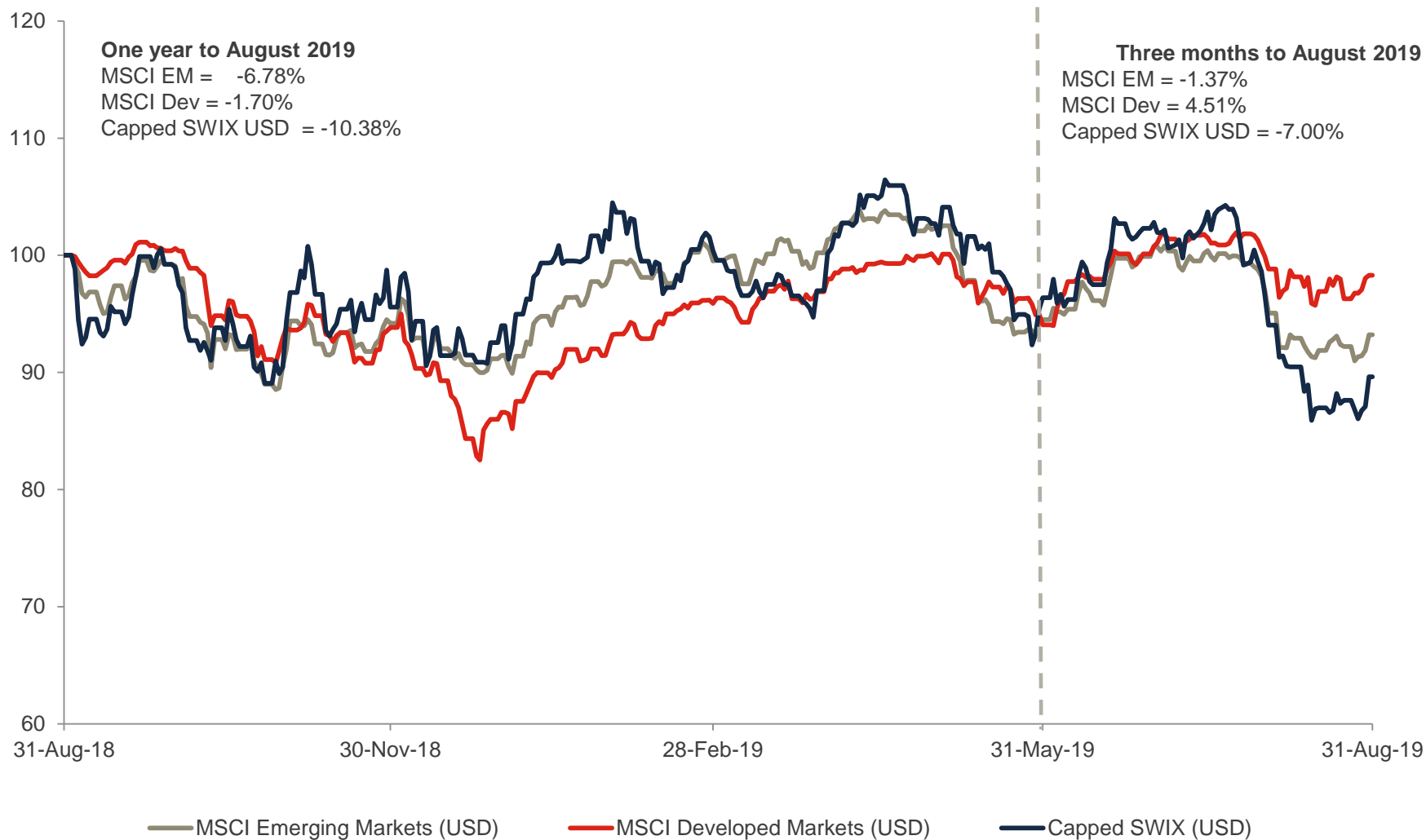
ZAR	Styles	One month to Aug 2019	Three months to Aug 2019	One year to Aug 2019	Three years to Aug 2019	Five years to Aug 2019	Ten years to Aug 2019	Twenty years to Aug 2019
Value	Book to Price	1.01	0.93	-17.84	-6.83	-4.62	-4.40	0.69
	Dividend Yield	0.32	1.31	3.03	3.01	1.57	-0.29	3.96
	Earnings Yield	-4.07	-5.15	-11.82	-2.33	-1.67	-1.22	1.25
	Cash Flow Yield	0.28	1.44	0.68	4.87	3.93	1.01	3.38
	Sales to Price	-4.22	-10.97	-14.83	-6.70	-3.49	-4.83	0.94
Quality	ROE	-1.92	-1.86	0.48	1.84	0.98	0.94	-0.93
	ROIC LT	-0.89	0.74	-9.17	-3.45	-2.13	-0.06	-2.53
	Income to Sales	0.38	-1.50	0.22	3.87	1.33	2.39	-1.05
	Low market beta	1.22	2.80	-1.39	-2.34	0.82	0.40	1.43
	Low Debt/Equity	-0.79	-1.48	-2.90	-1.54	-2.43	-2.43	-1.10
	EBIT Margin Stability	0.41	1.27	-3.02	-2.81	0.94	3.35	1.43
Growth	Earnings Growth	0.52	1.44	3.13	7.44	4.95	1.51	-1.57
	Sales Growth	-3.59	-4.32	-5.86	-2.34	-2.05	-1.44	-4.64
	12M Earning Growth	3.16	9.40	14.22	-0.30	-1.69	-1.43	3.83
Momentum	FY1 Earnings Revisions	4.07	4.76	23.87	11.98	9.59	8.12	10.68
	Short Term Momentum	6.55	12.82	13.73	5.37	7.71	1.98	2.94
	Medium Term Momentum	6.09	13.75	15.98	3.41	3.75	6.15	7.52
Size	Size	2.80	3.34	7.48	3.27	1.25	0.20	0.64

Momentum and size has outperformed over all periods.

