



ANCHOR FIXED INCOME MARKET UPDATE

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NOLAN WAPENAAR
CO-CIO AND FUND MANAGEMENT



AGENDA

- Shifting Nature of the Recession
- Short Term Interest Rates
- Long Term Interest Rates
- How to position bond portfolios
- The Rand

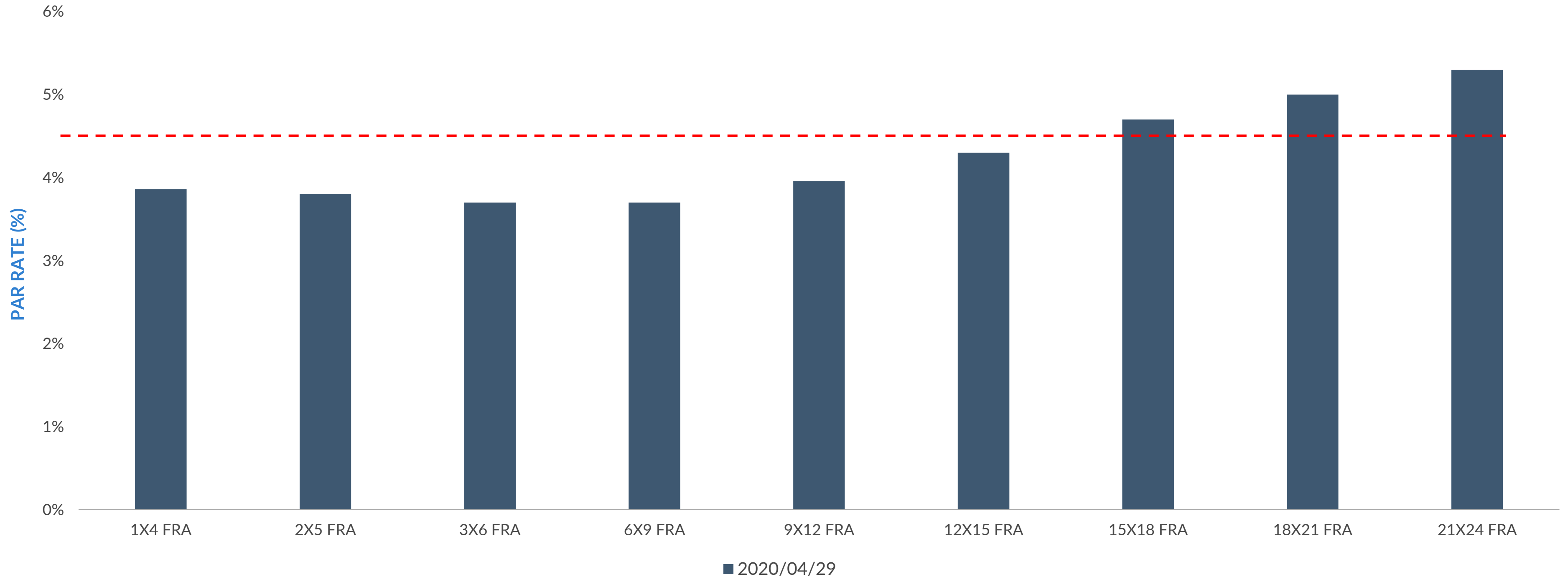


SHIFTING IMPACT



PRICING IN A MAY INTEREST RATE CUT

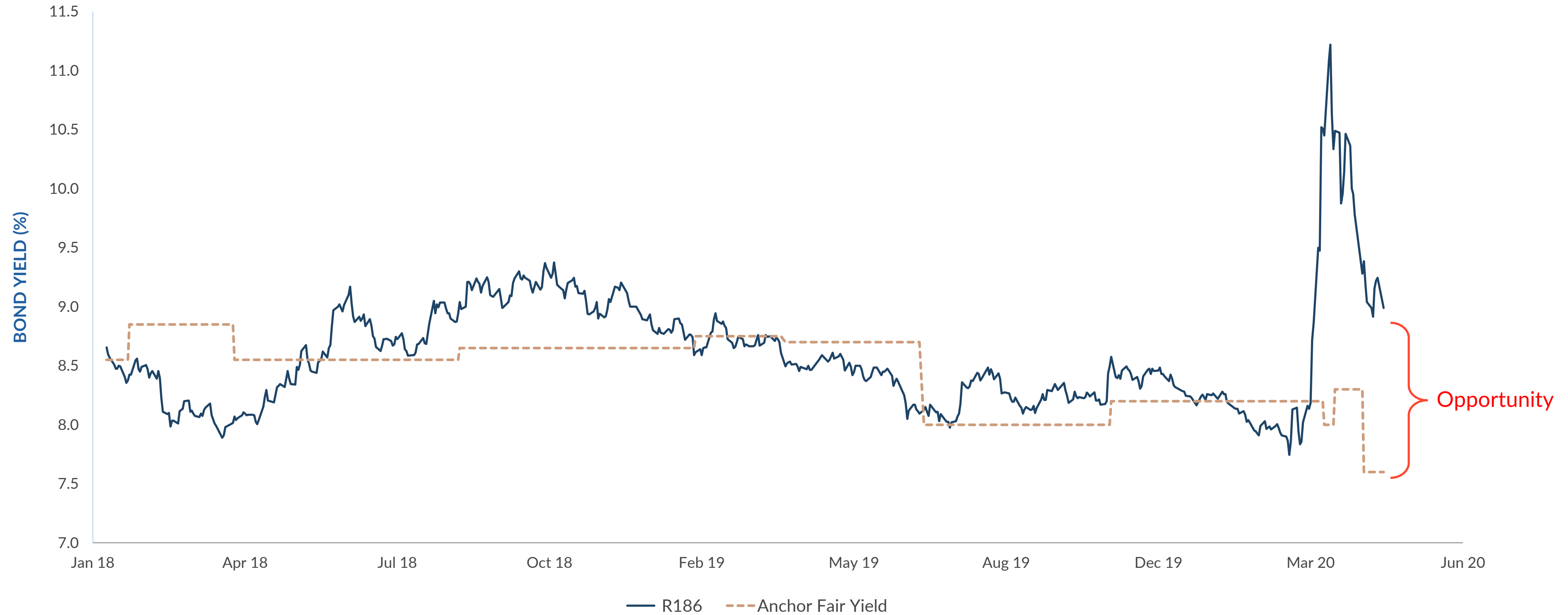
FRA STRIP COMPARISON



MORE GAINS TO BE HAD



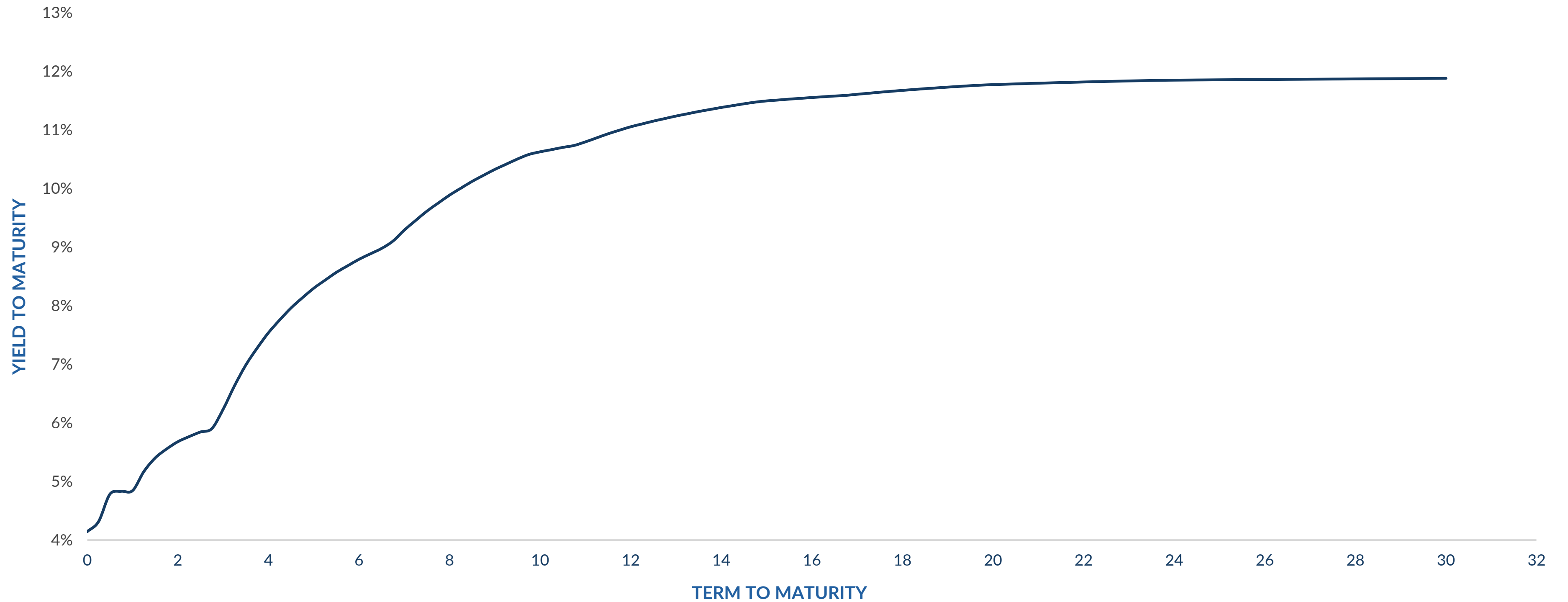
ANCHOR SA BOND YIELD MONITORING



PLAY FOR ROLL DOWN



SA BOND PAR CURVE



HOW DO I INVEST?

