



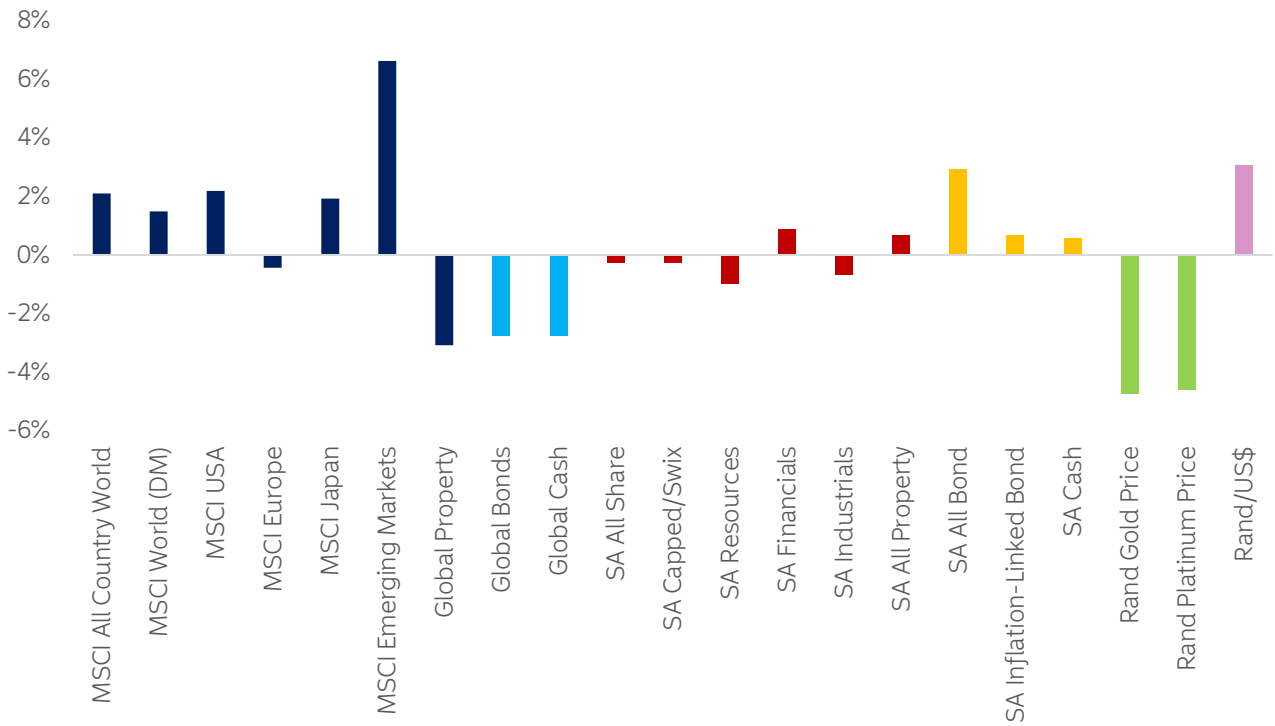
Financial markets review for May 2026

Key financial markets review takeaways for May 2026

- The US-Iran war remained the main focal point in financial markets for the third consecutive month in May. As expectations about the conflict's progression oscillated between a deal or no deal to end the war, risk assets behaved accordingly. In the end, relief that there was no serious escalation in the war and that there seemed to be some progress in negotiations, supported a mild risk-on environment for assets in May. Furthermore, renewed optimism about the artificial intelligence (AI) theme caused the large semiconductor stocks (TSMC, Samsung and SK Hynix) in emerging markets (EM) and the United States (US) to propel overall equity markets higher in these regions. Despite a stronger rand in May, EM equities had the strongest rand returns overall in the month, while the US and Japan underpinned solid developed market (DM) equity performance.
- In contrast to robust global equity returns, lingering inflation and fiscal concerns restricted global DM bonds and global listed property returns to only marginally positive US dollar returns - the latter was the global laggard in May.
- South African (SA) fixed income produced the highest returns among the local asset classes in May, with nominal bonds the star performer. SA inflation-linked bonds (ILBs), listed property and cash gave similar, marginally positive, returns. The combination of a stronger rand with lower US dollar gold and platinum prices resulted in the gold and platinum exchange-traded funds producing the lowest overall asset class returns in May. Lower rand commodity prices also pushed SA equities into slightly negative return territory.
- With the duration of the Iran war exactly coinciding with the three-month asset class return period to the end of May, its impact across asset classes is clearly noticeable. Since the start of the war, global asset class returns have sharply outpaced SA returns. Globally, equities have clearly outperformed the slightly positive dollar returns from cash, while global bonds and listed property gave negative returns. EM equities delivered higher returns than DM equities, where the US was the standout equity market. Cash was the only SA asset class to produce positive returns over the three months, while the slight negative returns from local nominal and real bonds outperformed more substantial negative returns from local listed property. Sharp declines in US dollar gold and platinum prices caused larger negative returns from their respective rand ETFs, as well as from SA equities.

