

Momentum IF Global Equity Fund report

November 2018

global investment management

1. Performance summary

	Returns to 30 November 2018					
	1 month	3 months	12 months	Annualised 3 years	Annualised 5 years	Annualised since inception*
Momentum IF Global Equity	0.0%	-8.5%	-0.2%	9.1%	5.9%	5.8%
MSCI World	1.1%	-5.8%	0.1%	8.5%	6.7%	5.9%

Source: JP Morgan Bank Luxembourg SA. Net of fees, November 2018. *Global Equity inception 22.06.2006.

Past performance is not indicative of future returns.

After the sizeable declines in October, a degree of stability returned to markets in November. Global equities posted modest gains but not without some considerable volatility during the month. Emerging market equities advanced 4.1%, outperforming the MSCI World index which returned 1.1%.

Emerging markets in Asia posted the strongest returns, advancing 5.2%, amid optimism over a more gradual pace of interest rate hikes in the US, combined with hopes for some form of positive outcome from the Trump-Xi meeting at the G20 summit in Argentina at the end of the month. The sharp fall in crude oil prices, resulting

from concerns of global oversupply, provided support to those emerging markets that are net importers of oil.

US equities returned 1.9%, boosted early in the month by the US Midterm election result, and climbed higher at the end of the month following a more dovish speech from the Federal Reserve Chairman Powell. Within the speech Fed Chairman Powell announced US interest rates were 'just below neutral', suggesting additional interest rate hikes may be limited.



UK equities performed poorly, declining 1.7% with Brexit-related uncertainties continuing to dampen sentiment. In Europe, concerns over a slowdown in economic growth and the stand-off between the EU and Italian government on Italy's budget deficit weighed down European equities, posting a negative return of 0.6%.

Against this backdrop, the Momentum IF Global Equity fund posted flat returns on the month and underperformed the MSCI World benchmark which returned 1.1%. On a rolling 12-month basis, the fund has declined 0.2% while the benchmark produced a relatively flat return of 0.1%.

In November, the market continued to prove a challenge for the fund's growth and value managers, with every constituent manager underperforming. The funds quality managers outperformed as investors preferred defensive quality stocks. The US small cap quality manager Lapides and

global quality manager Morgan Stanley were the only managers to outperform relative to the benchmark.

Lapides benefitted from its stock selection within the IT hardware and Consumer Products & Retail sectors, holding outperforming stocks. In the case of Morgan Stanley, their outperformance can be mostly attributed to its stock selection within the Consumer Services sector.

In contrast, global value managers Contrarius and Hotchkis & Wiley were the largest detractors from relative performance. The underperformance of Contrarius was driven by their exposure to the poor performing energy sector. While Hotchkis & Wiley underperformance can be mostly attributed to poor stock selection within the Industrials sector.

*Source: Bloomberg, FactSet November 2018. **Past performance is not indicative of future returns.***



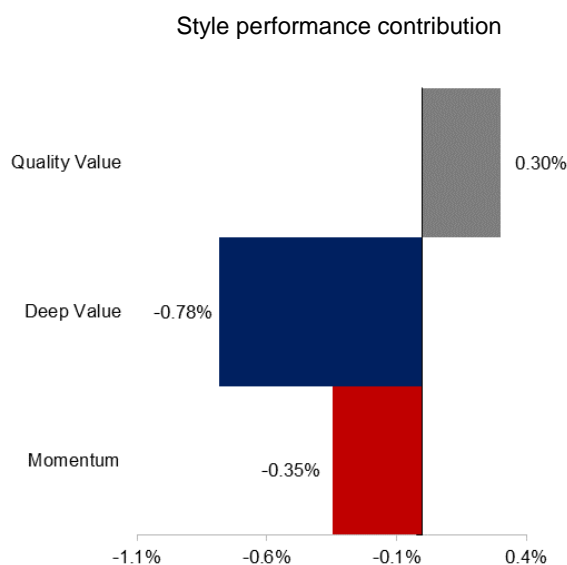
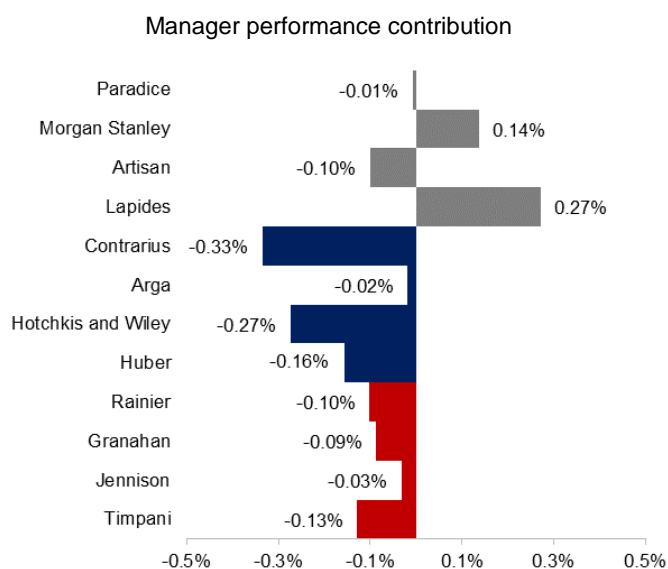
Market review – 1 & 3 months to November 2018

