

# Investment Managers' Conference

## Bonds, Credit & Regulation 28 (& Cisca)

Andrew Canter

October 2011



# Agenda

- | Macro Comments & Europe?
- | Bonds & Regulation 28
- | Credit: What is it? How to manage it?
- | A “one trade” world

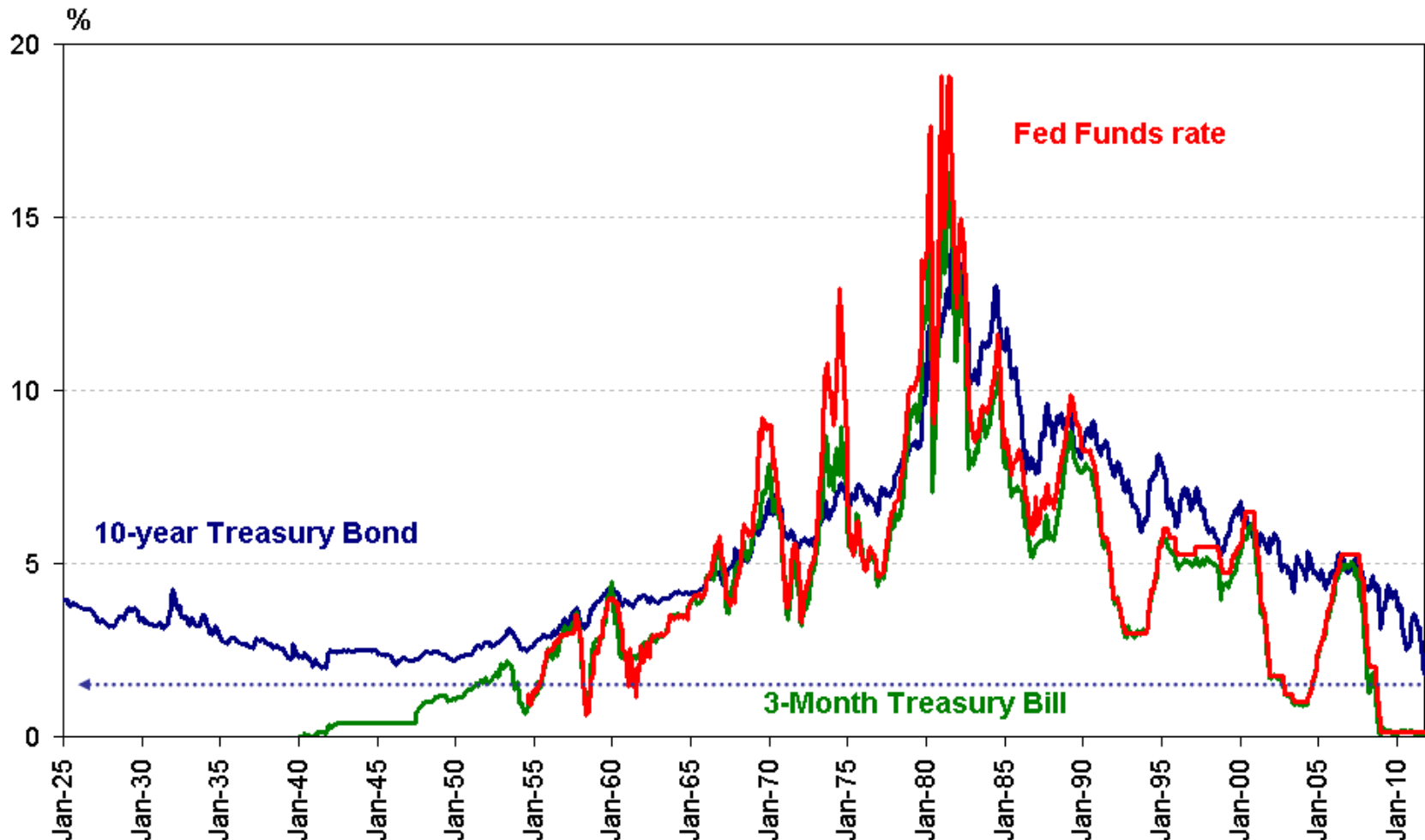
## A “one trade” world

- | Europe is driving sentiment, which is driving growth outlook...
- | ... equities = oil & commodities, bonds, EM currencies, etc.
- | You must choose: Are you an optimist or pessimist?

## Europe: Pessimism is overdone

- | African Solution: Eat the elephant in pieces (Dexia, Greece...)
- | “Haircuts”, term-out, “credit enhancement” + bank capital fund