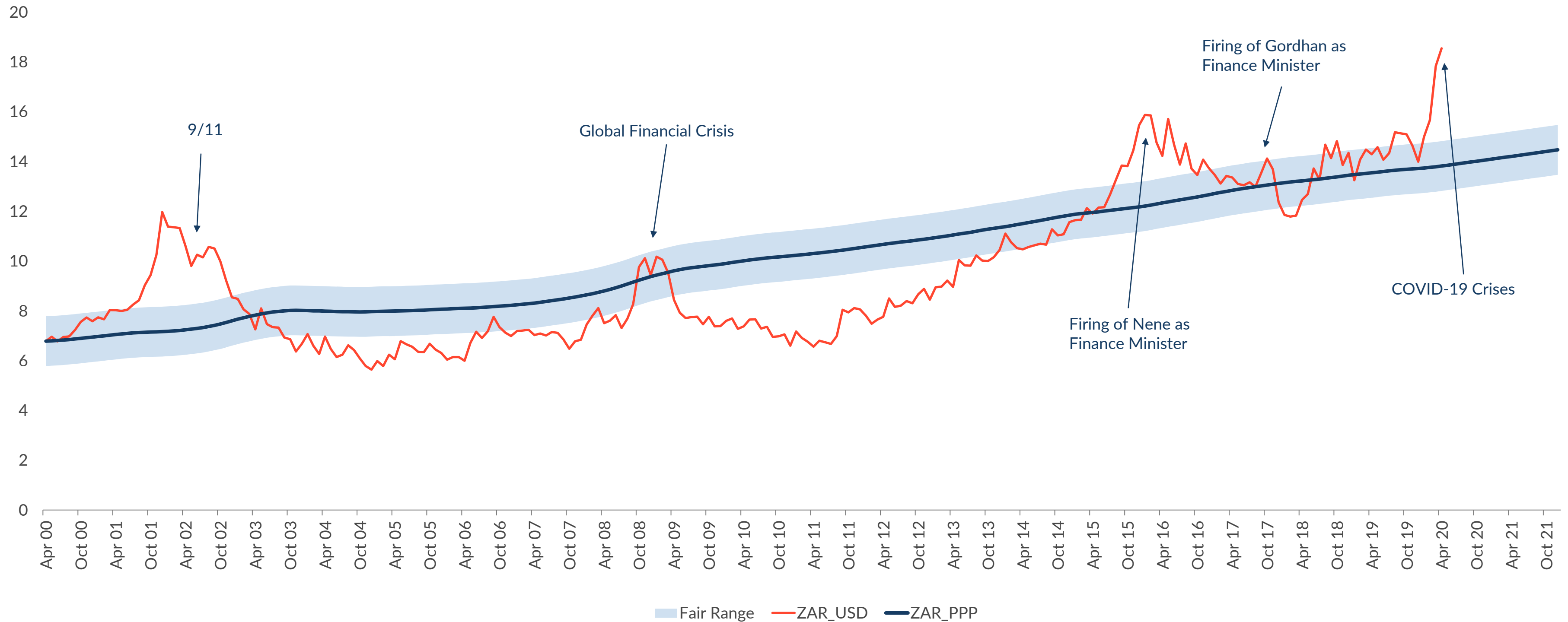


Portfolio	Anchor Equivalent	Yield Estimate (net of asset management fees)	Market Commentary
Money Market	None	5%	Should generate very stable interest income over time.
Stable Income	None	6%	Should generate a largely stable outcome over time.
Flexible Income Fund	Anchor BCI Flexible Income Fund	7,50%	99% of the time you would expect a stable income over time. We can see some small shocks to the portfolio at times of stress. A movement of 1% in the market value over a period of a month would be considered very large.
Bond Fund	Anchor BCI Bond Fund	10,5%	This portfolio generates dependable interest income, but can be volatile. A movement of 5% in the market value over a period of a month would be considered very large.

WHEN MIGHT IT RECOVER?



ACTUAL ZAR/USD VS ZAR PPP MODEL



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