

## Futuregrowth and Transnet locomotive loans

Published: 11 February 2021

Futuregrowth, acting for our investors, participated in the debt financing consortium for Transnet's locomotive procurement in November 2015.

The transaction was assessed by Futuregrowth's Credit team, and approved by Futuregrowth's Credit Committee, independently of any other funder's decision process. Futuregrowth earned no fees for participating in this loan and any fees or interest have accrued entirely to our clients' funds.

The loan we advanced was a floating-rate, fixed-term loan. Futuregrowth were neither aware of, nor party to, any subsequent swap transactions that were evidently undertaken between Nedbank, Regiments and Transnet. Our clients continue to receive floating-rate payments from Transnet. We first became aware of the alleged swap transactions in later media reports.

In addition to the reported swaps-related malfeasance, readers are reminded that this same transaction was also alleged to have been pillaged through over-payment for the locomotives. Along with the rest of South Africa, Futuregrowth only became aware of the allegations of the over-charges of billions of rand in mid-2017.

Originally, we were proud to invest our clients' funds into this important infrastructure project for South Africa. Sadly, that pride has been dented by the evident misappropriation of money surrounding the procurement of the locomotives and the reported background financial dealing. Thus, we are highly pleased that the alleged acts of corruption and malfeasance are being scrutinised and reported. We have actively cooperated with the investigations.

We applaud good journalism, would point to the societal benefits of a free and independent press, and refer readers to the *Daily Maverick's* articles of 8 February 2021 ([\*State Capture: The case against Nedbank\*](#)) and 1 June 2017 ([\*amaBhungane and Scorpio #GuptaLeaks: Guptas and associates score R5.3bn in locomotives kickbacks\*](#)).

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