# USA interest rates: Remaining bearish!



# What are our specialist areas?

## FUTUREGROWTH PRODUCTS & SERVICES

### SPECIALIST FIXED INCOME

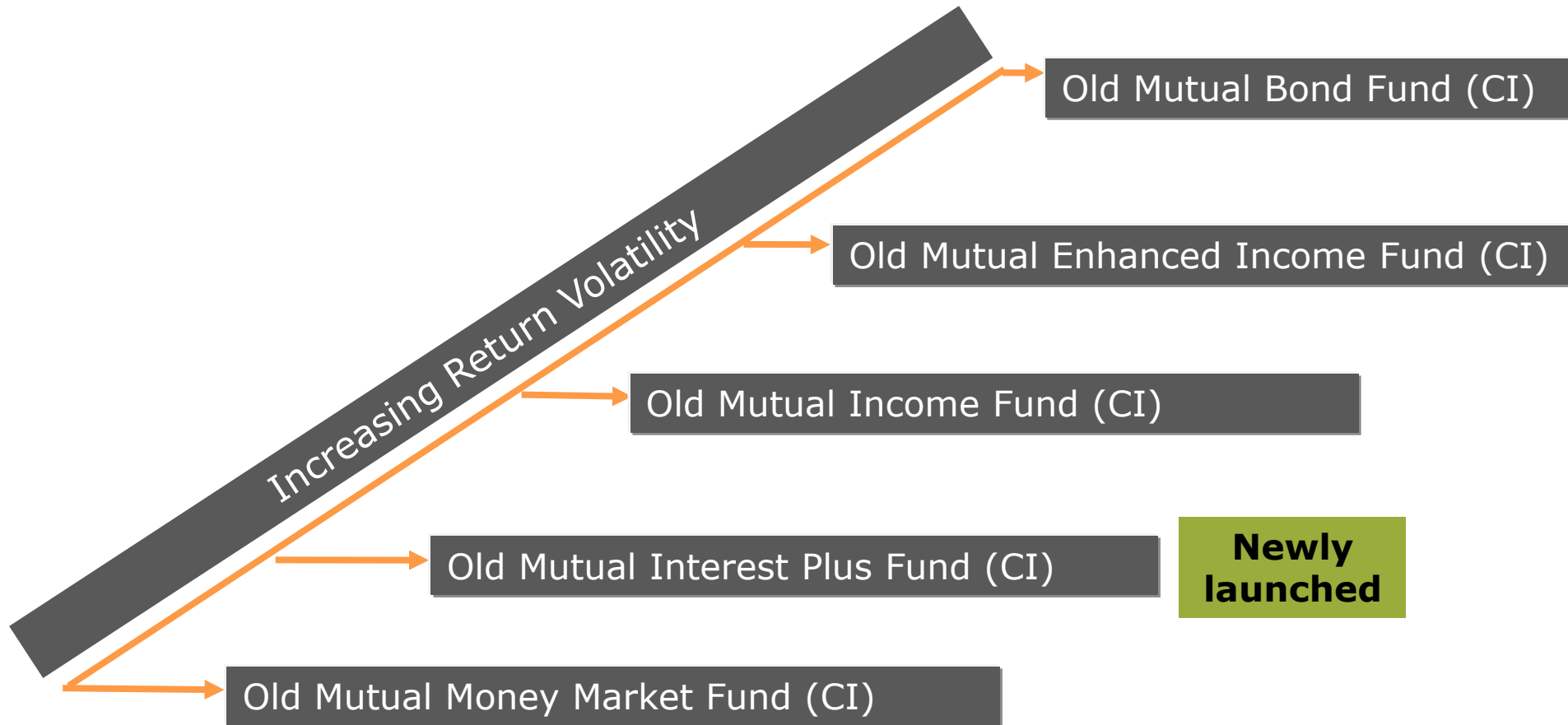
- | Core Money Market
- | Enhanced Money Market
- | Income
- | Inflation Linked Bonds
- | Passive Bonds
- | Core Bonds
- | Yield Enhanced Bonds
- | Flexible Income
- | Interest Rate Asset Allocation

### SRI PRODUCT SUITE

- | Infrastructure & Development
- | Bond
- | Community Property
- | Development Equity
- | SRI Balanced
- | Agri-Fund (in formation)

- | As at 30 September 2011 approx. AUM R103 billion in assets, with 45 staff
- | Currently SRI Funds of R9.2bn

# Futuregrowth Unit Trust product suite



## Reg 28: Diversity Rules (non-banks)

Debt Instruments (excluding governments and banks)		
	Issuer	Aggregate
	Limit	Limit
Debts of equity-listed entities	10%	<b>50%</b>
Listed debt	10%	50%
Unlisted debt	5%	25%
Other debt instruments	5%	<b>25%</b>
Listed debt	5%	25%
Unlisted debt	5%	12%
Overall debt limit (ex-governments)		<b>75%</b>

**Old Reg 28: 5% per issuer, 25% aggregate**

# Does “listed” mean anything?

**ASISA View: “Listing” is a regulatory hurdle -- should bring some additional protections and benefits.**

**Supportive of the JSE’s efforts.**

- | Reporting requirements
- | Sponsor obligations
- | Key protections in legal agreements: Move toward standardised DMTN?
- | Better control of placement processes
- | Better control of amendments and buy-backs/issues

## Does “listed” add value?

***“... neither directors, officers, employees or representatives and agents... give any representation, warranty or guarantee (express or implied) as to the accuracy, reliability or completeness of the statements and information contained in the presentation...”***