Asset Class (% change)	Performance to 30 Nov 2018			
	USD terms		ZAR terms	
	1 Month	3 Months	1 Month	3 Months
Equities - MSCI				
AC World	1.5%	-5.7%	-4.7%	-10.8%
World (DM)	1.1%	-5.8%	-5.0%	-10.8%
Emerging Markets (EM)	4.1%	-5.5%	-2.2%	-10.5%
US	1.9%	-4.8%	-4.3%	-9.9%
Continental Europe	-0.6%	-8.7%	-6.7%	-13.6%
UK	-1.7%	-6.7%	-7.7%	-11.7%
Japan	0.4%	-5.3%	-5.7%	-10.4%
Developed Asia	2.9%	-6.7%	-3.4%	-11.7%
US Small Cap	1.6%	-11.6%	-4.6%	-16.4%
UK Small Cap	-0.8%	-8.7%	-6.9%	-13.6%
Bonds				
FTSE World BIG	0.3%	-1.7%	-5.8%	-6.9%
JP Morgan Global Government Bonds	0.5%	-1.6%	-5.6%	-6.8%
Barclays Global Aggregate	0.3%	-1.7%	-5.8%	-6.9%
US Treasuries	0.9%	-0.6%	-5.2%	-6.0%
UK Gilts	-1.5%	-3.8%	-7.5%	-9.0%
Euro Bonds	0.2%	-2.5%	-5.9%	-7.8%
Japan Bonds	-0.1%	-2.0%	-6.2%	-7.2%
Merrill Lynch US High Yield	-0.9%	-2.0%	-6.9%	-7.2%
JP Morgan Emerging Market Debt	-0.1%	0.5%	-6.2%	-4.9%
Cash - US Dollar	0.2%	0.5%	-5.9%	-4.9%
Cash - UK Pound Sterling	-0.1%	-1.7%	-6.2%	-6.9%
Cash - Euro	-0.1%	-2.8%	-6.2%	-8.0%
Currencies versus USD & ZAR				
US Dollar			-6.1%	-5.4%
UK Sterling	-0.1%	-1.8%	-6.2%	-7.1%
Euro	-0.1%	-2.7%	-6.2%	-7.9%
Japanese Yen	-0.6%	-2.3%	-6.7%	-7.6%
Australian Dollar	3.0%	1.0%	-3.2%	-4.4%
Canadian Dollar	-1.2%	-1.9%	-7.2%	-7.1%
Swiss Franc	0.7%	-3.2%	-5.5%	-8.4%
South African Rand	6.5%	5.7%		
Commodities				
Brent Crude Oil	-21.1%	-22.7%	-25.9%	-26.8%
Gold	0.4%	1.1%	-5.7%	-4.3%
Goldman Sachs Commodity Index	-11.3%	-13.2%	-16.7%	-17.8%