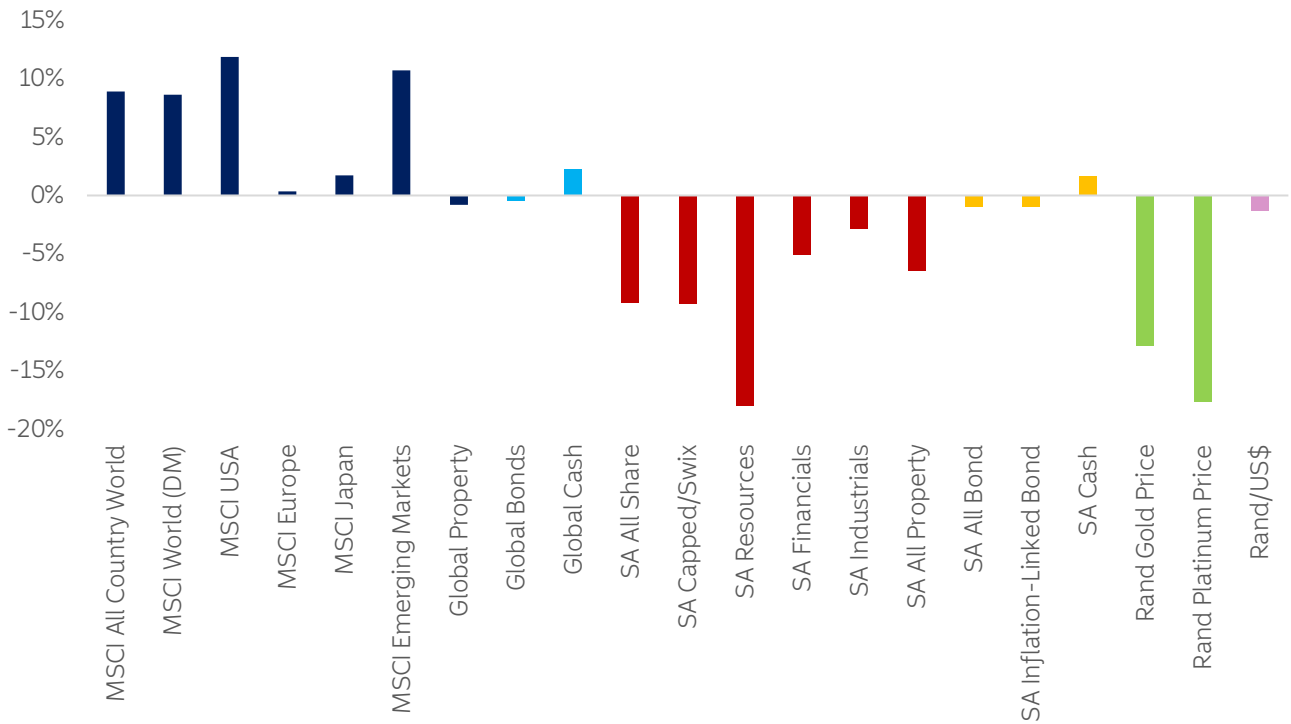
Asset class returns

Chart 1: Month to end of May 2026 - rand returns in %