**ASISA view: Likely set of rules for each type of placement process, possibly a set of basic principles.**

## Reg 28: Diversity Rules (banks)

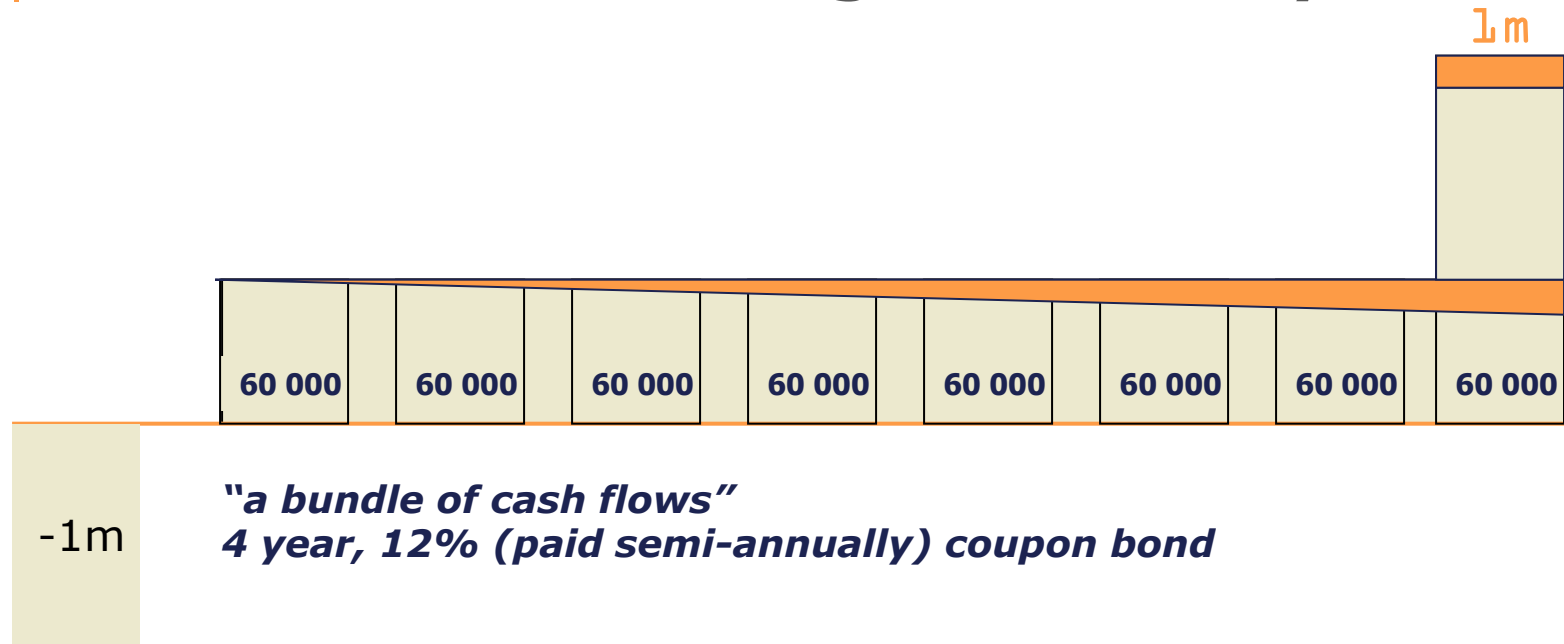
### Debt Instruments of Banks

	Issuer	Aggregate
	Limit	Limit
Debts issued by banks		<b>75%</b>
Listed banks (R20bn+)	25%	
Listed banks (R2-R20bn)	15%	
Listed banks (>R2bn)	10%	
Unlisted banks	5%	25%
Bank Money Market Instruments	25%	<b>100%</b>

**Old Reg 28: 20% per issuer,  
100% aggregate in deposits**

# Bonds in retirement funds

- | Bonds are used to match long-term liabilities...
- | ... and are a risk stabiliser.
- | But "Bond" & "Credit" now conflated.
- | The best we can do is get the money back



**Debt is about fear... Equity is about hope**

# All debt is not created equal...

...but debt is fragmented,  
conflicted and non-standard

***ASISA View: Bank loans  
have less defaults and  
higher recovery rates.***

**A share is a share is a share...**



**Access to  
cash flow  
& assets**

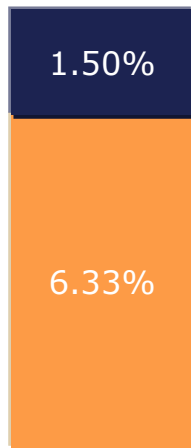
**Bonds get  
Paid first**

# Bonds & credit now linked

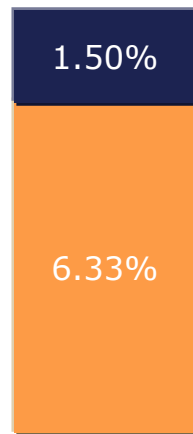
Government is risk free...

...credit is lending to someone who may not repay

...but you get paid for taking that risk



IPL4 03/2014 9.04%



BID01 08/2014 10.19%



Diversity is critical...

Legal system works for us...

22

Fcs. 500

£ 20

H604

# CONSEIL DE LA DETTE PUBLIQUE RÉPARTIE DE L'ANCIEN EMPIRE OTTOMAN

## RÉCÉPISSÉ PROVISOIRE AU PORTEUR N° 0,303,431

dé livré contre retrait d'une obligation unitaire d'un capital nominal de Frs. 500 ou £ 20 ou Ltqs. 22

### DE L'EMPRUNT OTTOMAN DETTE CONVERTIE UNIFIÉE 4%.

Conformément à la décision en date du 9 Juin 1933 de la Commission pour la répartition du capital nominal de la Dette Publique Ottomane, instituée par l'Article 49 du Traité de Lausanne, le présent récépissé a été délivré, contre retrait de l'obligation susvisée, par l'entremise de la Banque pour constater :

- a) que la quote-part de la Turquie a fait l'objet d'une émission spéciale; que les quotes-parts de l'Italie (Dodécanèse), de la Palestine, de l'Irak et des États du Levant sous Mandat français ont été entièrement amortis;
- b) et que, par suite de ces règlements, à la date d'émission du présent récépissé, le capital nominal non amorti de l'emprunt susvisé se trouve réduit aux montants indiqués dans le tableau ci-dessous, incombant aux Etats qui en sont les débiteurs à raison des montants énoncés en regard de chacun d'eux.

ETATS DÉBITEURS	Proportions %	Capital non amorti sur les 1.371.021 titres unitaires de l'emprunt susvisé restant en circulation à la date d'émission du présent récépissé.			Capital non amorti de chaque titre unitaire de l'emprunt susvisé.		
		Frs.	ou £	ou Ltqs.	Frs.	ou £	ou Ltqs.
GRÈCE	48,46	84.518.841	3.380.754	3.718.820	61,65	2,47	2,71
BULGARIE	7,75	13.518.659	540.746	594.821	9,86	0,40	0,44
YUGOSLAVIE	24,17	42.133.995	1.686.158	1.854.774	30,75	1,23	1,25
ALBANIE	7,27	12.677.818	507.113	557.824	9,25	0,37	0,41
TRANSJORDANIE (y compris le Caza de Maan)	2,88	5.024.250	200.970	221.067	3,66	0,14	0,16
HEDJAZ	5,01	8.736.682	349.467	384.414	6,37	0,25	0,28
ASSYR	0,08	152.295	6.092	6.701	0,11	0,01	0,01
YEMEN	3,95	6.887.250	275.490	303.039	5,02	0,20	0,22
NEDJD	0,43	752.677	30.099	33.109	0,55	0,02	0,02
<b>TOTAL</b>	<b>100,00</b>	<b>174.422.227</b>	<b>6.976.989</b>	<b>7.674.578</b>	<b>127,22</b>	<b>5,09</b>	<b>5,60</b>

Le présent récépissé provisoire est exclusivement émis pour constater les droits des porteurs des titres retirés de la circulation sur les Etats débiteurs indiqués ci-dessus. Ces Etats ne pourront procéder, par le rachat de ces récépissés, à l'amortissement du capital nominal à leur charge dans la Dette Ottomane. Le Conseil de la Dette, détenteur des titres ottomans retirés de la circulation, aura seul qualité pour procéder aux paiements ou autres opérations qui pourront être effectués au moyen du présent récépissé provisoire, en vue de l'application des Accords conclus avec les Etats pour le règlement de leurs quotes-parts dans la Dette Ottomane. Les coupons nos 1 à 12 attachés au présent récépissé serviront à constater les dits paiements ou opérations, dont les modalités seront portées, en temps utile, à la connaissance des porteurs, par des avis publiés par le Conseil de la Dette.

