



# FUTUREGROWTH

/ ASSET MANAGEMENT

## Monthly Review

February 2017

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# Market review

## Economic and market review

Fairly wide trading range for nominal bonds

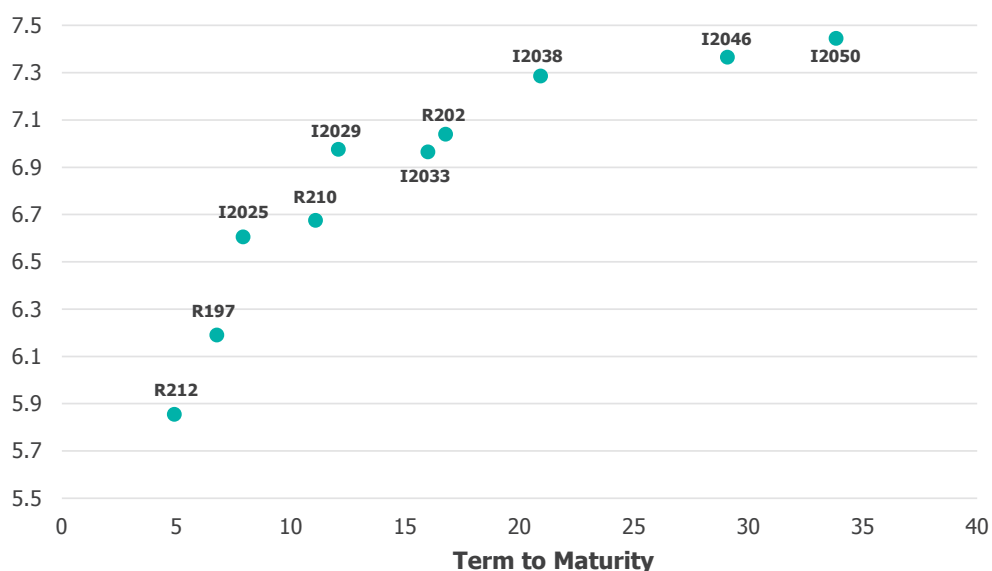
Based on daily closing yields, the intra-month trading range for the yield of the benchmark R186 RSA government bond (maturity 2026) turned out to be fairly wide at 8.57% to 8.85%. Various factors served as a catalyst for this volatility. From a global perspective, sentiment ebbed and flowed between those strongly in favour of the so-called reflation trade and other investors who are of the opinion that markets are priced for this. These sentiment swings were mainly reflected in US Treasury and US dollar movements, which in turn had a direct impact on the South African bond and currency markets. At home, persistent rumours about an “imminent” cabinet reshuffle and nervousness ahead of the delivery of the 2017/18 national budget also contributed. Even so, the R186 yield still managed to close the month three basis points stronger at 8.79%.

As a result, the All Bond Index managed to eke out a total return of 0.7% for the month. This was slightly higher than the cash return of 0.5%, while beating the 0.1% rendered by the official inflation-linked index (IGOV) handsomely. Although inflation-linked bonds are still benefiting from recent high inflation data, investors are more focused on a much lower expected near term inflation rate, which does not favour this asset class. As supply for inflation protection currently outstrips demand, upward pressure on real yields, and thus a negative price movement, is inevitable.

### South African inflation break-even curve (yield spread between nominal and inflation-linked bonds with similar term to maturity profile)

Market inflation expectations as implied by the South African inflation break-even curve are too high when compared to market consensus and our own inflation forecast. As a result, the yields offered by inflation-linked bonds are deemed too low (thus expensive) and should therefore not be considered as an off-benchmark investment choice in the near term.

