

Un Ben ievable!

– David Lashbrook, CFA

Rewind ten days and little did we know that we were about to witness one of the greatest ever Ashes, if not cricket, days in history. From the woes of the T20 final in Bangladesh 3 years ago, where Ben Stokes was hit for four sixes in the first four balls in the final over to lose the world cup, he has bounced back to become an English super hero. Stokes played a key role in winning the World Cup for England this summer and has gained national hero status after his amazing 138 not out against the Australians in the highest of pressure situations. Although Stokes's comeback is simply extraordinary, it is however explainable as I believe that the key to success, not only in sport but also investing, arises from three key principles: 1) Team, 2) Process and 3) Confidence to Deliver.

Team. As outstanding as Ben's individual performance was, he could not have won last week's test without the support of his English teammates. One of the key supporting acts was the heroic innings played by England's final batsman, the spectacle-wiping Jack Leach who arrived at the crease with 73 runs required for victory. Well protected by Stokes, Leach faced only 17 balls and he scored one run. But, importantly, he stayed. And, this enabled Stokes to achieve the unbelievable. At Momentum, we also believe that no one person is bigger than the team. Over the last four years, we have built the Momentum Africa Real Estate Fund ("MAREF") team into a formidable force of investment professionals, development professionals, leasing, financing & property management executives that

are spread across London, Johannesburg, Accra, Mauritius and Blantyre. Completing a successful development for our investors in Africa is not an easy task and will never be achieved without the dedicated and collective efforts of the entire team.

Process. Ben Stokes' tireless commitment to training and practice is well documented and he has consistently applied himself during the trials and tribulations between that T20 final and today. Like Stokes, we have also had our ups and downs over the last three years as Africa bounced in and out of recession. But we believe we have doggedly stuck to our principles and the mandate our investors gave us. And, whilst this determination has kept us out of deals, the consistent application of our process has undoubtedly kept our investors away from some serious trouble.

Confidence to Deliver. The ability of Ben Stokes to switch the pace of his innings from defence to outward attack during that final wicket stand was based on an unwavering belief in his ability to deliver. Similarly, whilst MAREF's rate of investment deployment has been slower than anticipated during the African recessions of the last three years, our patience was recently rewarded when we won a mandate to build a bank in Nigeria. In addition, we are hoping to open our investing activities in Kenya and other countries soon as the sun begins to shine on Africa once more.

The Marketplace

- US equities rebounded following increased confidence in US-China trade talks
- Chinese stocks declined for the week and the month
- Brent crude returned 1.8%, ending the week at \$60.4 per barrel
- Gold fell 0.3% ending the week at \$1523.1 an ounce

Market Focus

US

- The August consumer confidence report result was 135.1 compared to an expected 129.0, surprisingly positive.
- The Mortgage Bankers Association mortgage index fell by 6.3% the week prior, the index measures nationwide home loan applications.
- US equities gained 2.8% during the week, mainly due to the positive trade prospects. Industrials led the gains .
- US Treasuries gained 0.2% during the week, with August being their strongest performing month since November 2008. The 2 year / 10-year yield curve continued its inversion for part of the week.

Europe

- German consumer confidence remained at the same level for September at 9.7.
- European stocks experienced a boost from the improved US-China trade talks as most major European markets rose throughout the week.

- European equities rose 2.4% following the optimistic trade talks.
- European government bonds gained 0.8% with their investment-grade counterparts only returning 0.1% over the week.

UK

- Sterling started the week under pressure against the US dollar due to further increased Brexit uncertainty.
- The main UK index rose following Prime Minister Boris Johnson suspending Parliament from mid-September to October 14th.
- UK equities rose 1.6% to end the month down by 4.2% in aggregate.
- UK gilts gained again in the past week rising 1.2%, while investment-grade bonds returned 0.7%.

Asia/Rest of The World

- Chinese manufacturing PMIs fell to 49.5, compared to 49.6 expected, although the Caixin manufacturing reading was more positive at 50.4 (vs. 49.8 expected).
- News from Japan of a possible trade deal with the US concerning automobile and beef exports.
- Indian equities returned 1.7% following the finance ministry announcing government measures to stimulate the economy.
- Argentinian equities continued to decline at 7%, with the equity market, peso and bond prices continuing to weaken as its credit rating was downgraded to selective default.

