

CREDIT AS AN ASSET CLASS

And how it can enhance the return on your fund

FUTUREGROWTH

/ ASSET MANAGEMENT

PENSION FUND MEMBERS



PENSION FUND MONEY

WHAT IS CREDIT?

Credit is an asset class where institutional investors lend money (provide credit) to companies (or organisations) that are looking for debt funding.

FUTUREGROWTH FUNDS

FUTUREGROWTH LOOKING FOR INVESTMENTS

BORROWER



URBAN REGENERATION



CHICKEN FARMS



FOOD FACTORIES



CORPORATES

BORROWER LOOKING FOR FUNDING

When companies need to expand, for instance, they can offer investors an equity stake in their business...



... or they can borrow money from a bank or an institutional investor.



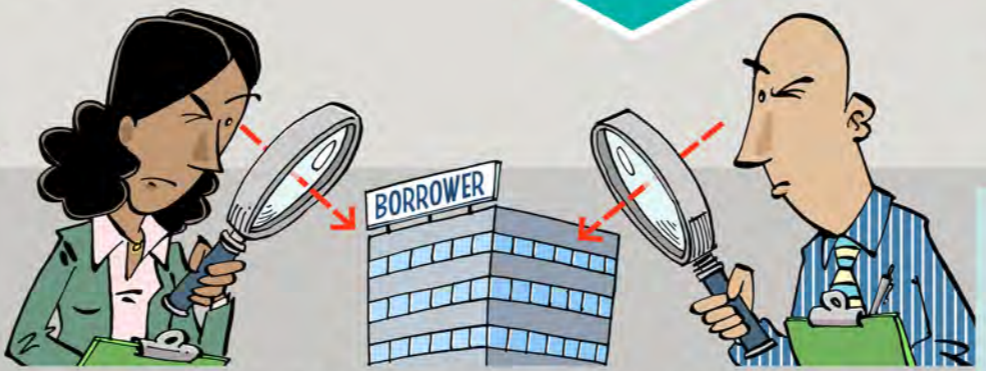
FINANCIAL RETURNS

CAPITAL AND INTEREST IS PAID FROM THE CASH FLOW OF THE BUSINESS



FUTUREGROWTH LENDS MONEY TO BORROWER

Credit is designed to generate enhanced returns (appropriate for the level of risk) for pension funds and their members by taking advantage of the opportunities provided in the credit markets.



DUE DILIGENCE PROCESS

Assess business using financial and non-financial criteria.



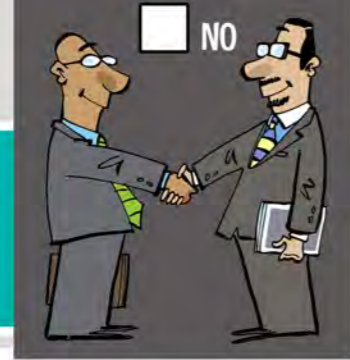
Decide on the interest rate to be paid based on:

1 The risk profile resulting from analysis and research.

2 Negotiated terms, conditions and covenants which provide members' funds with added protection.

DECISION TO INVEST

YES
 NO



Futuregrowth has an experienced team of credit and equity analysts who perform a due diligence on the investee company to determine its suitability for investment.



A key element in the process is pricing for risk and the probability of default.

WHAT HAPPENS IN THE CASE OF DEFAULT?

In the event of a default and possible financial loss, a recovery/workout process is implemented to ensure the best outcome for our pension fund clients.