# MSCI developed and emerging markets



## One year to August 2019





# SA 10-year bond yields



Ten years to August 2019



# Yield of R197 (inflation-linked bond)



Ten years to August 2019



# FTSE/JSE sectors



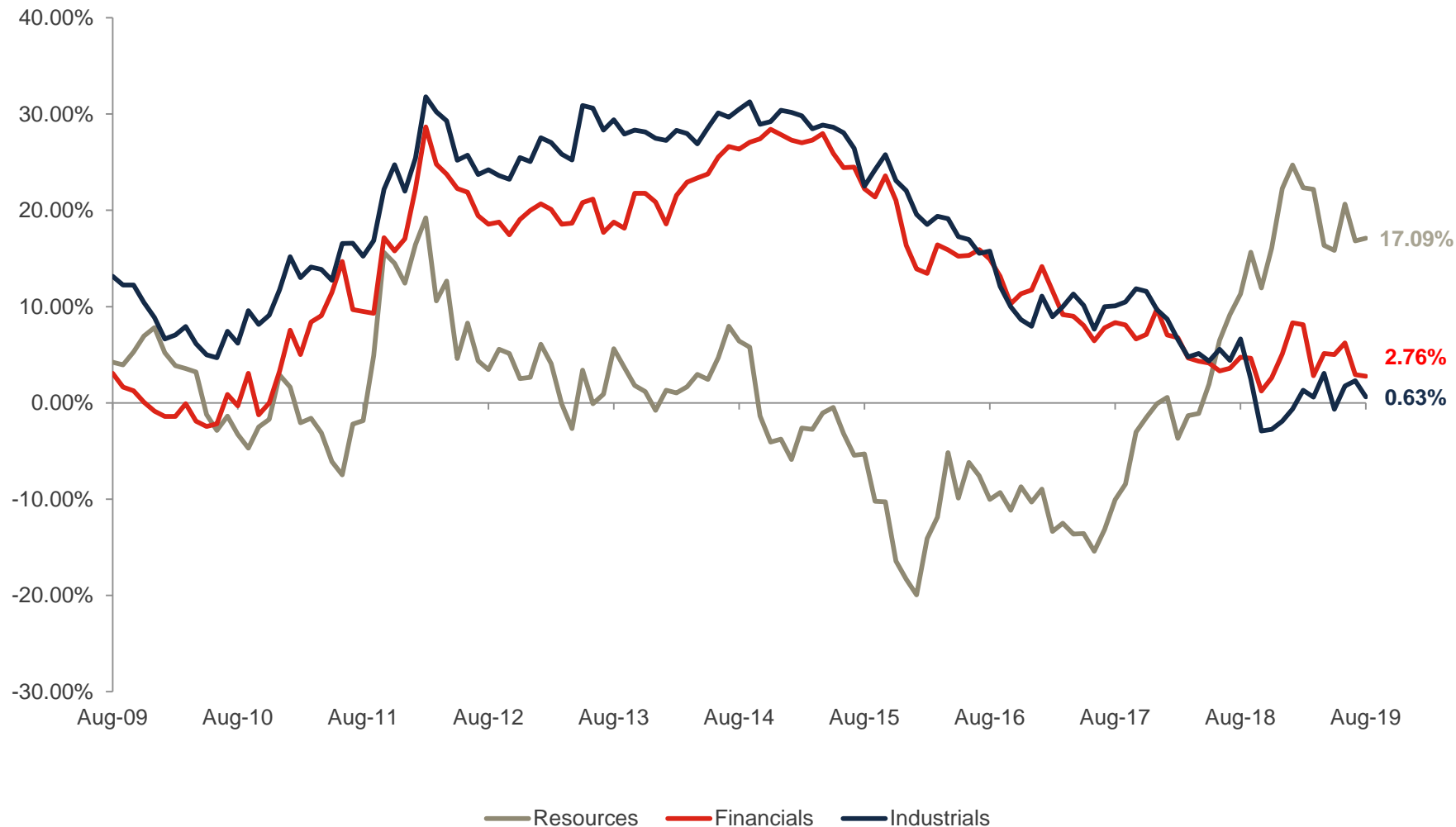
## One year to August 2019



# FTSE/JSE sectors



Three-years-rolling to August 2019



## Decomposed

### Three months to August 2019

1 Beverages	Consumer Goods	16.62%	17 Financial Services	Financials	-7.31%
<b>2 Mining</b>	<b>Basic Materials</b>	<b>14.51%</b>	18 Software & Computer Services	Technology	-7.57%
3 Personal Goods	Consumer Goods	11.22%	19 Food & Drug Retailers	Consumer Services	-8.81%
4 Equity Investment Instruments	Financials	9.59%	20 Life Insurance	Financials	-9.33%
5 Tobacco	Consumer Goods	7.57%	21 Household Goods & Home Construction	Consumer Goods	-10.45%
6 Media	Consumer Services	5.77%	22 Construction & Materials	Industrials	-10.56%
7 Real Estate Investment & Services	Financials	3.07%	23 Fixed-line Telecommunications	Telecommunications	-10.97%
8 Mobile Telecommunications	Telecommunications	1.24%	24 Banks	Financials	-11.51%
9 Food Producers	Consumer Goods	0.60%	25 Travel & Leisure	Travel & Leisure	-11.59%
10 Healthcare Equipment & Service	Healthcare	0.23%	26 General Industrials	Industrials	-11.81%
11 Electronic & Electrical Equipment	Industrials	-4.58%	27 Support Services	Industrials	-12.00%
<b>12 Industrial Metals &amp; Mining</b>	<b>Industrials</b>	<b>-5.21%</b>	28 Industrial Transportation	Industrials	-14.42%
<b>13 Forestry &amp; Paper</b>	<b>Basic Materials</b>	<b>-5.36%</b>	29 Automobiles & Parts	Consumer Goods	-14.76%
14 Non-life Insurance	Financials	-5.94%	30 Pharmaceuticals & Biotechnology	Healthcare	-17.80%
15 Real Estate Investment Trusts	Financials	-6.19%	<b>31 Chemicals</b>	<b>Basic Materials</b>	<b>-20.11%</b>
16 General Retailers	Consumer Services	-6.98%	32 Industrial Engineering	Industrials	-27.33%

### Key

#### Resources

Financials

Industrials

## Decomposed

### One year to August 2019

1 Fixed-line Telecommunications	Telecommunications	65.73%	18 Food & Drug Retailers	Consumer Services	-14.97%
<b>2 Industrial Metals &amp; Mining</b>	<b>Industrials</b>	<b>59.28%</b>	19 General Retailers	Consumer Services	-15.45%
<b>3 Mining</b>	<b>Basic Materials</b>	<b>51.35%</b>	20 Financial Services	Financials	-16.02%
4 Beverages	Consumer Goods	24.08%	21 Travel & Leisure	Travel & Leisure	-16.26%
5 Mobile Telecommunications	Telecommunications	12.33%	22 General Industrials	Industrials	-17.36%
6 Media	Consumer Services	9.85%	23 Tobacco	Consumer Goods	-19.56%
7 Automobiles & Parts	Consumer Goods	7.91%	24 Food Producers	Consumer Goods	-21.34%
8 Software & Computer Services	Technology	6.27%	25 Construction & Materials	Industrials	-25.63%
9 Non-life Insurance	Financials	-2.73%	26 Healthcare Equipment & Service	Healthcare	-28.38%
10 Real Estate Investment & Services	Financials	-3.54%	<b>27 Forestry &amp; Paper</b>	<b>Basic Materials</b>	<b>-35.58%</b>
11 Banks	Financials	-5.12%	28 Industrial Transportation	Industrials	-36.02%
12 Personal Goods	Consumer Goods	-7.91%	29 Industrial Engineering	Industrials	-45.02%
13 Electronic & Electrical Equipment	Industrials	-9.08%	<b>30 Chemicals</b>	<b>Basic Materials</b>	<b>-47.52%</b>
14 Equity Investment Instruments	Financials	-10.41%	<b>31 Oil &amp; Gas Producers</b>	<b>Financial Services</b>	<b>-53.02%</b>
15 Life Insurance	Financials	-11.33%	32 Household Goods & Home Construction	Consumer Goods	-57.15%
16 Real Estate Investment Trusts	Financials	-12.72%	33 Pharmaceuticals & Biotechnology	Healthcare	-69.71%
17 Support Services	Industrials	-13.59%			

