



PORTFOLIOMETRIX

# Is the Party Over for SA Fixed Income?

**Philip Bradford**

2026

MEET **THE**  
**Managers**





# Never let a good crisis go to waste

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PORTFOLIOMETRIX



This presentation is intended for professional investment managers and advisors only. Details of performance awards are available on request.







# Oil spike – Echoes of 2022



Brent Crude Oil Price (USD)



— Brent Crude Oil Price (USD)    — Brent Crude Oil Price (USD) 200 day Moving Average    — Brent Crude Oil Price (USD) 50 day Moving Average

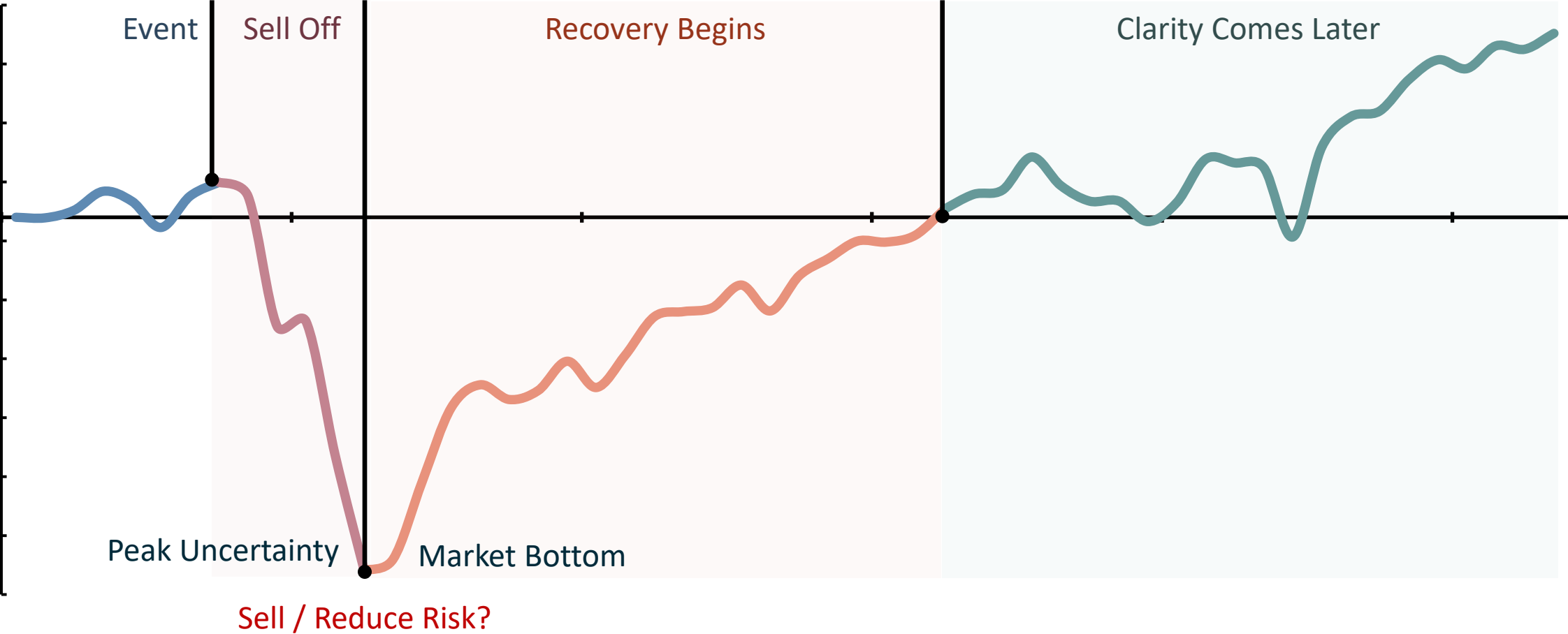
Source: PortfolioMetrix, Bloomberg

# Oil spike – Echoes of 2022



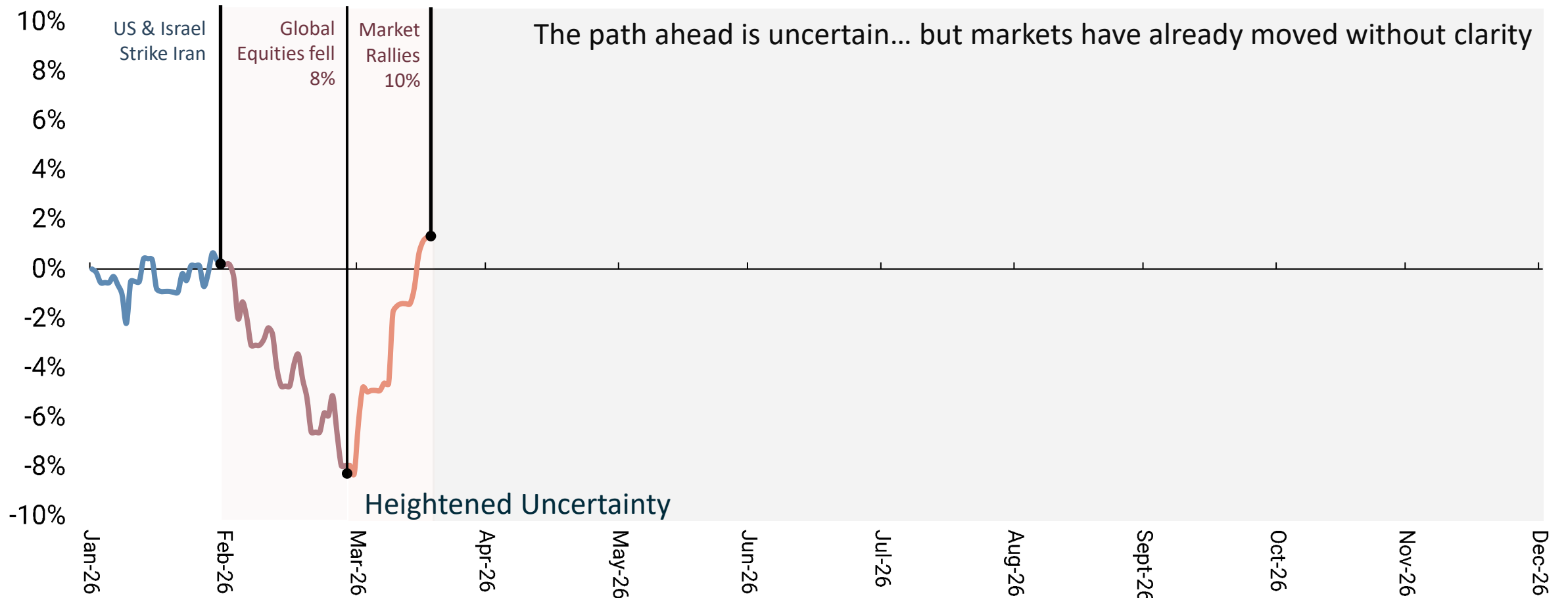
# Markets vs Headlines

Markets Price Probabilities, not Headlines



# What Happens During Conflict?

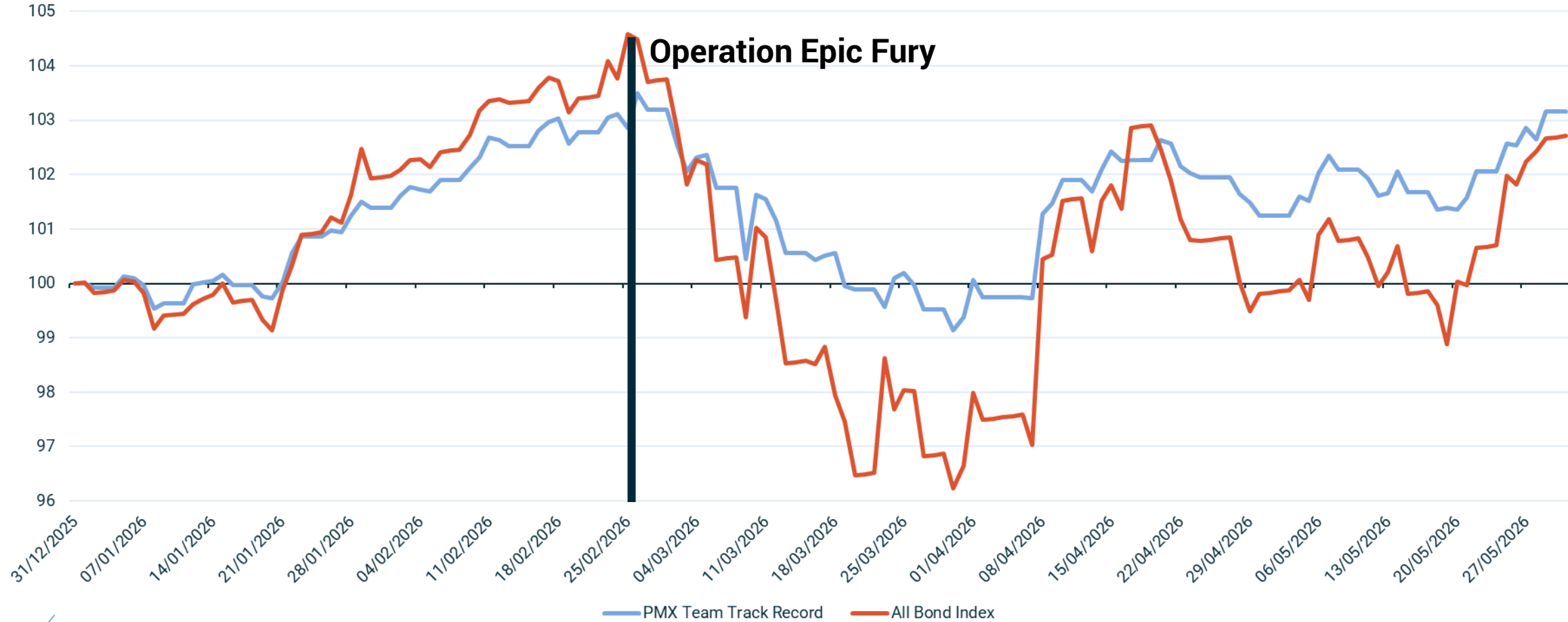
