FUTUREGROWTH
/ ASSET MANAGEMENT

Monthly Review

April 2018

Contents

Contact our client relationship team

Thembela Mandla
T +27 21 659 5450
C +27 82 895 8976
thembelam@futuregrowth.co.za

Ziyanda Tshaka
T +27 21 659 5460
C +27 83 666 0392
ziyandat@futuregrowth.co.za

Marilyn Gates-Garner
T +27 21 659 5453
C +27 82 466 0868
marilyng@futuregrowth.co.za

Steffen Josephs
T +27 21 659 5466
C +27 83 327 3543
sjosephs@futuregrowth.co.za

The Futuregrowth story

A vision unfolding

Would the founders of Futuregrowth in 1994 recognise the leading asset management company it's become today?

Originally, Futuregrowth was founded to bring Michael Leeman's honours thesis to life. Backed by Southern Life, the initial suite of funds focused on social development and empowerment. The aim was to make money for pension funds while investing in disadvantaged communities.

Fast forward more than 20 years and today Futuregrowth manages around R180 billion of clients' assets, across the full range of fixed interest and development funds, and plays a key leadership role in the asset management industry in South Africa.

During this time, and under the leadership of Paul Rackstraw and Andrew Canter, we have not waivered from our purpose: "to protect and grow investors' savings through skill and diligence in a way that engenders trust and sustainably enriches people's lives, while being a positive force in society, markets and for all our stakeholders".

This purpose is based on the belief that investors can genuinely make a positive difference in society while earning sound investment performance for pension fund members.

This belief is what inspires us to pioneer development funds in sectors such as infrastructure, rural and township retail property, agriculture and renewable energy, channeling funds into innovative deals including low-income housing construction, a church in Soweto, urban regeneration projects and taxi finance, to name a few.

Because of our commitment to our clients, Futuregrowth has on various occasions taken action that has not necessarily been in our own best interests. Take the furore that ensued in 2016 after we announced that we could no longer in good conscience invest pension fund members' assets in certain SOEs until we had concluded a governance review.

On another occasion, we identified unfair and unsustainable practices within the micro-lending industry as non-developmental and ceased further investments from our development funds into this sector.

So to answer the question raised at the outset, we believe the answer is yes. The original concept of Futuregrowth is still alive, and thriving, in the Futuregrowth of today. Because even though the company has developed into a large and successful asset management brand, the philosophical belief on which the business was founded is still at the core of everything we do.

Market review

Economic and market review

Bond market took a well-deserved breather	Following an eventful period since December 2017, coupled with an extended run of excellent returns, the local bond market took a breather in April. The domestic market simply ran out of fresh noteworthy news flow to enable the bull rally, kicked-started by the ANC's December Elective Conference, to maintain its positive momentum. This despite the fact that local economic data releases were actually mildly bond supportive.
Local data releases mildly bond supportive	On the inflation front, both Consumer and Producer price indices surprised with lower than expected year-on-year readings. Two other critical data releases from a bond perspective, namely monthly external trade and national budget data, also left little food for thought for the few bears around. The former showed a sizeable surplus for the month of March, while the latter pointed to a slightly better outcome for the 2017/18 fiscal year than forecast at the tabling of the budget in February.
Attention caught by more bearish offshore developments	Instead, local bond bears were showered with negative news sourced elsewhere. This they found in sharply rising US Treasury bond yields, higher crude oil prices and threats of increased pressure on international trade. A rise in global trade protectionism is a significant threat to small, open economies like South Africa, especially considering its strong trade ties to China. In the US, the benchmark 10-year Treasury yield jumped from 2.75%, briefly breached the 3.0% level and eventually settled at 2.96% by month end. The above international developments contributed both directly and indirectly to some rand weakness, which in turn added to upside pressure on local yields.
Bond yields rose, but still well below the November 2017 weakest point	As a result, the yield of the benchmark R186 (maturity 2026) rose 17 basis points from the previous month end to close in April at 8.18%. A similar trend was observed in the inflation-linked bond market as real yields moved upwards. In the case of the latter, lower than expected inflation data and hardening views of a more benign inflation outlook in light of the sharp appreciation of the rand over the last few months caused a collapse in the demand for inflation protection.
Poor returns for April, but year-to-date nominal bond returns still spectacular	In light of the fact that both nominal and real yield curves lifted to higher levels, bond returns ended in negative territory for the first time since November last year. Total monthly returns for the All Bond Index (ALBI) and Inflation-linked Government Bond (IGOV) indices were -0.7% and -2.7% respectively. Cash managed a return of 0.5% for April, slightly lower than previous months following the last repo rate reduction. Even so, in the case of the ALBI, total return for the first four months of the year remains an impressive 7.3% and still well in excess of the IGOV and cash returns of 1.3% and 2.2% respectively.