### Key

#### Resources

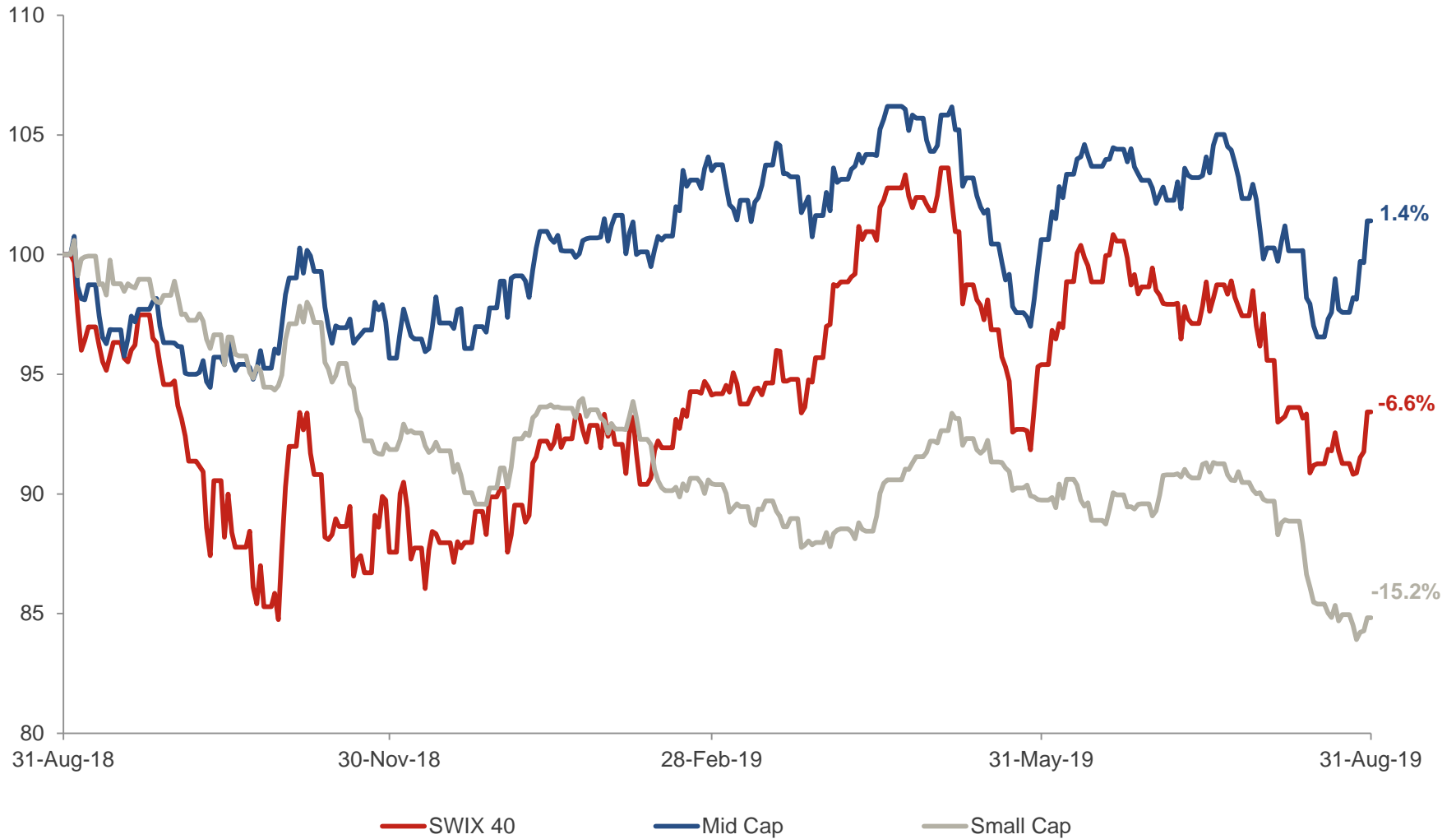
Financials

Industrials

# FTSE/JSE market caps



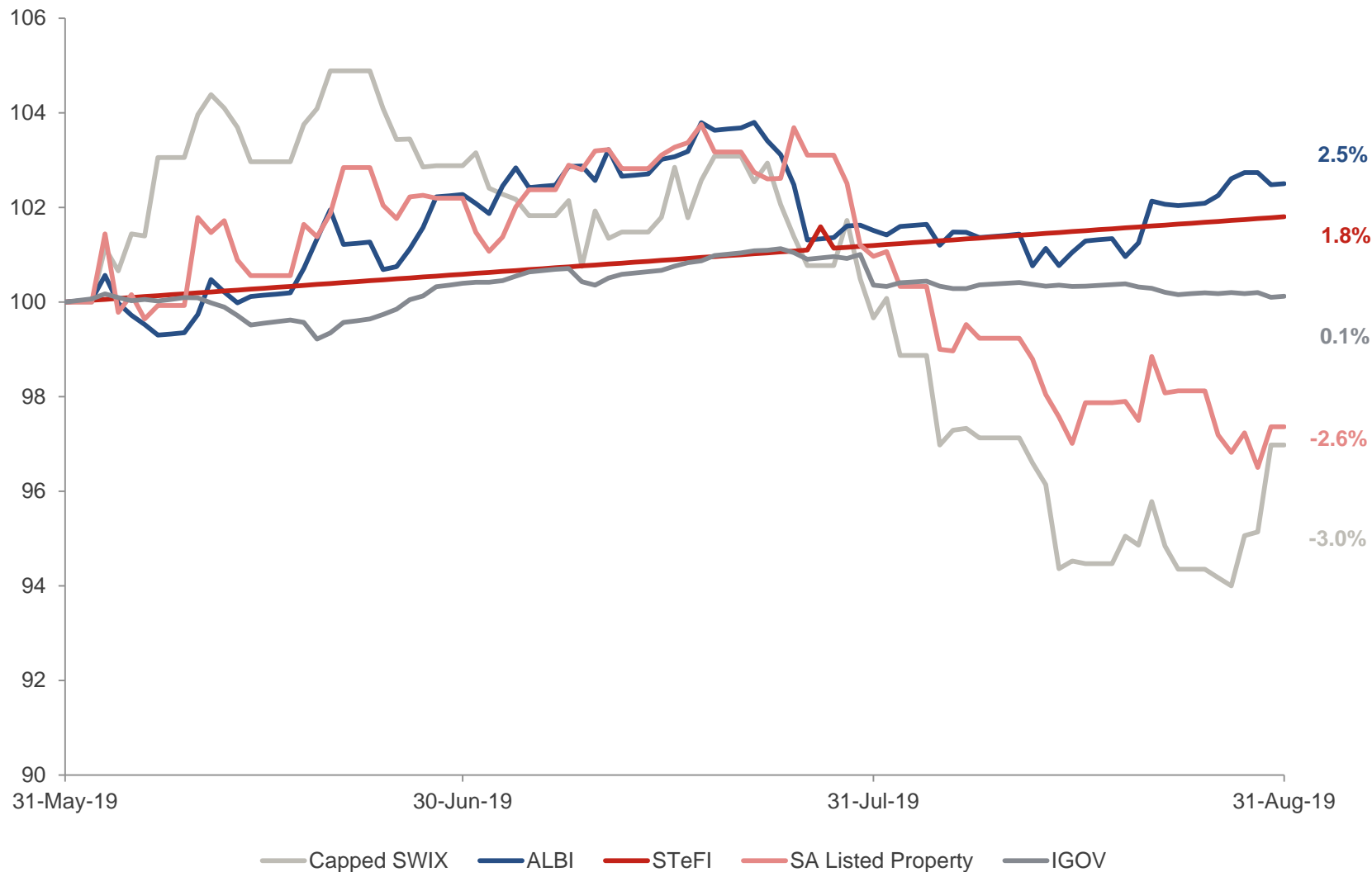
One year to August 2019



# Local asset classes



Three months to August 2019

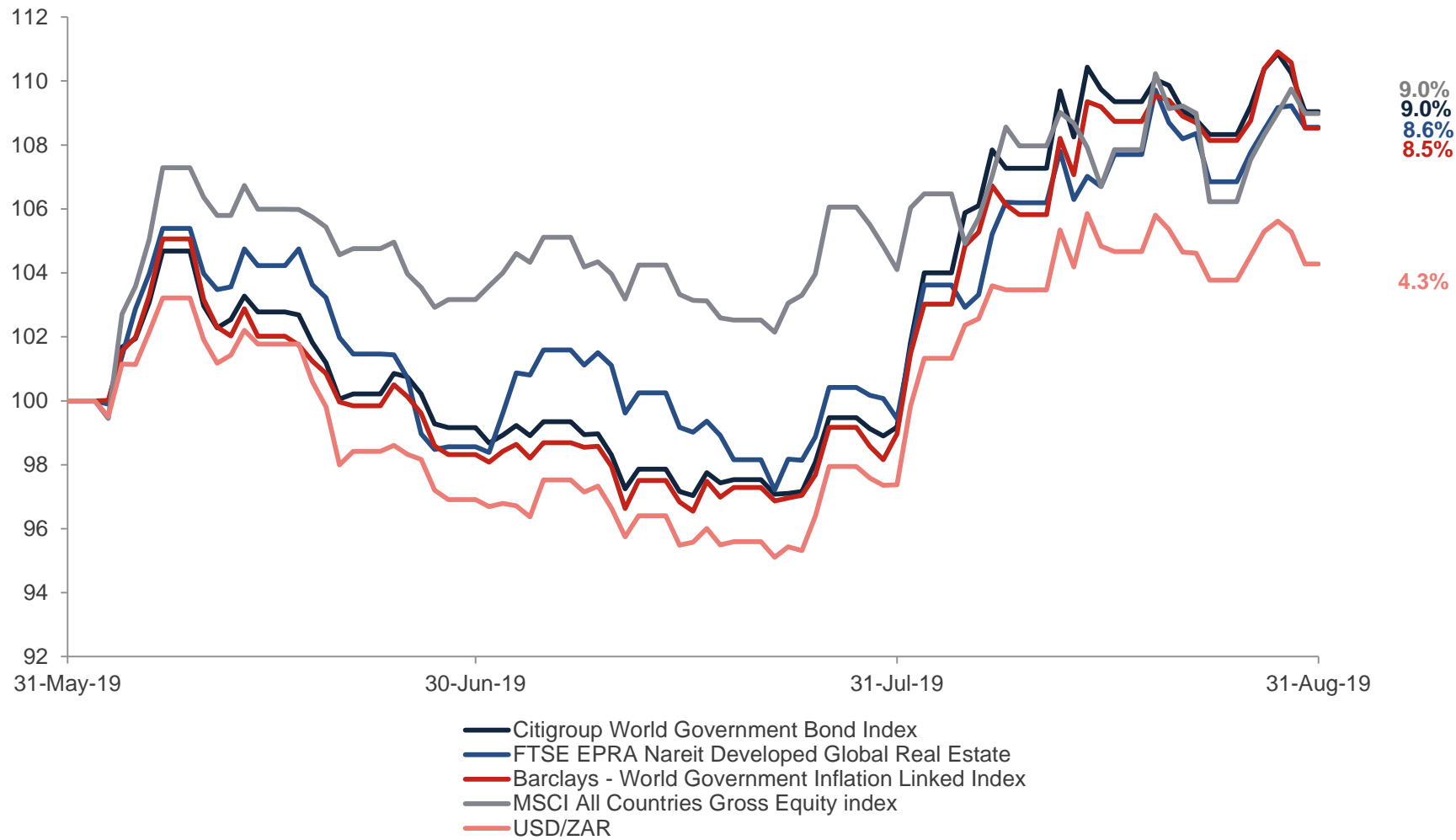




# Global asset classes



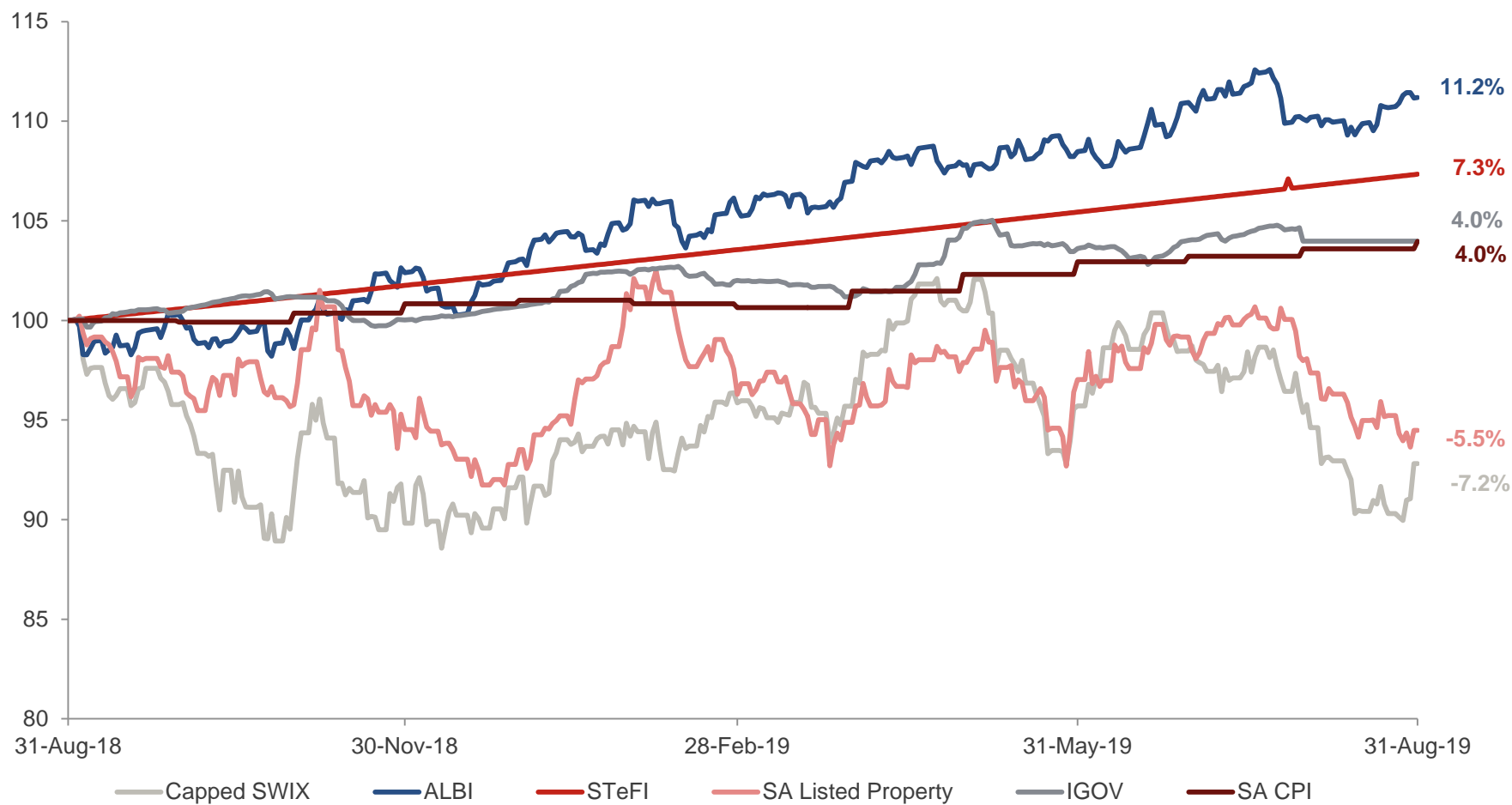
