



FUTUREGROWTH

/ ASSET MANAGEMENT

Monthly Review

March 2017

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Futuregrowth Asset Management (Pty) Ltd

Company registration number

1996/018222/07

Directors

PE Rackstraw (MD) AC Canter* H Beets**

H George*** M Patel DM Lerutla

*American **Dutch ***British

Contact our client relationship team

Thembela Mandla

T +27 21 659 5450

C +27 82 895 8976

thembelam@futuregrowth.co.za

Ziyanda Tshaka

T +27 21 659 5460

C +27 83 666 0392

ziyandat@futuregrowth.co.za

Marilyn Gates-Garner

T +27 21 659 5453

C +27 82 466 0868

marilyng@futuregrowth.co.za

Precious Buthelezi

T +27 21 659 5449

C +27 82 085 6486

pbuthelezi@futuregrowth.co.za

Steffen Josephs

T +27 21 659 5466

C +27 83 327 3543

sjosephs@futuregrowth.co.za

Market review

Economic and market review

Interest rate bulls forced into hiding	<p>The cabinet reshuffle at the end of March and South Africa's sovereign credit rating downgrade by Standard & Poor's Global Rating Agency (S&P) in early April overshadowed all other activities for the first three months of the year. These two closely linked events forced interest rate bulls into hiding as the rand and bond yields raced to weaker levels.</p>
Bond yield spike wipes away significant gains	<p>The general market trend prior to the disastrous political event had been for rand strength and falling bond yields. The yield of the benchmark R186 (maturity 2026) managed to drift lower to a closing level of 8.31% on 23 March, the lowest level since November 2015. This was 65 basis points below the closing level on 31 December 2016. At that point, the All Bond Index total return rose to 5.9% for the year to date, well above the cash return of 1.9%. Soon after, disaster struck, causing yields to spike and wiping all the gains up to that point in a matter of five days.</p>
Inflation-linked bonds rendered the worst returns	<p>As a result of the sharp rise in yields across the whole of the yield curve during the last week of March, the JSE All Bond Index ended the quarter with a significantly lower total return of 2.5%, but still slightly higher than the cash return of 1.9%. The nominal bond sell-off also sparked an upward movement in the real yields of inflation-linked bonds which more than offset any gains from the inflation carry. As a result, the JSE Inflation-linked Government Bond Index returned -0.6% for the quarter</p>
Prior to the reshuffle, market sentiment was boosted by local data	<p>The earlier downtrend in bond yields for most of the quarter was mainly backed by a fall in the rate of domestic consumer inflation, better than expected external trade data and a reasonable national budget considering the very difficult circumstances. A much stronger rand against most other currencies and good rains in the central and northern parts of the country also contributed to expectations of a further improvement in the inflation outlook.</p>
Both the Fed and SARB stayed the course	<p>The decision by the US Federal Reserve to raise its policy rate for the first time in months had been well anticipated, even welcomed by financial markets. Locally, the most recent meeting of the South African Reserve Bank's Monetary Policy Committee, mere days before the unfortunate cabinet reshuffle, caused market sentiment to change to reflect an expectation of possible rate cuts later this year. This had been priced out very quickly during the last week of March.</p>

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 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. The cabinet reshuffle is likely to, firstly, slow the momentum of this process and secondly, negatively impact both consumer and particularly business sentiment.

Inflation

The strong rise in energy and other raw material prices in 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 has forced down our 2017 annual average inflation forecast to 5.4%. Recent rand weakness in response to the cabinet reshuffle and S&P's sovereign credit ratings downgrade do not yet pose a threat as a weaker rand assumption has been accounted for in our consumer inflation forecasts.

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 3.3% in 2016 to 3.0% in 2017, followed by marginal widening to 3.5% in 2018. The surprisingly small deficit for the fourth quarter of 2016 is not sustainable. Our terms of trade is expected to weaken from current levels, while the unfavourable income account deficit (primarily comprised of net dividend and interest payments to foreigners), remains a significant drag on a sustained and meaningful balance of payments correction. A stronger currency may also limit a significant further narrowing of the current account deficit over the medium term.

Key macroeconomic themes *continued*

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 1.8%, 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 to 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 prospects of the South African 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 right now. Recent market turmoil should also add to the list of reasons for the central bank to remain cautious about reducing the repo rate.

Fiscal policy

Under a cloud of challenging circumstances, of both a political and economic nature, the now ex-Minister of Finance, followed the delivery of a reasonable Medium Term Budget in October 2016 with an equally reassuring performance in February. Of course, all of this has been for nothing as the market is potentially facing a very different new era, with more than enough reason to be very cynical about any early efforts by the new Minister of Finance to reassure financial markets about maintaining the status quo.