Global equities during the start of the Iran crisis



# Dynamic Income – navigated the storm & bounced back quickly

Shallow drawdown & quick recovery

Daily Performance, YTD



As of 2026/05/31, since 2015/07/31 | Source: Morningstar, PortfolioMetrix. PMX Team Track Record is a composite of similar fixed income portfolios managed by the current portfolio management team that represent the Dynamic Income Strategy. Details are available upon request. FTSE/JSE All Bond Index.

**If you position your portfolio for the world ending, and it doesn't end, it will cost you a lot of money.**

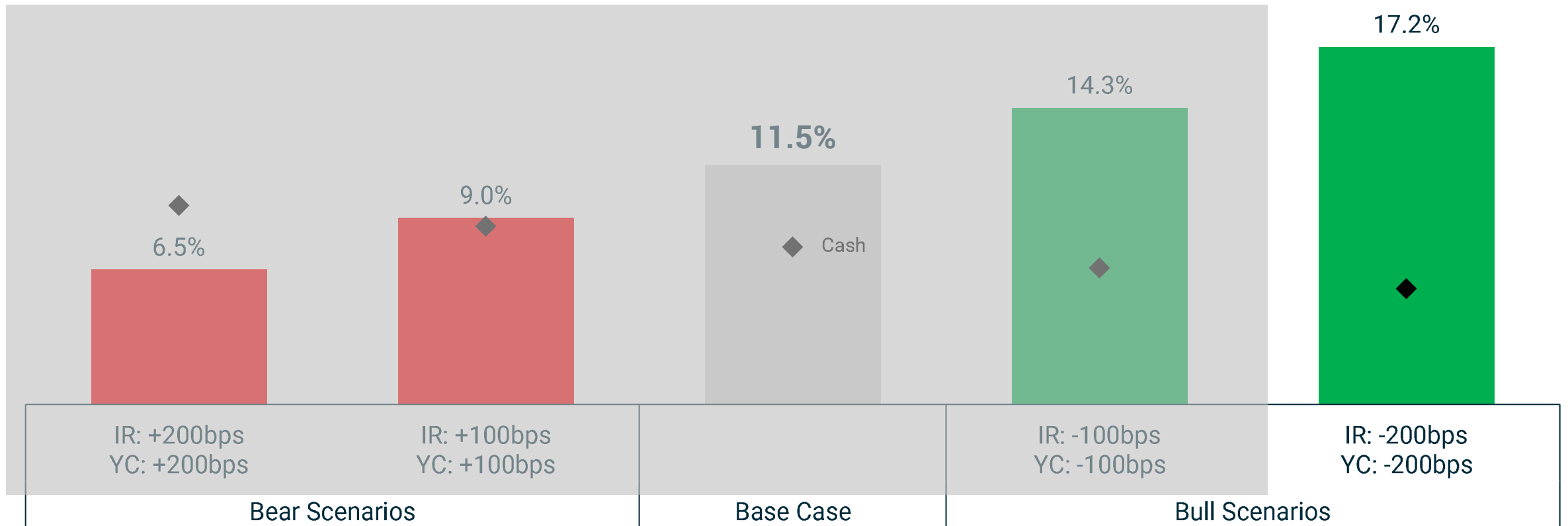
**Experience tells us that the world doesn't usually end.**

# Dynamic Income Bull and Bear scenarios – 1 year ago

A year that included “Trump Tariffs” and “Iran Oil Crisis”



