

Futuregrowth Infrastructure & Development Bond Fund

Development & Social Impact Bi-annual Report 30 September 2025

Celebrating 30 Years of Impact

A close-up photograph of a person's hands planting a small green seedling into dark soil. The person is wearing light-colored trousers and dark shoes. The background is a blurred field of similar seedlings under a warm, golden sunset sky. The overall mood is one of growth and investment.

Our Flagship Fund Continues To Perform Well

Although we are starting to see some green-shoots, economic growth remains constrained but our Private Debt team continues to demonstrate resilience and a keen eye for opportunity. Our strong deal pipeline is a testament to our team's ability to source compelling investments, even in challenging market conditions.

Futuregrowth Infrastructure & Development Bond Fund

Futuregrowth's flagship Infrastructure & Development Bond Fund (IBF/Fund), with a size of **R25.5 billion**, is one of the largest dedicated funds of its nature with the longest track record in Sub-Saharan Africa.

Three decades of purpose-driven investing

This year marks the 30th anniversary of the **Futuregrowth Infrastructure and Development Bond Fund**. Having managed it for most of its life, I reflected not only on its financial milestones but also on the enduring purpose that has guided us since the beginning.

When the Fund launched in 1995, South Africa was a nation in transition - full of hope and possibility but facing daunting developmental backlogs. The goal was simple yet bold: channel long-term pension fund capital into rebuilding a country long divided. At the time, investing in infrastructure for both financial return and social good was a radical idea. Many institutional investors doubted the viability of developmental investments. But we saw an opportunity to prove that “doing good” could coexist with strong financial performance.

Evolving with purpose

The Fund's core philosophy remains grounded in discipline, diversification, and developmental impact intent. With the flexibility to invest up to 55% in unlisted credit, we access high-yielding, less correlated assets - offering investors both stability and diversification in volatile markets.

Our deliberate off-benchmark positioning and active interest rate risk management have enabled the Fund to consistently outperform the All-Bond Index since inception.

But performance is only part of the story.

The true legacy lies in the long-term impact we've made across sectors like affordable housing, renewable energy, student accommodation, and transport – where investments translate into homes, jobs, electricity, and dignity for South Africans.

[Link to full article](#)

Jason Lightfoot

Senior Portfolio Manager

Fund Facts

Portfolio manager	Jason Lightfoot
Benchmark	All Bond Index (ALBI)
Performance target	ALBI + 1.25%
Current weighted average credit quality (Internal rating)	AA-
Average yield enhancement	1.66%
Listed yield enhancement	0.45%
Unlisted yield enhancement	3.09%
Current structure	Pooled
Fund start date	January 1995
Total Fund assets	R25.5bn
Termination period	1 calendar month (size dependent)

Invested in a wide range of debt instruments

The Futuregrowth Infrastructure & Development Bond Fund (IBF/Fund) is a specialist yield enhanced bond portfolio and forms part of Futuregrowth's suite of developmental funds.

The Fund targets commercial risk-adjusted returns through a combination of moderate credit concentration limits, active interest rate risk management and active off-benchmark bets.

The Fund may invest in a wide range of debt instruments, including those issued by government, parastatals and corporates, as well as securitised assets. The inclusion of assets is subject to credit committee approval.

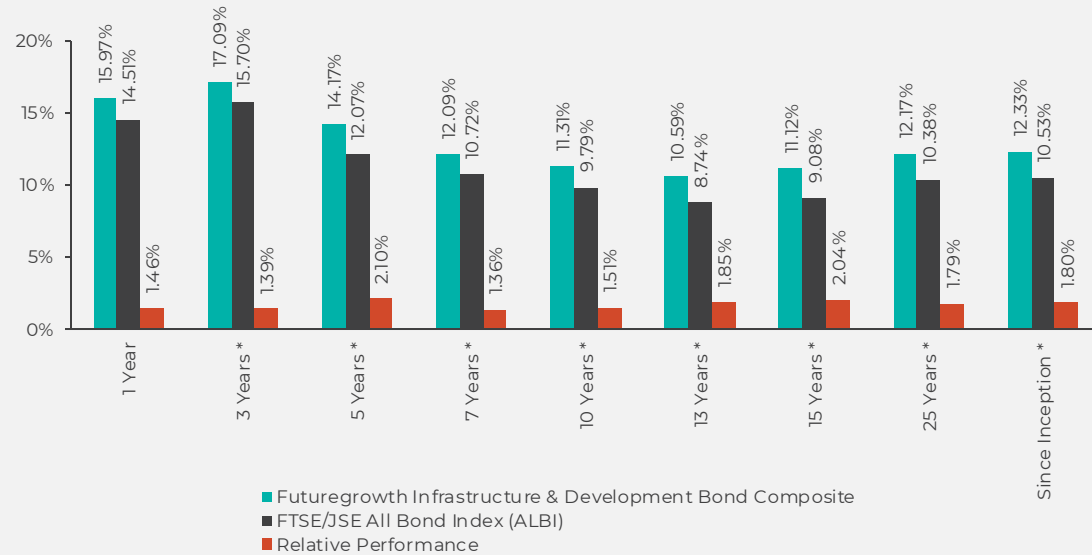
The Fund is allowed to invest up to 55% in unlisted credit and up to 5% in equity assets, primarily through the Development Equity Fund (DEF) subject to investment committee approval. The outcome is good risk-adjusted alpha generation over time. In order to retain adequate liquidity and flexibility, and in the course of managing new investments, asset maturities and sales, and fund flows, the Fund usually maintains a high degree of liquid and/or non-developmental assets.

