Key market performance drivers

Monthly charts to 31 December 2018

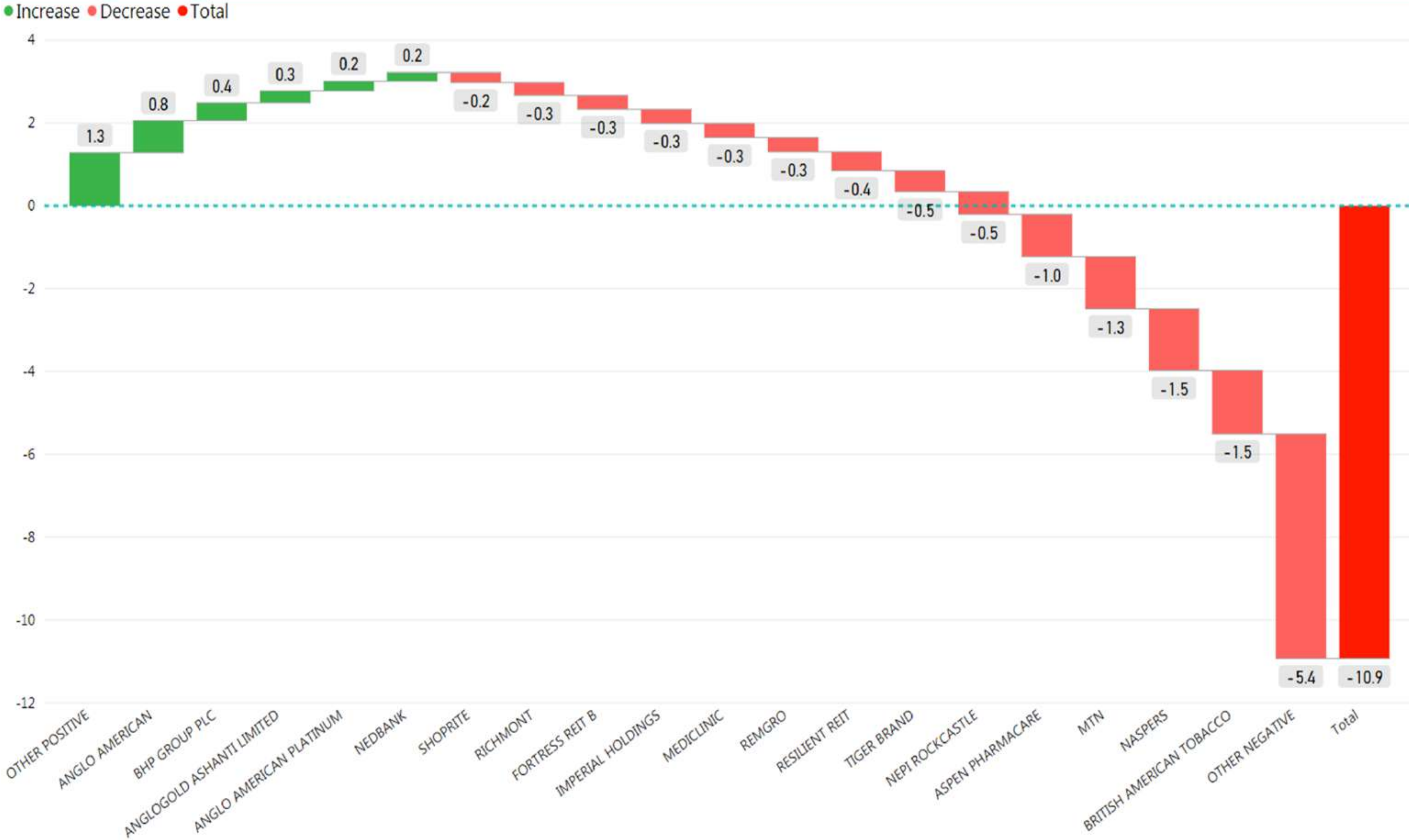
Signatory of:

PRI Principles for Responsible Investment

momentum investments

Market concentration

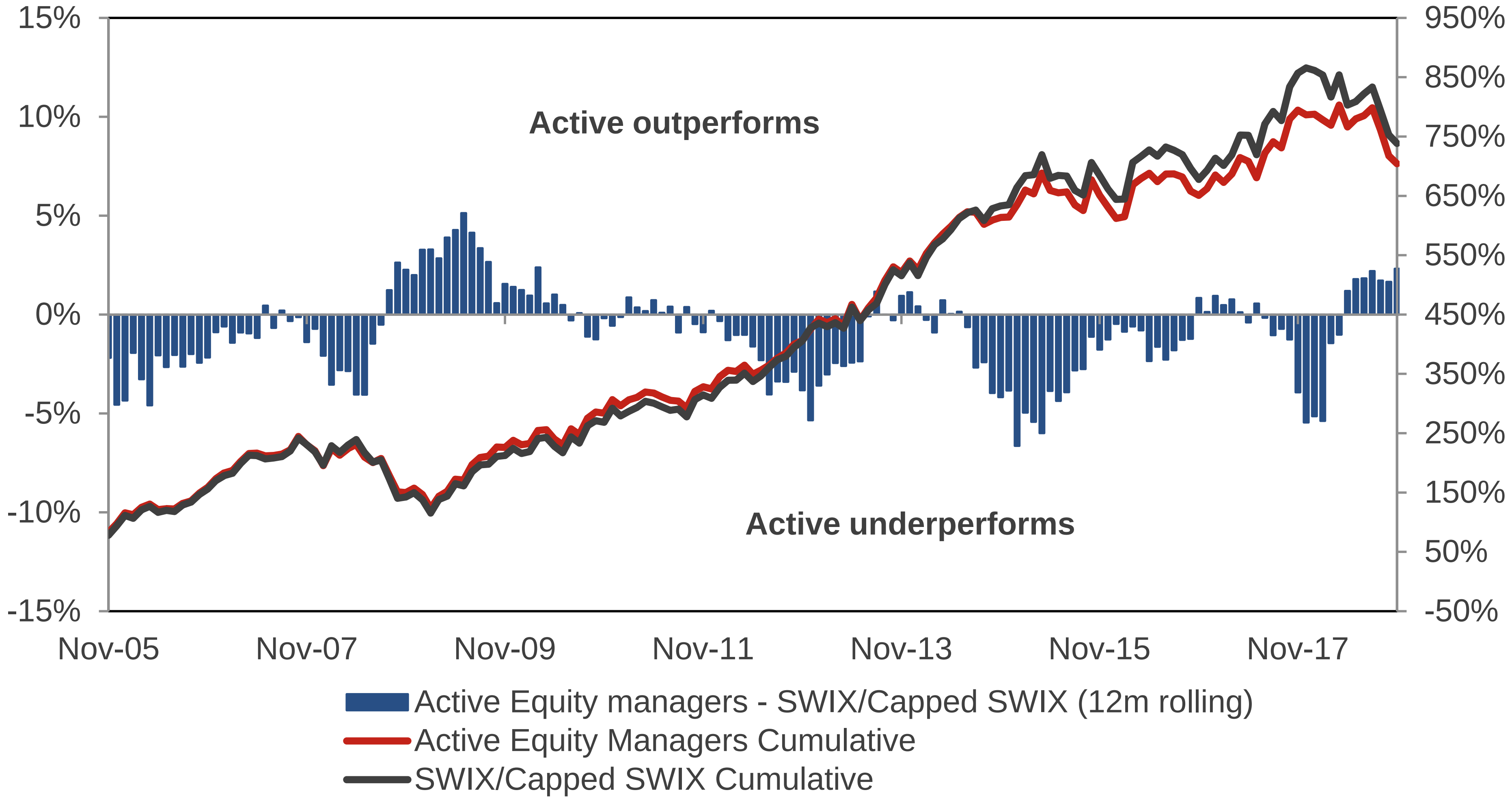
One-year Capped SWIX contributions ending December 2018



Source: StatPro, Power BI and Momentum Investments

Active index analysis

One-year rolling active to November* 2018



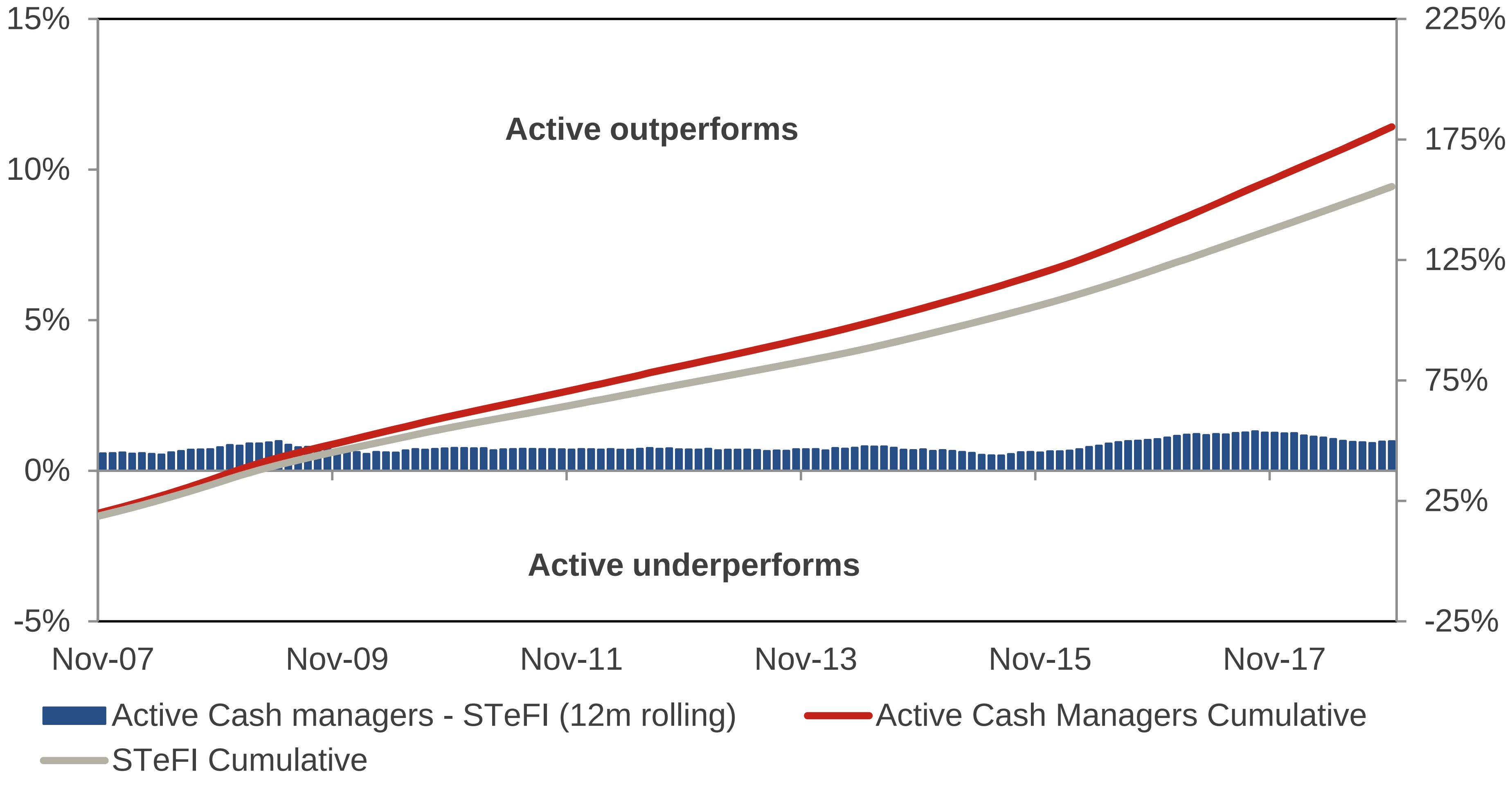
* Lagged by one month due to availability of data

The median of the active equity investment managers underperformed the SWIX/Capped SWIX composite benchmark (SWIX until 31 October 2017 and Capped SWIX thereafter)