Supply of inflation-linked bonds out-strips supply ahead of lower inflation



Source: Bloomberg, Futuregrowth

## Good budget under circumstances, but no room for error

February is traditionally the month when a lot of emphasis is placed on the delivery of the national budget to parliament. Since the budget deficit is mainly funded by the local bond market, it comes as no surprise that it receives more than its fair share of attention from both local and foreign bond investors. Once again, the Minister of Finance with the assistance of the highly regarded and competent team at National Treasury managed to pull off a reasonable, well balanced budget under difficult circumstances. All in all, no significant positive surprises were forthcoming, so we regard this budget at best as bond market neutral. That said, we remain concerned about the ability to turn around poor management at some state-owned enterprises (SOEs), which has a direct impact on the size of the contingent liabilities at national level. We are also disturbed by the sizeable tax revenue shortfall relative to the initial February 2016 and October 2016 budget estimates.

## Local data releases were mixed

Other data releases were mixed, with the rate of inflation at both consumer and producer levels starting to slow, while the latest external trade account showed a larger than expected deficit. None of these data releases had a significant impact on market sentiment, though.

## Market summary

### Key macroeconomic themes

#### Economic growth

A mild, uneven global economic recovery remains our base case, with a relatively strong US economy still leading the way. The Trump presidential victory (together with a House and Senate Republican majority) boosted speculation that higher US fiscal spending will benefit the US growth trajectory. This remains to be seen and for now the risk is that markets may have to face disappointment with respect to both the timing and size of the much anticipated stimulus. We believe that the global recovery will be structurally lower than in previous cycles, mainly due to lower productivity growth, ongoing broad-based balance sheet repair (deleveraging) and shifting demographics (older populations tend to save more and spend less).

Most emerging market economies are caught between an improved but still mixed outlook for the developed world, the implication of structurally lower Chinese economic growth on commodity demand and the US Federal Reserve's well telegraphed intent to normalise monetary policy. Therefore, commodity producers with large external imbalances, such as SA, remain vulnerable.

Locally, the biggest impediment to higher local growth remains of a more structural nature. Encouragingly, engagement between government, business and labour has resulted in agreement on South Africa's national minimum wage. Continued engagement between this triumvirate – and practical follow through – remains essential to unbundling domestic growth potential.

#### Inflation

The strong rise in energy and other raw material prices over the last few months has started showing in headline inflation numbers in many economies. Although reflation is welcomed with open arms, since this is what policy makers had aimed to achieve, the feed-through to underlying inflation is still not entirely convincing. Final demand is simply not yet strong enough.

Locally, the expected drop in food inflation and the stronger rand in the last few months have forced down our 2017 annual average inflation forecast to 5.4%.

## Key macroeconomic themes *continued*

### Balance of payments

Significant rand depreciation until a few months ago and an improved terms of trade position are lending relief to the balance of payments position. As a result, we expect a narrowing of the current account deficit from an annual average of 4.4% in 2015 to 3.7% in both 2016 and 2017, and 4% in 2018. However, even at these improved levels, SA is still saddled with a relatively weak external trade position (both in nominal and relative terms). The unfavourable income account deficit (primarily comprised of net dividend and interest payments to foreigners), has become a significant drag on a sustained and meaningful balance of payments recovery. This may remain a drag on the currency.

### Monetary policy

Having finally started the long awaited and well telegraphed monetary policy normalisation process, we agree with the Federal Reserve's intent to follow a slow and gradual process. With an unemployment rate seemingly stuck below 5%, slowly-rising wages and the more stable PCE core inflation rate now hovering at 1.7%, we believe that the Federal Reserve should continue with its interest rate normalisation process, but for obvious reasons at an appropriate pace. The recent pick-up in market chatter about the imminent shrinking of the Federal Reserve's large balance sheet (the largest since the Second World War, following its response in the aftermath of the 2008 financial crisis) is premature in our minds.

The current trend of global monetary policy divergence is expected to continue over the next year or so. With more policy tightening in the US on the cards, the European Central Bank and Bank of Japan will retain their respective quantitative easing and negative interest rate policy programmes, with some tweaks. At the same time, some of the smaller advanced and commodity-driven economies may be forced to ease policy, mainly due to below-trend economic growth and a modest inflation backdrop. On the positive side, monetary policy divergence will act to soften the impact of higher US rates on global growth.