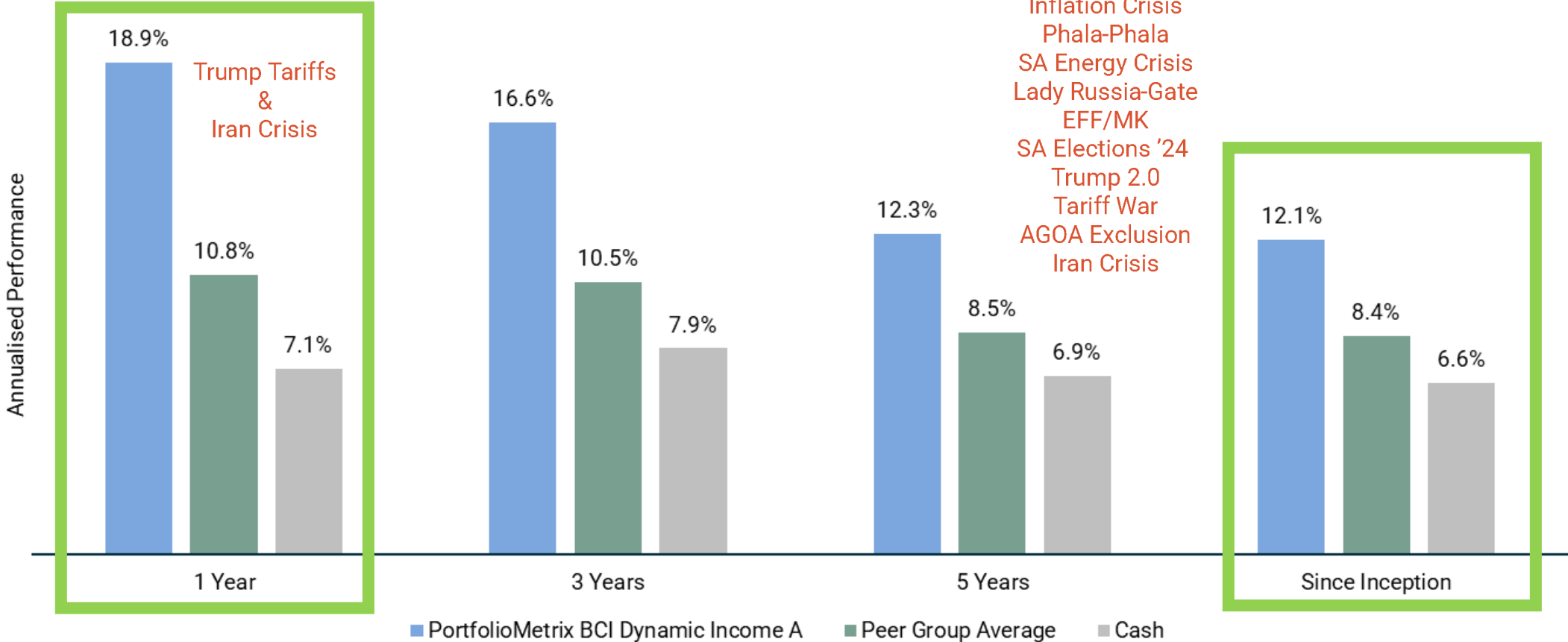
Bull and Bear scenarios over the next 12 months



# Consistent returns in a turbulent world

Returns have been strong despite the market disruptions

- Nene-Gate
- State Capture
- Rate Hikes
- Trump 1.0
- COVID-19
- Ukraine Invasion
- Inflation Crisis
- Phala-Phala
- SA Energy Crisis
- Lady Russia-Gate
- EFF/MK
- SA Elections '24
- Trump 2.0
- Tariff War
- AGOA Exclusion
- Iran Crisis



As of 2026/05/31. Inception date of the fund is 2020/12/21. ASISA SA MA Income peer group. Cash = Fund Benchmark of SteFI Composite Index. Details of this performance track record are available upon request. All performance is on a Net of Fees basis.

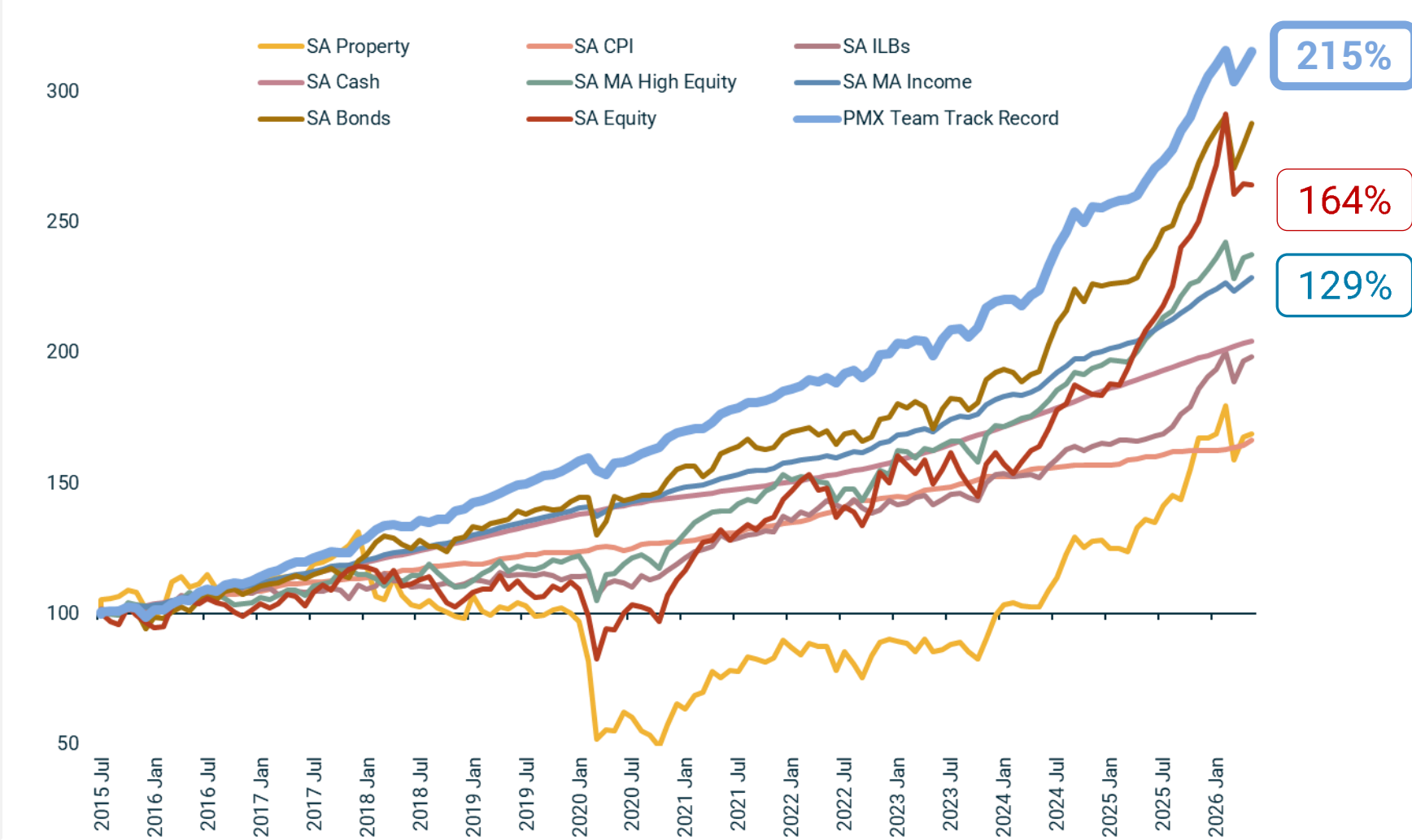
Data longer than a period of one year has been annualised, unless otherwise stated. Annualised return is the weighted average compound growth rate over the period measured. Source: Morningstar, PortfolioMetrix

# More than a decade of navigating stormy seas

Higher returns  
Lower Volatility

Annualised Performance	
PMX Team Track Record	11.1%
SA Bonds	10.2%
SA Equity	9.3%
SA MA High Equity	8.2%
SA MA Income	7.9%
SA Cash	6.8%
SA ILBs	6.5%
SA Property	4.9%
SA CPI	4.8%

2015/07/01 to 2026/05/31



As of 2026/05/31. Source: Trustnet, Bloomberg, PortfolioMetrix. (ALBI, Capped SWIX, SAPY, Stefi, SA CPI, CILI, ASISA SA MA Income and High Equity Peer group averages). PMX Team Track Record is a composite of similar fixed income portfolios managed by the current portfolio management team since 2015/07/01. Details are available upon request