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

Active versus tracker: Cash

One-year rolling average to November* 2018



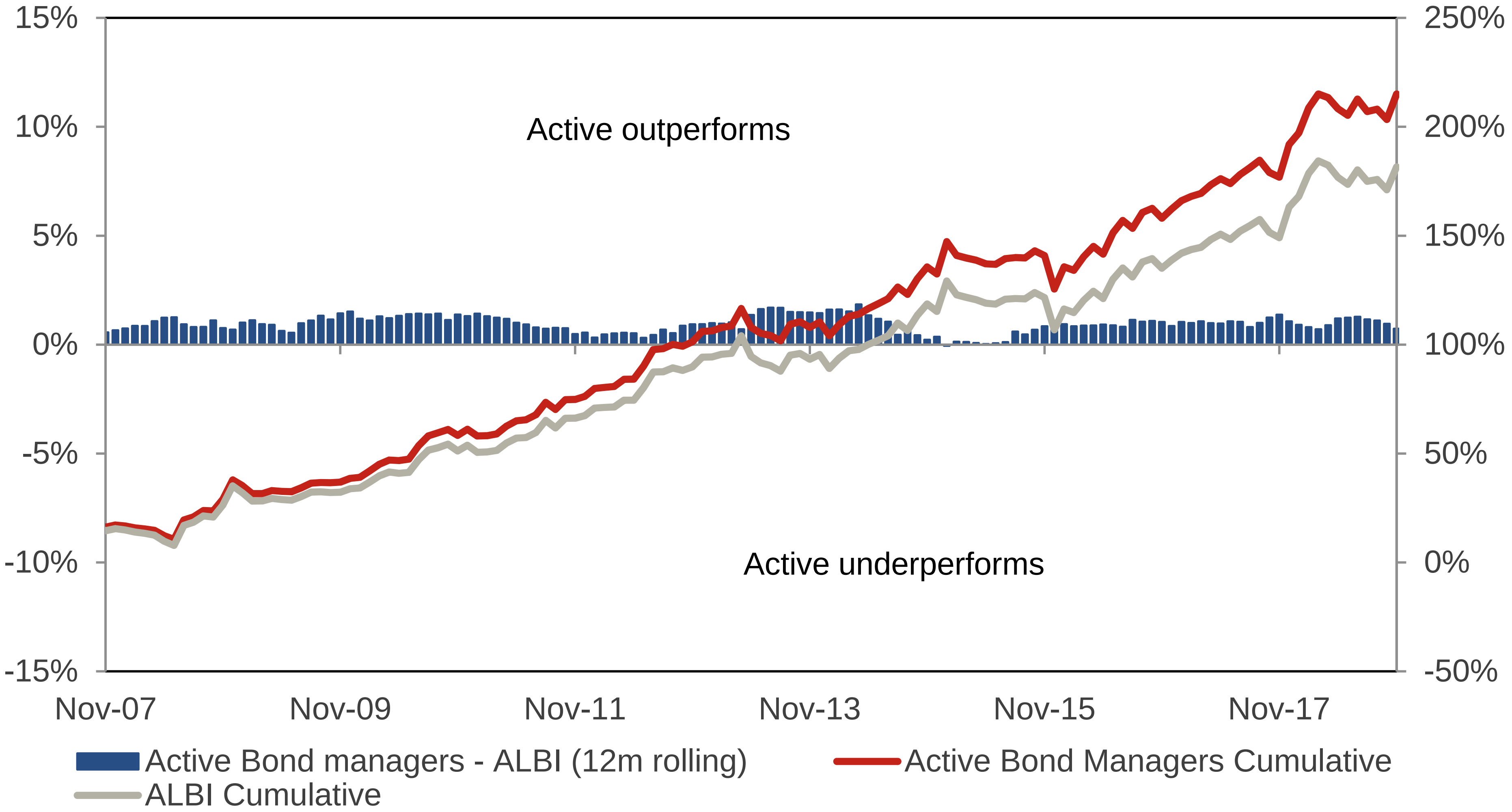
* Lagged by one month due to availability of data

The median of the active money market investment managers outperformed the SteFI

Source: Alexander Forbes SA Money Market Manager Watch™, INET BFA and Momentum Investments

Active versus tracker: Bonds

One-year rolling average to November* 2018



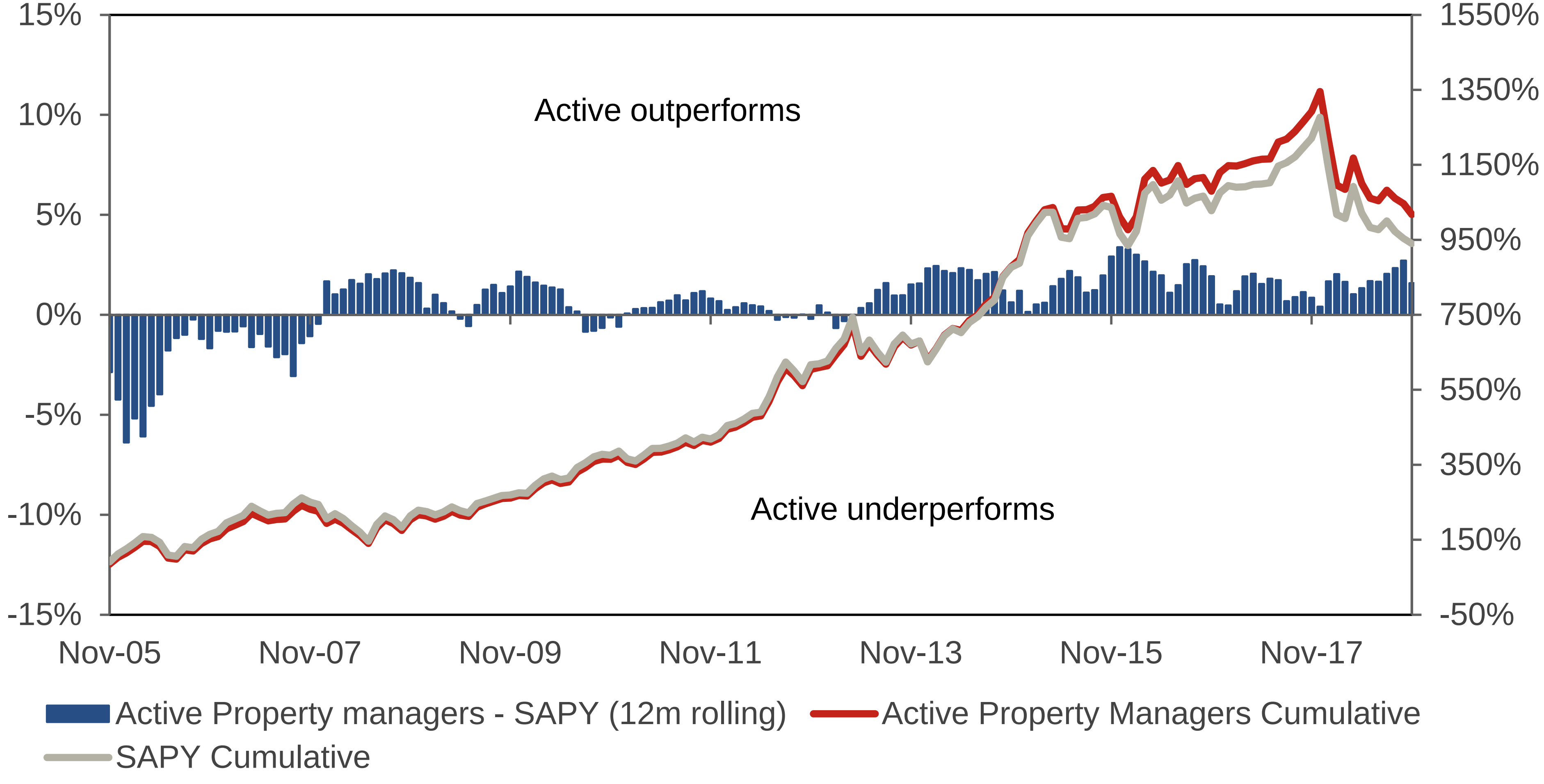
* Lagged by one month due to availability of data

The median of the active bond investment managers outperformed the ALBI

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

Active versus tracker: Property

One-year rolling average to November* 2018



* Lagged by one month due to availability of data

The median of the active property investment managers outperformed the SAPY

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

Style returns for South Africa

Data to December 2018

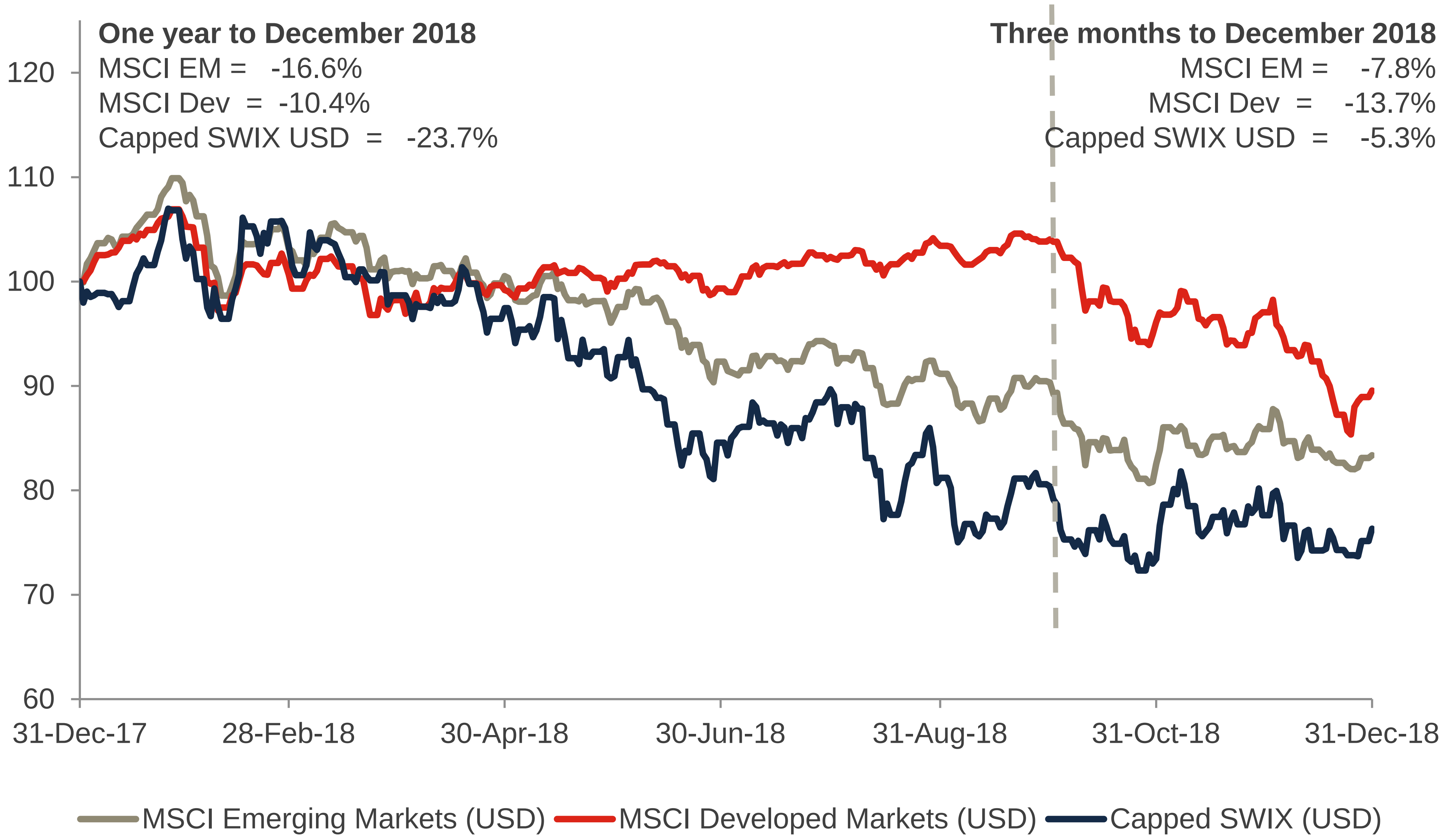
ZAR	Styles	One month to December 2018	Three months to December 2018	One year to December 2018	Three years to December 2018	Five years to December 2018	Ten years to December 2018	Twenty years to December 2018
Value	Book to Price	-2.76	-6.67	-6.67	3.73	-1.42	-3.08	2.27
	Dividend Yield	-2.12	-5.39	-5.39	1.01	-0.37	0.16	4.87
	Earnings Yield	0.53	-2.04	-2.04	2.30	2.16	0.33	3.04
	Cash Flow Yield	3.25	2.64	2.64	15.75	5.50	2.07	4.22
	Sales to Price	-0.81	0.38	0.38	4.76	-1.59	-3.15	3.32
Quality	ROE	0.41	0.28	0.28	0.37	0.61	1.23	-1.20
	ROIC LT	-1.82	-6.44	-6.44	-2.51	-3.01	0.21	-1.97
	Income to Sales	-1.24	-4.12	-4.12	-1.29	1.47	1.88	-1.78
	Low market beta	-0.01	-0.12	-0.12	-1.47	0.64	-0.91	1.51
	Low Debt/Equity	-0.55	-2.39	-2.39	-1.45	-2.39	-2.21	-1.70
	EBIT Margin Stability	-3.58	-2.41	-2.41	-3.92	-0.59	3.19	2.58
Growth	Earnings Growth	0.85	-1.86	-1.86	2.46	5.63	1.30	-2.18
	Sales Growth	-0.16	-0.95	-0.95	-4.81	-2.20	-0.71	-4.14
	12M Earning Growth	3.81	-2.00	-2.00	-5.12	-3.79	-2.82	3.02
Momentum	FY1 Earnings Revisions	5.91	2.52	2.52	4.86	8.12	8.24	9.89
	Short Term Momentum	2.21	-0.60	-0.60	3.77	4.67	0.06	1.80
	Medium Term Momentum	0.93	-0.23	-0.23	-6.61	1.69	3.58	7.15
Size	Size	2.44	2.52	2.52	-0.65	0.31	-0.27	0.60

Momentum and Size outperformed and Quality underperformed for the one-year period.

