



South African Market

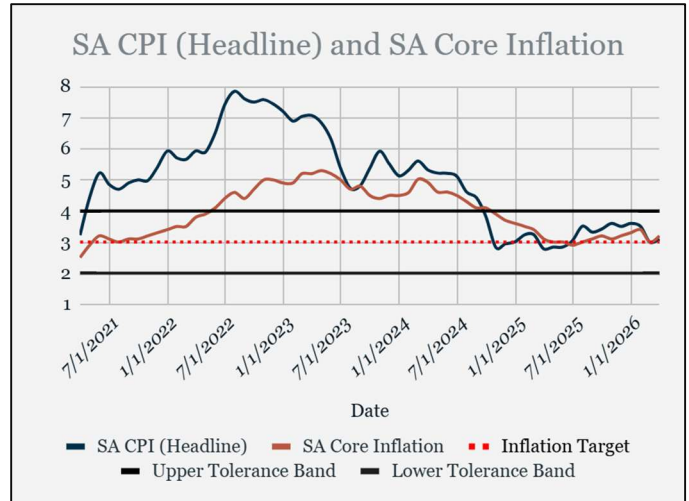
South African equities recovered in April, with the FTSE/JSE ALSI advancing 1.65% for the month, nudging the index back into positive territory for the year at 1.02% YTD. The result was a meaningful but modest recovery relative to the sharp global rebound, with the JSE lagging global peers as weakness in precious metal miners proved a significant headwind. Both gold miners and platinum miners fell, collectively shaving more than 1% off index performance as the gold price slipped for a second consecutive month. Diversified miners delivered solid gains, with counters such as Anglo American and BHP Group benefiting from a rebound in industrial metals, particularly copper. Financials also contributed positively, advancing 4.30% as sentiment improved on a more stable Rand and positive earnings trends. While global risk appetite improved significantly, local returns remained capped by precious-metal weakness and the absence of broad-based domestic growth momentum.

Headline consumer inflation edged higher to 3.1% y/y in April 2026, driven by firmer housing and utilities costs and a pickup in transport inflation. Food inflation eased slightly to 3.6%, while core inflation ticked up to 3.2%. April saw record breaking monthly hikes of R3.06/l for petrol and R7.37/l for diesel due to rising international oil prices and a weaker Rand on the back of the Middle East conflict. Transport inflation pressure is expected to intensify in the next month, as broader impacts are likely to filter through.

Asset Class Performance (ZAR):

As of 30 th April 2026	MTD	YTD	1 Year	3 Years*	5 Years*	10 Years*
Global Equity	7.47	8.09	18.68	16.47	13.83	14.38
Global Property	5.95	11.07	5.11	6.51	5.91	6.27
Global Bond	(1.11)	0.94	(9.33)	(1.37)	0.33	1.44
Global Cash	(2.14)	2.02	(6.51)	1.76	6.52	4.04
SA Equity	1.65	1.02	30.14	17.93	15.88	11.89
SA Property	5.40	0.21	26.04	22.94	16.57	3.91
SA Bond	3.27	(0.19)	22.21	15.95	12.47	10.55
SA Cash	0.53	2.15	6.97	7.68	6.53	6.31
ZAR/USD (negative = Rand strength)	(2.21)	0.92	(10.13)	(2.99)	2.89	1.62
Gold	(3.46)	5.89	19.27	21.48	19.47	11.72
Brent Crude Oil	(6.02)	88.83	62.12	9.40	14.31	10.80

*Returns more than 1 year are annualized.



