



South African Markets

South African equities delivered a strong month, with the FTSE/JSE ALSI surging 4.65% in August, stringing together a second consecutive month of gains. The rally was highly concentrated in precious-metals producers, as a softer US Dollar and receding US rate-hike expectations lifted gold and platinum prices, with the Resources index gaining 26.42% and AngloGold Ashanti rising more than 40%. Beyond mining, most of the market struggled, with financials, industrials and listed property all declining, while a firmer Rand weighed on JSE-listed companies with predominantly offshore earnings, including Naspers. Domestically focused retailers also lagged as consumers remained under pressure. The narrow breadth of the rally highlighted the extent to which near-term JSE performance remains tied to movements in precious-metal prices.

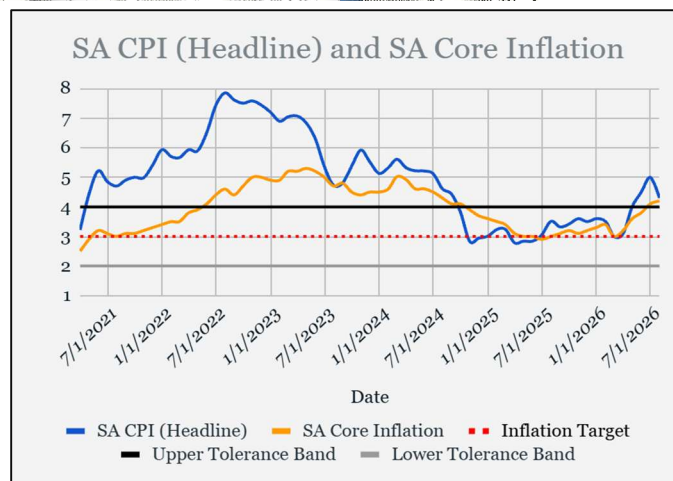
Headline inflation eased to 4.3% y/y in August, down from 5.0% in July and below market expectations, marking the first slowdown in five months. The improvement was supported by a decline in fuel prices, which helped transport inflation moderate. Food and non-alcoholic beverages did much of the work, with the annual rate falling to 0.9%, the lowest reading in more than 16 years. Core inflation, however, ticked higher to 4.2%, suggesting underlying price pressures remain sticky even as headline inflation retreats towards target.

Asset Class Performance (ZAR):

As of 31 st August 2026	MTD	YTD	1 Year	3 Years*	5 Years*	10 Years*
Global Equity	0.22	11.84	11.96	14.34	13.37	13.84
Global Property	(5.41)	8.44	1.67	4.75	3.64	4.92
Global Bond	(2.14)	(2.94)	(8.93)	(2.67)	(0.56)	0.49
Global Cash	(2.23)	(0.23)	(5.27)	(0.74)	6.10	3.41
SA Equity	4.65	2.76	18.42	20.04	15.94	12.06
SA Property	(3.81)	2.94	18.54	24.61	15.58	4.63
SA Bond	0.69	3.52	16.55	16.74	11.66	10.63
SA Cash	0.57	4.44	6.81	7.55	6.76	6.30
SA CPI	0.19	3.96	4.26	4.13	4.97	4.63

ZAR/USD (negative = Rand strength)	(2.53)	(2.66)	(8.51)	(5.19)	2.12	0.92
Gold	6.35	(3.14)	11.06	18.36	16.85	10.22
Brent Crude Oil	(2.14)	44.77	21.11	(3.90)	6.69	7.75

*Returns more than 1 year are annualized.