Source: FactSet, Momentum Global Investment Management and Momentum Investments

MSCI developed and emerging markets

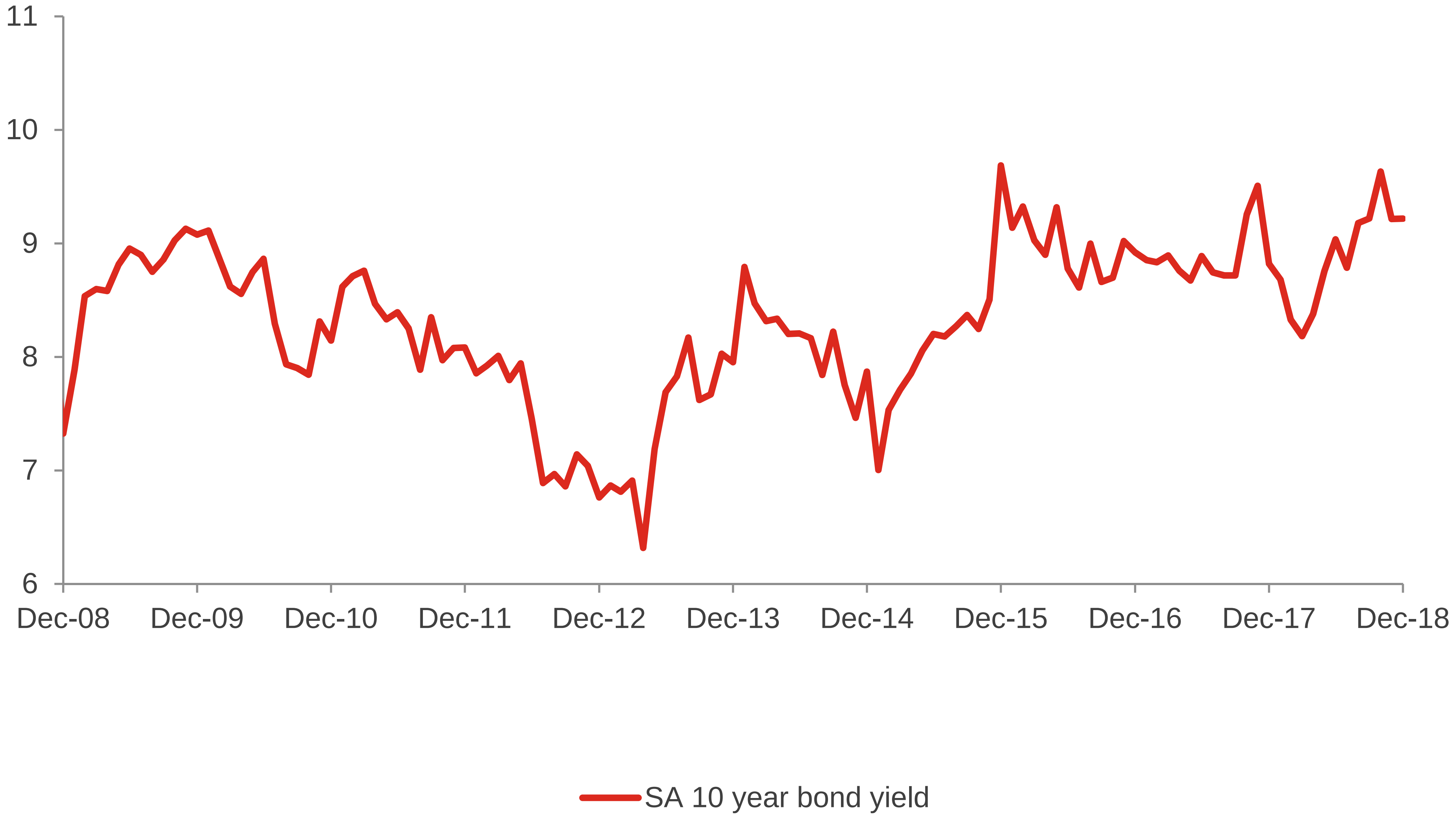
One year to December 2018



Source: INET BFA, MSCI and Momentum Investments

SA 10-year bond yields

Ten years to December 2018



Source: INET BFA and Momentum Investments

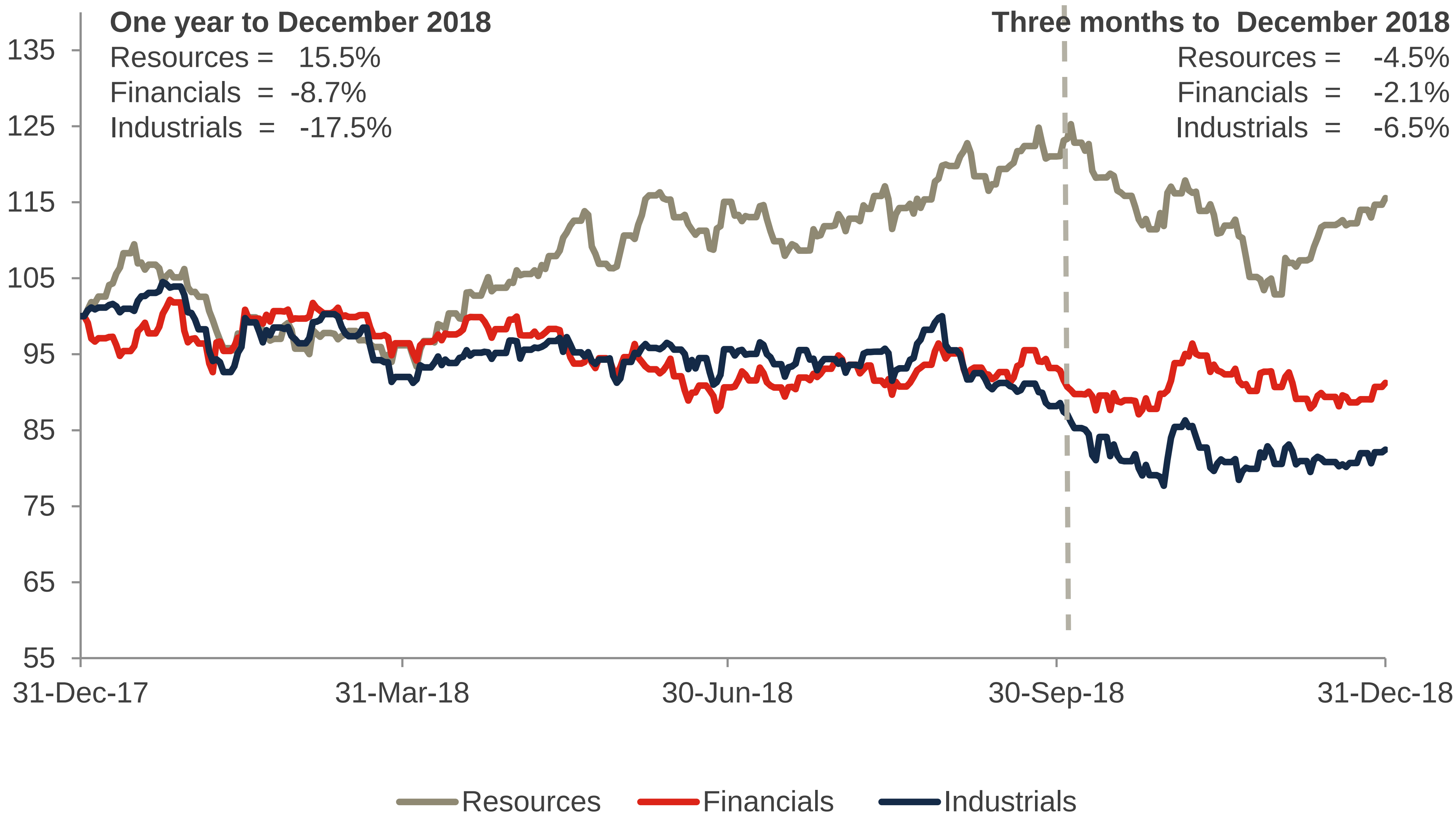
Yield of R197 (inflation-linked bond)

Ten years to December 2018

Source: INET BFA and Momentum Investments

FTSE/JSE sectors

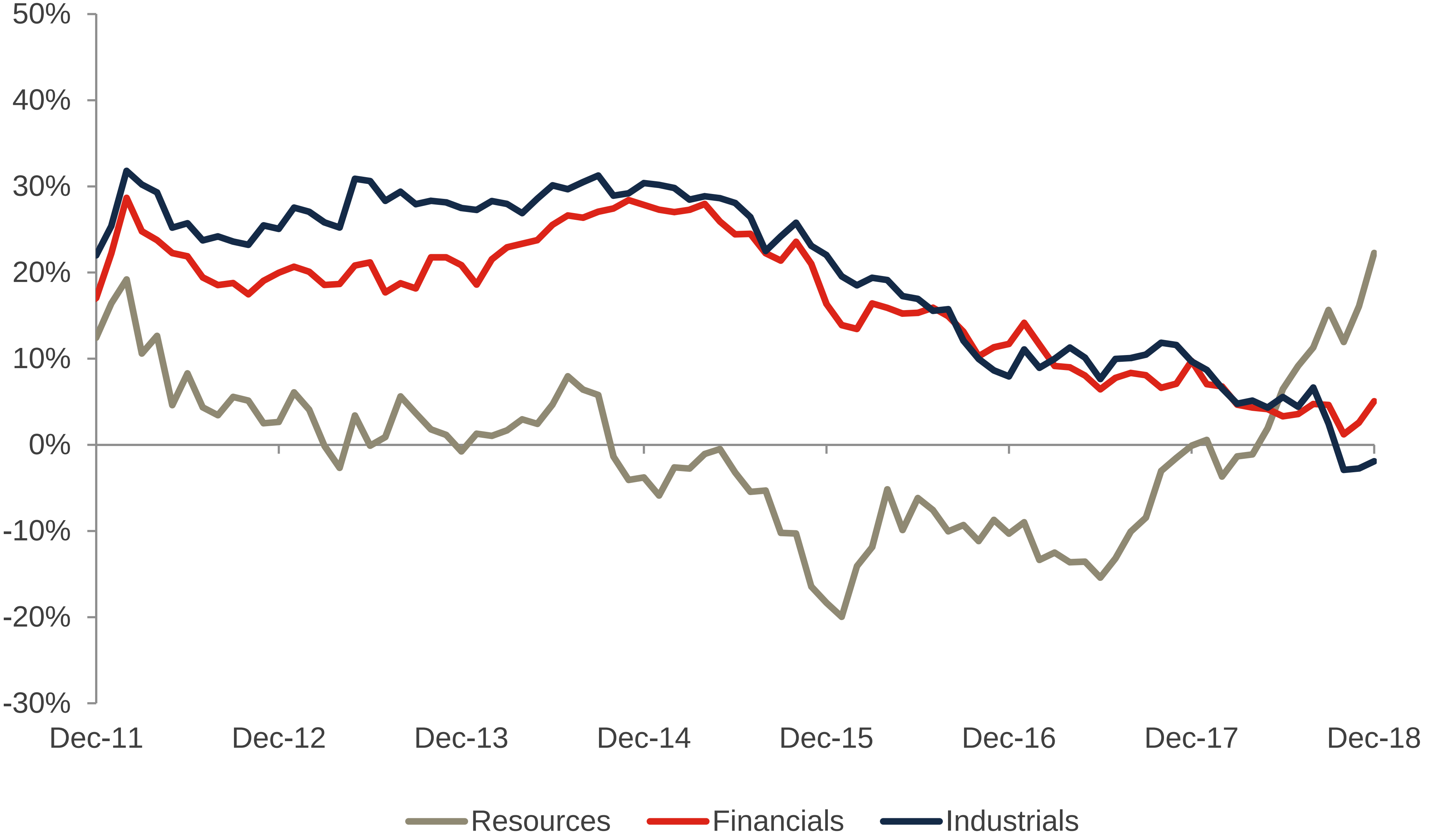
One year to December 2018



Source: INET BFA and Momentum Investments

FTSE/JSE sectors

Rolling three years to December 2018



Source: INET BFA and Momentum Investments

FTSE/JSE sectors

Decomposed

Three months to December 2018

1	Automobiles & Parts	Consumer Goods	39.65%	18	Media	Consumer Services	-5.22%
2	Fixed-line Telecommunications	Telecommunications	25.05%	19	Electronic & Electrical Equipment	Industrials	-6.82%
3	General Retailers	Consumer Services	5.94%	20	Financial Services	Financials	-8.36%
4	Mining	Basic Materials	5.83%	21	Real Estate Investment & Services	Financials	-8.38%
5	Mobile Telecommunications	Telecommunications	3.66%	22	Non-life Insurance	Financials	-9.90%
6	Software & Computer Services	Technology	3.00%	23	Construction & Materials	Industrials	-10.76%
7	Banks	Financials	2.53%	24	Oil & Gas Producers	Basic Materials	-10.89%
8	Travel & Leisure	Travel & Leisure	2.39%	25	Industrial Metals & Mining	Basic Materials	-11.00%
9	General Industrials	Industrials	2.01%	26	Forestry & Paper	Basic Materials	-16.10%
10	Industrial Engineering	Industrials	0.33%	27	Industrial Transportation	Industrials	-16.22%
11	Life Insurance	Financials	-0.29%	28	Equity Investment Instruments	Financials	-16.48%
12	Healthcare Equipment & Service	Healthcare	-0.58%	29	Pharmaceuticals & Biotechnology	Healthcare	-19.29%
13	Food & Drug Retailers	Consumer Services	-0.80%	30	Personal Goods	Consumer Goods	-19.32%
14	Beverages	Consumer Goods	-2.23%	31	Chemicals	Basic Materials	-22.33%
15	Food Producers	Consumer Goods	-4.11%	32	Household Goods & Home Construction	Consumer Goods	-25.22%
16	Support Services	Industrials	-4.26%	33	Tobacco	Consumer Goods	-27.35%
17	Real Estate Investment Trusts	Financials	-4.76%				