Three months to August 2019



# Local asset classes



One year to August 2019

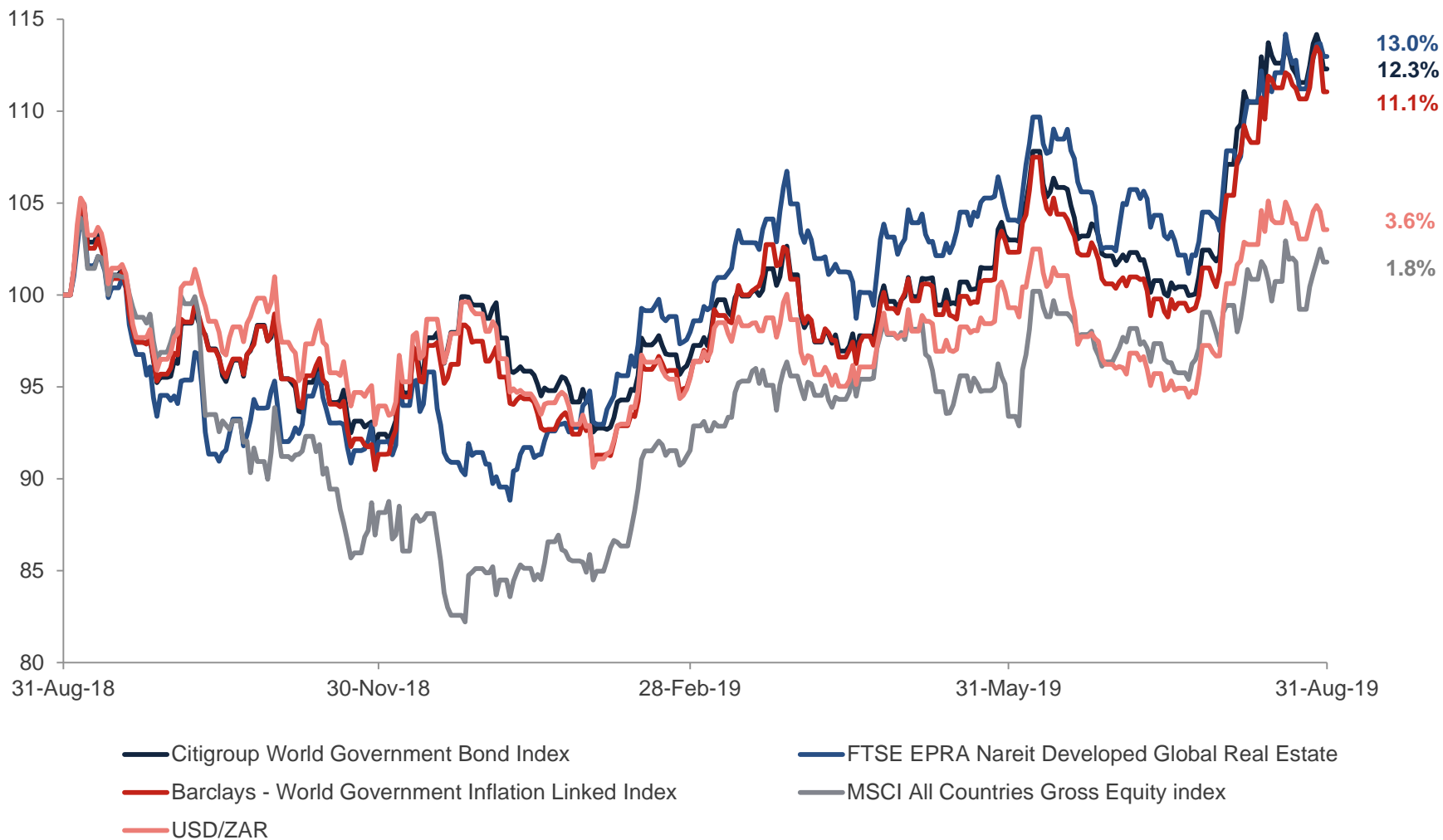


\* CPI lagged by one month due to availability of data

# Global asset classes



One year to August 2019



# Local asset classes



Five years to August 2019

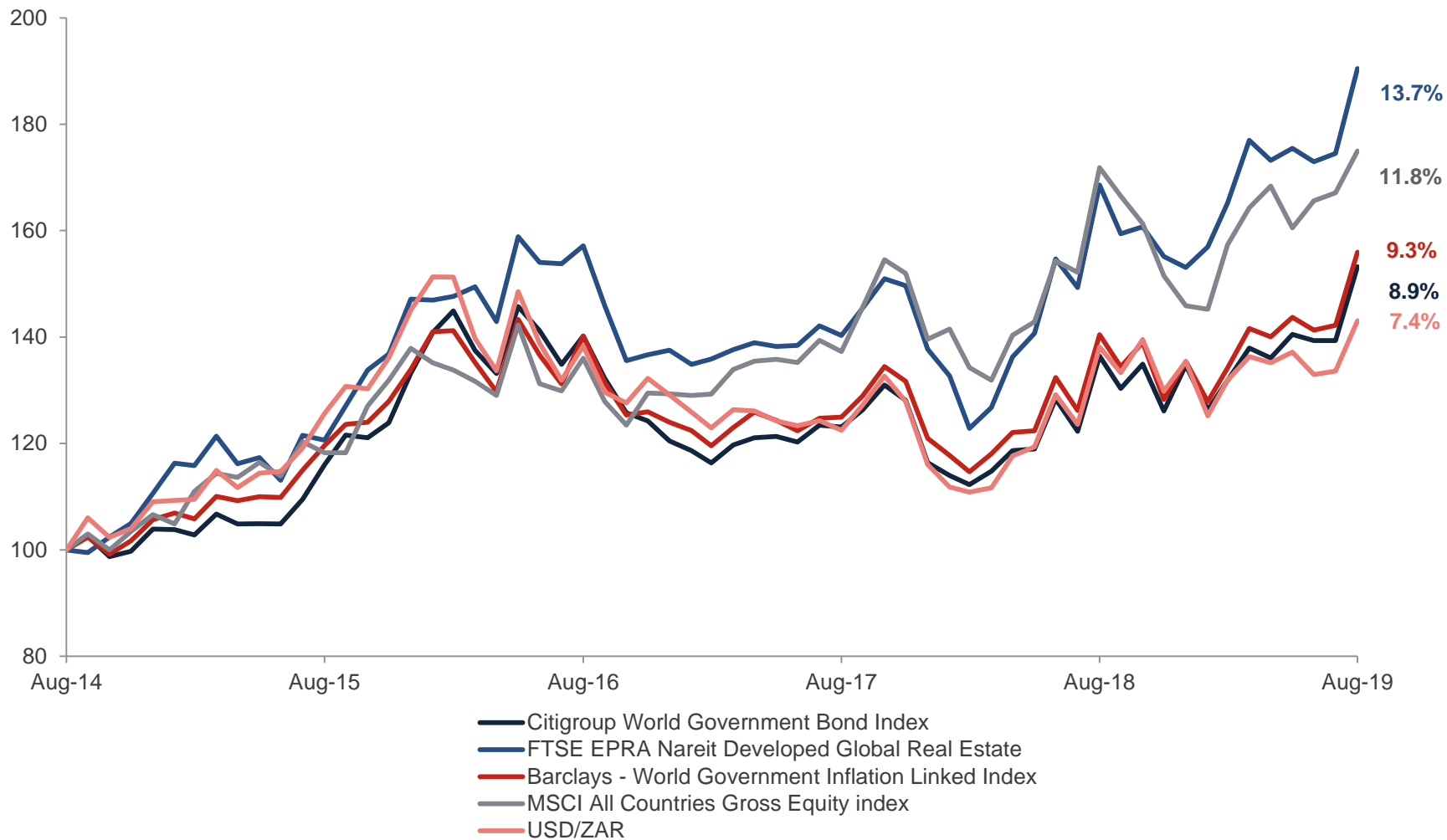


\* CPI lagged by one month due to availability of data