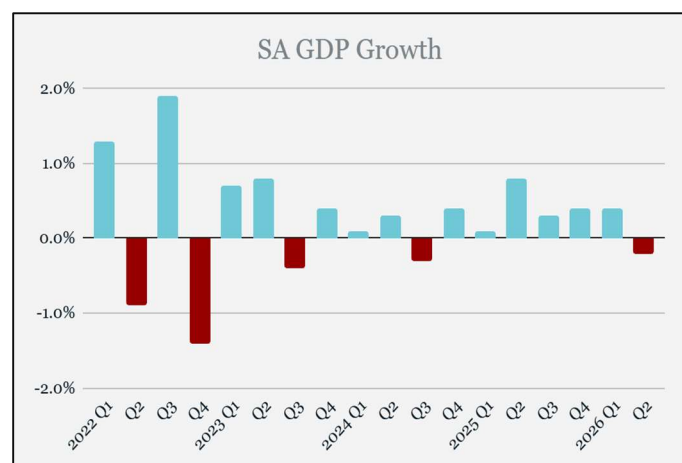
Source: Trading Economics

The South African Reserve Bank's Monetary Policy Committee did not meet in August, leaving the repo rate unchanged at 7% and the prime lending rate at 10.5%, following July's hold. The sharp moderation in headline inflation to 4.3% has strengthened the case for the SARB to remain on hold at its next meeting, while a weaker labour market provides further reason for caution. Unemployment rose to a four-year high of 33.6%, highlighting continued pressure on the domestic economy. However, core inflation's gradual move higher, and elevated global oil prices continue to pose upside risks to inflation. Attention now turns to the SARB's 23 September meeting, with markets still pricing a meaningful probability of a further 25 basis point hike. The SARB has nevertheless described the current policy stance as somewhat restrictive, giving it scope to wait for clearer evidence before moving rates again.

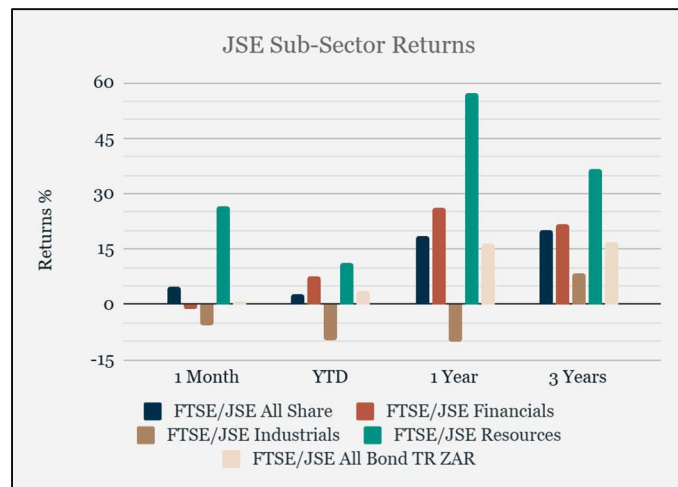


The Rand strengthened meaningfully in August, gaining 2.53% against the US Dollar to end the month near R16.17, after briefly touching R15.93, its strongest level since February. The rally was supported by broad-based US Dollar weakness and a sharp rise in precious-metal prices, with stronger gold and platinum improving South Africa's terms of trade. Foreign demand for local bonds also provided support, with sizeable inflows recorded early in the month. The Rand firmed against the Euro and Pound Sterling as well. Renewed Middle East tensions and Fed Chair Warsh's hawkish remarks tempered gains towards month-end, underscoring the currency's continued sensitivity to global risk appetite and US interest-rate expectations.

South African bonds delivered a modest but positive return in August, with the FTSE/JSE All Bond Index gaining 0.69%, extending its year-to-date return to 3.52%. Local yields were little changed overall, although the path was volatile, with the 10-year government bond yield falling to around 8.47% early in the month before ending near 8.75%. Renewed tensions near the Strait of Hormuz and Chair Warsh's Jackson Hole remarks later pushed yields higher, while the 20-year yield ended near 9.37%. Domestically, an improving fiscal outlook, supported by stronger tax revenues and continued primary budget surpluses, remained constructive for the sovereign credit story. South African bonds continue to offer attractive real yields relative to global peers, although the SARB's 23 September meeting and the prospect of further tightening remain key risks into year-end.



Source: Trading Economics



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

Adding to the constructive tone in the bond market, **foreign investors** turned net buyers of South African government bonds during August, purchasing a net R23.1 billion in the first week of the month alone, the largest weekly inflow since January. The renewed appetite reflects improving sentiment towards local assets, supported by the Rand's rally, easing inflation and South Africa's continued fiscal consolidation relative to developed-market peers grappling with rising bond yields and deficit concerns. The inflow provided a further underpin for domestic yields even as global fixed income came under pressure.