Key

Resources

Financials

Industrials

Source: Barra, Deutsche Securities and Momentum Investments

FTSE/JSE sectors

Decomposed

One year to December 2018

1	Fixed-line Telecommunications	Telecommunications	40.66%	18	Financial Services	Financials	-11.84%
2	Mining	Basic Materials	16.48%	19	Healthcare Equipment & Service	Healthcare	-12.10%
3	Non-life Insurance	Financials	14.49%	20	General Industrials	Industrials	-12.32%
4	Electronic & Electrical Equipment	Industrials	4.47%	21	Personal Goods	Consumer Goods	-14.89%
5	Automobiles & Parts	Consumer Goods	0.94%	22	Real Estate Investment Trusts	Financials	-15.44%
6	Forestry & Paper	Basic Materials	0.92%	23	Media	Consumer Services	-16.09%
7	Oil & Gas Producers	Basic Materials	0.00%	24	Industrial Metals & Mining	Basic Materials	-17.71%
8	Beverages	Consumer Goods	0.00%	25	Equity Investment Instruments	Financials	-19.91%
9	Industrial Transportation	Industrials	0.00%	26	Real Estate Investment & Services	Financials	-23.39%
10	Support Services	Industrials	0.00%	27	Mobile Telecommunications	Telecommunications	-24.86%
11	Chemicals	Basic Materials	-0.19%	28	Industrial Engineering	Industrials	-27.01%
12	Banks	Financials	-0.20%	29	Food Producers	Consumer Goods	-28.03%
13	Life Insurance	Financials	-2.09%	30	Software & Computer Services	Technology	-37.78%
14	Travel & Leisure	Travel & Leisure	-3.50%	31	Tobacco	Consumer Goods	-40.06%
15	Food & Drug Retailers	Consumer Services	-5.90%	32	Pharmaceuticals & Biotechnology	Healthcare	-49.26%
16	Construction & Materials	Industrials	-6.13%	33	Household Goods & Home Construction	Consumer Goods	-63.02%
17	General Retailers	Consumer Services	-7.29%				