POUR CONTROLE,  
Par Délégation du Conseil :

*Vulliamy*

POUR LE CONSEIL DE LA DETTE PUBLIQUE RÉPARTIE DE L'ANCIEN EMPIRE OTTOMAN,

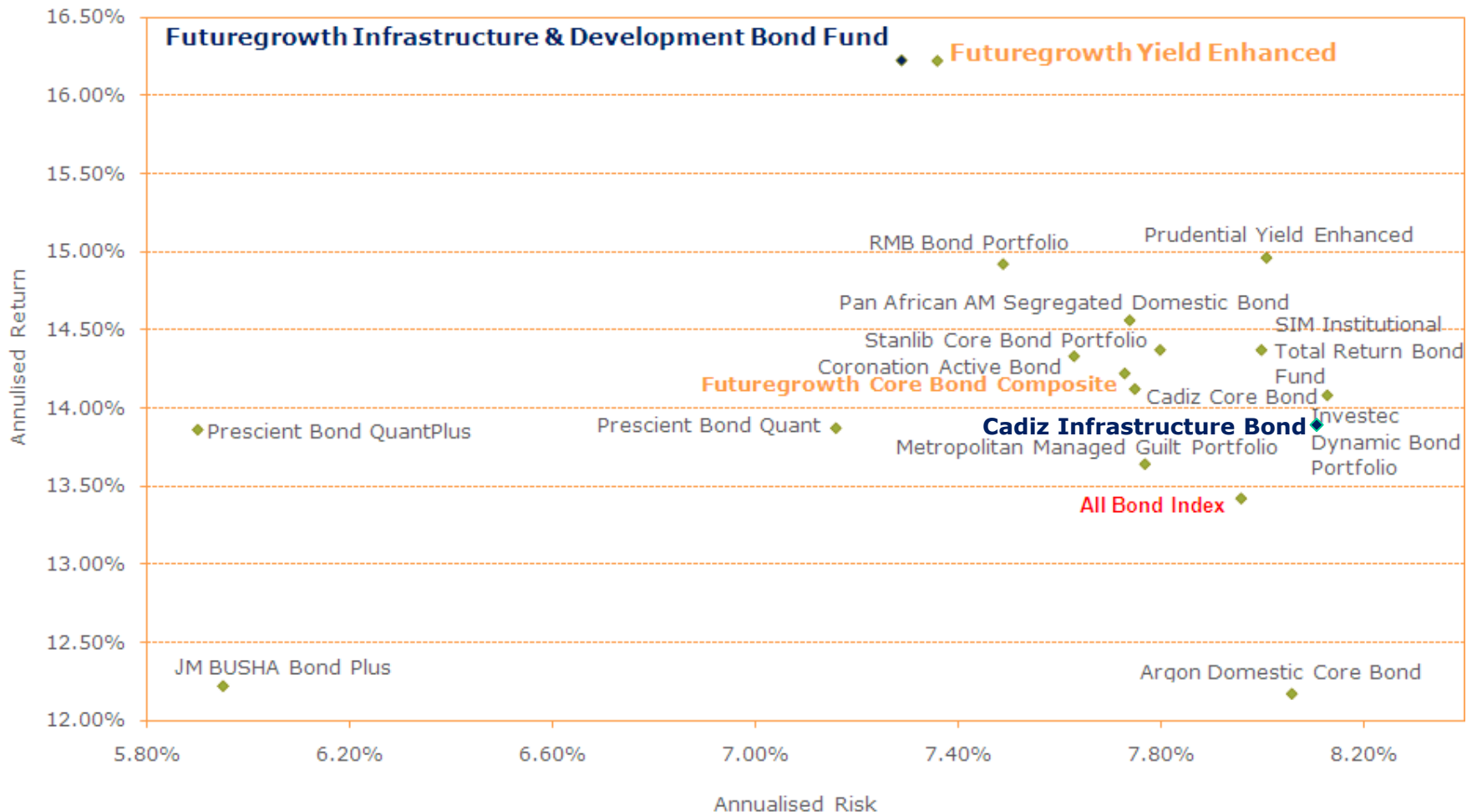
Le Président :



# Default in 1914... restructured in 1933!

# Credit: Competitive Returns

3 YEAR RISK VS RETURN GRAPH AS AT 30 JUNE 2011



# How to Manage a Credit Strategy

# A credit strategy

## | **Diversity, Diversity, Diversity**

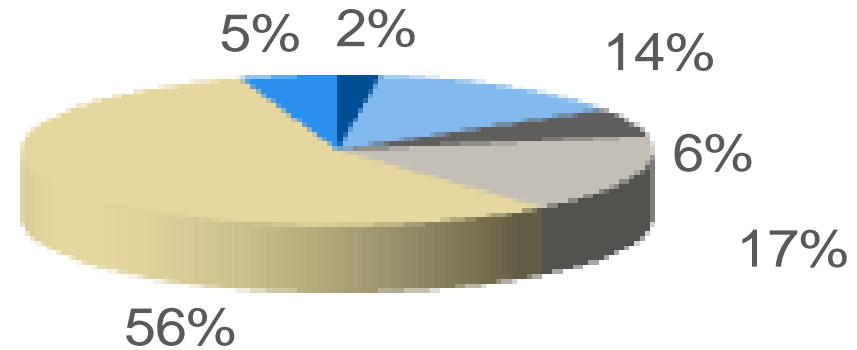
| Independent credit analysis... assign forward looking ratings

