

Description

The Futuregrowth Infrastructure & Development Inflation-linked Bond (ILB) Fund, a specialist yield enhanced bond portfolio, forms part of Futuregrowth's suite of developmental investments. The Fund 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. As a stand-alone investment, the Fund is not Reg. 28 compliant. The benchmark is the JSE Composite Inflation-linked Index 12+ Year (CILI 12+ Year).

The Composite can be used:

- as part of the ILB allocation in larger balanced portfolios,
- as a core or specialised yield enhanced ILB holding, or
- as a developmental investment holding of an investor's portfolio.



Jason Lightfoot
PORTFOLIO MANAGER

Jason manages a number of yield enhanced portfolios including the Infrastructure & Development Bond Composite. In addition to managing the Power ILB Composite. He is also a credit analyst responsible for deal sourcing and structuring in the unlisted market and ongoing monitoring of transactions that he looks after.

Portfolio manager	Jason Lightfoot
Asset class	Fixed Interest & Inflation-linked Yield Enhanced debt
Reg. 28 category	Debt instruments, predominantly unlisted instruments of unlisted entities
Benchmark	JSE Composite Inflation-linked Index 12+ Year (CILI 12+ Year)
Performance target	Benchmark +1.00% over rolling 3-year period
Current structure	Pooled/Segregated
Fund start date	March 2016
Total composite assets	R846.7 million
Minimum investment	Pooled - R15 million / Segregated - R500 million (Both at manager's discretion)
Termination period	1 calendar month (size dependent)

Objective

The Fund aims to outperform the CILI 12+ by 1% per annum before the deduction of taxes and fees and with income reinvested over a rolling 3-year period.

Composition

The Fund buys units in the Futuregrowth Infrastructure & Development Bond Fund (IBF). The underlying nominal interest rate risk in the IBF is hedged via derivatives to give the Fund inflation-linked exposure. Please note that there will never be any double-dipping of fees.

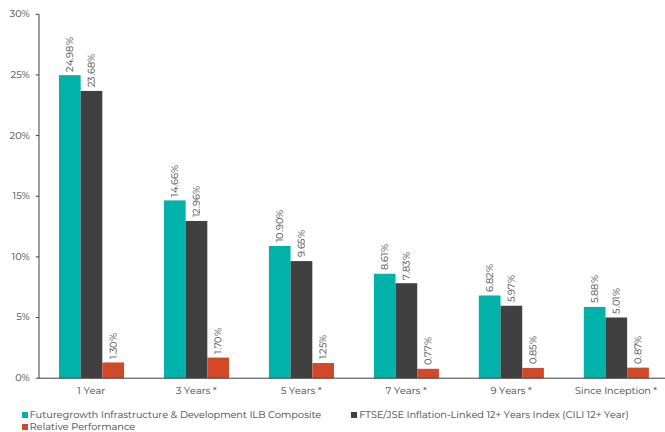
The IBF, which invest in infrastructural, social, environmental and economic development sectors, may invest in a wide range of debt instruments including those issued by government, parastatals, corporates as well as securitised assets. The inclusion of assets is subject to credit committee approval. The IBF is allowed to invest up to 50% in unlisted credit and in addition, to invest in up to 5% equity assets (primarily through the Futuregrowth Development Equity Fund) subject to investment committee approval. The resulting effect is good risk-adjusted alpha generation over time.

In order to retain adequate liquidity and flexibility, and in the course of managing new investments, asset maturities and sales, and fund-flows, the IBF usually maintains a high degree of liquid and/or non-developmental assets. This facilitates transactions and/or client cash flow needs.

Social impact

The Power Debt Fund aims to provide investors with a vehicle that facilitates infrastructural, social, environmental and economic development in southern Africa through investments in energy-related businesses and sectors. These include electricity generation from renewable, alternative and traditional sources, power distribution and reticulation, and supporting industries and sectors. The Power Debt Fund delivers on a variety of social impact requirements such as sustainable energy, job creation, skills transfer, Black Economic Empowerment (BEE), community upliftment and promotion of SMMEs.

Performance



*Annualised

The since inception date refers to the date the Fund started.

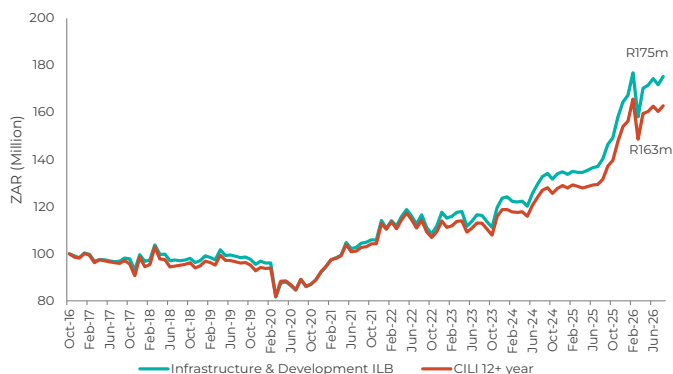
Risk statistics

	Information ratio	Tracking error
3 Year	1.73	0.98%
5 Year	1.00	1.24%

Since inception standard deviation

Composite	9.35%
Benchmark	15.19%

Cumulative performance



Contact the Business Development team

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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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