Key

Resources

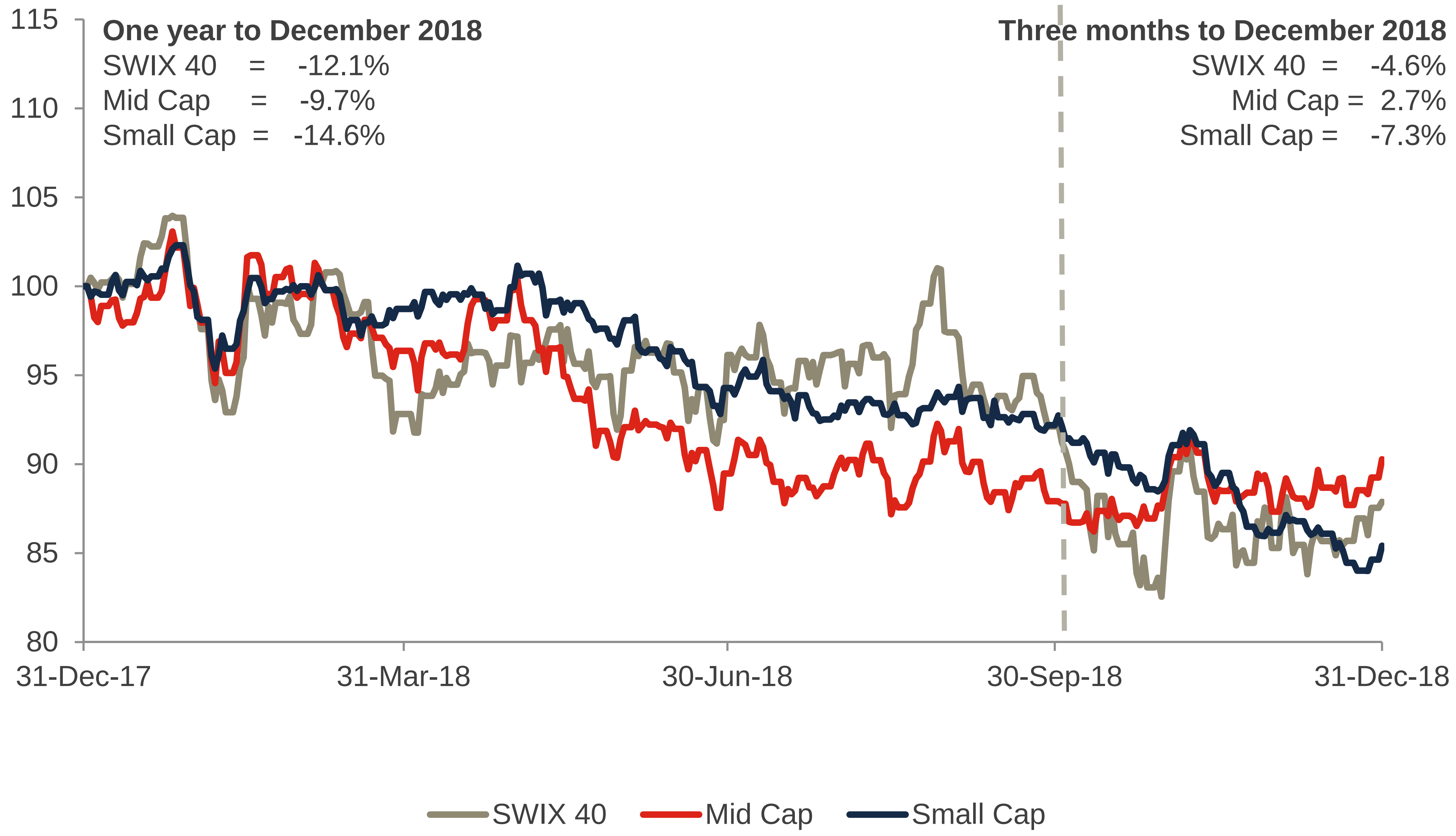
Financials

Industrials

Source: Barra, Deutsche Securities and Momentum Investments

FTSE/JSE market caps

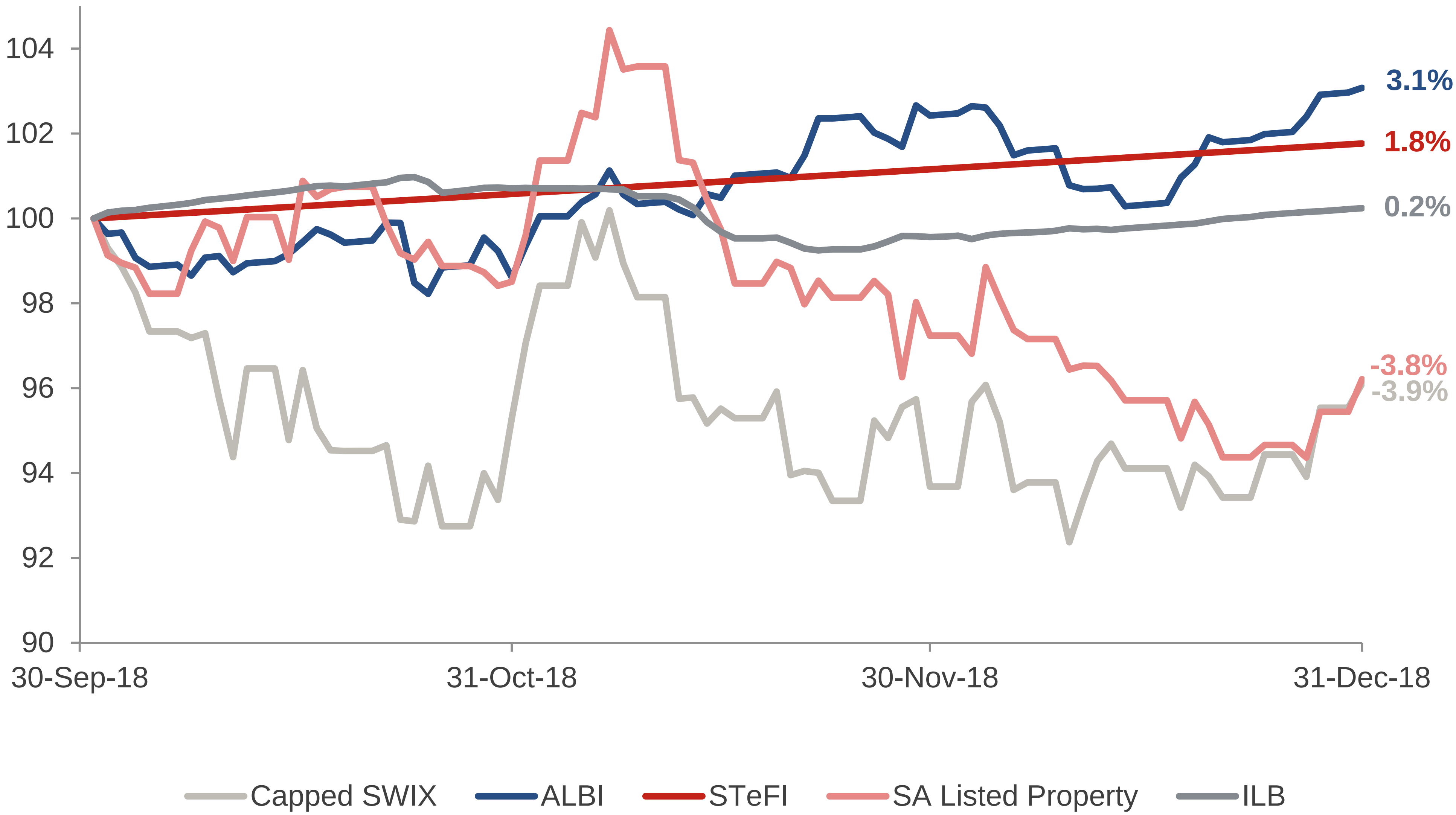
One year to December 2018



Source: INET BFA and Momentum Investments

Local asset classes

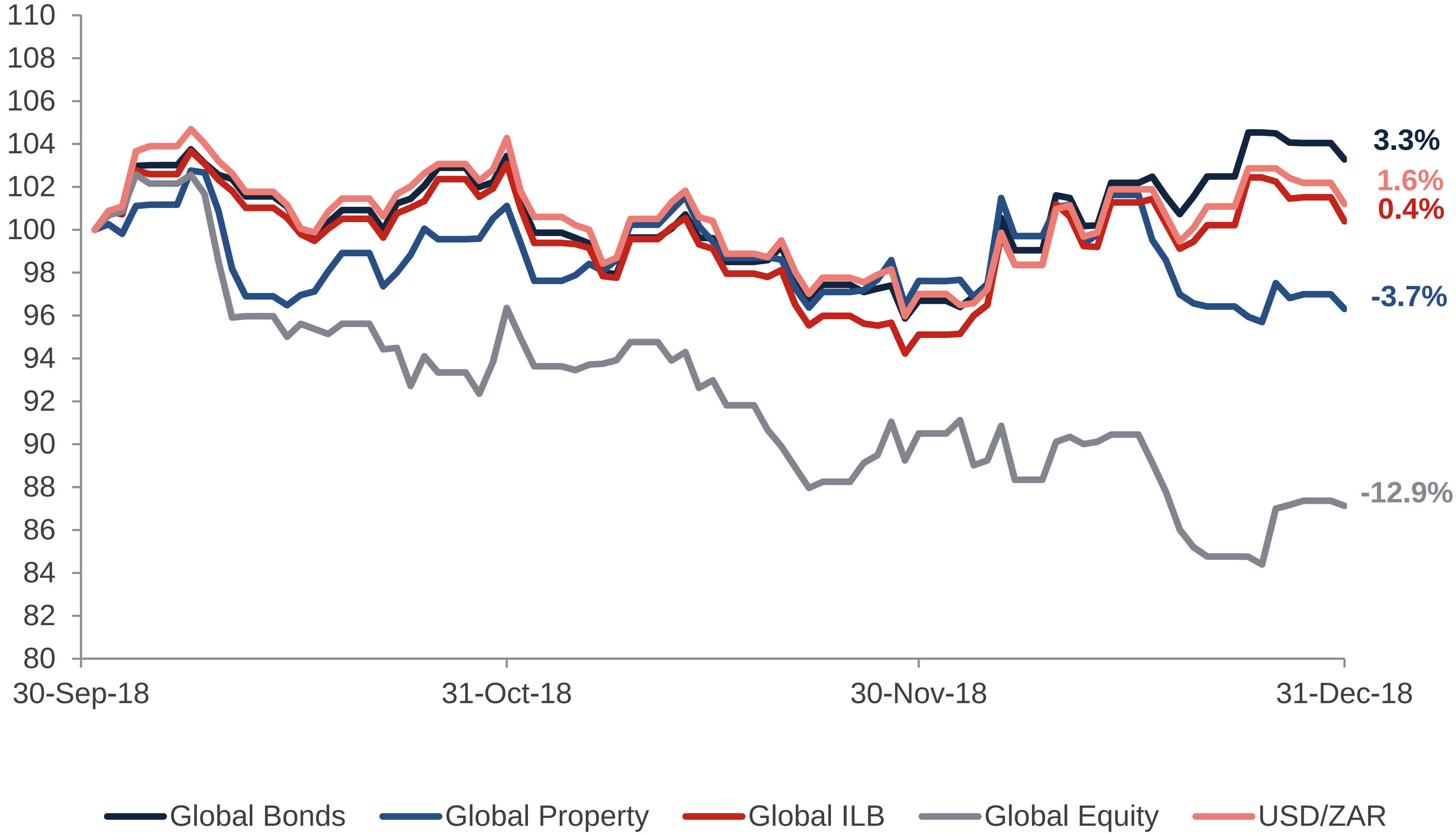
Three months to December 2018



Source: INET BFA and Momentum Investments

Global asset classes

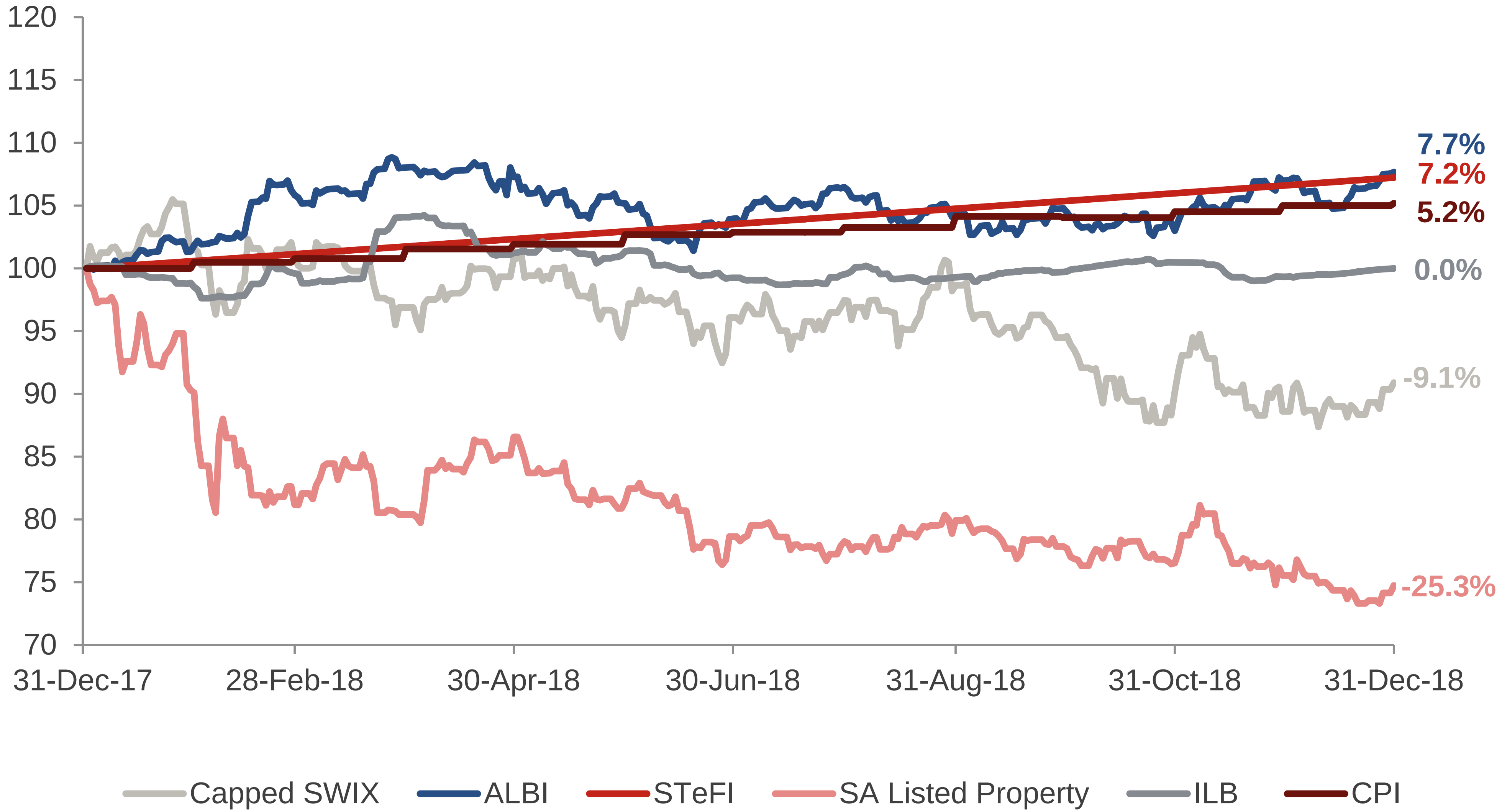
Three months to December 2018



Source: INET BFA and Momentum Investments

Local asset classes

One year to December 2018

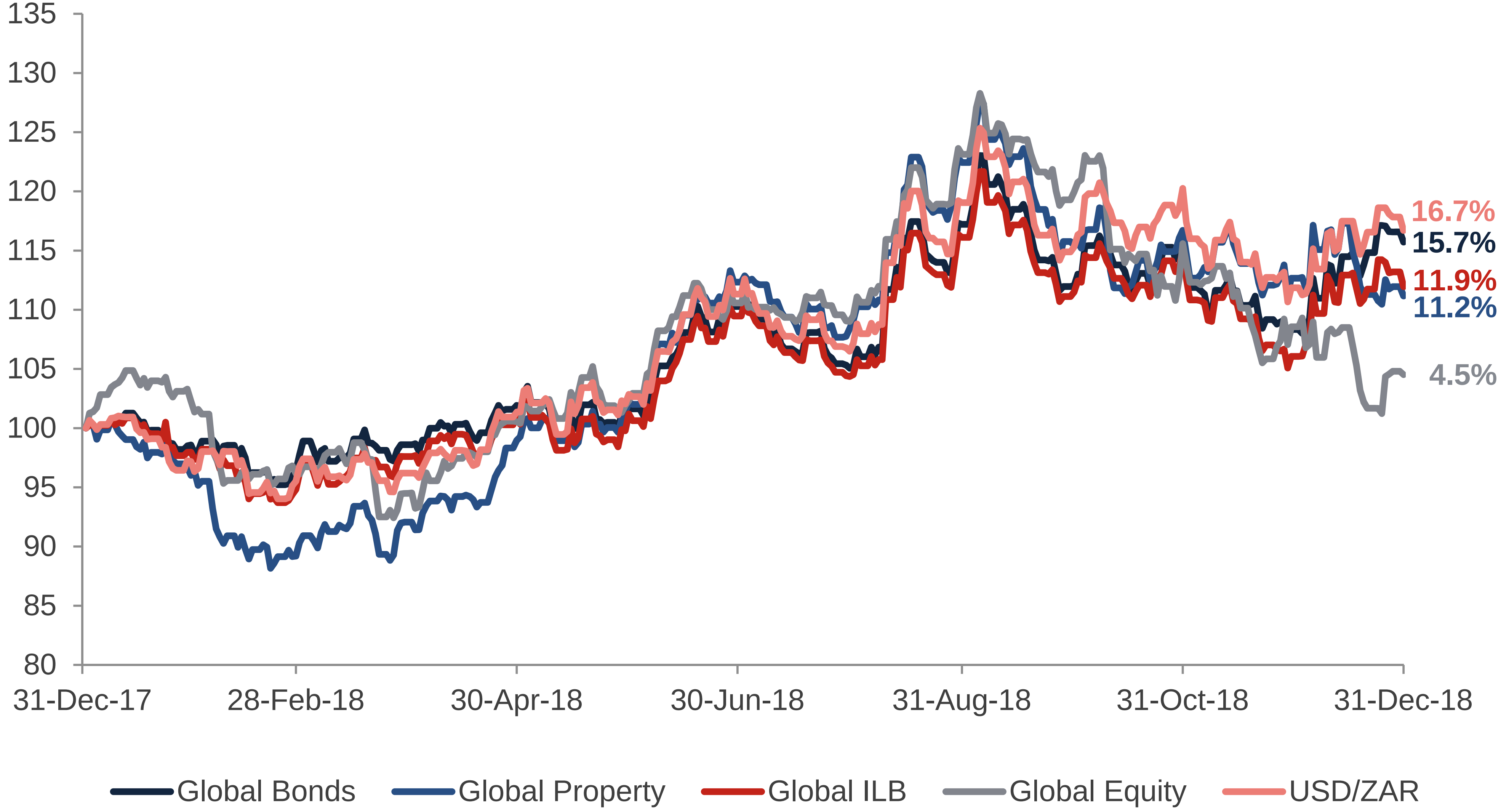


* CPI lagged by one month due to availability of data

Source: INET BFA and Momentum Investments