| Price for risk

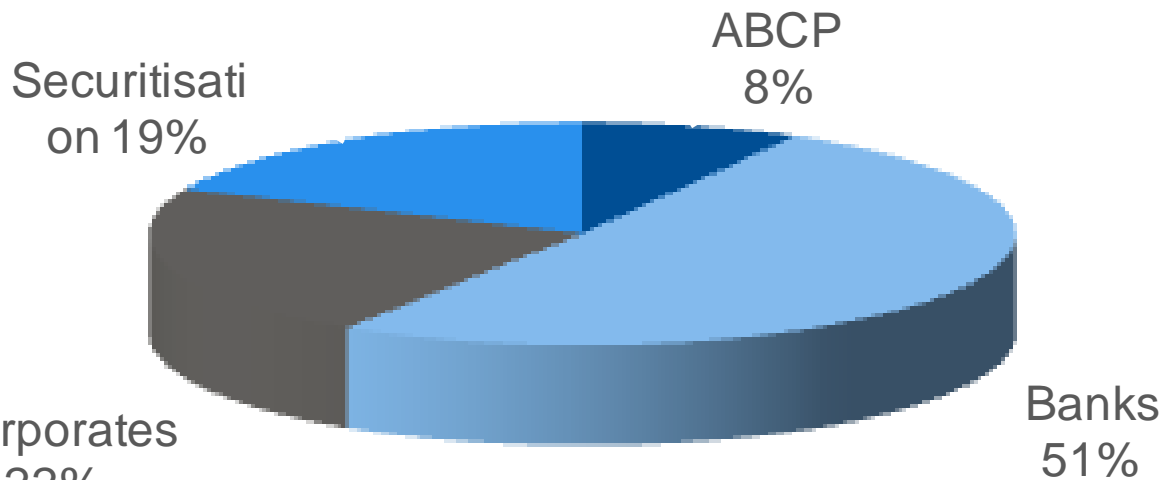
| Negotiate for rate and covenants/terms

# SA listed bond market: Lacking diversity

SA total listed bonds (including conduits) R 998 billion (7/2010)



■ ABCP      ■ Banks      ■ Corporates  
■ Parastatals      ■ Government      ■ Securitisation



Corporates

22%

■ ABCP

■ Banks

■ Corporates

Banks

51%

ABCP

8%

Securitisation  
on 19%

Source: BESA & ABSA Capital

R 260 billion is issuance, big exposure to the banking sector

# Old Mutual Bond Fund Unit Trust

## ISSUER ANALYSIS

### Credit Risk

Republic of South Africa	44.52%
Development Bank of SA Ltd	7.35%
ABSA Bank Ltd	5.14%
Transnet Ltd	4.32%
Standard Bank of South Africa Ltd	3.94%
SA National Roads Agency Ltd	3.62%
Sappi Manufacturing (Pty) Ltd	3.12%
Eskom Holdings Ltd	2.80%
Nedbank Ltd	2.65%
City of Cape Town	2.62%
City of Johannesburg	2.55%
Airports Company South Africa Ltd	2.05%
African Bank Ltd	1.92%
FirstRand Bank Ltd	1.19%
Capitec Bank Holdings Company Ltd	1.12%
Investec Bank Ltd	1.00%
Home Obligors Mortgage Enhanced Securities (Pty) Ltd	0.98%
Prime Realty Obligors Packaged Securities (Pty) Ltd-Series 2	0.97%
Momentum Group Ltd	0.95%
MTN Group Ltd	0.90%
Barloworld Ltd	0.85%
Omnia Holdings Ltd	0.81%
Group Five Construction (Pty) Ltd	0.69%
Ekurhuleni Municipality	0.61%
Toyota Financial Services (SA) (Pty) Ltd	0.60%
Metropolitan Life Ltd	0.49%
Cash	0.48%
Imperial Holdings Ltd	0.45%
Trans-Caledon Tunnel Authority	0.41%
Thekweni Fund 6	0.33%
Thekweni Fund 7	0.14%
Infrastructure Finance Corporation Ltd	0.11%
Ikhaya RMBS 2 Ltd	0.09%
Private Residential Mortgages (Pty) Ltd-Series 2	0.08%
Telkom SA Ltd	0.06%
Old Mutual Life Assurance Company (SA) Ltd	0.04%
SA Taxi Securitisation (Pty) Ltd	0.04%

# A credit strategy

- | Diversity, Diversity, Diversity
- | **Independent credit analysis... forward looking ratings**
- | Price for risk
- | Negotiate for rate and covenants/terms

# Where do more traffic accidents occur?

Traffic-circles  
(Roundabouts/Rotaries)

or

Traffic Lights  
(Robots/Stop Streets)

