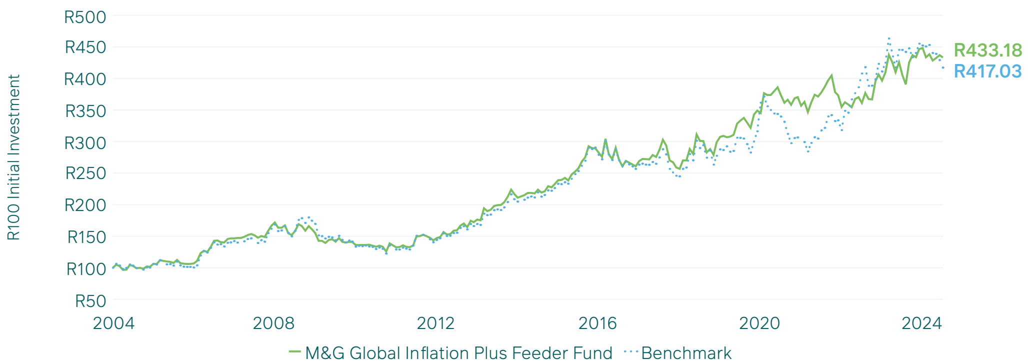
Fund Fact Sheet/MDD

M&G Global Inflation Plus Feeder Fund

Global Multi-asset ZAR-denominated

September 2024

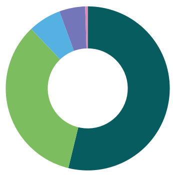
Since inception cumulative performance, distributions reinvested (A class)



Annualised performance	A class	Benchmark[1]	B class
1 year	6.8%	-6.3%	7.2%
3 years	4.6%	9.5%	5.0%
5 years	5.4%	6.4%	5.7%
7 years	6.1%	6.1%	6.4%
10 years	6.8%	6.6%	7.2%
20 years	7.5%	7.2%	-
Since inception	7.4%	7.2%	-

Returns since inception[2]	A class	Date
Highest annualised return	38.1%	28 Feb 2007
Lowest annualised return	-16.6%	30 Jun 2009

Asset allocation as at 30 Sep 2024



Foreign Bonds	53.8%
Foreign Equity	34.1%
Foreign Cash	6.5%
Foreign Property	5.1%
SA Cash	0.5%

Top holdings of the underlying fund as at 30 Sep 2024

1.	US Treasury Bill 101024	11.3%
2.	US 2 Year Treasury Note Future 1224	6.3%
3.	US Ultra Long T-Bond Future 1224	4.2%
4.	US Treasury Bond 2.25% 150252	3.1%
5.	US Dollar Cash	2.6%
6.	US Treasury Bill 090125	2.5%
7.	US 5 Year Treasury Note Future 1224	1.9%
8.	S&P 500 Index Future 1224	1.8%
9.	US Treasury Bond 3.375% 150842	1.7%
10.	US Treasury Inflation Index Bond 0.75% 150245	1.6%

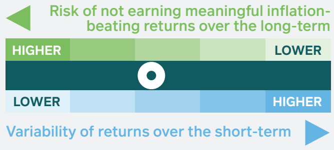
Risk measures	A class	Benchmark
Monthly volatility (annualised)	12.4%	14.2%
Maximum drawdown over any period	-26.8%	-31.9%
% of positive rolling 12 months	74.0%	73.2%
Information ratio	-0.4	n/a
Sortino ratio	-0.3	0.3
Sharpe ratio	-0.2	0.2

Investment options	A Class	B Class
Minimum lump sum investment	R10 000	R20 million
Minimum monthly debit order	R500 pm	n/a

Annual Management Fees (excl. VAT)	A Class	B Class
M&G[3]	0.50%	0.20%

Expenses (incl. VAT)	A Class	B Class
Total Expense Ratio (TER)	1.79%	1.44%
Transaction Costs (TC)[4]	0.11%	0.11%
Total Investment Charges (TIC)	1.90%	1.55%

Risk profile



Fund facts

Fund objective

The Fund is priced in rands and its objective, expressed in US dollar terms, is to outperform global inflation while aiming to preserve capital over the medium term.

Investor profile

Investors seeking to preserve the real value of their capital, in US dollar terms, by investing in a diversified portfolio of global assets. The recommended investment horizon is 3 years or longer. Since units are priced in rands, investors can invest without having to expatriate rands.

