



### 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 1.88% during the past month. 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 Shariah General Equity Portfolios continued to recover, increasing by a further 1.45%. However, 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 23.66%, having grown by a net annualized average rate of 10.91% over the past three years and 7.65% over the past five years (equivalent to total growth of 44.56%), and 3.08% per year, since inception on 31 January 2014\*.

This can be compared with the annualized average inflation rate of 4.90% over the same period, and risk as measured by the annualized monthly return volatility of 12.00%, equivalent to only 61% of the level of volatility of the FTSE-JSE Shariah All Share Index.

Net Indexed Performance Since 31 January 2014



Source: TSB Securities

Strategically, TSB Shariah General Equity 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>2014</b>	-	3.74	1.28	2.05	0.36	2.67	2.82	-1.85	-1.06	-2.33	-1.10	-2.34	<b>4.06</b>
<b>2015</b>	1.05	6.25	-2.63	3.02	-6.06	-1.47	-0.19	-1.69	-2.42	3.84	-7.95	-3.64	<b>-12.09</b>
<b>2016</b>	-4.20	-0.27	9.48	4.00	-3.85	1.89	1.35	-1.65	1.77	-1.90	-1.18	3.24	<b>8.20</b>
<b>2017</b>	-0.06	-2.07	0.33	-0.05	-1.71	3.03	2.69	0.36	-3.54	1.41	-0.72	5.98	<b>-0.78</b>
<b>2018</b>	-0.01	-1.74	-1.76	5.11	-5.40	-1.42	-0.05	0.15	-3.72	-3.75	-2.86	4.04	<b>-11.30</b>
<b>2019</b>	1.24	1.43	1.33	3.20	-4.31	3.41	-2.50	-3.16	0.51	2.83	0.14	0.75	<b>4.62</b>
<b>2020</b>	-1.58	-8.07	-10.94	7.93	2.28	1.70	2.54	-0.20	-2.18	-6.24	8.59	4.17	<b>-3.95</b>
<b>2021</b>	3.23	4.36	1.69	2.09	2.68	-2.23	5.31	0.22	-2.76	2.10	0.90	3.31	<b>22.64</b>
<b>2022</b>	1.38	4.35	1.04	-2.40	-1.27	-6.39	2.66	-1.49	-2.26	4.34	4.49	-1.71	<b>2.12</b>
<b>2023</b>	2.91	-2.78	-1.92	2.86	-3.74	0.25	2.00	-2.92	-1.30	-2.18	4.67	6.74	<b>4.05</b>
<b>2024</b>	-6.64	0.99	3.39	2.05	2.18	0.48	2.27	-0.62	-0.93	-3.20	-3.60	-1.84	<b>-5.80</b>
<b>2025</b>	4.93	-2.23	2.43	2.69	1.34	-0.44	0.59	5.97	3.29	2.38	-0.83	2.02	<b>24.16</b>
<b>2026</b>	5.81	6.98	-7.55	2.59	1.45								<b>8.92</b>

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