South Africa's growth outlook remains fragile after the economy contracted 0.2% in the second quarter, ending six consecutive quarters of expansion, while first-quarter growth was revised down to 0.4% from 0.5%. Mining, manufacturing and trade led the pullback, falling 3.0%, 1.8% and 1.9%, respectively, while a sharp rise in imports and weaker fixed investment also weighed on activity. Household spending and government consumption both increased modestly, providing some support, with economists still expecting full-year growth of around 1.2%-1.5%. The Absa Manufacturing PMI reinforced the weak industrial picture, falling to 45.8 in August from 46.8 in July, its lowest reading of the year. Encouragingly, manufacturers' expectations for business conditions six months ahead improved, suggesting some confidence that the current slowdown may prove temporary.

Global equity markets advanced in August, reversing July's rotation away from the AI trade amid resilient growth, with the MSCI ACWI rising 2.83% and taking its year-to-date gain to 14.88%. Strong second-quarter earnings, including another blockbuster Nvidia report, helped offset month-end volatility. The Nasdaq led major benchmarks higher, climbing 4.18%, as the AI trade broadened beyond chipmakers into software and infrastructure names, while the S&P 500 notched fresh record highs mid-month before easing into month-end. Sentiment turned more cautious late in the month, as a hawkish Jackson Hole address from Fed Chair Kevin Warsh, a bond market sell-off triggered by concerns over US debt surpassing \$40 trillion, and renewed Middle East tensions weighed on risk appetite. Emerging markets outperformed developed peers, gaining 3.40%, as a weaker US Dollar and a rebound in South Korean and Taiwanese chipmakers drove gains across the asset class.

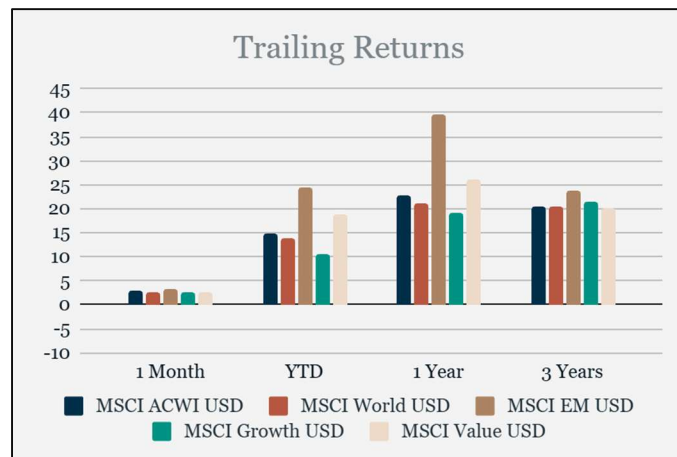
US headline inflation eased for a second consecutive month, slowing to 3.4% y/y in August from 3.5% in July, supported by a further decline in energy prices. Core inflation moderated to 2.5% from 2.6%. However, the Fed's preferred measure remained less encouraging, with headline PCE (Personal Consumption Expenditures) rising to 3.7% and core PCE holding at 3.3%. The divergence suggests that while some price pressures are easing, underlying inflation remains elevated and continues to limit the Fed's scope to ease monetary policy in the near term.

Asset Class Performance (USD):

As of 31 st August 2026	MTD	YTD	1 Year	3 Years*	5 Years*	10 Years*
Global Equity	2.83	14.88	22.81	20.62	10.92	12.80
Global Property	(2.94)	11.39	11.52	10.50	1.41	3.96
Global Bond	0.40	(0.30)	(0.11)	2.67	(2.70)	(0.43)
Global Cash	0.31	2.49	3.91	4.71	3.82	2.47
USA CPI	(0.01)	3.04	3.36	2.99	4.11	3.33
SA Equity	7.37	5.55	29.90	26.62	13.44	11.04
SA Property	(1.30)	5.74	30.02	31.45	13.08	3.67
SA Bond	3.31	6.34	27.84	23.15	9.25	9.62
SA Cash	3.19	7.28	17.16	13.45	4.45	5.33

ZAR/USD (negative = Dollar strength)	2.59	2.73	9.30	5.47	(2.08)	(0.91)
Gold	9.12	(0.50)	21.82	24.85	14.32	9.22
Brent Crude Oil	0.41	48.71	32.84	1.37	4.39	6.76

*Returns more than 1 year are annualized.