# Global asset classes



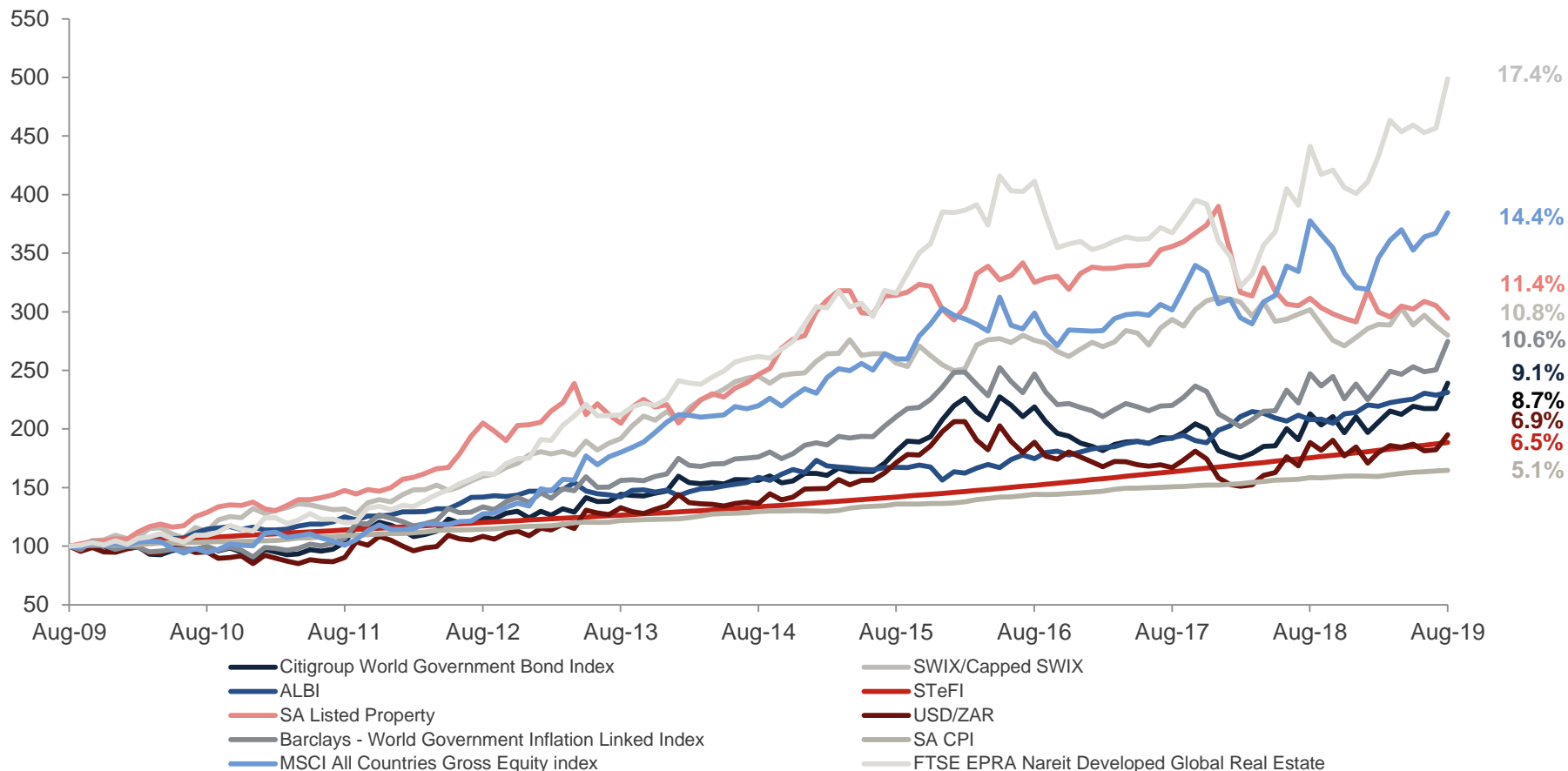
Five years to August 2019



# Asset classes



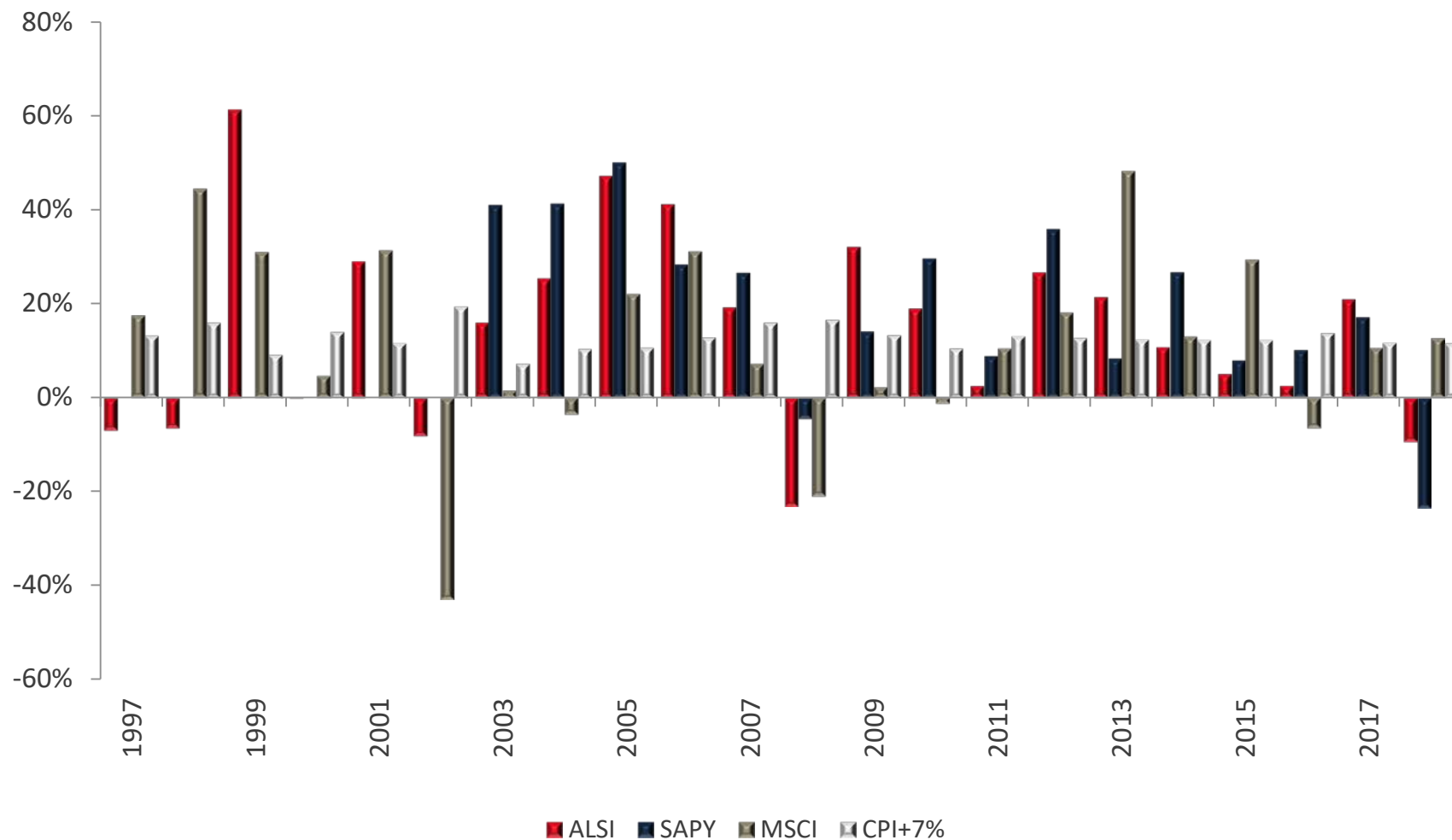
Ten years to August 2019



\* CPI lagged by one month due to availability of data

For the 10-year period to August 2019, the SWIX/Capped SWIX composite and SA Listed Property outperformed.

