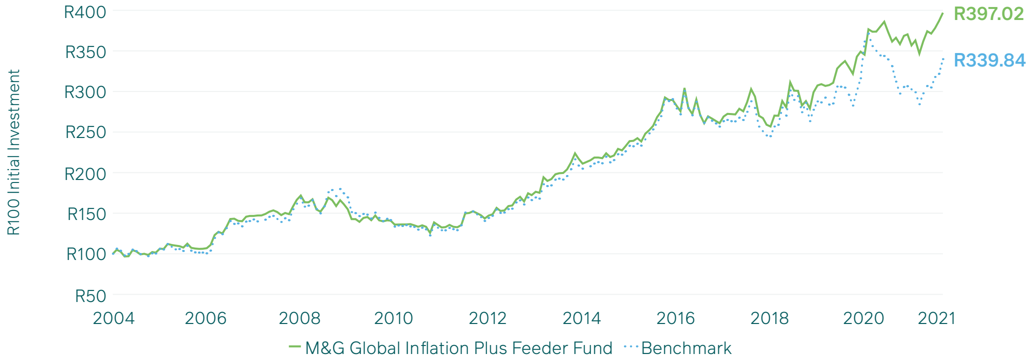
Fund Fact Sheet/MDD

M&G Global Inflation Plus Feeder Fund

Global Multi-asset ZAR-denominated

November 2021

Since inception cumulative performance, distributions reinvested (A class)



Annualised performance

Annualised performance	A class	Benchmark[1]	B class
1 year	8.4%	8.9%	8.8%
3 years	12.0%	7.4%	12.4%
5 years	8.1%	4.9%	8.4%
7 years	8.7%	6.7%	9.1%
10 years	10.0%	8.4%	-
Since inception	8.1%	7.2%	-

Returns since inception[2]

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

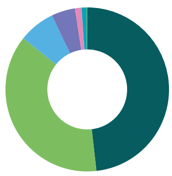
Top holdings of the underlying fund as at 30 Sep 2021

1.	iShares Global Aggregate Bond ETF	10.6%
2.	Eastspring Investments US Inv Grade Bond Fund	10.4%
3.	M&G European Corporate Bond Fund	8.0%
4.	Xtrackers S&P 500 ETF	7.3%
5.	Vanguard FTSE All World ETF	6.4%

Risk measures

Risk measures	A class	Benchmark
Monthly volatility (annualised)	12.4%	14.3%
Maximum drawdown over any period	-26.8%	-31.9%
% of positive rolling 12 months	74.1%	70.6%
Information ratio	0.4	n/a
Sortino ratio	1.1	0.2
Sharpe ratio	0.6	0.1

Asset allocation



- Foreign Bonds 48.2%
- Foreign Equity 37.5%
- Foreign Cash 7.2%
- Foreign Property 4.7%
- SA Bonds (ex. Inflation-linked Bonds) 1.3%
- SA Cash 1.0%
- SA Listed Property 0.1%

Investment options

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

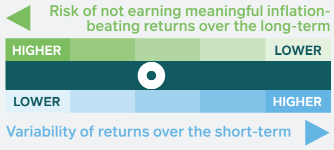
Annual Management Fees (excl. VAT)

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

Expenses (incl. VAT)

Expenses (incl. VAT)	A Class	B Class
Total Expense Ratio (TER)	1.54%	1.20%
Transaction Costs (TC)[4]	0.06%	0.06%
Total Investment Charges (TIC)	1.60%	1.26%

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

Marc Beckenstrater
Craig Simpson

ASISA category

Global - Multi-Asset - Low Equity

Benchmark

Global inflation

Inception date

1 March 2004

Fund size

R249 086 232

Awards

Raging Bull: 2019

[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 Investments

M&G Global Inflation Plus Feeder Fund

Global Multi-asset ZAR-denominated

November 2021

Income Distributions[5]

	A Class		B Class	
	Total	12m yield	Total	12m yield
30 June 2021	0.00 cpu	0.00%	0.00 cpu	0.00%
31 December 2020	0.00 cpu	0.00%	0.00 cpu	0.00%

Fund commentary

Global equity markets were broadly negative in November as investors worried over the potential impact the new Coronavirus variant, Omicron, will have on global growth. This came on top of stricter lockdowns imposed in Europe earlier in the month. Inflationary concerns remained a common theme in November, even as global bonds saw some support on the back of risk-off sentiment. In the US, the Federal Reserve (the Fed) announced it would begin reducing the pace of its monthly net asset purchases, suggesting that similar reductions in its emergency pandemic support programme may also be appropriate. The Fed noted that supply and demand imbalances - related to the slowdown in production during the pandemic and the increase in demand following the reopening of the economy - have contributed to sizeable price increases that are likely to linger well into next year. This, coupled with the emergence of the Omicron variant, has increased the risks to employment and economic activity, placing additional uncertainty around the inflationary outlook. The Fed stated that inflation should no longer be considered transitory, signalling the prospect of interest rate hikes in the near-term. In other news, the US economy expanded an annualised 2.1% q/q in Q3. In the UK, the Bank of England noted that it may become necessary to increase interest rates over the coming months to return inflation to the 2% target. Elsewhere in Europe, the European Central Bank (ECB) indicated that its monetary policy support to the economy would need to be reassessed and brought towards a more neutral configuration over time, considering its higher inflationary outlook. Policymakers noted that the uptick in inflation was largely driven by temporary factors that should fade over the course of 2022, but agreed that the recent price pressure may be more persistent than previously anticipated.

In China, disappointing earnings from tech stocks dragged the local index lower as the lingering impact of Beijing's regulatory crackdown weighed on the sector. Detracting further from investor sentiment was the prospect of renewed US/China tensions, after the US government blacklisted Chinese firms over allegations of helping its military's quantum-computing efforts. Meanwhile, Chinese regulators requested DiDi Global to delist from the New York Stock Exchange over data security concerns. Looking at global market returns (in US$), the MSCI All Country World Index delivered -2.4%, the Bloomberg Global Aggregate Bond Index returned -0.3%, while the FTSE EPRA/NAREIT Global REIT Index posted -1.6%. The rand depreciated 4.9% against the US dollar, 2.3% against the pound sterling and 3.2% against the euro.

Rand weakness against the US dollar boosted performance in November. In US dollar terms, exposures to European and Japanese equities were the main detractors from performance. With respect to fixed income, emerging market and corporate bonds dragged most heavily on returns, while US Treasuries contributed.

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.
Unit class	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. A Class: for individuals only. B & D Class: retirement funds and other large institutional investors only. X Class: the special fee class that was made available to investors that were invested in the Dividend Income Feeder Fund. T Class: for investors in tax-free unit trusts. F Class: for Discretionary Fund Managers.

[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

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Disclaimer

Sources: M&G and Morningstar