Global asset classes

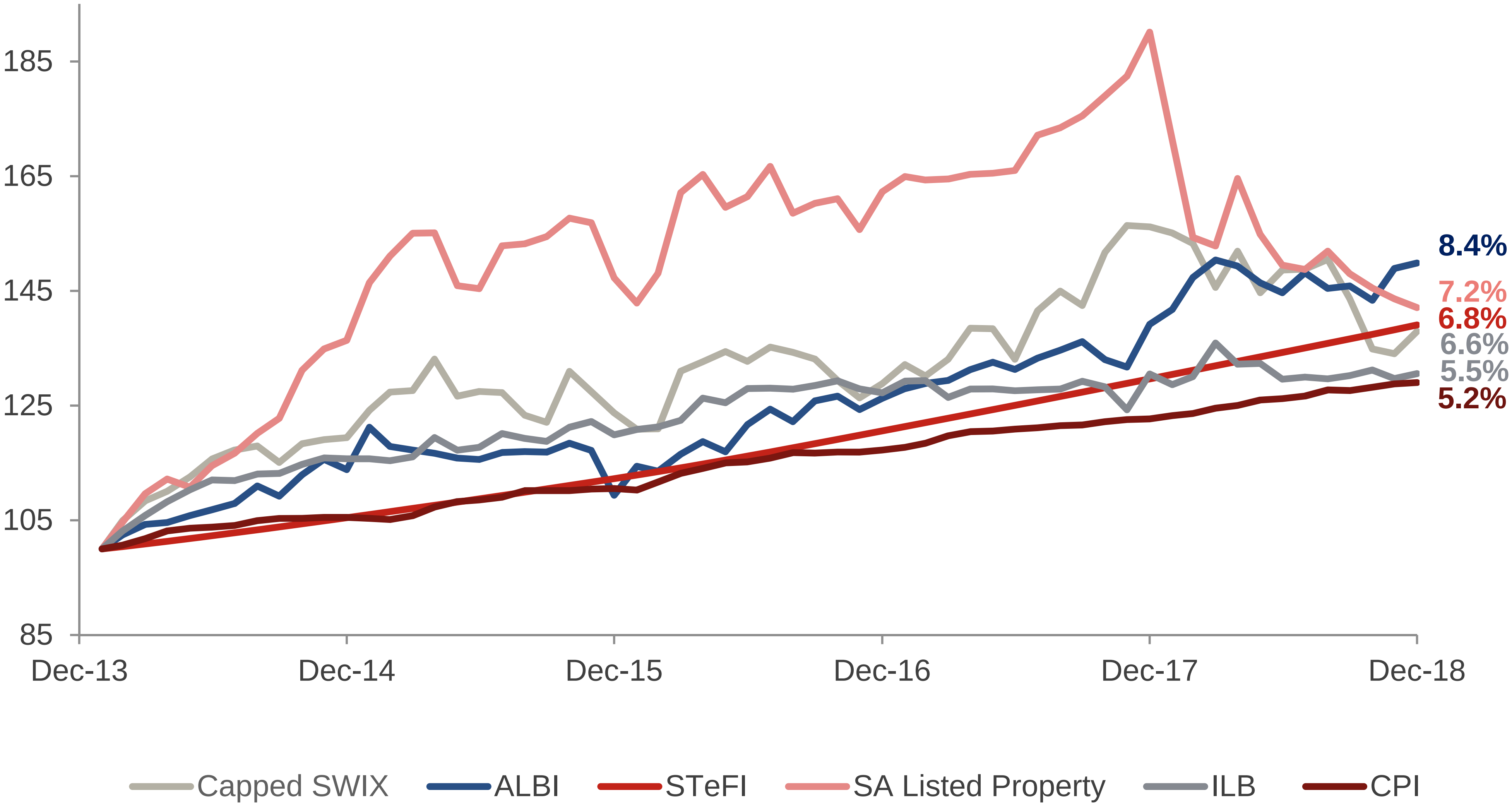
One year to December 2018



Source: INET BFA and Momentum Investments

Local asset classes

Five years to December 2018

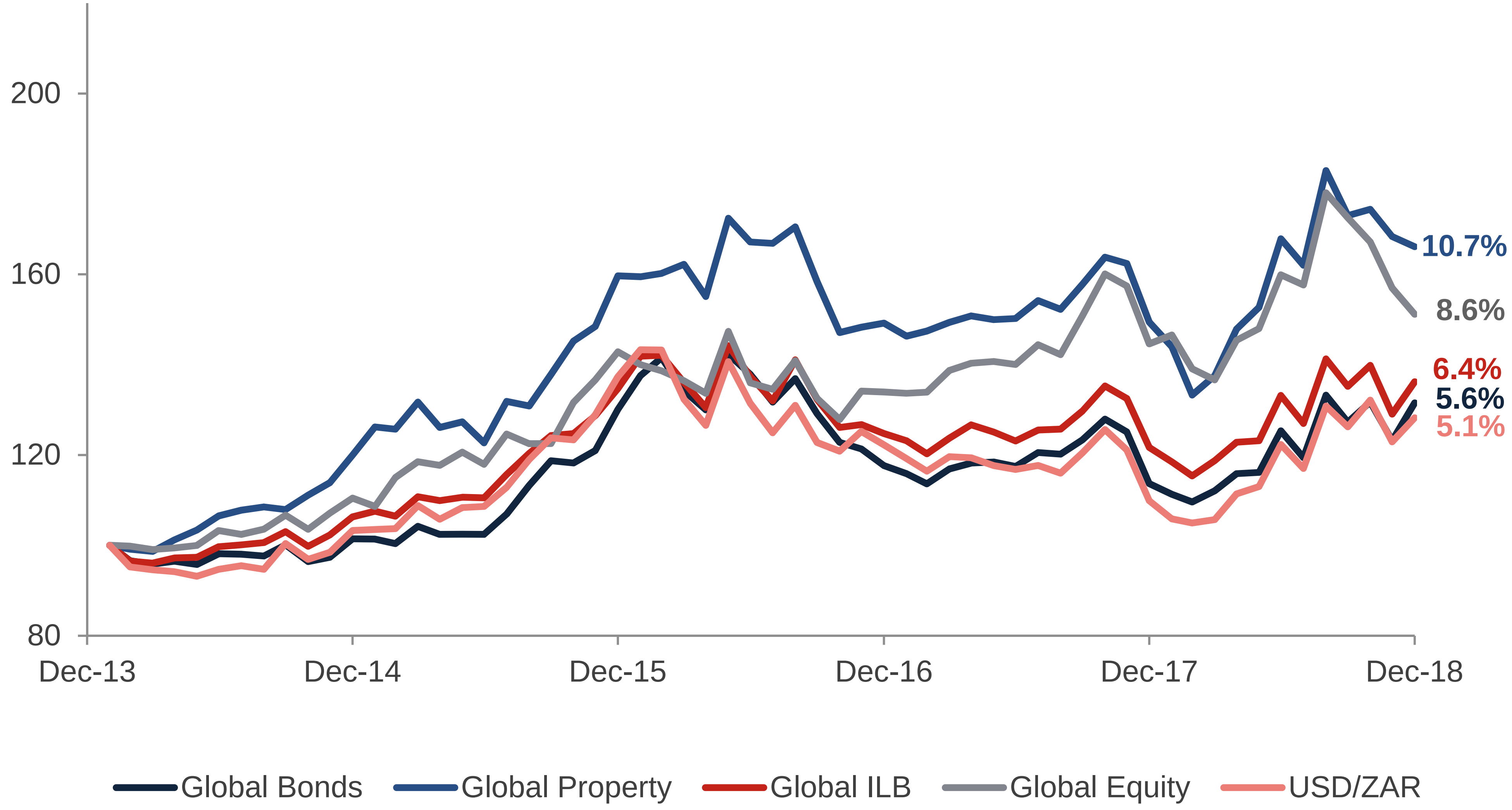


* CPI lagged by one month due to availability of data

Source: INET BFA and Momentum Investments

Global asset classes

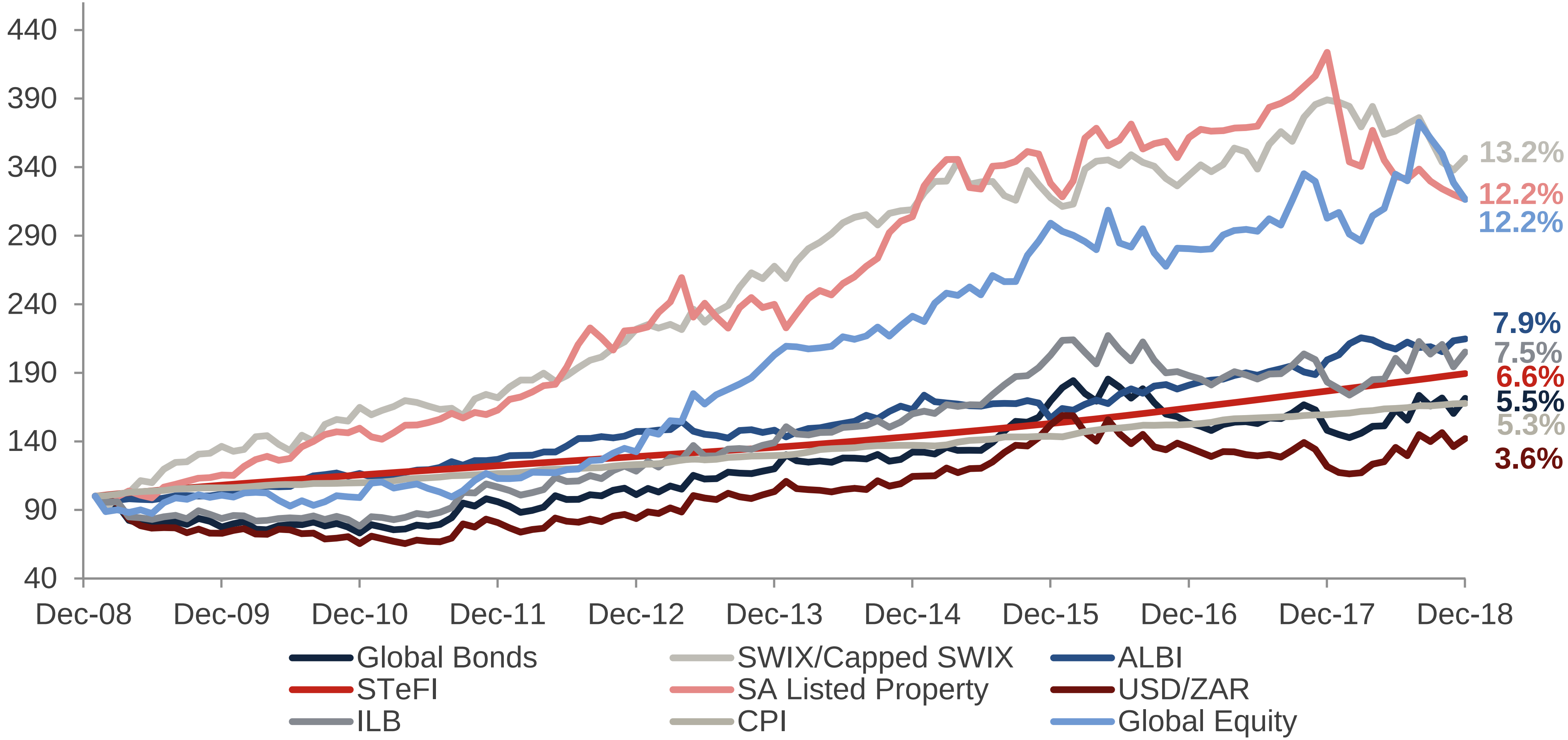
Five years to December 2018



Source: INET BFA and Momentum Investments

Asset classes

Ten years to December 2018



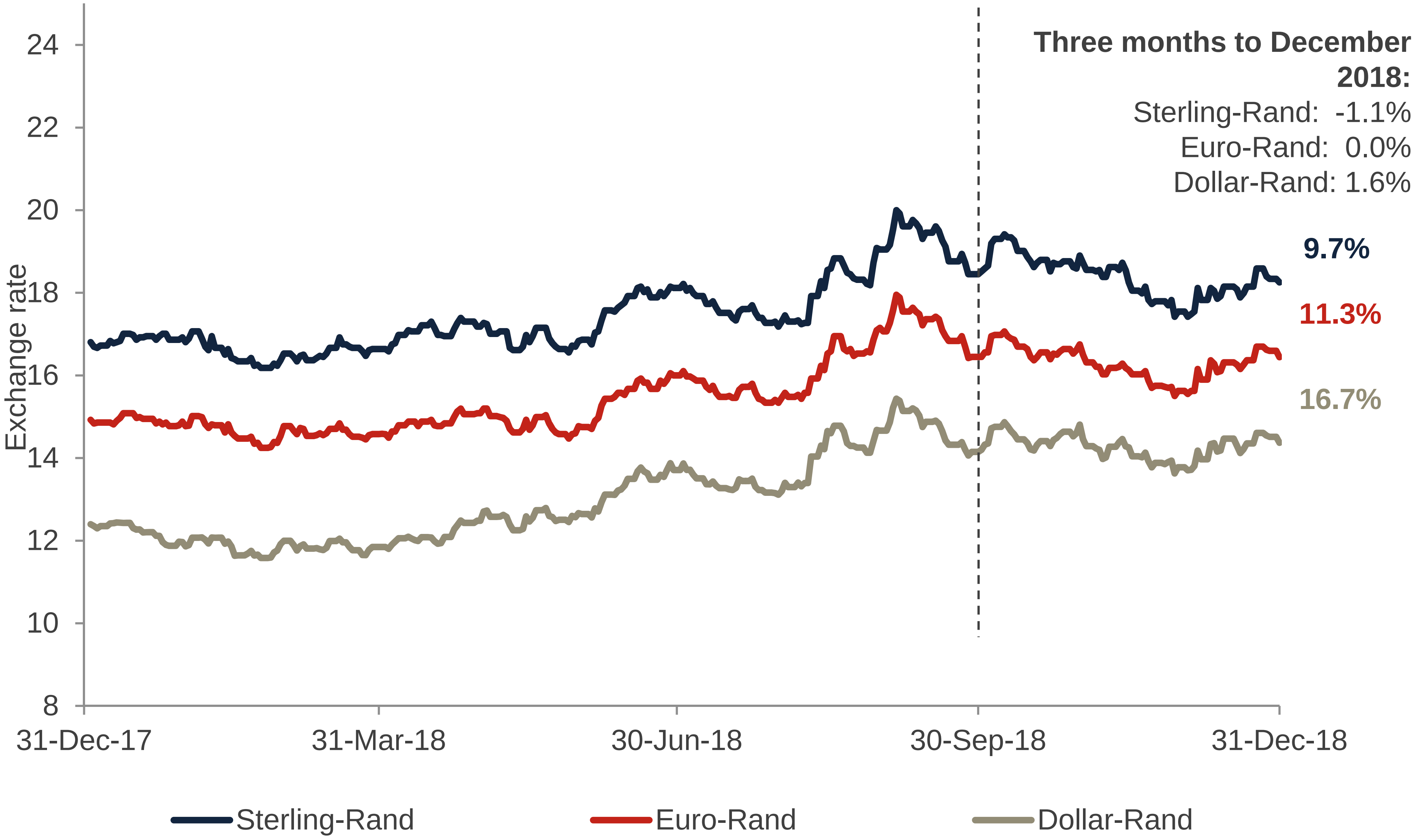
* CPI lagged by one month due to availability of data

For the 10-year period to December 2018, the SWIX/Capped SWIX composite, SA Listed Property and Global Property outperformed.

