



### THE INVESTMENT ENVIRONMENT

*The January 2024 IMF World Economic Outlook Update suggests that the risks to global growth are broadly balanced, and a soft landing is a possibility. Global growth is projected at 3.1% in 2024 and 3.2% in 2025. However, the forecast for 2024–25 is below the historical (2000–19) average of 3.8%, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is falling faster than expected in most regions, amid unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8% in 2024 and to 4.4% in 2025. With disinflation and steady growth, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. On the upside, faster disinflation could lead to further easing of financial conditions. Looser fiscal policy than necessary, and than assumed in the projections, could imply temporarily higher growth, but at the risk of a more costly adjustment later on. Stronger structural reform momentum could bolster productivity with positive cross-border spillovers. On the downside, new commodity price spikes from geopolitical shocks—including continued attacks in the Red Sea—and supply disruptions or more persistent underlying inflation could prolong tight monetary conditions. Deepening property sector woes in China or, elsewhere, a disruptive turn to tax hikes and spending cuts could also cause growth disappointments.*

#### Global Equity Markets

During March, global equity markets saw further moderate growth. The FTSE All-World Index (USD) increased by another 3.2% during the month, ending at a 12-month high, while growing by 22.5% over the past 12 months.

#### South African Financial Markets

In South Africa, the JSE All Share Index increased by 3.2% during the month, ending -6.2% below its 12-month high while growing moderately by 1.5% over the past 12 months. During the month, the JSE Industrial-25 Index increased by 2.9%, the JSE Resources-10 Index increased by a massive 15.4%, and the JSE Financial-15 Index declined by -3.5%. The ZAR strengthened by 2.6% against the USD, the SA Government Bond Index fell -1.9% and the JSE SA Property Index decreased by -1.0%.

#### Investment Portfolios

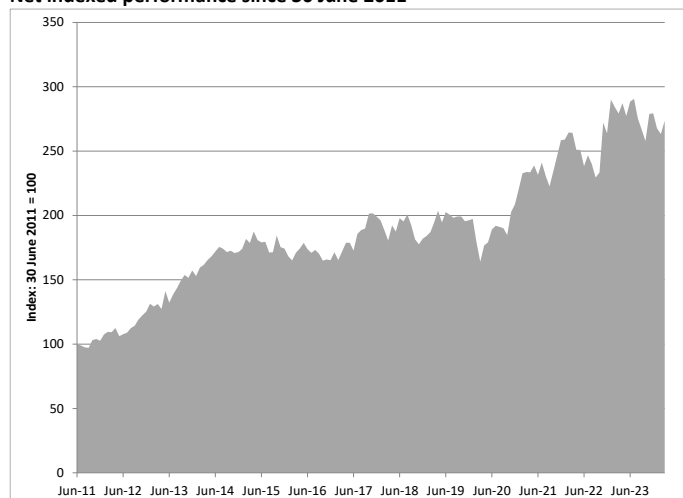
Portfolios recovered with the market during March, while outperforming their benchmark by 0.26% during the month, and continue to see the advantage of broad diversification across multiple risk factor exposures and diverse sources of portfolio return. Market risk exposures remain balanced to reduce the 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 March, Active Growth Portfolios increased moderately by 3.91% with 95% of portfolios performing within a range between 3.69% and 4.14%.

Noting that portfolio performance is very cyclical in the short term, over the past 12 months, portfolios performed much in line with expectations, declining moderately by -2.00%, having achieved a net annualized average growth rate of 7.02% over the past five years, and 8.21% per year, since inception on 30 June 2011\*. This can be compared with the annualized average inflation rate of 5.23% over the same period.

#### Net indexed performance since 30 June 2011



Source: TSB Securities

Strategically, portfolios are well positioned, and the objective remains to add incremental value over time. While seeking opportunities to increase investment performance, risk management will always remain the priority, specifically seeing through this period of elevated market volatility. It is necessary for investors to remain disciplined and not overreact to short-term market movements. We expect both the high level of uncertainty in the investment environment and the high level of financial market volatility to persist. It follows that we will continue to closely monitor portfolio positioning and risk exposures.

#### 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										-2.06

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