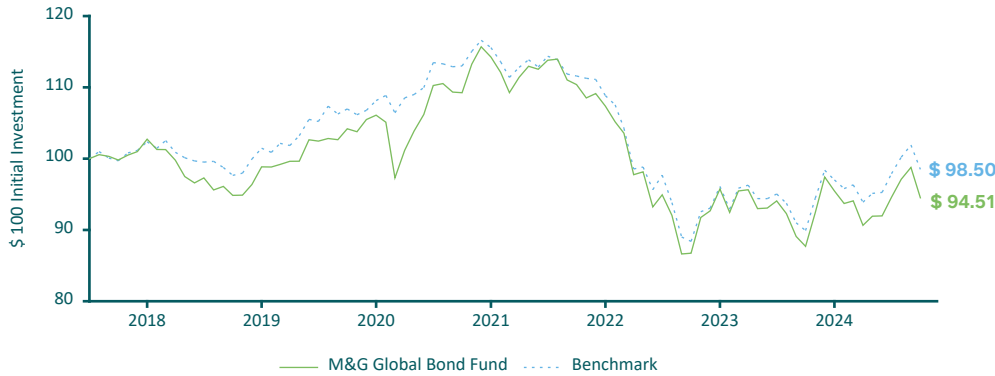


# M&G Global Bond Fund

Global Income USD-denominated

October 2024

## Since inception cumulative performance (B Class)



## Annualised performance

	B Class	Benchmark
1 year	7.8%	9.5%
2 years	4.4%	5.6%
3 years	-5.0%	-4.1%
5 years	-1.9%	-1.6%
7 years	-0.8%	-0.2%
Since inception	-0.8%	-0.2%

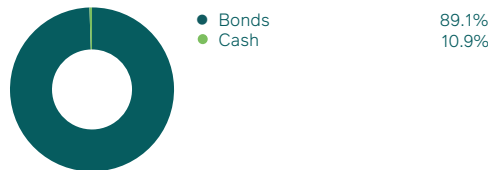
## Returns since inception<sup>1</sup>

	B Class	Date
Highest annualised return	12.3%	31 Mar 2021
Lowest annualised return	-22.0%	30 Sep 2022

## Top 10 holdings as at 30 September 2024

1.	US 2 Year Treasury Note Future 1224	13.8%
2.	US Treasury Inflation Index Bond 0.375% 150127	6.6%
3.	US Treasury Note 0.875% 300626	5.1%
4.	US Dollar Cash	4.4%
5.	US Treasury Bond 3.375% 150842	4.2%
6.	US 5 Year Treasury Note Future 1224	4.2%
7.	US Treasury Inflation Index Bond 0.75% 150245	3.3%
8.	Kreditanstalt fuer Wieder Bond 2.625% 100134	3.2%
9.	US Treasury Bill 171224	3.0%
10.	US Treasury Note 4.0% 150234	2.5%

## Asset allocation



## Risk measures

	B Class	Benchmark
Monthly volatility (annualised)	8.5%	6.8%
Maximum drawdown over any period	-25.1%	-24.2%
% of positive rolling 12 months	51.3%	55.3%

## Investment options<sup>2</sup>

	B Class
Minimum lump sum investment	\$2.5 million
Minimum additional investment	\$1 000
Minimum holding amount	\$10 000

## Annual management fees

	B Class
M&G Investments	0.60%

## Expenses

	B Class
Total Expense Ratio (TER)	0.72%
Transaction Costs (TC) <sup>3</sup>	0.00%
Total Investment Charges (TIC)	0.72%

## Transactional information

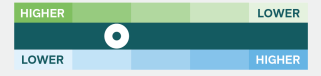
Dealing date:	Every business day
Settlement period:	3 business days after the relevant dealing date
Cut-off times:	14h00 (UK time)

## Investment code

Investment code	ISIN	Bloomberg
B Class	IE00BYQDDJ00	PRGLBBA ID

## Risk profile

◀ Risk of not earning meaningful inflation-beating returns over the long-term



## Fund facts

### Fund objective

The Fund's objective is to generate investment returns through exposure to global bonds and interest-bearing instruments over the medium term.

### Investor profile

Investors seeking returns from a diversified portfolio of global debt and fixed income securities. The recommended investment horizon is 2 years (or longer when used as strategic exposure to the asset class).

### Investment mandate

The Fund aims to achieve its investment objective by investing in a diversified portfolio of global debt and fixed income securities. The Fund may invest in other collective investment schemes and in financial derivative instruments.

