

Description

The Futuregrowth Infrastructure and Development STEFI+ Composite, a specialist yield enhanced portfolio, forms part of Futuregrowth's suite of developmental investments. The Composite targets high returns through a combination of moderate credit concentration limits, active interest rate risk management and active off-benchmark bets. The benchmark is the South African STEFI Composite Index.

Portfolio manager	Jason Lightfoot
Benchmark	South African STEFI Composite Index (STEFI)
Performance target	STEFI + 1.25%
Current weighted average credit quality (Internal rating)	AA
Average yield pickup over risk-free rate	1.58%
Current structure	Pooled
Inception date	May 2021
Total composite assets	R319 million
Minimum investment	Pooled - R25 million / Segregated - R350 million (Both at manager's discretion)
Termination period	1 calendar month (size dependent)



Jason Lightfoot

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 STEFI + 1.25% 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.

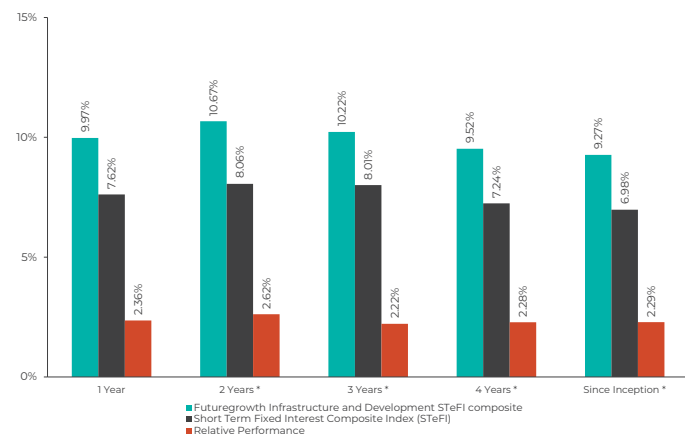
The Composite is allowed to invest up to 55% in unlisted credit and in addition, to invest in up to 5% equity assets (primarily through the Development Equity Fund) subject to investment committee approval. The resulting effect is in good risk adjusted alpha generation over time.

In order to retain adequate liquidity and flexibility, and in the course of managing new investments, asset maturities and sales and fund-flows, the Composite usually maintains a high degree of liquid and/or non-developmental assets.

Yield enhanced strategy

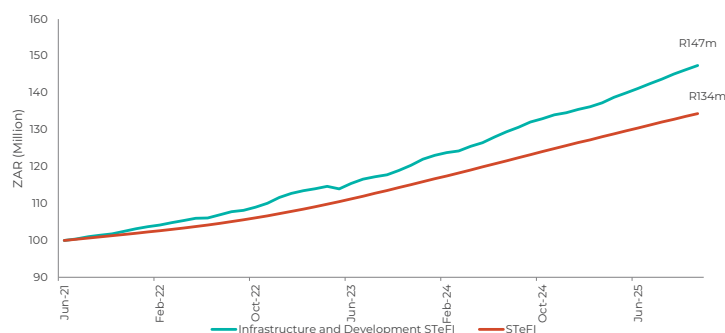
Our yield enhanced strategy relies on maintaining strong relationships with market players. This allows us to see a large degree of deal-flow on a continuous basis and keep an eye on ever-evolving credit events in the market. In the unlisted space, our specialist structuring skills allow us to make loans that ensure lenders achieve the greatest degree of investor protection through loan terms, covenants and security while ensuring risk-adjusted returns with good diversification. 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

Inflation linked bonds	2.86%	Equity	3.02%
Cash	16.65%	Fixed rate bonds	5.48%
Money market	71.99%	1-3 years	0.20%
0-3mths	60.11%	3-7 years	1.14%
3-6mths	7.32%	7-12 years	3.27%
6-9mths	4.35%	+12 years	0.88%
9-12mths	0.21%	MD	0.34

Credit rating exposure

AAA+ Total	50.03%	BB+ Total	2.36%
AA+ Total	0.02%	BB Total	0.70%
AA Total	20.96%	BB- Total	0.30%
AA- Total	2.02%	B+ Total	0.11%
A+ Total	-7.19%	B Total	1.89%
A Total	1.79%	B- Total	0.06%
A- Total	4.94%	C Total	0.51%
BBB+ Total	5.75%	D Total	1.31%
BBB Total	8.21%	Total	100%
BBB-Total	6.23%		

Risk statistics

Since inception standard deviation

Composite	7.21%
Benchmark	7.36%

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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 term fixed 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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