

**momentum**

investments

# Key market performance drivers

Monthly charts to 31 July 2019

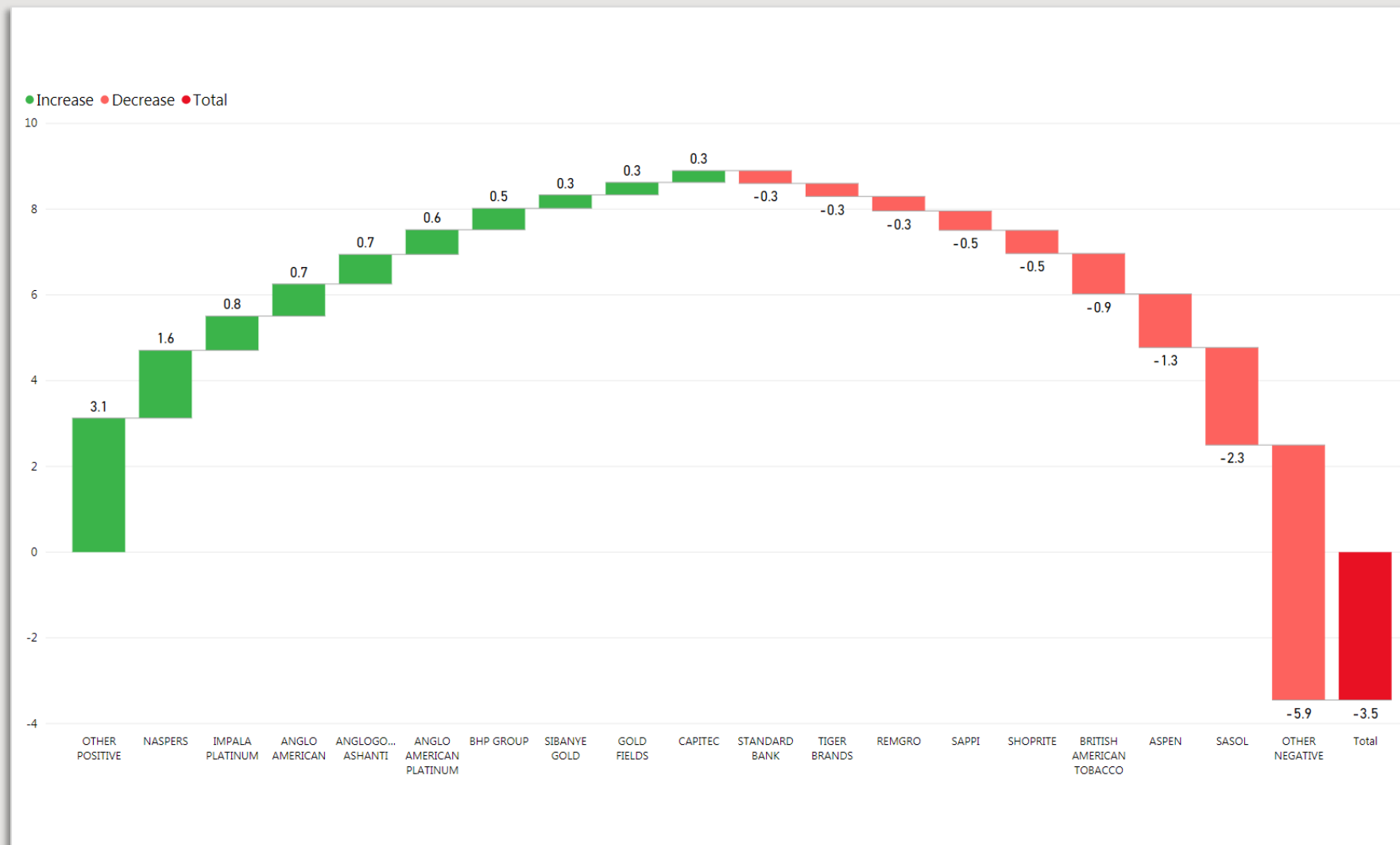
*Signatory of:*

 **PRI** | Principles for  
Responsible  
Investment

# Market concentration



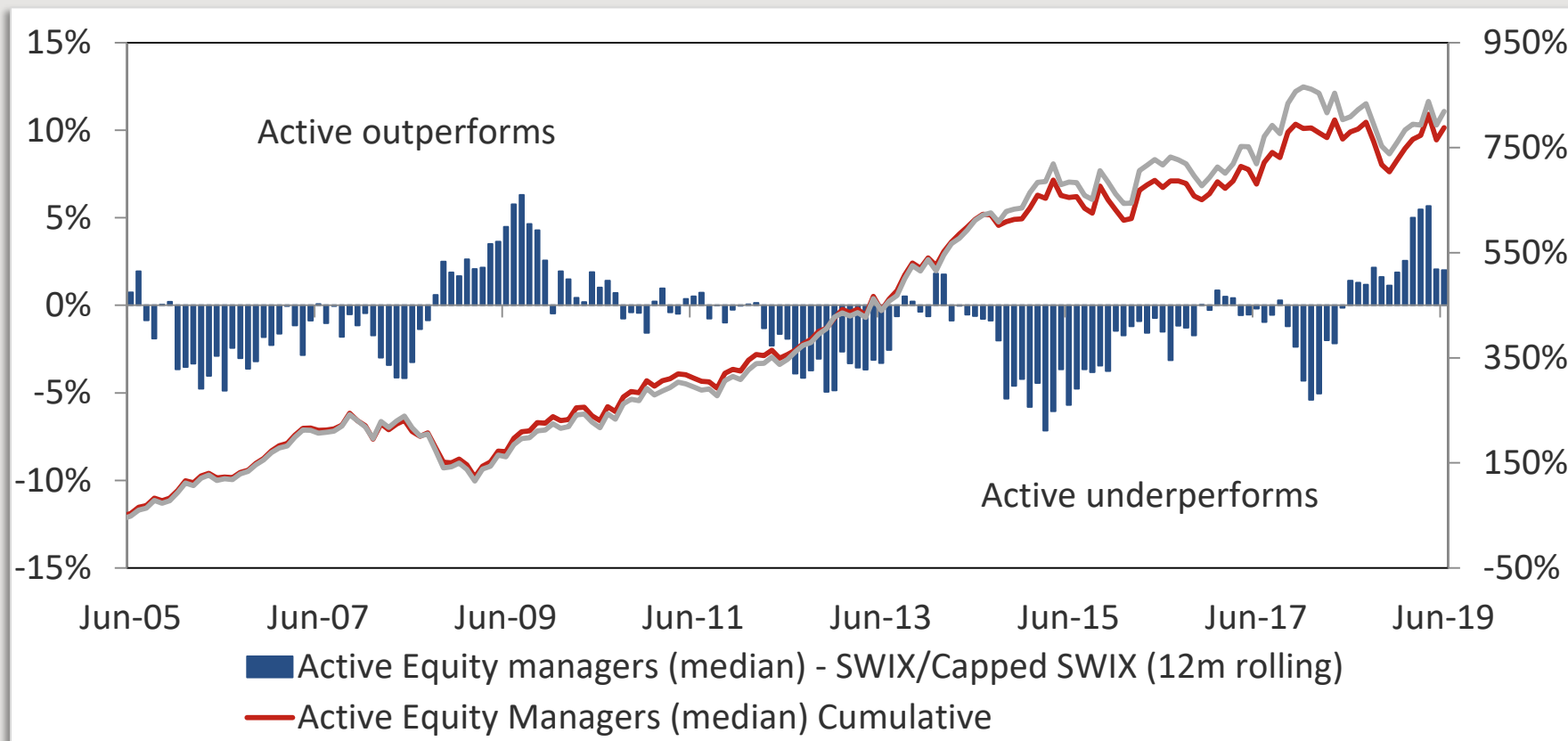
## One-year Capped SWIX contributions ending July 2019



# Active index analysis



One-year-rolling active to June\* 2019



\* Lagged by one month due to availability of data

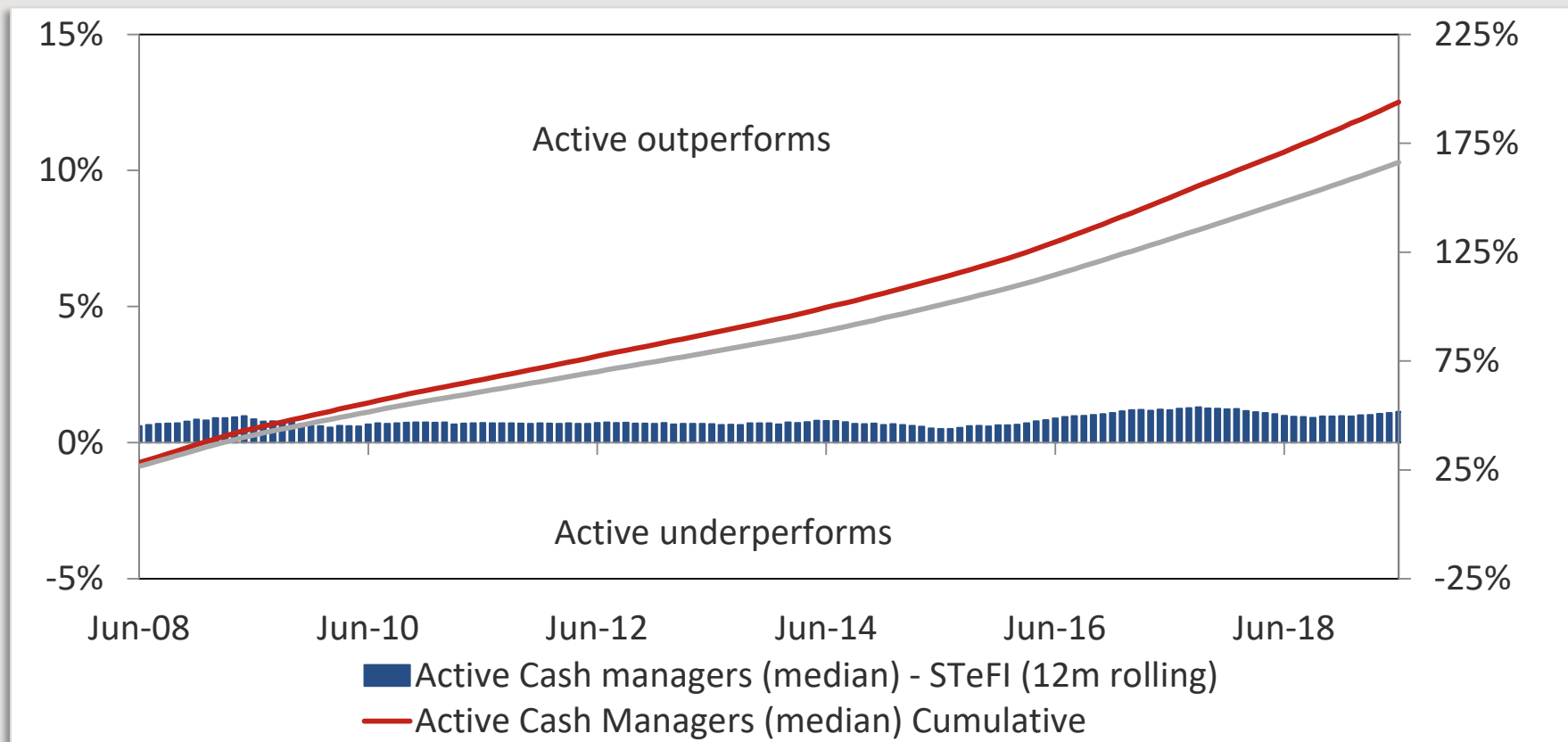
The median of the active equity investment managers outperformed the SWIX/Capped SWIX composite benchmark for the 12 month period ending June 2019. (SWIX until 31 October 2017 and Capped SWIX thereafter)

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

# Active versus tracker: Cash



One-year-rolling average to June\* 2019



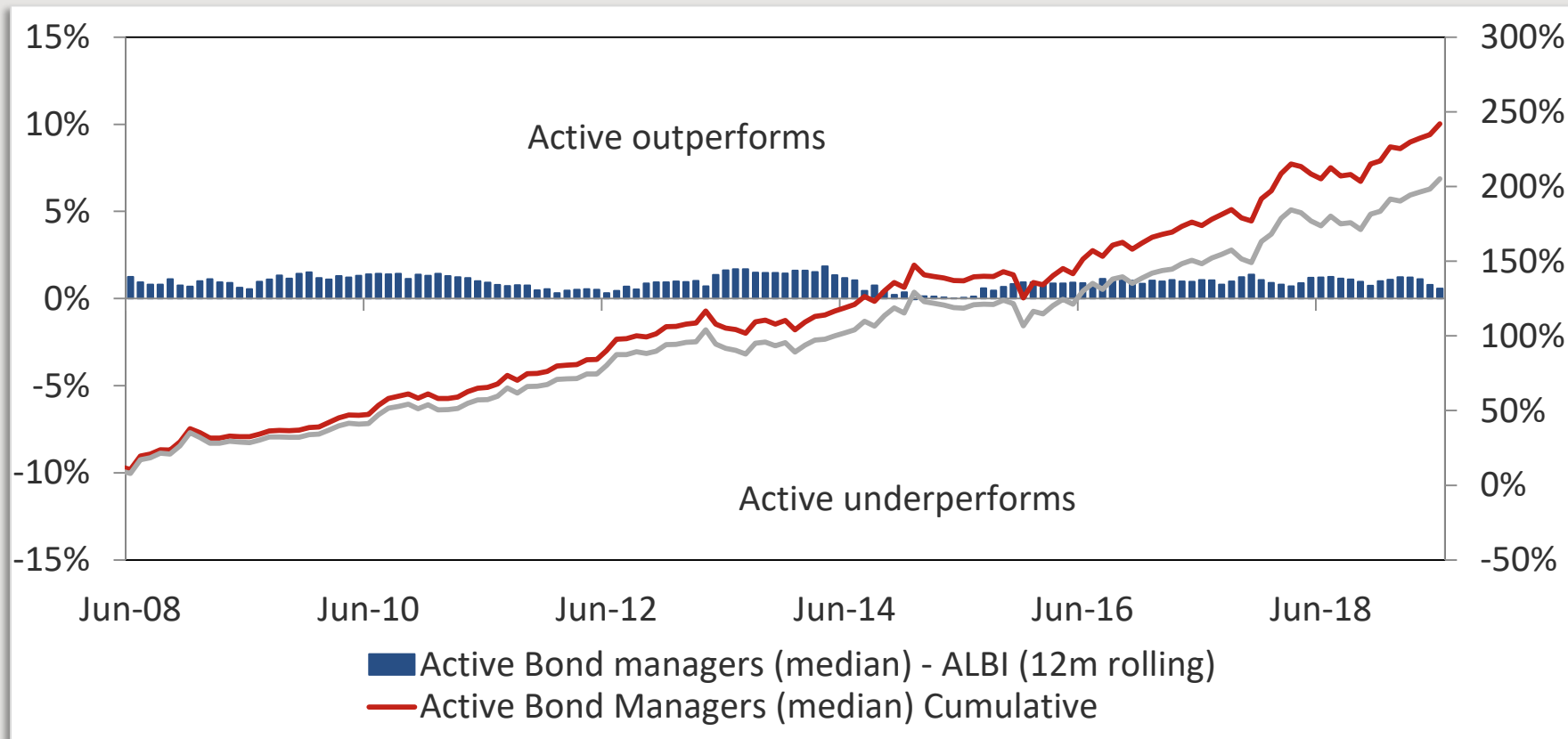
\* Lagged by one month due to availability of data