Market summary

Key macroeconomic themes

Economic growth	A moderate global economic recovery remains our base case, with a sustained, strong US economic recovery still leading the way. The significant loosening of US fiscal policy will contribute to this, although this expansionary attempt by the US government could be moderated by tightening monetary policy. Even so, we believe that the global recovery will continue to be structurally lower than in previous cycles, mainly due to lower productivity growth, ongoing broad-based balance sheet repair (deleveraging) and shifting demographics (ageing populations tend to save more and spend less). Locally, the biggest impediment to higher local growth remains of a structural nature. Despite the seemingly improving socio-political backdrop, without urgent macroeconomic policy reform, any short-term cyclical upswing from the primary and secondary sectors of the economy will prove inadequate in addressing South Africa's economic growth ills. The low growth trap largely remains the result of a policy vacuum, policy uncertainty, weak consumer and investor confidence, and a rigid labour market. Recent political developments would have lifted confidence – evidenced in the BER Consumer Confidence Index rising by 36 points to an all-time high 26 index points in the first quarter - and the intent to improve policy clarity is welcomed. While acknowledging the positive steps towards improved governance marked by the reconfiguration of Eskom's board, state-owned enterprises still largely remain a negative risk to the fiscus, and as a consequence, to economic growth.
Inflation	The synchronised rise in energy and other raw material prices in the past few months has started showing in headline inflation numbers in many economies. Although global reflation is welcomed, since this is what policy makers had aimed to achieve, the feed-through to underlying inflation remains unconvincing. Final demand is simply not yet strong enough to cause inflation in most developed economies to sustainably breach central bank targets. Locally, the telegraphed drop in food inflation and a broadly neutral currency view result in our 2018 annual average inflation forecast of 4.5%. Recent rand strength, in response to the perceived market friendly outcome of the ANC Elective Conference, should contribute to a benign inflation outlook this year. The net impact of recent tax changes, the one percentage point VAT hike in particular, is negligible to our inflation outlook.
Balance of payments	Significant recent rand strength, and a loss of competitiveness relative to peers, is undoing some of the earlier benefit of rand weakness to the overall balance of payments. As a result, we expect a marginal widening of the current account balance from an annual average of -2.0% of GDP in 2017 to -2.7% in 2018 and -3.2% in 2019. The unfavourable income account deficit (primarily comprised of net dividend and interest payments to foreigners) remains a considerable drag on a sustained and meaningful balance of payments correction. A stronger currency may continue to impede a narrowing of the current account deficit over the medium term.

Key macroeconomic themes continue

Monetary policy	Now firmly down the path of monetary policy normalisation in the US, we agree with the Federal Reserve's continued intent to follow a slow and gradual monetary policy normalisation process. With an unemployment rate gyrating around 4% and inflation pressures gradually building in the US, we believe that the Federal Reserve should continue with its interest rate normalisation process. If anything, we are of the view that it may be in a position to raise rates by more than what is currently priced by markets, i.e. by as much as another 75 basis points, this year. While the Federal Reserve intends to reduce the size of its balance sheet in an interest rate neutral manner, we are of the opinion that the sheer size of this reduction should contribute to a gradual lift in the ceiling for US Treasury yields, especially if the economic recovery continually gathers momentum. In addition, the expected widening of the Federal budget deficit for the forthcoming fiscal year on the back of strong economic growth momentum will create additional scope for monetary policy normalisation. The current trend of global monetary policy divergence is expected to continue over the next year or so. With more policy tightening in the US on the cards, the European Central Bank (ECB) and Bank of Japan will retain their respective quantitative easing and negative interest rate policy programmes, but with some tweaks. In the case of the ECB this will continue to take the form of a slowdown in the pace of quantitative easing. All told, we expect central bank hawks to slowly gain some ground over the next few months. Following the recent widely expected 25 basis points repo rate reduction, the South African Reserve Bank is expected to become more cautious. We fully support this defensive stance. Considering renewed (albeit relatively limited) weakening pressure on the balance of payments, the fact that actual inflation is hovering around the mid-point of the target range, which the SARB has well telegraphed as the desired target point; inflation expectations still largely stuck closer to the top end of this range and indirect support from very loose global monetary policy slowly waning, we deem a neutral policy stance the most appropriate course for local monetary policy. We therefore disagree with the forward rate market's pricing of more repo rate cuts for the remainder of this year.
Fiscal policy	Following the tabling of a less alarming national budget in February, National Treasury is still confronted by a very challenging fiscal path. The gross debt to GDP ratio estimates for the next three years are lower compared to the October 2017 estimates, but still worse than the estimate a mere twelve months ago. As we have previously highlighted, structurally weak domestic growth is severely impeding the consolidation of SA's budget balance. We now look to the actual delivery of fiscal and wide-ranging State Owned Enterprise (SOE) reform to reinvigorate consumer and business confidence as the scope to steer SA Inc. towards a sustainable growth path narrows.