In the case of SA, we feel comfortable with the prospect of the South Africa Reserve Bank (SARB) being at the peak of the interest rate tightening cycle. A cautious approach is supported by the weak economic growth backdrop, low levels of credit extension growth and limited evidence of demand-led inflation. However, considering the size of the balance of payments deficit and the stickiness of inflation (in the upper end of the target range), we deem a neutral policy stance (thus no cuts) as the most appropriate course for monetary policy for now.

### Fiscal policy

Under a cloud of challenging circumstances, of both a political and economic nature, the Minister of Finance followed the delivery of a reasonable Medium Term Budget in October 2016 with an equally reassuring performance in February.

However, it would be neglectful of us not to highlight noteworthy concerns, chief among which remains overly ambitious nominal GDP estimates which elevate Treasury's execution risk in the outer years of the Medium Term Expenditure Framework. It also remains a concern that little mention was given to unresolved governance and financial sustainability concerns at a number of SOEs. The implication of these issues on already elevated national contingent liabilities remains concerning. Lastly, despite the addition of a new income tax bracket, revenue collections by the South Africa Revenue Service bear the risk of increasingly underperforming fiscal targets over the medium term as efficiency gains in this state department seemingly unwind. We'll pay close attention to tax collection trends in the coming months.

## Fiscal policy continued

At a macro level, discussions around structural economic reform seem to have yielded some fruit, with an agreed minimum wage of R3 500. However, a number of policy initiatives are still unresolved and more needs to be done than the piecemeal announcements made thus far. This includes important changes to mining legislation as well as agreement on secret strike-balloting. The risk we run from a credit ratings perspective is that the lack of promised structural reforms start weighing more than the strengths offered by monetary and fiscal policy credibility.

## Investment view and strategy

With the exception of the US, and more encouraging signs of some improvement in other G10 countries, the global growth recovery still remains fragile. This sets the scene for a modest rise in inflation as well as monetary policy divergence. It also implies a steady tightening cycle for the few economies that are in a position to normalise monetary policy, especially the US. This should limit significant upside to global bond yields, especially following the recent bearish correction. On the negative side, the continued uncertainty about the global and particularly the Chinese growth outlook remains a risk – especially for emerging market commodity producers with a weak external position in both absolute and relative terms, like South Africa. The anti-global trade tirade by the Trump administration is expected to add uncertainty to the mix.

Locally, the downward trend to inflation is imminent, mostly supported by significantly lower food price increases. While the South African Reserve Bank has now adopted a neutral bias, it is unlikely that they would consider interest rate cuts soon. The external imbalance is simply too big to allow for a lower real repo rate, while unpredictable currency swings continue to pose a risk to the more benign inflation outlook. Although the Minister of Finance is clearly determined to rectify the damage to fiscal policy credibility and, by implication, to avoid a sovereign credit downgrade to non-investment grade status, the jury is still out on actual delivery. Therefore, the risk of a credit rating downgrade over the next 12 months still hovers. In the short term, local political uncertainty remains a nagging risk.

Considering the above, we will continue to approach the market with caution. The emphasis therefore remains on capital preservation. This is expressed by the large underweight modified duration and 12+ year nominal bond positions. We have reduced our inflation-linked bond exposure to a zero holding in response to the more benign twelve month inflation outlook and instead opted to retain an overweight position in short- and medium-dated nominal bonds. The biggest risk to our cautious stance is US dollar weakness and consequent rand strength.