# PMX GAME SHOW!

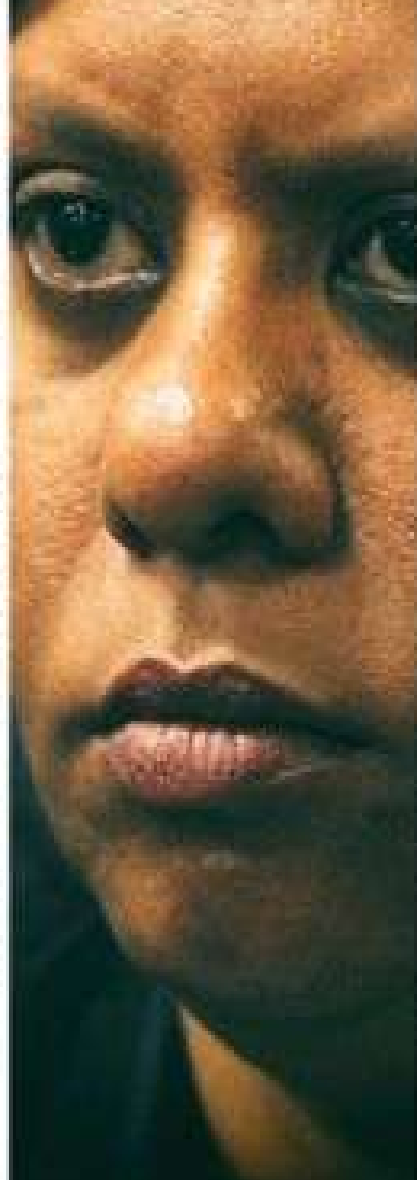
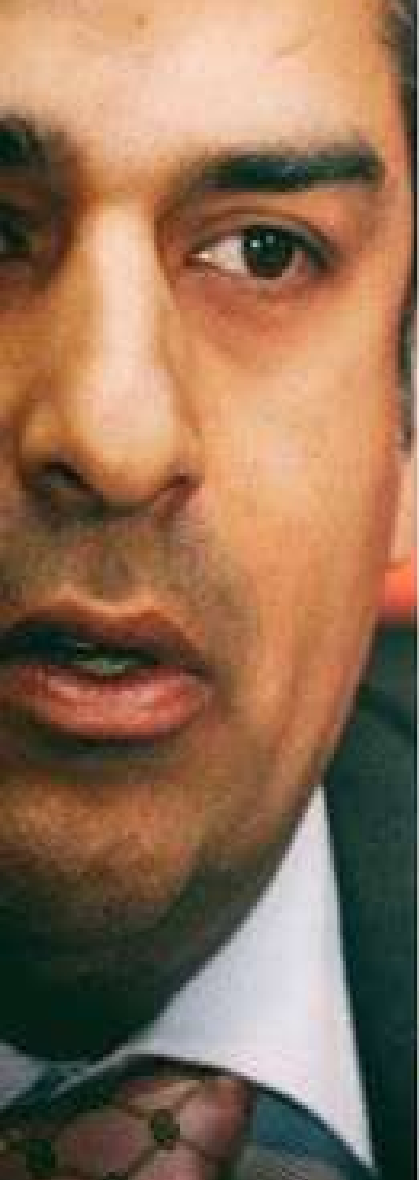
Which is riskier?

Fixed Rate Bond or Floating Rate Bond



# Oakbay Resources

## Volatility & Liquidity Example



# OAKBAY RESOURCES

2050  
2040  
2030  
2020  
2010  
2000  
1990  
1980  
1970  
1960  
1950  
1940  
1930  
1920  
1910  
1900  
1890  
1880  
1870  
1860



# What turbulence is like



# Major risks we deal with in SA fixed income

Risk	Expected Risk/Yield	Current Mkt	PMX Dynamic Income
<b>Term</b>	Longer Term => Higher Yield	✓	✓
<b>Duration/Volatility</b>	More Duration => Higher Yield	✓	✓
<b>Credit</b>	More Credit Risk => Higher Yield	✗	✗
<b>Liquidity</b>	Less Liquidity => Higher Yield	✗	✗
<b>Re-investment</b>	Lower Yield => Higher Risk	✗	✓



## Factors Influencing SA Bonds

## Current Status

## Importance

## Direction

Factors Influencing SA Bonds	Current Status	Importance	Direction
Global interest rates	Medium	5/5	Lower
SA interest rates	Medium	5/5	Lower
SA real bond yields	High	5/5	High
Global inflation	Above Target	5/5	Neutral
SA inflation	Low	5/5	Improving
Global GDP	Below Trend	5/5	Neutral
SA fiscal position	Weak	5/5	Improving
SA GDP growth & investment	Weak	5/5	Improving
SA economic reform	Slow	5/5	Improving
ZAR/USD	Strong	5/5	Stronger
Oil prices	Low	5/5	Lower
Precious metal prices	High	5/5	Higher
SA inflation target	High	5/5	Lower
SA bond issuance	Stable	5/5	Improving
Foreign flows into SA bonds	Strong	5/5	Improving
SA Credit Rating	Weak	5/5	Improving
US Dollar	Weak	4/5	Weaker
Global DM fiscal position	Weak	4/5	Worsening
SA politics	Positive	4/5	Stable
SA terms of trade	Positive	3/5	Stronger
SA geopolitical alignment	Negative	3/5	Worsening
Global geopolitics	Negative	2/5	Uncertain
Global trade	Negative	2/5	Uncertain