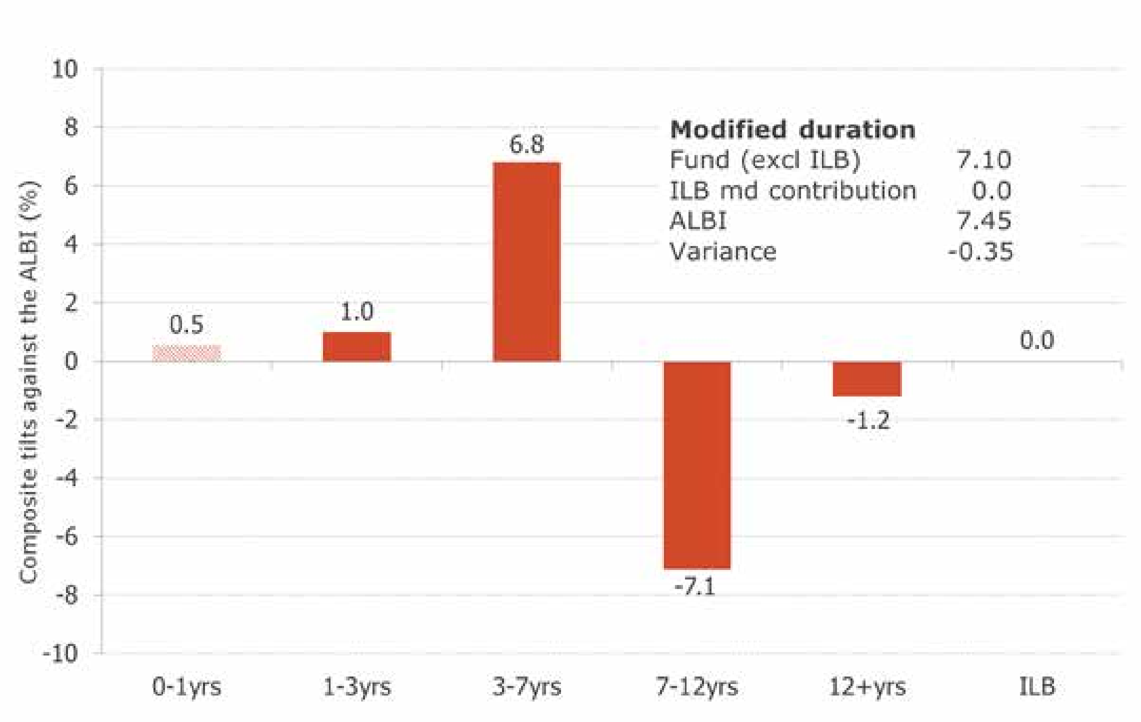
Investment view and strategy

Our view remains that, despite the recent pick-up in global bond yields, developed bond markets are still not appropriately priced. In our view, the Federal Reserve is in a position to lift the policy rate by another 75 basis points this year. The fact that the US has opted to loosen fiscal policy significantly at a time when positive economic growth has already gained sustainable momentum partly supports this view.