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

# Active versus tracker: Bonds



One-year-rolling average to June\* 2019



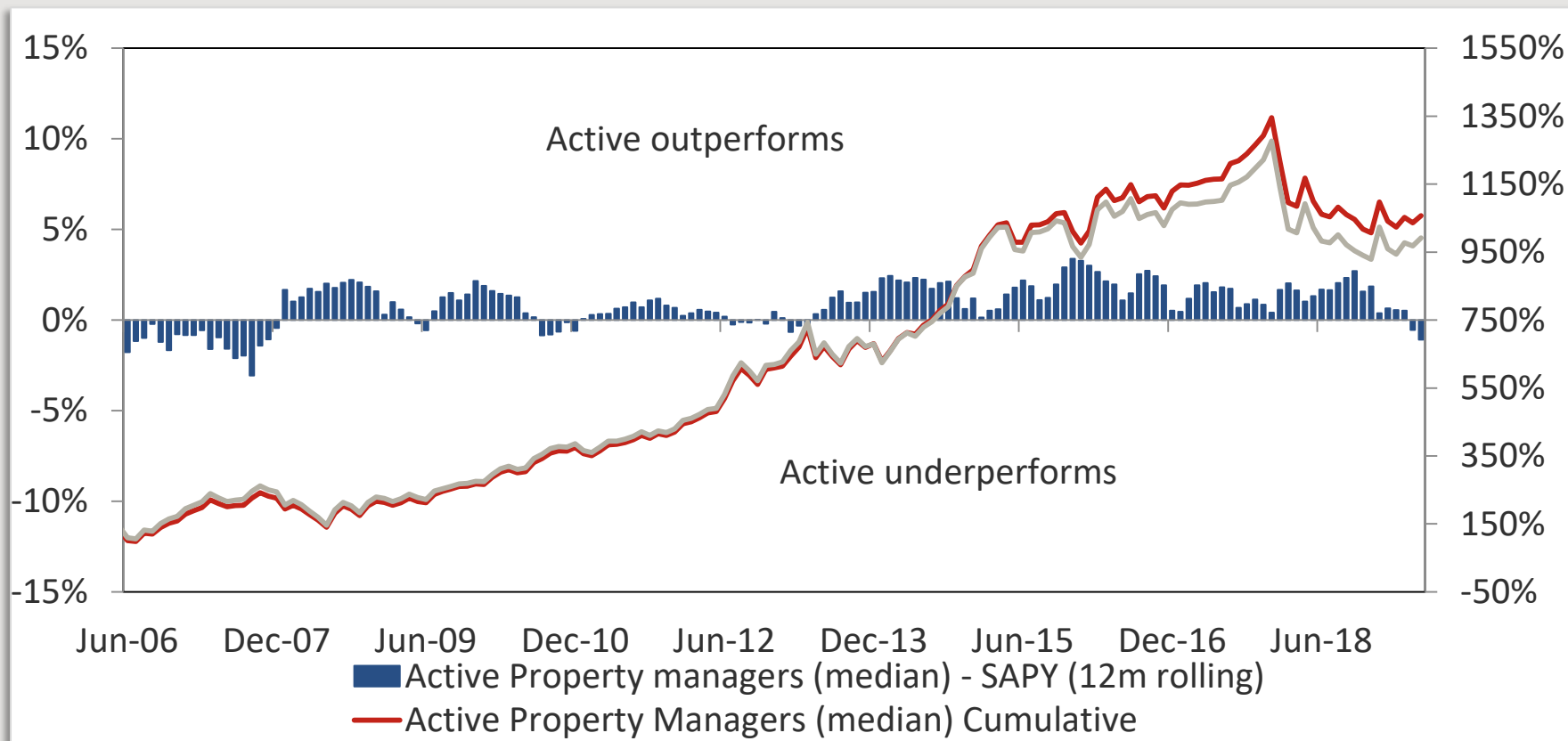
\* Lagged by one month due to availability of data

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

# Active versus tracker: Property



One-year-rolling average to June\* 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 June 2019

# Style returns for South Africa



Data to July 2019

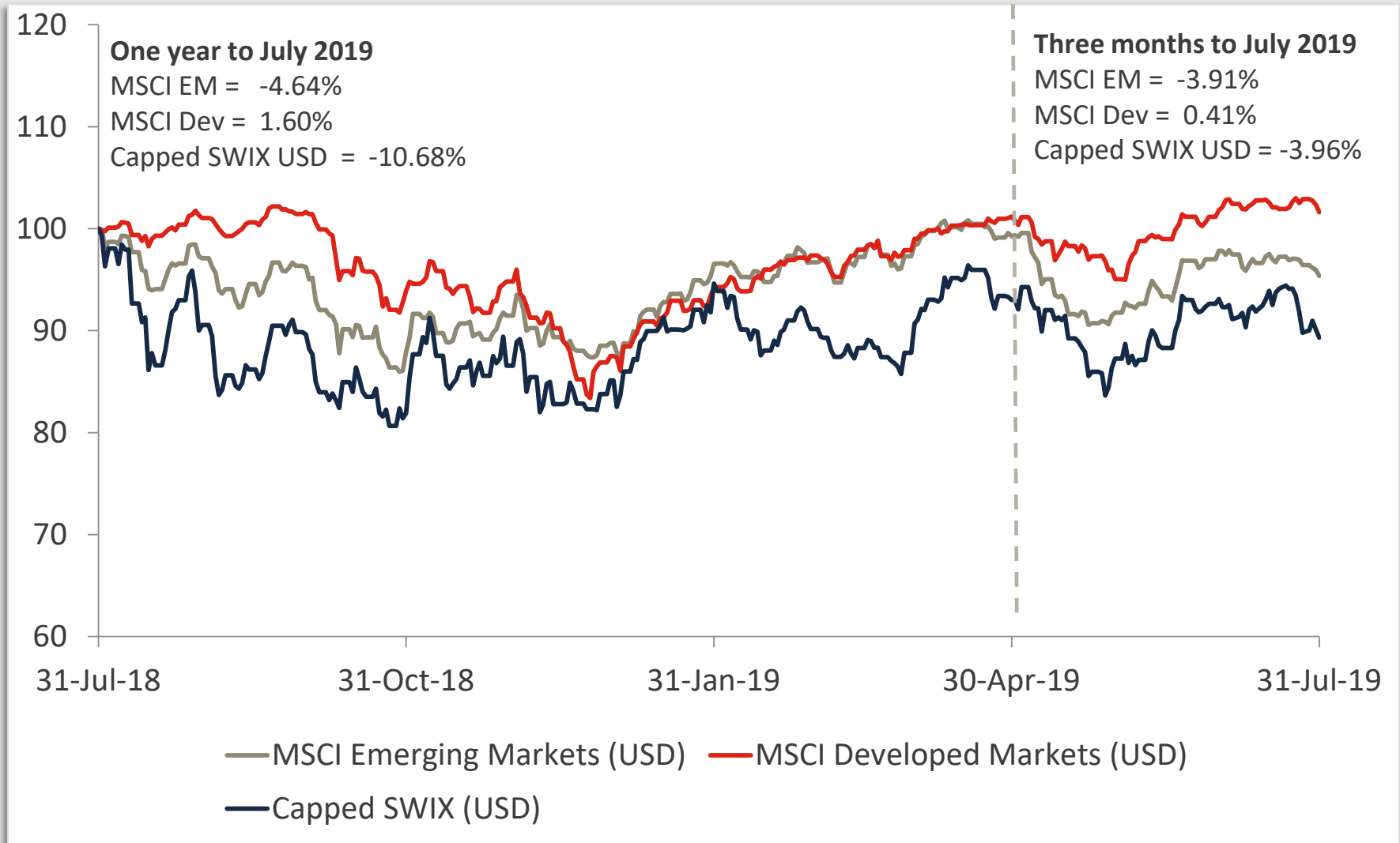
ZAR	Styles	One month to July 2019	Three months to July 2019	One year to July 2019	Three years to July 2019	Five years to July 2019	Ten years to July 2019	Twenty years to July 2019
Value	Book to Price	0.51	-3.73	-19.51	-6.96	-5.21	-4.32	0.92
	Dividend Yield	1.36	1.78	3.84	3.06	0.82	-0.34	4.17
	Earnings Yield	-0.41	-1.62	-7.63	0.00	-0.70	-0.54	1.68
	Cash Flow Yield	-0.20	0.65	-0.85	5.54	3.47	1.47	3.51
	Sales to Price	-2.93	-6.87	-12.15	-4.65	-3.41	-4.23	1.56
Quality	ROE	-0.40	0.96	1.79	2.56	1.43	1.36	-1.08
	ROIC LT	0.15	0.28	-8.20	-3.57	-2.07	-0.20	-2.40
	Income to Sales	-1.09	0.58	0.47	3.46	1.73	2.27	-1.25
	Low market beta	1.83	3.37	-1.56	-2.32	0.70	-0.01	1.53
	Low Debt/Equity	-0.45	-0.90	-3.64	-0.91	-2.02	-2.61	-1.04
	EBIT Margin Stability	0.16	2.02	-5.26	-1.70	0.66	3.04	1.71
Growth	Earnings Growth	-0.63	1.34	4.83	7.47	5.30	1.56	-1.81
	Sales Growth	0.01	-1.01	-2.47	-1.02	-2.12	-0.98	-4.57
	12M Earning Growth	1.69	6.19	7.77	-2.82	-2.02	-2.09	3.73
Momentum	FY1 Earnings Revisions	-0.54	3.78	21.69	8.49	9.33	7.91	10.32
	Short Term Momentum	1.93	6.63	6.46	1.84	7.08	1.46	2.73
	Medium Term Momentum	2.01	11.61	10.58	0.56	2.93	5.23	7.34
Size	-2.09	1.34	4.74	0.71	0.67	0.13	0.37	

Momentum has outperformed over all periods. Value underperformed for the three month period.

