FUTUREGROWTH
/ ASSET MANAGEMENT

CORE INCOME COMPOSITE
QUARTER 3 SEPTEMBER 2026

Description
The Futuregrowth Core 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 moderate exposure to higher yielding fixed and variable rate non-government bonds. The Composite is also mandated to invest in inflation-linked bonds. It offers a high level of income together with a commitment to higher capital stability. The benchmark is 50% South African STeFI Call Index and 50% 3-7 Years All Bond Index.

Portfolio manager	Rhandzo Mukansi
Benchmark	50% South African STeFI Call Index and 50% 3-7 Years All Bond Index
Performance target	Outperform the benchmark
Current weighted average credit quality (Internal rating)	AAA
Average yield pickup over risk-free rate	0.34%
Current structure	Segregated
Inception date	November 2002
Total composite assets	R2.7 billion
Minimum investment	Pooled - R10 million / Segregated - R100 million (Both at manager's discretion)
Termination period	1 calendar month (size dependent)

Rhandzo Mukansi
PORTFOLIO MANAGER

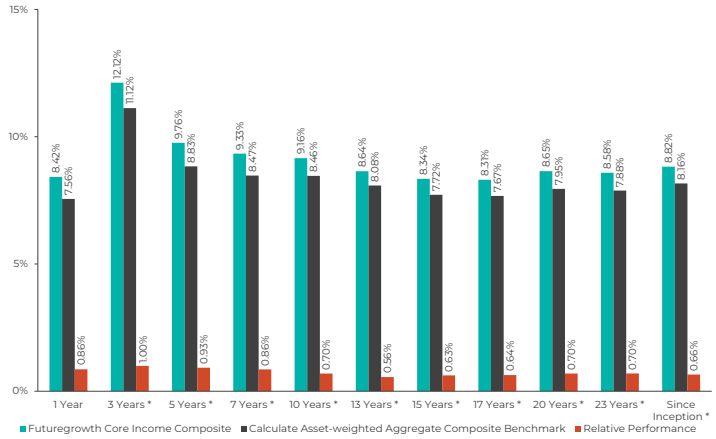
Rhandzo manages a range of institutional and retail fixed-income portfolios which include income, core bond and flexible interest rate funds. He also heads up the Interest Rate team at Futuregrowth.

Objective
The Composite seeks to outperform the combined benchmark over a rolling 3-year 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.

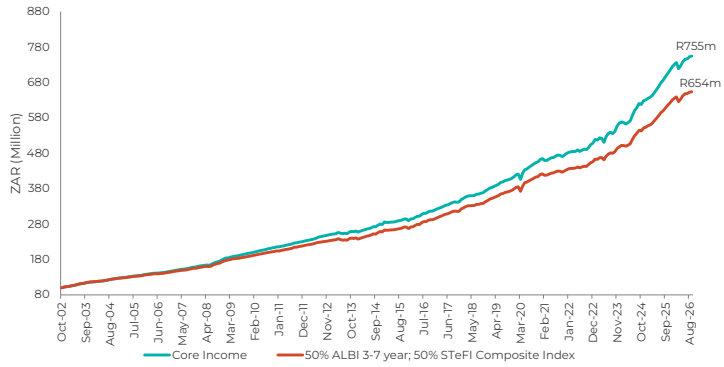
Yield enhanced strategy
Our yield enhanced strategy relies on maintaining strong relationships with market players. This allows us to see a large degree of deal-flow on a continuous basis and keep an eye on ever-evolving credit events in the market. In the unlisted space, our specialist structuring skills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

Money Market	8.42%
Variable Rate Bonds	36.74%
Fixed Rate Bonds	52.25%
1-3yrs	2.91%
3-7yrs	37.13%
7-12yrs	11.18%
+12yrs	1.03%
CPI Linked Bonds	2.58%
MD	2.10

Risk statistics

	Information ratio	Tracking error
3 Years	1.73	0.73%
5 Years	0.98	0.97%
10 Years	0.96	0.74%
15 Years	0.95	0.67%

Since inception standard deviation	
Composite	2.59%
Benchmark	2.38%

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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