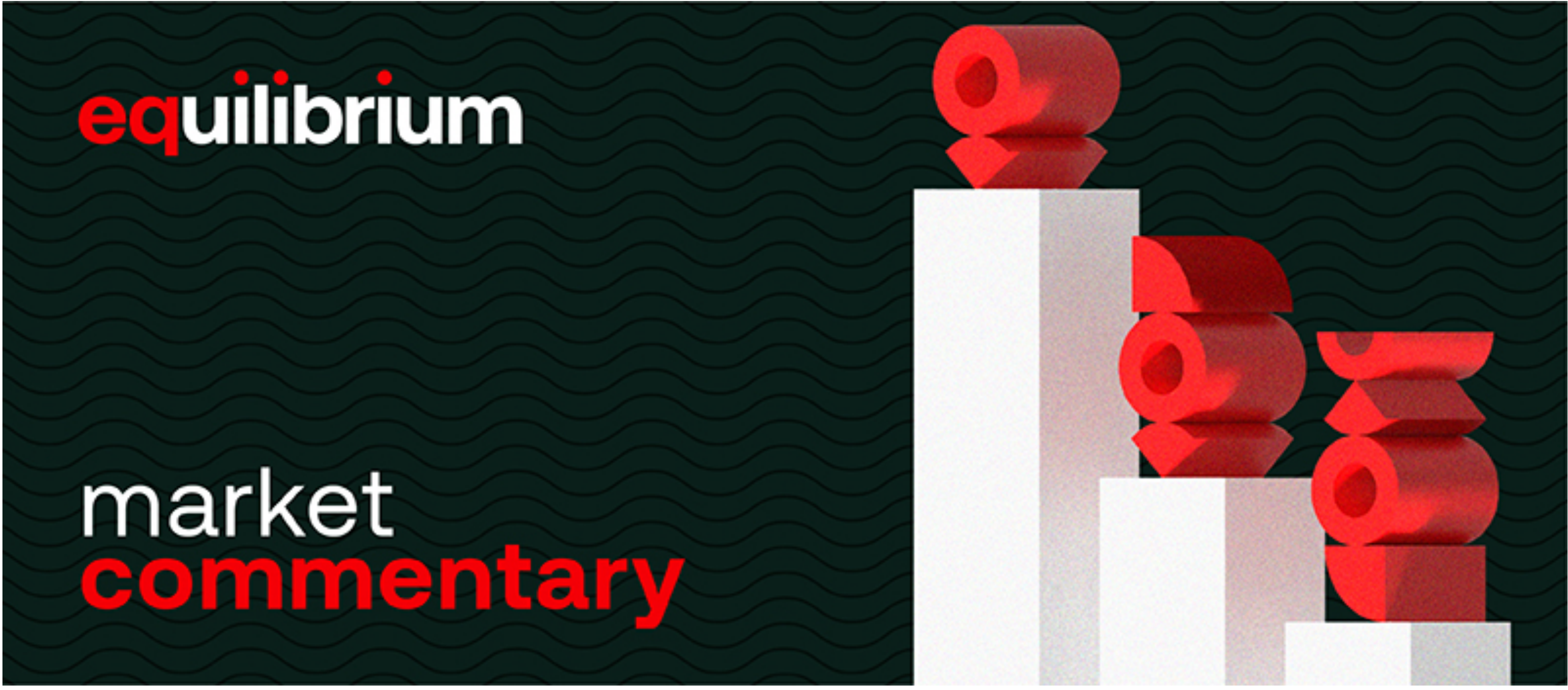

Monthly market commentary | September 2025

September saw mostly positive returns across major asset classes as investor sentiment fluctuated between relief over stabilising inflation and anxiety over fragile global demand. Developed market equities (MSCI World) rose 3.2%[1] in US dollar (USD) terms, while emerging markets (MSCI EM) continued their positive streak, ending the month 7.2%[1] higher in USD terms.

US markets entered the month riding record-high valuations after the AI-driven boom in August. Early momentum, however, soon faded as strong macroeconomic data undermined hopes for rapid monetary easing. The S&P 500 closed September 3.6%[1] higher in USD terms, while the tech-heavy Nasdaq delivered 5.7%[1] in USD terms as tech and AI names maintained their momentum.

In emerging markets, China remained a bright spot, as Beijing's stimulus push and AI optimism kept Chinese equities buoyant, up 9.8%[1] for the month in USD terms. Brazil also drove emerging market returns higher, up 5.4%[1] for the month in USD terms. Global property (FTSE EPRA Nareit) returned a consecutive positive return of 1%[1] in USD terms.

Fixed income markets saw mixed yield movements, with both rises and declines in September. US Treasury yields fluctuated sharply, weighed down by several economic data points, including the key Jobs Report. In the Eurozone, markets were relatively calm, with 10-year German bond yields stable. However, France's elevated debt burden and recent credit rating downgrade pushed yields higher. Overall, global bonds (FTSE WGBI) delivered a positive return of 0.6%[1] in USD terms for the month. The rand continued to strengthen against the USD and ended the month 2.4%[1] stronger.

Local equities (FTSE/JSE Capped SWIX) had their best run over the past year, ending the month 6.5%[1] higher, delivering a return of 28.1%[1] over the last 12 months. The Resources sector, specifically platinum and gold miners, continued to be the main driver, up a staggering 25.5%[1] for the month. The sector has now more than doubled since the beginning of the year, up 104.9%[1] year-to-date. Industrials delivered a much more muted 1.3%[1] in September, while Financials detracted, down 1.7%[1]. Listed property (ALPI) ended the month1%[1] lower.

Local bonds (FTSE/JSE ALBI) delivered their best monthly return since September 2024, up 3.3%[1] and 14.5%[1] over the last 12 months. Shorter-dated instruments in the one to 3-year and three to 7-year maturities ended the month 0.7%[1] and 1.8%[1] higher, respectively, while bonds in the seven to 12-year spectrum ended the month 3.7%[1] higher. The most significant contribution was from bonds in the 12+ year spectrum, delivering a return of 5.1%[1]. Local cash (STeFI) was up 0.6%[1] for the month and delivered an inflation-beating return of 7.8%[1] over the last 12 months.

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