



Futuregrowth Core Income Composite

March 2022

Description

The Futuregrowth Core Income Composite aims to deliver excess return through a combination of interest bearing asset allocation, active interest rate risk management, appropriate yield curve positioning and moderate exposure to higher yielding fixed and variable rate non-government bonds. The Composite is also mandated to invest in inflation-linked bonds. It offers a high level of income together with a commitment to higher capital stability. The benchmark is 50% South African STeFI Call Index and 50% 3-7 Years All Bond Index.

Portfolio manager	Wikus Furstenberg
Benchmark	50% South African STeFI Call Index and 50% 3-7 Years All Bond Index
Performance target	Outperform the benchmark
Current weighted average credit quality (Internal rating)	AA+
Average yield pickup over risk free rate	0.65%
Current structure	Segregated
Inception date	November 2002
Total composite assets	R630.3 million
Minimum investment	Pooled - R10 million / Segregated - R100 million (Both at manager's discretion)
Termination period	1 calendar month (size dependent)

Objective

The Composite seeks to outperform the combined benchmark over a rolling 3-year period.

Composition

The Composite invests in a wide range of fixed rate, variable rate and inflation-linked bonds issued by the RSA government, state owned enterprises and the corporate sector, subject to credit committee approval.

Yield enhanced strategy

Our yield enhanced strategy relies on maintaining strong relationships with market players. This allows us to see a large degree of deal-flow on a continuous basis and keep an eye on ever-evolving credit events in the market. In the unlisted space, our specialist structuring skills allow us to make loans that ensure lenders achieve the greatest degree of investor protection through loan terms, covenants and security while ensuring risk-adjusted returns with good diversification.

Portfolio Manager

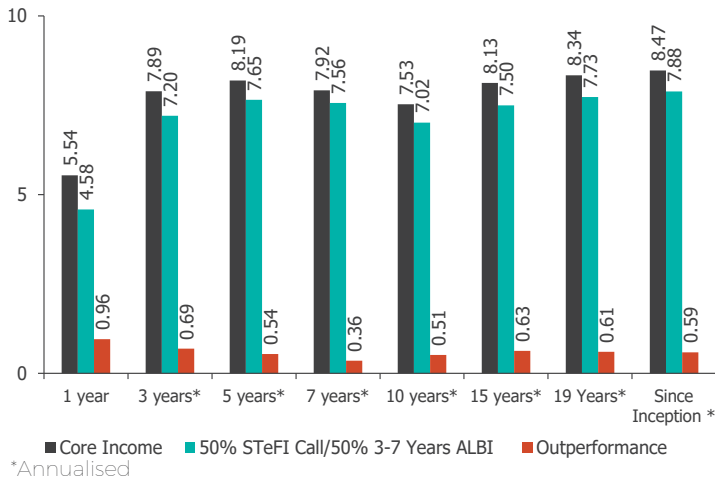


Wikus Furstenberg

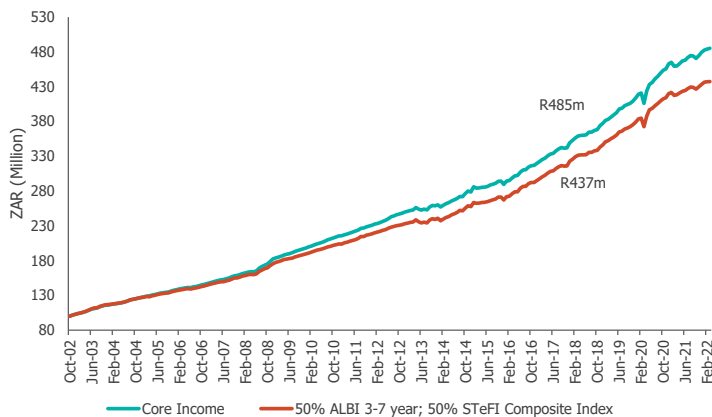
Wikus manages a range of institutional and retail fixed income portfolios which include income, core bond and flexible interest rate funds. He also heads up the Interest Rate team at Futuregrowth.



Performance



Cumulative performance



Portfolio exposure

Money Market	2.48%
Variable Rate Bonds	44.53%
Fixed rate bonds	53.00%
1-3yr	1.54%
3-7yr	37.34%
7-12yr	14.11%
+12yr	0.00%
MD	2.24

Risk statistics

	Information ratio	Tracking error
3 Years	1.59	0.43%
5 Years	1.49	0.36%
10 Years	1.19	0.43%
15 Years	1.38	0.45%
Since inception standard deviation		
Composite	2.26%	
Benchmark	2.26%	

Contact the Client Relationship team

Maseabi Marageni
mmaregeni@futuregrowth.co.za
C +27 84 837 7295

Steffen Josephs
sjosephs@futuregrowth.co.za
C +27 83 327 3543

Marilyn Gates Garner
marilyng@futuregrowth.co.za
C +27 82 466 0868

Ziyanda Tshaka
ziyandat@futuregrowth.co.za
C +27 83 666 0392

FAIS disclaimer: Futuregrowth Asset Management (Pty) Ltd ("Futuregrowth") is a licensed discretionary financial services provider, FSP 520, approved by the Registrar of the Financial Sector Conduct Authority to provide intermediary services and advice in terms of the Financial Advisory and Intermediary Services Act 37 of 2002. The fund values may be market linked or policy based. Market fluctuations and changes in exchange rates may have an impact on fund values, prices and income and these are therefore not guaranteed. Past performance is not necessarily a guide to future performance. Futuregrowth has comprehensive crime and professional indemnity in place. Performance figures are sourced from Futuregrowth and IRESS. **GIPS disclaimer:** Futuregrowth a subsidiary of Old Mutual Investment Group Holdings (Pty) Limited is a specialist investment company which manages the full range of interest bearing and developmental investments in an ethical and sustainable way. Futuregrowth claims compliance with the Global Investment Performance Standards (GIPS®). Contact Futuregrowth at +27 21 659 5300 to obtain a list of composite descriptions and/or a presentation that complies with the GIPS® standards. The investment returns reflected are supplemental information as they are not calendar year returns and are gross-of-fees. Currency: ZAR.

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