Locally, our main concern with regards to the bond market remains the strong link between lacklustre economic growth and fiscal consolidation - or more specifically, the rising debt burden of government. Recent political changes, action with regards to SOE management and the tabling of the latest budget most certainly went some way to reduce some of our previous concerns. However, it would be irresponsible to ignore fiscal execution risk. The structural nature and extent of the country's macroeconomic ills require significant policy adjustment, time and effort to resolve.

Our view on monetary policy also remains more cautious than what has been priced by forward money market rates. We do not subscribe to a view of further interest rate cuts in this cycle. Inflation expectations are hovering closer to the top end of the 3-6 percent inflation target range, actual inflation is merely back to the middle of this range, while monetary policy tightening in some parts of the developed world should not go unnoticed. The current account deficit is at risk of widening as a result of a stronger rand, slightly stronger local economic growth and leakage from net negative interest and dividend payments. At current levels, the bond market is not priced for bad news. As a result, we would maintain our slightly defensive stance, while utilising opportunities to enhance the running yield of our funds.

As a result, our broad interest rate investment strategy remains defensive. In the case of our Core Bond Composite (benchmarked against the All Bond Index), this is expressed as follows:



Key economic indicators and forecasts (annual averages)

	2014	2015	2016	2017	2018	2019
Global GDP	2.8%	2.9%	2.5%	3.3%	3.6%	3.2%
SA GDP	1.5%	1.3%	0.3%	1.3%	2.3%	2.5%
SA Headline CPI	6.1%	4.6%	6.3%	5.3%	4.5%	5.0%
SA Current Account (% of GDP)	-5.4%	-4.4%	-3.3%	-2.0%	-2.7%	-3.2%

Source: Old Mutual Investment Group

Produced by the Interest Rate Team

Wikus Furstenberg
Portfolio Manager & Head: Interest Rate Process

Rhandzo Mukansi
Portfolio Manager

Daphne Botha
Portfolio Manager & Head: Risk Management

Yunus January
Interest Rate Market Analyst

Refilwe Rakale
GAP: Research Assistant

Product information and performance

Product	Benchmark	Description	Portfolio manager	Inception date	Investment returns	1 Year	3 Years*	5 Years*	7 Years*	10 Years*	Since inception*
MONEY MARKET											
Call Money Market	Average Call rate of four largest SA banks	Aims to provide maximum return on overnight cash investments.	Nazley Bardien	January 2000	Product Benchmark Outperformance	7.08% 6.69% 0.39%	6.87% 6.47% 0.40%	6.27% 5.85% 0.42%	5.96% 5.52% 0.44%	6.66% 6.18% 0.48%	7.08% 6.61% 0.47%
Core Money Market	STeFI 3-month Index	Targets high cash returns through a carefully balanced and actively managed mix of short-term interest-bearing investments. The weighted average duration for the Composite may not exceed 120 days.	Michael van Rensburg	July 2004	Product Benchmark Outperformance	8.24% 7.07% 1.17%	7.98% 6.87% 1.11%	7.24% 6.32% 0.92%	6.84% 6.04% 0.80%	7.59% 6.72% 0.88%	7.88% 7.12% 0.76%
180 day Enhanced Money Market	STeFI Composite Index	Targets high cash returns through a carefully balanced and actively managed mix of short- and medium-term interest-bearing investments with maturities ranging from 180 days to 2 years.	Michael van Rensburg	July 2004	Product Benchmark Outperformance	8.47% 7.43% 1.05%	8.27% 7.23% 1.04%	7.46% 6.64% 0.82%	7.07% 6.30% 0.77%	7.84% 6.90% 0.94%	8.11% 7.26% 0.85%
STEFI PLUS											
Yield Enhanced A STeFI+ Short Term	STeFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement. The Composite's weighted average rated credit quality must be a minimum of A-. Weighted average term to maturity less than 365 days.	Rhandzo Mukansi	October 2002	Product Benchmark Outperformance	9.63% 7.43% 2.20%	8.77% 7.23% 1.54%	8.15% 6.64% 1.51%	7.98% 6.32% 1.66%	8.54% 7.01% 1.53%	9.01% 7.77% 1.24%
Yield Enhanced A STeFI+	STeFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement. The Composite's weighted average rated credit quality must be a minimum of A based on official ratings. Weighted average term to maturity less than five years.	Rhandzo Mukansi	January 2010	Product Benchmark Outperformance	10.20% 7.43% 2.78%	9.78% 7.23% 2.55%	9.10% 6.64% 2.46%	8.68% 6.32% 2.36%		8.82% 6.37% 2.45%
Yield Enhanced BBB STeFI+	STeFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement. The Composite's weighted average rated credit quality must be a minimum of BBB.	Daphne Botha	February 2010	Product Benchmark Outperformance	11.45% 7.43% 4.03%	11.43% 7.23% 4.20%	10.88% 6.64% 4.24%	10.32% 6.32% 4.01%		10.29% 6.36% 3.94%