Factors Influencing SA Bonds	Current Status	Importance	Direction
Global interest rates	Medium	5/5	Uncertain
SA interest rates	Medium	5/5	Uncertain
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ZAR/USD	Neutral	5/5	Uncertain
Oil prices	High	5/5	Uncertain
Precious metal prices	High	5/5	Uncertain
SA inflation target	Reduced	5/5	Lowering
SA bond issuance	Stable	5/5	Improving
Foreign flows into SA bonds	Strong	5/5	Uncertain
SA Credit Rating	Weak	5/5	Improving
US Dollar	Stronger	5/5	Uncertain
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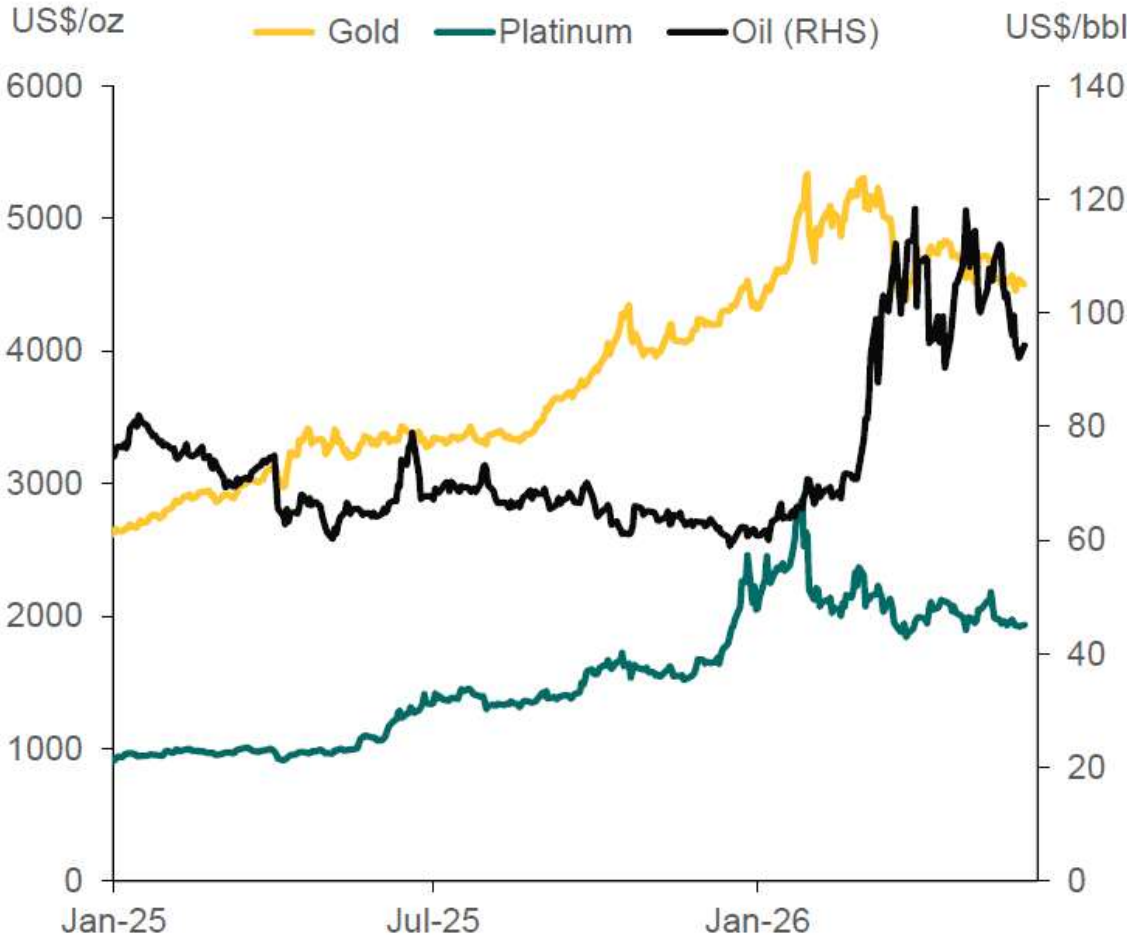


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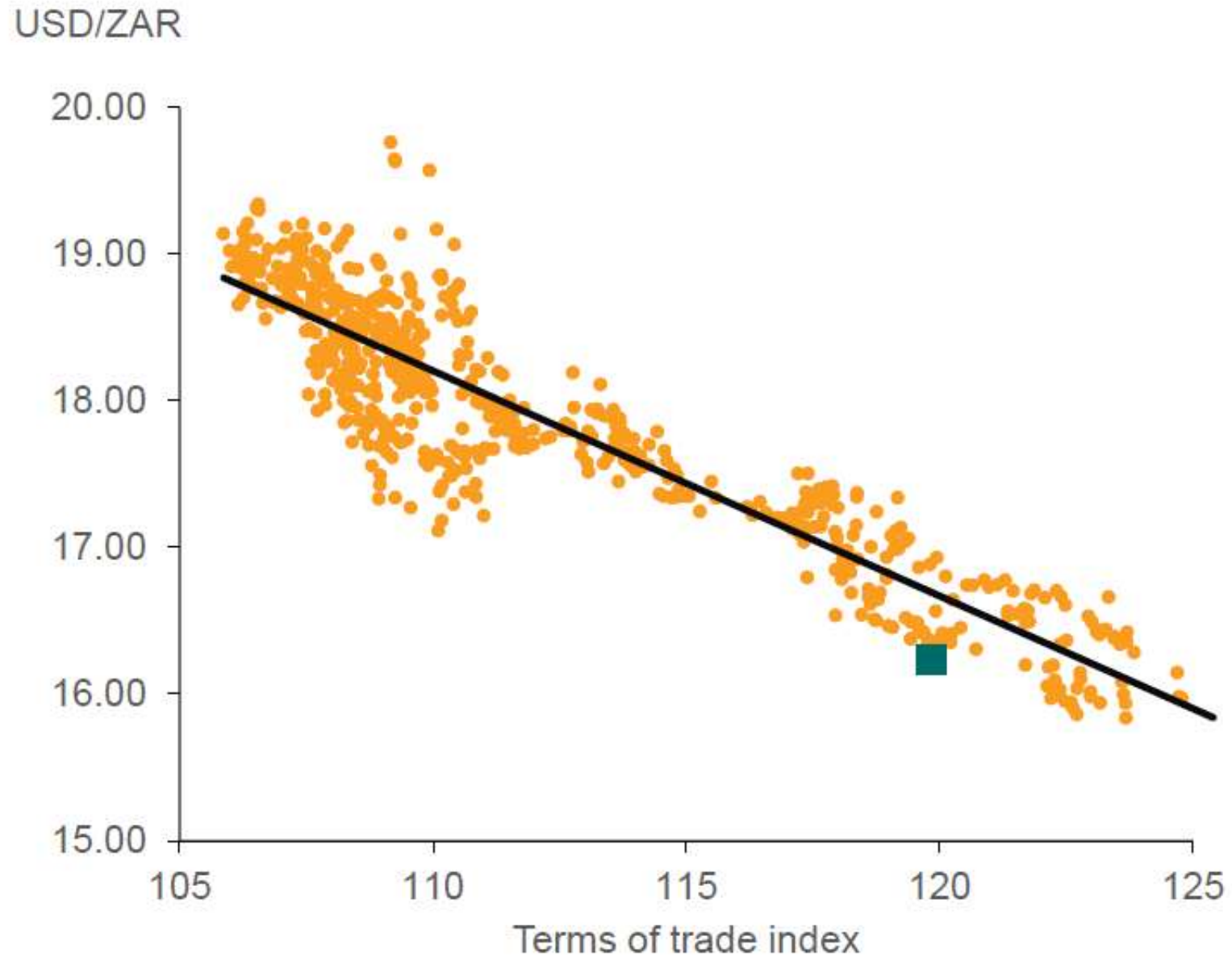
# Commodity prices & SA's terms of trade