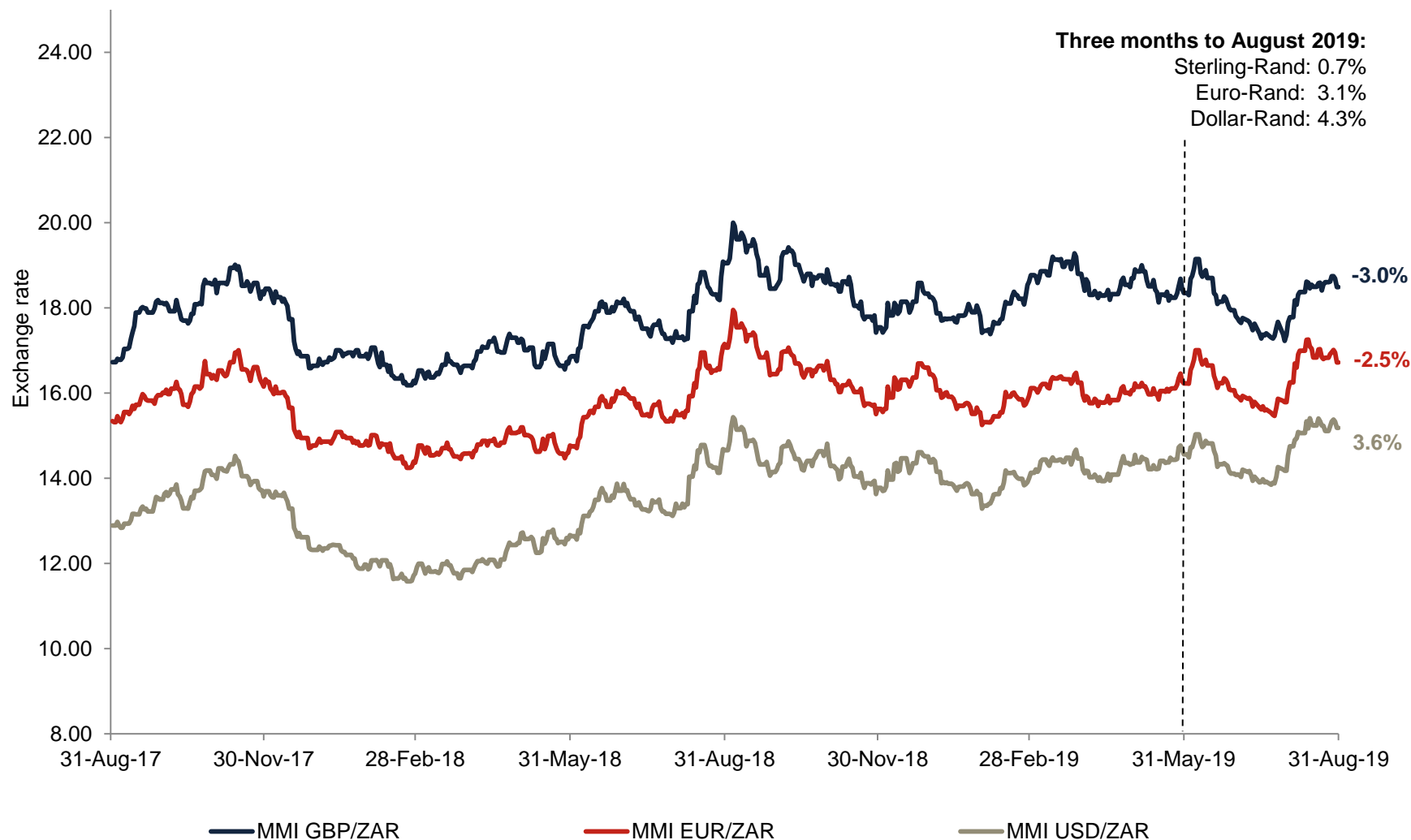
# Annual asset class returns



# Exchange rates



## One year to August 2019

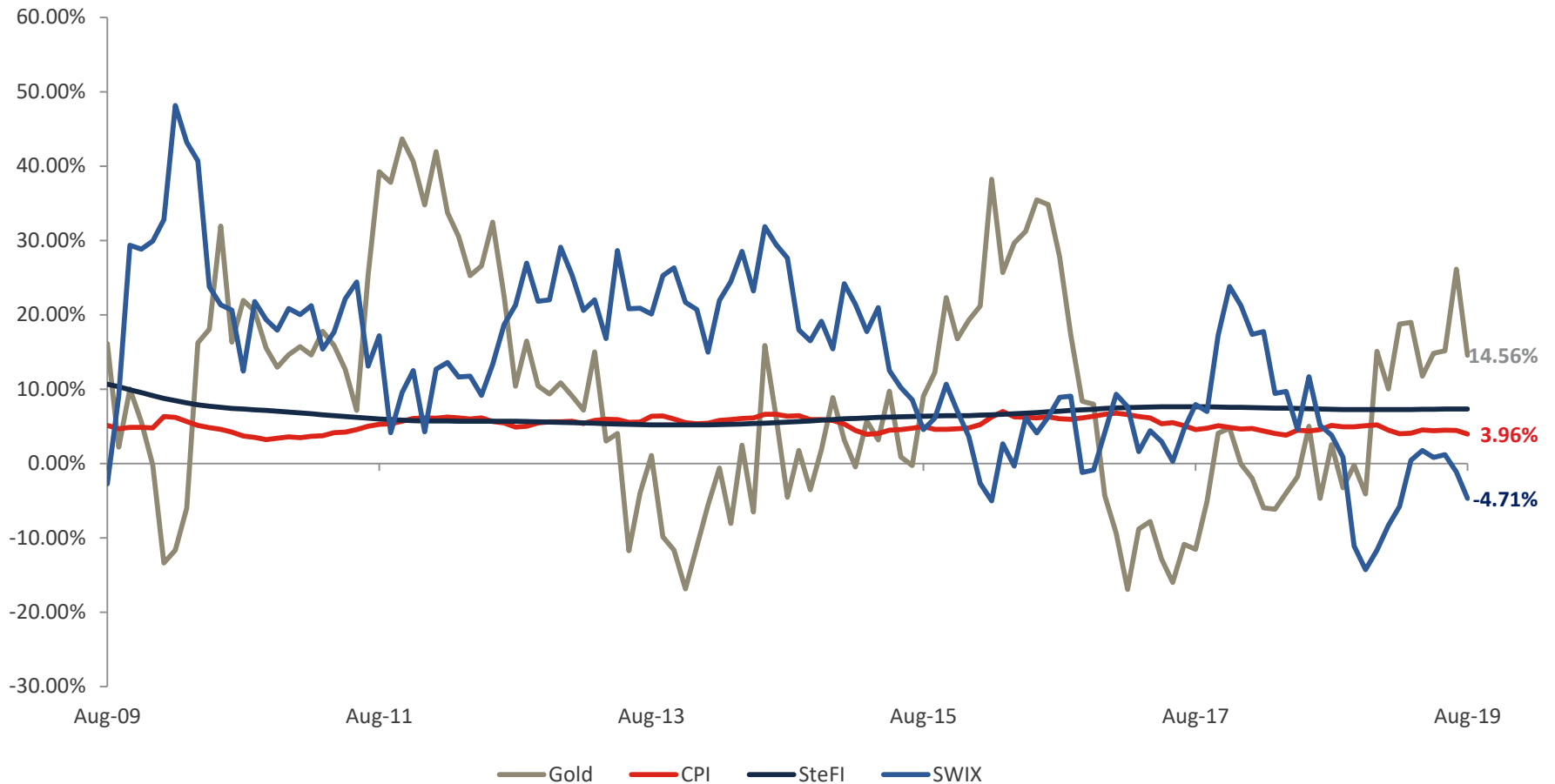




# Gold (rands), FTSE/JSE SWIX, CPI, SteFI



One-year rolling returns to August 2019

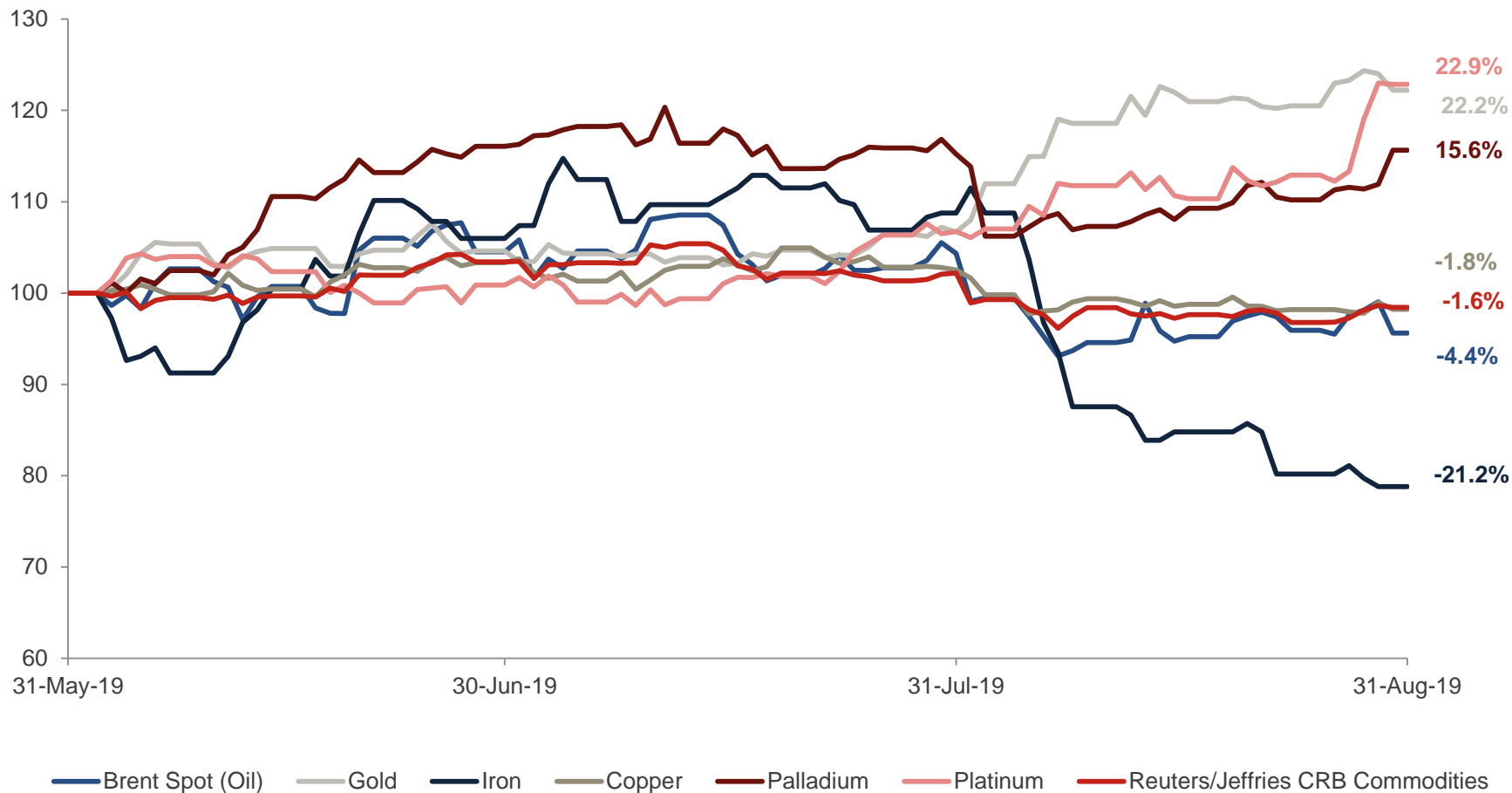


\* CPI lagged by one month due to availability of data

# Commodities



Three months to August 2019

