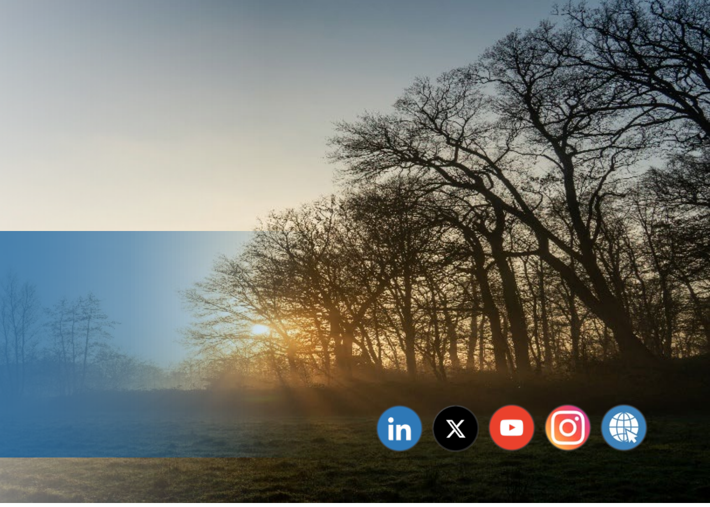


seed investments

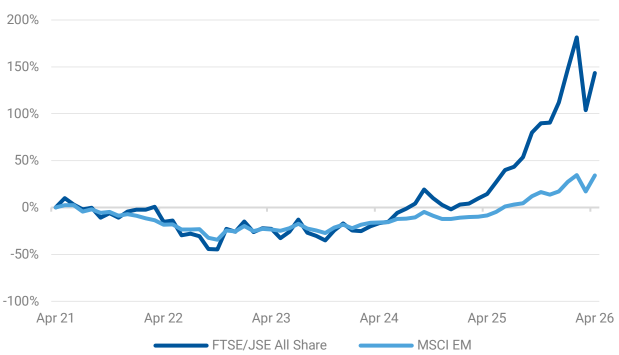
Investor Market Overview

April 2026

Market Commentary

- South African equities clawed back some lost ground in April, with the FTSE/JSE All Share Index rising 1.6% over the month and returning to positive territory for the year at 1.0% year-to-date.
- South Africa's 10-year government bond yield eased to 8.9% by month-end. The decline in yield supported a strong rebound in bonds, with the FTSE/JSE All Bond Index delivering a monthly return of 3.3% following a difficult March.
- The latest South African inflation print for March came in at 3.1% year-on-year, broadly in line with expectations and close to the SARB's revised 3% target.
- However, recent energy price shocks have renewed inflationary pressures, with higher fuel prices driven by elevated crude oil prices expected to place further strain on consumers and inflation expectations. As a result, the South African Reserve Bank could potentially be pushed back towards a rate-hiking stance.
- The rand strengthened 1.7% against the US dollar during the month. The US dollar lost momentum in April, as concerns around the US fiscal and policy outlook overshadowed its traditional safe-haven appeal.
- Global equities delivered a strong rebound in April, with the MSCI ACWI rallying 10.2% in USD terms. The recovery also pushed the benchmark back into positive territory for the year at 6.6%.
- The rebound in developed market equities, which saw the MSCI World gain 9.6%, was led by the US up 10.5%, followed by the Eurozone up 8.3% and the UK up 5.4%. Investor sentiment improved sharply following the US announcement on 7 April of a two-week ceasefire with Iran. Stronger than expected US corporate earnings then helped sustain the rally.
- Emerging market equities also started the second quarter on a strong footing, with the MSCI EM advancing 14.7%, supported in part by a weaker US dollar. While domestic equities have marginally underperformed EM equities in USD terms over the last 12 months, they have outperformed over longer time periods (See chart below).
- The US Federal Reserve kept its benchmark interest rate unchanged at 3.5–3.75% at its April meeting. The decision was far from unified, with only eight of the twelve voting members backing the hold, reflecting a divided central bank on where policy goes next. The meeting was also Jerome Powell's last as Fed Chair.

SA Equities vs EM Peers (in USD)

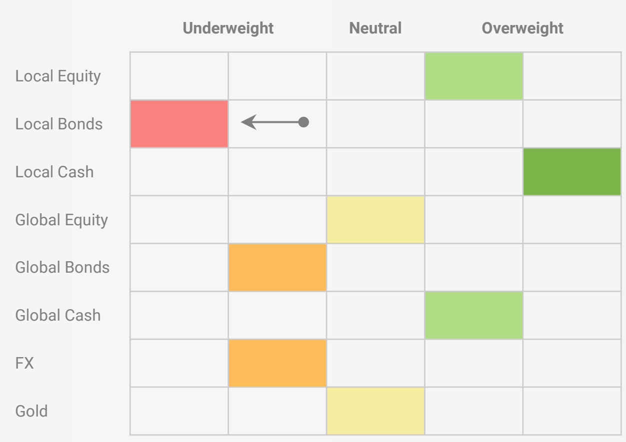


Source: Morningstar

Asset Class Returns (ZAR)

MTD	YTD	1 Year	3 Years	5 Years	10 Years
Global Equity 7.5%	Global Equity 7.5%	Local Equity 30.1%	Local Equity 17.9%	Local Equity 15.9%	Global Equity 14.1%
Local Bonds 3.3%	Local Cash 2.1%	Local Bonds 22.2%	Global Equity 16.3%	Global Equity 13.8%	Local Equity 11.9%
Local Equity 1.6%	Global Cash 2.0%	Global Equity 17.6%	Local Bonds 15.9%	Local Bonds 12.5%	Local Bonds 10.6%
Local Cash 0.5%	Local Equity 1.0%	Local Cash 7.0%	Local Cash 7.7%	Global Cash 6.6%	Local Cash 6.3%
Global Bonds -1.2%	Global Bonds 0.9%	Global Cash -6.5%	Global Cash 1.8%	Local Cash 6.5%	Global Cash 4.1%
Global Cash -2.1%	Local Bonds -0.2%	Global Bonds -8.0%	Global Bonds -0.2%	Global Bonds 1.3%	Global Bonds 2.2%

Source: Morningstar (30 April 2026)



Asset Class Views

We have maintained our local equity ranking at slightly overweight. This is supported by peer positioning with peers running materially higher local equity exposure alongside constructive signals across SA equities, emerging markets and the rand. On local bonds, we have downgraded our ranking to double underweight. While the March sell-off created an opportunity to add exposure at more attractive yields, bond yields have since moved back below 9%, reducing the relative attractiveness of the asset class.

On the global side, we are holding a neutral position in global equities. With the Middle East conflict still unresolved, we are not comfortable taking a strong view in either direction until there is greater clarity.

Cash continues to earn its place in portfolios. The interest rate outlook has shifted significantly. Rather than the rate cuts markets were expecting for South Africa earlier this year, rate hikes are now being priced in. With cash still delivering a real return of around over 3.5% above inflation, it remains a sensible defensive holding while uncertainty persists.

Seed Funds > **Investor Insights >**