Lower, but still ZAR supportive at these levels



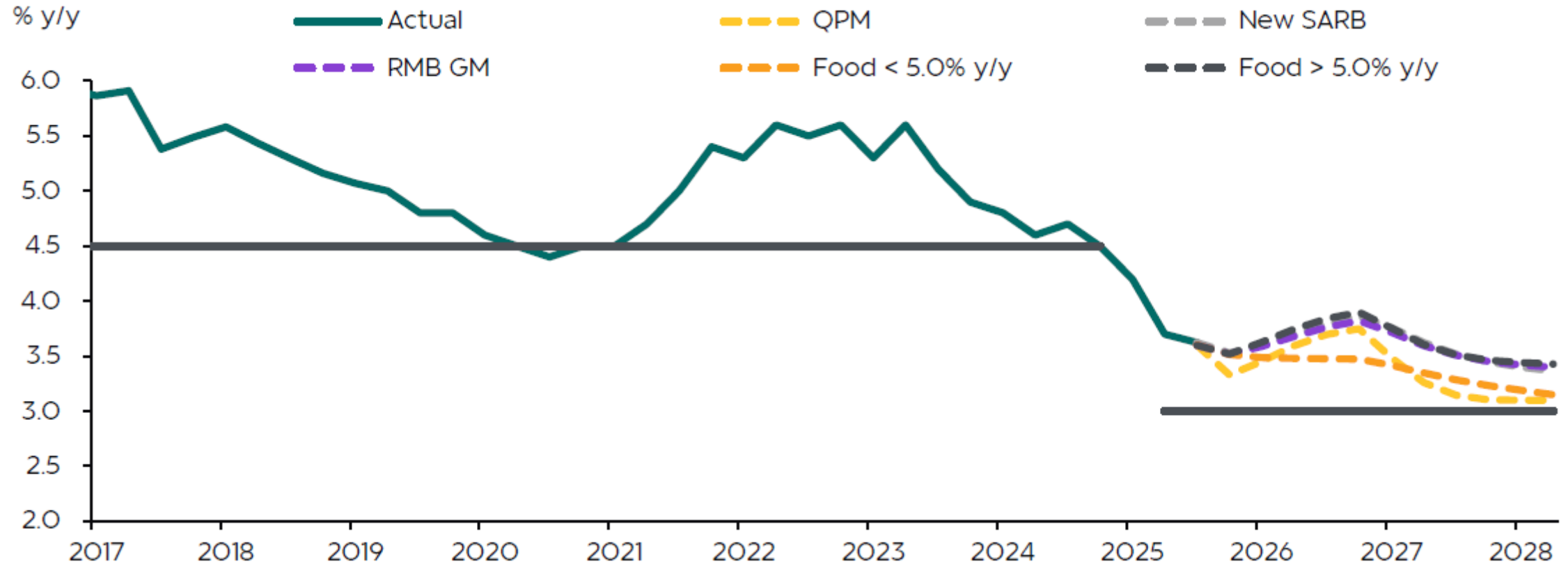
Source: RMB, SBR, Bloomberg June 2026

## ZAR & terms of trade highly correlated

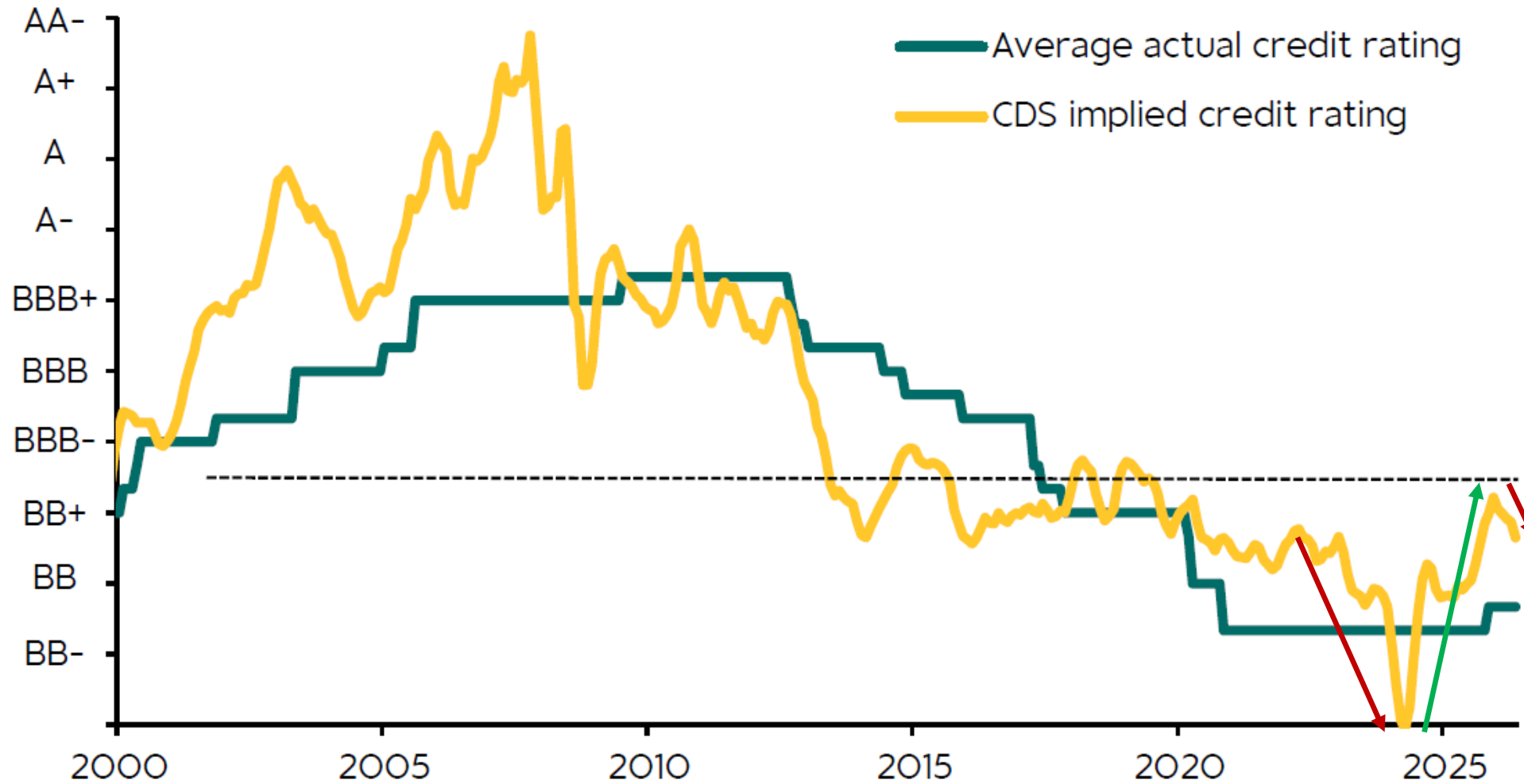


# 2yr Inflation Expectations

SARB's QPM specification points to fast converging expectations

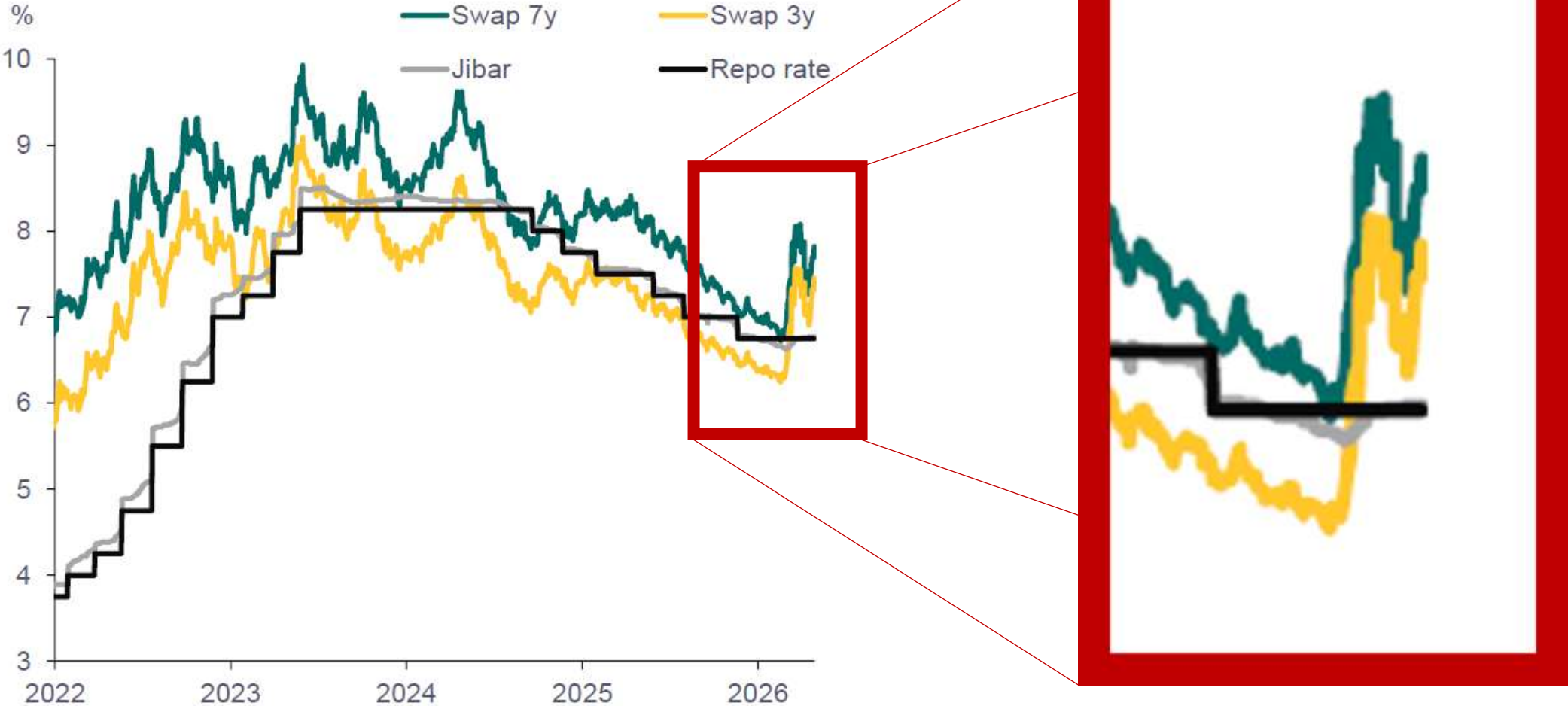


