

Description

The Futuregrowth Core ILB Composite aims to deliver excess return through active interest rate risk management, appropriate yield curve positioning and exposure to higher yielding non-government inflation-linked bonds. The benchmark is the JSE ILB IGOV Index.

Portfolio manager	Yunus January
Benchmark	JSE ILB IGOV Index
Performance target	IGOV +0.5%
Investable universe	Inflation-linked bonds
Current structure	Segregated
Inception date	November 2005
Total composite assets	R462.9 million
Minimum investment	Pooled - R25 million / Segregated - R100 million (Both at manager's discretion)



Yunus January
PORTFOLIO MANAGER

Yunus manages a range of institutional and retail fixed income portfolios which include core bond, income and interest rate allocation funds. He also forms part of the Interest Rate team at Futuregrowth and performs quantitative and qualitative macroeconomic and fixed income research and analysis that is used to make investment decisions.

Objective

The Composite seeks to outperform the JSE ILB IGOV Index.

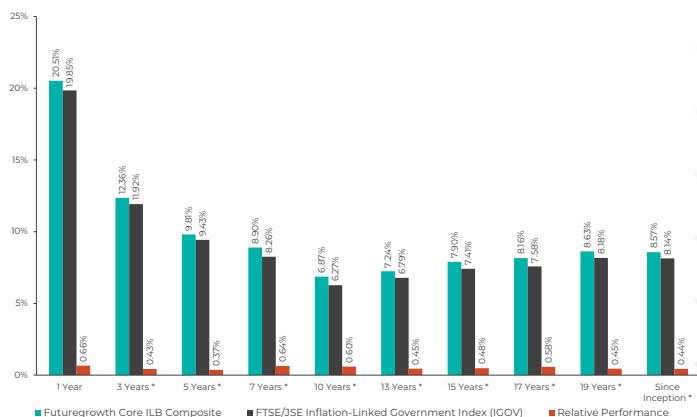
Composition

The Composite invests in cash and inflation-linked bonds issued by the RSA-government, state-owned enterprises and the corporate sector.

Yield enhanced strategy

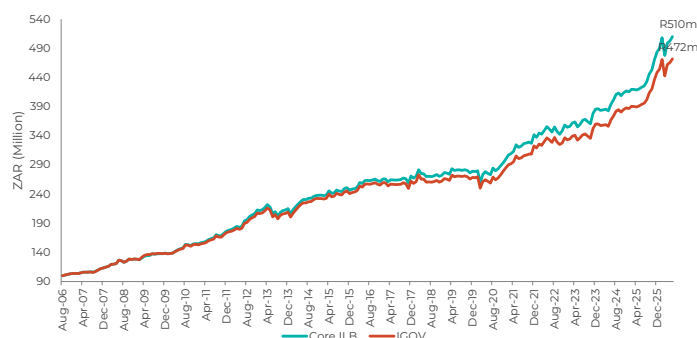
Our yield enhanced strategy relies on maintaining strong relationships with market players. This allows us to see a large degree of deal-flow on a continuous basis and keep an eye on ever-evolving credit events in the market. In the unlisted space, our specialist structuring skills allow us to make loans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

Performance



*Annualised

Cumulative performance



Risk statistics

	Information ratio	Tracking error
3 Years	1.14	0.38%
5 Years	0.51	0.62%
10 Years	0.83	0.69%
15 Years	0.74	0.63%

Since inception standard deviation

Composite	6.11%
Benchmark	6.09%

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Derivative disclosure: Market derivatives are used frequently and extensively to manage interest rate risk of the fund relative to the benchmark, and to enable the acquisition of short-term or floating rate instruments in the fund. Market derivatives are used less frequently to opportunistically add value due to mispricings. The manager does not employ "naked" written options strategies to increase yield. Credit derivatives are allowed, but used infrequently and only within credit policies and limits. **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.

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