Our broad interest rate investment strategy for a core bond fund benchmarked against the ALBI is as follows:

- Modified duration - Underweight (50% of maximum allowable range)
- Cash - Small overweight
- Nominal bonds (1-12 years) - Overweight
- Nominal bonds (12+ years) - Underweight
- Inflation-linked bonds - Zero holding

## Key economic indicators and forecasts (annual averages)

	2013	2014	2015	2016	2017	2018
Global GDP						
USA	1.9%	2.4%	2.4%	1.5%	2.0%	2.0%
Euro area	-0.4%	0.9%	1.5%	1.6%	1.5%	1.5%
Japan	1.6%	-0.1%	0.5%	0.7%	1.1%	1.3%
China	7.7%	7.4%	6.9%	6.7%	6.4%	6.2%
SA GDP	2.2%	1.5%	1.3%	0.5%	1.3%	1.5%
SA Headline CPI	5.8%	6.1%	4.6%	6.3%	5.4%	5.6%
SA Current Account (% of GDP)	-5.8%	-5.4%	-4.4%	-3.7%	-3.7%	-4.0%

Source: Old Mutual Investment Group

## Produced by



**Wikus Furstenberg**  
Portfolio Manager &  
Head: Interest Rate Process

## Product information and performance

Product	Benchmark	Description	Portfolio manager	Inception date	Investment returns	1 Year	3 Years*	5 Years*	7 Years*	10 Years*	Since inception*
<b>MONEY MARKET</b>											
Call Money Market	Average Call rate of four largest SA banks	Aims to provide maximum return on overnight cash investments.	Nazley Bardien	January 2000	Product Benchmark Outperformance	7.23% 6.84% 0.39%	6.31% 5.87% 0.44%	5.79% 5.34% 0.45%	5.79% 5.32% 0.47%	7.02% 6.54% 0.48%	7.08% 6.60% 0.48%
Core Money Market	STeFI 3-month Index	Targets high cash returns through a carefully balanced and actively managed mix of short-term interest-bearing investments. The weighted average duration for the Composite may not exceed 120 days.	Michael van Rensburg	July 2004	Product Benchmark Outperformance	8.38% 7.16% 1.22%	7.29% 6.37% 0.92%	6.65% 5.88% 0.77%	6.62% 5.89% 0.73%	7.84% 7.05% 0.79%	7.84% 7.13% 0.71%
180 day Enhanced Money Market	STeFI Composite Index	Targets high cash returns through a carefully balanced and actively managed mix of short- and medium-term interest-bearing investments with maturities ranging from 180 days to 2 years.	Michael van Rensburg	July 2004	Product Benchmark Outperformance	8.75% 7.51% 1.24%	7.57% 6.71% 0.86%	6.89% 6.16% 0.73%	6.85% 6.09% 0.76%	8.04% 7.20% 0.84%	8.07% 7.24% 0.83%
<b>STeFI PLUS</b>											
Yield Enhanced A STeFI+ Short Term	STeFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement. The Composite's weighted average rated credit quality must be a minimum of A-. Weighted average term to maturity less than 365 days.	Daphne Botha	October 2002	Product Benchmark Outperformance	9.24% 7.51% 1.73%	7.94% 6.71% 1.23%	7.77% 6.16% 1.61%	7.73% 6.17% 1.56%	8.69% 7.30% 1.39%	8.98% 7.79% 1.19%
Yield Enhanced A STeFI+	STeFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement. The Composite's weighted average rated credit quality must be a minimum of A based on official ratings. Weighted average term to maturity less than five years.	Daphne Botha	January 2010	Product Benchmark Outperformance	10.37% 7.51% 2.86%	8.88% 6.71% 2.17%	8.58% 6.16% 2.42%	8.58% 6.17% 2.41%		8.58% 6.19% 2.39%
Yield Enhanced BBB STeFI+	STeFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement. The Composite's weighted average rated credit quality must be a minimum of BBB.	Daphne Botha	February 2010	Product Benchmark Outperformance	12.57% 7.51% 5.06%	10.95% 6.71% 4.24%	10.42% 6.16% 4.26%	10.24% 6.17% 4.07%		10.19% 6.17% 4.02%

