FUTUREGROWTH
/ ASSET MANAGEMENT

YIELD ENHANCED INCOME COMPOSITE
QUARTER 3 SEPTEMBER 2026

Description
The Futuregrowth Yield Enhanced 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 exposure to higher yielding fixed and variable rate non-government bonds. The Composite is also mandated to invest in inflation-linked bonds, unlisted bonds and equities (no more than 3% of the portfolio). Delivering a stable income is balanced with a commitment to utilise market opportunities to seek maximum capital gain, but also to revert to strategies to protect capital when market conditions turn negative. The Composite is not allowed a modified duration greater than 2.00. Wider derivative limits allows the manager more leverage in protecting the Composite against potential capital loss. The benchmark is 20% ALBI and 80% STeFI.

Portfolio manager	Jason Lightfoot
Benchmark	20% All Bond Index (ALBI) / 80% South African STeFI Composite Index (STeFI)
Performance target	Benchmark + 1%
Current weighted average credit quality (Internal rating)	AA
Average yield pickup over risk-free rate	1.13%
Current structure	Segregated
Inception date	May 2012
Total composite assets	R237.6 million
Minimum investment	Pooled - R50 million / Segregated - R125 million (Both at manager's discretion)
Termination period	1 calendar month (size dependent)

Jason Lightfoot
SENIOR PORTFOLIO MANAGER

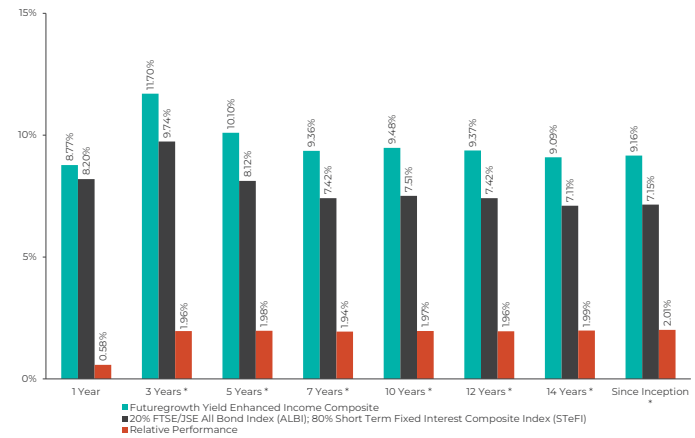
Jason is the Portfolio Manager of our flagship products, the Futuregrowth Infrastructure & Development Bond Fund and the Futuregrowth Power Debt Fund, as well as various other credit funds across STeFI, Income and ILB benchmarks . He holds a pivotal position within the team, contributing to diverse investment processes and decisions with an expertise in credit and risk assessment.

Objective
The Composite aims to outperform the benchmark by 1% over any rolling 3-year period. It aims to offer a high level of income while capital loss may not exceed a rolling 3-month 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. The composite is also mandated to invest in unlisted assets.

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	3.16	0.62%
5 Years	3.23	0.61%
10 Years	2.48	0.79%

Since inception standard deviation	
Composite	1.57%
Benchmark	1.64%

Portfolio exposure

Money market	6.83%
Fixed rate bonds	17.53%
1-3yrs	2.24%
3-7yrs	4.74%
7-12yrs	9.18%
12+yrs	1.37%
CPI linked bonds	5.88%
Derivatives	11.36%
Other	0.62%
Variable rate bonds	57.78%
MD	1.51

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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