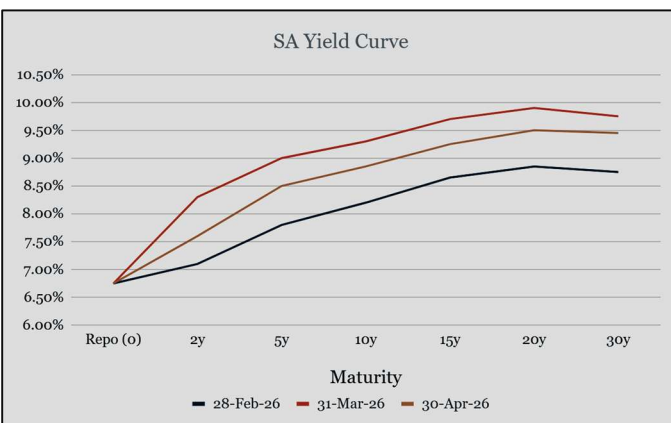
Source: Trading Economics

The South African Reserve Bank published its latest Monetary Policy Review in April, with no MPC meeting scheduled during the month. The Review reflected a clear shift in the policy outlook, as the oil shock and weaker rand have reduced the scope for near-term easing and raised the possibility that rates may need to move higher under more adverse inflation scenarios. Governor Kganyago also reinforced the Bank’s commitment to its 3% inflation target. The SARB’s baseline forecast now sees headline inflation rising toward 4% in the second quarter, led by fuel inflation of more than 18%, before gradually easing back to target by late 2027. The May MPC meeting will therefore be an important test of the Bank’s revised outlook and is likely to set a cautious tone for the remainder of 2026.

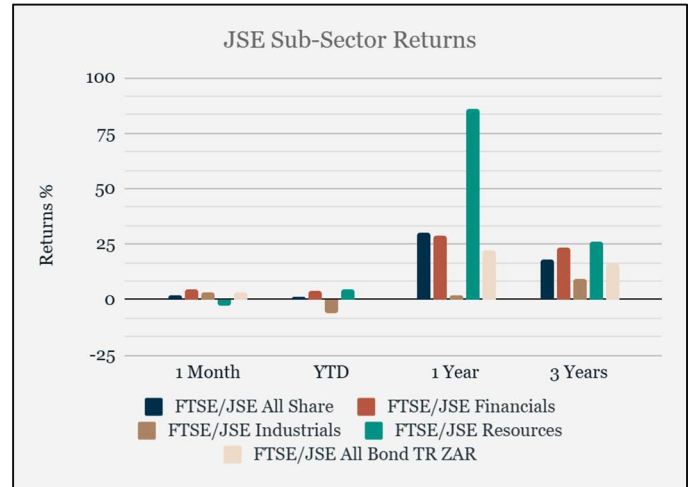


The Rand recovered in April, strengthening 2.21% against the US Dollar and leaving it marginally weaker year-to-date at (0.92%). The recovery was driven by the ceasefire announcement on 8 April, which triggered a reversal in the flight-to-safety flows that had dominated March, as well as broad Dollar weakness as global risk appetite improved. The Rand strengthened to around R16.33/USD in the days following the ceasefire before giving back some gains as talks stalled and oil prices moved higher, ending the month around R16.70/USD. Overall, the rand showed meaningful resilience relative to peers, supported by an improving fiscal trajectory, the government’s intact primary budget surplus and relatively high real yields, which continued to attract carry-trade interest. Whether this resilience proves durable, however, will depend on how the conflict evolves, a sustained de-escalation and pullback in global energy prices remain the key conditions for any meaningful further recovery in the currency.

South African bonds recovered in April, with the FTSE/JSE All Bond Index gaining 3.27% for the month, reducing the year-to-date loss to a marginal (0.19%). The rally was driven by a partial normalisation in yields following March’s sharp sell-off, with the 10-year government bond yield retreating from its spike above 9% toward approximately 8.9% by month-end. The recovery was supported by the ceasefire-driven improvement in risk sentiment, a more stable Rand and contained short-term inflation expectations. However, the local bond market remains sensitive to renewed oil-price pressure and any further shift in the SARB’s interest-rate outlook.



Source: Trading Economics, SARB



Source: Morningstar (Returns more than 1 year are annualized)

SA bonds also benefited from South Africa’s improving credit trajectory, with S&P Global indicating it was on track to maintain the country’s ratings and positive outlook at its end-May review. This has provided a supportive signal for foreign investors and reinforced confidence in the government’s fiscal consolidation path. Nevertheless, the recovery remains conditional on geopolitical developments and the inflation trajectory. Market pricing shifted sharply during the month, moving from expectations of rate cuts to the possibility of two rate hikes in 2026, while elevated carry continued to support the case for renewed foreign interest in SA fixed income. Ultimately, the durability of the April recovery will depend on how domestic inflation evolves as higher oil prices feed through in the months ahead.