Product	Benchmark	Description	Portfolio manager	Inception date	Investment returns	1 Year	3 Years*	5 Years*	7 Years*	10 Years*	Since inception*
<b>STEFI PLUS CONT.</b>											
Yield Enhanced BB SteFI+	StEFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement. The Composite's weighted average rated credit quality must be a minimum of BB.	Daphne Botha	January 2012	Product Benchmark Outperformance	12.41% 7.51% 4.90%	13.57% 6.71% 6.86%	12.26% 6.16% 6.10%			12.27% 6.14% 6.13%
Yield Enhanced Geared BB SteFI+	StEFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement, as well as equity risk. The Composite's weighted average rated credit quality must be a minimum of BB-.	Daphne Botha	January 2008	Product Benchmark Outperformance	13.20% 7.51% 5.69%	13.57% 6.71% 6.86%	11.94% 6.16% 5.78%	12.02% 6.17% 5.85%		12.12% 7.10% 5.02%
Power Debt***	StEFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement. The Composite's weighted average rated credit quality must be a minimum of BBB. Investments in this product are limited to listed and unlisted assets in the power sector and supporting industries.	Paul Semple	May 2014	Product Benchmark Outperformance	11.88% 7.51% 4.37%	11.64% 6.71% 4.93%				10.43% 6.26% 4.17%
<b>INCOME</b>											
Core Income	50% SteFI Call Deposit Index; 50% 3-7 Years All Bond Index	Aims to deliver excess return by investing in money market and bond assets with a focus on yield enhancement while limiting interest rate risk to a maximum average duration of two years.	Wikus Furstenberg	November 2002	Product Benchmark Outperformance	10.22% 10.31% -0.09%	7.80% 7.81% -0.01%	6.85% 6.33% 0.52%	7.11% 6.59% 0.52%	8.09% 7.41% 0.68%	8.57% 7.98% 0.59%
Flexible Income	110% SteFI Call Index	Aims to deliver excess return by investing in money market, bonds, preference shares and listed property and taking advantage of yield enhancement and capital growth opportunities. The composite is not limited by duration constraints.	Wikus Furstenberg	July 2006	Product Benchmark Outperformance	10.37% 7.64% 2.73%	7.39% 6.75% 0.64%	7.48% 6.22% 1.26%	7.91% 6.40% 1.51%	8.70% 7.20% 1.50%	8.92% 7.29% 1.63%
Yield Enhanced Income	20% All Bond Index; 80% SteFI Composite Index	Aims to deliver excess returns through a combination of active interest rate risk management and yield enhancement by investing in listed and unlisted assets. Interest rate risk is constrained.	Wikus Furstenberg	May 2012	Product Benchmark Outperformance	10.82% 8.72% 2.10%	8.90% 7.01% 1.89%				8.59% 6.42% 2.17%