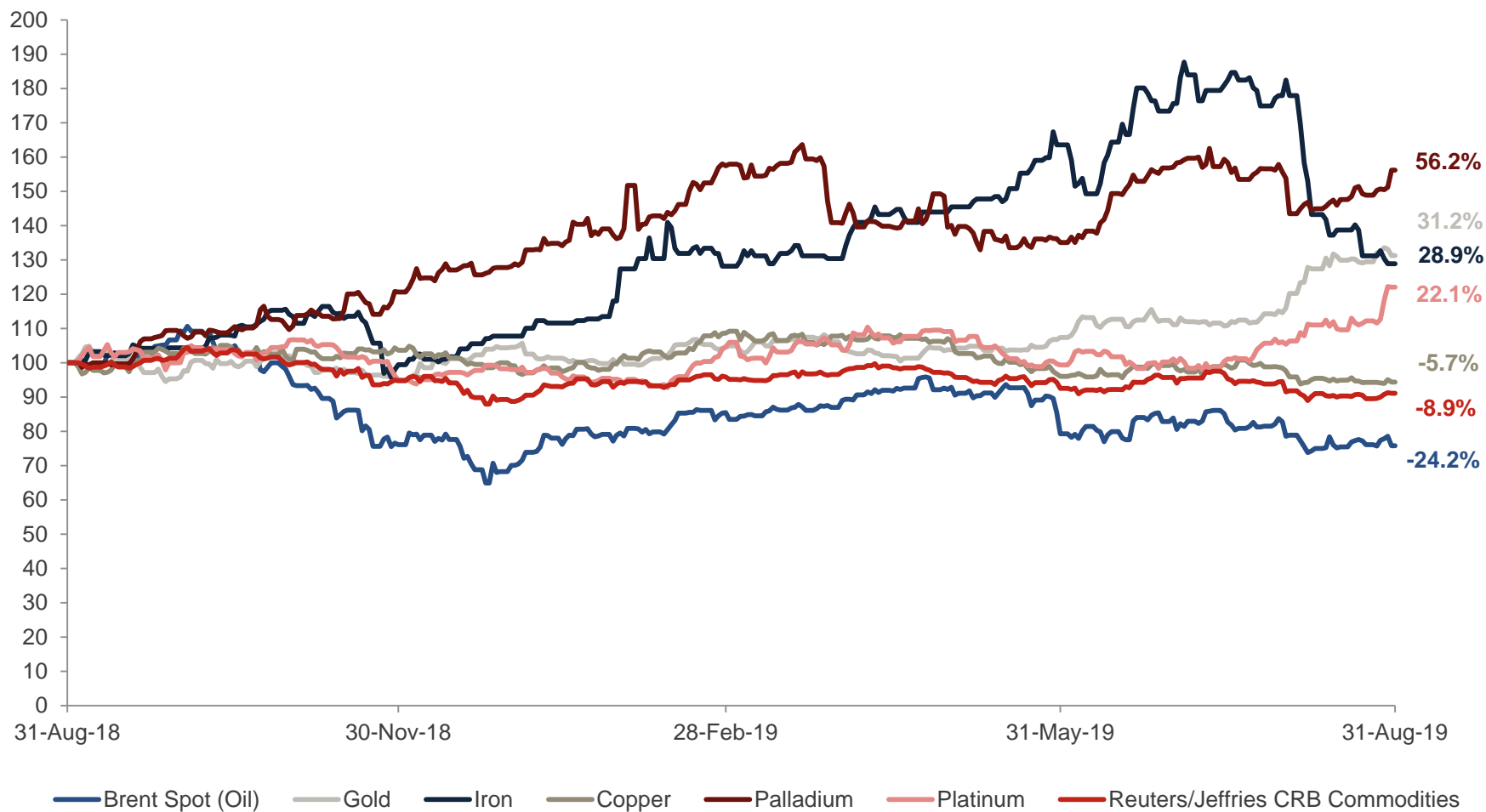


All returns are in dollar terms

# Commodities



One year to August 2019

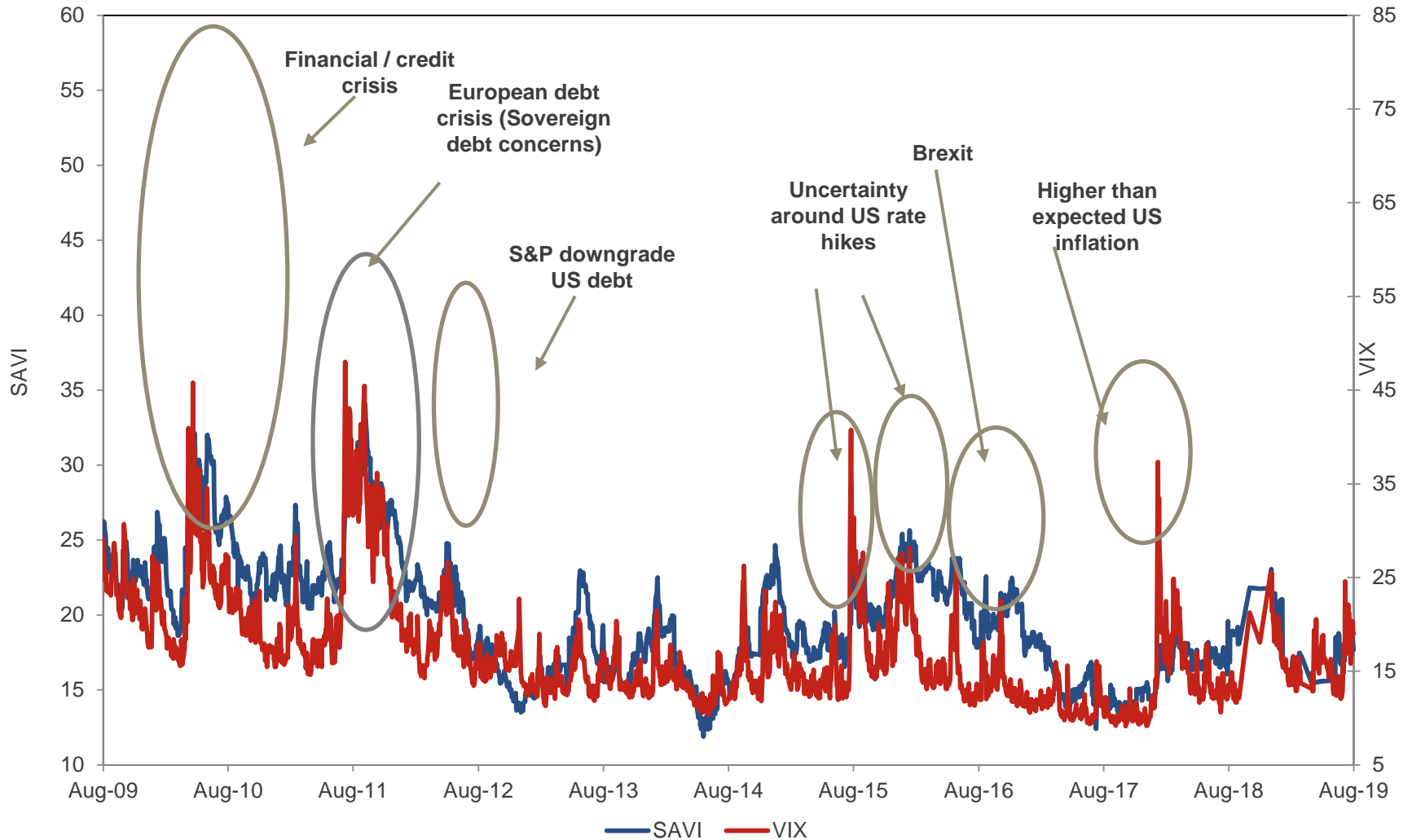


All returns are in dollar terms

# SAVI-VIX



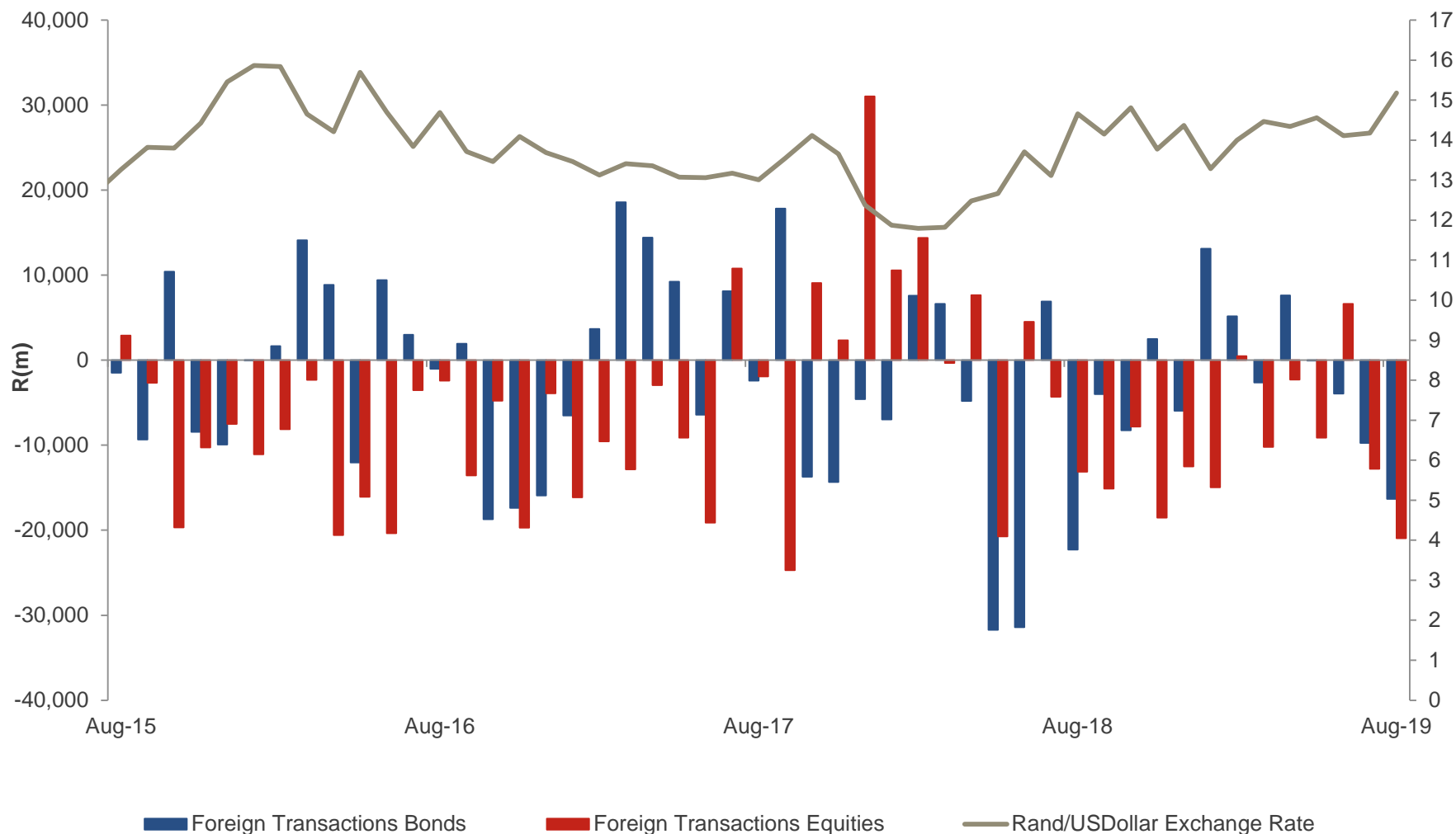
Since July 2009 to July 2019



# Foreign transactions



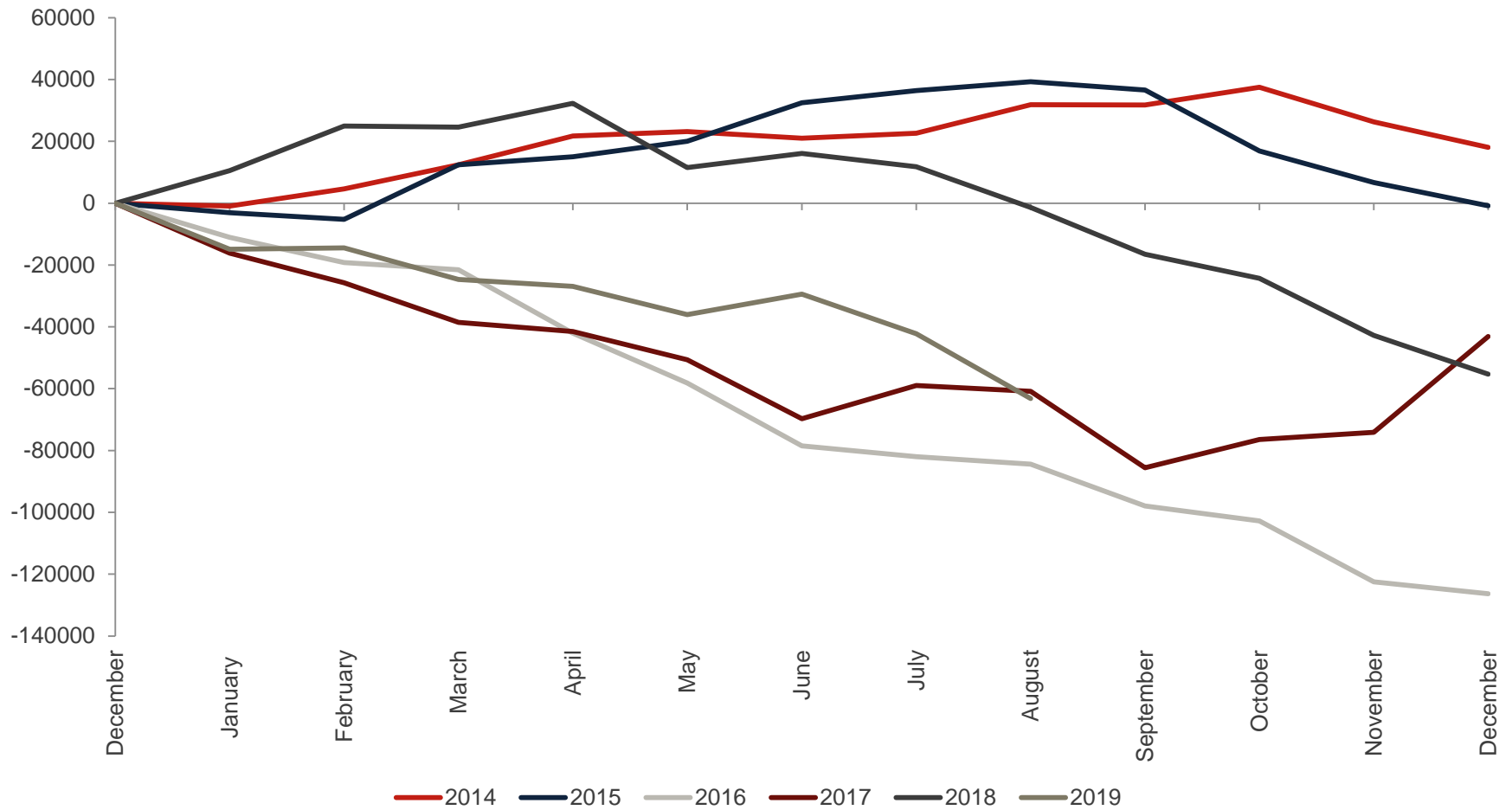
2015 to 2019



# Cumulative foreign transaction equities



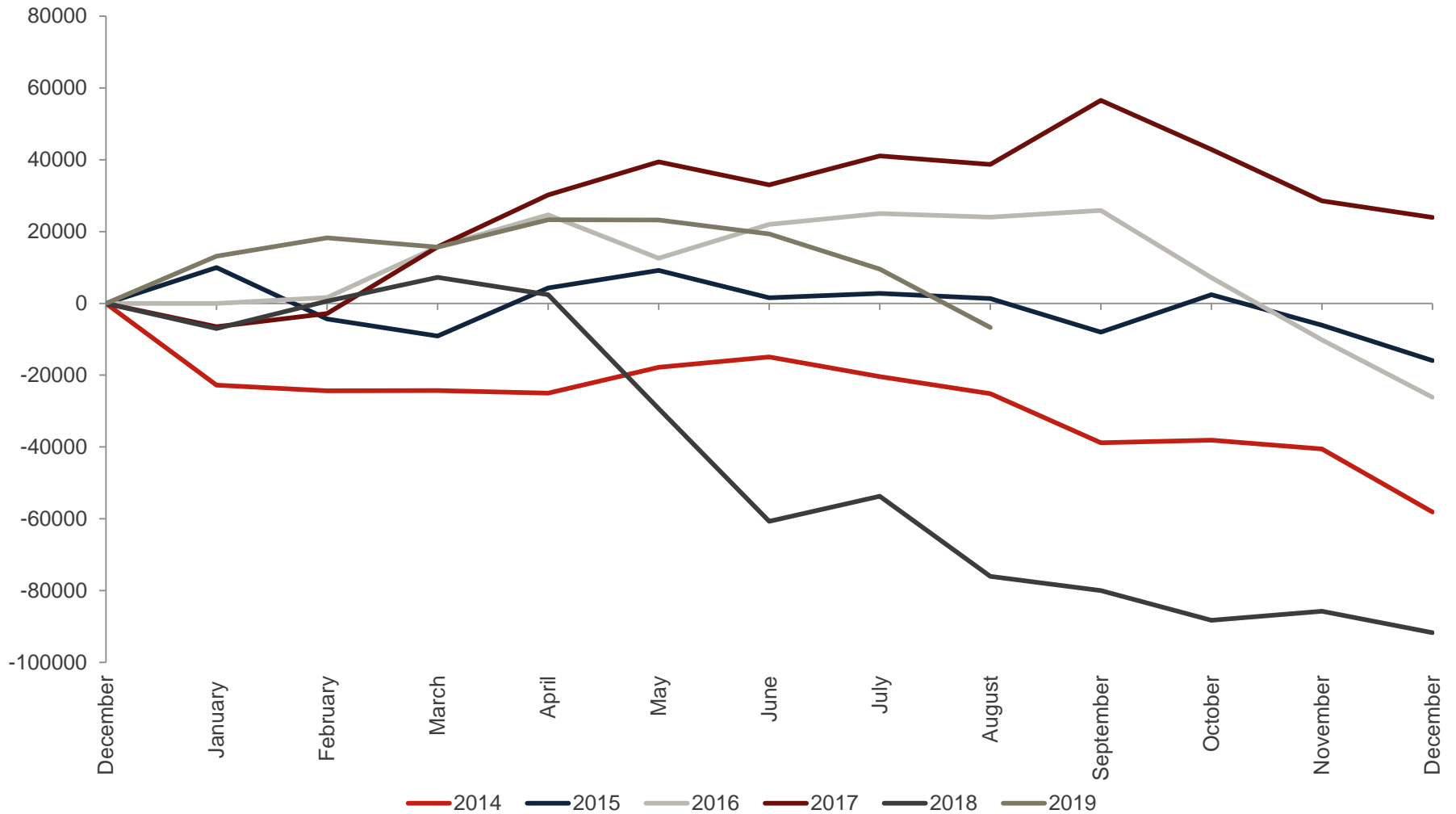
2014 to 2019



# Cumulative foreign transaction bonds



2014 to 2019



Thank you

*Signatory of:*





1. Sources: Momentum Investments, I-Net Bridge, [www.msci.com](http://www.msci.com), [www.yieldbook.com](http://www.yieldbook.com), [www.ft.com](http://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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