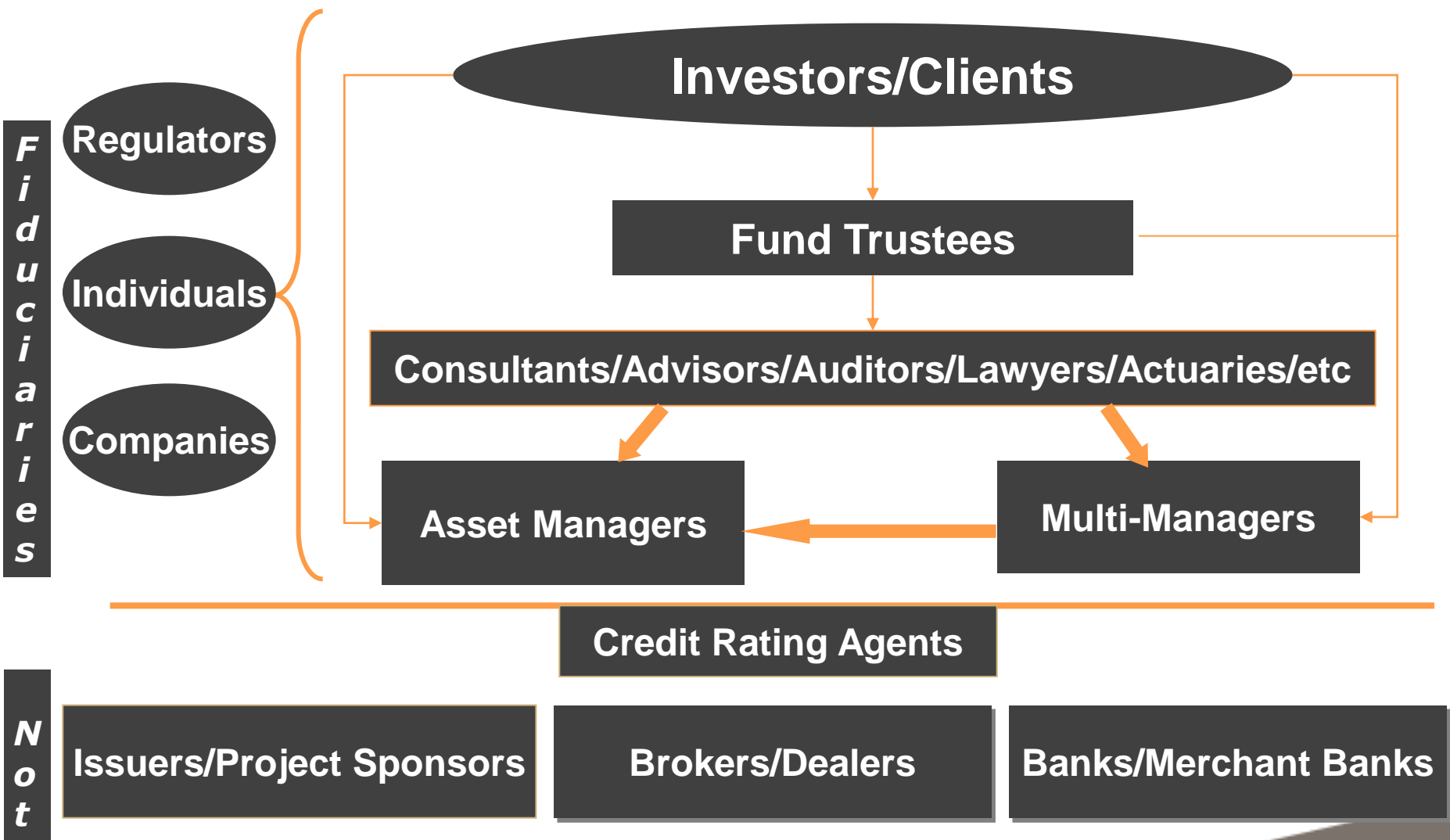


*Safer!*



**Credit Ratings: Fewer accidents when portfolio managers are paying attention!**

# The Fiduciary Chain & Credit Ratings Agents



## Ratings Agents: Continued Relevance?

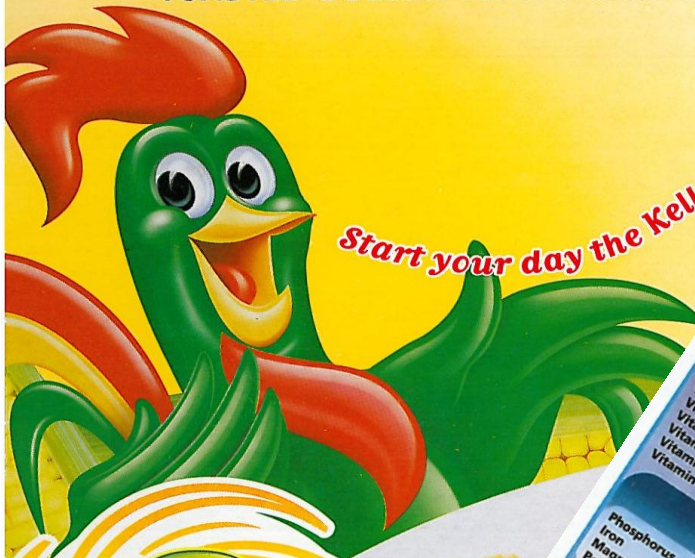
- | Gatekeeper for issuers to access public capital...
- | ... but not fiduciaries & not accountable
- | Credibility continues to degrade
- | Bring analytical skills and process
- | Solutions:
  - | Rescind regulatory oligopoly
  - | Lenders should be able to appoint or dismiss
  - | Issuer can not dismiss without lender approval
  - | Change payment model?

**ASISA view: CRAs have a role, and are part of market architecture. No agreement on path forward.**

# A+ Kellogg's®

# CORN FLAKES

TOASTED GOLDEN FLAKES MADE FROM REAL M



Start your day the Kellogg's® C

WITH **9**  
VITAMINS  
+ iron



Each 40 g serving contains

Kiljoules	Sugars	Fat	Saturates
605	2g	0.3g	0.1g
7%	2%	0%	0%

of an adult's guideline daily am

Futuregrowth  
ASSET MANAGEMENT  
RETURNS THAT MATTER

**OUR COMMITMENT TO YOU**  
Kellogg is committed to providing quality products. Should you not be entirely satisfied with this product, please let us know:  
✉ Kellogg Consumer Affairs  
Private Bag X16, Galo Manor, 2052  
Share Call number: 0860 200 601  
(0860-16h30)  
e-mail: consumer.sa@kellogg.com  
Website: www.kellogg.co.za

**INGREDIENTS • INGREDIENTS • INGREDIENTS**  
Corn, Sugar, Malt Extract (Barley), Salt, Vitamins A, C, B1, B2, B3, B6, B9, B12, B5 and Iron.  
Allergens: Barley.  
Maïs, Sucre, Extrait de Malt (Orge), Sel, Vitamines A, C, B1, B2, B3, B6, B9, B12, B5 et Fer.  
Allergènes: Orge.  
Milho, Açúcar, Extracto de Malte (Cevada), Sal, Vitaminas A, C, B1, B2, B3, B6, B7, B12, B5 e Ferro.  
Allergénios: Cevada.