| Asset Class/Region | Currency | Currency returns | | | |
|-------------------------------------|----------|-------------------------|---------------|----------|-----------|
| | | Week ending 30 Aug 2019 | Month to date | YTD 2019 | 12 months |
| Developed Market Equities | | | | | |
| United States | USD | 2.8% | -1.7% | 17.9% | 2.3% |
| United Kingdom | GBP | 1.6% | -4.2% | 10.5% | 0.1% |
| Continental Europe | EUR | 2.4% | -0.6% | 16.9% | 2.4% |
| Japan | JPY | 0.7% | -3.4% | 2.6% | -11.0% |
| Asia Pacific (ex Japan) | USD | 0.6% | -4.4% | 5.9% | -5.4% |
| Australia | AUD | 1.5% | -2.4% | 20.3% | 8.5% |
| Global | USD | 2.1% | -2.0% | 15.2% | 0.0% |
| Emerging markets equities | | | | | |
| Emerging Europe | USD | 1.0% | -6.0% | 13.5% | 14.7% |
| Emerging Asia | USD | 1.0% | -3.8% | 3.9% | -7.8% |
| Emerging Latin America | USD | 2.8% | -8.1% | 3.6% | 10.0% |
| BRICs | USD | 1.1% | -4.8% | 7.4% | 0.3% |
| MENA countries | USD | -2.0% | -5.1% | 4.6% | 2.6% |
| South Africa | USD | 2.0% | -8.9% | -1.4% | -6.9% |
| India | USD | 2.1% | -4.3% | 0.0% | -5.0% |
| Global emerging markets | USD | 1.2% | -4.9% | 3.9% | -4.5% |
| Bonds | | | | | |
| US Treasuries | USD | 0.2% | 3.6% | 9.1% | 11.0% |
| US Treasuries (inflation protected) | USD | 0.4% | 2.6% | 9.6% | 7.7% |
| US Corporate (investment grade) | USD | 0.1% | 3.1% | 13.9% | 13.3% |
| US High Yield | USD | 0.5% | 0.4% | 11.0% | 6.5% |
| UK Gilts | GBP | 1.2% | 3.8% | 11.5% | 12.2% |
| UK Corporate (investment grade) | GBP | 0.7% | 1.5% | 11.1% | 10.0% |
| Euro Government Bonds | EUR | 0.8% | 2.5% | 10.5% | 11.8% |
| Euro Corporate (investment grade) | EUR | 0.1% | 0.6% | 7.6% | 6.6% |
| Euro High Yield | EUR | 0.4% | 0.8% | 9.5% | 5.6% |
| Japanese Government | JPY | 0.5% | 1.7% | 4.8% | 6.3% |
| Australian Government | AUD | 0.6% | 2.1% | 11.2% | 14.0% |
| Global Government Bonds | USD | 0.2% | 3.0% | 8.0% | 9.0% |
| Global Bonds | USD | 0.1% | 2.1% | 7.6% | 7.9% |
| Global Convertible Bonds | USD | 0.3% | -1.5% | 6.3% | 0.6% |
| Emerging Market Bonds | USD | -0.6% | -2.7% | 8.7% | 10.7% |

| Asset Class/Region | Currency | Currency returns | | | |
|---------------------------------------|----------|----------------------------|------------------|----------|-----------|
| | | Week ending 30 Aug 2019 | Month to date | YTD 2019 | 12 months |
| Property | | | | | |
| US Property Securities | USD | 1.9% | 3.3% | 22.4% | 11.0% |
| Australian Property Securities | AUD | -0.4% | 0.7% | 20.4% | 13.2% |
| Asia Property Securities | USD | -1.3% | -3.3% | 5.8% | 5.0% |
| Global Property Securities | USD | 0.8% | 1.0% | 16.2% | 7.7% |
| Currencies | | | | | |
| Euro | USD | -1.4% | -1.3% | -4.1% | -5.7% |
| UK Pound Sterling | USD | -0.8% | -0.4% | -4.6% | -6.5% |
| Japanese Yen | USD | -0.9% | 2.1% | 3.1% | 4.6% |
| Australian Dollar | USD | -0.3% | -2.2% | -4.5% | -7.4% |
| South African Rand | USD | 0.6% | -6.7% | -5.3% | -2.9% |
| Swiss Franc | USD | -1.5% | 0.0% | -0.7% | -2.0% |
| Chinese Yuan | USD | -0.8% | -3.8% | -3.9% | -4.3% |
| Commodities & Alternatives | | | | | |
| Commodities | USD | 1.3% | -3.6% | 2.9% | -8.5% |
| Agricultural Commodities | USD | 0.3% | -5.3% | -10.1% | -12.1% |
| Oil | USD | 1.8% | -7.3% | 12.3% | -22.3% |
| Gold | USD | -0.3% | 6.9% | 18.8% | 27.0% |
| Hedge funds | USD | 0.2% | 0.2% | 5.3% | -1.4% |

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