# Market is still pricing in upgrades in SA's sovereign rating



# Market quickly priced in rate hikes (3, 4, 5 ...?)

Disconnect between the market and economists

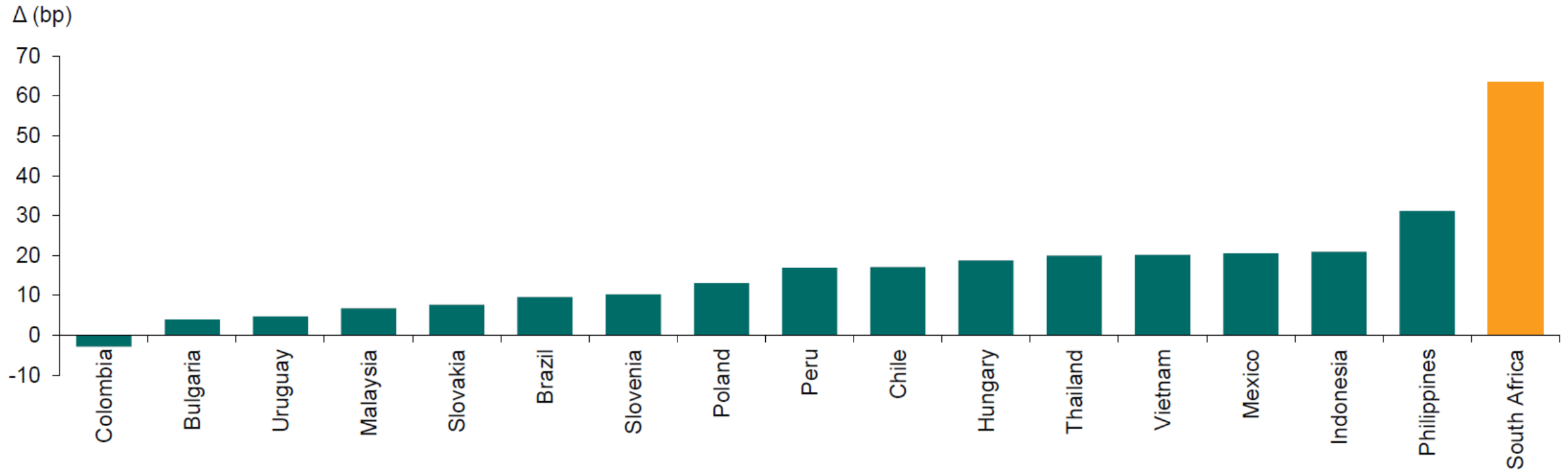


# Market quickly priced in rate hikes (3, 4, 5 ...?)

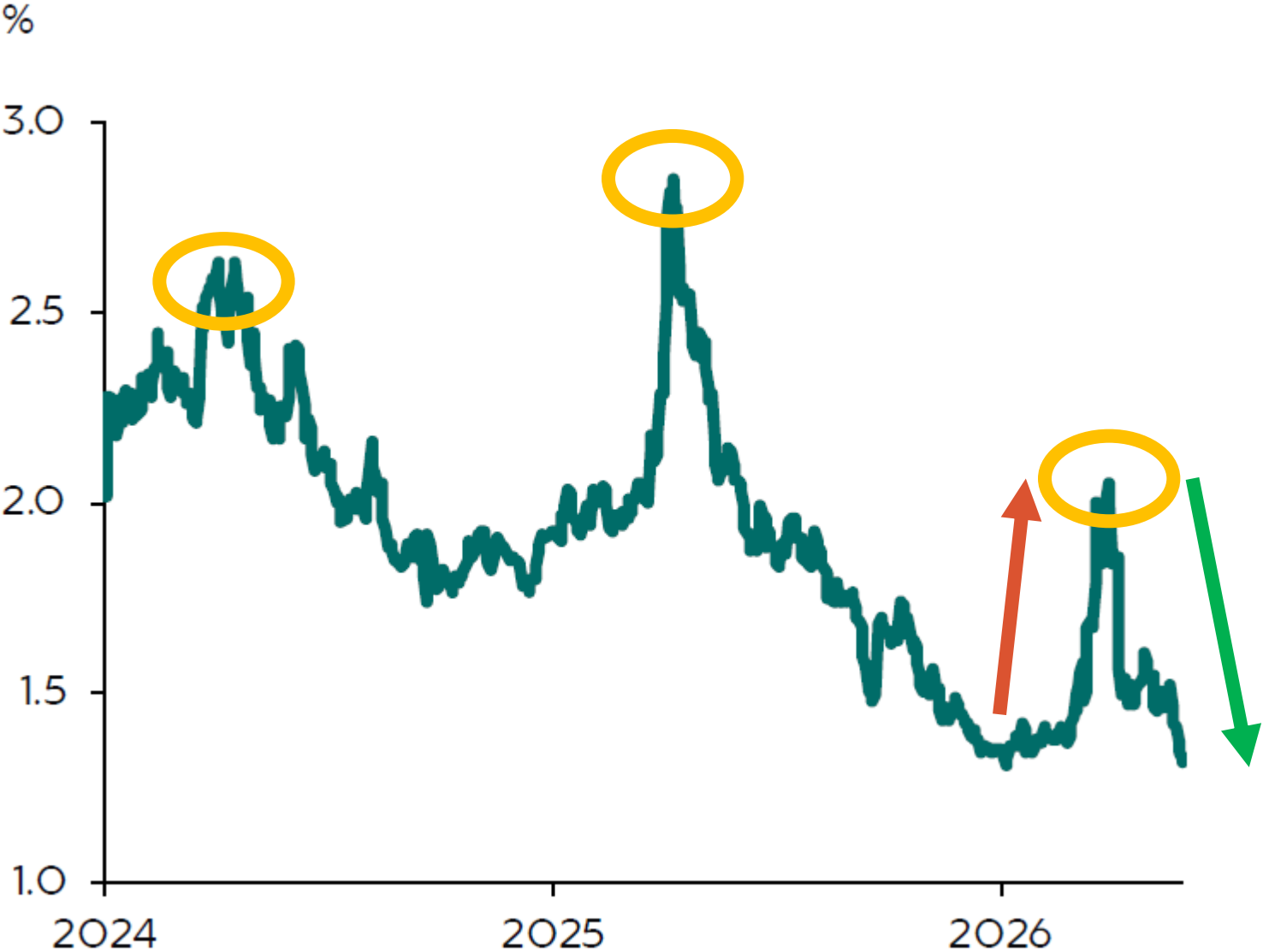
Disconnect between the market and economists