Product	Benchmark	Description	Portfolio manager	Inception date	Investment returns	1 Year	3 Years*	5 Years*	7 Years*	10 Years*	Since inception*
STEFI PLUS CONT.											
Yield Enhanced BB STeFI+	STeFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement. The Composite's weighted average rated credit quality must be a minimum of BB.	Daphne Botha	January 2012	Product Benchmark Outperformance	13.05% 7.43% 5.63%	12.02% 7.23% 4.78%	12.77% 6.64% 6.13%			11.97% 6.38% 5.59%
Yield Enhanced Geared BB STeFI+	STeFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement, as well as equity risk. The Composite's weighted average rated credit quality must be a minimum of BB-.	Daphne Botha	January 2008	Product Benchmark Outperformance	12.45% 7.43% 5.02%	11.84% 7.23% 4.61%	12.64% 6.64% 6.00%	11.43% 6.32% 5.11%	12.03% 7.01% 5.02%	11.92% 7.14% 4.78%
Power Debt	STeFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement. The Composite's weighted average rated credit quality must be a minimum of BBB. Investments in this product are limited to listed and unlisted assets in the power sector and supporting industries.	Paul Semple	May 2014	Product Benchmark Outperformance	11.38% 7.43% 3.95%	11.36% 7.23% 4.12%				11.44% 6.97% 4.47%
INCOME											
Core Income	50% STeFI Call Deposit Index; 50% 3-7 Years All Bond Index	Aims to deliver excess return by investing in money market and bond assets with a focus on yield enhancement while limiting interest rate risk to a maximum average duration of two years.	Wikus Furstenberg	November 2002	Product Benchmark Outperformance	8.90% 8.59% 0.31%	8.04% 8.01% 0.03%	7.02% 6.81% 0.22%	7.30% 6.90% 0.40%	8.18% 7.56% 0.61%	8.61% 8.05% 0.57%
Flexible Income	110% SteFI Call Index	Aims to deliver excess return by investing in money market, bonds, preference shares and listed property and taking advantage of yield enhancement and capital growth opportunities. The composite is not limited by duration constraints.	Wikus Furstenberg	July 2006	Product Benchmark Outperformance	8.56% 7.50% 1.06%	7.98% 7.30% 0.68%	7.12% 6.70% 0.42%	7.88% 6.39% 1.48%	8.91% 7.45% 1.45%	8.92% 7.31% 1.61%
Yield Enhanced Income	20% All Bond Index; 80% STeFI Composite Index	Aims to deliver excess returns through a combination of active interest rate risk management and yield enhancement by investing in listed and unlisted assets. Interest rate risk is constrained.	Wikus Furstenberg	May 2012	Product Benchmark Outperformance	10.40% 8.71% 1.69%	9.21% 7.55% 1.66%	8.60% 6.71% 1.90%			8.87% 6.86% 2.01%