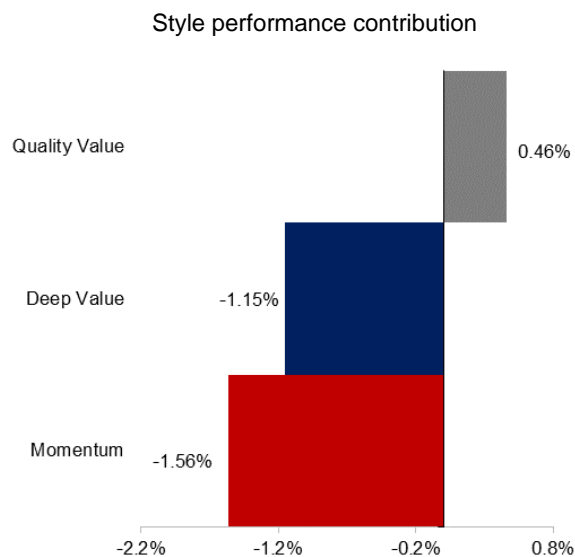
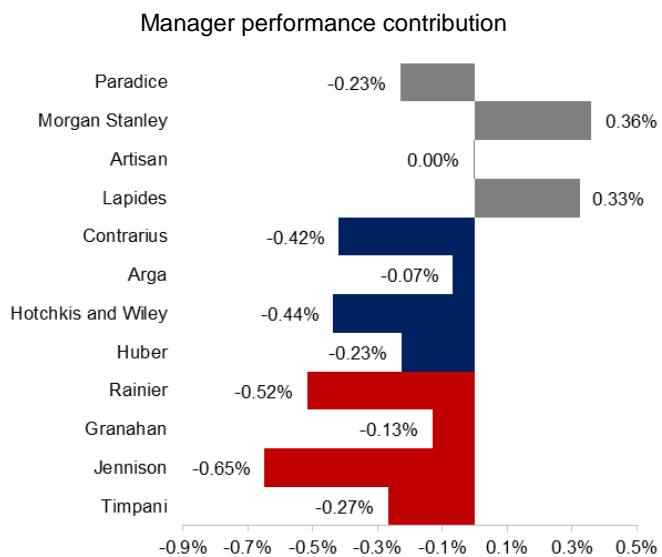
Source: Morningstar, Bloomberg November 2018. **Past performance is not indicative of future returns.**

2. Performance attribution November 2018

1 month to November 2018



3 months to November 2018







Source: JP Morgan, November 2018

Past performance is not indicative of future returns.

4. Map of the markets – November 2018

	US	UK	Europe ex UK	Japan	Pacific ex Japan	Emerging Markets	Developed World Index
Energy	-2.4%	-6.8%	-6.5%	-11.8%	-7.6%	-1.1%	-3.9%
Materials	3.6%	-5.7%	-5.6%	2.2%	-3.0%	-0.4%	-1.1%
Industrials	3.1%	-0.8%	-1.1%	2.3%	4.3%	5.9%	1.8%
Consumer Discretionary	2.2%	-1.8%	-3.5%	0.7%	6.5%	5.4%	1.1%
Financials	2.4%	-0.6%	-0.7%	-3.5%	4.3%	4.8%	1.2%
IT	-2.2%	13.7%	-3.3%	0.5%	2.2%	5.1%	-2.0%
Telecoms	2.9%	12.5%	7.7%	-1.1%	1.4%	2.6%	3.9%
Health Care	6.9%	3.2%	1.8%	2.7%	-1.2%	5.3%	5.3%
Consumer Staples	1.7%	-4.4%	2.4%	4.3%	-2.0%	4.4%	1.2%
Utilities	3.1%	-1.3%	5.0%	4.1%	1.8%	4.3%	3.1%
Country / Region (Local)	1.9%	-1.5%	-0.7%	1.0%	0.9%	3.0%	1.2%
Country / Region (USD Terms)	1.9%	-1.7%	-0.6%	0.4%	2.9%	4.1%	1.1%

Outperformed MSCI World by more than 1 standard deviation 
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Source: Bloomberg, November 2018. Gross returns. MSCI Index returns in local currency terms unless otherwise stated.

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