

# PMX MONTHLY REPORT



## May 2020 Global Review



### Markets

Best performing Worst performing

#### Asset Class Index Returns

	1 month	YTD	1 year	3 years	5 years	7 years
Global Equity	4.3%	-9.2%	5.4%	5.2%	5.3%	6.9%
Developed Equity	4.8%	-8.2%	6.8%	5.9%	5.8%	7.6%
EM Equity	0.8%	-16.0%	-4.4%	-0.2%	0.9%	1.2%
Global Bonds	0.4%	2.1%	5.6%	3.5%	3.3%	2.2%
Global Property	0.7%	-23.0%	-15.9%	-1.0%	1.4%	3.5%
Listed Infrastructure	4.3%	-11.2%	-1.4%	4.3%	5.9%	7.2%

#### Developed Equity Regional Index Returns

	1 month	YTD	1 year	3 years	5 years	7 years
US Equity	5.0%	-5.2%	11.8%	9.3%	8.7%	10.4%
Europe ex UK Equity	5.7%	-13.3%	-0.6%	-0.6%	1.3%	3.5%
UK Equity	1.4%	-24.2%	-12.9%	-4.3%	-2.8%	0.3%
Japan Equity	5.9%	-7.1%	7.0%	3.5%	3.1%	5.3%
Pac ex Japan Equity	-0.4%	-19.4%	-14.1%	-1.1%	0.3%	1.4%

#### EM Equity Regional Index Returns

	1 month	YTD	1 year	3 years	5 years	7 years
EM Equity	0.8%	-16.0%	-4.4%	-0.2%	0.9%	1.2%
EM Asia Equity	-0.3%	-10.8%	3.0%	2.0%	2.3%	4.1%
EM Europe Equity	8.0%	-24.4%	-10.5%	0.6%	0.8%	-3.2%
EM Lat Am Equity	6.4%	-38.5%	-31.9%	-8.6%	-4.0%	-6.8%

#### Equity Style Index Returns

	1 month	YTD	1 year	3 years	5 years	7 years
ACWI Growth	5.9%	0.4%	18.6%	11.2%	9.3%	10.3%
ACWI Momentum	5.2%	-1.3%	12.1%	11.3%	9.7%	10.9%
ACWI Quality	5.2%	-1.0%	20.0%	11.5%	10.3%	11.0%
ACWI Small Cap	6.6%	-15.6%	-3.3%	0.9%	2.7%	5.3%
ACWI Value	2.4%	-18.8%	-7.6%	-1.0%	1.1%	3.3%

#### Global Bonds Index Returns

	1 month	YTD	1 year	3 years	5 years	7 years
Global Gov Bonds	0.0%	2.7%	5.6%	3.4%	3.4%	1.9%
Global Corp Bonds	1.5%	0.6%	6.5%	4.0%	3.8%	3.2%
Global HY Bonds	5.1%	-6.8%	-1.1%	1.5%	3.7%	3.7%
EM Bonds	5.2%	-7.3%	2.1%	1.1%	2.0%	-0.9%

#### Indices representing asset classes

Global Equity	MSCI ACWI	Global Bonds	Bloomberg Barclays Global Aggregate	EM Equity	MSCI Emerging Markets
Developed Equity	MSCI World	Global Property	FTSE EPRA Nareit Developed Rental	EM Asia Equity	MSCI Emerging Markets Asia
EM Equity	MSCI Emerging Markets	Listed Infrastructure	FTSE Global Core Infrastructure 50/50	EM Europe Equity	MSCI Emerging Markets Europe
Global Gov Bonds	Bloomberg Barclays Global Treasury	US Equity	MSCI North America	EM Lat Am Equity	MSCI Emerging Markets Latin America
Global Corp Bonds	Bloomberg Barclays Global Aggregate - Corporates	Europe ex UK Equity	MSCI Europe ex UK	ACWI Growth	MSCI ACWI Growth
Global HY Bonds	Bloomberg Barclays Global High Yield	UK Equity	FTSE All Share	ACWI Momentum	MSCI ACWI Momentum
EM Bonds	JPM GBI EM Global Diversified Composite	Japan Equity	MSCI Japan	ACWI Quality	MSCI ACWI Quality
		Pac ex Japan Equity	MSCI Pacific ex Japan	ACWI Small Cap	MSCI ACWI Small Cap
				ACWI Value	MSCI ACWI Value



### PMX Profile Performance \*

	1 month	1 year	3 years	Since Inception
PMX Profile 3	2.9%	1.0%	1.9%	3.2%
Quartile Rank	2	1	2	1
ASISA Global MA Low Eq	2.0%	-0.4%	1.1%	2.2%
Relative	0.9%	1.3%	0.9%	1.0%
PMX Profile 6	3.6%	-1.9%	1.0%	3.4%
Quartile Rank	1	3	4	3
ASISA Global MA High Eq	3.2%	0.2%	1.5%	3.5%
Relative	0.3%	-2.1%	-0.4%	-0.2%
PMX Profile 7	3.7%	-2.8%	0.8%	3.7%
Quartile Rank	3	3	3	3
ASISA Global Eq General	3.9%	1.9%	2.6%	4.6%
Relative	-0.1%	-4.5%	-1.7%	-0.9%