**TYPICAL NUTRITION INFORMATION**  
Serving Size: 40 g (250 ml)  
Number of servings per pack: 12

	Per 100 g	Per 40 g serving	%RDA**
Energy	1511 kJ	605	
Protein	7.5 g	3.0	
Carbohydrate	76.5 g	30.6	
Sugars	2.0 g	0.8	
Starch	74.5 g	29.8	
Fat	0.3 g	0.1	
Saturates	0.1 g	0.04	
Monounsaturates	0.2 g	0.08	
Polysaturates	0.0 g	0.0	
Trans fatty acids	0.0 g	0.0	
Fibre	0.4 g	0.16	5%
Sodium*	898 mg	359	

**VITAMINS**

	µg RE	mg	25-30 grams per day**
Vitamin A	500	200	less than 2000mg per day**
Vitamin C	30	12	
Vitamin B1	0.7	0.3	20%
Vitamin B2	0.8	0.3	20%
Vitamin B3	9	3.6	20%
Vitamin B6	1	0.4	20%
Vitamin B9	0.5	0.2	20%
Vitamin B12	0.5	0.2	20%
Vitamin B5	1	0.9	15%

**MINERALS**

	mg	µg	20%
Phosphorus	40	15	
Iron	11	2.8	
Magnesium	7	4	
Potassium	110	44	

\* South African Prudent Dietary Goals  
\*\* RDA - Recommended Dietary Allowance for persons 10 years of age and older  
\* Sodium is expressed as salt on the front of pack

**Kellogg's® CORN FLAKES**

SERVING SUGGESTION

## **Reg 28 (and coming to CISCA) : Credit Ratings**

***"a fund may take credit ratings into account, but such credit ratings should not be relied on in isolation for risk assessment or analysis of an asset, and should not be to the exclusion of a fund's own due diligence..." (2.c.VII)***

**ASISA view: CRA analysis can be useful; Not entirely clear on the role of CRAs in future market architecture; Very happy with Reg28 change.**

# *Micro: Games in credit ratings*

- rate the issuer? rate the bond? don't rate either?  
 DC01 @ RSA+30 b.p.!: bank subordinated debt!
- which rating to use  
 RW01/02: is it "AA" or "A-"?; ABSA: is it "AA" or "AA-"?
- credit ratings/updates are behind the curve  
 Kiwane, Saambou, Unibank, BOE
- investors are weak on setting terms (covenants, indentures)

*ratings agents: important skills... but flawed business case??*

- who is rating the rating agent? staff counts, process, diligence?
- revenue source (issuer) creates irreconcilable conflict
- ability to attract and retain good analysts?

# Credit ratings analysis

## OLD MUTUAL BOND FUND UNIT TRUST

average rating	% Exposure
AAA+	49.67%
AAA	7.35%
AA+	1.05%
AA	0.98%
AA-	13.63%
A+	7.23%
A	3.96%
A-	13.40%
BBB+	2.72%
grand total	100.00%
weighted average rating: <b>AA+</b>	

# A credit strategy

- | Diversity, Diversity, Diversity
- | Independent credit analysis... forward looking ratings
- | **Price for risk**
- | Negotiate for rate and covenants/terms

# Price for risk: A credit pricing model

Six Factor pricing:

- | Credit rating/default probabilities
  - | Rating volatility
  - | Rating migration
  - | Recovery rate
  - | Term to maturity
  - | Liquidity
- (+ price for embedded options)

Output:

- | Objective required yield

# Old Mutual Bond Fund Unit Trust

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Eskom Holdings Ltd	2.80%
Nedbank Ltd	2.65%
City of Cape Town	2.62%
City of Johannesburg	2.55%
Airports Company South Africa Ltd	2.05%
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Telkom SA Ltd	0.06%
Old Mutual Life Assurance Company (SA) Ltd	0.04%
SA Taxi Securitisation (Pty) Ltd	0.04%

Listed	0.81%
Unlisted	0.02%
<b>Total</b>	<b>0.76%</b>

# CISCA changes will create opportunity

## INFRASTRUCTURE & DEVELOPMENT BOND FUND

### Credit Risk

Republic of South Africa	19.24%
Trans African Concessions (Pty) Ltd	7.24%
N3 Toll Concession (Pty) Ltd	6.28%
Jika Properties (Pty) Ltd	5.25%
Transnet Ltd	5.24%
City of Johannesburg	5.05%
African Bank Ltd	4.95%
Bayport Securitisation (Pty) Ltd	4.65%
Development Bank of SA Ltd	4.64%
SA National Roads Agency Ltd	4.22%
City of Cape Town	4.02%
Trust for urban housing finance (Pty) Ltd	3.15%
Komati Basin Water Authority	2.68%
Airports Company South Africa Ltd	2.53%
SA Taxi Securitisation (Pty) Ltd	2.40%
Capitec Bank Holdings Company Ltd	1.93%
Cash	1.74%
CareCross Health (Pty) Ltd	1.64%
Infrastructure Finance Corporation Ltd	1.25%
Rand Water Board	1.09%
Vodafone Holdings (SA) (Pty) Ltd	0.98%
Grindrod Terminal	0.97%
Trans-Caledon Tunnel Authority	0.86%
SA National Roads Agency Ltd -N1	0.85%
ABSA Bank Ltd	0.78%
Vodacom Group Ltd	0.71%
Eskom Holdings Ltd	0.63%
De Liefde Hoenders (Pty) Ltd	0.61%
SAFE Farm Ventures	0.56%
Company Unique Finance (Pty) Ltd	0.50%

### Credit Risk

RMB	0.47%
Jartal/Kempton Park Resident	0.47%
Kopane Investments (Pty) Lt	0.47%
Open Learning Holdings Ltd	0.47%
SA Infrastructure Fund	0.47%
Ekurhuleni Municipality	0.47%
Umgeni Water Board	0.47%
NURCHA	0.47%
SA Infrastructure Fund II	0.18%
Business Partners Ltd	0.18%
Circlevest Securitisation Pty (Ltd)	0.18%
Telkom SA Ltd	0.16%
Inhouse Finance Company (Pty) Ltd	0.13%
Afrimat Limited	0.09%
Aquaharvest Limited	0.06%
Standard Bank of South Africa Ltd	0.06%
HSBC Limited	0.05%
SAFEX	0.04%
Nedbank Ltd	0.04%
Thebe Cape Point Trust	0.04%
Raubex Group Ltd	0.02%
SA Infrastructure Fund I	0.02%
Bell Equipment Ltd	0.01%
IPSA Group Plc	0.00%
Credit Agricole Corporate and Investment Bank	0.00%
Societe Generale	0.00%
FirstRand Bank Ltd	0.00%
AIG African Infrastructure Fund	0.00%
Old Mutual Life Assurance Company (SA) Ltd	-0.59%