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

The Federal Reserve did not meet in August, leaving its benchmark rate unchanged at 3.50%-3.75%. Rate-hike expectations swung sharply during the month, falling after a weak July payrolls report before reversing higher following Chair Kevin Warsh's hawkish address at the Jackson Hole symposium on 28 August. Warsh reasserted the Fed's commitment to its 2% inflation target but again offered little clear forward guidance, reinforcing his preference for allowing incoming data to shape policy expectations. His remarks pushed Treasury yields higher, while concerns around the growing US debt burden and an announcement to expand longer-dated Treasury buybacks kept bond markets in focus. Markets ended August pricing in a meaningful probability of a further rate hike at the Fed's September meeting.



European equities lagged the broader global rally, with the Euro Stoxx 50 gaining 0.98% as rising energy prices and inflation concerns weighed on sentiment. Eurozone inflation increased to 2.9%, reinforcing expectations for a further ECB rate hike. Japan's Nikkei rebounded 3.12%, recovering part of July's sharp decline despite expectations of further Bank of Japan tightening. Chinese mainland equities also performed strongly, with the Shanghai Composite gaining around 4%, supported by measures aimed at bolstering growth. Hong Kong's Hang Seng, however, fell (1.08%) as property-sector weakness and concerns around domestic demand weighed on offshore Chinese shares.

The US Dollar weakened in August, with the DXY index falling (0.49%) amid renewed concerns over US fiscal sustainability and a Treasury announcement to expand long-bond buybacks. A weak July payrolls report added to the pressure early in the month, reducing expectations for a September rate hike. The Dollar did recover some ground later in the month, although not enough to reverse the broader decline. The weaker Dollar also provided some support to gold and other Dollar-denominated commodities.

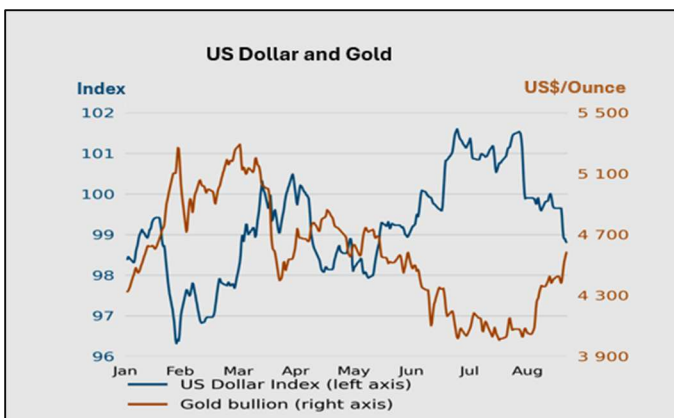
Commodities strengthened in August, led by a sharp rally in precious metals as a weaker Dollar and renewed concerns around US fiscal sustainability supported demand. Gold surged 9.12% in Dollar terms, briefly trading above \$4,600/oz before easing into month-end. Silver rallied even more sharply, gaining over 15%, while platinum advanced roughly 9% amid continued supply constraints. Brent crude edged up 0.41%, holding above \$90/bbl as renewed hostilities around the Strait of Hormuz kept supply risks elevated.



Source: Bloomberg

Global fixed income remained volatile in August as sovereign bond markets grappled with persistent inflation, heavy issuance and renewed fiscal concerns. US Treasury yields finished close to where they started, although the 30-year yield briefly rose above 5.3%, its highest since 2007, before the Treasury's decision to expand long-bond buybacks provided temporary relief. Chair Warsh's hawkish Jackson Hole remarks later pushed shorter-dated yields higher and flattened the curve. Pressure was more pronounced elsewhere, with Germany's 10-year Bund yield rising to 3.32%, its highest since 2011, while Japan's 10-year yield approached 3.0% for the first time since 1996 amid expectations of further Bank of Japan tightening. Credit markets proved more resilient, with high-yield spreads tightening as improved risk appetite offset volatility in government bonds.