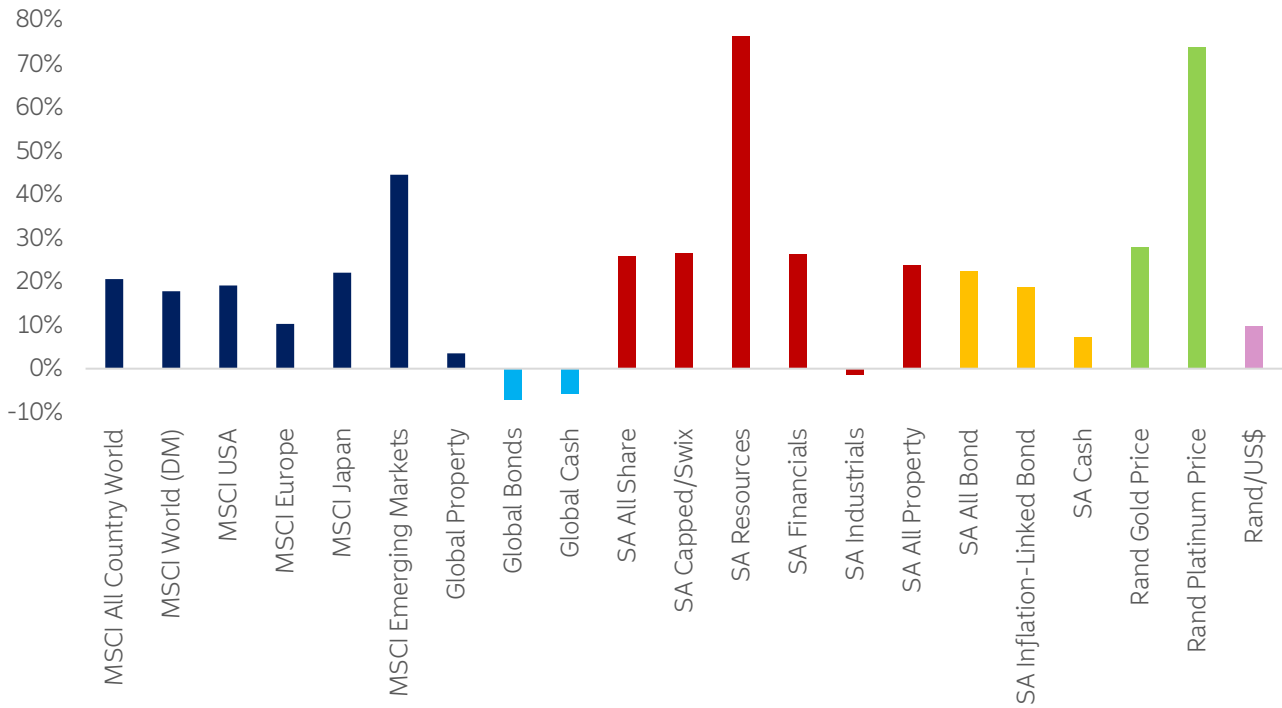
Source: Momentum Investments, various sources