Product	Benchmark	Description	Portfolio manager	Inception date	Investment returns	1 Year	3 Years*	5 Years*	7 Years*	10 Years*	Since inception*
INTEREST RATE ASSET ALLOCATION											
Interest Rate Asset Allocation	ALBI (62.5%); JSE ILB IGOV Index (30%); STeFI Call Deposit Index (7.5%)	Aims to deliver excess return mainly through a combination of aggressive asset allocation within the various interest-bearing asset classes.	Wikus Furstenberg	July 2010	Product Benchmark Outperformance	11.30% 10.06% 1.24%	7.31% 6.93% 0.39%	7.24% 5.98% 1.26%	9.70% 8.44% 1.26%		9.72% 8.66% 1.06%
INFLATION-LINKED BONDS											
Passive ILB Index	Barclays Capital/ Absa SAGILB	Aims to match the returns of the benchmark through passive interest rate and yield curve management.	Nazley Bardien	September 2005	Product Benchmark Outperformance	3.28% 3.23% 0.04%	3.41% 3.42% -0.01%	4.17% 4.20% -0.03%	7.71% 7.81% -0.10%	8.20% 8.28% -0.08%	8.87% 8.95% -0.08%
Core ILB	JSE ILB IGOV Index	Aims to deliver excess return through active interest rate risk management and limited yield enhancement.	Wikus Furstenberg	November 2005	Product Benchmark Outperformance	3.98% 3.33% 0.65%	3.83% 3.42% 0.41%	4.37% 4.20% 0.17%	8.16% 7.81% 0.35%	8.68% 8.28% 0.39%	9.05% 8.73% 0.33%
Yield Enhanced Long Duration ILB	Barclays SAGILB 15+ Total Return Index	Targets high cash returns through a combination of active, real and nominal interest rate risk management and yield enhancement by investing in listed and unlisted assets.	Jason Lightfoot	June 2011	Product Benchmark Outperformance	2.33% 0.29% 2.04%	3.33% 1.40% 1.93%	6.05% 3.57% 2.48%			9.27% 7.24% 2.03%
Power ILB	RSA Inflation Linked Government Bond I2038 Total Return Index	Targets high cash returns through a combination of active, real and nominal interest rate risk management and yield enhancement by investing in listed and unlisted assets in the power sector and supporting industries.	Jason Lightfoot	January 2014	Product Benchmark Outperformance	2.93% 0.10% 2.83%	4.63% 1.62% 3.01%				4.63% 1.62% 3.01%
Infrastructure & Development ILB	Barclays BESA SAGILB 15+	Targets high cash returns through a combination of active, real and nominal interest rate risk management and yield enhancement by investing in listed and unlisted socially responsible and developmental assets.	Jason Lightfoot	November 2016	Product Benchmark Outperformance	2.20% 0.29% 1.91%					-0.19% -1.46% 1.27%
NOMINAL BONDS											
Passive All Bond	All Bond Index	Aims to match the returns of the benchmark through passive interest rate and yield curve management.	Nazley Bardien	June 2000	Product Benchmark Outperformance	13.73% 13.75% -0.01%	8.56% 8.57% -0.01%	6.72% 6.71% 0.01%	8.95% 8.96% -0.01%	9.63% 9.63% 0.00%	10.99% 10.96% 0.02%
Core Bond	All Bond Index	Aims to deliver excess return through a combination of interest-bearing asset allocation, active duration management and yield enhancement.	Daphne Botha/ Wikus Furstenberg/ Rhandzo Mukansi	January 2000	Product Benchmark Outperformance	14.13% 13.75% 0.39%	8.91% 8.57% 0.34%	7.37% 6.71% 0.66%	9.60% 8.96% 0.64%	10.35% 9.63% 0.72%	11.44% 10.85% 0.59%