# Change in SA 5-year CDS spreads since 27 February 2026



# SA 5-year CDS spreads – taking advantage of a crisis



# SA yield curve – there are still opportunities if you know where to look

PMX Dynamic Income still offering yields over inflation +6%

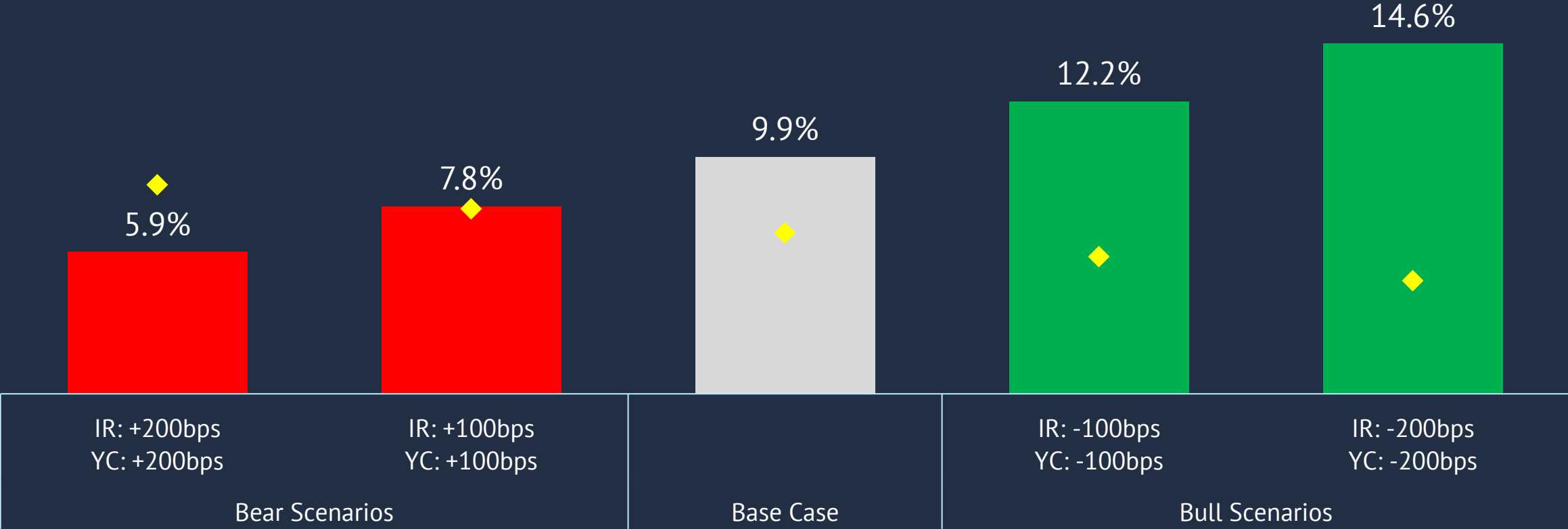


Source: JSE, PortfolioMetrix. As of 2026/03/31. \*Current yields and duration figures are indicative (2026/03/31). Income funds derive their income from interest-bearing instruments in accordance with Section 100(2) of the Act. The yield is a gross current yield and is calculated daily

# Dynamic Income Bear and Bull scenarios – 1 Year

Stress testing the portfolio with simulated sell-offs and rallies from current levels

Bull and Bear scenarios over the next 12 months



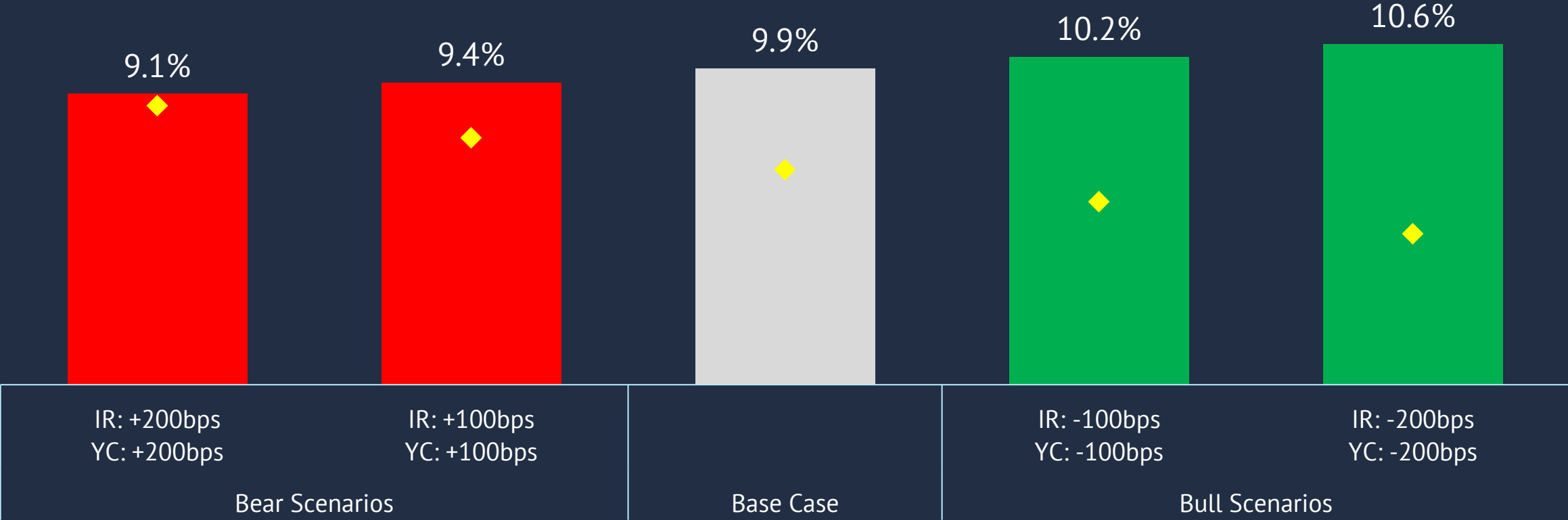
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# Dynamic Income Bear and Bull scenarios – 3 Years

Stress testing the portfolio with simulated sell-offs and rallies from current levels

Bull and Bear scenarios over the next 3 years



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