Product	Benchmark	Description	Portfolio manager	Inception date	Investment returns	1 Year	3 Years*	5 Years*	7 Years*	10 Years*	Since inception*
<b>INTEREST RATE ASSET ALLOCATION</b>											
Interest Rate Asset Allocation	ALBI (62.5%); JSE ILB IGOV Index (30%); STEFI Call Deposit Index (7.5%)	Aims to deliver excess return mainly through a combination of aggressive asset allocation within the various interest-bearing asset classes.	Wikus Furstenberg	July 2010	Product Benchmark Outperformance	11.08% 10.93% 0.15%	8.11% 7.86% 0.25%	8.65% 7.48% 1.17%			9.48% 8.52% 0.96%
<b>INFLATION-LINKED BONDS</b>											
Passive ILB Index	Barclays Capital/ Absa SAGILB	Aims to match the returns of the benchmark through passive interest rate and yield curve management.	Nazley Bardien	September 2005	Product Benchmark Outperformance	6.58% 6.49% 0.09%	7.80% 7.81% -0.01%	7.95% 8.02% -0.07%	9.35% 9.44% -0.09%	9.54% 9.62% -0.08%	9.61% 9.68% -0.07%
Core ILB	JSE ILB IGOV Index	Aims to deliver excess return through active interest rate risk management and limited yield enhancement.	Wikus Furstenberg	November 2005	Product Benchmark Outperformance	6.75% 6.63% 0.12%	7.69% 7.84% -0.15%	8.19% 8.04% 0.15%	9.80% 9.46% 0.34%	9.89% 9.63% 0.26%	9.77% 9.51% 0.26%
Yield Enhanced Long Duration ILB	Barclays SAGILB 15+ Total Return Index	Targets high cash returns through a combination of active, real and nominal interest rate risk management and yield enhancement by investing in listed and unlisted assets.	Mei-Chi Liou	June 2011	Product Benchmark Outperformance	7.50% 5.36% 2.14%	9.91% 7.77% 2.14%	10.63% 8.36% 2.27%			11.11% 9.06% 2.05%
Power Inflation-linked***	RSA Inflation Linked Government Bond I2038 Total Return Index	Targets high cash returns through a combination of active, real and nominal interest rate risk management and yield enhancement by investing in listed and unlisted assets in the power sector and supporting industries.	Mei-Chi Liou	January 2014	Product Benchmark Outperformance	9.37% 5.94% 3.43%	12.18% 9.20% 2.98%				9.17% 6.60% 2.57%
Infrastructure & Development Inflation-linked	Barclays BESA SAGILB 15+	Targets high cash returns through a combination of active, real and nominal interest rate risk management and yield enhancement by investing in listed and unlisted socially responsible and developmental assets.	Mei-Chi Liou	Pending	Product Benchmark Outperformance	N/A					
<b>NOMINAL BONDS</b>											
Passive All Bond	All Bond Index	Aims to match the returns of the benchmark through passive interest rate and yield curve management.	Nazley Bardien	June 2000	Product Benchmark Outperformance	13.52% 13.49% 0.03%	7.95% 7.95% 0.00%	7.33% 7.32% 0.01%	8.57% 8.59% -0.02%	7.99% 7.97% 0.02%	10.82% 10.79% 0.03%
Core Bond	All Bond Index	Aims to deliver excess return through a combination of interest-bearing asset allocation, active duration management and yield enhancement.	Daphne Botha/ Wikus Furstenberg	January 2000	Product Benchmark Outperformance	14.11% 13.49% 0.62%	8.30% 7.95% 0.35%	8.07% 7.32% 0.75%	9.36% 8.59% 0.77%	8.71% 7.97% 0.74%	11.28% 10.67% 0.61%