South Africa’s growth outlook for 2026 remains clouded but resilient two months into the Iran conflict. Rising energy costs are likely to erode household real disposable income and weigh on discretionary spending, while heightened volatility and policy uncertainty may delay investment decisions. That said, if inflation expectations remain anchored and price pressures prove temporary, financial conditions could stabilise, allowing spending and investment to recover once inflation returns toward target and policy becomes more neutral. The medium-term monetary policy outlook remains uncertain amid fluid Middle East tensions, elevated stagflation risks and fragile global growth. While markets appear to expect the SARB to remain cautious at its May meeting, a sustained escalation in oil prices could still force the Bank’s hand.



Global equities rebounded sharply in April as risk appetite improved and markets looked past ongoing geopolitical uncertainty. The MSCI ACWI Index rose 10.15%, driven by a combination of the temporary US-Iran ceasefire, and a blowout first-quarter US earnings season that provided the fundamental anchor for the sustained rally. The S&P 500 gained 10.49%, its best month since 2020, and closed at a new all-time high, while the Nasdaq surged 15.31% as mega-cap technology shares once again led the market higher. Earnings were a key driver, with more than 60% of S&P 500 companies that had reported, beat expectations and aggregate earnings growth tracking at approximately 27% year-on-year. Emerging markets were the standout performers, rising 14.7% in USD terms. The speed of the recovery was also notable, with March's drawdown erased in just 11 trading days, underscoring how decisively markets refocused on corporate fundamentals and AI enthusiasm despite unresolved geopolitical risks.

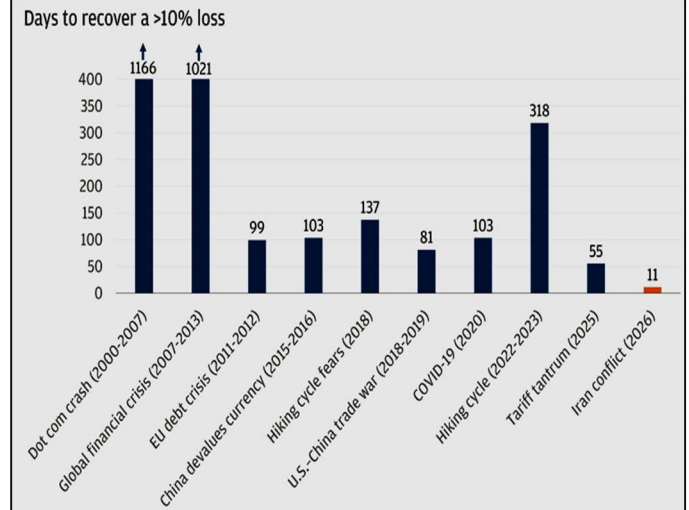
US headline inflation rose sharply to 3.3% y/y in April, up from 2.4% the previous month and the highest level since May 2024. The increase was driven primarily by higher energy costs as the Iran conflict fed through to gasoline and fuel prices, while core inflation rose more modestly to 2.6%. With oil prices remaining elevated through April and the full energy impact still to filter through, upcoming CPI prints are expected to show further pressure, raising questions around whether the shock remains temporary or begins to feed into wages and services inflation.

Asset Class Performance (USD):

As of 30 th April 2026	MTD	YTD	1 Year	3 Years*	5 Years*	10 Years*
Global Equity	10.15	7.24	32.23	20.04	10.67	12.52
Global Property	8.60	10.21	17.11	9.78	2.97	4.55
Global Bond	1.36	0.15	1.02	1.66	(2.46)	(0.21)
Global Cash	0.30	1.23	4.16	4.88	3.56	2.35
SA Equity	4.19	0.24	45.00	21.54	12.66	10.08
SA Property	8.04	(0.57)	40.43	26.70	13.33	2.23
SA Bond	5.85	(0.97)	36.16	19.51	9.34	8.76
SA Cash	3.05	1.35	19.18	10.99	3.57	4.58

ZAR/USD (negative = Dollar strength)	2.26	(0.92)	11.27	3.08	(2.81)	(1.59)
Gold	(1.05)	5.06	32.89	25.21	16.15	9.91
Brent Crude Oil	(3.67)	87.36	80.62	12.75	11.13	9.01

*Returns more than 1 year are annualized.