# MSCI developed and emerging markets



One year to July 2019

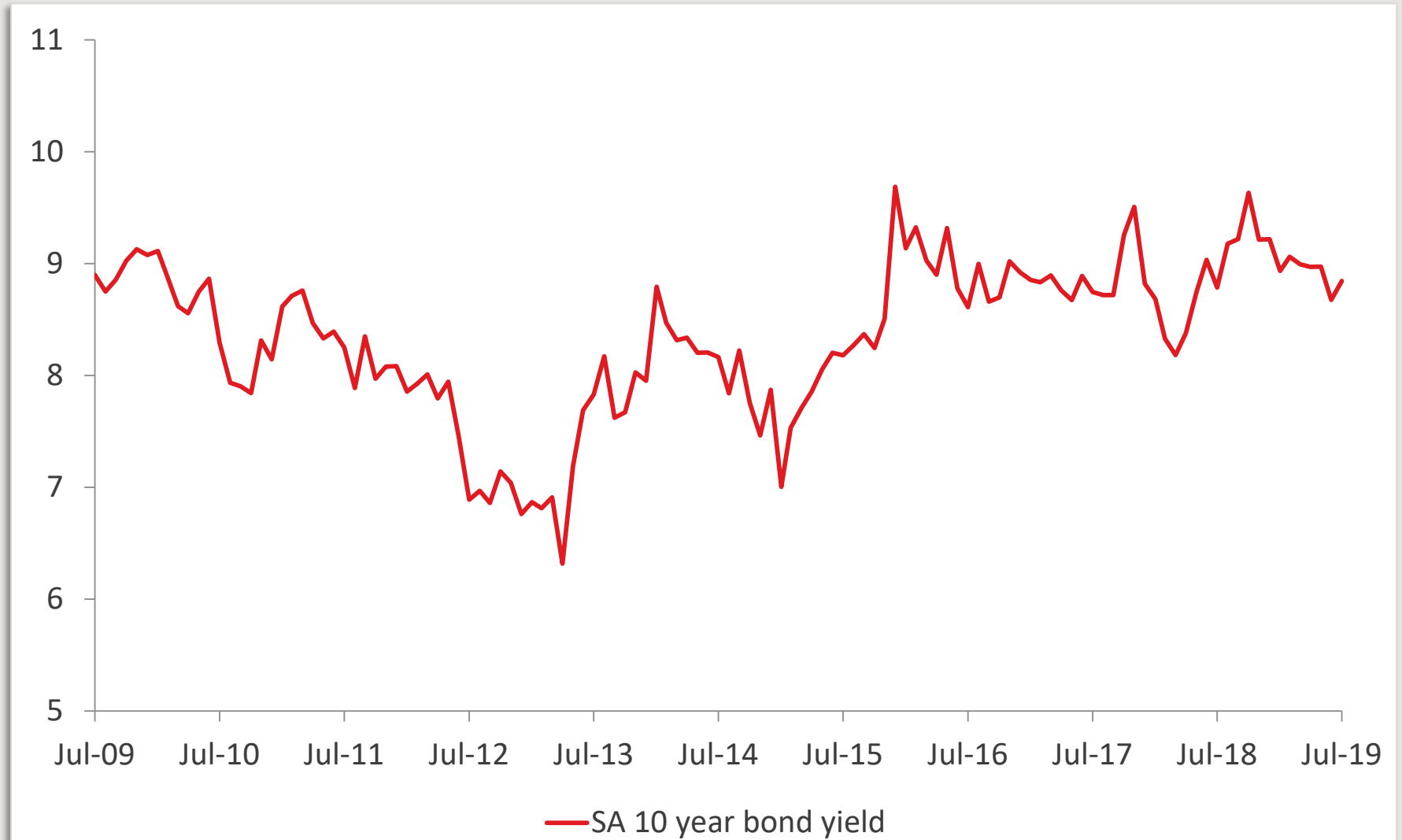




# SA 10-year bond yields



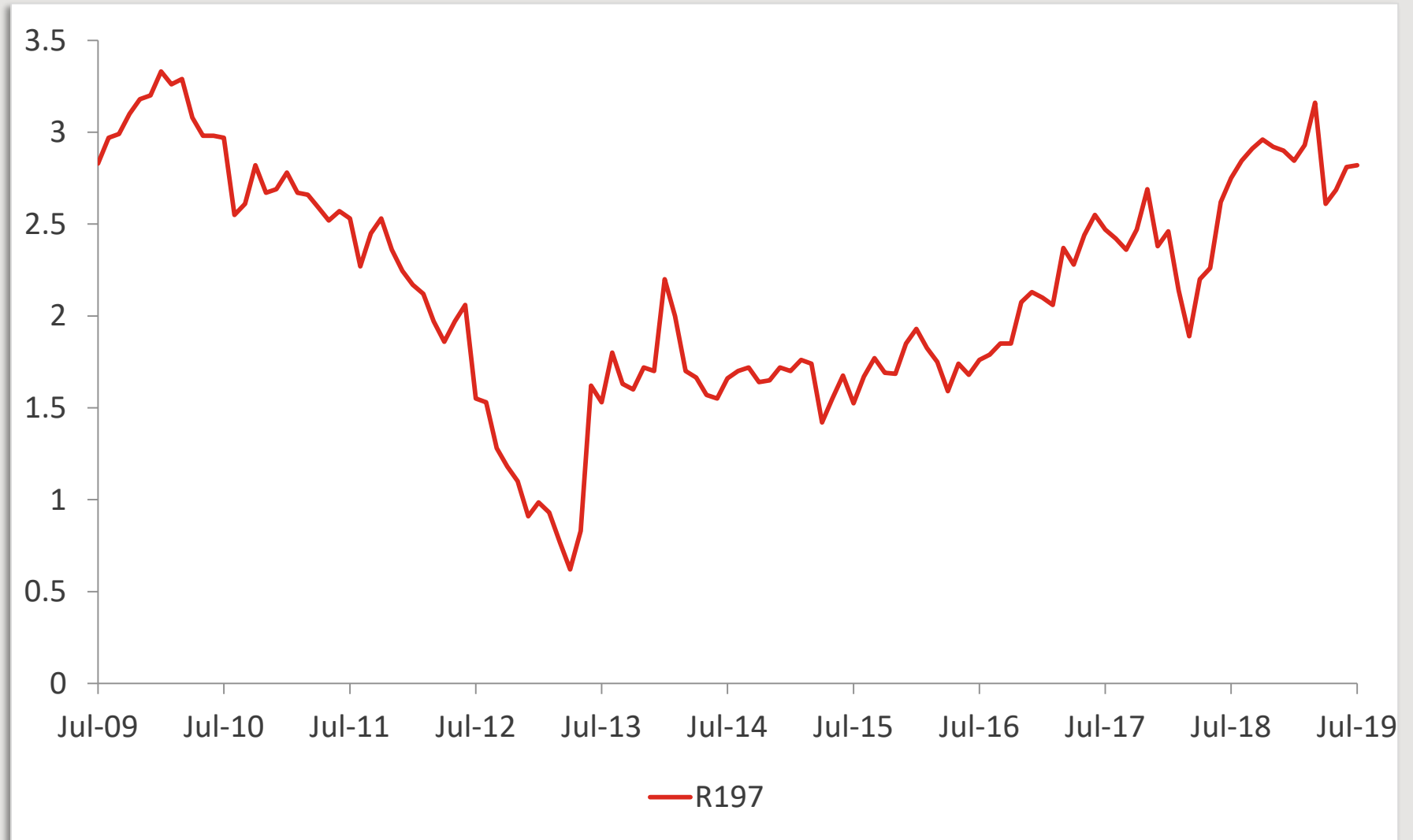
Ten years to July 2019



# Yield of R197 (inflation-linked bond)



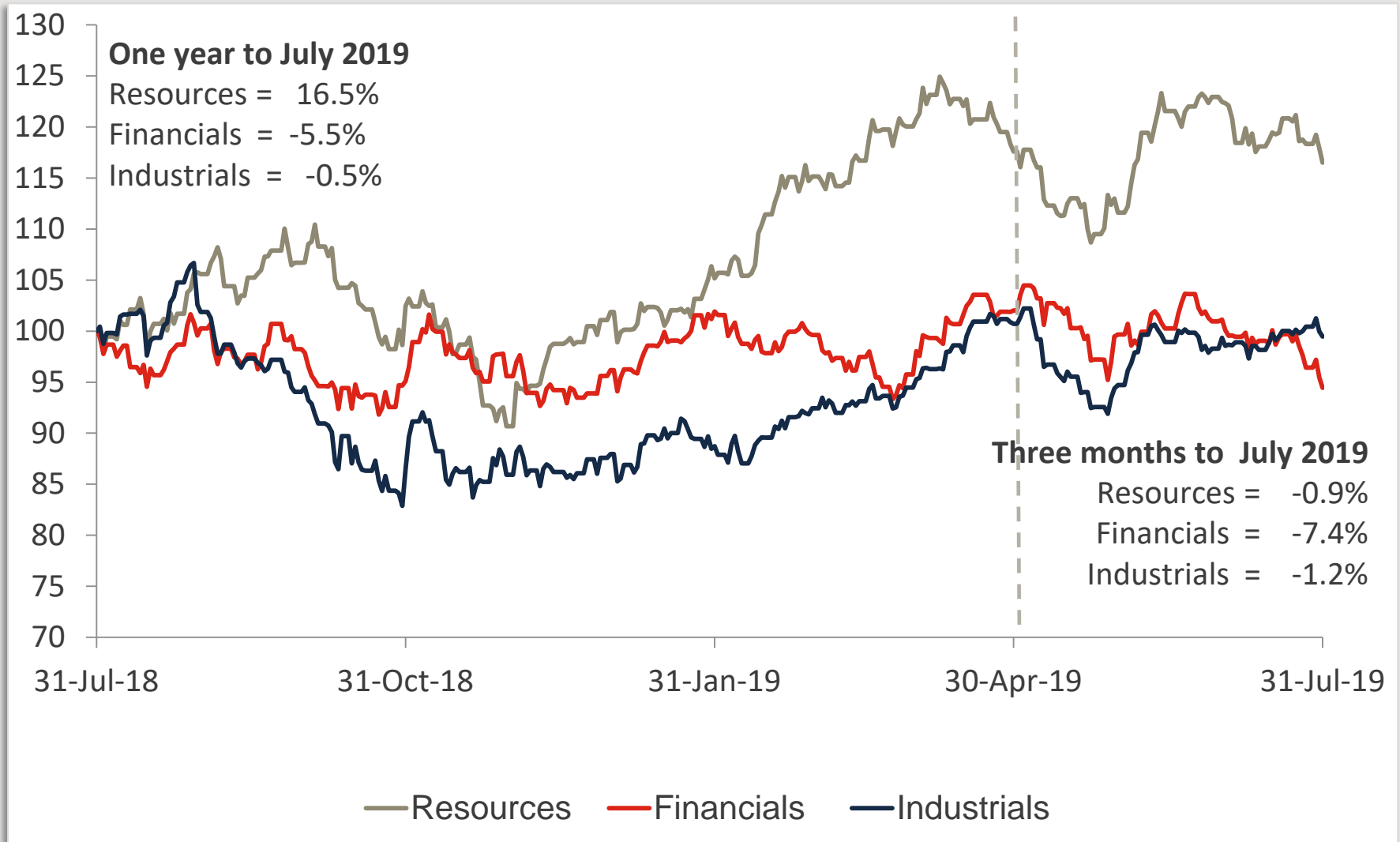
Ten years to July 2019



# FTSE/JSE sectors



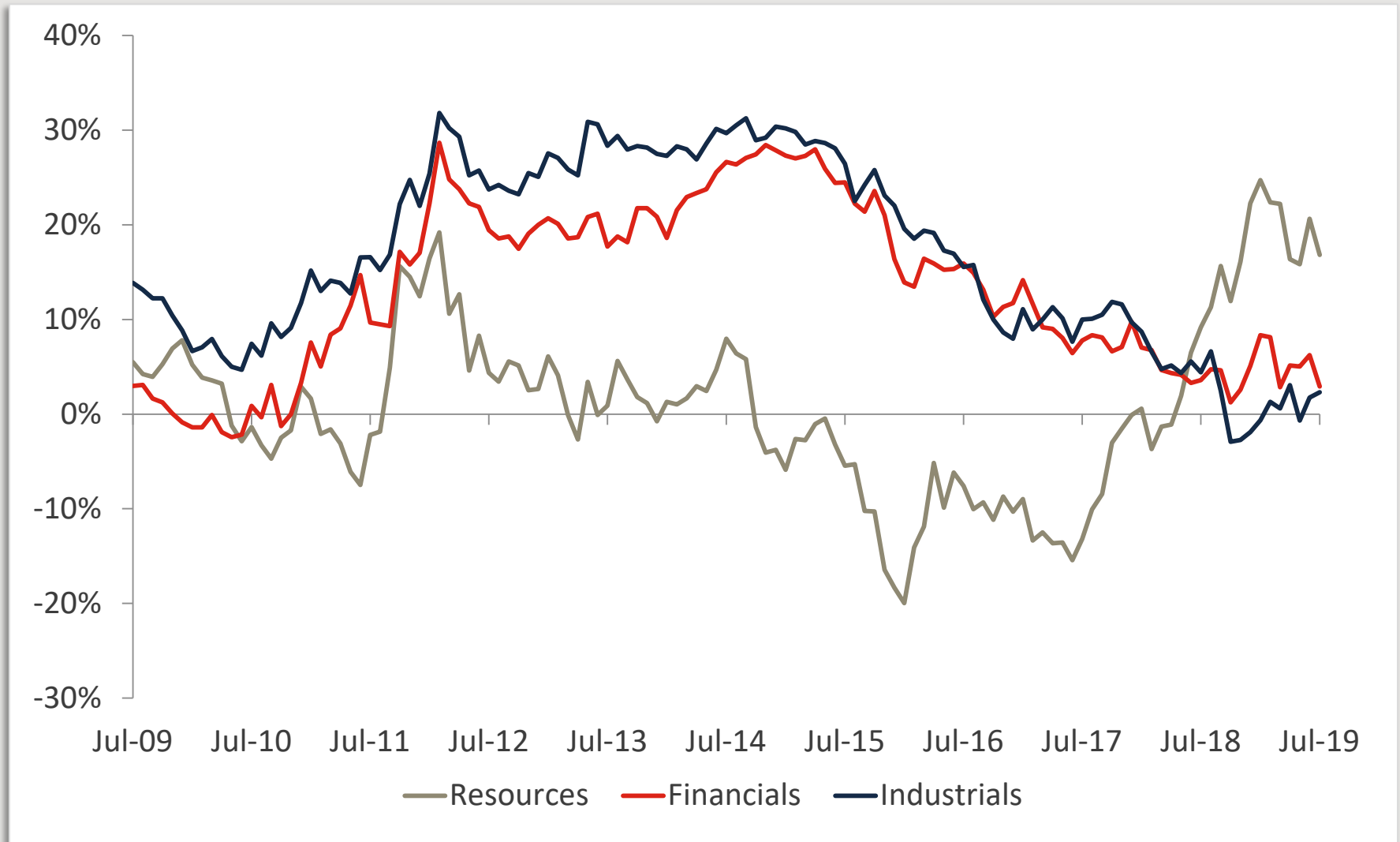
One year to July 2019



# FTSE/JSE sectors



Three-years-rolling to July 2019



## Decomposed

### Three-months to July 2019

1	Personal Goods	Consumer Goods	17.06%	17	Life Insurance	Financials	-7.60%
2	Software & Computer Services	Technology	13.52%	18	General Retailers	Consumer Services	-8.33%
3	Industrial Metals & Mining	Industrials	9.96%	19	Banks	Financials	-8.68%
4	Mining	Basic Materials	8.74%	20	Forestry & Paper	Basic Materials	-8.77%
5	Beverages	Consumer Goods	8.32%	21	Financial Services	Financials	-8.97%
6	Mobile Telecommunications	Telecommunications	7.78%	22	Automobiles & Parts	Consumer Goods	-9.72%
7	Fixed-line Telecommunications	Telecommunications	4.23%	23	General Industrials	Industrials	-11.07%
8	Equity Investment Instruments	Financials	4.04%	24	Industrial Engineering	Industrials	-11.43%
9	Construction & Materials	Industrials	-0.15%	25	Pharmaceuticals & Biotechnology	Healthcare	-11.67%
10	Real Estate Investment & Services	Financials	-1.25%	26	Non-life Insurance	Financials	-12.04%
11	Travel & Leisure	Travel & Leisure	-2.05%	27	Support Services	Industrials	-12.78%
12	Food & Drug Retailers	Consumer Services	-3.28%	28	Electronic & Electrical Equipment	Industrials	-14.26%
13	Media	Consumer Services	-3.32%	29	Healthcare Equipment & Service	Healthcare	-15.81%
14	Real Estate Investment Trusts	Financials	-3.66%	30	Industrial Transportation	Industrials	-18.32%
15	Food Producers	Consumer Goods	-4.38%	31	Chemicals	Basic Materials	-33.15%
16	Tobacco	Consumer Goods	-6.30%	32	Household Goods & Home Construction	Consumer Goods	-42.44%