Listed	1.43%
Unlisted	3.87%
<b>Total</b>	<b>2.56%</b>

# A credit strategy

- | Diversity, Diversity, Diversity
- | Independent credit analysis... assign forward looking ratings
- | Price for risk
- | **Negotiate for rate and covenants/terms**

## Bond Market: Legals and Covenants

- | Legal review process is flawed: DMTNs are not suitably negotiated. Investor fragmented, CRAs abdicate...
- | Some basic covenants:
  - | Meaningful change-of-control protections
  - | Gearing covenants
  - | Interest cover covenants
  - | Meaningful negative pledge
- | Divide and conquer is coming to an end.

**ASISA Preliminary view: More engagement in legals by investors. By JSE? CRA? ASISA? Standardisation?**

# Fund seniority exposure

Instr Seniority	INFRASTRUCTURE & DEVELOPMENT BOND FUND	OLD MUTUAL UNIT TRUST BOND FUND
	Portfolio weight (%)	Portfolio weight (%)
Senior Unsecured	72.04%	89.64%
Senior Secured	16.69%	2.63%
Equity	8.14%	0.00%
Subordinated Secured	3.04%	0.04%
Subordinated	0.00%	0.00%
Subordinated Unsecured	0.09%	7.69%
<b>Grand Total</b>	100.00%	100.00%

| FGDBF: Senior debt of 88.73% and **19.73%** secured

| OM UT Bond: Senior debt of 95.84% and **32.44%** secured

# Merchant Bankers also aren't on our side...

## The millennium. Highlights of the final quarter.

ING Barings reports an exceptional record of transactions during the final quarter of the millennium. In 1783 we structured a supply contract to provision the British army in the War of American Independence. We went on to finance developments which helped to create the new infrastructure of Europe such as steam power, electricity and the telephone. For a quarter of a millennium ING Barings has been finding innovative solutions to the challenges of investment finance through applying expertise where it counts - in the field. We plan no change to this successful strategy during the next millennium. For further information, contact Malcolm Le May in London on +44 171 767 1999 or visit us at [www.ingbarings.com](http://www.ingbarings.com)

**1783**  
British Government  
£1.5 million  
5% Bonds  
Joint Lead Manager  
For provisions and stores for the British fighting in the War of American Independence

**Poor loan!**

**1802**  
Portuguese Government  
£1.2 million  
5% Bonds  
Joint Lead Manager  
For wartime reparation payments to France

**Bad Credit!**

**1816-17**  
French Government  
£1.5 million  
5% Bonds  
Sole Lead Manager  
For reparation payments to France after the 1793-1815 European Wars

**Sacre Bleu!**

**1909**  
Cristal Company  
£1.5 million  
5% Bonds  
Joint Lead Manager  
For infrastructure development, including construction of the Galea Bridge

**DEFAULTED!**

**1922-24**  
Societe Industrielle  
£4.5 million  
6% Bonds  
Joint Lead Manager  
For the improvement and extension of public utilities, including railways and canals

**DEFAULTED!**

**1961-62**  
Courtaulds Ltd.  
Hostile Bid Defence  
Adviser  
For the defence of a hostile bid from ICI Ltd.



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# Performance: Past & Future?

# Money Market performances

## AS AT 30 SEPTEMBER 2011

STeFI Mandates	Description	1 year	3 years	5 years
90 day core money market	Vanilla MM	6.13	8.37	9.30
90 day Unit Trust money market	Vanilla MM	6.18	8.43	9.39
180 day money market plus	Vanilla MM	6.44	8.67	9.47
Enhanced money market	Max 2 years more credit	7.13	8.99	9.75
Yield Enhanced STeFI+ AA	Medium term, conservative credit	8.07	n/a	n/a
Client aggressive money market	Medium term more credit. no derivatives	8.66	10.34	11.10
Yield Enhanced STeFI+ BBB	Medium term, more credit risk	9.79	n/a	n/a
Aggressive fixed interest	Medium term aggressive credit derivatives	11.98	12.35	n/a
<b>Benchmark: STeFI Composite</b>		<b>5.91</b>	<b>7.80</b>	<b>8.68</b>

# Bond performances

AS AT 30 SEPTEMBER 2011

Bond Mandates	Description	1 year	3 years	5 years
Passive Bond	Passive fund	5.88	10.02	9.04
Core Bond	60% listed investment grade	6.79	11.11	9.73
Unit Trust Core Bond	60% listed investment grade	6.39	11.00	9.77
Client Active Bond	Take more credit risk	6.87	11.21	9.92
Yield Enhanced Bond	95% investment grade, 50% unlisted	9.50	12.71	11.22
Infrastructure & Development Bond Fund	95% investment grade, 50% unlisted	9.50	12.81	11.64
<b>Benchmark: All Bond Index</b>		<b>5.92</b>	<b>10.04</b>	<b>9.02</b>

\*annualised/GIPS compliant

# Conclusions

- | Bonds remain a relatively low risk asset class
- | You already have credit in your fund
  - | Reg28 + market development means you'll have more.
- | Credit can provide sustainable & stable excess returns
- | Credit requires analysis and active management
- | Normal "equity" manager selection rules apply
- | Changes to debt market to improve liquidity and protections

# Futuregrowth wins...

## SRI INVESTMENTS AWARDS



# Disclaimer

PERFORMANCE Currency: ZAR. All performance is shown gross of investment management fees and, except for the year to date information, is annualised.

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COMPOSITE DESCRIPTION/BENCHMARK DESCRIPTION/DERIVATIVE EXPOSURE dependent on which funds performance is displayed.