FUTUREGROWTH
/ ASSET MANAGEMENT

YIELD ENHANCED BBB STEFI+ COMPOSITE

QUARTER 3 SEPTEMBER 2026

Description

The Futuregrowth Yield Enhanced BBB STeFI+ Composite targets high cash returns through active interest rate risk management, active yield curve bets, high credit concentrations in lower rated entities, credit arbitrage, high market and credit derivative usage. The Composite's weighted average rated credit quality must be a minimum of BBB. The benchmark is the South African STeFI Composite Index.

Portfolio manager	Thina Tiyo
Benchmark	South African STeFI Composite Index (STeFI)
Performance target	STeFI + 4%
Current weighted average credit quality (Internal rating)	A+
Average yield pickup over risk free rate	2.47%
Current structure	Pooled
Inception date	February 2010
Total composite assets	R4.7 billion
Minimum investment	Pooled - R25 million (At manager's discretion)
Termination period	1 calendar month (size dependent)



Thina Tiyo

PORTFOLIO MANAGER

Thina is responsible for new deal origination and structuring, as well as analysing financial and non-financial information from various sources to provide informed investment and trade recommendations on unlisted and high-yield debt opportunities. Her key responsibilities as an Investment Analyst also include the management of counterparty relationships, continuous monitoring of her portfolio of deals and ensuring that a risk-adjusted return is earned for the benefit of our clients.

Objective

The Composite aims to outperform the STeFI + 4% per annum over a rolling 12-month period.

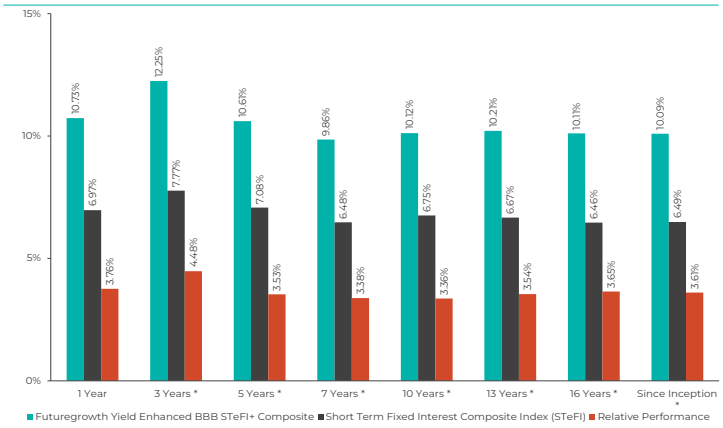
Composition

The Composite invests in a wide range of government, parastatal, corporate debt, securitised and money market assets, subject to credit committee approval and whose relative value is expected to increase over time. 100% of this Composite can be invested in unlisted credit.

Yield enhanced strategy

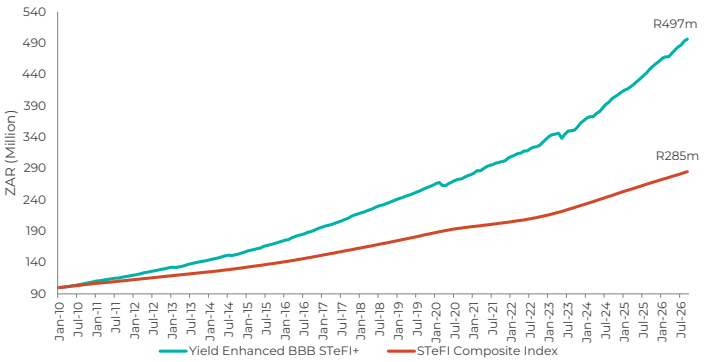
Our yield enhanced strategy relies on maintaining strong relationships with market players. This allows us to see a large degree of deal-flow on a continuous basis and keep an eye on ever-evolving credit events in the market. In the unlisted space, our specialist structuring skills allow us to make loans 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



Portfolio exposure

Equity	0.49%	Fixed rate bonds	15.36%
Inflation linked bond	1.41%	1-3yr	0.11%
Cash	10.06%	3-7yr	2.24%
Money market	72.67%	7-12yr	9.05%
0-3mth	42.93%	+12yr	3.96%
3-6mth	24.63%	MD	0.92
6-9mth	3.54%		
9-12mth	1.58%		

Credit rating exposure

AAA+ Total	34.99%	BBB Total	12.52%
AAA Total	0.17%	BBB- Total	3.23%
AA Total	15.74%	BB+ Total	1.58%
AA- Total	1.65%	BB Total	5.48%
A+ Total	-4.88%	BB- Total	1.09%
A Total	2.42%	B Total	0.01%
A- Total	12.13%	C Total	0.27%
BBB+ Total	11.59%	D Total	2.02%
		Total	100%

Risk statistics

	Information ratio	Tracking error
3 Years	3.52	1.27%
5 Years	1.66	2.12%
10 Years	1.80	1.87%
15 Years	2.18	1.67%

Since inception standard deviation	
Composite	1.62%
Benchmark	0.35%

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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