Source: INET BFA and Momentum Investments

Exchange rates

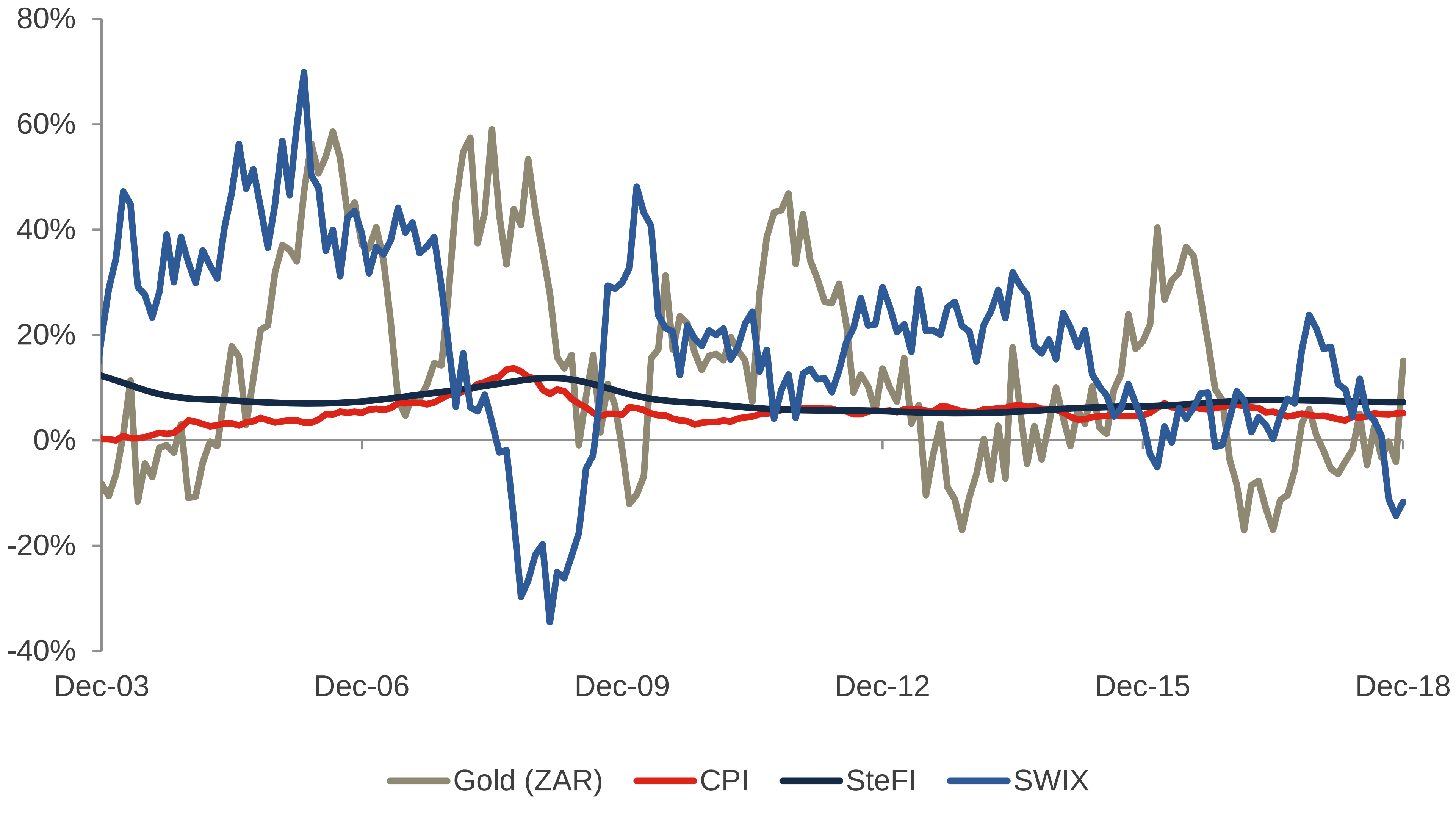
One year to December 2018



Source: INET BFA and Momentum Investments

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

One-year rolling returns to December 2018

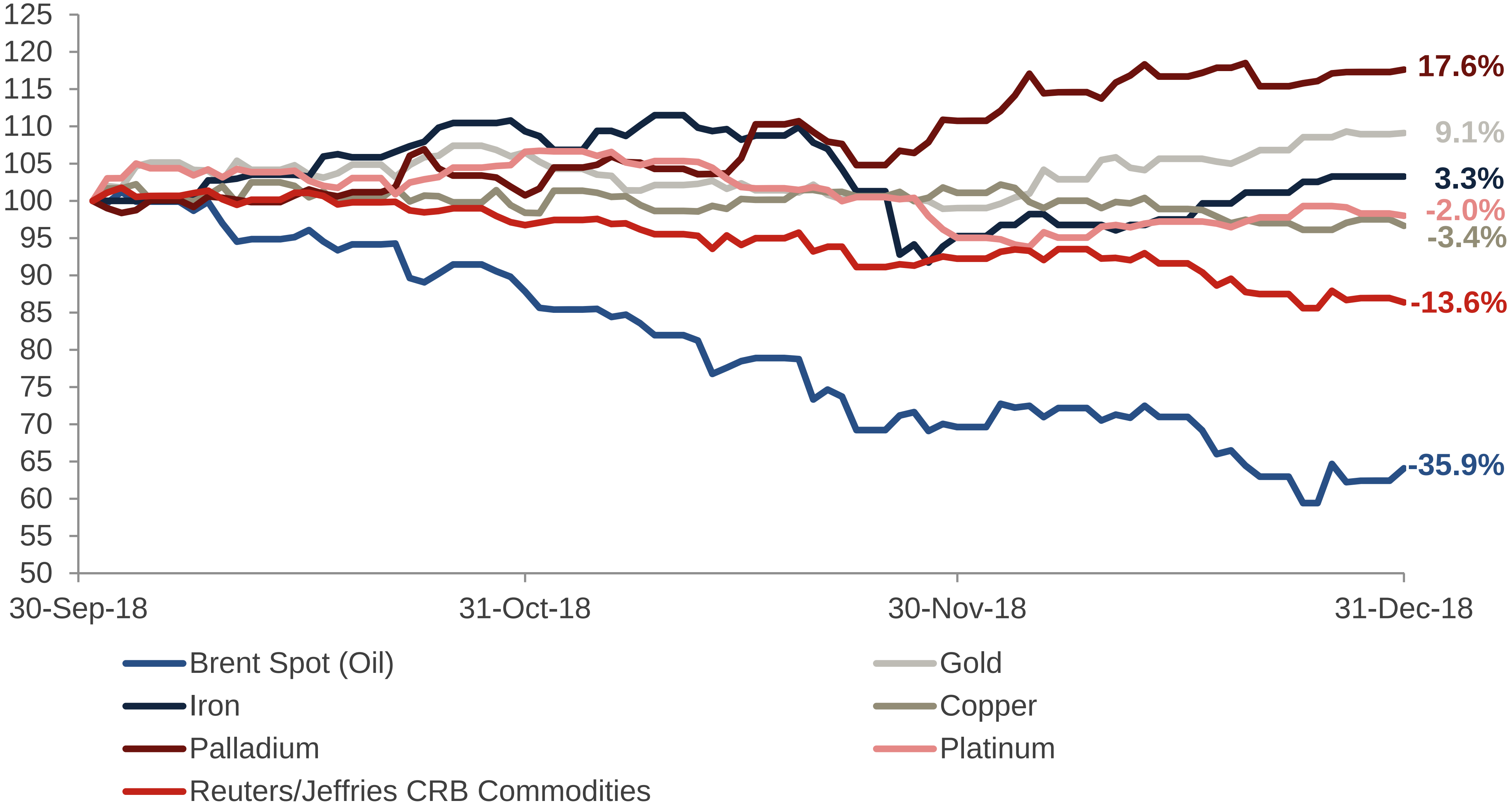


* CPI lagged by one month due to availability of data

Source: INET BFA and Momentum Investments

Commodities

Three months to December 2018

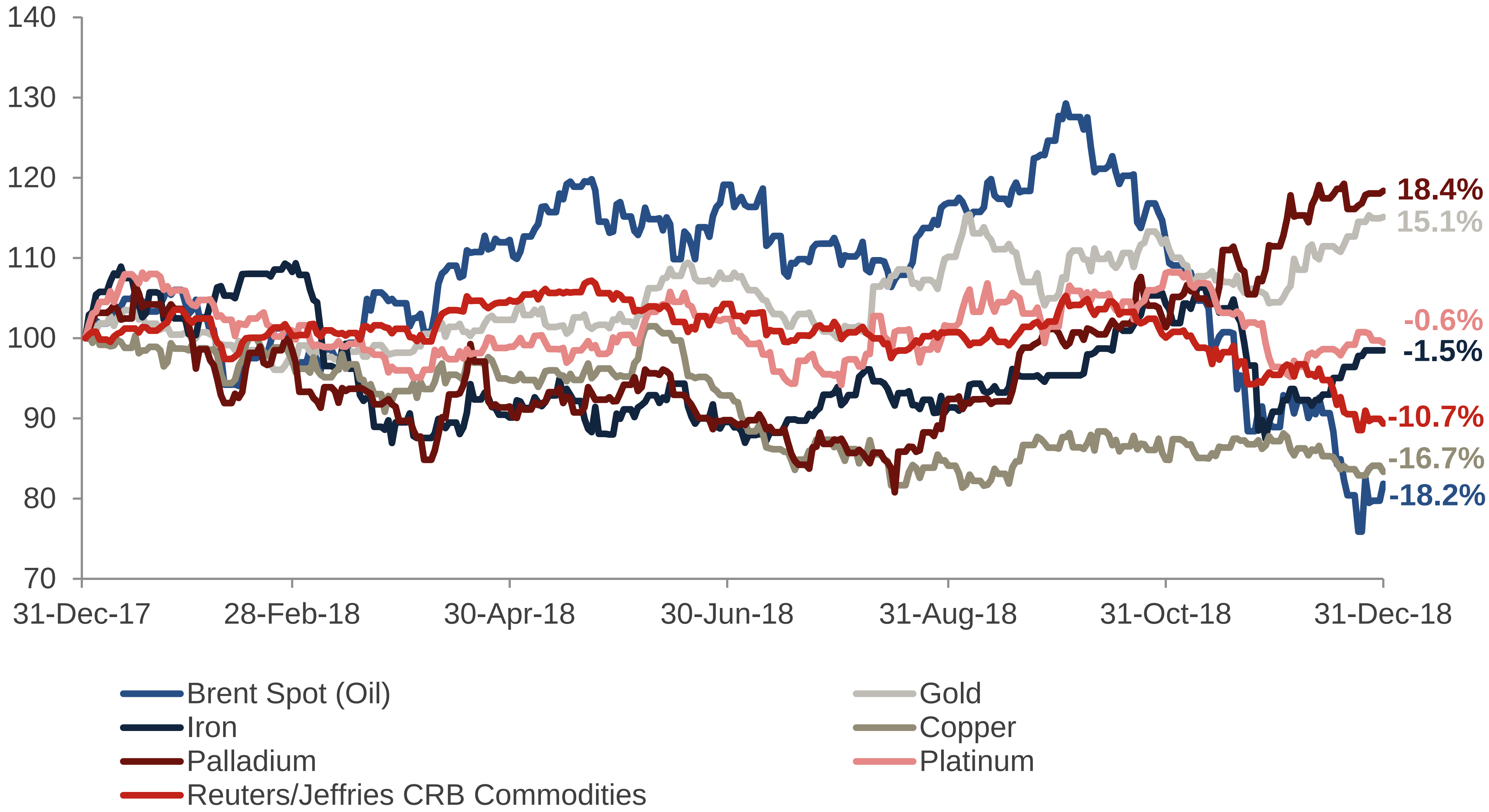


All returns are in dollar terms

Source: INET BFA, FT.com and Momentum Investments

Commodities

One year to December 2018

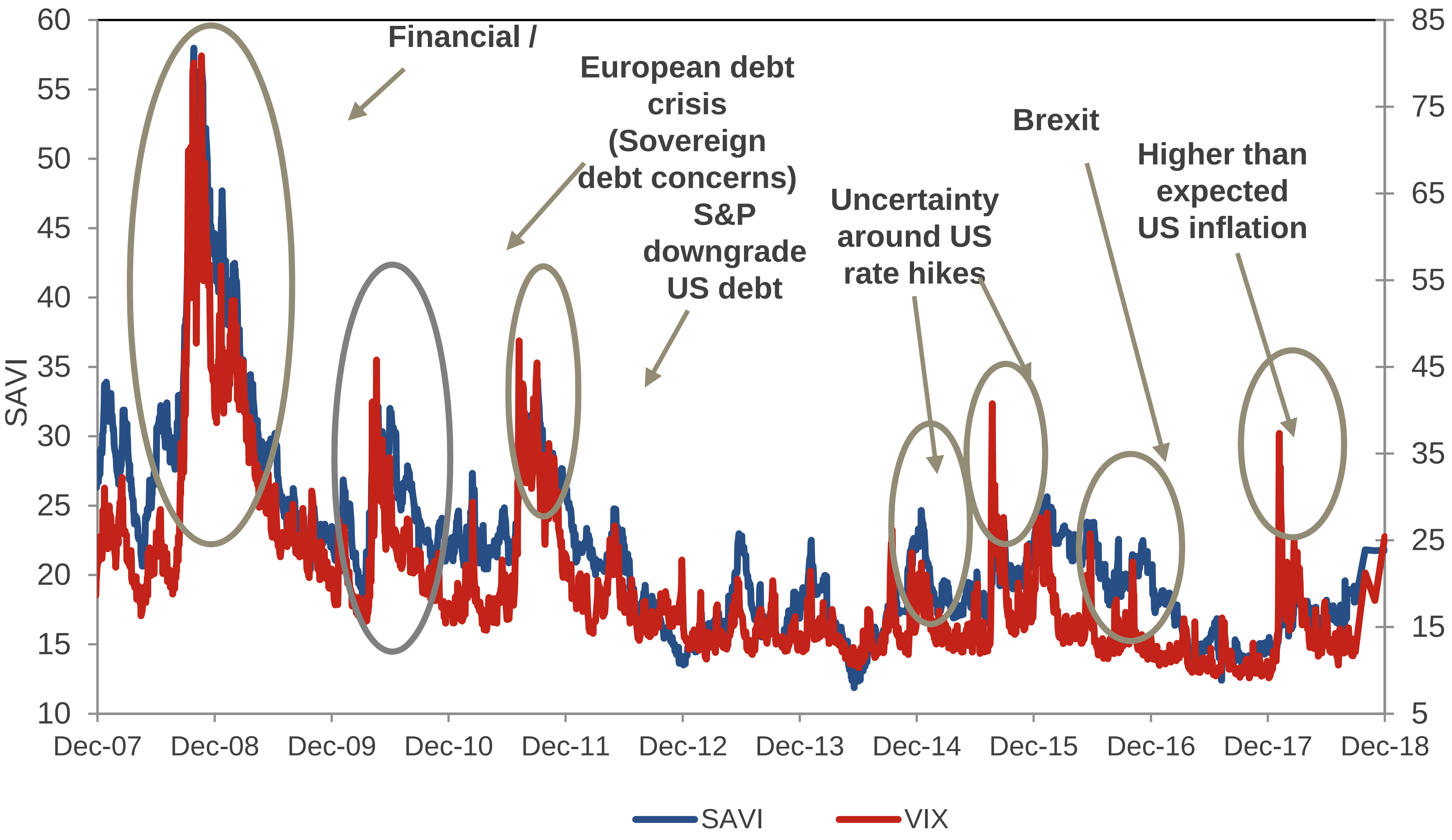


All returns are in dollar terms