Source: Bloomberg Finance L.P

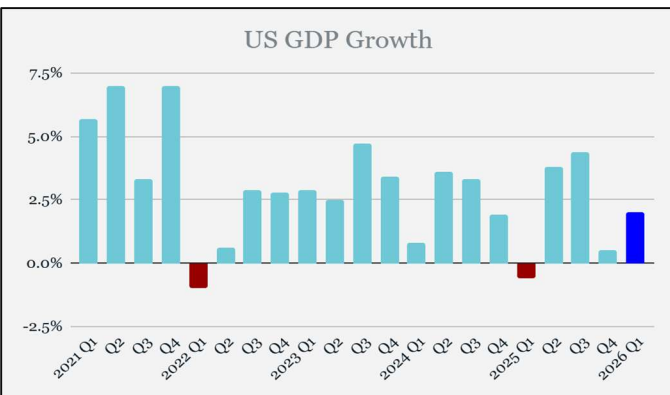
The Federal Reserve held the federal funds rate unchanged at 3.50%-3.75% at its April meeting, in line with market expectations. The decision came against a more uncertain backdrop, with the FOMC statement noting that inflation remains elevated and that developments in the Middle East have added uncertainty to the economic outlook. The meeting is also expected to be Chair Jerome Powell's final one before the end of his term, with nominated successor Kevin Warsh having advanced through the Senate Banking Committee. While policymakers remain divided, the Committee maintained a cautious tone and signalled little appetite to cut rates while inflation risks remain elevated. Markets have largely priced out rate cuts for the remainder of 2026, leaving the Fed with limited flexibility as it balances weaker growth risks against renewed inflation pressure.



Euro equity markets recovered in April, with the Euro Stoxx 50 gaining 5.60% as ceasefire optimism and resilient corporate earnings supported sentiment. Gains were partly capped, however, by ongoing energy-supply concerns and softer business-activity data, particularly in economies more exposed to higher energy costs. The ECB also held rates unchanged at its April meeting, maintaining a cautious, wait-and-see stance. Asian equity markets were among the strongest performers globally, as investors rotated back into the AI and semiconductor supply chain. Encouragingly, the rally broadened beyond a small group of large-cap names, signalling a more decisive shift back toward risk-on positioning in the region.

The US Dollar weakened in April, declining (1.91%) against a basket of major currencies as the temporary ceasefire reduced safe-haven demand and improved global risk appetite. The DXY retreated from its March highs, with dollar weakness providing a tailwind for emerging market currencies and equities. The Dollar regained some composure later in the month as ceasefire talks stalled and oil prices moved back above \$100/bbl, although the net monthly move remained negative as investors rotated back into risk assets.

Commodities were highly volatile in April, with oil markets reacting sharply to shifting geopolitical developments and the UAE's surprise decision to leave OPEC. The ceasefire announcement on 8 April triggered a steep fall in oil prices, before Brent recovered as the terms of the ceasefire proved unclear and tensions around the Strait of Hormuz remained elevated. Brent ultimately ended the month down (3.67%). Gold also softened, falling (1.05%) in USD terms, as the ceasefire-driven improvement in risk appetite outweighed safe-haven demand.



Source: Trading Economics



Source: Morningstar (Returns more than 1 year are annualized)

Global fixed income markets delivered mixed returns in April, with performance shaped by renewed inflation concerns following the rise in energy prices. Global government bonds gained 1.36% over the month, although performance was uneven as markets repriced the path of monetary policy, with rate-cut expectations pushed further out and, in some cases, replaced by the possibility of additional tightening. The US 10-year Treasury yield drifted higher through the month, ending near 4.4%, as the FOMC's cautious hold reinforced expectations that rates are unlikely to decline in the near term. Investment-grade credit performed better as spreads tightened, helping broader global bond indices. The key risk for global fixed income remains whether higher headline inflation feeds into core inflation, with bonds' traditional diversification benefit against equities reduced while both asset classes remain sensitive to the oil price trajectory.