### Investment manager

M&G Investment Management Limited (UK)

### Fund managers

Eva Sun-Wai  
Robert Burrows

### Morningstar category

Global Flexible Bond

### Benchmark

Bloomberg Global Aggregate Bond Index

### Inception date

9 June 2017

### Fund size

USD 189.8 million

### Currency

US Dollar

### Share type

Accumulation

### Domicile

Ireland

<sup>1</sup> 12-month rolling performance figure

<sup>2</sup> The minimums apply to direct investments into the Fund. Investors can also access the Fund via leading offshore investment platforms, in which case platform minimums apply

<sup>3</sup> 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).

# M&G Global Bond Fund

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## Other information

Alternative Investment Fund Manager (AIFM):	Waystone Management Company (IE) Limited
Distributor:	MandG Investments Unit Trusts (South Africa) (RF) Limited
Depository:	State Street Custodial Services (Ireland) Limited
Administrator:	State Street Fund Services (Ireland) Limited

## Fund commentary

October was a challenging month for global investors, marked by heightened volatility. A key development in October was a sizeable uptick in sovereign bond yields, as investors reined in their expectations for interest rate cuts in the months ahead. This created something of a headwind for equity markets, many of which ended the month in negative territory. The S&P 500 Index posted its first loss in six months and European shares were notably weak against a backdrop of subdued economic data and an escalating trade war with China. Economic divergence across major economies, mixed inflation and growth trends, and geopolitical tensions added to investor uncertainty. In the US, robust economic data at the start of the month led investors to dial back their expectations for future rate cuts. The US economy grew by 2.8% (annualised) in Q3, supported by strong consumer spending and government expenditure. US annual inflation printed at 2.4% in September, the lowest year-on-year figure since February 2021. Economists are forecasting 25 bps cuts from the US Federal Reserve in November and December. In the UK, CPI fell to 1.7% y/y, which has increased expectations for interest rate cuts by the Bank of England. However, fiscal concerns took centre stage, particularly due to proposed tax hikes and increased borrowing, which spooked investors and caused a sharp selloff in UK government bonds. Meanwhile, the IMF upgraded its GDP growth forecast for the UK from 0.7% to 1.1% for 2024, but fiscal policy remained a key point of concern. Turning to the Eurozone, annual inflation slowed to 1.7% in September, prompting the ECB to cut rates for the third time this year, saying that disinflation was "well on track".


In Asia, Chinese shares gave up some of their previous months' gains as the euphoria over a package of stimulus measures announced by the authorities lost some of its potency. China showed continued signs of economic stress, with annual inflation printing at a mere 0.4% in September, and Q3 GDP growth at just 4.6%, behind the 5% growth target. Deflationary pressures and weak domestic demand, compounded by ongoing issues in the property sector, left the outlook for China uncertain. The PBOC cut the rate on one- and five-year loan prime rate by 25bps, though market sentiment remained cautious. The Bloomberg Global Aggregate Bond Index returned -3.4% in October.

Over the month, the fund's overweight duration position was adjusted to neutral in anticipation of the US election at the beginning of November. Given the close nature of the election outcome, there is potential for significant volatility in fixed income markets. To manage this risk, we have adopted a low-risk stance, allowing us the flexibility to respond to market developments. The fund remains overweight in sterling duration, as yields continue to be attractive. Although the Budget announcement at the end of the month caused considerable volatility, we expect the macroeconomic environment to be the primary driver of yield direction, which we anticipate will trend lower over time. Additionally, we have retained an overweight position in Australia. In emerging markets, the fund's duration is aligned with the benchmark. The fund is overweight in select Latin American markets, including Peru, Uruguay, and Colombia, as well as Indonesia. The fund's largest active single currency exposure is in the yen, which weakened over October and remains very cheap relative to historical levels. Elsewhere, the fund ended the month with a near-neutral position in the US dollar ahead of the election, and short positions in both the euro and British pound. In emerging markets, the leading overweight currency is the Brazilian real, followed by the Indonesian rupiah.

## Glossary

<b>Accumulation class</b>	An accumulation class does not make income distributions. Income is accrued daily in the net asset value of the class.
<b>Annualised performance</b>	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.
<b>Cumulative performance graph</b>	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.
<b>Maximum drawdown</b>	The largest drop in the Fund's cumulative total return from peak to trough over any period.
<b>Monthly volatility (annualised)</b>	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).
<b>Percentage of positive rolling 12 months</b>	The percentage of months, since inception, that the Fund has shown a positive return over a rolling 12-month period.
<b>Total Expense Ratio (TER)</b>	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.
<b>Transaction Costs (TC)</b>	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.
<b>Total Investment Charges (TIC)</b>	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.
<b>Unit class</b>	M&G's funds are offered in different unit classes to allow different types of investors (individuals and institutions) to invest in the same fund. Different investment minimums and fees apply to different unit classes.

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## Disclaimer

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