The Fund aims to provide investors with a vehicle that facilitates infrastructural, social, environmental and economic development in southern Africa and delivers on a variety of social impact outcomes such as job creation, affordable housing, access to services and healthcare.

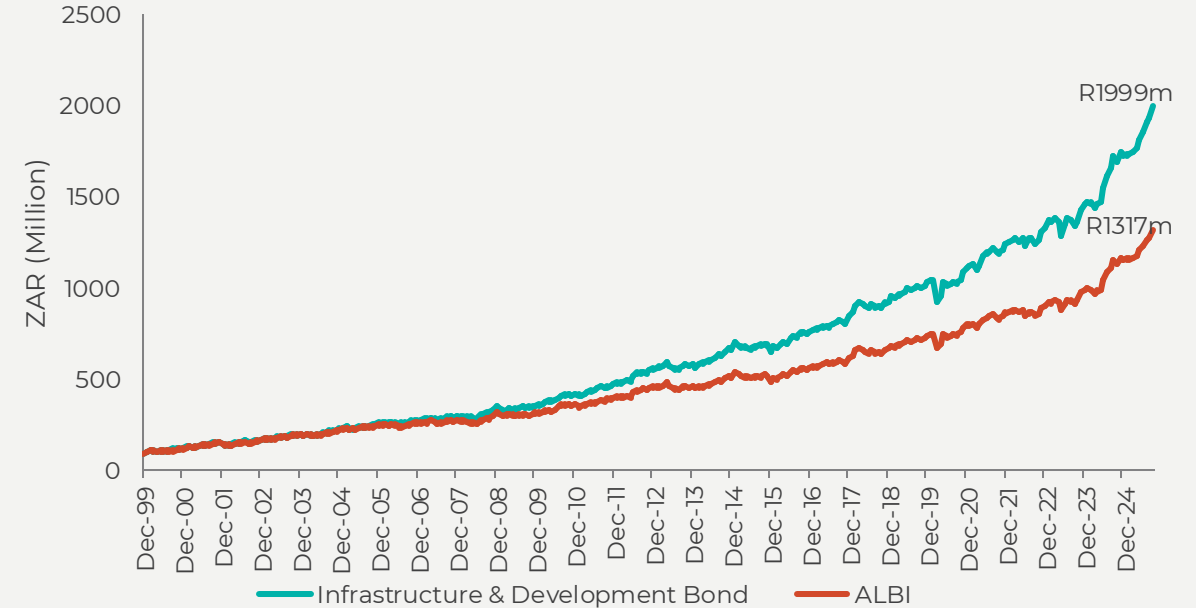
Investment Performance

Credit spread accrual continues to be the main contributor

Fund performance



Cumulative performance



Data as 30 September 2025 // Since inception date (GIPS Composite): 1 September 2006
 Fund start date: January 1995 // Source: Futuregrowth // *Annualised

The Fund underperformed its benchmark for the first quarter of 2025. Credit spread accrual continues to be the main contributor to performance, through a combination of exposure to both unlisted and listed credit counters. From an interest rate perspective, we did see bonds marginally rally during the quarter, with performance remaining flat to slightly negative compared to the benchmark. This was driven by our largely neutral market duration stance and specific curve positioning (with an underweight in very long-dated bonds). The biggest detraction, however, was in the form of revaluations of various unlisted debt holdings.

Our Developmental Investment Philosophy

Developmental product suite

Futuregrowth has a track record of nearly 30 years of investing in developmental assets. Our funds provide finance to institutions that may not typically receive support from the traditional banking or lending process. In addition to providing finance (credit), we also invest in equity and retail property with a developmental nature.