#### Key

Resources

Financials

Industrials

## Decomposed

### One-year to July 2019

1	Fixed-line Telecommunications	Telecommunications	79.01%	18	General Industrials	Industrials	-10.75%
2	Industrial Metals & Mining	Industrials	73.47%	19	Support Services	Industrials	-11.09%
3	Mining	Basic Materials	48.99%	20	Financial Services	Financials	-11.12%
4	Automobiles & Parts	Consumer Goods	31.92%	21	Travel & Leisure	Travel & Leisure	-11.17%
5	Beverages	Consumer Goods	18.30%	22	Construction & Materials	Industrials	-11.86%
6	Software & Computer Services	Technology	14.19%	23	Electronic & Electrical Equipment	Industrials	-14.36%
7	Media	Consumer Services	12.26%	24	Healthcare Equipment & Service	Healthcare	-22.69%
8	Personal Goods	Consumer Goods	8.21%	25	Forestry & Paper	Basic Materials	-23.13%
9	Real Estate Investment & Services	Financials	2.69%	26	Tobacco	Consumer Goods	-24.43%
10	Non-life Insurance	Financials	1.17%	27	Food Producers	Consumer Goods	-24.86%
11	Equity Investment Instruments	Financials	-0.08%	28	Industrial Engineering	Industrials	-30.88%
12	Mobile Telecommunications	Telecommunications	-1.82%	29	Industrial Transportation	Industrials	-35.25%
13	Banks	Financials	-4.14%	30	Chemicals	Basic Materials	-38.06%
14	Life Insurance	Financials	-4.45%	31	Household Goods & Home Construction	Consumer Goods	-52.62%
15	Food & Drug Retailers	Consumer Services	-4.62%	32	Oil & Gas Producers	Financial Services	-54.69%
16	Real Estate Investment Trusts	Financials	-8.41%	33	Pharmaceuticals & Biotechnology	Healthcare	-60.97%
17	General Retailers	Consumer Services	-9.63%				