Product	Benchmark	Description	Portfolio manager	Inception date	Investment returns	1 Year	3 Years*	5 Years*	7 Years*	10 Years*	Since inception*
<b>NOMINAL BONDS cont.</b>											
Long Duration Bond	All Bond Index 12+ Years	Aims to deliver excess return through active allocation between long-dated fixed rate and inflation-linked bonds, limited yield curve selection, duration management and yield enhancement.	Wikus Furstenberg	December 2006	Product Benchmark Outperformance	14.10% 14.51% -0.41%	7.40% 7.84% -0.44%	7.35% 7.53% -0.18%	8.67% 8.73% -0.06%	7.48% 7.13% 0.35%	7.69% 7.40% 0.29%
Yield Enhanced Bond	All Bond Index	Targets high cash returns through a combination of active interest rate risk management and yield enhancement by investing in listed and unlisted assets.	Jason Lightfoot	December 2001	Product Benchmark Outperformance	15.12% 13.49% 1.63%	10.34% 7.95% 2.39%	9.95% 7.32% 2.63%	11.31% 8.59% 2.72%	10.43% 7.97% 2.46%	11.18% 9.24% 1.94%
Infrastructure & Development Bond	All Bond Index	Targets high cash returns through a combination of active interest rate risk management and yield enhancement by investing in listed and unlisted socially responsible and developmental assets.	Jason Lightfoot	January 1995	Product Benchmark Outperformance	15.16% 13.49% 1.67%	10.21% 7.95% 2.26%	9.97% 7.32% 2.65%	11.39% 8.59% 2.80%	10.53% 7.97% 2.56%	12.65% 10.67% 1.98%
<b>SOCIALLY RESPONSIBLE INVESTMENTS</b>											
Infrastructure & Development Bond	All Bond Index	Targets high cash returns through a combination of active interest rate risk management and yield enhancement by investing in listed and unlisted socially responsible and developmental assets.	Jason Lightfoot	January 1995	Product Benchmark Outperformance	15.16% 13.49% 1.67%	10.21% 7.95% 2.26%	9.97% 7.32% 2.65%	11.39% 8.59% 2.80%	10.53% 7.97% 2.56%	12.65% 10.67% 1.98%
Development Equity	Consumer Price Index (CPI) + 10%	Targeting high returns by investing in equity and related assets that are socially responsible or developmental.	James Howard	September 2006	Product Benchmark	5.15% 16.59% -11.44%	15.01% 15.75% -0.74%	13.30% 15.68% -2.38%	12.77% 15.48% -2.71%	12.93% 16.30% -3.37%	17.40% 16.24% 1.16%
Community Property	Consumer Price Index (CPI) + 4%	A portfolio specialising in the finance and development of retail shopping centres catering to the needs of under-served communities throughout South Africa.	Smital Rambhai	June 1996	Product Benchmark	24.28% 10.59% 13.69%	16.87% 9.75% 7.12%	14.40% 9.68% 4.72%	12.48% 9.48% 3.00%	13.14% 10.29% 2.85%	13.83% 9.88% 3.95%
Agri	Consumer Price Index (CPI) + 10%	A portfolio specialising in equity investments in agricultural land, agribusinesses and farming infrastructure.	Smital Rambhai (Product Manager)	March 2010	Product Benchmark	N/A					

Product	Benchmark	Description	Portfolio manager	Inception date	Investment returns	1 Year	3 Years*	5 Years*	7 Years*	10 Years*	Since inception*
<b>SOCIALLY RESPONSIBLE INVESTMENTS cont.</b>											
Development Balanced***	A composite weighting of the underlying funds' benchmarks.	A balanced portfolio providing investors with social impact from a targeted and development perspective and exposure to listed equities that track the JSE's SRI Index.	James Howard	November 2004	Product Benchmark Outperformance	13.01% 9.44% 3.57%	7.63% 5.06% 2.57%	9.83% 7.79% 2.04%	10.80% 9.22% 1.58%	9.76% 8.46% 1.30%	12.85% 11.83% 1.02%
Power Debt***	STeFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement. The Composite's weighted average rated credit quality must be a minimum of BBB. Investments in this product are limited to listed and unlisted assets in the power sector and supporting industries.	Paul Semple	May 2014	Product Benchmark Outperformance	11.88% 7.51% 4.37%	11.64% 6.71% 4.93%				10.43% 6.26% 4.17%
Power Inflation-linked bond***	RSA Inflation Linked Government Bond I2038 Total Return Index	Targets high cash returns through a combination of active, real and nominal interest rate risk management and yield enhancement by investing in listed and unlisted assets in the power sector and supporting industries.	Mei-Chi Liou	January 2014	Product Benchmark Outperformance	9.37% 5.94% 3.43%	12.18% 9.20% 2.98%				9.17% 6.60% 2.57%
Infrastructure & Development Inflation-linked bond	Barclays BESA SAGILB 15+	Targets high cash returns through a combination of active, real and nominal interest rate risk management and yield enhancement by investing in listed and unlisted socially responsible and developmental assets.	Mei-Chi Liou	Pending	Product Benchmark Outperformance	N/A					

Currency: ZAR/Gross of fees

\*Annualised

\*\*Currently investors are Futuregrowth staff who may elect to invest through their retirement funds.

\*\*\*Portfolio returns. Supplemental information.

# FUTUREGROWTH

/ ASSET MANAGEMENT

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