US economic growth was confirmed at a moderate pace in the second quarter, with the second estimate of annualised GDP growth unrevised at 1.5%, down from 2.1% in the first quarter. The picture into the third quarter was more mixed, with July payrolls falling by 23,000 against expectations for an 80,000 gain, while retail sales declined 0.6%, their first drop in nine months, as consumers pulled back on spending. Business activity was more encouraging, with the composite PMI climbing to an over four-year high of 56.0, driven by stronger services activity even as manufacturing growth moderated. Overall, the data point to firmer underlying momentum entering the third quarter, although softer hiring and consumer spending suggest the outlook remains uneven.



Source: Bloomberg, LSEG



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 31st August 2026.

Best	Global Equity 11.8	SA Prop-erty 18.5	SA Equity 25.8	SA Prop-erty 38.2	Global Equity 26.4	Global Cash 18.5	SA Prop-erty 51.0	Global Equity 29.4	Global Property 13.6	Global Equity 26.6	SA Fixed Income 10.2	Global Property 35.1	SA Prop-erty 27.5
	Global Property 8.4	SA Equity 18.4	SA Prop-erty 18.1	SA Fixed Income 18.6	Global Cash 16.1	SA Equity 4.6	SA Equity 25.2	Global Fixed Income 16.9	Global Fixed Income 11.7	Global Property 20.8	SA Equity 10.2	Global Fixed Income 22.7	Global Cash 24.9
	SA Cash 4.4	SA Fixed Income 16.5	Global Equity 15.7	SA Equity 16.1	SA Equity 15.8	SA Cash 4.1	Global Property 16.3	Global Cash 12.6	SA Fixed Income 11.2	Global Cash 14.5	SA Prop-erty 9.4	Global Equity 19.8	Global Property 21.8
	SA Fixed Income 3.5	Global Equity 12.0	SA Fixed Income 15.1	Global Equity 15.4	SA Prop-erty 10.3	SA Fixed Income 1.5	SA Fixed Income 14.8	SA Cash 5.5	SA Cash 6.6	Global Fixed Income 11.0	SA Cash 7.0	Global Cash 11.3	Global Equity 17.7
	SA Prop-erty 2.9	SA Cash 6.8	SA Cash 7.6	Global Property 11.5	Global Fixed Income 9.9	Global Equity -0.9	Global Equity 11.7	SA Fixed Income 4.2	Global Cash 6.0	SA Fixed Income 8.0	Global Equity 4.0	SA Equity 8.6	Global Fixed Income 14.2
	SA Equity 2.8	Global Property 1.7	Global Cash 4.3	SA Cash 8.2	SA Fixed Income 7.5	Global Property -1.8	SA Cash 3.5	SA Equity 3.9	Global Equity 2.6	SA Equity 6.9	Global Cash -11.0	SA Cash 6.5	SA Cash 5.7
	Global Cash -0.2	Global Cash -5.3	Global Fixed Income 2.1	Global Fixed Income -0.8	SA Cash 7.1	SA Prop-erty -3.4	Global Fixed Income -14.6	Global Property -2.8	SA Equity -2.6	SA Cash 6.6	Global Fixed Income -12.8	SA Fixed Income 4.5	SA Fixed Income 5.4
Worst	Global Fixed Income -2.9	Global Fixed Income -8.9	Global Property 1.4	Global Cash -1.0	Global Property 5.9	Global Fixed Income -4.1	Global Cash -14.6	SA Prop-erty -44.3	SA Prop-erty -5.5	SA Prop-erty -12.4	Global Property -12.9	SA Prop-erty 3.5	SA Equity 1.1
	YTD	8/2026	8/2025	8/2024	8/2023	8/2022	8/2021	8/2020	8/2019	8/2018	8/2017	8/2016	8/2015

Source: Morningstar Direct