#### Key

Resources

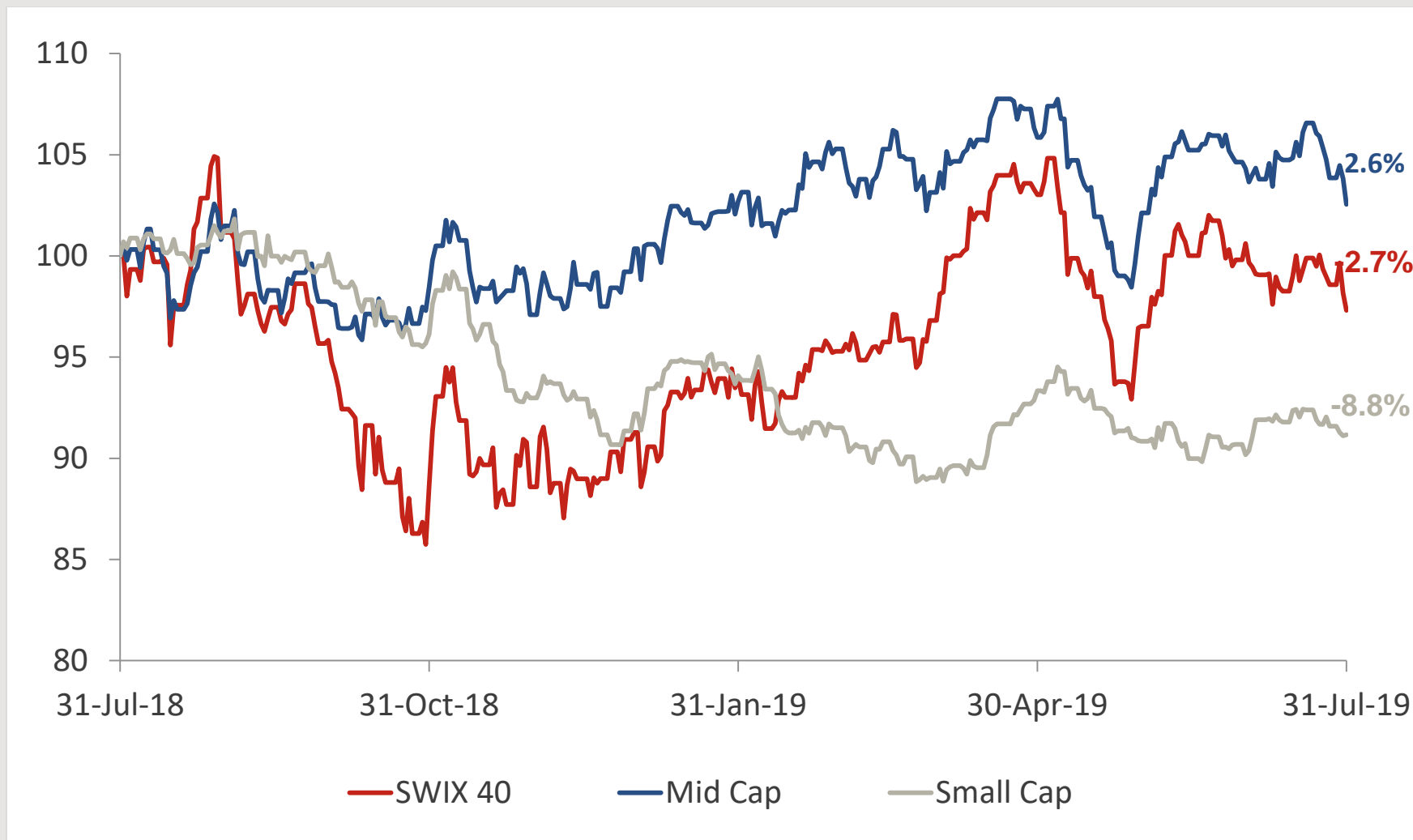
Financials

Industrials

# FTSE/JSE market caps



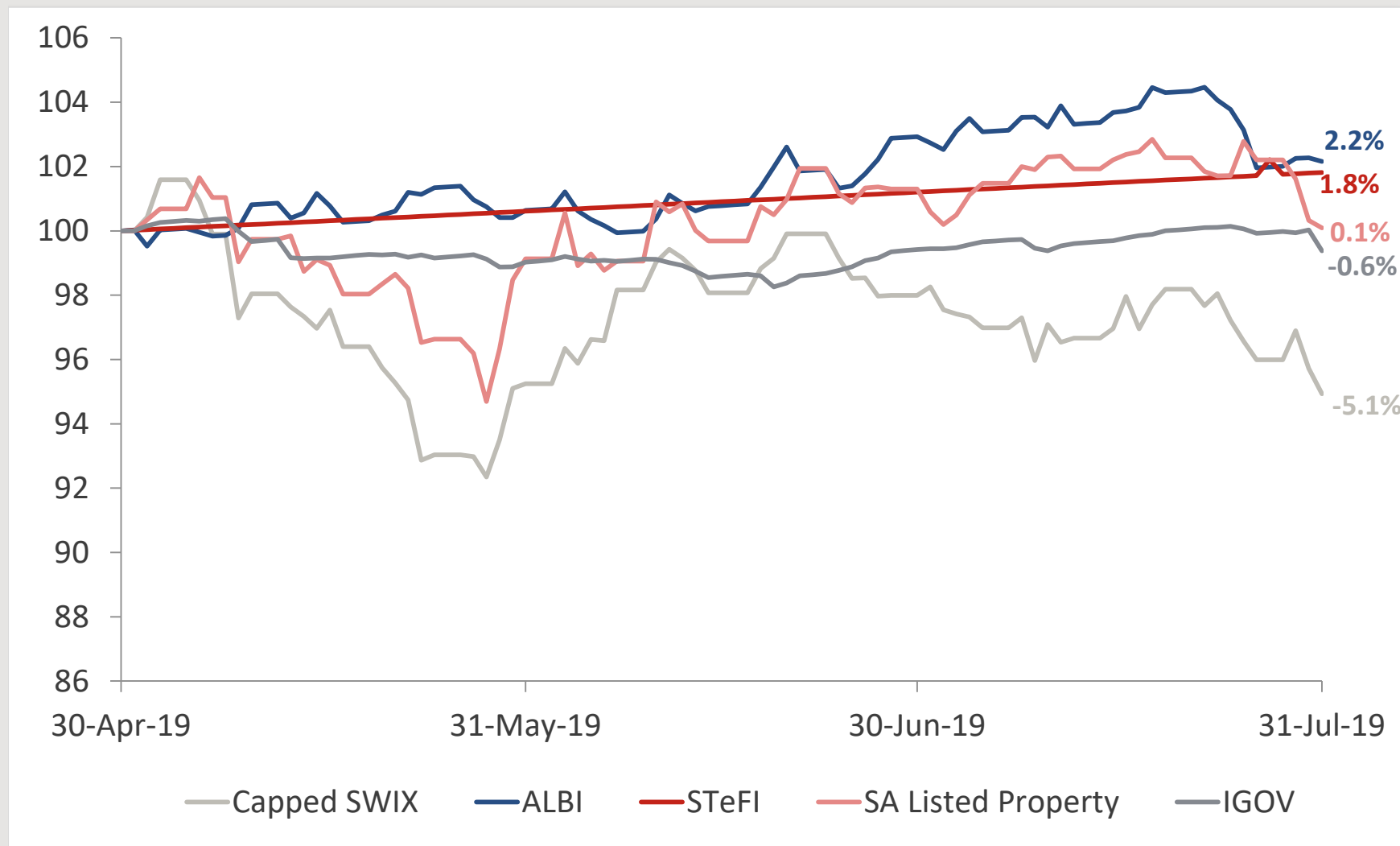
One year to July 2019



# Local asset classes



Three months to July 2019

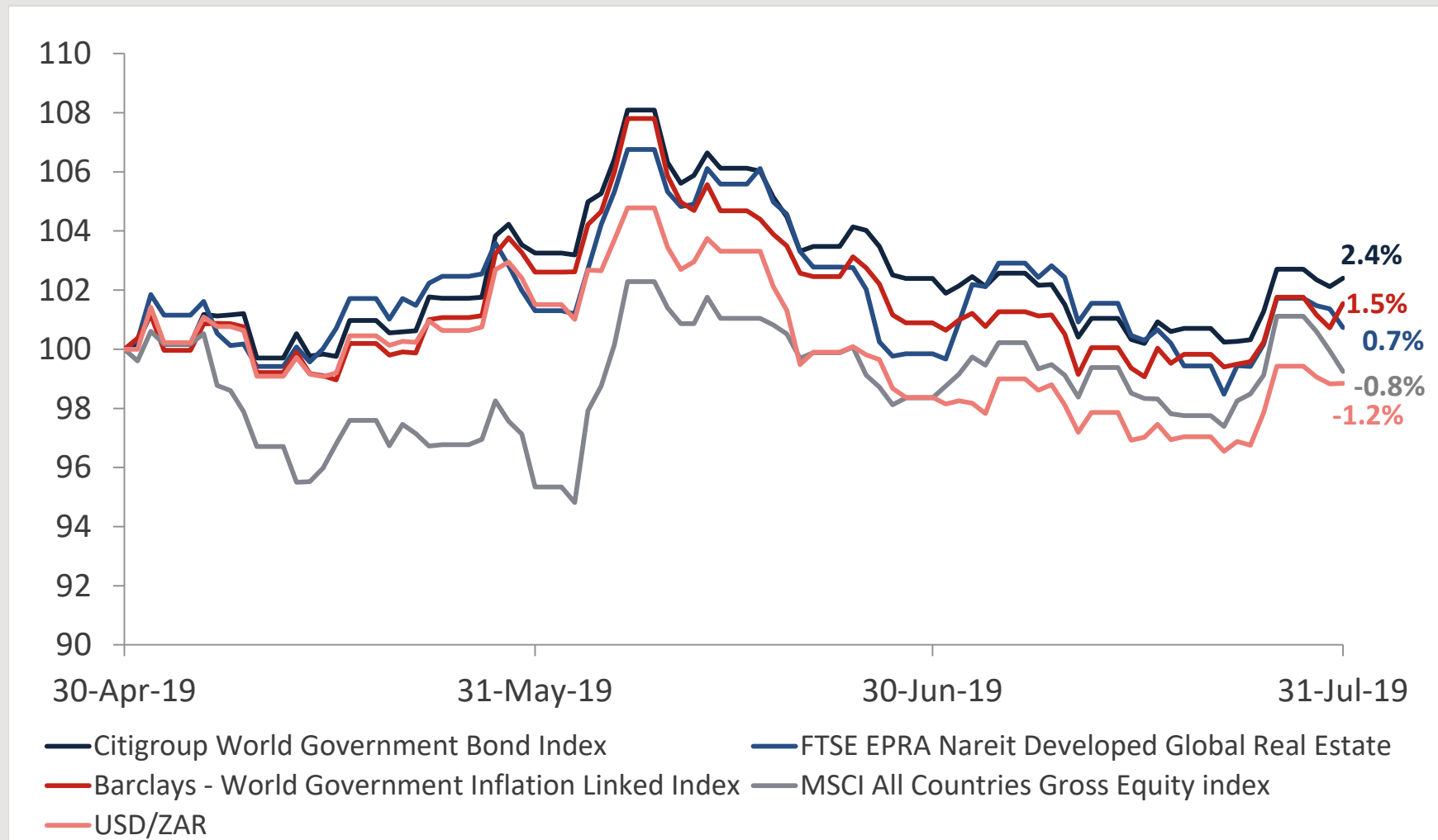




# Global asset classes



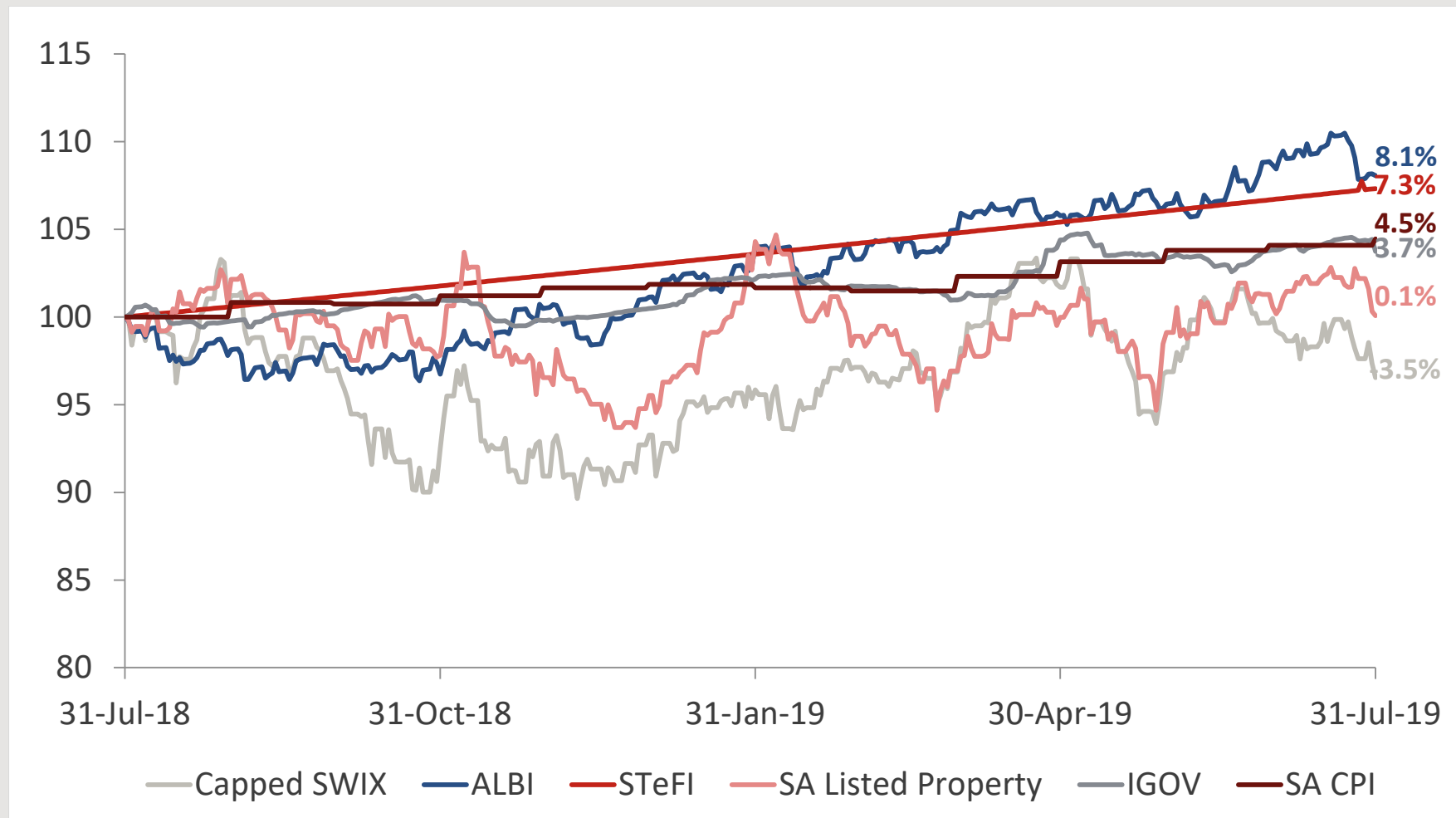
Three months to July 2019



# Local asset classes



One year to July 2019

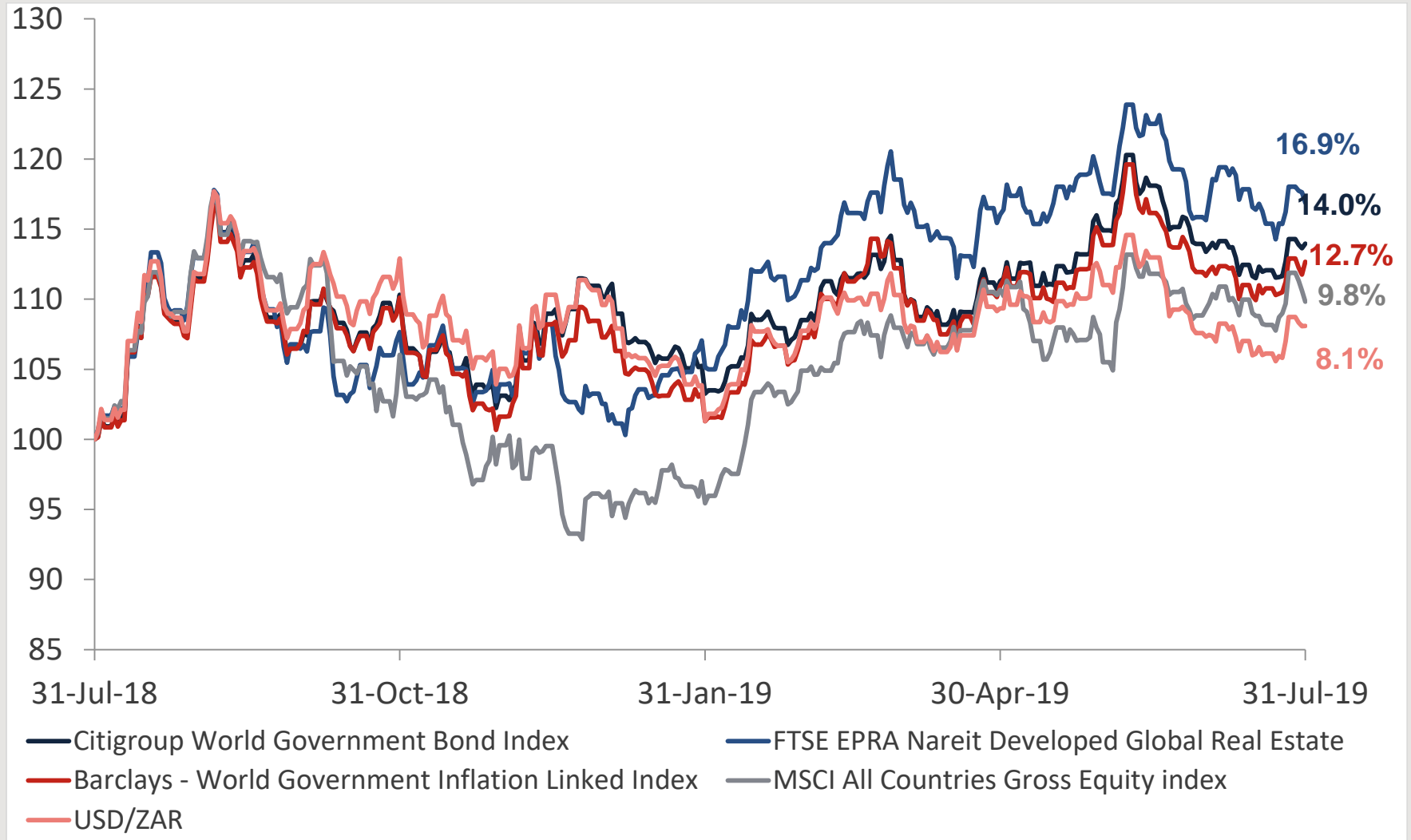