Chart 2: Three months to end of May 2026 - rand returns in %



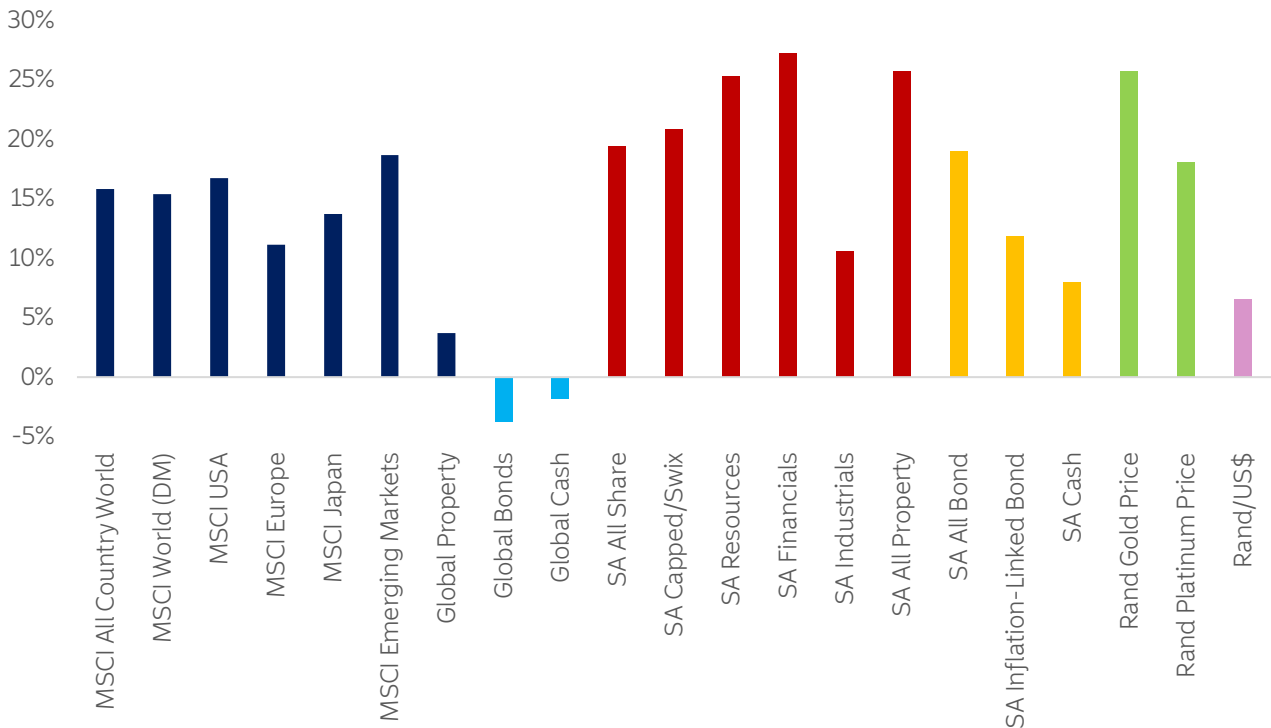
Source: Momentum Investments, various sources

Chart 3: Year to end of May 2026 - rand returns in %



Source: Momentum Investments, various sources

Chart 4: Three years to end of May 2026 - rand returns in %



Source: Momentum Investments, various sources

The information used to prepare this document includes information from third-party sources and is for information purposes only. Although reasonable steps have been taken to ensure the validity and accuracy of the information contained herein, Momentum Metropolitan Life Limited does not guarantee the accuracy, content, completeness, legality or reliability of the information contained herein and no warranties and/or representations of any kind, expressed or implied, are given to the nature, standard, accuracy or otherwise of the information provided.

Neither Momentum Metropolitan Life Limited, its affiliates, directors, officers, employees, representatives or agents (the Momentum Parties) have any liability to any persons or entities receiving the information made available herein for any claim, damages, loss or expense, including, without limitation, any direct, indirect, special, incidental, punitive or consequential cost, loss or damages, whether in contract or in delict, arising out of or in connection with information made available herein and you agree to indemnify the Momentum Parties accordingly. For further information, please visit us at momentum.co.za. Momentum Investments is part of Momentum Metropolitan Life Limited, an authorised financial services and registered credit provider, and rated B-BBEE level 1.