

**Discussing the Portfolio Manager Trainee Programme****Interview between Andrew Canter (CIO) and Daphne Botha (Portfolio Manager and Head of Risk Management) @ Futuregrowth****Published: May 2021**[Watch the interview.](#)

**Andrew:** Amongst the many product lines of Futuregrowth, there's an emerging demand for alternative asset classes, for example, we're involved in alternative credit infrastructure development and social services, which are very, very much in-demand asset classes. Any investment process relies on not just a replicable grounded and tested process, but also innovation, creativity, new energy and new ideas - so, you always want this organic flow of people up and through and into the organisation. And the only way you're going to do that is if you're always bringing in fresh thinking from a range of analytical disciplines. The way we approach that, is people come in and through Futuregrowth, and if they earned the right, we'll give them the opportunity to learn, to look at portfolios holistically, without losing their responsibility for their initial investment discipline, whether it's credit analysis or deal structuring, or even investment admin and operations evaluations or dealing, but also to give them an opportunity to look from the top down and continue their core functions, while also looking at the portfolios holistically.

I'm here with Daphne Botha, head of Risk Management and a portfolio manager of Futuregrowth, to talk about the portfolio manager (PM) trainee programme. Daphne, tell us, how did the portfolio manager trainee programme get started?

**Daphne:** Historically, we've had a process whereby investment analysts were promoted to the role of portfolio manager. That process was quite slow and it was really dependent on the product or a specific analyst's skills. We decided that, to move the process along, we would create a more structured programme and be a little bit more intentional about the creation of additional portfolio management skills in the house.

**Andrew:** How does it tie up with the Futuregrowth investment process?

**Daphne:** Within the Futuregrowth investment process, we have three key value-added areas. We have interest rates, credit, and the dealing function. Currently, the analysts who are eligible for the PM programme would be within one of those areas where they would exercise their decision-making rights and that doesn't change. The PM trainee effectively takes on more responsibility where they are now responsible for client flows, mandate negotiations, and client interaction - either verbal or in-person. So, it's taking on additional responsibility in addition to the existing work, and elevating the responsibility and leadership within the business and in the investment process.

**Andrew:** Can you describe for us the selection criteria for the programme?

**Daphne:** Firstly, we send out an invitation to the whole company to encourage investment professionals to apply to the programme. Once we've received the applications as investment ex-co, we will review them, assuming they have all the minimum requirements: breadth of experience, length of experience, their current performance is up to standard and also that they have the capacity and willingness to take on additional responsibility. Once looking at all of that, we'll also look to see who is eligible for that recognition and who can be elevated effectively to a higher-level position within the investment process.

**Andrew:** How does the programme actually run?

**Daphne:** The programme runs over a long period. It's generally around 18 to 36 months. How we've structured it is we've got a formal section where we've got six presentations from various members of the business - not just the investment team, but the greater business, so it would include client

reporting, our performance team. Even our evaluations team presents their areas, so that each candidate will have a good overview of what Futuregrowth and our portfolios are exposed to. Then the more important part is the on-the-job training where each portfolio management trainee is paired with a portfolio manager, and they decide which portfolios the PM trainee will look after or be exposed to over the training period, and then they are required to spend a couple of hours a week together. And what are they exposed to? They're exposed to risk management: daily risk management, daily cashflow management, they will also be exposed to fund transitions, negotiating new mandates, as well as interacting with clients, which is obviously quite a key component of this - either in written form, responding to client queries or formally presenting to the client at report backs.

**Daphne:** And then, in terms of assessment, in the first part of the assessment, each PM trainee will present to the investment ex-co as if they are a board of trustees. The investment ex-co will assess each candidate relative to each other and on an absolute basis. And we've got a set of requirements that we will mark them on, so to speak. Once that process is complete and we're happy with the progress, each candidate will spend time with Andrew Canter, our chief investment officer, where they will review a portfolio mandate or investment guidelines, and in particular, the definitions and notes. The definitions and notes are really more an explanatory document to the mandate. The aim is not really just to test the knowledge of this, but also to test their thinking about improvements in terms of the actual document, and our investment process.

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