Investment mandate

The Fund is a feeder fund and, other than assets in liquid form and currency contracts, invests only in one fund – the M&G Global Inflation Plus Fund, a US dollar denominated fund domiciled in Ireland. Through this underlying fund, the Fund has exposure to a diversified portfolio that may include equity and property securities, cash, bonds and commodities. The Fund may invest up to 40% in equity securities (excl. property) and up to 25% in property securities.

Investment manager of the underlying fund

M&G Investment Management Ltd (UK)

Fund managers of the underlying fund

Craig Simpson
Aaron Powell

ASISA category

Global - Multi-Asset - Low Equity

Benchmark

Global inflation

Inception date

1 March 2004

Fund size

R176 295 205

Awards

Raging Bull: 2019, 2021

[1] The Fund's benchmark changed from the ASISA Global - Multi Asset - Low Equity Category Mean to Global Inflation on 1 November 2018.
[2] 12-month rolling performance figure
[3] Additional underlying foreign fund fees are dependent on the fund and are included in the TER
[4] Where a transaction cost is not readily available, a reasonable best estimate has been used. Estimated transaction costs may include Bond, Money Market, and FX costs (where applicable).

 Sources: M&G and Morningstar

M&G Global Inflation Plus Feeder Fund

Global Multi-asset ZAR-denominated

September 2024

Income Distributions[5]

	A Class		B Class	
	Total	12m yield	Total	12m yield
30 June 2024	0.00 cpu	0.00%	0.00 cpu	0.00%
31 December 2023	0.00 cpu	0.00%	0.00 cpu	0.00%

Fund commentary

Global equities as measured by the MSCI ACWI Index recorded a positive total return in September, boosted by a bumper rate cut in the US and a package of stimulus measures announced by China. US Treasuries and eurozone bonds also enjoyed gains on the back of rate cuts and the prospect of more to come. Most major stock markets started the month on the back foot, dragged lower by a sell-off in technology stocks and disappointing manufacturing and employment data out of the US. However, investor sentiment improved after US CPI fell to 2.5% y/y for August (down from 2.9% in July) and the US Federal Reserve (Fed) delivered a 50 bps interest rate cut – the first rate cut since March 2020. While a rate cut was widely anticipated, the magnitude of the cut came as a surprise. Fed officials expect the benchmark interest rate to drop another 50 basis points by the end of the year, and a full percentage point in 2025. In the UK, the BoE kept its Bank Rate at 5% at its September meeting, a decision that was largely anticipated as part of their efforts to bring CPI inflation back to the 2% target level. Monetary policy has been focused on eliminating persistent inflationary pressures to achieve this goal in a timely and sustainable manner. Turning to the Eurozone, CPI inflation dropped to 2.2% y/y in August, down from 2.6% in July. As anticipated, the ECB cut rates in September, reducing the interest rates on main refinancing operations and the marginal lending facility to 3.65% and 3.90%, respectively.

Towards the end of the month the People's Bank of China (PBOC) announced a raft of stimulus measures to shore yup a flailing economy, leading to a surge in Chinese and China-exposed stocks. The PBOC cut the rate on one-year medium-term lending facility (MLF) loans to some financial institutions to2% from 2.3%. China's August CPI inflation came in at 0.6%, below the forecasted 0.7%. China's economy is showing signs of a modest recovery, but a slow start to the second half of the year is increasing pressure on the world's second-largest economy to implement additional policies. Looking at global market returns in September (in US$), the MSCI All Country World Index delivered 2.4%, the Bloomberg Global Aggregate Bond Index returned 1.7%, while the FTSE EPRA/NAREIT Global REIT Index posted 3.3%. The rand strengthened 2.9% against the US dollar, 2.1% against the euro and 1.0% against the pound sterling.

