



#### THE INVESTMENT ENVIRONMENT

*The July 2024 IMF World Economic Outlook Update suggests that the world economy will continue growing at 3.2% in 2024 and 3.3% in 2025. However, varied momentum in activity at the turn of the year has somewhat narrowed the output divergence across economies as cyclical factors wane and activity becomes better aligned with its potential. Services price inflation is holding up progress on disinflation, which is complicating monetary policy normalization. Upside risks to inflation have thus increased, raising the prospect of higher-for-even-longer interest rates, in the context of escalating trade tensions and increased policy uncertainty.*

*Global financial conditions remain accommodative. Although longer-term yields have generally drifted upward, in tandem with the repricing of policy paths, buoyant corporate valuations have kept financial conditions accommodative. The increase in yields is likely to put pressure on fiscal discipline, however, which in some countries is already strained by the inability to rein in spending or raise taxes.*

#### Global Equity Markets

During September, global equity markets continued to increase moderately. The FTSE All-World Index (USD) increased by a further 2.0% during the month, ending at a new 12-month high, while growing by 29.7% over the past 12 months.

#### South African Financial Markets

In South Africa, the JSE All Share Index increased by a further 4.0% during the month, ending 1.4% below its 12-month high while growing moderately by 23.9% over the past 12 months. During the month, the JSE Industrial-25 Index increased by 5.4%, the JSE Resources-10 Index grew by 3.7%, and the JSE Financial-15 Index increased by a further 2.5%. The ZAR strengthened by 3.2% against the USD, the SA Government Bond Index gained 3.8% and the JSE SA Property Index increased by 5.0%.

#### Investment Portfolios

Portfolio performance continued to benefit from portfolios being repositioned during July, outperforming their benchmark by a further 0.2% during September.

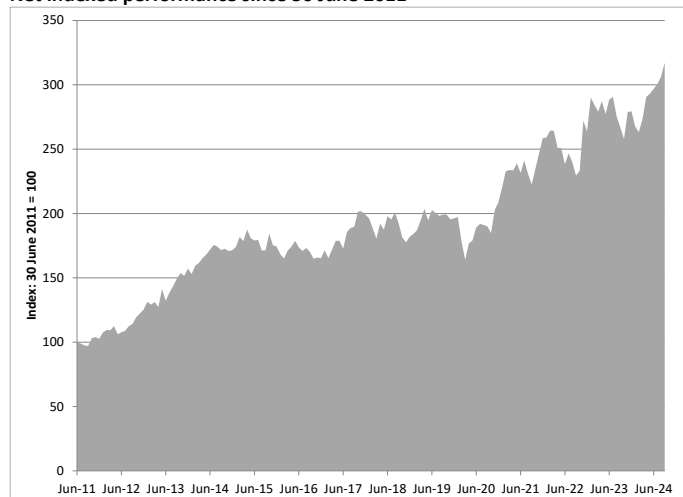
Portfolios continue to see the advantage of broad diversification across multiple risk factor exposures and diverse sources of portfolio return. Market risk exposures remain balanced to reduce the risk of capital loss. Portfolios will continue to be cautiously re-positioned into attractively priced high-quality assets to achieve strong long-term returns.

#### PORTFOLIO PERFORMANCE

During September, TSB Active Growth Portfolios increased moderately by 3.64% with 95% of portfolios performing within a range between 3.12% and 4.16%.

Noting that portfolio performance is very cyclical in the short term, over the past 12 months, portfolios performed much in line with expectations, increasing moderately by 19.00%, having achieved a net annualized average growth rate of 13.65% over the past four years, and 9.10% per year, since inception on 30 June 2011\*. This can be compared with the annualized average inflation rate of 5.17% over the same period.

#### 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
<b>2011</b>	-	-	-	-	-	-	-1.04	-1.50	-0.34	6.17	0.86	-1.32	<b>2.65</b>
<b>2012</b>	4.81	1.76	-0.24	2.97	-5.64	1.52	1.05	3.25	1.70	4.26	2.66	2.37	<b>22.02</b>
<b>2013</b>	4.88	-1.62	1.52	-2.97	10.96	-6.43	4.79	3.58	4.08	2.97	-1.45	3.75	<b>25.51</b>
<b>2014</b>	-2.72	4.33	1.31	2.35	1.69	2.21	2.10	-0.80	-1.54	0.68	-1.06	0.39	<b>9.08</b>
<b>2015</b>	1.47	4.49	-1.78	5.03	-3.57	-0.99	0.26	-4.63	0.11	7.56	-4.89	-0.58	<b>1.67</b>
<b>2016</b>	-3.47	-1.93	3.70	1.83	2.51	-2.76	-1.58	1.31	-1.69	-3.17	0.55	-0.33	<b>-5.21</b>
<b>2017</b>	3.75	-3.59	4.03	3.96	-0.01	-3.37	7.46	1.63	0.60	6.15	0.09	-1.22	<b>20.52</b>
<b>2018</b>	-1.47	-3.89	-4.30	6.57	-2.56	5.61	-1.33	2.81	-4.07	-5.80	-2.15	2.47	<b>-8.65</b>
<b>2019</b>	1.18	1.61	4.20	4.53	-4.51	4.20	-1.01	-1.24	0.54	-0.01	-1.89	0.42	<b>7.89</b>
<b>2020</b>	0.55	-9.37	-8.28	7.71	1.33	5.59	1.50	-0.41	-0.52	-2.82	9.69	2.95	<b>6.30</b>
<b>2021</b>	5.58	5.69	0.39	-0.08	2.28	-3.09	4.17	-4.24	-3.63	5.36	5.16	4.82	<b>23.88</b>
<b>2022</b>	0.20	2.12	-0.10	-5.00	-0.02	-5.01	3.51	-2.71	-4.41	1.69	16.61	-3.05	<b>2.07</b>
<b>2023</b>	9.95	-1.98	-1.79	2.89	-3.49	4.05	0.75	-5.24	-3.20	-3.29	8.17	0.18	<b>5.90</b>
<b>2024</b>	-4.16	-1.67	3.91	6.18	0.89	1.24	1.30	1.82	3.64				<b>13.55</b>

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