Source: INET BFA, FT.com and Momentum Investments

SAVI-VIX

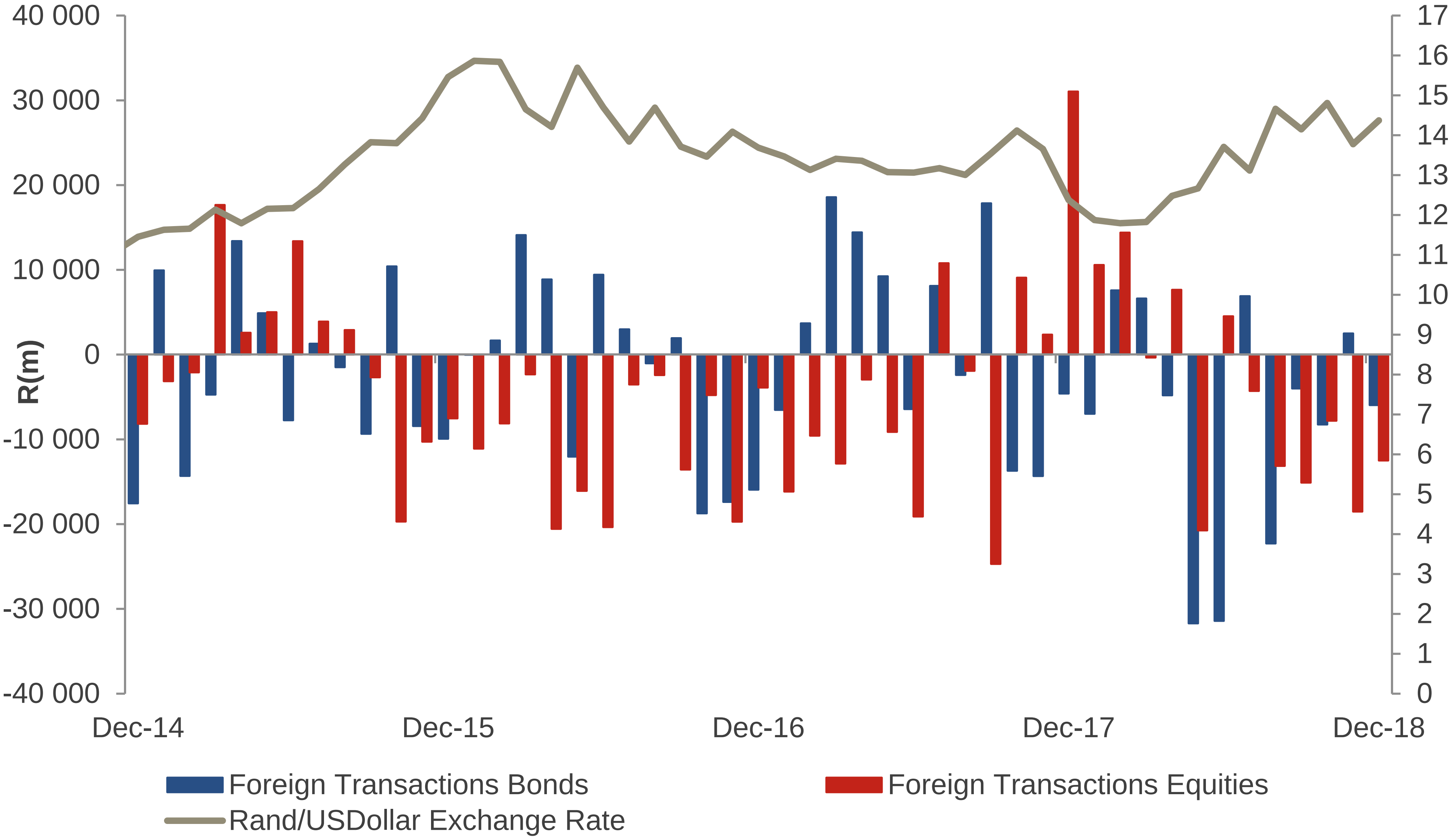
Since December 2007 to December 2018



Source: INET BFA and Momentum Investments

Foreign transactions

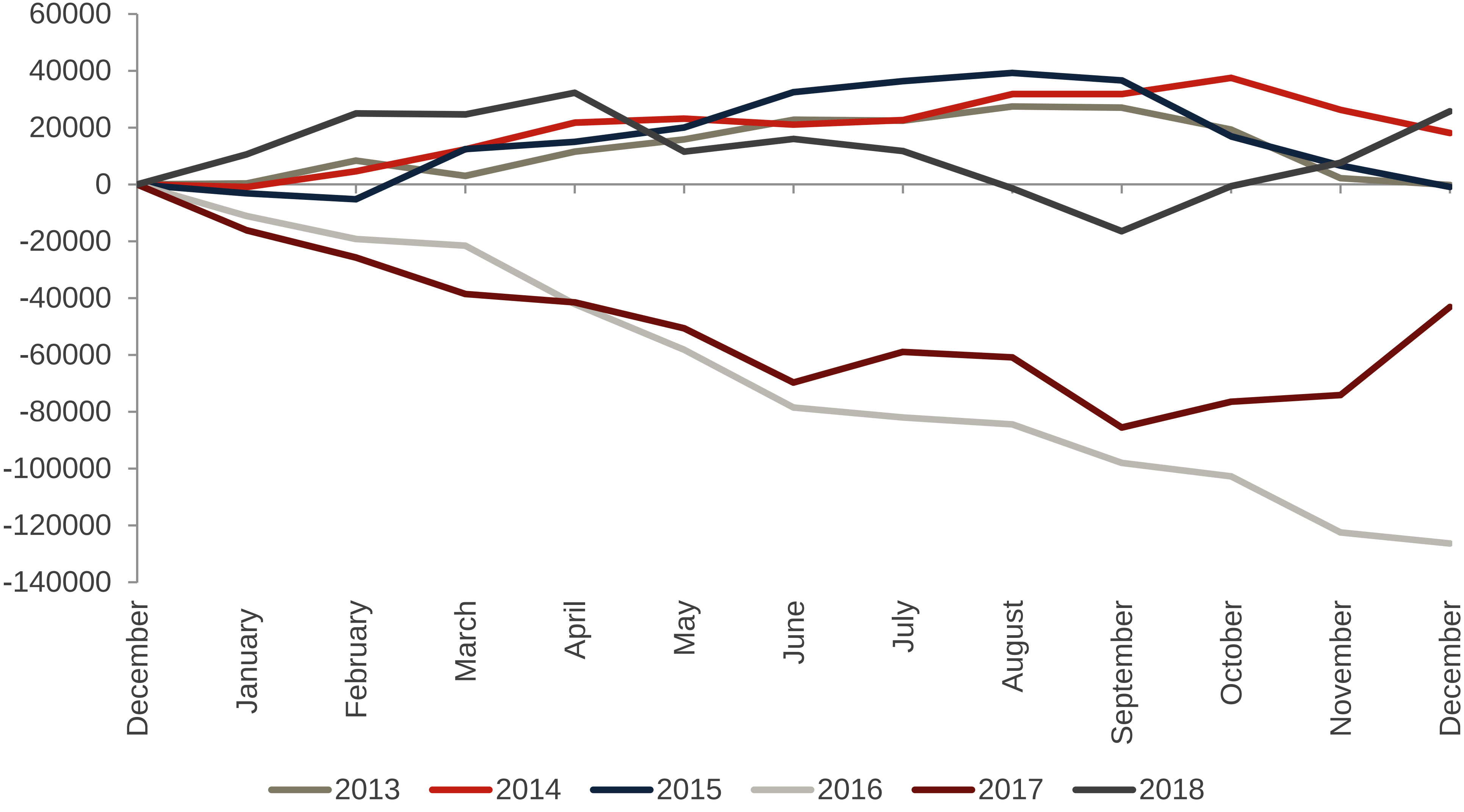
2014 to 2018



Source: INET BFA and Momentum Investments

Cumulative foreign transaction equities

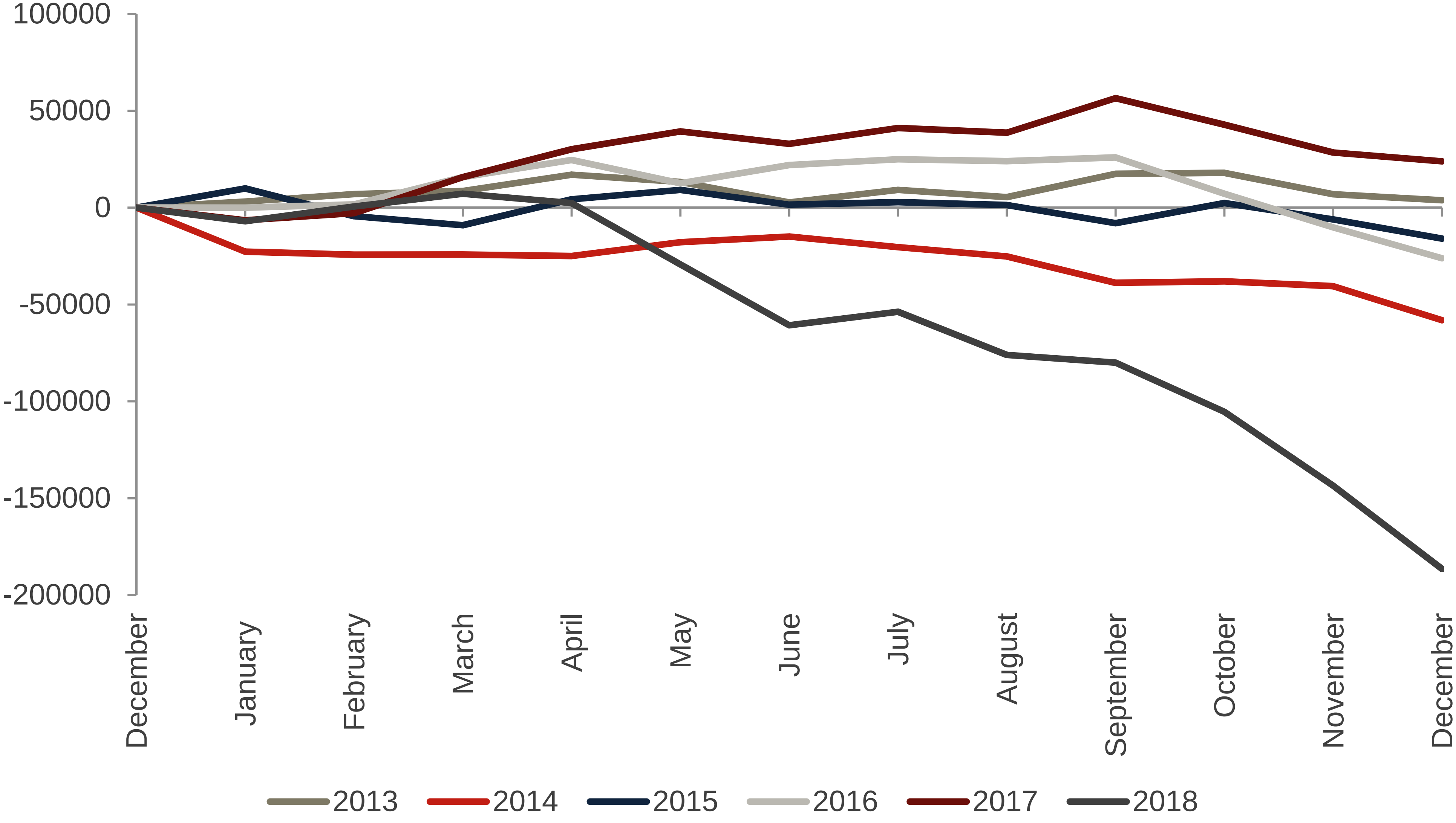
2013 to 2018



Source: INET BFA and Momentum Investments

Cumulative foreign transaction bonds

2013 to 2018



Source: INET BFA and Momentum Investments

momentum

investments

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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