Rand strength against the US dollar tempered performance in September. In US dollar terms, exposures to fixed income and equities were the main contributors to gains. Within equities, our core exposure to global equities identified using machine learning techniques was the main contributor to performance, supported by tactical positions. Within the core portfolio, much of the differentiated price action occurred in small and mid-cap names, with our gains from overweight allocation offsetting stock selection losses. In terms of sectors, our constrained portfolio construction led to marginal gains from consumer staples and healthcare stocks, and losses in information technology and consumer discretionary stocks. The core portfolio's overweight in China contributed to relative performance. In terms of our tactical positions, exposure to Asia ex Japan (particularly China and Hong Kong) was the main driver of returns. Gains in the fixed income allocation were mainly due to our core exposure. The core portfolio's overweight duration position has moved lower, with markets pricing in an aggressive easing cycle in the US, which would be more suited to a significant deterioration in economic growth. The Fed's ability to front load cuts may be limited by key event risks such as the US elections and escalating conflict in the Middle East, making the November meeting as uncertain as September. We continue to expect a slowdown in growth alongside a period of consistent monetary easing, however favour being long rates in countries such as the UK and Australia, where less has been priced in. To put the size of the US yield move and our positioning adjustment into perspective, the portfolio was 1.0 years long US duration at the end of June, and is 0.2 years long now. The 10-year Treasury yield has moved just over 60 bps lower over that period. The portfolio is neutral on EUR duration and long GBP and AUD. We have a preference for curve steepening trades, which are positive from a carry perspective. Activity wise, we switched some exposure out of German bunds and into Australian government bonds and carried out a relative value trade on the US Treasury curve. In emerging markets, from a duration perspective, the portfolio is broadly in line with the benchmark; the majority of overweight positions are in Latin America (Uruguay) as well as Indonesia. Given positive performance in Peru, the portfolio has reduced duration there. In terms of currency exposures, the portfolio's largest, active, single currency exposure is in the yen, which traded between the 140-145 level versus the dollar through most of September. In emerging market FX, the main long positions are in the Indonesian rupiah and select currencies across Latin America. In terms of our tactical positions, our holdings in US Treasuries were the main contributor to performance.

Glossary

12-month yield	A measure of the Fund's income distributions as a percentage of the Fund's net asset value (NAV). This is calculated by summing the income distributions over a rolling 12-month period, then dividing by the sum of the NAV at the end of the period and any capital gains distributed over the same period.
Annualised performance	The average amount of money (total return) earned by an investment each year over a given time period. For periods longer than one year, total returns are expressed as compounded average returns on a yearly basis.
Cumulative performance graph	This illustrates how an initial investment of R100 or N$100 (for example) placed into the Fund would change over time, taking ongoing fees into account, with all distributions reinvested.
Income distribution	The dividend income and/or interest income that is generated by the underlying Fund investments and that is periodically declared and distributed to investors in the Fund after all annual service fees.
Information ratio	Measures the Fund's active return (Fund return in excess of the benchmark) divided by the amount of risk that the manager takes relative to the benchmark. The higher the information ratio, the higher the active return of the Fund, given the amount of risk taken and the more consistent the manager. This is calculated over a 3-year period.
Maximum drawdown	The largest drop in the Fund's cumulative total return from peak to trough over any period.
Monthly volatility (annualised)	Also known as standard deviation. This measures the amount of variation or difference in the monthly returns on an investment. The larger the annualised monthly volatility, the more the monthly returns are likely to vary from the average monthly return (i.e. the more volatile the investment).
Percentage of positive rolling 12 months	The percentage of months, since inception, that the Fund has shown a positive return over a rolling 12-month period.
Sharpe ratio	The Sharpe ratio is used to measure how well the return of an asset compensates the investor for the risk taken. The higher the Sharpe ratio the better the Fund's historical risk-adjusted performance has been. This is calculated by taking the difference between the Fund's annualised return and the risk-free (cash) rate, divided by the standard deviation of the Fund's returns. This is calculated over a 3-year period.
Sortino ratio	This is calculated by taking the difference between the Fund's annualised return and the risk-free (cash) rate, divided by the downside deviation of the Fund's returns i.e. the "bad" volatility. A high Sortino ratio indicates a low risk of large losses occurring in the Fund. This is calculated over a 3-year period.
Total Expense Ratio (TER)	This shows the charges, levies and fees relating to the management of the portfolio and is expressed as a percentage of the average net asset value of the portfolio, calculated for the year to the end of the most recent completed quarter. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER cannot be regarded as an indication of future TERs.
Transaction Costs (TC)	The percentage of the value of the Fund incurred as costs relating to the buying and selling of the Fund's underlying assets. Transaction costs are a necessary cost in administering the Fund and impacts Fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of Fund, investment decisions of the investment manager and the TER.
Total Investment Charges (TIC)	The percentage of the value of the Fund incurred as costs, relating to the investment of the Fund. As fund returns are reported after deducting all fees and expenses, these costs (the TER, TC & TIC) should not be deducted from the fund returns.

[5] If the income earned in the form of dividends and interest exceeds the total expenses, the Fund will make a distribution (cpu = cents per unit).

Contact us

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Application forms

An electronic copy of this document is available at www.mandg.co.za

Disclaimer

Sources: M&G and Morningstar