### Global Drivers

Topic	Importance	Detail
Easing Lockdowns	Medium	The US began to relax their lockdown measures in May despite some states still showing increases in daily infections. In the UK, plans were announced towards the end of May to begin the gradual easing of the lockdown from June. Across Europe, countries have been tentatively opening their economies throughout the month. Japan's soft lockdown is proving reasonably effective, with cases already falling.
US Unemployment	High	US unemployment jumped to a record high 14.7% in April and is expected to rise further in May. On a positive note, the increase in weekly jobless claims (new unemployment claimants) has been steadily falling since its peak in late March of 6.9 million and was still recorded at 2.1 million on the week ending 23rd May.
EU "Next Gen" stimulus package	High	The EU unveiled a plan to borrow 750 billion euros to aid economic recovery. 500 billion euros will be made available in the form of grants and 250 billion euros in loans. Stock markets across Europe rallied strongly as this stimulus package was unveiled. Part of the stimulus is intended to support a transition to a greener and more digital economy. The financing will be provided to those countries with already high levels of debt, helping them avoid the need to go to external market to raise funds.
China's return to normality	Medium	Both Manufacturing (+5%) and Industrial (+3.9%) Production showed year on year increases in April – the first positive numbers since December 2019. Composite PMI showed a slight increase to 47.6 in April from 46.7 in March, driven by increases in the Services sector. Data published in early June points to continued increases to PMI figures in May.
Social Unrest	Low	Frustration surrounding lockdown measures, China's ideological annexation of Hong Kong and the BLM movement have resulted in mass protests across the world in May. The direct economic impact of these protests will be relatively low, but the indirect effects could be profound. These protests could define, Capitalist-Sino geopolitics, US Elections and a "second wave" of COVID-19 spread.



### Manager Engagements

Managers	Detail
PIMCO RAE	General market and portfolio update. North American Equity.
Invesco	General market and portfolio update.
Baillie Gifford	General market and portfolio update. Japanese Equity.

Managers	Detail
RWC	General market and portfolio update. Emerging Market Equity.
Man GLG	General market and portfolio update. High Yield Fund.

#### Disclaimer

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\* Past performance is not an indication of future performance.

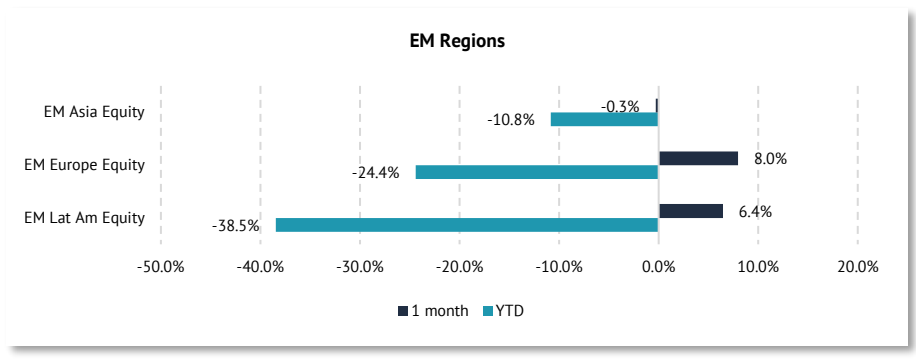
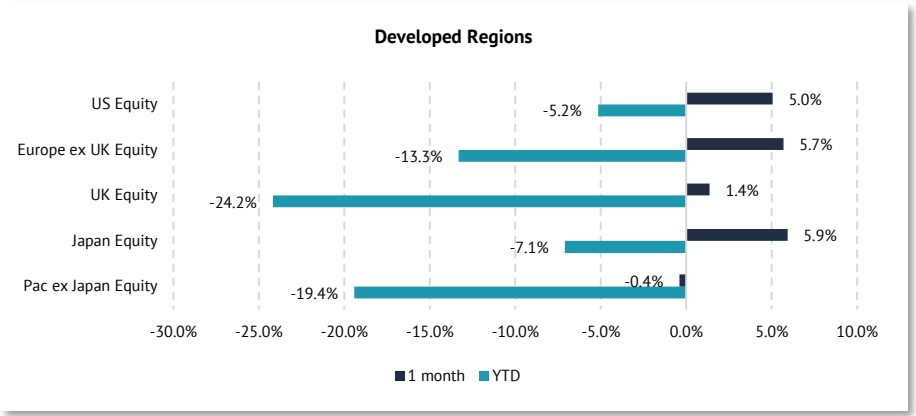
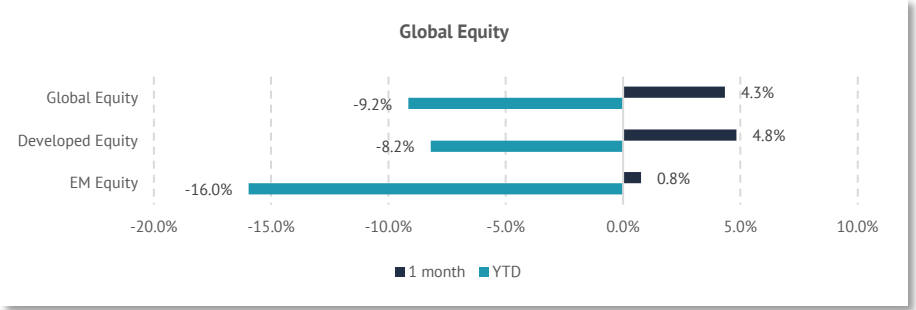