\* CPI lagged by one month due to availability of data

# Global asset classes



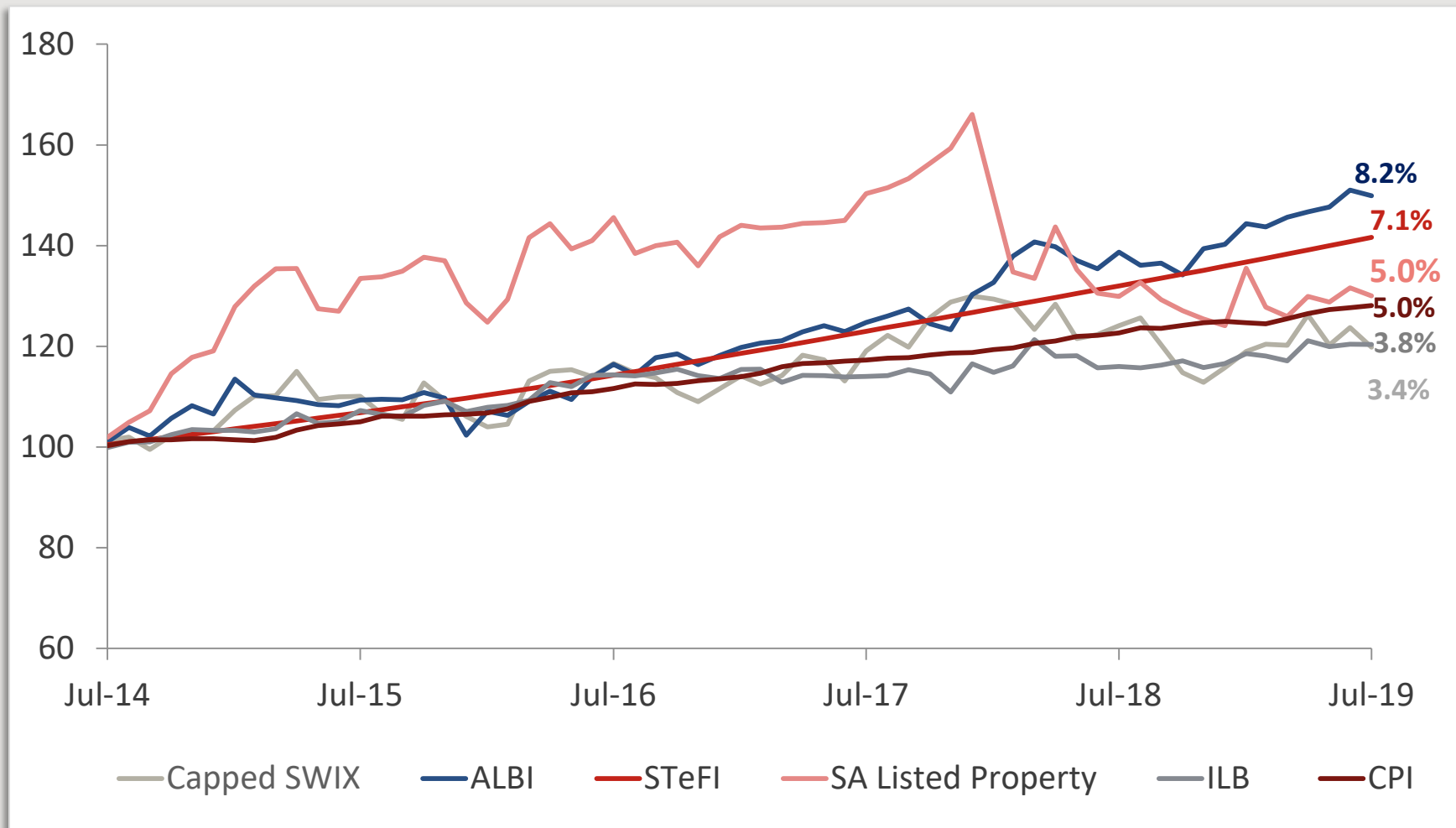
One year to July 2019



# Local asset classes



Five years to July 2019

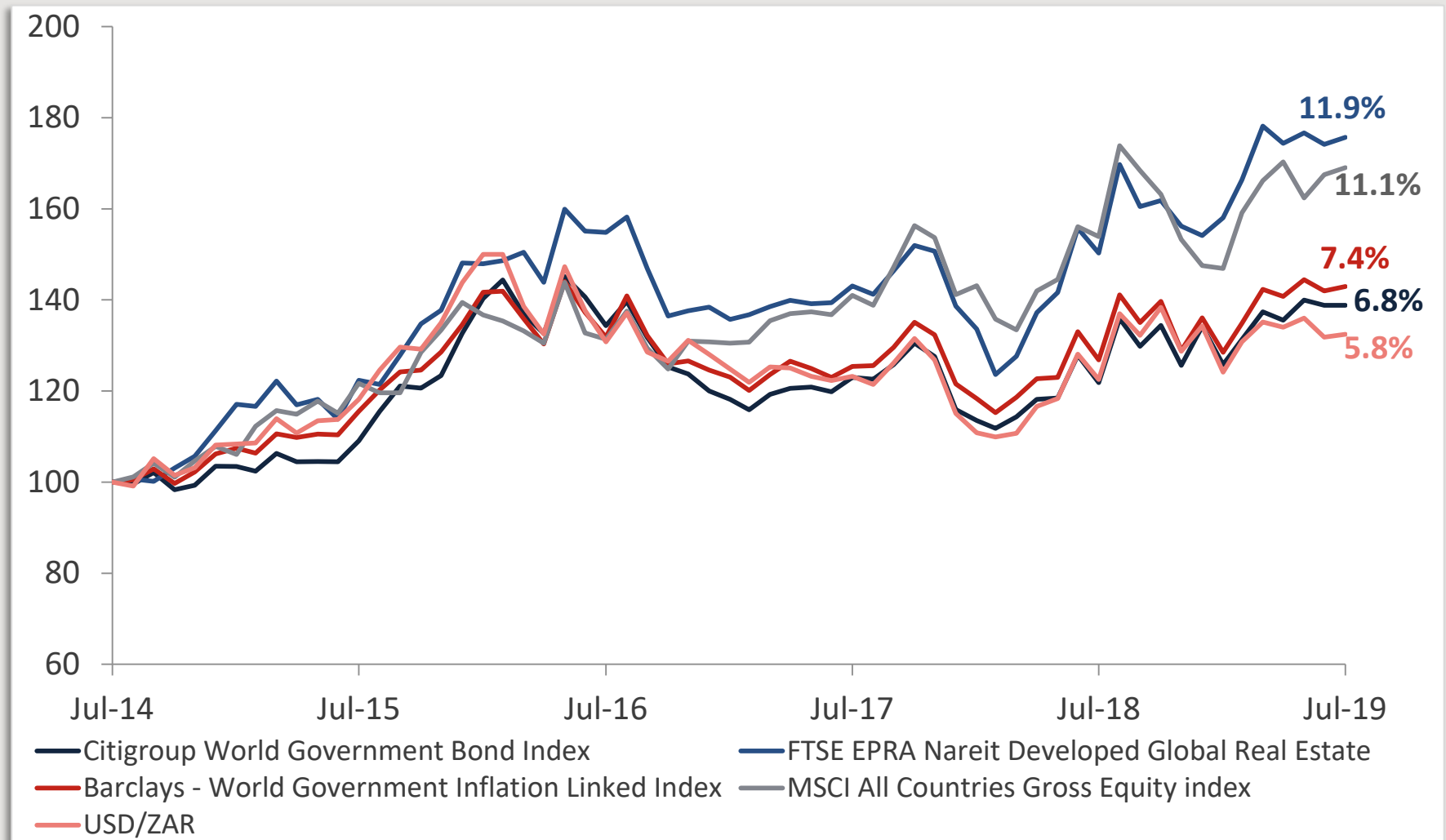


\* CPI lagged by one month due to availability of data

# Global asset classes



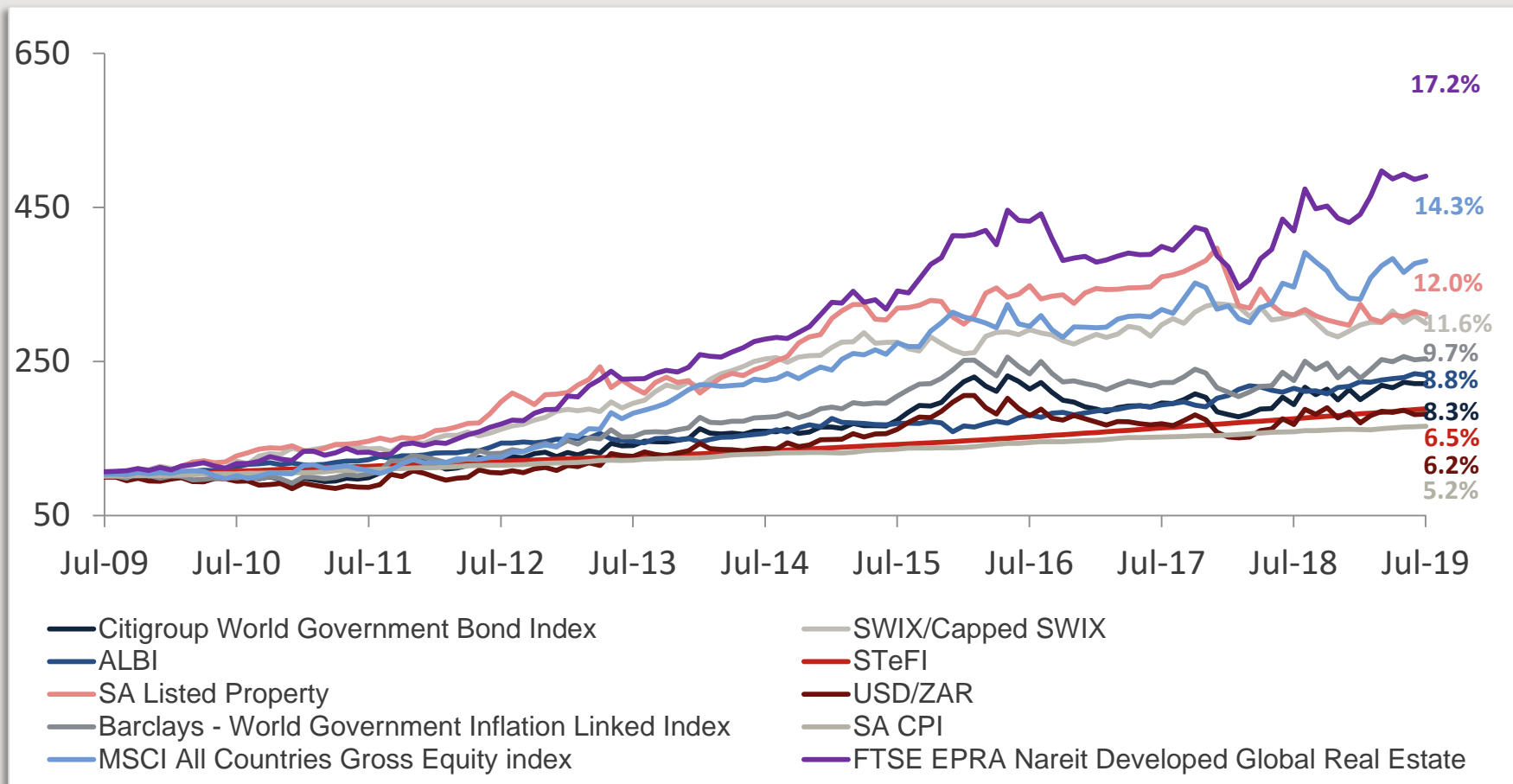
Five years to July 2019



# Asset classes



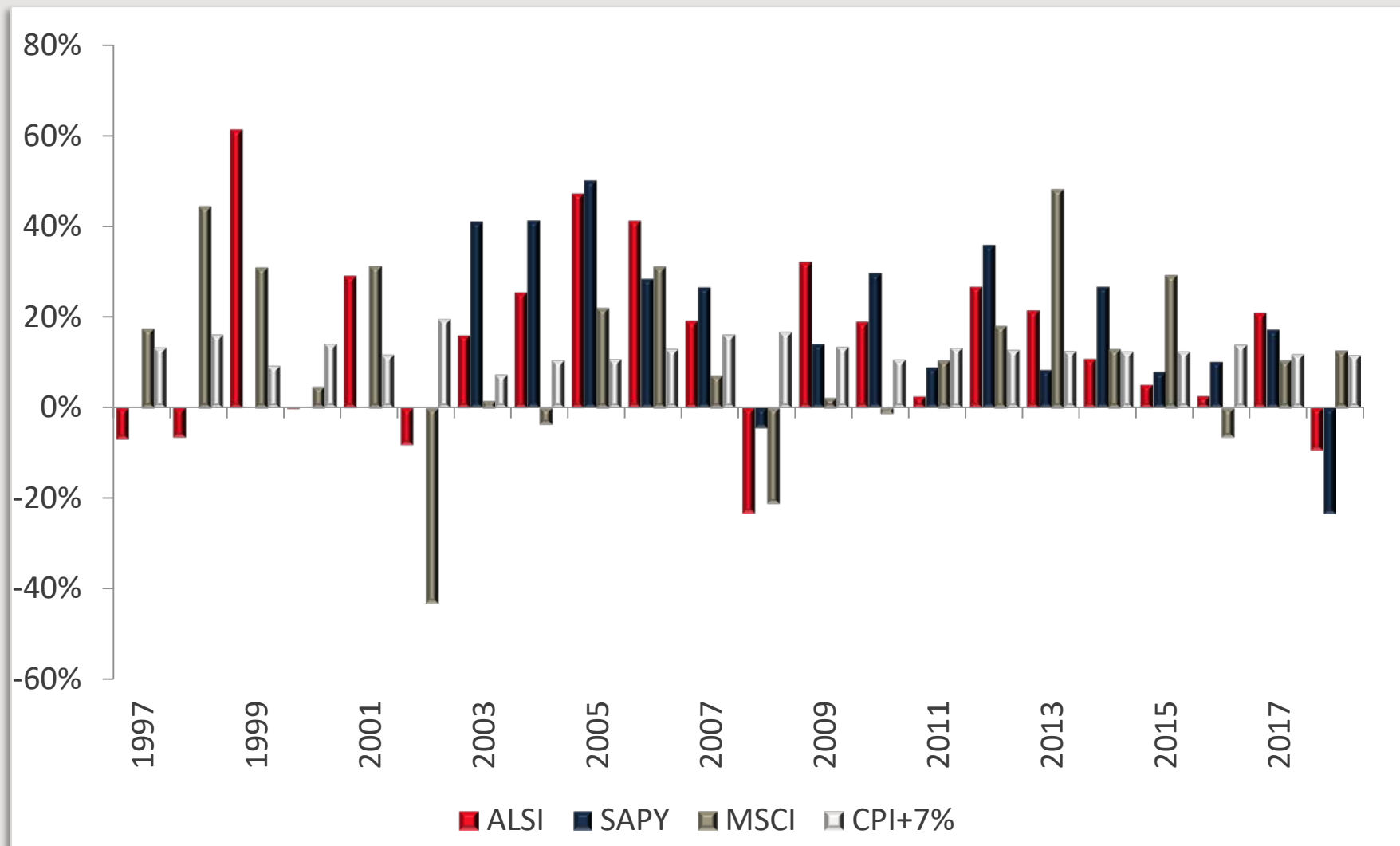
Ten years to July 2019