US economic growth rebounded to an annualised rate of 2.0% in Q1 2026, a meaningful improvement from Q4 2025's 0.5%, but slightly below the 2.3% consensus estimate. The rebound was supported by stronger business investment, government spending and export growth, although the underlying picture was complicated by businesses front-running potential supply disruptions. This suggests that some of the strength may have reflected temporary inventory and trade effects rather than a broad-based acceleration in demand. The labour market remained resilient, with unemployment holding at 4.3%. However, the PCE price index rose to 4.5% annualised in Q1, reinforcing the stagflationary tension facing policymakers and leaving markets pricing little scope for rate cuts through 2026 and into 2027.



Historic Asset Class Performance Matrix

The performance matrix below shows returns (colour coded) for the 4 main indicative sources of return per asset class and separated for SA and Global. **All performance figures here shown in ZAR.** The performances show the one-year performance of each asset class up to the displayed date (X-axis) except for the column showing YTD returns up to 30th April 2026.

	YTD	4/2026	4/2025	4/2024	4/2023	4/2022	4/2021	4/2020	4/2019	4/2018	4/2017	4/2016	4/2015
Best	Global Property 11.1	SA Equity 30.1	SA Prop-erty 29.7	Global Equity 20.8	Global Equity 17.9	SA Equity 13.2	SA Prop-erty 40.3	Global Fixed Income 37.2	Global Property 28.8	SA Fixed Income 13.8	SA Fixed Income 10.5	Global Property 26.3	SA Prop-erty 38.3
	Global Equity 8.1	SA Prop-erty 26.0	SA Equity 24.6	SA Prop-erty 13.7	SA Equity 12.6	Global Property 13.0	SA Equity 36.4	Global Equity 20.7	Global Equity 20.2	SA Equity 11.4	Global Equity 9.5	Global Fixed Income 26.2	Global Property 26.2
	SA Cash 2.1	SA Fixed Income 22.2	SA Fixed Income 19.4	SA Cash 8.2	Global Fixed Income 11.7	SA Prop-erty 12.2	Global Equity 17.7	Global Property 7.2	Global Fixed Income 14.4	Global Equity 7.2	SA Cash 7.0	Global Equity 12.8	Global Equity 22.4
	SA Equity 1.0	Global Equity 18.7	Global Property 12.4	SA Fixed Income 6.8	SA Fixed Income 6.4	SA Fixed Income 8.4	SA Fixed Income 14.7	SA Cash 6.5	SA Cash 6.6	SA Cash 6.8	SA Equity 4.5	SA Prop-erty 6.6	SA Equity 14.8
	Global Fixed Income 0.9	SA Cash 7.0	Global Equity 10.2	Global Property 2.3	SA Cash 6.0	SA Cash 3.7	Global Property 7.8	SA Fixed Income 0.1	SA Fixed Income 5.0	SA Prop-erty -0.5	SA Prop-erty 0.0	SA Cash 6.1	SA Fixed Income 11.5
	SA Prop-erty 0.2	Global Property 5.1	SA Cash 7.9	SA Equity 1.1	SA Prop-erty 3.3	Global Equity 2.6	SA Cash 3.6	SA Equity -10.8	SA Equity 3.9	Global Fixed Income -2.1	Global Property -3.8	SA Fixed Income 1.7	Global Fixed Income 7.0
Worst	SA Fixed Income -0.2	Global Fixed Income -9.3	Global Fixed Income 7.1	Global Fixed Income -1.2	Global Property -2.4	Global Fixed Income -5.1	Global Fixed Income -18.7	SA Prop-erty -46.0	SA Prop-erty -9.6	Global Property -3.6	Global Fixed Income -9.1	SA Equity 0.2	SA Cash 5.6

Source: Morningstar Direct