Product	Benchmark	Description	Portfolio manager	Inception date	Investment returns	1 Year	3 Years*	5 Years*	7 Years*	10 Years*	Since inception*
NOMINAL BONDS cont.											
Long Duration Bond	All Bond Index 12+ Years	Aims to deliver excess return through active allocation between long-dated fixed rate and inflation-linked bonds, limited yield curve selection, duration management and yield enhancement.	Wikus Furstenberg	December 2006	Product Benchmark Outperformance	15.69% 15.33% 0.37%	7.89% 8.29% -0.40%	6.42% 6.38% 0.04%	9.15% 9.25% -0.10%	9.98% 9.79% 0.19%	8.41% 8.12% 0.29%
Yield Enhanced Bond	All Bond Index	Targets high cash returns through a combination of active interest rate risk management and yield enhancement by investing in listed and unlisted assets.	Jason Lightfoot	December 2001	Product Benchmark Outperformance	15.67% 13.75% 1.92%	10.40% 8.57% 1.83%	9.27% 6.71% 2.56%	11.40% 8.96% 2.44%	12.09% 9.63% 2.46%	11.46% 9.54% 1.92%
Infrastructure & Development Bond	All Bond Index	Targets high cash returns through a combination of active interest rate risk management and yield enhancement by investing in listed and unlisted socially responsible and developmental assets.	Jason Lightfoot	January 1995	Product Benchmark Outperformance	16.15% 13.75% 2.40%	10.40% 8.57% 1.83%	9.19% 6.71% 2.48%	11.39% 8.96% 2.43%	12.17% 9.63% 2.54%	12.80% 10.85% 1.96%
DEVELOPMENTAL INVESTMENTS											
Infrastructure & Development Bond	All Bond Index	Targets high cash returns through a combination of active interest rate risk management and yield enhancement by investing in listed and unlisted socially responsible and developmental assets.	Jason Lightfoot	January 1995	Product Benchmark Outperformance	16.15% 13.75% 2.40%	10.40% 8.57% 1.83%	9.19% 6.71% 2.48%	11.39% 8.96% 2.43%	12.17% 9.63% 2.54%	12.80% 10.85% 1.95%
Development Equity	Consumer Price Index (CPI) + 10%	Targeting high returns by investing in equity and related assets that are socially responsible or developmental.	James Howard & Sarah de Villiers	September 2006	Product Benchmark	12.07% 13.81% -1.75%	10.23% 15.41% -5.17%	12.90% 15.27% -2.37%	12.09% 15.47% -3.37%	11.94% 15.60% -3.65%	16.46% 16.09% 0.36%
Community Property	Consumer Price Index (CPI) + 4%	A portfolio specialising in the finance and development of retail shopping centres catering to the needs of under-serviced communities throughout South Africa.	Smital Rambhai	June 1996	Product Benchmark	13.47% 7.81% 5.66%	18.50% 9.40% 9.09%	14.57% 9.26% 5.30%	12.88% 9.46% 3.42%	11.78% 9.59% 2.19%	13.78% 9.81% 3.97%
Agri	Consumer Price Index (CPI) + 10%	A portfolio specialising in equity investments in agricultural land, agribusinesses and farming infrastructure.	Smital Rambhai (Product Manager)	March 2010	Product Benchmark	N/A					

Product	Benchmark	Description	Portfolio manager	Inception date	Investment returns	1 Year	3 Years*	5 Years*	7 Years*	10 Years*	Since inception*
DEVELOPMENTAL INVESTMENTS cont.											
Development Balanced**	A composite weighting of the underlying funds' benchmarks.	A balanced portfolio providing investors with social impact from a targeted and development perspective and exposure to listed equities that track the JSE's SRI Index.	James Howard	November 2004	Product Benchmark Outperformance	14.78% 10.48% 4.29%	7.93% 5.11% 2.82%	10.40% 8.17% 2.23%	10.65% 8.75% 1.89%	8.95% 8.13% 0.82%	13.14% 11.94% 1.20%
Power Debt	STeFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement. The Composite's weighted average rated credit quality must be a minimum of BBB. Investments in this product are limited to listed and unlisted assets in the power sector and supporting industries.	Paul Semple	May 2014	Product Benchmark Outperformance	11.38% 7.43% 3.95%	11.36% 7.23% 4.12%				11.44% 6.97% 4.47%
Power ILB	RSA Inflation Linked Government Bond I2038 Total Return Index	Targets high cash returns through a combination of active, real and nominal interest rate risk management and yield enhancement by investing in lis ted and unlisted assets in the power sector and supporting industries.	Jason Lightfoot	January 2014	Product Benchmark Outperformance	2.93% 0.10% 2.83%	4.63% 1.62% 3.01%				4.63% 1.62% 3.01%
Infrastructure & Development ILB	Barclays BESA SAGILB 15+	Targets high cash returns through a combination of active, real and nominal interest rate risk management and yield enhancement by investing in listed and unlisted socially responsible and developmental assets.	Jason Lightfoot	November 2016	Product Benchmark Outperformance	2.20% 0.29% 1.91%					-0.19% -1.46% 1.27%

Currency: ZAR/Gross of fees

*Annualised
**Currently investors are Futuregrowth staff who may elect to invest through their retirement funds.

FUTUREGROWTH
/ ASSET MANAGEMENT

3rd Floor, Great Westerford
240 Main Road, Rondebosch
7700, South Africa
Private Bag X6, Newlands, 7725, South Africa
Tel: +27 21 659 5300 Fax: +27 21 659 5400
www.futuregrowth.co.za

A Member of OLDMUTUAL INVESTMENT GROUP