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

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

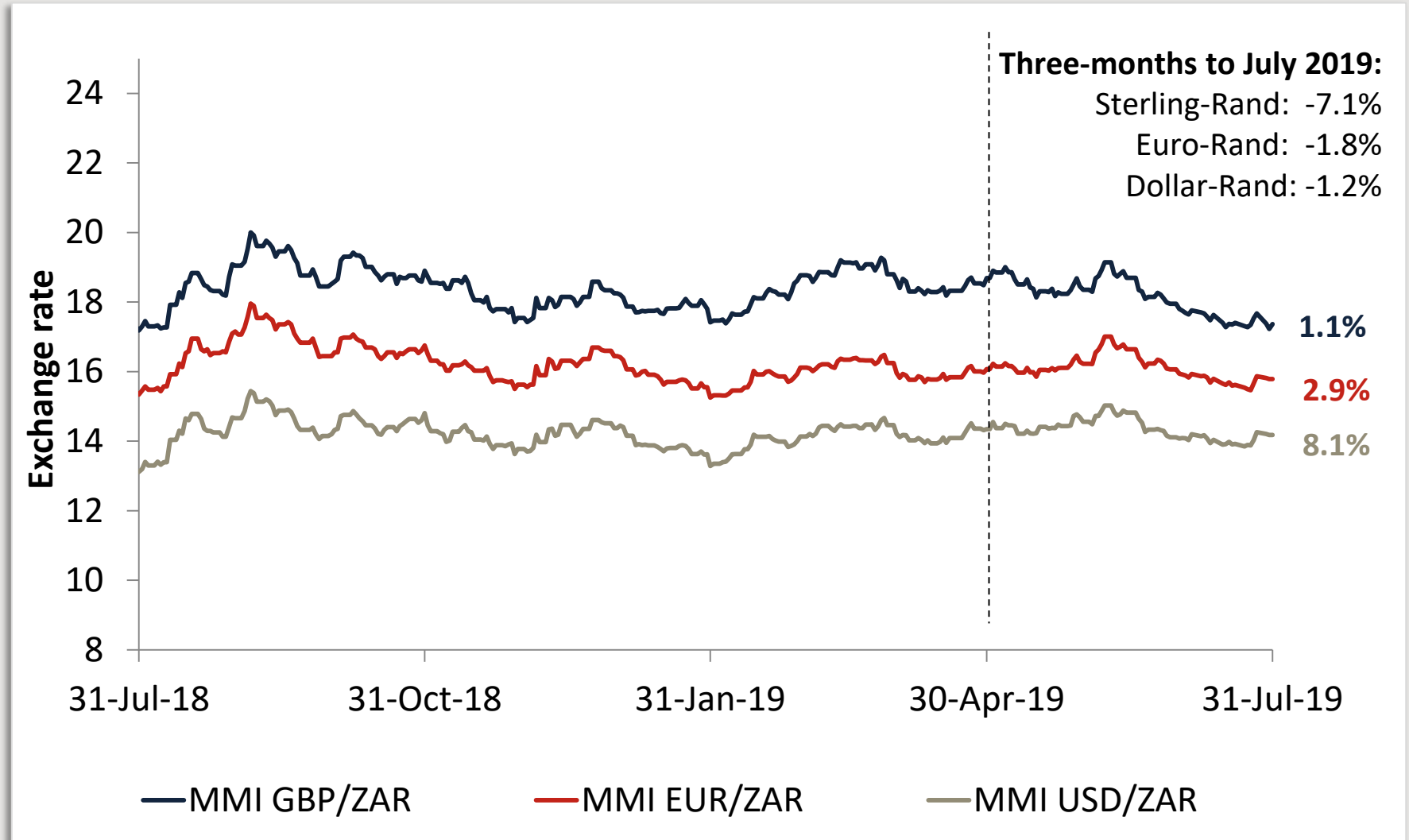
# Annual asset class returns



# Exchange rates



One year to July 2019

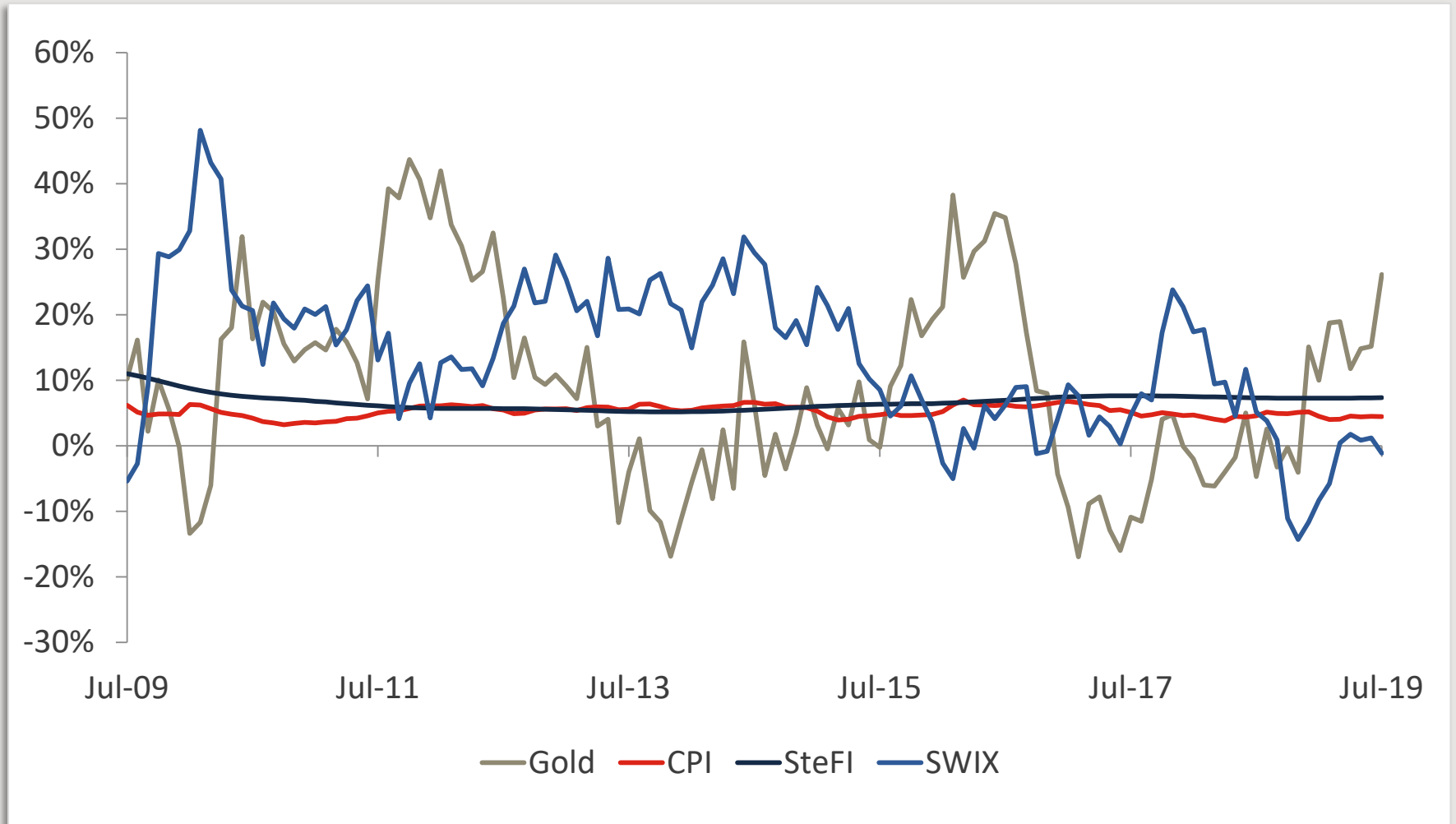




# Gold (rands), FTSE/JSE SWIX, CPI, SteFI



One-year-rolling returns to July 2019



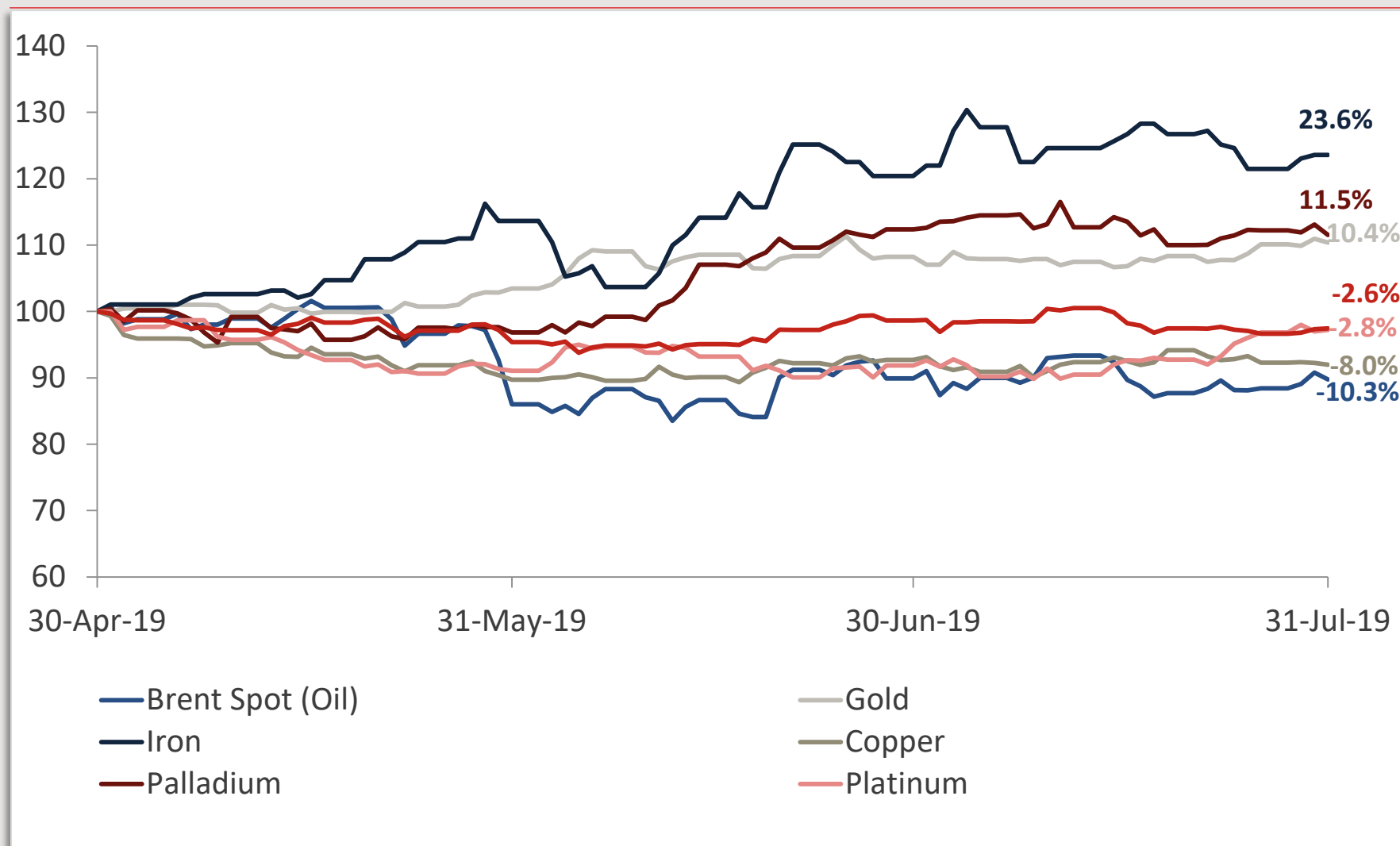
\* CPI lagged by one month due to availability of data