Our developmental funds are part of our broader responsible investment strategy and reflect the intention of our clients to do good by investing consciously to make a positive impact on society and the broader environment, and thereby to safeguard our collective future.

Our suite of developmental funds consists of:

- **Fixed Income:** (Infrastructure & Development Bond Fund, Power Debt Fund, Inflation-Linked Debt Fund);
- **Unlisted equity:** (Development Equity Fund, Agri Funds);
- **Unlisted retail property:** (Community Property Fund); and
- **Fund of funds:** incorporating our suite of development funds as building blocks (Developmental Balanced Fund).

Futuregrowth is dedicated to the development and empowerment of South Africa and its people. We are constantly looking for opportunities that will yield optimal financial returns for investors while making a meaningful difference. As such, we have become a reliable channel for investor savings and promoting national development.

We define developmental investing as financing that: a) provides investors with commercial returns; and b) produces a social and developmental impact. Our primary focus is on the provision of basic services and improvement of infrastructure development.

In order to achieve sustainable, long-term, benchmark-beating performance, we apply a responsible investment filter when screening and analysing new deals for our developmental funds. This is supported by a robust credit process that considers both financial and non-financial risks.

Global contribution

We are aligned with the United Nation's Sustainable Development Goals (SDGs), thus contributing to this global "blueprint to achieve a better and more sustainable future for all". The SDGs are covered in some detail later in this report, where we link the activities of our deal case study to these global targets.

(See: www.un.org/sustainabledevelopment/sustainable-development-goals/)



How We Measure And Manage Impact

Futuregrowth actively measures and manages for impact. Our impact measurement and management approach is aligned with both global and local development frameworks.



National Development Plan (NDP)

This is a long-term development framework for the elimination of poverty and reducing inequality in South Africa by 2030.

UN Sustainable Development Goals (SDGs)

These goals represent the globally agreed 2030 agenda and are a call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

Principles for Responsible Investing (PRI)

Futuregrowth is a signatory to the Principles for Responsible Investment (PRI), which is an international network of signatories contributing to developing a more sustainable global financial system by incorporating six defined Principles for Responsible Investment into investment practice.

Celebrating 30 Years of Impact

Three decades of purpose-driven investing

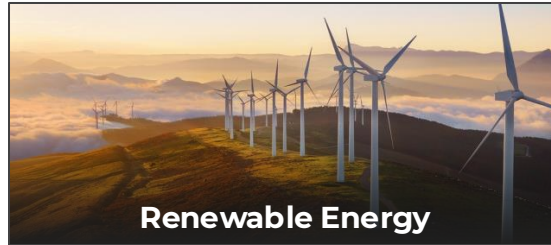
Infrastructure & Development Bond Fund

30 YEARS of IMPACT – 1995-2025

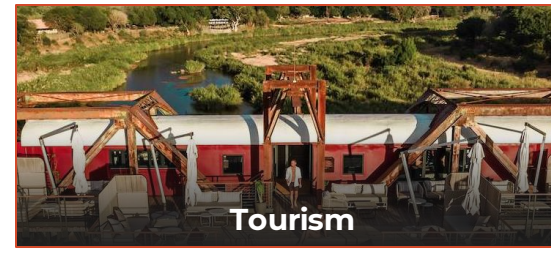
Foundation 1995-2007



Diversification 2008-2014



Scale 2015-2021



Leadership 2022-2025



Fund AUM trajectory 1995-2025



The Fund's IMPACT across a diverse range of SDGs

IBF clients' investments contribute directly to a wide range of SDGs across all sectors.



