



THE INVESTMENT ENVIRONMENT

The Global Economy

In the April 2026 IMF World Economic Outlook, global growth is projected at 3.1% in 2026 and 3.2% in 2027, slowing due to the Middle East war disrupting markets and raising inflation to 4.4% before easing. Effects are uneven, with emerging economies hit hardest. Risks are skewed downward, especially if energy shocks worsen, which could sharply reduce growth and raise inflation. Key threats include geopolitical tensions, trade conflicts, and financial instability. Upside potential comes from AI-driven productivity. Policymakers should prioritize inflation control, fiscal sustainability, financial resilience, and international cooperation to navigate uncertainty.

Global Equity Markets

Global financial markets delivered strong equity-led gains in May driven by AI concentration and resilient US momentum. The FTSE All-World Index (USD) increased strongly by 5.6% during the month, ending the month at another 12-month high, while growing by 30.5% over the past 12 months.

South African Financial Markets

In South Africa, the JSE All Share Index declined marginally by -0.3% during the month, ending -11.4% below its 12-month high while gaining a strong 25.8% over the past 12 months. During the month, the JSE Industrial-25 Index decreased by -0.9%, the JSE Resources-10 Index fell by a further -1.4%, and the JSE Financial-15 Index increased by a further 1.1%. The ZAR strengthened by 2.8% against the USD, the SA Government Bond Index increased by 3.0% and the JSE SA Property Index grew 0.6%.

PORTFOLIO PERFORMANCE

Investment Portfolios

Portfolios continue to perform well, exceeding the performance of their benchmark by 0.63% over the past month and 1.20% over the past twelve months. Portfolios continue to see the advantage of broad diversification across multiple risk factor exposures and diverse sources of portfolio return. Market risk exposures remain balanced to reduce the risk of capital loss. Portfolios will continue to be cautiously re-positioned into attractively priced high-quality assets to achieve strong long-term returns.

During May, TSB Active Growth Portfolios continued to recover, increasing by a further 0.46% with 95% of portfolios performing within a range between 0.21% and 0.71%.

It is important to understand that this is in line with expectations during stress conditions in global financial markets. It is not a specific concern, and portfolios can be expected to continue to recover from current levels.

Noting that portfolio performance is very cyclical in the short term, over the past 12 months, portfolios increased by a strong 27.59%, having achieved a net annualized average growth rate of 16.41% per year over the past three years and 12.86% over the past five years (equivalent to total growth of 83.12%), and 10.40% since inception on 30 June 2011*. This can be compared with the annualized average inflation rate of 5.00% over the same period, and risk as measured by the annualized monthly return volatility of 13.56%, equivalent to the level of volatility of the FTSE JSE All Share Index.

Net Indexed performance since 30 June 2011



Source: TSB Securities

Strategically, TSB Active Growth Portfolios are well positioned, and the objective remains to add incremental value over time. However, uncertainty in the investment environment and the high level of financial market volatility can be expected to persist therefore, it is necessary for investors to remain disciplined and not overreact to short-term market movements.

Ian Katz
Chief Investment Officer

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2011	-	-	-	-	-	-	-1.04	-1.50	-0.34	6.17	0.86	-1.32	2.65
2012	4.81	1.76	-0.24	2.97	-5.64	1.52	1.05	3.25	1.70	4.26	2.66	2.37	22.02
2013	4.88	-1.62	1.52	-2.97	10.96	-6.43	4.79	3.58	4.08	2.97	-1.45	3.75	25.51
2014	-2.72	4.33	1.31	2.35	1.69	2.21	2.10	-0.80	-1.54	0.68	-1.06	0.39	9.08
2015	1.47	4.49	-1.78	5.03	-3.57	-0.99	0.26	-4.63	0.11	7.56	-4.89	-0.58	1.67
2016	-3.47	-1.93	3.70	1.83	2.51	-2.76	-1.58	1.31	-1.69	-3.17	0.55	-0.33	-5.21
2017	3.75	-3.59	4.03	3.96	-0.01	-3.37	7.46	1.63	0.60	6.15	0.09	-1.22	20.52
2018	-1.47	-3.89	-4.30	6.57	-2.56	5.61	-1.33	2.81	-4.07	-5.80	-2.15	2.47	-8.65
2019	1.18	1.61	4.20	4.53	-4.51	4.20	-1.01	-1.24	0.54	-0.01	-1.89	0.42	7.89
2020	0.55	-9.37	-8.28	7.71	1.33	5.59	1.50	-0.41	-0.52	-2.82	9.69	2.95	6.30
2021	5.58	5.69	0.39	-0.08	2.28	-3.09	4.17	-4.24	-3.63	5.36	5.16	4.82	23.88
2022	0.20	2.12	-0.10	-5.00	-0.02	-5.01	3.51	-2.71	-4.41	1.69	16.61	-3.05	2.07
2023	9.95	-1.98	-1.79	2.89	-3.49	4.05	0.75	-5.24	-3.20	-3.29	8.17	0.18	5.90
2024	-4.16	-1.67	3.91	6.18	0.89	1.24	1.30	1.82	3.64	-2.41	-3.00	-0.50	6.95
2025	3.40	1.68	2.72	3.42	2.72	1.76	1.48	4.53	5.97	1.96	1.05	5.90	43.18
2026	3.54	9.34	-12.13	2.30	0.46								2.24

* 95% Confidence Interval range of portfolio Returns for portfolios that exceed a value of R100 000