Absent of the significantly heightened risk to fiscal prudence, it would be neglectful of us not to highlight further noteworthy concerns; chief among which remains overly ambitious nominal GDP estimates which elevates 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 state-owned enterprises. Our concern about the implication of this on already elevated national contingent liabilities remains high. Lastly, despite the addition of a new income tax bracket, revenue collections by the South African 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.

With this in mind, S&P had very little option but to retain a negative outlook following the sovereign ratings downgrade, thereby keeping open the door for a deeper slide into non-investment grade territory over the medium term.

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 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. 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, supported mostly 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. Recent market turmoil have muddied the outlook.

Although the newly appointed Minister of Finance is doing his best to downplay risks to the previously carefully managed fiscal consolidation, it would take far more to convince us that all is indeed well on that front. The sovereign credit rating downgrade did not come as a complete surprise. In fact, the move had been priced by the credit default swap market months in advance. What concerns us more is the decision to maintain the outlook as negative, which clearly points to the risk of another downgrade at some point. Local political developments will continue to remain a source of market volatility, with focus in the short term on the possible removal of the President, an outcome we deem as very unlikely.

Considering the above, we will continue to approach the market with extreme caution. The main risk to this defensive strategy is the revival of the global reach for yield trade, while an early removal of President Zuma will also be considered as a significant boost to both the rand and bond markets. We regard the probability of the former significantly higher than the latter.

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

- Modified duration – Underweight (60% of maximum allowable range)
- Cash – Small overweight
- Nominal bonds (1-3 years) - Underweight
- Nominal bonds (3-7 years) - Overweight
- Nominal bonds (7-12 years) - Underweight
- Nominal bonds (12+ year) - 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%	2.1%	1.8%
Euro area	-0.4%	0.9%	1.5%	1.6%	1.8%	1.5%
Japan	1.6%	-0.1%	0.5%	0.7%	1.4%	0.7%
China	7.7%	7.4%	6.9%	6.7%	6.4%	6.2%
SA GDP	2.2%	1.5%	1.3%	0.5%	1.7%	2.0%
SA Headline CPI	5.8%	6.1%	4.6%	6.3%	5.4%	5.4%
SA Current Account (% of GDP)	-5.8%	-5.4%	-4.4%	-3.3%	-3.0%	-3.5%

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*
MONEY MARKET											
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	7.26% 6.88% 0.38%	6.36% 5.93% 0.43%	5.82% 5.38% 0.44%	5.79% 5.33% 0.46%	7.01% 6.52% 0.49%	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	8.40% 7.20% 1.20%	7.35% 6.43% 0.92%	6.70% 5.91% 0.79%	6.62% 5.89% 0.73%	7.84% 7.04% 0.80%	7.85% 7.13% 0.72%
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	8.76% 7.56% 1.20%	7.63% 6.77% 0.86%	6.93% 6.19% 0.74%	6.84% 6.10% 0.74%	8.04% 7.19% 0.85%	8.08% 7.24% 0.84%
STeFI PLUS											
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	8.76% 7.56% 1.20%	7.87% 6.77% 1.10%	7.75% 6.19% 1.56%	7.68% 6.17% 1.51%	8.65% 7.29% 1.36%	8.96% 7.79% 1.17%
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	10.24% 7.56% 2.68%	8.97% 6.77% 2.20%	8.63% 6.19% 2.44%	8.56% 6.17% 2.39%		8.62% 6.21% 2.41%
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	11.28% 7.56% 3.72%	10.82% 6.77% 4.05%	10.32% 6.19% 4.13%	10.19% 6.17% 4.02%		10.13% 6.19% 3.94%

Product	Benchmark	Description	Portfolio manager	Inception date	Investment returns	1 Year	3 Years*	5 Years*	7 Years*	10 Years*	Since inception*
STEFI PLUS CONT.											
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	10.10% 7.56% 2.54%	12.79% 6.77% 6.02%	11.79% 6.19% 5.60%			11.87% 6.17% 5.70%
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	10.93% 7.56% 3.37%	12.86% 6.77% 6.09%	11.51% 6.19% 5.32%	11.78% 6.17% 5.61%		11.92% 7.10% 4.82%
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	12.01% 7.56% 4.45%	11.56% 6.77% 4.79%				10.49% 6.29% 4.19%
INCOME											
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	9.56% 9.56% 0.00%	7.70% 7.74% -0.04%	6.87% 6.38% 0.49%	7.09% 6.58% 0.51%	8.09% 7.43% 0.66%	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	9.76% 7.67% 2.09%	7.49% 6.81% 0.68%	7.57% 6.25% 1.32%	7.93% 6.34% 1.59%	8.73% 7.24% 1.49%	8.95% 7.29% 1.66%
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	10.02% 8.28% 1.74%	8.75% 6.96% 1.79%				8.54% 6.44% 2.10%