1 NO POVERTY




Enyuka




2 ZERO HUNGER



Lucerne



3 GOOD HEALTH AND WELL-BEING



hearX



4 QUALITY EDUCATION



SACAP



6 CLEAN WATER AND SANITATION



TCTA Water infrastructure



7 AFFORDABLE AND CLEAN ENERGY



Rubicon



8 DECENT WORK AND ECONOMIC GROWTH



Louriesfontein wind farm



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Teraco Data Solutions




10 REDUCED INEQUALITIES



TUHF



11 SUSTAINABLE CITIES AND COMMUNITIES



Africrest



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



FruitOne



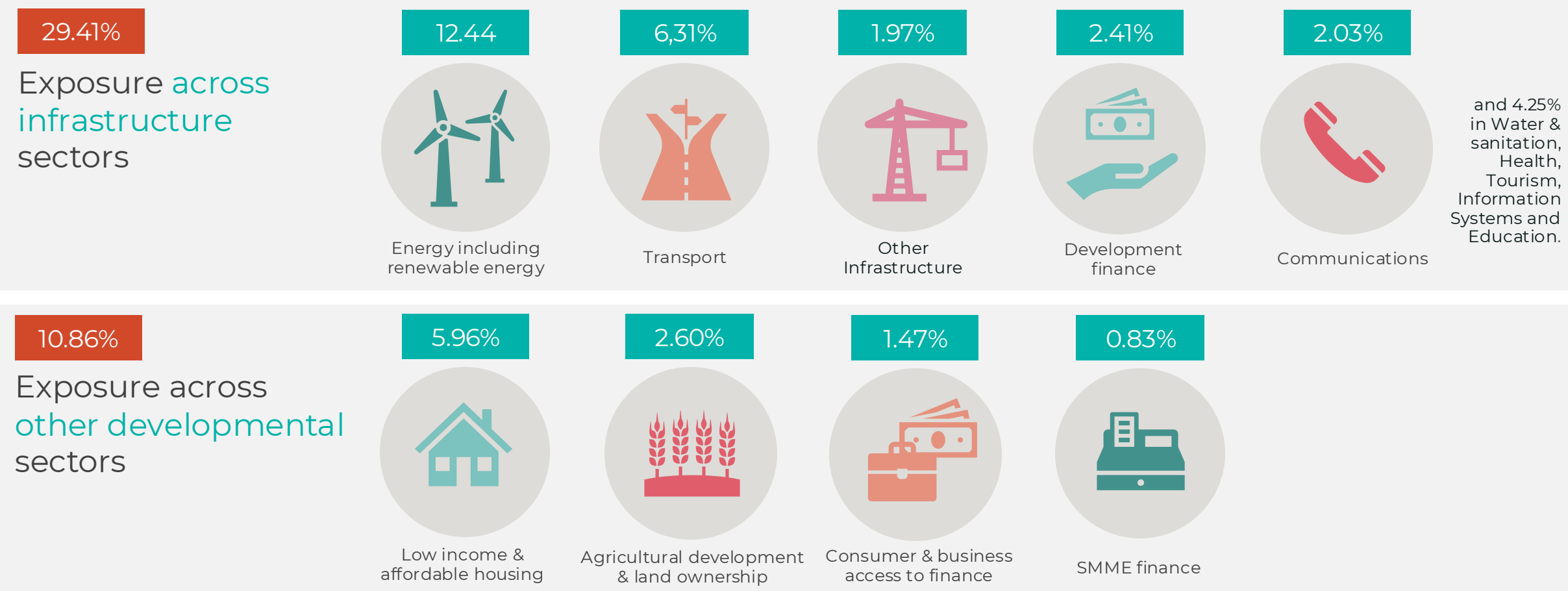
13 CLIMATE ACTION



Decentral

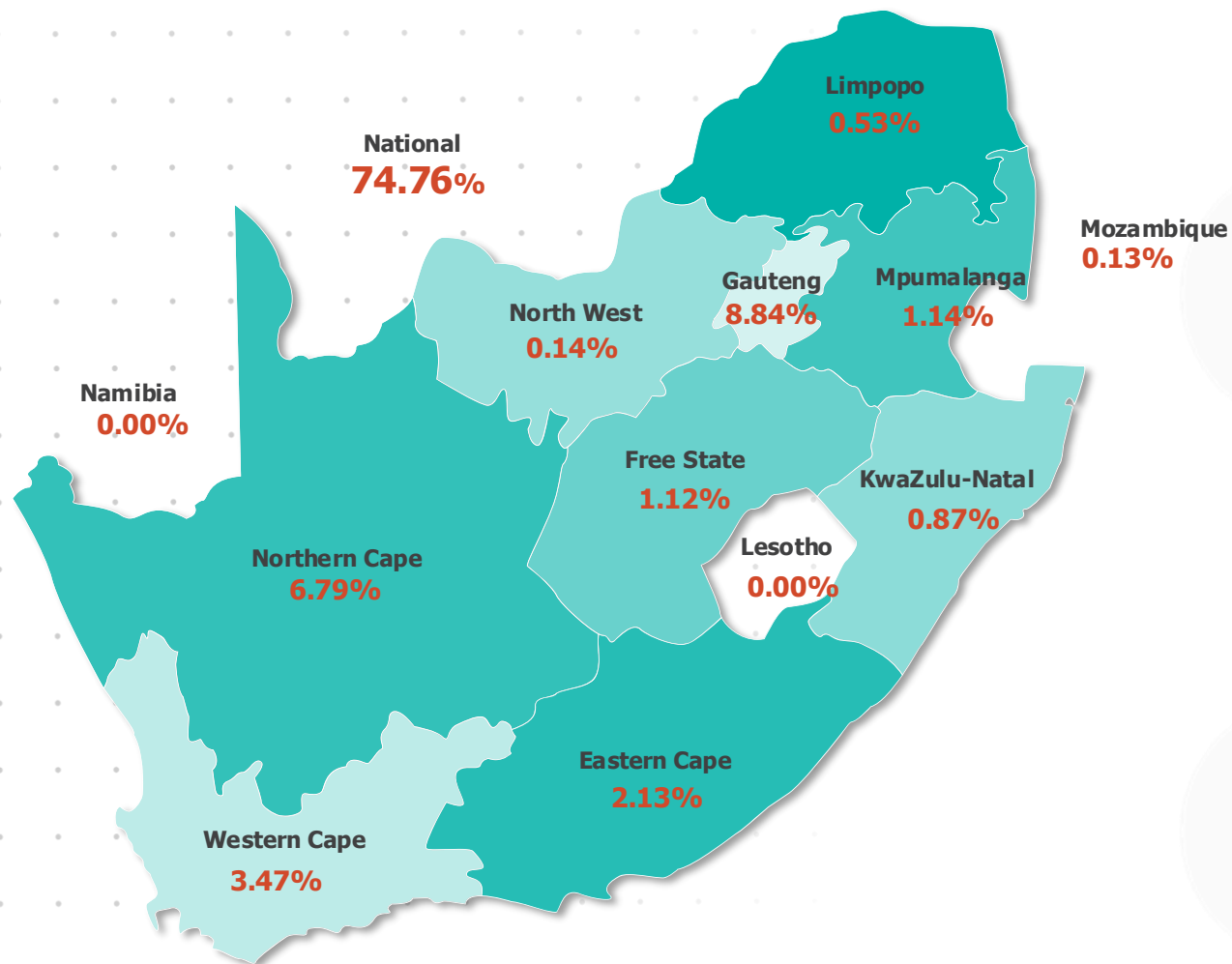
Infrastructure & Developmental Sectors

A diverse range of investments



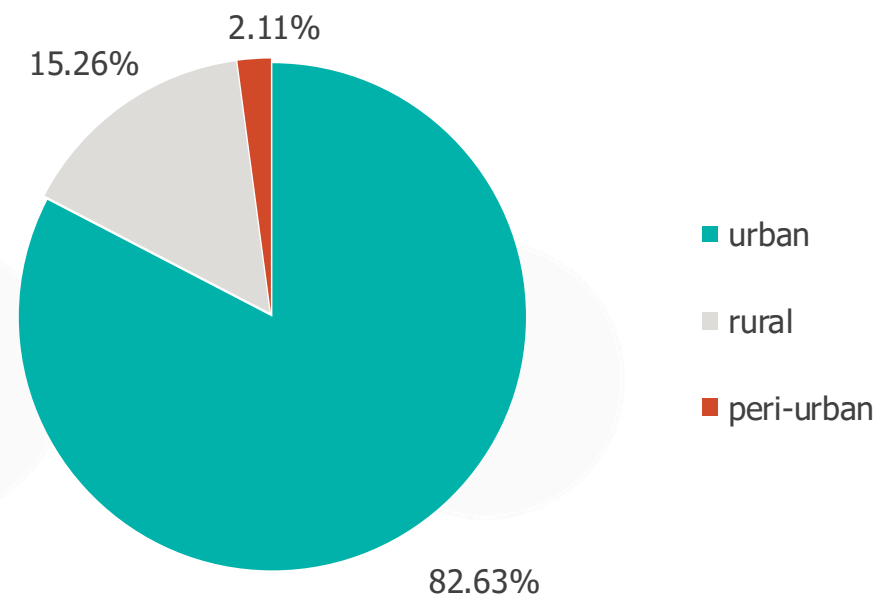
Source: Futuregrowth

Geographical Diversity & Rural Footprint



The Fund has geographical diversity across South Africa, with investments held in 9 provinces. The Fund has over 74.76% exposure to assets with a national footprint. The Fund is invested in 45% of medium-to-high impact investments.

17.37% of the Fund's investments impact rural and outlying peri-urban areas.



Source: Futuregrowth

Futuregrowth Infrastructure & Development Bond Fund

Key features

R25.5bn
Fund size

30 years
of consistent
long-term
performance

Commercial
risk-adjusted
returns

Active in all
9 provinces

Tangible social &
developmental
impact

Exposure to **163**
issuers and **36**
economic sectors

Investing in
infrastructure
development

Supports **12**
Sustainable
Development
Goals

Nearly **40%** of the
Fund
in medium-to-high
developmental
impact sectors

Contact Information

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