## April 2020 Global asset class details



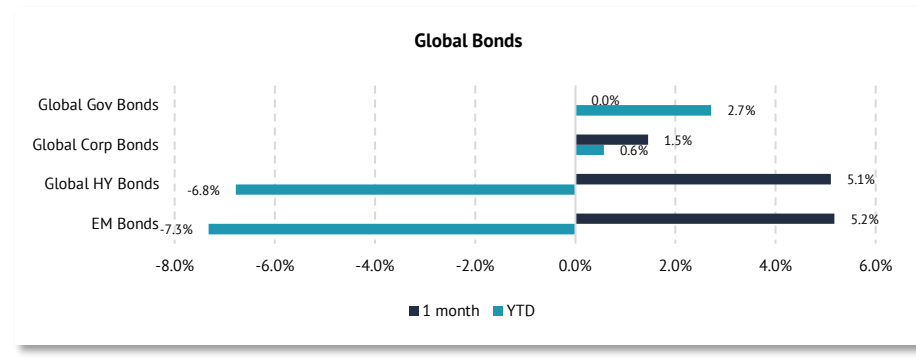
### Global Equity Markets

- Markets continued their upward trend during May as a number of developed market countries tentatively reopened their economies as infection rates continued to fall. News on medical advances against COVID-19, including positive preliminary results on a vaccine, further supported markets. The S&P 500 is now only 10% below its all-time high level from February this year. Market participants, however, remain wary of a re-emergence of volatility, which has been falling since the highs seen in March.
- Most asset classes continued their rise too, extending their sharp bounce of April post March's falls. Broad commodities fared particularly well as oil prices rose again through the month. Japanese and European (ex UK) equities were the top performing equity asset classes this month. Pacific ex Japan Equities and listed property were the most subdued listed assets.
- The main focus in Europe this month was the announcement by the European Commission of a 'Next Generation' €750bn aid package. This will involve grants of €500bn distributed to hardest hit EU members, with €250bn available as loans. Part of this will be to support transition to a greener and more digital economy.



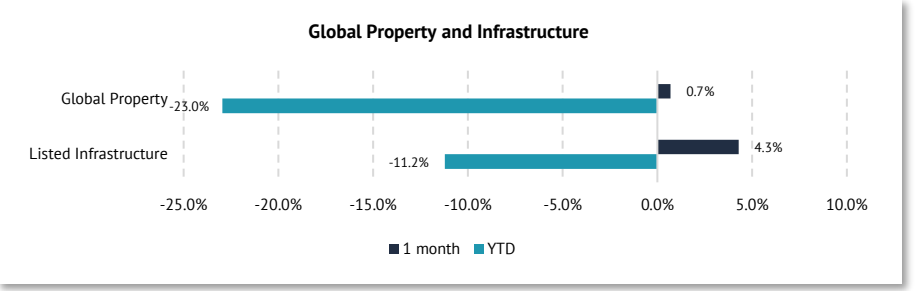
### Global Bond Markets

Credit exposure was well rewarded with EM bonds and High Yield the top performers, as some risk appetite returned to markets. Government bonds were the only negative returning asset class in GBP terms in May as rock-bottom global yields remained steady at their low levels.



### Real Assets

- Lockdown measures have stifled the recovery of Global Listed Property relative to other risk assets. Tenants are struggling to meet rental obligations due to general economic turmoil, but a lack of consumer footfall through brick & mortar stores is an added burden.
- Listed infrastructure, in contrast has demonstrated its more defensive nature. Infrastructure as an asset class addresses more fundamental human needs (e.g. water & electricity) and the associated revenue streams are typically long-term & contractual in nature.



### PMX Notice Board

Click [here](#) to access our "Insider's Guide to the Value of Advice" white paper – It explores insights from industry studies, a roadmap of skills and attributes that advisers agree 'add value' to their clients and of course, the survey results with thoughts from c. 200 financial advisers on how they articulate the value of their offering to clients.

An email titled "Change to PortfolioMetricx fee structure in domestic portfolios" was sent out on Friday morning. If you haven't already, please ensure you read it as it gives an important update on our fee structure. If you have any questions, feel free to contact us.

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