Source: Iress and Momentum Investments

# Commodities



Three months to July 2019



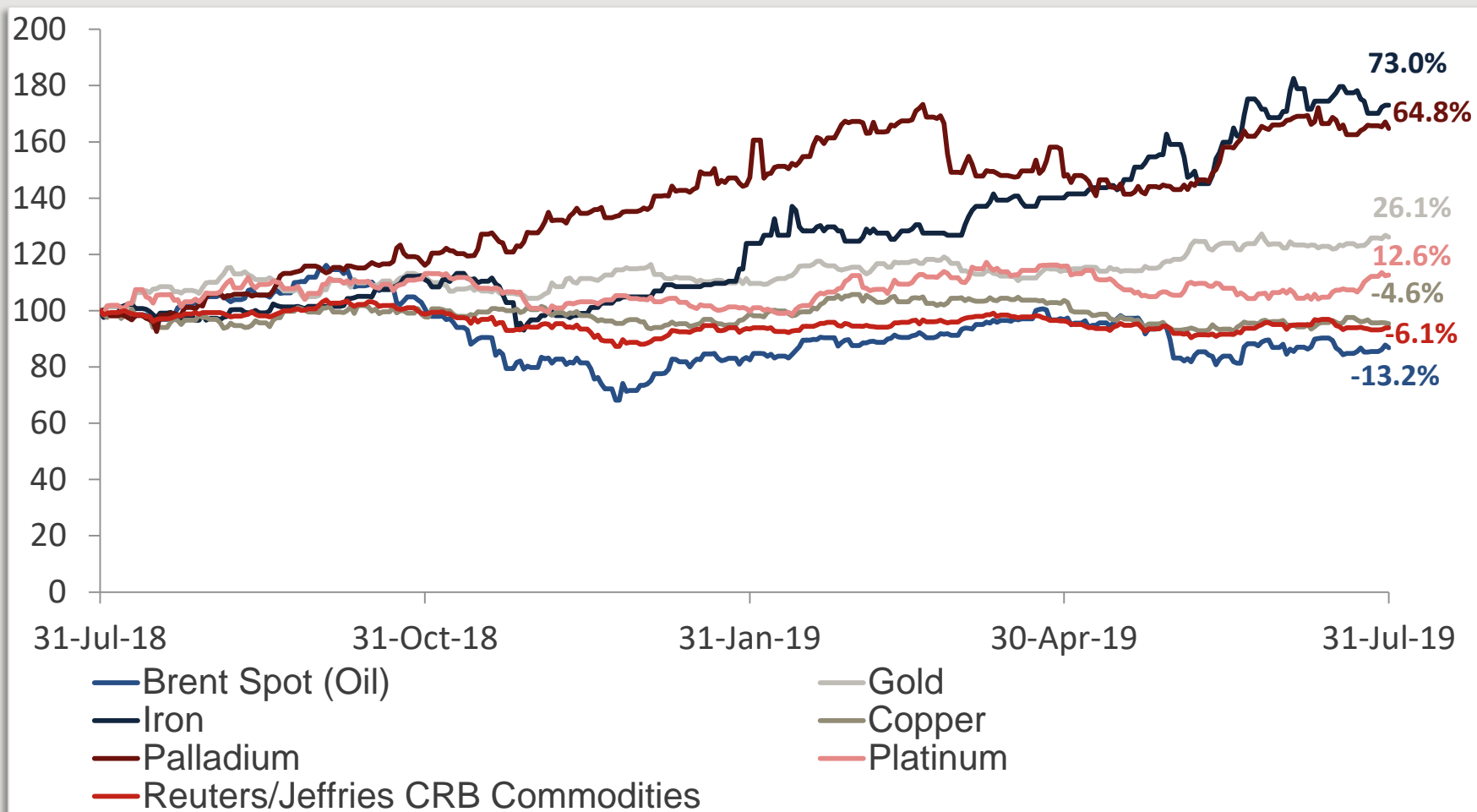
All returns are in dollar terms

Source: Iress, FT.com and Momentum Investments

# Commodities



One year to July 2019

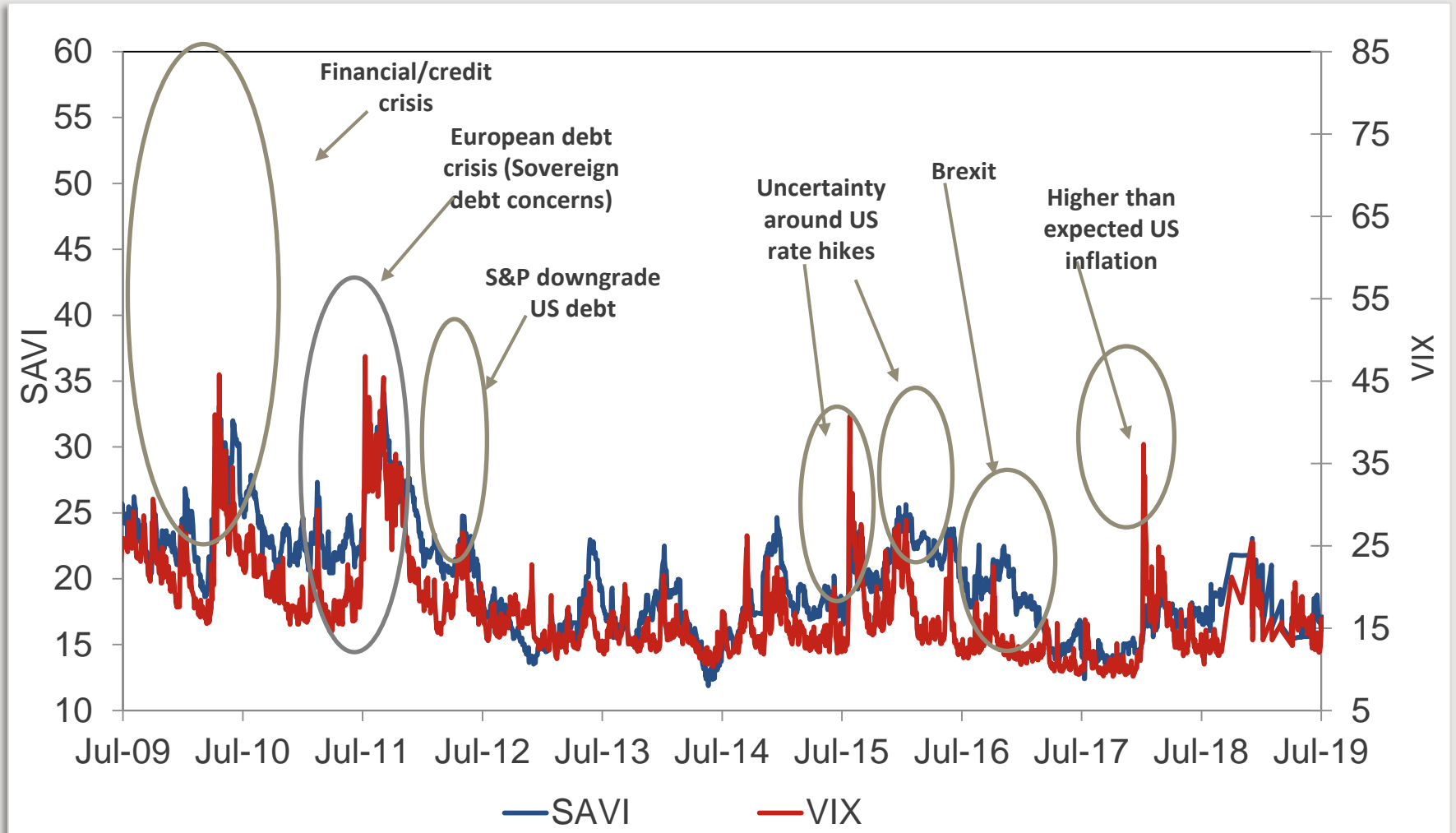


All returns are in dollar terms

# SAVI-VIX



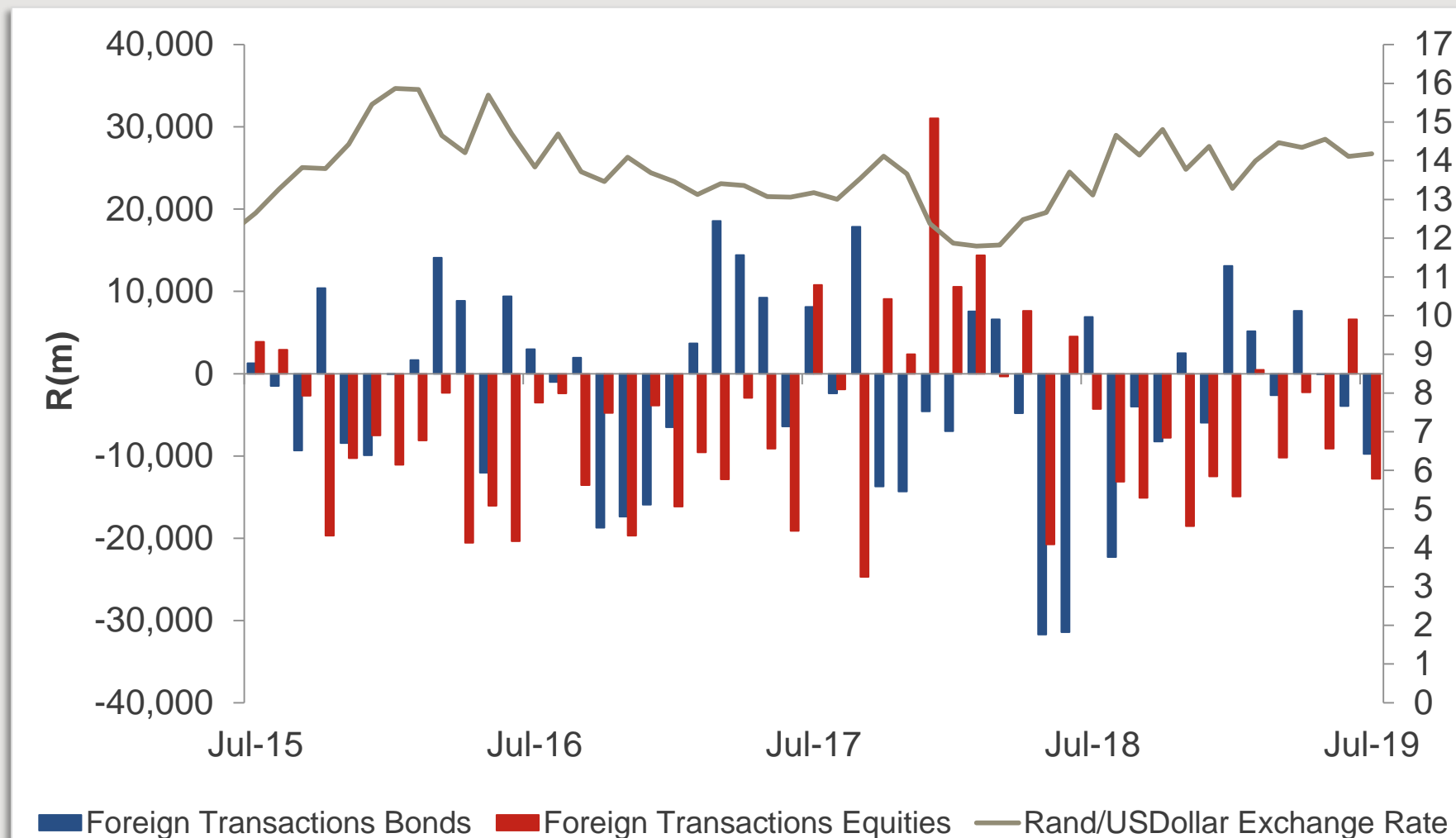
Since July 2009 to July 2019



# Foreign transactions



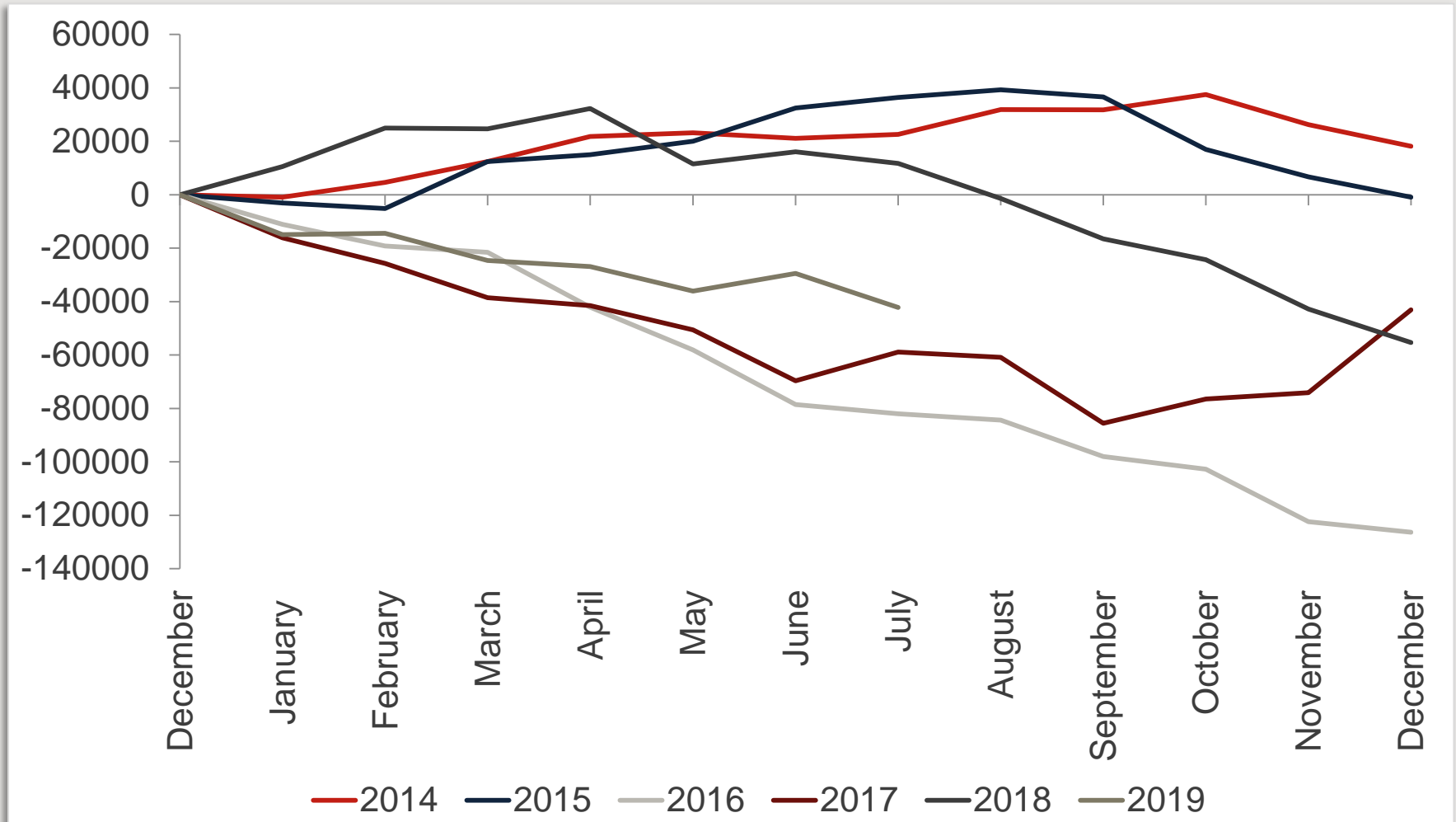
2015 to 2019



# Cumulative foreign transaction equities



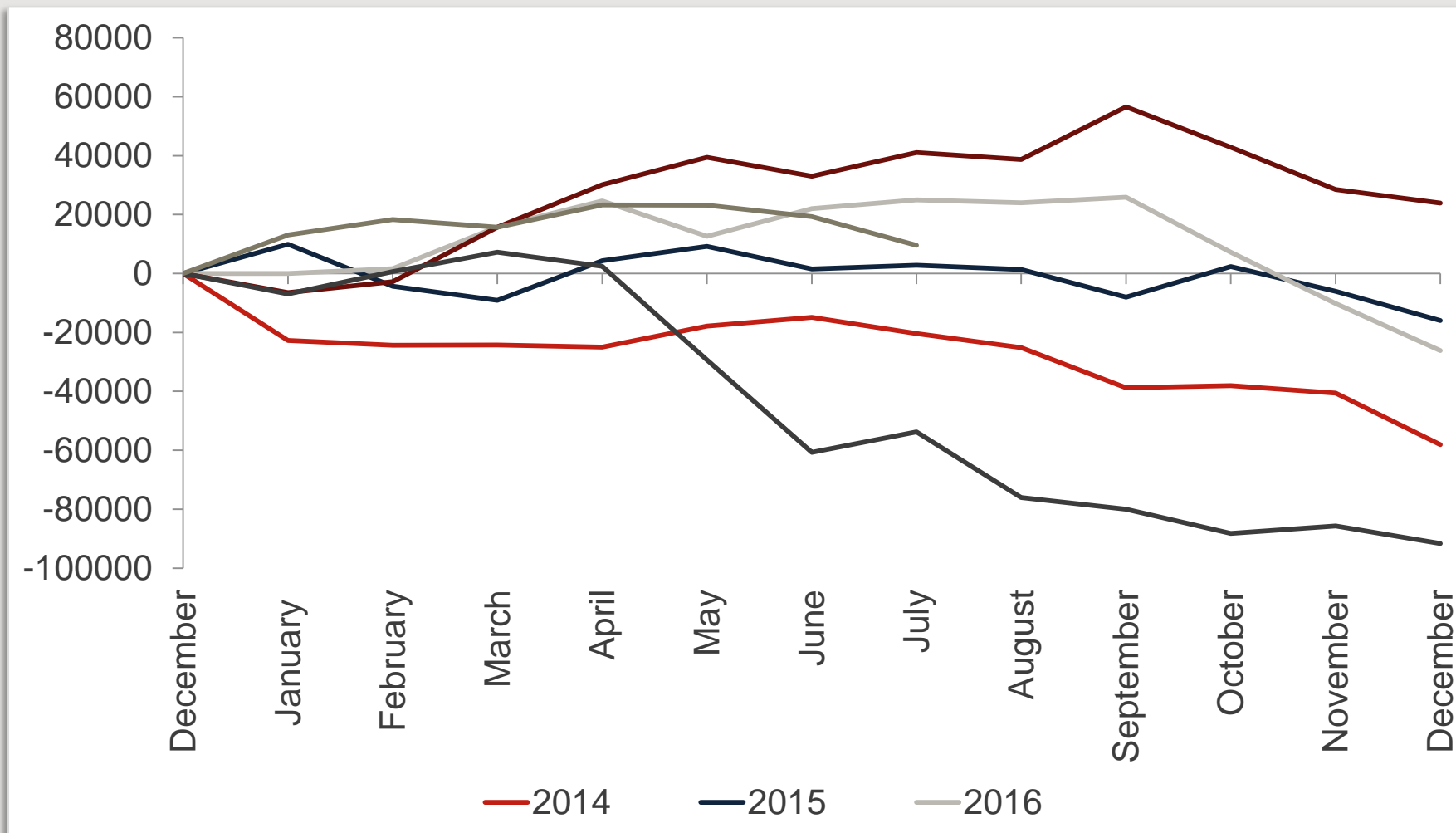
2014 to 2019



# Cumulative foreign transaction bonds



2014 to 2019



Thank you

*Signatory of:*





1. Sources: Momentum Investments, Morningstar, Iress, [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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