Product	Benchmark	Description	Portfolio manager	Inception date	Investment returns	1 Year	3 Years*	5 Years*	7 Years*	10 Years*	Since inception*
INTEREST RATE ASSET ALLOCATION											
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	9.68% 8.37% 1.31%	7.70% 7.04% 0.66%	8.64% 7.30% 1.34%			9.42% 8.35% 1.07%
INFLATION-LINKED BONDS											
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	3.22% 3.28% -0.06%	6.07% 6.16% -0.09%	7.23% 7.33% -0.10%	8.94% 9.07% -0.13%	9.18% 9.27% -0.09%	9.32% 9.41% -0.09%
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	3.82% 3.26% 0.56%	6.14% 6.10% 0.04%	7.52% 7.30% 0.22%	9.45% 9.04% 0.41%	9.57% 9.25% 0.32%	9.50% 9.20% 0.30%
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	3.98% 1.21% 2.77%	8.13% 5.72% 2.41%	9.83% 7.47% 2.36%			10.48% 8.33% 2.15%
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	6.40% 2.25% 4.15%	9.96% 6.79% 3.17%				8.36% 5.65% 2.71%
Infrastructure & Development ILB	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					
NOMINAL BONDS											
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	11.05% 11.02% 0.03%	7.46% 7.45% 0.01%	7.39% 7.38% 0.01%	8.31% 8.32% -0.01%	8.07% 8.06% 0.01%	10.79% 10.76% 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	11.89% 11.02% 0.87%	7.86% 7.45% 0.41%	8.13% 7.38% 0.75%	9.08% 8.32% 0.76%	8.81% 8.06% 0.75%	11.25% 10.65% 0.60%

Product	Benchmark	Description	Portfolio manager	Inception date	Investment returns	1 Year	3 Years*	5 Years*	7 Years*	10 Years*	Since inception*
NOMINAL BONDS cont.											
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	11.49% 11.46% 0.03%	6.78% 7.15% -0.37%	7.51% 7.66% -0.15%	8.38% 8.42% -0.04%	7.64% 7.27% 0.37%	7.68% 7.36% 0.32%
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	12.75% 11.02% 1.73%	9.88% 7.45% 2.43%	9.99% 7.38% 2.61%	11.00% 8.32% 2.68%	10.48% 8.06% 2.42%	11.16% 9.22% 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	12.35% 11.02% 1.33%	9.56% 7.45% 2.11%	9.90% 7.38% 2.52%	11.05% 8.32% 2.73%	10.54% 8.06% 2.48%	12.59% 10.65% 1.94%
SOCIALLY RESPONSIBLE INVESTMENTS											
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	12.35% 11.02% 1.33%	9.56% 7.45% 2.11%	9.90% 7.38% 2.52%	11.05% 8.32% 2.73%	10.54% 8.06% 2.48%	12.59% 10.65% 1.94%
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	3.28% 16.31% -13.03%	13.83% 15.74% -1.91%	12.32% 15.80% -3.48%	12.50% 15.54% -3.04%	12.76% 16.43% -3.67%	17.10% 16.30% 0.80%
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	24.55% 10.31% 14.24%	17.02% 9.73% 7.29%	14.44% 9.80% 4.64%	12.50% 9.54% 2.96%	13.15% 10.42% 2.73%	13.82% 9.92% 3.90%
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*
SOCIALLY RESPONSIBLE INVESTMENTS cont.											
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	7.49% 5.01% 2.48%	6.80% 4.66% 2.14%	10.24% 8.39% 1.85%	10.21% 8.67% 1.54%	9.38% 8.20% 1.18%	12.85% 11.88% 0.97%
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	12.01% 7.56% 4.45%	11.56% 6.77% 4.79%				10.49% 6.29% 4.19%
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	6.40% 2.25% 4.15%	9.96% 6.79% 3.17%				8.36% 5.65% 2.71%
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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3rd Floor, Great Westerford
240 Main Road, Rondebosch
7700, South Africa
Private Bag X6, Newlands, 7725, South Africa
Tel: +27 21 659 5300 Fax: +27 21 659 5400
www.futuregrowth.co.za

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INVESTMENT GROUP